Contents

- 2017 Results & Forecast
- Business Segment Outline
- Shareholder Return
- Other Topics
  - Financial Data
  - Corporate Profile

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Review 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.</td>
</tr>
<tr>
<td>→ General election in UK</td>
<td>Market cap exceeded 330bn yen</td>
</tr>
<tr>
<td>◆ UK’s announcement to leave EU</td>
<td>◆ Workstyle innovation</td>
</tr>
<tr>
<td>→ General election in UK</td>
<td></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>
## 2017 Jan.-Sept. Results and Full year forecast

- **Jan.-Sept. Results**: Renewed record-highs in sales and profit due to booming Auto. & Semi. segments.
- **Full year forecast**: Upward revision of sales, profit, and dividends.

<table>
<thead>
<tr>
<th></th>
<th>Jan.-Sept. Results</th>
<th>Full year 2017 Forecast</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>116.9</td>
<td>132.2</td>
</tr>
<tr>
<td><strong>O.P.</strong></td>
<td>10.6</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>10.3</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>Net Income attributable to Owners of Parent</strong></td>
<td>7.2</td>
<td>10.7</td>
</tr>
<tr>
<td><strong>Dividends per share (JPY)</strong></td>
<td>85</td>
<td>90</td>
</tr>
<tr>
<td><strong>USD/JPY</strong></td>
<td>108.57</td>
<td>111.89</td>
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<tr>
<td><strong>EUR/JPY</strong></td>
<td>121.06</td>
<td>124.58</td>
</tr>
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</table>
## Sales, O.P. (Jan.-Sept. Results and Full year forecast)

### Jan.-Sept. Results
- **Auto**: Increased sales and profit due to tighter emission regulations (EMS) and recovery in capital spending by automakers (MCT).
- **Semi**: Increased sales and profit due to continuous robust capital spending by Semi markers.

### Full year forecast
- **Semi**: Upward revision due to booming market condition.
- **Scientific**: Upward revision due to good sales in China and US.
- **P&E**: Downward revision due to slow sales in US.

### Sales (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td>Results</td>
<td></td>
</tr>
<tr>
<td>Auto</td>
<td>39.4</td>
<td>45.3</td>
<td>+5.9</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>11.8</td>
<td>12.0</td>
<td>+0.2</td>
</tr>
<tr>
<td>Medical</td>
<td>19.7</td>
<td>18.5</td>
<td>-1.2</td>
</tr>
<tr>
<td>Semi</td>
<td>27.7</td>
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<td>+10.8</td>
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<tr>
<td>Scientific</td>
<td>18.1</td>
<td>17.7</td>
<td>-0.3</td>
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<tr>
<td>Total</td>
<td>116.9</td>
<td>132.2</td>
<td>+15.3</td>
</tr>
</tbody>
</table>

### O.P. (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td>Results</td>
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</tr>
<tr>
<td>Auto</td>
<td>0.0</td>
<td>2.2</td>
<td>+2.2</td>
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<tr>
<td>P&amp;E</td>
<td>1.1</td>
<td>0.4</td>
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</tr>
<tr>
<td>Medical</td>
<td>2.2</td>
<td>1.2</td>
<td>-0.9</td>
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<tr>
<td>Semi</td>
<td>7.1</td>
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<tr>
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<td>Total</td>
<td>10.6</td>
<td>14.6</td>
<td>+3.9</td>
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### Forecast (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>vs 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td>Forecast</td>
<td>vs 2016</td>
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<tr>
<td>Auto</td>
<td>62.2</td>
<td>71.0</td>
<td>+8.7</td>
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<tr>
<td>P&amp;E</td>
<td>16.7</td>
<td>17.0</td>
<td>+0.2</td>
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<tr>
<td>Medical</td>
<td>26.5</td>
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<tr>
<td>Semi</td>
<td>38.8</td>
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<td>Scientific</td>
<td>25.7</td>
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<tr>
<td>Total</td>
<td>170.0</td>
<td>190.0</td>
<td>+19.9</td>
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### Forecast as of Aug.4 (Billions of Yen)

