

**Summary of Consolidated Financial Statements for the Three Months Ended March 31, 2020  
(Japanese GAAP)**

May 20, 2020

Company name **HORIBA, Ltd.**  
 Listing code 6856  
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(Figures have been rounded down to the nearest million yen)

**1. Consolidated Results for the Three Months Ended March 31, 2020 (January 1, 2020 - March 31, 2020)**

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

	Net Sales		Operating Income		Ordinary Income		Net income Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended 3/31/20	44,997	-0.7	3,895	-12.2	3,906	-9.2	2,287	-10.7
Three months ended 3/31/19	45,320	-14.0	4,434	-51.8	4,303	-52.0	2,561	-58.1

(Note) Comprehensive Income: FY2020Q1 -1,773 million yen (-%) FY2019Q1 3,043 million yen (-0.4%)

	Net Income Attributable to Owners of Parent per Share	Net Income Attributable to Owners of Parent per Share (Diluted)
	Yen	Yen
Three months ended 3/31/20	54.22	53.98
Three months ended 3/31/19	60.75	60.49

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of 3/31/20	306,063	166,467	54.2
As of 12/31/19	315,133	171,615	54.3

(Reference) Net assets excluding subscription rights to shares and non-controlling interests:  
 As of 3/31/20 165,843 million yen As of 12/31/19 170,953 million yen

**2. Dividends**

	Dividend per Share				
	First Quarter	Second Quarter	Third Quarter	Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 12/31/19	-	50.00	-	80.00	130.00
Year ended 12/31/20	-				
Year ending 12/31/20 (Forecast)		-	-	-	-

Note 1. Changes in the latest dividend forecasts released: None

Note 2. The dividend forecast has not been determined.

It will be disclosed as soon as forecasts become available.

**3. Consolidated Forecast for the Year Ending December 31, 2020 (January 1, 2020 - December 31, 2020)**

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income Attributable to Owners of Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	-	-	-	-	-	-	-	-	-
Full year	-	-	-	-	-	-	-	-	-

Note 1. Changes in the latest business forecasts released: None

Note 2. With regard to consolidated earnings forecasts, the forecasts announced on February 14, 2020 were withdrawn on April 16, and new forecasts have not been determined. It will be disclosed as soon as forecasts become available.

**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)

① Shares issued (including treasury stock)	March 31, 2020	42,532,752	December 31, 2019	42,532,752
② Treasury stock	March 31, 2020	345,662	December 31, 2019	356,524
③ Average number of outstanding shares	Jan. - Mar., 2020	42,179,797	Jan. - Mar., 2019	42,170,434

Note 1. This consolidated financial report is not subject to quarterly review by certified public accountants or accounting firms.

Note 2. With regard to consolidated earnings forecasts, the forecasts announced on February 14, 2020 were withdrawn on April 16, and new forecasts have not been determined. It will be disclosed as soon as forecasts become available. For details, see page 4, "1(2) Information Concerning Consolidated Earnings Forecasts for FY2020".

## **1. Qualitative Information Concerning Consolidated Results**

### **(1) Information Concerning Consolidated Operating Results**

(For details, see page 10, “3. Supplemental Information - HORIBA, Ltd. Financial Highlights for the Three Months Ended March 31, 2020”)

During the three months ended March 31, 2020 (the first quarter), HORIBA, Ltd. (“the Company”) and its consolidated subsidiaries (together “the HORIBA Group” or “HORIBA” as a consolidated group) decreased sales by 0.7% year-on-year to 44,997 million yen, due to decline in sales in mainly Automotive Test Systems segment while sales in the Semiconductor Instruments & Systems segment increase. Operating income decreased by 12.2% to 3,895 million yen, ordinary income by 9.2% to 3,906 million yen and net income attributable to owners of parent by 10.7% to 2,287 million yen.

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

#### **(Automotive Test Systems)**

Mainly due to the stagnation of corporate activities affected by the spread of COVID-19, sales of emission measurement systems and others declined in the Americas and Europe. As a result, segment sales decreased by 8.4% year-on-year to 14,870 million yen, and operating income decreased by 64.4% to 322 million yen.

#### **(Process & Environmental Instruments & Systems)**

Mainly due to the stagnation of corporate activities affected by the spread of COVID-19, sales of stack gas analyzers and others declined in Asia. As a result, segment sales decreased by 4.1% year-on-year to 4,595 million yen and operating income decreased by 46.7% to 250 million yen.

