Contents

- 2017 First-Half Results
- 2017 Full Year Forecast
- Business Segment Outline
- Shareholder Return
- Other Topics
  - Financial Data
  - Corporate Profile

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## Review of the First-Half of 2017

<table>
<thead>
<tr>
<th>External Events</th>
<th>Internal Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>✷ Start of the Trump administration in US</td>
<td>✷ New/expanded facilities (US, UK and South Korea)</td>
</tr>
<tr>
<td>✷ UK’s announcement to leave EU</td>
<td>✷ Renewed a record-high share price. Market cap exceeded 300bn yen.</td>
</tr>
<tr>
<td>→ General election in UK</td>
<td>✷ Workstyle innovation</td>
</tr>
<tr>
<td>✷ Presidential election in France</td>
<td></td>
</tr>
<tr>
<td>→ Japan-EU Economic Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>✷ Booming semiconductor market</td>
<td></td>
</tr>
<tr>
<td>✷ Autonomous driving, EV, Emission regulation</td>
<td></td>
</tr>
</tbody>
</table>
Summary of the First-Half Results of 2017

Renewed record-highs in Sales, Operating profit and Net profit for the First Half

- Year-on-year increase in sales and profits in the Automotive Test Systems (ATS) and Semiconductor segments.

P&L

- Total assets were 243.6bn yen, up 4.0bn yen from the end of 2016, due to capital spending.
- Loans payable were 26.7bn yen, down 4.9bn yen from the end of 2016, due to using capability of finance subsidiaries in US and in UK.
- Equity ratio: 56.7%

B/S

- Operating CF: Cash in 16.2bn yen, due to growth in profit
- Investing CF: Cash out 6.8bn yen, due to capital spending
- Financial CF: Cash out 7.1bn yen, due to short-term repayment

FCF +9.4 bn yen
# First-Half Results of 2017

(Billions of Yen)

<table>
<thead>
<tr>
<th>2016 First-Half</th>
<th>Forecast as of May 12</th>
<th>2017 First-Half</th>
<th>vs. 2016</th>
<th>vs. Forecast as of May 12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td><strong>Results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>79.9</td>
<td>87.5</td>
<td>★ 87.3</td>
<td>+7.3</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>O.P.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.7</td>
<td>10.0</td>
<td>★ 9.7</td>
<td>+1.9</td>
<td>-0.2</td>
</tr>
<tr>
<td><strong>O.P. %</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.7%</td>
<td>11.4%</td>
<td>11.1%</td>
<td>+1.4p</td>
<td>-0.3p</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.5</td>
<td>9.7</td>
<td>★ 9.5</td>
<td>+1.9</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>Net Income attributable to Owners of Parent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>6.1</td>
<td>★ 6.4</td>
<td>+2.3</td>
<td>+0.3</td>
</tr>
<tr>
<td><strong>USD/JPY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>111.70</td>
<td>110.00</td>
<td>112.34</td>
<td>+0.64</td>
<td>+2.34</td>
</tr>
<tr>
<td><strong>EUR/JPY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>124.52</td>
<td>120.00</td>
<td>121.66</td>
<td>-2.86</td>
<td>+1.66</td>
</tr>
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</table>

★ : Record-highs
# First-Half Results of 2017 by Segment

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2016 First-Half</th>
<th>2017 First-Half</th>
<th>vs. Forecast as of May 12</th>
<th>2016 First-Half</th>
<th>2017 First-Half</th>
<th>vs. Forecast as of May 12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Auto</strong></td>
<td>28.1</td>
<td>32.0</td>
<td>+2.4</td>
<td>-1.3</td>
<td>0.5</td>
<td>2.2</td>
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<tr>
<td><strong>P&amp;E</strong></td>
<td>7.7</td>
<td>8.0</td>
<td>+0.2</td>
<td>+0.0</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>13.8</td>
<td>12.0</td>
<td>-1.4</td>
<td>+0.3</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Semi</strong></td>
<td>17.8</td>
<td>24.0</td>
<td>+6.8</td>
<td>+0.7</td>
<td>4.4</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Scientific</strong></td>
<td>12.3</td>
<td>11.5</td>
<td>-0.8</td>
<td>+0.0</td>
<td>0.2</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>79.9</td>
<td>87.5</td>
<td>+7.3</td>
<td>-0.1</td>
<td>7.7</td>
<td>10.0</td>
</tr>
</tbody>
</table>

