

Financial Results

(the 1st half of FY2017)

May. 23th 2017

Process Technology for Tomorrow

HOSOKAWA MICRON CORPORATION

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<http://www.hosokawamicron.co.jp/en/>





Financial results (the 1st half of FY2017, consolidated)

	FY2016	FY2017			% of Pre.Year
	1stH	Actual	Original plan	Revised plan (May.10 th)	
	Actual	Actual	Original plan	Revised plan (May.10 th)	% of Pre.Year
Booking	242	267			110.2%
Sales	212	230	220	230	108.8%
Gross Profit	75	84			
(percentage)	35.7%	36.4%			
Ope. Income	13	21	15	21	155.9%
(percentage)	6.6%	9.4%	6.8%	9.4%	

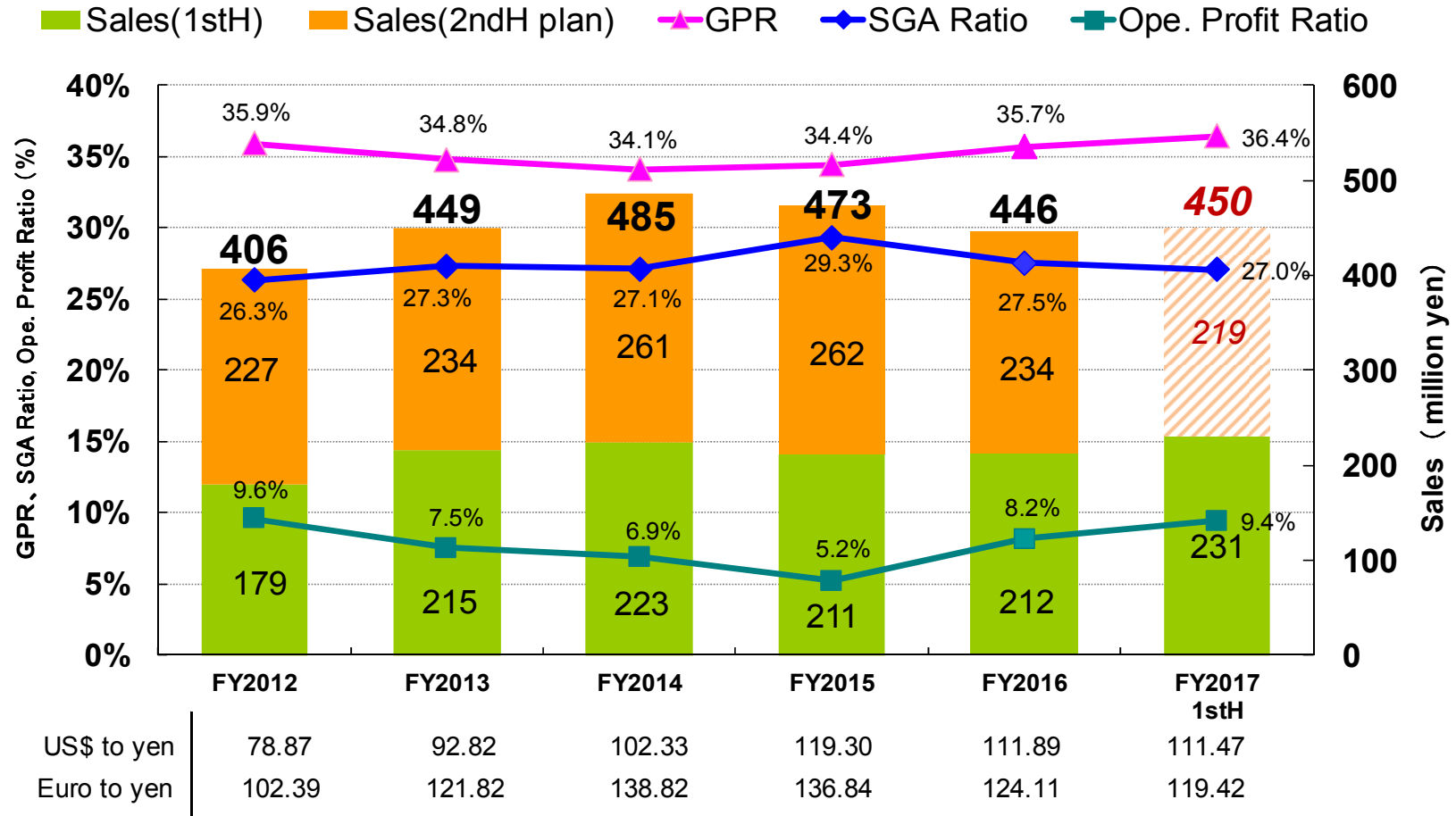
【exchange rate】

US\$	118.49	111.47	100.00
EURO	130.08	119.42	115.00

Increased revenue and profit (year-on-year)



