Financial Information

HORIBA, Ltd.

February, 2023
2022 Results
2023 Forecast
Outlines by Business Segment
Topics - Various activities for target markets
Shareholder Return
Financial Data
Corporate Profile
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - Corporate Profile
## Review of 2022

<table>
<thead>
<tr>
<th>External Events</th>
<th>Internal Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ The tense international situation, including the Ukraine crisis and increased</td>
<td>◆ Accelerated cross-segment activities in three focused fields</td>
</tr>
<tr>
<td>compication of US-China relations</td>
<td>◆ Business expansion in new markets related to hydrogen energy and life science</td>
</tr>
<tr>
<td>◆ Accelerated inflation, including a rise in energy prices, in addition to global</td>
<td>◆ Expanding applications of process measurement and control in industry</td>
</tr>
<tr>
<td>procurement difficulties</td>
<td>◆ Strengthened procurement capabilities through global cooperation within the</td>
</tr>
<tr>
<td>◆ Progress in global structural reform of the semiconductor industry from the</td>
<td>HORIBA Group</td>
</tr>
<tr>
<td>economic security perspective</td>
<td></td>
</tr>
<tr>
<td>◆ Growing interest in hydrogen energy, ammonia, and synthetic fuels</td>
<td></td>
</tr>
<tr>
<td>◆ Further heightened interest in life science</td>
<td></td>
</tr>
</tbody>
</table>
## 2022 Results

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022 Forecast (as of Nov. 11)</th>
<th>2022 Results</th>
<th>vs 2021</th>
<th>vs Forecasts (as of Nov. 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>224.3</td>
<td>265.0</td>
<td>270.1</td>
<td>+45.8</td>
<td>+5.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>32.0</td>
<td>43.0</td>
<td>45.8</td>
<td>+13.7</td>
<td>+2.8</td>
</tr>
<tr>
<td>O.P.%</td>
<td>14.3%</td>
<td>16.2%</td>
<td>17.0%</td>
<td>+2.7p</td>
<td>+0.8p</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>32.0</td>
<td>43.5</td>
<td>46.8</td>
<td>+14.8</td>
<td>+3.3</td>
</tr>
<tr>
<td>Net income</td>
<td>21.3</td>
<td>30.0</td>
<td>34.0</td>
<td>+12.7</td>
<td>+4.0</td>
</tr>
</tbody>
</table>

- USD/JPY: 109.90, 133.00, 131.62, +21.72, -1.38
- EUR/JPY: 129.91, 138.00, 138.14, +8.23, +0.14

★: Record-high
# 2022 Results by Segment

(Billions of Yen)

## Sales

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>vs 2021</th>
<th>vs Forecasts (as of Nov. 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>61.2</td>
<td>66.0</td>
<td>67.5</td>
<td>+6.2</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>20.2</td>
<td>23.5</td>
<td>22.5</td>
<td>+2.3</td>
</tr>
<tr>
<td>Medical</td>
<td>25.8</td>
<td>28.5</td>
<td>29.7</td>
<td>+3.8</td>
</tr>
<tr>
<td>Semi</td>
<td>87.0</td>
<td>112.0</td>
<td>114.0</td>
<td>+27.0</td>
</tr>
<tr>
<td>Scientific</td>
<td>29.9</td>
<td>35.0</td>
<td>36.2</td>
<td>+6.2</td>
</tr>
<tr>
<td>Total</td>
<td>224.3</td>
<td>265.0</td>
<td>270.1</td>
<td>+45.8</td>
</tr>
</tbody>
</table>

## Operating profit

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>vs 2021</th>
<th>vs Forecasts (as of Nov. 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>-1.5</td>
<td>-1.5</td>
<td>-0.6</td>
<td>-0.6</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>2.0</td>
<td>2.1</td>
<td>2.1</td>
<td>+0.1</td>
</tr>
<tr>
<td>Medical</td>
<td>0.5</td>
<td>-0.0</td>
<td>-0.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>Semi</td>
<td>39.5</td>
<td>42.0</td>
<td>42.0</td>
<td>+13.9</td>
</tr>
<tr>
<td>Scientific</td>
<td>1.9</td>
<td>2.5</td>
<td>2.5</td>
<td>+0.5</td>
</tr>
<tr>
<td>Total</td>
<td>43.0</td>
<td>45.8</td>
<td>45.8</td>
<td>+13.7</td>
</tr>
</tbody>
</table>

