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HOSOKAWA MICRON CORPORATION



November 7, 2025

Consolidated Financial Results for the Fiscal Year Ended September 30, 2025 (Japanese GAAP)

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 Scheduled date of annual general meeting of shareholders: December 18, 2025
 Scheduled date of dividend payment: December 19, 2025
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 Preparation of supplementary material on financial results: Yes
 Financial results briefing session: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results (October 1, 2024 to September 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	%
Fiscal Year ended Sept. 2025	77,994	(8.7)	7,051	(14.8)	7,715	(16.5)	4,527	(18.9)
Fiscal Year ended Sept. 2024	85,432	7.4	8,279	4.0	9,241	10.7	5,580	(6.5)

(Reference) Comprehensive Income (million Yen) Sept.2025: 8,475 {64%} Sept.2024: 5,169 {(47.8)%}

	Basic earnings per share	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. 2025	306.09	305.88	7.0	7.7	9.0
Fiscal Year ended Sept. 2024	371.99	370.89	9.3	9.5	9.7

(Reference) Equity in earnings (losses) of affiliates (million Yen) Sept. 2025: 78 Sept. 2024: 181

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sept. 30, 2025	102,734	67,219	65.4	4,589.71
As of Sept. 30, 2024	98,071	61,623	62.8	4,162.50

(Reference) Shareholders' Equity (million Yen) Sept. 2025: 67,174 Sept. 2024: 61,540

(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. 2025	9,499	(3,680)	(3,343)	31,084
Fiscal Year ended Sept. 2024	7,305	(3,011)	(2,753)	26,995

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. 2024 (actual)	—	50.00	—	70.00	120.00	1,792	32.3	3.0
Year ended Sept. 2025 (actual)	—	60.00	—	60.00	120.00	1,772	39.2	2.7
Year ended Sept. 2026 (forecast)	—	65.00	—	65.00	130.00		36.6	

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2026 (October 1, 2025 - September 30, 2026)

(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	38,500	0.1	3,000	(16.1)	3,200	(18.8)	2,400	(10.8)	163.98
Full Year	78,500	0.6	7,000	(0.7)	7,400	(4.1)	5,200	14.9	355.29

4. Others

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

(2) 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

(3) Number of shares outstanding (common stock)

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

As of September 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 September 30, 2025	1,094,550	shares
As of September 30, 2024	946,096	shares

3) Average number of shares in the fiscal year

As of September 30, 2025	14,791,642	shares
As of September 30, 2024	15,001,741	shares

(Reference) Overview of individual performance
Individual performance (from Oct. 1, 2024 to Sept. 30, 2025)

(1) Individual Operating Performance

	Net Sales		Operating profit		Ordinary profit		Net income	
	million(¥)	%	million(¥)	%	million(¥)	%	million(¥)	%
Fiscal Year ended Sept. 2025	16,441	(1.4)	2,971	9.6	4,490	13.2	3,686	46.0
Fiscal Year ended Sept. 2024	16,668	3.3	2,710	(5.3)	3,965	3.7	2,524	(11.5)

*The percentage represents year-on-year change rate

	Basic earnings per share	Diluted earnings per share
Fiscal Year ended Sept. 2025	¥249.20	¥249.03
Fiscal Year ended Sept. 2024	¥168.28	¥167.78

(2) Individual financial position

	Total assets	Net assets	Equity ratio	Net asset per share
	million (¥)	million (¥)	%	¥
Fiscal Year ended Sept. 2025	35,948	27,149	75.4	1,851.92
Fiscal Year ended Sept. 2024	35,969	26,132	72.4	1,761.91

(Reference) Shareholders' equity FY2025 ¥27,104 million FY2024 ¥26,048 million

* Cautionary statement

-This Yearly Financial Results Report ("TANHIN") 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 due to various factors. Please see "I. Overview of Operating Results, (4) Future Outlook" on page 4 for more information regarding the assumptions used and matters to be noted when relying on profit projections.

