

Summary of Consolidated Financial Statements for the Nine Months Ended September 30, 2016 (Japanese GAAP)

November 7, 2016

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(Figures have been rounded down to the nearest million yen)

1. Consolidated Results for the Nine Months Ended September 30, 2016 (January 1, 2016 - September 30, 2016)

(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 9/30/16	116,901	-2.9	10,659	-23.2	10,341	-23.1	7,281	-16.3
Nine months ended 9/30/15	120,362	—	13,887	—	13,453	—	8,699	—

(Note) Comprehensive Income: FY2016Q3 -1,467 million yen (-%), FY2015Q3 5,577 million yen (-%)

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
Nine months ended 9/30/16	172.88	172.12
Nine months ended 9/30/15	206.40	205.49

(Note) The Company and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping basis. However, starting from the fiscal year 2016, the Company and its domestic consolidated subsidiaries have changed to revenue recognition method on a completion date of installation or a delivery date basis under the terms and conditions of contracts. Accordingly, retrospective restatement is applied. The percentage of change for the nine months ended September 30, 2015 versus the same period of previous year is not released because retrospective restatement is not applied for the nine months ended September 30, 2014.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of 9/30/16	219,609	122,876	55.7
As of 12/31/15	232,121	127,243	54.6

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

As of September 30, 2016: 122,367 million yen; As of December 31, 2015: 126,774 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 12/31/15	—	28.00	—	42.00	70.00
Year ending 12/31/16	—	30.00	—		
Year ending 12/31/16 (Forecast)				45.00	75.00

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

3. Consolidated Forecast for the Year Ending December 31, 2016 (January 1, 2016 - December 31, 2016)

(Percentages represent changes from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to Owners of Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	170,000	-1.1	17,500	-13.1	17,000	-13.4	10,800	-18.7	256.40

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

Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

(2) Application of the accounting method specific to quarterly consolidated financial statements: None

(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: Yes

③ Changes in accounting estimates: None

④ Retrospective restatement: None

(Note) Please see "2.Items Concerning Summary Information (Notes)" on page 5 for further details.

(4) Number of shares outstanding (common stock)

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
① Shares issued (including treasury stock)	42,532,752	42,532,752
② Treasury stock	402,948	439,021
	<u>Jan. - Sep. 2016</u>	<u>Jan. - Sep. 2015</u>
③ The average number of outstanding shares during the nine months ended FY2016 and FY2015	42,118,411	42,150,489

Note 1. Indication regarding implementation status of quarterly review procedures

These quarterly financial statements have not been prepared for the purpose of quarterly review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for quarterly financial statements were in the process of being implemented as of the release of these quarterly financial statements. The consolidated operating results and consolidated financial position are calculated based on the retrospectively-restated amounts of fiscal year 2015. Those retrospectively-restated amounts are unaudited and are subject to change.

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

The business forecasts stated herein are based on information currently available and certain assumptions for factors which may affect business results. We do not warrant that these forecasts will be achieved. Actual results may differ from the forecasts due to a range of factors. For additional information, please see page 4, "1. (2) Information Concerning Consolidated Earnings Forecasts for FY2016".

1. Qualitative Information Concerning Consolidated Results

(1) Information Concerning Consolidated Operating Results

With regard to the global economy in the nine months ended September 30, 2016 (the first three quarters), the United States continued its economic recovery due to an increase in consumption supported by an improvement in the employment environment and other factors. In Europe, while geopolitical risks and the U.K.'s decision to leave the EU (Brexit) have led to uncertainty over the future outlook, the economy is recovering moderately, mainly in Germany. In Asia, China showed some signs of recovery, after the continued economic slowdown, and India and other countries experienced a gradual recovery, mainly in domestic demand.

In Japan, although some cautiousness was seen in business sentiment, the economy continued its moderate recovery trend with a rise in corporate capital investment and a steady improvement in the employment and wage environment.

During the period from January 2016 to September 2016, the average foreign exchange rates were 108.57 yen against the U.S. dollar and 121.06 yen against the euro, representing appreciation of 11.4% against the U.S. dollar and 11.3% against the euro compared to the same period of the previous year.