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<th>2017</th>
<th>vs Previous forecast</th>
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<tr>
<td>Auto</td>
<td>71.0</td>
<td>No change</td>
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<tr>
<td>P&amp;E</td>
<td>18.0</td>
<td>- 1.0</td>
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<tr>
<td>Medical</td>
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<td>Semi</td>
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<td>Total</td>
<td>187.0</td>
<td>+3.0</td>
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</table>
# Sales, O.P. (Quarterly Results and Forecast)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Sales</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full year</td>
<td>1Q</td>
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<tr>
<td>Auto</td>
<td>62.2</td>
<td>17.3</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>16.7</td>
<td>4.1</td>
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<tr>
<td>Medical</td>
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<tr>
<td>Semi</td>
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<tr>
<td>Scientific</td>
<td>25.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>170.0</td>
<td>45.6</td>
</tr>
</tbody>
</table>

### Sales, O.P. (Quarterly Results and Forecast)

- **Auto**
  - Increased sales and profit due to tighter regulations in 3Q
  - Continuous booming in 4Q

- **Semi**
  - Increased sales and profit greatly due to tentative large orders in 3Q
  - Continuous large volume of shipment in 4Q
### Bookings trend

(Billions of Yen)

Record-highs bookings and backlog in 3Q due to booming Auto. & Semi. segments.

<table>
<thead>
<tr>
<th></th>
<th>Bookings</th>
<th>Backlog</th>
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<tbody>
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<td></td>
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<td>4Q</td>
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<tr>
<td>Auto</td>
<td>18.6</td>
<td>22.1</td>
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<tr>
<td>P&amp;E</td>
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<tr>
<td>Medical</td>
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<tr>
<td>Semi</td>
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<tr>
<td>Scientific</td>
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<td>8.6</td>
</tr>
<tr>
<td>Total</td>
<td>44.2</td>
<td>54.3</td>
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</tbody>
</table>
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# Market Overview for the Full-Year 2017

<table>
<thead>
<tr>
<th>Market</th>
<th>Overview</th>
</tr>
</thead>
</table>
| 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 |
**Jan.-Sept. Results and Forecast for 2017**

**2017 Jan.-Sept. 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

### Sales (Billions of Yen)

#### Jan.-Sept. Results
- **EMS**: 28.0 (25.1)
- **MCT**: 10.1 (7.4)
- **ITS**: 1.3 (1.2)
- **ECT**: 5.8 (5.5)

#### Full-Year Forecast
- **EMS**: 44.0 (40.1)
- **MCT**: 18.0 (13.2)
- **ITS**: 2.0 (1.6)
- **ECT**: 7.0 (7.1)

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

- **Sales**
  - 2012: 43.2
  - 2013: 49.5
  - 2014: 55.0
  - 2015: 65.4
  - 2016: 62.2
  - 2017: 71.0

- **O.P.**
  - 2012: 4.4
  - 2013: 4.2
  - 2014: 5.8
  - 2015: 5.2
  - 2016: 3.5
  - 2017: 5.7

**Previous Forecast**
- 2017: 71.0

**Revised Forecast**
- 2017: 71.0

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Action for next-generation emission regulations

**WLTP**<sup>※1</sup> (Unified emission regulations by the UN)
- Start: Sep. 2017 in EU; Oct. 2018 in Japan

**RDE Regulation**<sup>※2</sup> (On-board emission regulation)
- Start: Sep. 2017 in EU; 2022 in Japan

*1 Worldwide harmonized Light vehicles Test Procedure
*2 Real Driving Emission

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

- Start: July 5<sup>th</sup>, 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales/ Backlog</th>
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<tbody>
<tr>
<td>2013</td>
<td>17.9</td>
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<tr>
<td>2014</td>
<td>20.2</td>
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<tr>
<td>2015</td>
<td>26.9</td>
</tr>
<tr>
<td>2016</td>
<td>29.4</td>
</tr>
<tr>
<td>2017</td>
<td>Forecast 42.1</td>
</tr>
</tbody>
</table>

