Financial Information

HORIBA, Ltd.

December, 2020
Contents

■ 2020 3Q (Jan.-Sep.) Results
■ 2020 Forecast
■ Shareholder Return
■ Topics - New product development for focused markets -
  ● Financial Data
  ● Corporate Profile
Contents

- 2020 3Q (Jan.-Sep.) Results
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### 2020 3Q (Jan.-Sep.) Results

(Billons of Yen)

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><strong>3Q Results (Jan-Sep)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>137.0</td>
<td>129.7</td>
<td>-7.2</td>
<td>-5%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>12.0</td>
<td>10.9</td>
<td>-1.0</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>O.P.%</strong></td>
<td>8.8%</td>
<td>8.5%</td>
<td>-0.3p</td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>11.5</td>
<td>10.7</td>
<td>-0.7</td>
<td>-7%</td>
</tr>
<tr>
<td>Net income attributable to Owners or Parent</td>
<td>8.4</td>
<td>7.5</td>
<td>-0.9</td>
<td>-11%</td>
</tr>
<tr>
<td>USD/JPY</td>
<td>109.12</td>
<td>107.55</td>
<td>-1.57</td>
<td></td>
</tr>
<tr>
<td>EUR/JPY</td>
<td>122.62</td>
<td>120.93</td>
<td>-1.69</td>
<td></td>
</tr>
</tbody>
</table>

Decreased in sales and profits due to a decline in sales all business segments except the semiconductor segment
2020 3Q (Jan.-Sep.) Results by Segment (Billons of Yen)

Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019 3Q Results (Jan-Sep)</th>
<th>2020 3Q Results (Jan-Sep)</th>
<th>vs 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>52.0</td>
<td>41.6</td>
<td>-10.4</td>
<td>-20%</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>13.8</td>
<td>12.7</td>
<td>-1.0</td>
<td>-8%</td>
</tr>
<tr>
<td>Medical</td>
<td>18.7</td>
<td>15.2</td>
<td>-3.4</td>
<td>-18%</td>
</tr>
<tr>
<td>Semi</td>
<td>33.5</td>
<td>41.7</td>
<td>+8.2</td>
<td>+24%</td>
</tr>
<tr>
<td>Scientific</td>
<td>18.8</td>
<td>18.3</td>
<td>-0.4</td>
<td>-3%</td>
</tr>
<tr>
<td>Total</td>
<td>137.0</td>
<td>129.7</td>
<td>-7.2</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Operating Profit

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019 3Q Results (Jan-Sep)</th>
<th>2020 3Q Results (Jan-Sep)</th>
<th>vs 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>2.7</td>
<td>-0.0</td>
<td>-2.8</td>
<td>-</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>0.9</td>
<td>0.7</td>
<td>-0.2</td>
<td>-22%</td>
</tr>
<tr>
<td>Medical</td>
<td>1.0</td>
<td>-0.4</td>
<td>-1.5</td>
<td>-</td>
</tr>
<tr>
<td>Semi</td>
<td>7.4</td>
<td>9.8</td>
<td>+2.4</td>
<td>+33%</td>
</tr>
<tr>
<td>Scientific</td>
<td>-0.2</td>
<td>0.8</td>
<td>+1.1</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>12.0</td>
<td>10.9</td>
<td>-1.0</td>
<td>-9%</td>
</tr>
</tbody>
</table>

**<Auto>**
- Affected by stagnation of corporate activities owing to the spread of COVID-19.
- EMS/MCT*: Delayed product shipment and acceptance.

**<P&E>**
- Affected by stagnation of corporate activities owing to the spread of COVID-19

**<Medical>**
- The number of tests performed at hospitals decreased as the spread of COVID-19 led to a decrease in the number of patients who visit hospital

**<Semi>**
- In response to a recovery of semiconductor manufacturers’ capital expenditures driven by an increase in demand for semiconductors.

