

June 9, 2020

To whom it may concern:

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## Notice of Earnings Forecasts and Dividend Forecasts

HORIBA, Ltd. hereby announces the consolidated earnings forecasts and dividend forecasts for the fiscal year ending December 2020 (January 1, 2020 to December 31, 2020), which had not been estimated, as follows.

### 1. Revision of Earnings Forecasts and Dividend Forecasts

#### (1) Consolidated Earnings Forecasts for the First Six Months Ending June 30, 2020

(January 1, 2020 – June 30, 2020)

	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
Previous Forecasts (A) (April 16, 2020)	—	—	—	—	—
Revised Forecasts (B)	84,000	5,500	5,500	4,000	94.82
Changes (B–A)	—	—	—	—	
Changes (%)	—	—	—	—	
(Reference) Results for the First Six Months Ended June 30, 2019	91,607	8,282	8,040	5,770	136.84

**(2) Consolidated Earnings Forecasts for the Year Ending December 31, 2020**  
**(January 1, 2020 – December 31, 2020)**

	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
Previous Forecasts (A) (April 16, 2020)	—	—	—	—	—
Revised Forecasts (B)	187,000	15,000	14,500	10,500	248.89
Changes (B – A)	—	—	—	—	
Changes (%)	—	—	—	—	
(Reference) Results for the Year Ended December 31, 2019	200,241	20,916	20,518	15,481	367.09

**(3) Dividend Forecasts**

	Dividend Per Share		
	Second quarter	Year end	Total
Previous Forecasts (April 16, 2020)	Yen —	Yen —	Yen —
Revised Forecasts	30.00	45.00	75.00
(Reference) Results for the Year Ended December 31, 2019	50.00	80.00	130.00

**2. Background of the Announcement of Earnings Forecasts and Dividend Forecasts**

HORIBA withdrew its consolidated earnings forecasts and dividend forecasts for fiscal 2020 on April 16, because it was very difficult to make a rational estimation of business forecasts in light of uncertainties concerning changes in the business environment caused by the global spread of COVID-19.

In response to the relaxation of restriction of the public's movements in various countries and other factors, we have compiled data regarding potential impacts and forecasts of each Group company based on the currently-available information and projections, and announce consolidated earnings forecasts and dividend forecasts. The earnings forecasts are based on data as of June 9, 2020, and actual forecasts may differ from these forecasts due to various uncertainties.

**3. Information Concerning Consolidated Earnings Forecasts for Fiscal 2020**

The consolidated earnings forecasts for fiscal 2020 are summarized as follows.

Our assumption for foreign exchange rates are 110 yen against the U.S. dollar (vs. 109.03 yen in fiscal 2019) and 120 yen against the euro (vs. 122.03 yen in fiscal 2019).

**Net Sales of 187,000 million yen (full-year; down 6.6% year-on-year)**

**[Net Sales of 84,000 million yen (the first six months ending June 30, 2020; down 8.3% year-on-year)]**

In the Automotive Test Systems segment, the Process & Environmental Instruments & Systems segment, and the Scientific Instruments & Systems segment, product shipment and acceptance may be delayed because of measures to restrict the movements of people and goods by various countries and regions. In addition, sales are expected to decline owing to impacts caused by the downturn in the automobile industry, energy industry and other markets.

In the Medical-Diagnostic Instruments & Systems segment, sales are projected to decrease due to a decrease in the number of tests performed at hospitals as a result of a decrease in the number of general patients because of the spread of COVID-19.

On the other hand, in the Semiconductor Instruments & Systems segment, along with an expected recovery in capital expenditure by semiconductor manufacturers in addition to an increase in demand for semiconductors owing to the expansion of telework, digital business, and others, sales to semiconductor production equipment manufacturers are expected to remain firm.

