HORIBA, Ltd.

Nomura Investment Forum 2015

December 4, 2015
Palace Hotel, Tokyo
Contents

• 2015 Nine Months Results
• 2015 Full Year Forecast
• Acquisition of MIRA Ltd.
• Business Segment Outline
• Other Topics
• Corporate Profile

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Copies of this presentation and additional information are available at HORIBA’s website: http://www.horiba.com
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• Corporate Profile
## Results for the First Nine Months of 2015 (Jan. - Sep.)
(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2014 9 months</th>
<th>2015 9 months</th>
<th>2014 vs 2015</th>
<th>2014 Full Year Results</th>
<th>2015 Full Year Forecast</th>
<th>2014 vs 2015</th>
</tr>
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<tbody>
<tr>
<td><strong>Auto</strong></td>
<td>32.2</td>
<td>37.8</td>
<td>+17.5%</td>
<td>55.0</td>
<td>66.5</td>
<td>+20.9%</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>19.7</td>
<td>20.5</td>
<td>+4.3%</td>
<td>27.0</td>
<td>28.0</td>
<td>+3.6%</td>
</tr>
<tr>
<td><strong>Semi</strong></td>
<td>19.9</td>
<td>27.6</td>
<td>+38.8%</td>
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<td>35.0</td>
<td>+21.0%</td>
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<tr>
<td><strong>Scientific</strong></td>
<td>17.3</td>
<td>18.8</td>
<td>+8.8%</td>
<td>25.6</td>
<td>28.0</td>
<td>+9.3%</td>
</tr>
<tr>
<td><strong>P&amp;E</strong></td>
<td>11.7</td>
<td>11.8</td>
<td>+0.5%</td>
<td>16.4</td>
<td>17.5</td>
<td>+6.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>101.0</td>
<td>116.8</td>
<td>+15.7%</td>
<td>153.0</td>
<td>175.0</td>
<td>+14.3%</td>
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<td><strong>Auto</strong></td>
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<td>-44.9%</td>
<td>5.8</td>
<td>5.2</td>
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<td><strong>Medical</strong></td>
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<td>1.8</td>
<td>+87.3%</td>
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<td>2.0</td>
<td>+16.5%</td>
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<tr>
<td><strong>Semi</strong></td>
<td>4.0</td>
<td>7.5</td>
<td>+87.5%</td>
<td>6.4</td>
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<td>+39.4%</td>
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<tr>
<td><strong>Scientific</strong></td>
<td>-0.0</td>
<td>0.4</td>
<td>-</td>
<td>1.2</td>
<td>1.3</td>
<td>+7.8%</td>
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<tr>
<td><strong>P&amp;E</strong></td>
<td>1.4</td>
<td>1.1</td>
<td>-20.9%</td>
<td>2.0</td>
<td>1.5</td>
<td>-25.3%</td>
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<tr>
<td><strong>Total</strong></td>
<td>7.8</td>
<td>11.8</td>
<td>+51.5%</td>
<td>17.2</td>
<td>19.0</td>
<td>+10.4%</td>
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</tbody>
</table>

**First nine months of 2015**

**Automotive**

Sales and one-time expenses increased due to the acquisition of MIRA Ltd.

**Medical**

Strong sales of the new product, launched in Japan in March, contributed to favorable sales.

**Semi**

Sales to production equipment manufacturers increased.

**Scientific**

Sales to the private sector in the Americas were robust.

**P&E**

Sales of stack gas analyzers decreased in Japan and China.
# Quarterly Results and Forecast (2014 – 2015)

(Billions of Yen)

## Sales

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<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>Full Year</th>
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<tr>
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<td>9.3</td>
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<td>10.9</td>
<td>22.7</td>
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<td>Medical</td>
<td>6.7</td>
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<td>27.0</td>
</tr>
<tr>
<td>Semi</td>
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<td>5.8</td>
<td>6.7</td>
<td>8.9</td>
<td>28.9</td>
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<tr>
<td>Scientific</td>
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<td>6.0</td>
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<td>8.2</td>
<td>25.6</td>
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<tr>
<td>P&amp;E</td>
<td>4.3</td>
<td>3.9</td>
<td>3.5</td>
<td>4.6</td>
<td>16.4</td>
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<td>Total</td>
<td>33.3</td>
<td>34.5</td>
<td>33.1</td>
<td>52.0</td>
<td>153.0</td>
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## O.P.

