

HORIBA, Ltd.

Financial Information

February 2016

Contents

- Review
 - previous MLMAP [2011-2015] / 2015 Results
- MLMAP2020 [2016-2020]
- Business segment outline
- Shareholder return

MLMAP : Mid-Long Term Management Plan

- Financial Data
- Corporate profile

[Disclaimer]

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2015 full year results

(Billions of yen)

	2014	2015			
	Results	MLMAP 2015	Results	vs. 2014	vs. MLMAP2015
Sales	153.0	150.0	○ ★ 170.8	+17.8	+20.8
Operating profit	17.2	20.0	★ 19.3	+2.1	-0.7
O.P. %	11.2%	13% or more	11.3%	+0.1p	-
Ordinary profit	16.4	20.0	★ 18.8	+2.3	-1.2
Net profit	10.5	12.0	○ ★ 12.8	+2.2	+0.8
Net profit per share(Yen)	250	283	○ ★ 305	+55	+22
ROE	8.9%	11% or more	10.2%	+1.3p	-

○ → Target achieved ★ → Record high₄

Results for 2015 by segment

(Billions of yen)

	Sales					Operating profit				
	2014 Results	2015 MLMAP	2015 Results	vs. 2014	vs. MLMAP	2014 Results	2015 MLMAP	2015 Results	vs. 2014	vs. MLMAP
Auto	55.0	46.0	○ ★ 64.2	+9.2	+18.2	5.8	5.0	○ ★ 4.4	-1.3	-0.6
P&E	16.4	16.0	○ ★ 16.7	+0.2	+0.7	2.0	1.5	○ ★ 1.7	-0.2	+0.2
Medical	27.0	34.0	★ 27.4	+0.4	-6.6	1.7	6.0	2.4	+0.6	-3.6
Semi	28.9	30.0	○ ★ 35.3	+6.4	+5.3	6.4	6.0	○ ★ 9.4	+2.9	+3.4
Scientific	25.6	24.0	○ ★ 27.0	+1.4	+3.0	1.2	1.5	1.3	+0.1	-0.2
Total	153.0	150.0	○ ★ 170.8	+17.8	+20.8	17.2	20.0	★ 19.3	+2.1	-0.7

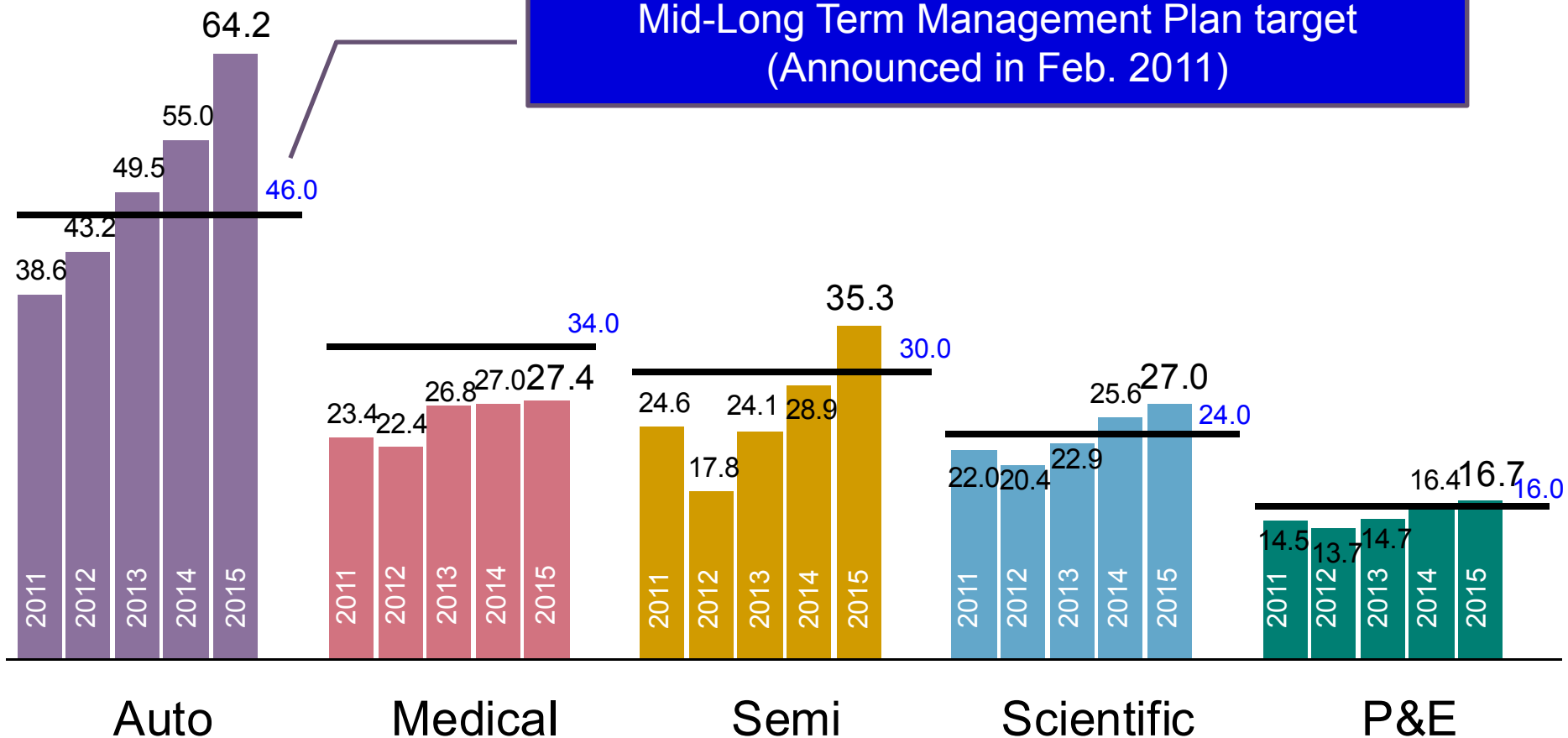
○ → Target achieved in the period ★ → Record high₅

Trend of 5 years results by segment

(Billions of yen)

Sales (2011 to 2015)

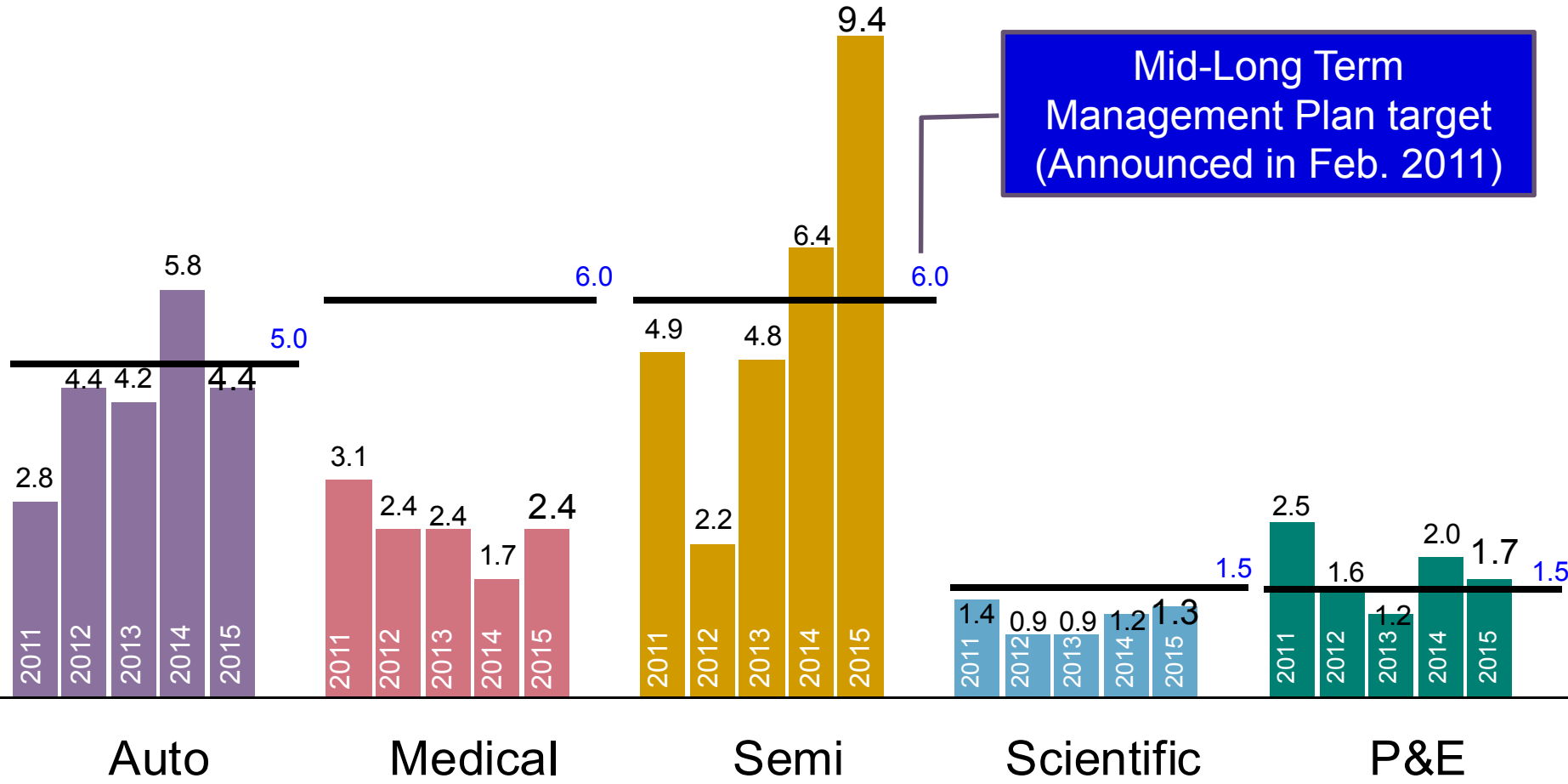
Mid-Long Term Management Plan target
(Announced in Feb. 2011)



Trend of 5 years results by segment

(Billions of yen)

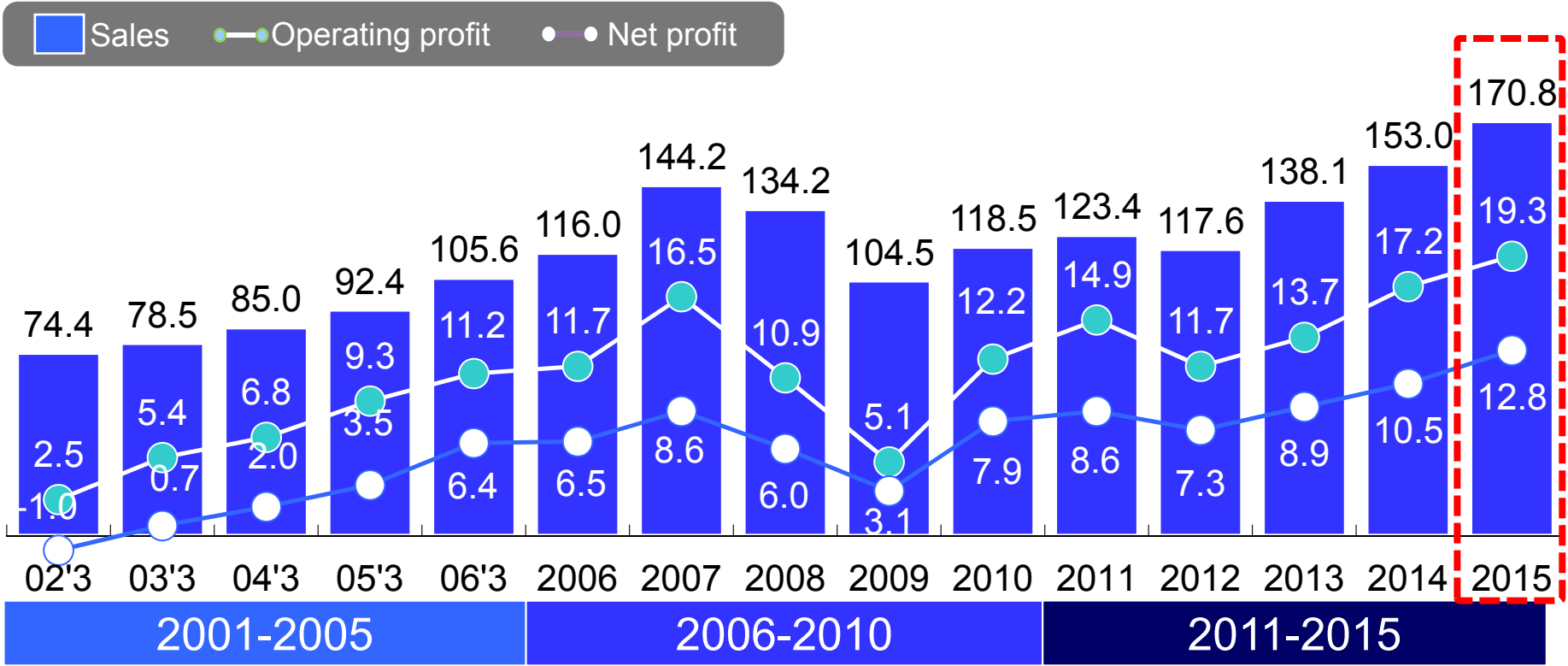
Operating profit (2011 to 2015)



