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**HOSOKAWA MICRON CORPORATION**



August 8, 2025

## Consolidated Financial Results for the Third Quarter Ended June 30, 2025 (Japanese GAAP)

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 Stock Exchange Listing Tokyo Stock Exchange  
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 Scheduled date of dividend payment: -  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

(Figures are rounded down to the nearest million yen)

### 1. Quarterly Consolidated Financial Results (October 1, 2024, to June 30, 2025)

#### (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	%
3rd quarter ended June. 2025	58,298	(6.6)	5,688	(3.2)	6,212	(6.0)	4,294	8.4
3rd quarter ended June. 2024	62,407	10.9	5,875	18.6	6,607	27.3	3,960	2.9

(Reference) Comprehensive Income (million Yen) 3rd quarter ended June.2025: 6,628 {(18.8%)}

3rd quarter ended June.2024: 8,159 {12.6%}

	Earnings per share	Diluted earnings per share
	Yen	Yen
3rd quarter ended June. 2025	290.06	289.47
3rd quarter ended June. 2024	263.71	262.92

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June. 30, 2025	99,970	66,374	66.3
As of Sept. 30, 2024	98,071	61,623	62.8

(Reference) Shareholders' Equity (million Yen) June. 2025: 66,329 Sept. 2024: 61,540

### 2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Sept. 2024 (actual)	—	50.00	—	70.00	120.00
Year ended Sept. 2025 (actual)	—	60.00	—		
Year ended Sept. 2025 (forecast)				60.00	120.00

Note: Revisions of the forecast dividends since the latest announcement: None

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2025  
(October 1, 2024 - September 30, 2025)

(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
Full Year	83,000	(2.8)	6,500	(21.5)	6,900	(25.3)	5,100	(8.6)	344.96

Note: Revisions of the Consolidated forecast since the latest announcement: None

4. Others

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

(2) Adoption of simplified accounting treatment for quarterly closing: Yes

Note: For details, please refer to "Note to Quarterly Consolidated Financial Statement" on page 11 of the attachment

(3) Changes in accounting treatment for quarterly consolidated financial statement:

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of shares outstanding (common stock)

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

As of June 30, 2025	15,730,538	shares
As of September 30, 2024	15,730,538	shares

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

As of June 30, 2025	916,850	shares
As of September 30, 2024	946,096	shares

3) Average number of shares in the fiscal year

As of June 30, 2025	14,805,324	shares
As of September 30, 2024	15,020,194	shares

\* Review of the Japanese-language original of the attached consolidated quarterly financial statement by certified public accountants or audit firm: None

\* 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.

## Contents of Attachments

1. Qualitative Information on the Financial Results for the quarterly period	4
(1) Overview of Operating Results	4
(2) Overview of Financial Positions	5
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	5
2. Quarterly Consolidated Financial Statements and Major Notes	6
(1) Quarterly Consolidated Balance sheets	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
Quarterly Consolidated Statements of Income	8
Quarterly Consolidated Statements of Comprehensive income	9
(3) Quarterly Consolidated Statements of Cash Flows	10
(4) Notes to Quarterly Consolidated Financial Statements	11
Matters related to the assumption of going concern	11
Significant change in the amount of shareholders' equity	11
Significant change in the scope of consolidation	11
Adoption of the special accounting methods on quarterly consolidated financial statements	11
Change in accounting policies	11
Segment information and other	12
Significant subsequent events	13

## 1. Qualitative Information on the Financial Results for the quarterly period

### (1) Overview of Operating Results

During the nine months ended June 30, 2025 (October 1, 2024, to June 30, 2025), the global economy showed a growing downward trend due to the influence of the U.S. trade policy under the Trump administration. Additionally, the escalating tensions in the Middle East and rising crude oil prices emerged as new risks. Consequently, global demand for goods stagnated, and sluggish capital investment growth was observed in advanced economies such as Japan and Europe, as well as in China. In this economic environment, the consolidated operating results during this third quarter were as follows.