As a result, net sales are expected to decrease by 7,607 million yen from the first half of fiscal 2019 to 84,000 million yen in the first half of fiscal 2020 and to decrease by 13,241 million yen from fiscal 2019 to 187,000 million yen for fiscal 2020.

**Operating Income of 15,000 million yen (full-year; down 28.3% year-on-year)]**

**[Operating Income of 5,500 million yen (the first six months ending June 30, 2020; down 33.6% year-on-year)**

While the Semiconductor Instruments & Systems segment is expected to increase operating income as a result of an increase in sales, other segments are projected to decrease operating income owing to a decrease in sales.

As a result, operating income is expected to decrease by 2,782 million yen from the first half of fiscal 2019 to 5,500 million yen in the first half of fiscal 2020 and to decrease by 5,916 million yen from fiscal 2019 to 15,000 million yen for fiscal 2020.

**Ordinary Income of 14,500 million yen (full-year; down 29.3% year-on-year)**

**[Ordinary Income of 5,500 million yen (the first six months ending June 30, 2020; down 31.6% year-on-year)]**

Ordinary income is expected to incorporate a net non-operating loss, assuming interest expenses and some uncertain non-operating expenses. As a result, ordinary income is expected to decrease by 2,540 million yen from the first half of fiscal 2019 to 5,500 million yen in the first half of fiscal 2020 and to decrease by 6,018 million yen from fiscal 2019 to 14,500 million yen for fiscal 2020.

**Net Income Attributable to Owners of Parent of 10,500 million yen (full-year; down 32.2% year-on-year)**

**[Net Income Attributable to Owners of Parent of 4,000 million yen (the first six months ending June 30, 2020; down 30.7% year-on-year)]**

Net extraordinary loss of 500 million yen for the full year (compared to a net extraordinary gain of 215 million yen in fiscal 2019) is secured for unexpected incidences and as a result, net income attributable to owners of parent is forecasted to decrease by 1,770 million yen from the first half of fiscal 2019 to 4,000 million yen in the first half of fiscal 2020 and to decrease by 4,981 million yen from the fiscal 2019 to 10,500 million yen for the fiscal 2020.

#### **4. Basic Policy for Profit Distribution and Dividends**

HORIBA's shareholder return policy is to set the total returns to shareholders (the combined amount of dividend payments and share buybacks) at approximately 30% of consolidated net income attributable to owners of parent. With regard to the dividend forecast for the fiscal ending December 31, 2020, we expect to pay an annual dividend of 75 yen per share (interim dividend is 30 yen).

The Company will continue to focus on improving corporate value through profit growth by investing its internal reserves in growth areas in an effective manner, and it will make profit returns to shareholders that are linked to consolidated earnings.

## Supplemental Information

### 1. Consolidated Financial Results

Amount: Millions of yen

	12/2019 Results		12/2020 Forecasts	Changes	12/2020 Forecasts	Changes
	1st half	Full year	1st half	Amount	Full Year	Amount
	<b>Net Sales</b>	91,607	200,241	84,000	-7,607	187,000
<b>Operating Income</b>	8,282	20,916	5,500	-2,782	15,000	-5,916
<i>Operating Income Ratio</i>	9.0%	10.4%	6.5%	-2.5P	8.0%	-2.4P
<b>Ordinary Income</b>	8,040	20,518	5,500	-2,540	14,500	-6,018
<i>Ordinary Income Ratio</i>	8.8%	10.2%	6.5%	-2.3P	7.8%	-2.4P
<b>Net Income Attributable to Owners of Parent</b>	5,770	15,481	4,000	-1,770	10,500	-4,981
<i>Net Income Ratio</i>	6.3%	7.7%	4.8%	-1.5P	5.6%	-2.1P
<b>US\$</b>	110.06	109.03	110.00	-0.06	110.00	+0.97
<b>Euro</b>	124.32	122.03	120.00	-4.32	120.00	-2.03

