



# Financial Information

**HORIBA, Ltd.**

February, 2024

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- 2023 Results
- 2024 Forecast
- Outlines by Business Segment
- MLMAP 2023 Summary
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# Review of 2023

<b>External Events</b>	<ul style="list-style-type: none"><li>◆ Continuous depreciation of the yen (caused by the increasing interest rate gap), surge in energy prices and accelerated inflation</li><li>◆ Surge in conflicts and escalation of political conflicts in the world</li><li>◆ Higher expectations for growth in the semiconductor market, but capex still in an adjustment phase</li><li>◆ Increased investments in hydrogen energy, ammonia and synthetic fuels</li><li>◆ Growing interests in the life science field</li></ul>
<b>Internal Events</b>	<ul style="list-style-type: none"><li>◆ Accelerated cross-segment activities in the the three focused fields</li><li>◆ Business expansion in new markets related to hydrogen energy and life science</li><li>◆ Acquisition of industrial process measurement business which accelerated expansion of applications for carbon capture and into the pharma industry</li></ul>

# 2023 Results

(Billions of Yen)

	2022	2023		Changes	
	Results	Forecasts (as of Nov. 13)	Results	vs 2022	vs Forecasts (as of Nov. 13)
Sales	270.1	284.0	★ 290.5	+20.4	+6.5
Operating profit	45.8	43.0	★ 47.2	+1.4	+4.2
O.P.%	17.0%	15.1%	16.3%	-0.7p	+1.2p
Ordinary profit	46.8	43.0	★ 48.2	+1.3	+5.2
Net income attributable to owners of parent	34.0	36.0	★ 40.3	+6.2	+4.3
USD/JPY	131.62	141.00	140.67	+9.05	-0.33
EUR/JPY	138.14	151.00	152.11	+13.97	+1.11

★: Record-high

# 2023 Results by Segment

(Billions of Yen)

	Sales					Operating profit				
	2022	2023		Changes		2022	2023		Changes	
	Results	Forecasts (as of Nov. 13)	Results	VS 2022	VS Forecasts (as of Nov. 13)	Results	Forecasts (as of Nov. 13)	Results	VS 2022	VS Forecasts (as of Nov. 13)
Auto	67.5	79.0	80.4	+12.8	+1.4	-0.6	0.5	1.2	+1.8	+0.7
P&E	22.5	25.0	★ 24.9	+2.4	-0.0	2.1	2.5	2.4	+0.3	-0.0
Medical	29.7	31.0	★ 32.6	+2.9	+1.6	-0.0	0.5	0.6	+0.7	+0.1
Semi	114.0	110.0	112.8	-1.2	+2.8	42.0	36.5	40.5	-1.4	+4.0
Scientific	36.2	39.0	★ 39.6	+3.4	+0.6	2.5	3.0	2.4	-0.0	-0.5
Total	270.1	284.0	★ 290.5	+20.4	+6.5	45.8	43.0	★ 47.2	+1.4	+4.2

★: Record-high

# 2023 Results (B/S, CF)

## B/S

- ◆ Total assets: Up ¥32.2bn to ¥449.0bn, mainly by increasing inventory
  - ◆ Equity ratio: 63.0%
- (compared to the end of Dec. 2022)

## CF

- ◆ Operating CF: Cash in ¥16.6bn due to operating profit
  - ◆ Investing CF: Cash out ¥7.3bn due to capital investments
  - ◆ Financial CF: Cash out ¥20.9bn due to payment of dividend and repayment of short-term debt
- } Free CF: + ¥9.3bn







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# HORIBA's Assumptions Regarding Market Environment

<p>General</p>		<p>Remain concerned about the inflation-induced global monetary tightening and the increasingly complicated international situation.</p> <p>Continuing moderate growth of economic activity thanks to the high demand for capex.</p>
<p>Automotive</p>		<p>Expect further acceleration in use of hydrogen energy and battery, and adoption of IT for vehicles.</p> <p>Expect demand for R&amp;D investment related to internal combustion engines in preparation for new emission regulation in Europe.</p>
<p>Process &amp; Environmental</p>		<p>Expect business expansion in the new energy market in response to the decarbonization trend.</p> <p>Environmental regulation-driven demand remains solid, which is expected to expand business of industrial processes, such as semiconductors.</p>
<p>Medical</p>		<p>Equipment sales remains firm in Japan and growing markets.</p> <p>Expect steady sales of test reagents driven by a recovery in demand for medical consultations.</p>
<p>Semiconductor</p>		<p>Expect medium-term growth in capex driven by growth by generative AI, etc. in the semiconductor market.</p> <p>Growth and production expansion by semiconductor production equipment makers in China.</p>
<p>Scientific</p>		<p>Steady sales of measurement and analytical equipment for R&amp;D and manufacturing processes in various industries.</p> <p>Expect demand expansion in the life science market.</p>

# 2024 Forecasts

(Billions of Yen)

	2022	2023	2024	
	Results	Results	Forecasts	vs 2023
Sales	270.1	290.5	★ 321.0	+30.4
Operating Profit	45.8	47.2	★ 52.0	+4.7
O.P.%	17.0%	16.3%	16.2%	-0.1p
Ordinary Profit	46.8	48.2	★ 52.7	+4.4
Net Income attributable to Owners of Parent	34.0	40.3	37.0	-3.3
USD/JPY	131.62	140.67	140	-0.67
EUR/JPY	138.14	152.11	155	+2.89

★: Record-high

# 2024 Forecasts by Segment

(Billions of Yen)

	Sales			Operating profit		
	2023	2024	vs 2023	2023	2024	vs 2023
	Results	Forecasts		Results	Forecasts	
Auto	80.4	★ 94.0	+13.5	1.2	3.0	+1.7
P&E	24.9	★ 31.5	+6.5	2.4	★ 3.0	+0.5
Medical	32.6	★ 34.5	+1.8	0.6	1.0	+0.3
Semi	112.8	★ 119.0	+6.1	40.5	42.0	+1.4
Scientific	39.6	★ 42.0	+2.3	2.4	★ 3.0	+0.5
Total	290.5	★ 321.0	+30.4	47.2	★ 52.0	+4.7

★: Record-high

# Change in Shareholder Return Policy

## Basic policy up to FY2023

- Dividend payment + Share buyback = 30% of Consolidated net income attributable to owners of parent to be targeted
- Remaining earnings are retained internally for strategic investments (i.e. facilities, M&A)

## New basic policy from FY2024

- Dividend payment = 30% of Consolidated net income attributable to owners of parent to be targeted
- **Execute** special dividend and **share buybacks timely and properly**, considering investment opportunities and the cash flow situation.

