

HORIBA

HORIBA Report 2024-2025

Year ended December 31, 2024

Omoshiro-okashiku
Joy and Fun

おもしろ
楽しく



Joy and Fun for All

We are contributing to a world where all living beings live to their fullest and in harmony with one another. By sharing the spirit of “Joy and Fun,” we ourselves will fulfill our potential, and create an environment where all living beings not only live but thrive.



Our Future

CEO Message

HORIBA's Value Creation

HORIBA's Strategy

HORIBA's Governance

HORIBA's Results

What does this tree stand for?

The future where all lives thrive with Joy and Fun

HORIBA providing solutions for society and the environment to realize better quality of life

HORIBARIANS of today working with curiosity and passion in pursuit of Joy and Fun

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The future we want to realize by 2053

Our Future

(Vision, Mission, Values)

In 2023, we have established the long-term vision “Our Future” (Vision, Mission, Values) with participation of HORIBARIANS worldwide where we defined the future that we as HORIBA want to realize in the next 30 years, when HORIBA celebrates its 100th Anniversary.

Vision

Joy and Fun for All

Three Fields which HORIBA focuses toward realizing Our Future

Energy & Environment

Bio & Healthcare

Materials & Semiconductor

Mission

Shape our future with solutions based on HONMAMON and Diversity

Values

Spirit of Challenge

Reliability and Trust

Pursuit of Excellence

Corporate Motto

Joy and Fun



*HORIBARIANS: All HORIBA workers are regarded as family and called HORIBARIAN as a nickname.



“HONMAMON” that HORIBA Pursues

The eternal pursuit of creating/providing something from the heart that is one-of-a-kind.

“HONMAMON”, derived from the Japanese word Honmono (meaning authentic), is an expression used in Kyoto which indicates the highest class of real. Each person may have a different interpretation, but we will pass on “HONMAMON”, a concept that our founder has cherished.

“HONMAMON” is born from genuine curiosity and passion, reflecting on others’ needs. “HONMAMON” describes the people, their actions and endeavors, and everything that is born as the result of the continuous pursuit for something better. Through these efforts, “HONMAMON” will have a special spirit that fascinates others.

When “HONMAMON” touches people’s hearts, the world will begin to change for the better. With this belief, we will pursue our own “HONMAMON” everyday.

Celebrating the 100th anniversary of the birth of our founder, Masao Horiba

In December 2024, we celebrated the 100th anniversary of the birth of HORIBA’s founder, the late Masao Horiba. Masao Horiba is known as a pioneer of student venture, because he founded HORIBA Radio Laboratory on October 17, 1945, while studying at the Faculty of Science at Kyoto Imperial University. He established HORIBA, Ltd. in 1953, and with his inquisitive mind, he refined his unique technology and led HORIBA to become a global niche top company in the field of analysis and measurement.



Masao Horiba
(1924–2015)

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Unleash “HONMAMON” technology to bloom throughout the world

Creating a new future through the combined strength of our Group

Atsushi Horiba
Chairman & Group CEO

In FY2024, we began our Mid-Long Term Management Plan, MLMAP2028, and in May 2024, HORIBA's market capitalization approached 700 billion yen, our highest ever. I would like to express my gratitude to all stakeholders involved for recognizing HORIBA's business growth, which is contributing to the expansion of the semiconductor industry. We also face challenges that demand urgent action, especially in managing production for our hydrogen-related business in Energy and Environment Field which we are actively investing in. Under such circumstances, we are reorganizing our systems and refocusing our strategy. MLMAP2028 will guide us in addressing pressing social issues across our Three Focus Fields of Energy & Environment, Bio & Healthcare, and Materials & Semiconductor. This is bringing large changes to our global business and market. We are experiencing HORIBA's true strength as the technologies and services we have cultivated thus far bloom in new fields.



Our business field expanded in 2024 as core technologies honed by HORIBARIANS met new customer needs

Since declaring “HORIBA Group is One Company.” in 2004, we have achieved significant growth across five business segments. With MLMAP2028, we took the big step of reorganizing these five segments into Three Fields. Amidst shifts in the social and market environment surrounding HORIBA, this major transformation has strengthened internal collaboration across our organization. It has also enabled us to build new relationships with customers that we previously had limited contact with, while enhancing cross-functional communication within HORIBA. This has allowed activities that span departments and affiliates to flourish on a global scale. I truly feel that this comes from building a robust system that unifies members across business segments for a single market. At the same time, we recognize how important it is for us to be mindful as we continuously change and grow as an organization. Today, HORIBA is intensifying its efforts to leverage advanced technologies to meet global demands and promote the development of new businesses. We aim to accelerate these efforts and actively contribute to solving social issues by aligning our solution with evolving customer needs.

Instill the HORIBA style and plant the seeds of technology and opportunity to bloom around the world

Looking ahead, with our three core business fields as pillars, I am confident in our ability to achieve even greater global expansion and to scale up sustainably through new industries and innovative approaches to customer engagement. To realize this, our top priority must be to communicate and foster our values and spirit in local markets through HORIBA Group companies, while promoting our business with respect for and understanding of the diverse cultures and values of each country.

To build an authentic “HONMAMON” relationship of trust with our customers, it is essential to first share the HORIBA philosophy. This philosophy is based on our corporate motto, “Joy and Fun,” and the spirit of pursuing “HONMAMON”. Additionally, it is crucial to have an attitude of mutual respect for each other’s cultures and perspectives. Guided by these values, we are dedicated to proactively fostering interaction among our talent, employing diverse professionals with global perspectives, and cultivating HORIBARIANS who can excel on the world stage. Our goal is to leverage the synergy between HORIBA culture and the technologies and opportunities held by new regions, industries, and customers, to create new value all around the world. To turn this vision into reality, HORIBA will unite as one and work to demonstrate the full scope of our capabilities.

The key to expanding our business lies in applying the technologies we have refined and perfected over the years in other fields, and strive to pioneer new markets for HORIBA from multiple perspectives.

Since HORIBA’s founding, we have aligned with societal trends and seized opportunities to drive breakthrough innovations. The emission measurement systems that drove our automotive business were originally developed as breath analyzers and were subsequently repurposed. We have now developed them to the point where they have become the de facto industry standard. Similarly, we developed mass flow controllers to direct the flow of gases in semiconductor production equipment by integrating the best of HORIBA technologies at the time. This innovation allowed us to enter a new market in response to the growth of the semiconductor industry. Although we faced numerous challenges in the early days of our semiconductor business, it has grown to become HORIBA’s leading business, and currently enjoys a high profit ratio.

In this way, HORIBA’s technologies have the power to create new businesses and open up new markets. Moving forward, as we aim to further expand our market presence, we will continue to refine our technologies in each field and develop new solutions that, like our emission measurement systems and mass flow controllers, will become new pillars of our business.

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Actively investing in the technological development needed for growth

HORIBA is actively investing in creating emerging markets for Hydrogen and Bio-pharmaceuticals, as well as utilizing spectroscopic technologies for the inspection of semiconductors, with the expectation that these will become the next core fields for our business growth. The global markets that we are competing in are characterized by cutting-edge technological development and fierce competition. Particularly, in the field of semiconductors, HORIBA has maintained the top global share, even as Japanese firms have struggled. This success stems from our long-term commitment to continual investment in research and development, and identification of necessary technologies. As we have leaned into solving customer problems and discovered new solutions, HORIBA has developed multiple products as the de facto standard in their industries. We are confident that in our Three Focus Fields as well, we can also build unshakeable relationships of trust and create new business opportunities by integrating multiple core technologies to offer unique solutions to the customers who drive the market.

The qualities that HORIBA needs to succeed in the global market are an accurate judgment, perseverance, and speed. We aim to develop new technologies that will help us in the future by facing issues head-on, swiftly deciding how to employ HORIBA's "HONMAMON" capabilities, and following through on the path that we believe is right.

Building a "HONMAMON" Team HORIBA through the efforts of each and every HORIBARIAN

At HORIBA, we consider every employees within our group to be part of family and valuable assets. We proudly call them HORIBARIANS. Of course, our personnel development not only seeks to hone the individual strengths of each member but also aims to empower diverse talents to collaborate and innovate, thereby achieving substantial results and creating new value.

There are textbooks that teach driving skills, but there is no single definitive textbook for management. It is easy to imagine that a driver who follows the textbook for exemplary driving will not be able to lead a strong Formula 1 team capable of competing for the fastest times. The same idea can be applied to HORIBARIANS talent development. Consider the experienced and skilled driver who can make calm yet rapid decisions, the staff members fulfilling various roles, and the experts who develop the racecar and its powertrain. Each of these individuals is a professional in their respective field and plays their crucial role on the racetrack. It is essential for each of them to demonstrate their abilities and engage in the highest level of teamwork to win in this highly competitive world. Our "HONMAMON" Team HORIBA is built by each and every HORIBARIAN putting their unique abilities to work in their field of expertise and in pursuit of our Corporate Motto of "Joy and Fun".

Building this "HONMAMON" Team HORIBA is our important mission for the next 10 years, and we will blaze the path to becoming number one at the forefront of world markets.



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In this era of rapid change, I hope that HORIBA can discern what we will change, what we will not, and evolve to reach a new stage

In 2025, HORIBA is celebrating the 80th year since our founding. Our company was founded in Kyoto, and as a venture firm, has produced numerous innovative solutions based on analysis technology.

Looking back on our long history, I feel once more that the spirit of HORIBA is for each member to find fulfillment in doing their work for “Joy and Fun”, and to pursue “HONMAMON” technologies. This is the foundation of our growth. HORIBA grows steadily by creating new businesses together with various customers worldwide. However, due to the rapid expansion of the semiconductor industry, expectations from the stock market are evolving. While HORIBA's long cherished philosophy remains unchanged, I believe that a thorough understanding of our stakeholders' expectations, along with fostering mutual understanding, will be crucial in enhancing our competitiveness in the market.

At the same time, rapid globalization is constantly reshaping the environment in which HORIBA operates. To create an environment in which HORIBARIANS around the world can work with enthusiasm, we must respect diverse values and

cultures, and be flexible enough to welcome new ideas and challenges. We strive to embrace multiple perspectives and act swiftly when issues arise, while maintaining the determination needed to steadily implement our responses. With a steadfast commitment to sincerely addressing challenges, HORIBA aims to continue advancing into the future. Looking ahead, our strength lies in our people. Diverse HORIBARIANS will continue to take ownership of tackling challenges and lead HORIBA toward greater growth in global markets. Therefore, I hope that all stakeholders will continue to give us your understanding and support.

May 2025

Atsushi Horiba

Chairman & Group CEO

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Omoshiro-okashiku
Joy and Fun



"Omoshiro Okashiku" - the HORIBA Corporate Motto "Joy and Fun" represents our desire to see all employees performing work that is rewarding and allows them to lead happy and fulfilling lives. We want our people to put "Joy" into their work through their own efforts by making the most of the time they spend in the workplace.



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Editorial policy

Editorial policy

We create the HORIBA Report to gain the interest of institutional investors who take a long-term perspective, and to allow them to attain a better understanding of HORIBA. We also believe that HORIBA's stakeholders can obtain benefits stemming from our growth, and that they take the same long-term perspective as institutional investors. This integrated report is meant to help investors and various other stakeholders better understand HORIBA.

Regarding our use of the term "owners" (shareholders)

HORIBA fully recognizes the importance of its shareholders and frequently refers to them as "owners."

Regarding our use of HORIBA and HORIBA, Ltd.

In this HORIBA Report, the HORIBA Group of companies is described as HORIBA and the parent company as HORIBA, Ltd.

Market share in the HORIBA Report

Market shares stated in this report are HORIBA's estimates as of fiscal 2024.

Change in revenue recognition standard

HORIBA, Ltd. and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping-date basis. However, starting from fiscal 2016, HORIBA, Ltd. and its domestic consolidated subsidiaries changed their revenue recognition method to recognize revenue on a completion-date-of-installation or delivery-date basis under the terms and conditions of the relevant contracts. The amounts in or before fiscal 2015 are not retrospectively revised.

Disclaimer regarding future plans and forecasts

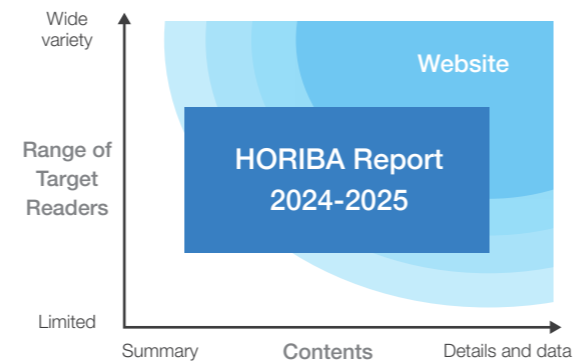
This HORIBA Report contains certain statements describing future plans, strategies, and performance forecasts of HORIBA, Ltd. and its affiliated companies. These statements reflect forecasts estimated on management's assumptions and beliefs based on the information available as of April 30, 2025. Actual performance may differ due to unforeseen circumstances in the operating environment and other factors.

Regarding the importance and comprehensiveness of information in the HORIBA Report 2024-2025

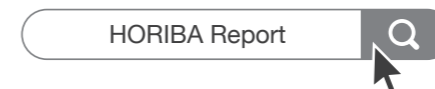
We have selected financial and non-financial information that we believe to be of high importance for inclusion in the HORIBA Report 2024-2025.

For more detailed information, please see our website.

The PDF version of the HORIBA Report 2024-2025 is also available through our website.



We want to create a guide like our own North Star which will lead the way home no matter where we are. It was with such sentiments in mind that we formulated "Our Future" (Vision, Mission, Values). The cover design of the HORIBA Report 2024-2025 draws its inspiration from this "North Star."



IR information



Sustainability information



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HORIBA value creation model

Creating value through the synergy between diverse people and technology

HORIBA provides solutions through analysis and measurement technologies, which support the resolution of social issues. Diverse people and technologies support our business.

HORIBA will be a partner with customers to contribute to building a better society and generating greater social value.



Joy and Fun for All



STRATEGY 1

Business strategy to solve social issues in Three Focus Fields (Field Operation)



HORIBA Value Creation

STRATEGY 2

Group HR strategy to maximize HORIBARIANS' potential

Every HORIBARIAN demonstrates their abilities with "Joy and Fun".

People (HORIBARIANS)



STRATEGY 3

A sustainability strategy for creating social impact

Contribute to achieving a sustainable society



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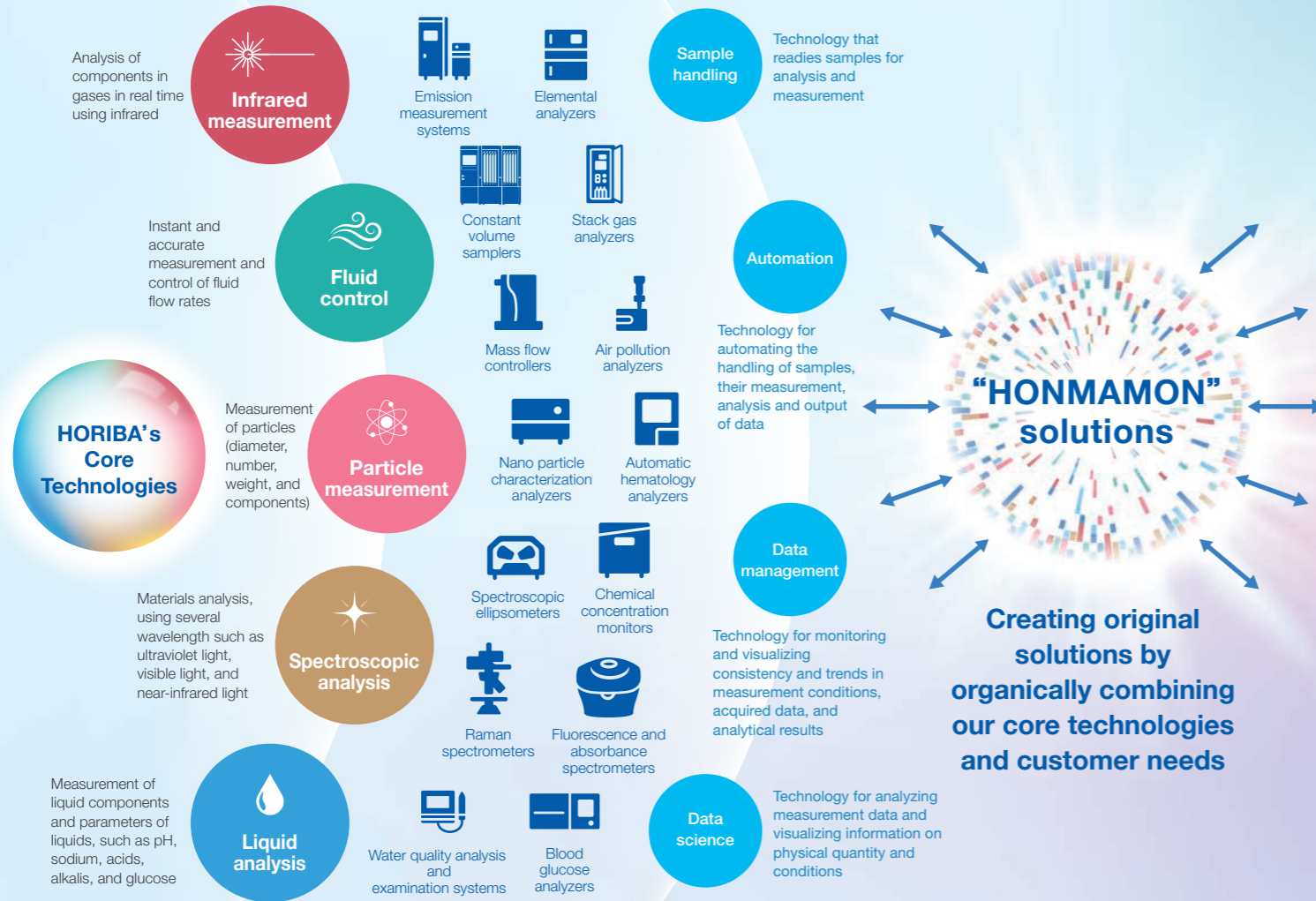
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HORIBA's "HONMAMON" solutions

created by the organic combination of various customer needs and our technologies

HORIBA's measurement technology began with electrochemical pH meters. Since then, we have expanded the analysis targets to include liquids, gases, and solids, while accumulating various analysis and measurement technologies using infrared rays, X-rays, and the like. We are also developing control technologies in addition to our analysis and measurement technologies. We utilize solutions created out of our core technologies, as well as advanced sample handling, automation, data management, and data science technologies that flexibly meet customer demands, to ascertain the changing needs of the market. HORIBA contributes to solving social issues by creating unique solutions through the organic combination of core technologies that we have cultivated around the world to meet customer needs in our Three Focus Fields.



HORIBA's Three Focus Fields

Energy & Environment

Focus fields

- Development of next-generation vehicles
- Evaluation for exhaust gas certification
- Evaluation of electrolyzers and fuel cells
- Measurement and monitoring of water quality and gases

Bio & Healthcare

Focus fields

- In vitro diagnostics, such as blood cell counting and clinical chemistry testing
- Development, manufacturing, and quality control of pharmaceuticals
- Processes related to food and beverages, cosmetics and skin care products

Materials & Semiconductor

Focus fields

- Process control and monitoring in semiconductor manufacturing
- Facility management and control
- Advanced materials development, production, quality control, and support for mass production

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Accelerate growth in our Three Focus Fields and contribute to a sustainable society

Achieving record high profits for four consecutive periods in the year ended December 31, 2024 A solid start to MLMAP2028

In 2024, we began implementing our Mid-Long Term Management Plan, MLMAP2028, which aims to achieve 450 billion yen in net sales by 2028. Up until MLMAP2023, HORIBA has operated across five business segments, but hereafter we will pursue a business strategy centered on Three Focus Fields. Our strategy is to capture the needs of customers in each of These Fields, then combine them with HORIBA Core Technologies to address broader social issues. Looking back over the activities of this year, it is clear this strategy is steadily gaining momentum.

In such circumstances, our operating results for 2024 were 317.3 billion yen in net sales (9.2% increase year on year), 48.3 billion yen in operating income (2.2% increase year on year), and 50.1 billion yen in ordinary profit (4.0% increase year on year). Thus, we obtained record high net sales, operating income, and ordinary profit for four consecutive periods.

Looking at each segment*, we see a year-on-year revenue increase of 13.0 billion yen and operating income increase of 0.2 billion yen for the former Automotive Segment, which going forward will be a part of the Energy & Environment Field.

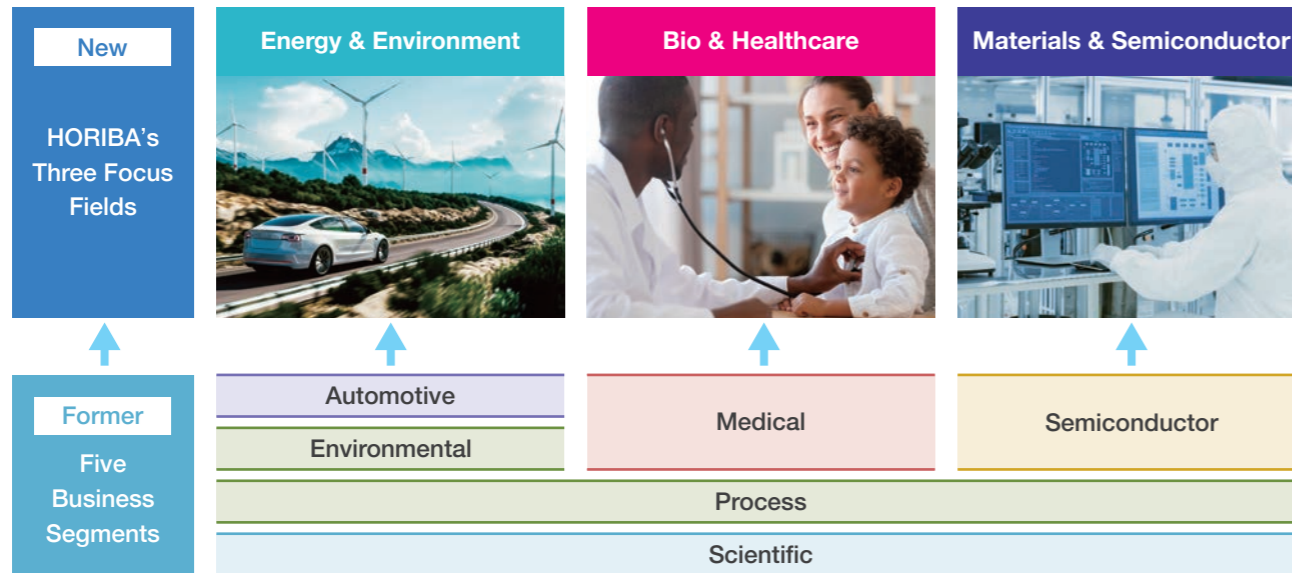
This growth is attributed to a slight deceleration in the shift towards electrification and increased investment in internal combustion engines for hybrid vehicles. In the new field operation, we categorize

*Since the five former business segments were the official business departments for reporting results through 2024, this explanation will be based on those five segments.



President
Masayuki Adachi

Correspondence table between HORIBA's Five Business Segments and Three Focus Fields



all the power sources such as combustion engines, hybrids, fuel cells, batteries, and the like as “energy conversion systems.” HORIBA has been developing technology to support “low emission and high efficiency (low CO₂)”. Such technologies are getting refocused for various new energy conversion methods these days. Specifically, we have been developing our hydrogen business primarily through HORIBA FuelCon GmbH, and have made capital investments to expand our business in response to the rapid growth in demand. However, we encountered challenges in production management, resulting in an impairment loss of 1.3 billion yen for the third quarter of 2024. To address this, we have transferred the talents of HORIBARIANS from all over the world, and are urgently working toward a solution. Encouragingly, the outlook is beginning to improve, and we are looking forward to recovery.

In the field of Bio & Healthcare, we are actively investing in the development of new products and applications for the Pharmaceuticals and Drug Discovery sector of within Life Science Business. However, this has yet to contribute to our business performance. We expect to see results in the second half of 2025 as these products come to market, and are working to make this happen as soon as possible. In the Medical Business, where competition is becoming fierce, it is imperative that we understand the needs of each region around the world, work to expand our business, and develop optimal products for each region. Moreover, we are creating solutions by combining our In Vitro Diagnostics technology, such as hematology analyzers— which are one of HORIBA's strengths —with the optical technology possessed by our former Scientific Segment. This approach is allowing us to pursue collaboration while accelerating our global expansion.

In the field of Materials & Semiconductor, we saw a year-on-year increase in income of 7.5 billion yen for our former Semiconductor Segment, and an increase of 3.5 billion yen in operating income. Both figures are our highest to date and are driving profits for HORIBA as a whole. We anticipate steady growth in the semiconductor market and are making investments in preparation for an even greater wave of demand driven by the semiconductor needs associated with the development of generative AI.

Achievements and challenges for business expansion in our Three Focus Fields

The shift from a five-segment organization to an organization based on Three Focus Fields is encouraging changes in the awareness of HORIBARIANS.

The segment organization that allowed us to achieve growth for over 20 years inevitably led to the development of invisible barriers between segments. By removing these walls, we can now consider what HORIBA can deliver as a true “One Company”. This shift is gaining momentum, enabling us to tackle new opportunities in a positive way. For instance, the fully automatic thin film inspection system that we announced in October 2024 combines the core technologies of HORIBA's former Scientific Segment with an independently developed sensor and the automatic measurement technology of our former Semiconductor Segment in a single platform. This product embodies our new approach, which transcends segments.

The mass flow controllers that we supply to semiconductor production equipment manufacturers have captured a large share of the Semiconductor market. There is also demand for monitoring the gas and water used in production at the semiconductor factory where these



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products are employed. At HORIBA, our former Process & Environmental Segment was handled these analysis and measurement solutions.

Under our field organization, we treat the entire semiconductor plant as a single set of customers. This approach has allowed us to actively accelerate development in a way greater than ever before. I feel that customers have also noticed the expansion in the value that HORIBA can provide, and their expectations of us are rising. In this way, we are transitioning from providing single products and solutions to offering comprehensive HORIBA solutions that support the customer's entire business operations. In other words, we need a new business model that replaces point by point interactions with broader engagement. Unlike companies that mass produce and sell a single type of product based on a single technology, HORIBA integrates various products developed across the world to offer a unified system. Moreover, HORIBA's

consistent service, regardless of which Group company manufactured the product, provides great trust from our customers. Of course, technological capability is important, but in addition, long term relationships of trust with our customers is built on transparency. Our internal communication and unity are what make this possible. To quickly deliver optimal solutions, it is also important to maintain cooperation and alliances with other companies. When we believe that it will enable us to create new value, we actively coordinate and build collaborative relationships, even with companies that offer competing products. This kind of strategic collaboration is essential to quickly providing value to customers. I believe that combining a coordinated approach with all business units within the company with collaboration and alliances with other companies is key to making our field organization a success.

