HORIBA
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Consolidated Financial Statements for the Year Ended December 31, 2009

February 15, 2010

Company name	**HORIBA, Ltd.**	Stock exchange listings: Tokyo, Osaka
Listing code	6856	URL: http://www.horiba.com
Representative	Atsushi Horiba, Chairman, President and CEO	
Contact	Fumitoshi Sato, Managing Director	TEL: (81)75-313-8121

Scheduled date of Annual Shareholders' Meeting March 27, 2010
Scheduled date of Annual Securities Report Submission March 29, 2010
Scheduled date of Annual Payment for Cash Dividends March 8, 2010

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

1. Consolidated Results for the Year Ended December 31, 2009 (January 1, 2009 - December 31, 2009)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 12/31/09	104,538	(22.1)	5,144	(53.1)	5,274	(47.5)	3,161	(47.6)
Year ended 12/31/08	134,247	(7.0)	10,957	(33.7)	10,040	(37.0)	6,039	(30.5)

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended 12/31/09	74.77	74.68	4.0	4.0	4.9
Year ended 12/31/08	142.76	142.71	7.7	7.0	8.2

(Reference) Equity in earnings of affiliates accounted for by the equity method
Year ended December 31, 2009: ¥ (2) million; Year ended December 31, 2008: ¥ 6 million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 12/31/09	129,580	79,977	61.7	1,889.58
As of 12/31/08	133,278	76,841	57.6	1,816.96

(Reference) Shareholders' Equity
As of December 31, 2009: ¥ 79,906 million; As of December. 31, 2008: ¥ 76,828 million

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 12/31/09	13,711	(4,191)	(4,722)	27,590
Year ended 12/31/08	7,521	490	(3,943)	22,660

2. Dividends

	Dividend per share					Total Dividends (Annual)	Payout Ratio (Consolidated)	Dividends to Net Assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of Year	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended 12/31/08	-	15.00	-	29.00	44.00	1,860	30.8	2.4
Year ended 12/31/09	-	6.00	-	7.00	13.00	549	17.4	0.7
Year ending 12/31/10 (Forecast)	-	6.00	-	9.00	15.00		19.8	

3. Consolidated Forecast for the Year Ending December 31, 2010 (January 1, 2010 - December 31, 2010)

(Percentages represent changes from the same 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
First half	54,000	10.1	2,200	35.9	1,700	(0.6)	900	(11.8)	21.28
Full year	113,000	8.1	6,500	26.4	5,500	4.3	3,200	1.2	75.67

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
HORIBA HORIBA ABX International SAS (France) and HORIBA Jobin Yvon International SAS (France)
(Note) Please see "Important Items as a base of Consoldiated Financial Statement" on page 19 for further details.

(2) Changes in accounting principles, procedures and disclosures for consolidated financial statements.
① Changes due to revisions in accounting standards: Yes
② Changes other than the above: Yes
(Note) Please see "Significant Changes in the Basis of Presentation of the Consoldiated Financial Statement" on page 20 for further details.

(3) Number of shares outstanding (Common Stock)

	December 31, 2009	December 31, 2008
① Shares issued (including Treasury Stock)	42,532,752	42,528,752
② Treasury stock	244,951	244,520

(Note) Please see "Per Share Data" on page 32 for further details.

(Reference) Outlook of Non-Consolidated Financial Result

1. Non-Consolidated Results for the Year Ended December 31, 2009 (January 1, 2009 - December 31, 2009)
(1) Non-Consolidated Operating Results (Percentages represent changes from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 12/31/09	42,366	(22.2)	563	(89.6)	2,035	(74.8)	1,831	(70.5)
Year ended 12/31/08	54,464	(3.8)	5,399	(26.8)	8,088	(14.1)	6,199	12.7

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
Year ended 12/31/09	43.32	43.27
Year ended 12/31/08	146.56	146.50

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 12/31/09	90,539	65,946	72.8	1,558.08
As of 12/31/08	92,871	65,072	70.1	1,538.93

(Reference) Shareholders' Equity
As of December 31, 2009: ¥ 65,887 million; As of December. 31, 2008: ¥ 65,072 million

2. Non-Consolidated Forecast for the Year Ending December 31, 2010 (January 1, 2010 - December 31, 2010)
(Percentages represent changes from the same period in the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	19,800	(9.8)	170	(77.8)	1,170	(42.4)	970	(49.9)	22.94
Full year	43,000	1.5	1,630	189.5	2,900	42.5	2,050	11.9	48.48

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

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 "1. Operating Results and Financial Position, " on page 3-4 for further details.