## Dividends per share and Share buybacks

- 2022 Results 245 yen 【Interim 65 yen; Year-end 180 yen】
- 2023 Results 290 yen 【Interim 80 yen; Year-end 210 yen】
- 2024 Forecast 265 yen 【Interim 80 yen; Year-end 185 yen】 + Share buybacks ¥5bn

## Improvement in capital efficiency

- Management conscious of capital cost
- Execution of the return policy
- Cash generation by implementing the business strategy

**ROE**  
(Return On Equity)

×

**PER**  
(Price Earnings Ratio)

=

**PBR**  
(Price Book-value Ratio)

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# 2023 Results and 2024 Forecasts

## 2023 Results

\*1 Mechatronics  
\*2 Engineering Consultancy & Testing

### 【EMS】

- Increased demand for heavy-duty vehicles (trucks, buses).
- Captured demand for maintenance and management of emission measurement equipment.

### 【MCT\*1 and ECT\*2】

- Sales increased by capturing demand related to vehicle electrification and hydrogen energy.
- Increased investment in growth fields such as hydrogen energy and batteries.

## 2024 Full-Year Forecasts and Mid-Long Term Outlook

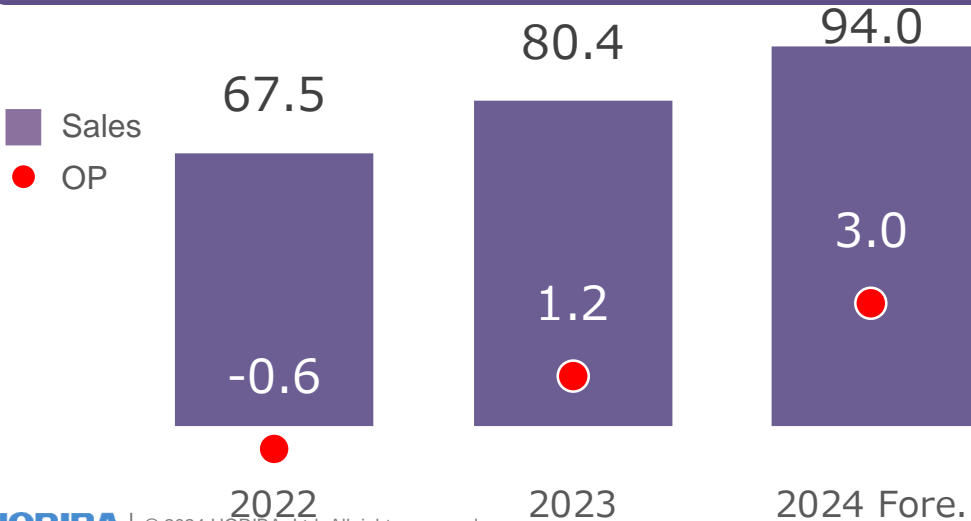
### 【EMS】

Increase in demand in anticipation of the introduction of new emission regulations in Europe (Euro7) and other countries.

### 【MCT and ECT】

- Expect sales expansion in the field of next-generation mobility development.
- Expect an increase in sales related to hydrogen energy to improve profitability.
- MCT business: Aim to improve profitability by shifting to high-value-added products for electrification.

## Sales and O.P (Billions of Yen)



## New Product in the Automotive Segment

Continuous real-time measurement of solid particles from engine exhaust gas



**Solid Particle Counting System**  
Respond to the new regulations in Europe, which might require measurement of dust emissions generated from brake wear and tire wear.

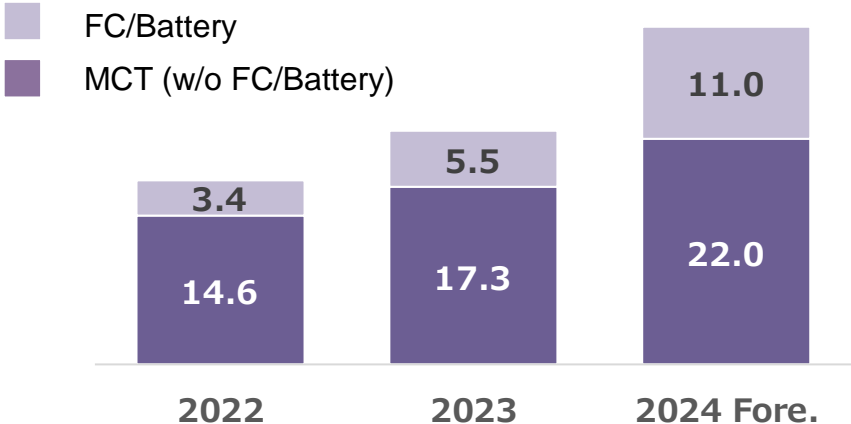
# Profitability improvement: MCT Business

## MCT (w/o FC/Battery)



- Demand expansion of testing for electrification.
- Recover in testing demand along with continuous investment in internal combustion engine.
- Turnaround in 2024 by improved production efficiency and sales activity specialized in the project high value added.

## MCT Sales Transition

(Billions of Yen)



## FC/Battery

	2022	2023
Major investment	 <p>Launched eHUB* in Jun. 2022 Tripled production capacity</p>	 <p>Started production of FC related products and strengthened engineering capabilities in Japan</p>
Employees	Hired approx. 100 more employees	
Order backlog	Approx. threefold	

# 2023 Results and 2024 Forecasts

## 2023 Results

【Gas monitoring】

- Sales increased in Europe due to steady demand related to environmental regulations.

【Water quality monitoring】

- Increase in sales of water quality measurement equipment for manufacturing processes in the electronics and other industries.
- Sales, including those of the products of Tethys Instruments (France) acquired in 2023, increased in Asia.

