

**Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2015  
(Japanese GAAP)**

November 6, 2015

Company name **HORIBA, Ltd.** Listed stock exchanges: Tokyo  
 Listing code 6856 URL: <http://www.horiba.com>  
 Representative Atsushi Horiba, Chairman, President and CEO TEL: (81)75-313-8121  
 Contact Junichi Tajika, Department Manager, Accounting Dept.

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

**1. Consolidated Results for the Nine Months Ended September 30, 2015 (January 1, 2015 - September 30, 2015)**

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

|                           | Net Sales       |      | Operating Income |      | Ordinary Income |      | Net Income      |      |
|---------------------------|-----------------|------|------------------|------|-----------------|------|-----------------|------|
|                           | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen | %    |
| Nine months ended 9/30/15 | 116,870         | 15.7 | 11,816           | 51.5 | 11,384          | 59.3 | 7,223           | 83.1 |
| Nine months ended 9/30/14 | 101,049         | 9.5  | 7,801            | 21.1 | 7,144           | 17.8 | 3,944           | -6.6 |

(Note) Comprehensive Income: FY2015Q3 4,101 million yen (42.2%), FY2014Q3 2,884 million yen (-68.2%)

|                           | Net Income per Share | Net Income per Share (Diluted) |
|---------------------------|----------------------|--------------------------------|
|                           | Yen                  | Yen                            |
| Nine months ended 9/30/15 | 171.39               | 170.63                         |
| Nine months ended 9/30/14 | 93.24                | 92.87                          |

(2) Consolidated Financial Position

|                | Total Assets    | Net Assets      | Shareholders' Equity Ratio |
|----------------|-----------------|-----------------|----------------------------|
|                | Millions of yen | Millions of yen | %                          |
| As of 9/30/15  | 222,735         | 124,450         | 55.7                       |
| As of 12/31/14 | 207,335         | 124,314         | 59.8                       |

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

As of September 30, 2015: 123,980 million yen; As of December 31, 2014: 123,924 million yen

**2. Dividends**

|                                 | Dividend per share |                |               |          |       |
|---------------------------------|--------------------|----------------|---------------|----------|-------|
|                                 | First quarter      | Second quarter | Third quarter | Year end | Total |
|                                 | Yen                | Yen            | Yen           | Yen      | Yen   |
| Year ended 12/31/14             | —                  | 25.00          | —             | 42.00    | 67.00 |
| Year ending 12/31/15            | —                  | 28.00          | —             |          |       |
| Year ending 12/31/15 (Forecast) |                    |                |               | 42.00    | 70.00 |

(Note) Changes in the latest dividend forecasts released: None

**3. Consolidated Forecast for the Year Ending December 31, 2015 (January 1, 2015 - December 31, 2015)**

(Percentages represent changes from the previous fiscal 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                  |
| Full year | 175,000         | 14.3 | 19,000           | 10.4 | 18,500          | 12.4 | 12,300          | 16.2 | 291.91               |

(Note) Changes in the latest business forecasts released: Yes

**Notes**

- (1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries that caused a change in the scope of consolidation): None
- (2) Application of the accounting method specific to quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates and retrospective restatement
- ① Changes in accounting policies associated with revision of accounting standards: Yes
  - ② Changes in accounting policies arising from other than the above: None
  - ③ Changes in accounting estimates: None
  - ④ Retrospective restatement: None
- (Note) Please see "2.Items Concerning Summary Information (Notes)" on page 5 for further details.
- (4) Number of shares outstanding (common stock)

|  |                           |                          |
|--|---------------------------|--------------------------|
|  | <u>September 30, 2015</u> | <u>December 31, 2014</u> |
| ① Shares issued (including treasury stock)   | 42,532,752                | 42,532,752               |
| ② Treasury stock   | 439,001                   | 220,551                  |
|  | <u>Jan. - Sep. 2015</u>   | <u>Jan. - Sep. 2014</u>  |
| ③ The average number of outstanding shares<br>during the nine months ended FY2015 and FY2014 | 42,150,489                | 42,308,726               |

**Note 1. Indication regarding implementation status of quarterly review procedures**

These quarterly financial statements have not been prepared for the purpose of quarterly review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for quarterly financial statements were in the process of being implemented as of the release of these quarterly 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 page 4, "1. (2) Information Concerning Consolidated Earnings Forecasts for FY2015".

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

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

With regard to the global economy during the nine months ended September 30, 2015 (the first three quarters), Chinese economy decelerated moderately and Southeast Asia also showed slowdown signs in economy. In the United States, economy continued to recover due to growth in private consumption and other factors in the background of improved labor environment. In Europe, despite sovereign debt problems and geopolitical risks, a moderate economic recovery continued.

In Japan, despite some signs of weakness, the economy continued its moderate recovery trend in the background of improved corporate earnings, with continued recovery in corporate capital investment and steady improvement in employment and wage environment.

During the period from January 2015 to September 2015, average foreign exchange rates were 120.98 yen against the U.S. dollar and 134.74 yen against the euro, representing a year-on-year depreciation of 14.9% against the U.S. dollar and appreciation of 3.5% against the euro.

Under these conditions, HORIBA, Ltd. (“the Company”) and its consolidated subsidiaries (together “the HORIBA Group” or “HORIBA” as a consolidated group) increased sales by 15.7% year on year to 116,870 million yen, thanks to the sales increase mainly in the Semiconductor Instruments & Systems segment and the Automotive Test Systems segment, caused by production expansion by semiconductor production equipment manufacturers and sales increase by the acquisition of MIRA Ltd. (current HORIBA MIRA Ltd.) in UK in July 2015.

