HORIBA, Ltd.

Financial Information

February 2016
Contents

- Review
  previous MLMAP [2011-2015] / 2015 Results
- MLMAP2020 [2016-2020]
- Business segment outline
- Shareholder return

  MLMAP : Mid-Long Term Management Plan

- Financial Data
- Corporate profile

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MLMAP : Mid-Long Term Management Plan

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## 2015 full year results

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Results</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>153.0</td>
<td>150.0</td>
<td>170.8</td>
<td>+17.8</td>
<td>+20.8</td>
</tr>
<tr>
<td>Operating profit</td>
<td>17.2</td>
<td>20.0</td>
<td>19.3</td>
<td>+2.1</td>
<td>-0.7</td>
</tr>
<tr>
<td>O.P. %</td>
<td>11.2%</td>
<td>13% or more</td>
<td>11.3%</td>
<td>+0.1p</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>16.4</td>
<td>20.0</td>
<td>18.8</td>
<td>+2.3</td>
<td>-1.2</td>
</tr>
<tr>
<td>Net profit</td>
<td>10.5</td>
<td>12.0</td>
<td>12.8</td>
<td>+2.2</td>
<td>+0.8</td>
</tr>
<tr>
<td>Net profit per share(Yen)</td>
<td>250</td>
<td>283</td>
<td>305</td>
<td>+55</td>
<td>+22</td>
</tr>
<tr>
<td>ROE</td>
<td>8.9%</td>
<td>11% or more</td>
<td>10.2%</td>
<td>+1.3p</td>
<td>-</td>
</tr>
</tbody>
</table>

- • Target achieved
- ★ Record high

(Billions of yen)
## Results for 2015 by segment

(Billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014 Results</th>
<th>2015 Results</th>
<th>2015 vs. 2014</th>
<th>2015 vs. MLMAP</th>
<th>2014 Results</th>
<th>2015 Results</th>
<th>2015 vs. 2014</th>
<th>2015 vs. MLMAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>55.0</td>
<td>46.0</td>
<td>64.2</td>
<td>+9.2</td>
<td>5.8</td>
<td>5.0</td>
<td>4.4</td>
<td>-1.3</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>16.4</td>
<td>16.0</td>
<td>16.7</td>
<td>+0.2</td>
<td>2.0</td>
<td>1.5</td>
<td>1.7</td>
<td>-0.2</td>
</tr>
<tr>
<td>Medical</td>
<td>27.0</td>
<td>34.0</td>
<td>27.4</td>
<td>+0.4</td>
<td>1.7</td>
<td>6.0</td>
<td>2.4</td>
<td>+0.6</td>
</tr>
<tr>
<td>Semi</td>
<td>28.9</td>
<td>30.0</td>
<td>35.3</td>
<td>+6.4</td>
<td>6.4</td>
<td>6.0</td>
<td>9.4</td>
<td>+2.9</td>
</tr>
<tr>
<td>Scientific</td>
<td>25.6</td>
<td>24.0</td>
<td>27.0</td>
<td>+1.4</td>
<td>1.2</td>
<td>1.5</td>
<td>1.3</td>
<td>+0.1</td>
</tr>
<tr>
<td>Total</td>
<td>153.0</td>
<td>150.0</td>
<td>170.8</td>
<td>+17.8</td>
<td>17.2</td>
<td>20.0</td>
<td>19.3</td>
<td>+2.1</td>
</tr>
</tbody>
</table>

○ → Target achieved in the period  ★ → Record high
Trend of 5 years results by segment

(Billions of yen)

Sales (2011 to 2015)

Mid-Long Term Management Plan target
(Announced in Feb. 2011)

