



**Financial Results for the Fiscal Year Ending September 30, 2021 (J-GAAP)
(October 1, 2020 - September 30, 2021)**

Company Name Hosokawa Micron Corporation
 Stock Exchange Listing Tokyo Stock Exchange
 Stock Code 6277 URL <https://www.hosokawamicron.co.jp>
 President Kohei Hosokawa
 Contact Tetsuya Inoue, Executive Vice President, Administrator
 Telephone +81-(0)72-855-2225
 Scheduled date of filing Yearly Report December 17, 2021

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results (October 1, 2020 to September 30, 2021)

(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	%
Fiscal Year ended Sept. 2021	60,754	13.6	6,370	33.0	6,574	31.3	4,699	41.7
Fiscal Year ended Sept. 2020	53,497	(3.4)	4,791	(19.0)	5,007	(17.9)	3,317	(20.7)

(Reference) Comprehensive Income (million Yen) Sept.2021: 6,230 Sept.2020: 4,469

	Earnings per share (basic)	Diluted earnings per share	Net income ratio per net equity	Ordinary profit ratio per total asset	Operating profit ratio per net sales
	Yen	Yen	%	%	%
Fiscal Year ended Sept. 2021	290.07	289.15	10.9	9.5	10.5
Fiscal Year ended Sept. 2020	204.96	204.19	8.6	8.0	9.0

(Reference) Equity in earnings (losses) of affiliates (million Yen) Sept. 2021: 123 Sept. 2020: 51

Note: The Company carried out a two-for-one stock split of common stock on October 1, 2021. Earnings per share and diluted earnings per share are calculated based on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sept. 30, 2021	73,119	45,939	62.7	2,828.71
As of Sept. 30, 2020	65,180	40,575	62.1	2,499.62

(Reference) Shareholders' Equity (million Yen) Sept. 2021: 45,844 Sept. 2020: 40,456

Note: The Company carried out a two-for-one stock split of common stock on October 1, 2021. Net assets per share is calculated based on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	From Operating Activities	From Investing Activities	From Financing Activities	Ending Cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Fiscal Year ended Sept. 2021	6,087	(2,613)	(1,687)	19,812
Fiscal Year ended Sept. 2020	3,990	(3,877)	94	17,310

2. Dividends

	Dividends 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. 2020	—	55.00	—	55.00	110.00	890	26.8	2.3
Year ended Sept. 2021	—	55.00	—	80.00	135.00	1,093	23.3	2.5
Year ended Sept. 2022 (forecast)	—	35.00	—	35.00	70.00		27.0	

Note 1: The Company carried out a two-for-one stock split of common stock on October 1, 2021. The actual amounts of dividends before the stock split are described for the fiscal year ended September 30, 2020 and the fiscal year ended September 30, 2021.

Note 2: The year-end dividend forecast for the fiscal year ended September 30, 2021, announced on August 6, 2021, has been revised. For details, please see "Notice on Dividends from Surplus," announced today.

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2022 (October 1, 2021 - September 30, 2022)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1st Half	32,500	17.6	3,000	17.5	3,000	11.3	2,200	14.0	135.74
Full Year	64,000	5.3	5,600	(12.1)	5,600	(14.8)	4,200	(10.6)	259.15

Note: The Company carried out a two-for-one stock split of common stock on October 1, 2021. Net income per share in the consolidated forecasts for the fiscal year ending September 30, 2022 is calculated in consideration of the effect caused after the stock split.

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 in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Number of shares outstanding (common stock)

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

Sept. 2021: 17,230,538 shares Sept. 2020: 17,230,538 shares

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

Sept. 2021: 1,023,490 shares Sept. 2020: 1,045,672 shares

3) Average number of shares in the fiscal year

Sept. 2021: 16,201,978 shares Sept. 2020: 16,185,640 shares

Note: The Company carried out a two-for-one stock split of common stock on October 1, 2021. 1), 2) and 3) are calculated based on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

* Cautionary statement

-This Yearly Financial Results Report ("TANSHIN") is out of scope of annual audit under Financial Instruments and Exchange Act of Japan.

-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, 2020	As of September 30, 2021
Assets		
Current Assets		
Cash and deposits	15,445	19,943
Notes and accounts receivable-trade	14,128	17,139
Securities	1,999	—
Finished goods	2,188	2,575
Work in process	3,965	3,534
Raw materials and supplies	1,885	2,338
Other	1,126	1,834
Allowance for doubtful accounts	(182)	(176)
Total Current Assets	40,557	47,189
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	20,321	21,648
Machinery, equipment and vehicles	11,863	12,763
Land	4,989	5,916
Construction in progress	529	126
Other	2,335	2,574
Accumulated depreciation & Impairment Loss	(18,357)	(20,127)
Total property, plant and equipment	21,681	22,901
Intangible assets		
Goodwill	184	172
Other	410	561
Total intangible assets	595	734
Investments and other assets		
Investment securities	1,418	1,516
Deferred tax assets	769	683
Other	179	115
Allowance for doubtful accounts	(20)	(19)
Total investments and other assets	2,347	2,295
Total Non-Current Assets	24,623	25,930
TOTAL ASSETS	65,180	73,119

(Millions of Yen)

