

Summary of Consolidated Financial Statements for the Year Ended December 31, 2013 (Japanese GAAP)

February 13, 2014

Company name	HORIBA, Ltd.	Listed stock exchanges: Tokyo
Listing code	6856	URL: http://www.horiba.com
Representative	Atsushi Horiba, Chairman, President and CEO	
Contact	Fumitoshi Sato, Managing Director	TEL: (81)75-313-8121
Scheduled date of start of dividend payment:	March 10, 2014	

(Figures have been rounded down to the nearest million yen)

1. Consolidated Results for the Year Ended December 31, 2013 (January 1, 2013 - December 31, 2013)

(1) Consolidated Operating Results (Percentages represent changes from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 12/31/13	138,136	17.5	13,733	16.9	13,056	15.0	8,999	21.7
Year ended 12/31/12	117,609	-4.7	11,751	-21.2	11,353	-22.3	7,396	-14.6

(Note) Comprehensive Income: FY2013 17,151 million yen (56.5%), FY2012 10,960 million yen (55.5%)

	Net Income per Share		Net Income per Share (Diluted)		Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	Yen	Yen	%	%	%
Year ended 12/31/13	212.76		212.01		8.4	7.6	9.9
Year ended 12/31/12	174.87		174.37		7.8	7.6	10.0

(Reference) Equity in earnings of affiliates: FY2013 -103million yen, FY2012 -24 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 12/31/13	189,269	114,545	60.3	2,699.88
As of 12/31/12	153,836	99,536	64.5	2,346.45

(Reference) Net assets excluding subscription rights to shares and minority interests in consolidated subsidiaries:

As of December 31, 2013: 114,209 million yen; As of December 31, 2012: 99,248 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 12/31/13	15,076	(8,111)	2,324	49,246
Year ended 12/31/12	13,395	(7,891)	(3,304)	38,858

2. Dividends

	Dividend per share					Total Dividends (Annual)	Payout Ratio (Consolidated)	Dividends to Net Assets (Consolidated)
	First quarter	Second quarter	Third quarter	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended 12/31/12	-	15.00	-	35.00	50.00	2,114	28.6	2.2
Year ended 12/31/13	-	18.00	-	42.00	60.00	2,538	28.2	2.4
Year ending 12/31/14 (Forecast)	-	25.00	-	39.00	64.00		30.1	

Note. Regarding the year-end dividend for the fiscal year 2012, the board of directors' meeting of HORIBA, Ltd. decided to pay an ordinary dividend per share of 25 yen and a commemorative dividend for the 60th Anniversary of the Company Foundation of 10 yen, making a total dividend of 35 yen.

3. Consolidated Forecast for the Year Ending December 31, 2014 (January 1, 2014 - December 31, 2014)

(Percentages represent changes from the same period in the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	72,000	20.6	5,500	38.4	5,300	41.7	3,200	26.5	75.65
Full year	150,000	8.6	15,000	9.2	14,500	11.1	9,000	0.0	212.77

Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and retrospective restatement

- ① Changes in accounting policies associated with revision of accounting standards: None
- ② Changes in accounting policies arising from other than the above: None
- ③ Changes in accounting estimates: None
- ④ Retrospective restatement: None

(3) Number of shares outstanding (common stock)

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
① Shares issued (including treasury stock)	42,532,752	42,532,752
② Treasury stock	231,183	235,583
③ The average number of outstanding shares during Jan. - Dec. in FY2013 and FY2012	42,299,616	42,297,149

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Results for the Year Ended December 31, 2013 (January 1, 2013 - December 31, 2013)

(1) Non-Consolidated Operating Results (Percentages represent changes from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 12/31/13	54,348	1.5	4,927	-2.5	6,652	-8.4	5,192	-7.9
Year ended 12/31/12	53,526	3.1	5,051	-10.6	7,261	-12.3	5,636	1.7

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
Year ended 12/31/13	122.75	122.32
Year ended 12/31/12	133.25	132.87

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 12/31/13	117,525	80,765	68.4	1,901.33
As of 12/31/12	103,282	76,430	73.8	1,801.19

(Reference) Net assets excluding subscription rights to shares:

As of December 31, 2013: 80,429 million yen; As of December. 31, 2012: 76,185 million yen

Note 1. Indication regarding implementation status of audit procedures

These financial statements have not been prepared for the purpose of audit procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Audit procedures for financial statements were in the process of being implemented as of the release of these financial statements.

Note 2. Appropriate use of business forecasts and other important information

The business forecasts stated herein are based on information currently available and certain assumptions for factors which may affect business results. We do not warrant that these forecasts will be achieved. Actual results may differ from the forecasts due to a range of factors. For additional information, please see "1. Operating Results" on page 3.

1. Operating Results

(1) Operating Results Analysis

(For details, see page 17, "HORIBA, Ltd. Financial Highlights for the Year Ended December 31, 2013")

(i) Operating Results for the year ended December 31, 2013

During the fiscal year ended December 31, 2013, the U.S. economy saw a moderate recovery mainly due to a mild increase in consumer spending and some recovery in housing starts and capital spending. The European economy remained sluggish, partly due to the impact of fiscal tightening in several countries, but showed signs of bottoming out toward the latter half of the year. With regard to Asia, China's economy continued to expand but at a slower rate of growth, while the economy in other areas in Asia slowed down. In Japan, the economy recovered gradually on the back of some recovery in consumer spending and steady public spending, and despite lackluster growth in exports.