In terms of profits, despite the expenses associated with the acquisition of MIRA Ltd., due to the depreciation of the yen against the U.S. dollar, and sales increase in the Semiconductor Instruments & Systems segment and the Medical-Diagnostic Instruments & Systems segment, operating income rose by 51.5% to 11,816 million yen and ordinary income increased by 59.3% to 11,384 million yen. Net income increased by 83.1% to 7,223 million yen, partially due to the reversal of provision for loss on dissolution of the employees’ pension fund as an extraordinary gain\*.

\* “Provision for loss on dissolution of the employees’ pension fund” (Non-Current Liabilities) were recorded in the first quarter of fiscal 2014, in preparation for the loss to be incurred due to the dissolution of the employees’ pension fund (general type), of which the Company and a consolidated domestic subsidiary are members. However, due to net gains generated by an improvement in investment return of the fund and other factors, the HORIBA Group’s estimated loss amount has decreased, which generated 439 million yen in reversal of provision for loss on dissolution of the employees’ pension fund as an extraordinary gain.

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

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

Segment sales increased by 17.5% year on year to 37,855 million yen due to the acquisition of MIRA Ltd., increased sales of emission measurement systems in Japan, and sales increase in the Americas because of the depreciation of yen against the U.S. dollar. Operating income, however, decreased by 44.9% to 727 million yen due to one-time expenses associated with the acquisition of MIRA Ltd. and the relocation of development and production base to HORIBA BIWAKO E-HARBOR in Shiga Prefecture.

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

The robust sales of process analysis product lines in the Americas and the depreciation of the yen against the U.S. dollar resulted in an increase in sales in the Americas in yen terms. However, sales of stack gas analyzers decreased in Japan and China. As a result, segment sales increased by 0.5% to 11,855 million yen and operating income decreased by 20.9% to 1,145 million yen.

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

Although the depreciation of the euro against the yen resulted in sales amount decrease expressed in yen, hematology and C-Reactive Protein (CRP) analyzers which was launched in Japan in current fiscal year, continued to present favorable sales performance. As a result, sales increased by 4.3% year on year to 20,589 million yen, and operating income increased by 87.3% year on year to 1,874 million yen.

**(Semiconductor Instruments & Systems)**

Due to a high level of capital investment by semiconductor manufacturers, sales to semiconductor production equipment manufacturers increased significantly compared with the same period of last year. Consequently, segment sales increased by 38.8% to 27,680 million yen and operating income rose by 87.5% to 7,598 million yen compared with the same period of last year.

**(Scientific Instruments & Systems)**

Sales to private sector in the Americas were robust and the depreciation of the yen against the U.S. dollar resulted in a sales amount increase in yen terms in the Americas. At the same time, in Asia, sales to Chinese universities increased. Consequently, segment sales rose by 8.8% year on year to 18,888 million yen and the segment reported an operating income of 470 million yen (compared to an operating loss of 20 million yen in the same period of last year).

**(2) Information Concerning Consolidated Earnings Forecasts for FY2015**

Consolidated earnings forecasts for the full fiscal year 2015 are as follows. HORIBA Group has changed its assumed exchange rate from 130 yen to 135 yen against the euro. The exchange rate against the U.S. dollar remains at 120 yen.

Consolidated forecast of full year FY2015

(Amount: millions of yen)

|                  | Previous Forecast<br>(As of Aug. 5) | Revised Forecast<br>(As of Nov. 6) | Changes |
|------------------|-------------------------------------|------------------------------------|---------|
| Net sales        | 175,000                             | 175,000                            | -       |
| Operating income | 19,000                              | 19,000                             | -       |
| Ordinary income  | 18,500                              | 18,500                             | -       |
| Net income       | 12,000                              | 12,300                             | +300    |

HORIBA's full-year forecasts for all segments remained unchanged, after taking into account the operating performance and order trends up to the third quarter. Given the impact of the extraordinary gain in the third quarter of fiscal year 2015, the net income forecast had been revised up by 300 million yen. As a result, HORIBA's full-year forecasts are 175,000 million yen in sales, 19,000 million yen in operating income, 18,500 million yen in ordinary income and 12,300 million yen in net income.

The dividend forecast for the fiscal year has remained unchanged.

(Note) The forecasts of dividend amount and business performance have been made based on information available as of November 6, 2015. However, due to the existence of various uncertainties, it is possible that actual performance would vary considerably from the forecasts. The major risk factors are as follows, but are not limited to these.

**Business risks:**

Risks associated with international business activities including a loss from fluctuation of currency exchange rates; changes in performance or financial position associated with acquisitions or alliances; repairs of facilities following natural disasters and associated delays in delivery; risks associated with contracts and transactions; laws and regulations; and other business risks

**Risks associated with development and production**

Compensation for product liability; delays in development of new products; risks concerning intellectual property right; and risks concerning fluctuation in raw material prices

**Financial risks:**

Impairment loss on securities and fixed assets by shifts in the market price; reversal of deferred tax assets resulting from changes in systems or accounting policies; and dissolution of the employees' local pension fund

## **2. Items Concerning Summary Information (Notes)**

### **(1) Changes in Accounting Policies**

#### **(Application of Accounting Standards for Retirement Benefits)**

HORIBA has adopted the main provisions from clause 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26; issued on May 17, 2012) and clause 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25; issued on March 26, 2015) from the first quarter of the fiscal year ending December 31, 2015. Accordingly, the method for calculating projected benefit obligations and service cost has been revised and the method for attributing estimated benefit to periods has been changed from a straight-line basis to a benefit formula basis. In addition, the method of determining the discount rates applied in the calculation of projected benefit obligations was changed from the method using the discount rate based on the period approximating the average of the estimated remaining service years of employees to the method using the single weighted-average discount rate that reflects the estimated period and amount of benefit payment in each period.