Contents of Attachments

1. Overview of Operating Results	2
(1) Overview of Operating Results for the current fiscal year	2
(2) Overview of Financial Positions	3
(3) Overview of Cash Flow	3
(4) Future Outlook	4
2. Basic Policy on Selection of Accounting Principles	5
3. Consolidated Financial Statements and Major Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	9
(3) Consolidated Statements of Changes in Net Assets	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
Matters related to the assumption of going concern	13
Significant change in the amount of shareholders' equity	13
Significant change in the scope of consolidation	13
Change in accounting policies	13
Segment information and other	14
Per Share information	17
4. Other	18

1. Overview of Operating Results

(1) Overview of Operating Results for the current fiscal year

During the consolidated fiscal year, the global economy confronted growing economic uncertainty and an increased risk of an economic downturn due to the unpredictable direction of U.S. trade policy and a rise in geopolitical risks, particularly in the Middle East. However, the global economy appears to have maintained a more stable growth than expected, which is supported by factors such as the front-loading of production and trade by companies in preparation for additional U.S. tariffs, robust investment in artificial intelligence (AI) in the United States, and fiscal expansion in various countries.

Amid this economic environment, both the powder-related business and the blown film-related business saw a decrease in orders received compared to the previous consolidated fiscal year, as the investment decision-making for large-scale projects continued to be postponed in the markets related to our company, given the future uncertainty arising from concerns over U.S. trade policy and the lack of improvement in the German manufacturing recession. Due to the decrease in the order backlog carried over from the beginning of the period and the reduced orders received during the period, net sales also decreased. While we made efforts to reduce expenses in light of this situation, the impact of the decline in net sales was significant, resulting in a decrease in operating income. Moreover, the recording of extraordinary losses, such as business structure improvement expenses overseas, resulted in a decrease in profit attributable to owners of the parent.

Based on the foregoing, the operating results for the consolidated fiscal year were as follows:

(Millions of yen)

	Fiscal year 2024	Fiscal year 2025	Incremental amounts	Year on Year (%)
Orders received	77,717	74,460	(3,257)	(4.2)
Backlog of orders	44,731	44,206	(524)	(1.2)
Sales	85,432	77,994	(7,438)	(8.7)
Operating profit	8,279	7,051	(1,227)	(14.8)
Ordinary profit	9,241	7,715	(1,525)	(16.5)
Profit attributable to owners of parents	5,580	4,527	(1,052)	(18.9)

* USD exchange rate : FY2025 @¥149.27 FY2024 @¥150.44

EURO exchange rate : FY2025 @¥164.80 FY2024 @¥163.08

(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.

The Group's company-wide efforts in the aftermarket business remained stable and showed an expansion trend throughout each quarter. Although the chemicals and electronic materials sectors regarding the machinery and equipment also saw higher orders received than the previous fiscal year due to large projects secured at the beginning of the period, other markets generally remained sluggish. While we endeavored to secure small- and medium-sized projects with short delivery times, revenue decreased due to lower order backlog carried over from the beginning of the period.

Regarding U.S. trade policy, the U.S. toll processing business was marginally affected, as some customers rely on imports from outside the U.S. for their raw materials. This led to a price surge in imported raw materials, prompting some customers to postpone placing orders for processing work with us. However, the impact was insignificant.

As the result of this, orders received are ¥56,209 million (2.2% decrease versus the previous same period), backlog of orders is ¥34,429 million (0.3% decrease versus the previous same period), and net sales are ¥58,617 million (9.8% decrease versus the previous same period). Profit for the segment is ¥6,456 million (13.5% 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. While orders received for Europe, one of our key markets, remained at the same level as the previous fiscal year, orders received for the United States, another key market, saw delays in finalizing contracts due to the impact of U.S. trade policy, despite robust inquiries. Although there were increases in orders for the Asian and South American markets, they were insufficient to fully compensate for the decrease in U.S. orders. Consequently, the total amount of orders received reflected a reactionary decline from the previous fiscal year, which recorded the second-highest level of orders received ever. Net sales also decreased due to the reduction in orders.

