Financial Information

HORIBA, Ltd.

June, 2020

(This material was prepared for the 2020Q1 financial results briefing performed on the 25th June, 2020)
Contents

- 2019 Results
- 2020 Forecasts
- Progress of MLMAP2023
- Shareholder Return
- Other Topics
  - Financial Data
  - Corporate Profile
Contents

- 2019 Results
- 2020 Forecasts
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## Review of 2019

<table>
<thead>
<tr>
<th>External Events</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ The rise of protectionism (the US-China trade conflict, the deteriorating Japan-South Korea relationship)</td>
<td></td>
</tr>
<tr>
<td>◆ BREXIT</td>
<td></td>
</tr>
<tr>
<td>◆ Slowdown in capital spending on semiconductors</td>
<td></td>
</tr>
<tr>
<td>◆ The accelerating automotive electrification trend and tighter emission regulations globally</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal Events</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ Formulation of the Mid-Long Term Management Plan “MLMAP2023”</td>
<td></td>
</tr>
<tr>
<td>◆ Continual enhancement of R&amp;D bases on a global scale</td>
<td></td>
</tr>
<tr>
<td>◆ Aggressive launch of new products</td>
<td></td>
</tr>
<tr>
<td>◆ Selected as a “Nadeshiko Brand” and for the “Health &amp; Productivity Stock Selection Program” by METI and the Tokyo Stock Exchange</td>
<td></td>
</tr>
</tbody>
</table>
## Summary of 2019 Results

### Year-on-year decrease in sales and profit due to slowdown of the semiconductor segment

- **P&L**
  - Year-on-year decrease in sales and profit of the Semiconductor segment due to impacts of the market
  - Due to a change in geographical sales mix and other factors, decline in profitability of the Automotive segment though the sales increased

- **B/S**
  - Total assets were ¥315.1bn, increase ¥37.7bn, mainly due to increase in cash caused by issuing corporate debts
  - Equity ratio: 54.3% (-3.9%) (compared to the end of Dec. 2018)

- **CF**
  - Operating CF: Cash in ¥26.6bn due to operating profit
  - Investing CF: Cash out ¥12.3bn due to acquisition of tangible fixed assets
  - Financial CF: Cash in ¥19.2bn due to issue of corporate debts

Free CF: +14.2bn
## 2019 Results

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2018 Results</th>
<th>Forecast (as of Nov. 11)</th>
<th>2019 Results</th>
<th>vs 2018</th>
<th>vs Forecast (as of Nov. 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>210.5</td>
<td>207.0</td>
<td>200.2</td>
<td>-10.3</td>
<td>-6.7</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>28.8</td>
<td>23.0</td>
<td>20.9</td>
<td>-7.9</td>
<td>-2.0</td>
</tr>
<tr>
<td><strong>O.P.%</strong></td>
<td>13.7%</td>
<td>11.1%</td>
<td>10.4%</td>
<td>-3.3p</td>
<td>-0.7p</td>
</tr>
<tr>
<td><strong>Ordinary Profit</strong></td>
<td>28.3</td>
<td>22.5</td>
<td>20.5</td>
<td>-7.7</td>
<td>-1.9</td>
</tr>
<tr>
<td><strong>Net Income attributable to Owners of Parent</strong></td>
<td>22.3</td>
<td>16.0</td>
<td>15.4</td>
<td>-6.8</td>
<td>-0.5</td>
</tr>
<tr>
<td><strong>USD/JPY</strong></td>
<td>110.44</td>
<td>110.00</td>
<td>109.03</td>
<td>-1.41</td>
<td>-0.97</td>
</tr>
<tr>
<td><strong>EUR/JPY</strong></td>
<td>130.35</td>
<td>122.00</td>
<td>122.03</td>
<td>-8.32</td>
<td>+0.03</td>
</tr>
</tbody>
</table>
## 2019 Results by Segment