1. Operating Results and Financial Position

(1) Operating Results Analysis (Please refer to HORIBA, Ltd. Financial Highlights for the Year ended December 31, 2009 on page 33)

(i) Operating Results for the year ended December 31, 2009

During the fiscal year under review, the global economy weakened significantly mainly in developed countries during the early stage of the year, in the midst of the expanding financial crisis that was triggered in the fall of 2008. Thanks to the implementation of various governments' economic stimulative measures, however, the economy has been picking up since the spring of 2009. In Japan, the slowdown in overseas economies and the appreciation of the yen caused significant deterioration in the economy in the fall of 2008. However, thanks to various economic measures in Japan and overseas and progress in inventory adjustment, the economy has been gradually improving since mid-2009. Nevertheless, private-sector capital investment has remained depressed, after a significant drop in the first half of 2009, as corporate earnings have stayed at a low level. The Japanese yen also strengthened throughout the year. The average rate for 2009 was 93.65 yen against the U.S. dollar and 130.35 yen against the Euro. The yen appreciated by about 10% and 17%, respectively.

The operating results of HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "HORIBA Group" or "HORIBA" as a consolidated group) in the analytical and testing instrument market were affected by cutbacks in capital expenditures and R&D investment mainly in the automotive and semiconductor industries, which experienced a downturn in business in the first half of 2009. In addition, selling prices continued to decline due to the strengthening of the yen and the effects of intensified competition. In the meantime, the market has begun to pick up thanks to economic stimulative measures implemented by governments of various countries and a recovery in capital expenditures for memory products and LEDs from the second half of 2009.

Under this environment, HORIBA Group exerted strong efforts to improve profitability through thorough cost reduction. Specific measures included curbing fixed costs by reallocating personnel. Despite of such efforts, sales decreased by 22.1% year-on-year to 104,538 million yen. And in terms of profit, operating income dropped 53.1% year-on-year to 5,144 million yen, while ordinary income fell by 47.5% year-on-year to 5,274 million yen. Net income decreased by 47.6% year-on-year to 3,161 million yen, despite the lower tax rate. This was due to extraordinary items such as a 472 million yen loss on valuation of inventories, in accordance with changes in accounting policies, in addition to the decline in ordinary income.

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

(Automotive Test Systems)

Business results were depressed by a cutback in capital spending and R&D investment by auto manufacturers and the appreciation of the yen. Although sales of emission measurement systems, a core product, were steady in China, India, and other Asian countries, segment sales and earnings declined significantly due to a decline in demand in Japan and Europe and the appreciation of the yen. The automotive development test systems (DTS) business, which was acquired from Germany's Carl Schenck AG in 2005, continued to generate an operating loss due to deteriorating profitability caused by a decline in demand in Europe, in particular. As a result, sales declined by 31.4% year-on-year to 37,192 million yen, and operating income fell by 75.0% year-on-year to 1,810 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 supplementary budgets and other factors. In contrast, HORIBA saw a significant decline in demand for environmental analytical instruments and systems, which stemmed from a decline in capital expenditures in the private sector, associated with the economic downturn. Overseas sales value in Japanese yen was reduced by the currency's appreciation. Consequently, sales decreased by 15.6% year-on-year to 32,525 million yen, and operating income was 1,519 million yen, down 16.8% year-on-year.

(Medical-Diagnostic Instruments & Systems)
Significant appreciation of the yen, compared to the previous year, reduced overseas sales value, representing approximately 80% of total sales. Nevertheless, robust domestic sales of hematology analyzers, which were launched at the end of 2008, helped to boost operating income by 182.1% year-on-year to 1,912 million yen, despite a 9.6% year-on-year decline in sales to 22,337 million.