**Notes:**
- Record-highs are marked with a red star.

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## Market Overview for the Full-Year 2017

| Auto   | - Expect steady R&D investment by auto/auto parts manufacturers due to tighter emission regulations in EU and Japan.  
|        | - Active investment trend in global automotive sector. |
| P&E    | - Tighter environmental regulations in China  
|        | - Business opportunities in water treatment facilities due to capacity expansion by semiconductor factories |
| Medical| - Japan: Continuing favorable sales to doctors in private practice.  
|        | - Overseas: Decline in demand in EU and South America. |
| Semi   | - Expect continuous investment by semiconductor manufacturers  
|        | - High demand for etching equipment thanks to an increase in demand for 3D NAND |
| Scientific | - Decrease in government budgets for research in developed countries  
|          | - Increase in demand for optical components from the private sector |
## Exchange rate forecast for 2017

<table>
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<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2017</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Results</td>
<td>First-Half</td>
<td>Second</td>
<td>Half</td>
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<td></td>
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<tr>
<td></td>
<td>Results</td>
<td>Forecast</td>
<td>Results</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Forecast</td>
<td>as of</td>
<td>1Q</td>
<td>2Q</td>
<td>Results</td>
<td>1Q</td>
<td>2Q</td>
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<tr>
<td></td>
<td>of May 12</td>
<td>May 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>USD</td>
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<td>111.08</td>
<td>112.34</td>
<td>110</td>
<td>107</td>
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<tr>
<td>EUR</td>
<td>124.52</td>
<td>120</td>
<td>121.05</td>
<td>122.27</td>
<td>121.66</td>
<td>120</td>
<td>118</td>
</tr>
</tbody>
</table>

1 yen O.P. sensitivity for 2017 Forecast
- **USD**: 162 million yen
- **EUR**: 28 million yen
## Forecast of 2017

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Forecast as of May 12</th>
<th>Revised Forecast</th>
<th>vs. Forecast as of May 12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>170.0</td>
<td>183.0</td>
<td>187.0</td>
<td>+4.0</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>18.4</td>
<td>21.0</td>
<td>22.0</td>
<td>+1.0</td>
</tr>
<tr>
<td><strong>O.P. %</strong></td>
<td>10.9%</td>
<td>11.5%</td>
<td>11.8%</td>
<td>+0.3p</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>18.2</td>
<td>20.3</td>
<td>21.3</td>
<td>+1.0</td>
</tr>
<tr>
<td><strong>Net Income attributable to Owners of Parent</strong></td>
<td>12.9</td>
<td>13.6</td>
<td>14.5</td>
<td>+0.9</td>
</tr>
<tr>
<td><strong>Net profit per share (Yen)</strong></td>
<td>308</td>
<td>322</td>
<td>344</td>
<td>+2.1</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>10.0%</td>
<td>9.9%</td>
<td>10.5%</td>
<td>+0.5%</td>
</tr>
</tbody>
</table>

