

Financial Information

HORIBA, Ltd.

December, 2020

Contents

- 2020 3Q (Jan.-Sep.) Results
- 2020 Forecast
- Shareholder Return
- Topics -New product development for focused markets-
- Financial Data
- Corporate Profile

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2020 3Q (Jan.-Sep.) Results

(Billions of Yen)

Decreased in sales and profits due to a decline in sales all business segments except the semiconductor segment

	2019	2020	vs 2019	
	3Q Results (Jan-Sep)	3Q Results (Jan-Sep)	Changes	%
Sales	137.0	129.7	-7.2	-5%
Operating Profit	12.0	10.9	-1.0	-9%
O.P.%	8.8%	8.5%	-0.3p	
Ordinary Profit	11.5	10.7	-0.7	-7%
Net income attributable to Owners or Parent	8.4	7.5	-0.9	-11%
USD/JPY	109.12	107.55	-1.57	
EUR/JPY	122.62	120.93	-1.69	

2020 3Q (Jan.-Sep.) Results by Segment

(Billions of Yen)

	Sales			
	2019	2020		
	3Q Results (Jan-Sep)	3Q Results (Jan-Sep)	vs 2019	%
Auto	52.0	41.6	-10.4	-20%
P&E	13.8	12.7	-1.0	-8%
Medical	18.7	15.2	-3.4	-18%
Semi	33.5	41.7	+8.2	+24%
Scientific	18.8	18.3	-0.4	-3%
Total	137.0	129.7	-7.2	-5%

<Auto>

- Affected by stagnation of corporate activities owing to the spread of COVID-19. EMS/MCT*: Delayed product shipment and acceptance.

<P&E>

- Affected by stagnation of corporate activities owing to the spread of COVID-19

<Medical>

- The number of tests performed at hospitals decreased as the spread of COVID-19 led to a decrease in the number of patients who visit hospital

<Semi>

- In response to a recovery of semiconductor manufacturers' capital expenditures driven by an increase in demand for semiconductors.

<Scientific>







- Sluggish R&D investment by private companies and others due to the spread of COVID-19
- Solid demand for optical components for semiconductor production equipment manufacturers and life science purposes

	Operating Profit			
	2019	2020		
	3Q Results (Jan-Sep)	3Q Results (Jan-Sep)	vs 2019	%
Auto	2.7	-0.0	-2.8	-
P&E	0.9	0.7	-0.2	-22%
Medical	1.0	-0.4	-1.5	-
Semi	7.4	9.8	+2.4	+33%
Scientific	-0.2	0.8	+1.1	-
Total	12.0	10.9	-1.0	-9%

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2020 External Environment

General		<p>Economic activities have been resumed after lifting of restrictions but the future remains uncertain.</p> <p>Negative impacts from macroeconomic trends, such as the results of the US presidential election and the US-China trade conflicts, are of concern.</p>
Auto		<p>Most likely to be affected from automobile-related manufacturers' revision and reduction of R&D investments.</p> <p>Possible delay in shipment and acceptance of products because of measures to restrict the movement of people and goods by various countries and regions.</p>
P&E		<p>Public utility projects are continuing, driven by economic measures, but investment by companies is sluggish.</p> <p>Falling crude oil prices may result in reduction in investment by the oil industry.</p>
Medical		<p>The number of patients who visit hospitals is projected to continue declining globally, due to the COVID-19 crisis.</p> <p>Demand for testing will recover in the medium- to long-term.</p>
Semi		<p>In response to an increase in demand for semiconductors associated with the expansion of telework and digital business, semiconductor manufacturer's capital expenditures have recovered.</p>
Scientific		<p>Demand for semiconductor-related measurement technologies is increasing, while demand in the pharmaceutical and life science sectors is solid.</p> <p>R&D investment by companies is slow due to the sluggish economic activity.</p>

2020 Forecast

(Billions of yen)

In light of the progress achieved up to the third quarter of this year, revised operating profit and ordinary profit forecasts