The accounting standard and guidance for retirement benefits were adopted in accordance with the transitional treatment set forth in clause 37 of the standard, and the amounts of the change in calculation methods for projected benefit obligations and service cost were reflected in retained earnings as of January 1, 2015.

The adoption of the standard and guidance had the effect of increasing net defined benefit liability by 139 million yen and reducing retained earnings by 90 million yen as of January 1, 2015. Its impact on profit for the first three quarters of current fiscal year is immaterial.

### **(2) Additional Information**

#### **(Revision of Amount of Deferred Tax Assets and Deferred Tax Liabilities due to Change in Rate of Corporate and Other Income Taxes)**

Following the promulgation of the "Act for Partial Amendment of the Income Tax Act (Act No. 9 of 2015) and the Act for Partial Amendment of the Local Tax Act (Act No. 2 of 2015) on March 31, 2015, the statutory effective tax rate for the consolidated fiscal year on and after April 1, 2015 was reduced. Following the Act, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from 35.5% to 33.0% for temporary differences expected to be reversed in the fiscal year beginning on January 1, 2016 and 32.2% for temporary differences expected to be reversed in the fiscal year beginning on January 1, 2017.

Due to such change in tax rate, the amount of deferred tax assets (netted with deferred tax liabilities) decreased by 55 million yen, while income taxes (deferred), net unrealized holding gains on securities, and remeasurements of defined benefit plans increased by 161 million yen, 95 million yen, and 9 million yen, respectively.

### (3) Significant Business Acquisition

In board of directors meeting held on July 14, 2015, the Company decided to acquire the business of MIRA Ltd. through the Company's subsidiary HRA International Ltd. and entered into a business purchase agreement on the same date.

HRA International Ltd. acquired the business of MIRA Ltd. and changed its corporate name to HORIBA MIRA Ltd. on the same date.

#### 1. Summary of Business Acquisition

##### 1) Name and business of acquired company

Name of company: MIRA Ltd.

Description of business: Engineering consultancy, Test services & consultancy and Leasing of R&D facility

##### 2) Purpose of business acquisition

Goal of HORIBA is to integrate MIRA's competences into its Automotive Test Systems segment to complement its established strength in analysis and measurement technologies for automotive development and regulatory compliance. HORIBA will expand its business and add new products and services at the cutting-edge of next-generation mobility development, in area such as autonomous vehicles, electric vehicles and ultra-low fuel consumption vehicles.

##### 3) Date of business acquisition

July 14, 2015

##### 4) Legal form of business acquisition

Acquisition of business to be paid for in cash

##### 5) Name of company after acquisition

HORIBA MIRA Ltd.

##### 6) Primary basis for determination of acquiring the company

The Company's subsidiary HRA International Ltd. paid cash in consideration of acquiring 100% of the business of MIRA Ltd.

#### 2. Accounting period during which the financial results of the acquired company were included in the consolidated statements of income for the nine months of the fiscal year

From July 14, 2015 to September 30, 2015

#### 3. Acquisition cost and its breakdown of acquired business

|                    |      |                    |
|--------------------|------|--------------------|
| Acquisition Price: | Cash | 15,469 million yen |
| Acquisition Cost:  |      | 15,469             |

The acquisition cost incorporates the amount of interest-bearing debt and other items of the acquired company that the Company effectively took over in addition to the price of the business.

#### 4. Amount of goodwill recognized, reason for recognition, amortization method, and amortization period

##### 1) Amount of goodwill recognized

3,527 million yen

The amount of goodwill was computed tentatively, as the allocation of acquisition costs has not been completed yet till the end of the third quarter.

##### 2) Reason for recognition

This is mainly due to the expectation of excess earning power from future business development.