* : Record-highs
## Forecast of 2017 by segment

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2016 Results</th>
<th>2017 Forecast as of May 12</th>
<th>2017 Revised Forecast</th>
<th>vs. 2016 Results</th>
<th>2017 Forecast as of May 12</th>
<th>2017 Revised Forecast</th>
<th>vs. 2016 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>62.2</td>
<td>69.0</td>
<td>71.0</td>
<td>+2.0</td>
<td>3.5</td>
<td>5.2</td>
<td>+0.5</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>16.7</td>
<td>18.0</td>
<td>18.0</td>
<td>No change</td>
<td>1.5</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Medical</td>
<td>26.5</td>
<td>25.0</td>
<td>25.0</td>
<td>No change</td>
<td>2.8</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Semi</td>
<td>38.8</td>
<td>46.0</td>
<td>48.0</td>
<td>+2.0</td>
<td>9.6</td>
<td>12.0</td>
<td>+1.0</td>
</tr>
<tr>
<td>Scientific</td>
<td>25.7</td>
<td>25.0</td>
<td>25.0</td>
<td>No change</td>
<td>0.9</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>170.0</td>
<td>183.0</td>
<td>187.0</td>
<td>+4.0</td>
<td>18.4</td>
<td>21.0</td>
<td>+1.0</td>
</tr>
</tbody>
</table>

*:Record-highs
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First-Half Results and Forecast for 2017

**2017 First-Half Results**

- **EMS**  Sales increase due to tighter emission regulations
- **MCT**  Recovery in capital spending by automakers
- **ECT**  Expense increase due to founding MIRA Japan team

**2017 Full-Year Forecast**

- **EMS**  Continuous high demand in response to new regulations
- **MCT**  Sales increase by steady delivery of orders received
- **ECT**  Good orders received, to impact earnings from next year

<table>
<thead>
<tr>
<th>Sales and O.P. (Half-year)</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMS</td>
<td>21.2</td>
<td>33.7</td>
</tr>
<tr>
<td>MCT</td>
<td>14.1H</td>
<td>14.2H</td>
</tr>
<tr>
<td>ECT</td>
<td>15.1H</td>
<td>15.2H</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales and O.P. (Full-year)</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMS</td>
<td>14.1H</td>
<td>14.2H</td>
</tr>
<tr>
<td>MCT</td>
<td>15.1H</td>
<td>15.2H</td>
</tr>
<tr>
<td>ECT</td>
<td>16.1H</td>
<td>16.2H</td>
</tr>
</tbody>
</table>

**2017 First-half results**

<table>
<thead>
<tr>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMS</td>
<td>19.8 (18.3)</td>
</tr>
<tr>
<td>MCT</td>
<td>6.3 (5.0)</td>
</tr>
<tr>
<td>ITS</td>
<td>0.8 (0.7)</td>
</tr>
<tr>
<td>ECT</td>
<td>3.6 (3.9)</td>
</tr>
</tbody>
</table>

**2017 Full-year Forecast**

<table>
<thead>
<tr>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMS</td>
<td>44.0 (40.1)</td>
</tr>
<tr>
<td>MCT</td>
<td>18.0 (13.2)</td>
</tr>
<tr>
<td>ITS</td>
<td>2.0 (1.6)</td>
</tr>
<tr>
<td>ECT</td>
<td>7.0 (7.1)</td>
</tr>
</tbody>
</table>

*EMS = Emission Measurement Systems*
Action for next-generation emission regulations

**EMS : Action for next-generation emission regulations**

WLTP\(^1\) (unified emission regulations by the UN)
- Start: Sep. 2017 in EU; Oct. 2018 in Japan

RDE Regulation\(^2\) (On-board emission regulation)
- Start: Sep. 2017 in EU; 2022 in Japan

\(^1\) Worldwide harmonized Light vehicles Test Procedure
\(^2\) Real Driving Emission

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**Establishment of Advanced Emissions Test Centre (AETC)**

Start: July 5\(^{th}\), 2017
Place: HORIBA MIRA Ltd. (UK)
Function: Advanced Emission Test Lab.
- In-house real driving testing simulation
- Simulation in various temperature
Objective: Business enhancement concerning RDE regulations

---

[Graph showing Sales/Backlog from 2013 to 2017 with a forecast up to 2017]
Contributing to R&D for EVs and autonomous driving vehicles

MCT Business: Response to the trend to promote EVs

Improve sales and profitability in 2017
- Recovery in automakers’ capex
- The Turn Key Business expansion*