(Millions of yen)

	Third quarter 2024	Third quarter 2025	Incremental amounts	Year on Year (%)
Orders received	63, 573	58, 989	(4, 583)	(7. 2)
Backlog of orders	57, 592	47, 581	(10, 010)	(17. 4)
Sales	62, 407	58, 298	(4, 109)	(6. 6)
Operating profit	5, 875	5, 688	(186)	(3. 2)
Ordinary profit	6, 607	6, 212	(395)	(6. 0)
Profit attributable to owners of parents	3, 960	4, 294	333	8. 4

Orders received were lower compared to the previous fiscal year in both powder and blown films due to the postponement trends by decision-makers for large projects. As a result of the decrease in volume of orders received, net sales also declined. However, the decrease in operating profit remained constant owing to improvement in the gross profit margin and efforts to reduce expenses. Although business structure improvement expense oversea is recognized as an extraordinary loss, profit attributable to owners of parents have increased due to a lower impairment loss recorded as an extraordinary loss than in the same period of the previous year.

Business results by segments are as follows.

(Powder related business)

This business is a core business of the Hosokawa Micron Group, which manufactures and sells grinding and classifying equipment, mixing and drying equipment for the global market, air pollution control equipment, dust collectors for product collection, and precision air conditioning control equipment for the Japanese market, and provides toll processing services for fine powders. It also includes the development and commercialization of new materials, mainly composite nanoparticles for the Japanese market.

There have continued to be delays in contracts for large projects whereas there is generally strong demand for the overall. Amid this environment, the maintenance service business maintained stable performance. For equipment and systems, overall performance remained sluggish aside from some improvement in the pharmaceutical sector during the third quarter. Although delivery lead times have reverted to pre-Corona levels, revenue declined due to a lower backlog of orders at the beginning of the period and a year-on-year decrease in new orders received during this term.

We have established production bases in Japan, the U.S., and Europe for our powder-related business regarding U.S. trade policy. We expect the overall effect to be limited, while certain export projects to the U.S. signed before the implementation of the Trump-era tariffs may have a minor impact on earnings. Additionally, for projects discussed after the tariffs became a concern, we have made efforts to mitigate the impact through price adjustments to customers or contracts conditioned to avoid tariff exposure.

As the result of this, orders received are ¥ 43,611 million (6.4% decrease versus the pervious same period), backlog of orders is ¥ 36,873 million (12.0% decrease versus the pervious same period), and net sales are ¥ 43,026 million (12.9% decrease versus the previous same period). Profit for the segment is ¥ 4,776 million (19.3% decrease versus the previous same period).

(Blown film-related business)

This business develops, manufactures, and sells various types of high-performance blown film equipment from single to multiple layers. Orders received during the third quarter were roughly on par with those of the latest second quarter, due to strong demand from the United States, our primary market. However, orders received for the current third quarter declined year-on-year since order levels in the third quarter of the previous fiscal year were exceptionally high. On the other hand, shipments progressed smoothly, resulting in increased revenue.

Regarding U.S. trade policy, we export major equipment—ranging from extruders to winding machines—produced in Germany to our U.S. sales subsidiary in our plastic blown film-related business. There, we procure ancillary equipment such as control panels domestically in the U.S. before selling the final products to end customers. All our competitors offering comparable products are European companies and are subject to similar tariff impacts. However, compared to these competitors, our group has a higher proportion of U.S.-sourced components, which means the monetary impact of tariffs is lower for us, giving us a comparative advantage. While we are working to pass on tariff-related costs to our customers through price adjustments, we remain concerned that tariffs may influence customers' capital investment decisions going forward.

As the result of this, orders received are ¥15,378 million (9.5% decrease versus the previous same period), backlog of orders is ¥10,707 million (31.8% decrease versus the previous same period), and net sales are ¥15,272 million (17.3% increase versus the previous same period). Profit for the segment is ¥2,019 million (76.8% increase versus the previous same period)

## (2) Overview of Financial Positions

Total assets at June 30, 2025, amounted to ¥99,970 million, an increase of ¥1,898 million compared to the fiscal year ended September 30, 2024. This was primarily attributable to increases in property, plant and equipment. Total liabilities were ¥33,596 million, a decrease of ¥2,851 million compared to the fiscal year ended September 30, 2024. This was primarily attributable to decreases in notes and accounts payable-trade.

Net assets were ¥66,374 million, an increase of ¥4,750 million compared to the fiscal year ended September 30, 2024. This was primarily attributable to increases in retained earnings and foreign currency translation adjustment.

