

**HORIBA** Report  
2023-2024

Year ended December 31, 2023

Omoshiro-okashiku  
Joy and Fun

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# Our Future

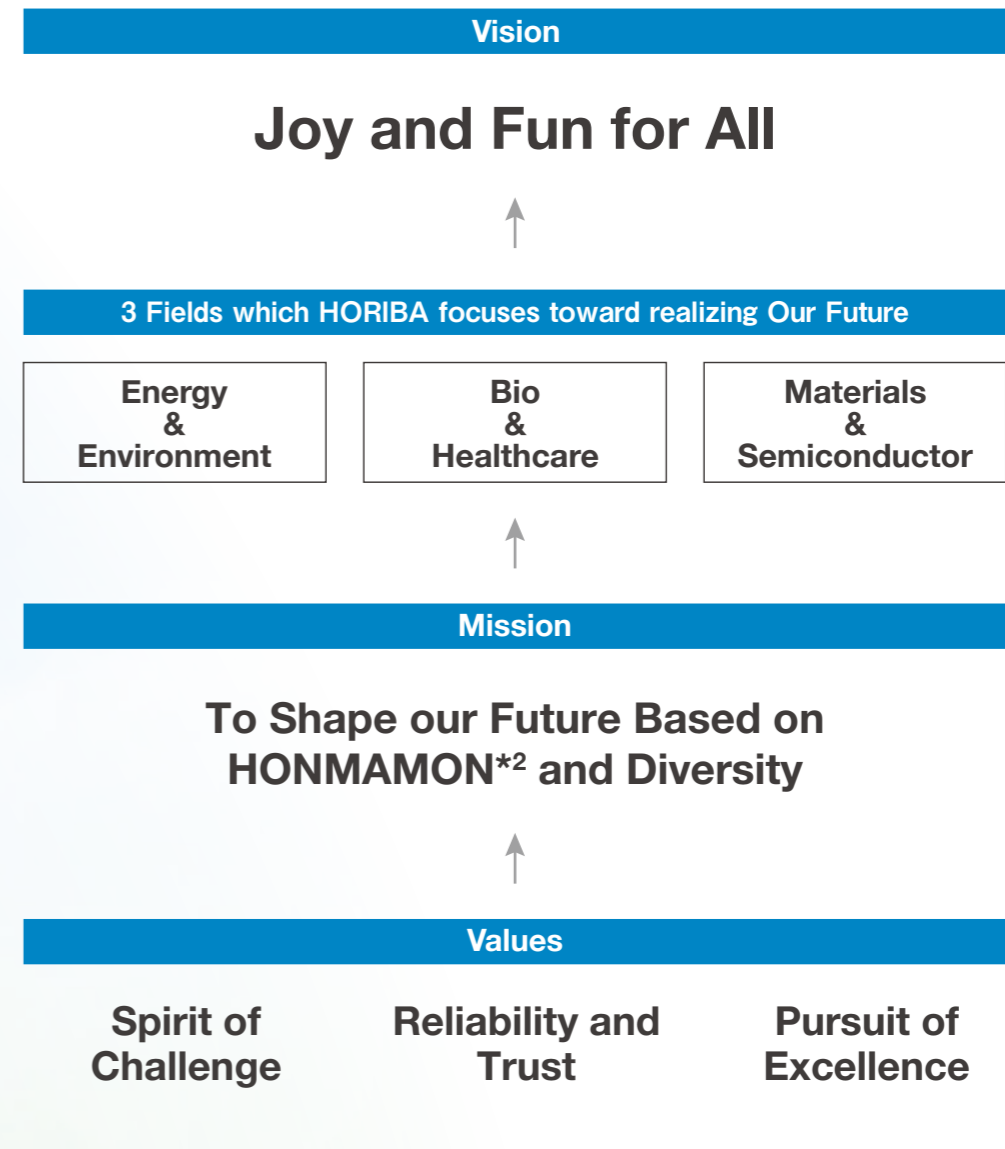
We want to build a guide like our own North Star which will lead the way home no matter where we are.

We have established the long-term vision “Our Future” (Vision, Mission, Values) in consultation with HORIBARIANS\*1 worldwide, as a guideline for all HORIBARIANS in advancing towards our 100th Anniversary, 30 years from now.

It defines how we want to HORIBA to be, how we should grow as HORIBARIANS, and what contributions we can make to society.



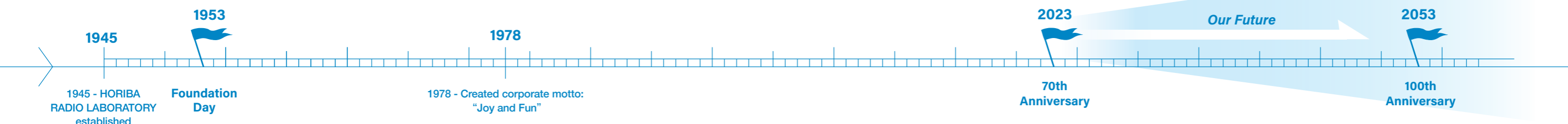
\*1 HORIBARIANS: All HORIBA workers are regarded as family and called HORIBARIAN as a nickname.



**Corporate Motto**  
**Joy and Fun**



\*2 HONMAMON: Derived from the Japanese word “Honmono” (authentic), means the eternal pursuit of creating something from the heart that is one-of-a-kind.



## CEO MESSAGE

# Discover “HONMAMON” and leverage HORIBA’s diversity and uniqueness to advance to the next stage

### Five years that have challenged HORIBA’s underlying strength

We are proud for the result that we could hit all new records in sales, operating income, ordinary income, and net income attributable to HORIBA Ltd.’s shareholders in 2023, which was the final fiscal year of our previous Mid-Long Term Management Plan, MLMAP2023. In December 2023, our share price exceeded 10,000 yen, and in January of the following year we broke through to a market capitalization of 500 billion yen. This is the result of finding “HONMAMON” solutions that meet our customer needs, something that only HORIBA can make possible. And I want to thank our owners (shareholders) for their understanding and support.

During the pandemic, not only demand fell due to a freeze on customer investment, but the movement towards decarbonization also accelerated gathered speed. Although we were impacted by large changes in the business environment, we emphasized making various decisions at the front line, even as we faced restrictions on movement. Against this backdrop, we quickly seized on trends related

to hydrogen energy, which was booming in Europe, and expanded the capability of our German Group company HORIBA FuelCon in 2022. The business is still at the developing stage, but I feel it is a very important and forward-looking investment. Even amidst worldwide difficulties in procurement, we were able to achieve continue enhancing production thanks to the contributions of our global production and procurement team and their excellent network. This made it clear that competitiveness rests on supply capabilities. Our investment in a new manufacturing factory in Fukuchiyama City, Kyoto Prefecture Japan, which is planned to open in 2026, is the largest factory investment in HORIBA’s history. The plant will enable us to establish a long-term, stable supply capability. By combining HORIBA’s technical ability to create new products with strong supply capabilities, we will demonstrate an overwhelming competitive advantage.



Chairman & Group CEO

## Now is the time to seize opportunities

In February 2024, we formulated a new Mid-Long Term Management Plan, MLMAP2028 with 2028 as the target year. It contains an ambitious plan to achieve 450 billion yen in sales, 80 billion yen in operating income, and 12% ROE or more. While the COVID-19 pandemic may be subsiding, geopolitical risks are at an all-time high, and society is turning towards sustainability. Even under such circumstances, we see the business environment as an opportunity, and HORIBARIANS are highly motivated. We believe that now is the time to go for the win. To seize this opportunity, our entire Group will take on the challenge of reaching the next big stage of 500 billion yen in sales through MLMAP2028.

One of our guiding principles for achieving MLMAP2028 is a business strategy that aims to solve social issues in our three primary fields of Energy & Environment, Bio & Healthcare and Materials & Semiconductor.

In 2004, we declared that the “HORIBA Group is One Company.” and sought to demonstrate our comprehensive capabilities by uniting our global businesses. We also announced our “segment operation” at the same time, and proposed various solutions based on our technologies for target industries. It was very well suited to the changes in society and industry at the time and allowed HORIBA to grow significantly through our five businesses. During the period of MLMAP2023, we consciously sought “cross-segment operation business” that transcended the boundaries between business segments and created synergies that spanned business sectors. Going forward we plan to accelerate these efforts.

The businesses and products that HORIBA has developed thus far have been at the cutting-edge

of research in many areas and have helped to spark innovations in various fields. Meanwhile, our mass flow controllers, which boast a significant share of the semiconductor market and were a key player in our achieving MLMAP2023, have contributed to semiconductor manufacturing processes, and created large volumes of business. In addition to helping create new high-end technologies, HORIBA's new challenge is to contribute to improving people's lives.

I am convinced that the steady investments we have made up until now will bear fruit, and that HORIBA holds great potential to create new businesses one after another.

And in MLMAP2028, a major premise for achieving our business goals is the creation of a stage on which HORIBARIANS—the diverse human assets\* who implement our strategies—can demonstrate their originality, strengths, and abilities more than ever on a global scale. We will create a new stage for the activities of HORIBARIANS around the world by putting together their wisdom, pursuing “HONMAMON” at the front line, and sharing our thoughts.

Moreover, we will devise sustainability strategies and pursue unique activities that create social impact. Since HORIBA was founded, we have made numerous contributions to sustainability through our products and services. We feel that it is important to declare our commitment anew and share its significance in MLMAP2028. We aim to make an impact on society through various businesses and activities, such as providing services that help customers use energy more efficiently by utilizing the solutions that HORIBA offers, while at the same time growing HORIBA.

\*human assets: HORIBA considers employees to be valuable assets and refers to them as “human assets.”



## For HORIBA to continue to be needed by society

In 2023, HORIBA celebrated its 70th anniversary. On January 26, the anniversary of our establishment, HORIBA laid down “Our Future” with a view including our Vision, Mission, and Values towards our 100th Anniversary, 30 years from now. In these uncertain times, it is impossible to foresee the future, let alone 30 years from now. The key is to have the desire to create our own future.

We are proud of the fact that members from our overseas Group companies also collaborated in the project with many discussion for formulating “Our Future”, and that it is the strength of HORIBARIANS which has allowed us to reach this point. I emphasized for passionate HORIBARIANS and the next generation of leaders the importance of the connections with the past.

My consideration is not to replace the history and assets of our past, but to connect them to new ways of thinking and the demands of the times. Needless to say, the fundamental idea behind “Our Future” “Joy and Fun”. And our new vision of “Joy and Fun for All” makes its connection to society even clearer.

Its assessment criterion is “HONMAMON”. It is vital to determine whether, not just products, but

technologies fit the concept of “HONMAMON”. And I hope that HORIBARIANS will hone their eye for judgment.

As long as HORIBA is HORIBA, our culture of Joy and Fun and pursuing “HONMAMON” will remain unchanged, and the HORIBA spirit will endure. As we passed the milestone of our 70th anniversary, we took another new step forward. The goals we have set for ourselves are extremely high. However, we will reach these goals by following the MLMAP2028 slogan to “MAXIMIZE VALUE”, and fully realizing all the value of the HORIBA Group.

When we get to the final fiscal year of MLMAP2028, I cannot wait to find out. I hope that all our stakeholders will eagerly anticipate it as well.

We look forward to your continuous understanding and support in 2024.

April 2024

**Atsushi Horiba**  
Chairman & Group CEO

# HORIBA Report 2023-2024

Year ended December 31, 2023

## Cover Theme

The theme for the cover of the HORIBA Report 2023-2024 is the "North Star". We want to create a guide like our own North Star which will lead the way home no matter where we are. It was with such sentiments in mind that we formulated "Our Future" (Vision, Mission, Values).

Omoshiro-okashiku  
Joy and Fun



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The corporate motto of HORIBA is Joy and Fun.

We believe taking interest and pride in the work

that occupies so much of our lives,

and in the workplaces

where many of us spend a large part of each day,

will increase our satisfaction in life

and allow us to enjoy our lives even more.

## Editorial Policy

We create the HORIBA Report to gain the interest of institutional investors who take a long-term perspective, and to allow them to attain a better understanding of HORIBA. We also believe that HORIBA's stakeholders can obtain benefits stemming from our growth, and that they take the same long-term perspective as institutional investors. This integrated report is meant to help investors and various other stakeholders better understand HORIBA.

### Regarding our use of the term "human assets"

HORIBA considers employees to be valuable assets and refers to them as "human assets" in principle.

### Regarding our use of the term "owners" (shareholders)

HORIBA fully recognizes the importance of its shareholders and frequently refers to them as "owners."

### Regarding our use of HORIBA and HORIBA, Ltd.

In this HORIBA Report, the HORIBA Group of companies is described as HORIBA and the parent company as HORIBA, Ltd.

### Market share in the HORIBA Report

Market shares stated in this report are HORIBA's estimates as of fiscal 2023.

### Change in revenue recognition standard

HORIBA, Ltd. and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping-date basis. However, starting from fiscal 2016, HORIBA, Ltd. and its domestic consolidated subsidiaries changed their revenue recognition method to recognize revenue on a completion-date-of-installation or delivery-date basis under the terms and conditions of the relevant contracts. The amounts in or before fiscal 2015 are not retrospectively revised.

### Disclaimer regarding future plans and forecasts

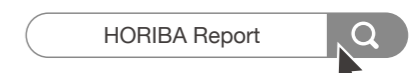
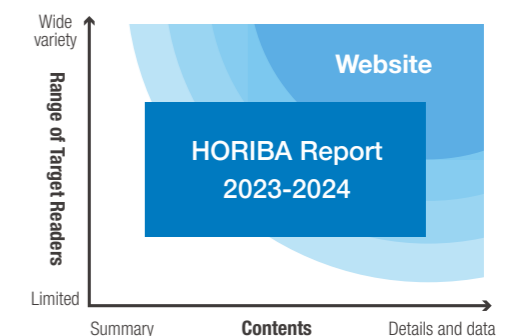
This HORIBA Report contains certain statements describing future plans, strategies, and performance forecasts of HORIBA, Ltd. and its affiliated companies. These statements reflect forecasts estimated on management's assumptions and beliefs based on the information available as of April 30, 2024. Actual performance may differ due to unforeseen circumstances in the operating environment and other factors.

### Regarding the importance and comprehensiveness of information in the HORIBA Report 2023-2024

We have selected financial and non-financial information that we believe to be of high importance for inclusion in the HORIBA Report 2023-2024.

For more detailed information, please see our website.

The PDF version of the HORIBA Report 2023-2024 is also available through our website.



IR information

Web Link



CSR information

Web Link



HORIBA Value Creation Cycle

# Creating value through the synergy between human assets and technology

HORIBA provides solutions through analysis and measurement technologies, which support resolution of social issues. Diverse human assets and technologies support our business. HORIBA will be a partner with customers to contribute to building a better society and generating greater social value.



Joy and Fun for All

STRATEGY 2

Group HR strategy to maximize HORIBARIANS' potential

Every HORIBARIAN demonstrates their abilities with "Joy and Fun".

Human Assets (HORIBARIANS)

HORIBA's Core Technologies

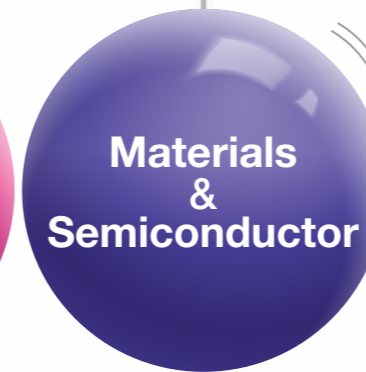
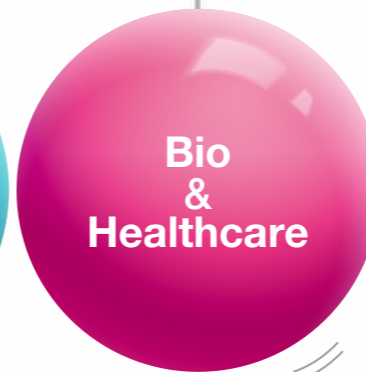


## MLMAP2028

Mid - Long Term Management Plan

STRATEGY 1

Business strategy to solve social issues in three focus fields (Field Operation)



STRATEGY 3

A sustainability strategy for creating social impact

Contribute to achieve a sustainable society



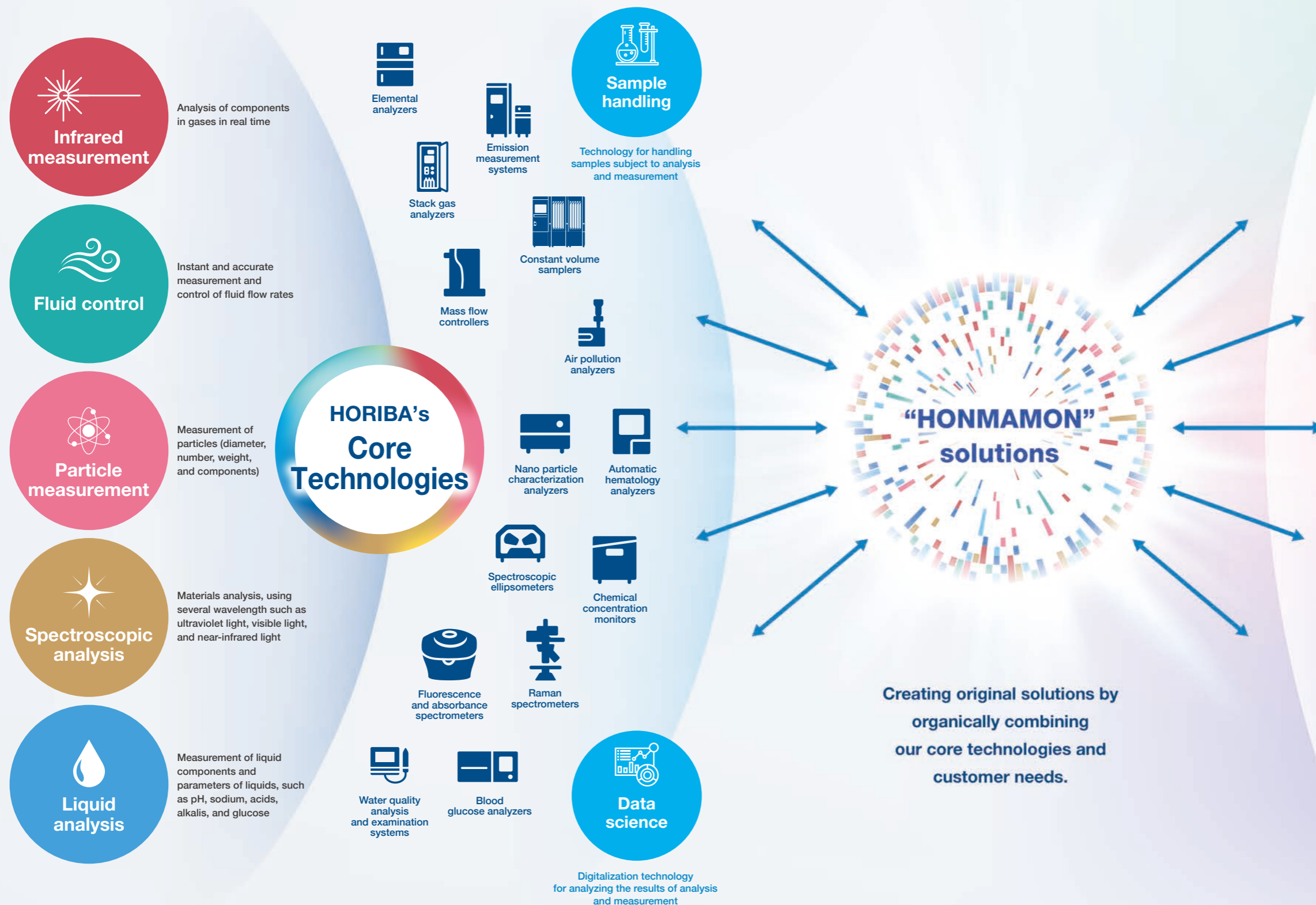
HORIBA's Customers

HORIBA Value Creation Cycle

# HORIBA's "HONMAMON" solutions

created by the organic combination of various customer needs and our technologies

HORIBA's measurement technology began with electrochemical pH meters. Since then, we have expanded the analysis targets to include liquids, gases, and solids, while accumulating various analysis and measurement technologies using infrared rays, X-rays, and the like. We are also developing control technologies in addition to our analysis and measurement technologies. We utilize solutions created of our core technologies, as well as advanced sample handling and data science technologies that flexibly meet customer demands, to ascertain the changing needs of the market. HORIBA contributes to solve social issues by creating unique solutions through the organic combination of core technologies that we have cultivated around the world to meet customer needs in our Three Fields of focus.



## HORIBA's Three Fields

### Energy & Environment

**Focus field**

- Exhaust gas certification processes
- Next-generation vehicle development
- Fuel cell evaluation
- Electrolyzer evaluation
- Water quality monitoring
- Air quality monitoring
- Process measurement
- Process monitoring

### Bio & Healthcare

**Focus field**

- Hematology testing
- Blood glucose testing
- Immunoassay
- Clinical chemistry testing
- Hemostasis testing
- Pharmaceutical development, manufacturing, and quality control
- Food and beverage development, manufacturing, and quality control
- Cosmetics and skin care product development, manufacturing, and quality control

### Materials & Semiconductor

**Focus field**

- Semiconductor manufacturing process control and monitoring
- Facility management and control
- Advanced materials research and development
- Advanced recycling of materials
- Semiconductor-related materials research, development, and quality control

Creating original solutions by organically combining our core technologies and customer needs.

## President's Message



President & COO

**Masayuki Adachi**

**HORIBA's diverse possibilities will allow us to further expand our business area to provide the optimal solutions for each customer.**

### Cross-segment operation developed into Three Fields

FY2023 was the final year of our previous Mid-Long Term Management Plan, MLMAP2023. Our profits greatly exceeded our goals, although our sales targets were not achieved. Operating income and net income targets were achieved a year ahead of schedule. HORIBA's strategy of contributing to solve social issues with our technology resonated with HORIBARIANs mind set, and served to accelerate initiatives across business segments. We recognize that, alongside the major social changes that have taken place in these years, the internal changes in HORIBA itself brought about the results of MLMAP2023. The concept that the "HORIBA Group is One Company." permeates the entire group, and we are entering a new phase of acceleration from here out, but I believe that this is actually a return to our roots of business. When I joined HORIBA, Ltd. in 1985, it was a much smaller company than it is today. The size of operation was so small that there was no segmentation of our business organization at the time. Accordingly, both engineers and sales representatives were eager to explore new opportunities without any internal boundaries. They thoroughly embraced opportunities to create

something of new values, which they tackled with expectation and passion, avoiding being bound by the status quo. It was truly a job full of "Joy and Fun", and the flexibility we had at the time was a great strength. In 2004, we began to operate under One Company Matrix management comprising five business segments and a regional matrix, and the company grew significantly. This was certainly the right decision. However, 5 business segment operation also had the unexpected side effect of creating invisible walls inside the company. In this context, I shared my belief that combinations of HORIBA technologies which transcend segments could create new value that had never existed before. So, when I was appointed as a president, I began to work on encouraging cross-segment collaboration. HORIBA possesses yet more unknown possibilities all around the world that will serve for future society. We are at the stage of returning to our roots, making possibilities into reality, and giving birth to "HONMAMON".

## Looking Back Over Our Mid-Long Term Management Plan, MLMAP2023



Mid-Long Term Management Plan  
**MLMAP2023**  
Mid - Long Term Management Plan

- Priority Measure 1

**Market Oriented Business**

To developing analysis and measurement solutions, utilizing HORIBA's core technologies, in the three leading business fields of megatrend

**Three fields** • Energy & Environment • Bio & Healthcare • Materials & Semiconductor
- Priority Measure 2

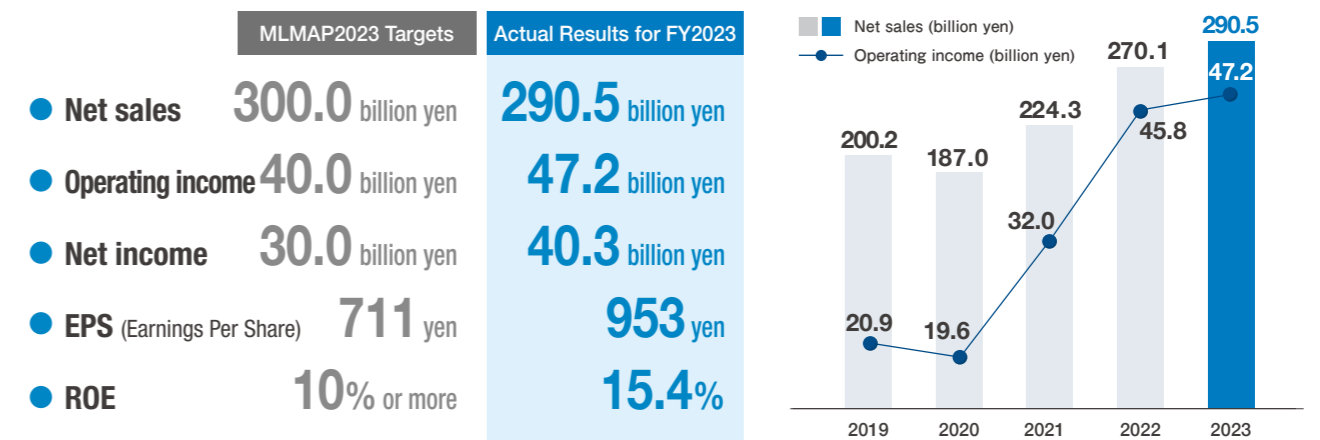
**Solution Provider Beyond Life Cycle Management**

To support customer's business from all aspects, from installation to replacement
- Priority Measure 3

**HORIBA Core Values "The Next Stage of the Super Dream Team"**

To enhance the organizational structure that fosters resilient human assets, which are the driving force of all business operations

### MLMAP2023 Targets and Actual Results for FY2023



### Things inherited from MLMAP2023, and things to change

We will aim for even greater heights under our new Mid-Long Term Management Plan, MLMAP2028. I have come to realize that, to achieve this, it is crucial that we must change our operational system from Five Segments to Three Fields in order to go back to our roots to refine our work processes. Whether this is the best choice or not for HORIBA's business operations will be seen in the future. But the one thing I am certain about is that it would be a mistake not to change anything. Although our organizational structure will change, our commitment to providing high added value to our customers will remain unchanged. HORIBA is not in the business of manufacturing commodity products, but of providing each customer with the optimal

solution. We have striven to improve our products by combining HORIBA technologies to meet customer demands. Such activities have provided new value that can make 1 + 1 brings 3 or even 4. HORIBA has broadened our range of solutions by creating customized applications for each customer, and this has ended up making us very competitive. We have taken on some challenges that did not bear fruit, but I have no doubt that the stance of not fearing making mistakes has led to the growth of our automotive and semiconductor businesses. HORIBARIANs understand that if we continue to provide the best solutions, then profits will follow. From now on, we will provide optimal high added value solutions to the three focus fields.