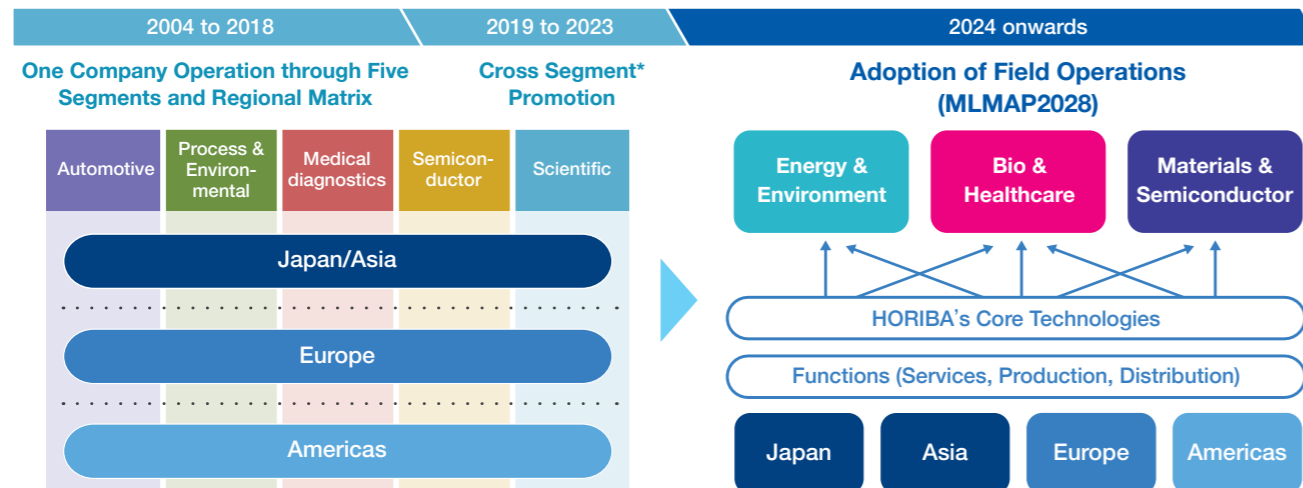
Advancing a sustainable future as HORIBA grows

HORIBA has been a pioneer in high-efficiency, low-emissions technology for more than half a century. As the need for carbon neutral society increases on a global scale, opportunities for HORIBA technologies to make significant contributions increase. Today technology for mixing ammonia, synthetic fuels, and other substances in order to reduce CO₂ emissions in power generation facilities are being developed. HORIBA can make big contributions in gas analysis techniques, particularly performance diagnostics for industrial applications – and continue to lead in this space.

Hydrogen technology is another key strength of HORIBA. Hydrogen is expected to be an essential element in contributing to carbon neutral society as it can be used to store and transport energy efficiently, and HORIBA is fully committed to supporting the creation of a hydrogen society. We are using both the gas analysis technology developed by our former Process & Environmental Segment and our expertise as a systems integrator in the automotive field to offer analysis and measurement solutions for implementing hydrogen utilization across society.

In this way, we believe that the spread of HORIBA technologies around the world will contribute to the reduction of CO₂ emission worldwide. This is HORIBA's approach to sustainability as a measurement solutions provider. The investments that HORIBA makes in research and development to achieve business growth are part of our sustainability activities. If we can quantify and share the impact of these kinds of activities to global carbon neutrality, I expect it will promote a broader understanding of HORIBA's role in shaping a sustainable future.

Progress on One Company Operation



*Cross segment: Activities that aim to generate new value by combining our core technologies and customer needs across segments.



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Continue to create "HONMAMON" solutions through the efforts of HORIBARIANS around the world

HORIBA has formulated "Our Future" (Vision, Mission, Values) to guide us towards the 100th anniversary of our founding. Our next generation of members are taking the lead in envisioning what HORIBA become in the future, to transcend the boundaries of segment, field, region, and generation. I hope these leaders will not choose the easy path of creating silos within the company, but will instead take the perspective of unifying the company as much as possible to create synergy amongst all personnel in the organization.

On the other hand, one challenge from here on out is whether we can sustain an open and flat organization without adding the layers of management while striving to expand the scope of our business operations. Since 1997, HORIBA has been carrying out on-site activities through The BlackJack Project to promote changes in employee awareness and behavior. These activities have enabled on-site employees to share their opinions directly with



BlackJack Project World Cup Awards Ceremony held in December 2024



senior management. Not only has this led directly to improvements, but the fact that employee proposals directly influence company management has increased HORIBARIAN motivation. Going forward, it is crucial that we ensure vitality in our operations. Therefore, we want to move away from management centered around members in Japan. Instead, we will cultivate diverse leaders who uphold the principles of "Joy and Fun" and "HONMAMON," and quickly create an organization in which autonomous decisions can be made all around the world. At the same time, we are aiming for organizational management that balances Group-wide policies and strategies. As the second year of MLMAP2028, 2025 will see many new technologies and products created, developed, and established as new pillars of business. HORIBA does not

only chase short-term profits but continues to pursue businesses with long-term potential, as well as initiatives that contribute to society. Even the semiconductor business, which is currently driving profits today, faced many difficult periods in the past. However, our strong commitment to this business has ultimately led to our present growth. HORIBA's true worth lies in the way we persevere in the face of challenges, trying all sorts of strategies to create "HONMAMON" solutions. And I am confident that we can overcome this current challenge as well.

May 2025



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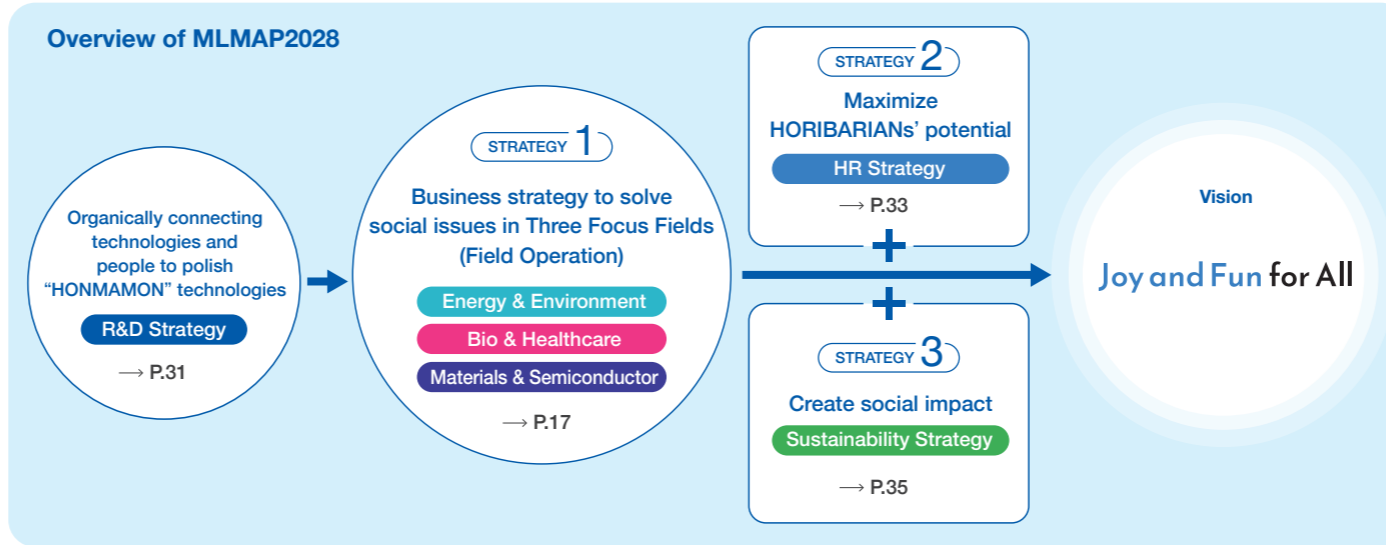
MLMAP2028

Mid - Long Term Management Plan

MAXIMIZE VALUE

MLMAP2028 started in February 2024 based on our slogan of "MAXIMIZE VALUE."

Under our business strategy to solve social issues in Three Focus Fields, we have started working on projects with various customers based on the Vision for each field. HORIBA is expanding opportunities to be able to provide solutions by adopting a more market-oriented approach than ever before. Under our R&D Strategy to foster core technology development, we have focused on developing new customer-centric products and accelerating the market launch of new products and solutions. Under our HR Strategy, we have worked to embed our long-term vision "Our Future" (Vision, Mission, Values) throughout the Group, encourage the practice of "HONMAMON" Values, and launch initiatives to promote the activities of diverse people. Under our Sustainability Strategy, we have accelerated the development of HORIBA solutions that contribute to customers' sustainability activities. Simultaneously, we quantify the volume of CO₂ emissions in our supply chain, set targets for Scope 3 emissions reductions, and initiate efforts to reduce emissions.



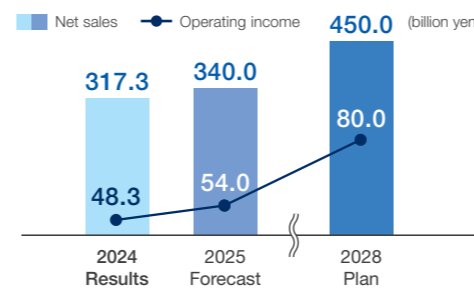
Financial goals		
Net sales 450.0 billion yen (2024 Results: 317.3 billion yen)	Operating income 80.0 billion yen (2024 Results: 48.3 billion yen)	Net income 55.0 billion yen (2024 Results: 33.5 billion yen)
ROE 12% or more	Dividend payout ratio 30%	<ul style="list-style-type: none"> Timely and properly return to shareholders Special dividend and share buybacks

Non-financial goals		
<ul style="list-style-type: none"> Practicing Values by all HORIBARIANS Creating "HONMAMON" value 	<ul style="list-style-type: none"> Carbon neutrality in 2050 42% or more reduction in CO₂ emissions by 2033 (Scope 1, 2) 	<ul style="list-style-type: none"> Foster core technology development 60.0 billion yen in net sales from new businesses (2028)

MLMAP2028 Targets and progress

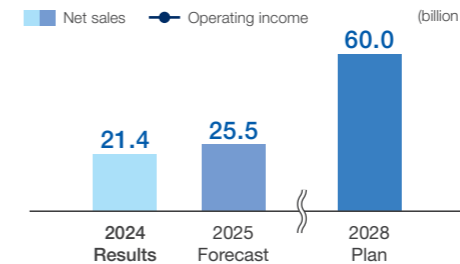
Net sales and operating income

Net sales for 2024, the first year of our MLMAP2028 targets, were 317.3 billion yen. Operating income was 48.3 billion yen. In 2024, Materials & Semiconductor Field was a major driver of sales and operating income. In 2025, we expect an increase in profits in Energy & Environment Field as well.



Net sales from new businesses

MLMAP2028 sets a goal of 60.0 billion yen in net sales from new businesses. In the first year of the plan, we brought in 21.4 billion yen. Although our hydrogen energy business earned less than planned, both the life science field and semiconductor solutions field got off to a solid start. Along with implementing measures to reach our goals for 2028, we will work to expand our business going forward.



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MLMAP Promotion

Maki Moriguchi
Group HR, Sustainability

Hiroshi Nakamura
R&D

Dan Horiba
MLMAP Leader

The year we took on the new challenge of MLMAP2028 together with HORIBARIANS around the world

Dan Horiba

In 2024 we launched MLMAP2028, marking a year where HORIBARIANS everywhere united to pioneer new business opportunities across our Three Focus Fields. We are transforming our internal operations in line with changes in the business environment. A shared understanding for “Our Future” (Vision, Mission, Values) is the foundation for our operational reforms, and each HORIBARIAN around the world has sought how to achieve “Joy and Fun for All”. We also accelerated our sustainability-related efforts, aiming to contribute to a sustainable society. The thing that has made all this possible is the communication between HORIBARIANS at a global level. As we press forward, we will further refine our unique corporate culture, and maximize the value of our people and technology.

Driving unique businesses creation through the pursuit of “HONMAMON” technology and global core technology sharing

Hiroshi Nakamura

Our new application proposals developed through promoting cross-segment collaboration (See P.13) begun to bear fruit under our previous Mid-Long Term Management Plan, MLMAP2023. In MLMAP2028, we have revised our system to make part of the development team independent from their field of business. This accelerates expansion across all fields by allowing technology to evolve without a predetermined end use, fostering greater innovation. We are also expanding activities globally which are aimed at deploying new solutions. For example, we are now sharing the automation and data management software, originally employed primarily in the mobility business, across the whole Group. Moreover, we have launched open innovation initiatives in pursuit of “HONMAMON” technologies. We will continue to coordinate closely with our global R&D locations, quickly ascertain the needs of customers in each region, and create new businesses tailored to those demands.

Advancing a sustainable society through business activities by sharing “Our Future” with HORIBARIANS worldwide

Maki Moriguchi

There is no shortcut to getting HORIBARIANS around the world from diverse backgrounds to share our Corporate Philosophy and unite as one to conduct Group operations. Constructing a framework for the HR function that promotes our global HR Strategy has encouraged overseas HORIBARIANS to talk about the “HONMAMON” story that HORIBA Values, and has also deepened understanding for Our Future. We also launched the HORIBA Global Leadership Program to continuously give the chance for building up their leadership skills and broaden the horizon of the next generation leaders who will manage the HORIBA Global Matrix management. And under our Sustainability Strategy, we are accelerating the creation of solutions that support our customers’ sustainability activities through HORIBA’s business activities. We are also working to transform operations within the company with the goal of bringing about a sustainable society. This includes reducing CO₂ emissions at HORIBA locations.

Field Operations Promotion

George Gillespie
Energy & Environment

Masayuki Adachi
Bio & Healthcare

Hideyuki Koishi
Materials & Semiconductor

Accelerating proposals to achieve carbon neutrality by utilizing HORIBA’s core technologies across the Mobility, Energy, Industrial Processes & Environmental business

George Gillespie

In the Energy & Environment Field, driven by the ambition for Carbon Neutrality, customers are accelerating their efforts to maximize total energy efficiency, utilize sustainable green energy, and realize carbon capture technologies. In the Energy business, including hydrogen, we need to improve our internal operations and strengthen our profit structure as soon as possible, while we are increasingly taking on the challenge of technological innovation with our customers in anticipation of the next generation energy society. In the Mobility business, since the EV transition is slowing down, we are accelerating to propose solutions that contribute to fuel diversification, higher efficiency, with lower cost. The former Automotive and Process & Environmental Segments, which have supported the HORIBA till today, are creating a big synergy to explore the new business opportunities centered on “Energy”. As a trusted partner, we are working together with our customers to help realize a sustainable society.

Introducing new products to the pharmaceuticals market to transform the healthcare journey and drive future growth

Masayuki Adachi

In the Bio & Healthcare Field, we are embracing the challenge of transforming the healthcare journey by leveraging our experience in the In-Vitro Diagnostics and our core technologies, such as spectroscopic analysis, to offer unique solutions. In the Life Science business, we’ve announced high-speed, high-precision spectrometers for research and development of drug discovery, along with applications to transform the pharmaceuticals production process. These innovations have increased the number of opportunities to better understand customer expectations of HORIBA in the Pharmaceuticals Market have. From 2025, we want to quickly get these new businesses on track. In our Medical business, though COVID-related subsidies dropped off in 2024, the market for In-Vitro Diagnostic equipment has held steady. As the markets for In-Vitro Diagnostics in India and other areas are expected to grow, we are steadily implementing our regional strategies.

Accelerating innovation across the “Woven Value Chain” (See P.17), from research and development of Materials & Semiconductor to environmental conservation

Hideyuki Koishi

In the Materials & Semiconductor Field, HORIBA delivers solutions for the “Woven Value Chain” a dynamic matrix where Semiconductor production process, advanced materials, sub fab, and facilities are inter-connected. In our Semiconductor business, we have introduced multiple new products for the advanced semiconductor production processes, and anticipate continued growth. We have also started to roll out sustainable semiconductor production solutions that address environmental concerns. This includes the control of clean rooms, wastewater, and emission gases. We offer wide range of solution for the measurement and analysis of CMP slurry and the other new materials in advanced materials business, reticle/mask particle detection, and thin film quality/thickness measurements for in metrology business to contribute to technological innovation and process stabilization. Importantly we’re seeing growing opportunities with HORIBA’s overall measurement technology to improve customer’s situation. To meet the goals set out in MLMAP2028, we are enhancing our supply capabilities, technical capabilities, and proposal capabilities to contribute to drive technological innovation in the industry.



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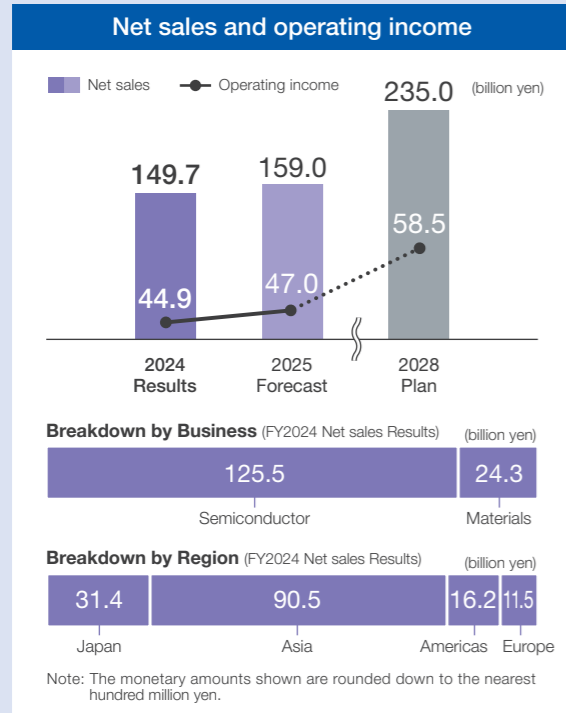
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Business strategy to solve social issues in Three Focus Fields (Field Operation)

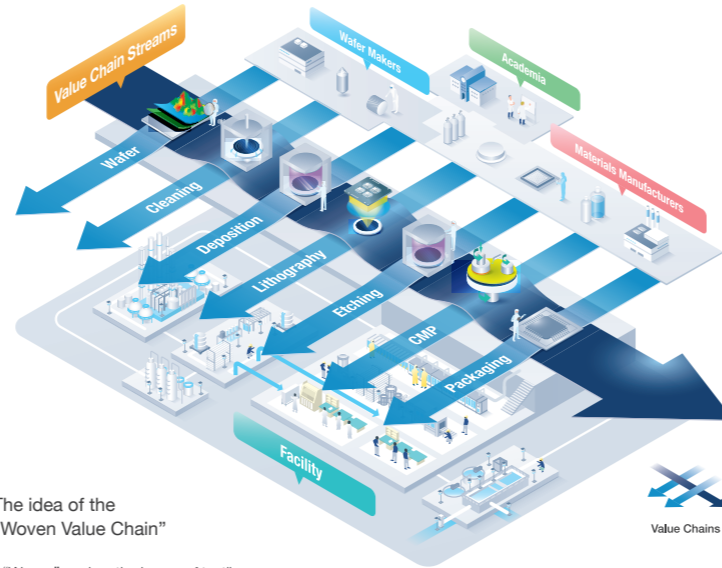
Materials & Semiconductor



Shape the market with innovative solutions in the advanced materials and Semiconductor Field toward achieving sustainable society.



Contributing to technology innovation in "Woven Value Chain"*, which is value chain matrix where semiconductor production processes, advanced materials, and facilities and inter-connected. Supporting customer's operations by providing the most advanced analytical and measurement solutions with HORIBA all around.



The idea of the "Woven Value Chain"

* "Woven" evokes the image of textiles. At HORIBA, we refer to our entire value chain, including facilities, as the "Woven Value Chain." The horizontal threads represent semiconductor manufacturing processes and the vertical threads represent the materials markets related to those processes.

As HORIBA strives for solutions to social issues in the Materials & Semiconductor Field, we are innovating technologies in the value chain matrix that we call the "Woven Value Chain." This inter-relates to the semiconductor production processes, related advanced materials, and their facilities. The evolution of semiconductor devices will continue, and technological improvement and innovation will accelerate.

HORIBA supports customer operations from all angles, with a focus on control and monitoring in the semiconductor production process. This includes everything from providing cutting-edge solutions for the research and development of advanced materials on the upstream side, to facilities management covering exhaust gas and wastewater monitoring on the downstream side.

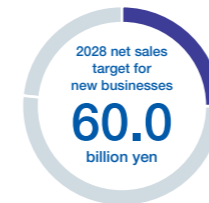
By providing cutting-edge innovative solutions across the entire "Woven Value Chain", we will contribute to bringing about a society that develops sustainably.

MLMAP2028 Targets

Actions to reach 60.0 billion yen in net sales from new businesses

▶ Aiming for 15.0 billion yen in net sales by 2028 through new solutions for the semiconductor industry

In the field of Materials & Semiconductor, we aim to expand our new solutions for the semiconductor industry as a new business. We plan to grow businesses such as in-chamber measurement solutions using sensing technologies, wafer condition inspection, and reticle/mask particle detection. We also expect to see future business growth from solutions that utilize the technologies of EtaMax Co., Ltd., which HORIBA acquired in April 2025, to analyze defects in compound semiconductors.



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Business strategy to solve social issues in Three Focus Fields (Field Operation)

Materials & Semiconductor

The Materials & Semiconductor Field includes the semiconductor business from our former Semiconductor Segment, and the advanced materials business from our former Scientific Segment. In the semiconductor business, our primary operations are solutions focused on facility measurement and monitoring, and process control for the semiconductor production process. In the advanced materials business, we specialize in solutions for developing semiconductor materials that bring together HORIBA's analysis technologies. By offering innovative solutions that extend beyond mere measurement in both sectors, we contribute to sustainability and the development of semiconductor devices and production processes together with customers.

Market		
	<h3>Semiconductor</h3>	<h3>Materials</h3>
Business Environment	<ul style="list-style-type: none"> • Growing demand related to DRAM (HBM*) for generative AI • Power semiconductors for vehicle onboard systems, photovoltaics, and mass flow controllers for artificial diamonds are in an adjustment phase • Uncertainty about the future of trade policy and tariffs related to semiconductors from various countries <p>*1 HBM: High Bandwidth Memory</p>	<ul style="list-style-type: none"> • Growing demand for Raman spectrometers, Particle-size distribution analyzers, X-ray fluorescence analyzers, etc. for developing advanced materials • Growing demand for more detailed process measurement control and monitoring of film formation, etching, etc. in semiconductor production
Products and Solutions	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Mass flow controllers</p> </div> <div style="text-align: center;">  <p>Chemical concentration monitors</p> </div> <div style="text-align: center;">  <p>Reticle/mask particle detection systems</p> </div> </div> <ul style="list-style-type: none"> • Process control and monitoring in the semiconductor production process • Facility management/control in semiconductor factories 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Particle-size and shape analyzers</p> </div> <div style="text-align: center;">  <p>Raman spectrometers</p> </div> <div style="text-align: center;">  <p>X-ray Analytical Microscope</p> </div> </div> <ul style="list-style-type: none"> • Analysis and monitoring for development and quality control of advanced materials related to semiconductors • Solutions for development, production, and recycling of advanced materials

News

HORIBA acquires South Korean EtaMax Co., Ltd.

— Expanding operations into the wafer analyzer market for next-generation power semiconductors —

In April 2025, HORIBA welcomed EtaMax Co., Ltd. into our Group. EtaMax is a company that develops, manufactures, and markets wafer inspection systems for the semiconductor market. HORIBA aims to expand our lineup of wafer inspection systems and strengthen our ability to propose solutions. We achieve this by combining our optical technologies with EtaMax's software expertise and experience in compound semiconductor wafer defect and impurity analysis. EtaMax primarily develops wafer inspection systems which utilize photoluminescence*2 analysis technology. These systems are highly effective for various applications, including uniformity evaluation, and identification of minute defects (flaws in the crystal lattice) in compound semiconductor wafers. HORIBA leverages our global network and core technologies like Raman spectroscopy*3 and ellipsometry*4 to contribute to advances in quality control and yield improvement in the mass production of compound semiconductor wafers.



(From left) EtaMax CEO Jung Hyundon, HORIBA Director and HORIBA STEC President Dan Horiba

EtaMax Co., Ltd.

*2 Photoluminescence: An analytical technology that obtains information on defects and impurities by absorbing light at a specific wavelengths and measuring the light (fluorescence) emitted by the sample.

*3 Raman spectroscopy: An analytical technology that evaluates molecular structure and properties by irradiated a sample with light and detecting the scattered light.

*4 Ellipsometry: An analytical technology that determines the thickness and properties of a sample by measuring the changes in the vibrations of light incident on the sample and reflected light.



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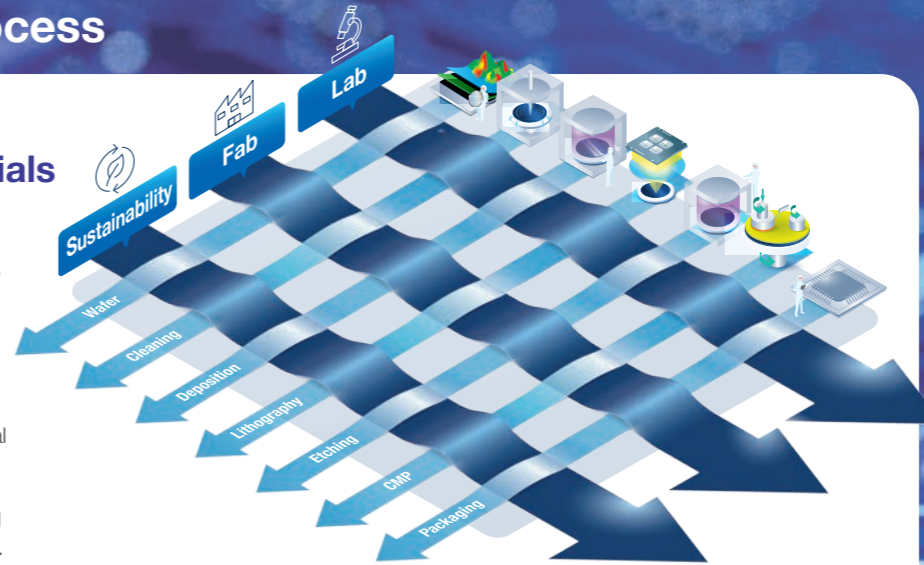
Contributing to the semiconductor production process

Contributing to the sustainability of the semiconductor production process through development of advanced materials

HORIBA's semiconductor process monitoring and control devices include mass flow controllers and chemical concentration monitors. These have long contributed to the advancement of the semiconductor production process. Moreover, the spectroscopic analysis technologies developed in HORIBA's former Scientific Segment are now used in solutions aimed at improving yield in semiconductor production and supporting the development of advanced semiconductor materials. We are already beginning to reach the limits of miniaturization in the production process, and foresee that research and development into semiconductor materials themselves will be the primary focus of innovation in future semiconductor device technology.

