

## Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2019 (Japanese GAAP)

November 11, 2019

Company name **HORIBA, Ltd.** Listed stock exchanges: Tokyo  
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(Figures have been rounded down to the nearest million yen)

### 1. Consolidated Results for the Nine Months Ended September 30, 2019 (January 1, 2019 - September 30, 2019)

(1) Consolidated Operating Results (Percentages represent changes from the corresponding period in the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended 9/30/19	137,030	-6.2	12,005	-32.8	11,557	-34.0	8,426	-37.5
Nine months ended 9/30/18	146,030	10.4	17,877	22.3	17,518	22.1	13,473	24.9

(Note) Comprehensive Income: FY2019Q3 5,319 million yen (-52.5%), FY2018Q3 11,196 million yen (-21.6%)

	Net Income Attributable to Owners of Parent per Share	Net Income Attributable to Owners of Parent per Share (Diluted)
	Yen	Yen
Nine months ended 9/30/19	199.81	198.92
Nine months ended 9/30/18	319.58	318.21

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of 9/30/19	272,268	161,334	59.0
As of 12/31/18	277,368	162,018	58.2

(Reference) Net assets excluding subscription rights to shares and non-controlling interests:

As of September 30, 2019: 160,571 million yen; As of December 31, 2018: 161,362 million yen

### 2. Dividends

	Dividend per Share				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 12/31/18	—	50.00	—	95.00	145.00
Year ending 12/31/19	—	50.00	—		
Year ending 12/31/19 (Forecast)				80.00	130.00

(Note) Changes in the latest dividend forecasts released: None

Total Year-end dividend for fiscal year 2018 of 95 yen per share:

Year-end ordinary dividend of 75 yen and commemorative dividend for the 65th anniversary of the company foundation of 20 yen

### 3. Consolidated Forecast for the Year Ending December 31, 2019 (January 1, 2019 - December 31, 2019)

(Percentages represent changes from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income Attributable to Owners of Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	207,000	-1.7	23,000	-20.2	22,500	-20.5	16,000	-28.3	379.36

(Note) Changes in the latest business forecasts released: Yes

## Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): Yes

New one company (company name: HORIBA (China) Co., Ltd.)

(2) Application of the accounting method specific to quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, accounting estimates and retrospective restatement

① Changes in accounting policies associated with revision of accounting standards: Yes

② Changes in accounting policies arising from other than the above: None

③ Changes in accounting estimates: None

④ Retrospective restatement: None

(4) Number of shares outstanding (common stock)

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
① Shares issued (including treasury stock)	42,532,752	42,532,752
② Treasury stock	356,503	362,304
	<u>Jan. - Sep. 2019</u>	<u>Jan. - Sep. 2018</u>
③ The average number of outstanding shares	42,174,228	42,159,900

Note 1. This consolidated financial report is not subject to quarterly review by certified public accountants or accounting firms.

Note 2. Appropriate use of business forecasts and other important information

The forecasts of dividend amount and business performance contained in this report have been made based on certain future assumptions, outlooks, and plans which are available at the HORIBA Group as of November 11, 2019. However, due to risks and various uncertain factors such as future business operation policies, changes in the economic environment in Japan and overseas, fluctuation of currency rates, it is possible that actual performance would vary considerably from the forecasts.

## **1. Qualitative Information Concerning Consolidated Results**

### **(1) Information Concerning Consolidated Operating Results**

(For details, see page 10, “3. Supplemental Information - HORIBA, Ltd. Financial Highlights for the Nine Months Ended September 30, 2019”)

During the nine months ended September 30, 2019, HORIBA, Ltd. (“the Company”) and its consolidated subsidiaries (together “the HORIBA Group” or “HORIBA” as a consolidated group) decreased sales by 6.2% year-on-year to 137,030 million yen, mainly due to a decline in sales in the Semiconductor Instruments & Systems segment. Operating income decreased by 32.8% to 12,005 million yen and ordinary income by 34.0% to 11,557 million yen, and net income attributable to owners of parent by 37.5% to 8,426 million yen.