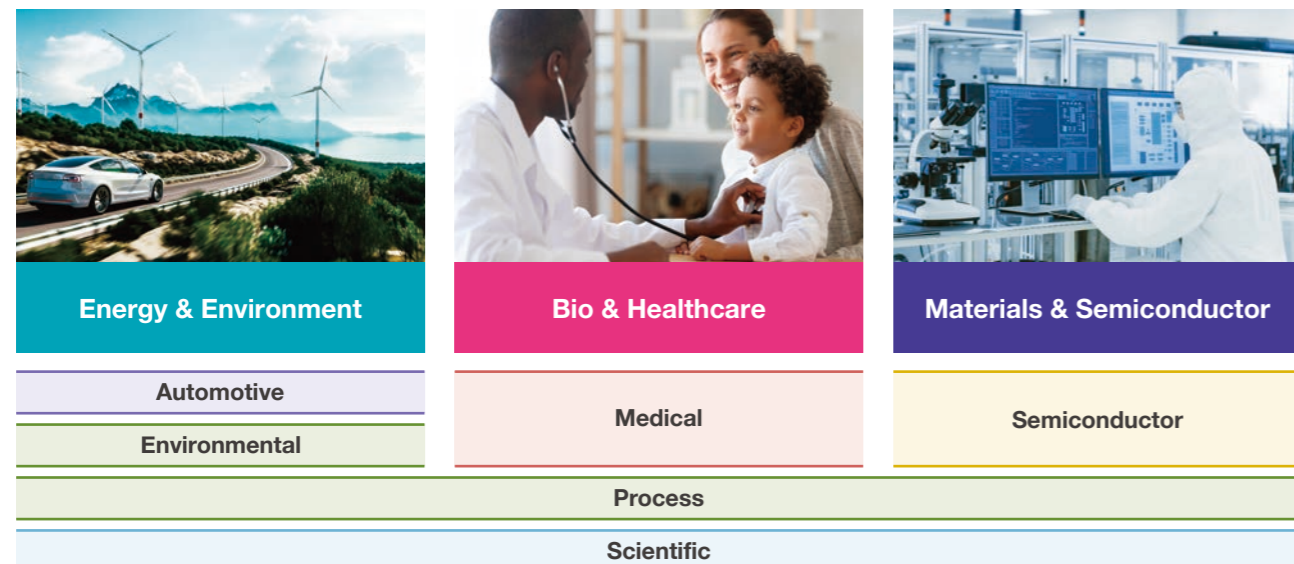




## HORIBA's contribution to solving social issues

For more than half a century, HORIBA has continued to provide technologies that allow engines to operate in high efficiency (low CO<sub>2</sub>) and low emission. The fact that we contributed to make efficient, low-emissions vehicles is the same whether they are internal combustion engine vehicles or EVs. In other words, you could say that the reduction of global CO<sub>2</sub> emissions has also been beneficial to HORIBA for long time. "Scope 4" has recently been attracting attention in the world sustainability, and this is exactly what we deal with. This kind of social contribution is contained in MLMAP2028 as one of the strategies. We will not just respond to demands from society reactively, but contribute to bring about a sustainable society strategically through HORIBA's unique solutions. Against this backdrop, we have begun to see changes in the inquiries we get from customers and suppliers. This is exemplified in our hydrogen-related business. Establishing our Three Fields of business, and changing the

name of the business to the more market-conscious Energy & Environment, has made it easier to understand the concept of HORIBA initiatives across to people outside of the company. Today hydrogen is gaining attention for its role as an energy medium, which stands in clear contrast to initial expectations that it would be used only in fuel cells. By defining our business domain as Energy & Environment field, there is already an awareness within the company that hydrogen cannot be constrained to the Automotive Segment, but is the new business opportunities that generates profit. If the first pillar of our business is Materials & Semiconductor, which has shown remarkable growth in recent years, then our hydrogen-related business within Energy & Environment could become the second pillar. We look forward to continuing to take on further challenges from here on out. In the Materials & Semiconductor field as well, we believe that the semiconductor market will expand over the long term future. So, we view the semiconductor industry as a total value chain, capture demands from both upstream and



downstream, and are striving to further enhance HORIBA's brand in the semiconductor industry. Moreover, in the life science area where we continue to take on challenges in the field of Bio & Healthcare, HORIBA possesses an abundance of technologies that lie as uncut gemstones waiting to be polished. We believe that it will become our third pillar of business, in

combination with our Medical business in In Vitro Diagnostics field. We will view the whole path people take in healthcare, as healthcare journey, refine HORIBA's technology in the market this creates, and provide solutions that contribute to people's health.

## Global management that translates the power of each individual into group momentum

HORIBA is a company that grows by focusing on front line realities rather than a top-down organization. Individual HORIBARIANS come up with ideas, discuss them together, and come to agreement on the way forward. This translates into a powerful motive force. It can take time to get moving, but the momentum built contains a great deal of inertia. When we first came up with the concept of cross-segment business, HORIBARIANS were all groping about to figure out what it meant. But through challenging HORIBARIANS to continue thinking about what course of action suits HORIBA in the midst of social changes, an idea emerged from people on the front lines to change our organization into one centered around Three Fields of endeavor. MLMAP2028 sets challenging numerical targets for us to reach. I believe that, for the company to grow, it is essential for each employee to develop the ability to think for themselves and take action towards reaching big goals. HORIBARIANS are full of passion and energy, and I expect them to exhibit these qualities. Modern society is in the process of reforming work practices, and attitudes towards work are becoming more diverse. But through this process, we must not lose our passion and energy. I want HORIBARIANS to engage in spirited discussion that

gets to the root of issues, and build a global team-spirit in which it is possible to say things that are difficult to say. This is because, as HORIBA has continued to expand globally, this spirit is what has allowed us to continue to grow with a sense of unity. Our global management meeting, which brings together the senior management of each of our overseas affiliates, takes place in a matrix of regional and business axes. Even when the considerations of each region face a complicated situation intricately entwined, we also discuss proactively to make the optimal decisions for HORIBA as one company. Before participating in the Global Management Meeting, each group company, each function, and each business field make intensive discussion, and bring their own conclusions to adjust for entire group optimization. Therefore, the conclusions at this global meeting are extremely important, and senior management is well aware that it is a major motive force in implementing our strategies. MLMAP2028 lays out many businesses that transcend individual fields, countries, and regions. This will make global management even more challenging than it has been to date. But HORIBARIANS will bring passion and energy to this challenge, apply their strengths in their respective positions, and we accelerate HORIBA's unique global operations over the course of the next five years.

April 2024

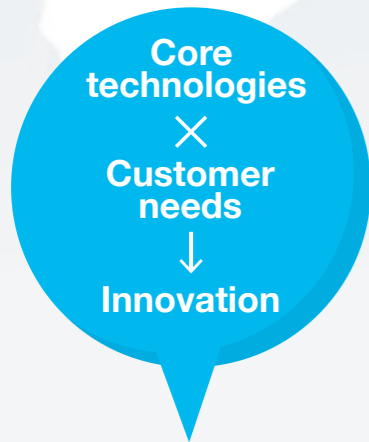


Global Meeting held in December 2023. HORIBA's next generation of leaders gathered with global senior management to take part in discussions about MLMAP2028.



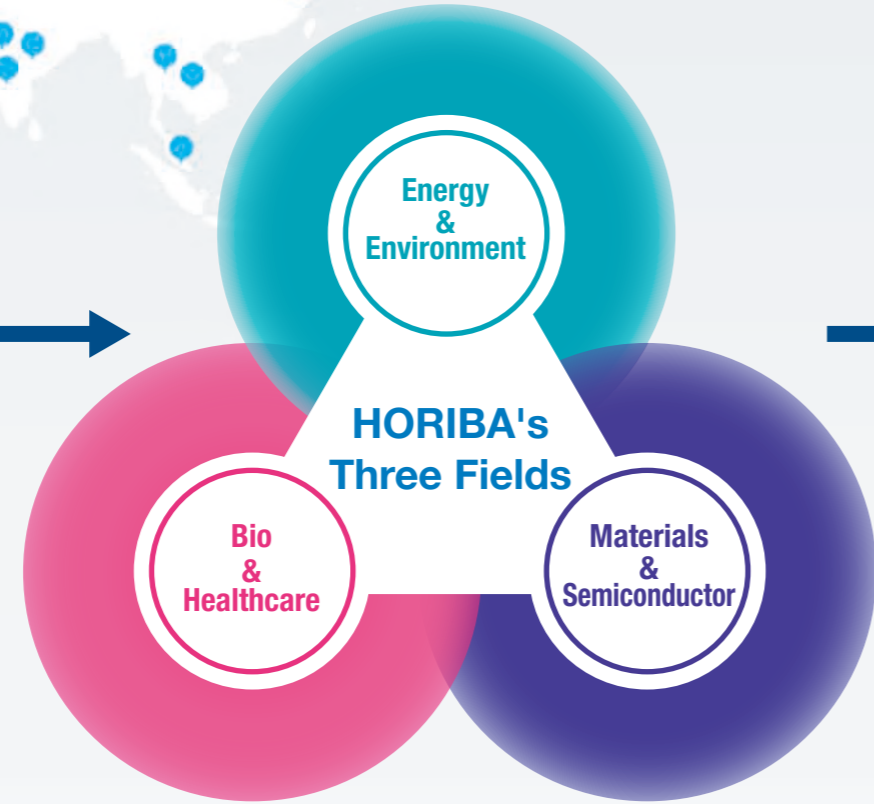
# MLMAP2028

Mid - Long Term Management Plan



- NON-FINANCIAL GOALS**
- Foster core technology development
  - 60 billion yen in net sales from new businesses (2028)

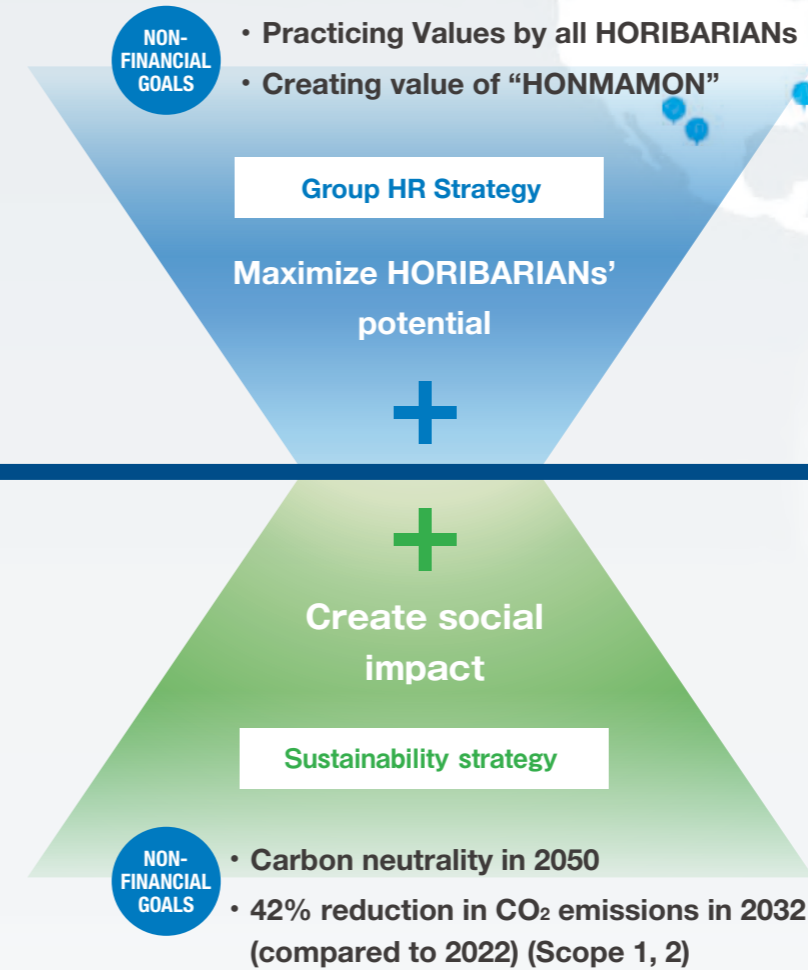
→ P.33



**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations) → P.21

### Financial goals

<p>Sales</p> <p><b>450 billion yen</b></p> <p>(2023 results: 290.5 billion yen)</p>	<p>Operating income</p> <p><b>80 billion yen</b></p> <p>(2023 results: 47.2 billion yen)</p>	<p>Net income</p> <p><b>55 billion yen</b></p> <p>(2023 results: 40.3 billion yen)</p>
<p>ROE <b>12% or more</b></p>	<p>Dividend payout ratio <b>30%</b> Timely and properly return to shareholders Special dividend and share buybacks</p>	



**STRATEGY 2** Group HR strategy to maximize HORIBARIANS' potential → P.37

**STRATEGY 3** A sustainability strategy for creating social impact → P.39

Vision  
**Joy and Fun for All**

HORIBA has formulated a Mid-Long Term Management Plan, **MLMAP2028** to achieve by 2028. We aim to achieve our vision of Joy and Fun for All by implementing these three strategies based on our slogan: "MAXIMIZE VALUE".



About our **MLMAP2028** Symbol

A butterfly transforms from humble beginnings to a beautiful creature dancing on the wind and spreading new life to each flower it touches. Each tiny flap of its wings may result in massive impact elsewhere. HORIBA's cutting edge analytical and measurement solutions maximize the value to society, to enable a sustainable future for all living things.

## Leader's Message

# Maximizing HORIBA's technologies and human assets to challenge next growth

MLMAP Leader  
**Dan Horiba**  
 Senior Corporate Officer



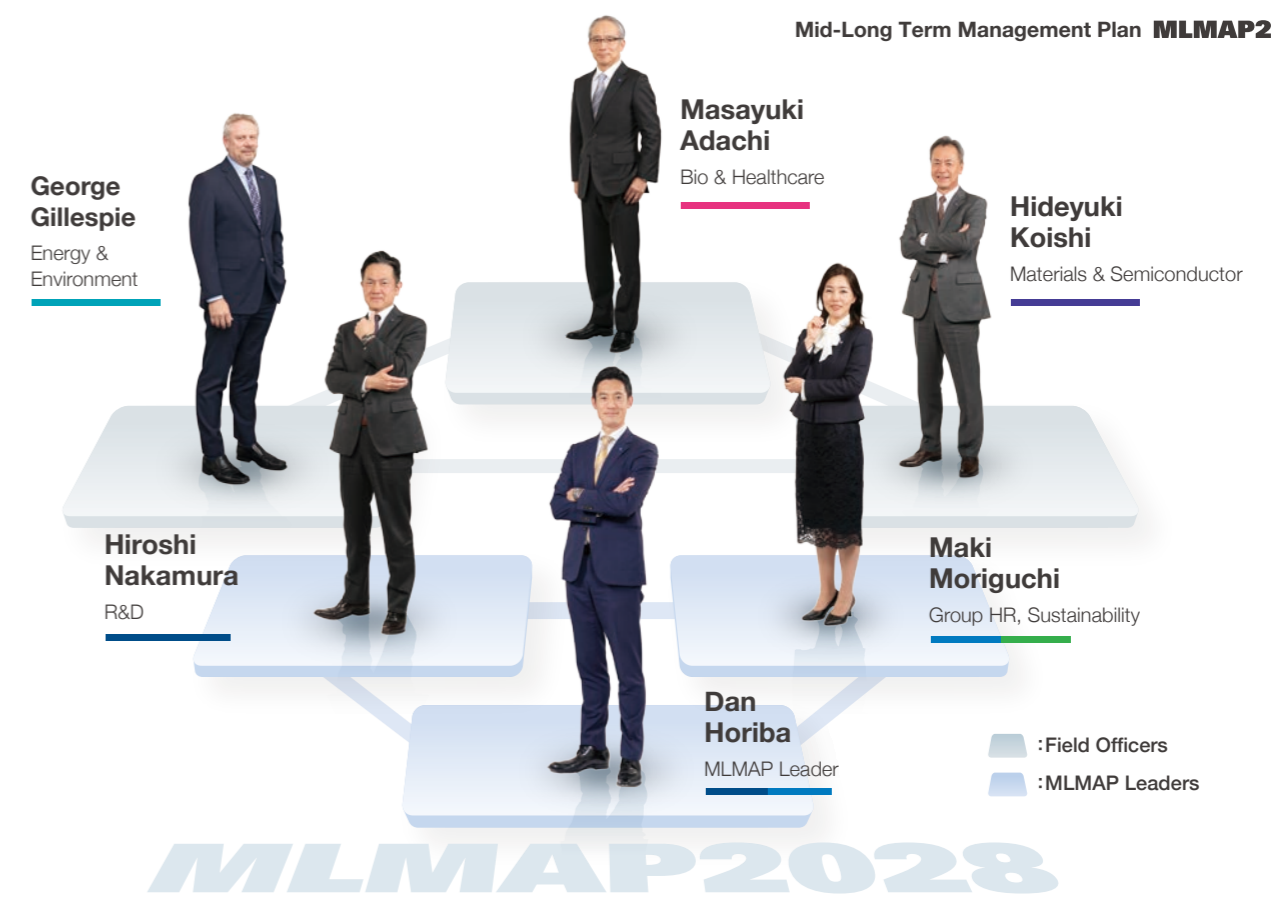
## HORIBA draws on the strength of HORIBARIANS around the world as a force for growth

In our Mid-Long Term Management Plan, MLMAP2028, we express our aim to fully utilize all the value that HORIBA holds with the slogan "MAXIMIZE VALUE". HORIBA technologies have unlimited potential to be utilized in a variety of industries.

This slogan expresses our goal of contributing to society by maximizing the value of our technologies and human assets at each of the points, where HORIBARIANS all over the world intersect with HORIBA's various business activities. In line with changes in society and the market, I believe that we can contribute to a better society by offering the "HONMAMON" technologies and solutions that HORIBA has. And to achieve those, I want to promote the global activities of outstanding HORIBARIANS not just in Japan but also in our overseas group companies as well. We plan to actively cultivate human assets, and are now preparing a Global Leadership Program with the goal of strengthening the management skills of current global leadership candidates for the future.

In recent years, companies, which are contributing to sustainability through its business, are recognized as one of the attractive companies. Many younger members in HORIBA are particularly motivated to know that their efforts

are directly connected to environmental conservation and CO<sub>2</sub> reduction. Our work leads not only to personal growth and the growth of our company, but contributes to society as well. I believe that we can turn this positive cycle into the energy that will allow us to achieve the various numerical targets set forth in MLMAP2028. MLMAP2028 operation is promoted by three promotion leaders, including myself, and the officers of Three Fields. It is also very important to have opportunities to penetrate the concept of MLMAP2028 within the company, as well as the motivation behind it, and how we established this policy. As the implementation responsible, I have already spoken about these on various occasions, and I want to create the conditions for HORIBARIANS who have heard about it to exchange opinions and then further deepen their understanding of MLMAP2028. If this leads to actual action, it will also accelerate our business strategy. Moreover, I believe if every HORIBARIAN around the world thinks about what they themselves can do, then the possibility of taking on new challenges will expand globally.



## Linking MLMAP2028 to a new signpost: "Our Future"

On January 26, 2023, the anniversary of our establishment, HORIBA announced "Our Future" (Vision, Mission, Values). Actually "Our Future" is the starting point for MLMAP2028. As HORIBA celebrated our 70th anniversary, we had launched a project to define the guiding principles for our future 100th anniversary. Members from our overseas group companies joined the discussion as well, and we exchanged a variety of opinions from a long-term perspective about how we want HORIBA to be, as well as how we should grow as the HORIBARIANS. The discussion also touched on challenges of the unique structure of HORIBA's group operations from a global perspective. Considering the cross-segment business expansion that President Adachi set forth in the previous Mid-Long Term Management Plan, MLMAP2023 everyone agreed that it would take significant energy to organize and summarize the direction of the company and the growth potential of the Group. Personally, I found the will and determination to fulfill the expectations of those around me, and take the lead in implementing our plan. This project clearly stated our Vision, Mission, and Values, and the proposals about the Group's growth potential were incorporated into MLMAP2028. Every word described in "Our Future" verbalized HORIBA's uniqueness in language befitting HORIBA. In addition, the corporate philosophy that had been passed down for a long time was organized through discussion by all present, and finalized as the wording announced this time. Our vision, "Joy and Fun for All" expresses HORIBA's desire to spread the spirit that we have embraced, not only throughout the company, but throughout society as well. The Corporate Motto of "Joy and Fun", which everyone within the company has long embraced, was the desire of our founder Dr. Masao Horiba for everyone to have a healthy and fruitful life. The future we strive for is to create a better world for the



At the 70th Anniversary Commemorative Ceremony

global environment and all living things through HORIBA's technologies and businesses. How will we engage with society in the future? We have revised this in the form of a vision based on our company motto. It can be said that HORIBA has stepped into a new phase. We use the word "HONMAMON" in our mission statement. It expresses "The eternal pursuit of creating something from the heart that is one-of-a-kind." This was the favorite word of Dr. Masao Horiba and we follow it as our mission. The "Spirit of Challenge" is a driving force for HORIBARIANS, and a value that has been passed down from the venture spirit which founded HORIBA, Ltd., to HORIBA which had grown into a global enterprise. In order to remain a sustainable company, we must clearly define what we need to do from a long-term perspective. Through "Our Future" we were able to link HORIBA's present to its future. If we ever get lost or lose sight of something in our day-to-day work, we feel we have a beacon, like the North Star to show us to where to turn back which we can follow to find the way home. I want to walk together with all HORIBARIANS around the world, as well as our many stakeholders, and follow "Our Future" as we move forward.

April 2024

The Intention Behind our

# MAXIMIZE VALUE

Slogan

- Mission Vision Value
- HORIBARIAN's Value
- Social Value
- Customer Value
- Technological Value

Creating corporate  
 "Value"

**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations)

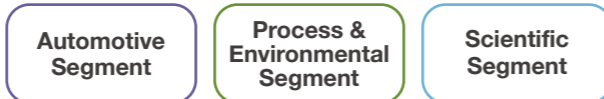
# Energy & Environment



### Focus field

- Exhaust gas certification processes
- Next-generation vehicle development
- Fuel cell evaluation
- Electrolyzer evaluation
- Water quality monitoring
- Air quality monitoring
- Process measurement
- Process monitoring

### Relation to the HORIBA's Five measurement business



**Field Officer**  
**George Gillespie**  
Executive Corporate Officer

**Task Lead**  
**Shun Fukami**  
Group Strategy Division



**Vision**  
A trusted partner supporting our customers on their challenges to deliver a sustainable environment



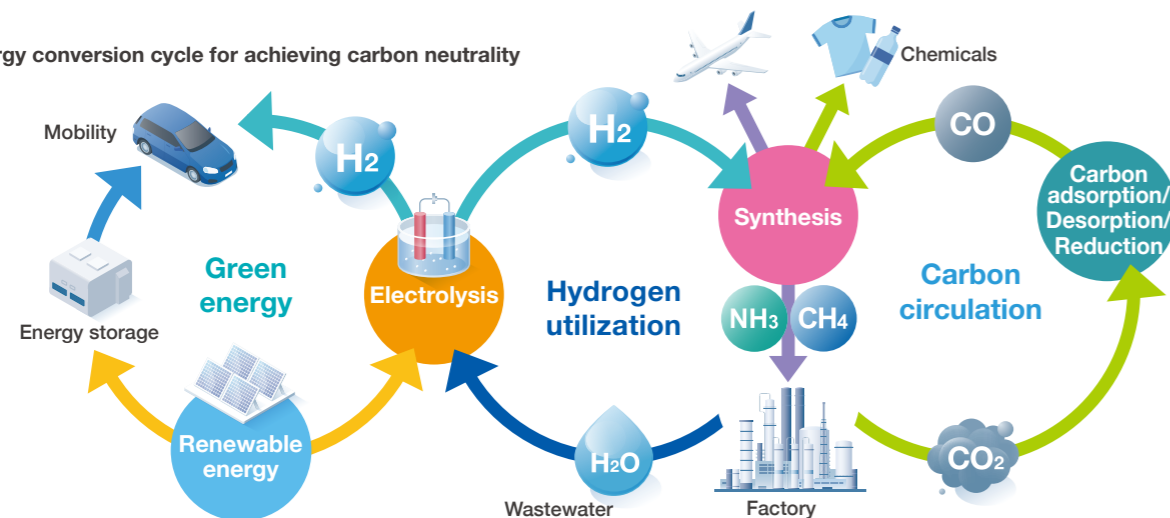
**Major business domain**  
Contributing to Carbon Neutrality. Promoting best solution for customer requirement in R&D / regulation process with utilizing technology and experience which HORIBA has fostered.

The social issue that HORIBA aims to solve in Energy & Environment Field is the realization of carbon neutrality, which requires efforts primarily in the energy field. We promote best in class solutions for customer requirement in R&D, regulation, and other processes by combining our technology and expertise.

We provide suitable solutions for each value chain in R&D, Regulation, In-service compliance, and Production for our focus areas of energy, mobility, water, and atmosphere.

As the energy conversion cycle for achieving carbon neutrality indicates, we contribute to processes that store and utilize renewable energy, processes that reuse the exhaust gas from factories to create things like synthetic fuels, and processes that use renewable energy and wastewater to create hydrogen energy.

### Energy conversion cycle for achieving carbon neutrality



## Business Strategy for Achieving MLMAP2028

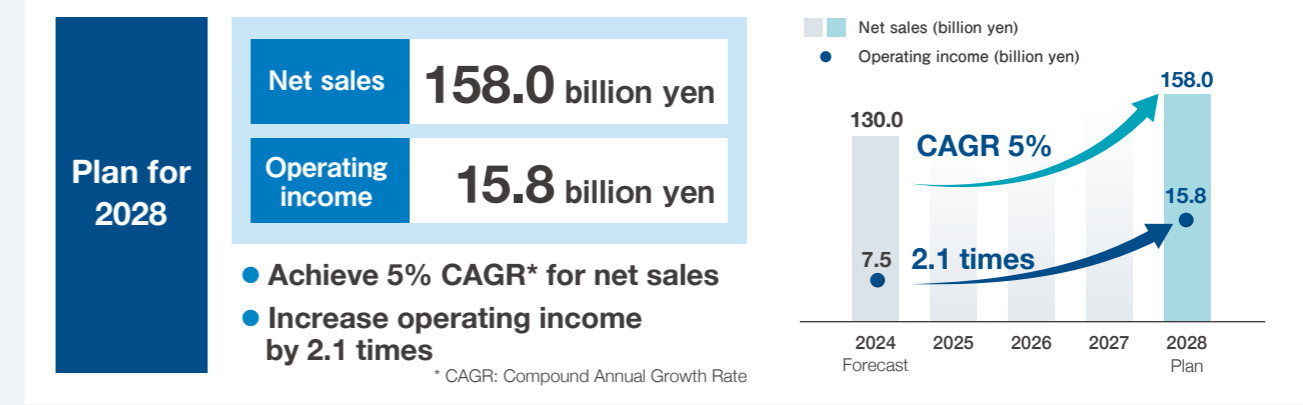


- Provide diversified products and solutions
- New businesses by integrating capabilities in HORIBA
- Total solution with system integration and consulting

HORIBA offers unique solutions to a wide range of markets like hydrogen and CCUS\* which contribute towards carbon neutrality. We actively provide services for equipment update, life extension, and disposal. Up to now these have focused primarily on the emission measurement business. Now, we are expanding this business through maximum utilization of Service Lifecycle Management know-how that extensively supports the utilization of existing equipment.

