HORIBA
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Consolidated Financial Statements for the Nine Months Ended September 30, 2009

November 4, 2009

Company name HORIBA, Ltd. Stock exchange listings: Tokyo, Osaka
Listing code 6856 URL: http://www.horiba.com
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Scheduled date of the quarterly consolidated financial statements submission November 11, 2009

(Figures have been rounded down to the nearest million yen)

1. Consolidated Results for the Nine Months Ended September 30, 2009 (January 1, 2009 - September 30, 2009)

(1) Consolidated Operating Results (Percentages represent changes from the corresponding period in the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended 9/30/09	72,652	-	2,139	-	2,178	-	1,286	-
Nine months ended 9/30/08	99,448	(1.5)	8,161	(29.2)	7,687	(31.8)	4,764	(11.2)

	Net Income per Share	Net Income per Share (diluted)
	Yen	Yen
Nine months ended 9/30/09	30.42	30.38
Nine months ended 9/30/08	112.61	112.54

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 9/30/09	125,947	77,823	61.7	1,838.89
As of 12/31/08	133,278	76,841	57.6	1,816.96

(Reference) Shareholders' Equity

As of Sep. 30, 2009: 77,762 million yen; As of Dec. 31, 2008: 76,828 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 12/31/08	—	15.00	—	29.00	44.00
Year ending 12/31/09	—	6.00	—		
Year ending 12/31/09 (Forecast)				7.00	13.00

(Note) Revision of cash dividend forecast during this period: None

3. Consolidated Forecast for the Year Ending December 31, 2009 (January 1, 2009 - December 31, 2009)

(Percentages represent changes from the corresponding period in the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	104,000	(22.5)	2,800	(74.4)	2,600	(74.1)	1,400	(76.8)	33.11

(Note) Revision of consolidated forecast during this period: Yes

4. Others

(1) Changes in significant subsidiaries which affected the scope of consolidation during this period: Yes
The number of eliminated significant subsidiaries during this period: 2
(Note) Please see "4. Other" on page 7 for further details.

(2) Adoption of simplified financial accounting methods and specific accounting methods for presenting quarterly consolidated financial statements: Yes
(Note) Please see "4. Other" on page 7 for further details.

(3) Changes in accounting principles, procedures and disclosures for quarterly consolidated financial statements
Changes due to revisions in accounting standards: Yes
Changes other than the above: Yes
(Note) Please see "4. Other" on page 7 for further details.

(4) Number of shares outstanding (Common Stock)

	September 30, 2009	December 31, 2008
① Shares issued (including Treasury Stock)	42,532,752	42,528,752
② Treasury stock	244,878	244,520

	Jan. - Sep. 2009	Jan. - Sep. 2008
③ The average number of outstanding shares during Jan. - Sep. in FY2009 and FY2008	42,285,625	42,310,523

（Notes）Appropriate Use of Business Forecasts and Other Important Information

1) The business forecasts stated herein are based on information currently available and certain assumptions for factors which may affect business results. Actual results may differ from the forecasts due to a range of factors. For additional information, please see "3. Qualitative Information on the Consolidated Outlook" on page 5 for further details.

2) Commencing in the year ending December 2009, the Company and its consolidated subsidiaries adopted the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12; issued March 14, 2007) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14; issued March 14, 2007). In addition, quarterly financial statements are prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting.” The quarterly financial statements are also prepared in accordance with the revised rules for preparing quarterly consolidated financial statements based on the revision of Item 5, Section 1 of Article 7 of the bylaws of the “Cabinet Office Regulation Revising Part of the Regulations Related to Financial Statements, Related Terminology, Formats and Preparation Methods” (Cabinet Office Regulation No. 50; issued August 7, 2008).

【Qualitative Information and Consolidated Financial Statements】

1. Qualitative Information Concerning Consolidated Financial Results for First Nine Months of FY2009

(For details see page 19-20, HORIBA, Ltd. Financial Highlights for the Nine Months Ended September 30, 2009.)

During the current term of first nine months (through September 30, 2009), the Japanese economy showed indication of recovery on export and production driven by progress of inventory adjustment and domestic and global economic bounce back. However it was generally in difficult circumstances that corporate earnings still remained at low level, capital expenditures declined and the environment for employment and wages deteriorated. In addition, the yen appreciated compared to its level a year earlier.

In the face of these economic conditions, although HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "HORIBA Group" or "HORIBA" as a consolidated group) exerted strong efforts in launching new products and aggressive marketing and sales activities, sharp cutbacks in capital expenditures and investment in R&D mainly in the automotive and semiconductor industries, combined with the strengthening of the yen, affected HORIBA Group to the extent that sales declined 26.9% to 72,652 million yen during the first nine months of FY2009 compared to the same period of FY2008. In addition to the sales decline, despite of continuous efforts to reduce costs such as personnel expenses, products' selling prices declined due to the strengthening of the yen and the effects of intensified competition. As a result, operating income decreased by 73.8% year-on-year to 2,139 million yen. This then impacted ordinary income, which fell by 71.7% year-on-year to 2,178 million yen. Net income dropped 73.0% year-on-year to 1,286 million yen, despite the lower tax rate. This was due to the loss on valuation of inventories that was recorded in the first quarter as extraordinary loss, in accordance with changes in accounting standard, in addition to the decline in ordinary income.