Gas analysis and water quality monitoring technology were the main products of our former Process & Environmental Segment. And these are now helping to reduce the environmental impacts from large-scale energy consumption, waste gas, and wastewater emissions at semiconductor factories.

With a clear understanding of where HORIBA technologies can be applied most effectively, we aim to further expand our business by contributing to the sustainable growth of the semiconductor industry that underpins modern society.



Areas of Contribution	Challenges faced by materials and device OEMs	HORIBA's Strategy	The values HORIBA provides
<p>Lab</p>  <p>Areas of contribution to future mass production processes</p>	<ul style="list-style-type: none"> • Cutting-edge development and consistency in the mass production process • Timely development of next-generation materials • Evaluating the compatibility of developed products and processes 	<p>In this area, HORIBA offers a wide array of solutions to academia and customers at the leading edge of the industry who are developing next-generation processes and semiconductor materials. These solutions range from materials measurement to materials supply and even online measurement of future mass production.</p>	<ul style="list-style-type: none"> • High accuracy materials measurement • Provision of high purity materials • Bringing materials measurement online (customized proposals)  <p>Integrated AFM - Raman spectrometer system</p>
<p>Fab</p>  <p>Area of contribution to the optimization of mass production processes</p>	<ul style="list-style-type: none"> • Real-time monitoring • Optimization of productivity • Maximizing and maintaining high yield • Process consistency 	<p>This area is precisely where we are contributing to the production process. Our customers strive for high precision, high consistency, and high yield in their manufacturing. HORIBA contributes towards this goal by providing high precision, high-speed control, real-time measurement, and high-purity materials. We will further accelerate Lab to Fab in this area.</p>	<ul style="list-style-type: none"> • High-performance process monitoring • Control for achieving high precision and high consistency • Real time thin film measurement • On-board metrology*  <p>Mass flow controller</p>
<p>Sustainability</p>  <p>Area of contribution to increased sustainability</p>	<ul style="list-style-type: none"> • Reducing the environmental impacts of semiconductor factories • Carbon neutrality 	<p>In recent years, environmentally friendly and carbon neutral manufacturing processes have been gaining attention. HORIBA is contributing to the reduction of environmental impacts by leveraging our long-standing expertise in exhaust gas measurement and water quality monitoring technologies. We also offer solutions aimed at achieving sustainable manufacturing by enhancing efficiency and reducing labor and labor-saving requirements.</p>	<ul style="list-style-type: none"> • Real time monitoring of waste gas and wastewater • Measurement of trace contaminants  <p>Laser gas analyzer for semiconductor processes</p>

*On-board metrology: Thin film measurement using on-board devices



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Lab

Areas of contribution to future mass production processes



Developing EUV pellicle materials for photolithography processes

- Structural/defect analysis during pellicle production process
- Observation of pellicle deterioration during photolithography process



Integrated AFM - Raman spectrometer system

Developing CMP slurry materials for the wafer polishing process

- Ascertaining wafer polishing performance
- Slurry particle size distribution, pH, etc.



Particle size and shape analyzers

Fab

Area of contribution to the optimization of mass production processes



Supporting a variety of film formation needs

- Ultra-thin mass flow controllers achieve first-in-class*1 high fluid flow
- Support for cutting-edge etching and film formation processes in semiconductor production



Mass flow controller

Achieving high-precision process end point detection

- Offer plasma monitors which enable dry etching end point detection
- Contribute to process chamber cleaning end point detection by applying gas analysis technology



Laser gas analyzer

Contributing to chemical concentration monitoring in cleaning processes

- Measurement of chemicals used in cleaning, etching, etc.
- Achieves non-contact concentration measurement in a short period of time



Chemical concentration monitor

Aiming to further accelerate Lab to Fab

We offer solutions which can be incorporated into the semiconductor production process as inline sensors to contribute to efficiency and optimization of wafer and device testing processes. These solutions employ the core technologies used in our Raman spectrometers, fluorescence spectrometers, and particle analyzers.

Incorporates core technologies as sensors



Fully automated thin film inspection system

Sustainability

Area of contribution to increased sustainability



HORIBA has put together a lineup of monitoring devices for managing various equipment in facilities. These include gas cogeneration equipment, air conditioning equipment, ultra-pure water plants, equipment for the removal of specific gases, and equipment for wastewater/waste gas treatment. We also propose energy management systems which contribute to the reduction of GHGs*2 and the efficient optimization of energy use. These efforts aim to achieve carbon neutrality in manufacturing processes.

*2 GHG: Green House Gas

Achieving continuous monitoring for smart factories

- Enables high-speed, high-sensitivity continuous concentration monitoring of various exhaust gases in the semiconductor production process

Laser gas analyzer for semiconductor processes



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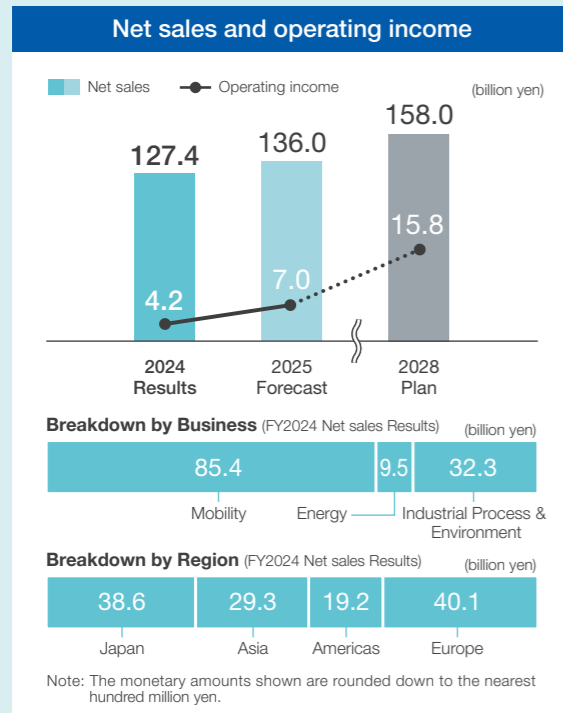
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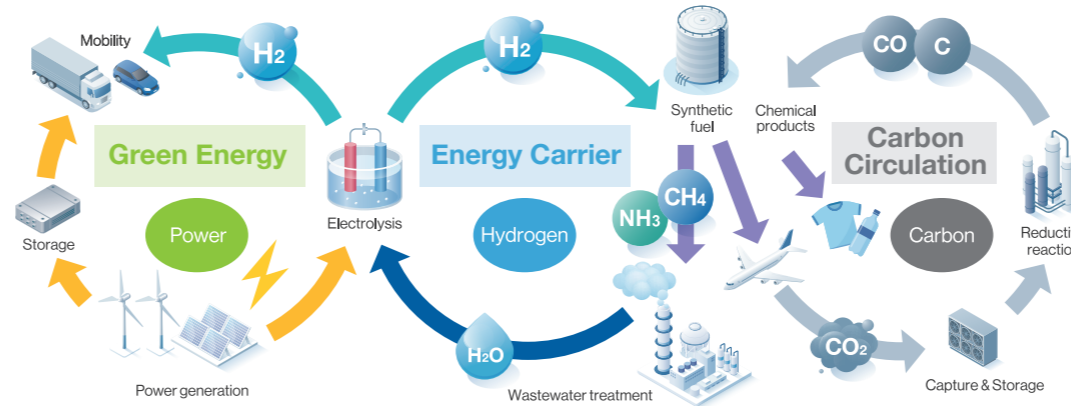


Vision

Be a trusted partner supporting our customers in their challenges to deliver a sustainable environment.

Major business domain

Contributing to carbon neutrality. Promoting the best solutions for customer requirements in the R&D/regulation process by utilizing the technology and experience which HORIBA has cultivated.

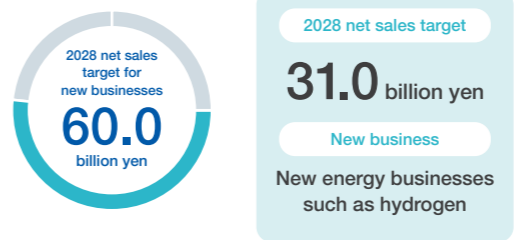


The energy conversion cycle for achieving carbon neutrality refers to an energy cycle that entails using clean, carbon-free energy, utilizing hydrogen as an energy carrier, combining captured CO₂ and hydrogen to produce synthetic fuels, and using CO₂ as a raw material for chemical production. HORIBA's measurement solutions are expected to play a part in maintaining this cycle of utilizing electricity and hydrogen without increasing the amount of carbon. In the field of Energy & Environment, we provide optimal solutions for each value chain in R&D, Regulation, In-service Compliance, and Production for our focus areas of energy, mobility, industrial processes, and the environment.

MLMAP2028 Targets Actions to reach 60.0 billion yen in net sales from new businesses

▶ Aiming for 31.0 billion yen in net sales by 2028 through new energy businesses such as hydrogen

In Energy & Environment Field, we are striving to expand our solutions into a new business for alternative energy such as hydrogen. In FY2024, we invested a lot of resources into meeting sophisticated customer needs through production and sales of fuel cell and electrolysis evaluation systems. From 2025 onward, we plan to start projects to improve production efficiency and strengthen operations. We will also expand our business by offering various new applications related to fuel cells.



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Business strategy to solve social issues in Three Focus Fields (Field Operation)

Energy & Environment

Energy & Environment Field includes our mobility business and energy business. The mobility business was the focus of our former Automotive Segment, and the energy business aims to utilize hydrogen production, fuel cells, batteries, and new fuels. It also contains our process & environmental business, which includes solutions such as gas and water quality analysis that were employed in our former Process & Environmental Segment. We aim to achieve carbon neutrality by utilizing renewable energy, enhancing energy efficiency, and capturing and utilizing CO₂. To this end, we propose optimal solutions to meet customers' needs.

<p>Market</p>			
	<h3>Mobility</h3>	<h3>Energy</h3>	<h3>Industrial Process & Environment</h3>
<p>Business Environment</p>	<ul style="list-style-type: none"> Increased demand for renewal of facilities for developing internal combustion engines for HEV/PHEV, etc. as the growth rate of the BEV market has slowed Increased demand for gas analysis ahead of the adoption of exhaust gas regulations such as Euro7, etc. Diversification of demand for mobility testing 	<ul style="list-style-type: none"> Acceleration of both hydrogen production by various methods and demonstration tests using fuel cells Increased demand for the utilization of new fuels like hydrogen and ammonia, which can contribute to the decarbonization of various industries including transport and power generation 	<ul style="list-style-type: none"> Increased demand for gas and water quality monitoring and measurement in the electronic device industry, etc. Increased demand for gas and water quality measurement for handling new energy and in processes related to CCUS*2 Increased demand due to investments related to environment and energy in various countries <p>*2 CCUS: Carbon dioxide Capture, Utilization and Storage</p>
<p>Products and Solutions</p>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="389 1021 537 1212">  <p>Emission measurement systems</p> </div> <div data-bbox="564 1085 725 1212">  <p>Compact emissions measurement system</p> </div> <div data-bbox="752 1021 913 1212">  <p>Automatic driving system</p> </div> </div> <ul style="list-style-type: none"> Support for development of next-generation vehicles (BEV/HEV/PHEV/FCEV)*1 Provision of evaluation equipment for exhaust gas certification <p>*1 BEV: Battery Electric Vehicle, HEV: Hybrid Electric Vehicle, PHEV: Plug-in Hybrid Electric Vehicle, FCEV: Fuel Cell Electric Vehicle</p>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="1021 1037 1182 1212">  <p>Electrolyzer evaluation</p> </div> <div data-bbox="1236 1069 1451 1212">  <p>Fuel cell system evaluation system</p> </div> </div> <ul style="list-style-type: none"> Evaluation of electrolyzer for hydrogen production Evaluation of fuel cells to generate electricity from hydrogen 	<div style="display: flex; justify-content: space-around;"> <div data-bbox="1599 1029 1720 1212">  <p>Stack gas analyzer</p> </div> <div data-bbox="1733 1077 1868 1212">  <p>Trace gas monitor</p> </div> <div data-bbox="1881 1085 2002 1212">  <p>Industrial water quality meter</p> </div> <div data-bbox="2016 1021 2136 1212">  <p>Benchtop water quality meter</p> </div> </div> <ul style="list-style-type: none"> Water quality and gas monitoring to meet environmental requirements in various countries Measurement and monitoring for improving power generation efficiency and reducing environmental impacts



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Contributing to the semiconductor production process

• Energy & Environment

Contributing to achieving carbon neutrality

Providing solutions for mobility

Bio & Healthcare

Contributions to life science markets

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Group HR strategy

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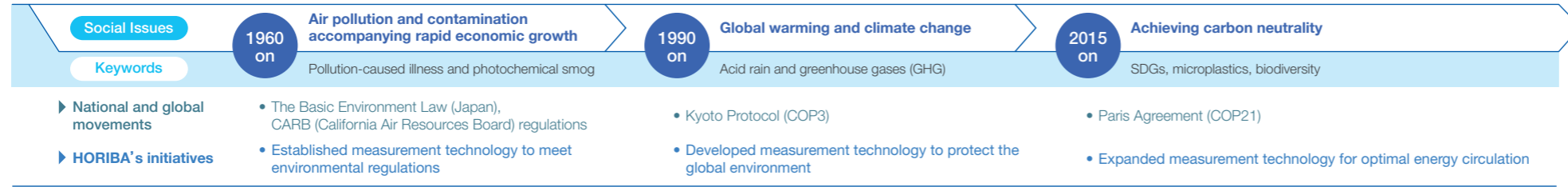
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Contributing to achieving carbon neutrality

The Evolution of Energy & Environment at HORIBA

Soon after HORIBA was founded, we began to sell industrial pH meters that utilized water quality monitoring technology. Thereafter, we began selling industrial exhaust gas analyzers that used infrared gas analysis technology. HORIBA then expanded this technology to automotive emission analyzers, air pollution analyzers, and stack gas analyzers. Through our measurement solutions, HORIBA has contributed to addressing global environmental problems and to maintaining clean air and water. Now, we are using these solutions to achieve carbon neutrality.



HORIBA and water / HORIBA and the environment

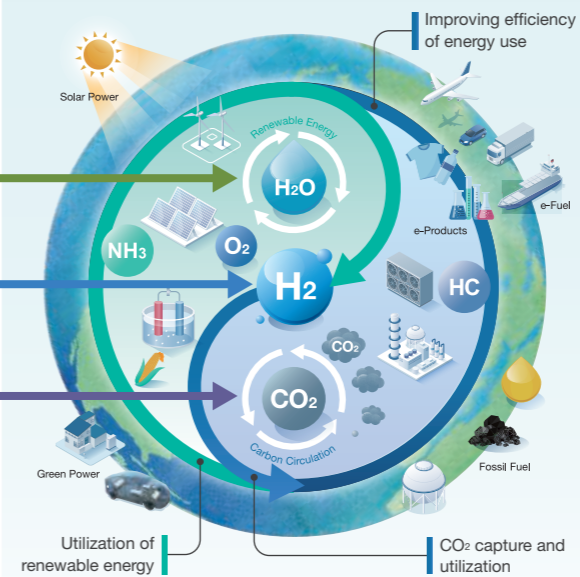
- 1950** Glass electrode pH meter
- 1957** Industrial pH meter
- 1958** Industrial infrared gas analyzer
- 1964** CO analyzer for monitoring air pollution
- 1964** Created Automotive Emission Gas Measurement System (MEXA)
- 1975** Environmental Protection Agency (U.S.) adopts motor exhaust gas analyzing systems
- 1977** Automation of exhaust gas testing
- 2005** Global environmental issues and HORIBA analyzers
- 2015** Support for vehicle development / Began consulting business

HORIBA and hydrogen

- 1999** Developed hydrogen gas analyzer for fuel cells
- 2018** Full-scale entry into storage battery, fuel cell, electrolysis evaluation, and hydrogen/energy business
- 2021** Started joint research into energy and mobility with the University of California
- 2022** Expanded HORIBA FuelCon GmbH factory

HORIBA and energy

Through our history in the fields of automotive, environment, and hydrogen, we have had many discussions about energy conversion for achieving carbon neutrality.



By redefining the businesses that we have cultivated over the years from the viewpoint of "Energy & Environment," HORIBA is creating opportunities for new businesses one after another.

HORIBA and exhaust gas / HORIBA and automotive



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H₂ Toward the practical utilization of hydrogen in society —making HORIBA the world's choice—

HORIBA is a global company with an overseas sales ratio of more than 70%, and an overseas employee ratio of more than 60%.

By leveraging these strengths, HORIBA is becoming the chosen partner of numerous companies, national government institutions, and academia around the world for achieving carbon neutrality.

The Japanese government currently has a goal to reduce greenhouse gas emissions by 46% by 2030 (compared to 2013). However, the scenario thereafter for achieving net zero by 2050 is not yet clear.

HORIBA is formulating various strategies in its Energy & Environment Field to reach the major inflection point that is 2030. Thereafter, we will move forward flexibly together with our customers.

Global expansion of major sites related to energy

Germany HORIBA eHUB



A site that serves as the global hub of our new energy business. Development, production, and sales of evaluation systems for things such as fuel cells, batteries, and electrolyzers which produce hydrogen gas through water electrolysis.

Japan HORIBA BIWAKO E-HARBOR



In 2018, HORIBA established an evaluation facility for batteries, fuel cells, and electrolyzers at its E-LAB research and development facility located at the HORIBA BIWAKO E-HARBOR at our Biwako factory in Shiga Prefecture. It enables a wide variety of testing, including evaluating performance from various perspectives.

United States

HIMaC² (HORIBA Institute for Mobility and Connectivity)



The HORIBA Institute for Mobility and Connectivity (HIMaC²) was established in collaboration with the University of California, Irvine, in July 2021. It carries out research that organically integrates the fields of energy and mobility to address various issues in the Energy & Environment Field.

Projects with the world's leading companies, universities, and research institutions

Germany

Fraunhofer Institutes
• IKTS • ISE • IWES

H₂Giga (Joint project with Sunfire SE)

United Kingdom

University College
London

France

• Genvia • CRMT
• SYMBIO

Netherlands

European Space
Agency (ESA)

China

HORIBA C-CUBE



This is HORIBA's largest site for carrying out everything from development to production and after-sales service. It has projects underway with both certification bodies and global OEMs.

Hydrogen: Playing a key role in achieving carbon neutrality

Taking on the challenge of advanced innovation together with customers to expand the use of hydrogen in the future



Germany

HORIBA FuelCon GmbH

R&D/production site of evaluation equipment for fuel cells, electrolyzers, and batteries, which began operation in June 2022

Examples of adoption of HORIBA FuelCon products

Customer business

Production and sales of electrolyzers for energy companies engaged in offshore wind power generation, etc. (for utilization of excess electricity)

Inquiry

Testing equipment for building a system for the mass production of electrolyzers

Testing equipment for electrolyzer under assembling



Customer business

Production and sales of components for manufacturers of electrolyzers and fuel cell systems

Inquiry

Fuel cell testing equipment for expanding production facilities (planned for 2025)

Testing equipment for fuel cells undergoing pre-shipment inspection



NEW Improving the quality and efficiency of thin film catalysts for fuel cells

Demand is also growing for fuel cells and electrolyzers. Precious metals like platinum (Pt) and iridium (Ir), are used as catalysts in fuel cells and electrolyzers. This non-destructive, non-contact measurement device measures the amount of these metals deposited during the roll-to-roll process*.



Meets various inline measurement needs, including measurement of lateral movement in the direction of transport

*Roll-to-roll process: A processing method in which a roll of material is unwound and printed on, painted, etc., then wound back onto another roll.

Up until now, most customer products have been in the developmental stage with a focus on pilot projects. Therefore, many orders called for difficult technical specifications, and profitability has been an issue for HORIBA. So, we are starting a project that brings together members from various countries who have a wealth of experience in design and production, with the goal of increasing production efficiency. In FY2025, we will further enhance profitability by leveraging the technological know-how we have built up thus far to strengthen operations even more.



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Providing solutions for mobility



The mobility industry must grapple with various social issues such as electrification, next-generation fuels including carbon neutral fuels, and the development of next-generation vehicles like autonomous vehicles. Using the experience accumulated over the years by our former Automotive Segment, HORIBA will provide vehicle evaluation systems and development support services to address these issues.

Diversification of mobility transformation

1 **Diversification of fuels**

2 **Diversification of powertrains**

3 **Diversification of driving**

Development challenges

- Improve efficiency of development and adaptation work
- Labor-saving
- Increased sophistication and functionalities

1 Supporting the diversification of fuels

● Launching "MEXAcube" compact emissions measurement system

This is a portable emission measurement system that incorporates HORIBA's unique Infrared Laser Absorption Modulation (IRLAM™)*1 technology. An environmentally friendly product that reduces energy consumption by roughly 80%*2, it handles exhaust gases with high water content from carbon-neutral fuels like hydrogen and ammonia. Thus, it contributes to the development of next-generation mobility, which is experiencing fuel diversification. It is available in laboratory and on-board. A single unit can measure the gas constituents required by next-generation exhaust gas regulations such as Euro7 with high precision.



- Compatible with a wide array of fuels, including carbon-neutral fuels
- Supports the low concentration exhaust gas measurement needs of HV/PHEV

IRLAM technology certified by the U.S. Environmental Protection Agency (EPA)

IRLAM has been certified by the U.S. Environmental Protection Agency (EPA) as an alternative method for measuring NOx (nitric oxide) emissions, in addition to the conventional method (CLD*3). This has made it possible to use devices which employ IRLAM technology in heavy-duty vehicle engines and in certification testing for passenger vehicles. The technology contributes to more efficient testing and allows us to develop and provide new measurement technologies and solutions. These, in turn, allow customers to handle increasingly stringent emissions regulations and increasingly complex vehicle development as energy sources diversify.

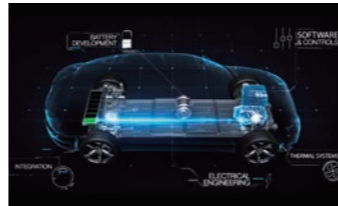
*1 IRLAM is a registered trademark or trademark of HORIBA, Ltd. in Japan and other countries.
 *2 Compared to our existing MEXA-ONE Series (Lab installation type) of emission measurement systems. Efficacy may vary depending on method or conditions of use.
 *3 CLD (chemiluminescence detection) method : A measurement method which detects the light emitted when molecules that are excited by a chemical reaction return to their ground state.

3 Supporting the diversification of driving

● HORIBA MIRA's consulting solutions



2 Supporting the diversification of powertrains



The powertrains of electrified vehicles have diversified to include hybrid vehicles (HEV/PHEV), electric vehicles (BEV), fuel cell electric vehicles (FCEV). This requires not only the development and adaptation of components such as batteries, electric motors, and engines, but also the optimization of energy (including heat) throughout the entire system. The powertrain evaluation systems provided by HORIBA are evolving in step with the evolution of mobility. By leveraging our simulation and modeling technology, we will provide thermal management evaluation and more efficient development / verification component.

● Thermal management system evaluating solutions

In internal combustion engine (ICE) vehicles, the thermal environment of each part of the vehicle has been managed with the engine as the source of heat. But electric vehicles need to perform optimal heating and cooling using a limited amount of energy. This means there are many issues that need to be addressed concerning the design and control of thermal flow. HORIBA's heat management analysis technology combines actual machines with simulations to provide equipment capable of vehicle-equivalent testing, and to support heat management development without the use of prototype vehicles.

Thermal management challenges

Internal combustion engine (ICE) vehicle

With an engine

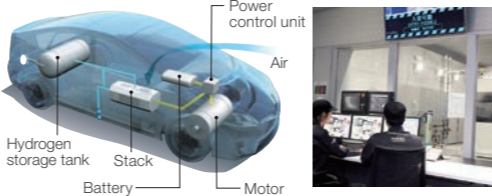
Want to effectively disperse heat

Battery electric vehicle (BEV)

Without an engine

Want to effectively utilize heat

● FCEV evaluation solutions



HORIBA combines measurement technologies for engines, drivetrains, fuel cells, batteries, and even gas and liquid monitoring. This allows us to provide total solutions concerning everything from components to vehicle systems, preparation of test facilities, and especially development and evaluation of FCEVs for large commercial vehicles.

● Improving efficiency of electrified vehicle evaluation



The increasing length of tests which assess vehicle range and mileage is becoming an issue. HORIBA has proposed a system that can pilot test vehicles in place of drivers. Automating operations such as driving and gear shifting will reduce human error and the workload of testing, as well as accelerate development.

Connected technologies optimize driving and route selection by linking vehicles and infrastructure. Improving these technologies can help avoid traffic jams, unnecessary acceleration and deceleration, and reduce energy consumption. HORIBA MIRA possesses various evaluation facilities and consulting functions. Together with customers, we perform verification in areas such as cybersecurity, to handle a wide array of driving conditions. We are also accelerating our vehicle safety evaluation business by obtaining Euro NCAP*4 collision safety performance certification, in addition to the preventive safety performance certification that we already held. Moreover, we possess expertise in the operation of testing services, and of services that promote a virtual development environment and reduce GHGs. And in 2024, HORIBA MIRA was awarded The King's Award for Enterprise for Sustainable Development from the government of U.K..

*4 Euro NCAP: The European New Car Assessment Programme

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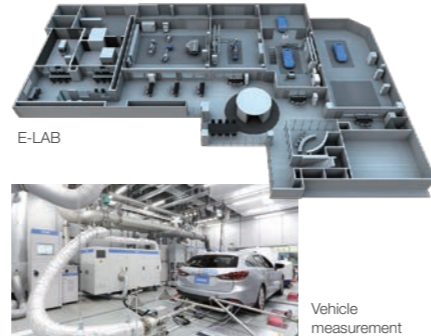
Developing unique solutions through our experience built up over many years in the mobility business

● Making development testing more efficient

The E-LAB at HORIBA's Biwako Factory consists of four test cells and a central control room. It is capable of testing all kinds of vehicle powertrains, regardless of the power source.

In addition to our primary focus of emission measurement systems, HORIBA offers vehicle/engine testing equipment such as dynamometers and wind tunnel balances. Through these, we provide comprehensive support for vehicle development to improve fuel efficiency and achieve optimal performance.

HORIBA also offers solutions for proposing and constructing complete testing facilities based on our unique know-how in defining requirements such as efficient testing and test conditions.



● Making the entire testing facility more efficient

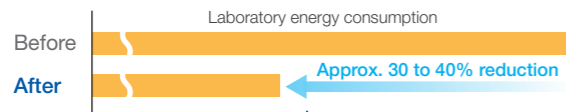


When constructing testing facilities, we seek efficient operation of all equipment, including boilers, cooling towers, hydrogen supply equipment, and fire extinguishing equipment. HORIBA has cultivated the know-how for making testing facilities efficient.