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<th>Full Year</th>
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<tr>
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<td>0.0</td>
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<td>1.0</td>
<td>1.3</td>
<td>2.4</td>
<td>6.4</td>
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<tr>
<td>Scientific</td>
<td>-0.2</td>
<td>0.3</td>
<td>-0.0</td>
<td>1.2</td>
<td>1.2</td>
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<tr>
<td>P&amp;E</td>
<td>0.6</td>
<td>0.4</td>
<td>0.3</td>
<td>0.5</td>
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<tr>
<td>Total</td>
<td>3.3</td>
<td>2.2</td>
<td>2.1</td>
<td>9.4</td>
<td>17.2</td>
</tr>
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</table>

### 3Q (Jul.-Sep.)

**Automotive**

Recorded expenses associated with the acquisition of MIRA Ltd. and the relocation to a new factory in Shiga Prefecture.

### 4Q (Oct.-Dec.)

**Medical**

Expect continued favorable sales of the new product.

**Semi**

Demand from Semi production equipment manufacturers is likely to decline.

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Temporary expenses in 3\textsuperscript{rd} Quarter (Jul. – Sep.)
(Millions of Yen)

Expenses associated with the acquisition of MIRA Ltd. and the relocation of development and production base to new factory

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Acquisition of MIRA Ltd. (Auto)</td>
<td>Acquisition expenses</td>
<td>550</td>
<td>40</td>
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<tr>
<td></td>
<td>Depreciation expenses (including goodwill)</td>
<td>110</td>
<td>110</td>
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<tr>
<td></td>
<td>Total</td>
<td>660</td>
<td>150</td>
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<tr>
<td>Relocation of new factory (Auto / P&amp;E)</td>
<td>moving expenses</td>
<td>120</td>
<td>470</td>
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<tr>
<td></td>
<td>Depreciation expenses</td>
<td>80</td>
<td>230</td>
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<td></td>
<td>Total</td>
<td>200</td>
<td>700</td>
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### Exchange rate forecast for 2015

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2015</td>
<td>1Q</td>
<td>2Q</td>
</tr>
<tr>
<td></td>
<td>First-Half</td>
<td>Results</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Results</td>
<td>of Aug. 5</td>
<td>1Q</td>
<td>2Q</td>
</tr>
<tr>
<td>USD</td>
<td>102.46</td>
<td>120</td>
<td>119.16</td>
<td>121.44</td>
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<tr>
<td>EUR</td>
<td>140.42</td>
<td>130</td>
<td>134.00</td>
<td>134.20</td>
</tr>
</tbody>
</table>

1 yen O.P. sensitivity for 2015 Forecast

- **USD**: 151 million yen
- **EUR**: 22 million yen
## Forecast for 2015

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>Forecast as of Aug. 5</th>
<th>Revised Forecast</th>
<th>vs. 2014</th>
<th>vs. Forecast as of Aug. 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>153.0</td>
<td>175.0</td>
<td>• 175.0</td>
<td>+21.9</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>17.2</td>
<td>19.0</td>
<td>• 19.0</td>
<td>+1.7</td>
<td>-</td>
</tr>
<tr>
<td><strong>O.P. %</strong></td>
<td>11.2%</td>
<td>10.9%</td>
<td>10.9%</td>
<td>-0.3p</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ordinary profit</strong></td>
<td>16.4</td>
<td>18.5</td>
<td>• 18.5</td>
<td>+2.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>10.5</td>
<td>12.0</td>
<td>• 12.3</td>
<td>+1.7</td>
<td>+0.3</td>
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<tr>
<td><strong>Net profit per share(Yen)</strong></td>
<td>250</td>
<td>284</td>
<td>• 291</td>
<td>+41</td>
<td>+7</td>
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<tr>
<td><strong>ROE</strong></td>
<td>8.9%</td>
<td>9.4%</td>
<td>9.6%</td>
<td>+0.7p</td>
<td>+0.2p</td>
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</tbody>
</table>

- Record high

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Explore the future

Automotive Test Systems | Process & Environmental | Medical | Semiconductor | Scientific
# Forecast for 2015 by segment