15-year business results

(Billions of yen)

[Sales] Greatly exceeded the plan targets
 [O.P.] Close to the plan targets. Shortfall due to the large M&A and investment in PP&E in 2015
 [N.P.] Achieved the plan targets (Renewed record-highs in sales and profits)



Achievements of MLMAP2015

Achievements

- Fully implemented “One Company Matrix management”
 - Fully implemented shared services in five segments and regions
 - Fully implemented ERP (Enterprise Resource Planning) systems in all group companies.
- Invested in highly profitable businesses
 - Invested in Automotive Test Systems business (Biwako Factory; MIRA)
 - Strengthened R&D and production in Semiconductor business
 - M&A in the U.S. (Process measurement business [P&E]; Fluorescence spectroscopy business [Scientific])
- Accelerated global product development and production
 - Expanded capacity of reagent plants (China, India, and Brazil)

Challenges

- Improve profitability of Medical business
- Speed up profitability improvement of the acquired businesses
- Deal with higher depreciation caused by large-scale investments

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Major policies

MLMAP2020 “One Step Ahead”

- Applying HORIBA Technology in new business fields and new markets and becoming a true partner in analysis and measurement
- Accelerating corporate growth by its Super Dream Team based on balanced management, matrix organization, and HORIBA Stained Glass Project
- Improving capital efficiency to maximize corporate value

Numerical targets

Sales	250.0 billion yen
Operating profit	30.0 billion yen (OP% :12%)
Net profit	20.0 billion yen
EPS	475 yen
<hr/>	
ROE	10% or more
Total return	30% target

Exchange rate : USD = 115 yen, Euro = 125 yen

Numerical targets (vs 2015, vs 2016)

(Billions of yen)

	2015	2016	MLMAP2020		
	Results (Restated)	Forecast	Plan	Growth ratio vs. 2015	Growth ratio vs.2016
Sales	172.3	175.0	250.0	+45%	+43%
Operating profit	20.2	17.5	30.0	+49%	+71%
OP%	11.7%	10.0%	12.0%	+0.3p	+2.0p
Ordinary profit	19.8	16.5	29.0	+46%	+76%
Net profit	13.5	10.8	20.0	+48%	+85%
EPS (Yen)	320	256	475	+48%	+85%
ROE	10.7%	8.1%	10% or more	-	-

Numerical targets (by Segment)

(Billions of yen)

	Sales					Operating profit				
	2015	2016	MLMAP2020	Growth ratio	Growth ratio	2015	2016	MLMAP2020	Growth ratio	Growth ratio
	Results	Forecast	Plan	vs 2015	vs 2016	Results	Forecast	Plan	vs 2015	vs 2016
Auto	68.5	70.0	100.0	+46%	+43%	5.2	5.0	10.0	+92%	+100%
P&E	16.7	18.0	25.0	+50%	+39%	1.8	1.5	2.5	+39%	+67%
Medical	27.7	28.0	40.0	+44%	+43%	2.6	2.0	4.0	+54%	+100%
Semi	35.4	31.0	50.0	+41%	+61%	9.4	7.5	10.0	+6%	+33%
Scientific	26.7	28.0	35.0	+31%	+25%	1.2	1.5	3.5	+192%	+133%
Total	172.3	175.0	250.0	+45%	+43%	20.2	17.5	30.0	+49%	+71%

2015 results are restated numbers.

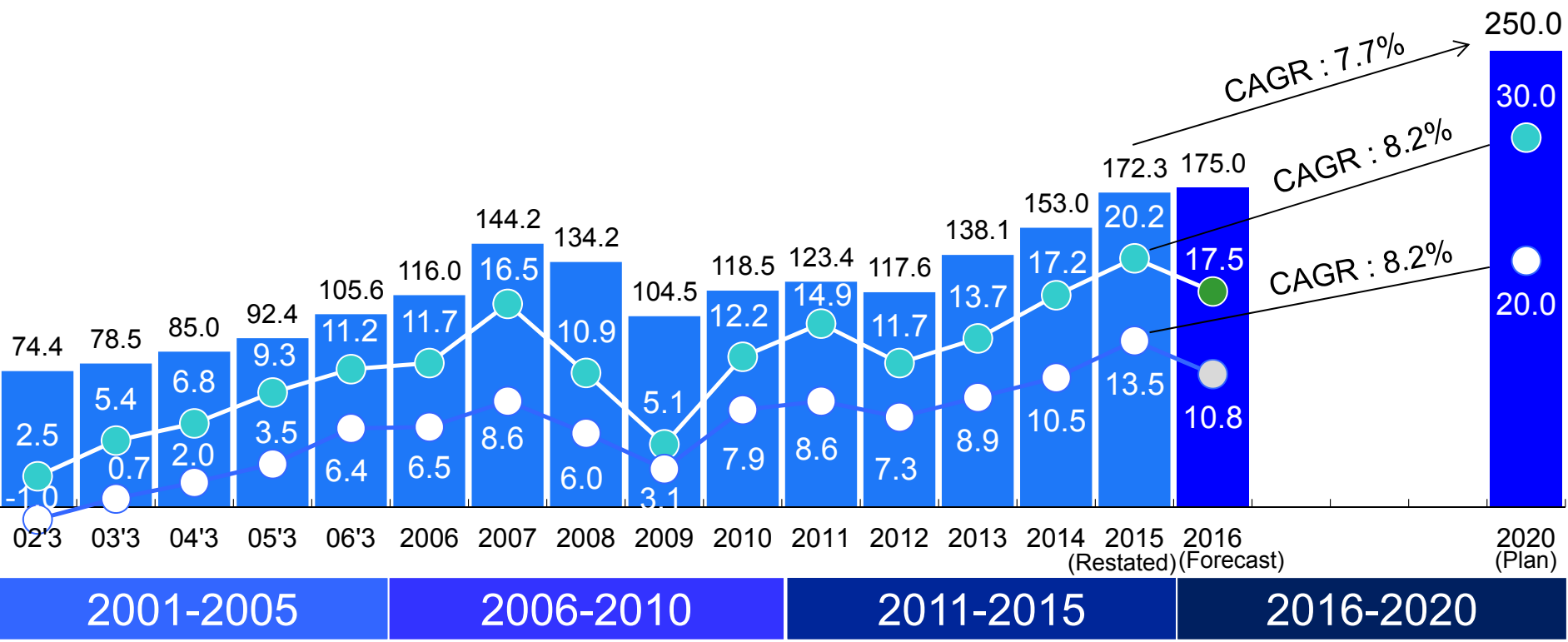
Business results in 20 years

(Billions of yen)

Continual growth in Sales and in all profits

Doubled in 10 years from 2010

■ Sales
 ●—● Operating profit
 ●—● Net profit



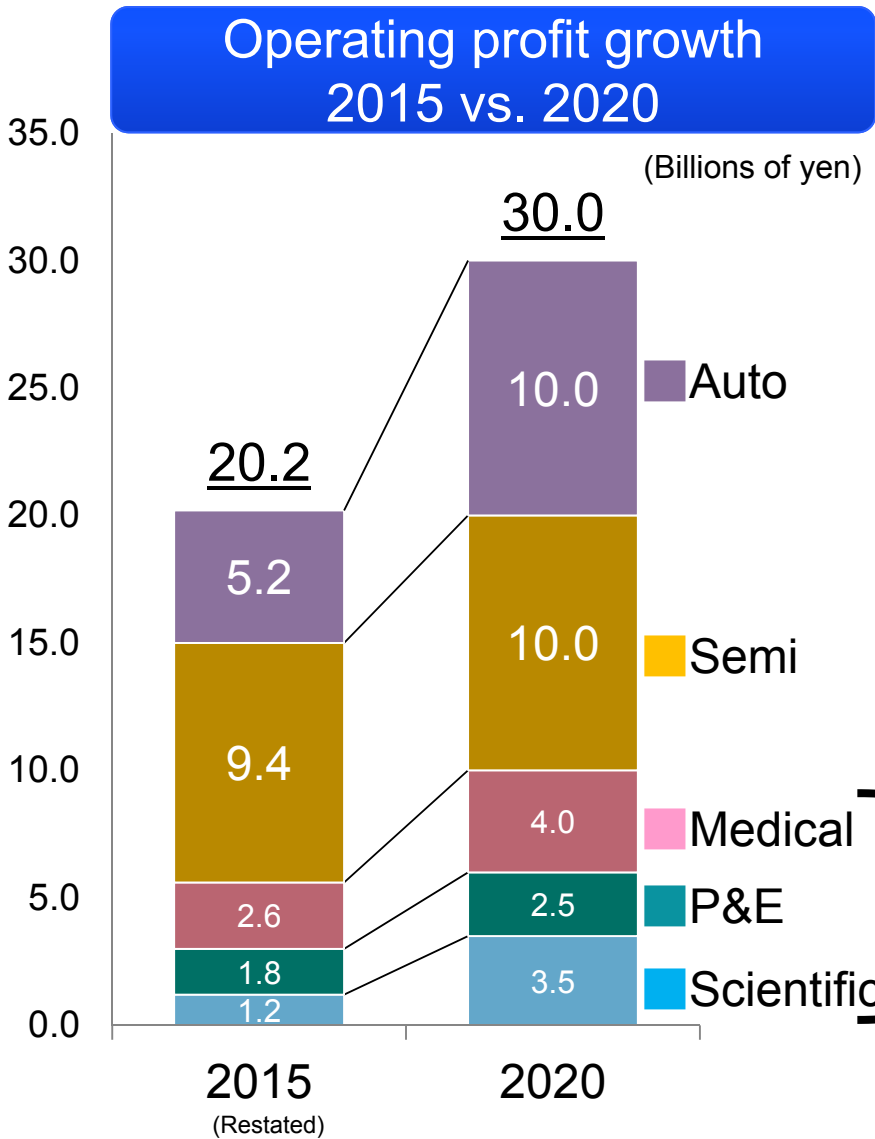
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- Improving capital efficiency to maximize corporate value

Priority measure 1:

Applying HORIBA technology in new business fields and new markets



Automotive Test Systems

- No.1 global share in exhaust gas analyzers
- Expand production capacity and improve profitability (Biwako Factory)
- Expand business fields (HORIBA MIRA)

Semiconductors

- Leading position in mass flow controllers
- Provide technological support in semiconductor diversification
- Provide cutting-edge measurement devices