* Business model to provide the solution combining EMS and MCT

HORIBA’s business areas
Provide solutions, from single systems (i.e., powertrain, E-Motor) to comprehensive systems, incl. vehicle evaluation
- E-Motor testing equipment
- Electric vehicle testing

Expand testing business areas, i.e., battery control system in HORIBA MIRA

ECT Business: MIRA participates the autonomous vehicle project

- Collaborate with a local company in designing a test course for autonomous vehicles in Hungary
- Establish a firm position in autonomous vehicle R&D

[Graph showing sales and backlog over years 2013 to 2017]

Forecast
18.0
As of Jun. end

14.5 16.2 19.7 13.2
12.8 13.3 10.8 15.2 15.2
2013 2014 2015 2016 2017

Signing ceremony
Autonomous vehicle technology
P&E
First-Half Results and Forecast for 2017

(Billions of Yen)

2017 First-Half Results

+ Increase in demand for stack gas analyzers: replacement demand in Japan and VOC-regulation related sales in China
+ Firm demand for water measurement systems in Japan but less-than-expected sales growth

2017 Full-Year Forecast

+ Stack gas analyzers → Capture domestic replacement demand
+ VOC regulations in China → Anticipate further demand growth
+ More inquiries but slow sales in the process measurement equipment business in N. America

Sales and O.P. (Half-year) □ Sales □ O.P.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>14.1H</td>
<td>14.2H</td>
<td>15.1H</td>
<td>15.2H</td>
<td>16.1H</td>
<td>16.2H</td>
<td>16.2H</td>
</tr>
<tr>
<td>O.P.</td>
<td>8.2</td>
<td>8.2</td>
<td>8.2</td>
<td>8.4</td>
<td>7.7</td>
<td>8.9</td>
<td>9.9</td>
</tr>
</tbody>
</table>

Sales and O.P. (Full-year) □ Sales □ O.P.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>13.7</td>
<td>14.7</td>
<td>16.4</td>
<td>16.7</td>
<td>16.7</td>
<td>18.0</td>
<td>18.0</td>
</tr>
<tr>
<td>O.P.</td>
<td>1.6</td>
<td>1.2</td>
<td>2.0</td>
<td>1.7</td>
<td>1.5</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>
P&E

Enhancing global business

Invest in the process measurement equipment business: New Houston factory

Start: April 1st, 2017
Place: Huston in Texas (US)
Function: Production of P&E equipment; Scientific & Medical-related sample tasting
Objective: Business growth through expansion of production capacity

Analyzer house*
* Shelter with analyzers and sampling systems. Measurement equipment for each process is systemized to provide total solutions.

Expand the water quality measurement business

Ammonia Nitrogen Monitor “HC-200NH”
- Launch in 2016 through collaborative R&D with the Tokyo Bureau of Sewerage
- Contributing to less electric consumption in sewage treatment by continuous monitoring

Concentration of resources in water measurement in HORIBA Advanced Techno from Jan. 2017
- Speed up R&D and production
  ➔ Accelerate product launch
- Enhance marketing function
  ➔ Approach semiconductor makers for P&E products

Expand global business for big sewerage plants
First-Half Results and Forecast for 2017

(Billions of Yen)

2017 First-Half Results

- Increase in expense in promoting hematology and CRP analyzers in Japan
- Sales drop in EU/South America; impacts of French new products in and after 2018

2017 Full-Year Forecast

- Intensified competition in hematology and CRP analyzers in Japan
- Increase in expense for US FDA approval and sales promotion of new products