##### 3) Amortization method and amortization period

Straight-line method of amortization over 5-year period

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

Amount: millions of yen

|   | FY2014<br>(As of December 31,<br>2014) | FY2015 third quarter<br>(As of September 30,<br>2015) |
|---|--|---|
| <b>Assets</b>   |  |   |
| <b>Current Assets:</b>                                |  |   |
| Cash and bank deposits                                | 43,255                                 | 45,626  |
| Trade notes and accounts receivable                   | 52,246                                 | 43,585  |
| Marketable securities                                 | 11,380                                 | 4,997   |
| Merchandise and finished goods                        | 13,811                                 | 15,873  |
| Work in process                                       | 11,022                                 | 14,590  |
| Raw materials and supplies                            | 10,003                                 | 10,172  |
| Deferred tax assets                                   | 3,635                                  | 4,344   |
| Other current assets                                  | 5,348                                  | 6,777   |
| Allowance for doubtful accounts                       | (1,023)                                | (699)   |
| <b>Total Current Assets</b>                           | 149,680                                | 145,268   |
| <b>Fixed Assets:</b>                                  |  |   |
| <b>Property, Plant and Equipment:</b>                 |  |   |
| Buildings and structures, net                         | 17,154                                 | 31,473  |
| Machinery, equipment and vehicles, net                | 4,802                                  | 6,647   |
| Land  | 9,908                                  | 11,253  |
| Construction in progress                              | 3,817                                  | 2,844   |
| Other property, plant and equipment, net              | 3,758                                  | 3,650   |
| <b>Total Property, Plant and Equipment</b>            | 39,441                                 | 55,869  |
| <b>Intangibles:</b>                                   |  |   |
| Goodwill  | 418                                    | 3,637   |
| Software  | 4,134                                  | 4,996   |
| Other intangibles                                     | 1,801                                  | 808   |
| <b>Total Intangibles</b>                              | 6,353                                  | 9,442   |
| <b>Investments and Other Non-Current Assets:</b>      |  |   |
| Investment securities                                 | 7,122                                  | 7,748   |
| Deferred tax assets                                   | 1,993                                  | 1,737   |
| Net defined benefit asset                             | 2                                      | -   |
| Other investments and other assets                    | 2,785                                  | 2,719   |
| Allowance for doubtful accounts                       | (44)                                   | (50)  |
| <b>Total Investments and Other Non-Current Assets</b> | 11,859                                 | 12,155  |
| <b>Total Fixed Assets</b>                             | 57,655                                 | 77,467  |
| <b>Total Assets</b>                                   | 207,335                                | 222,735   |

Amount: millions of yen

|  | FY2014<br>(As of December 31,<br>2014) | FY2015 third quarter<br>(As of September 30,<br>2015) |
|--|--|---|
| <b>Liabilities</b>   |  |   |
| <b>Current Liabilities:</b>                                      |  |   |
| Trade notes and accounts payable                                 | 15,406                                 | 16,638  |
| Short-term loans payable   | 10,832                                 | 11,766  |
| Accounts payable - other   | 14,457                                 | 13,855  |
| Accrued income taxes   | 5,220                                  | 2,795   |
| Deferred tax liabilities   | 88                                     | 80  |
| Accrued bonuses to employees                                     | 908                                    | 1,836   |
| Accrued bonuses to directors and corporate auditors              | 62                                     | 454   |
| Reserve for product warranty                                     | 1,525                                  | 1,499   |
| Other current liabilities  | 10,500                                 | 11,569  |
| <b>Total Current Liabilities</b>                                 | 59,003                                 | 60,496  |
| <b>Non-Current Liabilities:</b>                                  |  |   |
| Corporate bonds  | 15,000                                 | 15,000  |
| Long-term loans payable  | 2,209                                  | 16,981  |
| Deferred tax liabilities   | 174                                    | 203   |
| Net defined benefit liability                                    | 2,264                                  | 2,129   |
| Provision for loss on dissolution of the employees' pension fund | 1,870                                  | 1,312   |
| Other non-current liabilities                                    | 2,497                                  | 2,161   |
| <b>Total Non-Current Liabilities</b>                             | 24,017                                 | 37,789  |
| <b>Total Liabilities</b>   | 83,020                                 | 98,285  |
| <b>Net Assets</b>  |  |   |
| <b>Shareholders' Equity</b>                                      |  |   |
| Common stock   | 12,011                                 | 12,011  |
| Capital surplus  | 18,717                                 | 18,717  |
| Retained earnings  | 86,218                                 | 90,396  |
| Treasury stock   | (730)                                  | (1,730)   |
| <b>Total Shareholders' Equity</b>                                | 116,216                                | 119,395   |
| <b>Accumulated Other Comprehensive Income</b>                    |  |   |
| Net unrealized holding gains on securities                       | 2,041                                  | 2,161   |
| Deferred gains or losses on hedges                               | 18                                     | 0   |
| Foreign currency translation adjustments                         | 5,630                                  | 2,395   |
| Remeasurements of defined benefit plans                          | 16                                     | 28  |
| <b>Total Accumulated Other Comprehensive Income</b>              | 7,707                                  | 4,585   |
| <b>Subscription Rights to Shares</b>                             | 389                                    | 469   |
| <b>Minority Interests in Consolidated Subsidiaries</b>           | 0                                      | 0   |
| <b>Total Net Assets</b>  | 124,314                                | 124,450   |
| <b>Total Liabilities and Net Assets</b>                          | 207,335                                | 222,735   |