<table>
<thead>
<tr>
<th>Year</th>
<th>Auto</th>
<th>Medical</th>
<th>Semi</th>
<th>Scientific</th>
<th>P&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>46.0</td>
<td>183.9</td>
<td>24.6</td>
<td>35.3</td>
<td>20.4</td>
</tr>
<tr>
<td>2012</td>
<td>43.2</td>
<td>34.0</td>
<td>17.8</td>
<td>22.9</td>
<td>14.5</td>
</tr>
<tr>
<td>2013</td>
<td>49.5</td>
<td>26.8</td>
<td>28.9</td>
<td>22.9</td>
<td>13.7</td>
</tr>
<tr>
<td>2014</td>
<td>55.0</td>
<td>27.0</td>
<td>27.4</td>
<td>25.6</td>
<td>14.7</td>
</tr>
<tr>
<td>2015</td>
<td>64.2</td>
<td>27.0</td>
<td>30.0</td>
<td>27.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>
Trend of 5 years results by segment

Operating profit (2011 to 2015)

(Billions of yen)
15-year business results

[Sales]  Greatly exceeded the plan targets
[O.P.]  Close to the plan targets. Shortfall due to the large M&A and investment in PP&E in 2015
[N.P.]  Achieved the plan targets (Renewed record-highs in sales and profits)
Achievements of MLMAP2015

- **Fully implemented “One Company Matrix management”**
  - Fully implemented shared services in five segments and regions
  - Fully implemented ERP (Enterprise Resource Planning) systems in all group companies.

- **Invested in highly profitable businesses**
  - Invested in Automotive Test Systems business (Biwako Factory; MIRA)
  - Strengthened R&D and production in Semiconductor business
  - M&A in the U.S. (Process measurement business [P&E]; Fluorescence spectroscopy business [Scientific])

- **Accelerated global product development and production**
  - Expanded capacity of reagent plants (China, India, and Brazil)

- **Improve profitability of Medical business**

- **Speed up profitability improvement of the acquired businesses**

- **Deal with higher depreciation caused by large-scale investments**
Contents

- Review
  - previous MLMAP [2011-2015] / 2015 Results
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- Business segment outline
- Shareholder return

- Financial Data
- Corporate profile
Major policies

MLMAP2020 “One Step Ahead”

- Applying HORIBA Technology in new business fields and new markets and becoming a true partner in analysis and measurement
- Accelerating corporate growth by its Super Dream Team based on balanced management, matrix organization, and HORIBA Stained Glass Project
- Improving capital efficiency to maximize corporate value
# Numerical targets

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>250.0 billion yen</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>30.0 billion yen (OP% :12%)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>20.0 billion yen</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>475 yen</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>10% or more</td>
</tr>
<tr>
<td><strong>Total return</strong></td>
<td>30% target</td>
</tr>
</tbody>
</table>

**Exchange rate :** USD = 115 yen, Euro = 125 yen
### Numerical targets (vs 2015, vs 2016)

(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>2015 (Results Restated)</th>
<th>2016 (Forecast)</th>
<th>MLMAP2020 (Plan)</th>
<th>Growth ratio vs. 2015</th>
<th>Growth ratio vs. 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>172.3</td>
<td>175.0</td>
<td>250.0</td>
<td>+45%</td>
<td>+43%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>20.2</td>
<td>17.5</td>
<td>30.0</td>
<td>+49%</td>
<td>+71%</td>
</tr>
<tr>
<td><strong>OP%</strong></td>
<td>11.7%</td>
<td>10.0%</td>
<td>12.0%</td>
<td>+0.3p</td>
<td>+2.0p</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>19.8</td>
<td>16.5</td>
<td>29.0</td>
<td>+46%</td>
<td>+76%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>13.5</td>
<td>10.8</td>
<td>20.0</td>
<td>+48%</td>
<td>+85%</td>
</tr>
<tr>
<td><strong>EPS (Yen)</strong></td>
<td>320</td>
<td>256</td>
<td>475</td>
<td>+48%</td>
<td>+85%</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>10.7%</td>
<td>8.1%</td>
<td>10% or more</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
## Numerical targets (by Segment)

(Billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2015 Results</th>
<th>2016 Forecast</th>
<th>Plan</th>
<th>MLMAP2020 Growth ratio</th>
<th>Forecast Growth ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>68.5</td>
<td>70.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>16.7</td>
<td>18.0</td>
<td>25.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Medical</td>
<td>27.7</td>
<td>28.0</td>
<td>40.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Semi</td>
<td>35.4</td>
<td>31.0</td>
<td>50.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Scientific</td>
<td>26.7</td>
<td>28.0</td>
<td>35.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>172.3</td>
<td>175.0</td>
<td>250.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Operating profit

<table>
<thead>
<tr>
<th>Segment</th>
<th>2015 Results</th>
<th>2016 Forecast</th>
<th>Plan</th>
<th>MLMAP2020 Growth ratio</th>
<th>Forecast Growth ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>5.2</td>
<td>5.0</td>
<td>10.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>1.8</td>
<td>1.5</td>
<td>2.5</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Medical</td>
<td>2.6</td>
<td>2.0</td>
<td>4.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Semi</td>
<td>9.4</td>
<td>7.5</td>
<td>10.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Scientific</td>
<td>1.2</td>
<td>1.5</td>
<td>3.5</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20.2</td>
<td>17.5</td>
<td>30.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

2015 results are restated numbers.
Continual growth in Sales and in all profits

Doubled in 10 years from 2010

Sales  Operating profit  Net profit

CAGR: 7.7%

CAGR: 8.2%

CAGR: 8.2%


Business results in 20 years

(Billions of yen)
Major policies

MLMAP2020 “One Step Ahead”

- Applying HORIBA Technology in new business fields and new markets and becoming a true partner in analysis and measurement
- Accelerating corporate growth by its Super Dream Team based on balanced management, matrix organization, and HORIBA Stained Glass Project
- Improving capital efficiency to maximize corporate value
Priority measure 1:
Applying HORIBA technology in new business fields and new markets

Operating profit growth 2015 vs. 2020

- **Auto**
  - 2015: 5.2 (Billions of yen)
  - 2020: 10.0

- **Semi**
  - 2015: 9.4
  - 2020: 10.0

- **Medical**
  - 2015: 1.8
  - 2020: 3.5

- **P&E**
  - 2015: 2.6
  - 2020: 2.5

- **Scientific**
  - 2015: 1.2

**Automotive Test Systems**
- No.1 global share in exhaust gas analyzers
- Expand production capacity and improve profitability (Biwako Factory)
- Expand business fields (HORIBA MIRA)

**Semiconductors**
- Leading position in mass flow controllers
- Provide technological support in semiconductor diversification
- Provide cutting-edge measurement devise

**Next business creation**
- Explore more application of in-house technological resources and know-how
- Tap into new markets
- Make new investments and pursue M&A opportunities
Priority measure 1:
Becoming a true partner in analysis and measurement

Integrally utilize in-house technological resources and the customer network of each business, HORIBA expand the own technology to growth market.
Priority measures 2: “Super Dream Team”

**Balanced management**
- Flexible utilization of management resources
- Select-and-focus business for investment

**Matrix organization**
- Make thorough discussions by business segments and regions, and speedily implement strategy
- Promote shared services*

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**HORIBA Stained Glass Project**

To realize HORIBA style diversity

- Venture spirit
- Challenge spirit
- Embody “Joy and Fun”
  ➢ All players perform their special roles

~Super Dream Team~

*Shared services is to centralize specific work of more than one division of the company or group with the aim of raising productivity and cost reduction.*
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Growth strategy

Grow in the analytical measurement field for automotive development

- Growth opportunities from combustion engine development and tightening of emission regulations
- Improving profitability at Biwako Factory
- Expand ECT (HORIBA MIRA) business
  - Contribute to development of next generation mobility
  - Expand analytical business, utilizing HORIBA’s analytical technologies

