



Financial Information

HORIBA, Ltd.

March, 2021

Contents

- 2020 Results
- 2021 Forecast
- Outlines by Business Segment
- Topics – HORIBA's Contribution for Social Issues
- Shareholder Return
- Financial Data
- Corporate Profile

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- 2020 Results
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Review of 2020

External Events

- ◆ Economic contraction, driven by COVID-19 impacts
- ◆ Sluggish capital investment and accelerated investment in electrification by the automobile industry
- ◆ Increased investment in semiconductor production equipment due to increased demand for data transmission
- ◆ Heightened interest in life science

Internal Events

- ◆ Continued business activities as much as possible despite the COVID-19 restrictions on public movement in various countries
- ◆ Continued growth investment mainly in Japan, China and Europe
- ◆ Promoted use of the “Good Place work system,” which was developed from the work-at-home system, and the online communication tool

2020 Results

(Billions of Yen)

	2019	2020			
	Results	Forecast (as of Nov. 12)	Results	vs 2019	vs Forecast (as of Nov. 12)
Sales	200.2	188.0	187.0	-13.1	-0.9
Operating Profit	20.9	16.0	19.6	-1.2	+3.6
O.P.%	10.4%	8.5%	10.5%	+0.1p	+2.0p
Ordinary Profit	20.5	15.0	19.3	-1.1	+4.3
Net Income attributable to Owners of Parent	15.4	10.5	13.1	-2.2	+2.6
USD/JPY	109.03	107.00	106.76	-2.27	-0.24
EUR/JPY	122.03	120.00	121.88	-0.15	+1.88

2020 Results by Segment

(Billions of Yen)

	Sales					Operating Profit				
	2019	2020				2019	2020			
★ :Record-high	Results	Forecast (as of Nov. 12)	Results	vs 2019	vs Forecast (as of Nov. 12)	Results	Forecast (as of Nov. 12)	Results	vs 2019	vs Forecast (as of Nov. 12)
Auto	81.0	67.0	63.9	-17.1	-3.0	6.4	0.5	2.4	-3.9	+1.9
P&E	19.5	18.0	18.3	-1.1	+0.3	1.6	1.0	1.6	-0.0	+0.6
Medical	25.3	21.0	21.0	-4.3	+0.0	1.3	-0.5	-0.4	-1.7	+0.0
Semi	47.1	55.5	56.9	+9.7	+1.4	10.7	14.0	14.0	+3.3	+0.0
Scientific	27.1	26.5	26.8	-0.3	+0.3	0.7	1.0	★ 1.9	+1.2	+0.9
Total	200.2	188.0	187.0	-13.1	-0.9	20.9	16.0	19.6	-1.2	+3.6

2020 Results (B/S, CF)

B/S







- ◆ Total assets were ¥328.0bn, up ¥12.9bn, by establishing some bases and financing
- ◆ Equity ratio: 54.3%

(compared to the end of Dec. 2019)

CF

- ◆ Operating CF: Cash in ¥32.2bn due to operating profit
 - ◆ Investing CF: Cash out ¥14.0bn due to capital investments
 - ◆ Financial CF: Cash in ¥0.8bn due to bond redemption and long-term financing
- } Free CF: + ¥18.2bn

Assumptions Regarding Market Environment

General		Despite growing expectations of containment of spread of COVID-19, the social and economic outlook remains uncertain.
Automotive		Expect stagnant R&D investment demand to recover. Electrification and autonomous driving technology development are expected to accelerate.
Process & Environmental		Environmental regulation-related demand remains strong, and the Asian market expands centered on air and water quality measurement. The crude oil processing market is likely to remain uncertain.
Medical		The market environment is difficult to forecast due to uncertainty about when the spread of COVID-19 will be contained.
Semiconductor		Capital investment by semiconductor manufacturers stays at a high level. Monitoring demand will increase in the medium term due to technological evolution of semiconductor manufacturing process.
Scientific		Expect a recovery in R&D and capital investment by the corporate sector. Anticipate an increase in demand in the semiconductor and life science market.

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2021 Forecast

(Billions of Yen)

	2019	2020	2021	
	Results	Results	Forecast	vs 2020
Sales	200.2	187.0	200.0	+12.9
Operating Profit	20.9	19.6	20.0	+0.3
O.P.%	10.4%	10.5%	10.0%	▲0.5p
Ordinary Profit	20.5	19.3	19.5	+0.1
Net Income attributable to Owners of Parent	15.4	13.1	13.5	+0.3
Net profit per share (Yen)	367	312	319	+7
ROE	9.3%	7.6%	7.4%	-0.2p

2021 Forecast by Segment

(Billions of Yen)

	Sales			Operating Profit		
	2020	2021	vs 2020	2020	2021	vs 2020
	Results	Forecast		Results	Forecast	
★ :Record-high						
Automotive	63.9	64.0	+0.0	2.4	1.0	-1.4
Process & Environment	18.3	★ 21.0	+2.6	1.6	1.5	-0.1
Medical	21.0	25.0	+3.9	-0.4	0.5	+0.9
Semiconductor	56.9	★ 61.0	+4.0	14.0	15.5	+1.4
Scientific	26.8	★ 29.0	+2.1	★ 1.9	1.5	-0.4
Total	187.0	200.0	+12.9	19.6	20.0	+0.3

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2020 Results and 2021 Forecasts

(Billions of Yen)

2020 Results

- 1: Mechatronics
- 2: Engineering Consultancy & Testing

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

【EMS, MCT¹】

Delayed product shipment and acceptance, limited sales activities
Affected by stagnant capital investment by automotive related manufactures

【ECT²】

Stagnate operations due to COVID-19 restrictive measures

2021 Forecasts

【EMS】

Expect a recovery in automakers' sluggish capital investment

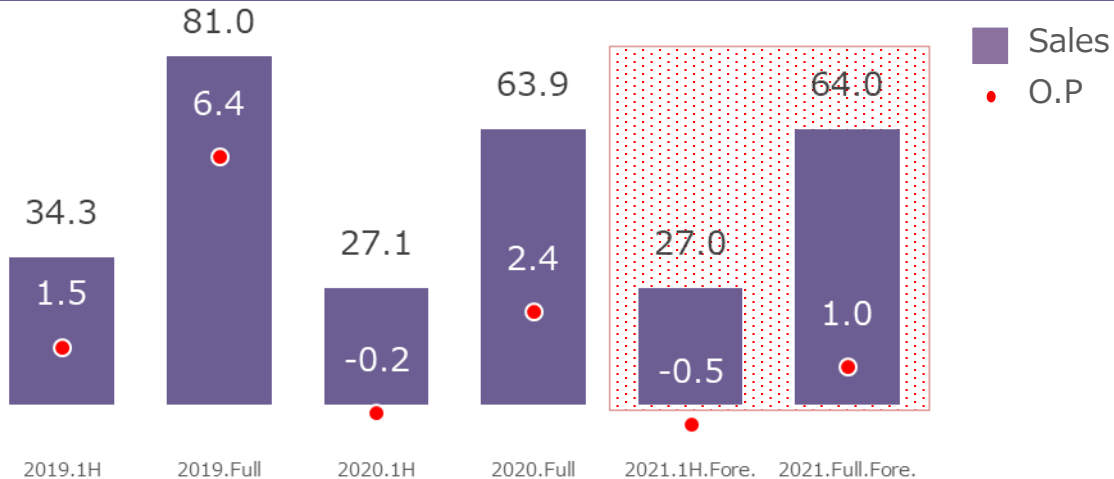
【MCT】

Expect a sales increase due to accelerated investment in electrified vehicles by automotive-related manufacturers