<table>
<thead>
<tr>
<th></th>
<th>Sales (Billions of Yen)</th>
<th>Operating profit (Billions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results vs 2018 vs Forecast</td>
<td>Results vs 2018 vs Forecast</td>
</tr>
<tr>
<td>2018</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Auto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>79.6</td>
<td>83.0</td>
</tr>
<tr>
<td>Forecast</td>
<td>83.0</td>
<td></td>
</tr>
<tr>
<td>P&amp;E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>19.3</td>
<td>20.0</td>
</tr>
<tr>
<td>Forecast</td>
<td>20.0</td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>26.0</td>
<td>26.0</td>
</tr>
<tr>
<td>Forecast</td>
<td>26.0</td>
<td></td>
</tr>
<tr>
<td>Semi</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>57.7</td>
<td>50.0</td>
</tr>
<tr>
<td>Forecast</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>Scientific</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>27.7</td>
<td>28.0</td>
</tr>
<tr>
<td>Forecast</td>
<td>28.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>210.5</td>
<td>207.0</td>
</tr>
<tr>
<td>Forecast</td>
<td>207.0</td>
<td></td>
</tr>
</tbody>
</table>

* : Record-high
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- Shareholder Return
- Other Topics
  - Financial Data
  - Corporate Profile
## Background of the Announcement of Earnings Forecasts and Dividend Forecasts

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14th Feb.</td>
<td>Disclosed Earnings Forecasts and Dividend Forecasts</td>
</tr>
<tr>
<td>16th Apr.</td>
<td>Withdrew Earnings Forecasts and Dividend Forecasts (First Half / Full-year / Dividend)</td>
</tr>
<tr>
<td>20th May</td>
<td>Announcement of 1Q Financial Results</td>
</tr>
<tr>
<td>9th Jun.</td>
<td>Re-disclosed Earnings Forecasts and Dividend Forecasts</td>
</tr>
<tr>
<td>11th Aug.</td>
<td>Announcement of the First Half of Financial Results</td>
</tr>
</tbody>
</table>

- In response to the relaxation of restriction of the public's movements in various countries and other factors, compiled data regarding potential impacts and forecasts of each Group company.
- Disclose forecasts based on the currently-available information and projections.
## 2020 Forecasts

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2019 Results</th>
<th>2020 Forecast (as of Feb. 14)</th>
<th>Forecast vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>First Half</td>
<td>Second Half</td>
</tr>
<tr>
<td>Sales</td>
<td>200.2</td>
<td>215.0</td>
<td>84.0</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>20.9</td>
<td>25.0</td>
<td>5.5</td>
</tr>
<tr>
<td>O.P. %</td>
<td>10.4%</td>
<td>11.6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>20.5</td>
<td>24.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Neto Income attributable to Owners of Parent</td>
<td>15.4</td>
<td>17.5</td>
<td>4.0</td>
</tr>
</tbody>
</table>

| Net Profit per Share (yen) | 367 | 414 | 248 | -118 |
| ROE                        | 9.3% | 9.9% | 6.1% | -3.2p |
## 2020 Forecasts by Segments

(Billions of Yen)

<table>
<thead>
<tr>
<th>Sales</th>
<th>2019 Results</th>
<th>2020 Forecast (as of Fec. 14)</th>
<th>2020 Forecast</th>
<th>vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 Full year</td>
<td>2020 Yen</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Auto</td>
<td>81.0</td>
<td>85.0</td>
<td>68.0</td>
<td>-13.0</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>19.5</td>
<td>21.5</td>
<td>17.5</td>
<td>-2.0</td>
</tr>
<tr>
<td>Medical</td>
<td>25.3</td>
<td>27.0</td>
<td>23.0</td>
<td>-2.3</td>
</tr>
<tr>
<td>Semi</td>
<td>47.1</td>
<td>52.5</td>
<td>52.5</td>
<td>5.3</td>
</tr>
<tr>
<td>Scientific</td>
<td>27.1</td>
<td>29.0</td>
<td>26.0</td>
<td>-1.1</td>
</tr>
<tr>
<td>Total</td>
<td>200.2</td>
<td>215.0</td>
<td>187.0</td>
<td>-13.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Profit</th>
<th>2019</th>
<th>2020</th>
<th>vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>6.4</td>
<td>7.5</td>
<td>0.5</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>1.6</td>
<td>1.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Medical</td>
<td>1.3</td>
<td>1.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Semi</td>
<td>10.7</td>
<td>13.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Scientific</td>
<td>0.7</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Total</td>
<td>20.9</td>
<td>25.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