The operating results of each business segment are summarized as follows.

(Automotive Test Systems)

The sales of Automotive Test Systems segment remained flat at low degree due to the continuous curb of capital and R&D investment by automotive industry in Europe, U.S., and Japan. Furthermore it was suffered to the reduced sales value in Japanese yen and downturn on its profitability due to the yen's appreciation. As a result, sales declined by 32.1% year-on-year to 26,112 million yen, and operating income fell by 78.8% year-on-year to 1,063 million yen.

(Analytical Instruments & Systems)

Analytical instruments and systems for analysis of cutting-edge materials that are developed and manufactured in France performed steadily in the U.S. and Japan, supported by expansion of financial expenditures and other factors. Nevertheless, products like as environmental measuring instruments saw deterioration in sales volume, products' selling price and profitability, which stemmed from a decline in capital expenditures in the private sector, associated with the economic downturn and the appreciation of the yen. In light of these factors, sales declined by 19.7% year-on-year to 22,749 million yen, and operating income decreased by 44.2% year-on-year to 751 million yen.

(Medical-Diagnostic Instruments & Systems)

Although domestic sales of hematology analyzers which were launched in FY2008 remained robust, overseas sales, representing approximately 80% of total sales, suffered from reduced sales value in Japanese yen due to the yen's appreciation. As a result, segment sales decreased by 14.1% year-on-year to 16,188 million yen. Nevertheless, increased domestic sales of hematology analyzers helped to boost operating income by 194.3% year-on-year to 1,253 million yen.

(Semiconductor Instruments & Systems)

The investment on the application for the equipment of silicon semiconductor process and LED production started to expand around from middle of FY2009, leading to an earnings recovery in the third quarter. However the sluggish worldwide semiconductor market until the first half of FY2009 caused sales of semiconductor related equipments, led by mass flow controllers, to drop significantly. Consequently, segment sales were 7,601 million yen, down 44.9% year-on-year, and the segment recorded an operating loss of 929 million yen, compared to operating income of 1,364 million yen in the first nine months of FY2008.

2. Qualitative Information Concerning Consolidated Financial Position for First Nine Months of FY2009

(1) Analysis of Assets, Liabilities and Net Assets

During FY2009 first nine months, total assets declined by 7,331 million yen from the level at the end of the preceding fiscal year to 125,947 million yen, mainly due to the decrease of 9,908 million yen in trade notes and accounts receivable, 1,561 million yen in merchandise and finished Goods and 1,550 million yen in raw materials and supplies, while cash and bank deposit increased by 4,579 million yen.

Total liabilities declined by 8,312 million yen from the level at the end of the preceding fiscal year, to 48,124 million yen. The major factors for the change in total liabilities were the reduction of 3,432 million yen in trade notes and accounts payable, 2,409 million yen in accounts payable - other and 2,141 million yen in short-term loans payable.

Total net assets increased by 981 million yen to 77,823 million yen from the level at the end of the preceding fiscal year, due mainly to an increase of 785 million yen in foreign currency translation adjustments.

(2) Cash Flow

During FY2009 first nine months, on a consolidated base, cash and cash equivalents increased by 4,305 million yen from the amount at the end of the preceding year to 26,965 million yen.

Major reasons for change in cash flow during FY2009 first nine months were as follows.

Net cash provided by operating activities amounted to 12,617 million yen, being influenced by a decrease in trade notes and accounts receivable (during FY2008 first nine months, the amount provided by operating activities was 3,891 million yen).

Net cash used in investing activities was 3,915 million yen owing to payments for purchase of property, plant and equipment and other factors (whereas during FY2008 first nine months, the amount provided by investing activities was 2,287 million yen).

Net cash used in financing activities, reflecting a net decrease in short-term borrowings and cash dividends paid and among other factors, was 4,475 million yen (during FY2008 first nine months, the amount used in financing activities was 2,609 million yen.)

3. Qualitative Information on the Consolidated Outlook

With consideration of its recent business trend, HORIBA Group's forecast for FY2009 full year was revised as shown below.