#### **(Medical-Diagnostic Instruments & Systems)**

Segment sales decreased by 8.9% year-on-year to 5,749 million yen, mainly due to a decline in sales of blood cell testing instruments and others in the Americas, Asia and Japan. As a result, operating income decreased by 24.8% to 156 million yen.

#### **(Semiconductor Instruments & Systems)**

In response to a gradual recovery of semiconductor manufacturers’ capital expenditures, sales to semiconductor production equipment manufacturers increased. As a result, segment sales increased by 19.9% year-on-year to 13,847 million yen and operating income increased by 17.8% to 3,241 million yen.

#### **(Scientific Instruments & Systems)**

Owing to sluggish R&D investment by companies and others due to the spread of COVID-19, sales of Raman Spectrometers and others declined in Japan and Asia. As a result, segment sales decreased by 7.7% year-on-year to 5,935 million yen, and operating loss of 75 million yen was recorded (compared to operating income of 98 million yen in the first three months of the previous year).

(2) Information Concerning Consolidated Earnings Forecasts for FY2020

With regard to consolidated earnings forecasts, the forecasts announced on February 14, 2020 were withdrawn on April 16, and new forecasts have not been determined.

The global spread of COVID-19 has restricted the movement of people and goods. Markets are expected to be sluggish in regions where the end of the infectious diseases cannot be predicted. While business activities have been sustained partly by the introduction and expansion of telework, activities of bookings, production, and delivery are expected to shrink.

The Automotive Test Systems segment can be affected by the reduction in R&D investment by automobile manufacturers given a decline in automobiles sales. In addition, product shipment and acceptance may be delayed because of measures to restrict the public's movements by various countries and regions.

In the Semiconductor Instruments & Systems segment, bookings and sales to semiconductor production equipment manufacturers are expected to remain firm along with a gradual recovery of their capital expenditures.

The Medical-Diagnostic Instruments & Systems segment continues production in order to keep providing medical equipment and reagents even in areas where the public's movements have been restricted. Trends of medical policy, however, vary by country and region, which makes it difficult to project the demand outlook.

In the Process & Environmental Instruments & Systems segment and the Scientific Instruments & Systems segment, it is also difficult to project the demand outlook, due to sluggish economic activities affected by the spread of COVID-19.

Under these circumstances, it is very difficult to make a rational estimation of business forecasts at this time and consolidated earnings forecasts have not yet been determined. Consolidated earnings forecasts will be disclosed as soon as the estimates become available.

Therefore the dividend forecast has also not been determined as well. It will be disclosed as soon as forecasts become available.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

Amount: Millions of yen

	FY2019 (As of December 31, 2019)	FY2020 first quarter (As of March 31, 2020)
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and bank deposits	95,646	95,779
Trade notes and accounts receivable	59,121	50,691
Marketable securities	3,079	2,793
Merchandise and finished goods	19,995	19,618
Work in process	17,690	19,574
Raw materials and supplies	13,927	14,017
Other current assets	7,889	7,983
Allowance for doubtful accounts	(796)	(718)
<b>Total Current Assets</b>	<b>216,553</b>	<b>209,739</b>
<b>Fixed Assets:</b>		
<b>Property, Plant and Equipment:</b>		
Buildings and structures, net	39,780	38,737
Machinery, equipment and vehicles, net	12,053	11,716
Land	15,177	14,922
Construction in progress	3,604	5,264
Other property, plant and equipment, net	5,313	5,090
<b>Total Property, Plant and Equipment</b>	<b>75,929</b>	<b>75,731</b>
<b>Intangibles:</b>		
Goodwill	1,254	1,148
Software	2,734	2,645
Leasehold interests in land	548	522
Other intangibles	997	809
<b>Total Intangibles</b>	<b>5,535</b>	<b>5,126</b>
<b>Investments and Other Non-Current Assets:</b>		
Investment securities	10,612	8,924
Net defined benefit asset	13	48
Deferred tax assets	3,605	3,723
Other investments and other assets	2,933	2,819
Allowance for doubtful accounts	(51)	(49)
<b>Total Investments and Other Non-Current Assets</b>	<b>17,114</b>	<b>15,466</b>
<b>Total Fixed Assets</b>	<b>98,579</b>	<b>96,324</b>
<b>Total Assets</b>	<b>315,133</b>	<b>306,063</b>