★ : Record-high
2022 Results (B/S, CF)

B/S

◆ Total assets were ¥416.7bn, up ¥45.1bn, by increasing inventory
◆ Equity ratio: 57.6%

(compared to the end of Dec. 2021)

CF

◆ Operating CF: Cash in ¥33.9bn due to operating profit
◆ Investing CF: Cash out ¥10.7bn due to capital investments
◆ Financial CF: Cash out ¥22.4bn due to repayments of long-term debt

Free CF: + ¥23.2bn
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - Corporate Profile
## HORIBA’s Assumptions Regarding Market Environment

<table>
<thead>
<tr>
<th>Category</th>
<th>Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Expect a recovery in economic activities in the “with or post-COVID-19” era. Remain concerned about the impact of global inflation and the complicated international situation.</td>
</tr>
<tr>
<td>Automotive</td>
<td>Anticipate accelerated use of hydrogen energy/batteries and digitalization of vehicle. Expect a recovery of demand for R&amp;D investment related to internal combustion engines in preparation for the introduction of new emission gas regulations in Europe.</td>
</tr>
<tr>
<td>Process &amp; Environmental</td>
<td>Expect business expansion in the new energy market in response to the decarbonization trend. Environmental regulation-driven demand remains strong; the needs for air and water quality measurement is growing in the semiconductor industry.</td>
</tr>
<tr>
<td>Medical</td>
<td>Expect strong sales of medical instrument in Japan and growing markets. Sales of instruments will lead while recovery in sales of regent may take some more time.</td>
</tr>
<tr>
<td>Semiconductor</td>
<td>Capital investment by semiconductor manufacturers is likely to enter an adjustment phase. Anticipate mid-term growth in the semiconductor market and expansion in measurement demand.</td>
</tr>
<tr>
<td>Scientific</td>
<td>Demand is strong for measurement and analysis equipment for development and manufacturing processes in various markets. Anticipate an increase in demand in the life science market.</td>
</tr>
</tbody>
</table>
### 2023 Forecasts

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>Forecast</th>
<th>vs 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Results</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>224.3</td>
<td>270.1</td>
<td>290.0</td>
<td>+19.8</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>32.0</td>
<td>45.8</td>
<td>46.0</td>
<td>+0.1</td>
</tr>
<tr>
<td>O.P.%</td>
<td>14.3%</td>
<td>17.0%</td>
<td>15.9%</td>
<td>-1.1p</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>32.0</td>
<td>46.8</td>
<td>45.5</td>
<td>-1.3</td>
</tr>
<tr>
<td>Net Income attributable to Owners of Parent</td>
<td>21.3</td>
<td>34.0</td>
<td>35.5</td>
<td>+1.4</td>
</tr>
<tr>
<td><strong>Net profit per share (Yen)</strong></td>
<td>505</td>
<td>807</td>
<td>840</td>
<td>+33</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>11.2%</td>
<td>15.4%</td>
<td>14.1%</td>
<td>-1.3p</td>
</tr>
</tbody>
</table>

★ : Record-high
# 2023 Forecasts by Segment

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2023 Forecasts</td>
</tr>
<tr>
<td></td>
<td>Results</td>
<td></td>
</tr>
<tr>
<td>Auto</td>
<td>67.5</td>
<td>79.0</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>22.5</td>
<td>25.0</td>
</tr>
<tr>
<td>Medical</td>
<td>29.7</td>
<td>31.0</td>
</tr>
<tr>
<td>Semi</td>
<td>114.0</td>
<td>115.0</td>
</tr>
<tr>
<td>Scientific</td>
<td>36.2</td>
<td>40.0</td>
</tr>
<tr>
<td>Total</td>
<td>270.1</td>
<td>290.0</td>
</tr>
</tbody>
</table>

* : Record-high
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - Corporate Profile
2022 Results and 2023 Forecasts

2022 Results

* Booking was strong, but the timing of shipments and acceptance inspections was delayed due to procurement difficulties.

  - Sales increased by capturing demand for vehicle electrification and hydrogen energy.
  - Expenses also increased owing to rising materials prices, in addition to increased investment in growth fields such as hydrogen energy and batteries.