Regarding U.S. trade policy, our blown film-related business involves exporting major equipment such as extruders and winders, which are produced in Germany, to our U.S. sales subsidiary. The subsidiary then procures ancillary equipment such as control panels within the U.S. for sale to the end customer. Currently, tariffs appear to be influencing customers' decisions regarding capital investment, and we anticipate some volatility in the short term. However, we judge the situation to be stable over the medium to long term. As the result of this, orders received are ¥18,250 million (9.9% decrease versus the previous same period), backlog of orders is ¥9,776 million (4.1% decrease versus the previous same period), and net sales are ¥19,377 million (5.1% decrease versus the previous same period). Profit for the segment is ¥2,122 million (14.4% decrease versus the previous same period)

(2) Overview of Financial Positions

Total assets at September 30, 2025, amounted to ¥102,734 million, an increase of ¥4,662 million compared to the fiscal year ended September 30, 2024. This was primarily attributable to increases in property, plant and equipment, an increase of ¥2,010 million. Total liabilities were ¥35,514 million, a decrease of ¥932 million compared to the fiscal year ended September 30, 2024. This was primarily attributable to decreases in notes and accounts payable-trade, a decrease of ¥1,537 million.

Net assets were ¥67,219 million, an increase of ¥5,595 million compared to the fiscal year ended September 30, 2024. This was primarily attributable to increases in foreign currency translation adjustment, an increase of ¥3,628 million.

(3) Overview of Cash Flow

The balance of cash and cash equivalents increased ¥4,088 million from the fiscal year ended September 30, 2024 to a total of ¥31,084 million. A summary of each cash flow and major factor are as follows.

(Operating Cash Flow)

Operating cash flow was ¥9,499 million, an increase of ¥2,193 million versus the previous same period.

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

(Investing Cash Flow)

Net investing activities used ¥3,680 million in cash, a decrease of ¥669 million versus the previous same period, primarily due to purchase of property, plant, and equipment.

(Financing Cash Flow)

Net financing activities used ¥3,343 million in cash, a decrease of ¥589 million versus the previous same period mainly due to payment in dividends to shareholders.

(Reference) Trends in cash flow related indicators

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Equity ratio (%)	62.7	62.4	60.7	62.8	65.4
Equity ratio on market price basis (%)	67.8	77.7	46.3	61.8	82.9
Interest-bearing debts to cash flows ratio (annual)	0.2	0.2	0.3	0.2	0.1
Interest coverage ratio (times)	162.0	207.0	345.5	317.2	187.3

(Note)

1 Equity ratio: Equity divided by total assets

Equity ratio on market price basis: Market capitalization divided by total assets

Interest-bearing debts to cash flow ratio: Interest-bearing debts divided by cash flows

Interest coverage ratio: cash flows divided by interest payments

2 Each index is calculated based on financial figures on a consolidated basis.

3 Market capitalization is calculated by multiplying the closing stock price at fiscal year end by the number of the outstanding stocks (outstanding stocks: total number of issued stocks minus the number of treasury stocks)

4 Cash flows denote the cash flow from operating activities on the consolidated statement of cash flows. Interest-bearing debts are intended for all interest-bearing liabilities on the consolidated balance sheet. In addition, interest payments denote the amounts of interest expenses on the consolidated statement of income.

(4) Future Outlook

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share Yen
1st Half	38,500	3,000	3,200	2,400	163.98
Full Year	78,500	7,000	7,400	5,200	355.29