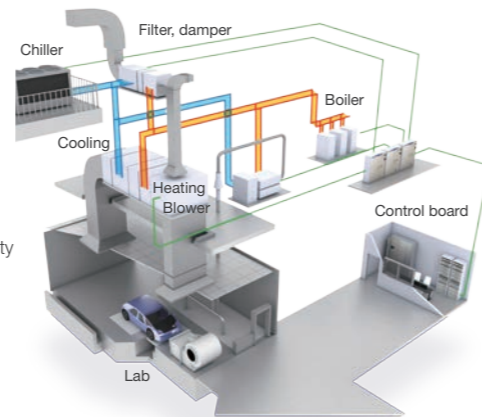
● Improving the efficiency of energy use

HORIBA has begun work on developing energy conservation management technology for testing laboratories, by combining technologies that can deliver increased fuel efficiency in vehicle systems, and optimization of testing equipment. Due to the large amount of non-routine tasks, the energy demand at research and development sites is subject to a fair amount of "unreasonableness, irregularity, and waste." However, by synchronizing testing equipment and conditions, and optimizing the testing schedule, it is possible to obtain significant energy savings. In this way, HORIBA is applying the know-how we have cultivated in the mobility business to energy management, enabling us to propose unique solutions.

Verifying effectiveness of energy savings



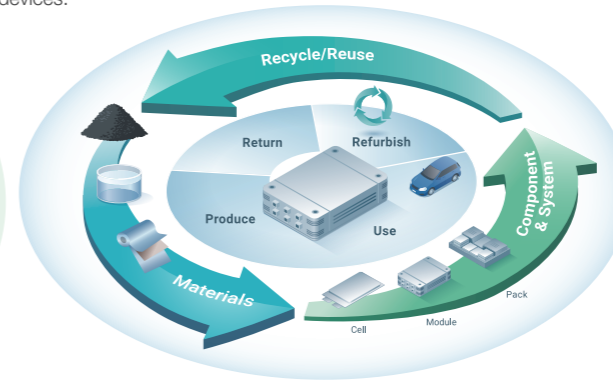
We have measured up to 30% or more energy savings in tests at our own facilities



Total support for mobility development, from materials through systems

HORIBA sees the target of our mobility business as everything from materials to systems and recycling. By combining our consulting capabilities with our scientific analysis technologies, we are setting ourselves apart as not merely an equipment manufacturer, but a total solutions provider. For example, electric vehicle development entails (1) materials processing, battery materials, and film formation, (2) component production, and (3) assembly processes. Delving into these value chains has uncovered analysis and monitoring needs for each, and revealed a wide array of applications for HORIBA analysis devices.

We have begun an initiative that links HORIBA's latest laboratory for materials analysis, the Analytical Solution Plaza, with our vehicle testing facilities, to perform analysis using shared data on vehicle systems, components, and materials evaluation.



Data management system

Water quality monitoring

Accelerating group-wide initiatives for water quality management, water infrastructure digitalization, condition prediction, etc.

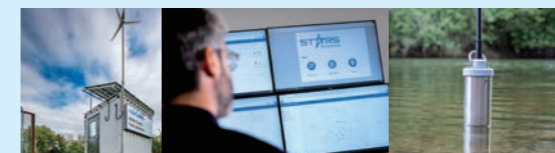
Challenge

In the United Kingdom, water pollution in rivers due to sewage runoff is worsening



HORIBA's solution

HORIBA MIRA is taking the water quality data measured at the reservoir at its test course in the city of Nuneaton, U.K (which is used to reproduce rainy road conditions), and using a data management system to aggregate and visualize it. We will continue working to propose solutions that can contribute to improve water quality and effective utilization of water resources.



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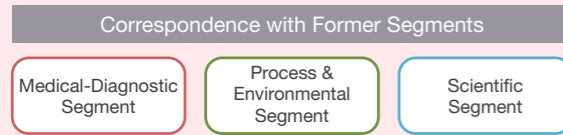
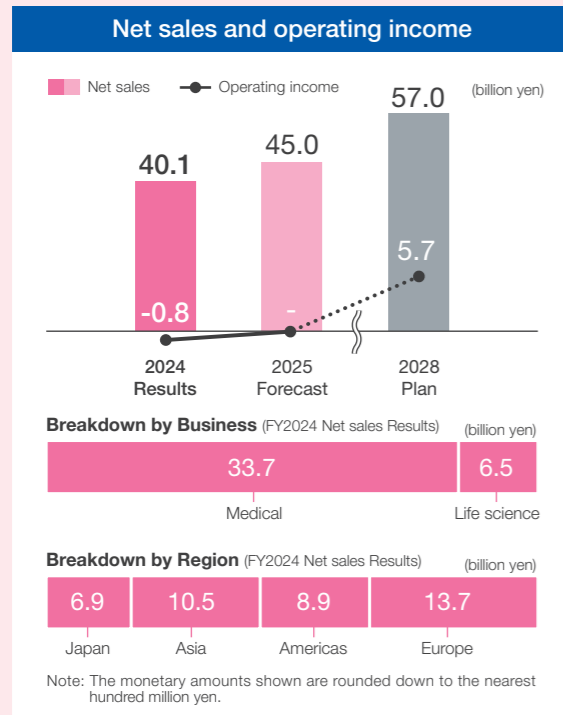
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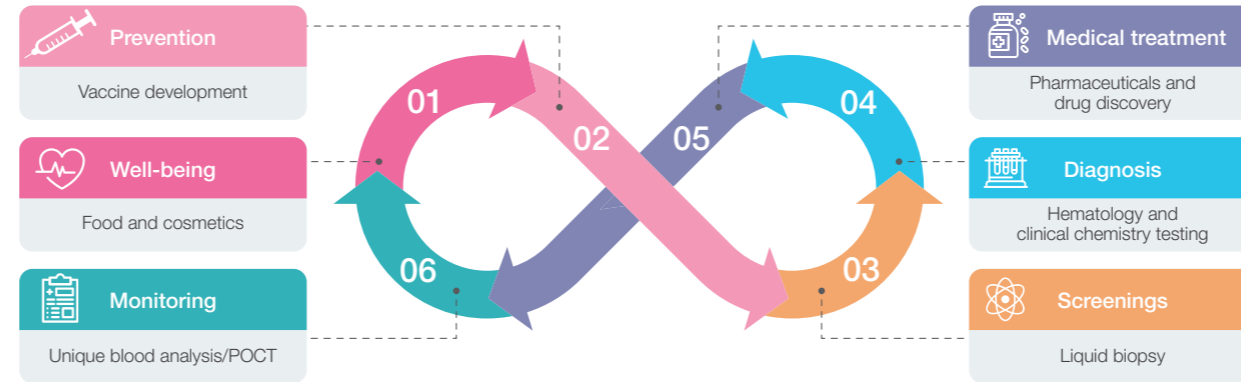
Vision

Provide strong social value by transforming the healthcare journey with unique solutions.

Major business domain

Contributing to the transformation of the healthcare journey. We provide unique solutions based on our IVD testing business know-how, diversified core technologies, and global network. Key examples are, solving challenges in clinics with POCT* solutions and optimizing biopharmaceutical development and manufacturing processes.

*Point of Care Testing (POCT): A general term for testing performed at locations close to patients, such as private practitioner offices, diagnostic clinics, hospital wings, and outpatient clinics.



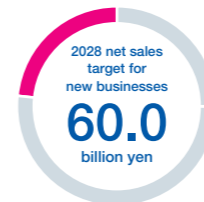
The social impact that HORIBA aims to create in the Bio & Healthcare Field is the transformation of the healthcare journey. The Bio & Healthcare Field is focusing on well-being and prevention to improve the health of humans and animals. We provide unique solutions with high added value in fields such as blood testing, clinical chemistry, veterinary medicine, digital solutions, and POCT. This is possible by leveraging our diverse core technologies and the global network we have cultivated in the hematology business. We also aim to expand our business in the pharmaceutical, cosmetics, and food & beverage markets. For drug development and manufacturing, we are contributing to shorter development times and more efficient production, thus making a positive impact for more efficient medical care.

MLMAP2028 Targets

Actions to reach 60.0 billion yen in net sales from new businesses

▶ Aiming for 14.0 billion yen in net sales by 2028 through solutions in the realm of life science

In Bio & Healthcare Field, we are working to expand our solutions in the life science domain as a part of our new business development efforts. We will use HORIBA's core spectroscopic analysis technology to provide solutions for the research and development, production, and quality control of biopharmaceuticals. In 2024, we focused on developing new products. From 2025 onward, we plan to expand our business by providing these products to customers.



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Business strategy to solve social issues in Three Focus Fields (Field Operation)

Bio & Healthcare

The Bio & Healthcare Field includes the medical business of our former Medical-Diagnosis Segment, and the life science business of our former Scientific Segment. The medical business is focused primarily on IVD testing.

In addition, the life science business mainly leverages HORIBA core technologies to provide solutions that contribute to the research and development, production, and quality control of biopharmaceuticals. Hereafter, we will pursue synergy between hematology testing technologies such as in vitro diagnostics technology and spectroscopic analysis technology to deliver HORIBA's unique solutions.

Market		
	Medical	Life science
Business Environment	<ul style="list-style-type: none"> Although the COVID-19 pandemic subsidies have ended, demand for testing equipment has stabilized, and demand for reagents is strong We expect expanding penetration of IVD testing in growth markets 	<ul style="list-style-type: none"> Acceleration of new drug launches and technological developments for more advanced pharmaceutical manufacturing Accelerated development of biopharmaceuticals, and growing needs for accurate and efficient testing at production sites
Products and Solutions	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Automated CRP hematology analyzer</p> </div> <div style="text-align: center;">  <p>Centrifugal Blood Analyzer</p> </div> <div style="text-align: center;">  <p>Automatic hematology analyzer</p> </div> </div> <ul style="list-style-type: none"> Solutions for the IVD testing business Hematology testing, blood glucose analysis, immunology analysis, clinical chemistry testing, and hemostasis testing 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Simultaneous multi-laser nanoparticle tracking analysis (NTA)</p> </div> <div style="text-align: center;">  <p>High throughput Raman screening solution</p> </div> <div style="text-align: center;">  <p>Process Raman system</p> </div> </div> <ul style="list-style-type: none"> Solutions for the research and development, production, and quality control of pharmaceuticals, food and beverages, cosmetics, and skincare products

News

Medical business

In 2025, we will aim to increase sales in our IVD testing business by pursuing key regional strategies.

Key regional strategies

Japan

- Handle increased demand in pediatrics and clinics by encouraging clinical diagnosis, and strengthen support for companies selling compact equipment
- Introduce new hematology analyzer for the veterinary industry

India/Indonesia

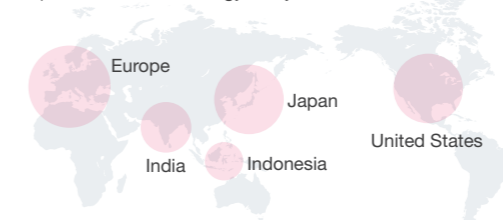
- Reduce costs by expanding local production in growth markets

United States

- Approach high end market with a focus on FDA approved products
- Strengthen HORIBA POINTE's reagent sales network in the clinical chemistry space

Europe

- Increase share in high end market by expanding provision of hematology analyzers to Siemens



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Contributions to life science markets



Targeting the life science field —Outlook for the bio-pharmaceutical market and HORIBA Core Technologies—

HORIBA acquired Jobin Yvon (now HORIBA FRANCE SAS) in 1997, and added spectroscopic analysis as one of our core technologies. For many years thereafter, we manufactured and sold cutting-edge analysis equipment primarily for researchers in the fields of physics and chemistry. We have been accelerating research and development at our sites in Europe, the Americas, and Japan. In recent years, spectroscopic analysis technology has been widely applied in the field of life science research. Thus, HORIBA has focused on developing applications for the life science market. Among these, we are particularly targeting the biopharmaceutical market, which is expected to see significant growth in the future, and aim to provide new solutions through partnerships and open innovation with companies, universities, and research institutions.

Approach to the biopharmaceutical market

HORIBA provides solutions for research and development, production, and quality control of biopharmaceuticals, food, and cosmetics in the life science market. In biopharmaceuticals, new therapeutic agents are appearing one after another. In FY2024, more than half of new pharmaceutical development consisted of biopharmaceuticals, and the market growth rate is expected to surpass that of small molecule pharmaceuticals. HORIBA aims to expand our business in the biopharmaceutical market, particularly in drug discovery, pharmaceutical development, and the manufacturing for new therapies.

What are biopharmaceuticals?

Conventional medicines (small molecule pharmaceuticals)		Biopharmaceuticals
A few hundred or less Small	Size (molecular weight)	Tens of thousands to hundreds of thousands Large
Tablets, etc.	Formulation	Primarily injections
Produced through chemical synthesis	Manufacturing process	Produced using cells or biological molecules
Stable, accurate duplication is possible	Manufacturing	Unstable because production state can change due to cell culture conditions
Produced through a process of incremental chemical synthesis. Structure is relatively simple	Structure	Molecules are large, structure is relatively complex, and strict control of the production process is necessary to maintain certain qualities and characteristics

A market for growth through a rich array of solutions made possible by HORIBA core technologies

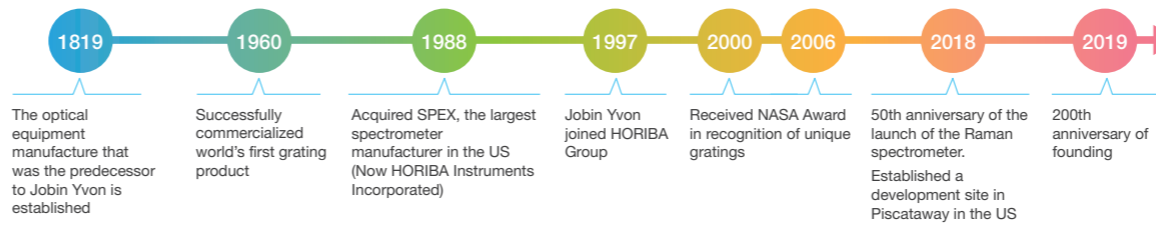
Biopharmaceuticals differ from conventional medicines (small molecule pharmaceuticals) in that they are produced using living cells or bio molecules. Production efficiency can change depending on the cell cultivation conditions, making stable production difficult.

One of HORIBA's strengths is spectroscopic analysis technology, which enables non-destructive, non-contact assessment without the need for sample preparation, making it possible to contribute to ensuring the quality and safety of pharmaceuticals, improving production efficiency, and shortening development timelines.

A pioneer in the field of spectroscopy






Jobin Yvon's advanced optical design technology has supported technological innovation in various gratings. We handle everything in-house, from the design to the manufacturing of gratings and the spectrometers equipped with them. Jobin Yvon is synonymous worldwide with spectrometers, and its 200 year history is itself the history of innovation in the field of optics.



A global development site driving spectroscopic analysis technology

We have three main R&D and production sites engaged in creating solutions for the life science market, and the leading company in each of the different spectroscopic analysis technologies. Each site delivers value through diverse approaches. Not only do we use our core technologies to develop products, but we also customize solutions to meet our customers' needs, collaborate with them on engineering projects with customers to create products that never existed before, and more.

Three main sites

	France	Japan	United States
Core technologies	HORIBA France SAS  Optical devices and spectrometers	HORIBA, Ltd.  X-ray, infrared, particle size, gas, and water quality analyses	HORIBA Instruments Incorporated.  Fluorescence spectroscopic analyzers
Main products	<ul style="list-style-type: none"> Raman spectrometers Glow discharge optical emission spectrometers Spectroscopic ellipsometry Optical components 	<ul style="list-style-type: none"> Particle-size distribution analyzers X-ray fluorescence spectroscopy microscopes Metal analyzers pH/water quality analysis 	<ul style="list-style-type: none"> Fluorescence spectrometers/ TCSPC Lifetime Fluorometer Intracellular fluorescence imaging Spectrometers

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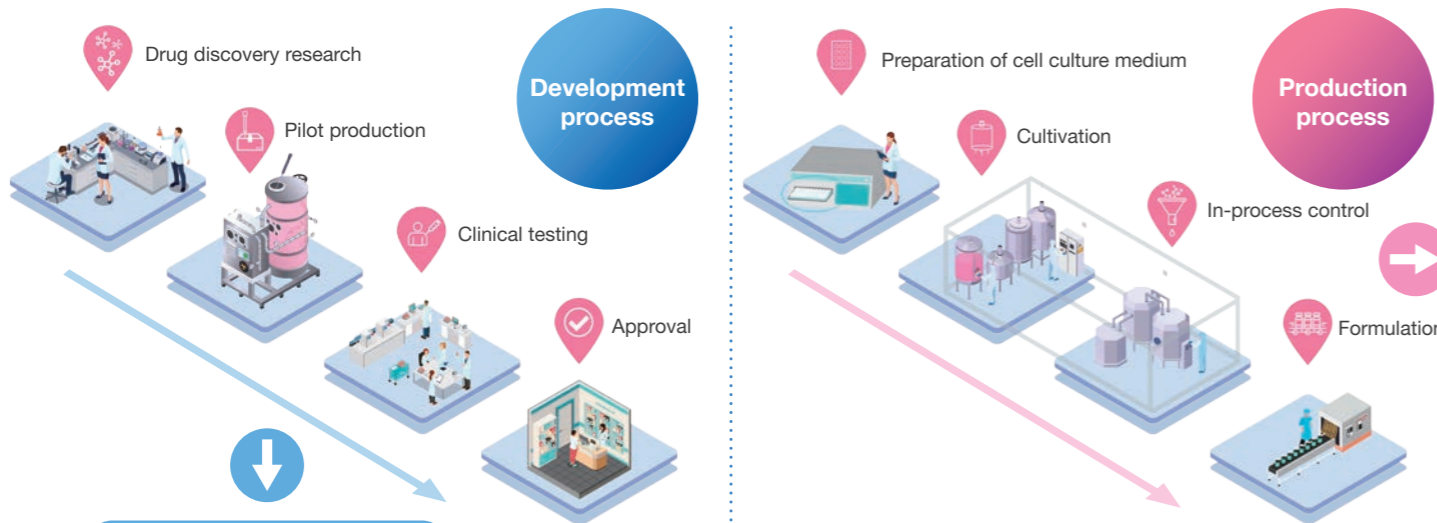


HORIBA solutions for development and manufacturing

HORIBA's unique solutions boost on-site efficiency of biopharmaceuticals research and development, production, and quality control, and contribute to the safe and speedy provision of pharmaceuticals. We handle customer issues and needs by employing spectroscopic analysis technology, data science, and sample handling skills that we have built up over many years.

Biopharmaceuticals development and production process

Contributing to faster delivery of new pharmaceuticals by making development more efficient



Solutions for manufacturing

Field

Biopharmaceuticals production and quality control

Issue/Needs

Non-destructive measurement that does not require pre-processing, and real-time monitoring of reaction conditions

HORIBA's solution

Process Raman system



- Enables rapid non-contact, non-destructive testing without touching the medium or cells
- Real time monitoring of cells and other constituents of the biopharmaceuticals production process is possible

▶ Also see R&D strategy "3. Data Science" (p. 32)

Solutions for development

Field

Biopharmaceuticals development

Issue/Needs

Automated and rapid screening of drug candidates and production conditions

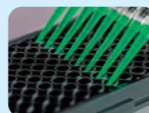
HORIBA's solution

High throughput Raman screening solution



- Shorten the development times of new drugs by accelerating the screening of drug candidates

▶ Up to 96 test samples on the well plate can be screened at once



Field

Biopharmaceuticals development and quality control

Issue/Needs

Quality control of medium used in the cultivation process for developing pharmaceuticals, and rapid vaccine pre-shipment inspection

HORIBA's solution

Fluorescence spectroscopy Biopharma analyzer



- Solvent and pre-processing of samples are unnecessary, and analysis can be performed in a short period of time
- ▶ The time it takes to process one sample is within three minutes, which is one tenth that of the current mainstream process (Based on our research as of May 2025)

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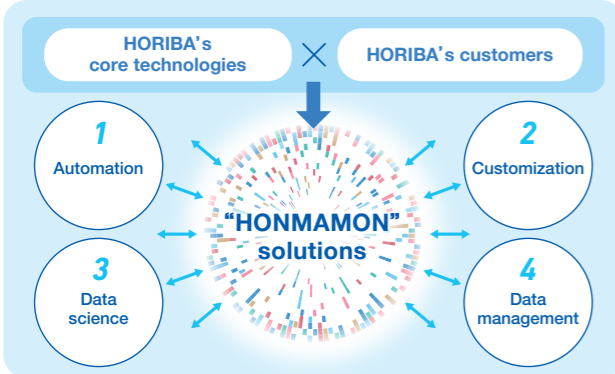


R&D strategy: Core technologies supporting our Three Fields



Foster core technology development: Combining core technologies with customer needs to create "HONMAMON" solutions

▶ New value created by "HONMAMON" solutions



We believe that "HONMAMON" solutions are created by organically combining HORIBA core technologies with customer needs. R&D strategy of our Mid-Long Term Management Plan, MLMAP2028 goes beyond traditional product sales we have developed thus far. Instead, it calls for expanding proposals of a wide array of solutions aligned with customer challenges by rolling out a business model that transcends the boundaries between fields.

▶ Rapid product development closely aligned with the customer

1 Analysis automation Apply lab-level analytical technology to production process

Energy & Environment	Materials & Semiconductor	Bio & Healthcare
Fuel cell thin film monitoring Metal composition and film thickness analysis (X-ray fluorescence) × Drive units for multi-point measurement Contribute to quality control in processes where precious metals are deposited on rolls of substrate then rolled back up after processing	Semiconductor wafer inspection Film thickness and composition analysis (Ellipsometer/Raman) × Automatic wafer transport device The automatic wafer transport system that we have developed incorporates non-destructive, non-contact sensors and contributes to the inspection process efficiency	Supporting new drug development High-speed composition analysis (Raman) × Automatic sampling device Automatic placement by robotic arm of up to 96 samples in a sample tray. Contribute to accelerating analysis

2 Analysis equipment customization Proposing analysis solutions according to customer needs

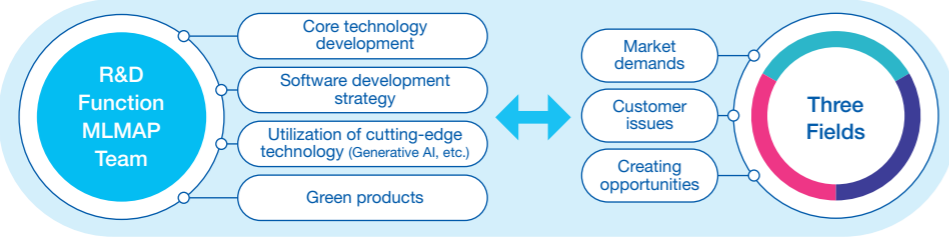
Customization example

Customizing an X-ray fluorescence analyzer into a large sample chamber type or very large sample chamber type

R&D strategy	Rapid product development closely aligned with the customer Core technologies × Customer needs = Innovation	Net sales from new business 60.0 billion yen
	Moving from product sales to solution sales Develop businesses across fields	Net sales from solutions business* 25.0 billion yen
	Pursuing "HONMAMON" technology Explore applications and accelerate open innovation	Percentage of total R&D expense spent on advanced R&D 10% or more

*Automation, data management, etc.

A global promotion system in our MLMAP2028 R&D function structure



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3 Data science Achieving real-time quality control and production process control

Previously, we mainly used Raman spectroscopic analysis technology to perform analysis based on changes in the spectrum. However, it has become possible to use modeling technology to convert these spectrum into concentration information for each component in the sample. This advancement has facilitated real-time quality control and process management.

Improving efficiency and enhancing quality control in the chemicals production process are important challenges. Our process Raman spectrometers use chemometrics technology to analyze and model the Raman spectrum. This enables highly sensitive quantitative measurements of the sample properties necessary for process optimization.

What is chemometrics?

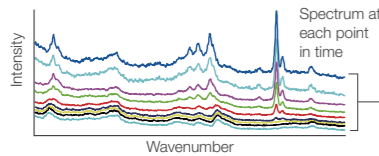


Process Raman system

This is a general term for a set of mathematical techniques used to analyze and interpret chemical data. For example, by modeling the relationship among the chemical data (spectrum), physical data (temperature, pressure), and sample properties (component concentration), it can effectively track changes in the sample. Combining continuous measurement using process Raman spectrometers with chemometrics technology, makes it possible to perform quality control and optimal process control in real time.

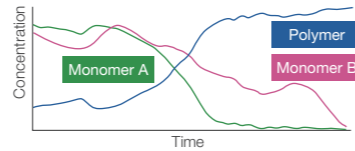
Example of monitoring using chemometrics

- Change in the Raman spectrum over time



Chemometric modeling

- Change in concentration of each component over time



In samples containing multiple components, concentration of each component can be calculated using a multivariate analysis model.

Pursuing "HONMAMON" technology

Promoting collaboration between industry, academia, government and the private sector to promote open innovation

Collaboration between industry, academia, government and the private sector promotes the development of young researchers who will lead global society in the future. This collaboration also accelerates open innovation as we strive to create and implement next-generation analysis and measurement technologies in society. Furthermore, we are accelerating comprehensive collaboration initiatives with Kyoto University and Osaka Metropolitan University in order to co-create future society.

In January 2025, HORIBA participated in a cooperative initiative for industry-academia-private collaboration with the Kyoto Prefectural University of Medicine (KPUM) so called K-MICS (KPUM Medical Innovation Core for Society). At this time, we signed a Comprehensive Collaboration Agreement with the university.

K-MICS was established with the goal of cultivating innovative research personnel, establishing a sustainable research/clinical environment, and implementing these results in society.

Through collaboration with K-MICS, we will solve problems in the fields of health, medicine, and welfare, cultivate personnel who will create the future of healthcare, and promote research and development. We will pursue the establishment of "HONMAMON" technologies that will support a society in which everyone can live safely and securely.



(From left) Yasunori Yamamoto, President of Shimadzu Corporation, Hitoshi Yaku, President of Kyoto Prefectural University of Medicine, Masayuki Adachi, President of HORIBA

Shimadzu Corporation also participated in K-MICS around the same time.

4 Data management Unifying all analyses in a single platform

HORIBA is focusing on the global rollout of our "STARS Enterprise" data management platform. This platform was first developed as a lab management system to contribute to making automotive development work more efficient.

Efficiently managing automotive testing labs

- Reduce downtime due to equipment failures, and improve utilization rates
- Improve operational efficiency of testing labs
- Comply with regulations that become more complex every year, and reduce overall workload for testing
- Prevent human error, and ensure reliability of data



As a new initiative, we are now optimizing analysis and testing processes in various fields, such as research and development of materials analysis. It has evolved into a platform that contribute to efficient management and analysis of analytical data.

Expansion to various fields beyond the automotive industry

- Consolidate and manage testing conditions and results for each phase of research and development
- Select optimal test plan and test conditions
- Collect analysis data with analysis equipment
- Perform analysis using data science technology



We have made continuous improvements and enhancements to STARS Enterprise as technology has advanced, and to meet user needs.