Financial results (the 1st half of FY2017, consolidated)

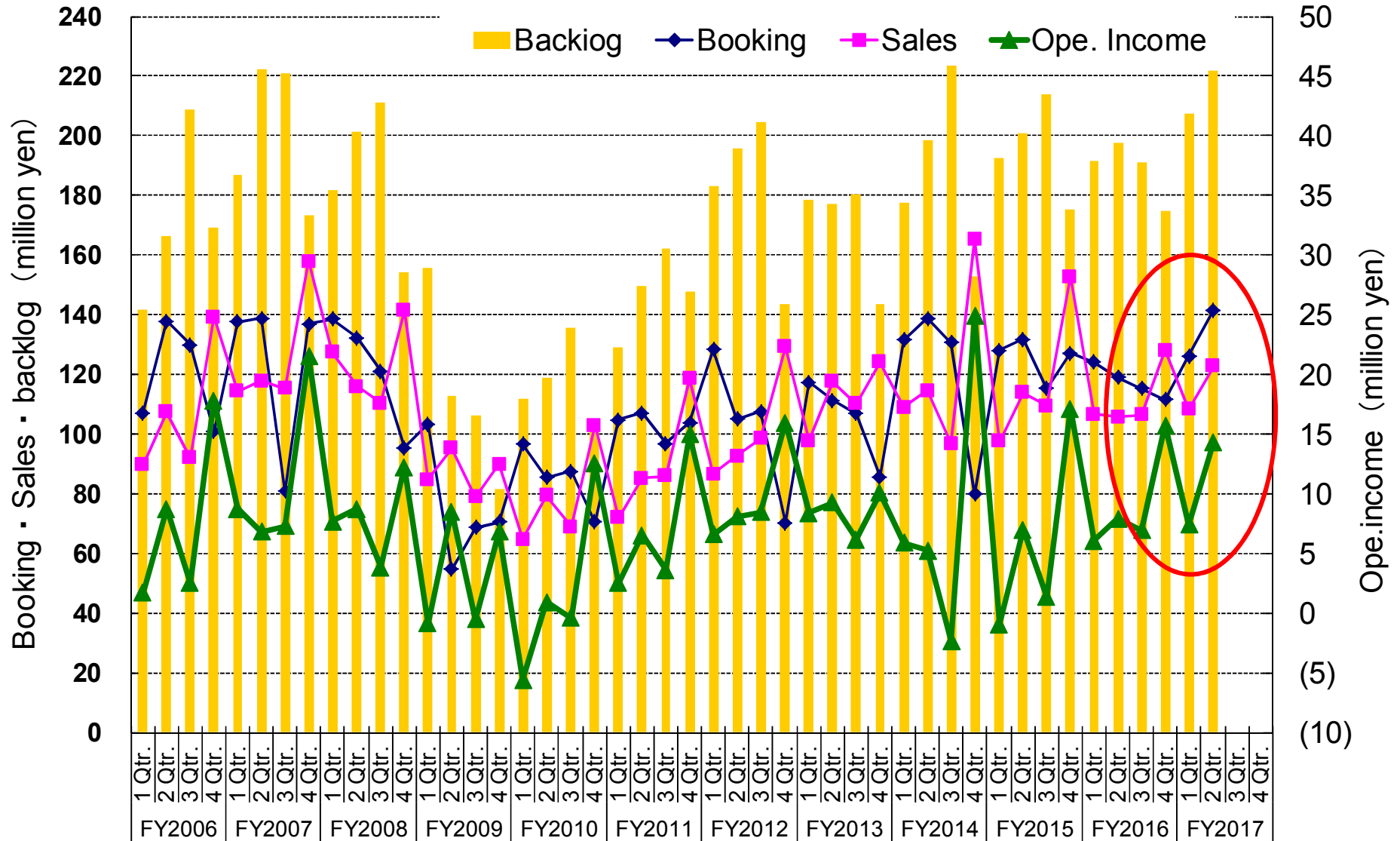


【Powder processing】20% increase in bookings, slight increase in revenue, and substantial increase in profit.