Our group will strongly pursue the following initiatives: as the No. 1 company in powder technology, we will continue to provide new technologies and system engineering capabilities tailored to customer needs, enhance our maintenance service and toll processing services, expand our materials business including hair growth and oral care products utilizing our proprietary nanoparticle compounding technology, and strengthen our brand power in the blown film-related business. We will also continuously launch new products and systems with high added value, such as expanding the aftermarket business and providing digital solutions applying IIoT technology, to improve profitability. Although the real economy appears to be relatively firm at the moment, with companies absorbing tariff costs in the United States, downside risks to the economy are assumed to remain. These risks include the impact of U.S. trade policy on the real economy, intervention by the U.S. administration in monetary policy, global inflation due to rising geopolitical tensions, and a sharp rise in long-term interest rates caused by expanding fiscal deficits. As a result, the global economy is expected to remain in an unpredictable situation. Amid this economic environment, factors such as the postponement or cancellation of investment decisions by our customers may affect the future financial condition, operating results, and cash flows of our group. For the preparation of this outlook, the average market exchange rate is assumed to be 140.00 yen to the U.S. dollar and 160.00 yen to the euro.

Caution about forward-looking statements

The forecasts above are based on currently available information at the time of announcement. Therefore, actual results may differ significantly from these forecasts due to various factors.

2. Basic Policy on Selection of Accounting Principles

Our consolidated financial statements are prepared in accordance with Japanese GAAP to ensure comparability of financial results with other Japanese companies. We will continue to examine the possibility of adoption of IFRS in the future, in light with domestic and international affairs.

3.Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of September 30, 2024	As of September 30, 2025
Assets		
Current Assets		
Cash and deposits	27,420	31,942
Notes and accounts receivable-trade, and contract assets	21,449	18,610
Electronically recorded monetary claims - operating	1,240	898
Finished goods	3,146	4,082
Work in process	4,933	4,867
Raw materials and supplies	4,853	4,221
Other	1,963	2,884
Allowance for doubtful accounts	(398)	(492)
Total Current Assets	64,608	67,013
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	27,379	29,982
Machinery, equipment and vehicles	17,541	20,007
Land	7,150	7,357
Construction in progress	792	728
Other	3,953	4,421
Accumulated depreciation and impairment loss	(27,740)	(31,410)
Total property, plant and equipment	29,075	31,087
Intangible assets		
Goodwill	128	113
Other	669	642
Total intangible assets	798	756
Investments and other assets		
Investment securities	2,655	2,947
Deferred tax assets	812	791
Other	121	138
Total investments and other assets	3,589	3,877
Total Non-Current Assets	33,463	35,721
Total Assets	98,071	102,734

(Millions of Yen)

	As of September 30, 2024	As of September 30, 2025
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	8,706	7,168
Electronically recorded obligations - operating	1,649	1,206
Current portion of long-term loans payable	323	158
Accrued expenses	4,862	4,675
Income taxes payable	1,185	1,323
Contract liabilities	8,584	9,867
Provision for bonuses	721	731
Provision for directors' bonuses	82	68
Provision for product warranties	872	922
Provision for share awards	27	32
Other	2,653	2,764
Total Current Liabilities	29,669	28,920
Non-Current Liabilities		
Long-term loans payable	1,286	1,127
Provision for share awards	12	16
Net defined benefit liability	3,224	3,215
Deferred tax liabilities	1,243	1,301
Other	1,012	933
Total Non-Current Liabilities	6,778	6,594
Total Liabilities	36,447	35,514
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	3,220	3,205
Retained earnings	42,128	44,726
Treasury stock	(2,877)	(3,773)
Total Shareholders' Equity	56,967	58,654
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	734	944
Deferred gains or losses on hedges	33	35
Foreign currency translation adjustment	4,174	7,802
Remeasurements of defined benefit plans	(369)	(261)
Total accumulated other comprehensive income	4,572	8,520
Subscription rights to shares	83	44
Total Net Assets	61,623	67,219
Total Liabilities and Net Assets	98,071	102,734