Full-Year FY2009 Consolidated Forecast

(Unit: millions of yen)

	Previous Forecast (Aug. 4)	Revised Forecast (Nov. 4)	Changes
Net Sales	103,000	104,000	1,000
Operating Income	2,000	2,800	800
Ordinary Income	1,800	2,600	800
Net Income	1,100	1,400	300

Full-Year FY2009 Consolidated Forecast by Segment

Net Sales (Unit: millions of yen)

	Previous Forecast (Aug. 4)	Revised Forecast (Nov. 4)	Changes
Automotive	39,000	38,000	(1,000)
Analytical	32,500	32,500	-
Medical	22,500	22,500	-
Semiconductor	9,000	11,000	2,000
Total	103,000	104,000	1,000

Operating Income (Unit: millions of yen)

	Previous Forecast (Aug. 4)	Revised Forecast (Nov. 4)	Changes
Automotive	2,000	1,500	(500)
Analytical	600	600	-
Medical	1,500	1,500	-
Semiconductor	(2,100)	(800)	1,300
Total	2,000	2,800	800

With consideration of the financial result up to September 30, 2009 and the trend in demand in the fourth quarter, HORIBA has revised its forecast upward for sales, operating income, ordinary income, and net income by 1,000 million yen, 800 million yen, 800 million yen, and 300 million yen respectively for full-year FY2009.

By segment, HORIBA has revised sales forecast of Automotive Test Systems segment downward by 1,000 million yen as a reflection of the curb in capital and R&D investment in automotive industry. Consequently HORIBA has revised down operating income forecast for the Automotive Test Systems segment by 500 million yen in consideration with the declining of the profitability in overseas projects due to the yen's appreciation.

For the Semiconductor Instruments & Systems segment, where sales are recovering due to growth in the investment on the application for the equipment of silicon semiconductor process and LED production, sales forecast has been revised upward by 2,000 million yen. And operating income forecast has been also revised upward by 1,300 million yen since HORIBA expects positive effect from the effort to decrease costs, in addition to the sales volume increase.

Forecasts for the other business segments remain unchanged from those previously estimated.

The dividend forecast for FY2009 is unchanged.

(Note) The expected financial forecast has been made on the basis of information available as of November 4, 2009, but owing to the existence of various uncertain elements, it is possible that actual performance will vary considerably from forecasts. The major risk factors are as follows, but are not limited to these.

Business risks:
Risks associated with international business activities including a loss from fluctuation of currency exchange rates; changes in performance or financial position associated with acquisitions or alliances; repairs of facilities following natural disasters and associated delays in delivery; risks associated with contracts and transactions; laws and regulations; and other business risks

Risks associated with development and production:
Compensation for product liability; delays in development of new products; risks concerning intellectual property right; and risks concerning fluctuation in raw material prices

Financial risks:
Shifts in the market price of securities or other assets; and reversal of deferred tax assets resulting from changes in systems or accounting policies

4. Other

(1) Changes in significant subsidiaries which affected the scope of consolidation during this period:

The number of eliminated significant subsidiaries during this period: 2

HORIBA ABX International S.A.S. was merged into HORIBA ABX S.A.S. (July 31, 2009)

HORIBA Jobin Yvon International S.A.S was merged into HORIBA Europe Holding S.A.S.U. (July 31, 2009)

(2) Adoption of simplified financial accounting methods and specific accounting methods for presenting quarterly consolidated financial statements:

① **Simplified accounting methods**

1) Simplified accounting method for valuation of inventories

Values of inventories at the end of the third quarter were calculated by using a reasonable method based on the actual balance of inventories at the end of the previous year. Physical inventory at the end of the third quarter was not taken.

2) Calculation method for depreciation of tangible fixed assets

As for tangible fixed assets which are depreciated using the declining-balance method, the depreciation expenses for the period are based on the annual estimated depreciation which is evenly divided over the year.

② **Specific accounting methods for presenting quarterly consolidated financial statements**

None

(3) Changes in accounting principles, procedures and disclosures for quarterly consolidated financial statements.

① **Adoption of accounting standard for quarterly financial reporting**

Commencing from FY2009, HORIBA Group adopted the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12; issued March 14, 2007) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14; issued March 14, 2007.) In addition, quarterly financial statements are prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting.” The quarterly financial statements are also prepared in accordance with the revised rules for preparing quarterly consolidated financial statements based on the revision of Item 5, Section 1 of Article 7 of the bylaws of the “Cabinet Office Regulation Revising Part of the Regulations Related to Financial Statements, Related Terminology, Formats and Preparation Methods” (Cabinet Office Regulation No. 50; issued August 7, 2008.)

② Change of evaluation standards and evaluation methods of important assets

Inventories

Commencing from FY2009, the Company and its consolidated domestic subsidiaries adopted the "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9; issued July 5, 2006) and standards for inventory valuation have been changed from the conventional cost method to the cost method (method of writing down book values based on decreasing profitability regarding the values on the balance sheet).

The adoption of the new standard had the effects of reducing operating income and ordinary income by 499 million yen each and income before income taxes by 971 million yen.

Its impact on the segment information is described in the relevant section.

③ Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

Commencing from FY2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issue Task Force of the ASBJ No. 18; issued May 17, 2006) was adopted and necessary adjustments in preparing the consolidated financial statements were made.

The adoption of the new standard had the effects of increasing operating income by 67 million yen and reducing ordinary income and income before income taxes by 59 million yen each.

Its impact on segment information is described in the relevant section.