	2019	2020		Changes	
	Results	Previous Forecasts (as of Aug. 11)	Forecasts (as of Nov. 12)	vs 2019	vs Previous Forecasts
Sales	200.2	188.0	188.0	-12.2	-
Operating Profit	20.9	15.0	16.0	-4.9	+1.0
O.P.%	10.4%	8.0%	8.5%	-1.9p	+0.5p
Ordinary Profit	20.5	14.5	15.0	-5.5	+0.5
Net income attributable to Owners or Parent	15.4	10.5	10.5	-4.9	-
USD/JPY	109.03	107.00	107.00	-2.03	
EUR/JPY	122.03	120.00	120.00	-2.03	

2020 Forecast by Segment

(Billions of yen)

	Sales				
	2019	2020			
	Results	Previous Forecasts (as of Aug. 11)	Forecasts (as of Nov. 12)	vs 2019	vs Previous Forecasts
Auto	81.0	68.0	67.0	-14.0	-1.0
P&E	19.5	17.5	18.0	-1.5	+0.5
Medical	25.3	22.0	21.0	-4.3	-1.0
Semi	47.1	54.0	55.5	+8.3	+1.5
Scientific	27.1	26.5	26.5	-0.6	-
Total	200.2	188.0	188.0	-12.2	-

<Auto>

- Product shipment and acceptance expected to be delayed in EMS and MCT.

<Medical>

- The number of tests performed at hospitals is projected to continue to stagnate, along with an anticipated decrease in the number of patients who visit hospital.

<Semi>

- Revised upward due to a increase in sales in response to a increase demand for semiconductors

<P&E, Scientific>

- In light of the progress achieved up to the third quarter of this year, revised upward forecasts

	Operating Profit				
	2019	2020			
	Results	Previous Forecasts (as of Aug. 11)	Forecasts (as of Nov. 12)	vs 2019	vs Previous Forecasts
Auto	6.4	0.5	0.5	-5.9	-
P&E	1.6	0.5	1.0	-0.6	+0.5
Medical	1.3	-	-0.5	-1.8	-0.5
Semi	10.7	13.5	14.0	+3.2	+0.5
Scientific	0.7	0.5	1.0	+0.2	+0.5
Total	20.9	15.0	16.0	-4.9	+1.0

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Shareholder Return

Dividends per share and Share buybacks

2018 Results 145yen [Interim 50yen/Year-end 95yen]

2019 Results 130yen [Interim 50yen/Year-end 80yen]

2020 Forecasts 75yen [Interim 30yen/Year-end 45yen]

(remains unchanged from disclosure on 9th June)

Ordinary dividend: 125yen
Commemorative dividend for
the 65th anniversary of the
company foundation: 20yen

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)

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New Product Development for Focused Markets

【Three fields of focus by HORIBA】

Market	Energy & Environment	Bio & Healthcare	Materials & Semiconductor
Main Target	Mobility, Power generation, Environmental preservation, Water	Clinical testing, Pharmaceutical, Drug discovery, Cells, DNA	Advanced materials, Materials for semiconductor
Mid-Long Term Management Plan “MLMAP2023” – Market Oriented Business			

Deploying new measurement and analysis solutions utilizing core technologies in focused markets

Development in the bio-markets, such as drug discovery and regenerative medicine

Optical Component “OC-300”

- ✓ The key component of the OCT* system used for fundus examination in ophthalmology
- ✓ Imaging technology for shooting the internal structure and shape of a sample with high-resolution, high-speed, and non-contacting.



Debut at the exhibition in Nov.

Contributing to material development and quality control of semiconductors and secondary batteries

Centrifugal nanoparticle analyzer “Partica CENTRIFUGE”

- ✓ Particles contained in the sample can be measured at the nano-level.
- ✓ The condition of the material can be visualized.



Launch in Dec.

New Product Development for Focused Markets

Strengthening the existing areas and further challenging growth areas

Highly accurately reproduce complex Real Driving Emissions (RDE) in the lab

Significantly broader test conditions; more complex operating and environmental conditions

New application "RDE+"

- ✓ Developed an indoor measurement method that reproduces the same driving environment as outdoors.
- ✓ Obtain actual driving data, and reproduce it with a chassis dynamometer and a robot driver.



Up to 75%* reduction in prototype vehicle production cost

*Survey by US-based research and consulting firm Frost & Sullivan

Opened a safety test facility for in-vehicle batteries



Engaged in the development and testing of in-vehicle batteries for 20 years

Enables a composite environmental evaluation test of batteries

- ✓ Covers small, medium, and large batteries.
- ✓ During a vibration test, implement battery charge/discharge and temperature adjustment simultaneously.