Under these conditions, HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "the HORIBA Group" or "HORIBA" as a consolidated group) recorded a 2.9% year-on-year decrease in overall sales to 116,901 million yen, mainly due to the impact of the appreciation of the yen, which reduced overseas sales in yen terms, although sales increased as a result of production expansion by semiconductor production equipment manufacturers, and the acquisition of MIRA Ltd. (present HORIBA MIRA Ltd.) in the U.K. in July 2015.

In terms of profits, due to reasons such as the impacts of the appreciation of the yen and a sales decline in the Automotive Test Systems segment, overall operating income decreased by 23.2% year-on-year to 10,659 million yen and ordinary income decreased by 23.1% to 10,341 million yen. Net income attributable to owners of parent decreased by 16.3% year-on-year to 7,281 million yen, due to a decrease in ordinary income and extraordinary losses related to the damage caused by the Kumamoto Earthquakes, despite the alleviation on tax burden.

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

(Automotive Test Systems)

Segment sales decreased by 3.2% year-on-year to 39,426 million yen, due to the impacts of the appreciation of the yen, which decreased overseas sales in yen terms, and other factors, despite of the sales increase in emission measurement systems in Japan and the sales contribution of HORIBA MIRA, Ltd. (U.K.), which was acquired in July 2015. Operating income decreased by 97.4% to 63 million yen, which was attributable to the sales decline and an increase in depreciation expenses and other expenses that are related to the full-scale operation of HORIBA BIWAKO E-HARBOR, the new factory in Shiga prefecture Japan.

(Process & Environmental Instruments & Systems)

Sales in the Americas, primarily to companies in the petrochemical industry, were robust, but there was a decline in the sales of stack gas analyzers and water quality analyzers in Asia including China and South Korea. As a result, segment sales were 11,809 million yen, down 0.8% year-on-year, and operating income decreased by 3.5% to 1,122 million yen.

(Medical-Diagnostic Instruments & Systems)

Despite solid sales of blood cell testing instruments in Asia, a decrease in sales in Europe and the Americas expressed in yen due to the yen's appreciation caused segment sales' decline by 4.8% year-on-year to 19,775 million yen. In terms of profits, as sales of the Hematology and C-Reactive Protein (CRP) analyzers, which were launched in Japan last year, and sales in Asia were robust, segment operating income increased by 9.6% to 2,221 million yen.

(Semiconductor Instruments & Systems)

The yen's appreciation against foreign currency resulted in a decrease in overseas sales in yen terms. As semiconductor manufacturers' capital investment gradually increased from the beginning of 2016 and has stayed at a high level through these nine months, sales to semiconductor production equipment manufacturers have been favorable. As a result, segment sales increased by 0.1% year-on-year to 27,760 million yen. Operating income, however, fell by 6.2% to 7,149 million yen, mainly due to a decrease in sales in the Americas expressed in yen as a result of the yen's appreciation, and a one-time production adjustment triggered by the Kumamoto Earthquakes in April.

(Scientific Instruments & Systems)

While sales in Japan and Asia were robust, the yen's appreciation resulted in a decrease in sales in Europe and the Americas in yen terms and sales to universities and other customers fell in the Americas. Consequently, segment sales decreased by 5.7% year-on-year to 18,128 million yen and operating income decreased by 84.0% to 102 million yen.

(2) Information Concerning Consolidated Earnings Forecasts for FY2016

Consolidated earnings forecasts for the current fiscal year are as follows. The full-year exchange rate forecast has been changed from 108 yen to 107 yen against the U.S. dollar. The forecast against the euro remains at 120 yen.

Consolidated forecast for the full FY2016

(Amount: millions of yen)

	Previous Forecast (As of Aug. 3)	Revised Forecast (As of Nov. 7)	Changes
Net sales	170,000	170,000	-
Operating income	17,500	17,500	-
Ordinary income	17,000	17,000	-
Net income attributable to owners of parent	10,800	10,800	-

With respect to the consolidated earnings forecasts for the current fiscal year, after taking into consideration the operating performance and order trends up to the end of the third quarter, net sales remains the same as former at 170,000 million yen, operating income at 17,500 million yen, ordinary income at 17,000 million yen, and net income attributable to owners of parent at 10,800 million yen respectively.