Moreover, we are combining various testing devices and software, including those from other companies. This will enable us to broaden the scope of our application as a comprehensive process automation and data management software used in many industries.

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Group HR strategy to maximize HORIBARIANs' potential

[Web link](#) Detailed information concerning the people development is available on HORIBA's website



Create the "Arena" together where every HORIBARIAN can maximize their potential and pursue "HONMAMON" through demonstrating their abilities with Joy and Fun.

We aim to maximize the value of our people: human assets, and accomplish this by promoting initiatives of people development aimed at leveraging the Joy and Fun of each HORIBARIAN to put HORIBA's Values into practice. These Values include the "Spirit of Challenge," "Reliability and Trust," and "Pursuit of Excellence."

HORIBA's HR team is globally united in advancing our HR Strategy.



Lisa Rowles,
Global HR Strategy
Leader
HORIBA MIRA Limited

Sharing and practices of "Our Future"

To realize the future that HORIBA envisions, we share "Our Future" (Vision, Mission, Values) with HORIBARIANs around the world through initiatives such as workshops and the utilization of visual tools, including illustrations and videos.

Across our locations, various activities are initiated, including workshops to explore the world of our Vision "Joy and Fun for All" and sharing of stories that reflect the meaning of "HONMAMON". The results* of our global survey show that HORIBARIANs have gained a deeper understanding of "Our Future".

*73% of HORIBARIANs responded positively to the question "I feel aligned with the contents of "Our Future" (HORIBA's Vision/Mission/Values)." (Respondents: 6,199; Survey period: Sep. 30 to Oct. 22, 2024)



"Our Future" special website

Understanding and sharing "Our Future"

BlackJack activities

BlackJack Project is a scheme of bottom-up activities that HORIBA launched in 1997. Employees strive to implement reforms by freely choosing a theme from questions and issues that they feel need to be improved. Such themes include refining work processes, people development, and enhancement of organization. Every December, we hold a World Cup that brings together representatives from regions all around the world who gather to determine who will receive the excellence award. This is an opportunity for communication, where participants can express their thoughts directly to management.

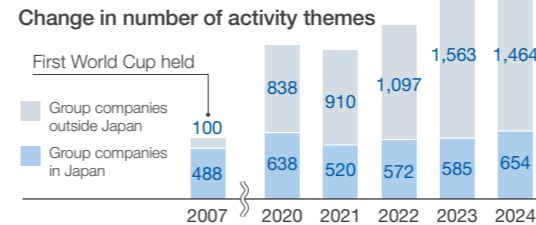
▶ An internal world cup competition is held every year to select the excellence award from the themes represented by region

Including Group companies outside Japan

2,118 themes registered (2024)

Activity themes

- Work efficiency improvement
- Cost reduction
- People development
- Organizational enhancement



Creating Value with the spirit of "HONMAMON"

HORIBA Global Leadership Program

We have established the HORIBA Global Leadership Program to continuously train the next generation of leaders who will be responsible for HORIBA's global matrix management. In its inaugural year, three HORIBARIANs from Japan, and eight from overseas (United States, United Kingdom, France, China, South Korea, and Singapore) participated. The entire HORIBA is working to train future leaders through activities such as mentoring by current global leaders, and collaboration with HR members from each country in planning/management programs.



Establishment of "HONMAMON" celebration day and awards

To celebrate the 100th anniversary of the birth of our founder, the late Masao Horiba, we have designated December 1 as the "HONMAMON celebration day." Together with HORIBARIANs around the world, we use this as an opportunity to share HORIBA philosophies, including "HONMAMON" and actively communicate in pursuit of that. We have also established an award for outstanding achievement. The award encourages all HORIBARIANs to foster a culture of pursuing work that moves people's hearts.

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Group HR strategy to maximize HORIBARIANS' potential



Empowerment of diverse people



HORIBA COLLEGE

"People make the company." — Our in-house university, HORIBA COLLEGE, allows us to transmit knowledge and skills. We encourage HORIBARIANS to plan their own programs, fostering a culture of initiative and independent thinking in their work. As individuals who think and act proactively, each person reflects on the learning they need the most at the moment and collaborates with diverse HORIBARIANS to mutually improve the skills and knowledge. This forms the foundation for our growth, and serves as an environment that encourages each member to take on the challenge of turning their ideas into reality.

Hosting Cross Cultural Program

We conduct a program for understanding and collaborating in an environment with diversity. The goal is to foster an organizational culture in which anyone can contribute, regardless of nationality. They employ concrete examples from their daily work to consider pathways to mutual understanding. This has become an opportunity for both overseas employees and their workplaces to learn the importance of objectively understanding each other's cultures.

Improving our working environment

At HORIBA, we pursue that diverse HORIBARIANS can feel a sense of pride and joy (engagement) in their work. For this purpose, a dedicated team in our HR department takes the lead in promoting company operations to respect diversity, equity and inclusion, health, safety, human rights, and improvement of work management systems.

Kutsuki Training Center (Shiga Pref.) (Fun House)



Cross Cultural Program

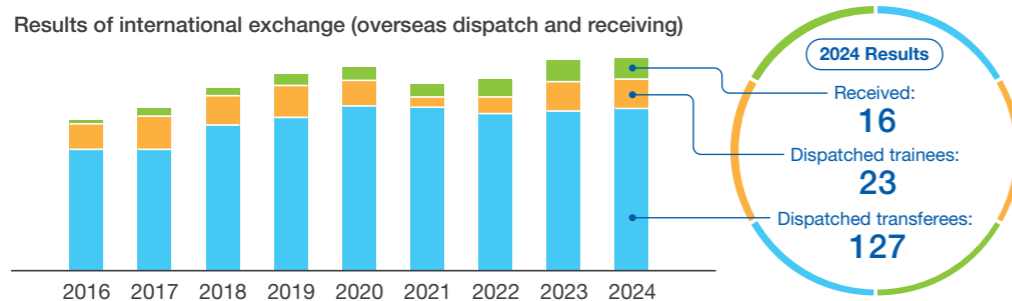


Overseas self-motivated training program, which is one of the Global HORIBARIANS Exchange (GHE) programs

Accelerating people exchange within the HORIBA Group

At HORIBA, we refer to our intra-Group people exchange as Global HORIBARIAN Exchange (GHE). This creates opportunities to take on challenges, and to develop career globally. We not only send employees from Japan overseas, but actively work to bring overseas HORIBARIANS to Japan. Through this, we aim to create an environment in which diverse people can collaborate, grow, and contribute together, while building up experience of creating innovation.

Results of international exchange (overseas dispatch and receiving)



HORIBARIANS actively participating within HORIBA through the GHE scheme

Testimonial



Lee TaeHwa

Lee TaeHwa began his career in South Korea as an application engineer. Through the GHE scheme, he built up experience working in Japan and the United Kingdom, and is now actively contributing as one of our global strategy leaders.

I am responsible for promoting business in our overseas Group companies. I have been able to learn new things through exciting day to day work, and grow by overcoming challenges one by one. Based on this experience, I hope to take on various challenges going forward, and grow as a HORIBARIAN who is continually striving to improve.

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A sustainability strategy for creating social impact

Vision

Contributing to the realization of a sustainable society through HORIBA's unique capabilities

HORIBA's mission is to contribute to a sustainable society by providing unique products and solutions. At the same time, we are working to enhance sustainability across our entire supply chain, including HORIBA itself. Furthermore, we promote activities that contribute to society and convey the excitement and dreams of science and technology to the next generation.

Web link  We disclose detailed information related to sustainability on the HORIBA web site.



Approach to sustainability

HORIBA will contribute to the development of a sustainable society by creating an environment in which individual employees can fully demonstrate their talents and capabilities. As well as this, HORIBA will implement corporate activities that create social values for all global stakeholders including nature, future generations, and society itself. These efforts will achieve HORIBA's Vision, "Joy and Fun for All."

Corporate Philosophy

HORIBA has set forth the HORIBA Corporate Philosophy under our corporate motto Joy and Fun. It expresses our basic position on improving corporate value in four areas: business operations, customer responsiveness, responsibility to shareholders and investors, and HORIBARIANS. The HORIBA Corporate Philosophy is the foundation of our sustainability policy. Our basic philosophy is to contribute to the realization of a sustainable society including the preservation of the global environment and resources, ensuring good health for people, improving the safety and convenience of society, and the progress of science and technology. As an analytical and measurement solution provider, we aim to achieve this through business activities focus on analytical and measurement technologies for global markets in a variety of industries.

Code of Ethics

Our Code of Ethics outlines eight guiding principles for doing business. These include respect for human rights and environmental issues. It provides our guidelines for sustainable development as a global company, and for recognizing the missions and roles that all HORIBARIANS should play in conducting open and fair corporate activities. It serves as the foundation for HORIBA's global approach to sustainability.



Approach to sustainability

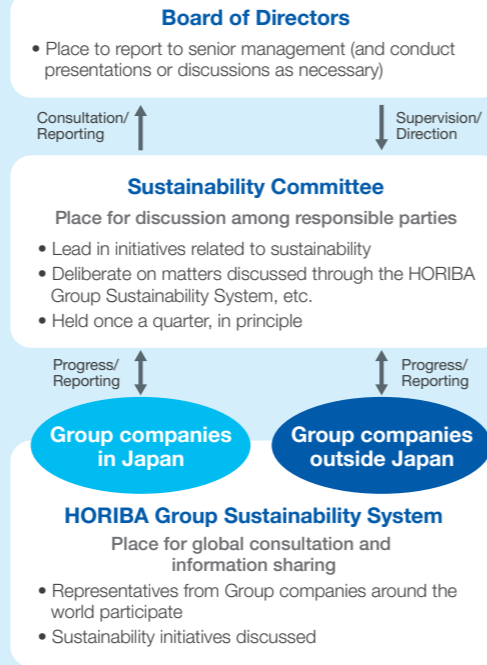


HORIBA Corporate Philosophy



Code of Ethics

HORIBA Sustainability organization chart



Achieving sustainable operations

People

We will continue to create an environment where each and every person who works at HORIBA can thrive and excel.

Environmental

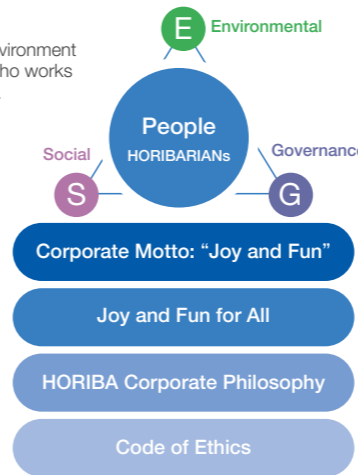
We will contribute to building a sustainable circular economy, and improving the global environment.

Social

We will work to build good partnerships with various stakeholders.

Governance

We will practice highly transparent management by maintaining effective internal systems and upholding corporate ethics.



Address social issues through "HONMAMON" solutions in our Three Fields

Energy & Environment

We will contribute directly to achieving carbon neutrality by reducing CO₂ emissions through the development of highly efficient engines and hybrid vehicles, and making CO₂ capture and storage more efficient through the adoption of CO₂ monitoring gas analyzers.

Bio & Healthcare

We will contribute to maintaining the health of all living creatures by revolutionizing the healthcare journey through partnerships and localization, and reducing the cost of medicines by optimizing pharmaceutical development and production workflows.

Materials & Semiconductor

We will reduce electricity and gas consumption through precise gas flow control using environmental monitoring in the semiconductor production process. Furthermore, we will contribute to the effective utilization of limited resources by improving productivity and recycling scarce raw materials.

External evaluation



SOMPO Sustainability Index

In 2024, HORIBA was selected as a constituent of the SOMPO Sustainability Index.



2025 KENKO Investment for Health

For the ninth year in a row since 2017, HORIBA has been certified as a "2025 KENKO Investment for Health" under the program jointly administered by the Ministry of Economy, Trade and Industry (METI) and the NIPPON KENKO KAIGI.

Endorsement



United Nations Global Compact (UNGC)

HORIBA, Ltd. has supported the initiatives of the United Nations Global Compact and became a signatory in 2011 under the leadership of senior management.

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Initiatives to focus on

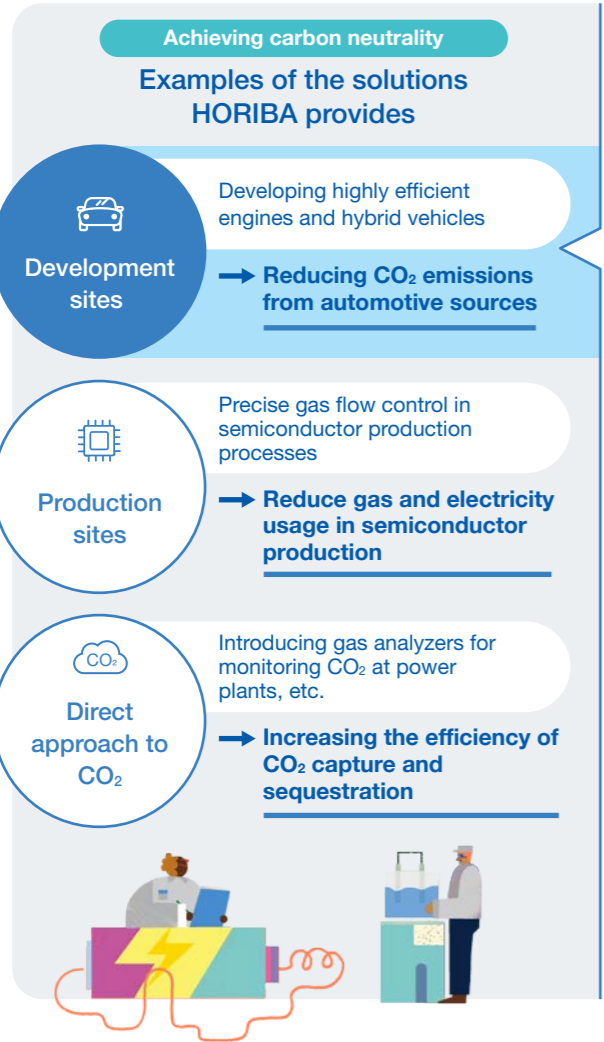
Achieving a sustainable society through HORIBA products and solutions



Objective
Solving social issues through our business activities in Three Fields

- Primary activities**
- Developing solutions in Three Fields to achieve a sustainable society.
 - Define HORIBA's unique Environmental beneficial products*, and actively deploy them throughout the world.
 - In addition to reducing Scope 1–3 emissions as defined in GHG Protocol, HORIBA provides solutions that enable CO₂ emissions reduction through customer-implement technologies.

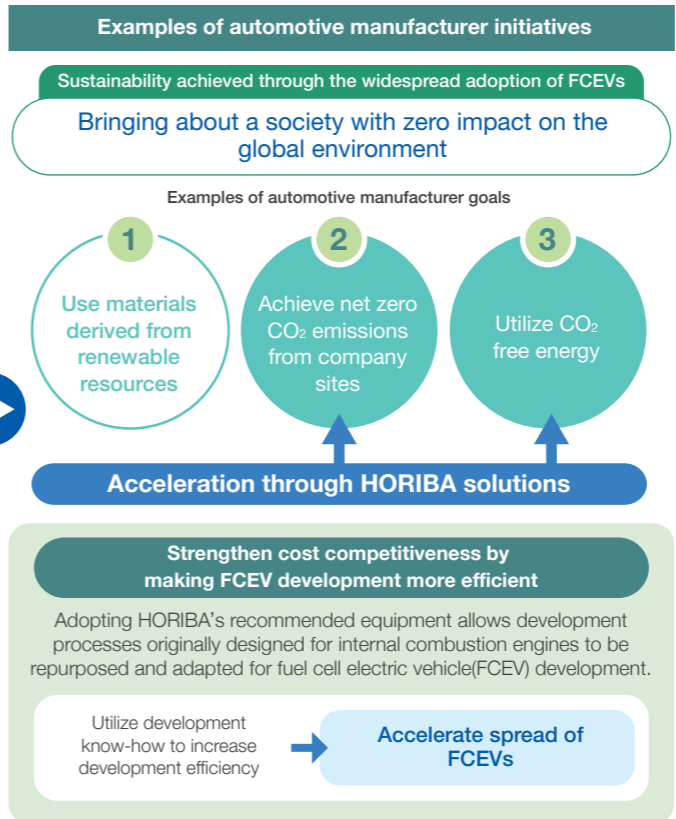
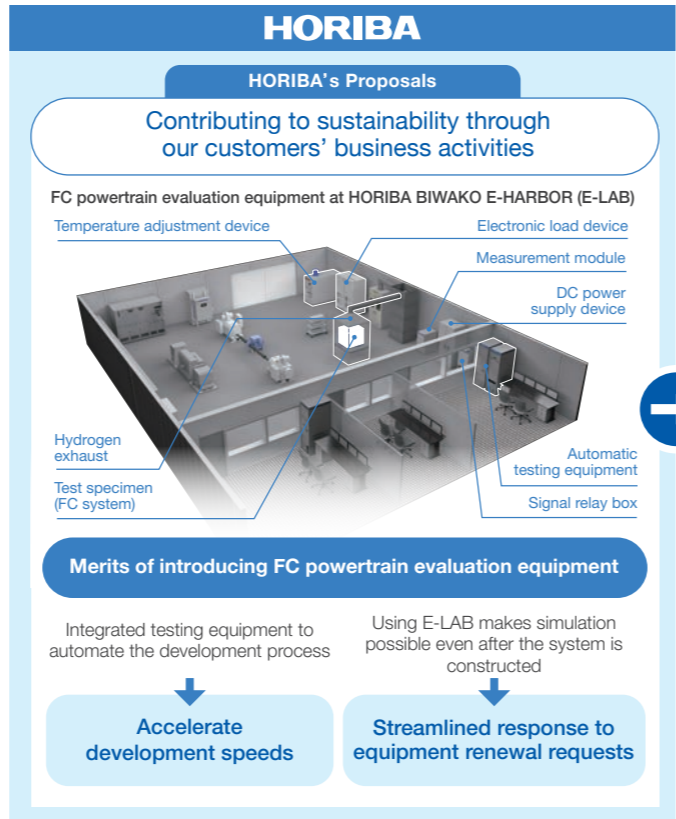
*Environmental beneficial products: Products and solutions that reduce environmental impact, such as energy consumption.



Contributing towards a sustainable society through our business activities

Solutions towards achieving carbon neutrality

Striving for more efficient development of FCEVs (fuel-cell electric vehicles) to achieve carbon neutrality



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Initiatives to focus on

Achieving sustainable operations

Objective

2050 Carbon neutral

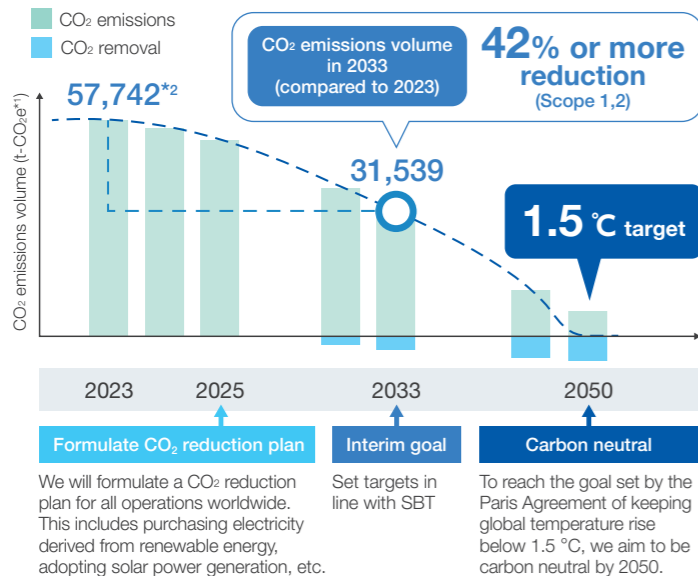
Interim goal 42% or more reduction in CO₂ emissions by 2033 (Scope 1, 2)



- Introduction of renewable energy and reduction of direct GHG emission in each worldwide site (Scope 1,2).
- Identify emissions in supply chain and set targets for reduction (Scope 3).
- Build sustainable supply chain systems that take into account human rights and biodiversity.



Milestones towards achieving carbon neutrality by 2050



*1 t-CO₂e: A unit that shows the greenhouse effect from gases other than CO₂ expressed in terms of CO₂. HORIBA is also calculating our emissions of greenhouse gases other than CO₂

*2 In July 2025, the base year emissions for 2023 were revised from 54,378 t-CO₂e to 57,742 t-CO₂e; the interim target for 2033 of 31,539 t-CO₂e remains unchanged.

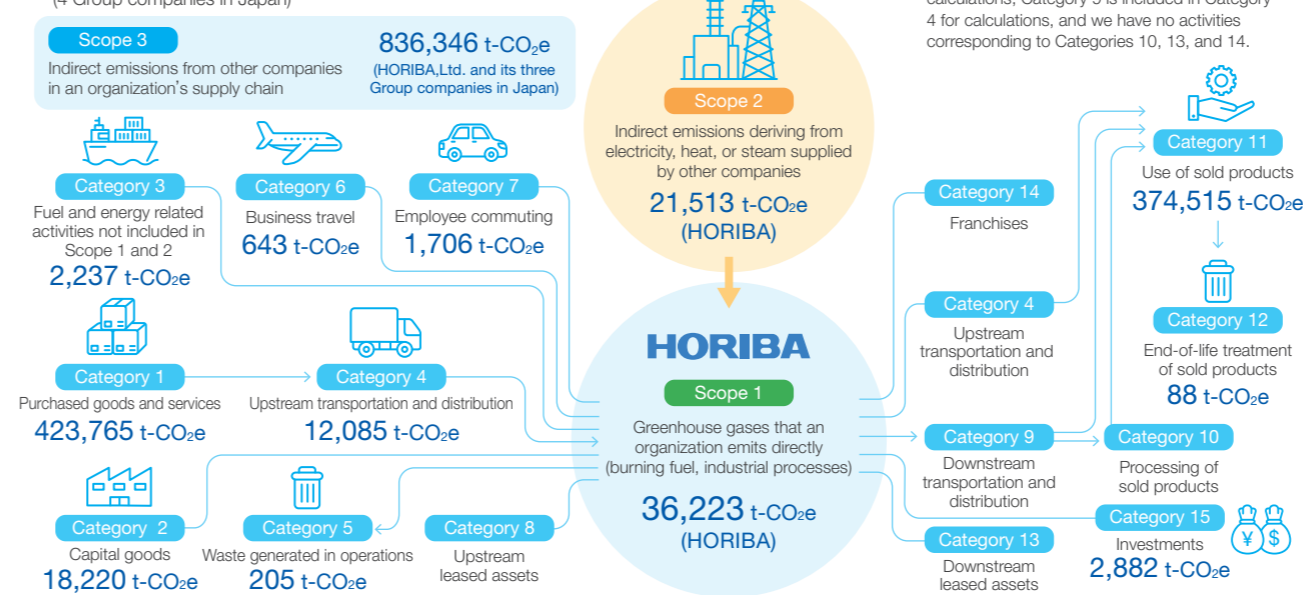
Initiative for reducing CO₂ emissions: Adopting renewable energy

As one of our initiatives for reducing our impact on the environment, we have achieved 100% adoption of electricity sourced from renewable energy at 10 of our sites (5 in Germany, 1 in Austria, and 4 in the United Kingdom)



HORIBA FuelCon GmbH

GHG emissions volume throughout the entire supply chain (4 Group companies in Japan)



Note: Category 8 is included in Scope 1 and 2 for calculations, Category 9 is included in Category 4 for calculations, and we have no activities corresponding to Categories 10, 13, and 14.

We began calculating Scope 3 greenhouse gas emissions volumes in 2023. In 2023 we verified the details of activities of HORIBA,Ltd. and its three Group companies in Japan, and determined that they are subject to reporting in 10 of the 15 categories. Our total emissions volume for these categories was 836,346 t-CO₂e. In 2024, we expanded the scope of reporting to the entire Group, and we are working to aggregate data on a global level. We plan to set our reduction targets based on the results of this aggregation.

Integrated Management System

HORIBA has obtained ISO9001, ISO14001, and ISO45001 certification at HORIBA,Ltd. and its three Group companies in Japan. We implement these standards effectively and efficiently through a single Integrated Management System (IMS). On the environmental front in particular, we strive to contribute to improving the global environment and fostering a sustainable circular economy. We are steadily improving our environmental performance through operation of our IMS, and are promoting activities to reduce CO₂ emissions.



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Initiatives to focus on

“Measurement × Education” – Passing on our excitement and dreams of science and technology to the next generation

Objective

Social contribution in the field of science and technology

- Over 100 activities per year
- Over 4,500 participants (in more than 10 countries)

Primary activities

- Promoting activities tailored to each generation (primary and secondary education)
- Developing locally-rooted social contribution activities at each site around the world
- Accelerating partnerships between industry, academia, government, and civil organizations to solve social issues through measurement technology.



Hands-on classes using HORIBA technology

Experiencing “measuring is seeing” first hand



We have been conducting these classes since 1994 for over 30 years out of a desire to show children how interesting and important the science of measurement is. We hold our measurement events using HORIBA's products such as radiation thermometers, gloss meters, and pH meters. Additionally, we organize manufacturing experience classes at elementary schools where students can make their own thermometers. Through these classes, we convey the fun of manufacturing and the message that “measuring” leads to “seeing”, that means we can see the following actions for the abundant future.

Environmental education

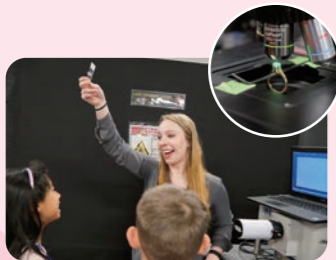
Contributing to the study of aquatic environments and microplastic issues



This photo shows seawater measurements conducted together with high school students by HORIBA Advanced Techno Co., Ltd. on an island in Nagasaki prefecture. This activity demonstrates how measuring water can reveal current conditions and inspire ideas for protecting aquatic environments. In addition, HORIBA TECHNO SERVICE, Co., Ltd. has developed a microplastic observation kit “PLAWATCH” to visualize the microplastics in sand taken from nearby ocean beaches and river shores. Not only do we use it in our own observation classes, but we are promoting its use in educational environments as well.

Overseas case study

Determining the genuine from the fake with “HONMAMON” equipment



While our overseas group companies share the common policies as the entire Group, they are rolling out unique initiatives depending on their own products and local situations. For instance, HORIBA Instruments Incorporated in the U.S. hosts the science learning events using HORIBA's Raman spectrometers to determine real diamonds from fakes, clean room tour as well. Likewise, our group companies in the U.K., France, and South Korea are also working to provide children with opportunities to interact with our “HONMAMON” analysis and measurement equipment and technology.

Academic support

20 years of continuous support for young researchers and engineers



We established the “Masao Horiba Award” in 2003, in honor of our founder. It aims to encourage up-and-coming researchers and engineers who have the foresight to see analysis and measurement needs in new industrial fields, and who are engaged in unique and innovative research supporting future technological development. For more than 20 years, we have been dedicated to supporting researchers and engineers, as well as enhancing the significance of analysis and measurement technology. Moreover, we formed comprehensive partnership agreements with Kyoto University in 2023, and Osaka Metropolitan University in 2024. Through these, we aim to foster the development of research personnel and create new innovations to solve social issues.