We also utilize our System Integration and consulting capabilities alongside the core analysis technologies we have developed in our Scientific Segment. This allows us to pursue the creation of new solutions combined product sales with engineering, commissioned tests, consulting and data solutions.

\* CCUS : Carbon dioxide Capture, Utilization & Storage



## Contributing towards a sustainable society through our business activities

### Solutions towards achieving carbon neutrality

In our Energy & Environment business field, HORIBA offers solutions towards achieving carbon neutrality for various customer businesses. We combine the technologies, products, and sales networks that we have cultivated in our Automotive, Process & Environmental, and Scientific Segments.

Our emission measurement systems contribute to improve vehicle fuel economy, and has allowed us to roll out water quality and gas measurement solutions in the Process & Environmental Segment for meeting environmental regulations around the world. Going forward, we aim to contribute to bring about a sustainable society by providing solutions needed to build a hydrogen energy society supporting the development of processes for capturing, utilizing, and storing CO<sub>2</sub>.



Photo: CO<sub>2</sub> separation and capture equipment. Courtesy of Toshiba Energy Systems & Solutions Corporation

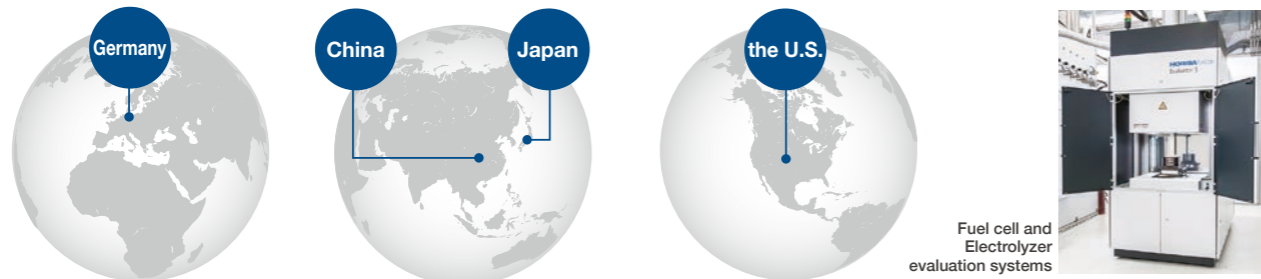
**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations)

**Energy & Environment**

Initiatives to focus on

**1 Capturing business opportunities in the hydrogen market**  
 – Establishing a global engineering structure –

For the hydrogen market, which is vital to achieving carbon neutrality, we are developing our business primarily from HORIBA FuelCon GmbH in Germany. However, by quickly identifying business opportunities around the world and expanding our operations. We are building a global engineering structure that can respond locally to the needs and demands of each country.



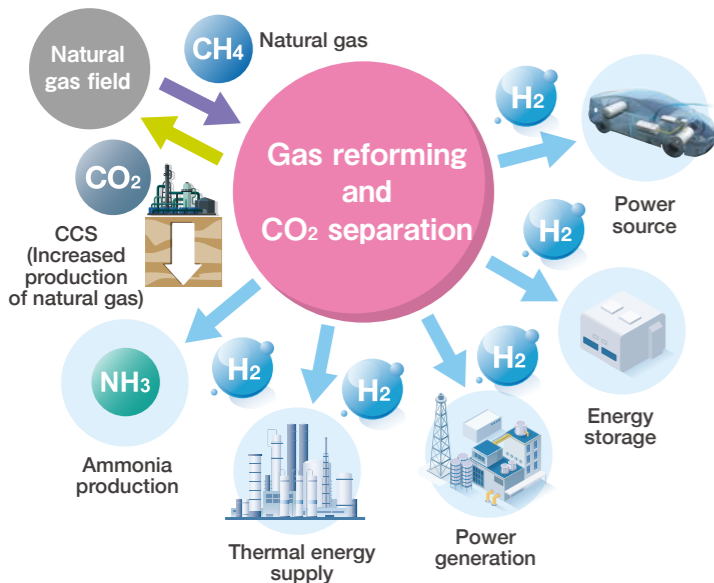
HORIBA welcomed German company, FuelCon GmbH into the Group in 2018 and opened a new facility, named HORIBA eHUB, with a production area of 7,000 m<sup>2</sup> in 2022, five times larger than the previous facility. Orders for Fuel cell and Electrolyzer evaluation systems have increased and the company's production lines are operating at full capacity.

**We have expanded assessment and production equipment for production lines in addition to fuel cell / electrolyzer development applications**

- **Inspection equipment for fuel cell production lines**  
Evaluating fuel cell stack performance and inspecting hydrogen leaks
- **Mass production equipment for electrolyzer production lines**  
Simultaneous performance evaluation of four solid oxide water electrolysis stacks

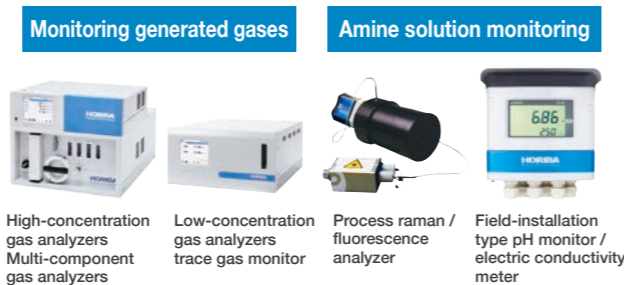


**2 Strengthening our system proposal capability in carbon recycling**



Processes such as ammonia production and energy storage are being commercialized in the field of carbon recycling. This has created needs for process monitoring and measurement to further increase efficiency in each of these processes. We will provide various products and solutions and enhance system proposals are led by the technologies we have cultivated in the Process & Environmental Segment.

**Supporting CO<sub>2</sub> separation and capture**

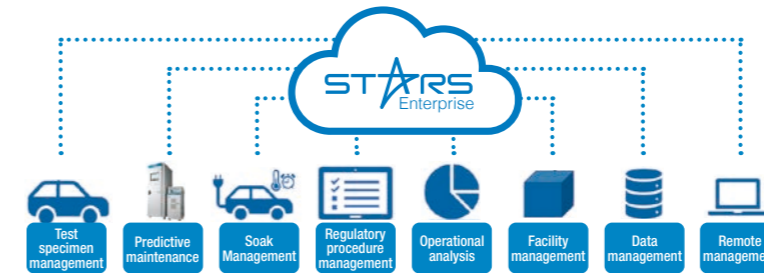
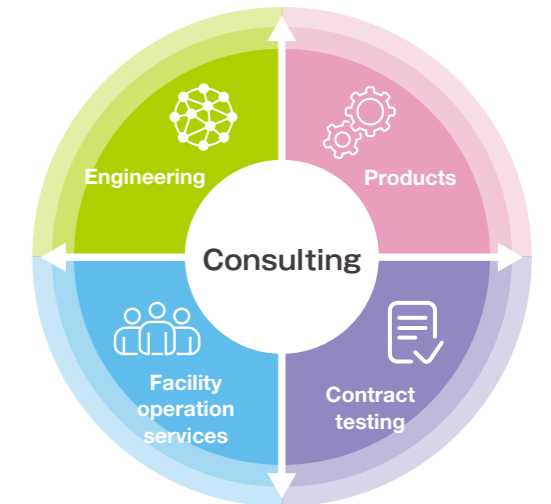


**3 Total solutions leveraging our consulting capabilities**  
 – Expanding from the mobility market to the carbon neutrality market –

We combine the consulting capabilities that are one of HORIBA MIRA's strengths, with our STARS Series test automation software and our STARS Enterprise integrated data management system, to develop total solutions for product sales, testing, and facility operation, and deploy them in the carbon neutrality market.



Consulting solutions related to Fuel cell and electrolyzer evaluation, which contribute to the hydrogen market.



**4 Core businesses supporting growth in the Energy & Environment Field**

**Strengthening support for exhaust gas certification and vehicle development**

As countries adopt new emissions regulations, measurement needs are diversifying into areas such as measurement equipment upgrades. HORIBA continues to expand our evaluation equipment business for internal combustion engines, which is led primarily by our MEXA Motor Exhaust Gas Analyzer. Meanwhile, we are also strengthening sales in the field of electrification with products and services required by electric vehicles, including brake dust measurement and high-performance E-Motor evaluation equipment.

**Continuous measurement of solid particle emitted from automotive**



Meets the need to measure dust and other particles generated by brakes and tires which is being considered for inclusion in the next emissions regulations in Europe.  
**SPCS-ONE**  
 Solid particle counting system

**Brake dust measurement**



**E-Motor evaluation equipment**



**Strengthening global operations as experts in water quality measurement**

HORIBA offers a wide range of water quality analyzers, from bench-top models for laboratories to in-line and on-line models for process monitoring. Ease of use and simplicity of maintenance also support operations with labor savings and energy conservation. We combine sensor technologies developed in Japan with the systematization expertise of two companies we have acquired in Europe (TOCADERO in Germany, and Tethys Instruments in France), which is at the cutting-edge of environmental measures. Thus we can contribute to more efficient water treatment process management that considers the needs of the market.



**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations)

# Bio & Healthcare

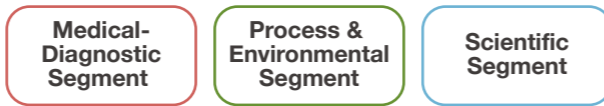


**Field Officer**  
**Masayuki Adachi**  
President & COO

**Task Lead**  
**Jun Ivan Nishimura Tanikawa**  
Group Strategy Division

- Focus field**
- Hematology testing
  - Blood glucose testing
  - Immunoassay
  - Clinical chemistry testing
  - Hemostasis testing
  - Pharmaceutical development, manufacturing, and quality control
  - Food and beverage development, manufacturing, and quality control
  - Cosmetics and skin care product development, manufacturing, and quality control

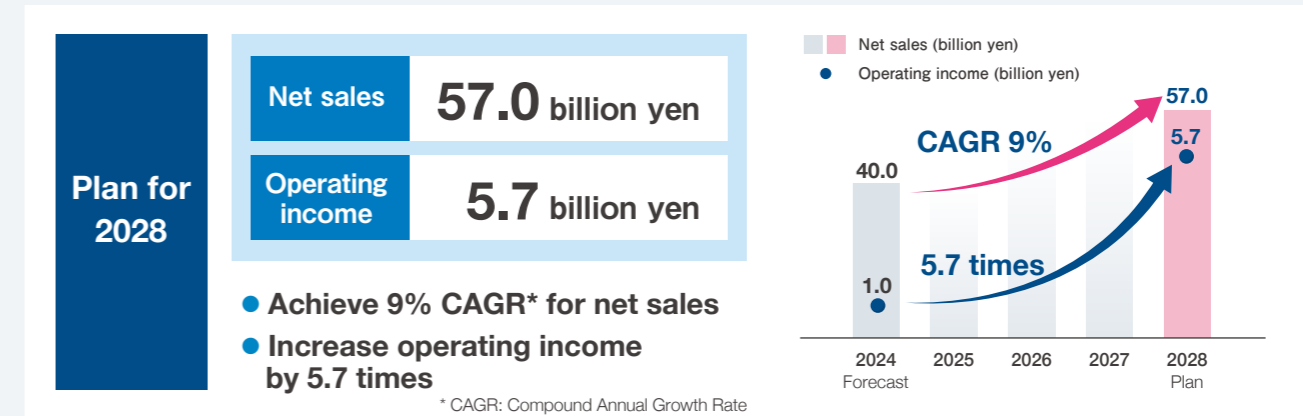
**Relation to the HORIBA's Five measurement business**



## Business strategy for achieving MLMAP2028

- Business strategy**
- Providing unique solutions for emerging new niche markets
  - Localization in IVD testing business
  - Implementing HORIBA's measurement technology and engineering capabilities in the bio pharma industry

We leverage HORIBA's unique analysis technology and blood testing processes know-how to create distinctive solutions with high added value for new niche markets in the healthcare journey. We will accelerate localization of our testing business and improve profitability at our global development and production sites. Also, in the area of pharmaceutical development, production, and quality management processes, we will strengthen partnerships with customers and provide unique customized solutions.



**Vision**  
Provide strong social value by transforming the healthcare journey with unique solutions

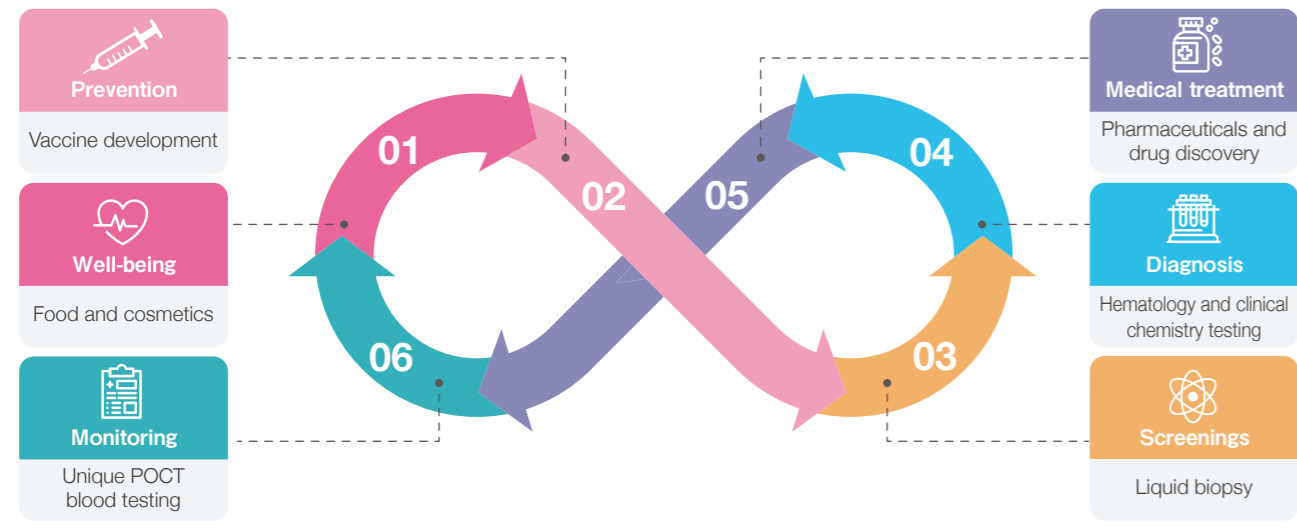


**Major business domain**  
Contributing to transforming the healthcare journey with unique solution based on our IVD know-how, diversified core technologies, and global network. Key examples are, solving clinical issue with POCT\* solutions and optimizing bio pharma R&D, and production process.

The social issue that HORIBA aims to solve in Bio & Healthcare Field is to transform the healthcare journey including well-being and prevention, to improve the health of humans and animals. We provide unique solutions with high added value in fields such as blood testing, clinical chemistry, veterinary medicine, digital solutions, and POCT, by leveraging our diverse core technologies and global network we have cultivated in the hematology business. We also aim to expand our business in the pharmaceutical, cosmetics, and food & beverage markets. In particular, we are contributing to the acceleration of drug development and manufacturing, and thus making a positive impact for a more efficient medical care.

\*Point of Care Testing (POCT): A general term for testing performed at locations close to patients, such as private practitioner offices, diagnostic clinics, hospital wings, and outpatient clinics.

**Fields in which HORIBA provides solutions for each healthcare journey**



## Contributing towards a sustainable society through our business activities

### Contributing to everyone's health

In our Bio & Healthcare business field, we contribute to maintain health for all living beings by delivering rapid and trustworthy sample testing at medical sites. Our aim is also to ensure the quality and safety of medicines and vaccines, and its effective development and manufacturing by deploying HORIBA's diverse technologies and solutions in the pharmaceutical market.

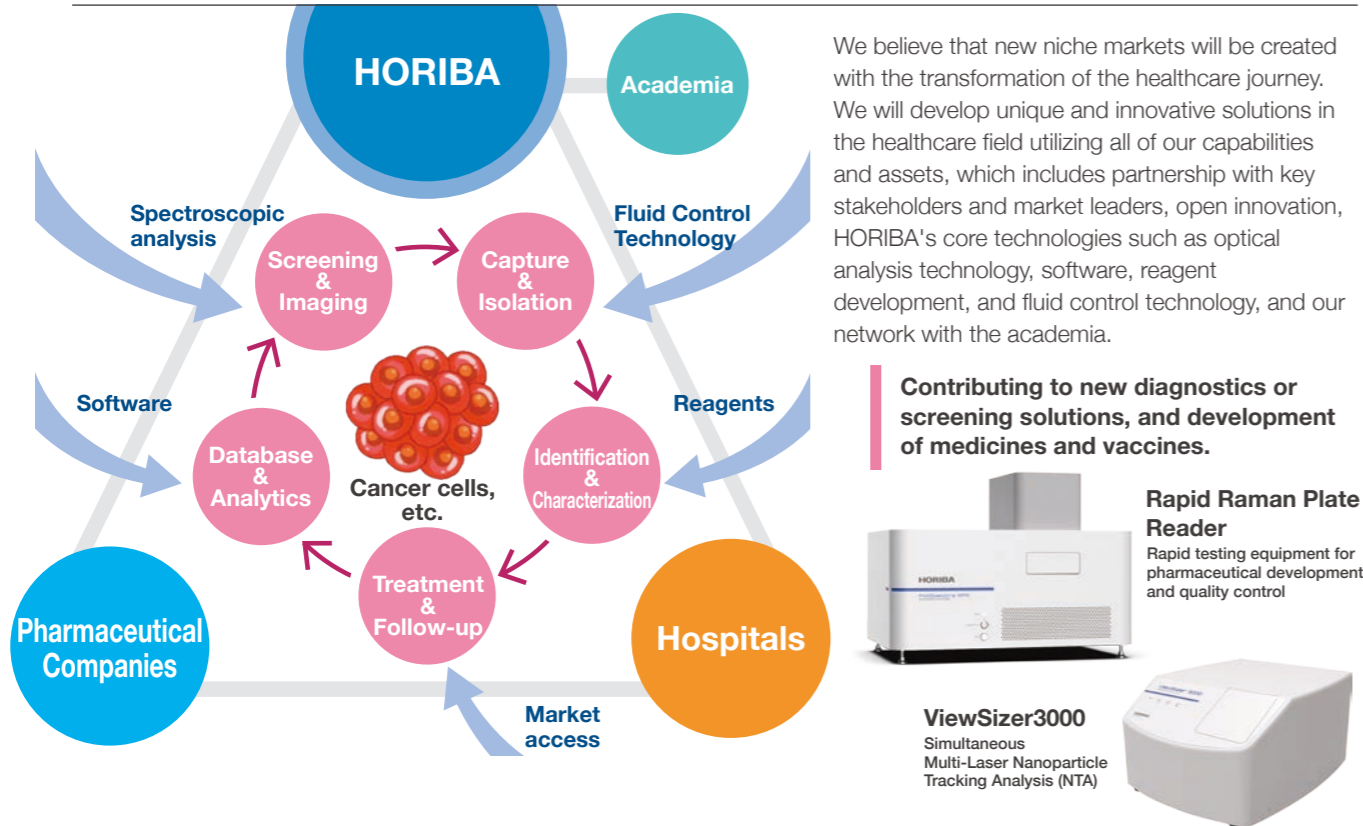


**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations)

**Bio & Healthcare**

Initiatives to focus on

**1 Expanding into the new area of the healthcare journey.**  
 – Integrating HORIBA's capabilities and developing new solutions –

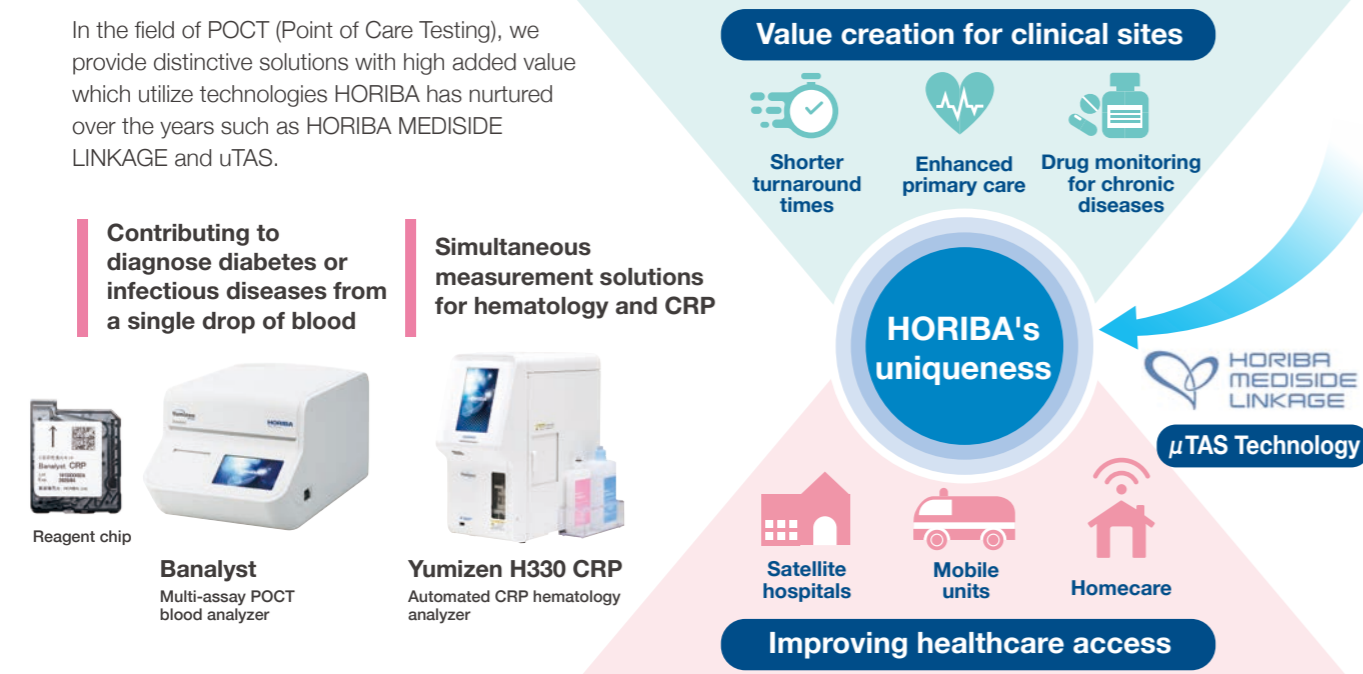


We believe that new niche markets will be created with the transformation of the healthcare journey. We will develop unique and innovative solutions in the healthcare field utilizing all of our capabilities and assets, which includes partnership with key stakeholders and market leaders, open innovation, HORIBA's core technologies such as optical analysis technology, software, reagent development, and fluid control technology, and our network with the academia.

**Contributing to new diagnostics or screening solutions, and development of medicines and vaccines.**

**2 Solving medical challenges with POCT**  
 – Utilizing the network and know-how cultivated through our IVD testing business –

In the field of POCT (Point of Care Testing), we provide distinctive solutions with high added value which utilize technologies HORIBA has nurtured over the years such as HORIBA MEDISIDE LINKAGE and  $\mu$ TAS.



**Contributing to diagnose diabetes or infectious diseases from a single drop of blood**

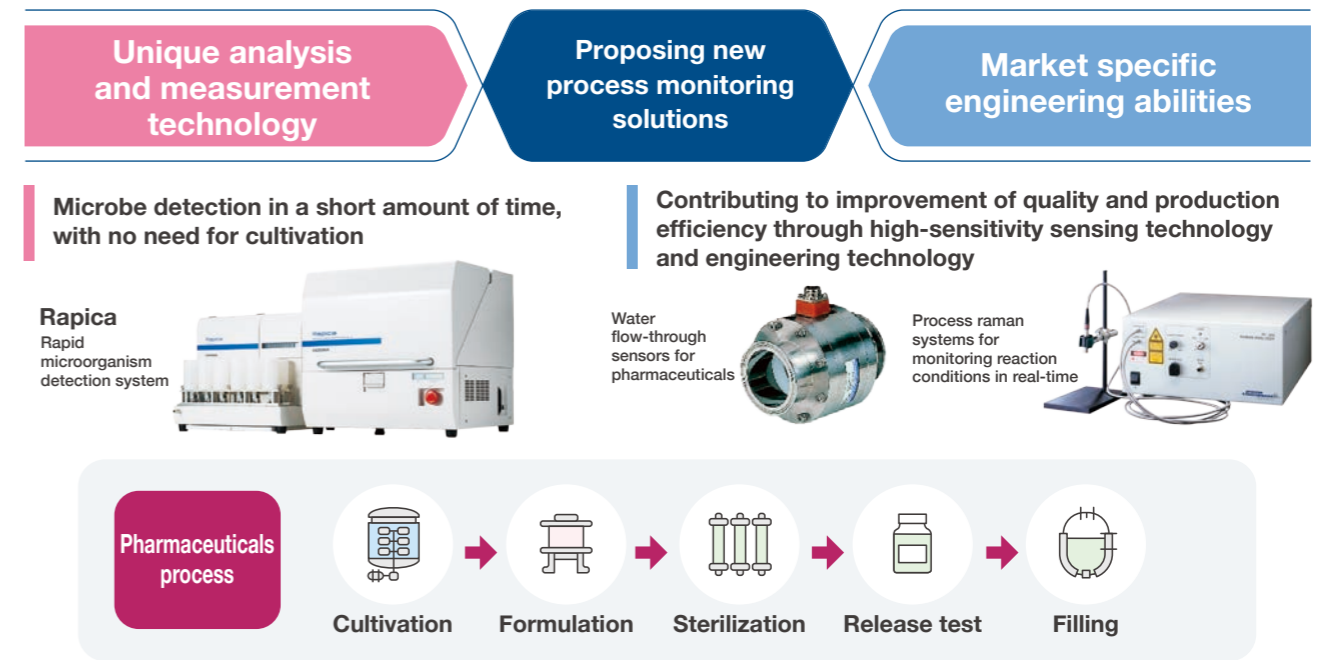
**Simultaneous measurement solutions for hematology and CRP**

**Banalyst**  
Multi-assay POCT blood analyzer

**Yumizen H330 CRP**  
Automated CRP hematology analyzer

**3 Proposing process monitoring solutions for the bio pharma market**

We propose new process monitoring solutions for the bio-pharma market that utilize our core technologies related to analysis, and our engineering capabilities cultivated in fields such as mobility.