**(Billions of Yen)**

<table>
<thead>
<tr>
<th></th>
<th>2014 Results</th>
<th>2015 Forecast as of Aug. 5</th>
<th>2015 Revised Forecast</th>
<th>vs. 2014 Results</th>
<th>2014 Results</th>
<th>2015 Forecast as of Aug. 5</th>
<th>2015 Revised Forecast</th>
<th>vs. 2014 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>55.0</td>
<td>66.5</td>
<td>66.5</td>
<td>+11.4</td>
<td>5.8</td>
<td>5.2</td>
<td>5.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>Medical</td>
<td>27.0</td>
<td>28.0</td>
<td>28.0</td>
<td>+0.9</td>
<td>1.7</td>
<td>2.0</td>
<td>2.0</td>
<td>+0.2</td>
</tr>
<tr>
<td>Semi</td>
<td>28.9</td>
<td>35.0</td>
<td>35.0</td>
<td>+6.0</td>
<td>6.4</td>
<td>9.0</td>
<td>9.0</td>
<td>+2.5</td>
</tr>
<tr>
<td>Scientific</td>
<td>25.6</td>
<td>28.0</td>
<td>28.0</td>
<td>+2.3</td>
<td>1.2</td>
<td>1.3</td>
<td>1.3</td>
<td>+0.0</td>
</tr>
<tr>
<td>P&amp;E</td>
<td>16.4</td>
<td>17.5</td>
<td>17.5</td>
<td>+1.0</td>
<td>2.0</td>
<td>1.5</td>
<td>1.5</td>
<td>-0.5</td>
</tr>
<tr>
<td>Total</td>
<td>153.0</td>
<td>175.0</td>
<td>175.0</td>
<td>+21.9</td>
<td>17.2</td>
<td>19.0</td>
<td>19.0</td>
<td>+1.7</td>
</tr>
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</table>

*→ Record high*
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Overview of MIRA Ltd.

**Business**
1. Engineering Consultancy
2. Testing Services & Consultancy
3. MIRA Technology Park (Lease R&D facilities)

**Results**
Sales: 46.1MGBP (2014 Results)
O.P.: 1.1MGBP (2014 Results)

**Employees** 518 (As of December 31, 2014)

**Established** 1946

**Form** Company limited by guarantee: CLG

**Head office** Nuneaton, Warwickshire, UK

**Main sites** UK, China, India, Brazil
Core business streams

Engineering Consultancy
◆ Sales: 20MGBP  Number of employee: 240
  ✓ Design and development for vehicle driving performance
    (Brake performance, electromagnetic compatibility performance)
  ✓ Development services utilizing automatic driving and remote control technology

Testing Services & Consultancy
◆ Sales: 22MGBP  Number of employee: 180
  ✓ Testing and homologation services for collision safety, electromagnetic compatibility, functional safety and other vehicle related performance
  ✓ MIRA has the capability for a range of type approval testing, delegated by public authority

MIRA Technology Park (Lease R&D facilities)
◆ Sales: 3MGBP  Number of employee: 20
  ✓ Rent R&D facilities to 30 Auto/Auto related company
  ✓ Granted Enterprise Zone* status by the UK government

* Enterprise Zones
A Companies in Enterprise Zones have access to a number of benefits, including tax concessions and grants
2014 Results

Sales by Business field
- Testing Services & Consultancy: 22MGBP (49%)
- Engineering Consultancy: 20MGBP (44%)
- MIRA Technology Park: 3MGBP (6%)
- Others: 2MGBP (5%)

Total Sales: 46.1MGBP

Sales by Region
- Europe: 8% (3.68MGBP)
- Americas: 3% (1.38MGBP)
- China: 5% (2.31MGBP)
- Korea: 2% (0.92MGBP)
- India: 1% (0.47MGBP)
- Other Asia: 1% (0.47MGBP)
- UK: 80% (36.88MGBP)
Engineering Consultancy

It could cover all domains of Vehicle R&D

Vehicle Engineering

Controls & Next generation EV

Functional Safety

Future Transport Technologies
MIRA Technology Park

Various experiments using a large test course

MIRA Technology Park
30 customers

Test Site
“35” Test Site
Wind Tunnels(3)/EMC(9)/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
MIRA Technology Park