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

Amount: millions of yen

|  | FY2014 third quarter<br>(Nine months ended<br>September 30, 2014) | FY2015 third quarter<br>(Nine months ended<br>September 30, 2015) |
|--|---|---|
| <b>Net sales</b>   | 101,049   | 116,870   |
| <b>Cost of sales</b>   | 58,007  | 66,498  |
| <b>Gross Income</b>  | 43,041  | 50,371  |
| <b>Selling, general and administrative expenses</b>                          | 35,240  | 38,555  |
| <b>Operating Income</b>  | 7,801   | 11,816  |
| <b>Non-Operating Income</b>  |   |   |
| Interest income  | 145   | 211   |
| Dividend income  | 55  | 91  |
| Subsidy income   | 124   | 27  |
| Other  | 153   | 229   |
| Total non-operating income   | 479   | 561   |
| <b>Non-Operating Expense</b>   |   |   |
| Interest expense   | 341   | 598   |
| Foreign exchange losses  | 83  | 222   |
| Equity in losses of affiliates   | 673   | -   |
| Other  | 37  | 171   |
| Total non-operating expense  | 1,135   | 992   |
| <b>Ordinary Income</b>   | 7,144   | 11,384  |
| <b>Extraordinary Gain</b>  |   |   |
| Gain on sales of fixed assets  | 7   | 11  |
| Gain on sale of investment securities  | 1,804   | -   |
| Reversal of provision for compensation losses                                | 77  | 2   |
| Reversal of provision for loss on dissolution of the employees' pension fund | -   | 439   |
| Total extraordinary gain   | 1,890   | 453   |
| <b>Extraordinary Loss</b>  |   |   |
| Loss on sales of fixed assets  | 0   | 6   |
| Loss on disposal of fixed assets   | 79  | 5   |
| Impairment loss  | -   | 94  |
| Loss on sales of shares of subsidiaries and associates                       | 0   | -   |
| Provision for loss on dissolution of the employees' pension fund             | 1,954   | -   |
| Business structure improvement expenses                                      | -   | 114   |
| Total extraordinary loss   | 2,034   | 220   |
| <b>Income before Income Taxes and Minority Interests</b>                     | 7,000   | 11,617  |
| Income taxes (current)   | 4,010   | 4,763   |
| Income taxes (deferred)  | (954)   | (370)   |
| Total income taxes   | 3,056   | 4,393   |
| <b>Income before Minority Interests</b>                                      | 3,943   | 7,223   |
| Minority interests (losses) in earnings of consolidated subsidiaries         | (1)   | -   |
| <b>Net Income</b>  | 3,944   | 7,223   |

## (Consolidated Statements of Comprehensive Income)

Amount: millions of yen

|  | FY2014 third quarter<br>(Nine months ended<br>September 30, 2014) | FY2015 third quarter<br>(Nine months ended<br>September 30, 2015) |
|--|---|---|
| <b>Income before Minority Interests</b>  | 3,943   | 7,223   |
| <b>Other Comprehensive Income</b>  |   |   |
| Net unrealized holding gains on securities   | (659)   | 119   |
| Deferred gains or losses on hedges   | (3)   | (18)  |
| Foreign currency translation adjustments   | (416)   | (3,235)   |
| Remeasurements of defined benefit plans  | -   | 11  |
| Share of other comprehensive income of associates<br>accounted for using equity method | 20  | -   |
| Total other comprehensive income   | (1,058)   | (3,122)   |
| <b>Comprehensive Income</b>  | 2,884   | 4,101   |
| (Breakdown of comprehensive income)  |   |   |
| Parent company portion of comprehensive income   | 2,884   | 4,101   |
| Minority interests portion of comprehensive income                                     | 0   | (0)   |

## (3) Significant Change in Shareholders' Equity

The Company purchased its own stock (218,400 shares) pursuant to the resolution of its board of directors meeting held on February 12, 2015. Consequently, treasury stock increased by 999 million yen during the nine months ended September 30, 2015 and totaled 1,730 million yen as of September 30, 2015.

#### 4. Supplemental Information

|  |
|--|
| HORIBA, Ltd. Financial Highlights for the Nine Months Ended September 30, 2015 |
|--|

##### 1. Consolidated Financial Results

Amount: millions of yen

|                               | 12/2015        |              | 12/2014 |        | Changes        |           | 12/2015  |        | 12/2014 |  | Changes |  |
|-------------------------------|----------------|--------------|---------|--------|----------------|-----------|----------|--------|---------|--|---------|--|
|                               | Result         |              | Result  |        |                |           | Forecast |        | Result  |  |         |  |
|                               | 3Q (9Months)   | 3Q (9Months) | Amount  | Ratio  | Full year      | Full year | Amount   | Ratio  |         |  |         |  |
| Net Sales                     | <b>116,870</b> | 101,049      | +15,820 | +15.7% | <b>175,000</b> | 153,065   | +21,934  | +14.3% |         |  |         |  |
| Operating Income              | <b>11,816</b>  | 7,801        | +4,014  | +51.5% | <b>19,000</b>  | 17,214    | +1,785   | +10.4% |         |  |         |  |
| <i>Operating Income Ratio</i> | <b>10.1%</b>   | 7.7%         | +2.4P   |        | <b>10.9%</b>   | 11.2%     | -0.3P    |        |         |  |         |  |
| Ordinary Income               | <b>11,384</b>  | 7,144        | +4,239  | +59.3% | <b>18,500</b>  | 16,454    | +2,045   | +12.4% |         |  |         |  |
| <i>Ordinary Income Ratio</i>  | <b>9.7%</b>    | 7.1%         | +2.6P   |        | <b>10.6%</b>   | 10.8%     | -0.2P    |        |         |  |         |  |
| Net Income                    | <b>7,223</b>   | 3,944        | +3,279  | +83.1% | <b>12,300</b>  | 10,589    | +1,710   | +16.2% |         |  |         |  |
| <i>Net Income Ratio</i>       | <b>6.2%</b>    | 3.9%         | +2.3P   |        | <b>7.0%</b>    | 6.9%      | +0.1P    |        |         |  |         |  |
| US\$                          | <b>120.98</b>  | 102.93       | +18.05  |        | <b>120.00</b>  | 105.79    | +14.21   |        |         |  |         |  |
| Euro                          | <b>134.74</b>  | 139.50       | -4.76   |        | <b>135.00</b>  | 140.35    | -5.35    |        |         |  |         |  |