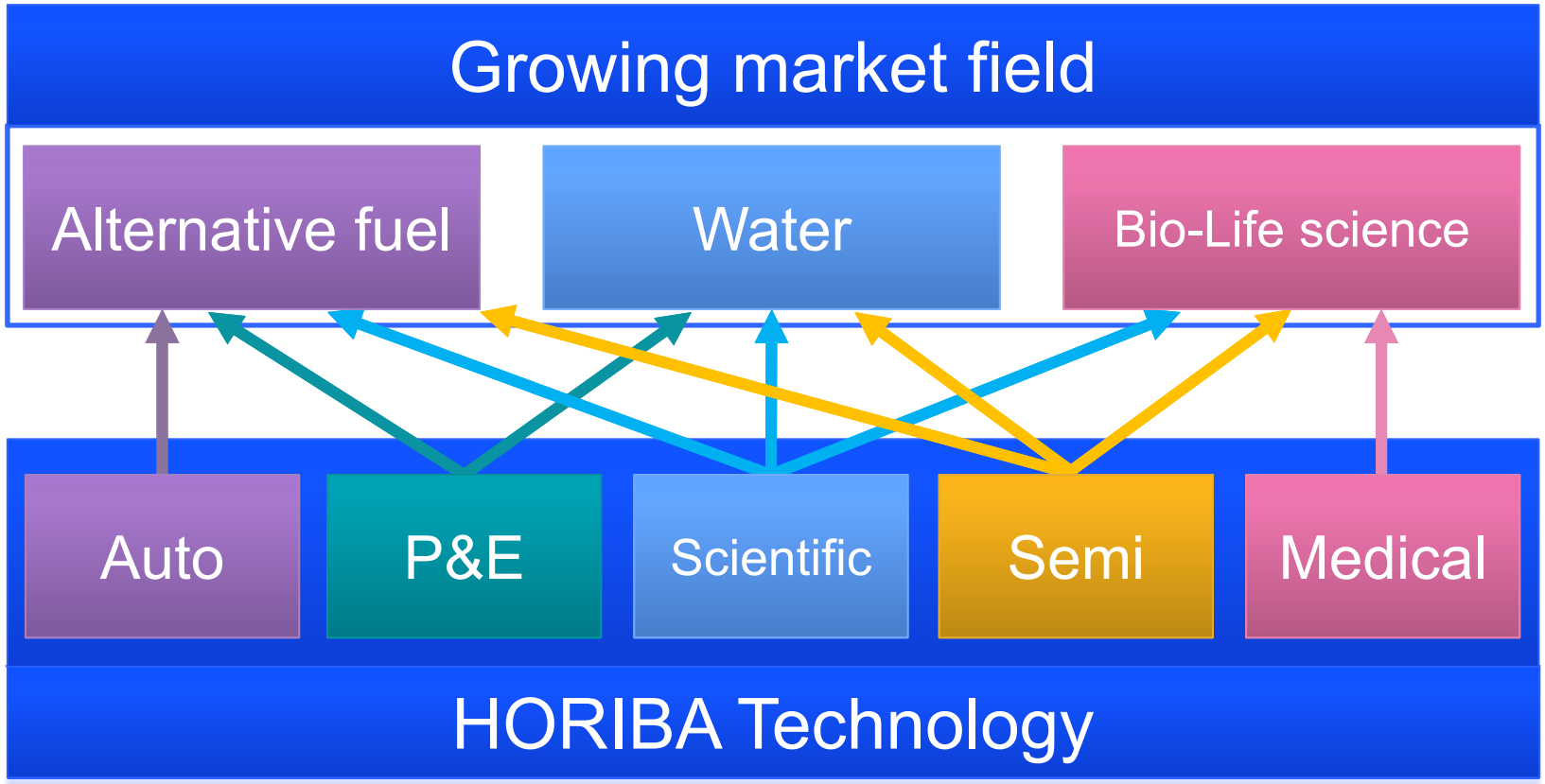
Next business creation

- Explore more application of in-house technological resources and know-how
- Tap into new markets
- Make new investments and pursue M&A opportunities

Priority measure 1:

Becoming a true partner in analysis and measurement

Integrally utilize in-house technological resources and the customer network of each business, HORIBA expand the own technology to growth market



Priority measures 2: “Super Dream Team”

Balanced management

- Flexible utilization of management resources
- Select-and-focus business for investment

Matrix organization

- Make thorough discussions by business segments and regions, and speedily implement strategy
- Promote shared services*

HORIBA Stained Glass Project

To realize HORIBA style diversity

- Venture spirit
- Challenge spirit
- Embody “Joy and Fun”
- All players perform their special roles

~Super Dream Team~

*Shared services is to centralize specific work of more than one division of the company or group with the aim of raising productivity and cost reduction.

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Auto Growth strategy

(Billions of yen)

To be an Engineering Development Partner

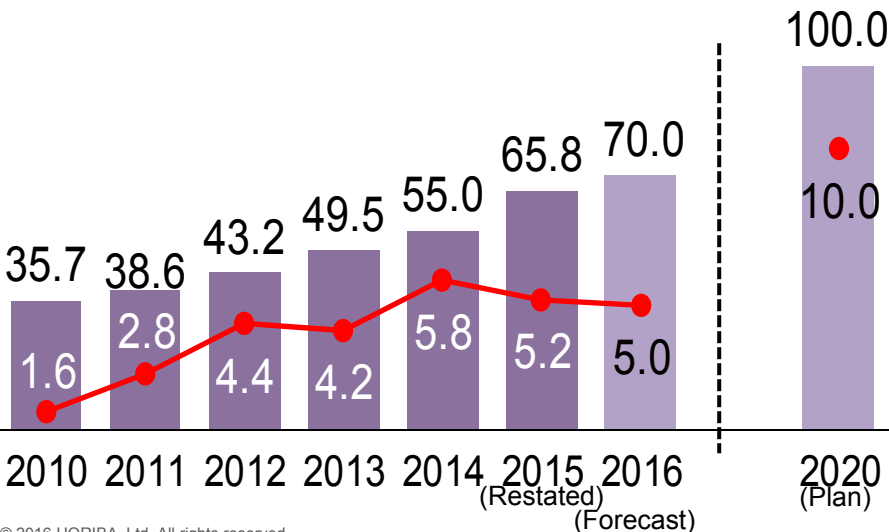
Grow in the analytical measurement field for automotive development

- Growth opportunities from combustion engine development and tightening of emission regulations
- Improving profitability at Biwako Factory
- Expand ECT (HORIBA MIRA) business
 - Contribute to development of next generation mobility
 - Expand analytical business, utilizing HORIBA's analytical technologies

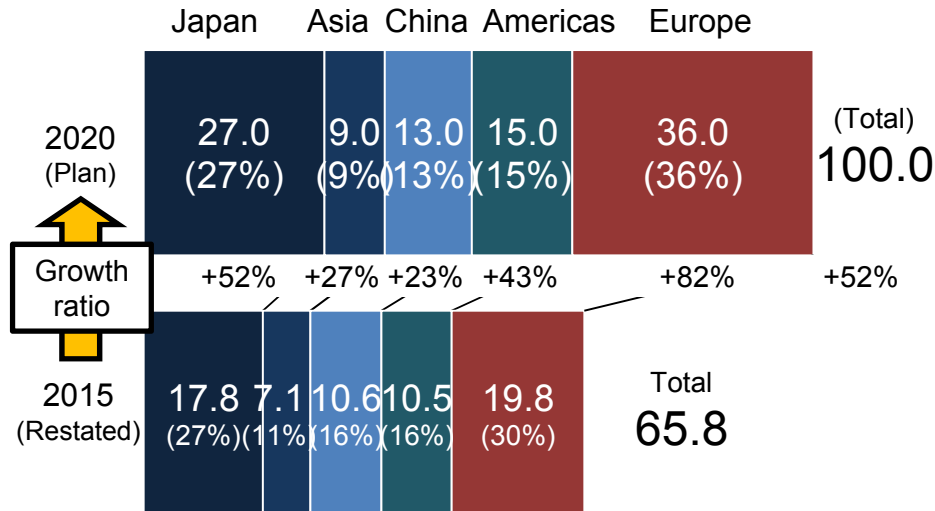
Sub-segment sales

	2016 (Forecast)	MLMAP 2020
EMS	38.0	50.0
MCT	20.0	30.0
ITS	2.0	4.0
ECT	10.0	16.0
Total	70.0	100.0

Sales and operating profit Sales Operating profit



Sales by region



Shared vision for HORIBA and HORIBA MIRA

HORIBA
Automotive Test Systems

Create added value in EMS/MCT business

Develop next-generation mobility systems

A HORIBA COMPANY
MIRA

Utilize HORIBA's advanced measurement devices so as to benefit each business

Grow in the global market / Expand the customer base

Expanding business field in Next generation mobility such as autonomous vehicle development
Utilize HORIBA's technology



Biwako factory “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



Global convergence of emission regulations

- ✓ Accelerating introduction of unified emission regulations (US and EU in 2017, Japan in 2018)
- ✓ Need to upgrade equipment due to change in testing method

◆ Bench test in labs

- Need to upgrade exhaust gas analyzers (hardware and software)
- Demand for more number of units

Lab test



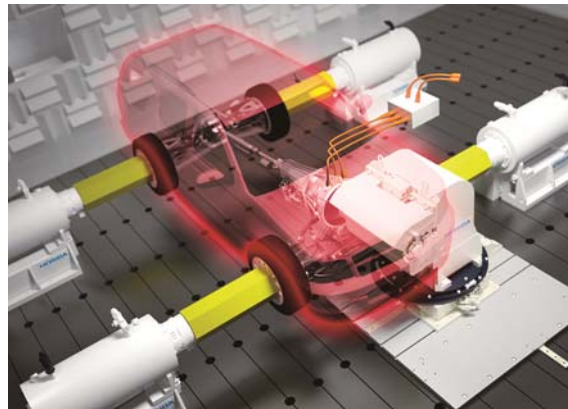
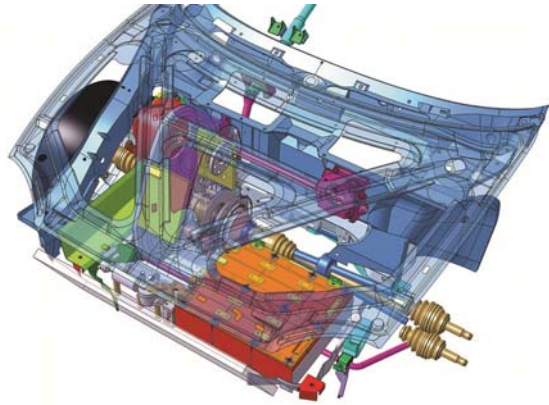
◆ On-road test (RDE: ReaDing Emission)

- Regulation for Light Duty Vehicles to start in Sep. 2017 in EU
- Need to coordinate data with lab test results
 - Correlate analyzers
 - = Coordinate "MEXA" with "OBS" series
 - Expand HORIBA MIRA's testing business



PEMS
(Portable Emission
Measurement Systems)

Expanding business field on Automotive industry



Body design
Material analysis
ECU/Semiconductor

Power unit
Drivetrain
Alternative fuel
(Fuel cell etc.)

Driving management
Safety
Autonomous
Driverless car

Cross segment approach

Auto

P&E

Medical

Semi

Scientific

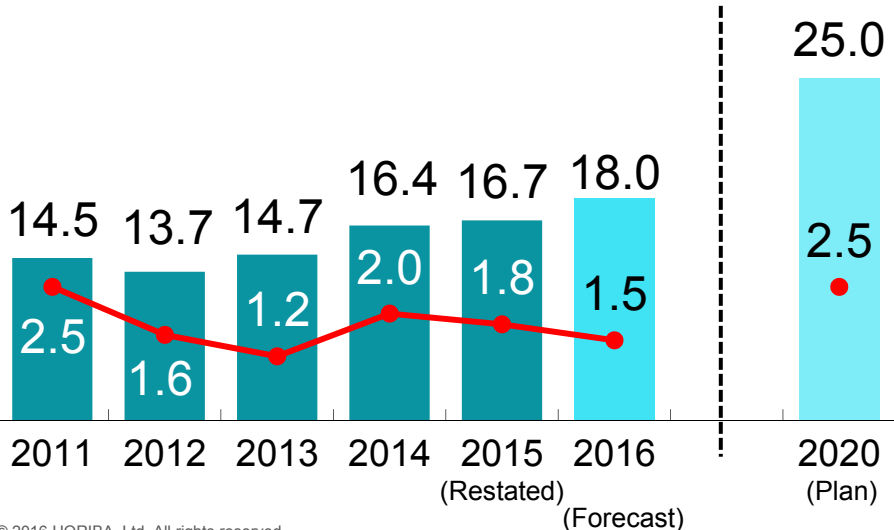
HORIBA

(Billions of yen)

