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To whom it may concern:

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HORIBA Formulates New Mid-Long Term Management Plan “MLMAP2020”¹

Targeting 250 billion yen in net sales and 30 billion yen in operating income
HORIBA plans to expand its technology in new business fields and new markets
and to advance “One Step Ahead”

HORIBA, Ltd. (TSE ticker: 6856) has formulated a new Mid-Long Term Management Plan, MLMAP2020, for the five-year period from fiscal 2016 to fiscal 2020. The company has determined to make a major advance in its growth and development, by utilizing its global business infrastructure, and to become a true partner of its customers in analysis and measurement.

- HORIBA will expand its technology in new business fields and enter new markets to achieve its business growth targets.
- Corporate growth will be accelerated, based on balanced management, matrix organization, and a diversity-promoting project.
- Capital efficiency will be enhanced to maximize corporate value.

Numerical targets (for fiscal 2020):

Net sales of 250 billion yen, operating income of 30 billion yen, and ROE² of at least 10%

In keeping with the management principle of the “HORIBA Group is One Company.” and its corporate motto, “Joy and Fun,” HORIBA has pursued integrated group management by achieving well-balanced growth in five business segments (automotive, environmental, medical-diagnostic, semiconductor, and scientific), promoting efficiency region by region, and enhancing matrix management.

In fiscal 2015, which was the final year of the previous Mid-Long Term Management Plan, the Company made large-scale capital investments including several acquisitions. These have contributed to generate net sales of 170.8 billion yen, exceeding the Plan’s target of 150 billion yen. Operating margin and ROE, however, fell short of the plan’s targets of 13% or more in margin and 11% or more in ROE, respectively.

HORIBA now has formulated the new Mid-Long Term Management Plan, MLMAP2020, for the period up to fiscal 2020. It is intended to promote business growth and expand business fields with the aim to become a true partner to all the company’s customers in analysis and measurement.

Three priority measures are featured in the plan.

● **Priority Measure 1: Applying HORIBA Technology in new business fields and new markets and becoming a true partner in analysis and measurement**

By making use of established operational bases and investments for future growth made during the previous Mid-Long Term Management Plan, the company intends on achieving strategic growth of each business, in addition to further growth of the two highly profitable businesses, namely the Automotive Test Systems business and the Semiconductor business.

In the Automotive Test Systems business, the HORIBA BIWAKO E-HARBOR, a new Biwako factory, will boost production and improve profitability to expand business in the emission gas measurement field, turning to advantage the expected tightening of gas emission regulations in many countries. In addition, the company will grow the business of HORIBA MIRA Ltd. (U.K.) which was acquired in July 2015. This is an engineering and testing firm oriented to development of automobile technology. HORIBA will make use of HORIBA MIRA's testing knowhow on connection with autonomous driving technology and promote expansion in connection with next-generation mobility.

In the Semiconductor business, the semiconductor manufacturing market is expected to expand on the back of significant growth in use of semiconductors as the automotive, medical, and other fields are becoming increasingly high-tech and connected online. HORIBA, with its stable supply capacity of high-precision products, will aim for further growth in this field.

Moreover, by actively making new investments and pursuing M&A opportunities, HORIBA will enter into other business fields and markets with great growth potential. They include aspects of fuel cells and other alternative energy sources, the bio-life science field, and the water analytical and measurement field. HORIBA plans to integrally utilize in-house technological resources and the customer network of each other's business in order to realize strategic growth. In addition to working to achieve the plan's targets for each business, the company will lay the foundation for the future following the plan period.

● **Priority Measure 2: Accelerating corporate growth by its Super Dream Team based on balanced management, matrix organization, and HORIBA Stained Glass Project³**

In keeping with the management principle of the "HORIBA Group is One Company," HORIBA has implemented well-balanced matrix management and has achieved a high order of integrated group operation. In order to further advance this organization, the company will continue to promote diversity, through the HORIBA Stained Glass Project, to realize the Super Dream Team of its human resources with diversity and to accelerate renovation in existing business and creation of new businesses.

● **Priority Measure 3: Raising capital efficiency to maximize corporate value**

Under the previous Mid-Long Term Management Plan, HORIBA built a foundation for future growth by establishing many bases and acquiring businesses abroad. In order to make effective use of those assets, each group company and each business segment will set its asset efficiency targets and remain dedicated to efficient management under the new plan.

In 2016, the HORIBA Group also completed the global introduction of its Enterprise Resource Planning System aimed at promoting common operational processes, and began using it at 85%

of Group companies, in order to speed up business judgment. In preparing the MLMAP2020, the business segments, the functional divisions, such as for development and production, and the indirect and administrative divisions, have all been involved. Under the leadership of the global team, those divisions will support the business segments and help achieve the plan's targets.

The Mid-Long Term Management Plan's earnings and other business targets are as follows:

(Billions of yen)

Segment	2015 Results			2020 Plan		
	Sales	Operating Income	Operating Income Ratio	Sales	Operating Income	Operating Income Ratio
Automotive	64.2	4.4	6.9%	100.0	10.0	10.0%
P&E	16.7	1.7	10.6%	25.0	2.5	10.0%
Medical	27.4	2.4	8.8%	40.0	4.0	10.0%
Semiconductor	35.3	9.4	26.7%	50.0	10.0	20.0%
Scientific	27.0	1.3	4.8%	35.0	3.5	10.0%
Total	170.8	19.3	11.3%	250.0	30.0	12.0%
ROE	10.2%			10% or more		

[Notes]

1. MLMAP: MLMAP, standing for Mid-Long Term Management Plan, is the term well known and understood within the HORIBA Group.
2. ROE (Return on Equity) is the ratio of net income divided by shareholders' equity. It indicates how much is earned based on own capital during one year, and is one of the indicators of corporate management efficiency.
3. The "HORIBA Stained Glass Project" was launched in January 2014, in accordance with the belief that employees having diverse experiences, values, individuality, and restrictions create new value in their efforts to play leading roles through their diversity and contribute to realize a strong HORIBA.