【Blown film】 Continuing favorable condition in North America



Financial results (consolidated)





Financial results (by business segment, consolidated)

【Sales】 (100 million yen)

	FY2016	FY2017	
	1stH Actual	1stH Actual	% of Pre.Year
Powder Proc'g	162	169	104.1%
Blown Film	49	61	124.3%
Total	212	230	108.8%

【Ope. Profit】 (100 million yen)

	FY2016	FY2017	
	1stH Actual	1stH Actual	% of Pre.Year
Powder Proc'g	12	18	151.9%
Blown Film	6	8	123.2%
adjustment ※	▲ 5	▲ 5	—
Total	13	21	155.9%

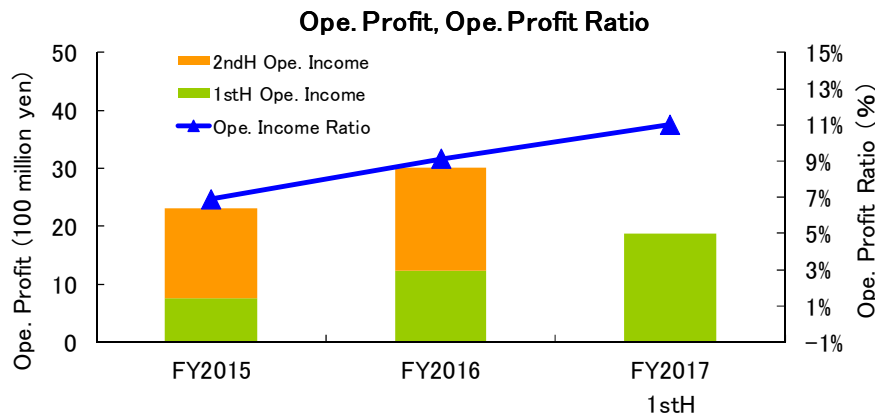
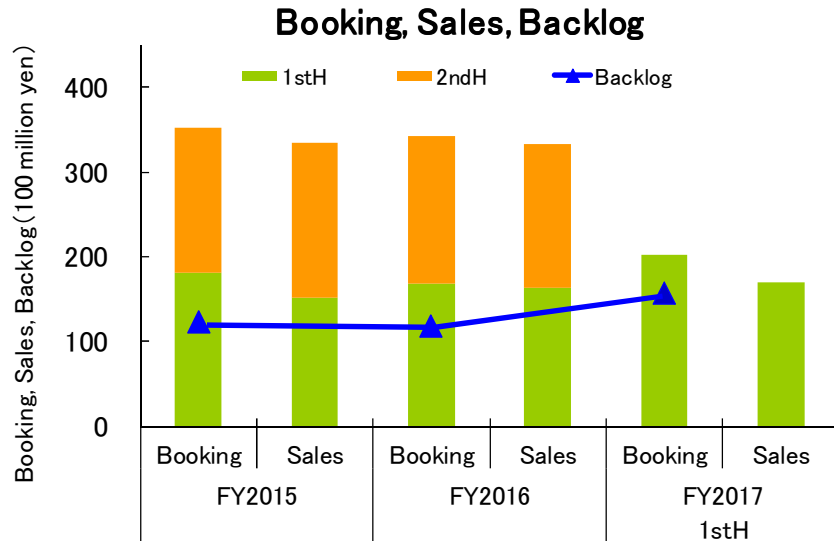
※Expenses about the entire group and general management.

US\$ to yen	118.49	111.47
Euro to yen	130.08	119.42

Financial results (the 1st half of FY2017)