(Cash Flow)

The balance of cash and cash equivalents increased ¥1,703 million from the fiscal year ended September 30, 2024, to a total of ¥28,699 million. A summary of each cash flow and major factor are as follows.

(Operating Cash Flow)

Operating cash flow was ¥7,150 million, an increase of ¥2,629 million versus the previous same period.

This was mainly due to increases in income before income taxes.

(Investing Cash Flow)

Net investing activities used ¥4,103 million in cash, a decrease of ¥2,258 million versus the previous same period, primarily due to purchase of property, plant, and equipment and purchase of securities.

(Financing Cash Flow)

Net financing activities used ¥2,280 million in cash, a decrease of ¥590 million versus the previous same period mainly due to payment in dividends to shareholders.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Consolidated financial results forecast for the fiscal year ending September 30, 2025 are unchanged from the consolidated financial forecasts announced on May 9, 2025.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of Yen)

	As of September 30, 2024	As of June 30, 2025
Assets		
Current Assets		
Cash and deposits	27,420	29,476
Notes and accounts receivable-trade, and contract assets	21,449	18,128
Electronically recorded monetary claims - operating	1,240	664
Securities	—	1,000
Finished goods	3,146	3,974
Work in process	4,933	4,491
Raw materials and supplies	4,853	3,976
Other	1,963	3,091
Allowance for doubtful accounts	(398)	(468)
Total Current Assets	64,608	64,335
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	27,379	29,201
Machinery, equipment and vehicles	17,541	19,153
Land	7,150	7,356
Construction in progress	792	1,576
Other	3,953	4,344
Accumulated depreciation and impairment loss	(27,740)	(30,338)
Total property, plant and equipment	29,075	31,294
Intangible assets		
Goodwill	128	116
Other	669	641
Total intangible assets	798	758
Investments and other assets		
Investment securities	2,655	2,713
Deferred tax assets	812	739
Other	121	127
Total investments and other assets	3,589	3,581
Total Non-Current Assets	33,463	35,634
Total Assets	98,071	99,970

(Millions of Yen)

	As of September 30, 2024	As of June 30, 2025
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	8,706	6,784
Electronically recorded obligations - operating	1,649	1,409
Current portion of long-term loans payable	323	166
Accrued expenses	4,862	4,960
Income taxes payable	1,185	1,033
Contract liabilities	8,584	8,539
Provision for bonuses	721	349
Provision for directors' bonuses	82	38
Provision for product warranties	872	976
Provision for share awards	27	29
Other	2,653	2,703
Total Current Liabilities	29,669	26,990
Non-Current Liabilities		
Long-term loans payable	1,286	1,163
Provision for share awards	12	16
Net defined benefit liability	3,224	3,258
Deferred tax liabilities	1,243	1,243
Other	1,012	923
Total Non-Current Liabilities	6,778	6,605
Total Liabilities	36,447	33,596
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	3,220	3,205
Retained earnings	42,128	44,494
Treasury stock	(2,877)	(2,774)
Total Shareholders' Equity	56,967	59,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	734	794
Deferred gains or losses on hedges	33	73
Foreign currency translation adjustment	4,174	6,393
Remeasurements of defined benefit plans	(369)	(354)
Total accumulated other comprehensive income	4,572	6,907
Subscription rights to shares	83	44
Total Net Assets	61,623	66,374
Total Liabilities and Net Assets	98,071	99,970

## (2) Quarterly Consolidated Statements of Income and Comprehensive income

### Quarterly Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2023 - June. 30, 2024	Oct. 1, 2024 - June. 30, 2025
Net sales	62,407	58,298
Cost of sales	40,556	37,708
Gross profit	21,851	20,590
Selling, general and administrative expenses	15,976	14,901
Operating profit	5,875	5,688
Non-operating income		
Interest income	442	398
Dividend income	91	78
Equity in earnings of affiliates	135	63
Foreign exchange gains	24	—
Gain on valuation of derivatives	67	45
Other	41	81
Total non-operating Income	802	666
Non-operating expenses		
Interest expenses	14	13
Foreign exchange losses	—	39
Litigation expenses	—	68
Nondeductible consumption tax	44	—
Other	11	21
Total non-operating Expenses	70	142
Ordinary profit	6,607	6,212
Extraordinary income		
Gain on sales of non-current assets	3	1
Other	0	—
Total extraordinary income	4	1
Extraordinary losses		
Loss on sales and retirement of non-current assets	191	5
Loss on development of system	900	—
Impairment losses	156	—
Business structure improvement expenses	—	277
Total extraordinary loss	1,248	282
Income before income taxes	5,364	5,931
Income taxes	1,403	1,637
Net income	3,960	4,294
Profit attributable to owners of parent	3,960	4,294



Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2023 - June. 30, 2024	Oct. 1, 2024 - June. 30, 2025
Net income	3,960	4,294
Other comprehensive income		
Valuation difference on available-for-sale securities	380	60
Deferred gains or losses on hedges	(45)	40
Foreign currency translation adjustment	3,854	2,219
Remeasurements of defined benefit plans, net of tax	7	15
Total other comprehensive income	4,198	2,334
Comprehensive income	8,159	6,628
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,159	6,628
Comprehensive income attributable to non-controlling interests	—	—

### (3) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2023 - June 30, 2024	Oct. 1, 2024 - June 30, 2025
Cash flows from operating activities;		
Income before income taxes	5,364	5,931
Depreciation and amortization	1,698	1,689
Impairment losses	156	—
Loss on development of system	900	—
Amortization of goodwill	18	18
Increase (decrease) in allowance for doubtful accounts	34	45
Increase (decrease) in provision for bonuses	(357)	(383)
Increase (decrease) in provision for directors' bonuses	(43)	(46)
Increase (decrease) in provision for product warranties	(133)	57
Increase (decrease) in net defined benefit liability	(4)	(67)
Increase (decrease) in provision for share awards	(11)	6
Interest and dividends income	(533)	(476)
Interest expenses	14	13
Equity in (earnings) losses of affiliates	(135)	(63)
Loss (gain) on valuation of derivatives	(67)	(45)
Loss (gain) on sales and retirement of non-current assets	187	4
Decrease (increase) in notes and accounts receivables-trade, and contract assets	2,186	4,761
Decrease (increase) in inventories	(1,725)	1,002
Increase (decrease) in notes and accounts payable-trade	(1,432)	(2,541)
Increase (decrease) in contract liabilities	389	(353)
Decrease (increase) in advance payments- trade	(409)	(550)
Increase (decrease) in accrued expenses	406	(123)
Other	(215)	(218)
Sub total	6,285	8,660
Interests and dividends income received	633	576
Interest expenses paid	(14)	(13)
Income taxes paid	(2,383)	(2,072)
Net cash provided by (used in) operating activities	4,521	7,150
Cash flows from investing activities;		
Payments into time deposits	(568)	(869)
Proceeds from withdrawal of time deposits	362	514
Proceeds from redemption of securities	1,000	—
Purchase of securities	—	(1,000)
Purchase of property, plant and equipment	(2,329)	(2,662)
Purchase of intangible assets	(315)	(87)
Other	4	0
Net cash provided by (used in) investing activities	(1,845)	(4,103)
Cash flows from financing activities;		
Repayment of long-term loans payable	(116)	(280)
Purchase of treasury stocks	(0)	(1)
Cash dividends paid	(1,507)	(1,930)
Repayments of lease liabilities	(65)	(68)
Net cash provided by (used in) financing activities	(1,689)	(2,280)
Effect of exchange rate change on cash and cash equivalents	1,840	936
Net increase (decrease) in cash and cash equivalents	2,827	1,703
Cash and cash equivalents at beginning of period	25,689	26,995
Cash and cash equivalents at end of period	28,517	28,699

#### **(4) Notes to Quarterly Consolidated Financial Statements**

(Matters related to the assumption of going concern)

There is no applicable information.

(Significant change in the amount of shareholders' equity)

Hosokawa Micron Corporation (hereafter referred to as "the Company") resolved, at a meeting of the Board of Directors held on November 21, 2024 to file a proposal regarding reduction of capital surplus at the Annual General Meeting of Shareholders held on December 17, 2024, and the proposal was approved at its meeting. As the result of the transfer to other capital surplus, the legal capital surplus was reduced by ¥3,000 million on February 28, 2025.

(Significant change in the scope of consolidation)

There is no applicable information.

In addition, significant change in the scope of consolidation is not applicable as follows.