## 2024 Full-Year Forecasts and Mid-Long Term Outlook

- Demand for process measurement related to environmental regulations and in the industrial sector is expected to increase.

【Gas monitoring】

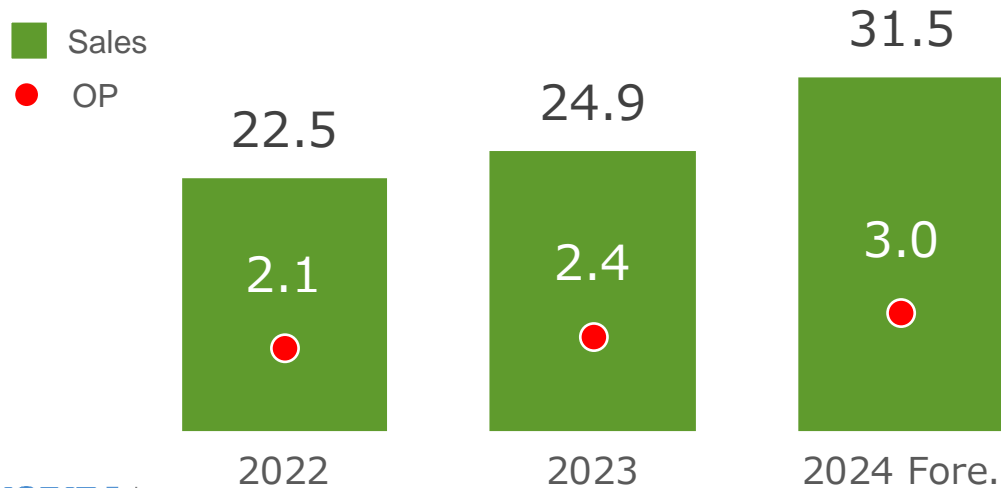
- Demand is expected to increase in the electronic device industry
- Demand expected to increase respond to new energy sector and CCUS\*
- Expand sales of the Process Instruments' products to the energy market.

【Water quality】

- Demand expect to increase in the electronic device industry due to compliance with environmental regulations

\* Carbon dioxide Capture, Utilization and Storage

## Sales and O.P (Billions of Yen)



## New product in the P&E Segment

Analyzer for a wide variety monitoring of ultra-trace gases for the electronics industry and gas production processes.



### AP-380 series

- Monitoring of molecular contaminants in manufacturing areas for semiconductors, sensors, electronic components, etc.
- Monitoring of impurities in gas production processes
- Contributing to testing of air quality in car interior, etc.



# 2023 Results and 2024 Forecasts

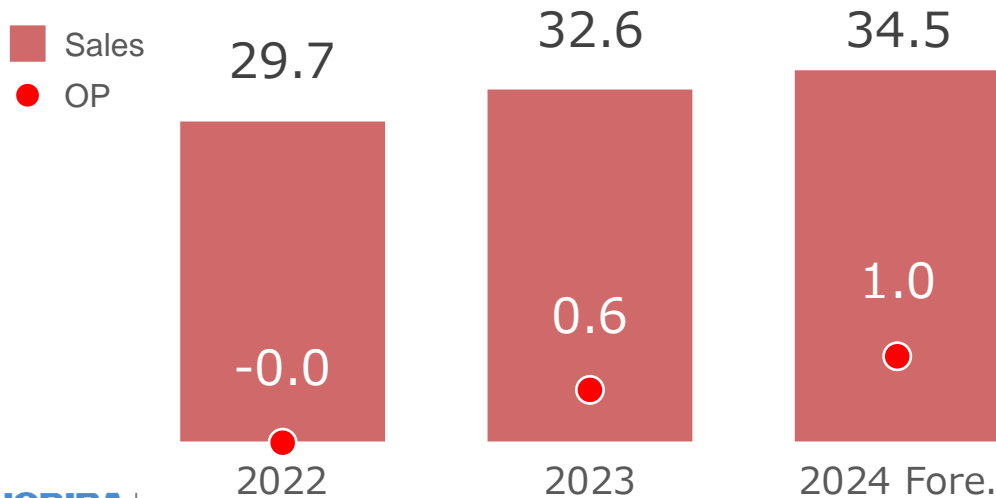
## 2023 Results

- Sales of test reagents increased due to the recovery in the number of medical examinations after relaxation of various COVID-19 restrictions.
- 【Europe】
- Started to supply hematology analyzers to Siemens.
- 【Japan, Asia and Americas】
- New hematology analyzers contributed to sales increase.
  - Sales of analyzers and reagents increased in the clinical chemistry area.

## 2024 Full-Year Forecasts and Mid-Long Term Outlook

- Sales of analyzers and reagents is expected to increase in Japan and Asia by launching new product.
- Expand supply of hematology analyzers to Siemens globally from Europe, which is expected to contribute to profit for med-long term.
- Aim further business expansion in fields other than hematology, such as immunology and clinical chemistry.

## Sales and O.P (Billions of Yen)



## New Products in the Medical-Diagnosis Segment

Enables 5 types of analysis using 3 reagents.



**Hematology Analyzer Yumizen-H500&H550**





Increased need for blood testing in veterinary clinics. Quickly determine anemia, allergies, inflammation, etc., contributing to prompt treatment.