(Semiconductor Instruments & Systems)
The sluggish worldwide semiconductor market until the end of the second quarter caused a significant drop in sales of mass flow controllers for semiconductor and solar cell manufacturing equipment. Similarly, sales of chemical concentration monitors used in semiconductor cleaning equipment and thin-film analyzers were sluggish. As a result, sales were 12,483 million yen, down 25.5% year-on-year, and the segment recorded an operating loss of 98 million yen, compared to operating income of 1,221 million yen in the previous year.

(ii) Outlook for the Year Ending December 31, 2010
HORIBA's earnings will continue to be affected negatively by the appreciation of the yen, on top of sluggish demand caused by global economic stagnation. However, some signs of economic recovery have been seen in areas such as the semiconductor industry. The Company's forecasts for fiscal 2010 are shown below. Our assumed foreign exchange rates are 90 yen against the U.S. dollar (vs. 93.65 yen in fiscal 2009) and 130 yen against the Euro (vs. 130.35 yen in fiscal 2009).

Net sales of 113,000 million yen, up 8.1% y-o-y
Net sales are expected to increase by 8,461 million yen from the previous year to 113,000 million yen. Sales in the Automotive Test Systems segment are expected to decline, as a reflection of the continued curbing of capital expenditures and R&D investment in the automotive manufacturer, our major client. In the Analytical Instruments & Systems segment, there is concern regarding a decline in sales in cutting-edge technology fields, stemming from a cutback in economic stimulative measures by governments of various countries, but various analyzers and measurement equipment for general industrial use are expected to see a recovery in demand. In the Medical-Diagnostic Instruments & Systems segment, sales of hematology analyzers are projected to grow and sales of testing reagents are likely to grow in line with an increase in the number of installed systems. The Semiconductor Instruments & Systems segment expects a recovery in demand for semiconductor manufacturing equipment and demand growth for LEDs, which should lead to increased sales of HORIBA's main products, especially mass flow controllers and chemical concentration monitors.

Operating income of 6,500 million yen, up 26.4% y-o-y
Operating income is likely to increase by 1,355 million yen from a year ago to 6,500 million yen. In addition to sales growth and the resulting improvement in earnings of the Semiconductor Instruments & Systems segment, the Medical-Diagnostic Instruments & Systems segment is projecting an increase in operating income on sales growth for testing reagents.

Ordinary income of 5,500 million yen, up 4.3% y-o-y
Ordinary income is expected to rise by 225 million yen from the previous year to 5,500 million yen. Assuming foreign exchange losses and other uncertain non-operating expenses, a net non-operating loss of 1,000 million yen has been incorporated in our forecasts.

Net income of 3,200 million yen, up 1.2% y-o-y
Assuming the generation of some extraordinary losses, a net extraordinary loss of 200 million yen has been incorporated in our forecasts. In addition, the tax burden is expected to increase compared to the previous year. As a result, net income is forecast to increase by 38 million yen from the previous year to 3,200 million yen.
(Note) The above forecasts have been made on the basis of information available as of February 15, 2010, but owing to the existence of various uncertain elements, it is possible that actual performance will vary considerably from those forecasts.

(2) Financial Position Analysis

(i) Analysis of Assets, Liabilities and Net Assets

During the fiscal year under review, total assets declined by 3,697 million yen from the level at the end of the preceding fiscal year, to 129,580 million yen. The major factors behind the change were a decline in sales, which reduced trade notes and accounts receivable by 2,881 million yen, and a cutback in inventory, which reduced goods and manufactured products by 2,298 million yen, work in process by 1,992 million yen, and raw materials and supplies by 2,146 million yen.

Total liabilities declined by 6,833 million yen from the level at the end of the preceding fiscal year, to 49,603 million yen, due mainly to a decrease of 2,233 million yen in short-term loans payable, associated with a reduction in working capital, and a decline of 1,959 million yen in accounts payable - other.