Consolidated forecast for the full FY2016 by segment

Net sales

(Amount: millions of yen)

	Previous Forecast (As of Aug. 3)	Revised Forecast (As of Nov. 7)	Changes
Automotive	65,000	64,000	-1,000
Process & Environmental	16,500	16,500	-
Medical	26,500	26,500	-
Semiconductor	35,000	37,000	+2,000
Scientific	27,000	26,000	-1,000
Total	170,000	170,000	-

Operating income

(Amount: millions of yen)

	Previous Forecast (As of Aug. 3)	Revised Forecast (As of Nov. 7)	Changes
Automotive	4,000	3,500	-500
Process & Environmental	1,300	1,500	+200
Medical	2,500	2,700	+200
Semiconductor	8,700	9,000	+300
Scientific	1,000	800	-200
Total	17,500	17,500	-

By business segment, HORIBA has revised down its sales forecasts for both the Automotive Test Systems segment and the Scientific Instruments & Systems segment by 1,000 million yen but has revised up its sales forecast for the Semiconductor Instruments & Systems segment by 2,000 million yen.

In terms of operating income by business segment, HORIBA has revised down its forecast by 500 million yen for the Automotive Test Systems segment and by 200 million yen for the Scientific Instruments & Systems segment, reflecting the downward revisions to their sales forecasts. In contrast, operating income forecast for the Semiconductor Instruments & Systems segment has been raised by 300 million yen, reflecting the upward revision to its sales forecast. Given the operating performance up to the end of the third quarter, operating income forecasts for the Process & Environmental Instruments & Systems segment and the Medical-Diagnostic Instruments & Systems segment have been revised up by 200 million yen both.

The dividend forecast for the fiscal year has remained unchanged.

(Note) The forecasts of dividend amount and business performance have been made based on information available as of November 7, 2016. However, due to the existence of various uncertainties, it is possible that actual performance would vary considerably from the forecasts. The major risk factors are as follows, but are not limited to these.

Business risks:

Risks associated with international business activities including a loss from fluctuation of currency exchange rates; changes in performance or financial position associated with acquisitions or alliances; repairs of buildings and facilities following natural disasters and associated delays in delivery; risks associated with contracts and transactions; delays in timing of revenue recognition; laws and regulations; and other business risks

Risks associated with development and production:

Compensation for product liability; delays in development of new products; risks concerning intellectual property right; and risks concerning shortage of supply of raw materials and fluctuation in raw material prices

Financial risks:

Impairment loss on securities and fixed assets; reversal of deferred tax assets resulting from changes in tax systems or accounting policies; and fluctuations in the estimated loss at the time of employees' local pension fund dissolution

2. Items Concerning Summary Information (Notes)

(1) Changes in Accounting Policies

(Change in revenue recognition standard)

The Company and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping basis. However, starting from the three months ended March 31, 2016, the Company and its domestic consolidated subsidiaries have changed to revenue recognition method on a completion date of installation or a delivery date basis under the terms and conditions of contracts.

HORIBA's overseas consolidated subsidiaries, pursuant to IFRS and US GAAP, had recognized revenue on an installation completion date or a delivery date basis under the terms and conditions of contracts. In addition, sales of products that require a long time for installation have been increasing. Consequently, HORIBA has decided to make a change to more adequately reflecting revenue status, upon introduction of a new operating system.

This change in accounting policy has been retrospectively applied to the consolidated financial statements for the quarter and full-year period of fiscal year 2015.

As a result, net sales for the first three quarters of fiscal year 2015 increased by 3,492 million yen, and operating income increased by 2,071 million yen, ordinary income and income before income taxes increased by 2,068 million yen, respectively, as compared with the figures prior to the retrospective application. The net assets at the beginning of the previous fiscal year have reflected the cumulative effects, which resulted in a decrease by 3,223 million yen in retained earnings at the beginning of the previous fiscal year.

(Adoption of Revised Accounting Standard for Business Combinations, etc.)

“Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, released on Sep. 13, 2013, hereinafter the “Accounting Standard for Business Combinations”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, released on Sep. 13, 2013, hereinafter the “Consolidated Accounting Standard”), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, released on Sep. 13, 2013, hereinafter the “Accounting Standard for Business Divestitures”) and others have been adopted effective from the beginning of the first quarter of the fiscal year ending March 31, 2016. As a result, any change resulting from the Company’s ownership interests in its subsidiary when the Company retains control over the subsidiary is accounted for as capital surplus, and acquisition related costs are expensed in the year in which the costs are incurred. For any business combinations on or after the beginning of the first quarter, subsequent measurement of the provisional amount recognized based on the purchase price allocation due to the completion of accounting for the business combination are reflected in the quarterly consolidated financial statements for the period to which the date of that business combination occurs. In addition, the presentation method of net income was amended as well as “minority interests in consolidated subsidiaries” to “non-controlling interests.” To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the prior third quarter and the prior fiscal year presented herein. The aforementioned accounting standards are adopted as of the beginning of the first quarter and thereafter, according to the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Consolidated Accounting Standard and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. There is no impact of these changes on profit and loss.

(2) Change in Method of Presentation

(Consolidated Balance Sheets)

In fiscal 2015, “Advances received” was included in “Other current liabilities”. However, due to an increased significance in amount, it is independently stated from the three months ended March 31, 2016. To reflect this change in presentation method, the consolidated financial statements for fiscal 2015 have been restated.

As a result, “Other current liabilities” of 14,460 million yen in the consolidated balance sheets for fiscal 2015 is restated as “Advances received” of 10,831 million yen and “Other current liabilities” of 3,628 million yen.

(3) Additional Information

(Revision of Amount of Deferred Tax Assets and Deferred Tax Liabilities due to Change in Rate of Corporate and Other Income Taxes)

Following the promulgation of the Act for Partial Amendment of the Income Tax Act (Act No. 15 of 2016) and the Act for Partial Amendment of the Local Tax Act (Act No. 13 of 2016) on March 31, 2016, the statutory effective tax rate for the consolidated fiscal year on and after April 1, 2016 was reduced. Following the Act, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from 32.2% to 30.8% for temporary differences expected to be reversed in the fiscal year beginning on January 1, 2017 and 2018, and to 30.5% for temporary differences expected to be reversed in the fiscal year beginning on January 1, 2019.

Due to such change in tax rate, the amount of deferred tax assets (netted with deferred tax liabilities) decreased by 10 million yen, while income taxes (deferred), net unrealized holding gains on securities, and remeasurements of defined benefit plans increased by 65 million yen, 50 million yen, and 4 million yen, respectively.

(Transfer of the water quality and liquid analysis instruments and systems business through simplified absorption-type corporate split)

The Company decided, at the Board of Directors meeting held on May 19, 2016, to have HORIBA Advanced Techno, a wholly owned subsidiary of the Company, take over its water quality and liquid analysis instruments and systems business (hereinafter the “water measurement business”) through absorption-type corporate split approach, effective January 1, 2017, and entered into an absorption-type corporate split agreement on June 20, 2016.

The absorption-type corporate split is summarized as follows.

(1) Purpose of the corporate split

The HORIBA Group's water measurement business, represented by pH meters, the Group's mainstay product since the foundation of the Company, has been promoted jointly by the Company and HORIBA Advanced Techno up to the moment. With the aim of business expansion in the water measurement area, as one of the priority initiatives in the HORIBA Mid-Long Term Management Plan, the Company will separate its water measurement business division and integrate it with HORIBA Advanced Techno in order to develop more market-oriented products, improve customer satisfaction, and enhance market competitiveness and earnings power.

(2) Corporate split method

This corporate split is an absorption-type corporate split in which HORIBA Advanced Techno will be the succeeding company.

(3) Corporate split schedule (Effective date)

January 1, 2017

(4) Details of allotments relating to the corporate split

The Company owns all shares of HORIBA Advanced Techno and there will be no consideration such as allotment of shares or payment of cash due to this corporate split.

(5) Calculation of allotments relating to the corporate split

There are no allotments of shares or other assets due to this corporate split.

(6) Rights and obligations to be succeeded by the successor company

In accordance with the absorption-type corporate split agreement, HORIBA Advanced Techno shall succeed to assets, liabilities, other rights and obligations, and contractual status that are considered necessary to carry out the business.