The annual average exchange rates for 2013 were 97.73 yen against the U.S. dollar and 129.78 yen against the euro, marking respective depreciation of 18% against the U.S. dollar and 21% against the euro, compared to the previous year.

In the analytical and measurement equipment market, a recovery in capital spending by semiconductor manufacturers led to an increase in demand from the first half of 2013 and helped the semiconductor-related market sustain its strength. In the automobile-related market, capital spending and R&D investment by Japanese and overseas automakers sustained firm trends from the previous year. With regard to the scientific and environmental-related markets, however, private companies were cautious in capital spending and R&D investments in analytical and measurement equipment, resulting in a sustained weakness in demand.

In the face of these economic conditions, HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "the HORIBA Group" or "HORIBA" as a consolidated group) implemented measures to enhance our businesses in 2013. The HORIBA Group promoted business restructuring through the Corporate & Segment Strategy Division, which was newly established in fiscal year 2011 to design and promote overall business strategy, and accelerated the launch of products that met market needs.

By business segment, in the Automotive Test System Segment, the MCT (Mechatronics) business which had been acquired from Carl Schenck AG (Germany) in 2005 continued to realize profits thanks to the successful transfer of production bases and cost reduction. Also, the segment promoted sales of its new engine emission measurement systems which began the sales from 2013, a mainstay HORIBA product.

In the Process & Environmental Instruments & Systems Segment, the acquisition of the U.S. company Cameron's process analysis product line resulted in the business growth in the oil refining market including shale oil and gas.

In the Medical-Diagnostic Instruments & Systems Segment, with the aim of responding to growing demand for testing reagents in various countries, HORIBA completed building its first reagent plant in India and expanded a reagent plant in Brazil.

In the Semiconductor Instruments & Systems Segment, HORIBA STEC Co., Ltd. completed construction of a technology center in Fukuchiyama, Kyoto, while the company started to build an advanced technology center. These efforts are intended to accelerate the development speed of semiconductor-related products and promote efficiency in manufacturing.

The Scientific Instruments & Systems Segment will accelerate product development by using microscopic imaging technologies, thanks to the acquisition of electron beam technologies of Topcon Corp.

Furthermore, HORIBA opened an office in Turkey with the aim of expanding sales channel in the automotive business. Moreover in Europe, HORIBA Jobin Yvon S.A.S. in France constructed the HORIBA Group's Enterprise Resource Planning System (GEO System), with the aim of speeding up its decision

making and promoting common operational processes, and began to use the system in January 2014. On the financial side, HORIBA issued 15 billion yen of straight corporate bonds (7 years to maturity; coupon rate, 0.609% per annum) to gain funds for future capital investment, working capital, and repaying HORIBA, Ltd. No.3 Unsecured Straight Bonds.

Against the background of the yen's depreciation, as a result of such measures and sales efforts, sales increased by 17.5% from a year earlier to 138,136 million yen. Operating income rose by 16.9% to 13,733 million yen, ordinary income increased by 15.0% to 13,056 million yen and net income was up 21.7% to 8,999 million yen.

The operating results of each business segment are summarized as follows.

(Automotive Test Systems)

In addition to a recovery in capital spending and R&D spending by automakers in Japan, Europe, and North America, the yen weakness was attributable to an increase in sales. However, the profitability of the driving management systems and drive recorders business deteriorated mainly due to an increase in development cost of new products and a drop in orders.

Consequently, sales in the segment increased by 14.6% year-on-year to 49,524 million yen, but operating income decreased by 2.8% to 4,287 million yen.

(Process & Environmental Instruments & Systems)

The segment sales showed underlying strength on the back of steady sales of stack gas analyzers for thermal power plants and an increase in sales of process analysis product lines which were acquired in February 2013. However, sales of environmental radiation monitors, which had seen increased demand after the Great East Japan Earthquake, declined.

As a result, although sales in the segment rose by 7.3% year-on-year to 14,711 million yen, operating income declined by 23.1% to 1,263 million yen.

(Medical-Diagnostic Instruments & Systems)

The segment increased sales, due to steady sales of blood cell testing instruments in some Asian countries, and the weaker yen. However, expenses for developing sales channels in North America increased and led to an increase in selling, general and administrative expenses.

Consequently, sales in the segment increased by 19.8% year-on-year to 26,832 million yen, but operating income decreased by 2.0% to 2,429 million yen.

(Semiconductor Instruments & Systems)

Owing to increased production at semiconductor production equipment manufacturers supported by a rise in capital investment by semiconductor makers, sales of mass flow controllers, the segment's major product, increased significantly.

As a result, segment sales rose by 35.2% year-on-year to 24,153 million yen and operating income soared by 111.7% to 4,815 million yen.

(Scientific Instruments & Systems)

Although sales were higher after yen conversion due to the weaker yen, sales to universities, government laboratories, and other research institutions decreased due to a reduction in government budgets in Europe.

Consequently, although sales in the segment increased by 12.3% year-on-year to 22,913 million yen, operating income declined by 0.6% to 937 million yen.