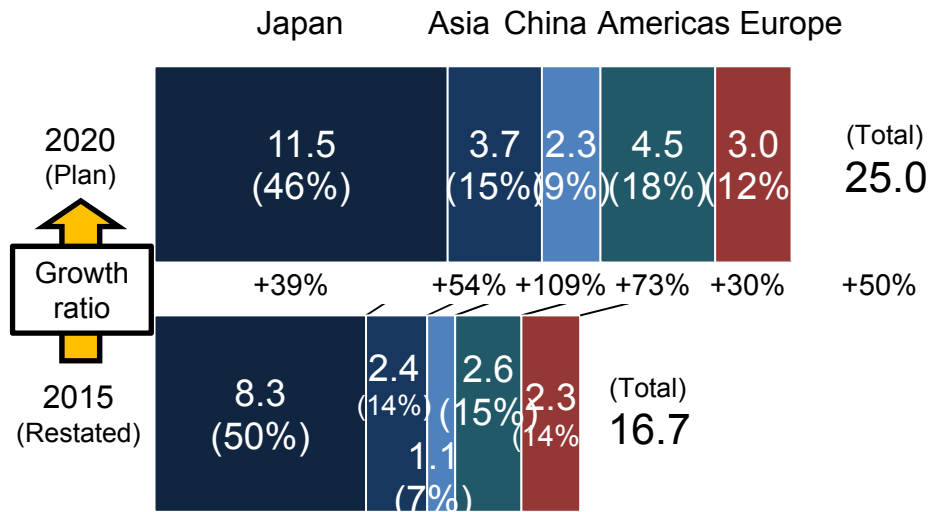
Value creation in environmental regulation and industrial process measurement fields

- ◆ Expand business globally in environmental regulation fields
 - Utilize technology capability and knowhow accumulated in Japan
- ◆ Expand share in the water measurement field by utilizing HORIBA's pH measurement technology
- ◆ Expand the process analytical business into the oil refining and petrochemical fields

Sales and operating profit Sales ■ Operating profit —●—



Sales by region



Oil refining market in the north America



Strengthening process analytical measurement business

- ◆ Expanding the business in Texas
- ◆ Sales : 1.5 billion yen



Process measurement equipment business

for Chinese market

New regulation for PM2.5

- ◆ Contribution to identify the source of PM
- ◆ Collaboration with Tsinghua university in China



Synergy with Scientific segment

Collaboration with Tsinghua University



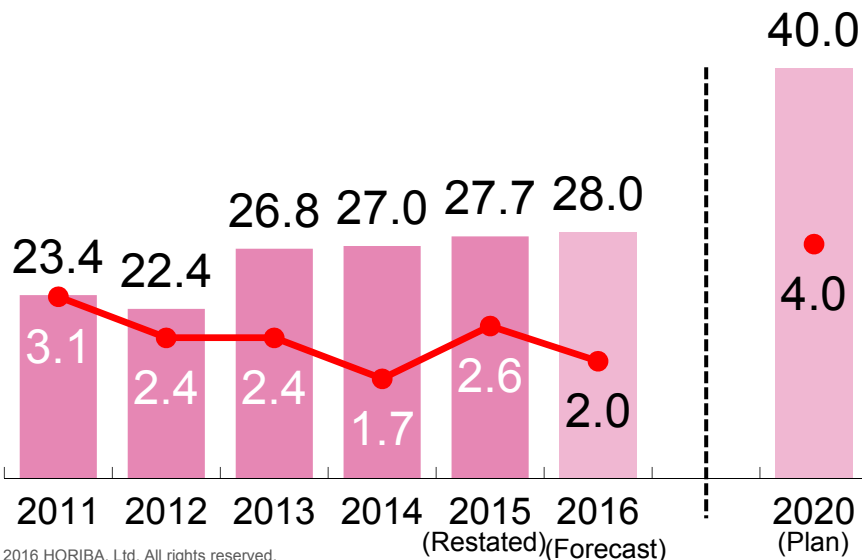
Medical Growth strategy

(Billions of yen)

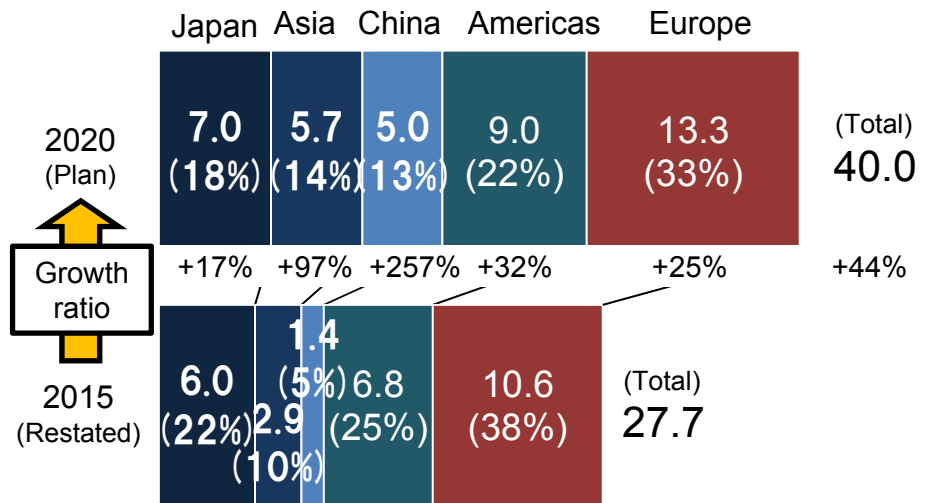
Brand building and to be an IVD solution partner

- ◆ Globally expand in the middle/small hematology market (POCT)
- ◆ Improve and expand line-up of product models
- ◆ Strengthen permission and authorization, and relationship with academia
- ◆ Expand OEM business and collaboration with other companies

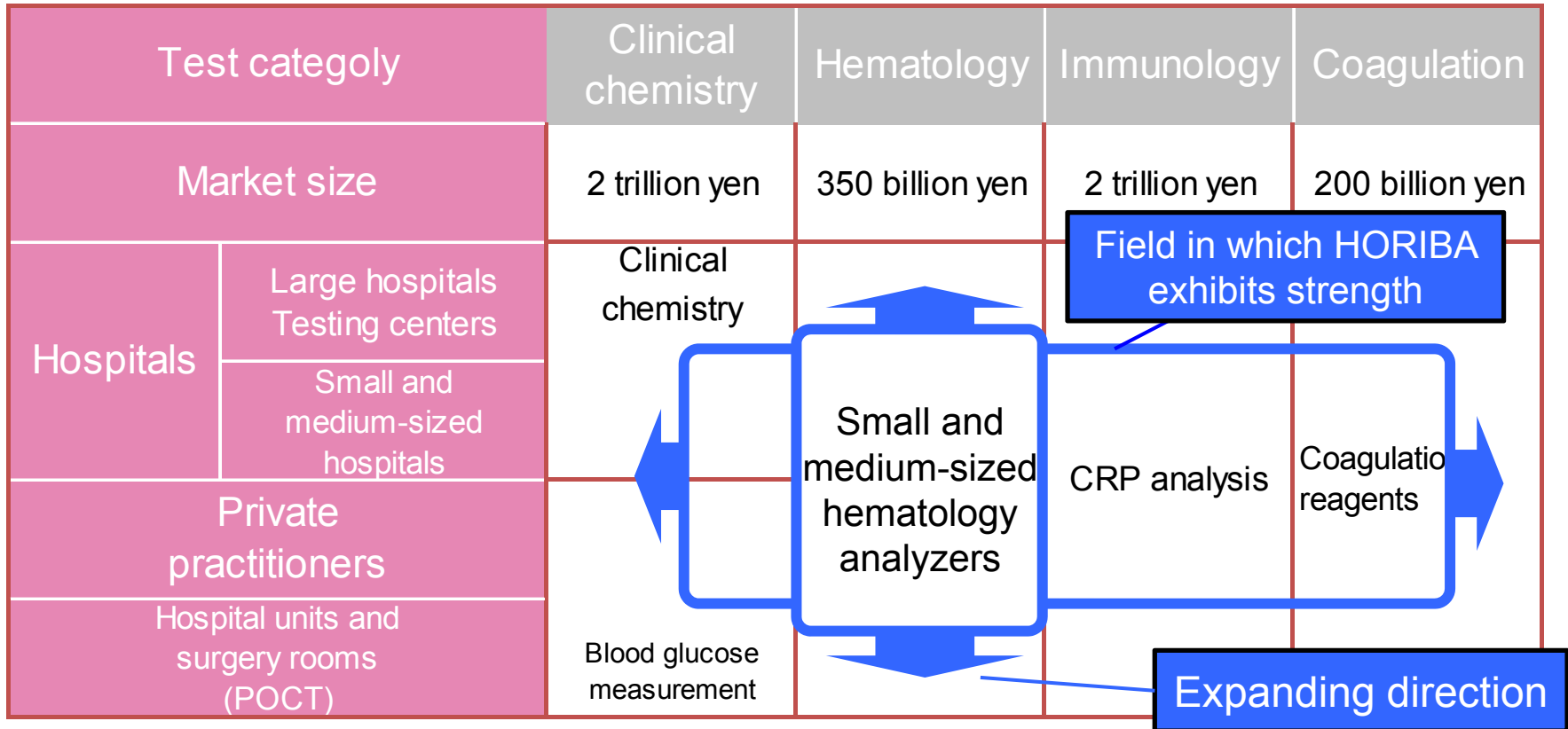
Sales and operating profit Sales Operating profit



Sales by region



Growth in Blood testing field



Expanding the business domain

(Horizontal axis) Expansion in technology for all of IVD field

(Vertical axis) Sales expansion in Middle hospitals/POCT market

Strengthening data management and automation field of testing in order to realize providing IVD solution

Challenge to expand the business in Asia. US, by comprehensive ability of Japan and France

 HORIBA ABX

- Medium/large-sized hematology analyzers
- New brand “Yumizen”
- Collaboration with Montpellier university



 HORIBA, Ltd.

- Small size hematology analyzers
- Bloodcell+CRP analyzer
- Collaboration with medical faculty of national university



- Strengthening sales of hematology analyzers
- Expanding Clinical chemistry field utilizing OEM and collaboration capabilities.



Stable reagent supply chain in the world

Reagent factory in Shanghai 



Reagent factory in India



Reagent factory in Aso, Japan



Reagent factory in Brazil



New R&D center of HORIBA ABX

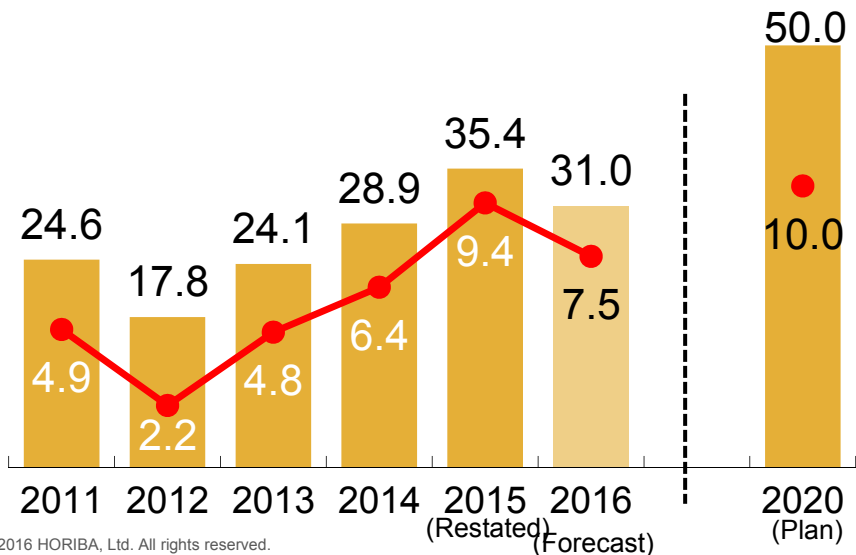
Semi Growth strategy

(Billions of yen)

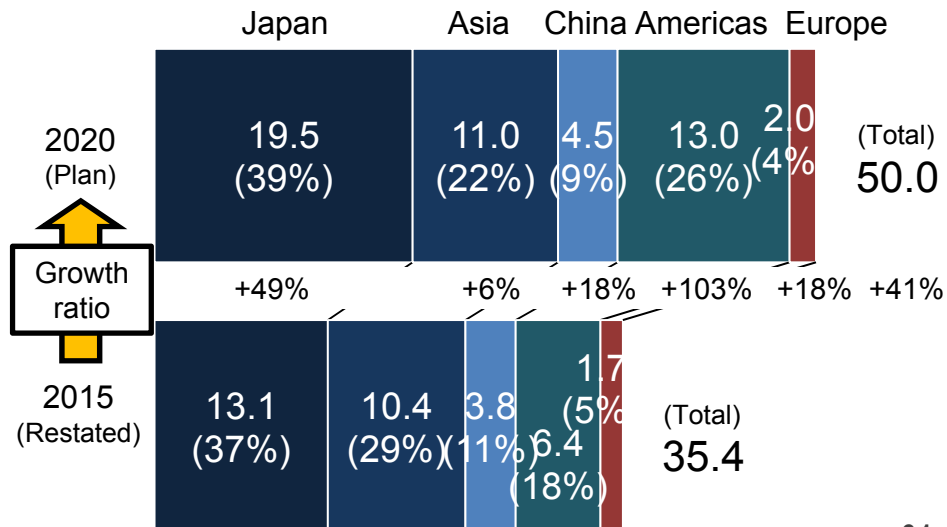
Becoming a solution partner in flow control of semiconductor production process

- ◆ Strengthen market position in mass flow controllers and chemical concentration monitors
 - Enhance relationship with manufacturers of semiconductor devices and semiconductor production equipment
 - Strengthen development capability in Japan and the US
 - Increase production capacity in Japan (at Kyoto and Aso) and Asia
- ◆ Expand business by promoting new applications in the petrochemical, pharmaceutical, energy, foods, and other markets.