Forecast (Billions of Yen)
Auto Contributing to R&D for EVs and autonomous driving vehicles

(Billions of Yen)

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

[Sales/ Backlog]

<table>
<thead>
<tr>
<th>Year</th>
<th>Backlog</th>
<th>Sales</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>12.8</td>
<td>14.5</td>
<td>13.2</td>
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<tr>
<td>2014</td>
<td>13.3</td>
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<tr>
<td>2016</td>
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<td>18.0</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of Sept. end

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 won bits for the autonomous vehicle project

- Won bits for subsidy programs lead by UK government.
- Establish the facility which conduct multi-purpose tests such as communication, crash, and vehicle turning.

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**P&E**

Jan.-Sept. Results and Forecast for 2017

(Billions of Yen)

### 2017 Jan.-Sept. 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. (Full-year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Billions)</th>
<th>O.P. (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>13.7</td>
<td>1.6</td>
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<tr>
<td>2013</td>
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<td>2014</td>
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<tr>
<td>2015</td>
<td>16.7</td>
<td>1.7</td>
</tr>
<tr>
<td>2016</td>
<td>16.7</td>
<td>1.5</td>
</tr>
<tr>
<td>2017 Previous Forecast</td>
<td>18.0</td>
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</tr>
<tr>
<td>2017 Revised Forecast</td>
<td>17.0</td>
<td>0.6</td>
</tr>
</tbody>
</table>

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P&E Enhancing global business

Invest in the process measurement equipment business: New Houston factory

Start: April 1st, 2017
Place: Houston 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 (group company) 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
Jan.-Sept. Results and Forecast for 2017

(Billions of Yen)

**2017 Jan.-Sept. Result**

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>22.4</td>
<td>2.4</td>
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<tr>
<td>2013</td>
<td>26.8</td>
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<td>2014</td>
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<tr>
<td>2016</td>
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<td>2017 Previous Forecast</td>
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<tr>
<td>2017 Revised Forecast</td>
<td>25.0</td>
<td>1.7</td>
</tr>
</tbody>
</table>

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New product launch for business expansion

New inspection system “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

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Jan.-Sept. Results and Forecast for 2017

(Billions of Yen)

2017 Jan.-Sept. 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
- 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. (Full-year)

Sales | O.P.
---|---
17.8 | 2.2
24.1 | 4.8
28.9 | 6.4
35.3 | 9.4
38.8 | 9.6
48.0 | 13.0
51.0 | 14.5

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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
Jan.-Sept. Results and Forecast for 2017

**2017 Jan.-Sept. 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. (Full-year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Billions of Yen)</th>
<th>O.P. (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>20.4</td>
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<td>22.9</td>
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<td>2017</td>
<td>25.0 (Previous Forecast)</td>
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<tr>
<td></td>
<td>26.0 (Revised Forecast)</td>
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</tr>
</tbody>
</table>

**Forecast Details**

- **Diffraction grating**
  - Core components for optical products
  - Global top-level technology

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“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)
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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

2015 Results 70 yen [Interim 28 yen, Year-end 42 yen] +Share Buyback (0.99bn yen)
2016 Results 85 yen [Interim 30 yen, Year-end 55 yen]
2017 Forecast 95 yen [Interim 40 yen, Year-end 55 yen] (+5 yen from previous forecast)

Per-share dividend (from 2008 to 2017 Forecast)

Renewed record-highs in dividend in 6 years (Forecast)

An average total return ratio of last 3 years: 28%
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Change of Representative Directors

At the board meeting on Oct. 24th 2017, change of Company’s Representative Directors was decided as follows