### [Topics by segments]

<Auto, Process & Environment, Scientific>

- Product shipment and acceptance may be delayed because of measures to restrict the movements of people and goods by various countries and regions.
- Sales are expected to decline owing to impacts caused by the downturn in the automobile industry, energy industry and other markets.

<Medical>

- Sales are projected to decrease due to a decrease in the number of tests performed at hospitals as a result of a decrease in the number of general patients because of the spread of COVID-19.

<Semi>

- Recovery in capital expenditure by semiconductor manufacturers
- Sales to semiconductor production equipment manufacturers are expected to remain firm.
- An increase in demand for semiconductors are expected owing to the expansion of telework, digital business, and others
## Market Assumptions by Regions and HORIBA Group’s Status

### Market Assumption in response to the spread of COVID-19

<table>
<thead>
<tr>
<th>Region</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>- Recovery of sales are expected along with full-scale recovery of economic activities after the state of emergency was lifted.</td>
</tr>
</tbody>
</table>
| China/Asia | - Recovery of sales are expected as the situation in East Asian such as China was settle down a bit earlier.  
- Keep an eye on the prospects of US-China trade friction.               |
| Americas | - Economic activities were resumed and are promoted, but heightening concerns about the situation.                                          |
| Europe   | - Economic activities were resumed after the state of emergency was lifted.                                                               |

### HORIBA Group’s Status (As of 9th June, 2020)

<table>
<thead>
<tr>
<th>Region</th>
<th>Procurement</th>
<th>Production</th>
<th>Promotion/Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>China/Asia</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>Americas</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
</tr>
<tr>
<td>Europe</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
</tr>
</tbody>
</table>
Cash Balance

Total Loan Balance

(Billions of Yen)

(Consolidated basis, each end of period)

- Reduction of external borrowing through intra-group lending

- Cash and bank deposit at end of period
Approach to Capital Investments and R&D

- **Capital investment**
  - Continue strategic investment from a long-term perspective
    - Continue large-scale capital investment such as construction of new facility in China; scrutinizing the schedule
  - Scrutinize renewal investment and others and implement from the most urgent

- **R&D investment**
  - Continue investment, looking ahead of demand recovery period
  - Consider priority of investment

- ✓ Forecasts has not been determined
- ✓ To be announced when the second quarter financial results are announced
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Priority Measures of MLMAP2023

MLMAP2023 Slogan “ONE STAGE AHEAD”

1. Market Oriented Business
   ✓ To develop analysis and measurement solutions, utilizing HORIBA’s core technologies, in the leading three business fields of the mega trend

2. Solution Provider Beyond Life Cycle Management
   ✓ To support customers’ core businesses from all aspects – from product introduction to replacement

3. HORIBA Core Values “The Next Stage of Super Dream Team”
   ✓ To enhance the organizational structure that fosters resilient human resources, which are the driving force of all businesses
     ➢ BlackJack Project/Stained Glass Project/HORIBA Premium Value
Accelerate Business in Electrification Area

Global increase in demand for electrified vehicles

Enhance the field of evaluation of fuel cell and power-train systems

Open the test facility for evaluation of batteries for electrified vehicles “CELL 0”

Establish a production system that responds to demand

HORIBA FuelCon’s new facility

Magdeburg in Germany (architectural rendering)
Construction to be completed at the end of 2021
Total cost: approx. 3.5 billion yen