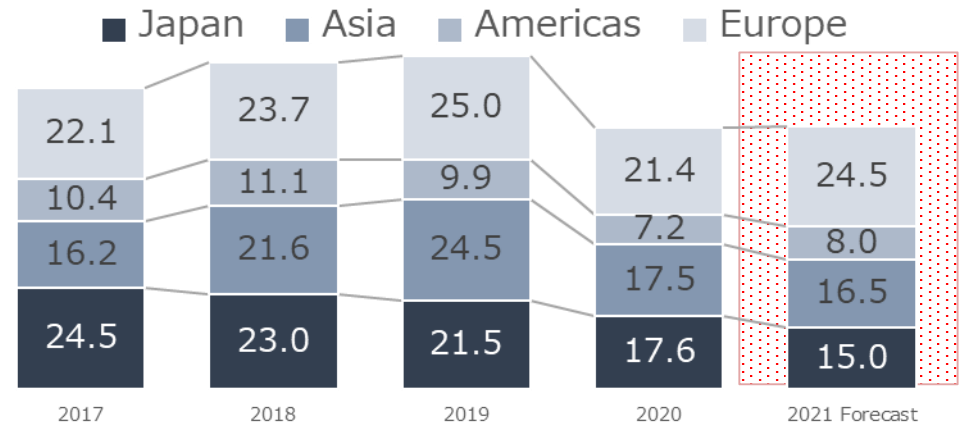
【ECT】

Business is likely to expand by accelerating technological developments related to connected, autonomous driving, and vehicle security

Sales and O.P. (Half Year/Full Year)



Sales by Region



2020 Results and 2021 Forecasts

(Billions of Yen)

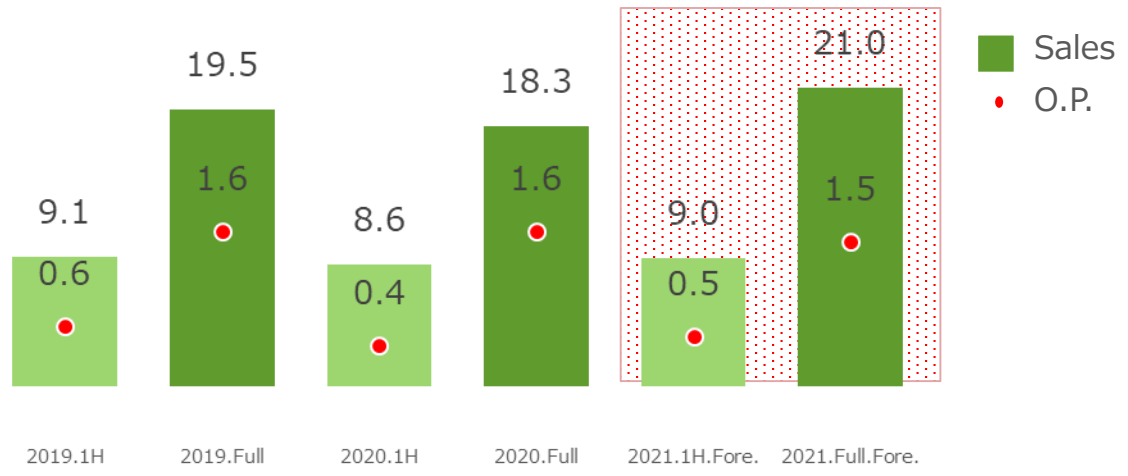
2020 Results

- Public spending demand was solid but affected by stagnation of corporate activities owing to spread of COVID-19
 【Gas Monitoring, Water Quality】
 Solid regulation-related demand, especially in the public sector
 【Water Quality】
 Strong demand for environmental equipment for the electronic industry

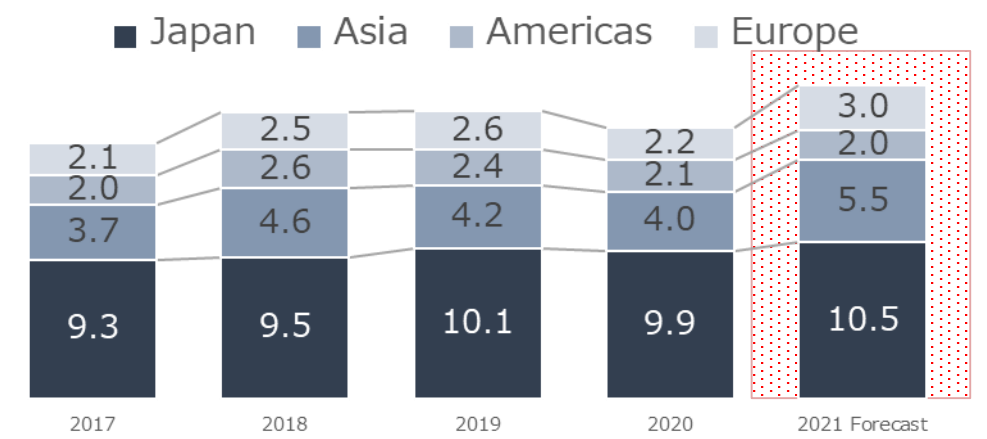
2021 Forecasts

- Expect a recovery from the sluggish economic activity, caused by the spread of COVID-19
 【Stack Gas Analyzer, Air Quality Monitoring】
 Expect to acquire orders, driven by tighter environmental regulations in Asia
 【Water Quality】
 Expect solid sales to the clean water and electronics industries in Japan and Asia

Sales and O.P. (Half Year/Full Year)



Sales by Region



2020 Results and 2021 Forecasts

(Billions of Yen)

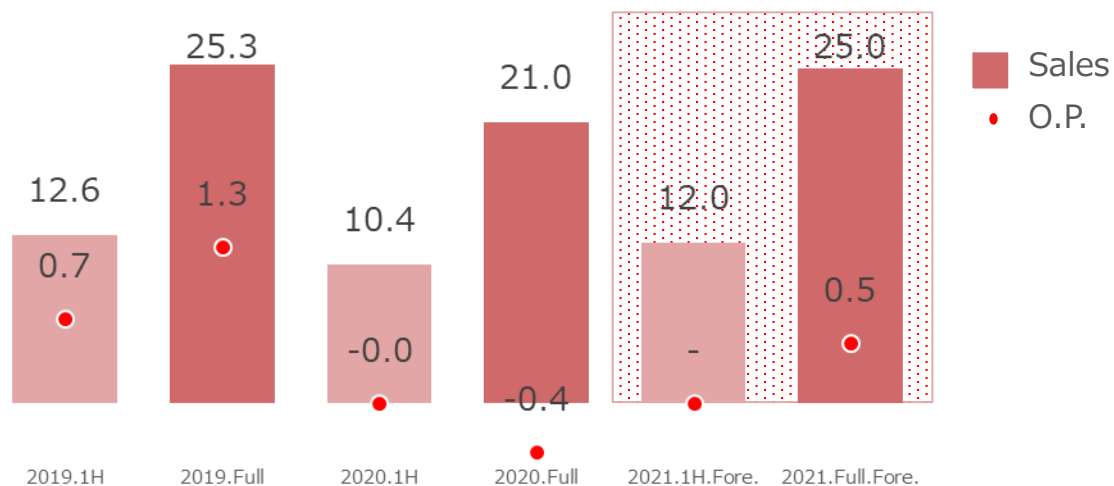
2020 Results

- Decline in sales, caused by a decline in the number of tests performed at hospitals, as the spread of COVID-19 led to a decrease in the number of patients who visit hospitals