Sales and operating profit Sales Operating profit



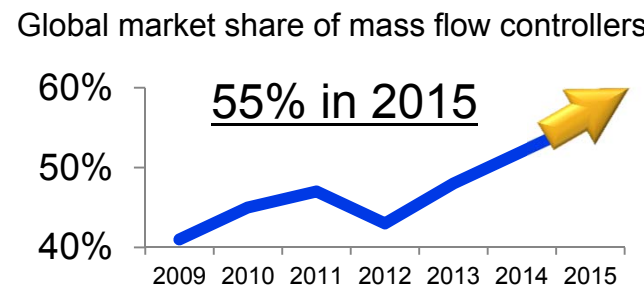
Sales by region



Semi HORIBA's strength

Global market share expansion in mass flow controllers

- ◆ Technology and production improvement, as required by semiconductor device and production equipment manufacturers
- ◆ Management organization with capability of continuing investment during a period of downturn in demand
 - Quick response to a pick-up in demand



Effective utilization of cutting-edge R&D and production facilities

- ◆ Technical and production capabilities of cutting-edge technology
- ◆ Effective use of facilities in Kyoto (Fukuchiyama R&D) and Aso (production)
- ◆ Enhance development in US

HORIBA Advanced Technology Center
(Opened in Apr. 2015)



Kyoto Fukuchiyama Technology Center
(Opened in Dec. 2013)



Aso Factory, Japan



Reno R&D center (US)

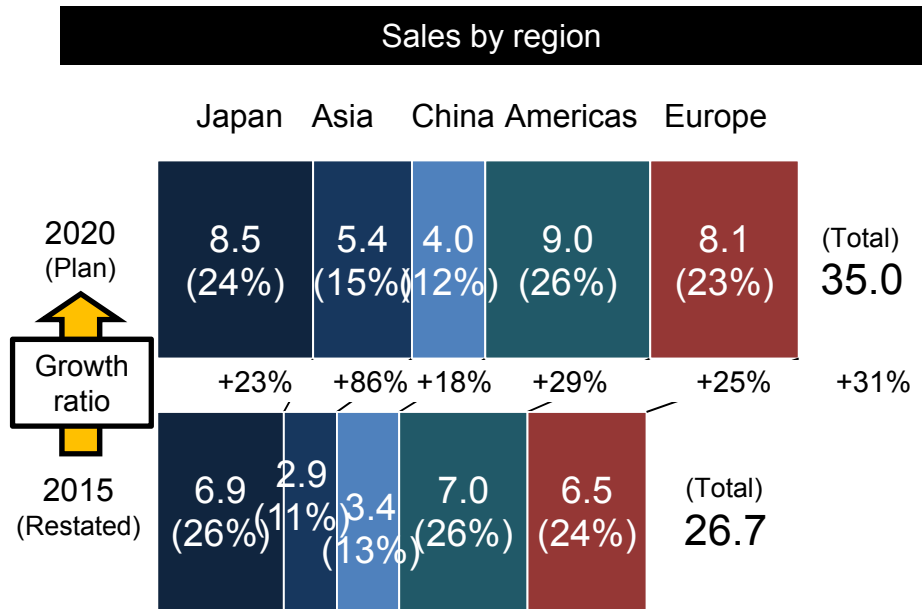
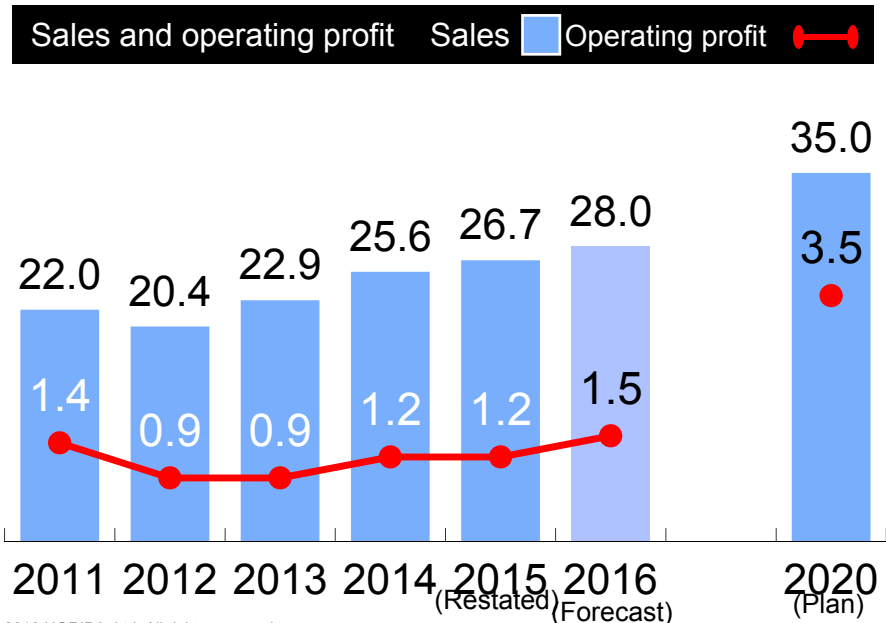


Scientific Growth strategy

(Billions of yen)

Becoming “Your Partner in Science”, and generating HORIBA’s core technology

- ◆ Integrate technologies of HORIBA and HORIBA Jobin Yvon (HJY)
- ◆ Enhance HORIBA’s core technology and make it available for other segments to expand their business
- ◆ Enhance capability in the cutting-edge material analysis field, and capability in design and development tailored to customer needs



Approach for exploit new market

Japan/France/US/Canada Globalize through technology of 4sites



- Optical analysis technology of HJY
- Close relationship with academia in France
- Utilize HORIBA Europe Research Center



- Particle size distribution and X ray analysis of HORIBA
- Globalize production technology



- HJY US facility
- Fluorescence analysis of Photon Technology International
- Close relationship with academia in life science field
- Target to next generation drug development etc.