2023 Full Year Forecasts

Medium- to long-term outlook

- EMS
  - Increase in demand in anticipation of the introduction of new emission gas regulations* in Europe.
- MCT and ECT
  - Expect sales expansion in the field of next-generation mobility development.
  - Expect an increase in sales for the hydrogen energy industry due to steady booking of the related products.
  - Aim to improve profitability by shifting to higher-value-added products in the MCT business.

Sales and O.P. (Half Year/Full Year)

- Sales
- O.P.

Sales by Region

- Japan
- Asia
- Americas
- Europe

*Announced in November 2022

© 2023 HORIBA, Ltd. All rights reserved.
2022 Results and 2023 Forecasts

2022 Results

【Water quality monitoring】
Steady demand for water quality measurement equipment used in the manufacturing processes in the electronics industry and in compliance with environmental regulations.

【Gas monitoring】
- Sales increased in Asia due to demand related to environmental regulations.
- Solid measurement-related demand at existing power plants.

Sales and O.P. (Half Year/Full Year)

2023 Full Year Forecasts

Medium- to long-term outlook

- Expect an increase in demand for process measurement in the industrial field in addition to environmental regulations.

【Water quality monitoring】
Capture demand for new products such as TOC analyzers*1 and regulation-related demand.

【Gas monitoring】
- Expect an increase in demand for gas measurement in the electronics industry.
- Expect an increase in demand for new energy and CCUS*2-related demand.

Sales by Region

*1 Total Organic Carbon
*2 Carbon dioxide Capture, Utilization and Storage

Capture demand for new products such as TOC analyzers*1 and regulation-related demand.

- Expect an increase in demand for gas measurement in the electronics industry.
- Expect an increase in demand for new energy and CCUS*2-related demand.

Sales by Region

HORIBA, Ltd. All rights reserved.
2022 Results and 2023 Forecasts

2022 Results

- Sales of test reagents remained sluggish due to the lingering impact of COVID-19.
  [Japan/Asia]
  Increased sales of hematology analyzers mainly due to the launch of new products.
  [Americas]
  Increased sales of clinical chemistry analyzers and reagents.
  Investment also increased with the aim to expand business in the clinical chemistry field.

Sales and O.P. (Half Year/Full Year)

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales (Billions of yen)</th>
<th>O.P. (Billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan/Asia</td>
<td>12.8</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>25.8</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>13.6</td>
<td>-0.1</td>
</tr>
<tr>
<td></td>
<td>29.7</td>
<td>-0.0</td>
</tr>
<tr>
<td></td>
<td>15.0</td>
<td>-</td>
</tr>
</tbody>
</table>
| 2023 Full Year Forecasts

Medium- to long-term outlook

- Expect a recovery in test reagent sales in the future, as equipment sales are preceding in Japan and growth markets.
- Aim for further business expansion in the fields of immunology and clinical chemistry other than the hematology field.

Sales by Region

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Asia</th>
<th>Americas</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>8.2</td>
<td>5.0</td>
<td>5.6</td>
<td>6.3</td>
</tr>
<tr>
<td>2020</td>
<td>7.3</td>
<td>3.9</td>
<td>4.2</td>
<td>5.4</td>
</tr>
<tr>
<td>2021</td>
<td>9.1</td>
<td>5.8</td>
<td>5.7</td>
<td>5.2</td>
</tr>
<tr>
<td>2022</td>
<td>9.7</td>
<td>6.5</td>
<td>7.1</td>
<td>6.3</td>
</tr>
<tr>
<td>2023 Fore.</td>
<td>8.7</td>
<td>8.1</td>
<td>7.5</td>
<td>6.7</td>
</tr>
</tbody>
</table>
2022 Results and 2023 Forecasts

2022 Results

- Semiconductor manufacturers further boosted capital investment. Significant increase in sales to semiconductor production equipment manufacturers.
- Expanded business in China and India. Demand for mass flow controllers for production of photovoltaic panels and artificial diamond increased.

2023 Full Year Forecasts
Medium- to long-term outlook

- Capital investment by semiconductor manufacturers will be in an adjustment phase through the first half of 2023.
- Demand is expected to expand in the second half as the market recovers.
- In addition to existing main products, aim to expand business fields by utilizing various sensing technologies.
2022 Results and 2023 Forecasts

### 2022 Results
- Strong demand for and increased sales of optical components for semiconductor production equipment manufacturers.
- Increased sales of Raman Spectrometers, Particle-size distribution analyzers, X-ray fluorescence analyzers and other devices for the markets related to advanced materials and life science.