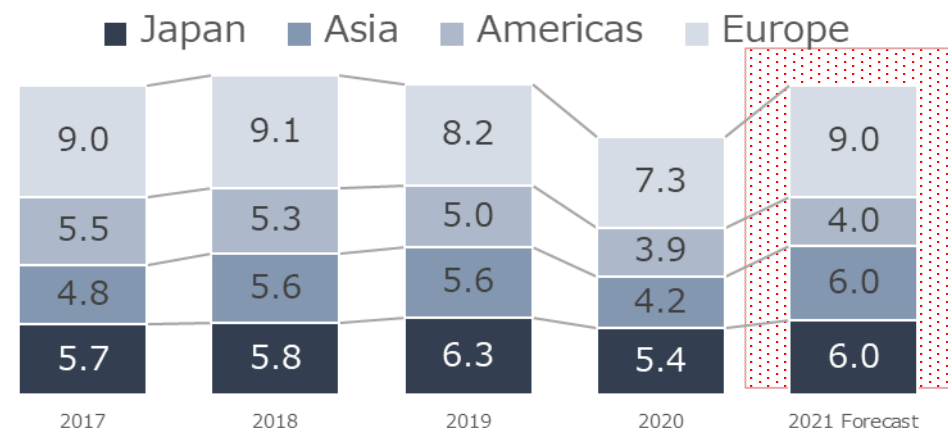
2021 Forecasts

- Expect containment of spread of COVID-19 and thereby a recovery in the number of patients visiting hospitals
- Will start supply of hematology analyzers to Siemens and expect profit contribution over the medium to long term
- Through the acquisition of MedTest, seek to strengthen the reagent production function of the clinical chemistry business in the US, and to expand the business over the medium to long term

Sales and O.P. (Half Year/Full Year)



Sales by Region



2020 Results and 2021 Forecasts

(Billions of Yen)

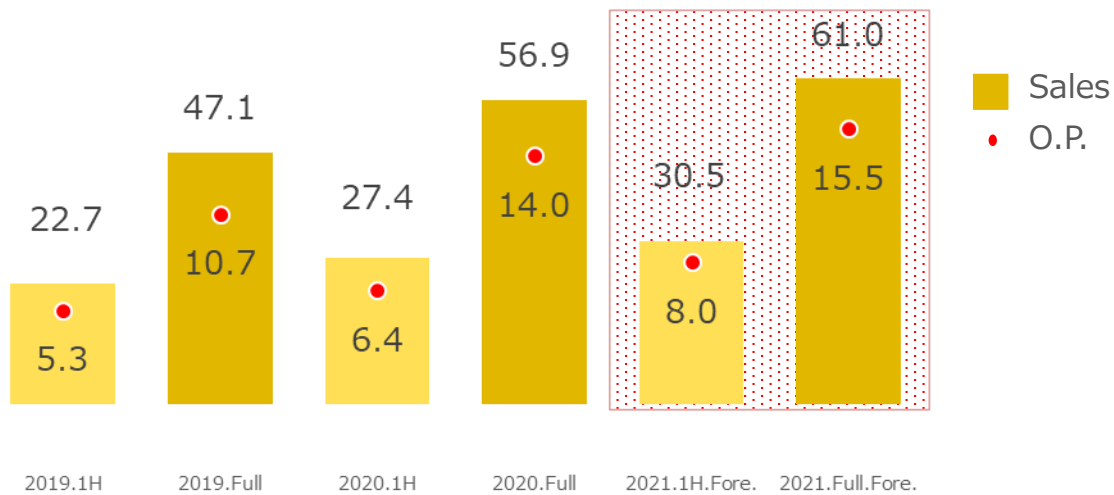
2020 Results

- Increase in demand for semiconductors, associated with the expansion of telework and digital business
- Increase in sales to semiconductor production equipment manufacturers, in response to a recovery of semiconductor manufacturers' capital investment

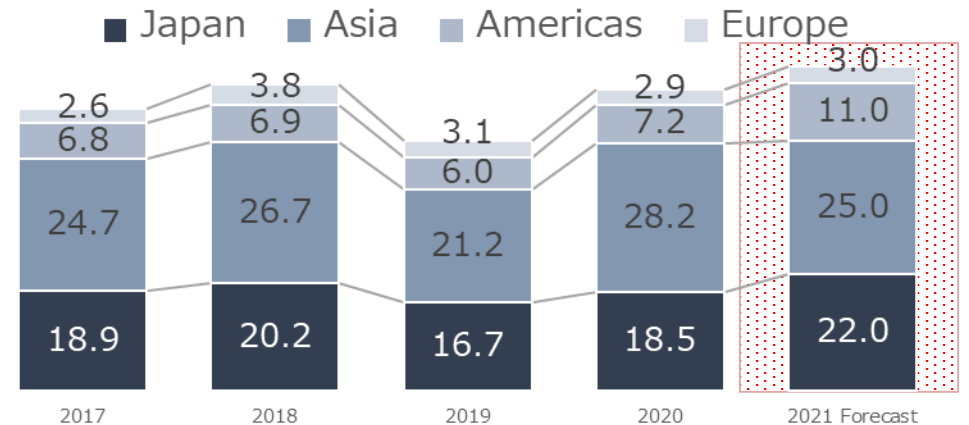
2021 Forecasts

- Continue to expect sales to semiconductor production equipment manufacturers are expected to increase, in response to a growth of semiconductor manufacturers' capital investment driven by an increase in demand for semiconductors
- Expect an increase in various monitoring requirements, as the manufacturing process becomes more complicated

Sales and O.P. (Half Year/Full Year)



Sales by Region



2020 Results and 2021 Forecasts

(Billions of Yen)

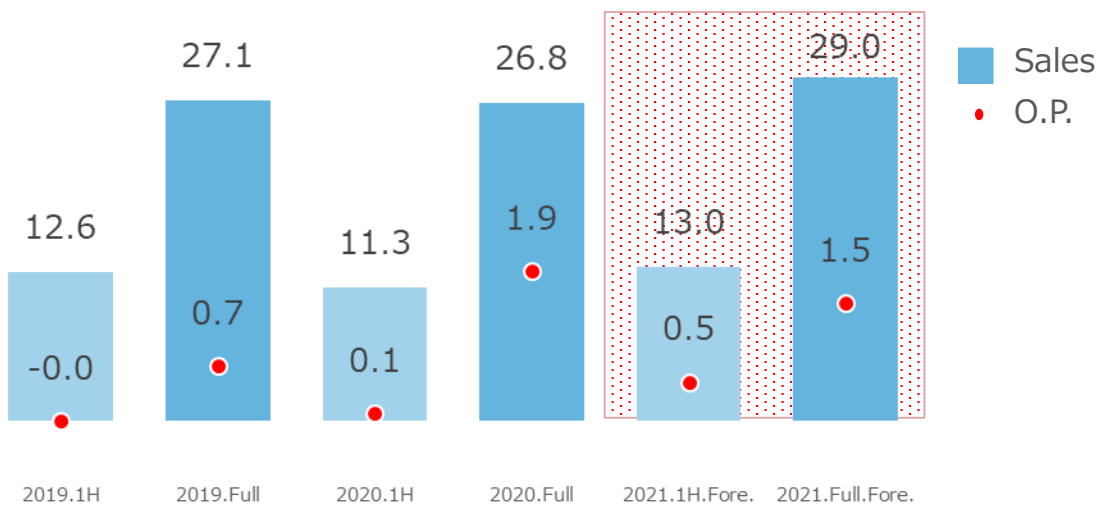
2020 Results

- Decrease in sales mainly due to the stagnant corporate activities affected by the spread of COVID-19
- Increase in demand for optical components from semiconductor production equipment manufacturers and for life science devices
- Operating income increased due to reduction in selling and other expenses