Contributes to product development efficiency and cost reduction

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Impact of Fluctuation in Foreign exchange

Exchange rate impact (2020 3Q results)

Sales -¥1.80bn O.P. -¥0.61bn

2020 3Q results	vs 2019 3Q
Decrease Sales	- 1.80
Decrease Cost of Goods Sales	+ 0.70
Decrease Expenses	+ 0.48
Impact to Operating Profit	- 0.61

(Yen)	2019 3Q	2020 3Q	Diff.
USD	109.12	107.55	-1.57
EUR	122.62	120.93	-1.69

Exchange rate impact

for 2020 Forecast

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

Sales

USD -¥0.48bn
EUR -¥0.30bn

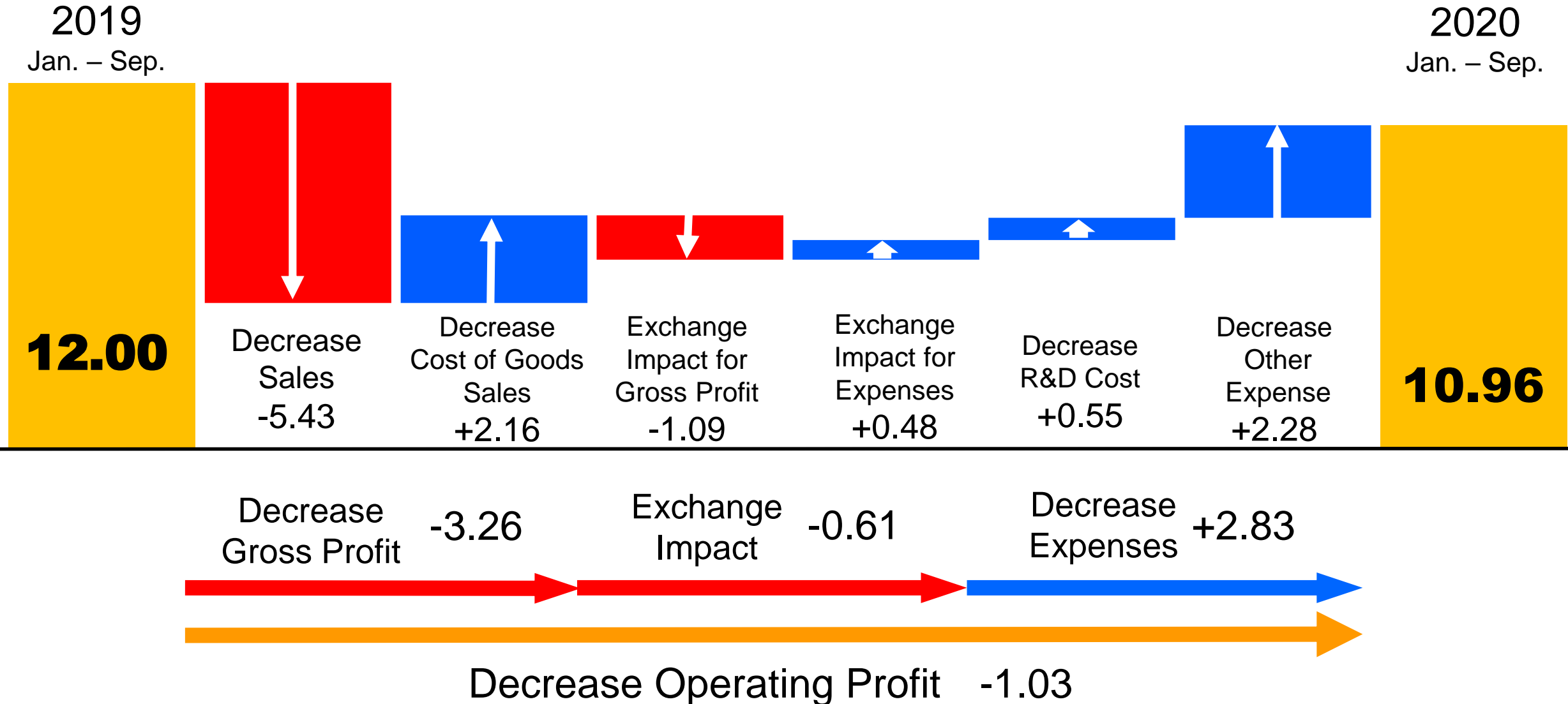
Operating Profit

USD -¥0.21bn
EUR -¥0.01bn

(Yen)	2020 Forecast
USD	107.00
EUR	120.00

Operating Profit Analysis (vs 2019)