Sales and operating profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>35.7</td>
<td>1.6</td>
</tr>
<tr>
<td>2011</td>
<td>38.6</td>
<td>2.8</td>
</tr>
<tr>
<td>2012</td>
<td>43.2</td>
<td>4.4</td>
</tr>
<tr>
<td>2013</td>
<td>49.5</td>
<td>4.2</td>
</tr>
<tr>
<td>2014</td>
<td>55.0</td>
<td>5.8</td>
</tr>
<tr>
<td>2015</td>
<td>65.8</td>
<td>5.2</td>
</tr>
<tr>
<td>2016</td>
<td>70.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Sales by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2015 (Restated)</th>
<th>2020 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>17.8 (27%)</td>
<td>27.0 (27%)</td>
</tr>
<tr>
<td>Asia</td>
<td>7.1</td>
<td>9.0 (9%)</td>
</tr>
<tr>
<td>China</td>
<td>10.6 (16%)</td>
<td>13.0 (13%)</td>
</tr>
<tr>
<td>Americas</td>
<td>10.5 (16%)</td>
<td>15.0 (15%)</td>
</tr>
<tr>
<td>Europe</td>
<td>19.8 (30%)</td>
<td>36.0 (36%)</td>
</tr>
<tr>
<td>Total</td>
<td>65.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Sub-segment sales

<table>
<thead>
<tr>
<th>Sub-segment</th>
<th>2016 (Forecast)</th>
<th>MLMAP 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMS</td>
<td>38.0</td>
<td>50.0</td>
</tr>
<tr>
<td>MCT</td>
<td>20.0</td>
<td>30.0</td>
</tr>
<tr>
<td>ITS</td>
<td>2.0</td>
<td>4.0</td>
</tr>
<tr>
<td>ECT</td>
<td>10.0</td>
<td>16.0</td>
</tr>
<tr>
<td>Total</td>
<td>70.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Growth ratio

- Japan: +52%
- Asia: +27%
- China: +23%
- Americas: +43%
- Europe: +82%

(All growth rates are compared to 2015)
Auto

Shared vision for HORIBA and HORIBA MIRA

<table>
<thead>
<tr>
<th>HORIBA Automotive Test Systems</th>
<th>MIRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create added value in EMS/MCT business</td>
<td>Utilize HORIBA’s advanced measurement devices so as to benefit each business</td>
</tr>
<tr>
<td>Develop next-generation mobility systems</td>
<td>Grow in the global market / Expand the customer base</td>
</tr>
</tbody>
</table>

Expanding business field in Next generation mobility such as autonomous vehicle development
Utilize HORIBA’s technology
Auto

Biwako factory “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
Global convergence of emission regulations

✓ Accelerating introduction of unified emission regulations
  (US and EU in 2017, Japan in 2018)
✓ Need to upgrade equipment due to change in testing method

◆ Bench test in labs
  ➢ Need to upgrade exhaust gas analyzers (hardware and software)
  ➢ Demand for more number of units

◆ On-road test (RDE: Real Driving Emission)
  ➢ Regulation for Light Duty Vehicles to start in Sep. 2017 in EU
  ➢ Need to coordinate data with lab test results
    • Correlate analyzers
      = Coordinate ”MEXA” with ”OBS” series
    • Expand HORIBA MIRA’s testing business

PEMS (Portable Emission Measurement Systems)
Expanding business field on Automotive industry

Body design
Material analysis
ECU/Semiconductor

Power unit
Drivetrain
Alternative fuel
(Fuel cell etc.)

Driving management
Safety
Autonomous
Driverless car

Cross segment approach

Auto
P&E
Medical
Semi
Scientific
P&E

Growth strategy

Value creation in environmental regulation and industrial process measurement fields

- Expand business globally in environmental regulation fields
  - Utilize technology capability and knowhow accumulated in Japan
- Expand share in the water measurement field by utilizing HORIBA’s pH measurement technology
- Expand the process analytical business into the oil refining and petrochemical fields

Sales and operating profit

Sales

Operating profit

Sales by region

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>Asia</th>
<th>China</th>
<th>Americas</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 (Restated)</td>
<td>8.3</td>
<td>2.4</td>
<td>1.1</td>
<td>2.6</td>
<td>2.3</td>
</tr>
<tr>
<td>2020 (Plan)</td>
<td>11.5</td>
<td>3.7</td>
<td>2.3</td>
<td>4.5</td>
<td>3.0</td>
</tr>
</tbody>
</table>