### 2023 Full Year Forecasts
- Expand the industrial process monitoring business in parallel with sales expansion of cutting-edge R&D products.
  - Expect an increase in demand for products specialized for industrial processes of the life science field (i.e., pharmaceuticals) and the semiconductor market.
- Expect to reap the benefits from products that have been introduced to the market.

### Sales and O.P. (Half Year/Full Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021.1H</td>
<td>13.4</td>
<td>0.4</td>
</tr>
<tr>
<td>2021, Full</td>
<td>29.9</td>
<td>1.9</td>
</tr>
<tr>
<td>2022.1H</td>
<td>15.9</td>
<td>0.7</td>
</tr>
<tr>
<td>2022, Full</td>
<td>36.2</td>
<td>2.5</td>
</tr>
<tr>
<td>2023.1H</td>
<td>18.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2023, Full.</td>
<td>40.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

### Sales by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>5.5</td>
<td>7.5</td>
<td>6.7</td>
<td>6.7</td>
<td>7.4</td>
</tr>
<tr>
<td>Asia</td>
<td>5.6</td>
<td>7.6</td>
<td>8.9</td>
<td>10.4</td>
<td>9.7</td>
</tr>
<tr>
<td>Americas</td>
<td>6.2</td>
<td>8.0</td>
<td>11.9</td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>6.1</td>
<td>7.4</td>
<td>7.1</td>
<td>9.0</td>
<td></td>
</tr>
</tbody>
</table>
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - Corporate Profile
Various activities for target markets - final year of MLMAP2023

Mid-Long Term Management Plan "MLMAP2023"

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

- **Energy & Environment**
  - Automotive
  - Environment

- **Bio & Healthcare**
  - Medical-Diagnostic

- **Materials & Semiconductor**
  - Semiconductor

**Solution Provider Beyond “Life Cycle Management”**
To support customers’ core businesses from all aspects – from product introduction to replacement

- **Three concept in Automotive business**
- **Service Lifecycle Management - Conventional Energy -**
- **Mobility Solution Business**
- **Alternative Energy Conversion**
The entire HORIBA Group is involved in expansion of hydrogen business

- Started mass production of water electrolyzers that produce hydrogen, in Europe
- The Evaluator series is comprised of electrolyzer development evaluation systems and production inspection systems.
- The HORIBA Group responds to growing needs

**SYMBIO**

- Hydrogen/fuel cell joint venture between Michelin and Faurecia
- Booked evaluation equipment orders for fuel cells from SYMBIO.
- At their giga factory commencement ceremony HORIBA was introduced as an indispensable partner for fuel cell production.

- HORIBA France received an order for the project.
- Plan to also provide electrolyzer evaluation systems of HORIBA FuelCon (Germany) and scientific products of other HORIBA Group companies.
The chemical absorption method using amine solution is widely used in processes of CO₂ fixation and capture.

Monitor various exhaust gases generated in processes using the chemical absorption method.

Monitor amine solution to determine timing of replacement/additional injection.

Monitor exhaust gas

Monitor amine solution

High concentration gas monitoring
Multi-component gas analyzer

Low concentration gas monitoring
Trace gas analyzer

Outdoor type pH/electrical conductivity analyzer

Process Raman, fluorescence analyzer

Monitor amine solution to determine timing of replacement/additional injection.
HORIBA MIRA, with close partnerships with automotive manufacturers worldwide, supports their development efforts.

Providing a range of R&D solutions in the new automotive field

<table>
<thead>
<tr>
<th>Customers of HORIBA MIRA</th>
<th>Engineering</th>
<th>Certification and standard testing</th>
<th>Local specification testing</th>
<th>Benchmark testing</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK-based automotive companies</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Non-UK-based automotive companies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Automotive start-ups</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Automotive suppliers</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Material manufacturers</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

- A comprehensive development engineering facility that supports work from design to actual vehicle verification started full operation in 2022.
- Received the “Test Facility of the Year” award from UK’s Vehicle Dynamics International magazine in 2022.