Amount: Millions of yen

	FY2019 (As of December 31, 2019)	FY2020 first quarter (As of March 31, 2020)
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Trade notes and accounts payable	19,861	19,736
Short-term loans payable	8,495	6,711
Current portion of bonds	15,000	15,000
Accounts payable - other	16,164	14,406
Accrued income taxes	2,004	2,157
Advances Received	19,169	17,864
Accrued bonuses to employees	1,188	1,971
Accrued bonuses to directors and corporate auditors	-	139
Reserve for product warranty	2,369	2,332
Other current liabilities	4,218	4,307
<b>Total Current Liabilities</b>	<b>88,472</b>	<b>84,627</b>
<b>Non-Current Liabilities:</b>		
Corporate bonds	30,000	30,000
Long-term loans payable	16,878	16,770
Deferred tax liabilities	613	128
Net defined benefit liability	2,017	1,993
Other non-current liabilities	5,534	6,075
<b>Total Non-Current Liabilities</b>	<b>55,044</b>	<b>54,967</b>
<b>Total Liabilities</b>	<b>143,517</b>	<b>139,595</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	12,011	12,011
Capital surplus	18,599	18,599
Retained earnings	141,689	140,592
Treasury stock	(1,405)	(1,363)
<b>Total Shareholders' Equity</b>	<b>170,894</b>	<b>169,840</b>
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized holding gains or losses on securities	4,344	3,163
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustments	(4,042)	(6,936)
Remeasurements of defined benefit plans	(244)	(223)
<b>Total Accumulated Other Comprehensive Income</b>	<b>58</b>	<b>(3,996)</b>
<b>Subscription Rights to Shares</b>	<b>651</b>	<b>618</b>
<b>Non-Controlling Interests</b>	<b>10</b>	<b>5</b>
<b>Total Net Assets</b>	<b>171,615</b>	<b>166,467</b>
<b>Total Liabilities and Net Assets</b>	<b>315,133</b>	<b>306,063</b>

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

Amount: Millions of yen

	FY2019 first quarter (Three months ended March 31, 2019)	FY2020 first quarter (Three months ended March 31, 2020)
<b>Net Sales</b>	45,320	44,997
<b>Cost of Sales</b>	26,008	26,207
<b>Gross Income</b>	19,311	18,789
<b>Selling, General and Administrative Expenses</b>	14,877	14,893
<b>Operating Income</b>	4,434	3,895
<b>Non-Operating Income</b>		
Interest income	52	116
Dividend income	0	4
Subsidy income	23	168
Other	48	55
<b>Total Non-Operating Income</b>	124	345
<b>Non-Operating Expense</b>		
Interest expense	117	110
Foreign exchange losses	101	190
Other	36	34
<b>Total Non-Operating Expense</b>	255	334
<b>Ordinary Income</b>	4,303	3,906
<b>Extraordinary Gain</b>		
Gain on sales of fixed assets	1	6
<b>Total Extraordinary Gain</b>	1	6
<b>Extraordinary Loss</b>		
Loss on sales of fixed assets	-	0
Loss on disposal of fixed assets	2	3
Loss on valuation of investment securities	-	9
<b>Total Extraordinary Loss</b>	2	13
<b>Income before Income Taxes</b>	4,302	3,898
Income taxes (current)	1,931	1,742
Income taxes (deferred)	(197)	(127)
<b>Total Income Taxes</b>	1,733	1,615
<b>Net Income</b>	2,568	2,283
Profit (loss) attributable to non-controlling interests	6	(3)
<b>Net Income Attributable to Owners of Parent</b>	2,561	2,287

## (Consolidated Statements of Comprehensive Income)

Amount: Millions of yen

	FY2019 first quarter (Three months ended March 31, 2019)	FY2020 first quarter (Three months ended March 31, 2020)
<b>Net Income</b>	2,568	2,283
<b>Other Comprehensive Income</b>		
Net unrealized holding gains or losses on securities	477	(1,180)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustments	18	(2,896)
Remeasurements of defined benefit plans	7	21
<b>Total Other Comprehensive Income</b>	475	(4,056)
<b>Comprehensive Income</b>	3,043	(1,773)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	3,035	(1,768)
Comprehensive income attributable to non-controlling interests	8	(5)



(3) Notes to Consolidated Financial Statements

**Application of special accounting for preparing quarterly consolidated financial statement  
(Calculation method for tax expenses)**

The Company and its domestic consolidated subsidiaries calculated income tax expenses by multiplying quarterly income before income taxes by reasonably estimated annual effective tax rate. This tax rate was reasonably estimated after applying the deferred tax accounting to the annual income before income taxes.