(Plan)

<table>
<thead>
<tr>
<th></th>
<th>2015 (Restated)</th>
<th>2020 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth ratio</td>
<td>+39% +54% +109%</td>
<td>+30% +50%</td>
</tr>
<tr>
<td>Forecast</td>
<td>+39% +54% +109%</td>
<td>+30% +50%</td>
</tr>
<tr>
<td>(Total)</td>
<td>16.7</td>
<td>25.0</td>
</tr>
</tbody>
</table>

(Billions of yen)
Regional strategy for gas measurement business

Oil refining market in the north America

Strengthening process analytical measurement business
- Expanding the business in Texas
- Sales: 1.5 billion yen

Process measurement equipment business

for Chinese market

New regulation for PM2.5
- Contribution to identify the source of PM
- Collaboration with Tsinghua university in China

Synergy with Scientific segment

Collaboration with Tsinghua University
Medical

Growth strategy

- Globally expand in the middle/small hematology market (POCT)
- Improve and expand line-up of product models
- Strengthen permission and authorization, and relationship with academia
- Expand OEM business and collaboration with other companies

Sales and operating profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Billions of yen)</th>
<th>Operating profit (Billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>23.4</td>
<td>3.1</td>
</tr>
<tr>
<td>2012</td>
<td>22.4</td>
<td>2.4</td>
</tr>
<tr>
<td>2013</td>
<td>26.8</td>
<td>2.4</td>
</tr>
<tr>
<td>2014</td>
<td>27.0</td>
<td>2.6</td>
</tr>
<tr>
<td>2015</td>
<td>27.7</td>
<td>2.0</td>
</tr>
<tr>
<td>2016</td>
<td>28.0</td>
<td>2.0</td>
</tr>
<tr>
<td>2020</td>
<td>40.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Sales by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2015 (Restated) (Billions of yen)</th>
<th>2020 (Plan) (Billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>6.0 (22%)</td>
<td>7.0 (18%)</td>
</tr>
<tr>
<td>Asia</td>
<td>1.4 (5%)</td>
<td>5.7 (14%)</td>
</tr>
<tr>
<td>China</td>
<td>1.4 (5%)</td>
<td>5.0 (13%)</td>
</tr>
<tr>
<td>Americas</td>
<td>1.4 (5%)</td>
<td>9.0 (22%)</td>
</tr>
<tr>
<td>Europe</td>
<td>10.6 (38%)</td>
<td>13.3 (33%)</td>
</tr>
</tbody>
</table>

Growth ratio

- Japan: +17%
- Asia: +97%
- China: +257%
- Americas: +32%
- Europe: +25%

Total growth: +44%
Growth in Blood testing field

<table>
<thead>
<tr>
<th>Test category</th>
<th>Clinical chemistry</th>
<th>Hematology</th>
<th>Immunology</th>
<th>Coagulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market size</strong></td>
<td>2 trillion yen</td>
<td>350 billion yen</td>
<td>2 trillion yen</td>
<td>200 billion yen</td>
</tr>
<tr>
<td><strong>Hospitals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large hospitals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Testing centers</td>
<td>Clinical chemistry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small and medium-sized</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hospitals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private practitioners</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital units and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>surgery rooms (POCT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expanding direction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small and medium-sized</td>
<td>Blood glucose</td>
<td>CRP analysis</td>
<td>Coagulation reagents</td>
<td>hematoloy analyzers</td>
</tr>
<tr>
<td>hospitals</td>
<td>measurement</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expanding the business domain
(Horizontal axis) Expansion in technology for all of IVD field
(Vertical axis) Sales expansion in Middle hospitals/POCT market

Strengthening data management and automation field of testing in order to realize providing IVD solution
Medical

Improving the business both side from Japan and France

Challenge to expand the business in Asia. US, by comprehensive ability of Japan and France

HORIBA ABX
- Medium/large-sized hematology analyzers
- New brand “Yumizen”
- Collaboration with Montpellier university

HORIBA, Ltd.
- Small size hematology analyzers
- Bloodcell+CRP analyzer
- Collaboration with medical faculty of national university

Strengthening sales of hematology analyzers
Expanding Clinical chemistry field utilizing OEM and collaboration capabilities.