(ii) Outlook for the Year Ending December 31, 2014

Regarding the outlook for global economy in the fiscal 2014, the U.S. economy is expected to continue moderate recovery, despite the caution that is warranted due to the potential impact of tapering by the Federal Reserve Board. The European economy may face a downside risk stemming from fiscal and financial problems of some countries but nevertheless is likely to show a gradual recovery. The economies of emerging countries such as China and India are projected to continue to see moderate growth despite risks of currency or financial problems or capital outflow. In Japan, the economy is likely to keep recovering, supported by a pick-up in exports and various economic policies. However, the scheduled hike in the consumption tax rate in April 2014 is expected to push up demand before the hike and to depress demand after the hike.

Against this background, HORIBA's forecasts for fiscal 2014 are shown below.

Our assumed foreign exchange rates are 100 yen against the U.S. dollar (vs. 97.73 yen in fiscal 2013) and 135 yen against the euro (vs. 129.78 yen in fiscal 2013).

Net sales of 150,000 million yen, up 8.6% y-o-y

Net sales are expected to increase by 11,863 million yen from the previous year to 150,000 million yen.

In the Automotive Test System Segment, on the back of an increasing trend of capital and R&D investment by automakers, the segment's major customers, sales of emission measurement systems, and various products in the MCT business are expected to increase.

In the Process & Environmental Instruments & Systems Segment, while demand for environmental radiation monitor has tapered off and the sales are expected to decrease, demand growth is expected for water quality analyzers in Japan and overseas.

In the Medical-Diagnostic Instruments & Systems Segment, HORIBA expects sales of blood cell testing instruments to increase in various Asian countries, mostly in India, and overseas sales after yen conversion to increase due to the weaker yen.

In the Semiconductor Instruments & Systems Segment, the demand for semiconductor production equipment is projected to be firm in the first half of the year, although uncertainties remain for the demand for solar cells and LEDs manufacturing equipment, and semiconductor production equipment in the second half.

In the Scientific Instruments & Systems Segment, HORIBA expects capital and R&D investment to increase due to a recovery in government budgets and private-sector demand mostly in Europe.

Operating income of 15,000 million yen, up 9.2% y-o-y

Operating income is likely to rise by 1,266 million yen from the previous year to 15,000 million yen.

In the Automotive Test System Segment, an increase in profit is expected due to a reduction in costs of new emission measurement systems and a profit improvement in the driving management systems business, in addition to sales growth.

In the Semiconductor Instruments & Systems Segment, sales growth and an improvement in production efficiency for mass flow controllers, HORIBA's major product, are projected to increase profits.

In the Process & Environmental Instruments & Systems Segment, the Medical-Diagnostic Instruments & Systems Segment, and the Scientific Instruments & Systems Segment, HORIBA foresees profits to be at a similar level to those of the previous year.

Ordinary income of 14,500 million yen, up 11.1% y-o-y

Our forecasts incorporate a net non-operating loss of 500 million yen (compared to a net non-operating loss of 676 million yen in fiscal 2013), assuming foreign exchange losses and some uncertain non-operating expenses.

By including this factor in addition to an expected increase in operating income, ordinary income is expected to increase by 1,443 million yen from the previous year to 14,500 million yen.

Net income of 9,000 million yen, up 0.0% y-o-y

While ordinary income is expected to increase, net income is forecast to barely increase from the previous year to 9,000 million yen, as a net extraordinary loss of 600 million yen (compared to a net extraordinary profit of 475 million yen in fiscal 2013) has been incorporated in our forecasts, assuming generation of some extraordinary losses.

(Note) The above forecasts have been made on the basis of information available as of February 13, 2014, but owing to the existence of various uncertain elements, it is possible that actual performance will vary considerably from those forecasts.

(2) Basic Policy for Profit Distribution and Dividends for the Year Ended December 31, 2013 and the Year Ending December 31, 2014

At the board of directors' meeting held on February 14, 2013, HORIBA decided to adopt a basic dividend policy in which the Company will maintain a total shareholder return ratio of around 30% of consolidated net income of the Company (which was announced on the same date.) According to its basic policy, at the board of directors' meeting held on February 13, 2014, HORIBA has decided to pay a year-end dividend of 42 yen per share. Combined with the interim dividend that has been paid out, the annual dividend is 60 yen. As regards the dividend forecast for the fiscal year ending December 31, 2014, HORIBA expects to increase the annual dividend by 4 yen from the fiscal 2013 to 64 yen.

The Company will continue to make effective use of internal reserves to improve corporate value through profit growth and focus on investing in growth areas, and it will make profit returns to shareholders that are linked to consolidated earnings.

2. Management Policies

(1) Basic Management Policies

As a manufacturer of analytical equipment that is developing its business worldwide, the HORIBA Group aims to be a truly global company. Our basic philosophy is to contribute to society by preserving the environment, bringing human health and greater convenience and safety to society, and promoting the development of science and technology through our business activities, which focus on analytical technologies and span a variety of industrial fields in the global market.

In addition, HORIBA Group has long focused on consolidated-based management and promoted the reinforcement of alliances and the integration of its 38 companies throughout the world by utilizing our human and technological resources.

(2) Management Target Indices

The HORIBA Group established the Mid-Long Term Management Plan in 2011 with numerical targets set for 2015. The HORIBA Group is launching various measures to achieve the numerical targets of 150 billion yen in consolidated net sales, an operating income ratio of 13% or more, and ROE of 11% or more.