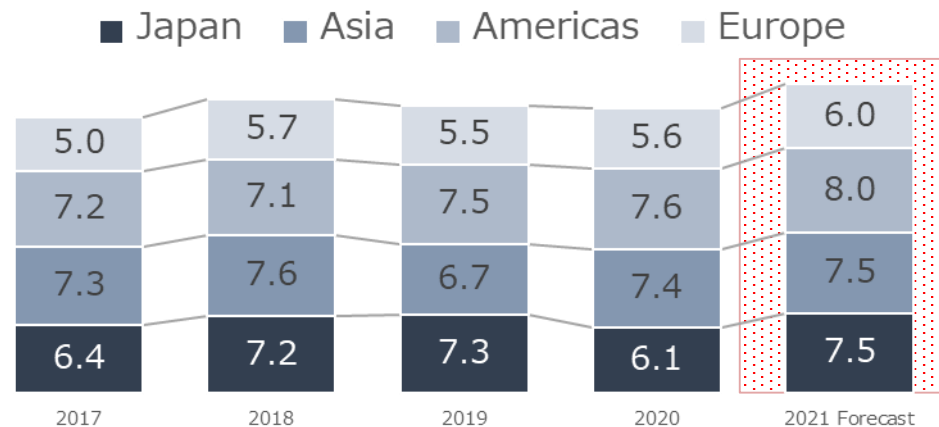
2021 Forecasts

- Expect a recovery in R&D and capital investments, which were stagnant in 2020
- Expect further increase in demand in the life science field such as pharmaceuticals

Sales and O.P. (Half Year/Full Year)



Sales by Region



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HORIBA's Contribution to Social Issues

Business Expansion in Response to Various Social Issues

1. Market Oriented Business

To develop analysis and measurement solutions, utilizing HORIBA's core technologies, in the leading three business fields of the mega trend

Energy & Environment

Bio & Healthcare

Materials & Semiconductor

Three Fields

2. Solution Provider Beyond Life Cycle Management

To support customers' core businesses from all aspects – from product introduction to replacement

3. HORIBA Core Values "The Next Stage of Super Dream Team"

Mid-Long Term Management Plan "MLMAP2023"

Developing the Sensing Technology for the Semiconductor Market

Promote Optical Smart Sensing Technology

- ✓ From the perspective of the Optical Smart Sensing (OSS) technology, utilize various sensing technologies owned by the HORIBA Group globally to aggressively launch applications in the semiconductor market.
- ✓ Established a department specialized in OSS at HORIBA STEC, a main group company of the semiconductor business.

Mass Flow Controller



Chemical Concentration Monitor



【Perspective of Utilization of Optical Smart Sensing Technology】

- ✓ Contribution to productivity improvement in semiconductor manufacturing processes
- ✓ Use of big data in the process control of semiconductor manufacturing equipment

In-situ Measurement Devices



Process Gas Monitor



End-point Monitor

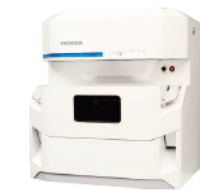


Gas Monitor

Measurement Equipment Used in a Wide Range of Applications



Particle Detection Systems



X-ray Fluorescence Analyzers



Spectroscopic Ellipsometry

Established the business for the semiconductor market

Intend to develop as a new business for the semiconductor market

Development of Healthcare Business <Medical Business>

Expand Business in the US by Acquiring MedTest



Canton, Michigan, USA

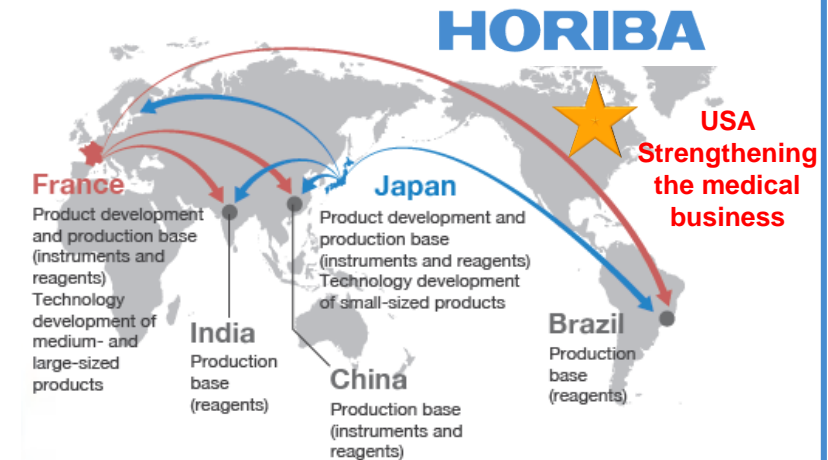
- ✓ Engaged in R&D and production of a wide range of biochemical reagents. Possesses the application development function, which is combined with equipment.
- ✓ Established a system that complies with FDA¹ regulation, which requires world-class rigorous quality systems

1: Food and Drug Administration



Company name:	MedTest Holdings Inc. Applies to 4 affiliated companies
Established:	2011
Sales:	Approx. 1.3 bln yen (Preliminary figure for 2020)
Workforce:	52 (Group)
Contract date:	January 28, 2021

- ✓ Accelerate reagent production and application development in the biochemistry-related fields
- ✓ Strengthen the R&D structure in Japan, France and the US