Seamlessly conduct digital simulation and feasibility tests (digital-twin)
As a partner, developing solutions matched to customers’ issues

<table>
<thead>
<tr>
<th>Real-world simulation system for autonomous driving/ADAS sensor evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Reproducing rainfall conditions on public roads with a focus on environmental recognition performance in bad weather</td>
</tr>
<tr>
<td>✓ Quantitative and efficient evaluation of the performance limits of sensors</td>
</tr>
</tbody>
</table>

1. Environment simulator that reproduces five levels of rainfall, from fog to heavy rain*  
   * Rainfall of 20-100mm/h

2. Equipment to put a test vehicle into an actual driving state to operate ADAS (steerable 4-wheel constant velocity bench)

Delivered the products to NTSEL* (of the National Agency for Automobile and Land Transport Technology)

* National Traffic Safety and Environment Laboratory
Ensure the operating rate of automotive development labs

- Support customers’ utilization of HORIBA’s existing emission measurement systems and development work at labs, in response to their demand for new vehicles in the transition period of vehicle electrification.

**Emission measurement business order trends**

- Nov. 2022: EU’s announcement of the Euro 7 emission regulations

- Orders accelerate in preparation for new regulations

**Multi-faceted approach**

- **[Upgrade]**
  - Upgrade to the latest equipment to respond to new regulations.
  - Introduce equipment with latest specifications.

- **[Prolong product life]**
  - Maintain functions with a prolonged life plan.
  - Add new functions.

- **[Recycle]**
  - Remove parts.
  - Manage stock parts for repair.

About 8,000 delivered units of HORIBA’s MEXA series are still in active operation.
[Bio & Healthcare] Products for Pharmaceutical Manufacturing Process

Expanding business in the pharmaceutical industry

HORIBA’s products enable real-time monitoring and contribute to improving yield rates

Pharmaceutical business process

Pharma company — R&D —
Contract development and manufacturing organization (CDMO)
Pharma company — Marketing and sales —
Pharma market

Provide high-end analyzers and measuring devices such as Raman spectrometers

Medium component monitoring
Process Raman, fluorescence analyzer
Trace sampling pH analyzer

Pharmaceutical manufacturing process

TOC analyzer
Total organic carbon measurement
Bio reactor (culture tank)

pH control

© 2023 HORIBA, Ltd. All rights reserved.
[Materials & Semiconductor]
Cross-segment Activities to Expand Opportunities

From R&D to manufacturing: Use of HORIBA’s analyzers and measuring devices

- Mass flow controller
- Chemical concentration monitor
- Plasma emission monitor
- Radiation thermometer
- Reticle/Mask particle detection system

- Film thickness evaluation and CMP slurry evaluation
- Monitoring Airborne Molecular Contamination (AMC) in clean room
- Highly-sensitive silica monitor
- Non-refill self-cleaning pH electrode
- Process laser gas analyzer

Semiconductor manufacturing
Clean room
Facility
Manufacturing equipment
Key components and devices in semiconductor manufacturing
[Materials & Semiconductors] MFC in Various Fields

Mass flow controllers (MFC) contributing to the production of solar panels and artificial diamonds

Expand booking for MFCs for general industry, mainly in China and India

Booking for MFCs for general industry

- Booking in 2022 reached 10 billion yen

MFCs installed in manufacturing equipment for solar panels, artificial diamonds, and power semiconductors

HORIBA Precision Instruments in Beijing manufactures MFCs for general industry

Will start production of MFCs for general industry in India in the first half of 2023

HORIBA Precision Instruments (Beijing) Co., Ltd. (Beijing)

HORIBA India Private Limited (Pune)
Full-scale operation of HORIBA C-CUBE, a new base in China

A new base to meet the needs of the Chinese market

✓ A new base in China where operations of all HORIBA's segments have been brought together

✓ HORIBA's largest base engaged in integrated operations from development and production to after-sales services

厚立方 HORIBA C-CUBE

Five Cs of C-CUBE

- Core
- Cross
- Change
- Challenge
- Community

Location: Jiading District, Shanghai
Headcount: 144 (Dec. 2022)
Construction cost: 9 billion yen (in total)
Sale of part of MIRA UGV’s shares

- HORIBA MIRA Limited (MIRA), sold part of the shares of MIRA UGV Limited (UGV) owned by MIRA to Iveco Defence Vehicles S.p.A. (Italy) (IDV).
  - For nearly 30 years, MIRA has provided Unmanned Ground Vehicle development engineering services for the defense industry
  - Transfer part of the shares of UGV to IDV, in order to concentrate on field of consumer vehicles such as passenger cars and heavy-duty vehicles
  - Approximately 6,200 million yen of impact on profit and loss related to the share transfer, and the transferred amount is expected to be recorded as an extraordinary gain for the first quarter of FY2023.