Net assets increased by 3,135 million yen to 79,977 million yen from the level at the end of the preceding fiscal year, due mainly to an increase of 1,556 million yen in retained earnings and an increase of 1,043 million yen in foreign currency translation adjustments.

(ii) Cash Flow

During the fiscal year under review, cash and cash equivalents increased by 4,930 million yen from the amount at the end of the preceding year to 27,590 million yen.

The major reasons for changes in cash flow during fiscal 2009 were as follows.

Net cash provided by operating activities amounted to 13,711 million yen. Attributable factors were a decrease of 6,744 million yen in inventories and a decrease of 3,576 million yen in trade notes and accounts receivable in addition to 4,393 million yen in income before income taxes, despite income taxes paid of 2,663 million yen (in the previous year, the amount provided by operating activities was 7,521 million yen).

Net cash used in investing activities was 4,191 million yen owing to payments of 3,940 million yen for purchases of property, plant and equipment and payments of 487 million yen for purchases of intangibles (in fiscal 2008, the amount provided by investing activities was 490 million yen).

Net cash used in financing activities was 4,722 million yen, reflecting such factors as a decrease of 2,157 million yen in short-term borrowings, cash dividends paid of 1,482 million yen, and repayment of long-term debt of 872 million yen (in fiscal 2008, the amount used in financing activities was 3,943 million yen).

(Reference) Trend in Cash Flow Indices

	Twelve Months ended 3/20/2006	Nine Months ended 12/31/2006	Twelve Months ended 12/31/2007	Twelve Months ended 12/31/2008	Twelve Months ended 12/31/2009
Shareholders' Equity Ratio (%)	54.5	56.0	52.1	57.6	61.7
Shareholders' Equity Ratio on Market Value Basis (%)	129.5	144.0	112.8	39.2	73.4
Number of Years for Debt Redemption (year)	1.6	4.3	1.9	2.8	1.3
Interest Coverage Ratio (%)	26.8	8.4	20.2	8.9	19.6

(Notes) Shareholders' Equity Ratio = Shareholders' equity/Total assets
Shareholders' Equity Ratio on Market Value Basis = Total market value of shares/Total assets
Number of Years for Debt Redemption = Interest-bearing debt/Operating cash flow
Interest Coverage Ratio = Operating cash flow/Interest payments
*All indices are calculated according to consolidated financial values.
*The total market value of shares is calculated using the closing share price at the end of the period multiplied by the total number of shares issued at the end of the period after deduction for treasury stock.
*The value used for the operating cash flow is the cash flow from operating activities shown in the consolidated statement of cash flows. Interest-bearing debt includes all debt in the consolidated balance sheet for which interest is paid. The value used for the interest payments is the amount of the interest paid shown in the consolidated statement of cash flows.

(3) Basic Policy for Profit Distribution and Dividends for the Year Ended December 31, 2009 and the Year Ending December 31, 2010

The Company's basic policy regarding dividends is to maintain its standard payout ratio in which the total dividend payment amount is equal to 30% of the nonconsolidated net income of the Company. In some cases, a portion of extraordinary gains and/or losses may be excluded from the calculation of the payout ratio. The Company receives a certain proportion of the net income of each group company as a dividend. Thus, although dividend payments to shareholders are computed based on the nonconsolidated net income of the Company, they are in effect made on consolidated earnings. In addition, the Company intends to appropriate internal reserves for retained earnings as working capital for business expansion, capital expenditures and investments in research and development, with the aim of improving corporate value in the medium to long term.

According to its basic policy, HORIBA has decided to pay a year-end dividend of 7 yen per share. Combined with the interim dividend that has been paid out, the annual dividend is 13 yen. For the next fiscal year ending December 31, 2010, the annual dividend per share is projected to be 15 yen, an increase of 2 yen from year 2009.