(Billions of yen)



Capital Investment, Depreciation, R&D

(Billions of yen)

	2019	2020				2019	2020
	Results	Forecasts (as of Aug. 11)	Forecasts (as of Nov. 12)	vs 2019	vs Previous Forecasts	Results (Jan. - Sep.)	Results (Jan. - Sep.)
Capital Investment	12.8	17.5	17.5	+4.6	-	8.3	9.8
Depreciation	8.7	9.5	9.5	+0.7	-	6.4	7.1
R&D	16.2	16.0	16.0	-0.2	-	12.2	11.6
(To Net Sales)	8.1%	8.5%	8.5%	+0.4p	-	9.0%	9.0%

2020
Topics

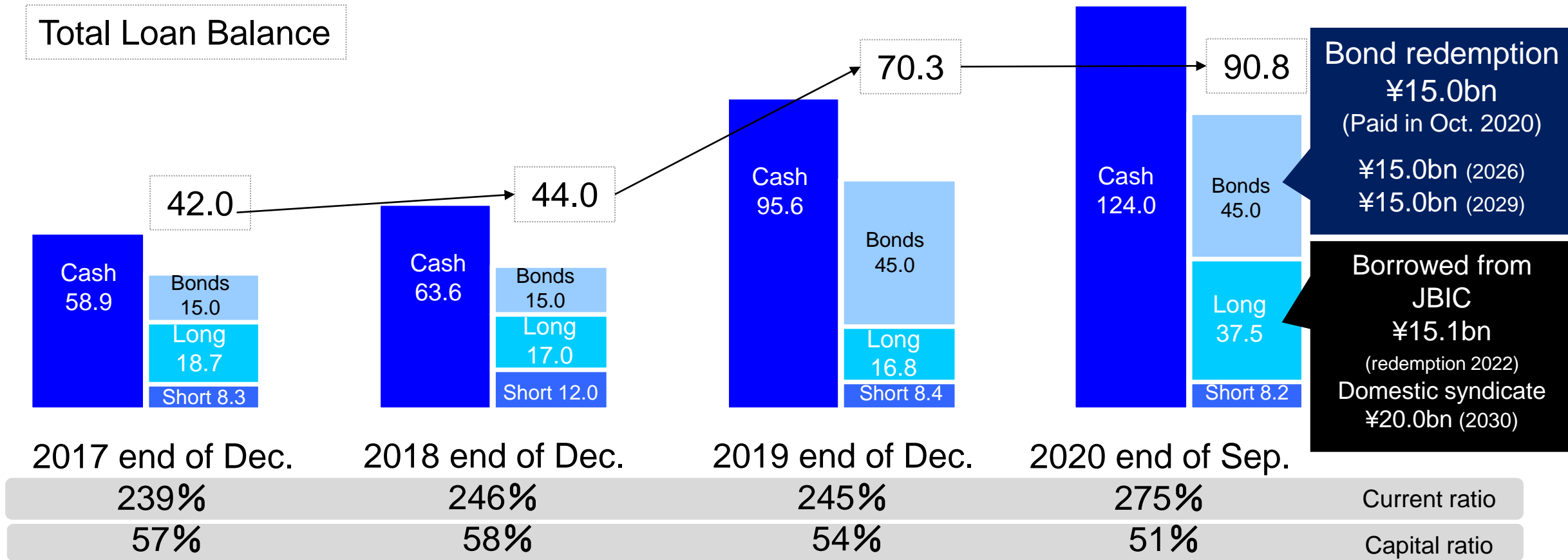
-PP&E:

Enhance the base of service business, investment to HORIBA MIRA, HORIBA FuelCon's new facility, a new facility in China

Scrutinize urgency and priority and make investment decisions

Cash Balance

(Consolidated basis)
(Billions of yen)



• Recent issuer rating: R&I “A” (Sep. 2020), JCR “A+” (Aug. 2020)