<Powder Processing>

Sales Ratio of powder processing business : 73.4%



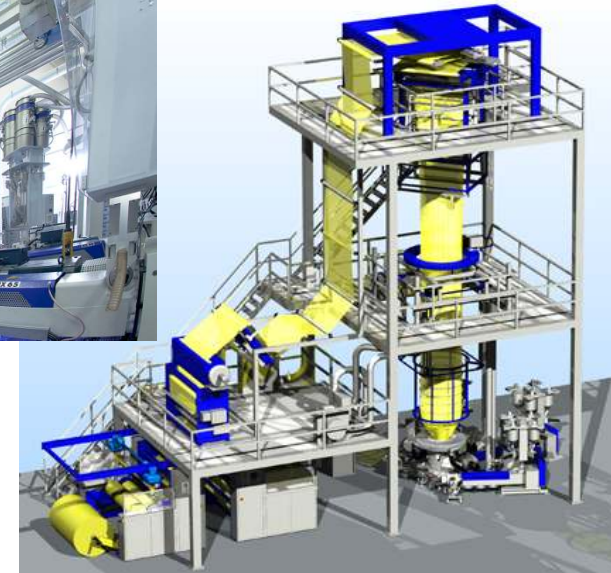
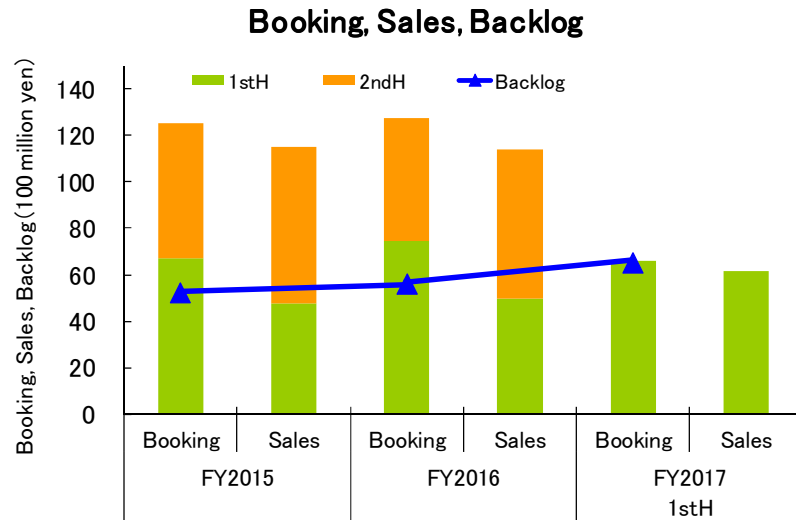
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- Food related is good conditions at domestic and overseas. Chemistry, and electronic material also become strong.
 - ⇒ Order is increased about 20 %.
- Competitive equipment is favorable.

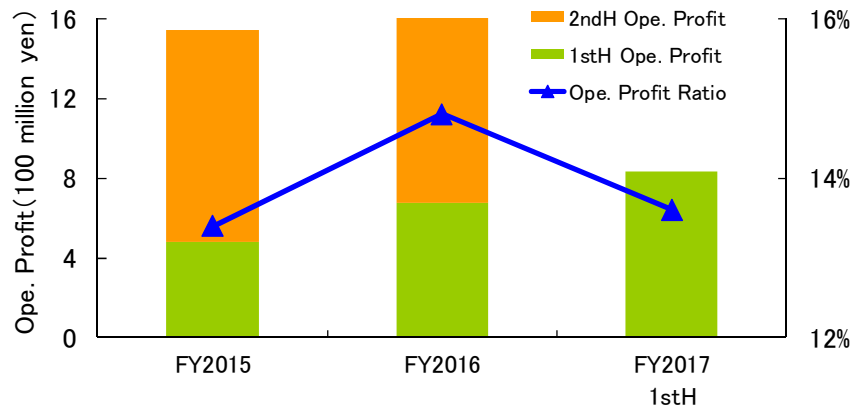
Financial results (the 1st half of FY2017)