**4 Core businesses supporting growth in the Bio & Healthcare Field**

In the hematology discipline, we will expand our new product lineup in Japan, considering the importance of clinical diagnosis by primary care doctors. In growing markets such as India and Indonesia, we aim to accelerate the localization of analyzers and reagents production, and expand sales. In Europe, we will expand sales by supplying hematology analyzers through Siemens sales channel, and providing blood testing systems for large hospitals and testing centers. In clinical chemistry, we will strengthen reagent sales from HORIBA POINTE and expand our supply of reagent from the Americas to the rest of the world.

**Classifies 5 types of white blood cell with 3 types of reagent**  
 Growing need for blood testing in veterinary clinics  
**Quick testing for anemia, allergies, and inflammation**

**Yumizen H500 Series**  
Automated hematology analyzer

**Microsemi LC-712**  
Automatic hematology analyzer for animals  
 \* This product is not related in any way to MICROSEMI Corporation.

**Blood testing system for large hospitals and testing centers**

**Expanding our clinical chemistry analysis alongside HORIBA POINTE reagents**

**HORIBA Evolutive Laboratory Organization**

**HORIBA POINTE**  
Reagents for special items such as drug testing

**Yumizen C1200**  
Automatic clinical chemistry analyzer

**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations)

# Materials & Semiconductor



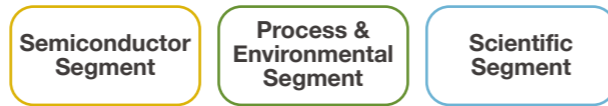
**Field Officer**  
**Hideyuki Koishi**  
Director

**Task Lead**  
**Takeshi Kondo**  
Group Strategy Division



- Focus field**
- Semiconductor manufacturing process control and monitoring
  - Facility management and control
  - Advanced materials research and development
  - Advanced recycling of materials
  - Semiconductor related materials research, development, and quality control

Relation to the HORIBA's Five measurement business



## Business strategy for achieving MLMAP2028

- Enhance our competitiveness in the semiconductor industry by improving supply capacity
- Strengthen semiconductor manufacturing process monitoring
- Apply advanced analytical technologies in the semiconductor materials market
- Allocate resources on advanced material research, production and recycling

We will promote BCP measures, and accelerate on a product development global scale, to strengthen our existing mass flow controller and chemical concentration monitor businesses. By strengthen semiconductor process monitoring, we will contribute to improve the mass production process. We will also accelerate commercialization of process products, as we strive to automate thin film measurement and modularize equipment. And we will concentrate resources on areas such as advanced semiconductor materials, polymers, carbon, and power semiconductor materials (SiC, GaN), where we can provide unique solutions and core HORIBA technologies, such as spectroscopic analysis.

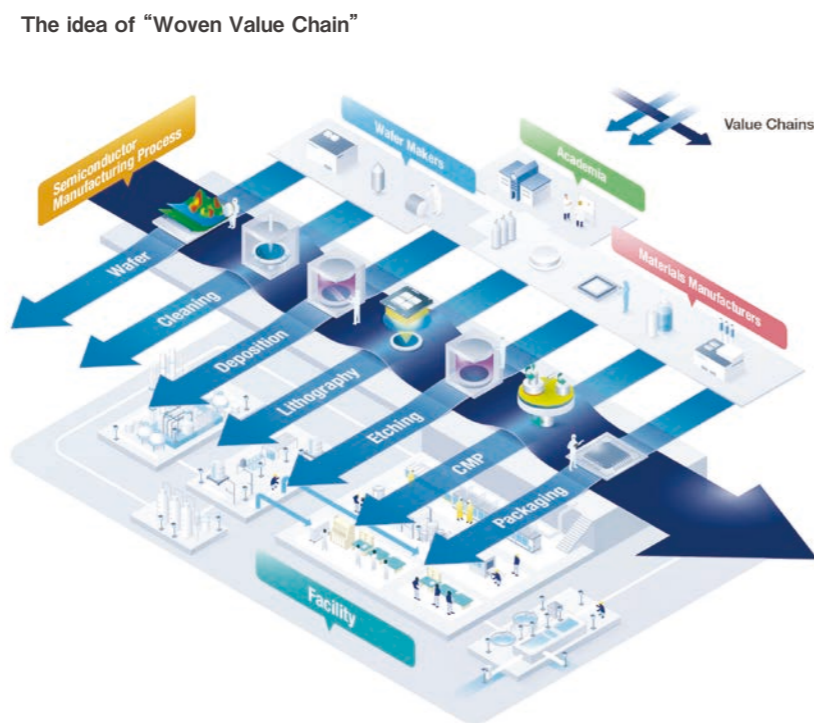


**Vision**  
Shape the market with innovative solutions in the advanced materials and semiconductor field toward achieving sustainable society

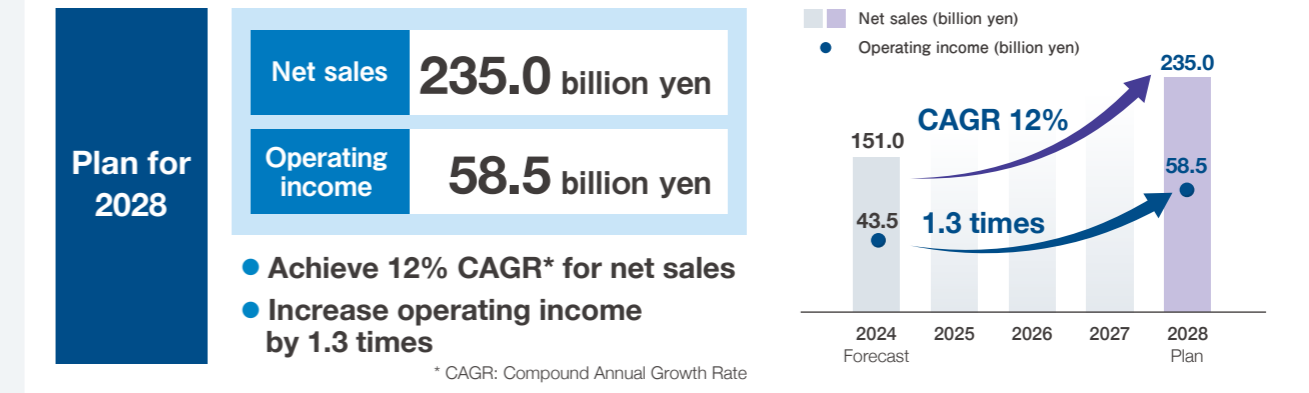


**Major business domain**  
Contributing to technology innovation in "Woven Value Chain" which is value chain matrix where semiconductor production process, advanced materials and facilities are inter-connected. Supporting customers' operations by providing the most advanced analytical and measurement solutions with HORIBA all around.

The social issue that HORIBA aims to solve in Materials & Semiconductor Field is to innovate technologies in the matrix of the value chain that we call "Woven Value Chain", which inter-relates semiconductor production processes, related advanced materials, and their facilities. Semiconductors progress will continue and technological improvement or innovation will accelerate. We support customer operations from all directions, with a focus of control and monitoring in the semiconductor production process. This includes everything from providing cutting-edge solutions for research and development of advanced materials on the upstream side, to facilities management covering exhaust gas and wastewater monitoring on the downstream side. By providing cutting-edge innovative solutions across the entire Woven Value Chain, we will contribute to bring about a society that continues to develop sustainably.



\* "Woven" evokes the image of textiles. At HORIBA, we refer to our entire value chain, including facilities, as the "Woven Value Chain," where the horizontal threads represent semiconductor manufacturing processes and the vertical threads represent the materials markets related to those processes.



## Contributing towards a sustainable society through our business activities

### Developing new technologies and contributing make semiconductor production more efficient

In the field of Materials & Semiconductor, and in light of the increased demand for semiconductors fueled by data centers and Generative AI, we contribute to promote research and development of semiconductor devices, improve yields, control production processes, support R&D and quality control for semiconductor related materials, and recycle rare raw materials. In addition, we contribute to sustainability activities in the general production of semiconductors by combining solutions such as environmental monitoring which cover the entire semiconductor facility.

**Growing demand for semiconductors**

- Increased computational processing due to the spread of Generative AI
- Increase in number of data centers

**Contributing to improve productivity, development of advanced materials, and utilization of finite resources**

- Importance of advanced materials (Polymers, Carbon, Power semiconductors, etc.)
- Recycling at the materials level



**STRATEGY 1** A business strategy to solve social issues in three focus fields (Field operations)

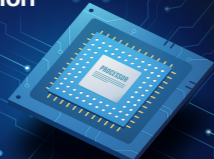
**Materials & Semiconductor**

Initiatives to focus on

**1 Contributing to advanced semiconductor process control**  
 – Providing solutions with high-value components and module products –

**Semiconductor process control domain which HORIBA covers**

- Fluid measurement / control
- Liquid vaporization
- Pressure control
- Vacuum monitoring
- Chemical concentration monitoring
- Plasma monitoring
- Thermal monitoring



Measuring various semiconductor process monitoring items in real time. We aim to expand our solutions business for module products and high-value component products installed in semiconductor manufacturing equipment, while also growing our existing solutions businesses (mass flow controllers and chemical concentration monitors).

Achieving even higher gas control performance to handle advances in miniaturization and 3D structuring in cutting-edge semiconductor devices

One machine handles detection and removal of impurities, contributing to improve yield and make the semiconductor production process more efficient

Achieves safe and stable concentration monitoring through non-contact measurement of chemical solutions used in semiconductor production processes like cleaning and etching



**2 Providing all-around solutions such as semiconductor process monitoring through thin-film measurement technology and facility monitoring**

In the semiconductor market, where development of advanced materials is accelerating, we are using automation and modularization to apply thin-film measurement technology developed for lab use to semiconductor processes. We also provide solutions that contribute to improve energy efficiency and reduce GHG\* emissions to achieve carbon neutrality in facilities.

\* GHG : Green House Gas

**Airborne molecular contamination monitoring**



**Wastewater treatment monitoring**



**Exhaust gas emission monitoring**



- Improve Yield
- Reduce Energy Consumption
- Improve Efficiency

\* AMC : Airborne Molecular Contaminant

**3 Contributing to process of advanced material development and production**  
 – Providing solutions based on HORIBA's integrated analysis technologies –

- Semiconductor materials
- Polymers
- Carbon

We will integrate HORIBA analysis technologies with a focus on materials such as advanced semiconductor materials, polymers, carbon, and power semiconductor materials (SiC, GaN), which are set to increase in importance. We utilize our knowledge of upstream process research and development to provide process monitoring solutions for downstream mass production processes, contributing to our customers' stable manufacturing.

- Research and Development
- Manufacturing
- Recycling

**Nanoparticle-size control for CMP slurries and advanced nano materials**



**Wafer Micro-structure/ Stress Analysis**



**Wafer inspection, plastic selection**



**4 Core businesses supporting growth in the Materials & Semiconductor Field**

Following on our Aso and Kyoto factories HORIBA will construct a new factory in Fukuchiyama, Kyoto to secure large production volumes. We also plan to increase production in the U.S., China, and South Korea, expand our BCP measures against natural disasters and other disruptions, and enlarge our network of second source suppliers. Moreover, we will leverage our global network to enhance our supply and procurement capabilities.

Primary production bases for mass flow controllers



**Construction of new factory in Fukuchiyama, Kyoto**



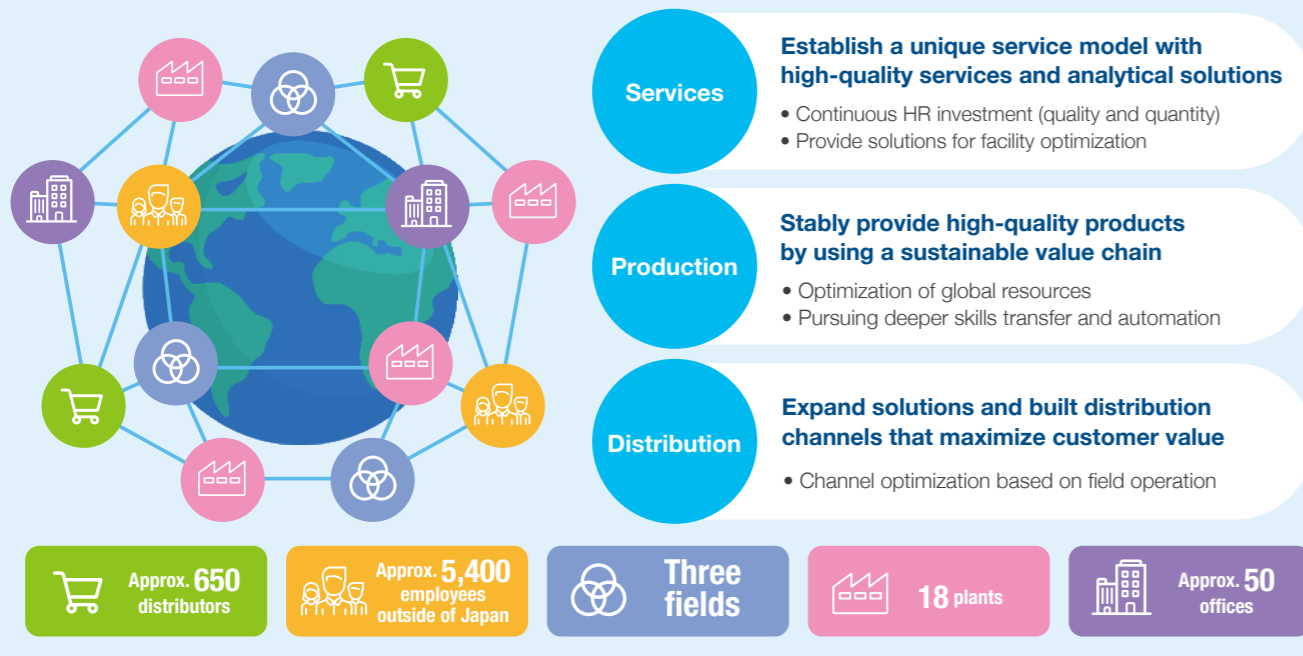
HORIBA STEC Kyoto Fukuchiyama Factory (tentative name) (scheduled for completion in January 2026)

Will introduce the latest automation technology to triple mass flow controller production capacity. At 17 billion yen, it is the biggest investment in our history.

# Strengthening our global management foundation

(Services, Production, Distribution, R&D)

## Strengthening our Business foundation to support global operations



## Initiatives to promote DX using open innovation

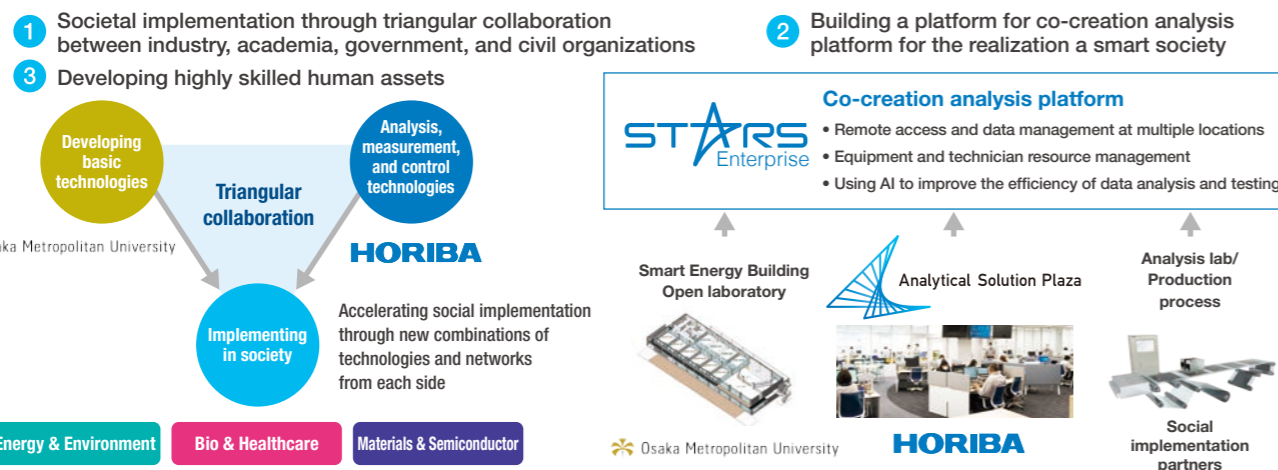
There is growing momentum for achieving a sustainable society, and technological innovations utilizing AI and IoT are advancing rapidly. HORIBA offers unique solutions by flexibly combining its strengths in “measuring” technologies, such as analysis, measurement, and control, with “connecting” technologies, such as remote access and data management, which has been promoted within our Mid-Long Term Management Plan, MLMAP2023 as “Solution Provider Beyond Life Cycle Management”.

HORIBA has been supporting vehicle emission certification test for 60 years, but the certification tests procedures and methods defined by regulatory agency in each country have become very complex. For many years, HORIBA has proposed various solutions for overcoming these challenges. In particular, we have contributed to innovation in vehicle development process through automation of test protocol by software solution, and streamlining and virtualizing of test methodologies by data science and digital twins.

In order to expand this business model, which provides not only analytical and measurement technologies but also automation and efficiency improvement of development and production process, to a wider range of business fields, we are actively promoting collaboration between industry, academia, government, civil organizations and accelerating open innovation with various universities such as Shiga University, the University of Tokyo, Kyoto University and Osaka Metropolitan University.

In addition, the department that develops digital solutions for customers and the department that promotes digital transformation within the company will share challenges, generate ideas, and provide products and services that increase added value for customers, while also aiming to improve the productivity of internal operations.

### EXAMPLE OF COLLABORATION Initiatives from our comprehensive partnership agreement with Osaka Metropolitan University



## MESSAGE

### Organically connecting technologies and human assets to polish “HONMAMON” technologies

MLMAP Leader R&D strategy  
**Hiroshi Nakamura**  
Corporate Officer  
General Manager of R&D Division



In our Mid-Long Term Management Plan, MLMAP2028, we have set 3 growth strategies as R&D direction and target, since R&D must be a source and driver of growth. The first one is to help expand new applications and businesses through product development by new combination of technology in all HORIBA Group. The second is to help expand our solutions business, including automation and data management, by promoting the transformation of our business from product sales to solution provider. And the third is to pursue “HONMAMON” technologies. We will accelerate open innovation and the exploration of applications, and steadily invest in areas of advanced development from a long-term perspective.

In the past Segment structure, there were few opportunities to combine core technologies and customer networks, but as part of “Market Oriented Business,” one of the key initiatives of MLMAP2023, so-called “cross-segment” activities that transcend segment boundaries have been promoted, new combinations across segments have led to a succession of “new combinations: innovations.”

Looking at cases where technology has led to discontinuous

business development, some are based on “technological invention,” but many have achieved great success through the combination of some kind of value with “new combination: innovation.”

Looking at HORIBA's history, we can say that our automotive measurement business began when we applied the technology of medical measuring devices that measure human breath to exhaust gas measuring devices, and that our semiconductor business made great strides when we applied the technology we developed for standard gas generators to semiconductor manufacturing equipment. These were major innovations that combined previously unlinked core technologies and sales networks. The great significance of performing field operations, is to utilize our “HONMAMON” technologies in all business fields. All fields can access all of HORIBA's technologies and explore their possibilities in every field. I am confident that this will create opportunities for new innovations through unprecedented combinations, and enable us to maximize their value as “HONMAMON” solutions. To achieve this, we will follow the development strategy, foster our core technologies, too.

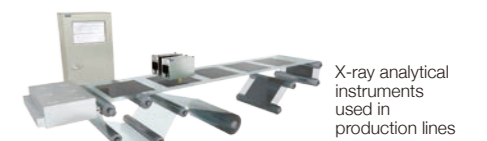
April 2024

## R&D strategy: Foster our core technology development

**1** Product development closely aligned to the customer **Plan for 2028** Net sales in new businesses: **60 billion yen**

Core technologies × Customer needs = Innovation

We propose new solutions in the Three Fields of Energy & Environment, Bio & Healthcare, and Materials & Semiconductor by implementing crossing HORIBA Core Technologies with customer needs.



**2** From product sales to solution sales **Plan for 2028** Solutions business\* Net sales: **25 billion yen**

Developing businesses across fields

We develop data management systems that offer integrated management of measurement data, equipment status, work processes, and task. And we employ these for controlling measurement equipment at various development sites.



**3** Pursuing “HONMAMON” technologies **Plan for 2028** Ratio of advanced R&D costs to total R&D expenses **10% or more**

Pursuing applications and accelerating open innovation

We will continue to steadily invest in areas of advanced development from a long-term perspective. Through collaboration between industry, academia, government, and civil organizations, we also aim to create and commercialize next-generation analysis and measurement technologies, and promote the development of young engineers who will lead society on a global level in the future.



# Group HR Strategy and Sustainability Strategy

## SPECIAL DIALOGUE

### Working with the entire Group to create an arena for pursuing “HONMAMON”

To achieve our vision of “Joy and Fun for All”, we included the Group HR Strategy to maximize HORIBARIANS potential, and a Sustainability Strategy to create social impact in our Mid-Long Term Management Plan, MLMAP2028 Group COO Juichi Saito and MLMAP Leader Maki Moriguchi discuss HORIBA's history to date, and the human assets and sustainability strategies we are pursuing through MLMAP2028.

#### HORIBARIANS who have unique characters work in HORIBA

**Moriguchi** : When customers visit HORIBA, or when I meet people outside of the company, I often hear them comment that “HORIBARIANS are all so unique.”

People notice our uniqueness, even we are not usually aware of it. I am proud that this HORIBA identity seems to have been cultivated naturally by HORIBA's corporate culture.

**Saito** : HORIBA is proud that we are a company that revolves around people-based management. Our management is centered on having each and every HORIBARIAN personify the corporate motto of Joy and Fun established by our founder Masao Horiba in 1978. We feel a sense of pride in the fact that we have been able to build a unique management foundation that organically connects the ideas and technologies that people come up with by organizational capabilities.

**Moriguchi** : Our founder Dr. Masao Horiba's conviction was that “Believing in the limitless potential and power of humanity, and drawing this out to be utilized in society, results in both happiness for individuals and strength for the organization.” This spirit probably lives in each and every HORIBARIAN. There is power in this spirit as well. And I feel that we have fostered an organizational culture that encourages people to raise their hands and take on challenges.

**Saito** : I feel that the **BlackJack Project** (HORIBA's own an improvement activity started in 1997) has achieved great results and continues to generate strong enthusiasm from frontline HORIBARIANS. It is also impressive how the **Stained Glass Project** that we launched in 2014 has become a driving force for growth and change in HORIBA.

**Moriguchi** : The Stained Glass Project, which has been active for about 10 years, has given birth to a variety of activities. HORIBA respects diversity and aims to create a place where people demonstrate their strengths, originality, and talents, just like a stained glass picture. The project has achieved a certain level of success, encouraging everyone at group companies primarily in Japan to learn about diversity, discovering diverse next-generation leaders, and working to increase flexibility of work-styles. Going forward, we plan to promote initiatives as part of MLMAP2028's Group HR Strategy on an even more global scale than ever before. We also intend to ensure these efforts are properly passed on.

**Saito** : In other words, as we pass on HORIBA's unique approach to diversity, we aim for diversity to be woven into all the business activities and daily communications of HORIBARIANS, and then to move from there to the next stage. I would like to incorporate the foundation laid by the Stained Glass Project into the Group HR Strategy of MLMAP2028, and aim for even greater heights.

**Moriguchi** : I totally agree with your thought. With MLMAP

#### By creating dialogue about HORIBARIAN and sustainability, HORIBA will continue to make a valuable impact on society.

MLMAP Leader  
HR, Sustainability

**Maki Moriguchi**

Junior Corporate Officer  
Deputy General Manager of  
General Administration Division  
Principal, HORIBA COLLEGE\*



\* HORIBA COLLEGE: An internal university which allows HORIBARIANS to determine what programs they need, become lecturers themselves, and share their skills and experience.

Our new challenges are providing new solutions through our business, and contribute to training the next generation in cooperation with our Group companies around the world.

**Juichi Saito**

Executive Vice Chairman &  
Group COO



2028, we have once again hammered out the message of maximizing the power of HORIBARIANS. In addition to addressing immediate issues for the people or HORIBARIANS that we have so treasured, such as team retention and work-style reforms, I would like to work out concrete strategies for making our vision of “Joy and Fun for All” a reality. Then we can link these more strongly to our business activities and strengthen our collaboration on them. I expect to see more and more synergies develop through connections across companies, locations, and businesses.

#### To pass on the essence of the culture HORIBA has long cultivated on to the next generation

**Saito** : In recent years the idea of human capital has been focused, but at HORIBA, we have fostered a culture that views **employees as valuable assets**.

Our efforts go beyond the unique design of our HR and diverse training systems. We have developed a wide array of business activities that incorporate our desire to give HORIBARIANS rich and healthy lives. These include nurturing people through various projects and face-to-face communication, as well as facilities like our employee cafeteria, our HORIBA Blueberry Farm, and our Fun House training center run by the HORIBA Community Corporation and solely responsible for HORIBA's employee welfare programs. However, I feel that it will be difficult to reach our goals if we stay satisfied with the current state of affairs. Amidst rapid changes in society and in people's attitudes towards work, we need to continue to prioritize creating an arena that values diversity, in which each individual can fully demonstrate their abilities. We are also keenly aware that the value of our corporate activities lies in taking the lead in helping to make society sustainable.

**Moriguchi** : When we reached the milestone of our 70th Anniversary, we formally defined our Vision, Mission, and Values in our new “Our Future” declaration. Through this, we shared the company spirit of Joy and Fun that we have long cherished. And we declared our intention to contribute to the global environment, the health of all living things, and the progress of science and technology, through HORIBA's variety of “HONMAMON” solutions. HORIBA will provide various solutions to help create a world in which all living things can live in harmony and fully unfold their energy. This is the intention behind our mission to, “**shape our future with solutions based on “HONMAMON” and diversity.**” We want to continue discussing “Our Future”,

**HORIBARIANS, and sustainability** with all of our stakeholders, and so expand the circle of resonance. In this way, we aim for HORIBA to continue to be a company needed by society.