Key Aspects:

- Renting space to customers who want to be on site, ranging from day rates for workshop units to long term leases for bespoke dedicated R&D facilities
- Total number of tenants: 30
- Locations: UK

Key Customers & Markets:

- Major OEM’s and Tier One suppliers from around the world
- Tenants are attracted from global companies that want to access European technology and the European transportation market
Location of MIRA

- MIRA was strategically located in the Midlands, the center of the UK automotive industry. This area is famous for advanced vehicle engineering incl. F1 teams, and many skilled resource. (Mercedes, McLaren, Lotus, Williams etc.)
- Independent from any automotive manufacturers.
- Strong support from UK and local government.

Major customers: Aston Martin, Ford, Jaguar Land Rover, HKMC (Hyundai Kia Motor Company) and Japan Auto maker.
Future vision of HORIBA, Ltd. and HORIBA MIRA Ltd.

Shared Vision: Contribute to Global Sustainable Mobility

**Challenges currently faced**

- Access to latest vehicle technology and R&D information
- Become ready for changing powertrain and future mobility

**Synergy**

**HORIBA Automotive Test Systems**

**Short term**
- Create added value in EMS/MCT business
- Enhance software development and accumulate R&D-related information

**Long term**
- Expand the Automotive business domain
- Develop next-generation mobility systems

**MIRA**

**Short term**
- Utilize HORIBA’s advanced measurement devices so as to benefit each business

**Long term**
- Grow in the global market
- Expand the customer base

Grow in the global market

Maximize use of key technologies, facilities, and human resources
Expand business portfolio

Provide comprehensive solution of Automotive R&D

<table>
<thead>
<tr>
<th>Tools (EMS/MCT)</th>
<th>Ems Cert.</th>
<th>Engine R&amp;D</th>
<th>PWT* R&amp;D</th>
<th>Vehicle R&amp;D</th>
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<tr>
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<thead>
<tr>
<th>Process (Software)</th>
<th>Ems Cert.</th>
<th>Engine R&amp;D</th>
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<table>
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<tr>
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<th>Vehicle R&amp;D</th>
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<tr>
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<td>HORIBA</td>
<td>HORIBA</td>
<td>MIRA</td>
<td>MIRA</td>
</tr>
</tbody>
</table>

*PWT: Powertrain
Financial impact of acquisition of MIRA Ltd.

**Acquisition cost**: Approx. 15.5bn yen
- Acquisition by cash (Temporary expenditure)
- Borrowed from JBIC (Japan Bank for International Cooperation) in Sep 2015: 75.6mil USD

**Goodwill**: Approx. 3.5bn yen
(2015 Second-Half forecast 0.3bn yen
= Goodwill: 5 years, Invisible assets: 10 years)

**Impact to Automotive business**:
- Sales: +4.5bn yen (2015 Second-Half Forecast)
- O.P.: -0.4bn yen (2015 Second-Half Forecast)

---

2015 Full-Year Forecast of Automotive business

<table>
<thead>
<tr>
<th>Total</th>
<th>EMS*</th>
<th>MCT*</th>
<th>ITS*</th>
<th>ECT*</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.5</td>
<td>39.0</td>
<td>21.5</td>
<td>1.5</td>
<td>4.5</td>
</tr>
</tbody>
</table>

*EMS: Emission Measurement Systems  *MCT: Mechatronics
*ITS: Intelligent Transportation System *ECT: Engineering Consultancy & Testing

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Auto

Forecast for 2015

(Billions of Yen)

2015 Full-Year Forecast

EMS  +  Sales to grow toward year-end  -  Moving expenses to E-HARBOR*

MCT  +  Sales growth  -  Downward revision in Europe. Expect to rebound in 2H.