<Blown Film>

Sales Ratio of blown film Business: 26.6%



Ope. Profit, Ope. Profit

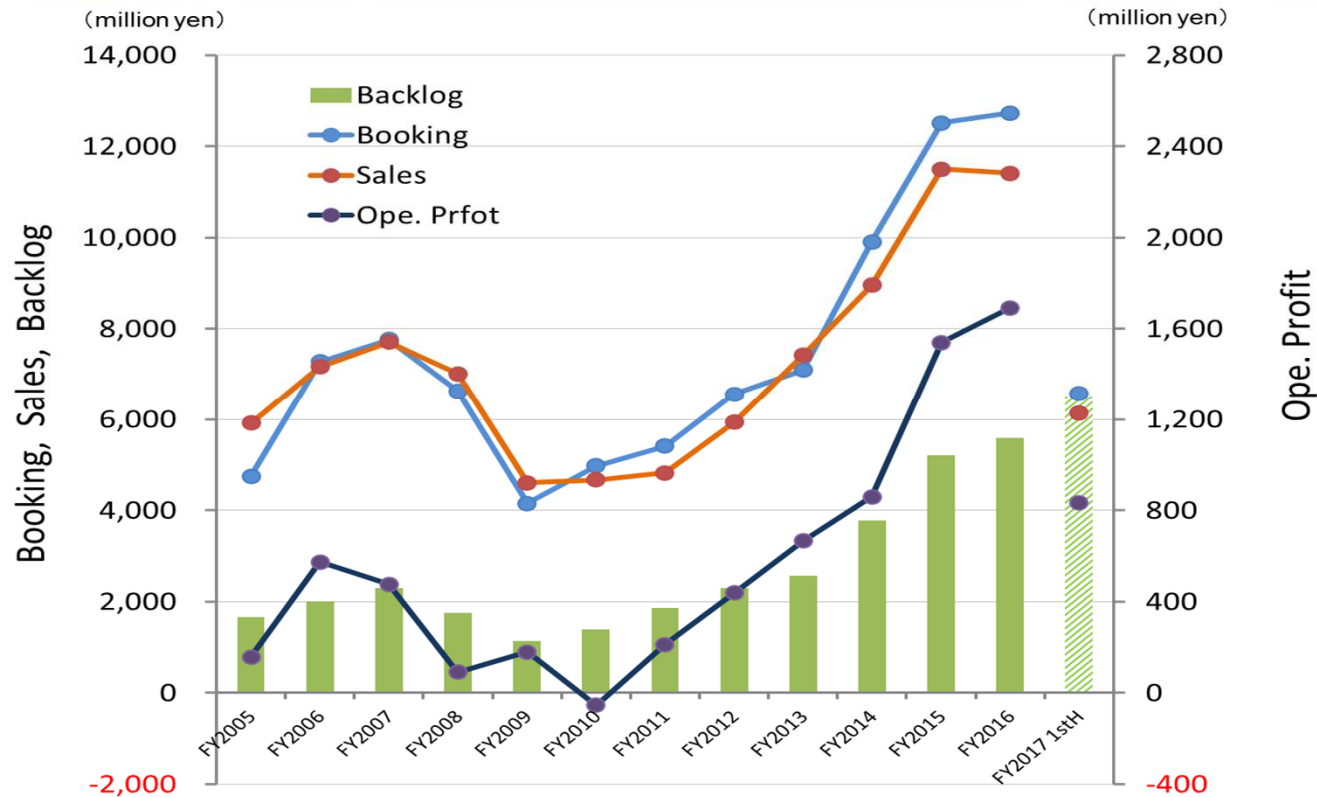


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- USA market is keeping hot.
- Increase both in revenue and profits