④ Adoption of accounting standard for lease transactions

Finance leases other than those that were deemed to transfer the ownership of leased property to the lessees have previously been accounted for in a similar manner to operating leases. However, the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; originally issued by the Corporate Accounting Council June 17, 1993 and revised by the ASBJ March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; issued by the Japanese Institute of Certified Public Accountants January 18, 1994 and revised by the ASBJ March 30, 2007) became applicable to fiscal years beginning on or after April 1, 2008, and HORIBA adopted this accounting standard and practical guideline starting in FY2009. The leases were accounted by the method for ordinary sales transactions. Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for in a similar way to purchases and depreciation for lease assets is computed under the straight-line method with zero residual value over the lease term.

This change does not have effects on operating income, ordinary income, and income before income taxes for the nine months ended September 30, 2009. Financial leases other than those that are deemed to transfer the ownership of leased property to the lessees, which commenced in fiscal years beginning prior to January 1, 2009, are accounted for in a similar way to operating leases.

(Additional information)

① **Changes in the useful lives of fixed assets**

In accordance with the revised Corporate Tax Law of Japan, the Company and its consolidated domestic subsidiaries reviewed the estimated useful lives of machinery and equipment. As a result, the estimated useful lives of some machinery and equipment were changed in the first quarter.

This change had the effects of reducing operating income, ordinary income, and income before income taxes by 27 million yen each.

Its impact on segment information is described in the relevant section.

② **Directors' and corporate auditors' retirement benefits**

Following a resolution by the board of directors meeting held February 17, 2009 to abolish the retirement benefits plan for directors and corporate auditors, the Company resolved at the shareholders meeting held on March 28, 2009 to pay retirement benefits for directors and corporate auditors for the termination (the actual payment will be made when a director or auditor retires from his post.)

As a result, directors' and corporate auditors' retirement benefits was reversed in FY2009. The unpaid amount of 654 million yen, which resulted from the abolition, is included in "Other Non-Current Liabilities".

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Accounts	As of September 30, 2009 Amount	As of December 31, 2008 Amount
Assets	Millions of yen	Millions of yen
Current Assets:	85,686	94,580
Cash and Bank Deposits	22,846	18,267
Trade Notes and Accounts Receivable	27,484	37,393
Marketable Securities	5,074	5,092
Merchandise and Finished Goods	8,546	10,107
Work in Process	9,776	10,461
Raw Materials and Supplies	7,682	9,232
Deferred Tax Assets	2,608	2,397
Other Current Assets	2,403	2,235
Allowance for Doubtful Receivables	(734)	(607)
Fixed Assets:	40,260	38,698
Property, Plant and Equipment:	23,943	23,114
Buildings and Structures, net	9,662	7,555
Machinery, Equipment and Vehicles, net	4,072	3,659
Land	7,146	7,141
Construction in Progress	253	1,722
Other Property, Plant and Equipment, net	2,807	3,035
Intangibles:	6,739	7,248
Goodwill	301	336
Other Intangibles	6,437	6,911
Investments and Other Non-Current Assets:	9,578	8,335
Investment Securities	4,325	3,626
Deferred Tax Assets	2,418	2,018
Other Investments and Other Assets	3,005	2,781
Allowance for Doubtful Accounts	(171)	(91)
Total Assets	125,947	133,278

Accounts	As of September 30, 2009	As of December 31, 2008
	Amount	Amount
Liabilities	Millions of yen	Millions of yen
Current Liabilities:	32,776	41,199
Trade Notes and Accounts Payable	7,670	11,102
Short-Term Loans Payable	6,711	8,852
Accounts Payable - Other	7,952	10,362
Accrued Income Taxes	579	1,513
Deferred Tax Liabilities	99	9
Accrued Bonuses to Employees	1,266	744
Accrued Bonuses to Directors and Corporate Auditors	113	37
Reserve for Product Warranty	783	918
Other Current Liabilities	7,599	7,658
Non-Current Liabilities:	15,347	15,237
Corporate Bonds	10,000	10,000
Long-Term Loans Payable	1,764	2,132
Deferred Tax Liabilities	28	12
Employees' Retirement Benefits	1,556	1,672
Directors' and Corporate Auditors' Retirement Benefits	272	895
Reserve for Loss on Guarantees	52	52
Other Non-Current Liabilities	1,673	472
Total Liabilities	48,124	56,437
Net Assets		
Shareholders' Equity	79,165	79,447
Common Stock	12,011	12,006
Capital Surplus	18,717	18,712
Retained Earnings	49,247	49,538
Treasury Stock	(811)	(810)
Valuation and Translation Adjustments	(1,402)	(2,619)
Net Unrealized Holding Gains on Securities	895	463
Foreign Currency Translation Adjustments	(2,298)	(3,083)
New Share Subscription Rights	59	-
Minority Interests in Consolidated Subsidiaries	1	13
Total Net Assets	77,823	76,841
Total Liabilities and Net Assets	125,947	133,278