Enable connection from CELL0 up to CELL3
◆ Total evaluation system “Test in the Loop”
◆ Offer value-added measurement solutions

Useful in evaluating electrified vehicles and fuel cells

Technologies of HORIBA FuelCon

MCT business

Market Oriented Business

Energy & Environment

< Technologies of HORIBA FuelCon

< HORIBA FuelCon’s new facility

< Magdeburg in Germany (architectural rendering)

< Construction to be completed at the end of 2021

< Total cost: approx. 3.5 billion yen

< Enable connection from CELL0 up to CELL3

< Total evaluation system “Test in the Loop”

< Offer value-added measurement solutions

< Useful in evaluating electrified vehicles and fuel cells

< MCT business

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**Growing Needs for Environmental Measures**

**[Water monitoring]**

**Water monitoring system for vessel emission gas scrubber**

Emission gas regulations targeting vessels (SOx Regulation)

Monitor intake- and drain-water from exhaust gas scrubbers

- Monitor for intake water
- Monitor for drain water

Water monitoring system for vessel emission gas scrubber EG-100

**[Gas monitoring]**

**Air pollution monitoring system**

Air pollution such as PM2.5 is a global-wide issue

- Specify the air pollution source
- Identify the causal mechanism
- Implement corrective measures promptly and appropriately

**[U.S.]**

- Air monitoring at several points, using PX-375 installed on a vehicle,

PM2.5 analyzer with automatic sampling PX-375

Respond to globally expanding environmental regulations
Contribute to the entire semiconductor manufacturing process

Diverse product line-up contributing to the overall semiconductor manufacturing process

Material assessment
- Materials Analysis
  - Raman spectrometer
- Device Analysis
  - Cathodoluminescence measurement system

Manufacturing process
- Lithography
  - Reticle/mask particle detection systems
- Dry Process
- Wet Process
  - End-point monitor

Quality control & waste water treatment
- Utility/Wastewater
  - pH meter
  - Industrial water quality analyzer

Material & Semiconductors

Market Oriented Business

Ultra-thin Mass Flow Controller (MFC)
Gas flow conditions used in a chamber are becoming more complex as semiconductor devices become increasingly miniaturized and highly integrated

- Increase in the number of MFCs installed in a chamber
- Gas box size is limited
  - Ultra-thin Mass Flow Controller "DZ-100" is 3 times thinner than existing models

New chemical concentration monitor
The issue: chemical leakage in the chemical treatment process

- Enable measurement of chemicals delivered through piping without touching them
-Exclude factors causing leaks or contamination

- Non-Contact Chemical Concentration Monitor “CS-900”
Medical: Expand and Maintain Production Bases

**Japan**

- Renovate the production line at Aso Plant, HORIBA STEC
- Reinforce adaptation to the global standard

**France**

- Purchase of the land adjacent to HORIBA ABX
  - Establish a base for production, storage, and logistics
  - Respond to an increase in production under the partnership agreement with Siemens Healthcare Diagnostics Inc.

**Emerging countries (India, China)**

- Prepare for the expanding Medical business
  - Strengthen the reagent supply system
  - Enhance local production

-Strengthen the structure globally to expand business in the focus market
## Contribute to Research in Life Sciences

### Analyzers for life sciences

<table>
<thead>
<tr>
<th>Transmission Raman</th>
<th>Confocal Raman Microscope</th>
<th>Nanoparticle measurement instrument</th>
<th>Fluorescence analyzer</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
</tr>
</tbody>
</table>
| ✓ 2D analysis of medicinal elements in pills ⇒ Analyze therapeutic drugs for Parkinson’s disease | ✓ Label-free cell analysis ⇒ Evaluate differentiation of ES cells and iPS cells | ✓ Particle distribution analysis of exosomes* | ✓ Analyze interaction between molecules  
✓ Simultaneous measurement for absorption and fluorescence spectra ⇒ Effective in quality control of vaccines |