### 2. Consolidated Segment Results

Amount: Millions of yen

Net Sales	12/2019 Results		12/2020 Forecasts	Changes	12/2020 Forecasts	Changes
	1st half	Full year	1st half	Amount	Full Year	Amount
	<b>Automotive</b>	34,381	81,042	26,500	-7,881	68,000
Process&Environmental	9,161	19,500	8,500	-661	17,500	-2,000
<b>Medical</b>	12,667	25,335	11,000	-1,667	23,000	-2,335
<b>Semiconductor</b>	22,705	47,191	26,000	+3,294	52,500	+5,308
<b>Scientific</b>	12,691	27,170	12,000	-691	26,000	-1,170
<b>Total</b>	91,607	200,241	84,000	-7,607	187,000	-13,241

  

Operating Income	12/2019 Results		12/2020 Forecasts	Changes	12/2020 Forecasts	Changes
	1st half	Full year	1st half	Amount	Full Year	Amount
	<b>Automotive</b>	1,599	6,454	(1,300)	-2,899	500
Process&Environmental	663	1,697	200	-463	500	-1,197
<b>Medical</b>	709	1,302	100	-609	200	-1,102
<b>Semiconductor</b>	5,399	10,727	6,500	+1,100	13,500	+2,772
<b>Scientific</b>	(90)	734	-	+90	300	-434
<b>Total</b>	8,282	20,916	5,500	-2,782	15,000	-5,916

### 3. Consolidated Financial Results (Quarterly Comparison)

Amount: Millions of yen

	12/2019 Results				12/2020		
	1Q	2Q	3Q	4Q	1Q Results	2Q Forecasts	2H Forecasts
Net Sales	45,320	46,287	45,422	63,211	44,997	39,002	103,000
Operating Income	4,434	3,848	3,722	8,910	3,895	1,604	9,500
<i>Operating Income Ratio</i>	9.8%	8.3%	8.2%	14.1%	8.7%	4.1%	9.2%
Ordinary Income	4,303	3,737	3,517	8,960	3,906	1,593	9,000
<i>Ordinary Income Ratio</i>	9.5%	8.1%	7.7%	14.2%	8.7%	4.1%	8.7%
Net Income Attributable to Owners of Parent	2,561	3,209	2,655	7,055	2,287	1,712	6,500
<i>Net Income Ratio</i>	5.7%	6.9%	5.8%	11.2%	5.1%	4.4%	6.3%

### 4. Consolidated Segment Results (Quarterly Comparison)

Amount: Millions of yen

Net Sales	12/2019 Results				12/2020		
	1Q	2Q	3Q	4Q	1Q Results	2Q Forecasts	2H Forecasts
Automotive	16,242	18,138	17,705	28,956	14,870	11,629	41,500
Process&Environmental	4,791	4,369	4,709	5,628	4,595	3,904	9,000
Medical	6,307	6,359	6,036	6,632	5,749	5,250	12,000
Semiconductor	11,548	11,157	10,837	13,647	13,847	12,152	26,500
Scientific	6,429	6,261	6,132	8,346	5,935	6,064	14,000
<b>Total</b>	<b>45,320</b>	<b>46,287</b>	<b>45,422</b>	<b>63,211</b>	<b>44,997</b>	<b>39,002</b>	<b>103,000</b>

  

Operating Income	12/2019 Results				12/2020		
	1Q	2Q	3Q	4Q	1Q Results	2Q Forecasts	2H Forecasts
Automotive	905	694	1,199	3,655	322	(1,622)	1,800
Process&Environmental	470	193	312	721	250	(50)	300
Medical	208	501	339	252	156	(56)	100
Semiconductor	2,752	2,647	2,037	3,290	3,241	3,258	7,000
Scientific	98	(188)	(167)	991	(75)	75	300
<b>Total</b>	<b>4,434</b>	<b>3,848</b>	<b>3,722</b>	<b>8,910</b>	<b>3,895</b>	<b>1,604</b>	<b>9,500</b>