Highly valued brand in material analysis field

Network in Life science field



HORIBA Jobin Yvon/Paris

HORIBA, Ltd. Kyoto

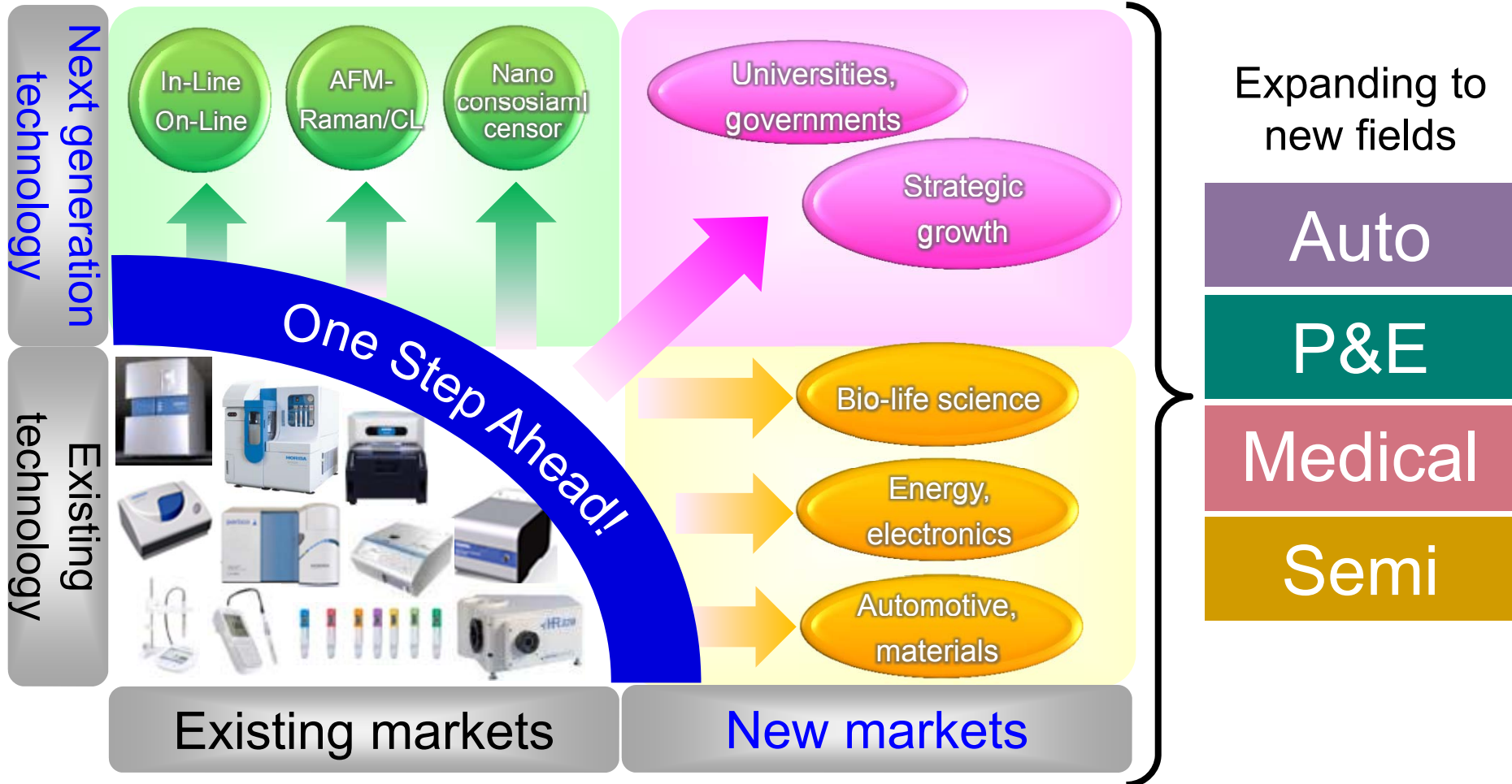


Photon Technology International/Canada



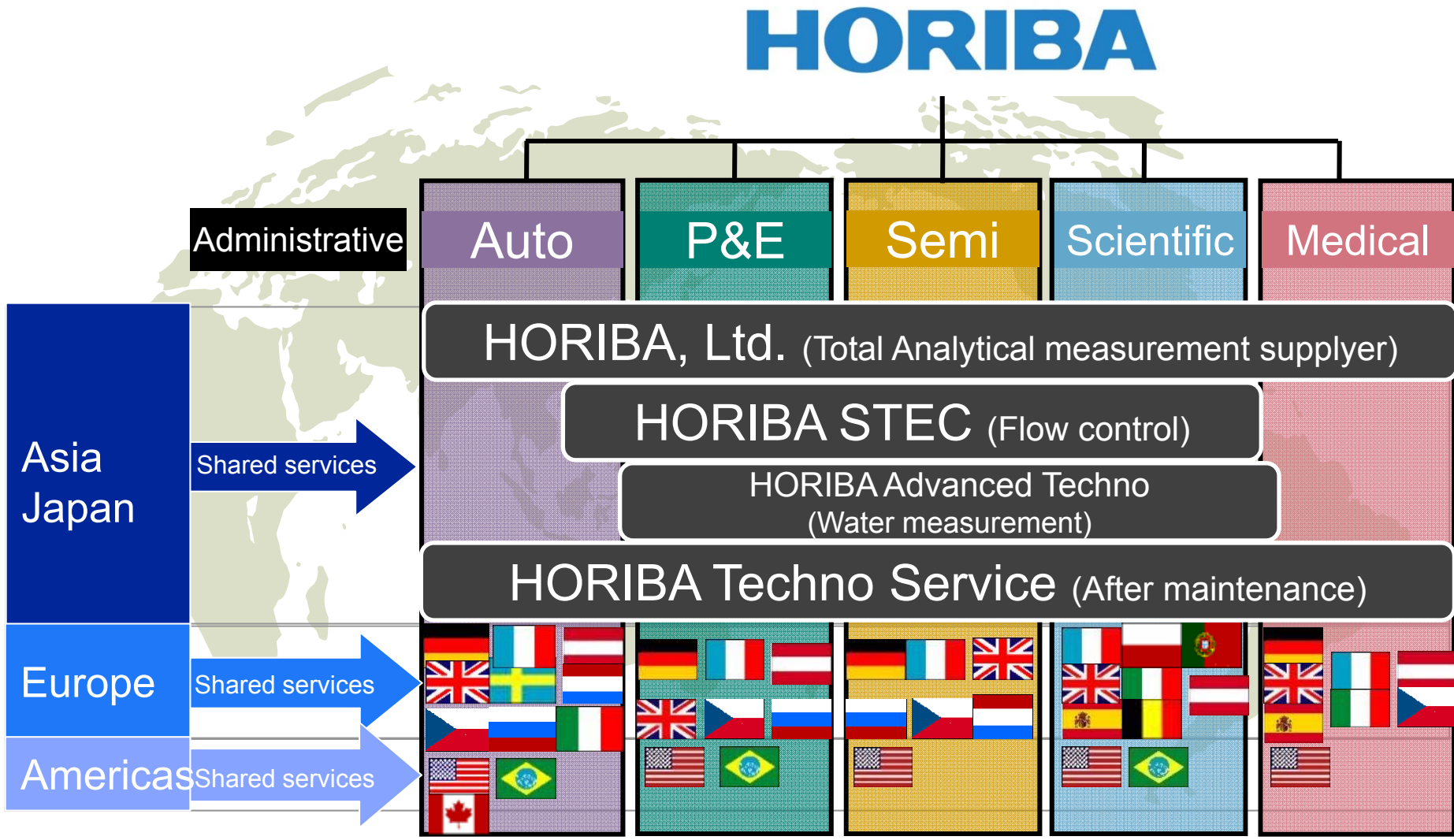
Use of core technology for growth

Cutting-edge technology of HORIBA and HORIBA Jobin Yvon
Close relationship with academia



HORIBA's original management style
+
Strategic growth in Water measurement field

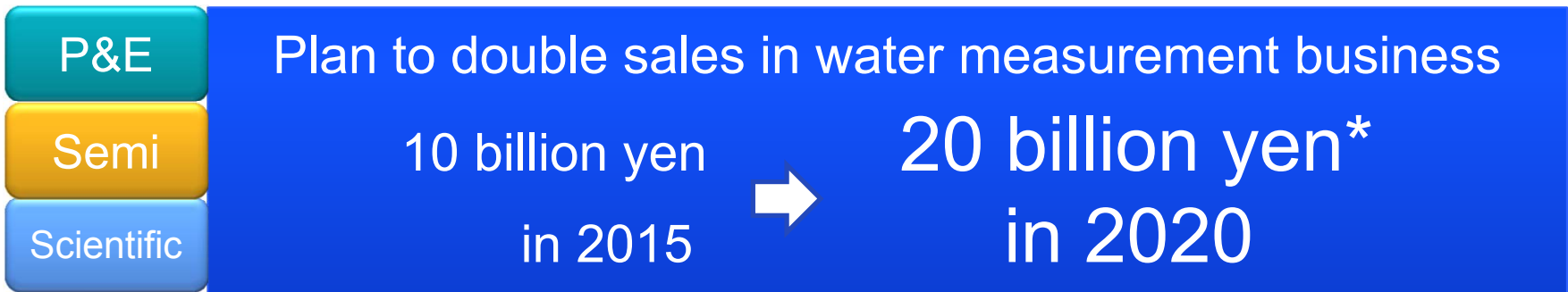
HORIBA's original management style



Apply HORIBA's water measurement technology to raise productivity in water treatment processing
 Create the value only HORIBA can realize

HORIBA Advanced Techno = Core player in water measurement

- Cover all water treatment processes
- Timely and precisely satisfy market demand
- Create next generation water measurement network using IoT



* Total sales amount of water related business of P&E, Semiconductor and Scientific

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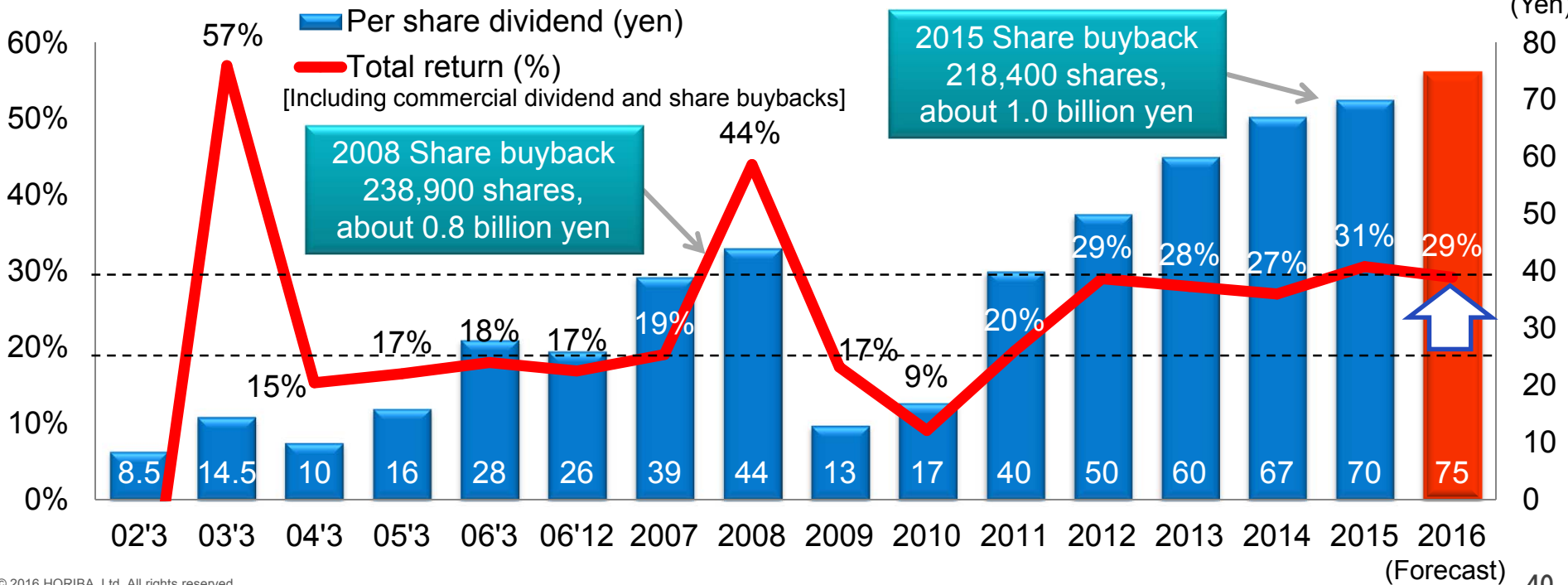
- Corporate profile

Shareholder return 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)

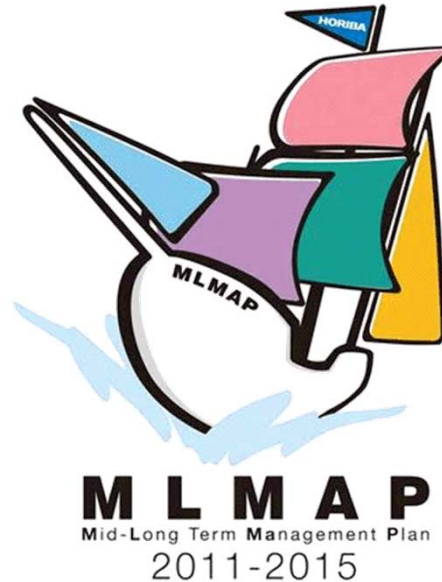
Since 2013, HORIBA has changed the base amount of profit returns to shareholders from 30% of HORIBA, Ltd. (nonconsolidated) net income to 30% of consolidated net income. HORIBA started paying shareholder dividends based on a predetermined payout ratio in 1974 when HORIBA was listed.

Per-share dividend and total return ratio(from 2001 to 2016 Forecast)



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Symbol of the previous MLMAP



“A yacht’s sails enable it to go forward regardless of the direction of the wind.”

A yacht can sail toward harbor even with headwind.

HORIBA is like such a yacht, sailing the seas with five sails (business segments) which efficiently coordinate with each other so that the company is propelled toward its goals, by redirecting winds (chances) into the driving force.

Symbol of MLMAP2020



One Step Ahead - To create a next stage of HORIBA -

Step out of the existing business fields and pursue further expansion.
Take a new perspective and overcome technological/market/organization barriers.
Be flexible, think outside the box, and move up to the next stage.

Thank you very much for your attention.

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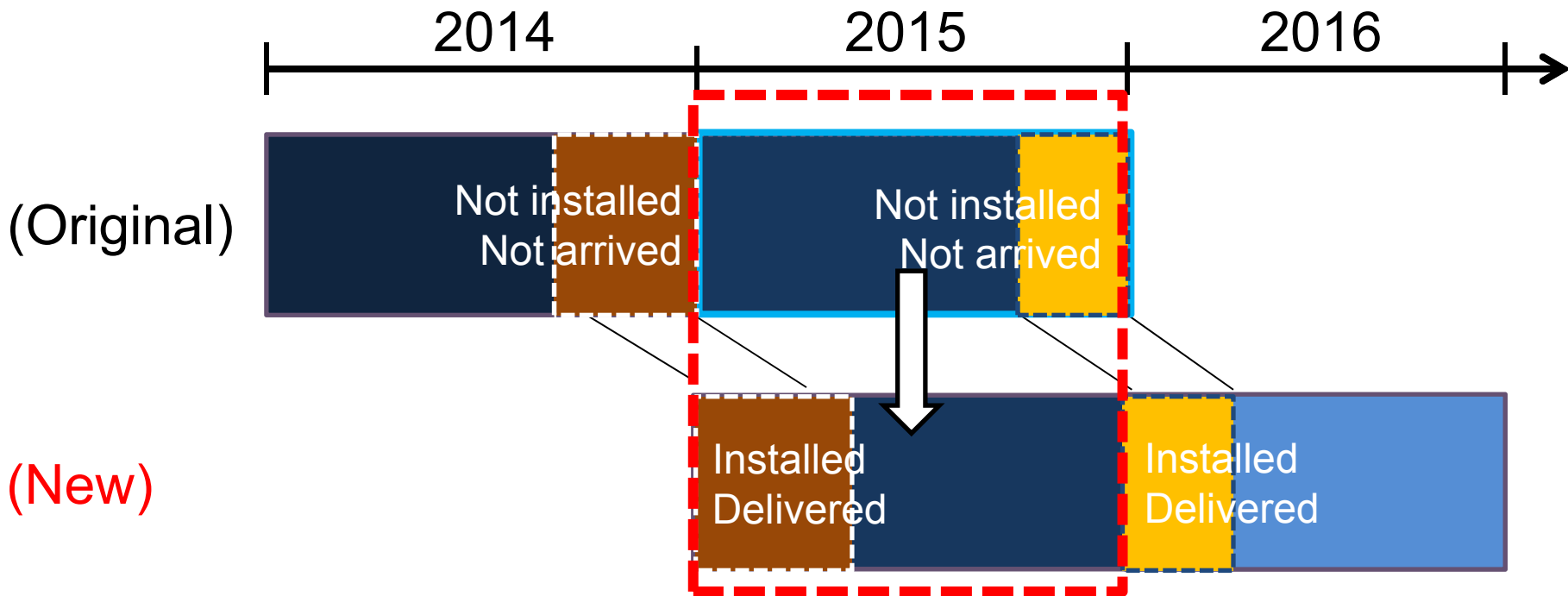
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Changed the accounting policy for revenue recognition