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On HORIBA Talk, we share various information about our diverse businesses and technologies, the people, social initiatives, corporate culture, and more.



Financial strategy: CFO message

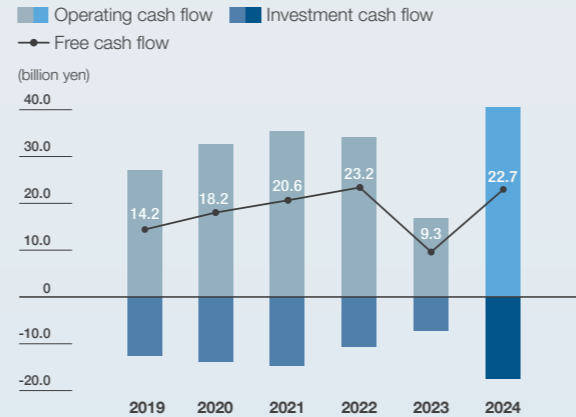
Driving growth investments to increase corporate value, while maintaining a robust financial foundation



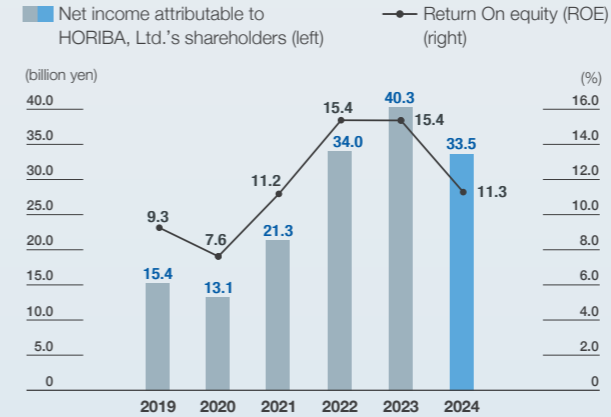
Koji Koyama

Senior Corporate Officer and Group CFO

Cash Flows



Net income and Return On Equity (ROE)



I am responsible for execution of global financial strategy as Group CFO of HORIBA. During my tenure at the Bank of Japan, I held various positions across departments at both the head office and offices overseas. I was involved in a wide array of work, including managing monetary policy, monetary transactions in financial markets, analysis of economic and financial markets, public relations, and organizational management. During this period, I took part in organizational management as a manager of various branches. I gained firsthand experience in the operations and organizational culture of other entities during my assignments to the central government and the financial department of a private insurance company. I am committed to enhancing HORIBA's corporate value through dialogue with stakeholders, and by leveraging my experience interacting with financial markets from the point of view of regulatory authorities and financial institutions.

Looking back on the year ended 2024

In fiscal 2024, we recorded net sales of 317.3 billion yen, and operating income of 48.3 billion yen—our highest figures yet. This strong performance was primarily driven by increased sales in Europe and the Americas, benefiting from the yen's depreciation, as well as significant growth in sales of emission measurement equipment in our Automotive Segment and robust sales to Asia in our Semiconductor Segment. In addition, net income attributable to HORIBA, Ltd.'s shareholders came

to 33.5 billion yen, and ROE came to 11.3%. Causes for fluctuations compared to the previous fiscal year include: the fact that we posted 6.6 billion yen in extraordinary gains from the sale of businesses in 2023, and an impairment loss of 1.3 billion yen on operational assets of HORIBA FuelCon GmbH in 2024.

With respect to cash flows, due to a year-on-year decrease in inventories, our operating cash flows greatly improved and we generated a free cash flow of 22.7 billion yen.

Although we posted record net sales and operating income, this year brought to light issues concerning the profitability of businesses other than our Semiconductor Segment as we look to achieve our MLMAP2028 targets. In particular, substantial investments aimed at capturing emerging opportunities in hydrogen-related initiatives within our Automotive Segment, combined with delays in establishing an internal framework to support market growth, resulted in significant operating losses. We are currently aiming to make these businesses profitable in FY2026. To achieve this, we are deploying seasoned HORIBA professionals to HORIBA FuelCon GmbH, the core hub of our hydrogen business, to streamline and advance production management and financial oversight.

2024 was a year of drastic changes in the stock market. While we achieved our highest ever market capitalization in May, it was downward trend in line with the trend for the entire market. As we steadily implementing measures for achieving our MLMAP2028 targets, I aim to enhance corporate value through continuous dialogue with our investors.



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The fundamental principles of HORIBA's financial strategy

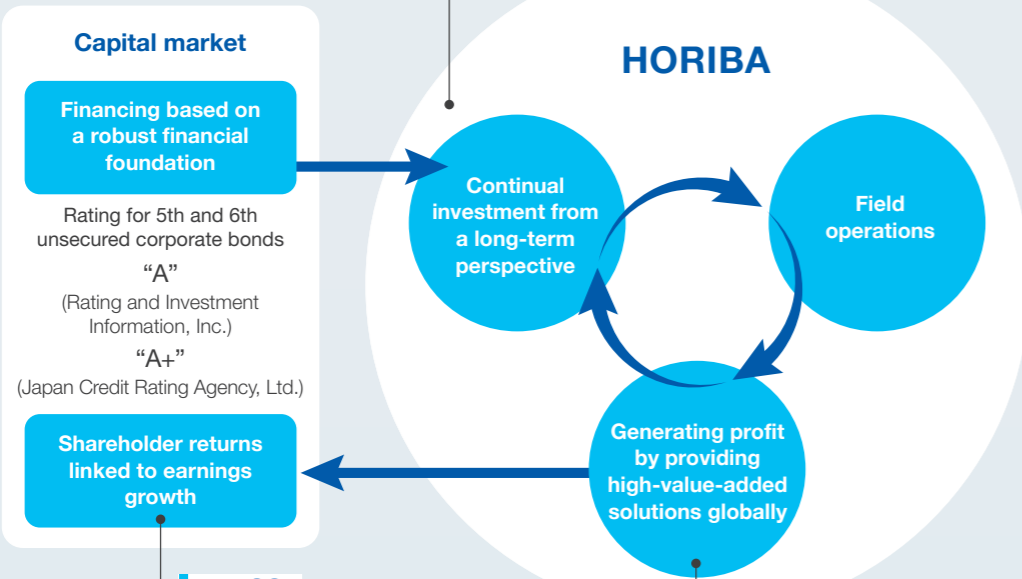
Fundamental principles of financial strategy

Point 01

Improve capital efficiency to maximize corporate value

We actively pursue investments aimed at fostering long-term corporate value. Additionally, each group company and business field set and manage its own capital efficiency targets to maximize HORIBA's corporate value.

→ ...Flow of cash



Point 03

Agile shareholder returns aligned with earnings growth

Approximately 30% of consolidated net income is returned to shareholders through dividends, while ensuring management stability and maintaining sufficient equity capital to support strategic growth initiatives. In addition, we perform timely and proper returns to shareholders through special dividends and share buybacks, while taking into account investment opportunities and financial conditions.

Point 02

Achieve and maintain high ROE

As stated in MLMAP2028, HORIBA seeks to maintain an ROE of at least 12%. ROE is one of our most important management KPIs.

Approach to continual investment

Investment in R&D

We believe that continual R&D investment is the foundation of our competitiveness. So, we aim to invest about 10% of our sales in R&D. We maintained investments even during recessions, which has allowed us to increase our market share when demand recovered.

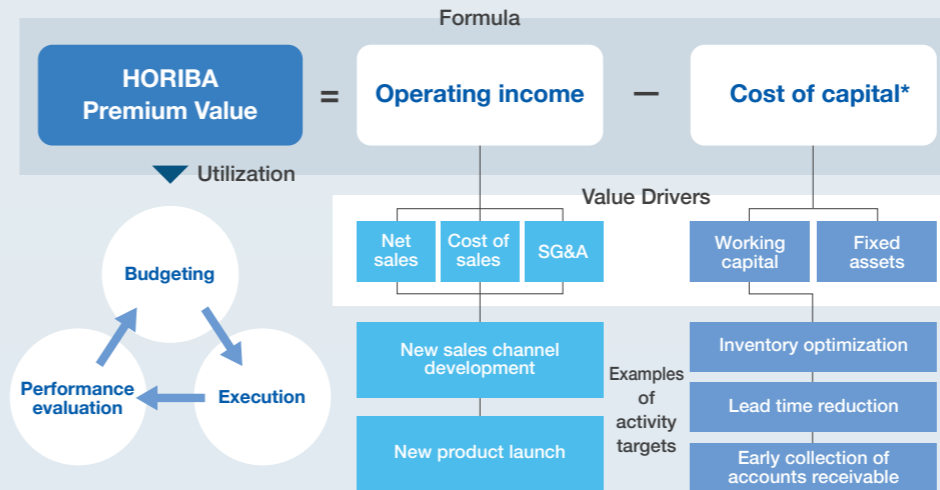
Capital investments

We invest for the future from a medium to long-term perspective. We continue to actively invest so as to respond to changes in the market environment.

Approach to M&A

Based on our long-term vision, we acquire businesses with unique technologies. We then use these technologies to complement or create potential synergies with HORIBA's technology portfolio.

Tree of capital efficiency metrics



*Cost of capital: Invested capital × In-house rate of cost of capital. The target cost of capital is calculated using proprietary indicators derived from HORIBA's WACC and specifically designed to align with operating income.

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Driving growth investments for increasing corporate value

Under MLMAP2028, we aim to achieve consolidated net sales of 450 billion yen, including 60 billion yen from new business. To achieve this goal, we intend to evolve our business model beyond selling equipment and devices for R&D and regulatory compliance. Specifically, we intend to expand our systems and applications tailored to various processes, such as production processes and quality control, across our Three Fields. Achieving this will require substantial investments in R&D, capital assets, and strategic initiatives. By achieving the financial goals of MLMAP2028, we expect to see a 5-year cumulative total of 400 billion yen in operating CF before our R&D investment deduction. The generated cash flow will be allocated as follows: 130 billion yen for R&D, 140 billion yen for capital investments, of which 80 billion yen is allocated to strategic investments.

In fiscal 2024, our operating CF before R&D investment deduction came to 66.3 billion yen, R&D investments came to 22.9 billion yen (7.2% of net sales), and capital investments came to 19.3 billion yen.

In R&D, operations under the Three Field structure began in 2024, further accelerating the development of new applications. In recent years, our ratio of R&D expenses to net sales has been around 7 to 8%. We will continue to actively invest in R&D, with a target of 10% of net sales.

Regarding capital investment, as part of our strategic investment, we will invest approximately 20

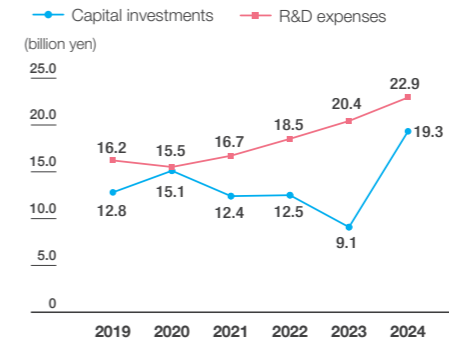
billion yen in total in the establishment of R&D and production facilities for our semiconductor business in Fukuchiyama, Kyoto.

The R&D site will begin operations in August 2025, and the production site is slated for completion in January 2026. Going forward, we will continue to develop our locations and make capital investments targeting business growth.

We will also actively promote strategic investments such as M&A that can accelerate the expansion of our target business model through our Three Field structure.

Moreover, we will maintain a robust financial foundation that makes it possible to continue actively investing in future growth.

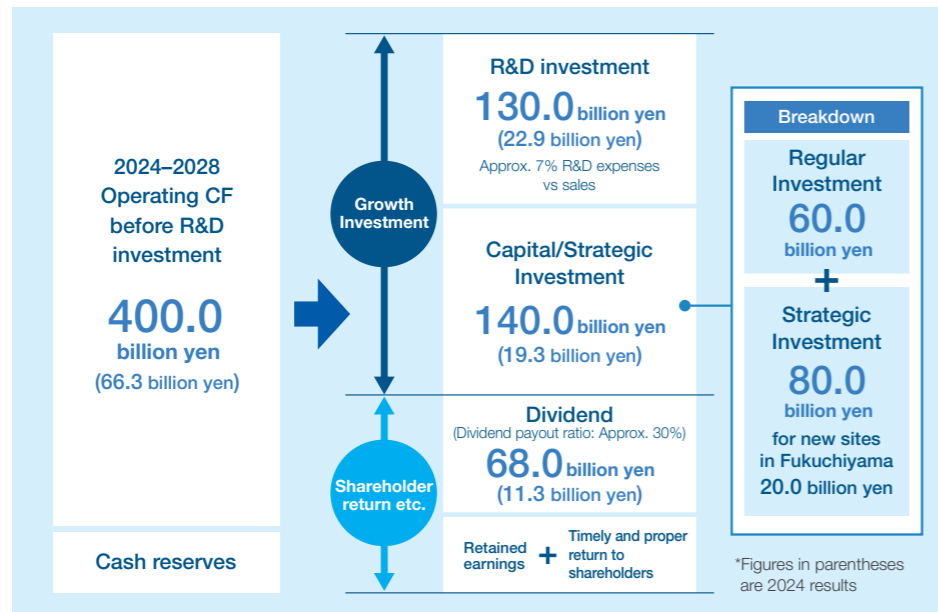
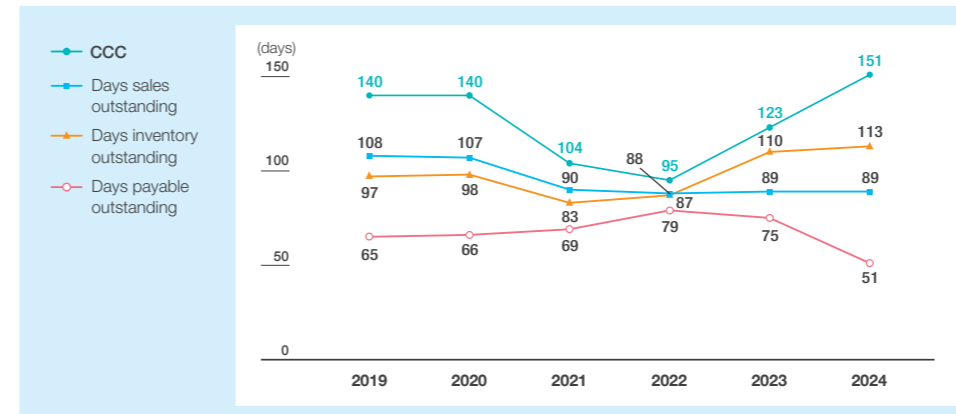
Capital investments and R&D expenses



Initiatives to improve profitability and asset efficiency

In MLMAP2028, we are continuing to promote initiatives to improve profitability and asset efficiency using the HORIBA Premium Value we adopted in 2017. This index integrates the concept of the weighted average cost of capital (WACC) with operating income. We are also working to raise awareness of cost of capital among employees through financial education. An immediate challenge to improving asset efficiency is the prolonged cash conversion cycle

Cash Conversion Cycle (CCC) and days working capital outstanding



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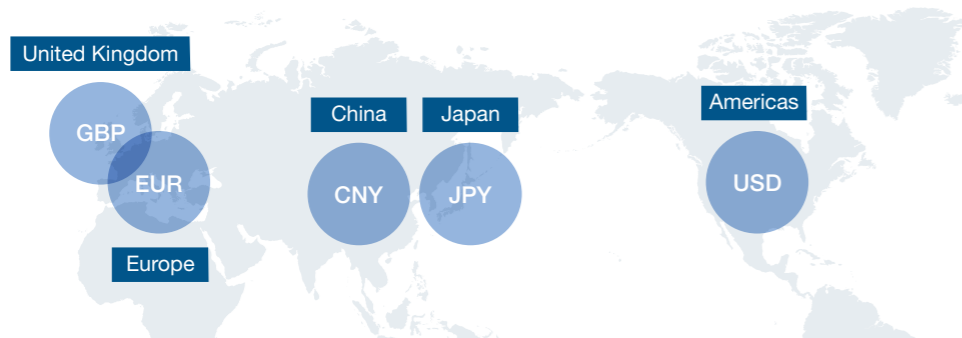


(CCC). Since 2021, our cash generation capabilities have been improving due to the growth of our Semiconductor Segment. However, due to the demand adjustment phase that began in 2023, our inventory remain high, and our Days Inventory Outstanding has gotten longer compared to before COVID-19. Furthermore, in regions such as Japan, accelerated payment schedules have kept Days Payable Outstanding at a low level. As a result, the gap in timing between the collection and disbursement of funds has widened, and working capital has tended to increase.

We need an adequate level of inventory to prepare for future increases in demand for semiconductors. Meanwhile, we will remain vigilant and focus on improving efficiency by implementing strategies to optimize inventory levels.

Global cash management

Global cash management structure



Approximately 70% of HORIBA's sales are generated from outside of Japan, and we operate several development and production facilities abroad. We have established regional headquarters in the Americas, Europe, the United Kingdom, and China with funds management functions for each currency. By promoting cash pooling, they also help to efficiently utilize surplus funds and mitigate risks such as currency exchange fluctuations.

In MLMAP2028, the importance of our Centers of Excellence (CoE) for core technologies located in each region is increasingly vital for achieving growth in our Three Field business.

Recent years have seen an uncertain international situation and heightened geopolitical risks. Therefore, we will maximize the effective utilization of our financing system through our regional headquarters around the world. This will enable us to make timely and necessary investments into global business sites, including our Centers of Excellence.

Shareholder return policy and communication with the market

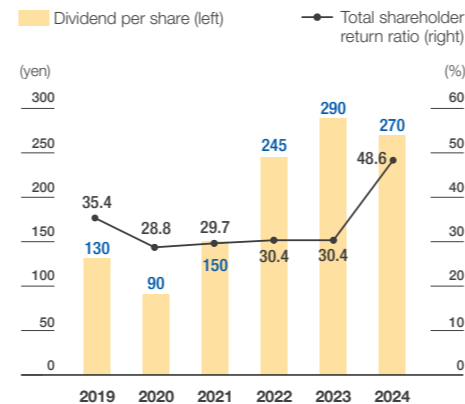
Starting from fiscal 2024, we changed our shareholder return policy to “targeting a dividend payout ratio at 30% of net income attributable to HORIBA, Ltd.’s shareholders. Meanwhile, special dividend and share buybacks will be executed in a timely and proper manner, comprehensively taking into account investment opportunities, the cash flow situation, and other factors.”

In fiscal 2024, our annual cash dividends were 270 yen per share, and our dividend payment ratio was 33.8%. Moreover, our total shareholder return ratio, combined with share buybacks of approx. 5.0 billion yen from February to April 2024, was 48.6%. Hereafter, we will maintain the necessary level of financing in order to proactively seize investment opportunities to help reach our MLMAP2028 goals. We will assess the situation in light of this and implement timely and proper returns to shareholders.

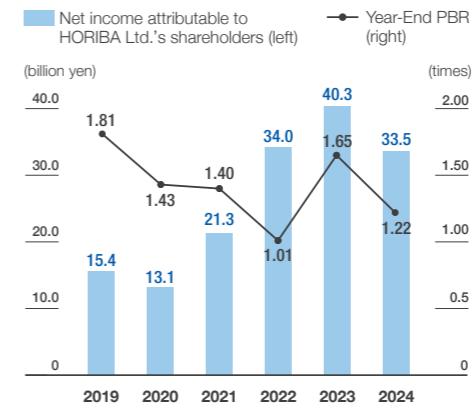
Our PBR (Price Book-value Ratio) indicator, which is used as a guide to determine whether a stock is overvalued or undervalued, is currently above 1.0. However, given the enhanced profitability driven by the growth of semiconductor business in recent years, we believe that there is potential for further improvement.

To improve our corporate value over the medium-to long-term and enhance our capital market evaluation, we will maintain a constructive communication with the market. At the same time, we will continually implement measures for business growth that take into account improving business profitability and asset efficiency. In addition, we will consider and implement timely and proper shareholder returns, including share buybacks, as appropriate. HORIBA will also ensure clear and comprehensive communication to deepen understanding of our management strategy. We are committed to improving our corporate value by further accelerating these initiatives.

Dividend payments and total shareholder return ratio



Net income and year-end PBR



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Non-executive director message

Vitalizing the Board of Directors with multiple external perspectives, and turning HORIBA's unique initiatives and philosophy into increased corporate value

Haruyuki Toyama

Director (Non-executive), Independent Director

HORIBA's strength is its ability to flexibly handle change through co-creation

Since I took on the role of Non-executive Director in 2021, I have felt that HORIBA is a company capable of flexibly adapting to the changing times. Today, significant transformations including those concerning DX and GX are underway in all fields of business. Amidst all this, HORIBA is always pressing forward at the cutting edge, never falling victim to the "innovation dilemma" of being slow to adapt to new innovations. Behind this proven track record of HORIBA is the fact that it has always conducted business through co-creation with customers and approached societal changes as new opportunities for co-creation. And this is supported by the ability to refine technologies from multiple perspectives, discover customers whom it can grow together with, and leverage the trust this has earned. I feel that HORIBA's tireless efforts as a B2B company focused on measurement technologies are strengthening its position.

In managing its global business, HORIBA views diversity as a positive asset. Each HORIBARIAN embraces the ideal of Joy and Fun, and the company welcomes individual differences with open-mindedness. The reason it can do this is that the corporate motto of Joy and Fun transcends national boundaries and resonates with employees, fostering a corporate culture that encourages the sharing of ideas. Another factor is that most of HORIBA's

management has experience overseas and understands the way business is conducted in various countries and regions. For instance, every six months, HORIBA holds a meeting attended by leaders from around the world. All attendees engage in spirited discussions in English, sharing ideas and exploring the possibilities for the Group as a whole. I think companies that continually create such opportunities are quite rare in Japan.

While global management aims to encourage and utilize autonomous local initiatives, it is also necessary to lead the entire Group in the same direction. That balance is difficult for any company to attain. When the company enters a new phase, or if its leaders or managers change, then a new balance must be sought. Fortunately, HORIBA management understands the importance of these issues. I get the impression that they engage very seriously with these challenges, maintaining close daily communication and an unwavering commitment to Joy and Fun to achieve this balance in a timely and appropriate manner.

Looking ahead, I expect HORIBA to utilize its global resources to their fullest and pioneer new businesses. I hope that each HORIBARIAN will build a global network both inside and outside of the company, and use the stimulation from these interactions to polish their ideas and technologies.

And I hope that this will create new businesses. The historian Niall Ferguson argues that the Renaissance emerged through the creation of public squares. Likewise,



Profile

Graduated from the University of Tokyo's Faculty of Law in 1982, and joined the Bank of Japan. Served as Alternate Executive Director at the International Monetary Fund (IMF), a member of the Payments and Market Infrastructure Committee and Markets Committee at the Bank for International Settlements (BIS), and assumed posts including Director-General of the International Department at the Bank of Japan, before leaving in 2014. Registered as a lawyer and was appointed as Outside Director of Hitachi Construction Machinery Co., Ltd. in 2015. Became a special counsel at the Iwata Godo law office in 2019. Appointed as Non-executive Director at HORIBA in March 2021. He possesses legal expertise concerning finance and corporate governance, and has a wealth of experience and knowledge in international banking and finance.



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new things are born not out of top-down pressures, but instead from collaborative relationships. I believe that HORIBA is in that phase right now.

Bringing together perspectives rooted in differing experiences to deepen discussions and support management

HORIBA's Board of Directors includes participation not only from non-executive directors but also from Audit & Supervisory Board Members who are free to share their opinions. I believe that this serves as a very effective check and balance in the Board's decision-making. One of the things I try to do on the Board of Directors is to pose unexpected questions that are unlikely to come from within the company. When you are part of an organization, the emphasis tends to be put on developing technology. Moreover, you can be influenced by past successes when making business decisions, or fall prey to a normalcy bias that causes you to underestimate situations and think "this is fine". It is also easy to feel self-righteous or be resistant to change. Therefore, we non-executive directors are trying to share our perspectives based on our different experiences, and consider whether the proposals from the executive team are appropriate. This clarifies points of discussion and encourages further debate. In situations like this, HORIBA's chairman respects debate and does not try to force a certain opinion on the Board. Because of this, proposals gradually become more robust. Another thing I try to do is to promote a spirit of "making proposals better", among all the participants including the person offering the proposal. I think it is important to create an atmosphere that fosters meaningful discussion.

As a non-executive director, my duty is to meet stakeholder expectations by striving to increase medium-to long-term

corporate value to benefit shareholders and all other stakeholders. Specifically, as chair of the Nomination and Remuneration Committee, I strive to fulfill my role in designing the director remuneration system and in the appointment and dismissal of directors. I also take an objective point of view in checking whether financial capabilities, technological capabilities, and people are distributed appropriately, and whether the company it is taking appropriate risks. At recent meetings of the Board, the integration process following mergers and acquisitions has been the primary topic of discussion. A big challenge for the company is how to instill the HORIBA philosophy and create synergy. I feel that it is crucial to always be aware of this even after several years have passed since acquisition. In the end, I feel that a company is defined by its people, and the key is fostering a sense of ownership among its employees. The fact that we were able to leverage these experiences to emphasize the importance of the people development through discussion with the entire Board has translated into invaluable expertise. At future meetings of the Board, I want to raise the issue of what we should strive to achieve 10 or 15 years from now. We have formulated a Vision of "Joy and Fun for All" that we aim to reach by HORIBA's 100th anniversary in 2053, as well as a five-year plan, MLMAP2028. But shareholders also need background information on the interim period materials to base their decisions on the company's future prospects. Former US President Dwight D. Eisenhower once said, "Plans are worthless, but planning is everything." In a society undergoing drastic change, detailed strategies for the distant future may not be of much use. However, I believe that the simulations and understanding of the current situation that emerge from the discussion process will definitely come in handy from here on out.

Expecting to leverage the strengths of HORIBA's flatly-structured organization to create new business expansion globally

One of the issues HORIBA faces going forward is determining the function of the head office. There is a shared belief that rolling out new applications together with various customers around the world, including those using the technologies acquired by HORIBA, will bring about more opportunities to expand HORIBA's business. However, I feel that it will be difficult for the head office in Kyoto to lead all of these efforts. In order to expand further, in the future we may consider establishing a command center for each technology and field at different location and oversee them from the head office in Kyoto. In such a scenario, the Board of Directors will faithfully perform its function of governance checks and ensuring the optimal placement of managerial staff. Another issue is the fact that HORIBA's resources are limited compared to other global companies. HORIBA's steady operations thus far have allowed it to grow into a company with net sales in excess of 300 billion yen. However, HORIBA cannot compete by developing platforms with customers on the same scale as large companies that generate sales, say, exceeding 1 trillion yen. Instead, I believe HORIBA can overcome this challenge in the same way it has thus far: maximizing the use of resources both inside and outside the company, and providing its technologies to various enterprises and universities to engage in co-creation. I also believe that it is important to demonstrate the kind of speedy decision-making and ability to take action that large companies cannot imitate. No matter what obstacles stand in our way, HORIBA overcomes even the toughest challenges with a spirit of Joy and Fun. This is what defines HORIBA as a company — and what makes a HORIBARIAN. As they continue to forge a new future, we will stand behind them with strong support. We hope you'll continue to share in our journey and expect great things ahead.