Stable reagent supply chain in the world

Reagent factory in Shanghai
Reagent factory in Aso, Japan
Reagent factory in Brazil

New R&D center of HORIBA ABX
Reagent factory in India
Growth strategy

- Strengthen market position in mass flow controllers and chemical concentration monitors
  - Enhance relationship with manufacturers of semiconductor devices and semiconductor production equipment
  - Strengthen development capability in Japan and the US
  - Increase production capacity in Japan (at Kyoto and Aso) and Asia
- Expand business by promoting new applications in the petrochemical, pharmaceutical, energy, foods, and other markets.

**Sales and operating profit**

- 2011: Sales = ¥24.6 billion, Operating profit = ¥4.9 billion
- 2012: Sales = ¥24.1 billion, Operating profit = ¥4.8 billion
- 2013: Sales = ¥28.9 billion, Operating profit = ¥6.4 billion
- 2014: Sales = ¥35.4 billion, Operating profit = ¥9.4 billion
- 2015 (Restated): Sales = ¥31.0 billion, Operating profit = ¥7.5 billion
- 2016 (Forecast): Sales = ¥50.0 billion, Operating profit = ¥10.0 billion
- 2020 (Plan): Sales = ¥35.4 billion, Operating profit = ¥5.0 billion

**Sales by region**

- **Japan (Plan)**: ¥19.5 billion (39%)
- **Asia (Plan)**: ¥11.0 billion (22%)
- **China Americas (Plan)**: ¥4.5 billion (9%)
- **Europe (Plan)**: ¥13.0 billion (26%)
- **(Total)**: ¥50.0 billion

**Growth ratio**

- 2015 (Restated): +49%
- 2020 (Plan): +6%
- Japan: +18%
- Asia: +103%
- China Americas: +18%
- Europe: +41%

(Total): +41%
Semi

HORIBA’s strength

Global market share expansion in mass flow controllers

- Technology and production improvement, as required by semiconductor device and production equipment manufacturers
- Management organization with capability of continuing investment during a period of downturn in demand → Quick response to a pick-up in demand

Effective utilization of cutting-edge R&D and production facilities

- Technical and production capabilities of cutting-edge technology
- Effective use of facilities in Kyoto (Fukuchiyama R&D) and Aso (production)
- Enhance development in US

Global market share of mass flow controllers

- HORIBA Advanced Technology Center (Opened in Apr. 2015)
- Kyoto Fukuchiyama Technology Center (Opened in Dec. 2013)
- Aso Factory, Japan
- Reno R&D center (US)
Becoming “Your Partner in Science”, and generating HORIBA’s core technology

- Integrate technologies of HORIBA and HORIBA Jobin Yvon (HJY)
- Enhance HORIBA’s core technology and make it available for other segments to expand their business
- Enhance capability in the cutting-edge material analysis field, and capability in design and development tailored to customer needs
Approach for exploit new market

Japan/France/US/Canada  Globalize through technology of 4sites

• Optical analysis technology of HJY
• Close relationship with academia in France
• Utilize HORIBA Europe Research Center

• Particle size distribution and X ray analysis of HORIBA
• Globalize production technology

• HJY US facility
• Fluorescence analysis of Photon Technology International
• Close relationship with academia in life science field
• Target to next generation drag development etc.