(2) Consolidated Statement of Income

Accounts	Nine Months Ended September 30, 2009 Amount
	Millions of yen
Net Sales	72,652
Cost of Sales	40,936
Gross Income	31,715
Selling, General and Administrative Expenses	29,575
Operating Income	2,139
Non-Operating Income	646
Interest Income	132
Dividend Income	46
Foreign Exchange Gain	99
Other	366
Non-Operating Expense	608
Interest Expense	537
Other	70
Ordinary Income	2,178
Extraordinary Gain	6
Gain on Sale of Property, Plant and Equipment	6
Extraordinary Loss	532
Loss on Sale of Property, Plant and Equipment	2
Loss on Disposal of Property, Plant and Equipment	23
Loss on Valuation of Inventories	472
Loss on Valuation of Investment Securities	25
Loss on Impairment of Fixed Assets	8
Other	0
Income Before Income Taxes	1,651
Income Taxes (Current)	1,239
Income Taxes (Deferred)	(862)
Total Income Taxes	377
Minority Interests in Earnings of Consolidated Subsidiaries	(12)
Net Income	1,286

(3) Consolidated Statement of Cash Flows

Accounts	Nine Months Ended September 30, 2009
	Millions of yen
Cash Flows from Operating Activities:	
Income before Income Taxes	1,651
Depreciation (excluding Amortization of Goodwill)	3,324
Loss on Impairment of Fixed Assets	8
Amortization of Goodwill	26
Increase (Decrease) in Allowance for Doubtful Receivables	193
Increase (Decrease) in Employees' Retirement Benefits	(44)
Increase (Decrease) in Directors' and Corporate Auditors' Retirement Benefits	(623)
Interest and Dividend Income	(179)
Interest Expense	537
Foreign Exchange Losses (Gains)	56
Loss (Gain) on Sale of Property, Plant and Equipment	(4)
Loss on Disposal of Property, Plant and Equipment	23
Loss (Gain) on Valuation of Investment Securities	25
Decrease (Increase) in Trade Notes and Accounts Receivable	10,492
Decrease (Increase) in Inventories	4,016
Increase (Decrease) in Trade Notes and Accounts Payable	(3,618)
Other, net	(586)
Subtotal	15,299
Interest and Dividends Received	195
Interest Paid	(606)
Income Taxes Paid	(2,270)
Net Cash provided by Operating Activities	12,617
Cash Flows from Investing Activities:	
Increase in Time Deposits	(149)
Payments for Purchase of Securities	(99)
Payments for Purchase of Property, Plant and Equipment	(3,230)
Proceeds from Sale of Property, Plant and Equipment	120
Payments for Purchase of Intangibles	(383)
Payments for Purchase of Investment Securities	(14)
Proceeds from Sale or Redemption of Investment Securities	12
Payments for Purchase of Investments in Newly Consolidated Subsidiaries	(122)
Increase in Loans Receivable	(0)
Decrease in Loans Receivable	1
Other, net	(48)
Net cash used in Investing Activities	(3,915)
Cash Flows from Financing Activities:	
Net Increase (Decrease) in Short-Term Borrowings	(2,167)
Increase in Long-Term Debt	6
Repayment of Long-Term Debt	(678)
Repayments of Finance Lease Obligations	(163)
Proceeds from Issuance of Stocks by Exercising New Share Subscription Rights	9
Payments for Purchase of Treasury Stock	(0)
Cash Dividends Paid	(1,480)
Net cash used in Financing Activities	(4,475)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	78
Net Increase (Decrease) in Cash and Cash Equivalents	4,305
Cash and Cash Equivalents at Beginning of Period	22,660
Cash and Cash Equivalents at End of Period	26,965

Commencing in the year ending December 2009, HORIBA Group adopted the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12; issued March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14; issued March 14, 2007). In addition, quarterly financial statements are prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting". The quarterly financial statements are also prepared in accordance with the revised rules for preparing quarterly consolidated financial statements based on the revision of Item 5, Section 1 of Article 7 of the bylaws of the "Cabinet Office Regulation Revising Part of the Regulations Related to Financial Statements, Related Terminology, Formats and Preparation Methods" (Cabinet Office Regulation No. 50; issued August 7, 2008).

(4) Notes related to Going Concern

None

(5) Segment Information

[Business Segment Information]

Nine Months Ended September 30, 2009 (January 1, 2009 - September 30, 2009) Millions of yen

	Automotive Test Systems	Analytical Instruments & Systems	Medical-Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Elimination and/or unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	26,112	22,749	16,188	7,601	72,652	-	72,652
(2) Intersegment sales and transfers	-	-	-	-	-	-	-
Total	26,112	22,749	16,188	7,601	72,652	-	72,652
Operating Income (Loss)	1,063	751	1,253	(929)	2,139	-	2,139

(Notes)

1. Classification of business segment

HORIBA Group's business segment is classified by purpose of use of our products at market.