The operating results of each business segment are summarized as follows.

#### **(Automotive Test Systems)**

Sales of emission measurement systems in Asia and Europe increased. As a result, segment sales increased by 7.7% year-on-year to 52,086 million yen. On the profit side, the absence of a temporary expense that occurred in the Americas in 2018 and other factors improved profitability, and contributed to increase operating income by 60.5% to 2,799 million yen.

#### **(Process & Environmental Instruments & Systems)**

Due to increase in sales in Japan and Europe, segment sales increased by 2.8% year-on-year to 13,871 million yen. Operating income, however, decreased by 17.5% to 975 million yen, partly due to an increase in R&D expenses.

#### **(Medical-Diagnostic Instruments & Systems)**

Segment sales decreased by 2.8% year-on-year to 18,703 million yen, as the depreciation of the euro against the yen deflated sales when translated into yen. On the profit side, operating income decreased by 20.0% to 1,049 million yen, partly due to an increase in R&D expenses.

#### **(Semiconductor Instruments & Systems)**

In response to semiconductor manufactures' capital expenditure adjustments, sales to semiconductor production equipment manufactures decreased. Segment sales consequently decreased by 26.1% year-on-year to 33,543 million yen and operating income decreased by 47.1% to 7,437 million yen.

#### **(Scientific Instruments & Systems)**

Owing to a decrease in sales mainly in Asia, segment sales decreased by 3.7% year-on-year to 18,824 million yen, while operating loss of 257 million was recorded (compared to operating loss of 414 million yen in the first nine months of the previous year).

## (2) Information Concerning Consolidated Earnings Forecasts for FY2019

HORIBA's full year consolidated earnings forecast is as follows:

### Consolidated forecast of full year FY2019

(Amount: millions of yen)

	Previous Forecast (As of Aug. 6)	Revised Forecast (As of Nov. 11)	Changes
Net Sales	213,000	207,000	-6,000
Operating Income	25,000	23,000	-2,000
Ordinary Income	24,500	22,500	-2,000
Net Income Attributable to Owners of Parent	17,500	16,000	-1,500

### Consolidated forecast of full year FY2019 by segment

Net Sales (Amount: millions of yen)

	Previous Forecast (As of Aug. 6)	Revised Forecast (As of Nov. 11)	Changes
Automotive	85,000	83,000	-2,000
Process & Environmental	20,000	20,000	-
Medical	28,000	26,000	-2,000
Semiconductor	50,000	50,000	-
Scientific	30,000	28,000	-2,000
Total	213,000	207,000	-6,000

Operating Income (Amount: millions of yen)

	Previous Forecast (As of Aug. 6)	Revised Forecast (As of Nov. 11)	Changes
Automotive	8,000	7,000	-1,000
Process & Environmental	2,000	2,000	-
Medical	2,000	1,500	-500
Semiconductor	12,000	12,000	-
Scientific	1,000	500	-500
Total	25,000	23,000	-2,000

With regard to consolidated earnings forecasts for the current fiscal year, overall sales forecast has been revised downward by 6,000 million yen to 207,000 million yen, while operating income forecast has been revised downward by 2,000 million yen to 23,000 million yen. This decrease in operating income forecast has led to downward revision by 2,000 million yen in ordinary income forecast and 1,500 million yen in forecast for net income attributable to owners of parent.

By business segment, the Automotive Test Systems segment has revised downward its sales and operating income forecast by 2,000 million yen and 1,000 million yen respectively, after taking into account the recent order trend. In light of the progress achieved up to the third quarter of this year, the Medical-Diagnostic Instruments & Systems segment revised downward its sales and operating income forecast by 2,000 million yen and 500 million yen, and the Scientific Instruments & Systems segment revised downward its sales and operating income forecast by 2,000 million yen and 500 million yen respectively.