**Saito** : From this perspective, one of the things that we made sure to include in MLMAP2028 as the first step towards realizing “Our Future”, was to make committing to people and sustainability a key theme to spearhead our business strategy. As we work to bring about a sustainable society, HORIBA will continue to be indispensable in developing new technologies that enrich society.

The driving force that will allow us to achieve this will come from HORIBARIANS all around the world who share our vision, mission, and values, as well as **future HORIBARIANS** who want to become our partners and walk hand-in-hand with us into the future.

**Moriguchi** : Yes, HORIBARIANS all over the world are telling a story called “Our Future” from a long-term point of view to impart the essence of the culture we have cultivated at HORIBA over the years to the next generation. Right now, we are connecting and conversing to write the first chapter. From there I hope the story continues to unfold with HORIBA creating new solutions.

**Saito** : Our sustainability strategy is, of course, committed to reaching net zero. Our new challenges are **providing new solutions through our business**, and expressing our intention to contribute to training the next generation in cooperation with our Group companies around the world. The experience and expertise possessed by HORIBARIANS—our human assets—allow us to directly contribute to technologies that solve new social problems. We have also taken the first step on our mission of sharing our dreams and conveying the fun of science and technology with the younger generation to whom we will entrust the future. I hope that all stakeholders will watch our efforts and cheer us on as we confront the big upheavals and changes that lie before us.

**Moriguchi** : “**Joy and Fun for All**” This is a grand vision, but the fact that diverse HORIBARIANS share the same goal and are taking this new step together is a significant advantage. It is important that HORIBARIANS around the world collaborate to steadily implement the strategy build in MLMAP2028, and by communicating, bring about a sense that we are really drawing closer to our dreams. In this sense, we have a grave responsibility and challenging role as leaders. But I believe that our team power will overcome any obstacles, and that we will boldly take on this challenge.

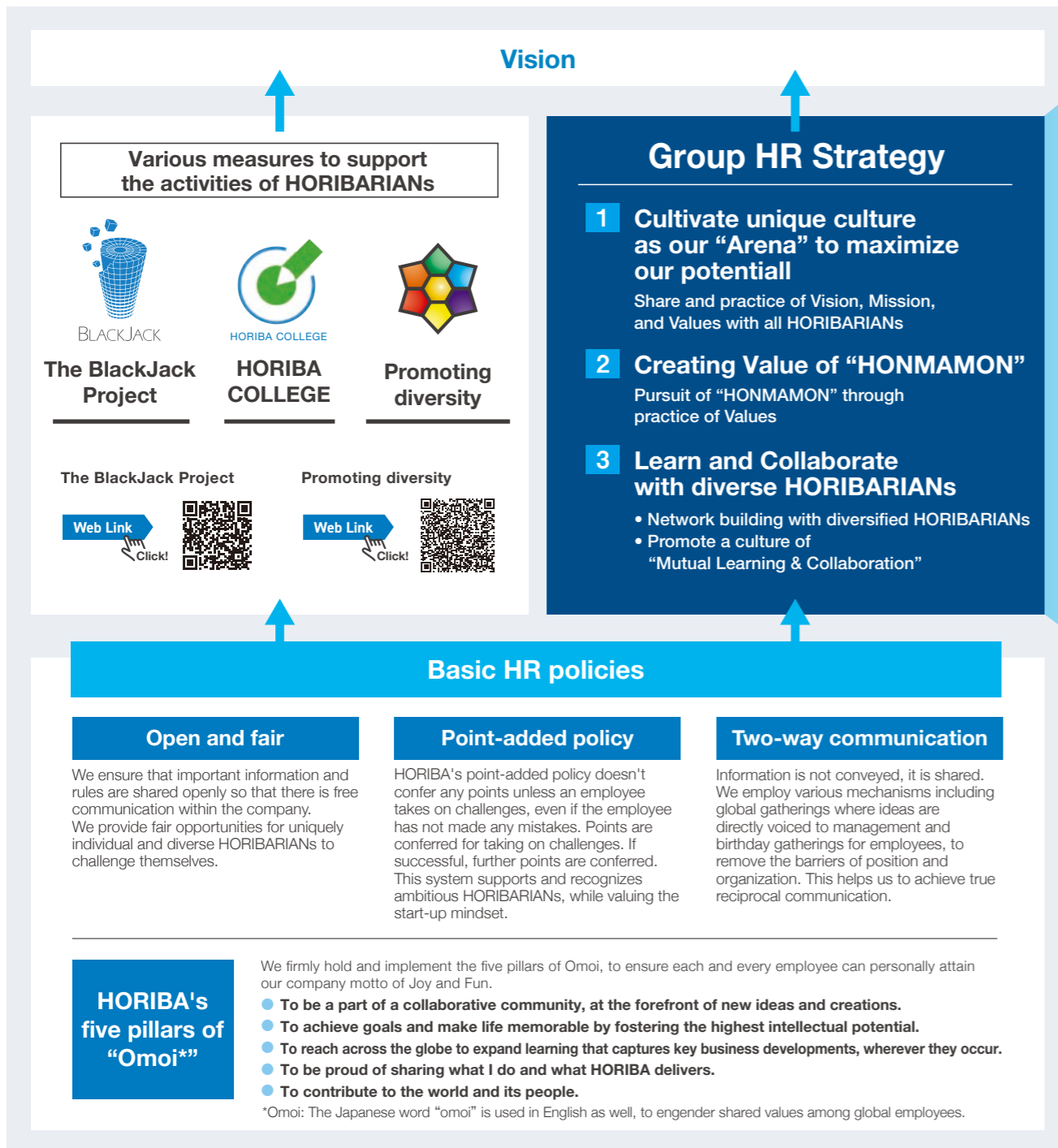
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**STRATEGY 2** Group HR strategy to maximize HORIBARIANS' potential

# Group HR Strategy

**Vision** Create the “Arena” together where every HORIBARIAN can maximize their potential through demonstrating their abilities with Joy and Fun in pursuit of “HONMAMON”

The driving force behind HORIBA's creation of social value through our business, is producing diverse HORIBARIANS independently expressing their individuality, strengths, and abilities. Based on the Stained Glass Project in our previous Mid-Long Term Management Plan, MLMAP2023 we promoted efforts to continually create value by leveraging our diversity in attributes like gender, age, nationality, and disability. We will develop HORIBARIANS and improve the company's internal environment based on our Group HR Strategy.



**Initiatives to focus on**

**1 Cultivate unique culture as our “Arena” to maximize our potential**

Share and practice of Vision, Mission, Values with all HORIBARIANS

- Instilling our unique corporate culture fostered by our corporate motto of Joy and Fun, together with our new charter “Our Future” (Vision, Mission, Values).
- Fostering the growth and activities of each and every HORIBARIAN and enhancing HORIBA's Value by continuously holding workshops and training aimed at practicing our three values: a Spirit of Challenge, Pursuit of Excellence, and Reliability and Trust.



**2 Creating value of “HONMAMON”**

Pursuit of “HONMAMON” through practice of Values

- Continue to promote the BlackJack Project and HORIBA COLLEGE as the starting point for HORIBARIANS development, and cultivate HORIBARIANS who can play an active global role in management through leadership training.
- Utilize new systems for grade and evaluation which create dialogue with each individual HORIBARIANS, support them in taking on challenges, and help them to demonstrate their diverse strengths.

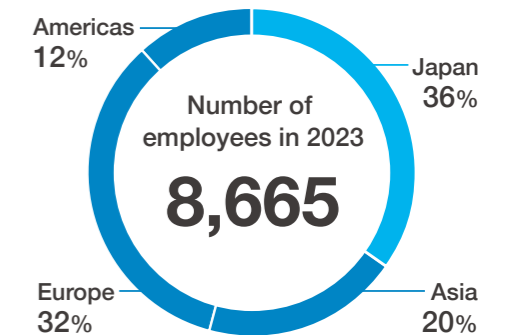


**3 Learn and Collaborate with diverse HORIBARIANS**

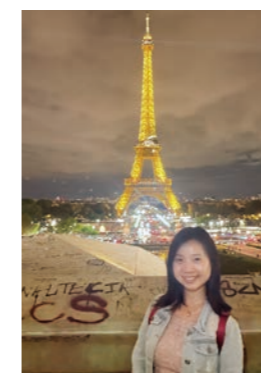
• Network building of diversified HORIBARIANS • Promote a culture of “Mutual Learning & Collaboration”

- Promote diversity, equity and inclusion, health, safety, human rights, and maintenance of work management systems, so that diverse HORIBARIANS can feel greater pride and joy (engagement) about working at HORIBA.
- Creation of diverse career development and challenge opportunities on a global basis, including overseas training program.
- Sustain a virtuous cycle of increasing added value and employee compensation.

Employee headcount by region (as of December 31, 2023)



**VOICE**



Winnie Ho Xin Ni, who applied to the GHE\* Program, and was dispatched to France for 1 year from January 2023

Through this program, I got to work together with people with diverse values, and was able to reaffirm the “Omoi” that I value. I hope to utilize the experiences and network I gained through this experience from here out.

\*GHE: Global HORIBARIAN Exchange



The Global HORIBARIANS Exchange(GHE) is one of our overseas HR exchange program.

**STRATEGY 3** A sustainability strategy for creating social impact

# Sustainability strategy

**Vision** **Contributing to the realization of a sustainable society through HORIBA's unique capabilities**

HORIBA's mission is to contribute a sustainable society through providing unique products and solutions. In addition, HORIBA works on a global level to strengthen activities that contribute to society throughout our entire supply chain.

## Corporate philosophy and sustainability

### Approach to Sustainability


The HORIBA has set forth the HORIBA Corporate Philosophy under our corporate motto Joy and Fun. It expresses our basic position on improving corporate value in four areas: business operations, customer responsiveness, responsibility to shareholders and investors, and HORIBARIANS.


The HORIBA Corporate Philosophy is the foundation of our sustainability policy. Our basic philosophy is to contribute to the realization of a sustainable society including the preservation of the global environment and resources, ensuring good health for people, improving the safety and convenience of society, and the progress of science and technology. As an analytical and measurement solution provider, we aim to achieve this through business activities focused on analytical and measurement technologies for global markets in a variety of industries.

Our Code of Ethics outlines eight guiding principles for doing business. These include respect for human rights and environmental issues.

It provides our guidelines for sustainable development as a global company, and for recognizing the missions and roles that all HORIBARIANS should play in conducting open and fair corporate activities.

It serves as the foundation for HORIBA's global approach to sustainability.

HORIBA Corporate Philosophy [Web Link](#) 

Code of Ethics [Web Link](#) 

### Signatory to international initiatives

**United Nations Global Compact (UNGC)**

HORIBA, Ltd. has supported the initiatives of the United Nations Global Compact since we became a signatory in 2011 through the agreement of senior management.



We disclose detailed information related to sustainability on the HORIBA web site. <https://www.horiba.com/int/company/social-responsibility/home/>

[Web Link](#) 

### HORIBA Sustainability organization chart



## Initiatives to focus on

### 1 Achieving a sustainable society through HORIBA products and solutions

Solving social issues through business activities in Three Fields

- Developing solutions in Three Fields to achieve a sustainable society.
- Define HORIBA's unique products contribute to environmental improvement, and actively deploy them throughout the world.
- In addition to the Scope 1–3 emissions indicated in GHG Protocols, HORIBA provides solutions that contribute to reduce CO<sub>2</sub> emissions from customer products (Scope 4 perspective).



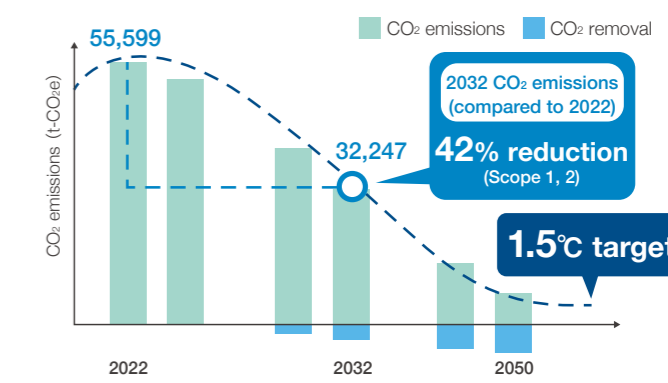
### Examples of HORIBA solutions for achieving carbon neutrality

<b>Development sites</b> Developing highly efficient engines and hybrid vehicles Reducing CO <sub>2</sub> emissions from automotives	<b>Production sites</b> Precise gas flow control in semiconductor production processes Reduce gas and electricity usage in semiconductor production	<b>Direct approach to CO<sub>2</sub></b> Introducing gas analyzers for monitoring CO <sub>2</sub> at power plants, etc. Increasing the efficiency of CO <sub>2</sub> capture and storage
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### 2 Contribute to achieve sustainable operations

2050 Carbon neutral Interim goal 42% reduction in CO<sub>2</sub> emissions by 2032 (Scope 1, 2)

- Introduce renewable energy at each site worldwide, and directly reduce greenhouse gas emissions (Scope 1, 2).
- Identify emissions in supply chain and set targets for reduction (Scope 3).
- Build sustainable supply chain systems that take into account human rights and biodiversity.



### 3 "Measurement x Education" — Passing on our dreams and the fun of science and technology to the next generation

Social contribution in the field of science and technology ·Over 100 activities per year ·Over 4,500 participants (in more than 10 countries)

- Developing activities tailored to each generation (primary and secondary education).
- Develop social contribution activities at each site around the world that are rooted in that region.
- Accelerate partnerships between industry, academia, government, and civil organizations to solve social issues with measurement technology.



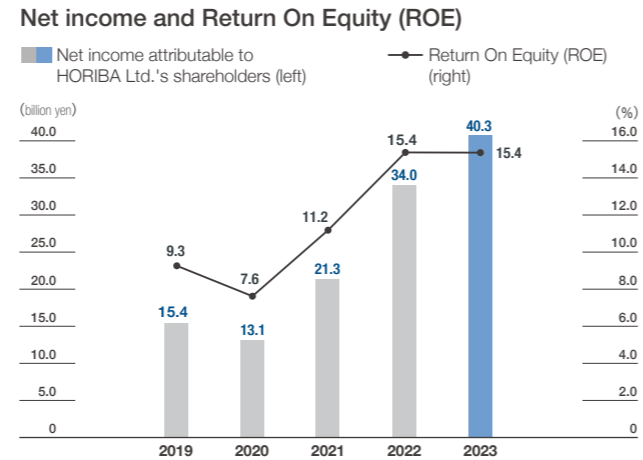
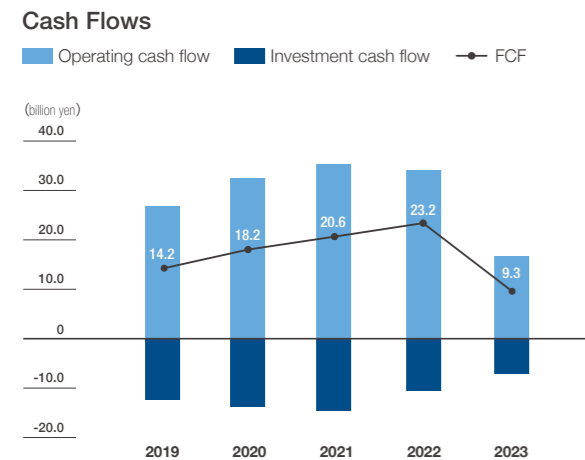
# Financial strategy

## Looking back over our previous Mid-Long Term Management Plan, MLMAP2023

We achieved sales of 290.5 billion yen, operating income of 47.2 billion yen, and net income attributable to HORIBA Ltd.'s shareholders of 40.3 billion yen for the period of December 2023, which was the final fiscal year of our MLMAP2023. All set new records, and ROE reached 15.4%.

The background for these results was that, although capital investments by semiconductor manufacturers were in an adjustment phase, the Semiconductor Segment maintained high sales, and an upswing in the Automotive and Medical-Diagnosis Segments returned them profitable. Moreover, net income attributable to HORIBA Ltd.'s shareholders increased significantly due to extraordinary profits from sale of business.

MLMAP2023 as a whole was heavily affected by the global COVID-19 pandemic, which broke out in 2020, the second year of the plan. And the stagnation in business activities caused a temporary decline in business performance. However, we continued to actively invest in future growth, with capital investments such as the construction of new sites to enhance local functions in China, a new office building for HORIBA Techno Service Co., Ltd., and a new plant for HORIBA FuelCon GmbH in Germany. We also acquired Tethys Instruments SAS in France and Process Instruments Inc. in the USA. Meanwhile, supported by stable business earnings, especially Semiconductor Segment, we generated operating cash flows of 144.7 billion yen over a five-year period, resulting in free cash flows of 85.6 billion yen for the period covered by MLMAP2023.



- Major investments during MLMAP2023**
- New Chinese base
  - New factory for HORIBA India Private Ltd.
  - New facility for HORIBA FuelCon GmbH (Germany)
  - New office for HORIBA Techno Service Co., Ltd.
  - Acquired Tocadero Analytics AG (Germany)
  - Acquired MedTest Holdings, Inc. (U.S.)
  - Acquired BeXema GmbH (Germany)
  - Acquired Tethys Instruments SAS (France)
  - Acquired Process Instruments, Inc. (U.S.)

\*Company names are those at time of acquisition.

## Actions to improve asset efficiency

Part of our actions during MLMAP2023 focused on improving asset efficiency using an unique index we call HORIBA Premium Value, which combines the concept of Operating Income and Weighted Average Cost of Capital (WACC).

Since introducing it in 2017, we have actively incorporated it into our process KPIs for organizational management, such as budgeting, monitoring, and performance evaluations. We have also worked to raise awareness of capital costs within the company by actively introducing these concepts in our employees through human asset training.

On the other hand, we believe we have still room to improve asset efficiency, as inventory levels have been rising recently, partly due to the semiconductor market.

In our Mid-Long Term Management Plan, MLMAP2028, we set a target of at least 12% ROE.

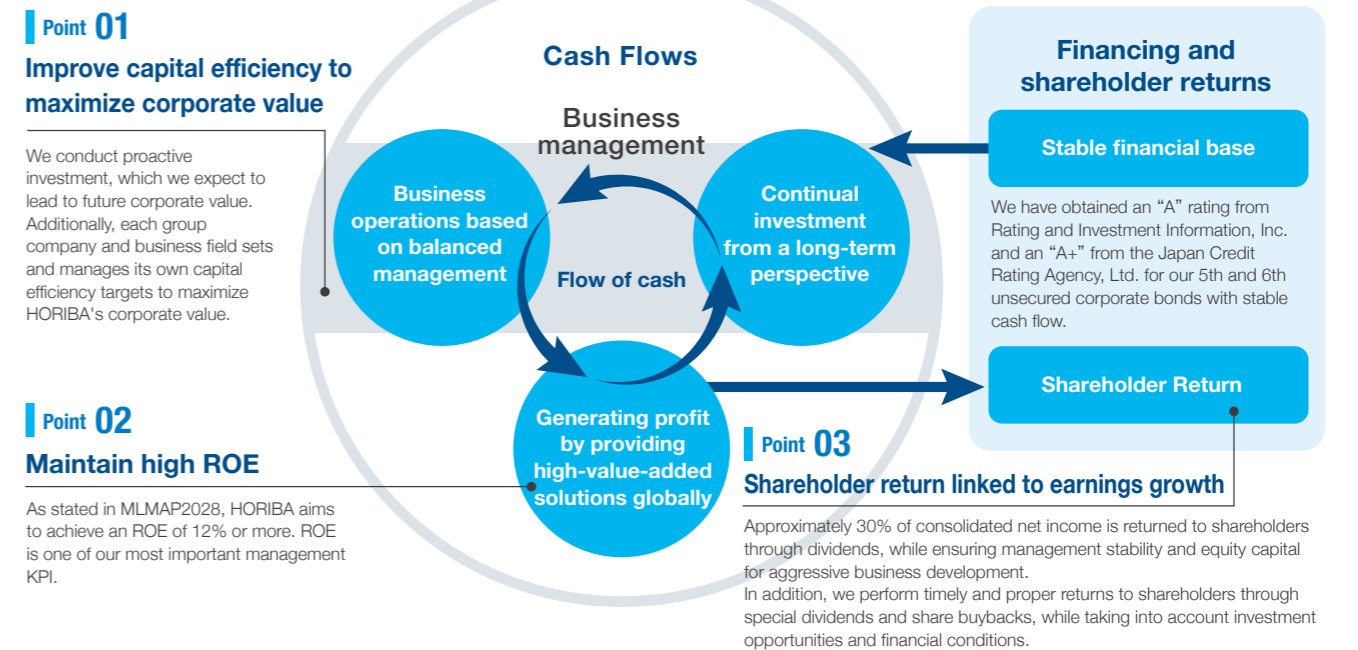
We aim to maintain capital profitability of 12% ROE or more by growing our business over the five years to 2028, including through new businesses creation.

To achieve this target, we will improve capital efficiency and make more effective use of HORIBA Premium Value.



## HORIBA's basic financial strategy

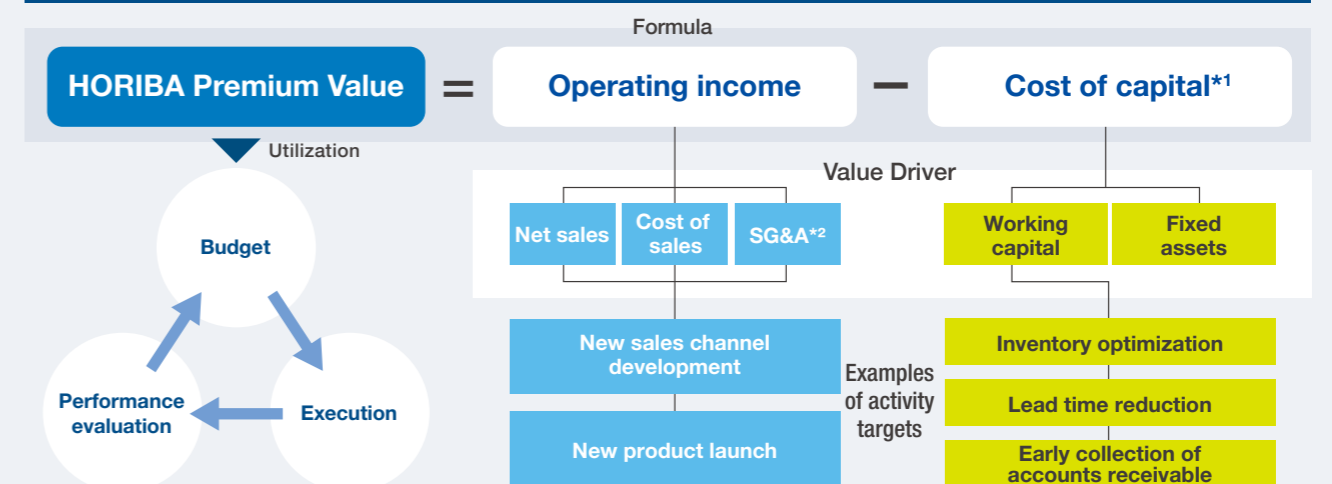
### Basic concept behind financial strategy



### Approach to continual investment

- Investment in R&D**: We believe that continual R&D investment is the source of our competitiveness. So we aim to invest about 10% of our sales in R&D. We maintained investments even during recessions, which has allowed us to increase market share when demand has recovered.
- Capital expenditure**: We invest for the future from a medium- to long-term perspective, without regard to the short-term state of asset efficiency. In recent years, we have continued to actively invest so as to respond to changes in the market environment.
- Approach to M&A**: Based on our long-term vision, we acquire entities with unique technologies. We then use these technologies to complement, or create potential synergies with HORIBA's technology portfolio.

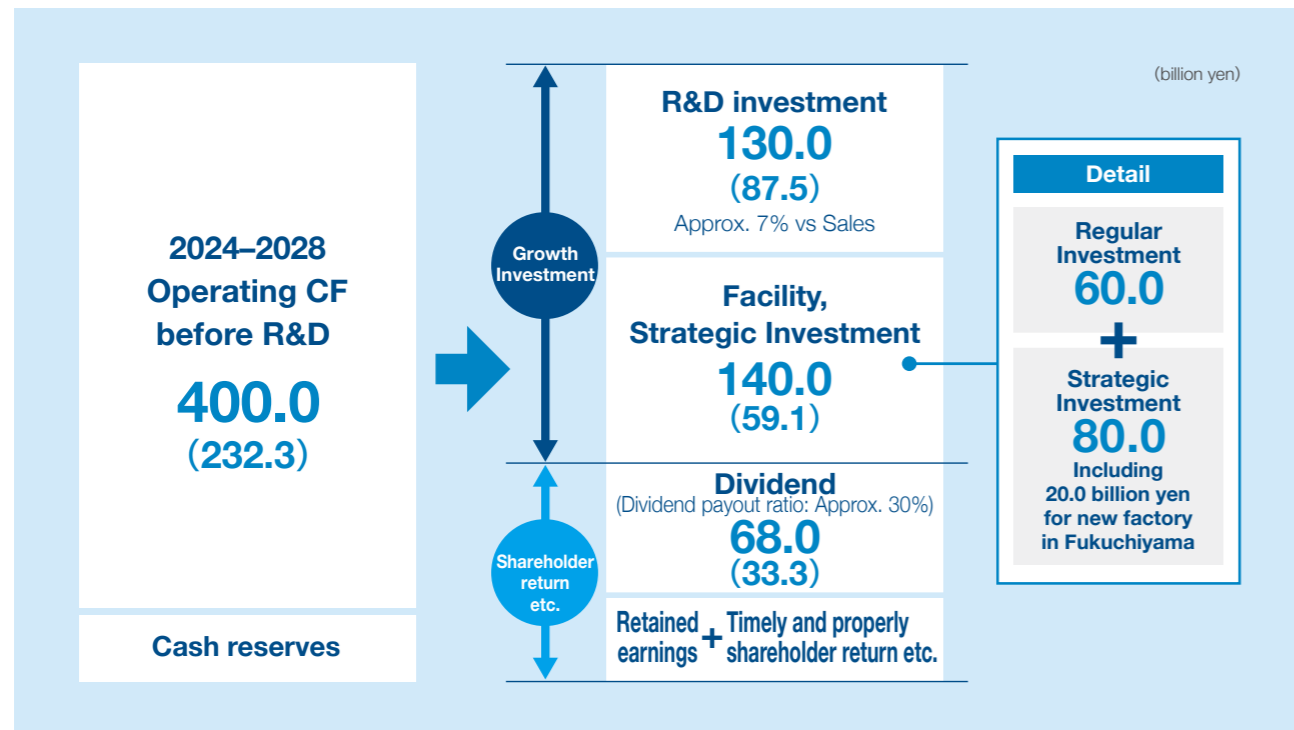
### Asset efficiency index tree



\*1 Cost of capital: Invested capital × In-house rate of cost of capital.  
We apply an original benchmark that is based on HORIBA's WACC and comparable with operating income in connection with our cost of a capital target. Currently, evaluation is conducted by applying the same rate to all regions and businesses and monitoring degrees of improvement.  
\*2 SG&A: Selling, general and administrative expenses

## Cash allocation

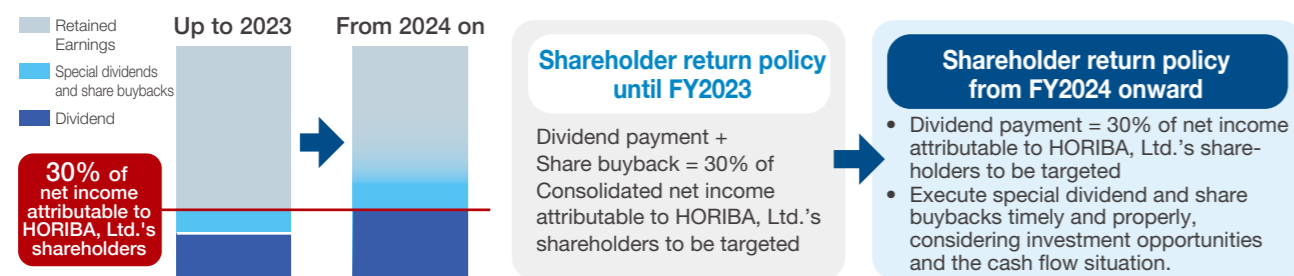
By achieving the growth to which we have committed ourselves in MLMAP2028, we plan to generate an operating cash flow of 400 billion yen over a five-year period, before deductions for R&D investments. To accelerate business development (including new businesses) in the Three Fields identified in MLMAP2028, we will promptly execute R&D investments, capital investments, and strategic investments that contribute to growth, at the most appropriate time. Meanwhile, we will implement timely and proper returns to shareholders based on a dividend payout ratio of 30% through a combination of share buybacks and other measures. To achieve this, we will continue striving to build a robust financial structure.