Sales and O.P. (Half-year)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>O.P.</th>
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<tbody>
<tr>
<td>2012</td>
<td>14.1H</td>
<td>1.3</td>
</tr>
<tr>
<td>2013</td>
<td>14.2H</td>
<td>1.2</td>
</tr>
<tr>
<td>2014</td>
<td>15.1H</td>
<td>1.5</td>
</tr>
<tr>
<td>2015</td>
<td>15.2H</td>
<td>1.2</td>
</tr>
<tr>
<td>2016</td>
<td>16.1H</td>
<td>0.8</td>
</tr>
<tr>
<td>2017</td>
<td>16.2H</td>
<td>0.8</td>
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Sales and O.P. (Full-year)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>14.1H</td>
<td>1.3</td>
</tr>
<tr>
<td>2013</td>
<td>14.2H</td>
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<td>1.2</td>
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<tr>
<td>2016</td>
<td>16.1H</td>
<td>0.8</td>
</tr>
<tr>
<td>2017</td>
<td>16.2H</td>
<td>0.8</td>
</tr>
</tbody>
</table>

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Medical New product launch for business expansion

New product and “HELO Solution” in the mid- to high-end market

◆ Strengths
- Total solutions including clinical data management system
- Flexibility in layout

◆ Schedule
- Global launch in the 2Q of 2017
- Start installation in Brazil, UK and France

New product “Yumizen H550” for developing countries

◆ Strengths
- Small hematology analyzer with autoloader
- Stable, high-precision measurement in various condition

◆ Sales and production network
- Utilize HORIBA’s global network
- Local production of reagents near consuming areas

“HELO Solution”
(Launch in 2017)

Rendering of installed products in a customer's lab. in Brazil

“Yumizen H500”
(Launch in 2016)

New “Yumizen H550”
(Launch in 2017)
First-Half Results and Forecast for 2017

2017 First-Half Results

+ Record-high sales and OP
  - Increase in capital spending in Asia
  - High demand for etching for 3D-NAND
+ Record-high production volume in Mass flow controller (MFC)

2017 Full-Year Forecast

+ Robust capital spending by Semi. makers
+ Continuous high-level production of MFC

MFC-related topics in Semi. market

- Transition of memory in data centers
  -> Surge in semiconductor
- Change in semi. technology
  (Miniaturization, 3D-NAND, Multi-layered)
  -> High demand for etching

HORIBA’s strengths

Business portfolio to supply accurate MFC sustainably

Sales and O.P. (Half-year)

<table>
<thead>
<tr>
<th>Year</th>
<th>14.1H</th>
<th>14.2H</th>
<th>15.1H</th>
<th>15.2H</th>
<th>16.1H</th>
<th>16.2H</th>
<th>17.1H</th>
<th>17.2H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>13.1</td>
<td>15.7</td>
<td>19.1</td>
<td>16.2</td>
<td>17.8</td>
<td>20.9</td>
<td>24.7</td>
<td>23.2</td>
</tr>
<tr>
<td>O.P.</td>
<td>2.6</td>
<td>3.7</td>
<td>5.1</td>
<td>4.2</td>
<td>4.4</td>
<td>5.1</td>
<td>6.7</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Sales and O.P. (Full-year)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 Previous Forecast</th>
<th>2017 Revised Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>17.8</td>
<td>24.1</td>
<td>28.9</td>
<td>35.3</td>
<td>38.8</td>
<td>46.0</td>
<td>48.0</td>
</tr>
<tr>
<td>O.P.</td>
<td>2.2</td>
<td>4.8</td>
<td>6.4</td>
<td>9.4</td>
<td>9.6</td>
<td>12.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>
Further enhancing stable supply

Investment in production factory (Aso in Japan; South Korea)

◆ Expanding Aso factory of HORIBA STEC Co., Ltd.
  Investment: App. 2.7bn yen / Completion: Dec. 2017 (Plan)
  Objective: Expand production capacity of MFC (1.5 times in floor space)

◆ Established a new head office of HORIBA STEC KOREA, Ltd.
  Start: Apr. 1st, 2017 / Place: Yongin-si (Suburb of Seoul)
  Objective: Increase production and engineers, enhance training capability

Action for quality improvement

◆ Acquire ISO/IEC 17025* that is related to gas calibration
  - Kyoto Fukuchiyama Technology Center (HORIBA STEC Co., Ltd.)
  - Develop measurement system for calibration
    = Stable supply of higher-precision MFCs