(7) Outline of the successor company

Capital: 250 million yen

Business: Development, manufacturing, sales and services of measurement equipment

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Amount: millions of yen

	FY2015 (As of December 31, 2015)	FY2016 third quarter (As of September 30, 2016)
Assets		
Current Assets:		
Cash and bank deposits	43,922	51,567
Trade notes and accounts receivable	50,128	39,449
Marketable securities	6,927	1,264
Merchandise and finished goods	15,696	14,952
Work in process	13,707	15,930
Raw materials and supplies	10,786	10,439
Deferred tax assets	5,140	4,132
Other current assets	6,584	7,066
Allowance for doubtful accounts	(789)	(634)
Total Current Assets	152,104	144,168
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and structures, net	31,288	28,627
Machinery, equipment and vehicles, net	6,468	6,468
Land	10,647	11,497
Construction in progress	4,739	5,740
Other property, plant and equipment, net	3,834	3,421
Total Property, Plant and Equipment	56,978	55,755
Intangibles:		
Goodwill	576	389
Software	4,851	4,198
Other intangibles	4,870	3,278
Total Intangibles	10,298	7,866
Investments and Other Non-Current Assets:		
Investment securities	8,335	7,605
Deferred tax assets	1,671	1,495
Other investments and other assets	2,783	2,776
Allowance for doubtful accounts	(50)	(59)
Total Investments and Other Non-Current Assets	12,739	11,818
Total Fixed Assets	80,017	75,440
Total Assets	232,121	219,609

Amount: millions of yen

	FY2015 (As of December 31, 2015)	FY2016 third quarter (As of September 30, 2016)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	17,675	17,342
Short-term loans payable	12,879	12,507
Accounts payable - other	14,759	9,863
Accrued income taxes	3,796	900
Advances Received	10,831	9,868
Deferred tax liabilities	91	71
Accrued bonuses to employees	948	1,748
Accrued bonuses to directors and corporate auditors	63	414
Reserve for product warranty	1,651	1,525
Provision for loss on disaster	-	480
Other current liabilities	3,628	4,463
Total Current Liabilities	66,325	59,184
Non-Current Liabilities:		
Corporate bonds	15,000	15,000
Long-term loans payable	16,826	17,301
Deferred tax liabilities	1,181	585
Net defined benefit liability	1,947	1,672
Provision for loss on dissolution of the employees' pension fund	1,267	1,300
Other non-current liabilities	2,329	1,687
Total Non-Current Liabilities	38,552	37,547
Total Liabilities	104,878	96,732
Net Assets		
Shareholders' Equity		
Common stock	12,011	12,011
Capital surplus	18,717	18,717
Retained earnings	93,232	97,426
Treasury stock	(1,730)	(1,588)
Total Shareholders' Equity	122,230	126,566
Accumulated Other Comprehensive Income		
Net unrealized holding gains on securities	2,624	2,254
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustments	1,852	(6,520)
Remeasurements of defined benefit plans	66	66
Total Accumulated Other Comprehensive Income	4,543	(4,199)
Subscription Rights to Shares	469	466
Non-controlling Interests	0	43
Total Net Assets	127,243	122,876
Total Liabilities and Net Assets	232,121	219,609

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

Amount: millions of yen

	FY2015 third quarter (Nine months ended September 30, 2015)	FY2016 third quarter (Nine months ended September 30, 2016)
Net Sales	120,362	116,901
Cost of Sales	67,919	68,329
Gross Income	52,443	48,572
Selling, General and Administrative Expenses	38,555	37,912
Operating Income	13,887	10,659
Non-Operating Income		
Interest income	211	110
Dividend income	91	89
Subsidy income	27	107
Other	229	163
Total non-operating income	561	471
Non-Operating Expense		
Interest expense	598	385
Foreign exchange losses	224	341
Other	171	62
Total non-operating expense	995	789
Ordinary Income	13,453	10,341
Extraordinary Gain		
Gain on sales of fixed assets	11	5
Gain on sales of investment securities	-	0
Gain on sales of subsidiaries and affiliates' stocks	-	240
Reversal of provision for compensation losses	2	-
Reversal of provision for loss on dissolution of the employees' pension fund	439	-
Reversal of foreign currency translation adjustment	-	112
Total extraordinary gain	453	359
Extraordinary Loss		
Loss on sales of fixed assets	6	0
Loss on disposal of fixed assets	5	170
Impairment loss	94	-
Provision for loss on dissolution of the employees' pension fund	-	177
Business structure improvement expenses	114	-
Loss on disaster	-	940
Total extraordinary loss	220	1,287
Income before Income Taxes	13,686	9,413
Income taxes (current)	4,763	1,517
Income taxes (deferred)	222	612
Total income taxes	4,986	2,129
Net Income	8,699	7,283
Profit attributable to non-controlling interests	-	1
Net Income attributable to Owners of Parent	8,699	7,281