(Disclaimer regarding business forecasts)

The forecasts of dividend amount and business performance contained in this report have been made based on certain future assumptions, outlooks, and plans which are available at the HORIBA Group as of November 11, 2019. However, due to risks and various uncertain factors such as future business operation policies, changes in the economic environment in Japan and overseas, fluctuation of currency rates, it is possible that actual performance would vary considerably from the forecasts.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

Amount: millions of yen

	FY2018 (As of December 31, 2018)	FY2019 third quarter (As of September 30, 2019)
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and bank deposits	63,632	63,468
Trade notes and accounts receivable	59,111	45,560
Marketable securities	2,399	3,915
Merchandise and finished goods	20,018	20,784
Work in process	19,843	23,220
Raw materials and supplies	15,276	13,837
Other current assets	8,290	7,916
Allowance for doubtful accounts	(682)	(655)
<b>Total Current Assets</b>	187,891	178,047
<b>Fixed Assets:</b>		
<b>Property, Plant and Equipment:</b>		
Buildings and structures, net	37,207	37,726
Machinery, equipment and vehicles, net	10,244	11,485
Land	13,692	14,559
Construction in progress	3,018	3,385
Other property, plant and equipment, net	4,576	5,066
<b>Total Property, Plant and Equipment</b>	68,739	72,223
<b>Intangibles:</b>		
Goodwill	901	1,017
Software	2,907	2,585
Other intangibles	1,092	1,728
<b>Total Intangibles</b>	4,901	5,331
<b>Investments and Other Non-Current Assets:</b>		
Investment securities	8,359	9,703
Deferred tax assets	4,636	4,151
Other investments and other assets	2,917	2,883
Allowance for doubtful accounts	(76)	(73)
<b>Total Investments and Other Non-Current Assets</b>	15,836	16,665
<b>Total Fixed Assets</b>	89,477	94,220
<b>Total Assets</b>	277,368	272,268

Amount: millions of yen

	FY2018 (As of December 31, 2018)	FY2019 third quarter (As of September 30, 2019)
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Trade notes and accounts payable	21,933	18,330
Short-term loans payable	12,044	9,168
Accounts payable - other	15,920	13,165
Accrued income taxes	3,514	1,520
Advances received	17,475	20,583
Accrued bonuses to employees	1,265	2,145
Accrued bonuses to directors and corporate auditors	-	419
Reserve for product warranty	2,012	1,917
Other current liabilities	3,830	4,397
<b>Total Current Liabilities</b>	<b>77,997</b>	<b>71,649</b>
<b>Non-Current Liabilities:</b>		
Corporate bonds	15,000	15,000
Long-term loans payable	17,028	16,895
Deferred tax liabilities	184	142
Net defined benefit liability	1,946	1,831
Provision for loss on dissolution of the employees' pension fund	640	-
Other non-current liabilities	2,552	5,415
<b>Total Non-Current Liabilities</b>	<b>37,352</b>	<b>39,284</b>
<b>Total Liabilities</b>	<b>115,349</b>	<b>110,933</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	12,011	12,011
Capital surplus	18,717	18,717
Retained earnings	132,329	134,634
Treasury stock	(1,428)	(1,405)
<b>Total Shareholders' Equity</b>	<b>161,630</b>	<b>163,958</b>
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized holding gains on securities	2,788	3,719
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustments	(2,829)	(6,904)
Remeasurements of defined benefit plans	(224)	(200)
<b>Total Accumulated Other Comprehensive Income</b>	<b>(267)</b>	<b>(3,386)</b>
<b>Subscription Rights to Shares</b>	<b>549</b>	<b>651</b>
<b>Non-controlling Interests</b>	<b>106</b>	<b>111</b>
<b>Total Net Assets</b>	<b>162,018</b>	<b>161,334</b>
<b>Total Liabilities and Net Assets</b>	<b>277,368</b>	<b>272,268</b>