**MicrosemiLC-712**

# Regional Strategy: Medical-diagnostic business

Hematology: Focus on Europe, Japan and Asia  
 Clinical chemistry: Focus on the North America market so as to improve profitability

Test category		Hematology	Clinical chemistry
Hospitals	Testing centers	 <p>Europe:</p> <ul style="list-style-type: none"> <li>➤ Alliance with Siemens</li> <li>➔ Plan to increase sales in the scale of 5 billion yen.</li> <li>➤ Provide HELO solutions in major markets.</li> </ul>	<p>Americas:</p> <ul style="list-style-type: none"> <li>➤ Strengthen sales of reagents of HORIBA POINTE acquired in 2021.</li> <li>➔ Plan to increase sales in the scale of 4 billion yen.</li> </ul> <p>Other regions:</p> <ul style="list-style-type: none"> <li>➤ Develop the clinical chemistry business by globally supplying reagents from Americas.</li> </ul>
	Large		
	Small- and medium-sized	<p>Japan:</p> <ul style="list-style-type: none"> <li>➤ Focus on clinical diagnosis by primary care doctors and expand new product line-ups.</li> </ul>	
	Clinics	<p>India:</p> <ul style="list-style-type: none"> <li>➤ Expand product line-ups.</li> </ul> 	
	Private practitioners	<p>Indonesia:</p> <ul style="list-style-type: none"> <li>➤ Establish a local production system and accelerate localization.</li> </ul>	
Hospital units and surgery rooms (POCT)		<p>Japan: POCT* of hemoglobin A1C and CRP</p> 	

# 2023 Results and 2024 Forecasts

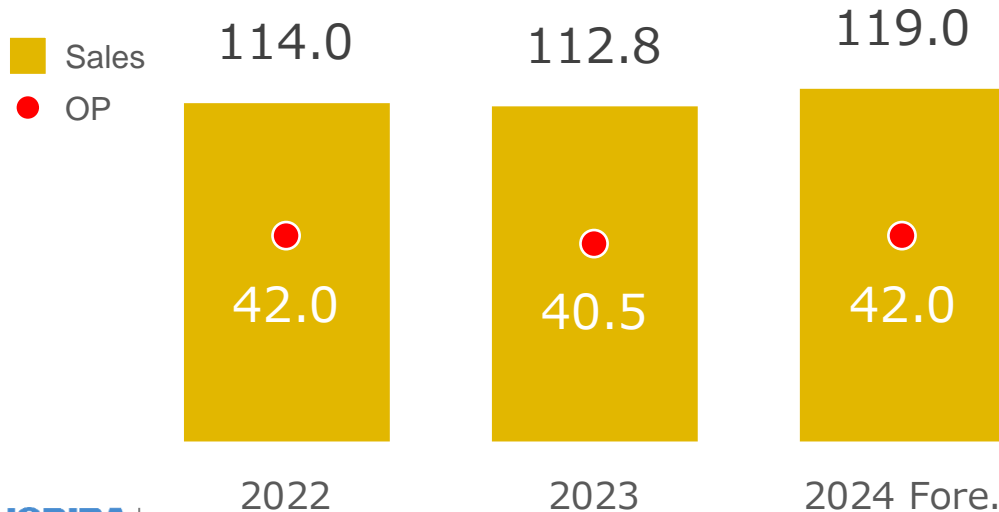
## 2023 Results

- Maintained steady sales thanks to significant order backlogs, despite semiconductor manufacturers' capex being in an adjustment phase.
- Sales increased due to higher semiconductor demand in China.
- Increased in demand mass flow controllers for production of photovoltaics and artificial diamond(China, India etc.)

## 2024 Full-Year Forecasts and Mid-Long Term Outlook

- 2024 1H: Expect an adjustment phase to continue for capex by semiconductor manufacturers.
- 2024 2H: Expect a market recovery and demand increase.
- Find and expand new applications throughout the semiconductor manufacturing process.
- Expand the Reticle/Mask Particle Detection line-up with the aim to meet a complex mask diagnostics demand.

## Sales and O.P (Billions of Yen)



## New Products in the Semiconductor Segment

The best performance pressure-insensitive mass flow module, which responds to the evolution of miniaturization and 3D structures in advanced semiconductor devices

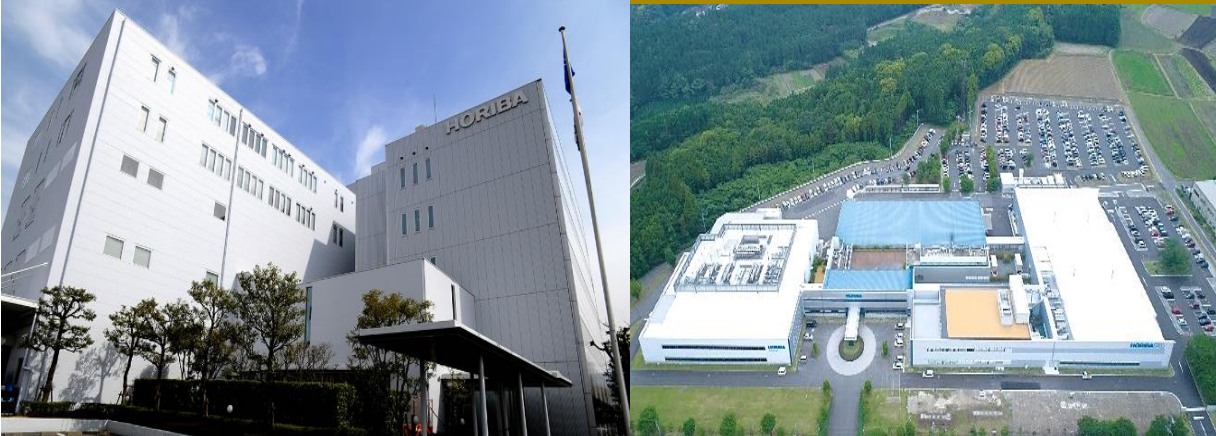


### CRITERION D700T

Realize an accurate, fast response when switching gas supply.  
Contribute to improving yields in advanced memory processes, etc.

# Semiconductor: Establish a Stable Supply System

## Enhance the Domestic Production Capacity



**HORIBA STEC**  
Kyoto Head Office Factory

**HORIBA STEC**  
Aso Factory

## Build a New Factory in Fukuchiyama, Kyoto



The biggest investment, ¥17bn, to expand mass flow controller production capacity tripled and introduce the latest automation technology

**HORIBA STEC**  
New Kyoto Fukuchiyama Factory to be completed in January 2026

## Priority BCP Measures

- Improve BCP scenarios that assume disasters, export controls, etc.
- Expand the second source and enhance procurement capacity.
- Allocate stocks and strengthen supply capacity by utilizing the global network.