(Consolidated Statements of Comprehensive Income)

Amount: millions of yen

	FY2015 third quarter (Nine months ended September 30, 2015)	FY2016 third quarter (Nine months ended September 30, 2016)
Net Income	8,699	7,283
Other Comprehensive Income		
Net unrealized holding gains on securities	119	(369)
Deferred gains or losses on hedges	(18)	0
Foreign currency translation adjustments	(3,235)	(8,380)
Remeasurements of defined benefit plans	11	(0)
Total other comprehensive income	(3,122)	(8,750)
Comprehensive Income	5,577	(1,467)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	5,577	(1,460)
Comprehensive income attributable to non-controlling interests	(0)	(6)

4. Supplemental Information

HORIBA, Ltd. Financial Highlights for the Nine Months Ended September 30, 2016

1. Consolidated Financial Results

Amount: millions of yen

	12/2016				12/2015			
	Result		Changes		Forecast		Changes	
	3Q (9Months)	3Q (9Months)	Amount	Ratio	Full year	Full year	Amount	Ratio
Net Sales	116,901	120,362	-3,460	-2.9%	170,000	171,916	-1,916	-1.1%
Operating Income	10,659	13,887	-3,228	-23.2%	17,500	20,142	-2,642	-13.1%
<i>Operating Income Ratio</i>	9.1%	11.5%	-2.4P		10.3%	11.7%	-1.4P	
Ordinary Income	10,341	13,453	-3,111	-23.1%	17,000	19,639	-2,639	-13.4%
<i>Ordinary Income Ratio</i>	8.8%	11.2%	-2.4P		10.0%	11.4%	-1.4P	
Net Income attributable to Owners of Parent	7,281	8,699	-1,418	-16.3%	10,800	13,282	-2,482	-18.7%
<i>Net Income Ratio</i>	6.2%	7.2%	-1.0P		6.4%	7.7%	-1.3P	
US\$	108.57	120.98	-12.41		107.00	121.10	-14.10	
Euro	121.06	134.74	-13.68		120.00	134.31	-14.31	

2. Consolidated Segment Results

Amount: millions of yen

	12/2016				12/2015			
	Result		Changes		Forecast		Changes	
	3Q (9Months)	3Q (9Months)	Amount	Ratio	Full year	Full year	Amount	Ratio
Net Sales								
Automotive	39,426	40,729	-1,302	-3.2%	64,000	65,436	-1,436	-2.2%
Process&Environmental	11,809	11,904	-94	-0.8%	16,500	16,708	-208	-1.2%
Medical	19,775	20,777	-1,001	-4.8%	26,500	27,669	-1,169	-4.2%
Semiconductor	27,760	27,720	+40	+0.1%	37,000	35,353	+1,646	+4.7%
Scientific	18,128	19,231	-1,102	-5.7%	26,000	26,748	-748	-2.8%
Total	116,901	120,362	-3,460	-2.9%	170,000	171,916	-1,916	-1.1%
Operating Income								
Automotive	63	2,438	-2,374	-97.4%	3,500	5,200	-1,700	-32.7%
Process&Environmental	1,122	1,162	-40	-3.5%	1,500	1,756	-256	-14.6%
Medical	2,221	2,026	+195	+9.6%	2,700	2,558	+141	+5.5%
Semiconductor	7,149	7,621	-471	-6.2%	9,000	9,429	-429	-4.6%
Scientific	102	639	-536	-84.0%	800	1,197	-397	-33.2%
Total	10,659	13,887	-3,228	-23.2%	17,500	20,142	-2,642	-13.1%

(Note) The Company and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping basis. However, starting from the fiscal year 2016, the Company and its domestic consolidated subsidiaries have changed to revenue recognition method on a completion date of installation or a delivery date basis under the terms and conditions of contracts. Accordingly the amounts of fiscal year ended December 31, 2015 are calculated based on the retrospectively-restated amounts.