ECT  +  Incremental sales due to acquisition

-  Profit decrease due to acquisition-related expenses and goodwill burden

*E-HARBOR: HORIBA BIWAKO E-HARBOR

Sales and O.P. (Half-year)

<table>
<thead>
<tr>
<th>Half-year</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.1H</td>
<td>18.5</td>
<td>0.7</td>
</tr>
<tr>
<td>12.2H</td>
<td>24.7</td>
<td>3.7</td>
</tr>
<tr>
<td>13.1H</td>
<td>20.3</td>
<td>1.2</td>
</tr>
<tr>
<td>13.2H</td>
<td>29.2</td>
<td>3.0</td>
</tr>
<tr>
<td>14.1H</td>
<td>21.2</td>
<td>0.8</td>
</tr>
<tr>
<td>14.2H</td>
<td>33.7</td>
<td>4.9</td>
</tr>
<tr>
<td>15.1H</td>
<td>23.9</td>
<td>1.4</td>
</tr>
<tr>
<td>15.2H</td>
<td>42.5</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Sales and O.P. (Full-year)

<table>
<thead>
<tr>
<th>Full-year</th>
<th>Sales</th>
<th>O.P.</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>
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<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>66.5</td>
<td>5.2</td>
</tr>
</tbody>
</table>

As of Aug. 5

Forecast

Revised

© 2015 HORIBA, Ltd. All rights reserved.
Two large investment of Automotive business

HORIBA BIWAKO E-HARBOR
Start full-scale operation in spring 2016
Investment: 10bn yen

HORIBA MIRA Ltd.
Acquired in July 2015
Acquisition cost: 15.5bn yen
Business strengthened by investment

HORIBA BIWAKO E-HARBOR
Develop products and tools for system solution

Realize systems that respond to the latest vehicle technology

Provide HORIBA’s comprehensive solutions

Engineering & testing services

Provide MIRA’S know-how on cutting edge of the vehicle technology

Enhance engineering capability by utilizing HORIBA’s cutting-edge system and technology
Forecast for 2015

2015 Full-Year Forecast

Overseas
- Sales decrease in yen terms due to the weaker euro
- Continued R&D spending for new products in Europe. Higher depreciation expenses due to a new R&D center in France

Japan
- Expect sales increase led by new-product sales

Sales and O.P. (Half-year)

<table>
<thead>
<tr>
<th>Half-year</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.1H</td>
<td>11.0</td>
<td>1.3</td>
</tr>
<tr>
<td>12.2H</td>
<td>11.4</td>
<td>1.1</td>
</tr>
<tr>
<td>13.1H</td>
<td>13.1</td>
<td>1.0</td>
</tr>
<tr>
<td>13.2H</td>
<td>13.7</td>
<td>1.3</td>
</tr>
<tr>
<td>14.1H</td>
<td>13.5</td>
<td>0.9</td>
</tr>
<tr>
<td>14.2H</td>
<td>13.4</td>
<td>0.7</td>
</tr>
<tr>
<td>15.1H</td>
<td>13.7</td>
<td>1.1</td>
</tr>
<tr>
<td>15.2H</td>
<td>14.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Sales and O.P. (Full-year)

<table>
<thead>
<tr>
<th>Full-year</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>22.5</td>
<td>2.3</td>
</tr>
<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>
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<tr>
<td>2014</td>
<td>27.0</td>
<td>1.7</td>
</tr>
<tr>
<td>2015</td>
<td>28.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Forecast as of Aug. 5

Revised

(Billions of Yen)
Reinforced R&D / New product launch

Investment for global expansion

HORIBA ABX SAS. R&D center
- Country: France
- Open: July 2015
- Investment: 0.9bn yen
- Purpose: R&D for the next-generation product

New products in Japan

Hematology and CRP analyzers
- Launch: March 2015
- Feature: The world’s smallest and lightest

Electronic software for electronic health record
- Launch: April 2015
- Features: Enables the electronic health record to be connected to devices from HORIBA or other companies

- Capture replacement demand
- Acquire new clients

Reinforce R&D for next-generation products from a long-term growth perspective
2015 Full-Year Forecast