## Major Factories of Mass Flow Controller

Country	Area
Japan	Kyoto, Aso and Fukuchiyama
China	Shanghai and Beijing
South Korea	Yongin-si in Gyeonggi-do
India	Pune

# 2023 Results and 2024 Forecasts

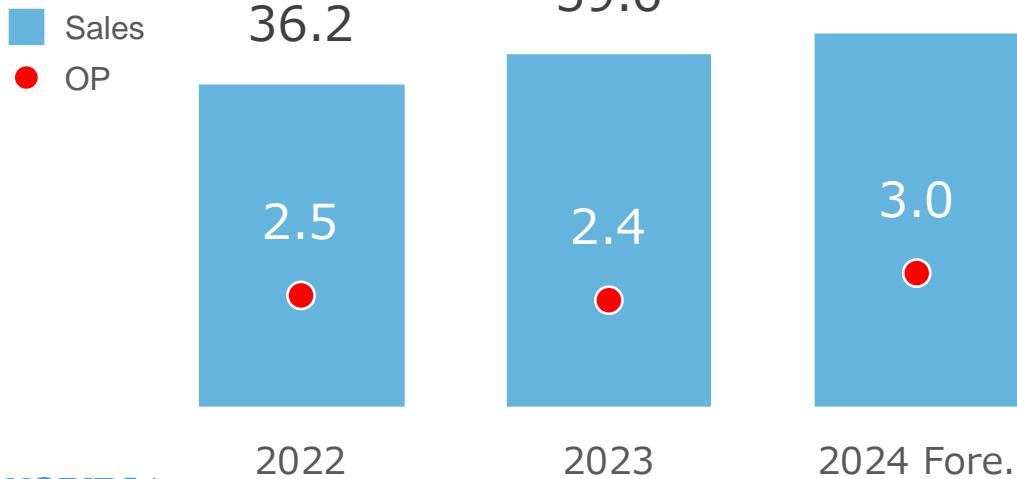
## 2023 Results

- Sales increased in the advanced materials and life science markets (Raman Spectrometers, Particle-size distribution analyzers, X-ray fluorescence analyzers, etc.)
- Decreased sales of optical components for semiconductor production equipment manufacturers due to the semiconductor market slowdown.

## 2024 Full-Year Forecasts and Mid-Long Term Outlook

- Expand sales related to demand in cutting-edge R&D.
- Expand the manufacturing process evaluation and monitoring business.
- Explore the life science market (i.e., pharmaceuticals) globally.
- Expect growth in demand for manufacturing processes in the semiconductor market.

## Sales and O.P (Billions of Yen)



## Topic in the Scientific Segment

### High-speed Throughput Raman Screening



### Rapid Raman Plate Reader

Globally provide solutions to automate and accelerate the drug development time.

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# MLMAP2023: Five-year Review

External Events	<ul style="list-style-type: none"><li>◆ COVID-19 pandemic and vaccine development, and IT innovations</li><li>◆ Automotive electrification and expansion of the carbon neutrality market</li><li>◆ Tense international situation, energy price increase, and global procurement difficulties</li><li>◆ Expansion of generative AI and the global semiconductor market</li></ul>
Internal Events	<ul style="list-style-type: none"><li>◆ Accelerated cross-segment activities in which the existing businesses are adapted in new fields</li><li>◆ Investment in facilities mainly in Japan (HORIBA Techno Service), China (C-Cube) and Europe (eHUB)</li><li>◆ Continued aggressive M&amp;A activities: TOCADERO (DE), MedTest (US), BeXema (DE), Tethys Instruments(FR), and Process Instruments (US)</li></ul>

# MLMAP2023 “ONE STAGE AHEAD” Results

	MLMAP2023 Targets	2023 Results
Net sales	¥300.0bn	¥290.5bn
Operating income	¥40.0bn	<b>¥47.2bn</b>
Net income	¥30.0bn	<b>¥40.3bn</b>
EPS (Earnings Per Share)	¥711	<b>¥953</b>
ROE	10% or more	<b>15.4%</b>

**Achieved  
the targets**

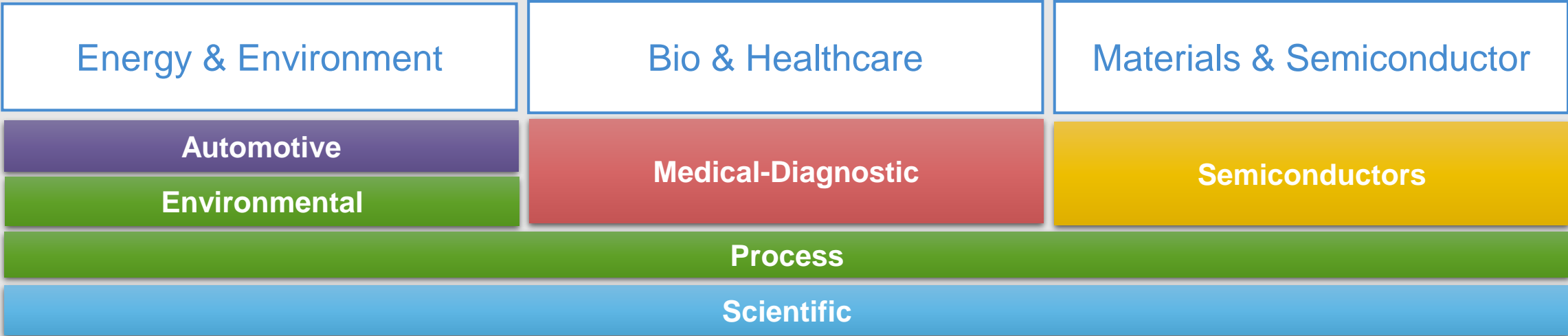
## Priority Measures

- Market Oriented Business
- Solution Provider Beyond Life Cycle Management
- HORIBA Core Values “The Next Stage of Super Dream Team”



# Market Oriented Business

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



Examples of solutions developed as a result of cross-segment activities

Solution to support building a hydrogen energy society

Solution for bio-pharmaceuticals

Solution for CO<sub>2</sub> reduction

Solution for new materials and semiconductors

# Support for building a hydrogen energy society

Contribute to realization of a carbon-neutral society by combining HORIBA's business networks and analysis measurement with a focus on hydrogen.