Figures in parenthesis are results for MLMAP2023 (2019-2023)

## Shareholder return policy

Starting from FY2024, we changed our shareholder return policy to “targeting a dividend payout ratio at 30% of net income attributable to HORIBA, Ltd.’s shareholders, while special dividend and share buybacks will be executed timely and properly, taking into account investment opportunities, cash flow situation, and other factors.” At the same time, we announced that we would complete a share buyback of up to 5 billion yen by the end of April 2024. This was completed as planned. Our previous policy called for “targeting a total shareholder return ratio (total of dividends and share buybacks) at 30% of net income attributable to HORIBA, Ltd.’s shareholders”. The revision to our Shareholder Return Policy changes this to make it possible to provide a timely and proper return to shareholders. For the next five years leading up to 2028, we plan to return Approx. 68 billion yen in regular cash dividends. Based on the new shareholder return policy, we will also consider implementing special dividends and share buybacks, and implement it when this is determined to be necessary.



## Global management respecting local operation

HORIBA’s global operations respect the independence of local business operation. Therefore, it is important for local management to understand HORIBA’s philosophy, policies, and culture as they carry out operations.

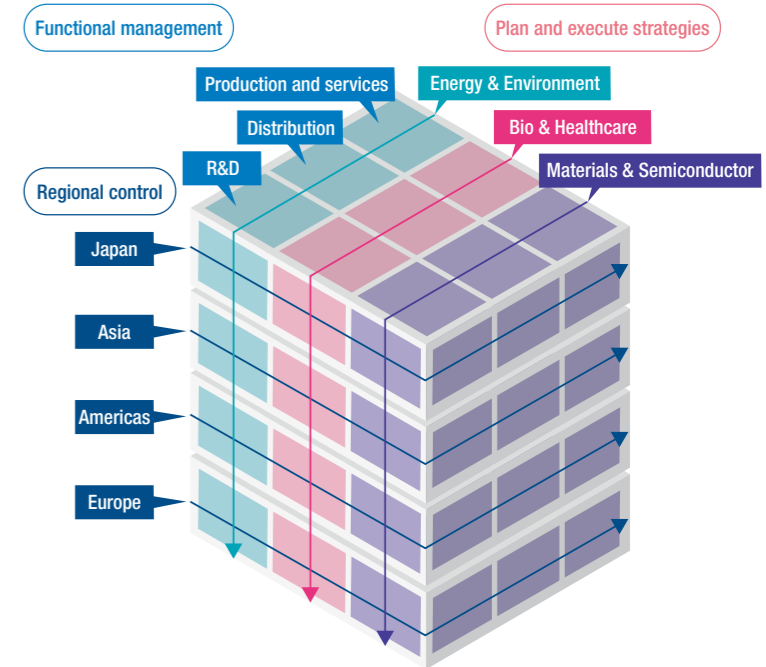
HORIBA actively promotes communication between headquarters and the management of our overseas locations primarily through global meetings (Global Strategy Meeting/Global Budget Meeting) held twice a year. In 2023, we continued to hold meetings in a hybrid format that blended real-world and online interactions, while increasing opportunities for face-to-face dialogue.

In preparation for conducting operations in the Three Fields set forth in MLMAP2028, HORIBA’s next generation of leaders, and core members in each field business, gathered with senior management from Japan and overseas to take part in discussions about MLMAP2028.

Moreover, in the finance department, all CFOs at overseas locations are people from that country or region. And we hold a global conference, known as the International Controllers’ Meeting, which brings together the CFOs of each company.

These meetings strengthen the network of global leaders from our Three Fields and each function who share HORIBA’s philosophy, and support our global operations.

### HORIBA’s Global Matrix Management



## Global cash management

Approximately 70% of HORIBA’s sales, and several our development and production facilities, are located outside of Japan. We have established regional headquarters in the Americas, Europe, the United Kingdom, and China with funds management functions for each currency. By promoting cash pooling, they also help to reduce risks like those related to currency exchange, and efficiently utilize surplus funds.

For the past few years, the interest rates have risen while loan has increased due to active investment in overseas group companies.

So, to save outflows of interest payments, we have promoted the reduction of external loan through the internal financing utilizing regional headquarters.

Under MLMAP2028, we plan to aggressively invest in growing our businesses in our Three Fields.

As we implement these initiatives, we will continue to utilize our regional headquarters to further improve capital efficiency.

### Global cash management system



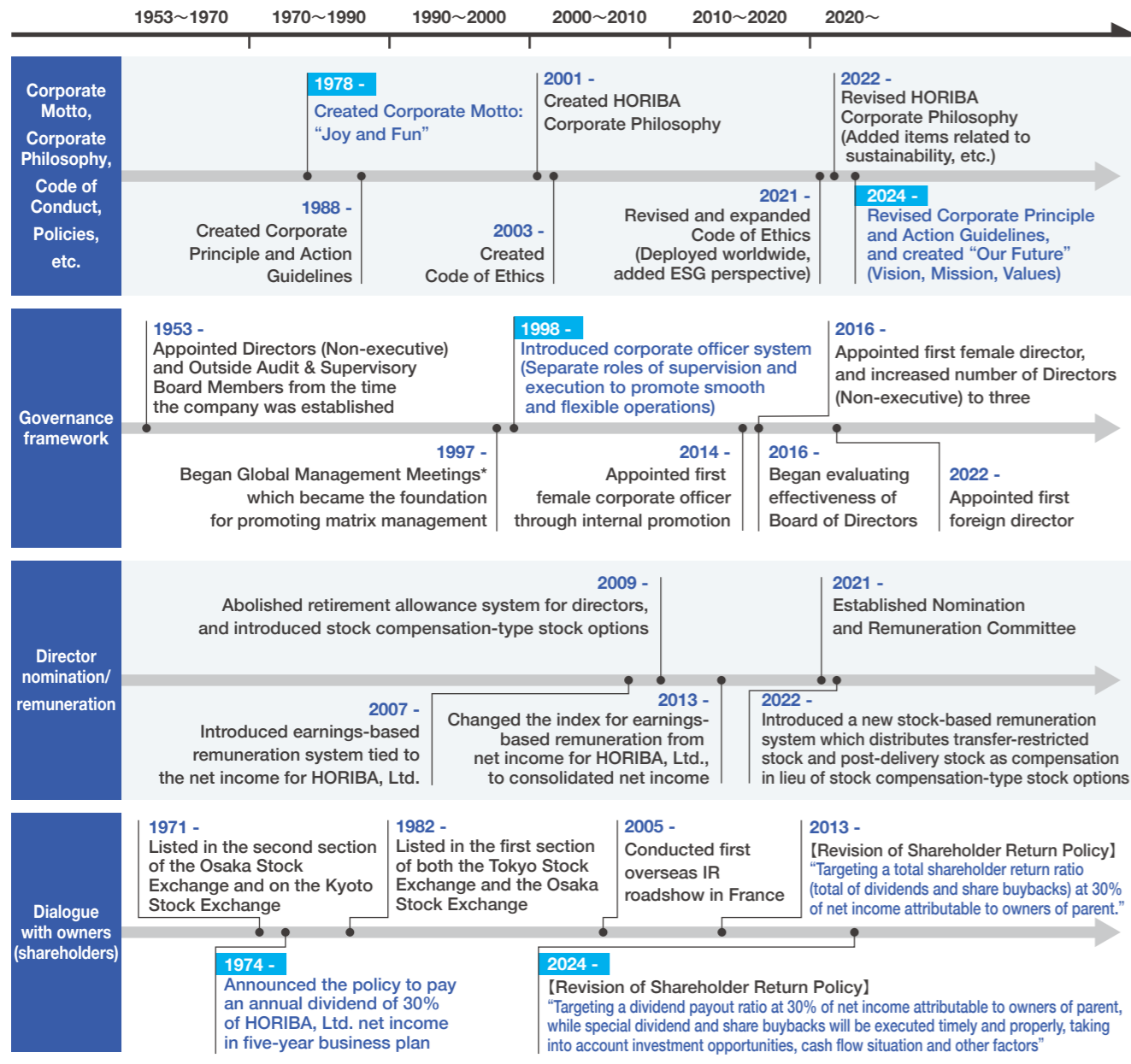
# Corporate governance

## Basic policy on corporate governance

Based on “Open and Fair”, which has been one of the important spirits for HORIBA, HORIBA has pledged to (1) establish an organizational structure that promptly responds to changes in the business environment, (2) strengthen its management oversight functions, and (3) enhance compliance-related arrangements. These objectives have the aim of establishing a world-class governance structure. At the same time, HORIBA will be committed to establishing good relationships with all stakeholders, including owners (shareholders), customers, employees, and local communities. In addition to proper information disclosure, we seek to promote constructive dialogue with our owners (shareholders), contributing to our sustainable growth and medium-to long-term improvement in corporate value.

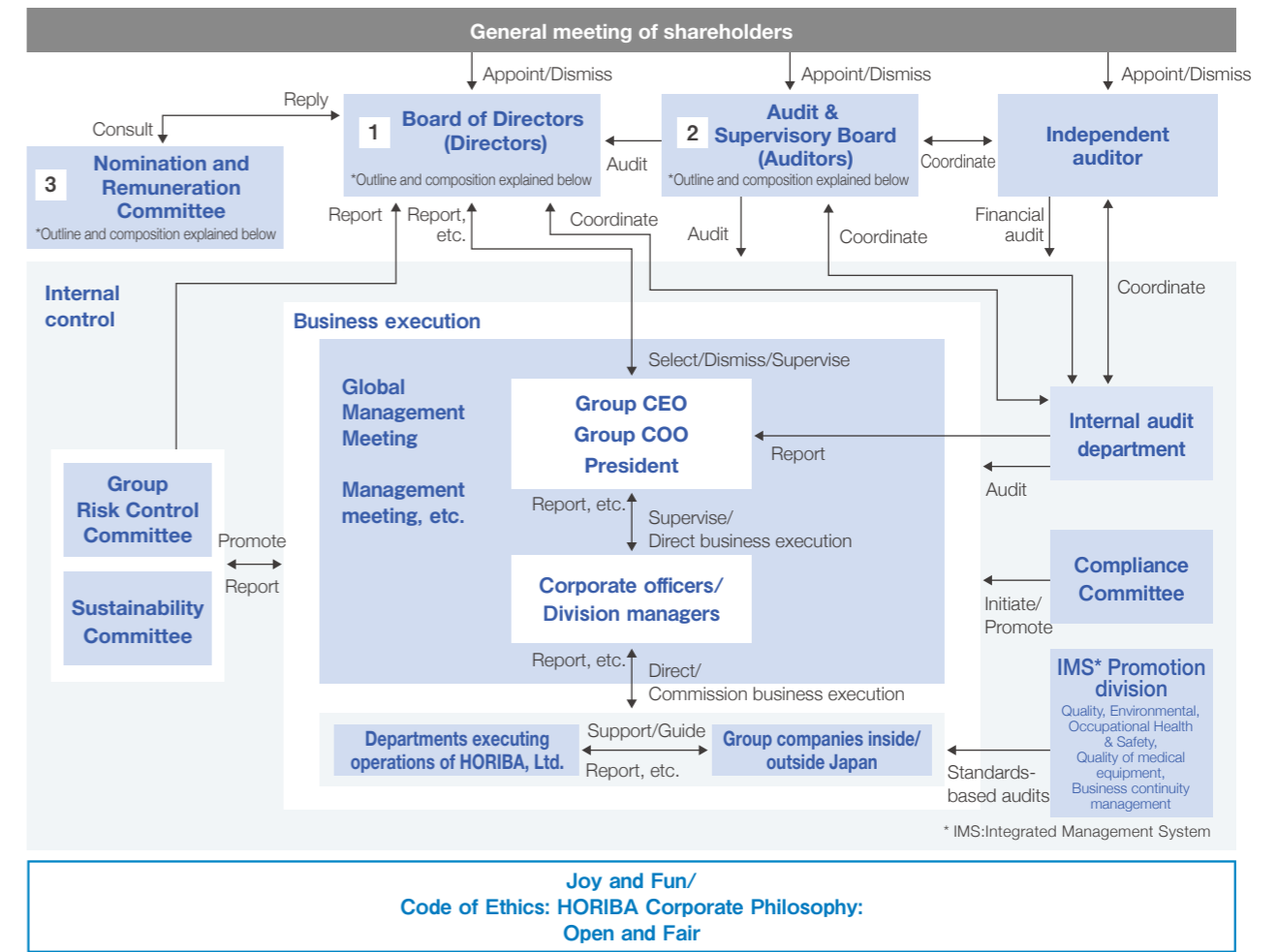
## Initiatives to strengthen corporate governance

Since its founding in 1953, HORIBA, Ltd. has appointed Directors (Non-executive) and Outside Audit & Supervisory Board Members to avoid management with an inward-looking bias. Through such efforts, HORIBA, Ltd. has worked to strengthen our framework for transparent, fair, prompt, and decisive decision-making for sound corporate management.



\*Global Management Meeting: A meeting which brings together executives and business managers from Group companies in Japan and overseas to formulate and promote HORIBA's management and business strategies, and to discuss our Mid-Long Term Management Plan and annual budget.

Corporate governance structure diagram



## Overview and Composition of Board of Directors, Audit & Supervisory Board, and Nomination and Remuneration Committee

(After Ordinary General Meeting of Shareholders on March 23, 2024)

	1 Board of Directors	2 Audit & Supervisory Board	3 Nomination and Remuneration Committee
<b>Overview/ Main agenda</b>	<p>FY 2023: Held 12 times</p> <p>Board of Directors consists of a small group of people to make decisions on important matters, and supervise the execution of business. It engages in active discussion and rapid decision-making.</p> <p><b>Main items on agenda</b></p> <ul style="list-style-type: none"> <li>Investment projects</li> <li>Sustainability reports</li> <li>Resolutions on appointment and remuneration of directors etc.</li> <li>Resolutions on dividends</li> <li>Financing</li> <li>Report of state of group company management</li> </ul>	<p>FY 2023: Held 14 times</p> <p>Cooperates with independent auditors, Internal audit department, and Directors (Non-executive) to audit and monitor business execution in an objective and appropriate manner.</p> <p><b>Main items on agenda</b></p> <ul style="list-style-type: none"> <li>Auditing policies and plans</li> <li>Results of internal audits</li> <li>Nomination of candidates for the Audit &amp; Supervisory Board Member</li> <li>Reports on cooperation with Independent auditor</li> <li>Deliberation and verification of resolutions of Board of Directors</li> <li>Reports on audits of locations inside/outside Japan</li> </ul>	<p>FY 2023: Held 7 times</p> <p>Nomination and Remuneration Committee strives to ensure objectivity and transparency in decision-making procedures related to nomination of candidates for director and remuneration of directors.</p> <p><b>Main items on agenda</b></p> <ul style="list-style-type: none"> <li>Nomination of candidates for director</li> <li>Skill matrix</li> <li>Director remuneration system</li> <li>Individual remuneration</li> </ul>
<b>Directors (Executive)</b>	5	—	2
<b>Directors (Non-executive)</b>	3	—	3
<b>Audit &amp; Supervisory Board Member (Standing Auditor)</b>	1	1	—
<b>Outside Audit &amp; Supervisory Board Members</b>	2	2	—
<b>Ratio of Directors (Non-executive) or Outside Audit &amp; Supervisory Board Members</b>	37.5% (Ratio of Directors(Non-executive))	66.6% (Ratio of Outside Audit & Supervisory Board Members)	60.0% (Ratio of outside Nomination and Remuneration Committee members who is Directors(Non-executive))



## Items related to director nomination/remuneration

### Skill matrix (After Ordinary General Meeting of Shareholders on March 23, 2024)

HORIBA, Ltd.'s Board of Directors is composed of directors with a good balance of knowledge, experience, and abilities in various fields related to business management, both inside and outside the company. It emphasizes diversity and appropriate number of members to fulfill its roles and responsibilities promptly and effectively. This skills matrix summarizes the knowledge, insight, and expertise required of the Directors and Audit and Supervisory Board Members responsible for managing HORIBA and indicates the particular strengths of each. HORIBA sees it as one of the means of selecting candidates for Directors and Audit and Supervisory Board Members in order to achieve further business growth and enhance our corporate value.

Name and position	Knowledge and insight considered to be particularly important by HORIBA, Ltd.			Expertise in HORIBA's Three Fields of focus for achieving "Our Future"			Qualifications / Ph.D.
	Corporate Management	Technology	Governance	Energy & Environment	Bio & Healthcare	Materials & Semiconductor	
Chairman & Group CEO	<b>Atsushi Horiba</b>	○	○	○			
Executive Vice Chairman & Group COO	<b>Juichi Saito</b>	○		○			
President & COO	<b>Masayuki Adachi</b>	○	○		○		Doctor of Engineering
Director	<b>Jai Hakhu</b>	○		○		○	Doctor of Engineering
Director	<b>Hideyuki Koishi</b>	○		○		○	
Director (Non-executive)	<b>Haruyuki Toyama</b>			○			Attorney at Law
Director (Non-executive)	<b>Fumihiko Matsuda</b>	○	○		○		Doctor of Medicine
Director (Non-executive)	<b>Tomoko Tanabe</b>	○	○		○		Medical Doctor
Audit & Supervisory Board Member (Standing Auditor)	<b>Hitoshi Motokawa</b>			○			
Outside Audit & Supervisory Board Member	<b>Keiji Yamada</b>			○			
Outside Audit & Supervisory Board Member	<b>Sayoko Kawamoto</b>	○		○			

Note: 1. All directors have the necessary international experience required for HORIBA's global operations. 2. HORIBA, Ltd. reviews each item as is appropriate based on the external environment and company situation. 3. Governance ensures transparency in management, and targets skills in finance, accounting, and law, which are vital for appropriate disclosure of information to stakeholders.

### Remuneration for Directors

Remuneration for Directors at HORIBA, Ltd. is aimed at helping to sustainably improve corporate value over the long term. The remuneration system is linked to shareholder profits, and is designed to provide a level of remuneration that will attract top managerial talent from both inside and outside Japan.

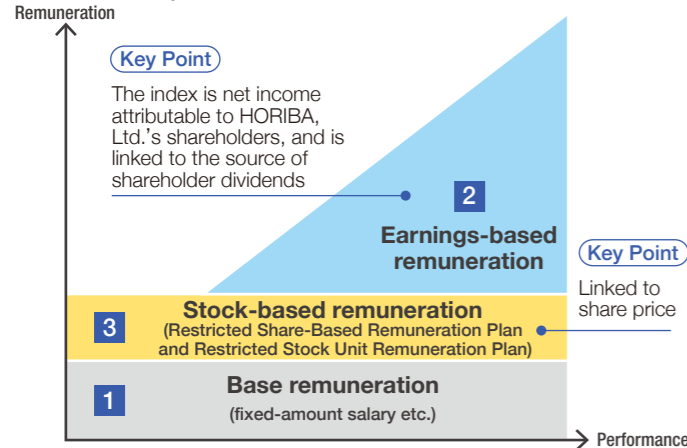
Remuneration for Directors at HORIBA, Ltd. consists of three components: **1** Base remuneration (fixed-amount salary etc.), **2** Earnings-based remuneration linked to the earnings results of each fiscal year, and **3** Restricted Share-Based Remuneration Plan and Restricted Stock Unit Remuneration Plan linked to medium-to long-term earnings performance.

We set the ratio of each remuneration based on the maximum limits of remuneration determined by vote at the general meeting of shareholders. Remuneration for Directors (Non-executive), however, consists strictly of base remuneration (fixed-amount salary etc.), that, given the nature of their assignment, is not linked to earnings performance.

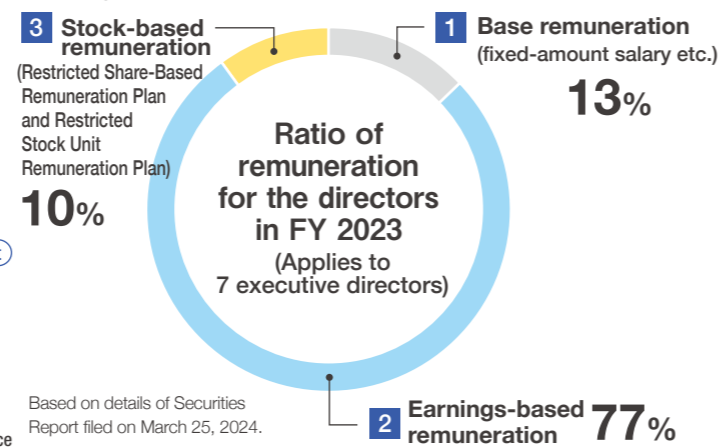
Based on the determination policy established by the Board of Directors, We determine the individual amount of remuneration for each director within the limit set at the General Meeting of Shareholders according to their position and the scope of their role etc..

We also strive to improve the objectivity and transparency of decision-making procedures for determining remuneration through voluntary deliberation and reports from the Nomination and Remuneration Committee, the majority of whose members are independent outside directors.

#### System for director remuneration linked to shareholder profits (Concept)



#### Breakdown of remuneration for directors (excluding Directors (Non-executive))



## Efforts to enhance the functions of the Board of Directors

### Evaluating the effectiveness of the Board of Directors

In 2016 HORIBA, Ltd. introduced evaluations of the effectiveness of the Board of Directors. At present, we conduct surveys of the Directors and Audit & Supervisory Board Members, concerning the effectiveness of the Board of Directors with respect to our Corporate Governance Code and other policies. We then compile, analyze, and evaluate the results, and report them to the Board of Directors. The Board of Directors then uses this report as a basis for discussion and discourse about future initiatives. Here is the summary of the results of the evaluation of the effectiveness of the Board of Directors in FY2023.

#### Results of the effectiveness of the Board of Directors

(The roles and responsibilities of the Board of Directors as described in General Principle No. 4 of the Japan's Corporate Governance Code)



## Dialogue with owners (shareholders) and investors

HORIBA, Ltd. seeks to promote constructive dialogue with all shareholders towards the goal of sustainable growth and medium-to long-term improvement in corporate value. We make efforts to clearly explain our management policy, financial condition, and corporate culture to our shareholders and ask for their understanding and continued support as fans of HORIBA. We also strive to disclose information based on the perspective of "fair disclosure," so that various stakeholders have access to the same quality of information. Moreover, we share the opinions obtained through dialog with stakeholders and shareholders as feedback to the representative directors, directors, and managerial staff when appropriate. And these are used to improve our management.

#### Dialogue with owners (shareholders) and investors in FY2023

Meeting	Target audience	Times held	Primary overseers	Other
General meeting of shareholders	Shareholders	1	President, etc.	The general meeting of shareholders is held on Saturday every year so that many shareholders can participate. And after the shareholder meeting has concluded, the President reports on various topics to deepen shareholder understanding of HORIBA's business. In addition, since 2021, we have introduced virtual shareholder meetings which utilize a hybrid format that allows shareholders who cannot make it to the venue to view the proceedings as a livestream.
Financial results briefing	Institutional investors in Japan	4	President, etc.	HORIBA holds a financial result briefing every quarter, and publishes the information on our website. When we formulate our Mid-Long Term Management Plan, we also try to explain our management strategies and plans in ways that are easy to understand.
Interviews with investors	Institutional investors (within Japan/overseas) Analysts (within Japan/overseas) Individual investors	Visitations and individual interviews: Approx. 300 times	IR Dept., etc.	We proactively visit institutional investors to explain our management policies and business performance. We also participate in investor forums hosted by securities companies, and briefings for individual investors.