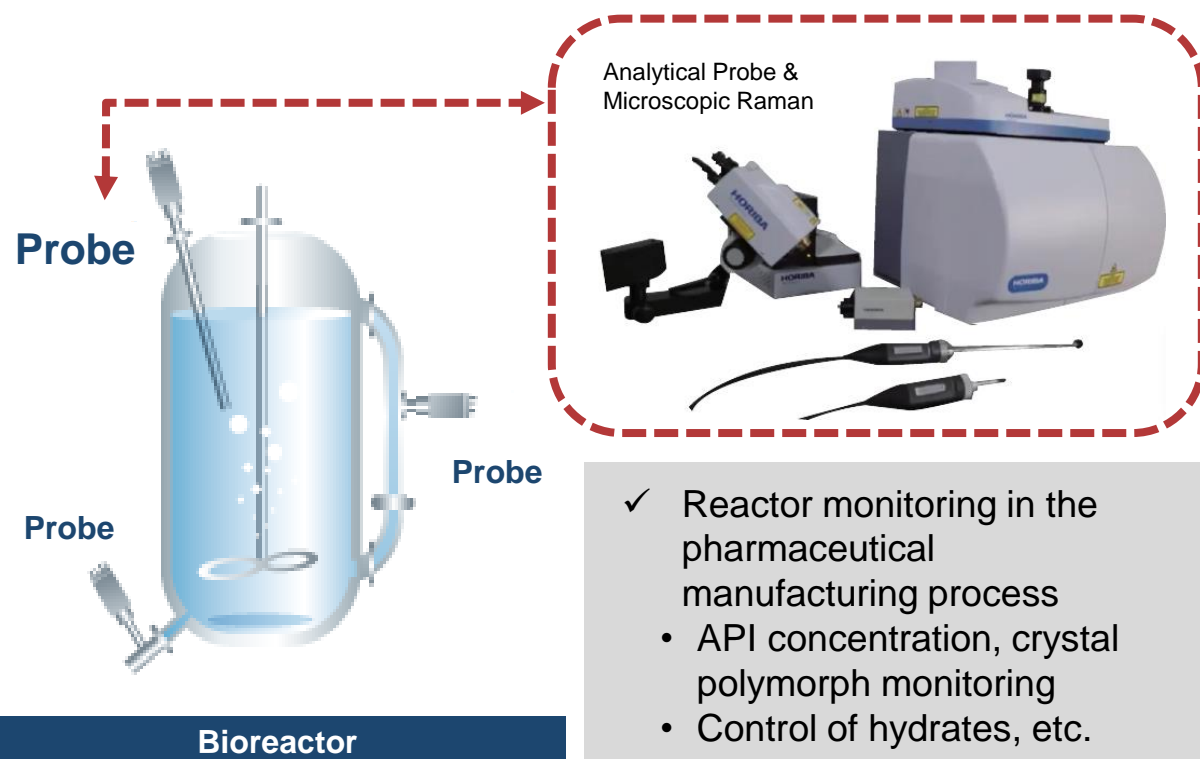
Aiming for further business expansion in the IVD² field

Business Expansion in the Pharmaceutical Industry

Contribution in a Wide Range, from R&D to Production Processes

Pharmaceutical process evaluation

Process Raman System



The diagram shows a bioreactor on the left with three probes inserted into it. A red dashed box on the right contains an 'Analytical Probe & Microscopic Raman' system. A red arrow points from the bioreactor to the Raman system.

Bioreactor

Analytical Probe & Microscopic Raman

- ✓ Reactor monitoring in the pharmaceutical manufacturing process
- API concentration, crystal polymorph monitoring
- Control of hydrates, etc.

Analysis of exosomes¹ in blood

Nanoparticle Measurement Instrument



ViewSizer™
3000

1: Exosomes: Granular materials, diameter 50-150nm, secreted by various cells

Highly-sensitive and rapid microbial contamination inspection

Microbial Rapid Inspection Device



Rapica

Inspection for vaccine shipping

Fluorescence Analyzer



Aqualog

Quantitative analysis of medicinal ingredients in tablets

Transmission Raman Spectrometer



Hydrogen Energy: "Clean," "Storable and Transportable," and "Inexhaustible"

Hydrogen Smartly

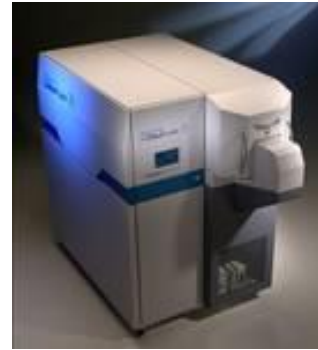
✓ Production



Evaluator EC/ES
Control the temperature and flow volume of water and evaluate the performance and efficiency of water electrolysis cells up to 5000 kW.

Water Electrolysis Cell Performance Evaluation

✓ Storage



rf-GD-OES¹ (GDS)
Evaluate the hydrogen distribution during plating. Identify the release of hydrogen
1: Radio Frequency Glow Discharge Optical Emission Spectrometry

Hydrogen Embrittlement Evaluation

✓ Use



Evaluator EC/ES
Meet the fuel cell test requirements of the R&D stage and conduct performance evaluation and cycle evaluation

Fuel Cell System Evaluation

A wide range of coverage
from demonstration experiments to practical use

Please see the link to the website for other products (Japanese only).
<https://www.horiba.com/jp/corporate-news/events/horiba-showcase/wsew/2020/corner/fc-expo/>

Established the Hydrogen Energy Project

- ✓ "Hydrogen Energy Project," a cross-organization consisting of five existing businesses, was established in order to strengthen efforts in the hydrogen-related market.
- ✓ Aiming to contribute to a hydrogen energy society by using HORIBA's core technology in capturing various aspects of hydrogen

Vehicle Electrification and HORIBA

Provide Total Solution for the Vehicle Development – from Internal Combustion Engine to Electrification

Electrified Vehicle

Vehicle type	Powertrain	R&D Technology requirement			
		Vehicle	Drivetrain	Engine	Batty/Fuel cell
(ICE) Internal Combustion Engine Vehicle	Engine	✓	✓	✓	
(HEV) Hybrid Electric Vehicle	Engine + Motor	✓	✓	✓	✓
(PHEV) Plug-in Hybrid Electric Vehicle	Motor + Engine	✓	✓	✓	✓
(FCEV) Fuel Cell Electric Vehicle	Motor	✓	✓		✓
(BEV) Battery Electric vehicle	Motor	✓	✓		✓

	Vehicle	Drivetrain	Engine	Battery/Fuel Cell
Measurement Analyzer				
Testing Procedures				
Engineering				

HORIBA's Technologies

Established Vehicle Development Center for Connected and Autonomous

Comprehensive Support from Design to feasible verification of vehicle

ASSURED CAV

Support vehicle development from four aspects

PHYSICAL

COMMUNICATION

SIMULATION

ENABLERS



Comprehensive R&D and Engineering facilities
(Open in Mar. 2021)



ASSURED CAV
HIGHWAY

Test course for the limit of controllability at high speed



Test course for urban environment

ASSURED CAV
CITY



ASSURED CAV
PARKING

Validation area for automated valet parking



Test course for public road environment

ASSURED CAV
ROUTES

Collaborate with Academia Globally

HORIBA & University of California, Irvine

- ✓ A new research institute supported by HORIBA will start operation soon.
 - Consists of four labs: "Vehicle Evolution," "Grid Evolution," "Connected and Autonomous Mobility," and "Energy-related Materials Research (Analytic)"
 - Work on research themes that cross the fields of mobility and energy

HORIBA Institute for Mobility and Connectivity



Promote innovation for next-generation mobility and urban energy networks

HORIBA & National Institute of Advanced Industrial Science and Technology (AIST)

- ✓ Established "HORIBA Institute for Particle Analysis in AIST TSUKUBA"
 - Through open innovation, aim for practical application of its world-class particle measurement system that contributes to the development of nano-materials

HORIBA Institute for Particle Analysis in AIST TSUKUBA <HIPAA>

A system for accurate, easy measurement of minute particles, such as PM2.5

A system for analysis and evaluation of advanced materials, such as carbon nanotubes

Immediately utilize cutting-edge research directly linked to industry for business

Opened a Production Base for Advanced Spectroscopic Technology in Europe

Leading the Market as an Advanced Company in Spectroscopic Technology

- ✓ Relocated an R&D and production base in Lille, France and doubled the building area.
- ✓ Strengthened spectroscopic technology engineering and production functions.
- ✓ Expanded the target market to a wide range of fields from semiconductors to pharmaceuticals and drug discovery, and cells and genes.



Increased importance of the bio-life science field

Rising demand in spectroscopic analysis technology and equipment

Strengthened functions and realized development and supply of higher quality products.