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Business Segments

**Automotive
Test Systems**



**Process &
Environmental**



Medical



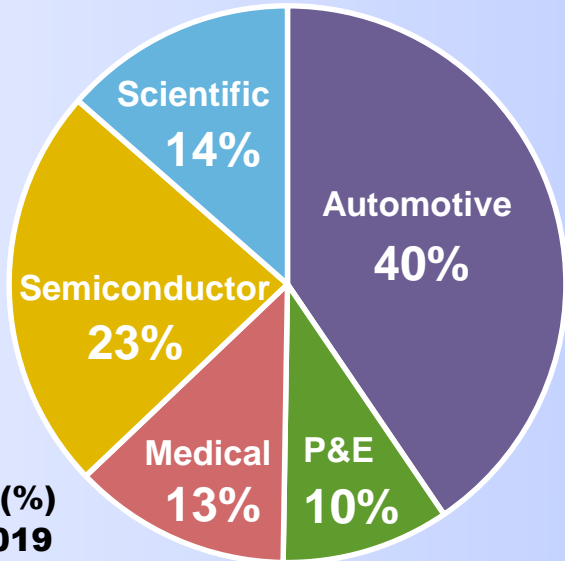
Semiconductor



Scientific



**Net Sales
200.2 billion yen**

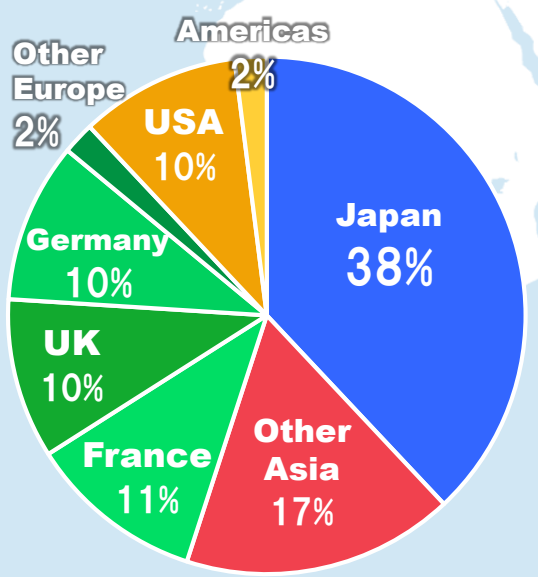
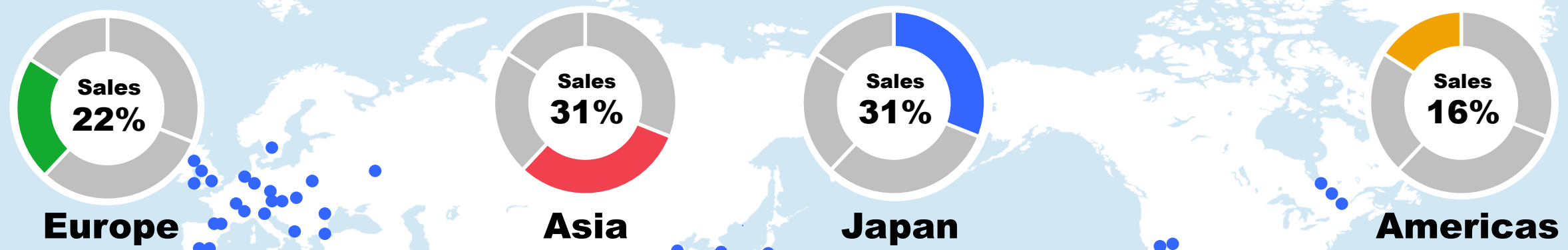