(2) Consolidated Statements of Income and Consolidated Comprehensive Income Statements  
(Consolidated Statements of Income)

Amount: millions of yen

	FY2018 third quarter (Nine months ended September 30, 2018)	FY2019 third quarter (Nine months ended September 30, 2019)
<b>Net Sales</b>	146,030	137,030
<b>Cost of Sales</b>	83,046	79,691
<b>Gross Income</b>	62,984	57,338
<b>Selling, General and Administrative Expenses</b>	45,107	45,332
<b>Operating Income</b>	17,877	12,005
<b>Non-Operating Income</b>		
Interest income	86	143
Dividend income	104	105
Other	172	371
<b>Total Non-Operating Income</b>	364	447
<b>Non-Operating Expense</b>		
Interest expense	318	333
Foreign exchange losses	319	463
Other	85	98
<b>Total Non-Operating Expense</b>	723	895
<b>Ordinary Income</b>	17,518	11,557
<b>Extraordinary Gain</b>		
Gain on sales of fixed assets	524	111
Reversal of provision for loss on dissolution of the employee's pension fund	-	137
<b>Total Extraordinary Gain</b>	524	249
<b>Extraordinary Loss</b>		
Loss on sales of fixed assets	22	-
Loss on disposal of fixed assets	56	8
<b>Total Extraordinary Loss</b>	79	8
<b>Income before Income Taxes</b>	17,962	11,798
Income taxes (current)	4,928	3,409
Income taxes (deferred)	(458)	(57)
<b>Total Income Taxes</b>	4,470	3,351
<b>Net Income</b>	13,491	8,446
Profit attributable to non-controlling interests	18	19
<b>Net Income Attributable to Owners of Parent</b>	13,473	8,426

## (Consolidated Statements of Comprehensive Income)

Amount: millions of yen

	FY2018 third quarter (Nine months ended September 30, 2018)	FY2019 third quarter (Nine months ended September 30, 2019)
<b>Net Income</b>	13,491	8,446
<b>Other Comprehensive Income</b>		
Net unrealized holding gains on securities	(745)	930
Deferred gains or losses on hedges	6	1
Foreign currency translation adjustments	(1,571)	(4,082)
Remeasurements of defined benefit plans	15	23
<b>Total Other Comprehensive Income</b>	(2,295)	(3,126)
<b>Comprehensive Income</b>	11,196	5,319
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	11,186	5,307
Comprehensive income attributable to non-controlling interests	10	11



### **(3) Notes to Consolidated Financial Statements**

#### **(Significant Change in Scope of Consolidation)**

From the third quarter of fiscal 2019, newly-established HORIBA (China) Co., Ltd. has been included in the scope of consolidation.

#### **Application of special accounting for preparing quarterly consolidated financial statement**

##### **(Calculation method for tax expenses)**

The Company and its domestic consolidated subsidiaries calculated income tax expenses by multiplying quarterly income before income taxes by reasonably estimated annual effective tax rate. This tax rate was reasonably estimated after applying the deferred tax accounting to the annual income before income taxes.

#### **Change in accounting policy**

##### **(Application of IFRS 16, “Leases” and FASB Accounting Standards Update (ASU) 2016-02, “Leases”)**

The Company applied IFRS 16, “Leases” and FASB Accounting Standards Update (ASU) 2016-02, “Leases” for foreign subsidiaries from the first quarter of the current fiscal year ending December 31, 2019. The aforementioned standards require a lessee to recognize assets and liabilities generally for all leases on the balance sheet. The impact of this change to the consolidated balance sheet as at September 30, 2019, and the consolidated income statement and statement of comprehensive income for the nine months ended September 30, 2019 is immaterial.

#### **Additional information**

##### **(Application of the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28; February 16, 2018), etc.)**

As the Company applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28; February 16, 2018), etc., from the beginning of the first quarter of the current fiscal year, deferred tax assets are presented under investments and other assets and deferred tax liabilities are presented under non-current liabilities.