In 2013, the third year of the plan, HORIBA recorded net sales of 138.1 billion yen, an operating income ratio of 9.9%, and ROE of 8.4%. Both sales and profits increased relative to the previous year.

(3) Challenges for HORIBA: Mid-Long Term Business Strategies of HORIBA

The HORIBA Group's business consists of five segments: Automotive Test Systems, Process and Environmental Instruments & Systems, Medical-Diagnostic Instruments & Systems, Semiconductor Instruments & Systems and Scientific Instruments & Systems. Each segment operates business in a different market, which enables each to exert its strengths and complement the weaknesses of each other. Our aim is to achieve well-balanced growth with this structure. Technologies and know-how in all segments are shared mutually. The transfer of human and other resources among segments gives us the strategic flexibility to temporarily integrate resources in a favorably performing business while alleviating the burden to a certain extent in an underperforming business. This enables us to achieve efficient management.

Moreover, we aim to evolve and perfect the management principle of the "HORIBA Group is One Company." which was launched in fiscal March 2004, and establish a corporate structure that enables us to generate steady high earnings.

The primary measures of the Mid-Long Term Management Plan for fiscal 2011 to fiscal 2015 are as follows:

- **Primary measure 1: Building a corporate structure that enables us to generate stable high earnings**

1. Select and invest heavily in focused businesses

Thanks to aggressive investments under the previous Mid-Long Term Management Plan, the medical-diagnostic and semiconductor businesses have grown to contribute to HORIBA's overall earnings, with to their high profitability. In other words, focused investments in these two businesses have changed HORIBA's earnings structure from being highly dependent on the automotive business to be a more well-balanced earnings structure that enables us to generate stable high earnings. In addition, we plan to focus on water quality-related products which belong to the environmental, scientific, and semiconductor businesses. Because of their high near-term growth potential, we will concentrate our human and R&D resources in this area and accelerate its global development. In the automotive business, we will also continue to improve our structure for enhancing our profitability, evidenced by steady improvement in profitability of the MCT business acquired in 2005.

2. From business expansion driven by “technology development” to business expansion focused on “customer oriented business model”

The HORIBA Group has developed product with its unique technologies and has provided distinguished products to customers in the niche “analysis” market. Going forward, we will add application technologies to products and transform our business model so that we can provide customers with proposals for efficiency and laborsaving. By making proposals that encompass measurement methods and software, we will create the industry standard, expand market share in each of the five business area, and thereby aim to become a global leader in the analysis and measurement market.

● Primary measure 2: Evolving and perfecting “One Company Management”

1. Organizational reform to enhance the corporate structure

With the aim of becoming a highly profitable company and enhance its global leadership as the headquarters, HORIBA's headquarters restructured its organization in January 2011. The R&D Division, where operations had been separated by business segment, was reorganized by function so that intra-segment information is shared and the capability to propose solutions is enhanced. We will also enhance the speed and quality of decision-making by clearly defining the responsibilities of persons in charge of development, production, and sales, who work under a newly-appointed person in charge of overall business strategies.

2. Efficient management by region

During the previous Management Plan, shared services which had been successful in the U.S., was implemented in Japan. HORIBA has integrated bases in the Americas, including Brazil, and the U.K.. Going forward, we will introduce “shared services” in Europe and Asia with reference to successful examples in the U.S. and Japan. We will also promote further efficiency by speeding up management decision-making, and achieving a more specialized level of operations and cost reduction.

● Primary measure 3: Accelerating establishment of global development and production system

The HORIBA Group will make further progress in establishing footholds, mainly in Asian countries. In 2011, the first year of the Mid-Long Term Management Plan, HORIBA expanded the production capacity of its semiconductor business by opening a joint-venture plant in China. As a foothold for future business expansion, the Group opened representative offices in Vietnam and Indonesia, where demand is rising and economic growth is pronounced even among South East Asian countries. In 2012, the construction for expansion of Aso factory in Kumamoto Prefecture, Japan, with the aim of responding to rising demand for testing reagents in the medical business, was completed. In France, construction of the R&D center, which will be the European central base for R&D activities in the scientific business, was completed.

In 2013, the relocation and the expansion of the reagent plant in Brazil has been completed, with the aim of increasing capacity in order to expand the medical business in South America. In India, we completed the construction of the new reagent plant. Moreover, with the aim of enhancing the semiconductor business, HORIBA has newly constructed a development center in Fukuchiyama City, Kyoto Prefecture, and began to expand facilities in Kyoto City.

In 2014, the 4th year of the Mid-Long Term Management Plan, HORIBA plans to start construction of a base for development and production in the plant site it owns near Lake Biwa, Shiga Prefecture, in order to raise competitiveness of the gas measurement field of the Automotive Test System Segment and the Process & Environmental Instruments & Systems.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Amount: millions of yen