◆ R&D of next-generation materials, jointly with Semi. device makers

*ISO/IEC 17025; Quality management system and technology management for testing and calibration
First-Half Results and Forecast for 2017
(Billions of Yen)

2017 First-Half Results

+ Sales increase of core components for optical products in US and EU
- Sluggish sales for universities in Japan, US, and EU ⇔ + Strong sales in China
+ Increase in R&D expenses for new product launch

2017 Full-Year Forecast

+ Firm sales of core components for optical products
- Slow demand from universities in Japan, US, and EU
+ Develop new market by customized products to meet needs of each customer

Sales and O.P. (Half-year)

Sales O.P.
11.6  13.9  13.1  13.6  12.3  13.3  11.5  13.4
0.0  1.1  0.6  0.5  0.2  0.6  -0.4  0.9
14.1H 14.2H 15.1H 15.2H 16.1H 16.2H 17.1H 17.2H
Forecast

Sales and O.P. (Full-year)

Sales O.P.
20.4  22.9  25.6  26.7  25.7  25.0  25.0
0.9  0.9  1.2  1.1  0.9  0.5  0.5
2012 2013 2014 2015 2016 2017 Previous Forecast Revised Forecast
Supporting to cultivate HORIBA’s technologies

“Diffracting grating,” core technology of the French subsidiary

- Increase in demand for customized grating for high-intensity laser
- Increase in demand for optical equipment including grating increase for SPE* makers

*Semiconductor Production Equipment

HORIBA France S.A.S. (former HORIBA Jobin Yvon S.A.S.)

- Long-established manufacturer of optical instruments with mass-production technology in grating
  - Founded in 1819 (200-year anniversary in 2019)
  - Jointed the HORIBA Group in 1997 (20th anniversary from integration)

Laser particle-size analyzers received the 9th Laser Society Industry Awards

- Award laser products and technologies that contribute to development of the domestic industry
  - Equipment to irradiate particles with a laser to measure their size
  - Utilize for R&D and quality improvement of particles in various fields (i.e., electronic parts, battery, food, abrasives, medicines)
Contents

- 2017 First-Half Results
- 2017 Full Year Forecast
- Business Segment Outline
- Shareholder Return
- Other Topics
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  - Corporate Profile
## Shareholder return

### Basic policy
- Dividend payment + Share buyback = 30% of Consolidated net profit to be targeted
- Remaining earnings are retained internally for strategic investment (i.e., facilities, M&A)

### Dividends per share and Share buybacks

<table>
<thead>
<tr>
<th>Year</th>
<th>Per-share dividend [Interim, Year-end]</th>
<th>Share Buyback (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Results</td>
<td>70 yen [28 yen, 42 yen] + 0.99bn yen</td>
<td></td>
</tr>
<tr>
<td>2016 Results</td>
<td>85 yen [30 yen, 55 yen]</td>
<td></td>
</tr>
<tr>
<td>2017 Forecast</td>
<td>90 yen [40 yen, 50 yen]</td>
<td>(No change from previous forecast)</td>
</tr>
</tbody>
</table>

- Renewed record-highs in dividend in 6 years (Forecast)
- An average total return ratio of last 3 years: 28%

---

Per-share dividend (from 2008 to 2017 Forecast)
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**Action for workstyle innovation**

<table>
<thead>
<tr>
<th>“Stained Glass Project” initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STEP 1</strong> 2014</td>
</tr>
<tr>
<td>- Start from promoting women’s empowerment</td>
</tr>
<tr>
<td><strong>STEP 2</strong> 2015</td>
</tr>
<tr>
<td>- Start &quot;workstyle innovation&quot; workshop</td>
</tr>
<tr>
<td>- Theme: “Change actions by individuals”</td>
</tr>
<tr>
<td><strong>STEP 3</strong> 2016 -</td>
</tr>
<tr>
<td>- “Stained Glass” connects management, human resources and work front</td>
</tr>
<tr>
<td>- Make use of the characteristics of each worksite and organization</td>
</tr>
</tbody>
</table>