### Philosophy behind cross-shareholdings

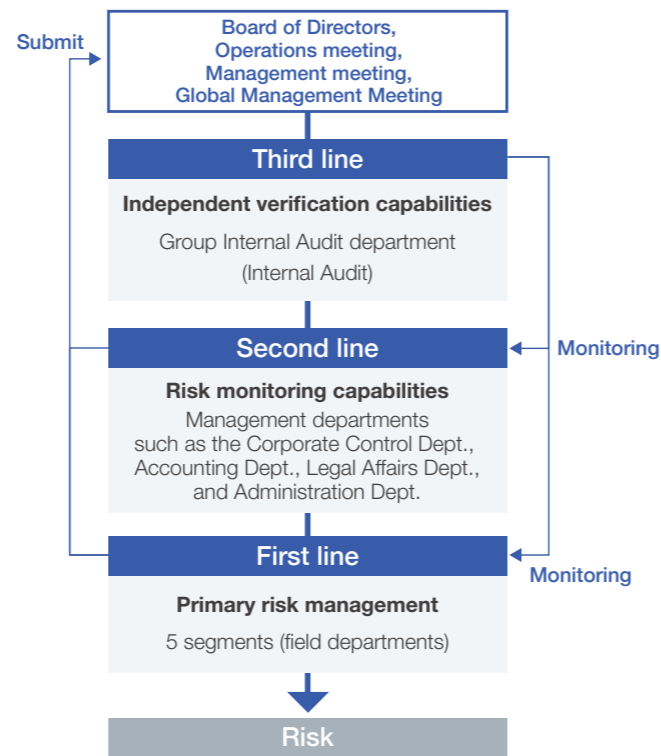
HORIBA believes that collaboration with other companies is necessary for us to grow sustainably. To that end, we decide what shares to hold based on comprehensive consideration of matters including business strategy, the strengthening of relationships with business partners, and the maintenance of relationships with local communities. Every year, the Board of Directors confirms whether the amount of cross-shareholdings is appropriate. The Board of Directors also consider whether individual shares are appropriate to hold, by confirming whether they are fit for purpose, and whether the benefits and risks associated with them are commensurate with the cost of capital. When HORIBA recognizes that shares are inappropriate for retention, we consider taking measures such as share curtailment.

## Risk management

### Risk management system

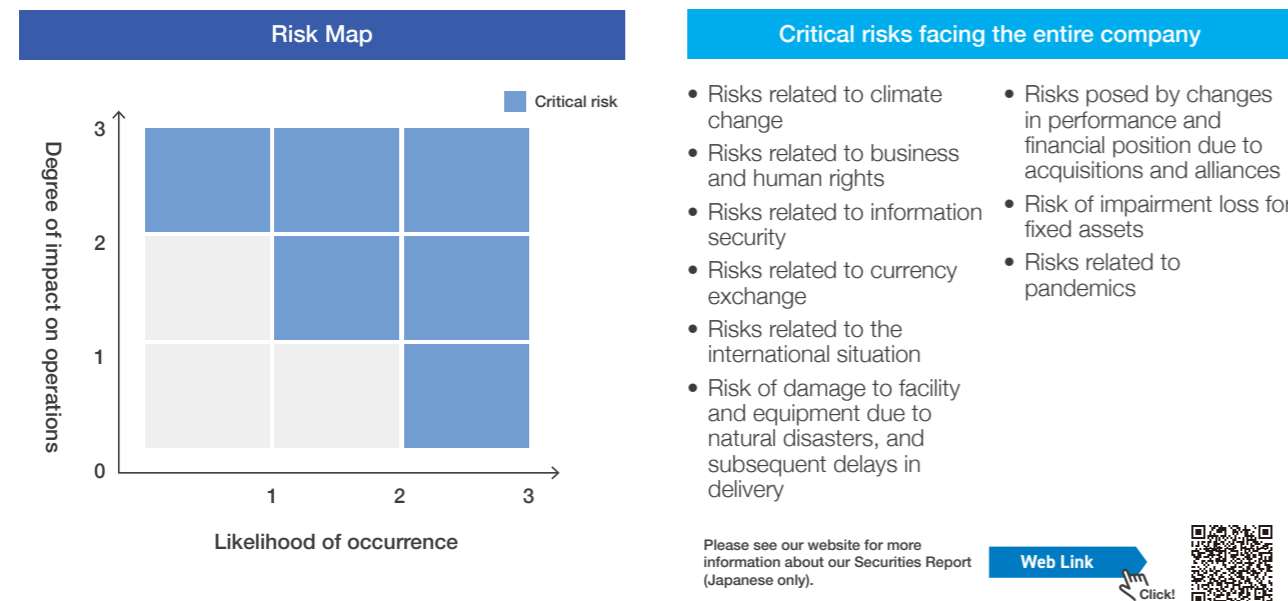
HORIBA has created a risk management structure known as the Three Lines Model. The first line is HORIBA's five segments (field departments), which provides active risk management. The second line is our management departments, such as the Corporate Control Dept., Accounting Dept., Legal Affairs Dept., and Administration Dept., which provide risk monitoring capabilities. The third line is Group Internal Audit department, which provide independent verification capabilities. Our field departments and management departments are aware of the individual business risks both inside and outside Japan through its operations. When appropriate, they report important matters at the Board of Directors, Operations meeting, Management meeting, and the Global Management Meeting which brings together the management members of Group companies inside/outside Japan. This ensures that senior management can get information and make management decisions in a timely manner. In addition, the Internal Audit department periodically monitors the effectiveness of the risk management system, and the way the field departments and management departments are handling risks, from an independent standpoint. When necessary, it reports its findings to the Board of Directors and Audit and Supervisory Board. HORIBA has also formulated rules for group risk management to strengthen our risk management system. These rules classify risks into the following categories: risks for each segment, risks related to business, risks related to development and manufacturing, and risks related to finance. They also establish the management system for these risks, and the system of responsibility in the event of a crisis. HORIBA has also established our HORIBA Group Risk Control Committee, which includes our major group companies in Japan.

Risk Management System –Three Lines Model



### Business and other risks

To identify critical risks, our field and management departments selected individual risks centered around the risk items specified in the Group risk management regulations. They scored each risk on a three-point scale according to its likelihood of occurrence and the impact on operations. Then, they created a risk map for HORIBA by organizing the risk items they had scored. Countermeasures were subsequently implemented following discussion and approval by the HORIBA Group Risk Management Committee. The areas of the risk map shown in blue (■) indicate the risk items that have been identified as critical risks. These critical risks are broadly divided into “risks for each segment” and “risks for the entire company.” The critical risks facing HORIBA are listed in the table below. HORIBA, Ltd. has also disclosed the details of these risks in our Securities Report.



## List of Management Members (as of March 23, 2024)

### Board of Directors



**Atsushi Horiba**  
Chairman & Group CEO

In 1971, Atsushi Horiba joined OLSON-HORIBA Incorporated, a U.S. joint venture of HORIBA, Ltd. In 1977, he returned to HORIBA, Ltd. after receiving a master's degree in Electronic Engineering from the University of California, Irvine Graduate School. He was appointed President in 1992, and has concurrently served as Chairman, President and CEO since 2005. In 2018, he was appointed Chairman and Group CEO. He has been invited to serve as a member of committees such as the Ministry of Economy, Trade and Industry's Industrial Structure Council and Manufacturing Industry Committee, the Cabinet Office's Advisory Panel on the Modalities of Government and Administration. He has also served as Chairman of the Japan Electric Measuring Instruments Manufacturers' Association and President of the Japan Analytical Instruments Manufacturers' Association. At present, he devotes himself to stimulating industry and the local economy by serving as Vice Chairman of the Kansai Economic Federation, Vice Chairman of the Kyoto Chamber of Commerce and Industry, and Chairman of the Kansai Science City Construction Promotion Conference. He was awarded the L'Ordre National du Mérite (Officier) in 1998 and the L'Ordre National de la Légion d'Honneur (Chevalier) in 2010 by the French government, in recognition of his contributions to the development of science, technology, and industry in France. He was also awarded a Doctor Honoris Causa degree by the University of Montpellier, France in 2015 and received the Order of the Rising Sun, Gold Rays with Neck Ribbon in 2019 from the Japanese government.



**Juichi Saito**  
Executive Vice Chairman & Group COO

Juichi Saito joined HORIBA, Ltd. in 1982. After two years in R&D for the Automotive Measurement Systems Division, he was transferred to Sunnyvale California in 1984, where he was in-charge of sales and service for Semiconductor and Automotive products. He was then stationed in Ann Arbor MI for Automotive Project Management and Irvine CA experienced for the Scientific and Process & Environmental Products Planning. Upon his return to Japan in 1992, he served as Department Manager of Automotive R&D. In 1998, he moved back to the U.S. and become President of HORIBA Instruments Incorporated (U.S.) in 2002. In 2004, he moved to STEC (Now HORIBA STEC Co., Ltd.), where he lead Group's Semiconductor Segment. In 2010, he returned to HORIBA, Ltd., where he was appointed Executive Vice President in 2013, and Executive Vice Chairman and Group COO in 2018. In addition, he serves as Chairman of the Japan Electric Measuring Instruments Manufactures Association and Vice Chairman of the Japan Scientific Instruments Association, and as President of the Kyoto Scientific Instruments Association.



**Masayuki Adachi**  
President & COO

Masayuki Adachi joined HORIBA, Ltd. in 1985. He worked to develop new products for the Automotive Measurement Systems Division, before serving as Department Manager of R&D, General Manager and Corporate Officer. He then moved to the U.S. in 2007 as president of HORIBA International Corporation (now HORIBA Instruments Incorporated (the U.S.)). There he went through the difficulties arising from the Global Financial Crisis in the U.S. After returning to Japan in 2011, he was appointed General Manager of the R&D Division, which directs the R&D departments of all segments. He joined the board in 2014, and served as President of HORIBA Jobin Yvon SAS (now HORIBA FRANCE SAS) and Chair of the Management Supervisory Committee. He then became Senior Managing Director of HORIBA, Ltd. in 2016 and has served as President and COO since 2018. As President of the Japan Analytic Instruments Manufacturers' Association, Chairman of Industry Memberships to Create the Future with RIKEN, and Fellow of the Society of Automotive Engineers International, he has contributed to the advancement of the science and technology related to analysis and measurement, and to the promotion of science and technology in general, as well as industrial and economic development.

### Corporate officers (As of April 1, 2024)

#### Executive Corporate Officer

- Takashi Nagano** Chairman of Management Supervisory Committee, HORIBA Europe Holding SASU (France)
- George Gillespie** Executive Chairman of HORIBA MIRA Limited (U.K.)

#### Senior Corporate Officer

- Dan Horiba** President of HORIBA STEC Co., Ltd. (Japan)
- Hiroo Chihara** President of HORIBA Techno Service Co., Ltd. (Japan)



**Jai Hakhu**  
Director

Jai Hakhu built up experience as Vice President at both Rockwell International Corporation and Varian Semiconductor Equipment Associates Inc. before working as Corporate Vice President and General Manager at Intel Corporation. In 2010, he joined HORIBA, Ltd. as an Executive Corporate Officer. He has been a Director since 2022. He has held a number of important positions in our group companies outside of Japan, including Chairman & CEO of HORIBA Instruments Incorporated (U.S.), President of HORIBA ABX SAS (France), and Chairman of HORIBA India Private Ltd. He has also worked as President and CEO of R.C. International LLC, a Chancellors Roundtable Member at the University of California, Irvine, and on the Board of Directors at both Montpellier University of Excellence (MUSE) and the University of Montpellier (UM). In addition to his extensive knowledge based on management experience at global corporations, he has contributed to various aspects of HORIBA's global operations in the United States, France, and India.



**Hideyuki Koishi**  
Director

Hideyuki Koishi joined STEC Inc. (now HORIBA STEC Co., Ltd.) in 1985. Having gained experience in Sales Division at STEC Inc., and in roles such as Branch Manager in Taiwan and International Sales Division Manager, he moved to the U.S. as Executive Vice President of STEC Instruments Inc. (the U.S.) in 2006. After returning to Japan in 2010, he served as Managing Director and Executive Vice President of HORIBA STEC before being appointed President in 2016. He also became President of HORIBA STEC Korea, Ltd. that same year. He was appointed a Corporate Officer of HORIBA, Ltd. in 2012, a Senior Corporate Officer in 2014, and a Director in 2023. As General Manager of the Group Strategy Division, he is responsible for promoting our Mid-Long Term Management Plan and developing the growth strategy for the entire Group. From 2016 to 2023, he contributed to the sustainable growth of the global electronics design and manufacturing supply chain as a member of the SEMI Japan Regional Advisory Board.



**Haruyuki Toyama**  
Director (Non-executive),  
Independent Director

Haruyuki Toyama joined the Bank of Japan in April 1982. He graduated from the University of California School of Law (LL.M.) in 1988 and became a Visiting Scholar at Harvard Law School in 1989. He served as the Alternate Executive Director for Japan of the International Monetary Fund (IMF) from 2000, and subsequently held a number of other positions at the Bank of Japan, including General Manager of the Okayama Branch, Associate Director-General of the Payment and Settlement Systems Department, Director-General of the Financial Markets Department, General Manager for the Americas, and Director-General of the International Department. During his tenure at the Bank, he was involved in a number of international activities, including secondments to the U.S. Federal Reserve Board (FRB) and the European Commission (EC), and serving as a member of the Bank for International Settlements (BIS) Committee on Payments and Market Infrastructure and Markets Committee. He also served as a lecturer on Financial Laws at the Graduate School of Hokkaido University. After leaving the Bank of Japan in 2014, he registered as a lawyer in 2015. From 2015 through 2023, he served as an Outside Director of Hitachi Construction Machinery Co., Ltd. He joined the Iwata Godo law office in 2019 and brings a wealth of knowledge and experience in the field of international finance. He has been a Non-executive Director of HORIBA, Ltd. since 2021.



**Fumihiko Matsuda**  
Director (Non-executive),  
Independent Director

Professor Fumihiko Matsuda obtained his Ph.D. in medicine from Kyoto University Graduate School of Medicine in 1990. After working as an assistant professor at the Center for Molecular Biology and Genetics and the Faculty of Medicine at Kyoto University, he joined the Centre National de Génotypage (CNG) in Evry, France in 1998, as the head of gene identification. He then received a joint appointment as a professor at the Kyoto University Graduate School of Medicine in 2003, and divided his activities between Kyoto and Paris for five years as he pursued his research in genomic medicine through the end of 2007. In 2008, he became the director of the Center for Genomic Medicine at the Kyoto University Graduate School of Medicine, and since 2020, has served as principal assistant to the president of Kyoto University. Professor Matsuda has created two spin-off bio-venture companies, GenoConcierge Kyoto, Inc. in 2018 and RADDAR-J for Society Inc. in 2020. He serves as a Director (Chief Advisor) of both companies, contributing to active collaboration between academia and industry. He has been a Non-executive Director of HORIBA, Ltd. since 2021. He also devotes himself to cultural exchange between Japan and France through involvement in artistic and cultural activities organized by the Consulate General of France. In recognition of his achievements, contributions, and efforts to date, he received the Chevalier de l'Ordre National du Mérite of the French Republic in 2021. In January 2023 he was appointed Representative Director and Executive Director of the Foundation Pasteur Japan.



**Tomoko Tanabe**  
Director (Non-executive),  
Independent Director

Dr. Tanabe graduated from the Kyoto Prefectural University of Medicine (KPUM) in 1996 and became licensed to practice medicine in Japan. After completing a one-year internal medicine internship at the University Hospital at KPUM, she became licensed to practice medicine in the U.S. where she moved in 1997. During her 12-year stay in the U.S., she engaged in clinical medicine and medical education at the Perelman School of Medicine of the University of Pennsylvania, and taught at the University of California San Diego School of Medicine. Upon her return to Japan, she joined the Shinyukai Medical Group where she was first put in charge of women's health at Oike Clinic in 2009. She became a member of the board at Shinyukai Holdings in 2010, and in 2018, became the president of the Kyoto Medical Club. She is also currently a visiting professor in the Departments of Physiology and Integrated Physiology at the Kyoto Prefectural University of Medicine (KPUM), deputy director of Oike Clinic, and head of the Ningen Dock Center. In June 2023, she also became one of the directors of the Japan Chapter of the American College of Physicians. Dr. Tanabe was appointed an Audit and Supervisory Board Member of HORIBA, Ltd. in 2020, and has served as a Non-executive Director since 2023. Dr. Tanabe focuses on preventative medicine, and became interested in ultra-early prevention during her daily work with patients in the field of primary medical care. She also engages with digital transformation in the medical field, including biometric data monitoring. Moreover, she became one of the founding members of the Gender Equality Promotion Center at the Kyoto Prefectural University of Medicine in 2010. There, she works to build career paths for female medical researchers and support childcare, as well as promote collaboration between industry and academia.

## Audit & Supervisory Board members



**Hitoshi Motokawa**  
Audit & Supervisory Board Member  
(Standing Auditor)

Hitoshi Motokawa joined HORIBA, Ltd. in 1984. Following a career in departments related to international sales and sales control, he was appointed Department manager of the Sales Operation Department in 2004. In addition to his daily work, he also passed the examinations to become a certified Small and Medium Enterprise Management Consultant and social insurance and Labor and Social Security Attorney. In 2017, he was appointed a Junior Corporate Officer of HORIBA, Ltd. From 2018 he served as the General Manager of the Sales Division, and in 2021 became the General Manager of the Finance and Legal Division Responsible for Financial Control. In this role, he is responsible for performance management of HORIBA, Ltd. Group companies in Japan. He has also served as the principal of HORIBA COLLEGE, our in-house university for passing on skills and knowledge. He was appointed to serve as an Audit & Supervisory Board Member in March 2024.



**Keiji Yamada**  
Audit & Supervisory Board Member (Outside)  
and Independent Auditor

Keiji Yamada joined the Ministry of Home Affairs (now the Ministry of Internal Affairs and Communications) in 1977. He retired after serving as Counselor of the Cabinet Legislation Bureau, Director of the Kyoto Prefecture General Affairs Department, and Vice Governor of Kyoto Prefecture. He served four terms as Governor of Kyoto Prefecture starting in 2002 and four terms as President of the National Governors' Association from 2011. He has been a Professor at the Department of Interdisciplinary Studies in Law and Policy, Faculty of Law and Advisor to the President (present Special Advisor to the President) at Kyoto Sangyo University since 2018. He became a member of the Board of Directors in 2021. Mr. Yamada was appointed an Audit and Supervisory Board Member of HORIBA, Ltd. in 2020. He also serves as an outside director at Kawasaki Kisen Kaisha, Ltd., TOSE CO., LTD., and Nitto Pharmaceutical Holdings, Ltd. He also serves as the President of the Kyoto Culture Foundation, which engages in financing and enlightenment activities related to the protection of cultural properties. It aims to foster more abundant creation and development of Kyoto culture, which has long been at the core of Japanese culture.



**Sayoko Kawamoto**  
Audit & Supervisory Board Member (Outside)  
and Independent Auditor

Sayoko Kawamoto joined AMS Corporation in the year 2000 and now serves as a Director of the company. In 2010, she also became a Director of Ayaha Corporation. In 2022, having served as Deputy General Manager of the General Affairs Division and Deputy General Manager of the Business Management Division, she was appointed to Vice President and Representative Director of the company. Ms. Kawamoto was appointed an Audit and Supervisory Board Member of HORIBA, Ltd. in 2023. She has extensive experience in management of a corporate group with various businesses including retail, manufacturing, real estate, hotels, and golf courses. In June 2023 she was appointed a Director of the Biwako Arts Foundation. By creating, disseminating, and promoting art and culture, it contributes to the sound development of local communities and of a vibrant society that provides a spiritually enriched lifestyle. She also serves as Director of the Kawamoto Education and Welfare Promotion Association, which aims to foster the sound development of young people by promoting education in schools and society, as well as improving culture and contributing to the development of educational administration and enhancing welfare promotion activities.

## Corporate Officers

<b>Stuart Knight</b>	President of HORIBA UK Limited
<b>Rajeev Gautam</b>	President of HORIBA India Private Limited (India)
<b>Yuko Kimura</b>	Chief Director & President of HORIBA INSTRUMENTS (SHANGHAI) CO., LTD. Chief Director & President of HORIBA (China) Trading Co., Ltd. Chief Director & President of HORIBA Technology (Suzhou) Co., LTD.
<b>Laurent Fullana</b>	President of HORIBA FRANCE SAS

<b>Arnaud Pradel</b>	President of HORIBA ABX SAS (France)
<b>Hiroshi Nakamura</b>	General Manager of R&D Division
<b>Yasuo Yamashita</b>	General Manager of General Administration and Finance and Legal Divisions, and Head of the Tokyo Branch
<b>Toshiya Higashino</b>	President of HORIBA Instruments Incorporated (U.S.)
<b>Declan Allen</b>	Managing Director of HORIBA MIRA Limited (U.K.)
<b>Dale Poole</b>	HORIBA Instruments Incorporated (U.S.) Executive Vice President

<b>Tadao Nakamura</b>	In charge of Process & Environmental business
<b>Hiroyuki Urabe</b>	President of HORIBA Europe GmbH (Germany)
<b>Sal Atzeni</b>	HORIBA Instruments Incorporated (U.S.) Executive Vice President
<b>Kentaro Nishikata</b>	President of HORIBA Advanced Techno Co., Ltd. (Japan)

## Junior Corporate Officers

<b>Kazuya Tsurumi</b>	General Manager of Energy & Environment Division
<b>Maki Moriguchi</b>	Deputy General Manager of General Administration Division
<b>Haruhito Mori</b>	Deputy General Manager of Energy & Environment Division
<b>Junichi Tajika</b>	Deputy General Manager of Finance and Legal Division
<b>Masashi Nishimura</b>	Corporate Officer at HORIBA Advanced Techno Co., Ltd. (Japan)

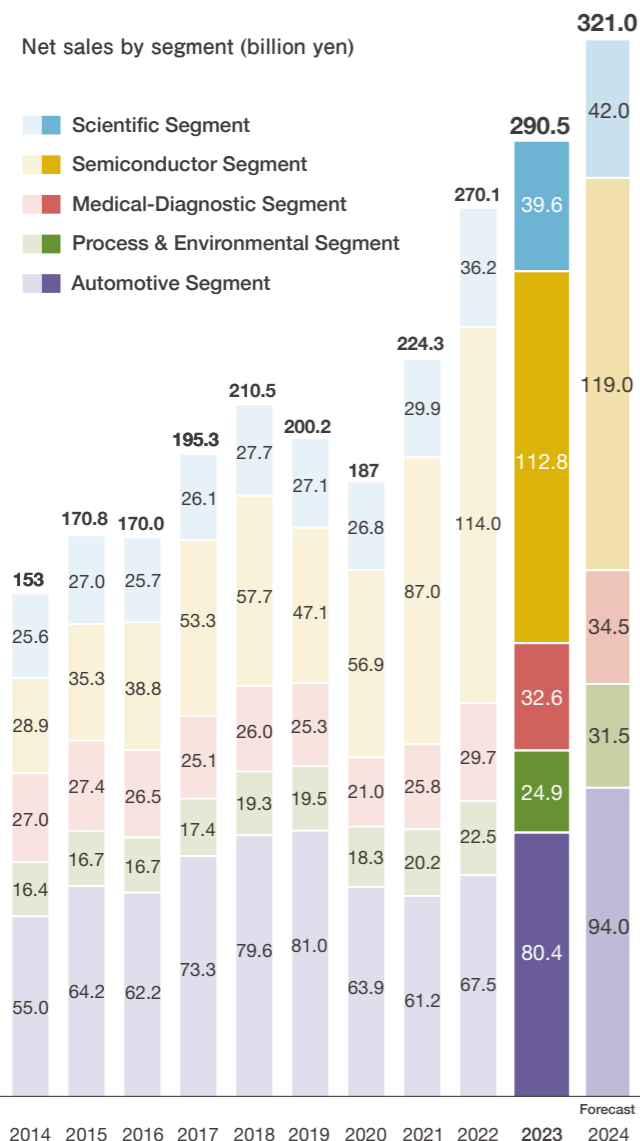
# HORIBA's Five measurement businesses



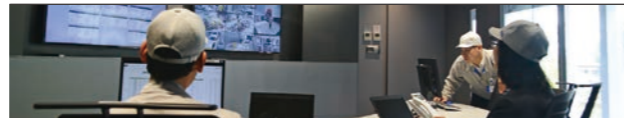
Five measurement businesses	Automotive Segment	Process & Environmental Segment	Medical-Diagnostic Segment	Semiconductor Segment	Scientific Segment
<b>Major products and market share of each</b> (Note: Market share for each product is HORIBA's estimate.)	<b>Emission measurement systems</b> Global market share: 80% Sales composition ratio: 39% 	<b>Stack gas analyzers</b> Market share in Japan: 50% Sales composition ratio: 33% 	<b>Hematology analyzers</b> Global market share: 7% Sales composition ratio: 68% 	<b>Mass flow controllers</b> Global market share: 60% Sales composition ratio: 86% 	<b>Raman spectrometers</b> Global market share: 30% Sales composition ratio: 28% 
	<b>Driveline test systems</b> Global market share: 15% Sales composition ratio: 4% 	<b>H-1 series of industrial water quality analyzers</b> Market share in Japan (For all water quality analyzers): 40% Share of segment sales (For all water quality analyzers): 37% 	• Hematology and CRP analyzers • Hematology analyzers • Immunology analyzers • Clinical chemistry analyzers • Blood glucose analyzers	<b>Chemical concentration monitors</b> Global market share: 80% Sales composition ratio: 12% 	<b>pH meters</b> Market share in Japan: 50% Sales composition ratio: 7% 
<b>Major customers</b>	Automotive and automotive component manufacturers Research institutes Universities/Government agencies	Electric power companies Government agencies Manufacturers	Medical testing centers Small-to medium-sized hospitals Physicians in private practice	Semiconductor production equipment manufacturers Semiconductor device manufacturers	Manufacturers/Research institutions Universities/Government agencies Electric power companies
<b>Product applications</b>	Development of new gasoline, diesel, alternative fuel, and electrified powertrains Certification and quality control of completed and in-use vehicles Development engineering	Measurement of drinking water, wastewater, and gaseous emissions Monitoring of production process Research and development	Diagnostic testing Medical checkups	Controlling flow of gases and liquids, monitoring cleaning fluid concentrations in semiconductor manufacturing processes Semiconductor quality control inspections	Research and development Product quality testing Criminal forensics
<b>Major risks and opportunities</b>	Changes in emission regulations Capital spending and R&D investments by the automotive industry	Changes in environmental regulations by government agencies Developments in energy efficiency improvement at factories and power generation plants	Changes in total healthcare expenditures caused by changes in population and other factors Changes in medical insurance systems in different countries	Capital spending of semiconductor manufacturers and others in association with fluctuating demand for semiconductors Production trends of manufacturers of semiconductor production equipment	Changes in R&D budgets at government agencies, universities, and research institutions Changes in R&D investment and capital investment for production in the private sector
<b>HORIBA's Three Fields</b>	Energy & Environment	Energy & Environment Bio & Healthcare Materials & Semiconductor	Bio & Healthcare	Materials & Semiconductor	Energy & Environment Bio & Healthcare Materials & Semiconductor

# HORIBA's Five measurement businesses

HORIBA's business development is centered around five measurement businesses: Automotive, Process & Environmental, Medical-Diagnostic, Semiconductor, and Scientific. In FY2023, although sales to semiconductor production equipment manufacturers decreased as the adjustment phase of capital expenditures continued in the semiconductor market, the decrease of segment sales was limited. Meanwhile, sales increased primarily in the Automotive segment. And company-wide revenue increased for the third year in a row. We expect revenue to increase for all segments in the fiscal year ending December 31, 2024.