Evaluation equipment for hydrogen station, electrolyzers, and hydrogen production



Evaluation equipment for fuel cells, FCV, stationary fuel cells, and engine/power-generating turbines

Deepening the technological capabilities of HORIBA FuelCon in Germany, acquired in 2018, and the existing applications owned by HORIBA



P&E segment's business of strength: electricity, gas, and oil



Automotive segment's business of strength: automotive and heavy industry

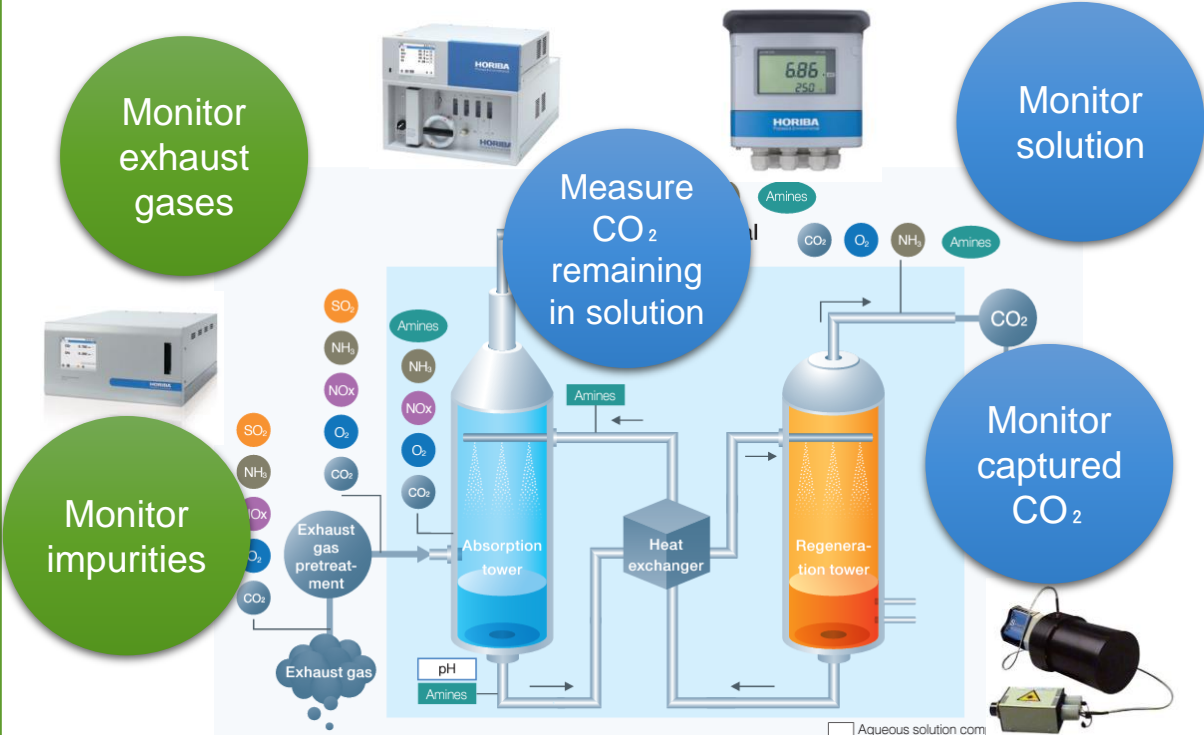


# Solution for CO<sub>2</sub> reduction

Provide essential measurement solutions for the process of separating/capturing CO<sub>2</sub> emitted from factories/power plants, etc. and recycle it as fuel.

## Capture CO<sub>2</sub> in liquid form

Combine core technologies of gas and liquid analysis to realize highly efficient separation and capture of CO<sub>2</sub>.



## Capture CO<sub>2</sub> in solid form

Apply Automotive technology for evaluating exhaust gas catalyst and Process & Environment continuous measurement technology for evaluation of CO<sub>2</sub> capture



# Solution for bio-pharmaceuticals

Contribute to development, quality control and manufacturing of pharmaceuticals, based on core technologies proven in academia and R&D and through partnership with key players in the pharmaceutical industry.

## Application to the pharmaceutical industry

Vaccine quality testing



Pharmaceutical R&D



Microbial inspection



Customized product development  
Partnership with customers

## Core technologies utilized in the life science field

Water quality analysis

Elemental analysis

Spectroscopic analysis

Particle analysis

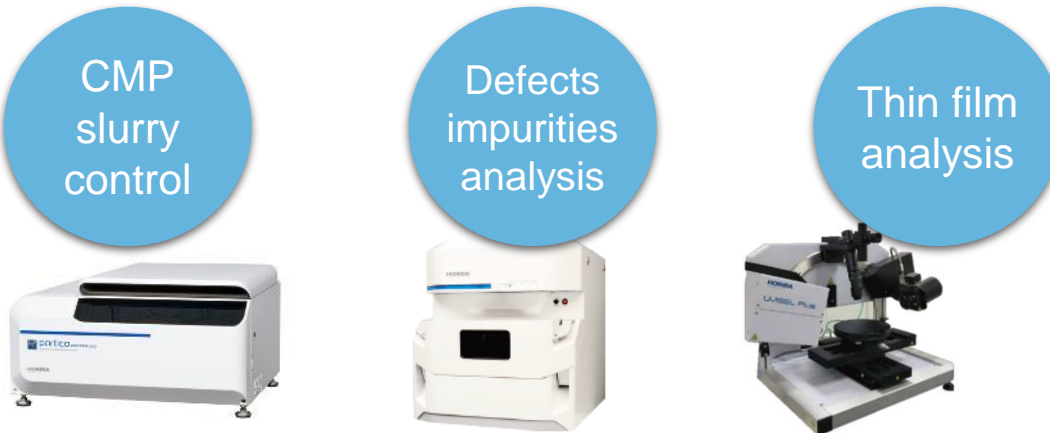
Surface analysis

# Solution for new materials and semiconductors

Develop solutions by utilizing networks with the semiconductor industry and applying industrial and spectroscopic instruments to the entire electronic component and semiconductor industry.