### 2020 Masao Horiba Awards

#### Theme
Research in the field of life sciences, notably state-of-the-art optical/spectroscopic measurement technologies

#### Support technology development in the field of cutting-edge drug discovery and medicine manufacture
To Change to a Solution-proposal Style Business

Always with You
Support customers in all ways

Building a new HQ for HORIBA TECHNO SERVICE

- Integrate functions and enhance abilities to gather/transmit information
- Expand the analysis lab, the maintenance facility and the training space

In the same premises as HORIBA HQ, Kyoto
Construction to be completed in Nov. 2020
Total cost: approx. 3.8 billion yen

Maintenance services using operating data
Consulting using measurement data
Integrate equipment sales with high-value-added support

Aim to create a new business to provide data and solutions based on analysis technologies
Start construction of a new facility in China

Integrate strengths of all businesses and R&D/production/service functions

- **Automotive testing labs**
  - Install battery/fuel cell test systems, chassis dynamo, and drive test systems
  - Enable tests that combine vehicles/real machines and simulation

- **Scientific analysis application center**
  - Profit from being based in China’s new energy development area
  - Collaborate with academia and companies in application development

- **Manufacturing**
  - Enhance local engineering and supply capacity for gas and water monitoring systems
  - Establish a production system to supply the semiconductor market in China

- **Technical center**
  - Provide services according to the product life cycle, from installation to after-sales service

Jiading, Shanghai
Construction to be completed in April 2021
Total cost: approx. 9.0 billion yen

Aim to further expand business in the Chinese market
A "Super Dream Team" to Embody "Joy and Fun"

Activities to create new value and realize a strong HORIBA

BlackJack Project

Basis for multi-product low-volume manufacturing and a global business

Expand across the entire group

Close contact between the front-line and top management

【BlackJack Project】
HORIBA's unique operational improvement initiative began in 1997 with the objective of changing the awareness and activities of employees

Aim to be a truly flat organization

Stained Glass Project

Promote diversity as a management strategy

Encourage change in awareness and action to achieve both "job satisfaction" and a "comfortable working environment"

Think about employees' healthcare from the management perspective

Issued the "Physical and Mental Health Promotion Declaration" by top management and carried out various activities

【Example】
Promote health management activities through meals

Improve productivity and enhance competitiveness

Highly evaluated from the ESG investment perspective
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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
- 2018 Results: 145yen [Interim 50yen/Year-end 95yen (inc. Commemorative dividend 20 yen)]
- 2019 Results: 130yen [Interim 50yen/Year-end 80yen]
- 2020 Forecasts: 75yen [Interim 30yen/Year-end 45yen]

Per-share dividend (from 2005 to 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary Div. (yen)</th>
<th>Commemorative Div. (yen)</th>
<th>Div. Total (yen)</th>
<th>Total Return Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>40</td>
<td>20.0%</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>40</td>
<td>29.0%</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>60</td>
<td>28.2%</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>67</td>
<td>26.8%</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>70</td>
<td>30.6%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>85</td>
<td>27.6%</td>
<td>112</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>116</td>
<td>30.0%</td>
<td>146</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>125</td>
<td>27.4%</td>
<td>152</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>130</td>
<td>35.4%</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>2020 (F)</td>
<td>145</td>
<td>30.1%</td>
<td>185</td>
<td></td>
</tr>
</tbody>
</table>

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HORIBA Jobin Yvon IBH received the Business Innovation Award from the Institute of Physics in the UK

- Award theme: Development of FLIMERA, fluorescence lifetime microscope camera
- Joint development project members: Prof. Henderson, University of Edinburgh (back row, third from left), Prof. Burch, University of Strathclyde (front row, third from left), and others

Institute of Physics Business Innovation Award

Awarding companies which realize successful innovation utilizing physics

- Fluorescence lifetime microscope camera, FLIMERA
  - Applicable technology in observation of living cells in the bio and life-science field