##### 2. Consolidated Segment Results

Amount: millions of yen

|                       | 12/2015        |              | 12/2014 |        | Changes        |           | 12/2015  |        | 12/2014 |  | Changes |  |
|-----------------------|----------------|--------------|---------|--------|----------------|-----------|----------|--------|---------|--|---------|--|
|                       | Result         |              | Result  |        |                |           | Forecast |        | Result  |  |         |  |
|                       | 3Q (9Months)   | 3Q (9Months) | Amount  | Ratio  | Full year      | Full year | Amount   | Ratio  |         |  |         |  |
| Net Sales             |                |              |         |        |                |           |          |        |         |  |         |  |
| Automotive            | <b>37,855</b>  | 32,205       | +5,650  | +17.5% | <b>66,500</b>  | 55,001    | +11,498  | +20.9% |         |  |         |  |
| Process&Environmental | <b>11,855</b>  | 11,798       | +57     | +0.5%  | <b>17,500</b>  | 16,465    | +1,034   | +6.3%  |         |  |         |  |
| Medical               | <b>20,589</b>  | 19,738       | +851    | +4.3%  | <b>28,000</b>  | 27,037    | +962     | +3.6%  |         |  |         |  |
| Semiconductor         | <b>27,680</b>  | 19,944       | +7,736  | +38.8% | <b>35,000</b>  | 28,934    | +6,065   | +21.0% |         |  |         |  |
| Scientific            | <b>18,888</b>  | 17,363       | +1,525  | +8.8%  | <b>28,000</b>  | 25,627    | +2,372   | +9.3%  |         |  |         |  |
| <b>Total</b>          | <b>116,870</b> | 101,049      | +15,820 | +15.7% | <b>175,000</b> | 153,065   | +21,934  | +14.3% |         |  |         |  |
| Operating Income      |                |              |         |        |                |           |          |        |         |  |         |  |
| Automotive            | <b>727</b>     | 1,320        | -593    | -44.9% | <b>5,200</b>   | 5,827     | -627     | -10.8% |         |  |         |  |
| Process&Environmental | <b>1,145</b>   | 1,448        | -303    | -20.9% | <b>1,500</b>   | 2,007     | -507     | -25.3% |         |  |         |  |
| Medical               | <b>1,874</b>   | 1,000        | +874    | +87.3% | <b>2,000</b>   | 1,717     | +282     | +16.5% |         |  |         |  |
| Semiconductor         | <b>7,598</b>   | 4,052        | +3,545  | +87.5% | <b>9,000</b>   | 6,455     | +2,544   | +39.4% |         |  |         |  |
| Scientific            | <b>470</b>     | (20)         | +491    | -      | <b>1,300</b>   | 1,206     | +93      | +7.8%  |         |  |         |  |
| <b>Total</b>          | <b>11,816</b>  | 7,801        | +4,014  | +51.5% | <b>19,000</b>  | 17,214    | +1,785   | +10.4% |         |  |         |  |