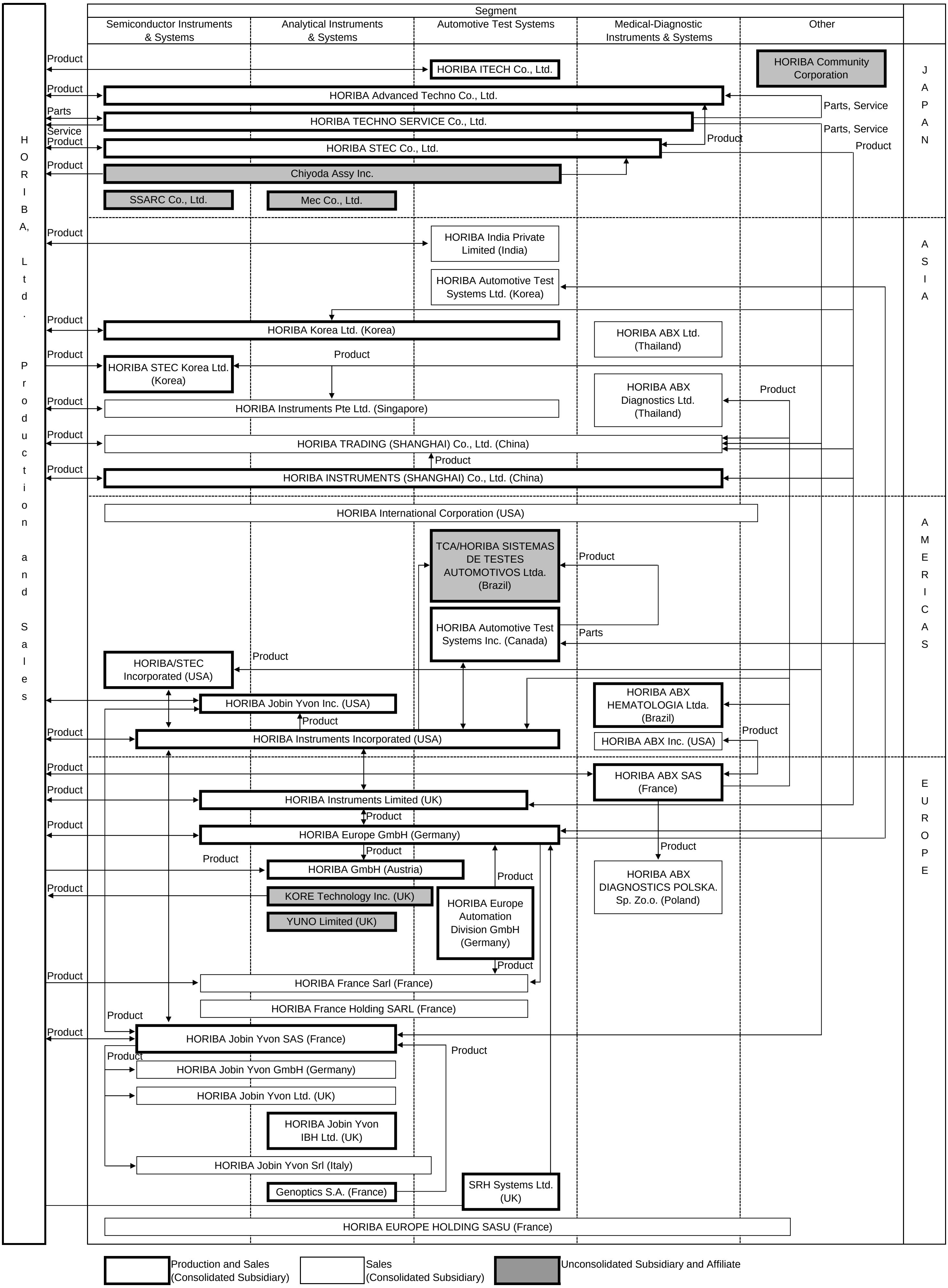
(4) Business risks

Disclosure is omitted as there have been no significant changes since the latest annual securities report that was submitted on March 30, 2009.

2. HORIBA Group Companies and Affiliates

HORIBA Group consists of 36 consolidated subsidiaries, 1 unconsolidated subsidiary and 6 affiliates, producing and selling analyzers. HORIBA Group consists primary of 4 segments, that is Automotive Test Systems, Analytical Instruments & Systems, Medical-Diagnostic Instruments & Systems and Semiconductor Instruments & Systems.
The following table shows the main products and main companies at each segment.