<table>
<thead>
<tr>
<th>Name</th>
<th>New title from Jan. 1st 2018</th>
<th>Current title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atsushi Horiba</td>
<td>Chairman &amp; Group CEO</td>
<td>Chairman, President and CEO</td>
</tr>
<tr>
<td>Juichi Saito</td>
<td>Executive Vice Chairman &amp; Group COO</td>
<td>Executive Vice President</td>
</tr>
<tr>
<td>Masayuki Adachi</td>
<td>President &amp; COO</td>
<td>Senior Managing Director</td>
</tr>
</tbody>
</table>

◆Purpose of the personal change

- Strengthening group management
- Defining the group management system
- Further enhancement of HORIBA’s technical and development capabilities

◆Future role

Horiba : Strengthen governance by further extending and promoting our corporate culture
Saito : Manage the group as whole and lead concentrate strategies
Adachi : Focus on administrative leadership of HORIBA, Ltd., as a global headquarter of the HORIBA Group
HORIBA Medical and Siemens Healthineers enter into long-term agreement on Oct. 9th.

◆ Background of the agreement

Achieve further expansion in IVD market to address the multidisciplinary requirement though long-term partnership

➢ HORIBA ABX S.A.S. (France)
  Continuous investments have resulted in hematology technology solutions.

➢ Siemens Healthineers Diagnostics Inc. (US)
  Provide total healthcare solution including inspection equipment, diagnostic imaging unit, care system

◆ Future plan

➢ Siemens Healthineers will combine the complimentary innovative technology and offer more application

➢ HORIBA Medical will continue offering innovative technology solution through its Yumizen brand

New inspection system
HELO Solution
Launch in 2017
**Action for workstyle innovation**

**“Stained Glass Project” initiatives**

**STEP 1**
- 2014
- Start from promoting women’s empowerment

**STEP 2**
- 2015
- Start “workstyle innovation” workshop
- Theme: “Change actions by individuals”

**STEP 3**
- 2016 -
- “Stained Glass” connects management, human resources and work front
- Make use of the characteristics of each worksite and organization

**“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)

2016 Jan.-Sept.

- Increase Sales amount: +13,716
- Increase Cost of goods sales: -8,002
- Exchange impact for Gross profit: +1,107
- Exchange impact for Expenses: -380
- R&D cost increase: -577
- Other expenses increase: -1,909

2017 Jan.-Sept.

- Increase Sales amount: +13,716
- Increase Cost of goods sales: -8,002
- Exchange impact for Gross profit: +1,107
- Exchange impact for Expenses: -380
- R&D cost increase: -577
- Other expenses increase: -1,909

Sales impact / Decrease sales cost ratio: +5,714
Exchange impact: +727
Expenses impact: -2,487
Increase of Operating profit: +3,953
# Impact of fluctuation in foreign exchange

## Exchange rate impact (2017 Nine Months Results)

### Average Exchange rate

Jan.-Sept. 2016  USD/JPY : 108.57, EUR/JPY : 121.06  

### (Millions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>USD</td>
<td>EUR</td>
</tr>
<tr>
<td>Auto</td>
<td>+133</td>
<td>+180</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>+129</td>
<td>+59</td>
</tr>
<tr>
<td>Medical</td>
<td>+384</td>
<td>+107</td>
</tr>
<tr>
<td>Semi</td>
<td>+664</td>
<td>+515</td>
</tr>
<tr>
<td>Scientific</td>
<td>+361</td>
<td>+199</td>
</tr>
<tr>
<td>Total</td>
<td>+1,671</td>
<td>+1,060</td>
</tr>
</tbody>
</table>

* Sum of above 2 currencies is not equal to total amount due to other currencies (e.g. Asian currencies)

## Exchange rate for 2017 Forecast

USD/JPY : 111, EUR/JPY : 127  
(4Q USD/JPY : 108, EUR/JPY : 134)

### Exchange rate impact for 2017 Forecast

1 yen impact of Sales and O.P. (Yen appreciation)