	FY2012 (As of December 31, 2012)	FY2013 (As of December 31, 2013)
Assets		
Current Assets:		
Cash and bank deposits	34,685	42,228
Trade notes and accounts receivable	37,521	47,412
Marketable securities	6,100	10,271
Merchandise and finished goods	10,099	11,111
Work in process	10,053	12,755
Raw materials and supplies	7,947	9,218
Deferred tax assets	2,881	3,186
Other current assets	3,554	4,967
Allowance for doubtful accounts	(856)	(914)
Total Current Assets	111,988	140,235
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and structures, net	11,894	14,025
Machinery, equipment and vehicles, net	3,171	4,461
Land	8,172	9,504
Construction in progress	1,851	1,763
Other property, plant and equipment, net	3,089	3,570
Total Property, Plant and Equipment	28,179	33,326
Intangibles:		
Goodwill	319	314
Software	3,488	3,054
Other intangibles	681	1,741
Total Intangibles	4,490	5,110
Investments and Other Non-Current Assets:		
Investment securities	4,045	6,090
Deferred tax assets	2,030	1,750
Other investments and other assets	3,176	2,801
Allowance for doubtful accounts	(74)	(45)
Total Investments and Other Non-Current Assets	9,178	10,597
Total Fixed Assets	41,848	49,034
Total Assets	153,836	189,269

Amount: millions of yen

	FY2012 (As of December 31, 2012)	FY2013 (As of December 31, 2013)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	11,829	16,409
Short-term loans payable	5,523	6,606
Accounts payable - other	9,195	12,112
Accrued income taxes	1,317	3,523
Deferred tax liabilities	6	87
Accrued bonuses to employees	902	905
Accrued bonuses to directors and corporate auditors	38	56
Reserve for product warranty	1,176	1,492
Other current liabilities	7,671	10,943
Total Current Liabilities	37,662	52,138
Non-Current Liabilities:		
Corporate bonds	10,000	15,000
Long-term loans payable	2,113	2,576
Deferred tax liabilities	153	659
Employees' retirement benefits	2,066	2,406
Directors' and corporate auditors' retirement benefits	195	-
Provision for compensation losses	457	158
Other non-current liabilities	1,651	1,784
Total Non-Current Liabilities	16,637	22,585
Total Liabilities	54,299	74,723
Net Assets		
Shareholders' Equity		
Common stock	12,011	12,011
Capital surplus	18,717	18,717
Retained earnings	71,725	78,477
Treasury stock	(780)	(765)
Total Shareholders' Equity	101,674	108,441
Accumulated Other Comprehensive Income		
Net unrealized holding gains on securities	987	2,296
Deferred gains or losses on hedges	-	3
Foreign currency translation adjustments	(3,413)	3,468
Total Accumulated Other Comprehensive Income	(2,426)	5,768
Subscription Rights to Shares	245	335
Minority Interests in Consolidated Subsidiaries	42	0
Total Net Assets	99,536	114,545
Total Liabilities and Net Assets	153,836	189,269

(2) Consolidated Statements of Income and Consolidated Comprehensive Income Statements
(Consolidated Statements of Income)

Amount: millions of yen

	FY2012 (For the year ended December 31, 2012)	FY2013 (For the year ended December 31, 2013)
Net sales	117,609	138,136
Cost of sales	68,220	80,625
Gross Income	49,389	57,510
Selling, general and administrative expenses	37,637	43,777
Operating Income	11,751	13,733
Non-Operating Income		
Interest income	233	176
Dividend income	79	117
Subsidy income	55	70
Other	202	191
Total non-operating income	570	556
Non-Operating Expense		
Interest expense	478	560
Foreign exchange losses	206	274
Other	284	398
Total non-operating expense	969	1,232
Ordinary Income	11,353	13,056
Extraordinary Gain		
Gain on sales of fixed assets	31	431
Gain on sale of investment securities	-	17
Gain on sales of subsidiaries and affiliates' stocks	-	67
Reversal of provision for compensation losses	67	173
Gain on bargain purchase	-	64
Total extraordinary gain	98	753
Extraordinary Loss		
Loss on sales of fixed assets	0	7
Loss on disposal of fixed assets	143	65
Loss on impairment of fixed assets	135	190
Loss on valuation of investment securities	2	15
Total extraordinary loss	281	277
Income before Income Taxes and Minority Interests	11,170	13,532
Income taxes (current)	3,236	4,280
Income taxes (deferred)	538	299
Total income taxes	3,774	4,580
Income before Minority Interests	7,395	8,951
Minority interests (losses) in earnings of consolidated subsidiaries	(0)	(47)
Net Income	7,396	8,999

(Consolidated Statements of Comprehensive Income)

Amount: millions of yen

	FY2012 (For the year ended December 31, 2012)	FY2013 (For the year ended December 31, 2013)
Income before Minority Interests	7,395	8,951
Other Comprehensive Income		
Net unrealized holding gains on securities	270	1,308
Deferred gains or losses on hedges	-	3
Foreign currency translation adjustments	3,297	6,896
Share of other comprehensive income of associates accounted for using equity method	(2)	(8)
Total other comprehensive income	3,565	8,199
Comprehensive Income	10,960	17,151
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	10,956	17,193
Minority interests portion of comprehensive income	4	(42)

(3) Consolidated Statement of Changes in Net Assets
FY2012(For the year ended December 31, 2012)

Amount: Millions of yen

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Beginning balance	12,011	18,717	66,278	(788)	96,219
Changes during the period					
Dividend from earnings			(1,945)		(1,945)
Net income			7,396		7,396
Disposal of treasury stock			(3)	8	4
Others					
Total changes during the period	-	-	5,446	8	5,455
Ending balance	12,011	18,717	71,725	(780)	101,674