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2023 - Sept. 30, 2024	Oct. 1, 2024 - Sept. 30, 2025
Net sales	85,432	77,994
Cost of sales	55,485	50,638
Gross profit	29,947	27,355
Selling, general and administrative expenses	21,668	20,304
Operating profit	8,279	7,051
Non-operating income		
Gain on valuation of derivatives	107	64
Interest income	632	583
Dividend income	94	82
Equity in earnings of affiliates	181	78
Other	75	99
Total non-operating Income	1,092	909
Non-operating expenses		
Interest expenses	23	50
Litigation expenses	—	64
Foreign exchange losses	36	75
Nondeductible consumption tax	44	—
Other	26	54
Total non-operating Expenses	129	244
Ordinary profit	9,241	7,715
Extraordinary income		
Gain on sales of non-current assets	3	20
Other	0	—
Total extraordinary income	4	20
Extraordinary loss		
Loss on sales and retirement of non-current assets	218	17
Impairment losses	156	404
Business structure improvement expenses	—	463
Loss on development of system	900	—
Total extraordinary loss	1,275	885
Income before income taxes	7,970	6,851
Income taxes - current	2,510	2,563
Income taxes – deferred	(120)	(239)
Total income taxes	2,389	2,323
Net income	5,580	4,527
Profit attributable to owners of parent	5,580	4,527

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2023 - Sept. 30, 2024	Oct. 1, 2024 - Sept. 30, 2025
Net Income	5,580	4,527
Other comprehensive income		
Valuation difference on available-for-sale securities	92	209
Deferred gains or losses on hedges	34	1
Foreign currency translation adjustment	(397)	3,628
Remeasurements of defined benefit plans	(140)	108
Total other comprehensive income	(411)	3,948
Comprehensive income	5,169	8,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,169	8,475
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets

Previous consolidated fiscal year (from Oct. 1, 2023 to Sept. 30, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	14,496	3,206	38,055	(1,922)	53,836
Changes in items during period					
Cash dividends			(1,507)		(1,507)
Net income for the year			5,580		5,580
Purchase of treasury stock				(1,000)	(1,000)
Disposal of treasury stock		13		45	58
Others					
Total changes in items during period	—	13	4,073	(955)	3,131
Balance at end of the year	14,496	3,220	42,128	(2,877)	56,967

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized gains (losses) on available for sale securities	Unrealized gains (losses) on hedging derivatives	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	642	(1)	4,572	(229)	4,983	83	58,903
Changes in items during period							
Cash dividends							(1,507)
Net income for the year							5,580
Purchase of treasury stock							(1,000)
Disposal of treasury stock							58
Others	92	34	(397)	(140)	(411)	—	(411)
Total changes in items during period	92	34	(397)	(140)	(411)	—	2,720
Balance at end of the year	734	33	4,174	(369)	4,572	83	61,623

Current consolidated fiscal year (from Oct. 1, 2024 to Sept. 30, 2025)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	14,496	3,220	42,128	(2,877)	56,967
Changes in items during period					
Cash dividends			(1,930)		(1,930)
Net income for the year			4,527		4,527
Purchase of treasury stock				(1,000)	(1,000)
Disposal of treasury stock		(14)		104	89
Others					
Total changes in items during period	—	(14)	2,597	(896)	1,686
Balance at end of the year	14,496	3,205	44,726	(3,773)	58,654

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized gains (losses) on available for sale securities	Unrealized gains (losses) on hedging derivatives	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	734	33	4,174	(369)	4,572	83	61,623
Changes in items during period							
Cash dividends							(1,930)
Net income for the year							4,527
Purchase of treasury stock							(1,000)
Disposal of treasury stock							89
Others	209	1	3,628	108	3,948	(38)	3,909
Total changes in items during period	209	1	3,628	108	3,948	(38)	5,595
Balance at end of the year	944	35	7,802	(261)	8,520	44	67,219