### 3. Supplemental Information

#### HORIBA, Ltd. Financial Highlights for the Nine Months Ended September 30, 2019

#### 1. Consolidated Financial Results

Amount: millions of yen

	12/2018		12/2019		12/2018		12/2019	
	Result	Result	Changes	Changes	Result	Forecast	Changes	Changes
	3Q (9Months)	3Q (9Months)	Amount	Ratio	Full year	Full year	Amount	Ratio
Net Sales	146,030	<b>137,030</b>	-9,000	-6.2%	210,570	<b>207,000</b>	-3,570	-1.7%
Operating Income	17,877	<b>12,005</b>	-5,871	-32.8%	28,838	<b>23,000</b>	-5,838	-20.2%
<i>Operating Income Ratio</i>	12.2%	<b>8.8%</b>	-3.4P		13.7%	<b>11.1%</b>	-2.6P	
Ordinary Income	17,518	<b>11,557</b>	-5,960	-34.0%	28,316	<b>22,500</b>	-5,816	-20.5%
<i>Ordinary Income Ratio</i>	12.0%	<b>8.4%</b>	-3.6P		13.4%	<b>10.9%</b>	-2.5P	
Net Income Attributable to Owners of Parent	13,473	<b>8,426</b>	-5,046	-37.5%	22,313	<b>16,000</b>	-6,313	-28.3%
<i>Net Income Ratio</i>	9.2%	<b>6.1%</b>	-3.1P		10.6%	<b>7.7%</b>	-2.9P	
US\$	109.60	<b>109.12</b>	-0.48		110.44	<b>110.00</b>	-0.44	
Euro	130.87	<b>122.62</b>	-8.25		130.35	<b>122.00</b>	-8.35	

#### 2. Consolidated Segment Results

Amount: millions of yen

	12/2018		12/2019		12/2018		12/2019	
	Result	Result	Changes	Changes	Result	Forecast	Changes	Changes
	3Q (9Months)	3Q (9Months)	Amount	Ratio	Full year	Full year	Amount	Ratio
Net Sales								
Automotive	48,345	<b>52,086</b>	+3,741	+7.7%	79,656	<b>83,000</b>	+3,343	+4.2%
Process&Environmental	13,499	<b>13,871</b>	+372	+2.8%	19,361	<b>20,000</b>	+638	+3.3%
Medical	19,240	<b>18,703</b>	-537	-2.8%	26,012	<b>26,000</b>	-12	-0.0%
Semiconductor	45,401	<b>33,543</b>	-11,857	-26.1%	57,785	<b>50,000</b>	-7,785	-13.5%
Scientific	19,543	<b>18,824</b>	-718	-3.7%	27,754	<b>28,000</b>	+245	+0.9%
Total	146,030	<b>137,030</b>	-9,000	-6.2%	210,570	<b>207,000</b>	-3,570	-1.7%
Operating Income								
Automotive	1,744	<b>2,799</b>	+1,055	+60.5%	7,702	<b>7,000</b>	-702	-9.1%
Process&Environmental	1,182	<b>975</b>	-207	-17.5%	2,027	<b>2,000</b>	-27	-1.4%
Medical	1,312	<b>1,049</b>	-262	-20.0%	1,823	<b>1,500</b>	-323	-17.8%
Semiconductor	14,052	<b>7,437</b>	-6,614	-47.1%	17,063	<b>12,000</b>	-5,063	-29.7%
Scientific	(414)	<b>(257)</b>	+156	-	221	<b>500</b>	+278	+126.2%
Total	17,877	<b>12,005</b>	-5,871	-32.8%	28,838	<b>23,000</b>	-5,838	-20.2%