**3Q:** Robust sales due to Asian semiconductor manufacturers invest continuously

**4Q:** Expect semiconductor production equipment manufacturers demand decrease.

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.1H</td>
<td>10.4</td>
<td>1.9</td>
</tr>
<tr>
<td>12.2H</td>
<td>7.4</td>
<td>0.3</td>
</tr>
<tr>
<td>13.1H</td>
<td>9.9</td>
<td>1.5</td>
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<tr>
<td>13.2H</td>
<td>14.2</td>
<td>3.2</td>
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<tr>
<td>14.1H</td>
<td>13.1</td>
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<td>14.2H</td>
<td>15.7</td>
<td>3.7</td>
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<tr>
<td>15.1H</td>
<td>19.0</td>
<td>5.1</td>
</tr>
<tr>
<td>15.2H</td>
<td>15.9</td>
<td>3.8</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>O.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>27.6</td>
<td>6.3</td>
</tr>
<tr>
<td>2011</td>
<td>24.6</td>
<td>4.9</td>
</tr>
<tr>
<td>2012</td>
<td>17.8</td>
<td>2.2</td>
</tr>
<tr>
<td>2013</td>
<td>24.1</td>
<td>4.8</td>
</tr>
<tr>
<td>2014</td>
<td>28.9</td>
<td>6.4</td>
</tr>
<tr>
<td>2015</td>
<td>35.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Revised</td>
<td>35.0</td>
<td>9.0</td>
</tr>
</tbody>
</table>

As of Aug. 5

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### Sales by Region / Mass flow controller market share

(Billions of Yen)

#### Sales by region (2014 results vs. 2015 forecast)

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015 (Forecast)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>11.3</td>
<td>12.4</td>
<td>+1.1bn</td>
</tr>
<tr>
<td>Asia</td>
<td>8.2</td>
<td>9.6</td>
<td>+1.4bn</td>
</tr>
<tr>
<td>China</td>
<td>2.8</td>
<td>3.5</td>
<td>+0.7bn</td>
</tr>
<tr>
<td>Americas</td>
<td>4.5</td>
<td>7.6</td>
<td>+3.1bn</td>
</tr>
<tr>
<td>Europe</td>
<td>1.8</td>
<td>1.9</td>
<td>+0.1bn</td>
</tr>
</tbody>
</table>

- **2014 Total**: 28.9bn yen
- **2015 Forecast Total**: 35.0bn yen

Sales increase to device makers in Asia, mainly in Taiwan and South Korea.

#### Mass flow controller market share

- **2015 Nine Months market share = 56%**
  (2014 share = 52%)

- Share increase, contributed by new products
- Continual investment even in a downturn
  - Enables quick response to customer needs at times of upturn

![Market Share Graph](Image)
Forecast for 2015

2015 Full-Year Forecast

Overseas  
+ Expect continued strong demand for Raman Spectroscopy in China

+ Anticipate growth in demand from Asia due to the weaker yen

Sales and O.P. (Half-year)  
- Sales - O.P.

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

<table>
<thead>
<tr>
<th>12.1H</th>
<th>12.2H</th>
<th>13.1H</th>
<th>13.2H</th>
<th>14.1H</th>
<th>14.2H</th>
<th>15.1H</th>
<th>15.2H</th>
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<tbody>
<tr>
<td>9.8</td>
<td>10.6</td>
<td>9.9</td>
<td>12.9</td>
<td>11.6</td>
<td>13.9</td>
<td>12.6</td>
<td>15.3</td>
</tr>
<tr>
<td>0.2</td>
<td>0.7</td>
<td>-0.1</td>
<td>1.1</td>
<td>0.0</td>
<td>1.1</td>
<td>0.3</td>
<td>0.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.8</td>
<td>22.0</td>
<td>20.4</td>
<td>22.9</td>
<td>25.6</td>
</tr>
<tr>
<td>1.1</td>
<td>1.4</td>
<td>0.9</td>
<td>0.9</td>
<td>1.2</td>
</tr>
</tbody>
</table>

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China market trend / New products

Sales increase (2015 Nine Months vs. 2014 Nine Months)

Increased demand from China
Sales increased by 35% over last year. (2014 9 months: 1.8bn yen, 2015 9 months: 2.5bn yen)

- **2014 First-Half**
  - Anti-corruption campaign
  - ⇒ Customer stopped order
  - Public institution demand decreased

- **2014 Second-Half to 2015**
  - Reaction of the order suppression
  - Increased demand of Raman Spectroscopy

New products

- **Laser Particle Size Analyzer**
  - Launch: September 2015
  - Features: 1) Smallest size in the Industry
  - 2) Highly precise
  - Customers: Cosmetic / Food / Pharmaceutical industries

- **Carbon / Sulfur Analyzer**
  - Launch: October 2015
  - Features: Significant reduction in cleaning time due to new automatic cleaning system
  - Customers: Steel industry
P&E

Forecast for 2015

( Billions of Yen )

2015 Full-Year Forecast

Overseas  
Expect Asian demand recovery (i.e., stack gas analyzers in China)
Anticipate investment by U.S. petrochemical makers in the process measurement

Japan  
Expect higher sales of water quality measurement devices

Sales and O.P. (Half-year)  
Sales  
O.P.