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2023 - Sept. 30, 2024	Oct. 1, 2024 - Sept. 30, 2025
Cash flows from operating activities;		
Income before income taxes	7,970	6,851
Depreciation and amortization	2,303	2,337
Impairment losses	156	404
Loss on development of system	900	—
Amortization of goodwill	25	26
Increase (decrease) in allowance for doubtful accounts	55	57
Increase (decrease) in provision for bonuses	46	(1)
Increase (decrease) in provision for product warranties	(134)	(15)
Increase (decrease) in net defined benefit liability	(32)	(84)
Increase (decrease) in provision for share awards	0	9
Interest and dividends income	(727)	(666)
Interest expenses	23	50
Equity in (earnings) losses of affiliates	(181)	(78)
Loss (gain) on valuation of derivatives	(107)	(64)
Loss (gain) on sales and retirement of non-current assets	214	(2)
Decrease (increase) in notes and accounts receivable-trade, and contract assets	1,059	4,454
Decrease (increase) in inventories	(487)	580
Increase (decrease) in notes and accounts payable-trade	(1,533)	(2,424)
Increase (decrease) in contract liabilities	(454)	756
Decrease (increase) in advance payments - trade	(51)	(339)
Increase (decrease) in accrued expenses	306	(518)
Other	246	88
Sub total	9,595	11,420
Interests and dividends income received	827	766
Interest expenses paid	(23)	(50)
Income taxes paid	(3,094)	(2,637)
Net cash provided by (used in) operating activities	7,305	9,499
Cash flows from investing activities;		
Payments into time deposits	(630)	(1,191)
Proceeds from withdrawal of time deposits	434	774
Purchase of securities	—	(1,000)
Proceeds from redemption of securities	1,000	1,000
Purchase of property, plant and equipment	(3,200)	(3,392)
Proceeds from sales of property, plant and equipment	5	274
Purchase of intangible assets	(620)	(142)
Other	(0)	(3)
Net cash provided by (used in) investing activities	(3,011)	(3,680)
Cash flows from financing activities;		
Repayment of long-term loans payable	(161)	(323)
Purchase of treasury shares	(1,000)	(1,000)
Cash dividends paid	(1,507)	(1,930)
Repayments of lease obligations	(84)	(88)
Net cash provided by (used in) financing activities	(2,753)	(3,343)
Effect of exchange rate change on cash and cash equivalents	(232)	1,614
Net increase (decrease) in cash and cash equivalents	1,306	4,088
Cash and cash equivalents at beginning of period	25,689	26,995
Cash and cash equivalents at end of period	26,995	31,084

(5) Notes to 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.

The Company acquired 177,400 shares of its own stocks during the fourth quarter of the consolidated fiscal year based on a resolution of the Board of Directors meetings held on August 8th, 2025. As a result, treasury stocks increased by ¥999 million, and its balance at consolidated fiscal year end amounted to ¥3,773 million.

(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.

(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 consolidated financial statements.

(Segment information and other)

[Reportable segments]

1 Overview of reportable segments

Our reportable segments are those for which financial information is available separately and regular evaluation by the Board of Directors is being performed to evaluate distribution of organization's resources and performance.

Our group has its business headquarters at the main office. We formulate comprehensive domestic and international strategies for the products and services we handle and carry out our business activities accordingly.

Therefore, our group is comprised of segments based on products and services, with "Powder Processing Business" and "Blown Film Business" as our two reportable segments.

The "Powder Processing Business" manufactures and sells grinding and classifying equipment, mixing and drying equipment, as well as air pollution control equipment, dust collectors for product collection, and precision air conditioning control equipment for the Japanese market. We also develop new materials, primarily composite nanoparticles, and commercialize them, in addition to providing toll processing services for fine powders. The "Blown Film Business" develops, manufactures, and sells various types of high- performance blown film equipment from single to multiple layers.

2 Calculation method of sales, profits, assets, and other items by reportable segment

The accounting policies applied to the reportable segments are identical to those applied in the preparation of the consolidated financial statements. Segment profit is based on operating profit. Inter-segment sales are recorded at market prices.