- **Sales**
  - USD  -469 millions of yen
  - EUR  -337 millions of yen

- **Operating Profit**
  - USD  -169 millions of yen
  - EUR  -28 millions of yen
### Capital Investment, Depreciation, R&D

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PP&amp;E</strong></td>
<td>13.4</td>
<td>14.6</td>
<td>14.6</td>
<td>No change</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Intangibles</strong></td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>No change</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Capital Investment</strong></td>
<td>13.7</td>
<td>15.0</td>
<td>15.0</td>
<td>No change</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>6.8</td>
<td>7.2</td>
<td>7.2</td>
<td>No change</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>12.9</td>
<td>14.0</td>
<td>14.0</td>
<td>No change</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>(To net sales)</strong></td>
<td>7.6%</td>
<td>7.4%</td>
<td>7.3%</td>
<td>-0.1p</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

No change from previous forecast

- **(To net sales)** comparison indicates a decrease of 0.1 percentage points.
## 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>
## Cash Balance

(Billions of yen)

(Consolidated basis, each end of the year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash*</th>
<th>Bonds</th>
<th>Long</th>
<th>Short</th>
<th>Total Loan Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>*51.1</td>
<td>15.0</td>
<td>2.2</td>
<td>10.8</td>
<td>28.0</td>
</tr>
<tr>
<td>2015</td>
<td>*47.8</td>
<td>15.0</td>
<td>16.8</td>
<td>12.8</td>
<td>44.7</td>
</tr>
<tr>
<td>2016</td>
<td>*51.9</td>
<td>15.0</td>
<td>19.2</td>
<td>12.4</td>
<td>46.7</td>
</tr>
<tr>
<td>2017 end of Jun.</td>
<td>*54.1</td>
<td>15.0</td>
<td>19.0</td>
<td>7.6</td>
<td>41.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Current ratio</th>
<th>Capital ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>254%</td>
<td>60%</td>
</tr>
<tr>
<td>2015</td>
<td>229%</td>
<td>55%</td>
</tr>
<tr>
<td>2016</td>
<td>237%</td>
<td>55%</td>
</tr>
<tr>
<td>2017 end of Jun.</td>
<td>243%</td>
<td>56%</td>
</tr>
</tbody>
</table>

- 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 France’s Technologies  
| Scientific | Raman, Grating, and Fluorescence  
|          | Synergy of HORIBA and HORIBA France’s Technologies  

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Business Segments

Sales Breakdown by Segment

Sales: 170.0 bn yen

- Automotive: 62.2 bn yen (534 MUSD), 36%
- Scientific: 25.7 bn yen (220 MUSD), 15%
- Medical: 26.5 bn yen (228 MUSD), 16%
- Semiconductor: 38.8 bn yen (333 MUSD), 23%
- Process & Environmental: 16.7 bn yen (143 MUSD), 10%

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

Global

Emission Measurement Systems

80%

Stack Gas Analyzers

20%

Domestic

Automatic Blood Cell Counter plus CRP

100%

(As of December 31, 2015)

Mass Flow Controllers

57%

Raman Spectrophotometers

30%

Gratings

35%

※Market shares quoted are estimates by HORIBA.
HORIBA Worldwide

Sales Ratio by Region

The Number of Group Companies by region

(As of December 31, 2016)

- Americas: 9
- Europe: 23
- Asia: 17 (4 in Japan, including HORIBA, Ltd.)
- Total: 49

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

(As of December 31, 2016)

- **Japan**: 38%
- **U.S.A**: 10%
- **Germany**: 8%
- **UK**: 11%
- **France**: 13%
- **Other Asia**: 15%
- **Other Europe**: 2%
- **Americas**: 3%

**Total Number of Employees**
- **Japan**: 3,761 (53%)
- **Total Europe**: 2,442 (34%)
- **Total Americas**: 946 (13%)
- **Total**: 7,149

(As of December 31, 2016)
Thank you very much for your attention.