**<Scientific>**
- Sluggish R&D investment by private companies and others due to the spread of COVID-19
- Solid demand for optical components for semiconductor production equipment manufacturers and life science purposes

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*EMS: Emission Measurement Systems / MCT: Mechatronics

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## 2020 External Environment

<table>
<thead>
<tr>
<th>General</th>
<th>Economic activities have been resumed after lifting of restrictions but the future remains uncertain.</th>
<th>Negative impacts from macroeconomic trends, such as the results of the US presidential election and the US-China trade conflicts, are of concern.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>Most likely to be affected from automobile-related manufacturers' revision and reduction of R&amp;D investments.</td>
<td>Possible delay in shipment and acceptance of products because of measures to restrict the movement of people and goods by various countries and regions.</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>Public utility projects are continuing, driven by economic measures, but investment by companies is sluggish.</td>
<td>Falling crude oil prices may result in reduction in investment by the oil industry.</td>
</tr>
<tr>
<td>Medical</td>
<td>The number of patients who visit hospitals is projected to continue declining globally, due to the COVID-19 crisis.</td>
<td>Demand for testing will recover in the medium- to long-term.</td>
</tr>
<tr>
<td>Semi</td>
<td>In response to an increase in demand for semiconductors associated with the expansion of telework and digital business, semiconductor manufacturer’s capital expenditures have recovered.</td>
<td></td>
</tr>
<tr>
<td>Scientific</td>
<td>Demand for semiconductor-related measurement technologies is increasing, while demand in the pharmaceutical and life science sectors is solid.</td>
<td>R&amp;D investment by companies is slow due to the sluggish economic activity.</td>
</tr>
</tbody>
</table>
2020 Forecast

In light of the progress achieved up to the third quarter of this year, revised operating profit and ordinary profit forecasts

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td>Previous Forecasts (as of Aug. 11)</td>
<td>Forecasts (as of Nov. 12)</td>
</tr>
<tr>
<td>Sales</td>
<td>200.2</td>
<td>188.0</td>
<td>188.0</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>20.9</td>
<td>15.0</td>
<td>16.0</td>
</tr>
<tr>
<td>O.P.%</td>
<td>10.4%</td>
<td>8.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>20.5</td>
<td>14.5</td>
<td>15.0</td>
</tr>
<tr>
<td>Net income attributable to Owners or Parent</td>
<td>15.4</td>
<td>10.5</td>
<td>10.5</td>
</tr>
<tr>
<td>USD/JPY</td>
<td>109.03</td>
<td>107.00</td>
<td>107.00</td>
</tr>
<tr>
<td>EUR/JPY</td>
<td>122.03</td>
<td>120.00</td>
<td>120.00</td>
</tr>
</tbody>
</table>

(Billons of yen)
2020 Forecast by Segment (Billions of yen)

<table>
<thead>
<tr>
<th>Sales</th>
<th>2019 Results</th>
<th>Previous Forecasts (as of Aug. 11)</th>
<th>Forecasts (as of Nov. 12)</th>
<th>vs 2019</th>
<th>vs Previous Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>81.0</td>
<td>68.0</td>
<td>67.0</td>
<td>-14.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>19.5</td>
<td>17.5</td>
<td>18.0</td>
<td>-1.5</td>
<td>+0.5</td>
</tr>
<tr>
<td>Medical</td>
<td>25.3</td>
<td>22.0</td>
<td>21.0</td>
<td>-4.3</td>
<td>-1.0</td>
</tr>
<tr>
<td>Semi</td>
<td>47.1</td>
<td>54.0</td>
<td>55.5</td>
<td>+8.3</td>
<td>+1.5</td>
</tr>
<tr>
<td>Scientific</td>
<td>27.1</td>
<td>26.5</td>
<td>26.5</td>
<td>-0.6</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>200.2</td>
<td>188.0</td>
<td>188.0</td>
<td>-12.2</td>
<td>-</td>
</tr>
</tbody>
</table>

**<Auto>**
- Product shipment and acceptance expected to be delayed in EMS and MCT.

**<Medical>**
- The number of tests performed at hospitals is projected to continue to stagnate, along with an anticipated decrease in the number of patients who visit hospital.