Blown Film Business jumped up

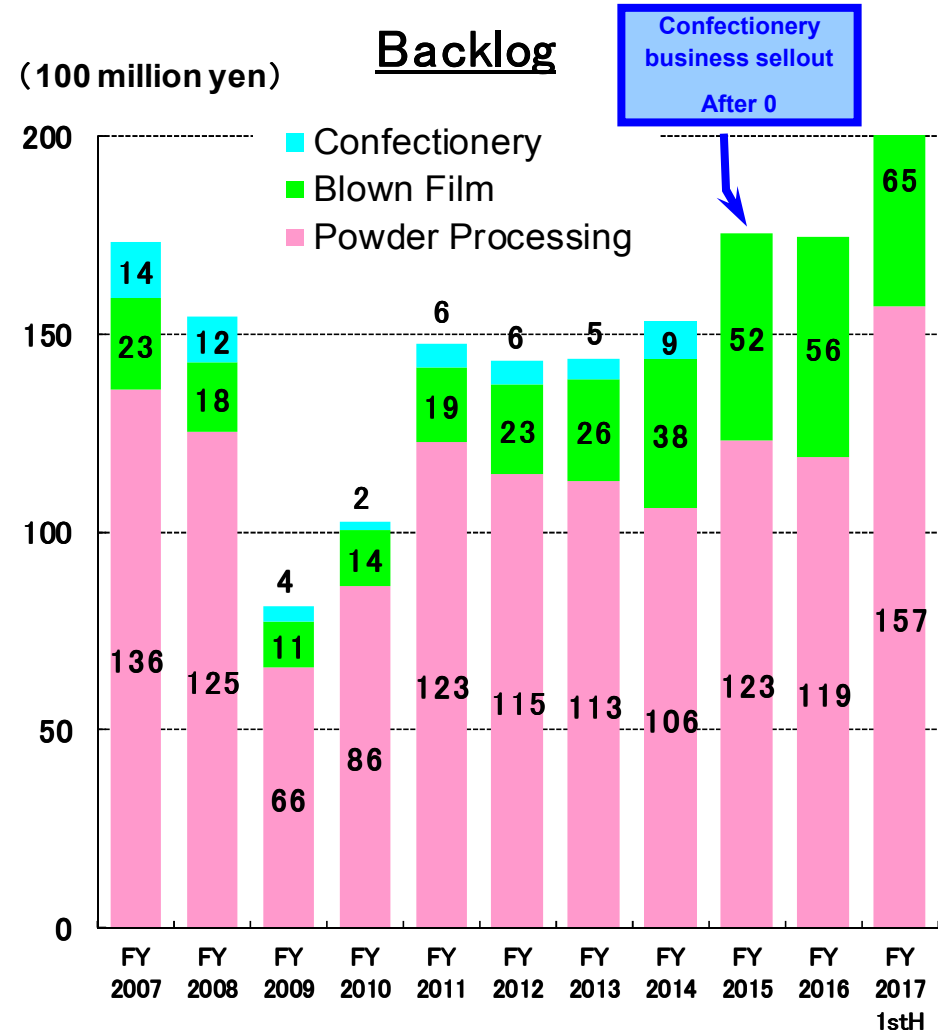
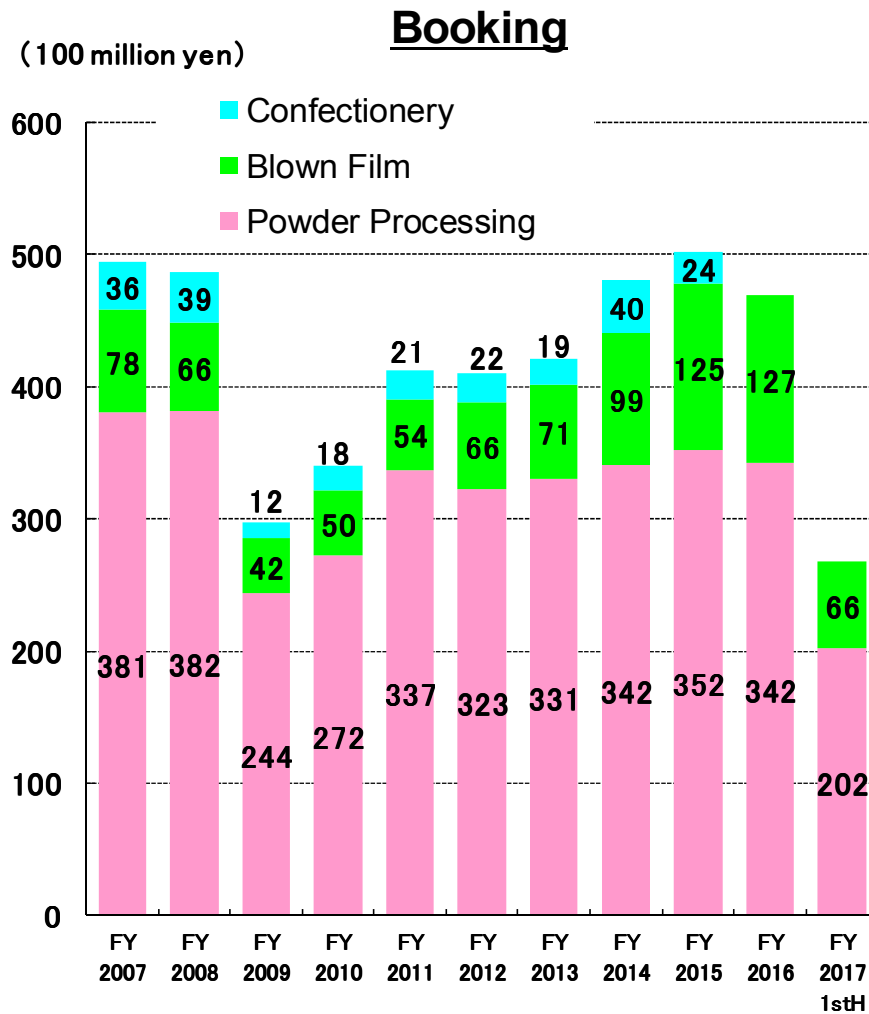


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- * Keeping good situation in U.S. economy, and also, Asia and the Southern Europe.
- * Downward trend of resin material price by collapse of the oil price
- * Increase of capital investment by renewal of the plastic film plants
- * Increase of demand in developing countries
- * Business policy based on customer creed



Financial results (by business segment, consolidated)



Backlog increased by good bookings of Powder processing and Blown film business.



Sales by Destination (consolidated)

(million yen)

		FY2016 1stH	FY2017 1stH	% of Per. Year
Japan	Sales	6,045	6,044	100.0%
	%	28.5%	26.2%	
America	Sales	4,622	5,937	128.5%
	%	21.8%	25.7%	
Europe	Sales	6,699	7,689	114.8%
	%	31.6%	33.3%	
Asia & Other	Sales	3,853	3,416	88.7%
	%	18.2%	14.8%	
Total	Sales	21,221	23,087	108.8%

America : Blown film is keeping well.

Europe : Increasing for Italy

Asia & Other : Increasing for Korea and India, but decreased for China, Thailand and Indonesia.