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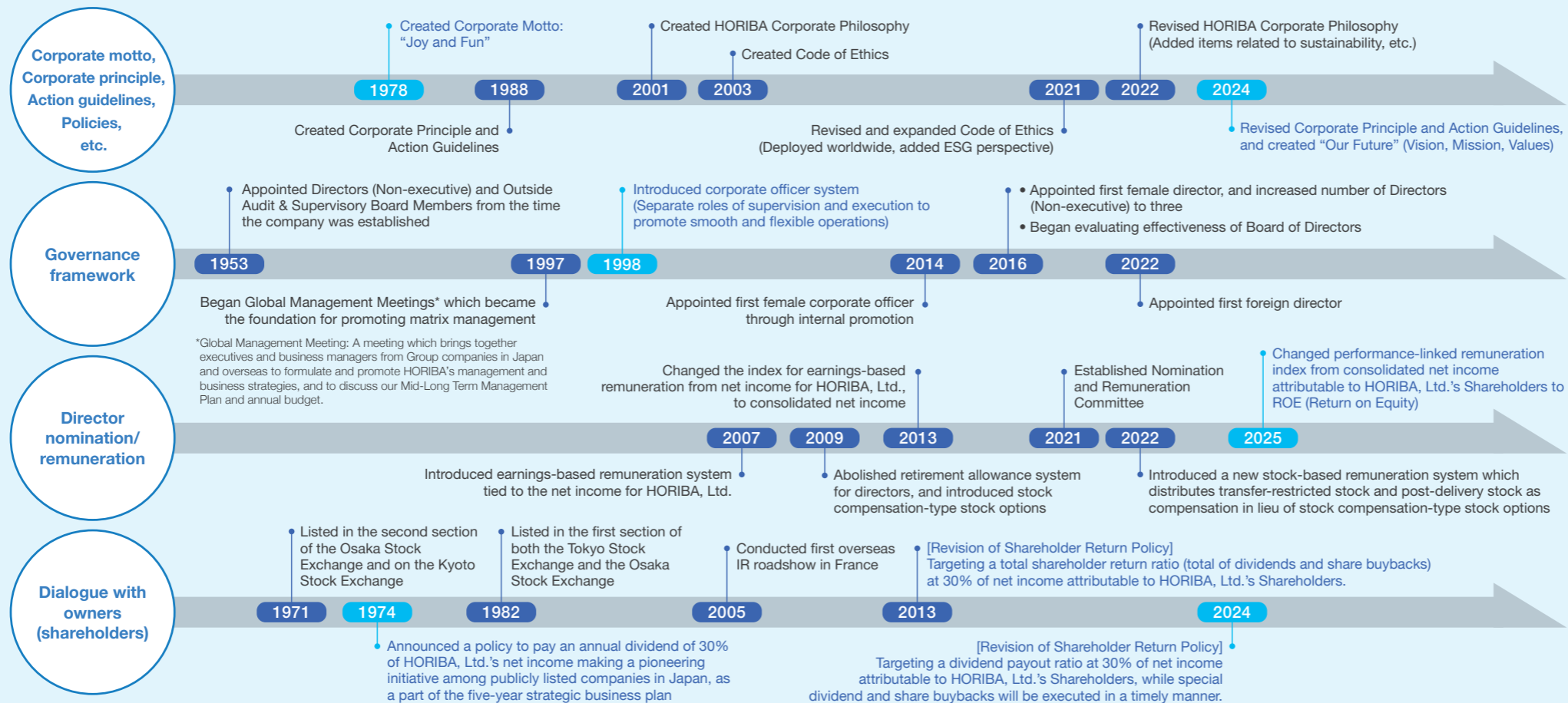


Basic policy on corporate governance

Based on "Open and Fair", which has been one of the important spirits for HORIBA, HORIBA has pledged to (1) establish an organizational structure that promptly responds to changes in the business environment, (2) strengthen its management oversight functions, and (3) enhance compliance-related arrangements. These objectives have the aim of establishing a world-class governance structure. At the same time, HORIBA will be committed to establishing good relationships with all stakeholders, including owners (shareholders), customers, employees, and local communities. In addition to proper information disclosure, we seek to promote constructive dialogue with our owners (shareholders), contributing to our sustainable growth and medium-to long-term improvement in corporate value.

Initiatives to strengthen corporate governance

Since its founding in 1953, HORIBA, Ltd. has appointed Directors (Non-executive) and Outside Audit & Supervisory Board Members to avoid management with an inward-looking bias. Through such efforts, HORIBA, Ltd. has worked to strengthen our framework for transparent, fair, prompt, and decisive decision-making for sound corporate management.



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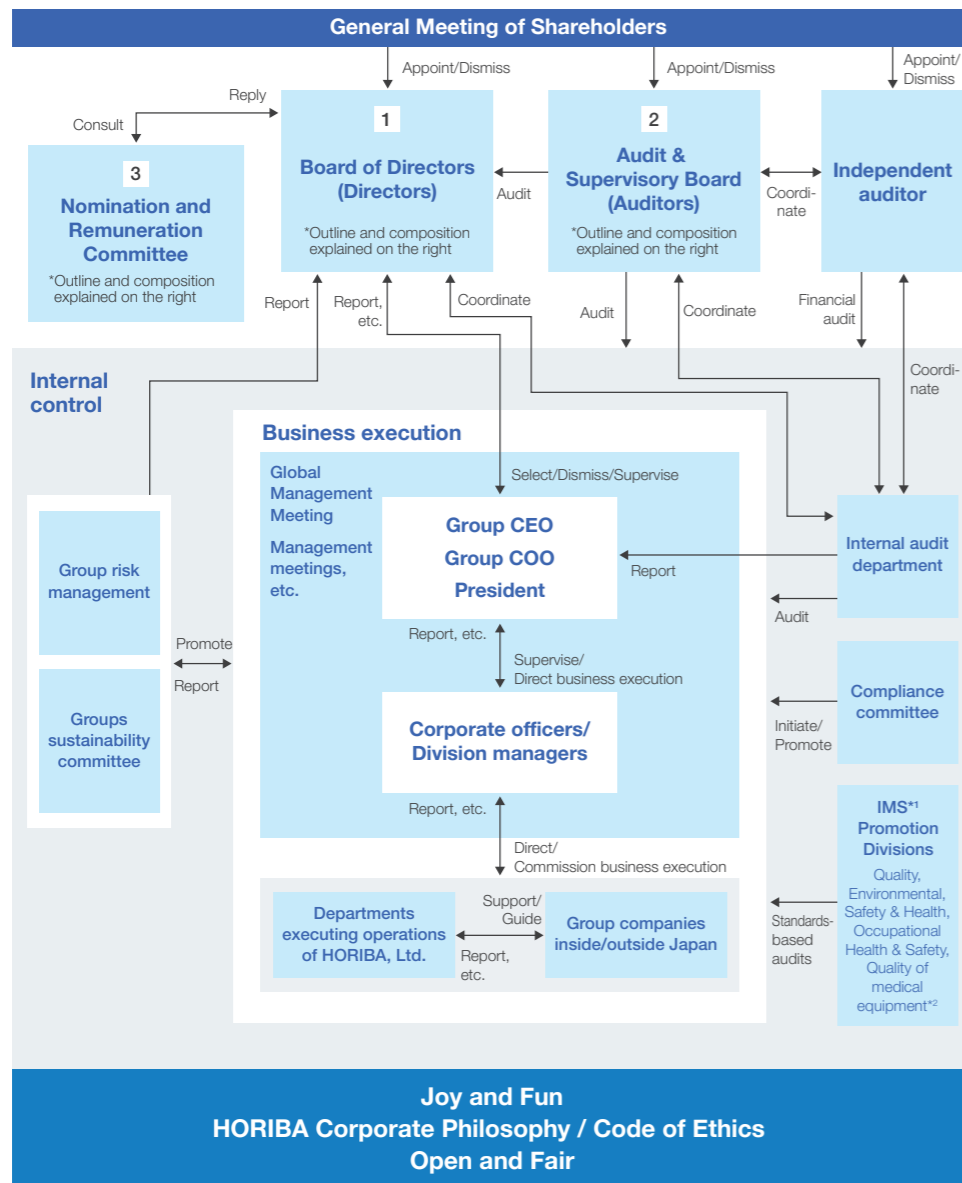
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Corporate governance structure diagram



Overview and composition of Board of Directors, Audit & Supervisory Board, and Nomination and Remuneration Committee

*Composition ratio of directors (executive/non-executive), Audit & Supervisory Board members (standing/outside), and outside officers is following the Ordinary General Meeting of Shareholders on March 29, 2025



	1 Board of Directors (Directors) FY2024: Held 12 times	2 Audit & Supervisory Board (Auditors) FY2024: Held 14 times	3 Nomination and Remuneration Committee FY2024: Held 7 times
Overview/ Main agenda	<p>Board of Directors consists of a small group of people to makes decisions on important matters, and supervises the execution of business. It engages in active discussion and rapid decision-making.</p> <p>Main items on agenda</p> <ul style="list-style-type: none"> Investment projects Sustainability reports Resolutions on appointment and remuneration of directors etc. Resolution on dividends Financing Reports on state of group company management 	<p>Cooperates with independent auditors, Internal audit department, and Directors (Non-executive) to audit and monitor business execution in an objective and appropriate manner.</p> <p>Main items on agenda</p> <ul style="list-style-type: none"> Auditing policies and plans Results of internal audits Nomination of candidates for Audit & Supervisory Board Members Reports on cooperation with independent auditors Deliberation and verification of resolutions of the Board of Directors Reports on audits of locations inside/outside Japan 	<p>Nomination and Remuneration Committee strives ensure objectivity and transparency in decision-making procedures related to the nomination of candidates for director and remuneration of directors.</p> <p>Main items on agenda</p> <ul style="list-style-type: none"> Nomination of candidates for directors Skill matrix Director remuneration system Individual remuneration
Directors (Executive)	6	—	2
Directors (Non-executive)	3	—	3
Audit & Supervisory Board Member (Standing Auditor)	1	1	—
Outside Audit & Supervisory Board Members	2	2	—
Ratio of Directors (Non-executive) or Outside Audit & Supervisory Board Members	33.3% (Composition ratio of non-executive directors on the Board of Directors)	66.7% (Ratio of Outside Audit & Supervisory Board Members)	60.0% (Ratio of outside Nomination and Remuneration Committee members who are Directors(Non-executive))

*1 IMS: Integrated Management System

*2 We voluntarily surrendered Business Continuity Management System (ISO22301) certification in 2024.



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Items related to director nomination/remuneration

Skill matrix (After Ordinary General Meeting of Shareholders on March 29, 2025)

HORIBA, Ltd.'s Board of Directors is composed of directors with a good balance of knowledge, experience, and abilities in various fields related to business management, both inside and outside the company. It emphasizes diversity and appropriate number of members to fulfill its roles and responsibilities promptly and effectively. This skills matrix summarizes the knowledge, insight, and expertise expected of the Directors and Audit and Supervisory Board Members responsible for managing HORIBA, and indicates the particular strengths of each. HORIBA sees it as one of the means of selecting candidates for Directors and Audit and Supervisory Board Members in order to achieve further business growth and enhance our corporate value.

Name	Atsushi Horiba	Juichi Saito	Masayuki Adachi	Hideyuki Koishi	George Gillespie	Dan Horiba	Haruyuki Toyama	Fumihiko Matsuda	Tomoko Tanabe	Hitoshi Motokawa	Keiji Yamada	Sayoko Kawamoto
Position	Chairman & Group CEO	Executive Vice Chairman & Group COO	President	Director	Director	Director	Director (Non-executive)	Director (Non-executive)	Director (Non-executive)	Audit & Supervisory Board Member (Standing Auditor)	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
Knowledge and insights deemed essential												
Corporate management	●	●	●	●	●	●		●	●		●	●
Technology	●		●		●			●	●			
Governance	●	●				●	●			●	●	●
Expertise in Three Fields												
Energy & Environment		●		●	●							
Bio & Healthcare			●					●	●			
Materials & Semiconductor				●		●						
Qualifications/Degree			(Doctor of Engineering)		(Doctor of Engineering)	EMBA* *Executive MBA	Attorney at Law	Doctor of Medicine	Medical doctor			

Skill matrix notes: 1. This skills matrix summarizes the knowledge, insight, and expertise required of the company's directors and auditors. The dots indicate those expected of each person.
 2. All directors have the necessary international management experience required for our global operations.
 3. HORIBA, Ltd. reviews each item as appropriate based on the external environment and company situation.

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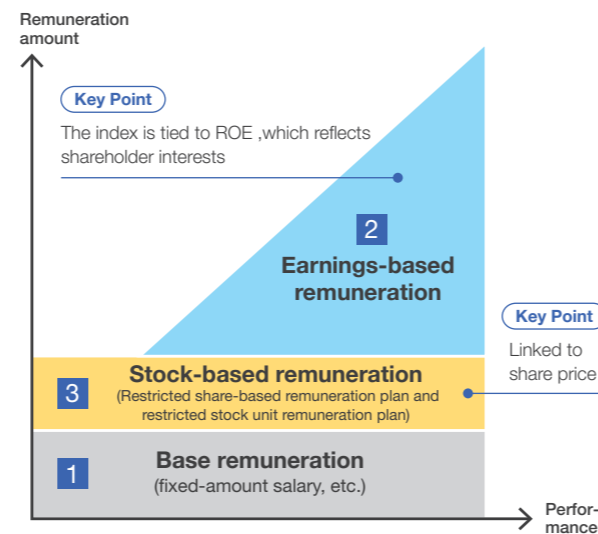
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Director remuneration

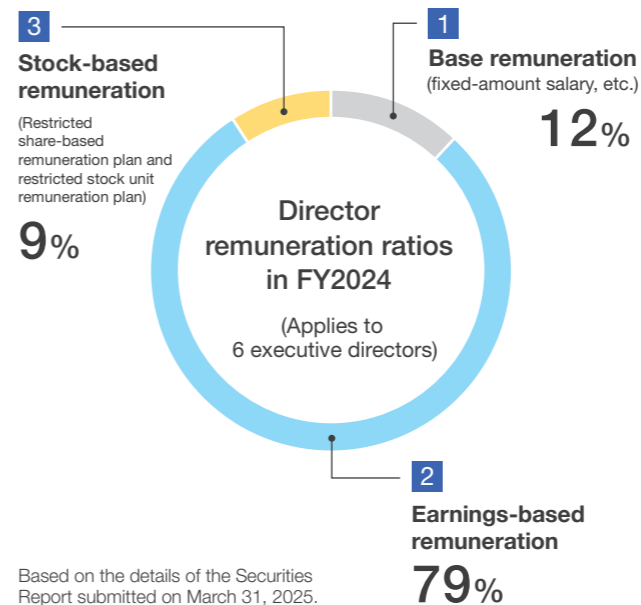
Remuneration for Directors at HORIBA, Ltd. is aimed at helping to sustainably improve corporate value over the long term. The remuneration system is linked to shareholder profits, and is designed to provide a level of remuneration that will attract top managerial talent from both inside and outside Japan. Remuneration for Directors at HORIBA, Ltd. consists of three components: **1** Base remuneration (fixed-amount salary etc.), **2** Earnings-based remuneration linked to the earnings results of each fiscal year, and **3** Restricted Share-Based Remuneration Plan and Restricted Stock Unit Remuneration Plan linked to medium-to long-term earnings performance.

We set the ratio of each remuneration based on the maximum limits of remuneration determined by vote at the general meeting of shareholders. Remuneration for Directors (Non-executive), however, consists strictly of base remuneration (fixed-amount salary etc.), that, given the nature of their assignment, is not linked to earnings performance. Based on the determination policy established by the Board of Directors, we determine the individual amount of remuneration for each director within the limit set at the General Meeting of Shareholders according to their position and the scope of their role, etc. We also strive to improve the objectivity and transparency of decision-making procedures for determining remuneration through voluntary deliberation and reports from the Nomination and Remuneration Committee, the majority of whose members are independent outside directors.

Framework for director remuneration aligned with shareholder interests (Concept)



Breakdown of director remuneration (excluding Directors (Non-executive))



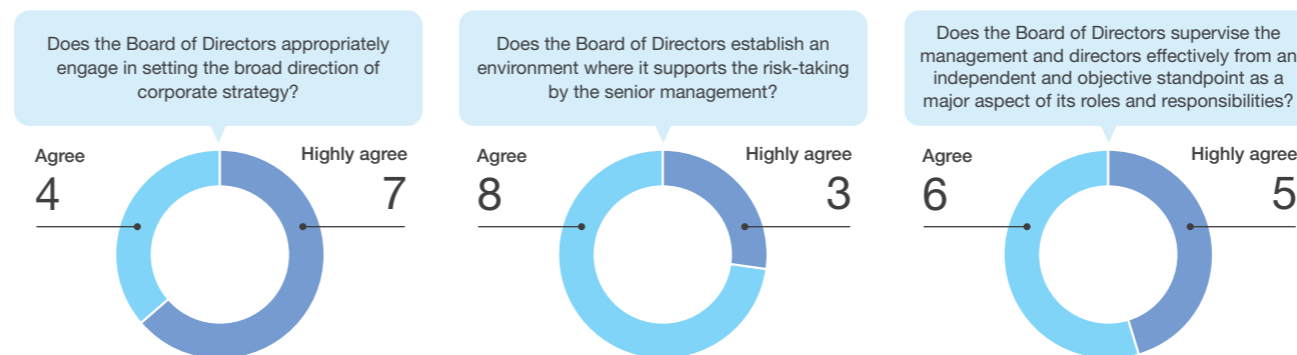
Efforts to enhance the functions of the Board of Directors

Evaluating the effectiveness of the Board of Directors

In 2016 HORIBA, Ltd. introduced evaluations of the effectiveness of the Board of Directors. We currently conduct a survey of Directors and Audit & Supervisory Board members based on our Corporate Governance Code and other policies, which concerns the effectiveness of the Board of Directors. After the results are analyzed and evaluated, they are reported to the Board of Directors. The Board of Directors then discusses the report and deliberates on future initiatives. Here is a summary of the results of the evaluation of the effectiveness of the Board of Directors in FY2024.

Results of the effectiveness of the Board of Directors

(The three roles and responsibilities of the Board of Directors as described in General Principle No. 4 of the Japan's Corporate Governance Code)



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Dialogue with owners (shareholders) and investors

HORIBA, Ltd. seeks to promote constructive dialogue with all shareholders towards the goal of sustainable growth and medium-to long-term improvement in corporate value. We make efforts to clearly explain our management policy, business performance, and corporate culture to shareholders, seeking their understanding and continued loyalty to HORIBA. We also strive to disclose information based on the perspective of fair disclosure, so that various stakeholders have equal access to information. Moreover, we share the opinions obtained through dialog with stakeholders and shareholders as feedback to the representative directors, directors, and managerial staff when appropriate. And these are used to improve our management.

Philosophy behind cross-shareholdings

HORIBA believes that collaboration with other companies is necessary for us to grow sustainably. To that end, we decide what shares to hold based on comprehensive consideration of matters including business strategy, the strengthening of relationships with business partners, and the maintenance of relationships with local communities. Every year, the Board of Directors confirms whether the amount of cross-shareholdings is appropriate. The Board of Directors also considers whether individual shares are appropriate to hold, by confirming whether they are fit for purpose, and whether the benefits and risks associated with them are commensurate with the cost of capital. When HORIBA recognizes that shares are inappropriate for retention, we consider taking measures such as share reduction.

Dialogue with owners (shareholders) and investors in FY2024

Meeting	Target audience	Times held	Primary overseers	Supplementary explanation
General meeting of shareholders	Shareholders	1	President, etc.	This is held on a Saturday so that many shareholders are able to attend. Following the conclusion of the shareholder meeting, the President reports on various topics to deepen shareholder understanding of HORIBA's business
Financial results briefing	Institutional investors in Japan	4	President, etc.	HORIBA holds a financial results briefing every quarter, and publishes the information on our website. When we formulate our Mid-Long Term Management Plan, we strive to clearly communicate our management strategies and plans in a straightforward and accessible manner.
Interviews with investors	Institutional investors (within Japan/overseas) Analysts (within Japan/overseas) Individual investors	Visitations and individual interviews: Approx. 400 times	IR Dept., etc.	We actively engage with institutional investors to communicate our management policies and business performance. We also take part in events such as investor forums hosted by securities companies and presentations for individual investors.

Booth tour for investors visiting trade shows (Held 3 times in FY2024)

At various trade shows showcasing HORIBA's Product and solutions, we conducted exhibit booth tours to analysts and investors, guided by leaders from our business units.

Held IR Day (June 26, 2024)

We welcomed approximately 30 institutional investors and analysts to HORIBA's Biwako factory and held our HORIBA IR Day —Joy and Fun for Investors—. During the event our senior management presented HORIBA's Mid-Long Term Management Plan, MLMAP2028, and we also conducted a factory tour.



IR Day (at HORIBA, Ltd. Biwako factory)

In addition to the above, we hold an IR briefing session for non-executive directors once per quarter, providing updates on recent IR activities and key topics raised during investor meetings.



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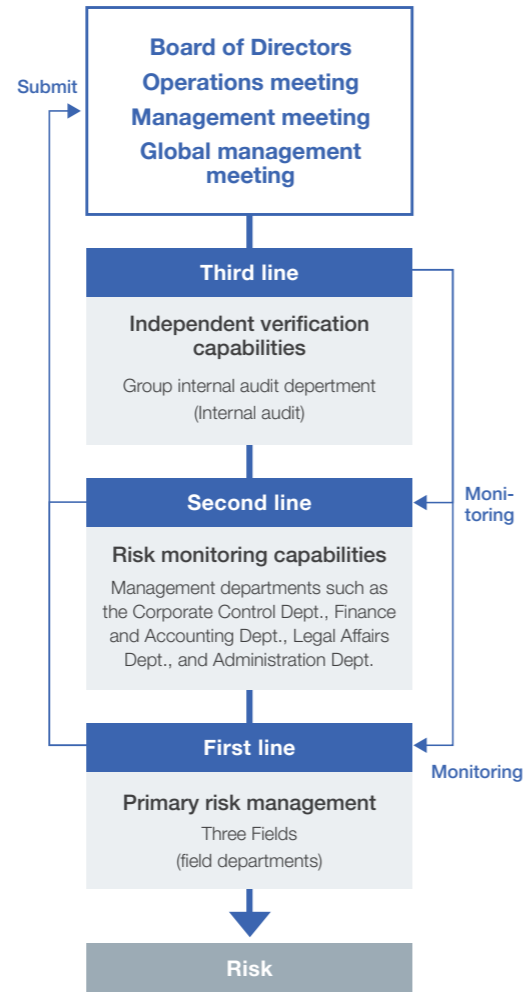
Risk management

Risk management system

HORIBA has created a risk management structure known as the Three Lines Model. The first line is HORIBA's Three Fields (field departments), which provides active risk management. The second line is our management departments, such as the Corporate Control Dept., Accounting Dept., Legal Affairs Dept., and Administration Dept., which provide risk monitoring capabilities. The third line is Group Internal Audit department, which provides independent verification capabilities.

Our field departments and management departments are aware of the individual business risks both inside and outside Japan through its operations. When appropriate, they report important matters at meetings of the Board of Directors, Operations meeting, Management meeting, and the Global management meeting which bring together the management members of Group companies inside/outside Japan. This ensures that senior management can get information and make management decisions in a timely manner. In addition, the Internal auditing department periodically monitors the effectiveness of the risk management system, and the way the field departments and management departments are handling risks, from an independent standpoint. When necessary, it reports its findings to the Board of Directors and Audit & Supervisory Board. HORIBA has also formulated rules for group risk management to strengthen our risk management system. These rules classify risks into the following categories: risks for each field, risks related to business, risks related to development and manufacturing, and risks related to finance. They also establish the management system for these risks, and the system of responsibility in the event of a crisis. HORIBA has also established our HORIBA Group Risk Control Committee, which includes our major group companies in Japan.

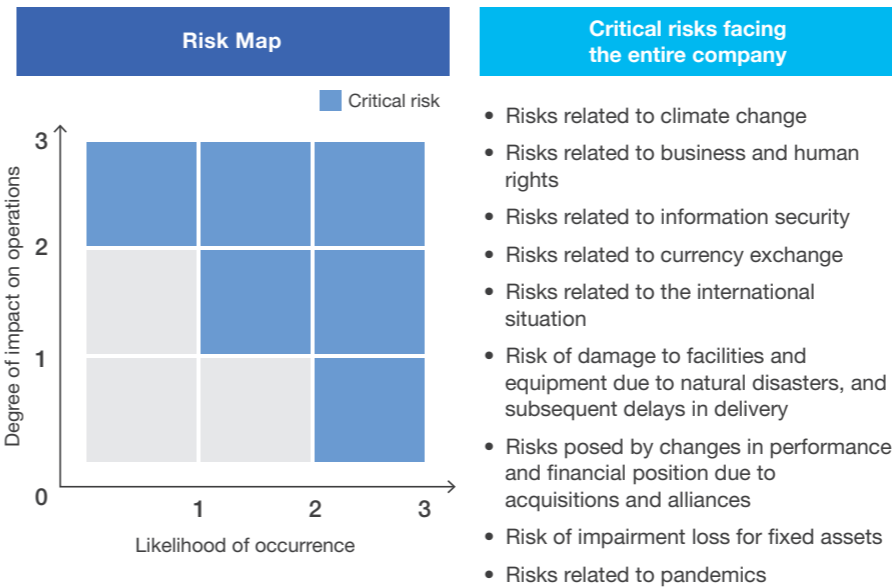
Risk management system —Three Lines Model



Business and other risks

To identify critical risks, our field and management departments selected individual risks the risk items specified in the Group risk management regulations. They scored each risk on a three-point scale according to its likelihood of occurrence and the impact on operations. Then, they created a risk map for HORIBA by organizing the risk items they had scored. Countermeasures were subsequently implemented following discussion and approval by the HORIBA Group Risk Management Committee.

The areas of the risk map shown in blue (■) indicate the risk items that have been identified as critical risks. These critical risks are broadly divided into “risks for each field” and “risks for the entire company.” The critical risks facing HORIBA are listed in the table below. HORIBA, Ltd. has also disclosed the details of these risks in our Securities Report.



Please see our website for more information about our Securities Report (Japanese only).



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List of management members

1 ... Appointed year 2 ... Concurrent post



Please see our website for more information about a list of Management Members.