Highly valued brand in material analysis field

Network in Life science field

HORIBA Jobin Yvon/Paris

HORIBA, Ltd. Kyoto

Photon Technology International/Canada
Use of core technology for growth

Cutting-edge technology of HORIBA and HORIBA Jobin Yvon
Close relationship with academia

Next generation technology

In-Line On-Line
AFM-Raman/CL
Nano consosiam censor

Existing technology

Existing markets

New markets

Expanding to new fields

Auto
P&E
Medical
Semi

One Step Ahead!

Universities, governments
Strategic growth

Bio-life science
Energy, electronics
Automotive, materials

Existing markets

Explore the future
HORIBA’s original management style
+
Strategic growth in Water measurement field
HORIBA’s original management style

HORIBA, Ltd. (Total Analytical measurement supplier)

HORIBA STEC (Flow control)

HORIBA Advanced Techno (Water measurement)

HORIBA Techno Service (After maintenance)
Apply HORIBA’s water measurement technology to raise productivity in water treatment processing.
Create the value only HORIBA can realize.

HORIBA Advanced Techno = Core player in water measurement

- Cover all water treatment processes
- Timely and precisely satisfy market demand
- Create next generation water measurement network using IoT

P&E
Semi
Scientific

Plan to double sales in water measurement business

10 billion yen in 2015 → 20 billion yen* in 2020

* Total sales amount of water related business of P%E, Semiconductor and Scientific
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- Corporate profile
Shareholder return 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)

Since 2013, HORIBA has changed the base amount of profit returns to shareholders from 30% of HORIBA, Ltd. (nonconsolidated) net income to 30% of consolidated net income. HORIBA started paying shareholder dividends based on a predetermined payout ratio in 1974 when HORIBA was listed.

Per-share dividend and total return ratio (from 2001 to 2016 Forecast)

2008 Share buyback 238,900 shares, about 0.8 billion yen

2015 Share buyback 218,400 shares, about 1.0 billion yen

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)

Since 2013, HORIBA has changed the base amount of profit returns to shareholders from 30% of HORIBA, Ltd. (nonconsolidated) net income to 30% of consolidated net income. HORIBA started paying shareholder dividends based on a predetermined payout ratio in 1974 when HORIBA was listed.
A yacht can sail toward harbor even with headwind. HORIBA is like such a yacht, sailing the seas with five sails (business segments) which efficiently coordinate with each other so that the company is propelled toward its goals, by redirecting winds (chances) into the driving force.

“A yacht’s sails enable it to go forward regardless of the direction of the wind.”
Symbol of MLMAP2020

One Step Ahead - To create a next stage of HORIBA -

Step out of the existing business fields and pursue further expansion.
Take a new perspective and overcome technological/market/organization barriers.
Be flexible, think outside the box, and move up to the next stage.
Thank you very much for your attention.
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Changed the accounting policy for revenue recognition

Changed points: Original Shipment base
New The date of delivery or installation based on contractual arrangements

Applied timing: January 2016
Reason for change: Triggered by the introduction of a new ERP implementation, to harmonize with international accounting standards.

As of February 10, 2016, audit procedures for this change has not finished yet.
2015 Operating profit analysis (vs. 2014) (Millions of yen)

2014

- Increase of Sales Amount: +12,122
- Increase of Cost of sales: -9,907
- Exchange impact for Gross Profit: +3,933
- Exchange impact for Expenses: -1,136

2015

- Increase of Operating profit: +2,157
- Increase of other expenses: -2,482
- Increase of R&D cost: -372
- Exchange impact for Expenses: +2,797

Sales impact: +2,215
Exchange impact: +2,797
Expenses impact: -2,855
### Capital Investment, Depreciation, R&D

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td>Results</td>
<td>Forecast</td>
<td>2015</td>
</tr>
<tr>
<td>PP&amp;E</td>
<td>9.1</td>
<td>14.9</td>
<td>16.3</td>
<td>+1.4</td>
</tr>
<tr>
<td>Intangibles</td>
<td>1.8</td>
<td>1.4</td>
<td>0.7</td>
<td>-0.7</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>11.0</td>
<td>16.3</td>
<td>17.0</td>
<td>+0.6</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4.9</td>
<td>6.1</td>
<td>7.0</td>
<td>+0.8</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>11.9</td>
<td>12.3</td>
<td>14.0</td>
<td>+1.6</td>
</tr>
</tbody>
</table>