“KAERU” Meeting  “KAERU” = Going home (from May 2017)
- 111 persons (18 teams) join
- Themes: “Efficient operation” “Individual skill-up”
- 70 ideas have been registered

Recognized under the 2017 Certified Health and Productivity Management Organization Recognition Program

Program to award companies engaged in health-conscious management (designed by the METI and operated by the Nippon Kenko Kaigi)

Evaluation given to HORIBA

Top management’s declaration to promote mental/physical health
Innovative ideas by cross-sectoral projects and teams
HORIBA Stained Glass Project

When diverse human resources can shine, HORIBA can become even stronger

<Goals>

1. Increase the corporate competitiveness of HORIBA through diversity
   - Turn diversity beyond gender, generation, group, nationality, form of employment, disability, etc. into power and promote innovation by encouraging all members to be aware of and challenge mental barriers.

2. Create next-generation leaders and role models for diverse working styles
   - Support the discovery and creation of best practices and share them inside and outside HORIBA.

3. Increase added value and productivity per hour of organizations and individuals
   - Increase added value of individuals by radically reforming their working styles to allow them to achieve a good work-life balance.

<Project system>

- Project Owner: Executive Vice President
- Advisor: HORIBA's first female board member
- Project Leader: A female manager who proposed the project
- Members: A wide variety of human resources from group companies
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Operating profit analysis (vs. 2016)

(Millions of Yen)


7,778
Increase Sales amount +8,150
Increase Cost of goods sales -4,979
Exchange impact for Gross profit -128
Exchange impact for Expenses +266
R&D cost increase -385
Other expenses increase -1,000
9,701

Increase of Operating profit +1,923
Sales impact / Decrease sales cost ratio +3,170
Exchange impact +139
Expenses impact -1,385
Impact of fluctuation in foreign exchange

Exchange rate impact for 2017 Forecast
1 yen impact of Sales and O.P.
(Yen appreciation)

Sales
USD  -448 millions of yen
EUR  -331 millions of yen
GBP   -88 millions of yen

Operating Profit
USD  -162 millions of yen
EUR  -28 millions of yen
GBP   -4 millions of yen

Exchange rate impact
(2017 First-Half Results)

<table>
<thead>
<tr>
<th>(Millions of Yen)</th>
<th>Sales</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total USD</td>
<td>EUR</td>
</tr>
<tr>
<td>Auto</td>
<td>-649</td>
<td>+24</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>-24</td>
<td>+7</td>
</tr>
<tr>
<td>Medical</td>
<td>-120</td>
<td>+14</td>
</tr>
<tr>
<td>Semi</td>
<td>+61</td>
<td>+65</td>
</tr>
<tr>
<td>Scientific</td>
<td>-74</td>
<td>+24</td>
</tr>
<tr>
<td>Total</td>
<td>-806</td>
<td>+134</td>
</tr>
</tbody>
</table>
## Consolidated Cash Flows

### (Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th>2016 First-Half</th>
<th>2017 First-Half</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>5,987</td>
<td>16,274</td>
<td>+10,287</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-5,071</td>
<td>-6,804</td>
<td>-1,732</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>59</td>
<td>-7,104</td>
<td>-7,164</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>47,719</td>
<td>54,174</td>
<td>+6,454</td>
</tr>
<tr>
<td>Free cash flows</td>
<td>915</td>
<td>9,470</td>
<td>+8,555</td>
</tr>
</tbody>
</table>
## Capital Investment, Depreciation, R&D