Board of Directors (as of March 29, 2025)



Atsushi Horiba

Chairman & Group CEO

- 1 January 2018
- 2 External Director of Softbank Corp.
Non-Executive Director of Sumitomo Electric Industries, Ltd.
Vice Chair of Kansai Economic Federation
President of Public Foundation of Kansai Research Institute
Chairman of the Kyoto Chamber of Commerce and Industry



Juichi Saito

Executive Vice Chairman & Group COO

- 1 January 2018
- 2 Chairman of Japan Electric Measuring Instruments Manufacturers' Association (JEMIMA)
Vice Chairman of Japan Scientific Instruments Association



Masayuki Adachi

President

- 1 January 2018
- 2 President of Japan Analytical Instruments Manufacturers' Association (JAIMA)
Chairman of RIKEN Future Innovation Alliance



Hideyuki Koishi

Director

- 1 March 2023



George Gillespie

Director

- 1 March 2025
- 2 Non-Executive Director, Centre for Process Innovation Limited

Expected Role

Accelerating global operations by leveraging his experience in leading HORIBA's strategies as the global head of Energy & Environment Business.



Dan Horiba

Director

- 1 March 2025

Expected Role

Driving the growth of HORIBA by leveraging his experience in leading the development and execution of the Mid-Long Term Management Plan, MLMAP2028.

Corporate officers

(as of April 1, 2025)

Executive Corporate Officer

Takashi Nagano President of HORIBA Techno Service Co., Ltd. (Japan)

Senior Corporate Officers

- Koji Koyama** Group CFO
General Manager of Finance and Legal Division
- Dale Poole** Executive Vice President of HORIBA Instruments Incorporated (U.S.)
- Rajeev Gautam** President of HORIBA India Private Limited
- Hiroshi Nakamura** CTO General Manager of R&D Division

Corporate Officers

- Stuart Knight** President of HORIBA UK Limited
- Yuko Kimura** Chief Director & President of HORIBA INSTRUMENTS (SHANGHAI) CO., LTD.
Chief Director & President of HORIBA (China) Trading Co., Ltd.
Chief Director & President of HORIBA Technology (Suzhou) Co., LTD.
- Ken Mitera** Chairman of HORIBA Instruments Incorporated (U.S.)
- Toshiya Higashino** President of HORIBA Instruments Incorporated (U.S.)
- Kentaro Nishikata** President of HORIBA Advanced Techno Co., Ltd. (Japan)



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Directors (Non-executive) (as of March 29, 2025)



Haruyuki Toyama

Director (Non-executive),
Independent Director

- 1 March 2021
- 2 Special Counsel of Iwata Godo law office
Director of Japan Center for International Finance



Fumihiko Matsuda

Director (Non-executive),
Independent Director

- 1 March 2021
- 2 Senior Advisor to the President on Academic Affairs of Kyoto University
Director, Chief Advisor of GenoConcierge Kyoto, Inc.
Director, Chief Advisor of RADDAR-J for Society Inc.
Representative Director and Managing Director of Foundation Pasteur Japon



Tomoko Tanabe

Director (Non-executive)
Independent Director

- 1 March 2023
- 2 Director of Shinyukai Holdings Co., Ltd.
President of KYOTO MEDICAL CLUB, CO., LTD.
Deputy Director of Oike Clinic and Director of Medical Checkup Center, Chiin-Kai Medical Corporation
Visiting Professor in Department of Physiology and Integrated Physiology at Kyoto Prefectural University of Medicine



Hitoshi Motokawa

Audit & Supervisory Board Member
(Standing Auditor)

- 1 March 2024



Keiji Yamada

Audit & Supervisory Board Member (Outside) and
Independent Auditor

- 1 March 2020
- 2 President and Professor of Faculty of Law, Kyoto Sangyo University
President of the Kyoto Culture Foundation
Outside director, Kawasaki Kisen Kaisha, Ltd.
Outside director, TOSE CO., LTD.
Outside director, Nitto Pharmaceutical Holdings, Ltd.
Outside director, Nippon Telenet Corporation.



Sayoko Kawamoto

Audit & Supervisory Board Member (Outside) and
Independent Auditor

- 1 March 2023
- 2 Vice President, Ayaha Corporation
Director, AMS Corporation
Director of the Kawamoto Education and Welfare Promotion Association
Director of the Biwako Arts Foundation

- Laurent Fullana** President of HORIBA FRANCE SAS
- Arnaud Pradel** President of HORIBA ABX SAS (France)
- Declan Allen** Managing Director of HORIBA MIRA Limited (U.K.)
- Sal Atzeni** Executive Vice President of HORIBA Instruments Incorporated (U.S.)
- Yasuo Yamashita** General Manager of General Administration Division
- Tadao Nakamura** In charge of Industrial Process & Environment business
- Hiroyuki Urabe** Deputy General Manager of Group Strategy Division

Junior Corporate Officers

- Kazuya Tsurumi** General Manager of Energy & Environment Division
- Junichi Tajika** Deputy General Manager of Finance and Legal Division
- Maki Moriguchi** Deputy General Manager of General Administration Division
- Haruhito Mori** Deputy General Manager of Energy & Environment Division
- Takeshi Miyamoto** Corporate Officer of HORIBA STEC Co., Ltd. (Japan)
- Tatsuo Komatsu** General Manager of Distribution & DX Division



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HORIBA history

From its beginnings as a small-town factory in Kyoto, HORIBA has explored analysis and measurement technologies that contribute to the advancement of science and technology, and earnestly engaged in developing original products and solutions. We gathered colleagues from all over the world who identified with our founding spirit and the corporate motto of Joy and Fun, and grew into a global company that allows the individuality of our diverse personnel to shine through. Since our founding, we have cultivated "HONMAMON" analysis and measurement technologies aimed at being one-of-a-kind. These technologies support technological development and production sites in a wide array of fields, and contribute to safety and security for living things and the global environment. As we move into the next era, we will continue to hone our unique technologies just as we always have.

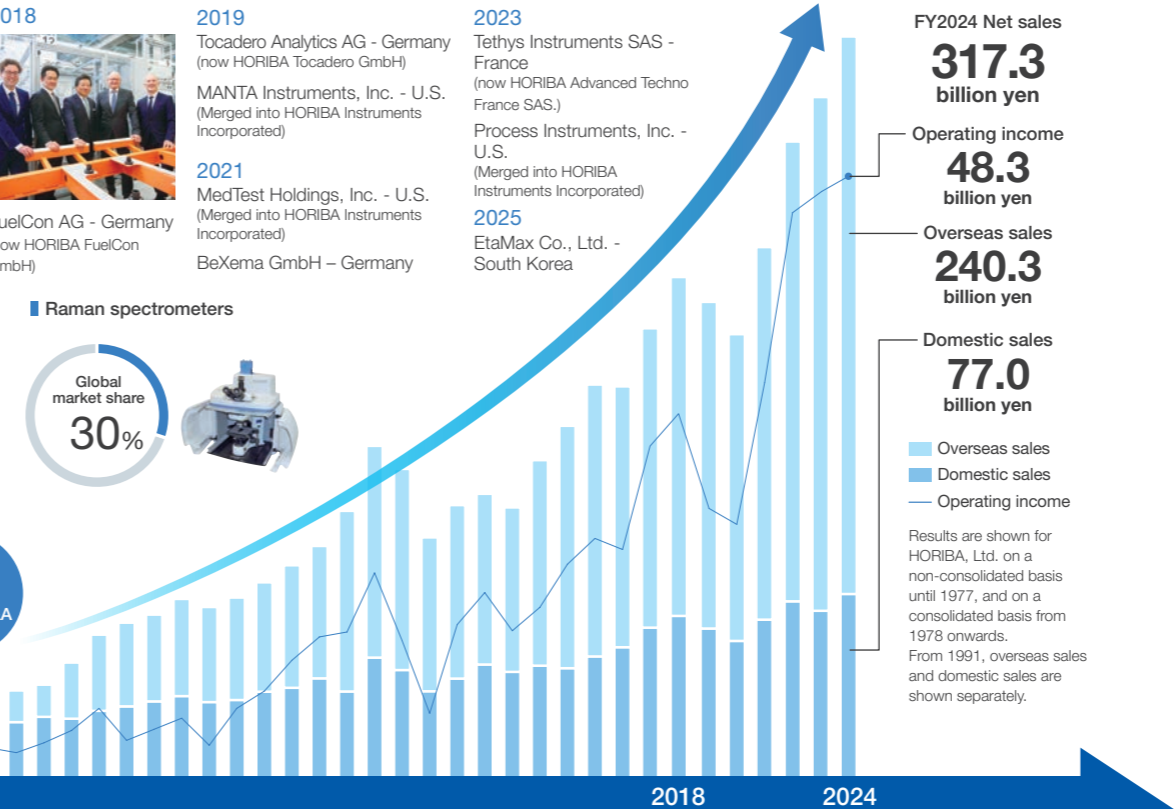
Since 1990,
HORIBA has grown approx.
10 times in size

Mergers & Acquisitions

1996 ABX S.A. - France (now HORIBA ABX SAS)	1997 Jobin Yvon - France (now HORIBA FRANCE SAS)	2005 The automotive development test systems (DTS) business of Carl Schenck AG - Germany	2015 MIRA Ltd. - U.K. (now HORIBA MIRA Limited)	2018 FuelCon AG - Germany (now HORIBA FuelCon GmbH)	2019 Tocadero Analytics AG - Germany (now HORIBA Tocadero GmbH) MANTA Instruments, Inc. - U.S. (Merged into HORIBA Instruments Incorporated)	2021 MedTest Holdings, Inc. - U.S. (Merged into HORIBA Instruments Incorporated) BeXema GmbH - Germany	2023 Tethys Instruments SAS - France (now HORIBA Advanced Techno France SAS.) Process Instruments, Inc. - U.S. (Merged into HORIBA Instruments Incorporated)	2025 EtaMax Co., Ltd. - South Korea
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Market share of major products

Note: Market share for each product is HORIBA's estimate.



Results are shown for HORIBA, Ltd. on a non-consolidated basis until 1977, and on a consolidated basis from 1978 onwards. From 1991, overseas sales and domestic sales are shown separately.



> 1950s 1950 Completed Japan's first glass electrode pH meter	> 1960s 1964 Completed Emission Gas Measurement System (MEXA)	> 1970s 1974 Established Standard Technology Inc. (now HORIBA STEC Co., Ltd.) 1975 Established COS Co., Ltd. is (now HORIBA Advanced Techno Co., Ltd.) 1977 Began proposing automation of exhaust gas testing 1978 Created corporate motto: "Joy and Fun"	> 1980s 1980 Launched Japan's first* mass flow controller *According to our research, as of Jan. 2025	> 2000 to the present 2000 Established HORIBA Techno Service 2013 Launched pressure insensitive mass flow controller 2016 Began operations at HORIBA BIWAKO E-HARBOR 2018 Completed construction of Phase 5 of the Aso Factory 2023 70th Anniversary Commemorative Ceremony 2024 Created "Our Future" (Vision, Mission, Values)
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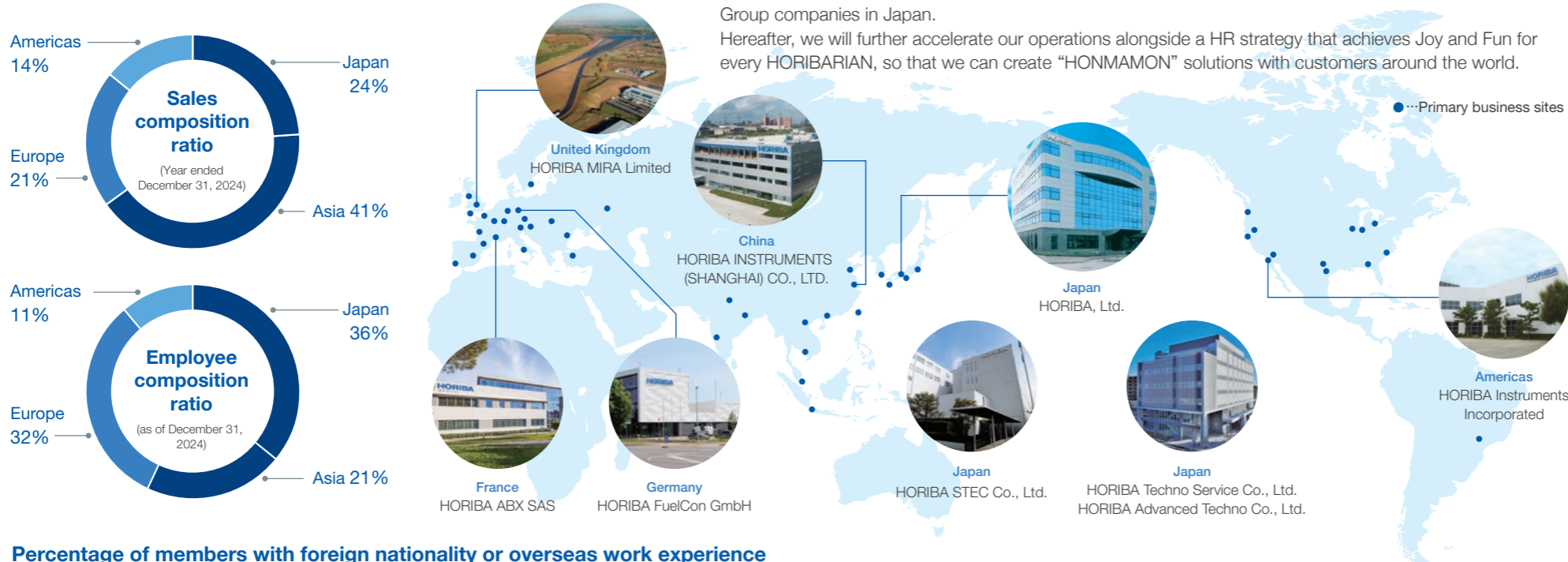
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Accelerating global operations

47 Group companies in 28 countries and regions around the world*

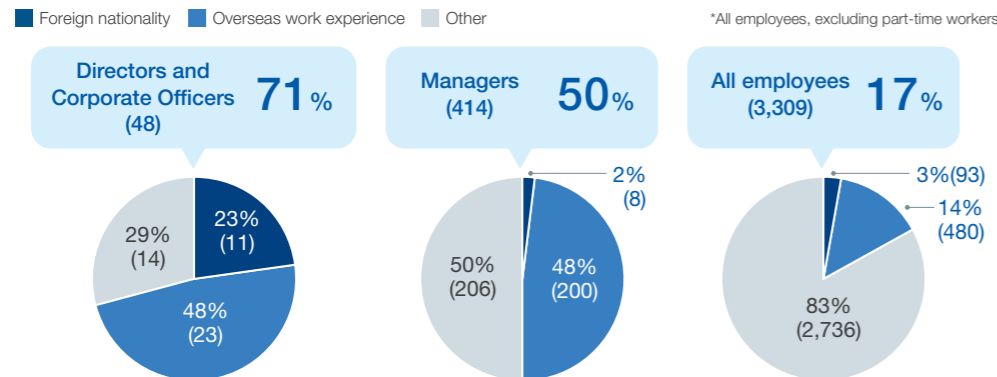
*as of December 31, 2024



HORIBA has R&D and production sites in Japan, Asia, Europe, and the Americas, and more than 8,000 HORIBARIANS are playing active roles all over the world. HORIBARIANS who hold Ph.Ds and create various core technologies make up approx. 3% of the company. In order to accelerate global operations, HORIBARIANS with experience working overseas account for 71% of our directors and corporate officers, and 50% of the management members of HORIBA, Ltd. and its three Group companies in Japan. Hereafter, we will further accelerate our operations alongside a HR strategy that achieves Joy and Fun for every HORIBARIAN, so that we can create "HONMAMON" solutions with customers around the world.

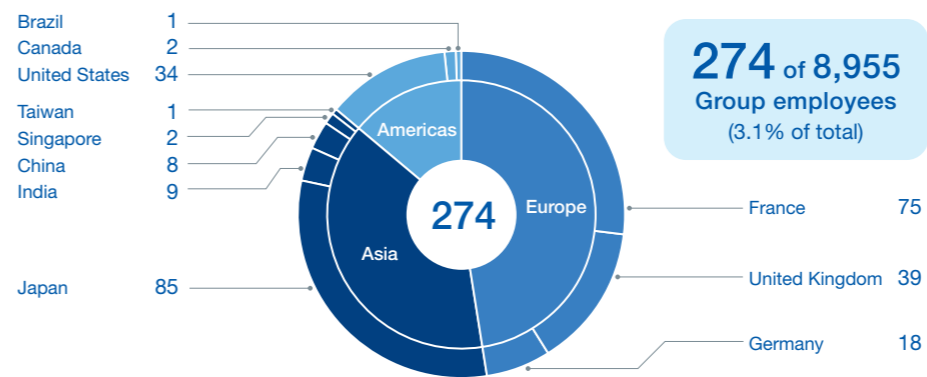
Percentage of members with foreign nationality or overseas work experience (Number of members)

*As of January 2024, based on employment at HORIBA, Ltd. and its three Group companies in Japan



Ratio of Ph.Ds in the HORIBA Group

*As of January 2025



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Financial data

Eleven-year summary

HORIBA, Ltd. and consolidated subsidiaries

		Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2024	
Profit and Loss	Net sales	(million yen)	153,065	170,898	170,093	195,399	210,570	200,241	187,080	224,314	270,133	290,558	317,369
	Operating costs and expenses	(million yen)	135,851	151,526	151,593	168,565	181,731	179,325	167,385	192,267	224,290	243,261	269,029
	Operating income	(million yen)	17,214	19,372	18,499	26,834	28,838	20,916	19,694	32,046	45,843	47,296	48,340
	Ratio of operating income to net sales	(%)	11.2	11.3	10.9	13.7	13.7	10.4	10.5	14.3	17.0	16.3	15.2
	Net income attributable to owners of parent	(million yen)	10,589	12,882	12,962	16,281	22,313	15,481	13,188	21,311	34,072	40,302	33,591
	Ratio of net income attributable to HORIBA Ltd.'s Shareholders	(%)	6.9	7.5	7.6	8.3	10.6	7.7	7.0	9.5	12.6	13.9	10.6
Financial Position	Total assets	(million yen)	207,335	231,032	239,657	265,920	277,368	315,133	328,068	371,585	416,742	449,030	481,616
	Liabilities with interest	(million yen)	28,412	45,227	47,153	42,496	44,516	73,889	80,376	83,717	71,326	64,757	69,468
	Shareholders' equity	(million yen)	123,924	129,581	132,654	150,282	161,362	170,953	177,964	203,688	240,065	283,008	314,017
	Shareholders' equity ratio	(%)	59.8	56.1	55.4	56.5	58.2	54.3	54.3	54.8	57.6	63.0	65.2
Cash Flows	Cash flows from operating activities	(million yen)	11,455	14,770	15,871	28,287	19,536	26,638	32,253	35,268	33,966	16,652	40,335
	Cash flows from investing activities	(million yen)	-9,875	-30,642	-10,427	-13,167	-11,029	-12,367	-14,016	-14,662	-10,745	-7,315	-17,562
	Free cash flow	(million yen)	1,580	-15,872	5,444	15,120	8,506	14,271	18,236	20,605	23,220	9,337	22,773
	Cash flows from financing activities	(million yen)	-273	12,843	-451	-9,044	-3,240	19,215	843	-4,045	-22,447	-20,963	-15,933
Investments, etc.	Capital expenditures	(million yen)	11,001	16,309	13,796	11,639	10,239	12,834	15,165	12,496	12,565	9,122	19,392
	Depreciation and amortization	(million yen)	4,905	6,110	6,816	7,534	7,240	8,794	9,619	10,440	11,349	12,602	13,060
	R&D expenses	(million yen)	11,986	12,341	12,933	13,911	15,183	16,254	15,594	16,710	18,585	20,436	22,980
	R&D expenses to net sales	(%)	7.8	7.2	7.6	7.1	7.2	8.1	8.3	7.4	6.9	7.0	7.2
Per Share Data	Net income	(yen)	250.28	305.73	307.74	386.30	529.24	367.09	312.58	505.05	807.06	953.71	799.44
	Net assets	(yen)	2,928.82	3,078.40	3,148.70	3,565.00	3,826.44	4,053.30	4,217.45	4,827.06	5,684.68	6,695.30	7,485.06
	Dividends	(yen)	67.00	70.00	85.00	116.00	145.00	130.00	90.00	150.00	245.00	290.00	270.00
Other Indicators	Return on equity (ROE)	(%)	8.9	10.2	10.0	11.5	14.3	9.3	7.6	11.2	15.4	15.4	11.3
	Return on assets (ROA)	(%)	5.3	5.9	5.5	6.4	8.2	5.2	4.1	6.1	8.6	9.3	7.2
	Consolidated dividend payout ratio	(%)	26.8	22.9	27.6	30.0	27.4	35.4	28.8	29.7	30.4	30.4	33.8
	Overseas sales ratio	(%)	69.0	69.3	66.8	66.7	68.7	69.0	69.2	70.4	72.8	75.9	75.7
Employees	Number of employees	(Employees)	5,965	6,831	7,149	7,399	7,943	8,288	8,269	8,205	8,432	8,665	8,955
	Ratio of employees outside of Japan	(%)	58.4	62.3	62.0	61.6	62.3	62.5	62.4	62.8	63.9	64.1	63.9

Notes: The monetary amounts shown are rounded down to the nearest million yen.

1. HORIBA, Ltd. and its domestic consolidated subsidiaries had formerly recognized revenue mainly on a shipping basis. However, starting from FY2016, HORIBA, Ltd. and its domestic consolidated subsidiaries changed their revenue recognition method to recognize revenue on a completion-date-of-installation or delivery-date basis under the terms and conditions of the relevant contracts. The amounts in or before FY2015 are not retrospectively revised.

2. As of the beginning of FY2019, HORIBA, Ltd. and its consolidated subsidiaries apply the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). The amounts in or before FY2017 are not retrospectively revised.



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Corporate data (As of December 31, 2024)

Corporate information

Head Office	2 Miyanohigashi-cho, Kisshoin, Minami-ku, Kyoto 601-8510 Japan
Founded	October 17, 1945
Incorporated	January 26, 1953
Net sales	317,369 million yen (Consolidated) *1
Common stock	12,011 million yen (Consolidated) *2
Number of employees	8,955 (Consolidated) *2
Fiscal closing date	December 31
Annual Meeting of Shareholders	Held in March
Transfer agent	Sumitomo Mitsui Trust Bank, Limited
Independent auditor	KPMG AZSA LLC
Stock listings	Tokyo Stock Exchange, Prime Market Securities Code: 6856

*1: Year ended December 31, 2024
*2: As of December 31, 2024

Major shareholders (Top 10)

*Percentages of shares are calculated by deducting our own shares (280,753 shares).

Name of shareholder	Shares (Thousands)	Percentage*
The Master Trust Bank of Japan, Ltd.	5,198	12.39%
Custody Bank of Japan, Ltd.	3,392	8.09%
National Mutual Insurance Federation of Agricultural Cooperatives	1,682	4.01%
STATE STREET BANK AND TRUST COMPANY 505001	1,104	2.63%
Atsushi Horiba	1,092	2.60%
HORIBA Raku-Raku Kai	832	1.98%
The Bank of Kyoto, Ltd.	828	1.97%
JPMorgan Securities Japan Co., Ltd.	824	1.97%
BNYM AS AGT/CLTS NON TREATY JASDEC	791	1.89%
The Kyoto Chuo Shinkin Bank	770	1.84%

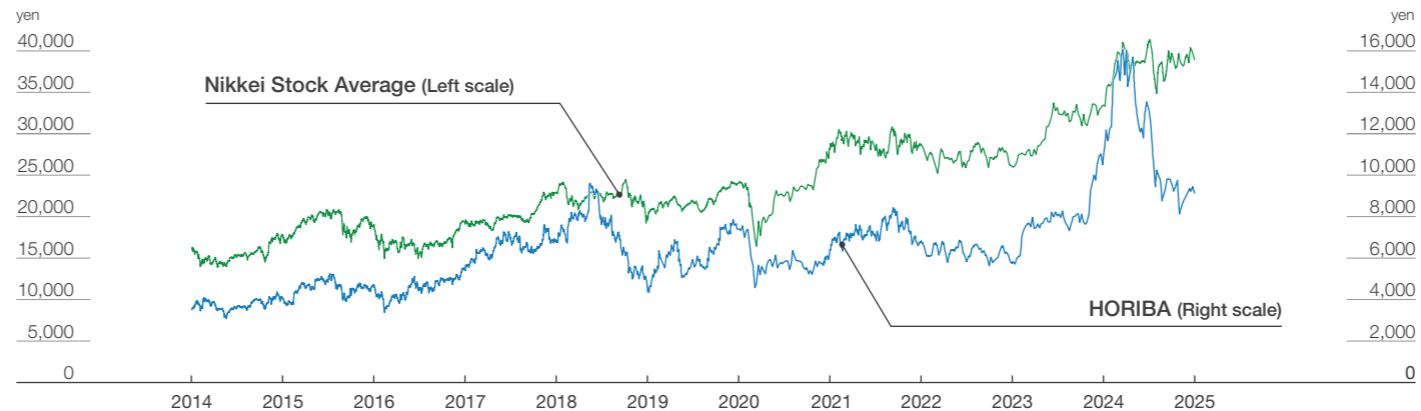
TSR* Index

*Total Shareholders' Return: Total return on investment that combines capital gains and dividends

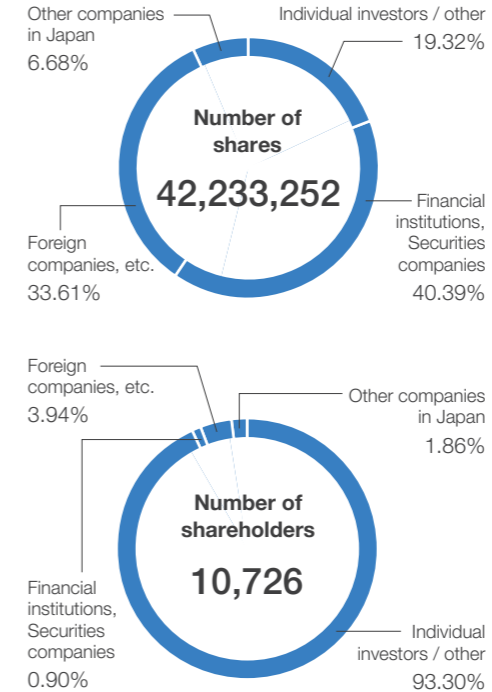
	2020	2021	2022	2023	2024
HORIBA - Total Shareholder Return	84%	96%	85%	161%	139%
TOPIX - Total Shareholder Return	105%	116%	110%	137%	162%

The TSR in this table is calculated based on the stock price at the end of the fiscal year

Stock Price Trend (Closing price each day)



Distribution of shares by owner



Our Future

CEO Message

HORIBA's Value Creation

HORIBA's Strategy

HORIBA's Governance

HORIBA's Results

HORIBA history

Accelerating global operations

Financial data

Corporate data



HORIBA

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