2. Main Products in Each Business Segment

Business Segment	Main Products
Automotive Test Systems	Emission Measurement Systems, In-Use Automotive Emissions Analyzers, On-Board Emission Measurement Systems, Driveline Test Systems, Engine Test Systems, Brake Test Systems, Drive Recorders
Analytical Instruments & Systems	Scientific Analysis Instruments (Particle-size Distribution Analyzers, X-ray Fluorescence Analyzers, Raman Spectrophotometers, Diffraction, Gratings) Environmental Measuring Instruments (pH Meters, Stack Gas Analyzers, Water Quality Analysis and Examination Systems, Air Pollution Analyzers)
Medical-Diagnostic Instruments & Systems	Equipment for Blood Sample Analysis (Hematology Analyzers, Equipment for Measuring Immunological Responses, Clinical Chemistry Analyzers, Blood Glucose Measurement Systems)
Semiconductor Instruments & Systems	Mass Flow Controllers, Chemical Concentration Monitors, Thin-film Analyzers for Semiconductors and LCD Inspection, Reticle/Mask Particle Detection Systems, Residual Gas Analyzers

3. Change in accounting standards

(Accounting standard for measurement of inventories)
As stated in Item 2 of (3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements, "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9; issued July 5, 2006) was adopted, commencing in the three months ended March 31, 2009. As a result of this change, in comparison to the previous accounting method, operating income decreased 5 million yen for Automotive Test Systems, 268 million yen for Analytical Instruments & Systems, 0 million yen for Medical-Diagnostic Instruments & Systems, and 224 million yen for Semiconductor Instruments & Systems for the nine months ended September 30, 2009.

(Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements)
As stated in Item 3 of (3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issue Task Force of the ASBJ No.18; issued May 17, 2006) was adopted, commencing in the three months ended March 31, 2009. As a result of this change, in comparison to the previous accounting method, operating income increased 93 million yen for Automotive Test Systems and decreased 9 million yen for Analytical Instruments & Systems, 14 million yen for Medical-Diagnostic Instruments & Systems, and 1 million yen for Semiconductor Instruments & Systems for the nine months ended September 30, 2009.

4. Additional information

(Changes in the useful lives of fixed assets)
As stated in the Additional Information 1 of (3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements, the estimated useful lives of some machinery and equipment were reviewed, in accordance with the revised Corporate Tax Law of Japan. As a result, in comparison to the previous accounting method, operating income decreased 9 million yen for Automotive Test Systems, 4 million yen for Analytical Instruments & Systems, 2 million yen for Medical-Diagnostic Instruments & Systems, and 10 million yen for Semiconductor Instruments & Systems for the nine months ended September 30, 2009.

[Geographic Segment Information]

Nine Months Ended September 30, 2009 (January 1, 2009 - September 30, 2009) Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	30,386	12,233	27,163	2,868	72,652	-	72,652
(2) Intersegment sales and transfers	6,511	1,116	2,389	1,233	11,251	(11,251)	-
Total	36,898	13,349	29,553	4,102	83,903	(11,251)	72,652
Operating Income	279	352	402	396	1,431	708	2,139

(Notes)

1. Countries and regions are grouped according to geographical proximity.
2. The breakdown of countries and regions belonging to groups other than Japan is as follows.
   (1) Americas・・・ North America and South America
   (2) Europe・・・・・ Europe, Russia and Africa
   (3) Asia・・・・・・・・・Asia (except for Japan) and Oceania

3. Change in accounting standards

(Accounting standard for measurement of inventories)

As stated in Item 2 of (3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements, “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9; issued July 5, 2006) was adopted, commencing in the three months ended March 31, 2009. As a result of this change, in comparison to the previous accounting method, operating income decreased 499 million yen for Japan for the nine months ended September 30, 2009.

(Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements)

As stated in Item 3 of (3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issue Task Force of the ASBJ No.18; issued May 17, 2006) was adopted, commencing in the three months ended March 31, 2009. As a result of this change, in comparison to the previous accounting method, operating income increased 95 million yen for Europe, whereas it decreased 28 million yen for Asia for the nine months ended September 30, 2009.

4. Additional information

(Changes in the useful lives of fixed assets)

As stated in the Additional Information 1 of (3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements, the estimated useful lives of some machinery and equipment were reviewed, in accordance with the revised Corporate Tax Law of Japan. As a result, in comparison to the previous accounting method, operating income decreased 27 million yen for Japan for the nine months ended September 30, 2009.

[Overseas Sales]

Nine Months Ended September 30, 2009 (January 1, 2009 - September 30, 2009) Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	13,963	21,811	10,905	46,680
Consolidated sales	-	-	-	72,652
Ratio of overseas sales to consolidated sales (%)	19.2	30.1	15.0	64.3

(Notes)

1. Countries and regions are grouped according to geographical proximity.
2. The breakdown of countries and regions belonging to groups other than Japan is as follows.
   (1) Americas・・・ North America and South America
   (2) Europe・・・・・ Europe, Russia and Africa
   (3) Asia・・・・・・・・・Asia (except for Japan) and Oceania
3. Overseas sales comprise sales of the Company and its subsidiaries in countries or regions other than Japan.