<table>
<thead>
<tr>
<th>Half-year</th>
<th>12.1H</th>
<th>12.2H</th>
<th>13.1H</th>
<th>13.2H</th>
<th>14.1H</th>
<th>14.2H</th>
<th>15.1H</th>
<th>15.2H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7.1</td>
<td>6.6</td>
<td>6.3</td>
<td>8.3</td>
<td>8.2</td>
<td>8.2</td>
<td>8.1</td>
<td>9.3</td>
</tr>
<tr>
<td>O.P.</td>
<td>1.0</td>
<td>0.6</td>
<td>0.3</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
<td>0.9</td>
<td>0.5</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Full-year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 As of Aug. 5</th>
<th>2015 Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>11.7</td>
<td>14.6</td>
<td>13.7</td>
<td>14.7</td>
<td>16.4</td>
<td>17.5</td>
<td>17.5</td>
</tr>
<tr>
<td>O.P.</td>
<td>0.8</td>
<td>2.5</td>
<td>1.6</td>
<td>1.2</td>
<td>2.0</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

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Broadened penetration of HORIBA’s products in regulated markets

**Regulated markets business**

HORIBA’s products used at a thermal power plant

Increase in measurement points in China

Product: **Stack gas analyzer**

Customers: Power plants; petrochemical plants; steel plants; food factories

Features: High precision; stability; reliability

Broaden HORIBA’s presence from the semi market to the Process and Environmental market

HORIBA brands established in the semiconductor market

Capture demand at semiconductor plants in South Korea and China

Packaged order of Stack gas and water quality analyzers

**Industrial water quality analyzers**

**Stack gas analyzers**
## 2016 Market Overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>Expect steady R&amp;D investment by auto manufacturers’.&lt;br&gt;Expect synergy between the ECT business and HORIBA’s other Automotive businesses.</td>
</tr>
<tr>
<td>Medical</td>
<td>Expect continued favorable sales of the new product.&lt;br&gt;Expect weak equipment sales in the EU market.</td>
</tr>
<tr>
<td>Semi</td>
<td>Expect a recovery in demand from semiconductor manufacturers in the 1st Quarter.</td>
</tr>
</tbody>
</table>
| Scientific | - Japan: Expect an increase in the private sector capital spending due to the weaker yen.  
- Overseas: Closely monitor government budgets and spending in the EU and the U.S. |
| P&E        | Expect firm demand for stack gas analyzers and water measurement equipment in Asian countries. |
Contents

• 2015 Nine Months Results
• 2015 Full Year Forecast
• Acquisition of MIRA Ltd.
• Business Segment Outline
• Other Topics
• 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 and Share buybacks
- 2013 Results 60 yen per share
- 2014 Results 67 yen per share
- 2015 Forecast 70 yen per share

Share buybacks in 2015
- 218,400 shares
  (0.51% of total shares outstanding (excluding treasury stock))
- 0.99 billions yen
→ Total return ratio 30% in 3-year average

Per-share dividend (from 2003 to 2015 Forecast)

(Yen)

0 20 40 60 80

04'3 05'3 06'3 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 (Forecast)

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Investment for the next growth ~ Automotive / P&E ~

Automotive

M&A MIRA Ltd. (Acquired July 2015)
- Engineering, Testing Service Consultancy and MIRA Technology Park
- Acquisition cost: 15.5bn yen
- Depreciation expense: 0.6bn yen (Include goodwill / 2015 forecast)

P&E

HORIBA BIWAKO E-HARBOR (Start operation totally in Spring 2016)
- R&D for gas measurement / More efficient production capability and Increasing production volume
- Investment: 10bn yen
- Depreciation expense: 0.3bn yen (2015 forecast) (0.7bn yen for temporary transfer expense in 2015)
Investment for the next growth ~ Medical / Semi ~