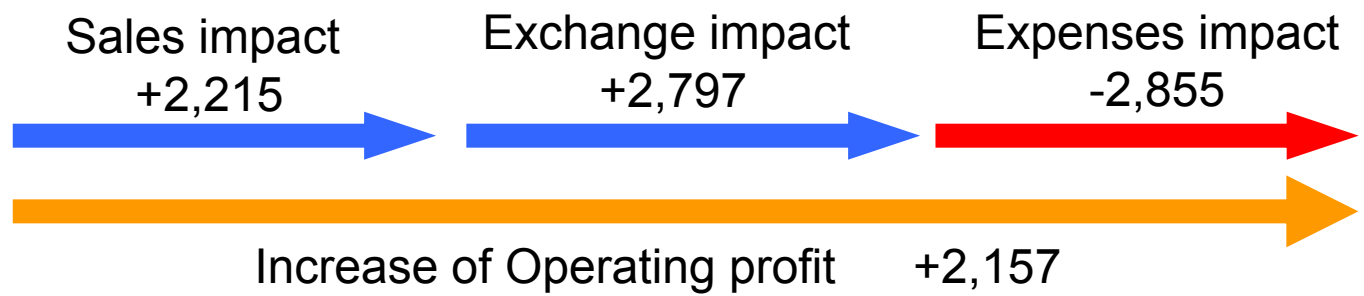
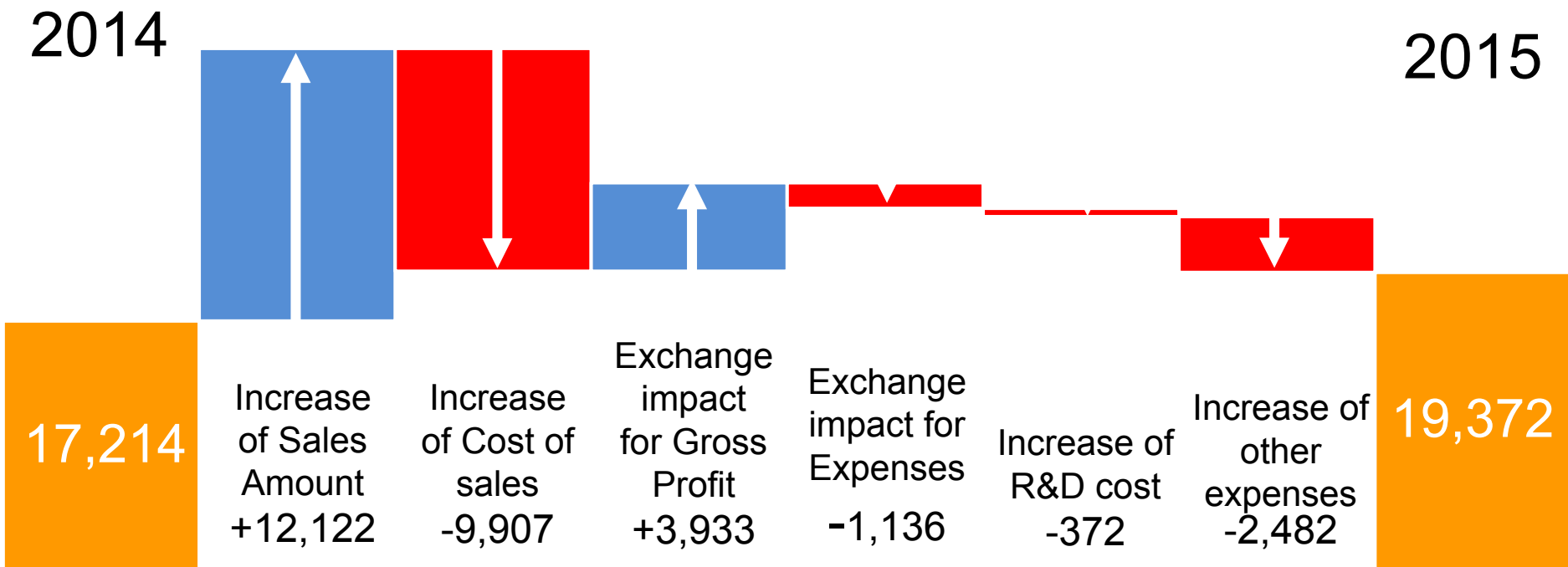
Changed points: Original Shipment base
 New The date of delivery or installation based on contractual arrangements

Applied timing: January 2016

Reason for change: Triggered by the introduction of a new ERP implementation, to harmonize with international accounting standards.

2015 Operating profit analysis (vs. 2014)

(Millions of yen)



Capital Investment, Depreciation, R&D

(Billions of yen)

		2014	2015	2016	
		Results	Results	Forecast	vs 2015
	PP&E	9.1	14.9	16.3	+1.4
	Intangibles	1.8	1.4	0.7	-0.7
Capital Investment		11.0	16.3	17.0	+0.6
Depreciation		4.9	6.1	7.0	+0.8
R&D		11.9	12.3	14.0	+1.6
(To net sales)		7.8%	7.2%	8.0%	+0.8p

2016 Main reasons for increase	•PP&E	Capital spending for HORIBA MIRA Ltd.(6.0bil yen)
	•Depreciation	Biwako factory (0.7bil yen)
	•R&D	Increase in Automotive segment

Consolidated Cash Flows

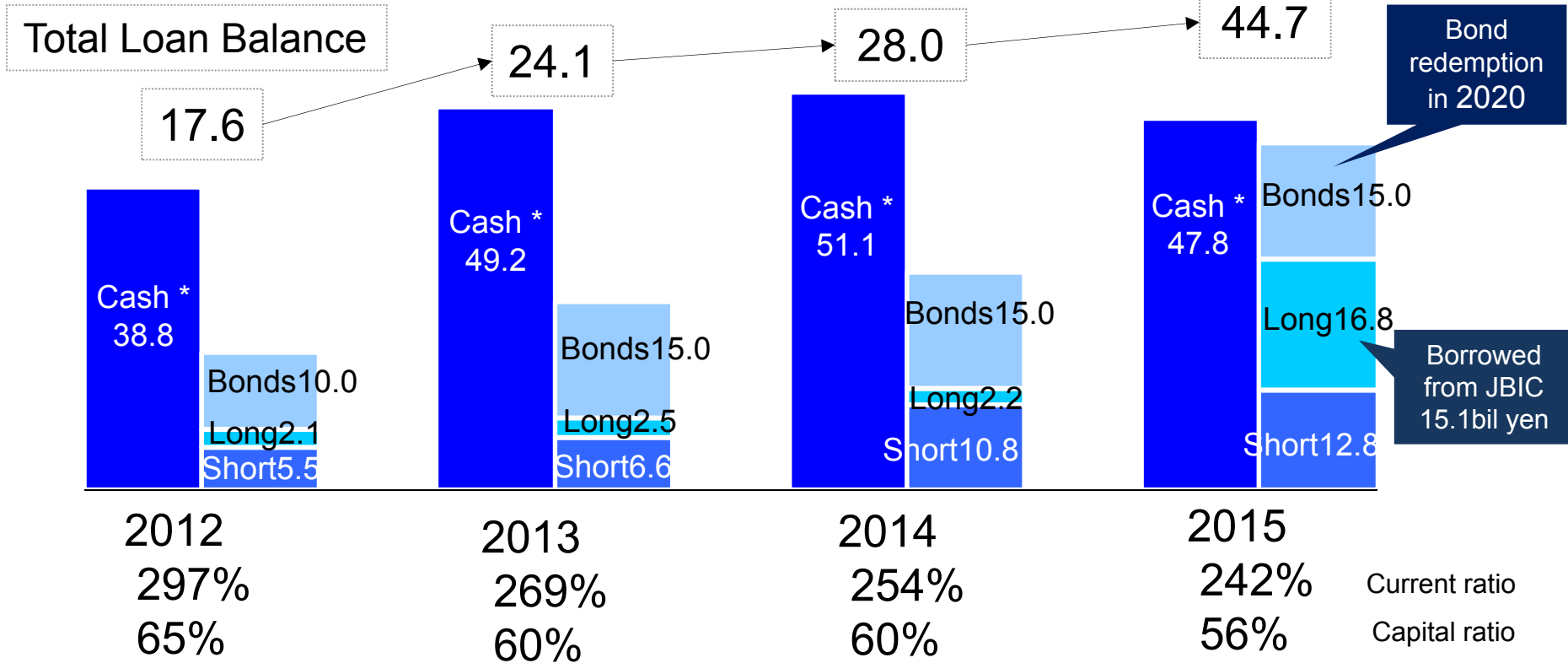
(Millions of yen)

	2014	2015	Variation
Cash flows from operating activities	11,455	14,770	3,315
Cash flows from investing activities	-9,875	-30,642	-20,768
Cash flows from financing activities	-273	12,843	13,117
Cash and cash equivalents at end of year	51,109	47,859	-3,251
Free cash flows	1,580	-15,872	-17,453

Cash Balance

(Billions of yen)

(Consolidated basis, each end of the year)



Borrowed 126mil US\$ from JBIC (Japan Bank for International Cooperation) in Sep. 2015 for acquisition of MIRA Ltd.
 Conclusion of liquidation of receivable contract with 2 banks.
 Recent issuer rating : R&I [A-] (Aug 2015), JCR [A] (Sep 2015)

Cash*...Cash and Cash Equivalents at End of Period

Impact of fluctuation in foreign exchange

Exchange rate impact (2015 Results)

(Millions of Yen)	Sales			Operating Profit		
	Total	USD	EUR	Total	USD	EUR
Auto	1,021	1,529	-822	326	468	-43
Medical	616	881	-526	220	100	4
Semi	2,266	1,979	-49	1,959	1,824	-39
Scientific	1,062	1,328	-355	184	186	2
P&E	497	386	-93	137	58	-36
Total	5,463	6,106	-1,848	2,827	2,638	-112

Exchange rate impact for 2016 Forecast

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

Sales

USD 403 millions of yen
EUR 330 millions of yen

Operating Profit

USD 172 millions of yen
EUR 17 millions of yen

	2014 Results	2015 Results	2016 Forecast	vs 2015
USD	105.79	121.10	115	▲ 6.10
EUR	140.35	134.31	125	▲ 9.31

Contents

- Review
 - previous MLMAP [2011-2015] / 2015 Results
- MLMAP2020 [2016-2020]
- Business segment outline
- Shareholder return

- Financial Data
- Corporate profile

Corporate Profile

- Head office Kyoto, Japan
- Founded 1945
- Incorporated 1953
- CEO Atsushi Horiba
- Fiscal year end December 31

Atsushi Horiba
President & CEO



.....

- Corporate motto -

JOY and FUN

To have interest and pride
in our work to enjoy our lives



Business Segments



Automotive Test Systems

- Emission Measurement Systems (EMS)
- Mechatronics Devices (MCT)
- Driving Control Systems (ITS)
- Engineering Consultancy & Testing (ECT)



Process & Environmental

- Environmental Systems
- Environmental Radiation Monitor
- Environmental Regulation & Process Business



Medical

- In-Vitro Diagnostic (IVD) Systems
- Integration of HORIBA ABX's Technology & Marketing Know-How



Semiconductor

- Mass Flow Controller
- In-situ Analysis
- Synergy among HORIBA HQ, HORIBA STEC and HORIBA Jobin Yvon's Technologies



Scientific

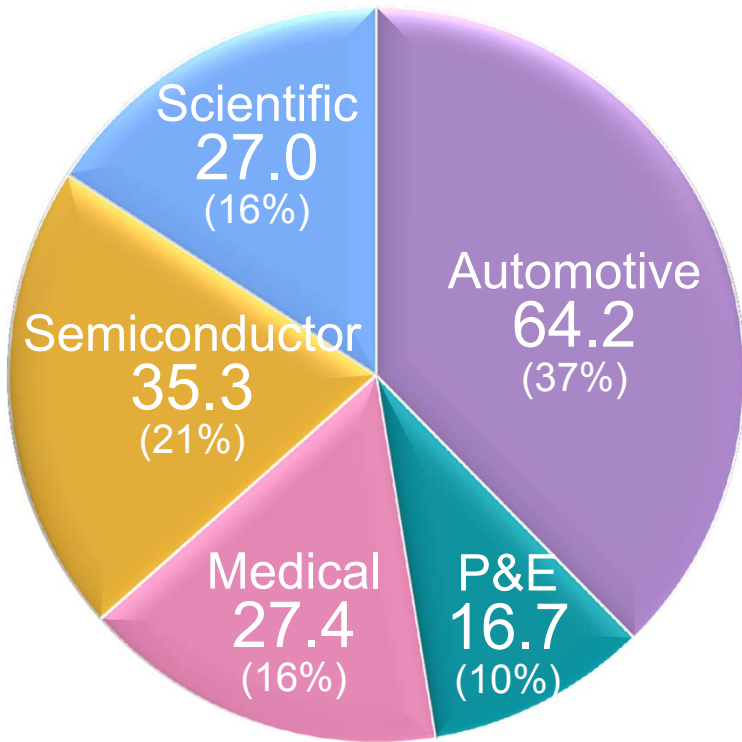
- Synergy of HORIBA and HORIBA Jobin Yvon's Technologies
- Raman, Grating, and Fluorescence