**Additional information**

"Leasehold interests in land", which was included in "Other intangibles" in "Intangibles" in the previous consolidated fiscal year, is presented separately from the first quarter of the current consolidated fiscal year, from the viewpoint of clarity in accounts classification. The Consolidated Financial Statements for the previous consolidated fiscal year have been reclassified to reflect this change.

As a result, in the Consolidated Balance Sheets for the previous consolidated fiscal year, the 1,546 million yen presented as "Other intangibles" in "Intangibles" has been reclassified as "Leasehold interests in land" of 548 million yen and "Other intangibles" of 997 million yen.

### 3. Supplemental Information

HORIBA, Ltd. Financial Highlights for the Three Months Ended March 31, 2020
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#### 1. Consolidated Financial Results

	12/2019		12/2020		Amount: Millions of yen	
	Result	Result	Changes		12/2019	
	1Q(3months)	1Q(3months)	Amount	Ratio	Result	
					1st half	Full year
Net Sales	45,320	<b>44,997</b>	-322	-0.7%	91,607	200,241
Operating Income	4,434	<b>3,895</b>	-538	-12.2%	8,282	20,916
<i>Operating Income Ratio</i>	9.8%	<b>8.7%</b>	-1.1P		9.0%	10.4%
Ordinary Income	4,303	<b>3,906</b>	-397	-9.2%	8,040	20,518
<i>Ordinary Income Ratio</i>	9.5%	<b>8.7%</b>	-0.8P		8.8%	10.2%
Net Income Attributable to Owners of Parent	2,561	<b>2,287</b>	-274	-10.7%	5,770	15,481
<i>Net Income Ratio</i>	5.7%	<b>5.1%</b>	-0.6P		6.3%	7.7%
US\$	110.22	<b>108.86</b>	-1.36		110.06	109.03
Euro	125.16	<b>120.08</b>	-5.08		124.32	122.03

#### 2. Consolidated Segment Results

	12/2019		12/2020		Amount: Millions of yen	
	Result	Result	Changes		12/2019	
	1Q(3months)	1Q(3months)	Amount	Ratio	Result	
					1st half	Full year
Net Sales						
Automotive	16,242	<b>14,870</b>	-1,371	-8.4%	34,381	81,042
Process&Environmental	4,791	<b>4,595</b>	-196	-4.1%	9,161	19,500
Medical	6,307	<b>5,749</b>	-558	-8.9%	12,667	25,335
Semiconductor	11,548	<b>13,847</b>	+2,298	+19.9%	22,705	47,191
Scientific	6,429	<b>5,935</b>	-494	-7.7%	12,691	27,170
Total	45,320	<b>44,997</b>	-322	-0.7%	91,607	200,241
Operating Income						
Automotive	905	<b>322</b>	-583	-64.4%	1,599	6,454
Process&Environmental	470	<b>250</b>	-219	-46.7%	663	1,697
Medical	208	<b>156</b>	-51	-24.8%	709	1,302
Semiconductor	2,752	<b>3,241</b>	+489	+17.8%	5,399	10,727
Scientific	98	<b>(75)</b>	-173	-	(90)	734
Total	4,434	<b>3,895</b>	-538	-12.2%	8,282	20,916

