



February 8, 2019

**Quarterly Financial Results for the Fiscal Year Ending September 30, 2019 (J-GAAP)
(1st Quarter / October 1, 2018 - December 31, 2018)**

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, General Affairs, Finance & Accounting
 Telephone +81-(0)72-855-2225
 Scheduled date of filing Quarterly Report February 12, 2019

(Figures are rounded down to the nearest million yen)

1. Quarterly Consolidated Financial Results (October 1, 2018 to December 31, 2018)

(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	%
1st quarter ended Dec. 2018	14,086	10.9	1,532	2.9	1,580	3.9	1,122	46.2
1st quarter ended Dec. 2017	12,698	17.4	1,489	101.7	1,521	71.8	767	23.3

(Reference) Comprehensive Income (million Yen) 1st quarter ended Dec.2018: Δ97 1st quarter ended Dec.2017: 1,152

	Earnings per share	Diluted earnings per share
	Yen	Yen
1st quarter ended Dec. 2018	137.88	137.45
1st quarter ended Dec. 2017	93.84	93.46

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2018	59,343	36,182	60.8
As of Sep. 30, 2018	62,216	37,299	59.8

(Reference) Shareholders' Equity (million Yen) Dec. 2018: 36,093 Sep. 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)	—				
Year ended Sept. 2019 (forecast)		55.00	—	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
1st Half	26,500	(2.4)	2,200	(29.9)	2,200	(29.4)	1,600	(17.2)	195.38
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)

Dec. 2018: 8,615,269 shares Sept. 2018: 8,615,269 shares

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

Dec. 2018: 523,552 shares Sept. 2018: 423,532 shares

3) Average number of shares in the fiscal year

Dec. 2018: 8,140,638 shares Dec. 2017: 8,181,299 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 December 31, 2018
Assets		
Current Assets		
Cash and deposits	20,087	17,149
Notes and accounts receivable-trade	12,329	13,233
Finished goods	2,984	2,394
Work in process	2,861	3,458
Raw materials and supplies	2,026	1,829
Other	940	970
Allowance for doubtful accounts	(154)	(115)
Total Current Assets	41,074	38,919
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	17,067	16,861
Machinery, equipment and vehicles	11,113	10,846
Land	5,019	4,955
Construction in progress	193	148
Other	2,111	2,128
Accumulated depreciation and impairment loss	(17,493)	(17,184)
Total property, plant and equipment	18,012	17,756
Intangible assets		
Goodwill	71	59
Other	229	264
Total intangible assets	301	323
Investments and other assets		
Investment securities	1,874	1,271
Deferred tax assets	743	891
Other	218	188
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	2,828	2,344
Total Non-Current Assets	21,142	20,423
Total Assets	62,216	59,343

(Millions of Yen)

	As of September 30, 2018	As of December 31, 2018
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	6,718	6,018
Current portion of long-term loans payable	460	454
Accrued expenses	3,017	1,983
Income taxes payable	858	312
Advances received	4,861	5,516
Provision for bonuses	480	173
Provision for directors' bonuses	71	29
Provision for product warranties	782	799
Provision for point card certificates	61	54
Provision for loss on factory reconstruction	117	114
Other	1,760	2,099
Total Current Liabilities	19,191	17,555
Non-Current Liabilities		
Long-term loans payable	1,196	1,158
Provision for loss on factory reconstruction	86	86
Net defined benefit liability	4,177	4,077
Deferred tax liabilities	173	193
Other	91	90
Total Non-Current Liabilities	5,725	5,605
Total Liabilities	24,917	23,161
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,124	5,124
Retained earnings	22,901	23,532
Treasury stock	(1,870)	(2,402)
Total Shareholders' Equity	40,651	40,750
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	426	94
Deferred gains or losses on hedges	(71)	(44)
Foreign currency translation adjustment	(3,257)	(4,197)
Remeasurements of defined benefit plans	(534)	(509)
Total accumulated other comprehensive income	(3,436)	(4,656)
Subscription rights to shares	84	88
Total Net Assets	37,299	36,182
Total Liabilities and Net Assets	62,216	59,343

(2) Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2017 - Dec. 31, 2017	Oct. 1, 2018- Dec. 31, 2018
Net sales	12,698	14,086
Cost of sales	7,866	8,962
Gross profit	4,832	5,124
Selling, general and administrative expenses	3,343	3,592
Operating profit	1,489	1,532
Non-operating income		
Interest income	6	12
Dividend income	7	8
Equity in earnings of affiliates	10	29
Gain on valuation of derivatives	1	21
Other	26	14
Total non-operating Income	52	86
Non-operating expenses		
Interest expenses	3	21
Foreign exchange losses	2	2
Other	13	13
Total non-operating Expenses	19	38
Ordinary profit	1,521	1,580
Extraordinary income		
Gain on sales of non-current assets	8	33
Gain on sales of investment securities	—	5
Total extraordinary income	8	38
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	23
Total extraordinary loss	1	23
Income before income taxes	1,528	1,595
Income taxes	760	473
Net income	767	1,122
Profit attributable to owners of parent	767	1,122

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2017 - Dec. 31, 2017	Oct. 1, 2018 - Dec. 31, 2018
Net income	767	1,122
Other comprehensive income		
Valuation difference on available-for-sale securities	101	(332)
Deferred gains or losses on hedges	(12)	26
Foreign currency translation adjustment	299	(939)
Remeasurements of defined benefit plans, net of tax	(3)	25
Total other comprehensive income	384	(1,219)
Comprehensive income	1,152	(97)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,152	(97)
Comprehensive income attributable to minority interests	—	—