**<Semi>**
- Revised upward due to an increase in sales in response to an increase demand for semiconductors

**<P&E, Scientific>**
- In light of the progress achieved up to the third quarter of this year, revised upward forecasts
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Shareholder Return

Dividends per share and Share buybacks

2018 Results 145yen [Interim 50yen/Year-end 95yen]
2019 Results 130yen [Interim 50yen/Year-end 80yen]
2020 Forecasts 75yen [Interim 30yen/Year-end 45yen]
(remains unchanged from disclosure on 9th June)

Ordinary dividend: 125yen
Commemorative dividend for the 65th anniversary of the company foundation: 20yen

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)
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New Product Development for Focused Markets

【Three fields of focus by HORIBA】

<table>
<thead>
<tr>
<th>Market</th>
<th>Energy &amp; Environment</th>
<th>Bio &amp; Healthcare</th>
<th>Materials &amp; Semiconductor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility, Power generation, Environmental preservation, Water</td>
<td>Clinical testing, Pharmaceutical, Drug discovery, Cells, DNA</td>
<td>Advanced materials, Materials for semiconductor</td>
<td></td>
</tr>
</tbody>
</table>

Mid-Long Term Management Plan “MLMAP2023” — Market Oriented Business

Deploying new measurement and analysis solutions utilizing core technologies in focused markets

Development in the bio-markets, such as drug discovery and regenerative medicine

Optical Component “OC-300”

- The key component of the OCT* system used for fundus examination in ophthalmology
- Imaging technology for shooting the internal structure and shape of a sample with high-resolution, high-speed, and non-contacting.

Optical Coherence Tomography

Centrifugal nanoparticle analyzer “Partica CENTRIFUGE”

- Particles contained in the sample can be measured at the nano-level.
- The condition of the material can be visualized.

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**New Product Development for Focused Markets**

**Strengthening the existing areas and further challenging growth areas**

- **Highly accurately reproduce complex Real Driving Emissions (RDE) in the lab**
  - Significantly broader test conditions; more complex operating and environmental conditions

**New application “RDE+”**

- Developed an indoor measurement method that reproduces the same driving environment as outdoors.
- Obtain actual driving data, and reproduce it with a chassis dynamometer and a robot driver.

**Up to 75%* reduction in prototype vehicle production cost**

- *Survey by US-based research and consulting firm Frost & Sullivan

**Opened a safety test facility for in-vehicle batteries**

- Engaged in the development and testing of in-vehicle batteries for 20 years

**Enables a composite environmental evaluation test of batteries**

- Covers small, medium, and large batteries.
- During a vibration test, implement battery charge/discharge and temperature adjustment simultaneously.

**Contributes to product development efficiency and cost reduction**
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Impact of Fluctuation in Foreign exchange

Exchange rate impact (2020 3Q results)
Sales -¥1.80bn  O.P. -¥0.61bn

<table>
<thead>
<tr>
<th>2020 3Q results</th>
<th>vs 2019 3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease Sales</td>
<td>- 1.80</td>
</tr>
<tr>
<td>Decrease Cost of Goods Sales</td>
<td>+ 0.70</td>
</tr>
<tr>
<td>Decrease Expenses</td>
<td>+ 0.48</td>
</tr>
<tr>
<td>Impact to Operating Profit</td>
<td>- 0.61</td>
</tr>
</tbody>
</table>

Exchange rate impact for 2020 Forecast
1 yen impact of Sales and O.P. (Yen appreciation)

<table>
<thead>
<tr>
<th>(Yen)</th>
<th>2019 3Q</th>
<th>2020 3Q</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>109.12</td>
<td>107.55</td>
<td>-1.57</td>
</tr>
<tr>
<td>EUR</td>
<td>122.62</td>
<td>120.93</td>
<td>-1.69</td>
</tr>
</tbody>
</table>

2020 3Q results vs 2019 3Q
Decrease Sales - 1.80
Decrease Cost of Goods Sales + 0.70
Decrease Expenses + 0.48
Impact to Operating Profit - 0.61

2020 3Q results vs 2019 3Q
Decrease Sales - 1.80
Decrease Cost of Goods Sales + 0.70
Decrease Expenses + 0.48
Impact to Operating Profit - 0.61

(2020 3Q results)

Sales
USD  -¥0.48bn
EUR  -¥0.30bn

Operating Profit
USD  -¥0.21bn
EUR  -¥0.01bn

(2020 Forecast)

<table>
<thead>
<tr>
<th>(Yen)</th>
<th>2020 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>107.00</td>
</tr>
<tr>
<td>EUR</td>
<td>120.00</td>
</tr>
</tbody>
</table>
Operating Profit Analysis (vs 2019)