Segment	Main products	Main companies
Automotive Test Systems	Emission Measurement Systems, In-Use Automotive Emission Analyzers, On-Board Emissions Measurement Systems, Driveline Test Systems, Engine Test Systems, Brake Test Systems, Drive Recorders	HORIBA, Ltd., HORIBA TECHNO SERVICE Co., Ltd. HORIBA ITECH Co., Ltd. HORIBA Instruments Incorporated (USA) HORIBA France Sarl (France) HORIBA Europe GmbH (Germany) HORIBA India Private Limited (India) HORIBA TRADING (SHANGHAI) Co., Ltd. (China) HORIBA Korea Ltd. (Korea) 17 other companies (Total 26 companies)
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	HORIBA, Ltd., HORIBA TECHNO SERVICE Co., Ltd. HORIBA Advanced Techno Co., Ltd. HORIBA Instruments Incorporated (USA) HORIBA Jobin Yvon Inc. (USA) HORIBA Jobin Yvon SAS (France) HORIBA Jobin Yvon GmbH (Germany) HORIBA Europe GmbH (Germany) HORIBA TRADING (SHANGHAI) Co., Ltd. (China) 18 other companies (Total 27 companies)
Medical-Diagnostic Instruments & Systems	Equipment for Blood Sample Analysis Hematology Analyzers Equipment for Measuring Immunological Responses Clinical Chemistry Analyzers Blood Sugar Measurement Systems	HORIBA, Ltd., HORIBA TECHNO SERVICE Co., Ltd. HORIBA ABX Inc. (USA) HORIBA ABX HEMATOLOGIA Ltda. (Brazil) HORIBA ABX SAS (France) HORIBA TRADING (SHANGHAI) Co., Ltd. (China) 7 other companies (Total 13 companies)
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,	HORIBA, Ltd., HORIBA STEC Co., Ltd. HORIBA Advanced Techno Co., Ltd. HORIBA Instruments Incorporated (USA) HORIBA/STEC Incorporated (USA) HORIBA Instruments Limited (UK) HORIBA Europe GmbH (Germany) HORIBA TRADING (SHANGHAI) Co., Ltd. (China) HORIBA STEC Korea Ltd. (Korea) 15 other companies (Total 24 companies)


Segment
Semiconductor Instruments & Systems
Analytical Instruments & Systems
Automotive Test Systems
Medical-Diagnostic Instruments & Systems
Other
HORIBA, Ltd. Production and Sales
JAPAN
HORIBA ITECH Co., Ltd.
HORIBA Community Corporation
HORIBA Advanced Techno Co., Ltd.
HORIBA TECHNO SERVICE Co., Ltd.
HORIBA STEC Co., Ltd.
Chiyoda Assy Inc.
SSARC Co., Ltd.
Mec Co., Ltd.
Parts, Service
Parts, Service
Product
Parts
Service
ASIA
HORIBA India Private Limited (India)
HORIBA Automotive Test Systems Ltd. (Korea)
HORIBA Korea Ltd. (Korea)
HORIBA ABX Ltd. (Thailand)
HORIBA STEC Korea Ltd. (Korea)
HORIBA ABX Diagnostics Ltd. (Thailand)
HORIBA Instruments Pte Ltd. (Singapore)
HORIBA TRADING (SHANGHAI) Co., Ltd. (China)
HORIBA INSTRUMENTS (SHANGHAI) Co., Ltd. (China)
AMERICAS
HORIBA International Corporation (USA)
TCA/HORIBA SISTEMAS DE TESTES AUTOMOTIVOS Ltda. (Brazil)
HORIBA Automotive Test Systems Inc. (Canada)
HORIBA/STEC Incorporated (USA)
HORIBA Jobin Yvon Inc. (USA)
HORIBA ABX HEMATOLOGIA Ltda. (Brazil)
HORIBA Instruments Incorporated (USA)
HORIBA ABX Inc. (USA)
EUROPE
HORIBA ABX SAS (France)
HORIBA Instruments Limited (UK)
HORIBA Europe GmbH (Germany)
HORIBA GmbH (Austria)
HORIBA ABX DIAGNOSTICS POLSKA. Sp. Zo.o. (Poland)
KORE Technology Inc. (UK)
YUNO Limited (UK)
HORIBA Europe Automation Division GmbH (Germany)
HORIBA France Sarl (France)
HORIBA France Holding SARL (France)
HORIBA Jobin Yvon SAS (France)
HORIBA Jobin Yvon GmbH (Germany)
HORIBA Jobin Yvon Ltd. (UK)
HORIBA Jobin Yvon IBH Ltd. (UK)
HORIBA Jobin Yvon Srl (Italy)
Genoptics S.A. (France)
SRH Systems Ltd. (UK)
HORIBA EUROPE HOLDING SASU (France)
Production and Sales (Consolidated Subsidiary)
Sales (Consolidated Subsidiary)
Unconsolidated Subsidiary and Affiliate