Future developments

- IDV concluded a contract with MIRA for tenant lease agreement of MIRA Technology Park and the long-term engineering contract
- MIRA will provide engineering services and jointly develop technologies with IDV
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - 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

- 2021 Results 150yen [Interim 50yen/Year-end 100yen]
- 2022 Results 245yen [Interim 65yen/Year-end 180yen]
- 2023 Forecast 255yen [Interim 80yen/Year-end 175yen]

Per-share dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary Div. (yen)</th>
<th>Commemorative Div. (yen)</th>
<th>Total Return Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>67</td>
<td>0</td>
<td>26.8%</td>
</tr>
<tr>
<td>2015</td>
<td>70</td>
<td>0</td>
<td>30.6%</td>
</tr>
<tr>
<td>2016</td>
<td>85</td>
<td>0</td>
<td>27.6%</td>
</tr>
<tr>
<td>2017</td>
<td>116</td>
<td>0</td>
<td>30.0%</td>
</tr>
<tr>
<td>2018</td>
<td>125</td>
<td>20</td>
<td>27.4%</td>
</tr>
<tr>
<td>2019</td>
<td>130</td>
<td>35.4%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>90</td>
<td>28.8%</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>150</td>
<td>29.7%</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>245</td>
<td>30.4%</td>
<td></td>
</tr>
<tr>
<td>2023F</td>
<td>255</td>
<td>30.3%</td>
<td></td>
</tr>
</tbody>
</table>
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - Corporate Profile
Operating Profit Analysis (vs 2021)

(Billions of yen)


- Increase Sales + 23.32
- Increase COGS -14.53
- Exchange impact for Gross Profit +14.65
- Exchange impact for Expense -3.99
- Increase R&D Expense -1.14
- Increase Other Expense -4.51

Increase Gross Profit + 8.79
Exchange Impact + 10.66
Increase Expenses -5.65

Increase Operating Profit +13.79


- 32.04
- 45.84
## Consolidated Cash Flows

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>+33.9</td>
<td>+35.2</td>
<td>-1.3</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-10.7</td>
<td>-14.6</td>
<td>+3.9</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>-22.4</td>
<td>-4.0</td>
<td>-18.4</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>138.7</td>
<td>133.9</td>
<td>+4.8</td>
</tr>
<tr>
<td>Free cash flows</td>
<td>+23.2</td>
<td>+20.6</td>
<td>+2.6</td>
</tr>
</tbody>
</table>
Cash Balance

(Consolidated basis, each end of period)
(Billions of Yen)

Total Loan Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Balance</th>
<th>Total Loan Balance</th>
<th>Bonds</th>
<th>Long</th>
<th>Short</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>95.6%</td>
<td>70.3%</td>
<td>45.0%</td>
<td>16.8</td>
<td>8.4%</td>
</tr>
<tr>
<td>2020</td>
<td>114.5%</td>
<td>77.0%</td>
<td>30.0%</td>
<td>37.5</td>
<td>9.5%</td>
</tr>
<tr>
<td>2021</td>
<td>135.0%</td>
<td>80.1%</td>
<td>30.0%</td>
<td>25.0</td>
<td>25.1%</td>
</tr>
<tr>
<td>2022</td>
<td>139.8%</td>
<td>67.2%</td>
<td>30.0%</td>
<td>24.8</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

Recent issuer rating: R&I “A” (Sep. 2022), JCR “A+” (Sep. 2022)
## Exchange Rate Trend / Forecasts / Impacts

### Exchange rate impact for 2022
(vs 2021)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>vs 2022 (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual</strong> USD</td>
<td>109.90</td>
<td>131.62</td>
<td>130</td>
<td>-1.62</td>
</tr>
<tr>
<td><strong>Annual</strong> EUR</td>
<td>129.91</td>
<td>138.14</td>
<td>140</td>
<td>+1.86</td>
</tr>
</tbody>
</table>

### Exchange rate impact for 2023 Forecasts
1 yen impact of Sales and O.P.
(Weak yen)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD</strong></td>
<td>+0.78</td>
<td>+0.43</td>
</tr>
<tr>
<td><strong>EUR</strong></td>
<td>+0.38</td>
<td>+0.01</td>
</tr>
</tbody>
</table>

