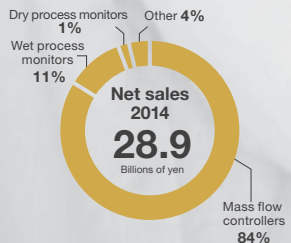
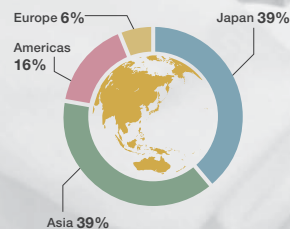


Semiconductor Instruments & Systems

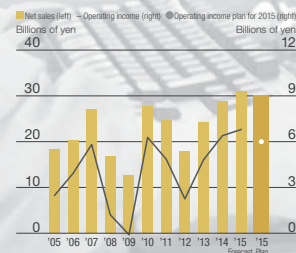
Sales breakdown



Sales breakdown by region



Net sales and operating income



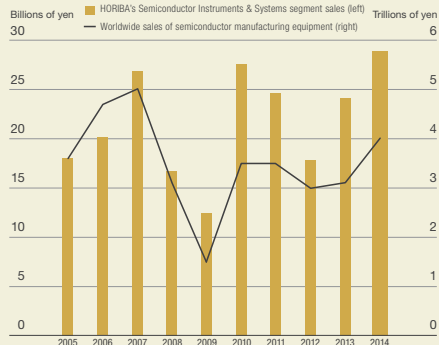
Contributing for miniaturization and yield enhancement in semiconductor manufacturing processes

HORIBA's mass flow controllers, which are devices that control gas and liquid flows in the semiconductor, solar cell, and LED (light-emitted diode) manufacturing process, have a leading global market share. Products from HORIBA include many other types of monitoring equipment for semiconductor manufacturers. HORIBA aims to contribute to the semiconductor industry by providing customers with high-level solutions that support technical advances in processing, miniaturization, and yield enhancement.

2014 results and 2015 forecasts Paying particular attention to the demand outlook for the second half of 2015 despite the semiconductor industry's solid capital expenditures

In 2014, due to continued growth in demand for semiconductors from 2013 as well as several new successful product launches, sales of mass flow controllers increased to 52% of global market share. Sales of chemical concentration monitors, which are used in semiconductor wafer cleaning processes, also increased mainly in Asia due to an increase in demand from semiconductor manufacturers. As a result, sales and profit increased significantly year-on-year. In 2015, we expect high levels of demand to persist for

HORIBA's Semiconductor Instruments & Systems segment sales compared to worldwide sales of semiconductor manufacturing equipment



Enhancing development capability of the Semiconductor Instruments & Systems segment

HORIBA STEC* Kyoto Fukuchiyama Technology Center opened in 2013 as a research-only facility. Its main focus is to develop mass flow controllers and next-generation advanced material control equipment. It also has the aim of discovering ways to apply new technologies to HORIBA's other products. We also expanded our R&D footprint in North America to respond more quickly to the needs of advanced semiconductor research at key device makers and semiconductor equipment manufacturer to enable engagement and support during both upturns and downturns of the industry.



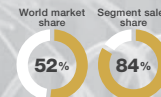
*HORIBA STEC, Co., Ltd. is mainly engaged in development, manufacturing, and sales of mass flow controllers. It is leading the Semiconductor Instruments & Systems segment in the HORIBA. The photo shows the Kyoto Fukuchiyama Technology Center

Major products and market shares

NOTE: Market shares quoted are estimates by HORIBA.

Mass flow controllers

These high-precision gas and liquid controllers regulate flow rates in semiconductor manufacturing processes, typically in thin-film formation processes. They are indispensable components for high quality semiconductor and LED production.



Chemical concentration monitors

These compact units are used in semiconductor manufacturing to monitor concentrations of chemical cleaning agents. They ensure cleansing fluids are precisely delivered and properly used, thereby optimizing the cleaning process and boosting production yields.



the first six months, but moving toward the second half of 2015, we need to pay attention to the investment outlook of semiconductor manufacturers, particularly in South Korea and Taiwan. Additionally we are focusing on the demand outlook for production equipment manufacturers for solar cells and LEDs.

Expansion of sales in Asia, supported by strong trust from global semiconductor makers

One of the HORIBA's strength is its capability to support customers in Asia. Our strategy is to expand our market share in Asia by earning more credibility not only from semiconductor manufacturers, but also from manufacturers of solar cells, LEDs, and semiconductor devices and by

providing enhanced quality products that satisfy anticipated customer demand.

At the Aso plant (Kumamoto Prefecture, Japan), our major plant for manufacturing mass flow controllers, we broadened production capacity to satisfy needs of the Medical-Diagnostic Instruments & Systems segment. This allows us to effectively utilize resources by shifting personnel between the two business segments even when we face a drop in production for semiconductor system equipment. Flexible plant management according to fluctuations in production demand is one of HORIBA's strengths.

HORIBA's global market share for mass flow controllers

HORIBA has maintained more than 40% of the global mass flow controller market share since 2009. It is noteworthy that our share expanded in the period from a downturn phase, which started in 2009 and lasted until a recovery in 2010, by successfully meeting our customers' needs through new product introductions and expanded production capacity. In our view, this is attributed to the success of our balanced management, which minimized the reduction in manufacturing investment and production capacity during a significant downturn in the market.