### 3. Consolidated Segment Sales by Destination

Amount: millions of yen

	12/2018		12/2019		12/2018		12/2019	
	Result	Result	Changes	Changes	Result	Forecast	Changes	Changes
	3Q (9Months)	3Q (9Months)	Amount	Ratio	Full year	Full year	Amount	Ratio
<b>Automotive</b>	<b>48,345</b>	<b>52,086</b>	+3,741	+7.7%	<b>79,656</b>	<b>83,000</b>	+3,343	+4.2%
Japan	15,687	<b>15,123</b>	-563	-3.6%	23,075	<b>21,000</b>	-2,075	-9.0%
Asia	11,975	<b>15,152</b>	+3,176	+26.5%	21,672	<b>24,000</b>	+2,327	+10.7%
Americas	6,646	<b>5,940</b>	-705	-10.6%	11,191	<b>10,500</b>	-691	-6.2%
Europe	14,036	<b>15,870</b>	+1,833	+13.1%	23,716	<b>27,500</b>	+3,783	+16.0%
<b>Process&amp;Environmental</b>	<b>13,499</b>	<b>13,871</b>	+372	+2.8%	<b>19,361</b>	<b>20,000</b>	+638	+3.3%
Japan	6,783	<b>7,366</b>	+583	+8.6%	9,538	<b>10,000</b>	+461	+4.8%
Asia	3,190	<b>2,806</b>	-383	-12.0%	4,616	<b>4,500</b>	-116	-2.5%
Americas	1,915	<b>1,816</b>	-99	-5.2%	2,677	<b>3,000</b>	+322	+12.0%
Europe	1,610	<b>1,882</b>	+272	+16.9%	2,528	<b>2,500</b>	-28	-1.1%
<b>Medical</b>	<b>19,240</b>	<b>18,703</b>	-537	-2.8%	<b>26,012</b>	<b>26,000</b>	-12	-0.0%
Japan	4,349	<b>4,701</b>	+351	+8.1%	5,889	<b>6,500</b>	+610	+10.4%
Asia	4,273	<b>4,107</b>	-166	-3.9%	5,607	<b>5,500</b>	-107	-1.9%
Americas	3,961	<b>3,867</b>	-93	-2.4%	5,341	<b>5,500</b>	+158	+3.0%
Europe	6,655	<b>6,026</b>	-629	-9.5%	9,174	<b>8,500</b>	-674	-7.4%
<b>Semiconductor</b>	<b>45,401</b>	<b>33,543</b>	-11,857	-26.1%	<b>57,785</b>	<b>50,000</b>	-7,785	-13.5%
Japan	15,484	<b>11,806</b>	-3,678	-23.8%	20,208	<b>18,000</b>	-2,208	-10.9%
Asia	21,649	<b>14,840</b>	-6,808	-31.4%	26,788	<b>22,000</b>	-4,788	-17.9%
Americas	5,399	<b>4,400</b>	-999	-18.5%	6,956	<b>6,500</b>	-456	-6.6%
Europe	2,867	<b>2,496</b>	-371	-13.0%	3,833	<b>3,500</b>	-333	-8.7%
<b>Scientific</b>	<b>19,543</b>	<b>18,824</b>	-718	-3.7%	<b>27,754</b>	<b>28,000</b>	+245	+0.9%
Japan	5,173	<b>5,083</b>	-89	-1.7%	7,275	<b>7,500</b>	+224	+3.1%
Asia	5,165	<b>4,654</b>	-510	-9.9%	7,609	<b>7,000</b>	-609	-8.0%
Americas	5,189	<b>5,330</b>	+141	+2.7%	7,117	<b>8,000</b>	+882	+12.4%
Europe	4,015	<b>3,755</b>	-260	-6.5%	5,753	<b>5,500</b>	-253	-4.4%
<b>Total</b>	<b>146,030</b>	<b>137,030</b>	-9,000	-6.2%	<b>210,570</b>	<b>207,000</b>	-3,570	-1.7%
Japan	47,478	<b>44,082</b>	-3,395	-7.2%	65,986	<b>63,000</b>	-2,986	-4.5%
Asia	46,254	<b>41,561</b>	-4,692	-10.1%	66,293	<b>63,000</b>	-3,293	-5.0%
Americas	23,112	<b>21,355</b>	-1,757	-7.6%	33,283	<b>33,500</b>	+216	+0.6%
Europe	29,185	<b>30,030</b>	+845	+2.9%	45,006	<b>47,500</b>	+2,493	+5.5%