(6) Notes in case of significant changes in the amount of net assets

None

6. Other Information

Lawsuit

Micronics Japan Co., Ltd. filed a lawsuit against the Company seeking compensation for damages (compensation of 933 million yen and charge for damage from delayed payment) in connection with an agreement to develop and commercialize liquid-crystal related testing equipment. The Company won the case overall in the Tokyo High Court on December 25, 2008. Micronics Japan Co., Ltd. appealed the decision to the Supreme Court on January 8, 2009.

HORIBA, Ltd. Financial Highlights for the Nine Months Ended September 30, 2009

1. Consolidated Financial Results

	12/2009 Result	12/2008 Result	Changes		**12/2009 Estimate**	12/2008 Result	Changes	
	3Q (9 Months)	3Q (9 Months)	Amount	Ratio	**Full Year**	Full Year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	Millions of yen	
Net Sales	**72,652**	99,448	(26,796)	(26.9%)	**104,000**	134,247	(30,247)	(22.5%)
Operating Income	**2,139**	8,161	(6,021)	(73.8%)	**2,800**	10,957	(8,157)	(74.4%)
Operating Income Ratio	*2.9%*	*8.2%*	*(5.3P)*		***2.7%***	*8.2%*	*(5.5P)*	
Ordinary Income	**2,178**	7,687	(5,509)	(71.7%)	**2,600**	10,040	(7,440)	(74.1%)
Ordinary Income Ratio	*3.0%*	*7.7%*	*(4.7P)*		***2.5%***	*7.5%*	*(5.0P)*	
Net Income	**1,286**	4,764	(3,478)	(73.0%)	**1,400**	6,039	(4,639)	(76.8%)
Net Income Ratio	*1.8%*	*4.8%*	*(3.0P)*		***1.3%***	*4.5%*	*(3.2P)*	
US$	**94.96**	105.84	(10.88)		**94.00**	103.48	(9.48)	
Euro	**129.58**	161.14	(31.56)		**130.00**	152.65	(22.65)	

2. Consolidated Segment Results

Net Sales	**12/2009 Result**	12/2008 Result	Changes		**12/2009 Estimate**	12/2008 Result	Changes	
	3Q (9 Months)	3Q (9 Months)	Amount	Ratio	**Full Year**	Full Year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	Millions of yen	
Automotive	**26,112**	38,457	(12,345)	(32.1%)	**38,000**	54,232	(16,232)	(29.9%)
Analytical	**22,749**	28,337	(5,587)	(19.7%)	**32,500**	38,531	(6,031)	(15.7%)
Medical	**16,188**	18,855	(2,666)	(14.1%)	**22,500**	24,721	(2,221)	(9.0%)
Semiconductor	**7,601**	13,798	(6,196)	(44.9%)	**11,000**	16,762	(5,762)	(34.4%)
Total	**72,652**	99,448	(26,796)	(26.9%)	**104,000**	134,247	(30,247)	(22.5%)

Operating Income	**12/2009 Result**	12/2008 Result	Changes		**12/2009 Estimate**	12/2008 Result	Changes	
	3Q (9 Months)	3Q (9 Months)	Amount	Ratio	**Full Year**	Full Year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	Millions of yen	
Automotive	**1,063**	5,024	(3,960)	(78.8%)	**1,500**	7,231	(5,731)	(79.3%)
Analytical	**751**	1,346	(594)	(44.2%)	**600**	1,827	(1,227)	(67.2%)
Medical	**1,253**	425	+827	+194.3%	**1,500**	678	+821	+121.2%
Semiconductor	**(929)**	1,364	(2,294)	-	**(800)**	1,221	(2,021)	-
Total	**2,139**	8,161	(6,021)	(73.8%)	**2,800**	10,957	(8,157)	(74.4%)