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Minority Interests in Consolidated Subsidiaries	Total Net Assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total Accumulated Other Comprehensive Income			
Beginning balance	717	-	(6,703)	(5,986)	186	40	90,460
Changes during the period							
Dividend from earnings							(1,945)
Net income							7,396
Disposal of treasury stock							4
Others	270		3,289	3,560	58	2	3,621
Total changes during the period	270	-	3,289	3,560	58	2	9,076
Ending balance	987	-	(3,413)	(2,426)	245	42	99,536

FY2013(For the year ended December 31, 2013)

Amount: Millions of yen

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Beginning balance	12,011	18,717	71,725	(780)	101,674
Changes during the period					
Dividend from earnings			(2,241)		(2,241)
Net income			8,999		8,999
Disposal of treasury stock			(5)	14	9
Others					
Total changes during the period	-	-	6,752	14	6,766
Ending balance	12,011	18,717	78,477	(765)	108,441

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Minority Interests in Consolidated Subsidiaries	Total Net Assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total Accumulated Other Comprehensive Income			
Beginning balance	987	-	(3,413)	(2,426)	245	42	99,536
Changes during the period							
Dividend from earnings							(2,241)
Net income							8,999
Disposal of treasury stock							9
Others	1,308	3	6,882	8,194	90	(42)	8,242
Total changes during the period	1,308	3	6,882	8,194	90	(42)	15,009
Ending balance	2,296	3	3,468	5,768	335	0	114,545

(4) Consolidated Statements of Cash Flows

Amount: millions of yen

	FY2012 (For the year ended December 31, 2012)	FY2013 (For the year ended December 31, 2013)
Cash Flows from Operating Activities:		
Income before income taxes and minority interests	11,170	13,532
Depreciation expense	3,645	4,182
Loss on impairment of fixed assets	135	190
Amortization of goodwill	98	96
Increase (decrease) in allowance for doubtful accounts	55	(160)
Increase (decrease) in provision for business structure improvement	(177)	-
Increase (decrease) in employees' retirement benefits	186	104
Increase (decrease) in directors' and corporate auditors' retirement benefits	(26)	(195)
Increase (decrease) in provision for compensation losses	(159)	(299)
Interest and dividend income	(312)	(294)
Interest expense	478	560
Foreign exchange losses (gains)	13	(17)
Loss (gain) on sales of fixed assets	(30)	(424)
Loss on disposal of fixed assets	143	65
Loss (gain) on valuation of investment securities	2	15
Loss (gain) on sales of investment securities	-	(17)
Decrease (increase) in trade notes and accounts receivable	4,133	(4,222)
Decrease (increase) in inventories	40	(630)
Increase (decrease) in trade notes and accounts payable	(2,345)	1,989
Other, net	1,417	3,209
Subtotal	18,468	17,684
Interest and dividends received	305	289
Interest paid	(499)	(591)
Income taxes (paid) refund	(4,879)	(2,307)
Net Cash Provided by (used in) Operating Activities	13,395	15,076
Cash Flows from Investing Activities:		
Increase in time deposits	(2,410)	(2,363)
Decrease in time deposits	2,410	1,505
Decrease in time deposits restricted for use	32	32
Payments for purchase of marketable securities	(2,904)	(2,404)
Proceeds from sales or redemption of marketable securities	2,509	2,103
Payments for purchase of property, plant and equipment	(6,741)	(6,040)
Proceeds from sales of property, plant and equipment	79	870
Payments for purchase of intangibles	(712)	(1,535)
Proceeds from sales of intangibles	-	0
Payments for purchase of investment securities	(147)	(23)
Proceeds from sales or redemption of investment securities	7	32
Payments for purchase of stocks of subsidiaries and affiliates	(18)	-
Proceeds from sales of stocks of subsidiaries and affiliates	-	77
Payments of loans receivable	(142)	(27)
Collection of loans receivable	87	23
Payments for transfer of business	-	(322)
Other, net	58	(41)
Net Cash Provided by (used in) Investing Activities	(7,891)	(8,111)
Cash Flows from Financing Activities:		
Proceeds from issuance of corporate bonds	-	14,919
Payments for redemption of corporate bonds	-	(10,106)
Net increase (decrease) in short-term borrowings	(2,395)	185
Increase in long-term debt	1,827	1,285
Repayments of long-term debt	(635)	(1,534)
Repayments on finance lease obligations	(156)	(183)
Net decrease (increase) of treasury stock	0	0
Cash dividends paid	(1,943)	(2,242)
Net Cash Provided by (used in) Financing Activities	(3,304)	2,324
Effect of Exchange Rate Changes on Cash and Cash Equivalents	891	1,098
Net Increase (Decrease) in Cash and Cash Equivalents	3,090	10,388
Cash and Cash Equivalents at Beginning of Period	35,767	38,858
Cash and Cash Equivalents at End of Period	38,858	49,246

4. Change in Directors and Corporate Auditors

(1) Change in Representative Director

None

(2) Change in Other Directors and Corporate Auditors

To be appointed as new director

Dr. Masayuki Adachi, Present Senior Corporate Officer (General Manager of Research and Development Division)