Montajir Rahman, HORIBA Instruments (US), received the SAE/InterRegs Standards & Regulations Award 2020

- Montajir Rahman (center) obtained a doctorate degree from a university in Japan
- Awarded for his work and involvement in numerous regulations and industry standards related to emissions reduction

SAE/InterRegs Standards & Regulations Award

Rewards and encourages engineers' participation in standards and regulations

- SAE (Society of Automotive Engineers): A US non-profit organization with members who are experts in the mobility field
- InterRegs: A UK organization which collects information related to vehicle safety and emission regulations and provides such information online
Awarded Nadeshiko Brands and Health & Productivity Stock Selection Program by METI and Tokyo Stock Exchange

Activities aimed at realizing a better working environment highly evaluated from the stock market
Selected for two consecutive years following 2019

Evaluated our activities based on the “Health promotion activities of mind and body”, the policy declared by the management

Evaluated the engagement based on our Diversity promotion activities “HORIBA Stained Glass Project”
### 2020 Jan.-Mar. Results

Decreased in sales and profits due to a decline in sales all business segments except the semiconductor segment

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Changes</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q Results (Jan-Mar)</td>
<td>45.3</td>
<td>44.9</td>
<td>-0.3</td>
<td>-1%</td>
</tr>
<tr>
<td>Sales</td>
<td>4.4</td>
<td>3.8</td>
<td>-0.5</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>O.P.%</strong></td>
<td>9.8%</td>
<td>8.7%</td>
<td>-1.1p</td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>4.3</td>
<td>3.9</td>
<td>-0.3</td>
<td>-9%</td>
</tr>
<tr>
<td>Net income attributable to Owners or Parent</td>
<td>2.5</td>
<td>2.2</td>
<td>-0.2</td>
<td>-11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>USD/JPY</th>
<th>EUR/JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110.22</td>
<td>125.16</td>
</tr>
<tr>
<td></td>
<td>108.86</td>
<td>120.08</td>
</tr>
<tr>
<td></td>
<td>-1.36</td>
<td>-5.08</td>
</tr>
</tbody>
</table>
### 2020 Jan.-Mar. Results by Segments

(Billions of Yen)

#### Sales

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>vs 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auto</strong></td>
<td>16.2</td>
<td>14.8</td>
<td>-1.3</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>P&amp;E</strong></td>
<td>4.7</td>
<td>4.5</td>
<td>-0.1</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>6.3</td>
<td>5.7</td>
<td>-0.5</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Semi</strong></td>
<td>11.5</td>
<td>13.8</td>
<td>2.2</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>Scientific</strong></td>
<td>6.4</td>
<td>5.9</td>
<td>-0.4</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45.3</td>
<td>44.9</td>
<td>-0.3</td>
<td>-1%</td>
</tr>
</tbody>
</table>

#### Operating Profit

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>vs 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auto</strong></td>
<td>0.9</td>
<td>0.3</td>
<td>-0.5</td>
<td>-64%</td>
</tr>
<tr>
<td><strong>P&amp;E</strong></td>
<td>0.4</td>
<td>0.2</td>
<td>-0.2</td>
<td>-47%</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>0.2</td>
<td>0.1</td>
<td>-0.0</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Semi</strong></td>
<td>2.7</td>
<td>3.2</td>
<td>0.4</td>
<td>+18%</td>
</tr>
</tbody>
</table>
| **Scientific** | 0.0  | -0.0  | -0.1    | -
| **Total** | 4.4   | 3.8   | -0.5    | -12%|

**<Auto>**
- Affected by stagnation of corporate activities owing to the spread of COVID-19
  - EMS: Decline in sales in Europe and Americas while increased in Japan
  - MCT: Sales decrease owing to stagnation of projects mainly in China