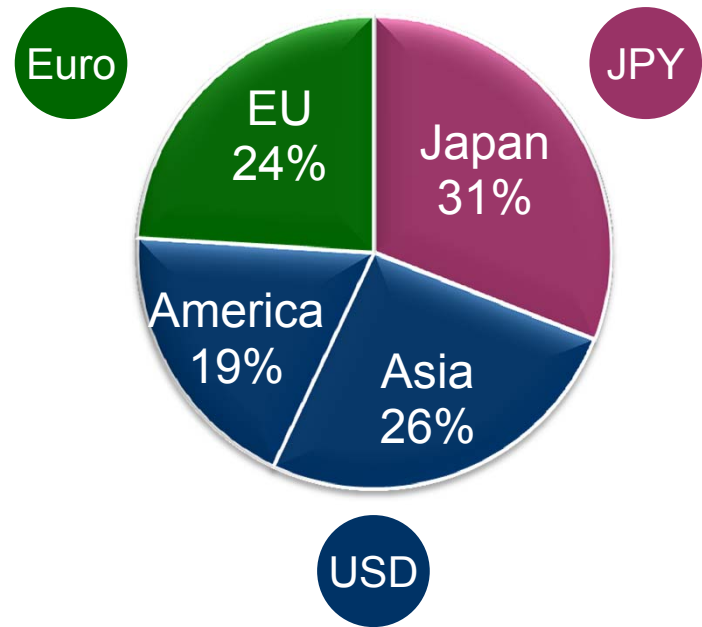
Well Balanced Business Operation -Five Business Segments-

Business & Geographic Composition of Sales(2015)

Sales 170.8 Billions of Yen



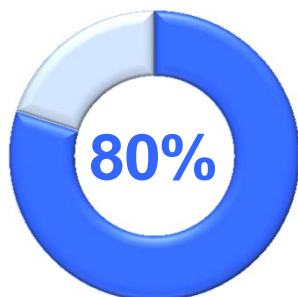
(Billions of Yen)



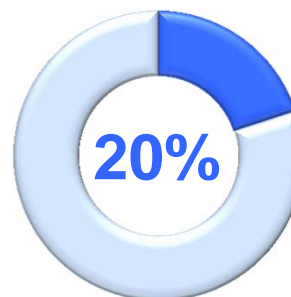
Reduce Country Risk and Exchange Risk

Global Market Share

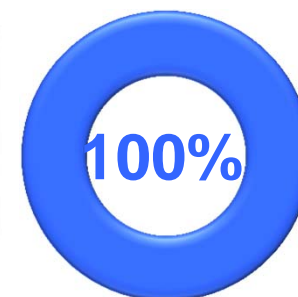
Emission Measurement Systems



Stack Gas Analyzers

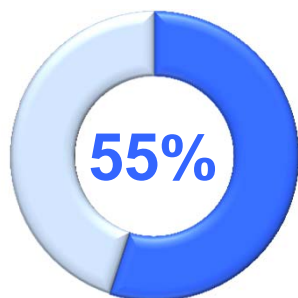


Automatic Blood Cell Counter plus CRP

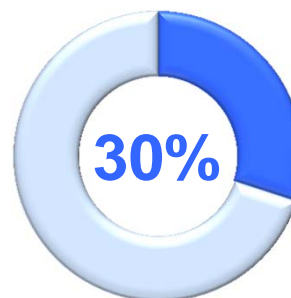


(Only in Japan)

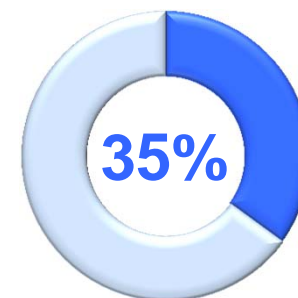
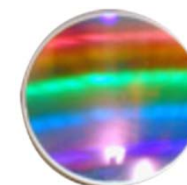
Mass Flow Controllers



Raman Spectrophotometers



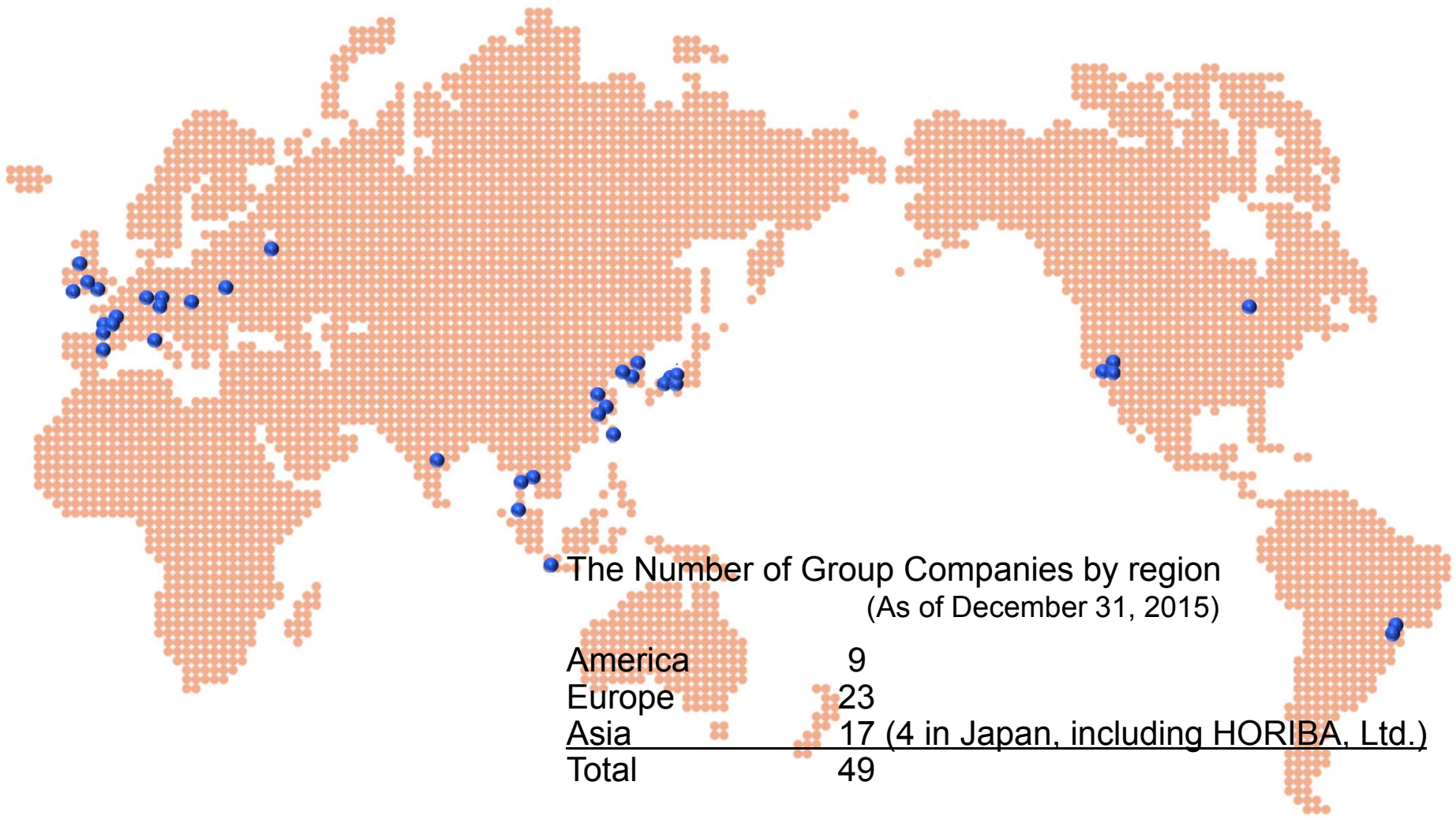
Gratings



※Market shares quoted are estimates by HORIBA.

HORIBA Worldwide

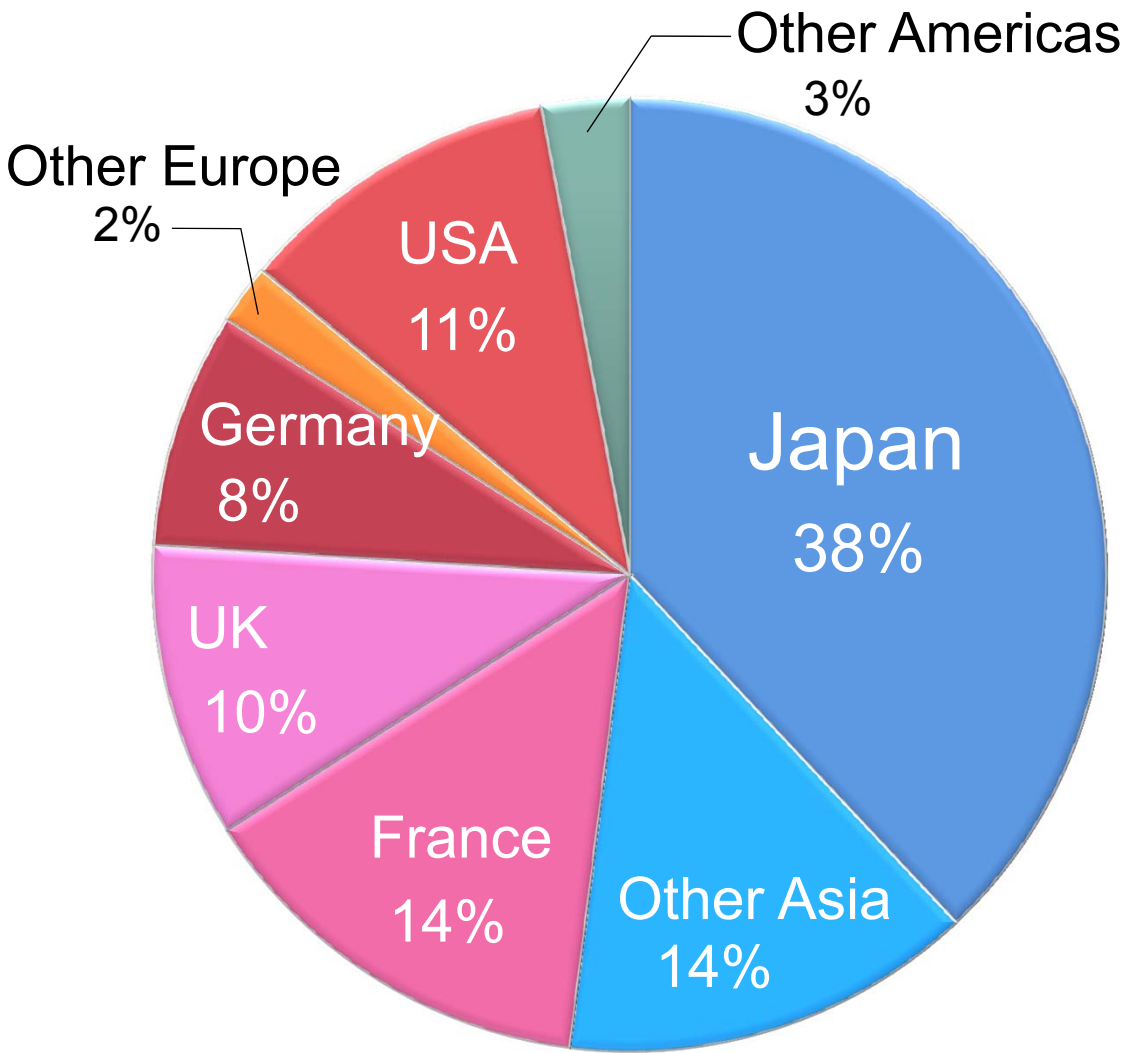
Sales of FY2015: 170.8 BJPY



• The Number of Group Companies by region
(As of December 31, 2015)

America	9
Europe	23
Asia	17 (4 in Japan, including HORIBA, Ltd.)
Total	49

Employees by Region



Total Number of Employees

6,831

Total Asia: 3,545

52%

Total Europe: 2,356

34%

Total Americas: 930

14%

Thank you very much for your attention.