**Sales by business segment (%)
Fiscal 2019**

**Expanding in New
Domains and Moving
onto a New Stage**

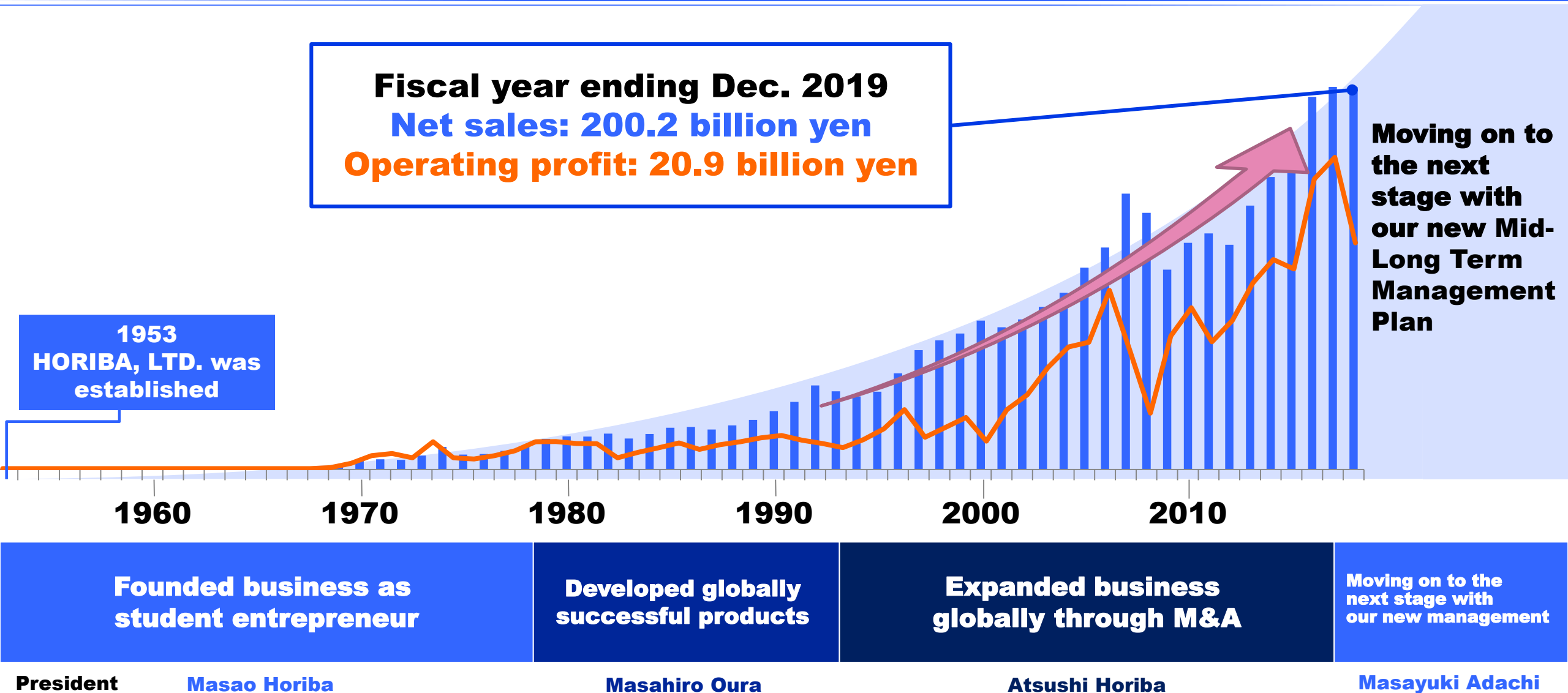
Global Network

(as of Dec 2019)



	Employees by Region	The number of companies
Americas	993 (12%)	7
Europe	2,771 (33%)	23
Asia	4,524 (55%)	19 (4 in Japan, Including HORIBA, Ltd.)
Total	8,288	49

HORIBA's Steady Growth



- ◆ HORIBA MIRA Ltd.
- ◆ HORIBA BIWAKO E-HARBOR

HORIBA MIRA Ltd.

Providing Engineering Service with World Leading Mobility Development Capability and R&D Location with Dedicated Facilities and Proving Ground