The Company absorbed Hosokawa Micron Cosmetics Corporation on October 1, 2024, which resulted in exclusion of the scope of consolidation.

(Adoption of the special accounting methods on quarterly consolidated financial statements)

The company, its domestic consolidated subsidiaries, and certain foreign consolidated subsidiaries calculate the tax expense by multiplying the reasonably estimated tax rate by the income before income taxes.

However, the effective statutory tax rate is used when the reasonably estimated tax rate results in an unreasonable tax expense.

(Change in accounting policies)

Application of "Accounting Standard for Current Income Taxes", etc.

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022 and other relevant standards from the beginning of the first quarter of the current fiscal year.

With regard to revisions to categories for recording current income taxes (taxation on other comprehensive income), the Company complies with the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment stipulated in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting"(ASBJ Guidance No. 28, October 28, 2022). These changes in the accounting policy do not affect the quarterly consolidated financial statements.

## (Segment information and other)

## I-1 Information about reported segment profit or loss (from Oct. 1, 2023 to June 30, 2024)

(Millions of yen)

	Reportable segment			Adjustments (*1)	Consolidated total (*2)
	Powder	Blown Film	Total		
Sales					
Outside customer	49,392	13,015	62,407	—	62,407
Intersegment	42	0	42	(42)	—
Total Sales	49,434	13,015	62,449	(42)	62,407
Segment profit (loss)	5,921	1,142	7,064	(1,188)	5,875

(\*1) Adjustments to segment profit (loss) were ¥ (1,188) million and comprised mainly corporate expenses not allocated to reportable segments.

(\*2) Segment profit (loss) was adjusted to conform with operating profit.

## I-2 Information about impairment loss of non-current assets and goodwill by reportable segment.

(Significant impairment loss on fixed assets)

Regarding the powder-related business, the fixed assets that Hosokawa Solids Solutions GmbH (HSS) holds have been written down to the recoverable amounts due to the decision that the land and building should be sold. As a result, it has recognized impairment loss of ¥ 156 million as extraordinary expense. In addition, the software in progress that Hosokawa Alpine Aktiengesellschaft(HAAG) recorded have been written down to the recoverable amount due to consideration of new enterprise system. It has recognized impairment loss of ¥ 116 million as an extraordinary expense, which is included in loss on development of system.

In all assets not allocated to reportable segments, the software in progress that the Company recorded has been written down to the recoverable amounts due to consideration of introducing new enterprise resource systems. As a result, it has recognized impairment loss of ¥568 million as extraordinary expense, which is included in loss on development of system.

## II-1 Information about reported segment profit or loss (from Oct. 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segment			Adjustments (*1)	Consolidated total (*2)
	Powder	Blown Film	Total		
Sales					
Outside customer	43,026	15,272	58,298	—	58,298
Intersegment	48	—	48	(48)	—
Total Sales	43,074	15,272	58,346	(48)	58,298
Segment profit (loss)	4,776	2,019	6,796	(1,107)	5,688

(\*1) Adjustments to segment profit (loss) were ¥ (1,107) million and comprised mainly corporate expenses not allocated to reportable segments.

(\*2) Segment profit (loss) was adjusted to conform with operating profit.

## II-2 Information about impairment loss of non-current assets and goodwill by reportable segment

There is no applicable information.

## (Significant subsequent events)

### (Acquisition of Treasury Stocks)

At the Board of Directors meeting held on August 8, 2025, the Company has resolved to acquire its treasury stocks under Article 156, as applied pursuant to paragraph 3, Article 165 of the Companies Act of Japan.

#### 1 Reasons for the Acquisition of Treasury Stocks

The Company has set a goal to maintain its total return ratio of 50% or above as part of its management efforts to remain mindful of the cost of capital and stock price. This initiative aims to enhance capital efficiency and return more profit to shareholders.

#### 2 Details of Acquisition

(1) Class of stocks to be acquired	Common stocks of the Company
(2) Total number of stocks to be acquired	Up to 400,000 stocks (2.7% of total number of issued stocks (excluding treasury stocks))
(3) Total amount of stocks acquisition costs	Up to 1 billion yen
(4) Acquisition period	August 12, 2025 to March 31, 2026
(5) Method of acquisition	Market purchase on the Tokyo Stock Exchange