LabRAM Soleil

【Raman Spectrometers】
Use for analysis of material composition and molecular structure

Location: Premises of HORIBA FRANCE SAS (Lille, France)
Workforce: 106 (as of Jan. 2021)
Investment: Approx. 1.3 billion yen

Aim to Establish New Business Model

Built New Headquarters for HORIBA TECHNO SERVICE

- ✓ Functions as the forefront of the sales division that creates a continuous use cycle for HORIBA products
- ✓ Opened "Analytical Solution Plaza" to propose total solutions including analysis (relocated from and expanded the former HORIBA Analytical Laboratory).



Analytical Solution Plaza



Start of operation in Feb. 2021
Total cost: Approx. 3.8 billion yen



MLMAP2023

Maintenance services using
Operating data

Consulting Using
Measurement Data

Aiming for establishing a business model centered on solutions proposals and data management

Participation in the HAYABUSA2 Sample Analysis Project

Participation in the Initial Analysis Project

- ✓ Six international teams are conducting initial analysis of samples taken from the asteroid, Ryugu.
- ✓ HORIBA TECHNO SERVICE, which specializes in high-precision microanalysis, belongs to the chemical analysis team.
- ✓ Analysis, using a fluorescent X-ray analyzer, is scheduled to begin in June 2021 at the "Analytical Solution Plaza" in the new building



【X-ray fluorescence analysis】

- Analyze the constituent elements and composition ratio of a substance from the energy and intensity of fluorescent X-rays generated when a sample is irradiated with X-rays.
- One of the HORIBA's core technologies

(From right) Dr. Hisayoshi Yurimoto, Leader of Chemical Analysis Team and Professor of Hokkaido University
Mr. Hiroo Chihara, President, HORIBA TECHNO SERVICE



(Illustrated by Akihiro Ikeshita)

【Asteroid Ryugu】

- An unknown rock, located 340 million kilometers from the earth.
- Ryugu retains information on the early formation stages of solar system and is considered to be an asteroid rich in organic matter and water.
- Hayabusa2 took 5.4 grams sample from the asteroid.

Expect elucidation of the mystery of the origin of asteroids, the birth of the solar system, and the birth of life

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Shareholder Return

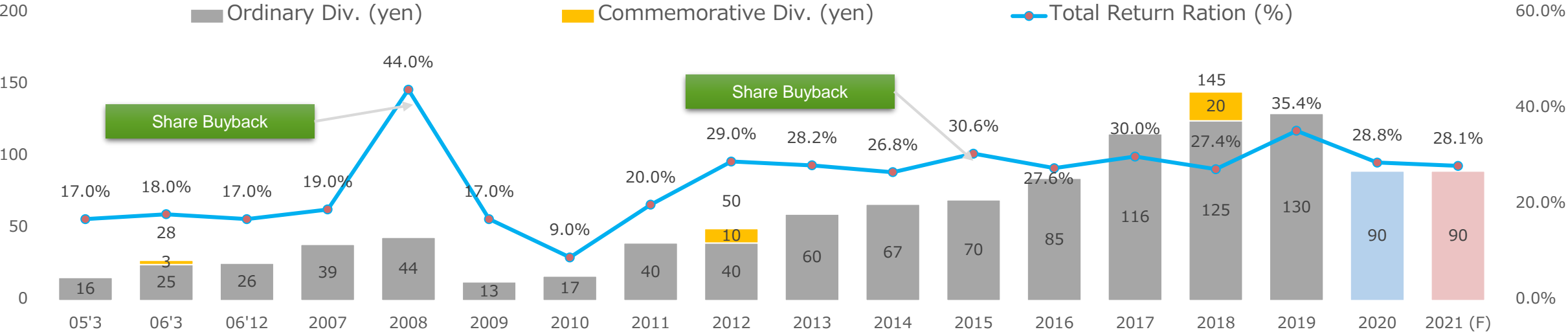
Basic policy

- 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 per share and Share buybacks

- 2019 Results 130yen [Interim 50yen/Year-end 80yen]
- 2020 Results 90yen [Interim 30yen/Year-end 60yen]
- 2021 Forecast 90yen [Interim 30yen/Year-end 60yen]

Per-share dividend



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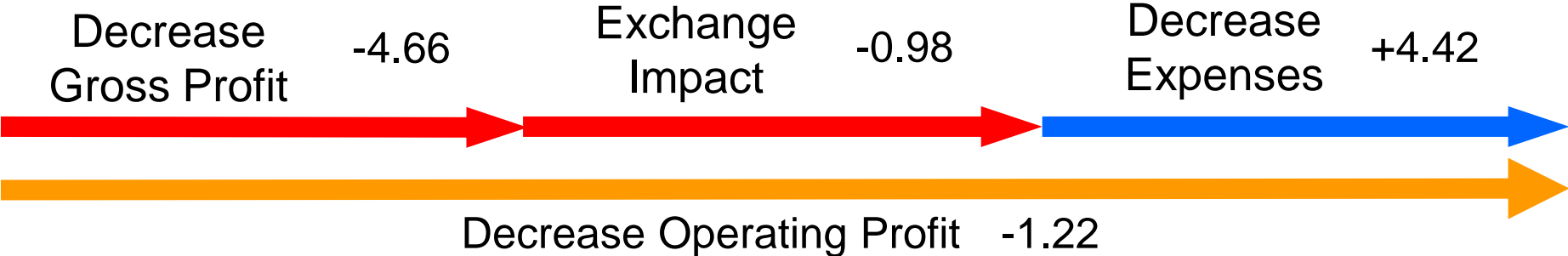
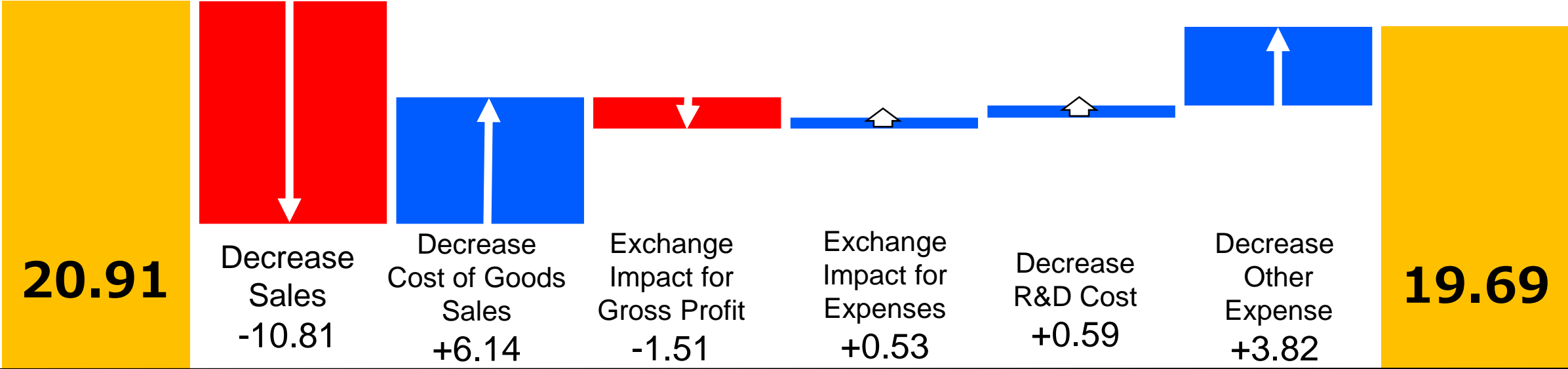
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Operating Profit Analysis (vs 2019)