Business Offering

1. Vehicle development engineering
2. Test engineering
3. MIRA Technology Park
(Providing Unique R&D Location)

Established

1946

Head office

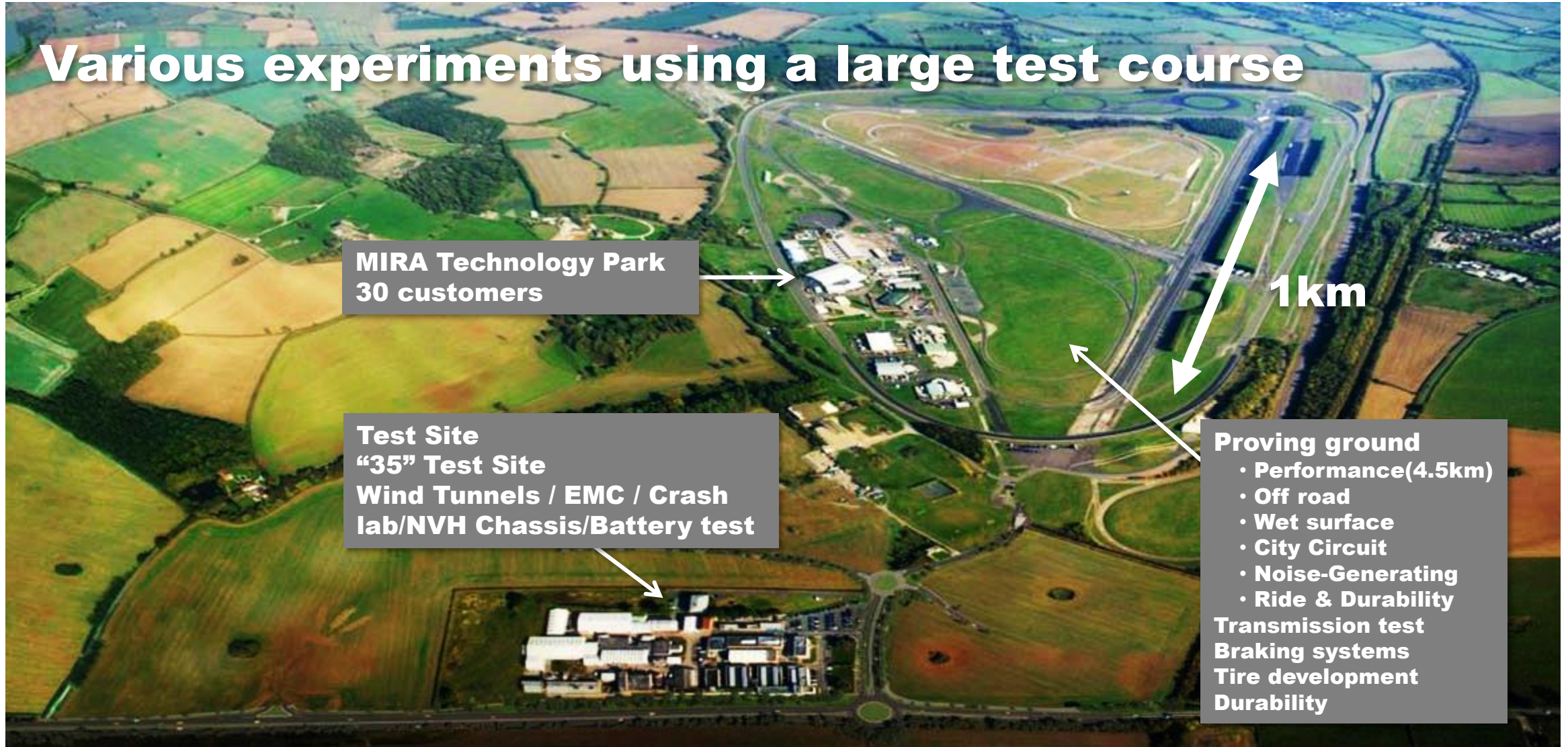
Nuneaton, Warwickshire, UK

Major locations

U.K., China, and India



MIRA Technology Park



HORIBA BIWAKO E-HARBOR

- **Consolidating development, design, and production operations of gas measurement equipment at a single location**
- **Doubling of production capability and shortening delivery time to one-third by using a new production methodology**
- **Comprehensive engineering services from sales to development, production, and maintenance in the Automotive testing laboratory**

- **Profitability improvement of exhaust gas analyzers**
- **Presenting cutting edge automotive development technology**



Total investment: 10.0 billion yen, Location: Otsu City, Shiga Prefecture, Full operation : May 2016

HORIBA BIWAKO E-HARBOR



Thank you

Omoshiro-okashiku
Joy and Fun



Danke

Grazie

Tack ska du ha

ありがとうございました

Dziękuję

Σας ευχαριστώ πάρα πολύ

THANK YOU

ขอบคุณครับ

Obrigado

Большое спасибо

Cảm ơn

Merci

감사합니다

Gracias

நன்றி

Terima kasih

谢谢

धन्यवाद

شُكْرًا