### 3. Consolidated Segment Sales by Destination

Amount: Millions of yen

	12/2019		12/2020		12/2019	
	Result		Result		Result	
	1Q(3months)	1Q(3months)	Amount	Ratio	1st half	Full year
<b>Automotive</b>	16,242	<b>14,870</b>	-1,371	-8.4%	34,381	81,042
Japan	6,145	<b>6,377</b>	+232	+3.8%	10,528	21,541
Asia	3,002	<b>2,989</b>	-13	-0.4%	9,096	24,507
Americas	1,830	<b>1,116</b>	-713	-39.0%	4,372	9,986
Europe	5,264	<b>4,386</b>	-877	-16.7%	10,383	25,006
<b>Process&amp;Environmental</b>	4,791	<b>4,595</b>	-196	-4.1%	9,161	19,500
Japan	2,735	<b>2,649</b>	-85	-3.1%	4,900	10,187
Asia	903	<b>703</b>	-200	-22.2%	1,874	4,242
Americas	555	<b>690</b>	+134	+24.2%	1,152	2,461
Europe	596	<b>551</b>	-44	-7.5%	1,234	2,608
<b>Medical</b>	6,307	<b>5,749</b>	-558	-8.9%	12,667	25,335
Japan	1,594	<b>1,446</b>	-148	-9.3%	3,107	6,328
Asia	1,316	<b>1,152</b>	-163	-12.5%	2,726	5,661
Americas	1,317	<b>1,123</b>	-194	-14.8%	2,642	5,080
Europe	2,078	<b>2,027</b>	-50	-2.4%	4,190	8,265
<b>Semiconductor</b>	11,548	<b>13,847</b>	+2,298	+19.9%	22,705	47,191
Japan	4,108	<b>4,663</b>	+554	+13.5%	8,067	16,790
Asia	5,000	<b>7,020</b>	+2,020	+40.4%	9,935	21,251
Americas	1,469	<b>1,564</b>	+94	+6.4%	2,995	6,030
Europe	970	<b>598</b>	-371	-38.3%	1,706	3,118
<b>Scientific</b>	6,429	<b>5,935</b>	-494	-7.7%	12,691	27,170
Japan	2,097	<b>1,826</b>	-270	-12.9%	3,536	7,321
Asia	1,449	<b>1,031</b>	-418	-28.9%	3,007	6,796
Americas	1,713	<b>1,960</b>	+247	+14.4%	3,525	7,520
Europe	1,168	<b>1,116</b>	-52	-4.5%	2,621	5,531
<b>Total</b>	45,320	<b>44,997</b>	-322	-0.7%	91,607	200,241
Japan	16,681	<b>16,963</b>	+282	+1.7%	30,141	62,169
Asia	11,672	<b>12,895</b>	+1,223	+10.5%	26,641	62,460
Americas	6,887	<b>6,455</b>	-432	-6.3%	14,688	31,079
Europe	10,078	<b>8,682</b>	-1,396	-13.9%	20,136	44,532

### 4. Capital Expenditures, Depreciation and R&D Expenses

Amount: Millions of yen

	12/2019		12/2020
	1Q(3months)	Full-year Result	1Q(3months)
	Capital Expenditures (*1)	2,387	12,834
Depreciation (*2)	2,088	8,794	2,388
R&D Expenses	4,019	16,254	4,110

(\*1) Capital Expenditures are investments in tangible and intangible fixed assets.

(\*2) Amortization of goodwill is included in depreciation.

## 5. Consolidated Financial Results (Quarterly Comparison)

Amount: Millions of yen

	12/2019 Result				12/2020 Result
	1Q	2Q	3Q	4Q	1Q
Net Sales	45,320	46,287	45,422	63,211	44,997
Operating Income	4,434	3,848	3,722	8,910	3,895
<i>Operating Income Ratio</i>	9.8%	8.3%	8.2%	14.1%	8.7%
Ordinary Income	4,303	3,737	3,517	8,960	3,906
<i>Ordinary Income Ratio</i>	9.5%	8.1%	7.7%	14.2%	8.7%
Net Income Attributable to Owners of Parent	2,561	3,209	2,655	7,055	2,287
<i>Net Income Ratio</i>	5.7%	6.9%	5.8%	11.2%	5.1%
US\$	110.22	109.90	107.24	108.76	108.86
Euro	125.16	123.48	119.22	120.26	120.08

## 6. Consolidated Segment Results (Quarterly Comparison)

Amount: Millions of yen

Net Sales	12/2019 Result				12/2020 Result
	1Q	2Q	3Q	4Q	1Q
Automotive	16,242	18,138	17,705	28,956	14,870
Process&Environmental	4,791	4,369	4,709	5,628	4,595
Medical	6,307	6,359	6,036	6,632	5,749
Semiconductor	11,548	11,157	10,837	13,647	13,847
Scientific	6,429	6,261	6,132	8,346	5,935
Total	45,320	46,287	45,422	63,211	44,997

  

Operating Income	12/2019 Result				12/2020 Result
	1Q	2Q	3Q	4Q	1Q
Automotive	905	694	1,199	3,655	322
Process&Environmental	470	193	312	721	250
Medical	208	501	339	252	156
Semiconductor	2,752	2,647	2,037	3,290	3,241
Scientific	98	(188)	(167)	991	(75)
Total	4,434	3,848	3,722	8,910	3,895

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