3 Information about reported segment profit or loss, segment assets, segment liabilities and other material items

Previous consolidated fiscal year(from Oct. 1, 2023 to Sept. 30, 2024)

(Millions of yen)

	Reportable segment			Adjustments (*1)	Consolidated total (*2)
	Powder	Blown film	Total		
Sales					
Outside customers	65,004	20,428	85,432	—	85,432
Intersegment	58	0	58	(58)	—
Total sales	65,062	20,428	85,490	(58)	85,432
Segment profit (loss)	7,463	2,479	9,942	(1,663)	8,279
Segment assets	62,299	27,213	89,513	8,558	98,071
Other items					
Depreciation	1,735	474	2,210	93	2,303
Amortization of goodwill	21	3	25	—	25
Investments in equity method affiliates	293	—	293	—	293
Impairment losses on fixed assets	156	—	156	—	156
Loss on development of system	70	46	116	783	900
Increase in property, plant and equipment and intangible assets	2,612	570	3,182	598	3,781

(*1) Adjustments to segment profit (loss) were ¥ (1,663) million and comprised mainly corporate expenses not allocated to reportable segments. Corporate expenses were attributable mainly to expenses related to administrative groups. Adjustments to segment assets were ¥8,558 million and comprised mainly corporate assets not allocated to reportable segments. Corporate assets were attributable mainly to cash and time deposits, buildings and structures, land and investments in securities owned by the Company. Increases in property, plant, and equipment and intangible assets of ¥598 million were attributable to corporate assets which were not allocated to reportable segments.

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

Current consolidated fiscal year (from Oct. 1, 2024 to Sept. 30, 2025)

(Millions of yen)

	Reportable segment			Adjustments (*1)	Consolidated total (*2)
	Powder	Blown film	Total		
Sales					
Outside customers	58,617	19,377	77,994	—	77,994
Intersegment	59	—	59	(59)	—
Total sales	58,677	19,377	78,054	(59)	77,994
Segment profit (loss)	6,456	2,122	8,578	(1,527)	7,051
Segment assets	62,407	30,078	92,485	10,249	102,734
Other items					
Depreciation	1,763	470	2,234	102	2,337
Amortization of goodwill	23	3	26	—	26
Investments in equity method affiliates	271	—	271	—	271
Impairment losses on fixed assets	404	—	404	—	404
Increase in property, plant and equipment and intangible assets	2,027	480	2,508	836	3,345

(*1) Adjustments to segment profit (loss) were ¥ (1,527) million and comprised mainly corporate expenses not allocated to reportable segments. Corporate expenses were attributable mainly to expenses related to administrative groups. Adjustments to segment assets were ¥10,249 million and comprised mainly corporate assets not allocated to reportable segments. Corporate assets were attributable mainly to cash and time deposits, buildings and structures, land and investments in securities owned by the Company. Increases in property, plant, and equipment and intangible assets of ¥836 million were attributable to corporate assets which were not allocated to reportable segments.

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

[Related information]

Previous consolidated fiscal year (from Oct. 1, 2023 to Sept. 30, 2024)

1 Information by product and service

This information has been omitted because the same information is disclosed in the segment information.

2 Information by region

(1) Sales

(Millions of yen)

Japan	Americas		Europe		Asia / Other	Total
		USA		Germany		
15,851	18,154	14,586	36,184	10,831	15,241	85,432

*Sales are classified by country or region based on the location of the customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	Americas	Europe		Asia / Other	Total
			Germany		
9,499	2,485	16,974	14,395	116	29,075

(3) Information by major customer

As there are no external customers accounting for 10% or above of total sales in the consolidated statements of income, disclosure by major customer has been omitted.

Current consolidated fiscal year (from Oct. 1, 2024 to Sept. 30, 2025)

1 Information by product and service

This information has been omitted because the same information is disclosed in the segment information

2 Information by region

(1) Sales

(Millions of yen)

Japan	Americas		Europe		Asia / Other	Total
		USA		Germany		
14,588	16,379	14,098	30,687	10,147	16,338	77,994

*Sales are classified by country or region based on the location of the customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	Americas	Europe		Asia / Other	Total
			Germany		
10,107	2,495	18,338	15,193	146	31,087

(3) Information by major customer

As there are no external customers accounting for 10% or above of total sales in the consolidated statements of income, disclosure by major customer has been omitted.