### 4. Capital Expenditures, Depreciation and R&D Expenses

Amount: millions of yen

	12/2018		12/2019	
	3Q (9Months)	Full-year Result	3Q (9Months)	Full-year Forecast
	Capital Expenditures (*)	7,425	10,239	8,373
Depreciation	5,277	7,240	6,452	8,000
R&D Expenses	10,985	15,183	12,284	16,000

(\*1) Capital Expenditures are investments in tangible and intangible fixed assets.

(\*2) Amortization of goodwill is included in depreciation.

## 5. Consolidated Financial Results (Quarterly Comparison)

Amount: millions of yen

	12/2018 Result				12/2019			
	1Q	2Q	3Q	4Q	1Q Result	2Q Result	3Q Result	4Q Forecast
	<b>Net Sales</b>	52,696	47,270	46,063	64,539	45,320	46,287	45,422
<b>Operating Income</b>	9,199	4,857	3,819	10,961	4,434	3,848	3,722	10,994
<i>Operating Income Ratio</i>	17.5%	10.3%	8.3%	17.0%	9.8%	8.3%	8.2%	15.7%
<b>Ordinary Income</b>	8,968	4,763	3,786	10,798	4,303	3,737	3,517	10,942
<i>Ordinary Income Ratio</i>	17.0%	10.1%	8.2%	16.7%	9.5%	8.1%	7.7%	15.6%
<b>Net Income attributable to Owners of Parent</b>	6,114	4,388	2,970	8,840	2,561	3,209	2,655	7,573
<i>Net Income Ratio</i>	11.6%	9.3%	6.4%	13.7%	5.7%	6.9%	5.8%	10.8%
<b>US\$</b>	108.22	109.12	111.46	112.96	110.22	109.90	107.24	112.64
<b>Euro</b>	133.14	129.96	129.51	128.79	125.16	123.48	119.22	120.14

## 6. Consolidated Segment Results (Quarterly Comparison)

Amount: millions of yen

	12/2018 Result				12/2019			
	1Q	2Q	3Q	4Q	1Q Result	2Q Result	3Q Result	4Q Forecast
	<b>Net Sales</b>	18,097	14,607	15,640	31,310	16,242	18,138	17,705
<b>Automotive</b>	18,097	14,607	15,640	31,310	16,242	18,138	17,705	30,913
<b>Process&amp;Environmental</b>	4,941	4,306	4,250	5,861	4,791	4,369	4,709	6,128
<b>Medical</b>	6,637	6,497	6,106	6,771	6,307	6,359	6,036	7,296
<b>Semiconductor</b>	16,468	15,875	13,058	12,384	11,548	11,157	10,837	16,456
<b>Scientific</b>	6,551	5,983	7,008	8,210	6,429	6,261	6,132	9,175
<b>Total</b>	52,696	47,270	46,063	64,539	45,320	46,287	45,422	69,969
<b>Operating Income</b>	2,610	(120)	(745)	5,958	905	694	1,199	4,200
<b>Automotive</b>	2,610	(120)	(745)	5,958	905	694	1,199	4,200
<b>Process&amp;Environmental</b>	681	187	314	844	470	193	312	1,024
<b>Medical</b>	552	452	308	511	208	501	339	450
<b>Semiconductor</b>	5,453	4,786	3,812	3,011	2,752	2,647	2,037	4,562
<b>Scientific</b>	(97)	(448)	131	635	98	(188)	(167)	757
<b>Total</b>	9,199	4,857	3,819	10,961	4,434	3,848	3,722	10,994

### Contact

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