3. Consolidated Segment Sales by Region

	12/2009 Result	12/2008 Result	Changes		**12/2009 Estimate**	12/2008 Result	Changes	
	3Q (9 Months)	3Q (9 Months)	Amount	Ratio	**Full Year**	Full Year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	Millions of yen	
Automotive	**26,112**	38,457	(12,345)	(32.1%)	**38,000**	54,232	(16,232)	(29.9%)
Japan	**9,098**	14,020	(4,921)	(35.1%)	**13,100**	17,785	(4,685)	(26.3%)
Asia	**4,582**	5,681	(1,099)	(19.3%)	**6,500**	7,937	(1,437)	(18.1%)
Americas	**4,673**	5,853	(1,179)	(20.2%)	**6,500**	9,299	(2,799)	(30.1%)
Europe	**7,758**	12,902	(5,144)	(39.9%)	**11,900**	19,209	(7,309)	(38.1%)
Analytical	**22,749**	28,337	(5,587)	(19.7%)	**32,500**	38,531	(6,031)	(15.7%)
Japan	**9,699**	11,993	(2,293)	(19.1%)	**13,600**	15,688	(2,088)	(13.3%)
Asia	**3,507**	4,754	(1,246)	(26.2%)	**4,400**	6,359	(1,959)	(30.8%)
Americas	**4,089**	4,547	(458)	(10.1%)	**6,000**	6,421	(421)	(6.6%)
Europe	**5,453**	7,041	(1,588)	(22.6%)	**8,500**	10,062	(1,562)	(15.5%)
Medical	**16,188**	18,855	(2,666)	(14.1%)	**22,500**	24,721	(2,221)	(9.0%)
Japan	**3,232**	2,799	+433	+15.5%	**4,400**	3,873	+526	+13.6%
Asia	**1,282**	1,262	+20	+1.6%	**1,700**	1,788	(88)	(5.0%)
Americas	**4,086**	5,226	(1,140)	(21.8%)	**5,700**	6,797	(1,097)	(16.1%)
Europe	**7,587**	9,566	(1,979)	(20.7%)	**10,700**	12,262	(1,562)	(12.7%)
Semiconductor	**7,601**	13,798	(6,196)	(44.9%)	**11,000**	16,762	(5,762)	(34.4%)
Japan	**3,940**	7,459	(3,519)	(47.2%)	**6,100**	9,202	(3,102)	(33.7%)
Asia	**1,533**	2,624	(1,090)	(41.6%)	**1,900**	3,063	(1,163)	(38.0%)
Americas	**1,114**	2,419	(1,304)	(53.9%)	**1,700**	2,892	(1,192)	(41.2%)
Europe	**1,013**	1,294	(281)	(21.7%)	**1,300**	1,603	(303)	(18.9%)
Total	**72,652**	99,448	(26,796)	(26.9%)	**104,000**	134,247	(30,247)	(22.5%)

4. Consolidated Financial Results (Quarterly Comparison)

	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net Sales	25,451	23,579	23,620	31,347	30,955	33,751	34,740	34,799
Operating Income	2,043	(425)	521	660	2,105	2,568	3,486	2,796
Operating Income Ratio	*8.0%*	*(1.8%)*	*2.2%*	*2.1%*	*6.8%*	*7.6%*	*10.0%*	*8.0%*
Ordinary Income	1,887	(176)	467	421	1,886	2,624	3,176	2,353
Ordinary Income Ratio	*7.4%*	*(0.7%)*	*2.0%*	*1.3%*	*6.1%*	*7.8%*	*9.1%*	*6.8%*
Net Income	967	53	265	113	1,001	1,599	2,163	1,274
Net Income Ratio	*3.8%*	*0.2%*	*1.1%*	*0.3%*	*3.2%*	*4.7%*	*6.2%*	*3.7%*
US$	93.76	97.42	93.70	91.12	105.25	104.53	107.74	96.40
Euro	122.01	132.83	133.90	131.26	157.63	163.59	162.20	127.18

5. Consolidated Segment Results (Quarterly Comparison)

Net Sales	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	9,988	8,380	7,742	11,887	11,305	12,837	14,314	15,774
Analytical	8,182	7,391	7,175	9,750	9,152	9,818	9,366	10,194
Medical	5,076	5,633	5,478	6,311	5,913	6,384	6,557	5,866
Semiconductor	2,203	2,173	3,224	3,398	4,583	4,711	4,503	2,963
Total	25,451	23,579	23,620	31,347	30,955	33,751	34,740	34,799

Operating Income	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	1,415	(20)	(330)	436	1,231	1,304	2,487	2,207
Analytical	682	(115)	185	(151)	271	601	473	480
Medical	302	477	473	246	(58)	162	321	252
Semiconductor	(357)	(766)	194	129	660	499	204	(143)
Total	2,043	(425)	521	660	2,105	2,568	3,486	2,796

6. Consolidated Orders and Backlog Information (Quarterly Comparison)

Orders	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	5,527	8,530	8,648	-	12,070	12,287	16,570	8,805
Analytical	6,795	7,827	7,668	-	10,740	10,270	11,082	5,908
Medical	5,575	5,513	5,512	-	6,213	6,815	6,296	5,155
Semiconductor	1,580	2,526	3,809	-	5,244	4,578	4,472	2,653
Total	19,478	24,397	25,638	-	34,269	33,952	38,421	22,523

Backlog	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	17,649	17,798	18,704	-	27,533	26,983	29,240	22,271
Analytical	7,119	7,555	8,047	-	10,623	11,075	12,791	8,506
Medical	2,343	2,223	2,256	-	2,385	2,817	2,556	1,844
Semiconductor	782	1,135	1,720	-	1,879	1,746	1,715	1,405
Total	27,894	28,712	30,730	-	42,422	42,622	46,304	34,028

7. Capital Expenditures, Depreciation and R&D Expenses

	12/2009		12/2008	
	3Q Result (9 Months)	Annual Estimate	3Q Result (9 Months)	Annual Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital Expenditures (*)	3,569	5,000	4,572	6,644
Depreciation	3,351	4,500	3,676	4,955
R&D Expenses	7,145	9,300	7,857	10,662

(*) Capital Expenditures are investments in tangible and intangible fixed assets

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