### 3. Consolidated Segment Sales by Destination

Amount: millions of yen

|                                  | 12/2015        |              |         |        | 12/2014        |           |         |        |
|----------------------------------|----------------|--------------|---------|--------|----------------|-----------|---------|--------|
|                                  | Result         |              | Changes |        | Forecast       |           | Result  |        |
|                                  | 3Q (9Months)   | 3Q (9Months) | Amount  | Ratio  | Full year      | Full year | Amount  | Ratio  |
| <b>Automotive</b>                | <b>37,855</b>  | 32,205       | +5,650  | +17.5% | <b>66,500</b>  | 55,001    | +11,498 | +20.9% |
| Japan                            | <b>11,925</b>  | 9,713        | +2,211  | +22.8% | <b>17,600</b>  | 15,392    | +2,207  | +14.3% |
| Asia                             | <b>9,173</b>   | 8,922        | +250    | +2.8%  | <b>17,200</b>  | 15,589    | +1,610  | +10.3% |
| Americas(*)                      | <b>6,262</b>   | 5,182        | +1,079  | +20.8% | <b>11,000</b>  | 8,125     | +2,874  | +35.4% |
| Europe                           | <b>10,494</b>  | 8,385        | +2,108  | +25.1% | <b>20,700</b>  | 15,893    | +4,806  | +30.2% |
| <b>Process&amp;Environmental</b> | <b>11,855</b>  | 11,798       | +57     | +0.5%  | <b>17,500</b>  | 16,465    | +1,034  | +6.3%  |
| Japan                            | <b>5,999</b>   | 6,216        | -217    | -3.5%  | <b>8,600</b>   | 8,420     | +179    | +2.1%  |
| Asia                             | <b>2,386</b>   | 2,515        | -129    | -5.1%  | <b>3,700</b>   | 3,361     | +338    | +10.1% |
| Americas(*)                      | <b>1,850</b>   | 1,446        | +403    | +27.9% | <b>2,900</b>   | 2,312     | +587    | +25.4% |
| Europe                           | <b>1,619</b>   | 1,619        | 0       | +0.0%  | <b>2,300</b>   | 2,369     | -69     | -3.0%  |
| <b>Medical</b>                   | <b>20,589</b>  | 19,738       | +851    | +4.3%  | <b>28,000</b>  | 27,037    | +962    | +3.6%  |
| Japan                            | <b>4,489</b>   | 3,699        | +789    | +21.4% | <b>6,000</b>   | 5,252     | +747    | +14.2% |
| Asia                             | <b>3,276</b>   | 2,545        | +730    | +28.7% | <b>4,500</b>   | 3,513     | +986    | +28.1% |
| Americas(*)                      | <b>5,043</b>   | 4,968        | +75     | +1.5%  | <b>6,800</b>   | 6,739     | +60     | +0.9%  |
| Europe                           | <b>7,780</b>   | 8,525        | -744    | -8.7%  | <b>10,700</b>  | 11,531    | -831    | -7.2%  |
| <b>Semiconductor</b>             | <b>27,680</b>  | 19,944       | +7,736  | +38.8% | <b>35,000</b>  | 28,934    | +6,065  | +21.0% |
| Japan                            | <b>9,595</b>   | 8,257        | +1,337  | +16.2% | <b>12,400</b>  | 11,391    | +1,008  | +8.9%  |
| Asia                             | <b>11,395</b>  | 7,597        | +3,798  | +50.0% | <b>13,100</b>  | 11,133    | +1,966  | +17.7% |
| Americas(*)                      | <b>5,218</b>   | 2,850        | +2,368  | +83.1% | <b>7,600</b>   | 4,598     | +3,001  | +65.3% |
| Europe                           | <b>1,471</b>   | 1,238        | +232    | +18.8% | <b>1,900</b>   | 1,811     | +88     | +4.9%  |
| <b>Scientific</b>                | <b>18,888</b>  | 17,363       | +1,525  | +8.8%  | <b>28,000</b>  | 25,627    | +2,372  | +9.3%  |
| Japan                            | <b>4,688</b>   | 4,729        | -40     | -0.9%  | <b>7,200</b>   | 6,970     | +229    | +3.3%  |
| Asia                             | <b>4,321</b>   | 3,996        | +325    | +8.1%  | <b>6,500</b>   | 5,486     | +1,013  | +18.5% |
| Americas(*)                      | <b>5,252</b>   | 4,058        | +1,193  | +29.4% | <b>7,300</b>   | 6,065     | +1,234  | +20.4% |
| Europe                           | <b>4,625</b>   | 4,579        | +46     | +1.0%  | <b>7,000</b>   | 7,105     | -105    | -1.5%  |
| <b>Total</b>                     | <b>116,870</b> | 101,049      | +15,820 | +15.7% | <b>175,000</b> | 153,065   | +21,934 | +14.3% |
| Japan                            | <b>36,696</b>  | 32,616       | +4,080  | +12.5% | <b>51,800</b>  | 47,428    | +4,371  | +9.2%  |
| Asia                             | <b>30,553</b>  | 25,577       | +4,975  | +19.5% | <b>45,000</b>  | 39,085    | +5,914  | +15.1% |
| Americas(*)                      | <b>23,627</b>  | 18,507       | +5,120  | +27.7% | <b>35,600</b>  | 27,841    | +7,758  | +27.9% |
| Europe                           | <b>25,992</b>  | 24,348       | +1,644  | +6.8%  | <b>42,600</b>  | 38,710    | +3,889  | +10.0% |

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

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

Amount: millions of yen

|              | 12/2015                  |                    | 12/2014             |                  |
|--------------|--------------------------|--------------------|---------------------|------------------|
|              | 3Q Result (9Months)      | Full-year Forecast | 3Q Result (9Months) | Full-year Result |
|              | Capital Expenditures (*) | 12,958             | 18,500              | 7,979            |
| Depreciation | 4,418                    | 6,200              | 3,574               | 4,905            |
| R&D Expenses | 8,881                    | 13,000             | 9,016               | 11,986           |

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

## 5. Consolidated Financial Results (Quarterly Comparison)

Amount: millions of yen

|                               | 12/2015   |           |           |             | 12/2014 Result |        |        |        |
|-------------------------------|-----------|-----------|-----------|-------------|----------------|--------|--------|--------|
|                               | 1Q Result | 2Q Result | 3Q Result | 4Q Forecast | 1Q             | 2Q     | 3Q     | 4Q     |
| Net Sales                     | 40,062    | 37,554    | 39,253    | 58,129      | 33,370         | 34,563 | 33,114 | 52,016 |
| Operating Income              | 5,370     | 3,689     | 2,756     | 7,183       | 3,370          | 2,291  | 2,140  | 9,412  |
| <i>Operating Income Ratio</i> | 13.4%     | 9.8%      | 7.0%      | 12.4%       | 10.1%          | 6.6%   | 6.5%   | 18.1%  |
| Ordinary Income               | 5,029     | 3,707     | 2,646     | 7,115       | 3,325          | 1,812  | 2,006  | 9,309  |
| <i>Ordinary Income Ratio</i>  | 12.6%     | 9.9%      | 6.7%      | 12.2%       | 10.0%          | 5.2%   | 6.1%   | 17.9%  |
| Net Income                    | 2,962     | 2,254     | 2,006     | 5,076       | 1,246          | 1,346  | 1,352  | 6,644  |
| <i>Net Income Ratio</i>       | 7.4%      | 6.0%      | 5.1%      | 8.7%        | 3.7%           | 3.9%   | 4.1%   | 12.8%  |
| US\$                          | 119.16    | 121.44    | 122.34    | 117.06      | 102.77         | 102.15 | 103.87 | 114.37 |
| Euro                          | 134.00    | 134.20    | 136.02    | 135.78      | 140.80         | 140.04 | 137.66 | 142.90 |