**<P&E>**
- Affected by stagnation of corporate activities owing to the spread of COVID-19
  - Sales of stack gas analyzers and water quality analyzers declined in Asia

**<Medical>**
- Decline in sales of blood cell testing instruments in the Americas, Asia and Japan

**<Semi>**
- Increase in sales in response to a gradual recovery of semiconductor manufactures’ capital expenditure

**<Scientific>**
- Sluggish R&D investment by companies and others due to the spread of COVID-19
  - Sales of Raman Spectrometers and others declined in Japan and Asia

※ MCT: Mechatronics
## Impact of Fluctuation in Foreign exchange

(Billions of Yen)

### Exchange rate impact (2020 Jan.-Mar. results)

<table>
<thead>
<tr>
<th>Description</th>
<th>2020 Jan.-Mar. results</th>
<th>vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease Sales</td>
<td></td>
<td>- 0.68</td>
</tr>
<tr>
<td>Decrease Cost of Goods Sales</td>
<td></td>
<td>+ 0.39</td>
</tr>
<tr>
<td>Decrease Expense</td>
<td></td>
<td>+ 0.21</td>
</tr>
<tr>
<td>Impact to Operating Profit</td>
<td></td>
<td>- 0.07</td>
</tr>
</tbody>
</table>

### Exchange Rate Impact (2020 Jan.-Mar. results)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>110.22</td>
<td>108.86</td>
<td>- 1.36</td>
</tr>
<tr>
<td>EUR</td>
<td>125.16</td>
<td>120.08</td>
<td>- 5.08</td>
</tr>
</tbody>
</table>
### Operating Profit Analysis (vs 2019)

**2019 Jan. – Mar.**

<table>
<thead>
<tr>
<th>Increase Sales</th>
<th>+0.36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Cost of Goods Sales</td>
<td>-0.59</td>
</tr>
<tr>
<td>Exchange Impact for Gross Profit</td>
<td>-0.29</td>
</tr>
<tr>
<td>Exchange Impact for Expenses</td>
<td>+0.21</td>
</tr>
<tr>
<td>Increase R&amp;D Cost</td>
<td>-0.14</td>
</tr>
<tr>
<td>Increase Other Expense</td>
<td>-0.08</td>
</tr>
</tbody>
</table>

**2020 Jan. - Mar.**

| Decrease Gross Profit | -0.22 |
| Exchange Impact | -0.07 |
| Increase Expenses | -0.23 |

**Total Decrease Operating Profit**

-0.53 (Billions of Yen)
Increase in capital expenditures due to enhancement of business sites
Forecasts will be disclosed as soon as they become available.

<table>
<thead>
<tr>
<th></th>
<th>2019 Results</th>
<th>2019 1Q Results (Jan.-Mar.)</th>
<th>2020 1Q Results (Jan.-Mar.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>12.8</td>
<td>2.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Depreciation</td>
<td>8.7</td>
<td>2.0</td>
<td>2.3</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>16.2</td>
<td>4.0</td>
<td>4.1</td>
</tr>
<tr>
<td>(To Net Sales)</td>
<td>8.1%</td>
<td>8.9%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>
Contents

- 2019 Results
- 2020 Forecasts
- Progress of MLMAP2023
- Shareholder Return
- Other Topics
  - Financial Data
  - Corporate Profile
Business Segments

Automotive Test Systems

Process & Environmental

Medical

Semiconductor

Scientific

Expanding in New Domains and Moving onto a New Stage

Net Sales
200.2 billion yen

Sales by business segment (%)
Fiscal 2019

Scientific 14%

Automotive 40%

Semiconductor 23%

Medical 13%

P&E 10%
Global Network

Employees by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>993 (12%)</td>
<td>7</td>
</tr>
<tr>
<td>Europe</td>
<td>2,771 (33%)</td>
<td>23</td>
</tr>
<tr>
<td>Asia</td>
<td>4,524 (55%)</td>
<td>19 (4 in Japan, Including HORIBA, Ltd.)</td>
</tr>
<tr>
<td>Total</td>
<td>8,288</td>
<td>49</td>
</tr>
</tbody>
</table>
HORIBA’s Steady Growth