### Contribute to R&D of advanced materials

- CMP slurry control
- Defects impurities analysis
- Thin film analysis



### Support transformation to smart factory status

- Airborne molecular contamination monitor
- Wastewater treatment
- Exhaust gas emission monitor



## Core technologies and business networks that have supported the semiconductor industry

- Reticle/mask particle detection
- Chemical concentration monitor
- Fluid control



# Solution Provider Beyond Life Cycle Management

Be empathetic to customers troubled with “issues” and offer solutions from all aspects of the situation

Provide contract analysis and technical support at 19 Analytical Solution Plazas worldwide

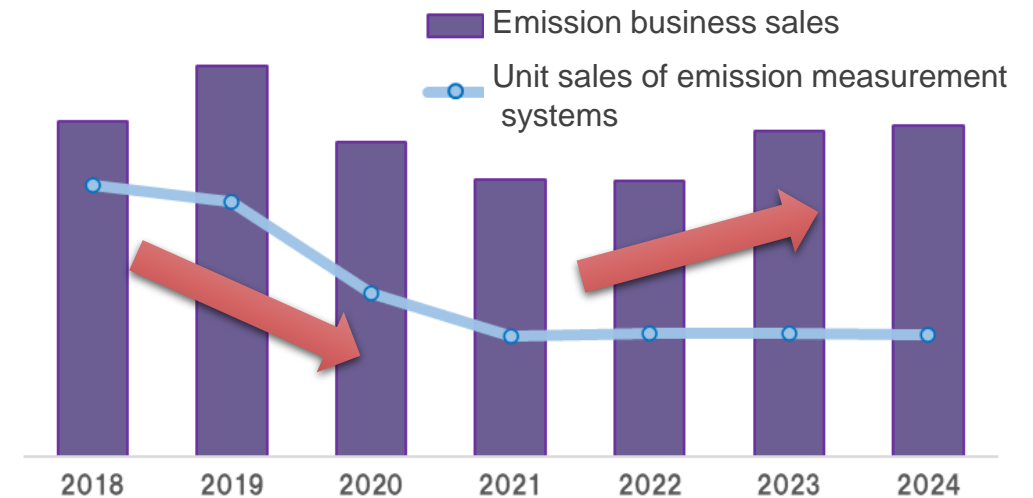


Provide automated analysis to help improve customers' on-site efficiency and productivity

A combination of “connection” and “measurement” that responds to customers' needs for labor saving.



Service Life Cycle Management supporting the emission business



- Mindset that HORIBA's products present options to meet customers' demands
- Contribute to upgrading products that comply with new regulations
- Respond to diversified needs for measurement

# HORIBA Core Values

“The Next Stage of Super Dream Team”

Improve  
value!

## Our Future Project

Established the **long-term vision** “Our Future” (Vision, Mission, Values), as a guideline for all global HORIBARIANs in advancing towards the 100<sup>th</sup> anniversary of the company’s foundation.

Improve  
value!

## Stained Glass Project

Diversity promotion started with the mission to create new value on an ongoing basis by allowing various personalities and talents to shine. So far, contributed to business continuity during the COVID-19 pandemic.



## BlackJack Project

Original business improvement activities aimed at changing employee awareness and actions. An internal world cup competition is held every year to select the grand prize from the themes represented by region.



1997

2014 2022

2053

100<sup>th</sup> Anniversary

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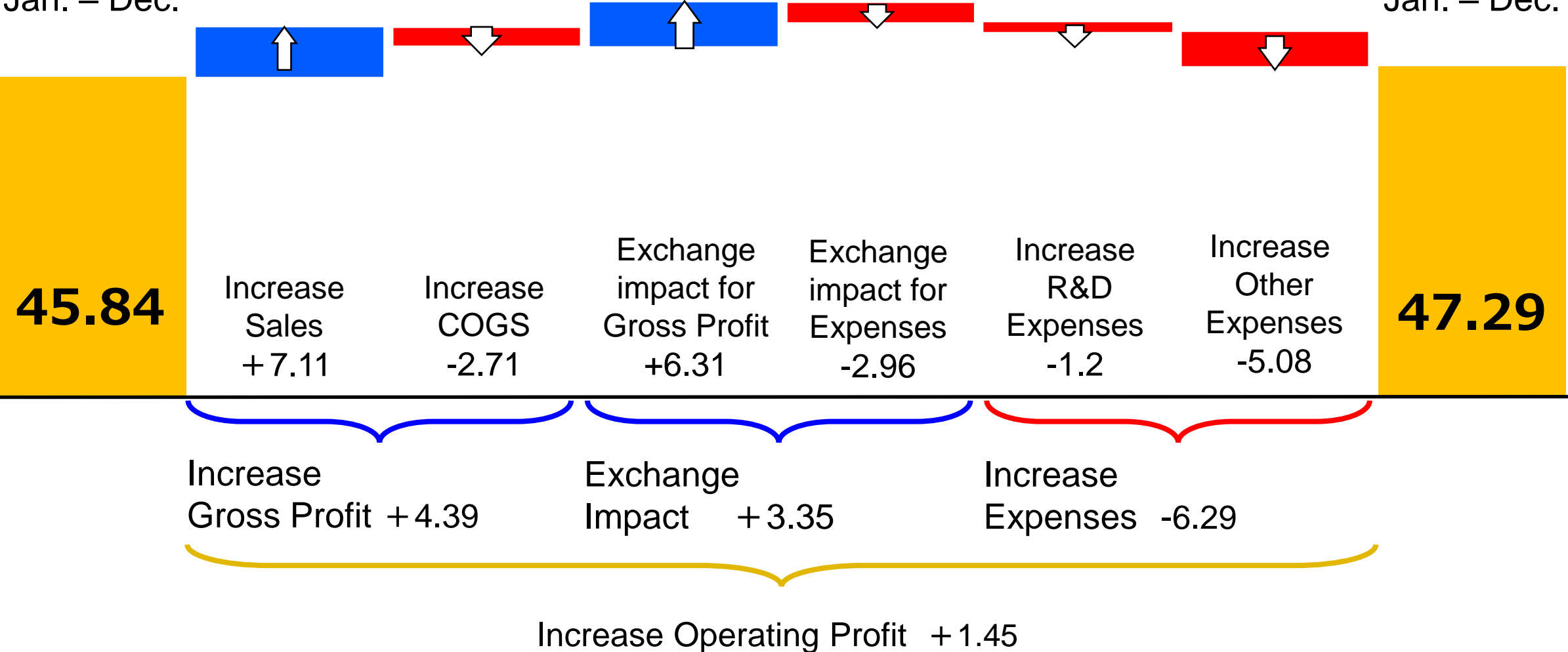