3. Consolidated Segment Sales by Destination

Amount: millions of yen

	12/2016		12/2015		Changes		12/2016		12/2015		Changes	
	Result	3Q (9Months)	Result	3Q (9Months)	Amount	Ratio	Forecast	Full year	Result	Full year	Amount	Ratio
Automotive	39,426	40,729			-1,302	-3.2%	64,000	65,436			-1,436	-2.2%
Japan	13,757	13,225			+532	+4.0%	19,300	17,782			+1,517	+8.5%
Asia	8,730	10,746			-2,016	-18.8%	15,400	17,371			-1,971	-11.4%
Americas(*)	5,657	6,262			-604	-9.7%	9,600	10,477			-877	-8.4%
Europe	11,281	10,494			+786	+7.5%	19,700	19,805			-105	-0.5%
Process&Environmental	11,809	11,904			-94	-0.8%	16,500	16,708			-208	-1.2%
Japan	6,532	6,055			+477	+7.9%	9,000	8,352			+647	+7.7%
Asia	1,535	2,378			-843	-35.5%	2,700	3,517			-817	-23.2%
Americas(*)	2,390	1,850			+540	+29.2%	3,000	2,567			+432	+16.8%
Europe	1,351	1,619			-268	-16.6%	1,800	2,270			-470	-20.7%
Medical	19,775	20,777			-1,001	-4.8%	26,500	27,669			-1,169	-4.2%
Japan	4,393	4,676			-283	-6.1%	6,000	5,950			+49	+0.8%
Asia	3,711	3,276			+434	+13.3%	5,000	4,326			+673	+15.6%
Americas(*)	4,766	5,043			-277	-5.5%	6,100	6,813			-713	-10.5%
Europe	6,904	7,780			-875	-11.3%	9,400	10,578			-1,178	-11.1%
Semiconductor	27,760	27,720			+40	+0.1%	37,000	35,353			+1,646	+4.7%
Japan	10,707	9,634			+1,073	+11.1%	14,800	13,071			+1,728	+13.2%
Asia	11,753	11,395			+357	+3.1%	15,500	14,147			+1,352	+9.6%
Americas(*)	3,839	5,218			-1,378	-26.4%	5,000	6,368			-1,368	-21.5%
Europe	1,460	1,471			-11	-0.8%	1,700	1,766			-66	-3.8%
Scientific	18,128	19,231			-1,102	-5.7%	26,000	26,748			-748	-2.8%
Japan	5,484	5,079			+404	+8.0%	8,000	6,992			+1,007	+14.4%
Asia	4,527	4,272			+254	+6.0%	5,900	6,207			-307	-5.0%
Americas(*)	4,423	5,252			-829	-15.8%	6,300	7,048			-748	-10.6%
Europe	3,693	4,625			-932	-20.2%	5,800	6,499			-699	-10.8%
Total	116,901	120,362			-3,460	-2.9%	170,000	171,916			-1,916	-1.1%
Japan	40,875	38,671			+2,203	+5.7%	57,100	52,148			+4,951	+9.5%
Asia	30,257	32,070			-1,812	-5.7%	44,500	45,571			-1,071	-2.4%
Americas(*)	21,077	23,627			-2,550	-10.8%	30,000	33,276			-3,276	-9.8%
Europe	24,690	25,992			-1,301	-5.0%	38,400	40,919			-2,519	-6.2%

(Note) Americas includes all countries in North America and South America.

4. Capital Expenditures, Depreciation and R&D Expenses

Amount: millions of yen

	12/2016		12/2015	
	3Q Result (9Months)	Full-year Forecast	3Q Result (9Months)	Full-year Result
Capital Expenditures (*)	8,790	16,000	12,958	16,309
Depreciation	4,959	6,500	4,418	6,110
R&D Expenses	9,457	13,000	8,881	12,341

(Note) Capital Expenditures are investments in tangible and intangible fixed assets.