[Information about impairment losses on fixed assets by reportable segments]

Previous consolidated fiscal year (from Oct.1, 2023 to Sept.30,2024)

This information has been omitted because the same information is disclosed in the segment information

Current consolidated fiscal year (from Oct.1, 2024 to Sept. 30, 2025)

This information has been omitted because the same information is disclosed in the segment information

[Information about the amortization and unamortized balance of goodwill by reportable segments]

Previous consolidated fiscal year (from Oct. 1, 2023 to Sept. 30, 2024)

(Millions of yen)

	Reportable segment			Elimination	Total
	Powder	Blown film	Total		
Amortization	21	3	25	—	25
Balance at end	111	17	128	—	128

Current consolidated fiscal year (from Oct. 1, 2024 to Sept. 30, 2025)

(Millions of yen)

	Reportable segment			Elimination	Total
	Powder	Blown film	Total		
Amortization	23	3	26	—	26
Balance at end	98	15	113	—	113

[Information about gains on negative goodwill by reportable segment]

There is no applicable information.

(Per Share information)

	Previous consolidated fiscal year (from Oct.1, 2023 to Sept. 30, 2024)	Current consolidated fiscal year (from Oct.1, 2024 to Sept 30, 2025)
Net Assets per share	4,162.50	4,589.71
Basic earnings per share	371.99	306.09
Diluted earnings per share	370.89	305.88

Note 1

To calculate "net assets per share", the company's shares held in the trust account for the "Employee Stock Trust" are included in treasury stock deducted from the total number of shares issued at the end of the fiscal year (51,600 shares for the previous consolidated fiscal year and 44,600 shares for the current consolidated fiscal year). To calculate basic earnings per share, these shares are also included in the treasury stock deducted when calculating the weighted average number of shares outstanding during the period (52,651 shares for the previous consolidated fiscal year and 45,597 shares for the current consolidated fiscal year).

2 The basis for calculating "Net assets per share" is as follows

	Previous consolidated fiscal year (from Oct. 1, 2023 to Sept. 30, 2024)	Current consolidated fiscal year (from Oct.1, 2024 to Sept. 30, 2025)
Total net assets (Millions of yen)	61,623	67,219
The amount excluded from total net assets (Millions of yen)	83	44
(of which, subscription right to share) (Millions of yen)	(83)	(44)
(of which, non-controlling interest) (Millions of yen)	—	—
Net assets of common stock at the end of the fiscal year (Millions of yen)	61,540	67,174
Number of common stocks at the end of the period used for the calculation of net assets per share (thousands of stocks)	14,784	14,635

3 The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Previous consolidated fiscal year (from Oct 1, 2023 to Sept. 30, 2024)	Current consolidated fiscal year (from Oct. 1, 2024 to Sept. 30, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	5,580	4,527
Amount not attributable to common shareholder (millions of yen)	—	—
Profit attributable to owners of parent related to common stocks (millions of yen)	5,580	4,527
Average number of common stocks outstanding during the period (thousands of stocks)	15,001	14,791
Diluted earnings per share		
Increase in the number of common stocks (thousands of stocks)	44	9
(of which, subscription rights to shares) (thousands of stocks)	44	9
Outline of potentially diluted stocks not used for calculation of diluted net income per share due to not having a diluted effect.	-	

4. Other

(1) Executive Personnel Changes

I. Representative Director

There is no applicable information

II. Other Executive

1) Newly appointed executive officer

Executive Corporate Officer Akira Watanabe (Current: Corporate officer, general manager of powder systems division)

Executive Corporate Officer Masato Inamori (Current: Corporate officer, general manager of global strategy division)

Executive Officer Kiyohisa Iwanami (Current: Chairman and executive director of PILLAR Corporation)

* Mr. Kiyohisa Iwanami is a candidate for the position of outside director.

2) Retiring executive officer

Managing Executive officer Masahiro Inoki (Expected to be appointed as a company advisor)

Executive officer Hiroyuki Tsujimoto

Outside director Ryusei Fujioka

III. Scheduled date of assumption and departure

December 18, 2025