Fiscal year ending Dec. 2019
Net sales: 200.2 billion yen
Operating profit: 20.9 billion yen

1953 HORIBA, LTD. was established


President
Masao Horiba
Masahiro Oura
Atsushi Horiba
Masayuki Adachi

Founded business as student entrepreneur
Developed globally successful products
Expanded business globally through M&A
Moving on to the next stage with our new management
HORIBA MIRA Ltd.
HORIBA BIWAKO E-HARBOR
HORIBA MIRA Ltd.

Providing Engineering Service with World Leading Mobility Development Capability and R&D Location with Dedicated Facilities and Proving Ground

**Business Offering**

1. Vehicle development engineering
2. Test engineering
3. MIRA Technology Park
   (Providing Unique R&D Location)

**Established**

1946

**Head office**

Nuneaton, Warwickshire, UK

**Major locations**

U.K., China, and India
MIRA Technology Park

Various experiments using a large test course

MIRA Technology Park
30 customers

Test Site
“35” Test Site
Wind Tunnels / EMC / Crash lab/NVH Chassis/Battery test

1km

Proving ground
• Performance(4.5km)
• Off road
• Wet surface
• City Circuit
• Noise-Generating
• Ride & Durability
Transmission test
Braking systems
Tire development
Durability
HORIBA BIWAKO E-HARBOR

- Consolidating development, design, and production operations of gas measurement equipment at a single location
- Doubling of production capability and shortening delivery time to one-third by using a new production methodology
- Comprehensive engineering services from sales to development, production, and maintenance in the Automotive testing laboratory

- Profitability improvement of exhaust gas analyzers
- Presenting cutting edge automotive development technology

Total investment: 10.0 billion yen, Location: Otsu City, Shiga Prefecture, Full operation: May 2016
Thank you
Omoshiro-okashiku
Joy and Fun

Thank you

Danke
Grazie
Gracias
Terima kasih
謝謝
Σας ευχαριστώ πάρα πολύ
абкүүн көрүп
ありがとうございました
Dziękuję
Obrigado
Cảm ơn
감사합니다

Merci
2020 Forecasts

Status of each segment following the spread of COVID-19

**Auto**  
The reduction in R&D investment by automotive manufacturers, given a decline in automobile sales, will have an impact.  
Product shipment and delivery may be delayed because of measures to restrict the public’s movements by various countries and regions.

**P&E**  
It is highly possible that the introduction of environmental regulations will slow down, especially in emerging countries, and sales may decline.

**Medical**  
Continuing production in order to keep providing medical equipment and reagents even in areas where the public’s movements have been restricted.  
Trends of medical policy vary by country and region, which makes it difficult to project the demand outlook.

**Semi**  
An increase in demand for semiconductors is expected due to rapid expansion of telecommuting and digital business.  
Bookings and sales to semiconductor production equipment manufacturers are expected to remain firm along with a gradual recovery of capital expenditures of semiconductor manufacturers.

**Scientific**  
Sales is likely to decrease due to sluggish R&D investments by companies.
Response to the spread of COVID-19

HORIBA Group’s response and status (As of May 20th, 2020)

- The production/distribution situation varies depending on the country/region and business.
- While service and maintenance are impacted due to restriction of people’s movement, HORIBA continues business activities as much as possible.
- Procurement is generally on schedule but with some delay.
  - [Japan] There is no significant impact.
  - [Europe] In France the medical base is in operation and the scientific base has restarted. In Germany and the UK the bases are in operation as much as possible.
  - [U.S.] Continuing production but some bases are closed.
  - [China] Normal operation resumed in late March.
- Following government policies of each country, many group companies in Japan and overseas have adopted teleworking as appropriate case by case.