5. Consolidated Financial Results (Quarterly Comparison)

Amount: millions of yen

	12/2016				12/2015 Result			
	1Q Result	2Q Result	3Q Result	4Q Forecast	1Q	2Q	3Q	4Q
Net Sales	41,270	38,713	36,917	53,098	43,049	38,034	39,277	51,554
Operating Income	5,172	2,606	2,880	6,840	6,982	4,035	2,869	6,254
<i>Operating Income Ratio</i>	12.5%	6.7%	7.8%	12.9%	16.2%	10.6%	7.3%	12.1%
Ordinary Income	5,100	2,496	2,744	6,658	6,666	4,050	2,736	6,186
<i>Ordinary Income Ratio</i>	12.4%	6.4%	7.4%	12.5%	15.5%	10.6%	7.0%	12.0%
Net Income attributable to Owners of Parent	3,181	946	3,153	3,518	4,078	2,487	2,133	4,582
<i>Net Income Ratio</i>	7.7%	2.4%	8.5%	6.6%	9.5%	6.5%	5.4%	8.9%
US\$	115.35	108.05	102.31	102.00	119.16	121.44	122.34	121.46
Euro	127.15	121.89	114.14	115.00	134.00	134.20	136.02	133.02

6. Consolidated Segment Results (Quarterly Comparison)

Amount: millions of yen

	12/2016				12/2015 Result			
	1Q Result	2Q Result	3Q Result	4Q Forecast	1Q	2Q	3Q	4Q
Net Sales								
Automotive	14,964	13,164	11,298	24,573	14,177	12,511	14,040	24,707
Process&Environmental	4,157	3,641	4,010	4,690	4,291	3,926	3,685	4,804
Medical	6,939	6,860	5,975	6,724	7,283	6,670	6,823	6,891
Semiconductor	8,689	9,205	9,865	9,239	10,307	8,794	8,618	7,633
Scientific	6,519	5,841	5,767	7,871	6,989	6,132	6,109	7,517
Total	41,270	38,713	36,917	53,098	43,049	38,034	39,277	51,554

	12/2016				12/2015 Result			
	1Q Result	2Q Result	3Q Result	4Q Forecast	1Q	2Q	3Q	4Q
Operating Income								
Automotive	1,124	(570)	(490)	3,436	2,227	762	(552)	2,762
Process&Environmental	666	200	254	377	652	295	215	593
Medical	828	764	628	478	820	489	717	532
Semiconductor	2,329	2,153	2,666	1,850	2,752	2,414	2,454	1,808
Scientific	222	57	(177)	697	530	73	35	557
Total	5,172	2,606	2,880	6,840	6,982	4,035	2,869	6,254

7. Consolidated Orders and Backlog Information (Quarterly Comparison)

Amount: millions of yen

	12/2016				12/2015 Result			
	1Q Result	2Q Result	3Q Result	4Q Forecast	1Q	2Q	3Q	4Q
Orders								
Automotive	12,316	14,777	18,638	-	13,006	15,383	16,254	16,246
Process&Environmental	3,447	4,111	3,684	-	4,028	4,829	3,594	4,159
Medical	7,654	6,465	5,600	-	7,468	7,904	6,260	7,170
Semiconductor	9,563	9,659	10,477	-	9,670	9,203	7,865	6,999
Scientific	5,623	5,358	5,858	-	5,740	6,519	6,709	7,517
Total	38,605	40,372	44,259	-	39,914	43,840	40,684	42,093

	12/2016				12/2015 Result			
	1Q Result	2Q Result	3Q Result	4Q Forecast	1Q	2Q	3Q	4Q
Backlog								
Automotive	40,566	42,180	49,520	-	41,231	44,103	51,675	43,215
Process&Environmental	4,106	4,576	4,249	-	4,648	5,551	5,460	4,815
Medical	4,353	3,958	3,583	-	2,688	3,922	3,359	3,638
Semiconductor	4,018	4,467	5,080	-	4,119	4,528	3,775	3,140
Scientific	8,343	7,863	7,955	-	8,255	8,641	9,242	9,243
Total	61,387	63,046	70,388	-	60,942	66,747	73,513	64,052

Contact

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