Financial results (the 1st half of FY2017, HMC Japan)

(million yen)

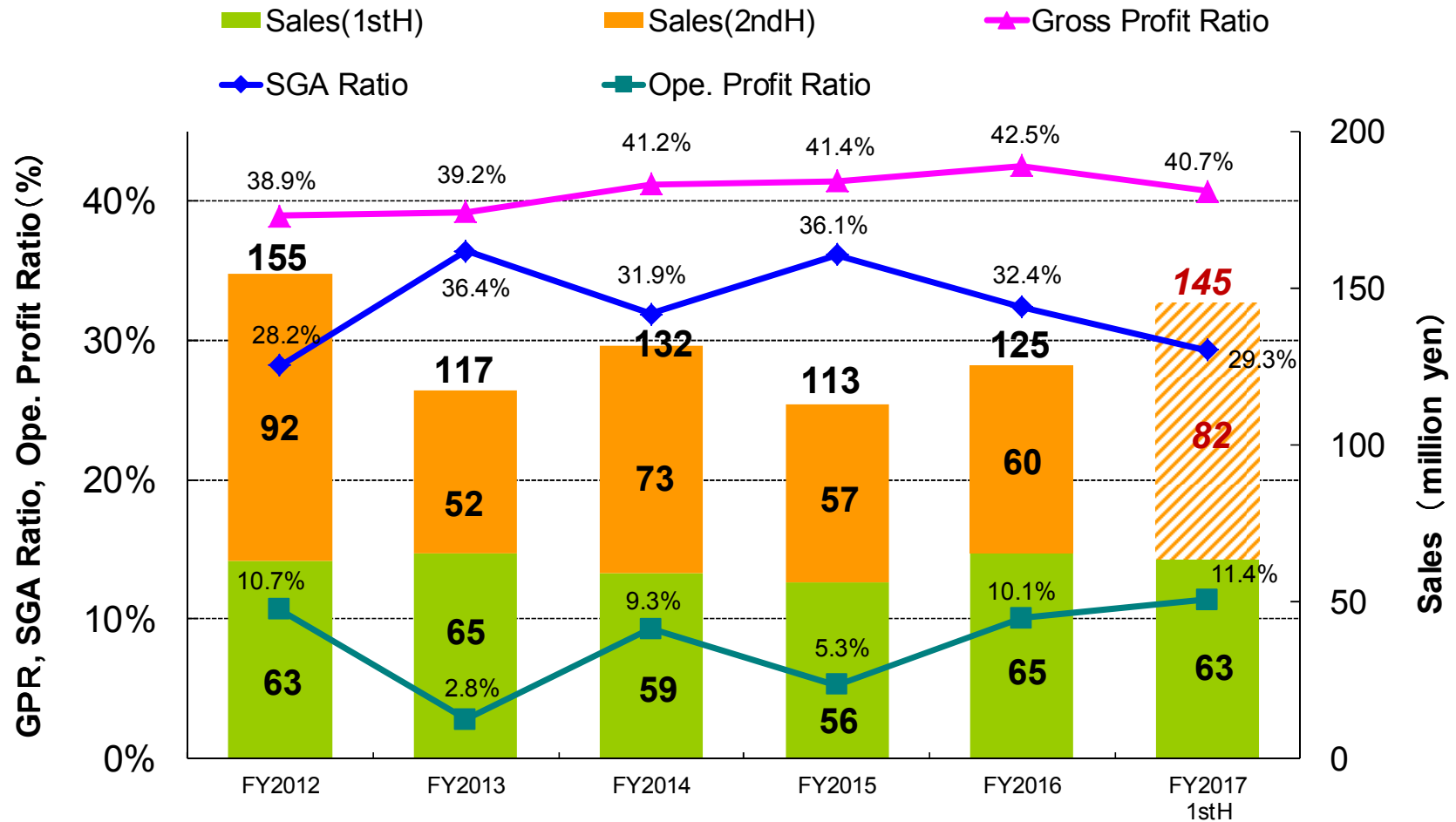
	FY2016 1stH	FY2017 1stH	
	Actual	Actual	% of Per. Year
Beginning of FY Backlog	4,364	4,146	
Booking	6,033	7,776	128.9%
Sales	6,539	6,329	96.8%
Gross Profit	2,753	2,655	96.4%
<i>(percentage)</i>	42.1%	41.9%	
Ope. Profit	748	613	81.9%
<i>(percentage)</i>	11.4%	9.7%	

Booking even do well

Year-on-year : decrease in revenue and profit



Financial results (the 1st half of FY2017, HMC Japan)