	As of September 30, 2020	As of September 30, 2021
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	6,538	8,144
Current portion of long-term loans payable	426	144
Accrued expenses	2,543	3,142
Income taxes payable	906	396
Advances received	4,345	6,815
Provision for bonuses	525	591
Provision for directors' bonuses	72	63
Provision for product warranties	678	645
Other	1,988	1,618
Total Current Liabilities	18,024	21,562
Non-Current Liabilities		
Long-term loans payable	1,772	1,310
Net defined benefit liability	4,323	3,407
Deferred tax liabilities	383	780
Other	100	119
Total Non-Current Liabilities	6,580	5,617
Total Liabilities	24,605	27,180
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,122	5,121
Retained earnings	28,719	32,528
Treasury stock	(2,399)	(2,350)
Total Shareholders' Equity	45,939	49,796
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64	195
Deferred gains or losses on hedges	44	(12)
Foreign currency translation adjustment	(4,949)	(3,526)
Remeasurements of defined benefit plans	(642)	(607)
Total accumulated other comprehensive income	(5,483)	(3,951)
Subscription rights to shares	113	90
Non-controlling interests	5	4
Total Net Assets	40,575	45,939
Total Liabilities and Net Assets	65,180	73,119

(2) Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2019 - Sept. 30, 2020	Oct. 1, 2020- Sept. 30, 2021
Net sales	53,497	60,754
Cost of sales	34,139	39,190
Gross profit	19,357	21,564
Selling, general and administrative expenses	14,566	15,193
Operating profit	4,791	6,370
Non-operating income		
Gain on valuation of derivatives	46	22
Interest income	62	48
Dividend income	26	24
Equity in earnings of affiliates	51	123
Foreign exchange gains	1	—
Other	74	72
Total non-operating Income	263	291
Non-operating expenses		
Interest expenses	28	37
Foreign exchange losses	—	37
Other	19	12
Total non-operating Expenses	47	87
Ordinary profit	5,007	6,574
Extraordinary income		
Gain on sales of non-current assets	7	2
Gain on sales of investment securities	5	15
Total extraordinary income	13	17
Extraordinary loss		
Loss on sales and retirement of non-current assets	64	5
Loss on sales of investment securities	—	29
Loss on valuation of investment securities	30	—
Extra retirement payment	39	—
Total extraordinary loss	135	34
Income before income taxes	4,885	6,557
Income taxes - current	1,348	1,451
Income taxes – deferred	217	407
Total income taxes	1,565	1,859
Net income	3,319	4,698
Profit (loss) attributable to non-controlling interests	2	(1)
Profit attributable to owners of parent	3,317	4,699

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2019- Sept. 30, 2020	Oct. 1, 2020 - Sept. 30, 2021
Net Income	3,319	4,698
Other comprehensive income		
Valuation difference on available-for-sale securities	(37)	131
Deferred gains or losses on hedges	68	(57)
Foreign currency translation adjustment	966	1,422
Remeasurements of defined benefit plans	152	34
Total other comprehensive income	1,150	1,531
Comprehensive income	4,469	6,230
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,467	6,231
Comprehensive income attributable to non-controlling interests	2	(1)

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2019 - Sept. 30, 2020	Oct. 1, 2020 - Sept. 30, 2021
Cash flows from operating activities;		
Income before income taxes	4,885	6,557
Depreciation and amortization	1,393	1,607
Amortization of goodwill	15	20
Increase (decrease) in allowance for doubtful accounts	34	(15)
Increase (decrease) in provision for bonuses	50	66
Increase (decrease) in provision for product warranties	(68)	(61)
Increase (decrease) in provision for point card certificates	(37)	—
Increase (decrease) in provision for loss on factory reconstruction	(86)	—
Increase (decrease) in net defined benefit liability	(71)	49
Contribution to retirement benefit trust	—	(1,000)
Interest and dividends income	(89)	(72)
Interest expenses	28	37
Equity in (earnings) losses of affiliates	(51)	(123)
Loss (gain) on valuation of derivatives	(46)	(22)
Loss (gain) on sales and retirement of non-current assets	56	3
Decrease (increase) in notes and accounts receivable-trade	(266)	(2,532)
Decrease (increase) in inventories	(446)	(93)
Increase (decrease) in notes and accounts payable-trade	(709)	1,385
Increase (decrease) in advances received	(333)	2,229
Decrease (increase) in advance payments - trade	456	(673)
Increase (decrease) in accrued expenses	(38)	462
Other	46	170
Sub total	4,720	7,995
Interests and dividends income received	89	172
Interest expenses paid	(28)	(37)
Income taxes paid	(790)	(2,043)
Net cash provided by (used in) operating activities	3,990	6,087
Cash flows from investing activities;		
Payments into time deposits	(112)	(198)
Proceeds from withdrawal of time deposits	70	210
Proceeds from redemption of securities	1,000	—
Purchase of property, plant and equipment	(4,053)	(2,539)
Proceeds from sales of property, plant and equipment	45	14
Purchase of intangible assets	(196)	(228)
Purchase of investment securities	(104)	(4)
Proceeds from sales of investment securities	18	130
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(542)	—
Other	(2)	3
Net cash provided by (used in) investing activities	(3,877)	(2,613)
Cash flows from financing activities;		
Proceeds from long-term loans payable	1,199	—
Repayment of long-term loans payable	(196)	(759)
Purchase of treasury shares	(4)	(5)
Cash dividends paid	(890)	(890)
Repayments of lease obligations	(14)	(31)
Net cash provided by (used in) financing activities	94	(1,687)
Effect of exchange rate change on cash and cash equivalents	328	715
Net increase (decrease) in cash and cash equivalents	536	2,502
Cash and cash equivalents at beginning of period	16,774	17,310
Cash and cash equivalents at end of period	17,310	19,812