(Billions of Yen)

2019
Jan. – Dec.

2020
Jan. – Dec.



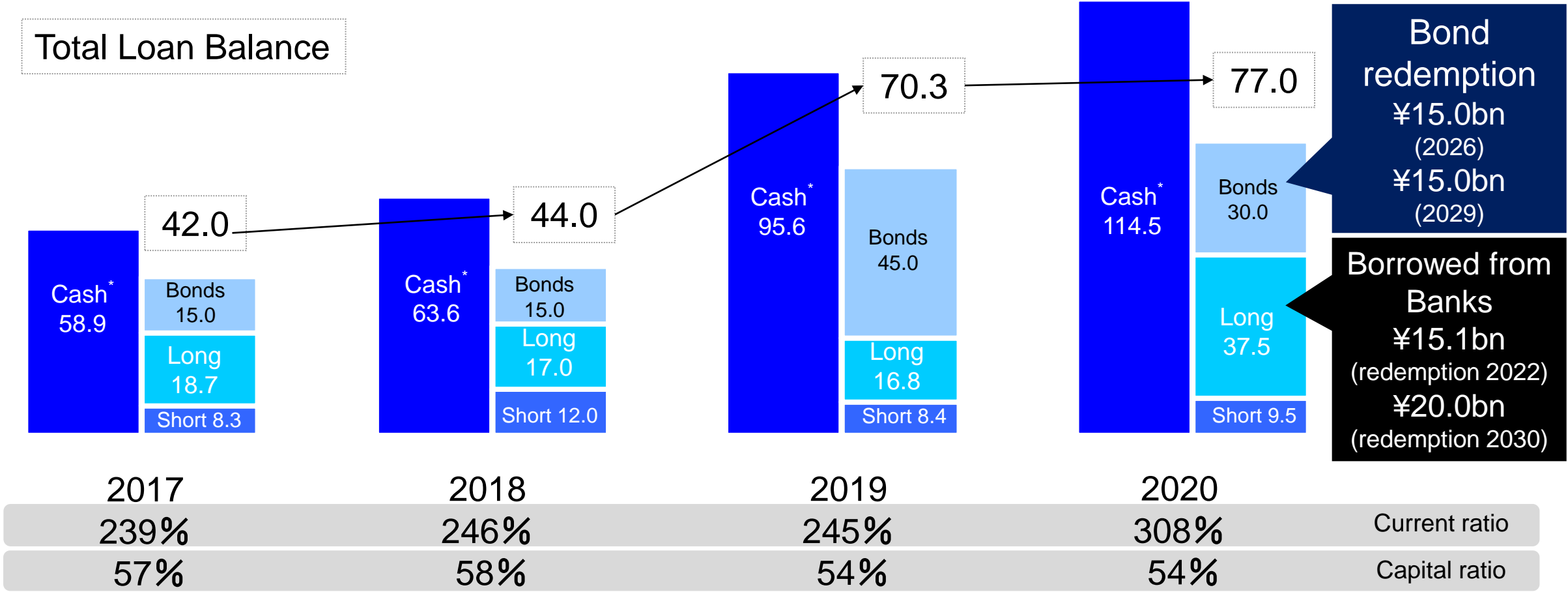
Consolidated Cash Flows

(Billions of Yen)

	2020	2019	Variation
Cash flows from operating activities	+32.2	+26.6	+5.6
Cash flows from investing activities	-14.0	-12.3	-1.6
Cash flows from financing activities	+0.8	+19.2	-18.3
Cash and cash equivalents at end of year	114.1	96.0	+18.0
Free cash flows	+18.2	+14.2	+3.9

Cash Balance

(Consolidated basis, each end of period)
(Billions of Yen)



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

Exchange Rate

	2019	2020	2021	
	Results	Results	Forecast	VS 2020
USD	109.03	106.76	105.00	- 1.76
EUR	122.03	121.88	125.00	+ 3.12

1 yen O.P. sensitivity for 2021 forecast (Yen appreciation)

USD -0.26 billion yen

EUR -0.00 billion yen

Impact of Fluctuation in Foreign exchange

(Billions of Yen)

Exchange rate impact

Sales -¥1.31bn O.P. -¥0.98bn

2020	vs 2019
Decrease Sales	- 1.31
Decrease Cost of Goods Sales	+ 6.97
Decrease Expenses	+ 4.96
Impact to Operating Profit	- 0.98

(Yen)	2019	2020	Diff.
USD	109.03	106.76	-2.27
EUR	122.03	121.88	-0.15

Exchange rate impact for 2021 Forecast

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

Sales

USD	-¥0.49bn
EUR	-¥0.33bn

Operating Profit

USD	-¥0.26bn
EUR	-¥0.00bn

(Yen)	2021 Forecast
USD	105.00
EUR	125.00

Capital Investment, Depreciation, R&D

(Billions of Yen)

	2019	2020				2021	
	Results	Last Forecast <small>(as of Nov. 12)</small>	Results	vs '19	vs Last Forecast	Forecast	vs '20
Capex	12.8	17.5	15.1	+2.3	- 2.3	16.5	+1.3
Depreciation and amortization	8.7	9.5	9.6	+0.8	+0.1	10.5	+0.8
R&D expenses	16.2	16.0	15.5	- 0.6	- 0.4	17.0	+1.4
to net sales(%)	8.1%	8.5%	8.3%			8.5%	

2021 Topics

PP&E:

Continuation: investment to HORIBA FuelCon's new facility, a new facility in China, etc.
New: enhance the base of global production

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Five Business Segments & Major Products

Figures are the sales composition ratio for FY 2020


**Automotive
(34%)**




**Emission Measurement
Systems**



**Process &
Environmental
(10%)**



Stack Gas Analyzers



**Medical
Diagnostics
(11%)**



**Automatic Blood Cell
Counters plus CRP**



**Semiconductor
(31%)**



Mass Flow Controllers



**Scientific
(14%)**



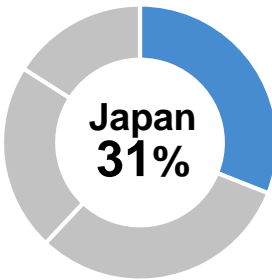
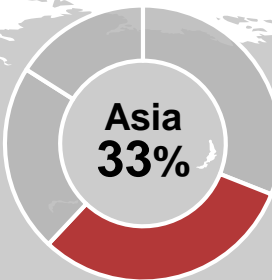
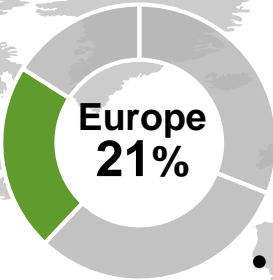
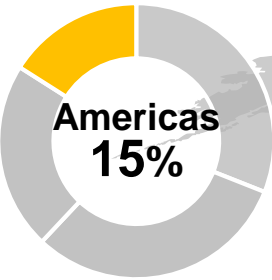
Raman Imaging Device