(Billions of yen)


12.00

- Decrease Sales: -5.43
- Decrease Cost of Goods Sales: +2.16
- Exchange Impact for Gross Profit: -1.09
- Exchange Impact for Expenses: +0.48


10.96

- Decrease Other Expense: +2.28
- Decrease R&D Cost: +0.55

- Decrease Operating Profit: -1.03
# Capital Investment, Depreciation, R&D

(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>2019 Results (as of Aug. 11)</th>
<th>2020 Forecasts (as of Nov. 12)</th>
<th>vs 2019</th>
<th>vs Previous Forecasts</th>
<th>2019 Results (Jan. - Sep.)</th>
<th>2020 Results (Jan. - Sep.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>12.8</td>
<td>17.5</td>
<td>17.5</td>
<td>+4.6</td>
<td>8.3</td>
<td>9.8</td>
</tr>
<tr>
<td>Depreciation</td>
<td>8.7</td>
<td>9.5</td>
<td>9.5</td>
<td>+0.7</td>
<td>6.4</td>
<td>7.1</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>16.2</td>
<td>16.0</td>
<td>16.0</td>
<td>-0.2</td>
<td>12.2</td>
<td>11.6</td>
</tr>
<tr>
<td>(To Net Sales)</td>
<td>8.1%</td>
<td>8.5%</td>
<td>8.5%</td>
<td>+0.4p</td>
<td>9.0%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

- **PP&E:**
  Enhance the base of service business, investment to HORIBA MIRA, HORIBA FuelCon’s new facility, a new facility in China
  Scrutinize urgency and priority and make investment decisions
Cash Balance

Total Loan Balance

- **Cash Balance** (Billions of yen, Consolidated basis)
  - 2017 end of Dec.: Cash 58.9, Bonds 15.0, Long 18.7, Short 8.3
  - 2018 end of Dec.: Cash 63.6, Bonds 15.0, Long 17.0, Short 12.0
  - 2019 end of Dec.: Cash 95.6, Bonds 45.0, Long 16.8, Short 8.4
  - 2020 end of Sep.: Cash 124.0, Bonds 45.0, Long 37.5, Short 8.2

- **Current ratio**:
  - 2017: 239%
  - 2018: 246%
  - 2019: 245%
  - 2020: 275%

- **Capital ratio**:
  - 2017: 57%
  - 2018: 58%
  - 2019: 54%
  - 2020: 51%

- **Bond redemption**:
  - ¥15.0bn (Paid in Oct. 2020)
  - ¥15.0bn (2026)
  - ¥15.0bn (2029)

- **Borrowed from JBIC**:
  - ¥15.1bn (redemption 2022)
  - Domestic syndicate ¥20.0bn (2030)

- **Recent issuer rating**: R&I “A” (Sep. 2020), JCR “A+” (Aug. 2020)
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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%
Semiconductor 23%
Automotive 40%
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>Japan</td>
<td>993</td>
<td>12%</td>
</tr>
<tr>
<td>Europe</td>
<td>2,771</td>
<td>33%</td>
</tr>
<tr>
<td>Asia</td>
<td>4,524</td>
<td>55%</td>
</tr>
<tr>
<td>Americas</td>
<td>799</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>1,392</td>
<td>17%</td>
</tr>
<tr>
<td>Total</td>
<td>8,288</td>
<td>49%</td>
</tr>
</tbody>
</table>

The number of companies:

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>7</td>
</tr>
<tr>
<td>Europe</td>
<td>23</td>
</tr>
<tr>
<td>Asia</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
</tr>
</tbody>
</table>

(as of Dec 2019)
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


Founded business as student entrepreneur
Developed globally successful products
Expanded business globally through M&A

Moving on to the next stage with our new Mid-Long Term Management Plan

President
Masao Horiba

Masahiro Oura

Atsushi Horiba

Masayuki Adachi

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HORIBA MIRA Ltd.
HORIBA BIWAKO E-HARBOR
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

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

Terima kasih
謝谢
Thai

Danke
Gracias

Thank you

Grazie

Thank you

Σας ευχαριστώ πάρα πολύ

Thank you

Thank you

Thank you

Thank you

Thank you

Thank you

Thank you

Thank you

Thank you

Thank you

Thank you