## 6. Consolidated Segment Results (Quarterly Comparison)

Amount: millions of yen

|                       | 12/2015   |           |           |             | 12/2014 Result |        |        |        |
|-----------------------|-----------|-----------|-----------|-------------|----------------|--------|--------|--------|
|                       | 1Q Result | 2Q Result | 3Q Result | 4Q Forecast | 1Q             | 2Q     | 3Q     | 4Q     |
| Net Sales             |           |           |           |             |                |        |        |        |
| Automotive            | 11,972    | 11,941    | 13,941    | 28,644      | 9,337          | 11,925 | 10,941 | 22,796 |
| Process&Environmental | 4,153     | 4,032     | 3,668     | 5,644       | 4,324          | 3,936  | 3,537  | 4,666  |
| Medical               | 7,181     | 6,580     | 6,827     | 7,410       | 6,738          | 6,849  | 6,150  | 7,299  |
| Semiconductor         | 10,242    | 8,831     | 8,606     | 7,319       | 7,333          | 5,827  | 6,783  | 8,990  |
| Scientific            | 6,511     | 6,167     | 6,208     | 9,111       | 5,637          | 6,025  | 5,701  | 8,264  |
| Total                 | 40,062    | 37,554    | 39,253    | 58,129      | 33,370         | 34,563 | 33,114 | 52,016 |

|                       | 12/2015   |           |           |             | 12/2014 Result |       |       |       |
|-----------------------|-----------|-----------|-----------|-------------|----------------|-------|-------|-------|
|                       | 1Q Result | 2Q Result | 3Q Result | 4Q Forecast | 1Q             | 2Q    | 3Q    | 4Q    |
| Operating Income      |           |           |           |             |                |       |       |       |
| Automotive            | 1,002     | 456       | (731)     | 4,472       | 904            | (33)  | 449   | 4,507 |
| Process&Environmental | 603       | 328       | 213       | 354         | 653            | 425   | 369   | 558   |
| Medical               | 740       | 410       | 723       | 125         | 475            | 520   | 4     | 716   |
| Semiconductor         | 2,733     | 2,402     | 2,461     | 1,401       | 1,596          | 1,077 | 1,377 | 2,403 |
| Scientific            | 290       | 90        | 88        | 829         | (260)          | 301   | (61)  | 1,227 |
| Total                 | 5,370     | 3,689     | 2,756     | 7,183       | 3,370          | 2,291 | 2,140 | 9,412 |

## 7. Consolidated Orders and Backlog Information (Quarterly Comparison)

Amount: millions of yen

|                       | 12/2015   |           |           |             | 12/2014 Result |        |        |        |
|-----------------------|-----------|-----------|-----------|-------------|----------------|--------|--------|--------|
|                       | 1Q Result | 2Q Result | 3Q Result | 4Q Forecast | 1Q             | 2Q     | 3Q     | 4Q     |
| Orders                |           |           |           |             |                |        |        |        |
| Automotive            | 13,006    | 15,383    | 16,254    | -           | 9,234          | 13,937 | 15,438 | 19,261 |
| Process&Environmental | 4,028     | 4,827     | 3,596     | -           | 4,251          | 3,714  | 4,708  | 4,564  |
| Medical               | 7,468     | 7,904     | 6,260     | -           | 7,326          | 6,395  | 6,293  | 6,986  |
| Semiconductor         | 9,669     | 9,204     | 7,865     | -           | 6,938          | 5,869  | 7,986  | 9,646  |
| Scientific            | 5,741     | 6,518     | 6,709     | -           | 5,566          | 5,888  | 6,167  | 9,182  |
| Total                 | 39,914    | 43,838    | 40,687    | -           | 33,317         | 35,806 | 40,593 | 49,640 |

|                       | 12/2015   |           |           |             | 12/2014 Result |        |        |        |
|-----------------------|-----------|-----------|-----------|-------------|----------------|--------|--------|--------|
|                       | 1Q Result | 2Q Result | 3Q Result | 4Q Forecast | 1Q             | 2Q     | 3Q     | 4Q     |
| Backlog               |           |           |           |             |                |        |        |        |
| Automotive            | 35,324    | 38,766    | 46,437    | -           | 31,317         | 33,329 | 37,826 | 34,290 |
| Process&Environmental | 4,503     | 5,298     | 5,225     | -           | 3,780          | 3,559  | 4,730  | 4,628  |
| Medical               | 2,562     | 3,887     | 3,320     | -           | 2,899          | 2,445  | 2,588  | 2,275  |
| Semiconductor         | 4,086     | 4,458     | 3,717     | -           | 2,758          | 2,800  | 4,003  | 4,659  |
| Scientific            | 8,076     | 8,426     | 8,927     | -           | 7,599          | 7,462  | 7,928  | 8,846  |
| Total                 | 54,553    | 60,836    | 67,628    | -           | 48,355         | 49,598 | 57,076 | 54,701 |

### Contact

Eita Uesugi, Corporate & Segment Strategy Division, HORIBA, Ltd.  
 2, Miyanohigashi-cho, Kisshoin, Minami-ku, Kyoto 601-8510, Japan  
 E-mail: eita.uesugi@horiba.com