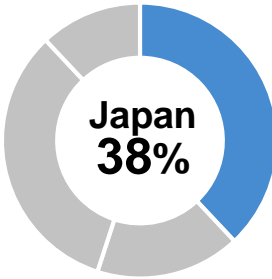
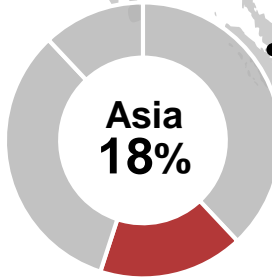
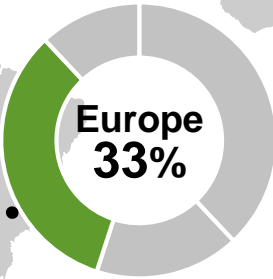
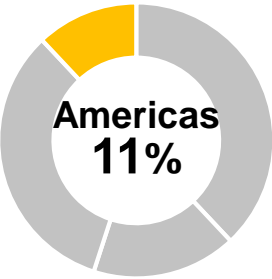
Global Network

Sales by region (as of Dec 2020)

● : Major business hubs



Employee headcount by region (as of Dec 2020)



Number of companies
(as of Dec 31, 2020)

49



Overseas sales ratio
(as of Dec 2020)

69%



Foreign employee ratio
(as of Dec 31, 2020)

62%

Achieving Sustainable Growth Through M&A

Major M&As

1996
ABX (France)
 [Medical]



1997
Jobin Yvon
 (France)
 [Scientific]



2005
SCHENCK DTS
 (Germany)
 [Automotive]



2015
MIRA (UK)
 [Automotive]

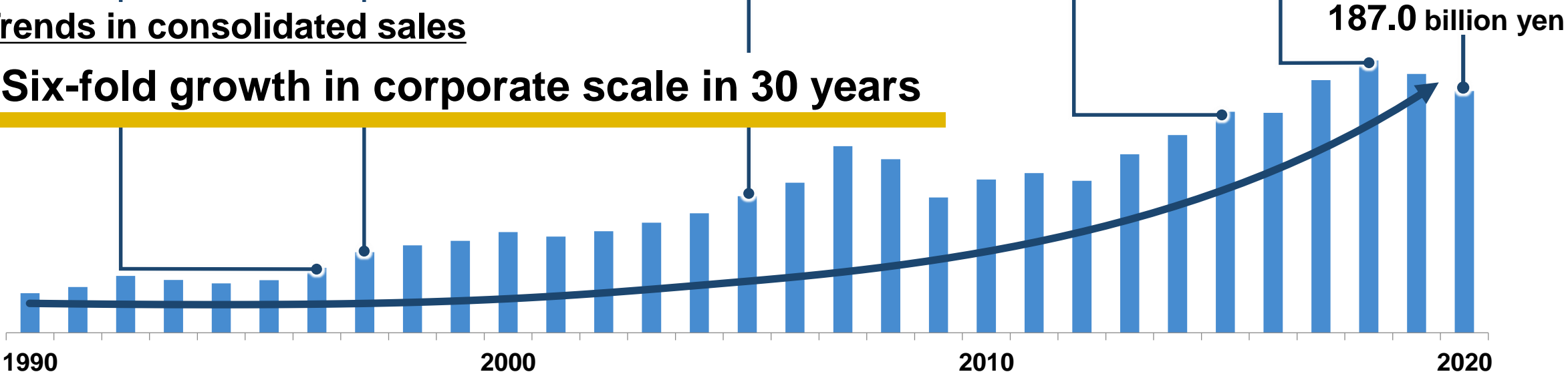


2018
FuelCon
 (Germany)
 [Automotive]

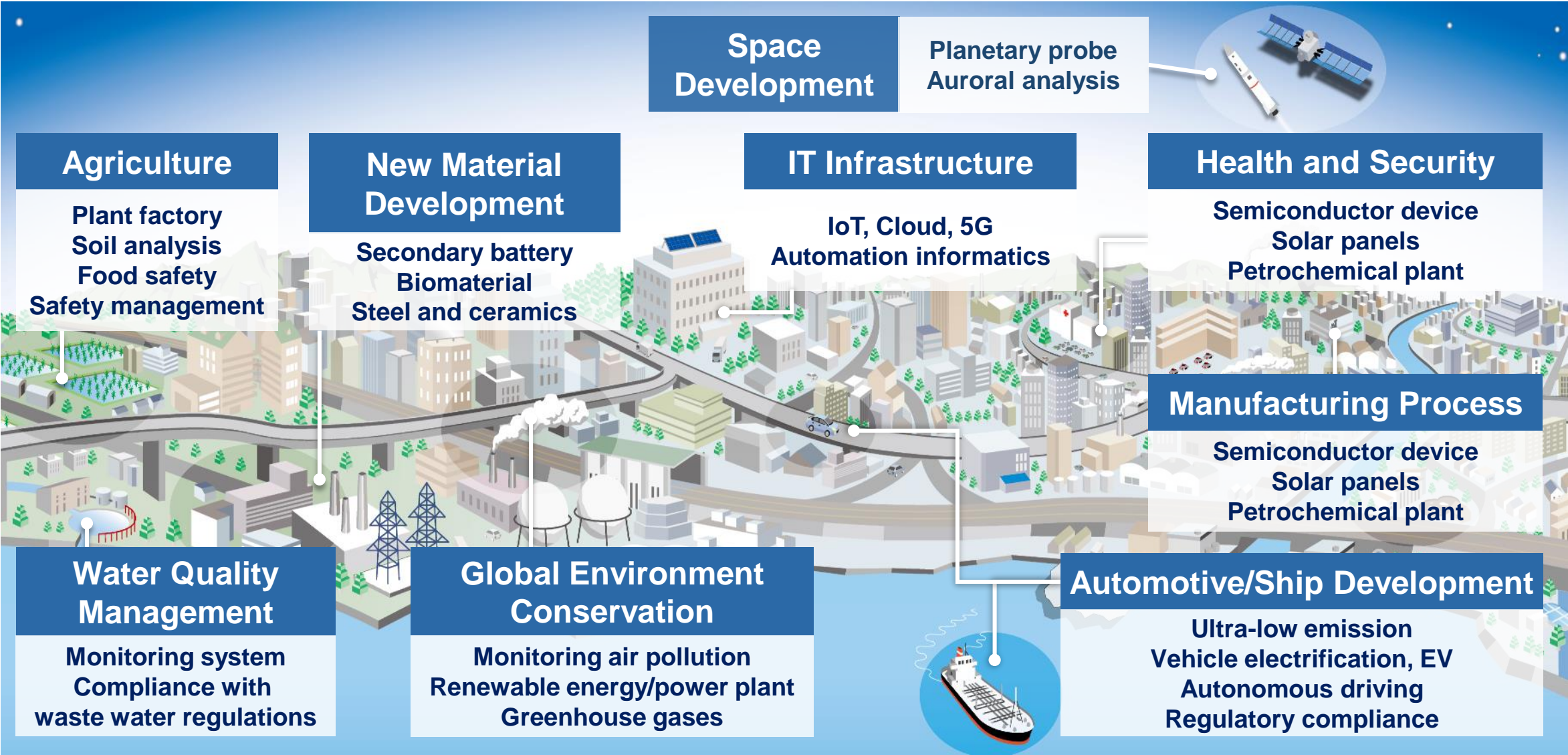


Trends in consolidated sales

Six-fold growth in corporate scale in 30 years



HORIBA's Business Domain



Omoshiro-okashiku
Joy and Fun



Terima kasih
谢谢
Gracias
Σας ευχαριστώ πάρα πολύ
धन्यवाद
شُكْرًا
Danke
Tack ska du ha
Grazie
THANK YOU
Obbrigado
Большое спасибо
Cảm ơn
Merci
감사합니다
ขอบคุณครับ
ありがとうございました
Dziękuję