(To net sales)

- **Capital spending for HORIBA MIRA Ltd. (6.0 bil yen)**
- **Biwako factory (0.7 bil yen)**
- **Increase in Automotive segment**
# Consolidated Cash Flows

(Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>11,455</td>
<td>14,770</td>
<td>3,315</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-9,875</td>
<td>-30,642</td>
<td>-20,768</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>-273</td>
<td>12,843</td>
<td>13,117</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>51,109</td>
<td>47,859</td>
<td>-3,251</td>
</tr>
<tr>
<td>Free cash flows</td>
<td>1,580</td>
<td>-15,872</td>
<td>-17,453</td>
</tr>
</tbody>
</table>

Recent issuer rating: R&I [A-] (Aug 2015), JCR [A] (Sep 2015)
Impact of fluctuation in foreign exchange

Exchange rate impact (2015 Results)

<table>
<thead>
<tr>
<th>(Millions of Yen)</th>
<th>Sales</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD</td>
<td>EUR</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,021</td>
<td>1,529</td>
</tr>
<tr>
<td><strong>Auto</strong></td>
<td>616</td>
<td>881</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>2,266</td>
<td>1,979</td>
</tr>
<tr>
<td><strong>Semi</strong></td>
<td>1,062</td>
<td>1,328</td>
</tr>
<tr>
<td><strong>Scientific</strong></td>
<td>497</td>
<td>386</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,463</td>
<td>6,106</td>
</tr>
</tbody>
</table>

Exchange rate impact for 2016 Forecast
1 yen impact of Sales and O.P. (Yen depreciation)

**Sales**
USD 403 millions of yen
EUR 330 millions of yen

**Operating Profit**
USD 172 millions of yen
EUR 17 millions of yen

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD</strong></td>
<td>105.79</td>
<td>121.10</td>
<td>115</td>
<td>▲ 6.10</td>
</tr>
<tr>
<td><strong>EUR</strong></td>
<td>140.35</td>
<td>134.31</td>
<td>125</td>
<td>▲ 9.31</td>
</tr>
</tbody>
</table>
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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 (EMS)
- Mechatronics Devices (MCT)
- Driving Control Systems (ITS)
- Engineering Consultancy & Testing (ECT)

**Process & Environmental**
- Environmental 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 and HORIBA Jobin Yvon’s Technologies

**Scientific**
- Synergy of HORIBA and HORIBA Jobin Yvon’s Technologies
- Raman, Grating, and Fluorescence
Well Balanced Business Operation -Five Business Segments-

Business & Geographic Composition of Sales (2015)

Sales 170.8 Billions of Yen

- Scientific: 27.0 (16%)
- Semiconductor: 35.3 (21%)
- Medical: 27.4 (16%)
- P&E: 16.7 (10%)
- Automotive: 64.2 (37%)

Reduce Country Risk and Exchange Risk

- EU: 24%
- Japan: 31%
- America: 19%
- Asia: 26%
- USD
- JPY
- Euro

(Billions of Yen)
Global Market Share

Emission Measurement Systems 80%
Stack Gas Analyzers 20%
Automatic Blood Cell Counter plus CRP 100%
(Only in Japan)

Mass Flow Controllers 55%
Raman Spectrophotometers 30%
Gratings 35%

※Market shares quoted are estimates by HORIBA.
The Number of Group Companies by region
(As of December 31, 2015)

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

Sales of FY2015: 170.8 BJPY
Employees by Region

- Japan: 38%
- USA: 11%
- Germany: 8%
- France: 14%
- Other Asia: 14%
- Other Europe: 2%
- Other Americas: 3%

Total Number of Employees:
- 6,831
- Total Asia: 3,545 (52%)
- Total Europe: 2,356 (34%)
- Total Americas: 930 (14%)
Thank you very much for your attention.