(3) Scheduled Effective Date of Assumption

March 29, 2014

5. Supplemental Information

HORIBA, Ltd. Financial Highlights for the Year Ended December 31, 2013

1. Consolidated Financial Results

Amount: millions of yen

	12/2013	12/2012	Changes		12/2014	Changes from	12/2014	Changes from
	Result	Result	Amount	Ratio	Estimate	previous year	Estimate	previous year
	Full year	Full year			Full year	Amount	1st half	Amount
Net Sales	138,136	117,609	+20,526	+17.5%	150,000	+11,863	72,000	+12,317
Operating Income	13,733	11,751	+1,981	+16.9%	15,000	+1,266	5,500	+1,525
<i>Operating Income Ratio</i>	9.9%	10.0%	-0.1P		10.0%	+0.1P	7.6%	+0.9P
Ordinary Income	13,056	11,353	+1,703	+15.0%	14,500	+1,443	5,300	+1,559
<i>Ordinary Income Ratio</i>	9.5%	9.7%	-0.2P		9.7%	+0.2P	7.4%	+1.1P
Net Income	8,999	7,396	+1,603	+21.7%	9,000	+0	3,200	+670
<i>Net Income Ratio</i>	6.5%	6.3%	+0.2P		6.0%	-0.5P	4.4%	+0.2P
US\$	97.73	79.81	+17.92		100.00	+2.27	100.00	+4.27
Euro	129.78	102.55	+27.23		135.00	+5.22	135.00	+9.38

2. Consolidated Segment Results

Amount: millions of yen

	12/2013	12/2012	Changes		12/2014	Changes from	12/2014	Changes from
	Result	Result	Amount	Ratio	Estimate	previous year	Estimate	previous year
	Full year	Full year			Full year	Amount	1st half	Amount
Net Sales								
Automotive	49,524	43,230	+6,293	+14.6%	54,500	+4,975	25,000	+4,684
Process&Environmental	14,711	13,709	+1,001	+7.3%	15,500	+788	7,500	+1,135
Medical	26,832	22,400	+4,432	+19.8%	28,500	+1,667	14,000	+897
Semiconductor	24,153	17,861	+6,292	+35.2%	27,000	+2,846	14,000	+4,046
Scientific	22,913	20,406	+2,506	+12.3%	24,500	+1,586	11,500	+1,553
Total	138,136	117,609	+20,526	+17.5%	150,000	+11,863	72,000	+12,317
Operating Income								
Automotive	4,287	4,412	-124	-2.8%	5,200	+912	1,300	+82
Process&Environmental	1,263	1,642	-379	-23.1%	1,300	+36	400	+40
Medical	2,429	2,478	-48	-2.0%	2,500	+70	1,100	+69
Semiconductor	4,815	2,274	+2,540	+111.7%	5,000	+184	2,600	+1,042
Scientific	937	943	-5	-0.6%	1,000	+62	100	+291
Total	13,733	11,751	+1,981	+16.9%	15,000	+1,266	5,500	+1,525

3. Consolidated Segment Sales by Destination

Amount: millions of yen

	12/2013		12/2012		12/2014		12/2014	
	Result	Result	Changes		Estimate	Changes	Estimate	Changes
	Full year	Full year	Amount	Ratio	Full year	Amount	1st half	Amount
Automotive	49,524	43,230	+6,293	+14.6%	54,500	+4,975	25,000	+4,684
Japan	17,072	15,051	+2,021	+13.4%	15,500	-1,572	8,000	-119
Asia	11,834	12,524	-689	-5.5%	14,000	+2,165	6,000	+1,657
Americas(*)	7,317	5,346	+1,971	+36.9%	9,500	+2,182	4,200	+1,603
Europe	13,299	10,308	+2,991	+29.0%	15,500	+2,200	6,800	+1,543
Process&Environmental	14,711	13,709	+1,001	+7.3%	15,500	+788	7,500	+1,135
Japan	8,143	9,268	-1,125	-12.1%	8,500	+356	4,200	+194
Asia	2,308	1,850	+457	+24.7%	2,500	+191	1,400	+576
Americas(*)	2,191	996	+1,194	+119.8%	2,500	+308	1,100	+321
Europe	2,068	1,593	+474	+29.8%	2,000	-68	800	+43
Medical	26,832	22,400	+4,432	+19.8%	28,500	+1,667	14,000	+897
Japan	5,387	5,281	+105	+2.0%	5,500	+112	2,700	+2
Asia	3,668	2,882	+786	+27.3%	5,000	+1,331	2,400	+597
Americas(*)	6,521	5,333	+1,188	+22.3%	6,600	+78	3,300	+118
Europe	11,255	8,902	+2,352	+26.4%	11,400	+144	5,600	+179
Semiconductor	24,153	17,861	+6,292	+35.2%	27,000	+2,846	14,000	+4,046
Japan	10,756	9,120	+1,636	+17.9%	12,100	+1,343	6,200	+1,669
Asia	8,301	5,268	+3,032	+57.6%	8,100	-201	4,500	+1,215
Americas(*)	3,850	2,377	+1,473	+62.0%	5,300	+1,449	2,800	+1,145
Europe	1,245	1,095	+149	+13.7%	1,500	+254	500	+14
Scientific	22,913	20,406	+2,506	+12.3%	24,500	+1,586	11,500	+1,553
Japan	7,136	7,055	+81	+1.2%	7,300	+163	3,400	+246
Asia	4,872	3,744	+1,127	+30.1%	5,200	+327	2,500	+389
Americas(*)	5,196	4,086	+1,109	+27.2%	5,500	+303	2,600	+271
Europe	5,708	5,520	+188	+3.4%	6,500	+791	3,000	+645
Total	138,136	117,609	+20,526	+17.5%	150,000	+11,863	72,000	+12,317
Japan	48,496	45,777	+2,718	+5.9%	48,900	+403	24,500	+1,993
Asia	30,985	26,270	+4,714	+17.9%	34,800	+3,814	16,800	+4,436
Americas(*)	25,077	18,140	+6,936	+38.2%	29,400	+4,322	14,000	+3,460
Europe	33,577	27,421	+6,156	+22.5%	36,900	+3,322	16,700	+2,426

(Note) Americas includes all countries in North America and South America.