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2016 Results</th>
<th>2017 Forecast</th>
<th>Revised Forecast</th>
<th>vs Forecast as of May 12</th>
<th>2016 First-Half</th>
<th>2017 First-Half</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E</td>
<td>13.4</td>
<td>14.6</td>
<td>14.6</td>
<td>-</td>
<td>5.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Intangibles</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>-</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>13.7</td>
<td>15.0</td>
<td>15.0</td>
<td>-</td>
<td>5.8</td>
<td>5.5</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6.8</td>
<td>7.2</td>
<td>7.2</td>
<td>-</td>
<td>3.2</td>
<td>3.6</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>12.9</td>
<td>14.0</td>
<td>14.0</td>
<td>-</td>
<td>6.3</td>
<td>6.6</td>
</tr>
<tr>
<td>(To net sales)</td>
<td>7.6%</td>
<td>7.7%</td>
<td>7.4%</td>
<td>-0.3p</td>
<td>7.9%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>
Cash Balance

(Billions of yen)

Consolidated basis, each end of the year

Total Loan Balance

2014

254%

60%

2015

242%

55%

2016

237%

55%

2017 end of June

243%

56%

Current ratio

Capital ratio

- Loan repayment due to group financing
- Recent issuer rating: R&I [A-] (July 2017), JCR [A] (August 2017)

Cash*...Cash and Cash Equivalents at End of Period

Bond redemption in 2020

Borrowed from JBIC* 15.1bn yen

*Japan Bank for International Cooperation

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Corporate Profile

- Head office  Kyoto, Japan
- Founded     1945
- Incorporated 1953
- CEO         Atsushi Horiba
- Fiscal year end December 31

- Corporate motto -

JOY and FUN

To have interest and pride in our work to enjoy our lives
Business Segments

Automotive Test Systems
- Emission Measurement Systems
- Test Automation Systems
- Intelligent Transport Systems
- Engineering Consultancy & Testing (HORIBA MIRA, Ltd)

Process & Environmental
- Environmental & Process Systems
- Environmental Radiation Monitor
- Environmental Regulation & Process Business

Medical
- In-Vitro Diagnostic (IVD) Systems
- Integration of HORIBA ABX’s Technology & Marketing Know-how

Semiconductor
- Mass Flow Controller
- In-situ Analysis
- Synergy among HORIBA HQ, HORIBA STEC, HORIBA Advanced Techno and HORIBA Jobin Yvon’s Technologies

Scientific
- Raman, Grating, and Fluorescence
- Synergy of HORIBA and HORIBA Jobin Yvon’s Technologies
Sales Breakdown by Segment

Sales: 170.0 B.JPY
(1,460 MUSD)

36% Automotive
15% Scientific
23% Semiconductor
16% Medical
10% Process & Environmental

( ) = Segment Sales in MUSD
% = Segment Sales Ratio
(Sales of FY2016)
Market Shares

Global

<table>
<thead>
<tr>
<th>Category</th>
<th>Global Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emission Measurement Systems</td>
<td>80%</td>
</tr>
<tr>
<td>Stack Gas Analyzers</td>
<td>20%</td>
</tr>
</tbody>
</table>

Domestic

<table>
<thead>
<tr>
<th>Category</th>
<th>Domestic Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Blood Cell Counter plus CRP</td>
<td>100%</td>
</tr>
</tbody>
</table>

- Mass Flow Controllers: 57%
- Raman Spectrophotometers: 30%
- Gratings: 35%

※Market shares quoted are estimates by HORIBA.
HORIBA Worldwide

Sales of FY2016 : 170.0 BJPY
(1,460 MUSD)

The Number of Group Companies by region
(As of December 31, 2016)

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>9</td>
</tr>
<tr>
<td>Europe</td>
<td>23</td>
</tr>
<tr>
<td>Asia</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales Ratio by Region

- EU: 23%
- Japan: 33%
- Americas: 18%
- Asia: 26%
Employees by Region

(As of December 31, 2016)

- Japan: 38% (3,761 employees)
- U.S.A: 10% (714 employees)
- Germany: 8% (2,442 employees)
- UK: 11% (946 employees)
- France: 13% (3,761 employees)
- Other Asia: 15% (7,149 employees)
- Other Europe: 2% (3,761 employees)
- Americas: 3% (946 employees)

Total Number of Employees: 7,149
Thank you very much for your attention.