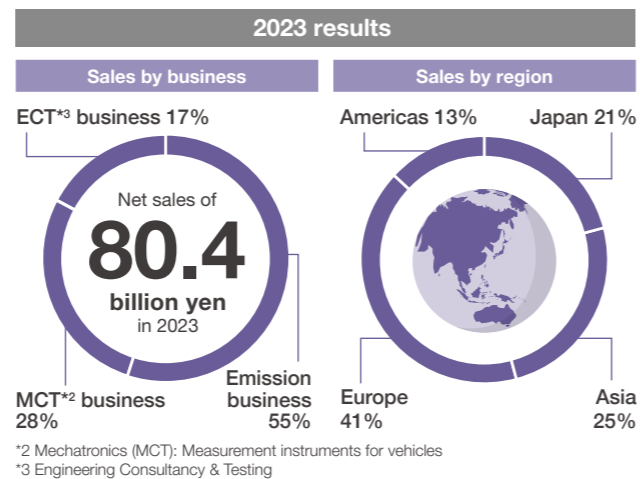
## Automotive segment



### Providing powerful support for the optimization of vehicle testing and acceleration of automotive development

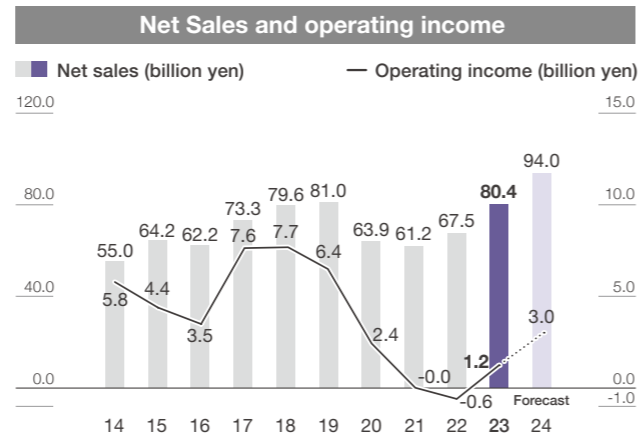
HORIBA's automotive Emission Measurement Systems (EMS) hold a global market share of 80%\*. HORIBA provides manufacturer R&D and quality control units with complete testing and measurement solutions. These include test systems for engines, powertrains, brakes, catalytic converters, and batteries, as well as Fuel Cell/Electrolyzer evaluation analysis systems. We are also actively developing our Engineering Consultancy & Testing business, which supports development of next-generation mobility technologies for applications such as electrified vehicles, autonomous driving, functional safety, and cybersecurity.

\*1 HORIBA's estimate



- Capture demand and increase sales for electrification and hydrogen energy
- Expect strong demand in preparation for introduction of new emissions regulations

Radical changes in investment areas in the automotive industry during the pandemic led to a significant fall in demand for emission measurement systems which made it difficult to improve profitability. But in 2023, increased sales of emission measurement systems in Asia and the Americas, and of our MCT business in Europe delivered increased profitability. Although we do not expect the automotive industry to change direction on achieving carbon neutrality, during that transition period, we need to balance next-generation investments while also improving the efficiency of internal combustion engines. HORIBA not only handles exhaust gas regulations in each country, including the new Euro 7 emission regulations in Europe, but also offers all-around support for needs related to electrification and autonomous driving. Demand for electrolyzer evaluation systems is increasing as well, and we will help to build a hydrogen energy society.

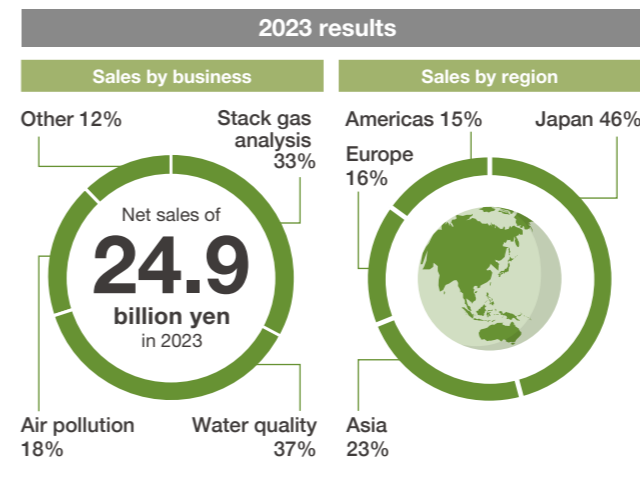


## Process & Environmental segment



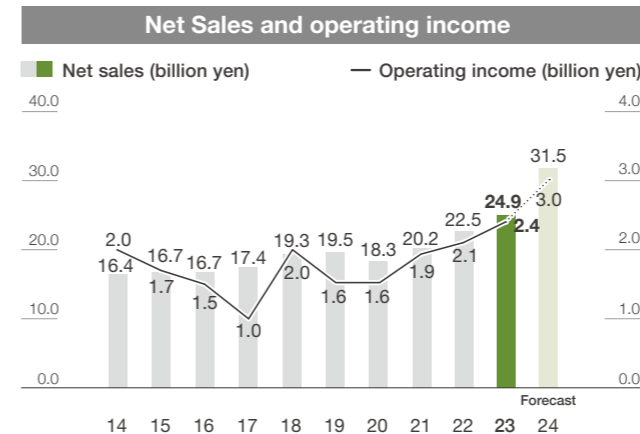
### HORIBA contributes monitor global environmental preservation, as well as production and quality management processes

We supply a broad range of analytical and measurement instruments for analyzing air pollution, water quality, and soil quality. HORIBA products play an important role in many industries. They enable the measurement of gases and the monitoring of industrial wastewater in energy and heavy chemical industries like electric power, steel, and petrochemicals. They also allow for purified water management, and atmospheric control in cleanrooms in the semiconductor industry, and the monitoring and control of water quality in the medical, food, and cosmetics sectors. The analytical and measurement technology we provide contributes to preserve the global environment, and leads technological innovation in support of public safety, security, and health. This is how we are contributing to achieve a sustainable society.

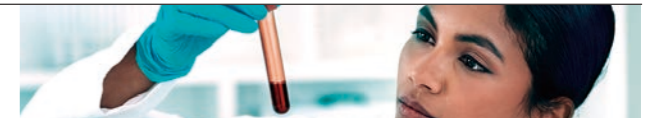


- Demand related to environmental regulations remained strong
- Increased sales of water quality measurement equipment for manufacturing processes

In 2023, strong demand related to environmental regulations in each country drove sales of air pollution analyzers in Europe, process measurement equipment and water quality measurement systems in the Americas. The led to increased revenue and profit. Furthermore, our acquisition of Tethys Instruments in France and Process Instruments in the U.S. strengthened our technological capabilities in water quality measurement and industrial process monitoring. This will allow us to create various high-precision applications, and accelerate the development of our businesses in emerging countries. As society strives to achieve carbon neutrality, research and development is underway to separate and capture the CO<sub>2</sub> emitted from factories and power plants and reuse it as fuel, etc. HORIBA provides gas and water quality measurement solutions that are critical to this process.



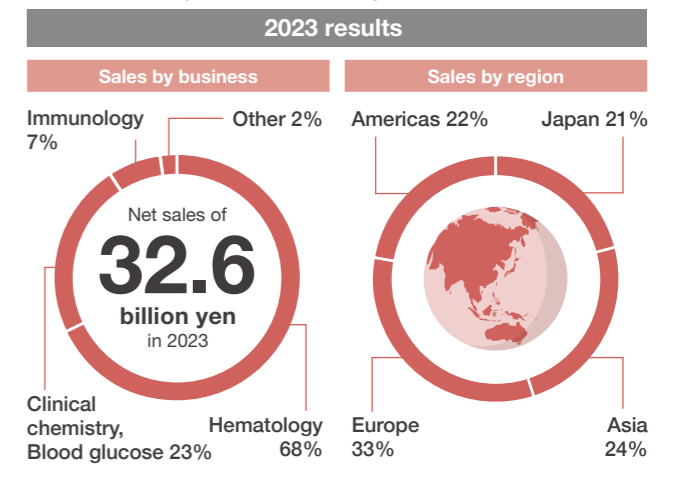
## Medical-Diagnostic segment



### Contributing to healthy lives through in-vitro diagnostic systems

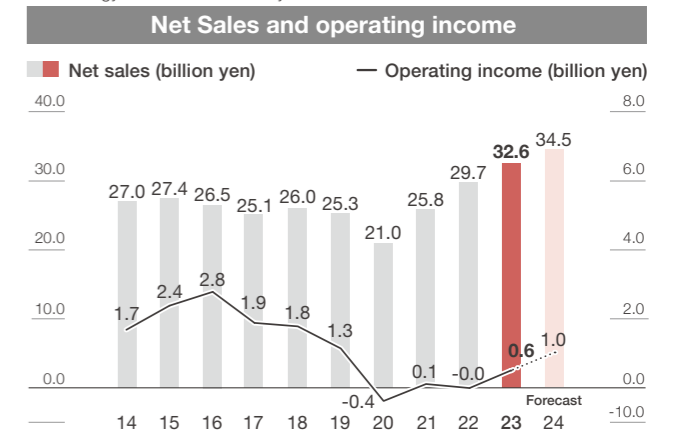
HORIBA provides instruments and reagents (consumables) used primarily for blood sample testing to the global market for in-vitro diagnostic (IVD) systems. Our business model for this segment is based on recurring revenues generated from sales of testing reagents. We aim to ensure stable earnings by expanding our installed base of medical diagnostic instruments. In particular, HORIBA's strength lies in small and medium-sized hematology analyzers for point of care testing (POCT)\* in private clinics and hospital operating rooms, as well as small-to medium-sized hospitals and testing centers.

\*Point of Care Testing (POCT): A general term for testing performed at locations close to patients, such as private practitioner offices, diagnostic clinics, hospital wings, and outpatient clinics.



- Increased sales of test reagents due to a recovery in demand for examinations at medical facilities
- Increased sales of hematology analyzers, clinical chemistry analyzers, and test reagents

Sales of test reagents increased during 2023 as COVID-19 pandemic restrictions eased and demand for sample testing at medical laboratories recovered. Moreover, increased sales of hematology analyzers in Japan and Asia returned the segment to profitability. In Japan, we have also introduced a compact 5 Differential Hematology Analyzer to the market. It both saves space and improved daily operation. We launched the new version of remote monitoring system, the HORIBA MEDISIDE LINKAGE next. Additional to the original remote access feature, the system provides additional features such as Documentation support on operation of the analyzer; i.e. Reagent replacement log, internal QC log. By delivering rapid and reliable sample testing, we are contributing to reduce the burden on medical personnel. We are also actively introducing new products in overseas growth markets such as India, and are working to further expand our business from hematology solution to immunology and clinical chemistry solution.



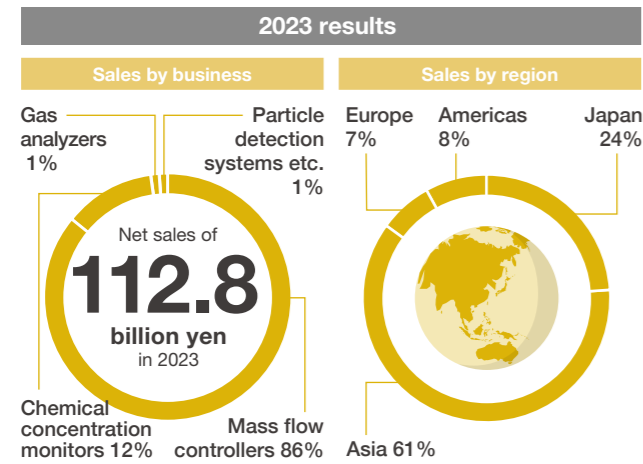
# HORIBA's Five measurement businesses

## Semiconductor Segment



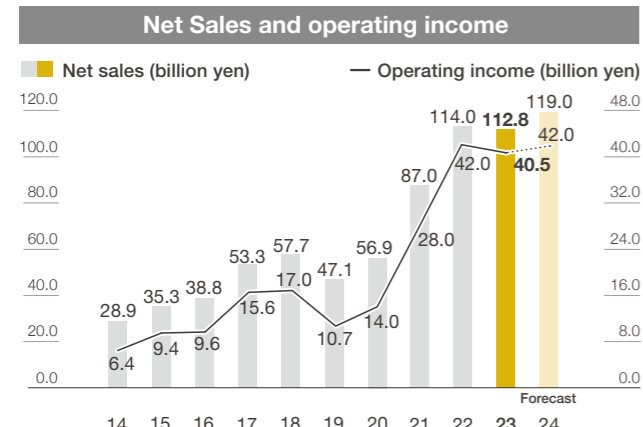
**Contributing to yield enhancement and technology innovation in semiconductor manufacturing processes with HORIBA's flow control and measurement technologies**

Contributing to yield enhancement and technology innovation in semiconductor manufacturing processes with HORIBA's flow control and measurement technologies. Mass flow controllers, used in the manufacturing process (front-end) of devices such as semiconductors, are a major product in the Semiconductor segment. Our mass flow controllers boast leading global market share\*, thanks largely to our cutting-edge flow control technology which contributes to enhanced yield and miniaturization in the semiconductor manufacturing process. We intend to provide solutions for responding to technological advances in semiconductor manufacturing processes, while supplying measurement equipment such as chemical concentration monitors and reticle/mask particle detection systems. This will allow us to establish an important position in the growing semiconductor industry. \*HORIBA's estimate



- Despite the fact that capital investment by semiconductor manufacturers were in an adjustment phase, a high order backlog ensured we maintained a high level of sales
- Expanded capital investment by semiconductor production equipment manufacturers in China led to increased sales

In 2023, capital investment by semiconductor manufacturers was in an adjustment phase. This led to a decline in sales to semiconductor production equipment manufacturers. However, sales and profits declining was limited due to increased sales in the Chinese market. We introduced low flow rate pressure-type mass flow controllers and products that support new communications specifications for handling next-generation semiconductor production processes. In addition, we plan to begin operations at our New Kyoto Fukuchiyama Factory in 2026, tripling our mass flow controller production capacity. This will enhance our supply capabilities in expectation of the full recovery of the semiconductor market.

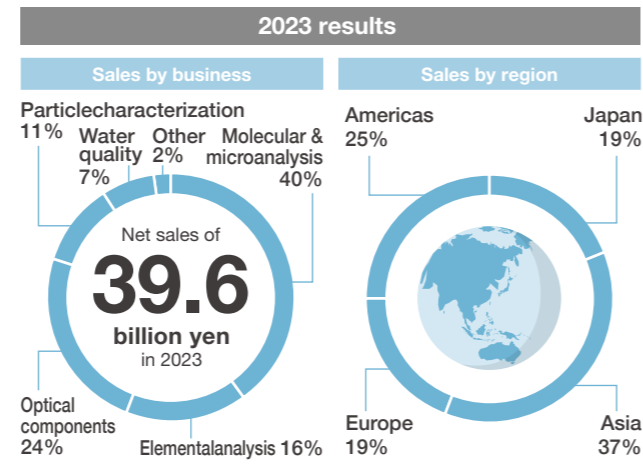


## Scientific Segment



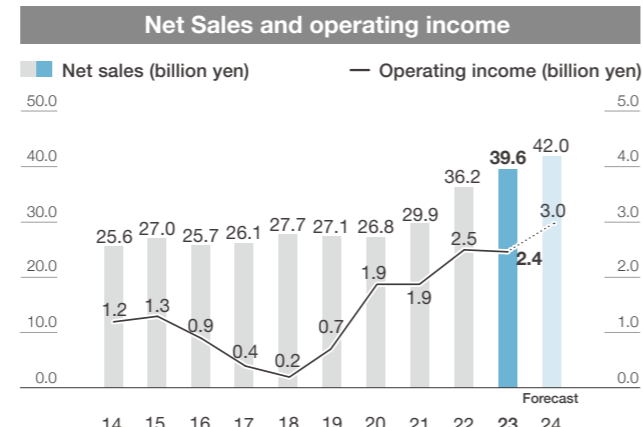
**Supporting HORIBA's core technologies and pioneering cutting-edge fields**

HORIBA's analysis technology began with research and development that led to Japan's first glass electrode pH meter, and has expanded to include gas analysis using infrared light, elemental analysis using X-rays, and Raman spectroscopy and Fluorescence spectroscopy using optical technology. These contribute to R&D activities at the frontline of scientific technology and help explore the unknown frontiers of science. HORIBA's analyzers are also used widely in industry for forensic science, archaeological surveys, foreign object examination and active ingredient analysis for pharmaceuticals and foods, and defect analysis for electronic components. While delivering high-end equipment for research and development, we are also actively developing products for industrial process monitoring, and supplying measurement technology to a wide range of fields.



- Expanded products sales for advanced materials and life science markets
- Expanding our evaluation and monitoring business to industrial processes

Success in expanding into new customer bases on a global scale, and increased sales of Raman spectrometers in Asia, led to increased revenue in 2023. Raman spectrometers have been employed primarily in R&D and Quality Control applications. For the first time, we are also developing products that apply them to production processes in the fields of chemicals, pharmaceuticals, batteries, and semiconductors. We will develop dedicated equipment designed specifically for certain measurement applications such as data analysis, in-situ measurement of reaction processes during the production process, and final inspection of finished products. Moreover, we will actively deploy solutions for the Life Science, and Materials & Semiconductor markets.



## Corporate Data (as of December 31, 2023)

### Corporate information

#### Head Office

2 Miyanohigashi-cho, Kisshoin, Minami-ku, Kyoto 601-8510 Japan

#### Founded

October 17, 1945

#### Incorporated

January 26, 1953

#### Net sales

290,558 million yen (Consolidated) (Year ended December 31, 2023)

#### Paid-in capital

12,011 million yen (Consolidated) (As of December 31, 2023)

#### Number of employees

8,665 (Consolidated) (As of December 31, 2023)

#### Fiscal closing date

December 31

#### Annual Meeting of Shareholders

Held in March

#### Transfer agent

Sumitomo Mitsui Trust Bank, Limited

#### Independent auditor

KPMG AZSA LLC

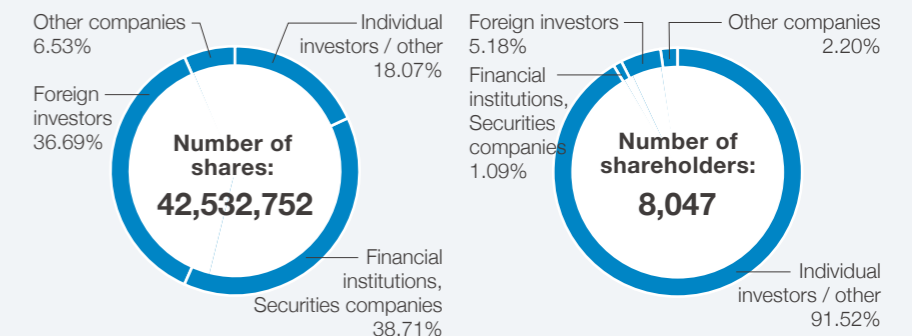
#### Stock listings

Tokyo Stock Exchange, Prime Market  
Securities Code: 6856

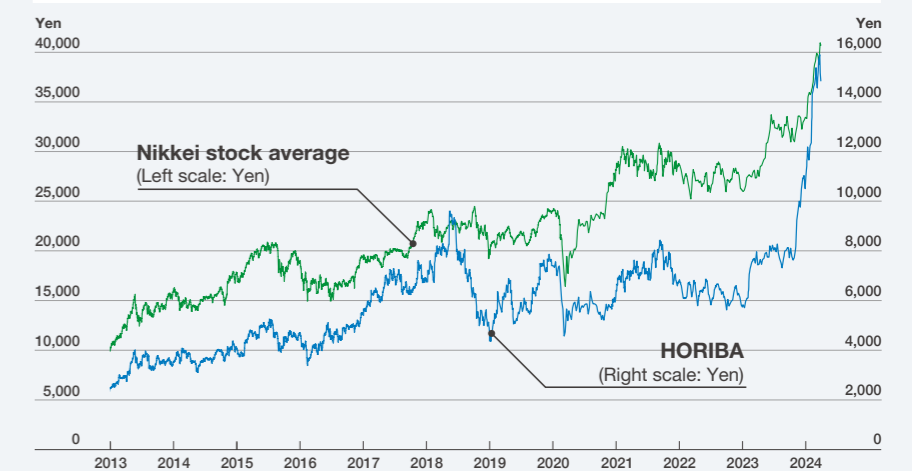
### Major shareholders (Top 10) \* The percentage of shareholding is calculated after deducting the number of shares of treasury stock(263,029 shares).

Name of shareholder	Shares (Thousands)	Percentage* (%)
The Master Trust Bank of Japan, Ltd.	5,494	13.00
Custody Bank of Japan, Ltd.	3,207	7.59
National Mutual Insurance Federation of Agricultural Cooperatives	1,682	3.98
Atsushi Horiba	1,089	2.58
The Kyoto Chuo Shinkin Bank	835	1.98
HORIBA Raku-Raku Kai	833	1.97
The Bank of Kyoto, Ltd.	828	1.96
HORIBA Employee Shareholding Association	759	1.80
Dan Horiba	644	1.53
BBH (LUX) FOR FIDELITY FUNDS - SUSTAINABLE WATER AND WASTE POOL	643	1.52

### Distribution by shareholder



### Stock price trend (Closing price each day)



### TSR\* Index

\* Total Shareholders' Return: Total return on investment that combines capital gains and dividends

	2019	2020	2021	2022	2023
HORIBA - Total Shareholder Return	166%	140%	159%	141%	266%
TOPIX - Total Shareholder Return	115%	121%	133%	127%	158%

\* The TSR in this table is calculated based on the stock price at the end of the fiscal year

# Financial Data

(Eleven-year summary)

HORIBA, Ltd. and consolidated subsidiaries

		Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023
<b>Profit and Loss</b>												
Net sales	(million yen)	138,136	153,065	170,898	170,093	195,399	210,570	200,241	187,080	224,314	270,133	290,558
Operating costs and expenses	(million yen)	124,402	135,851	151,526	151,593	168,565	181,731	179,325	167,385	192,267	224,290	243,261
Operating income	(million yen)	13,733	17,214	19,372	18,499	26,834	28,838	20,916	19,694	32,046	45,843	47,296
Ratio of operating income to net sales	(%)	9.9	11.2	11.3	10.9	13.7	13.7	10.4	10.5	14.3	17.0	16.3
Net income attributable to owners of parent	(million yen)	8,999	10,589	12,882	12,962	16,281	22,313	15,481	13,188	21,311	34,072	40,302
Ratio of net income attributable to owners of parent	(%)	6.5	6.9	7.5	7.6	8.3	10.6	7.7	7.0	9.5	12.6	13.9
<b>Financial Position</b>												
Total assets	(million yen)	189,269	207,335	231,032	239,657	265,920	277,368	315,133	328,068	371,585	416,742	449,030
Liabilities with interest	(million yen)	24,577	28,412	45,227	47,153	42,496	44,516	73,889	80,376	83,717	71,326	64,757
Shareholders' equity	(million yen)	114,209	123,924	129,581	132,654	150,282	161,362	170,953	177,964	203,688	240,065	283,008
Shareholders' equity ratio	(%)	60.3	59.8	56.1	55.4	56.5	58.2	54.3	54.3	54.8	57.6	63.0
<b>Cash Flows</b>												
Cash flows from operating activities	(million yen)	15,076	11,455	14,770	15,871	28,287	19,536	26,638	32,253	35,268	33,966	16,652
Cash flows from investing activities	(million yen)	-8,111	-9,875	-30,642	-10,427	-13,167	-11,029	-12,367	-14,016	-14,662	-10,745	-7,315
Free cash flow	(million yen)	6,965	1,580	-15,872	5,444	15,120	8,506	14,271	18,236	20,605	23,220	9,337
Cash flows from financing activities	(million yen)	2,324	-273	12,843	-451	-9,044	-3,240	19,215	843	-4,045	-22,447	-20,963
<b>Investments, etc.</b>												
Capital expenditures	(million yen)	7,680	11,001	16,309	13,796	11,639	10,239	12,834	15,165	12,496	12,565	9,122
Depreciation and amortization	(million yen)	4,279	4,905	6,110	6,816	7,534	7,240	8,794	9,619	10,440	11,349	12,602
R&D expenses	(million yen)	10,774	11,986	12,341	12,933	13,911	15,183	16,254	15,594	16,710	18,585	20,436
R&D expenses to net sales	(%)	7.8	7.8	7.2	7.6	7.1	7.2	8.1	8.3	7.4	6.9	7.0
<b>Per Share Data</b>												
Net income	(yen)	212.76	250.28	305.73	307.74	386.30	529.24	367.09	312.58	505.05	807.06	953.71
Net assets	(yen)	2,699.88	2,928.82	3,078.40	3,148.70	3,565.00	3,826.44	4,053.30	4,217.45	4,827.06	5,684.68	6,695.30
Dividends	(yen)	60.00	67.00	70.00	85.00	116.00	145.00	130.00	90.00	150.00	245.00	290.00
<b>Other Indicators</b>												
Return on equity (ROE)	(%)	8.4	8.9	10.2	10.0	11.5	14.3	9.3	7.6	11.2	15.4	15.4
Return on assets (ROA)	(%)	5.2	5.3	5.9	5.5	6.4	8.2	5.2	4.1	6.1	8.6	9.3
Consolidated dividend payout ratio	(%)	28.2	26.8	22.9	27.6	30.0	27.4	35.4	28.8	29.7	30.4	30.4
Non-consolidated dividend payout ratio	(%)	48.9	38.5	35.1	46.7	53.8	50.7	46.4	52.3	333.1	71.0	53.9
Overseas sales ratio	(%)	64.9	69.0	69.3	66.8	66.7	68.7	69.0	69.2	70.4	72.8	75.9
<b>Human Assets</b>												
Number of employees	(Employees)	5,787	5,965	6,831	7,149	7,399	7,943	8,288	8,269	8,205	8,432	8,665
Ratio of employees outside of Japan	(%)	57.9	58.4	62.3	62.0	61.6	62.3	62.5	62.4	62.8	63.9	64.1

Notes: The monetary amounts shown are rounded down to the nearest million yen.

1. HORIBA, Ltd. and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping basis. However, starting from FY 2016, HORIBA, Ltd. and its domestic consolidated subsidiaries changed their revenue recognition method to recognize revenue on a completion-date-of-installation or delivery-date basis under the terms and conditions of the relevant contracts. The amounts in or before FY 2015 are not retrospectively revised.

2. As of the beginning of FY 2019, HORIBA, Ltd. and its consolidated subsidiaries apply the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). The amounts in or before FY 2017 are not retrospectively revised.

## **HORIBA, Ltd.**

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