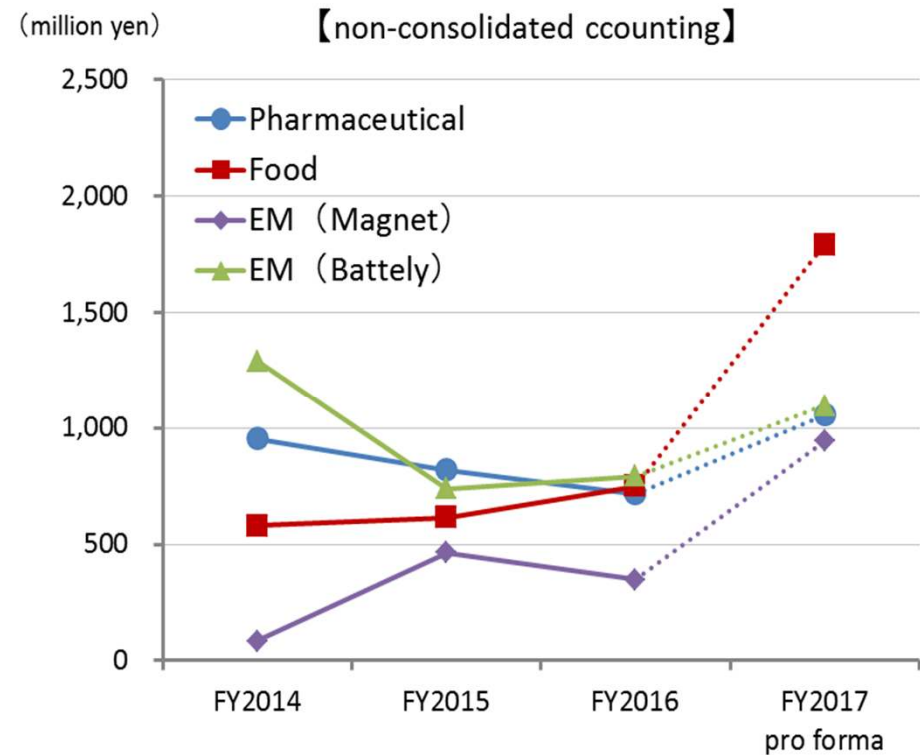
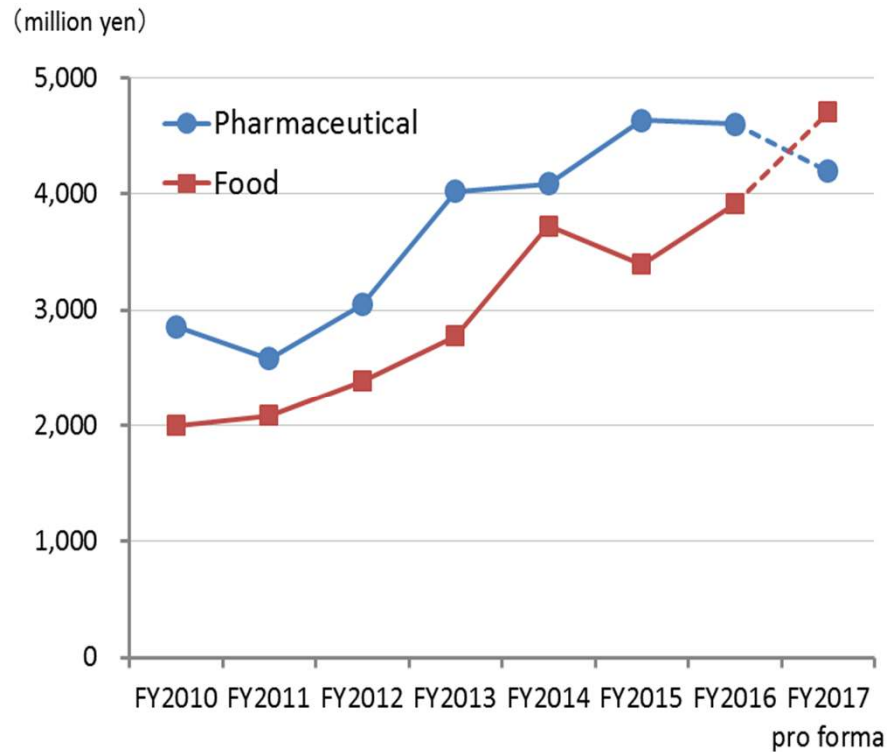


Delayed booking decision

Improvement of profitability ← * Competitive products and applications
* SGA decreased



Financial results (the 1st half of FY2017)



Growing revenue for foods caused on getting several big orders.



Financial results (the 1st half of FY2017)

About Full-year Forecast in FY2017 (consolidated)

The first half results exceeded expectation at the beginning of the current fiscal year.

The order backlog is high level in full-year forecast, but they include a certain amount of revenue in next fiscal year, and also there are a lot of unpredictable political and economic situation risk.

So, it is difficult to forecast the exact revenue.

In conclusion, the full year forecast was not changed.