4. Capital Expenditures, Depreciation and R&D Expenses

Amount: millions of yen

	12/2013	12/2012	12/2014
	Result	Result	Estimate
Capital Expenditures (*)	7,680	7,882	16,000
Depreciation	4,279	3,743	4,500
R&D Expenses	10,774	10,092	12,000

(Note) Capital Expenditures are investments in tangible and intangible fixed assets.

5. Consolidated Financial Results (Quarterly Comparison)

Amount: millions of yen

	12/2013 Result				12/2012 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	28,738	30,944	32,595	45,857	29,522	27,432	25,889	34,765
Operating Income	2,340	1,633	2,470	7,289	3,627	1,680	1,748	4,695
<i>Operating Income Ratio</i>	8.1%	5.3%	7.6%	15.9%	12.3%	6.1%	6.8%	13.5%
Ordinary Income	2,344	1,395	2,327	6,989	3,555	1,523	1,597	4,676
<i>Ordinary Income Ratio</i>	8.2%	4.5%	7.1%	15.2%	12.0%	5.6%	6.2%	13.5%
Net Income	1,370	1,159	1,692	4,777	2,141	908	1,027	3,319
<i>Net Income Ratio</i>	4.8%	3.7%	5.2%	10.4%	7.3%	3.3%	4.0%	9.5%
US\$	92.46	99.00	99.03	100.43	79.35	80.19	78.63	81.07
Euro	122.06	129.18	131.17	136.71	104.14	102.82	98.20	105.04

6. Consolidated Segment Results (Quarterly Comparison)

Amount: millions of yen

	12/2013 Result				12/2012 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales								
Automotive	9,956	10,359	11,398	17,810	9,185	9,390	9,343	15,311
Process&Environmental	3,131	3,232	3,530	4,816	4,106	3,002	3,005	3,596
Medical	6,348	6,753	6,457	7,272	5,543	5,497	5,451	5,907
Semiconductor	4,326	5,626	5,958	8,241	5,508	4,907	3,614	3,831
Scientific	4,975	4,971	5,251	7,716	5,178	4,635	4,474	6,119
Total	28,738	30,944	32,595	45,857	29,522	27,432	25,889	34,765
Operating Income								
Automotive	897	320	562	2,508	562	171	731	2,947
Process&Environmental	356	2	251	651	893	128	223	398
Medical	530	499	527	871	746	652	577	501
Semiconductor	506	1,050	1,092	2,165	1,210	724	145	194
Scientific	48	-239	35	1,092	215	2	71	653
Total	2,340	1,633	2,470	7,289	3,627	1,680	1,748	4,695

7. Consolidated Orders and Backlog Information (Quarterly Comparison)

Amount: millions of yen

	12/2013 Result				12/2012 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Orders								
Automotive	12,840	12,515	10,387	16,673	12,348	10,148	12,446	12,223
Process&Environmental	3,913	3,842	4,138	4,095	3,933	3,211	3,074	3,367
Medical	6,742	6,483	6,072	7,179	6,031	5,299	5,402	6,258
Semiconductor	4,650	5,118	6,963	8,818	5,372	4,532	4,077	3,901
Scientific	5,306	6,169	6,197	7,721	5,502	4,526	4,526	5,762
Total	33,453	34,129	33,758	44,487	33,188	27,718	29,527	31,513
Backlog								
Automotive	31,412	33,568	32,557	31,420	27,755	28,512	31,616	28,527
Process&Environmental	3,357	3,967	4,575	3,853	2,525	2,734	2,804	2,575
Medical	3,059	2,790	2,404	2,311	2,562	2,364	2,314	2,665
Semiconductor	2,079	1,571	2,576	3,152	1,597	1,223	1,685	1,755
Scientific	5,521	6,719	7,665	7,670	5,603	5,495	5,547	5,190
Total	45,430	48,616	49,778	48,408	40,043	40,330	43,968	40,715

8. Non-Consolidated Financial Results

Amount: millions of yen

	12/2013	12/2012	Changes	
	Result	Result	Amount	Ratio
	Full year	Full year		
Net Sales	54,348	53,526	+822	+1.5%
Operating Income	4,927	5,051	-124	-2.5%
<i>Operating Income Ratio</i>	9.1%	9.4%	-0.3P	
Ordinary Income	6,652	7,261	-608	-8.4%
<i>Ordinary Income Ratio</i>	12.2%	13.6%	-1.4P	
Net Income	5,192	5,636	-443	-7.9%
<i>Net Income Ratio</i>	9.6%	10.5%	-0.9P	

Contact

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