### Increase sales
- Increase sales: +22.49
- Increase cost of goods sales: -7.83
- Impact to gross profit: +14.65
- Increase expenses: -3.99
- Impact to operating profit: +10.66
## Capital Investment, Depreciation, R&D

### (Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2021 Actual</th>
<th>Previous Forecasts (as of Nov. 11)</th>
<th>2022 Actual</th>
<th>vs 2021</th>
<th>vs Previous Forecasts</th>
<th>Forecasts</th>
<th>vs 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>12.4</td>
<td>13.5</td>
<td>12.5</td>
<td>+0.0</td>
<td>-0.9</td>
<td>14.0</td>
<td>+1.4</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>10.4</td>
<td>11.0</td>
<td>11.3</td>
<td>+0.9</td>
<td>+0.3</td>
<td>12.0</td>
<td>+0.6</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>16.7</td>
<td>19.0</td>
<td>18.5</td>
<td>+1.8</td>
<td>-0.4</td>
<td>22.0</td>
<td>+3.4</td>
</tr>
<tr>
<td>to net sales(%)</td>
<td>7.4%</td>
<td>7.2%</td>
<td>6.9%</td>
<td>-</td>
<td>-</td>
<td>7.6%</td>
<td>-</td>
</tr>
</tbody>
</table>

### PP&E:
- Investment in semi and automotive-related facilities, enhancement of global bases
- Consider urgency and priority and make investment decisions
Contents

- 2022 Results
- 2023 Forecast
- Outlines by Business Segment
- Topics - Various activities for target markets
- Shareholder Return
  - Financial Data
  - Corporate Profile
### Five Business Segments & Major Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>25%</td>
<td>Emission Measurement Systems</td>
</tr>
<tr>
<td>Process &amp;</td>
<td>8%</td>
<td>Stack Gas Analyzers</td>
</tr>
<tr>
<td>Environmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td>11%</td>
<td>Automatic Blood Cell Counters plus CRP</td>
</tr>
<tr>
<td>Semiconductor</td>
<td>42%</td>
<td>Mass Flow Controllers</td>
</tr>
<tr>
<td>Scientific</td>
<td>14%</td>
<td>Raman Imaging Device</td>
</tr>
</tbody>
</table>

Figures are the sales composition ratio for FY 2022
Global Network

Sales by region (as of Dec 2022)

- Americas: 16%
- Europe: 20%
- Asia: 37%
- Europe: 20%

Employee headcount by region (as of Dec 2022)

- Americas: 12%
- Europe: 32%
- Asia: 20%
- Japan: 36%

- Major business hubs

Number of companies (as of Dec 31, 2022) 49
Overseas sales ratio (as of Dec 2022) 73%
Foreign employee ratio (as of Dec 31, 2022) 64%
Achieving Sustainable Growth through M&A

Major M&As

1996  
ABX (France)  
【Medical】

1997  
Jobin Yvon (France)  
【Scientific】

2005  
SCHENCK DTS (Germany)  
【Automotive】

2015  
MIRA (UK)  
【Automotive】

2018  
FuelCon (Germany)  
【Automotive】

Trends in consolidated sales

About nine-fold growth in corporate scale in 30 years

270.1 billion yen

© 2023 HORIBA, Ltd. All rights reserved.
HORIBA’s Business Domain

Agriculture
- Plant factory
- Soil analysis
- Food safety
- Safety management

New Material Development
- Secondary battery
- Biomaterial
- Steel and ceramics

IT Infrastructure
- IoT, Cloud, 5G
- Automation informatics

Health and Security
- Diagnostic equipment
- New drug development
- Drinking water

Water Quality Management
- Monitoring system
- Compliance with waste water regulations

Global Environment Conservation
- Monitoring air pollution
- Renewable energy/power plant
- Greenhouse gases

Automotive/Ship Development
- Ultra-low emission
- Vehicle electrification, EV
- Autonomous driving
- Regulatory compliance

Space Development
- Planetary probe
- Auroral analysis

Manufacturing Process
- Semiconductor device
- Solar panels
- Petrochemical plant

Renewable energy/power plant
- Greenhouse gases

© 2023 HORIBA, Ltd. All rights reserved.