**Medical**

HORIBA ABX SAS. R&D center (Opened July 2015)

- R&D for the next generation product
- Investment: 0.9bn yen
- Depreciation expense: 0.04bn yen (2015 forecast)

**Semi**

HORIBA STEC Fukuchiyama Technology Center (Opened Feb. 2013)

- Developing new mass flow controller response to miniaturization of Semiconductor manufacturing process
- Investment: 1.0bn yen
- Depreciation expense: 0.08bn yen (2015 forecast)
HORIBA Advanced Technology Center (Opened April 2015)

- R&D of semiconductor sensor manufacturing for HORIBA product
- Investment: 3.0bn yen
- Depreciation expense: 0.2bn yen (2015 forecast)
## Impact of fluctuation in foreign exchange rates

**(Millions of Yen)**

### Exchange rate impact

**2015 Nine Months Results**

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Millions of Yen)</td>
<td>USD</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>USD</td>
</tr>
<tr>
<td>Auto</td>
<td></td>
<td>1,038</td>
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<tr>
<td>Medical</td>
<td></td>
<td>741</td>
</tr>
<tr>
<td>Semi</td>
<td></td>
<td>2,209</td>
</tr>
<tr>
<td>Scientific</td>
<td></td>
<td>1,055</td>
</tr>
<tr>
<td>P&amp;E</td>
<td></td>
<td>459</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>5,504</td>
</tr>
</tbody>
</table>

### Exchange rate impact for 2015 Full Year Forecast

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

- **Sales**
  - USD 376 millions of yen
  - EUR 351 millions of yen

- **Operating Profit**
  - USD 151 millions of yen
  - EUR 22 millions of yen
• Borrowed 75.6mil US$ from JBIC (Japan Bank for International Cooperation) in Sep. 2015 for acquisition of MIRA Ltd.

• Conclusion of liquidation of receivable contract with 2 banks.

• Recent issuer rating: R&I [A-] (Aug 2015), JCR [A] (Sep 2015)
## Capital Investment, Depreciation, R&D

(Billions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>2014 Results</th>
<th>2015 Forecast</th>
<th>2015 Forecast as of Aug. 5</th>
<th>Revised Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E</td>
<td>9.1</td>
<td>16.0</td>
<td>18.2</td>
<td>17.2</td>
</tr>
<tr>
<td>Intangibles</td>
<td>1.8</td>
<td>1.0</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>11.0</td>
<td>17.0</td>
<td>19.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4.9</td>
<td>5.2</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>11.9</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>(To net sales)</td>
<td>7.8%</td>
<td>7.6%</td>
<td>7.4%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>
Contents

- 2015 Nine Months Results
- 2015 Full Year Forecast
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- Other Topics
- Corporate Profile
Corporate Profile

- Head office: Kyoto, Japan
- Founded: 1945
- Incorporated: 1953
- CEO: Atsushi Horiba
- Fiscal year end: December 31

Atsushi Horiba
President & CEO

Dr. Masao Horiba
Founder

- 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 (2014)

Sales 153.0 Billions of Yen

(Billions of Yen)

Reduce Country Risk and Exchange Risk
Global Market Share

- **Emission Measurement Systems**: 80%
- **Stack Gas Analyzers**: 20%
- **Automatic Blood Cell Counter plus CRP**: 100%

- **Mass Flow Controllers**: 52%
- **Raman Spectrophotometers**: 30%
- **Gratings**: 35%

※Market shares quoted are estimates by HORIBA.
HORIBA Worldwide

Sales of FY2014: 153.0 B JPY

Sales Ratio by Region

- EU: 25%
- Japan: 31%
- America: 18%
- Asia: 26%

The Number of Group Companies by region

(As of September 30, 2015)

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

- **Japan**: 38%
- **U.S.A.**: 11%
- **U.K.**: 10%
- **Germany**: 8%
- **France**: 14%
- **Other Asia**: 14%
- **Other Europe**: 2%
- **Americas**: 3%
- **Other**: 52%

Total Number of Employees:
- **6,800** employees in total.
- **3,537** employees in Asia (52%)
- **2,335** employees in Europe (34%)
- **928** employees in the Americas (14%)
Thank you very much for your attention.