# Operating Profit Analysis (vs 2022)

(Billions of Yen)

2022  
Jan. – Dec.

2023  
Jan. – Dec.



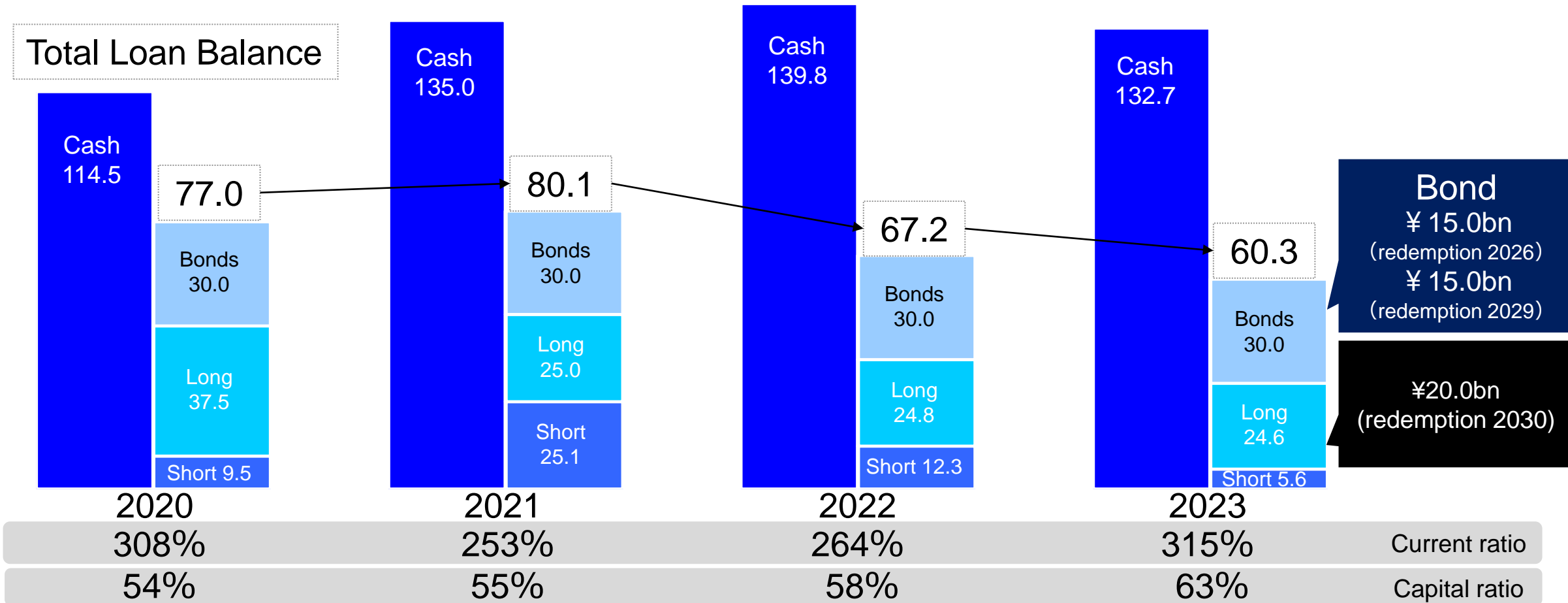
# Consolidated Cash Flows

(Billions of Yen)

	2023	2022	Variation
Cash flows from operating activities	+16.6	+33.9	-17.3
Cash flows from investing activities	-7.3	-10.7	+3.4
Cash flows from financing activities	-20.9	-22.4	+1.4
Cash and cash equivalents at end of year	130.5	138.7	-8.2
Free cash flows	+9.3	+23.2	-13.8

# Cash Balance

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



• Recent issuer rating: R&I “A” (Sep. 2023), JCR “A+” (Sep. 2023)

# Exchange Rate Trend / Forecasts / Impacts

	2022	2023	2024	
	Annual	Annual	Forecasts	vs 2023 (Annual)
USD	131.62	140.67	140	-0.67
EUR	138.14	152.11	155	+2.89

## Exchange rate impact for 2023 (vs 2022)

(Billions of Yen)

Increase sales	+13.30
Increase cost of goods sales	-6.99
Impact to gross profit	+6.31
Increase expenses	-2.96
Impact to operating profit	+3.35

## Exchange rate impact for 2024 Forecasts

1 yen impact of Sales and O.P.

(Weak yen)

(Billions of Yen)

	Sales	Operating profit
USD	+0.73	+0.28
EUR	+0.40	+0.03

# Capital Investment, Depreciation, R&D

(Billions of Yen)

	2022	2023			2024		
	Actual	Previous Forecasts (as of Nov. 13)	Actual	vs 2022	vs Previous Forecasts	Forecasts	vs 2023
Capex	12.5	11.5	9.1	-3.4	-2.3	23.0	+13.8
Depreciation and amortization	11.3	12.0	12.6	+1.2	+0.6	14.0	+1.3
R&D expenses	18.5	21.0	20.4	+1.8	-0.5	22.6	+2.1
to net sales(%)	6.9%	7.4%	7.0%	-	-	7.0%	-

## 2024 Topics

### PP&E:

Kyoto Fukuchiyama Technology Center new building  
Kyoto Fukuchiyama new factory

Omoshiro-okashiku  
Joy and Fun



Terima kasih  
谢谢  
Gracias  
Danke  
Tack ska du ha  
Grazie  
Danke  
Σας ευχαριστώ πάρα πολύ  
धन्यवाद  
شُكْرًا  
THANK YOU  
ขอบคุณครับ  
Большое спасибо  
Merci  
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