3. Management Policies

(1) Basic Management Policies

As a manufacturer of analytical equipment that is developing its business worldwide, HORIBA Group aims to be a truly global company. Our basic philosophy is to contribute to society by preserving the environment, bringing human health and greater convenience and safety to society, and promoting the development of science and technology through our business activities, which focus on analytical technologies and span a variety of industrial fields in the global market. In addition, HORIBA Group has long focused on consolidated-based management and promoted the reinforcement of alliances and the integration of its 37 companies throughout the world by utilizing our human and technological resources.

(2) Management Target Indices

HORIBA Group has established the achievement of net sales of 150,000 million yen, operating income ratio of 10.0% or more, and ROE (return on equity) of at least 11.0% as numerical targets for fiscal 2010 under the current Mid-Long Term Management Plan, which began in fiscal 2006. However, the external economic environment has changed dramatically since 2008, leading us to conclude that achieving those numerical targets is extremely difficult. Under these circumstances, we decided to focus on achieving the earnings forecasts stated at this time by reducing costs for the whole Group and promoting margin improvement in fiscal 2010, the final year of the current Mid-Long Term Management Plan. At the same time, we will follow the policies and execute the primary measures of the current Plan to ensure preparation for the next growth stage. Over the year 2010, we will draw up the next Mid-Long Term Management Plan, which will start in fiscal 2011.

(3) Medium- and Long-Term Business Strategies of HORIBA

HORIBA Group's business consists of four segments: Automotive Test Systems, Analytical Instruments & Systems, Medical-Diagnostic Instruments & Systems, and Semiconductor Instruments & Systems. Each segment operates business in a different market, which enables each to exert its strengths and complement the weaknesses of each other. Our aim is to achieve well-balanced growth with this structure. Technologies and know-how in all segments are shared mutually. The transfer of human and other resources among segments gives us the strategic flexibility to temporarily integrate resources in a favorably performing business while alleviating the burden to a certain extent in an underperforming business. This enables us to achieve efficient management.

We have also declared that "HORIBA Group is One Company." as a new management policy in order to harness the power of the entire group in the direction of further growth. In the past, each of HORIBA Group companies conducted its strategic and financial planning individually. However, with the aim of accelerating the integration of the group, we have removed the barriers of corporate and national boundaries within the Group so that the whole entity operates as one organization comprised of four business segments. The Group's profitability will improve in response to the strategic and efficient operation of each business unit. At the same time, the Group plans to become more global in terms of management and operation and to raise corporate value.

The primary measures of the Mid-Long Term Management Plan for fiscal 2006 to fiscal 2010 are as follows:

- **Primary measure 1: Build a platform for 200,000 million yen in sales**

i) Promote a global business strategy

We are striving to promote businesses more actively by removing the barriers of corporate and national boundaries and to create value for the entire HORIBA Group, based on the segment matrix operation that was implemented in fiscal 2004.

ii) Operate efficiently by regional unit

In Japan, America, and Europe, we introduced regional shared services in administrative divisions for accounting, personnel, and legal affairs as well as for administration of intellectual properties, IT systems and others. We expect to improve the quality of business operation and intend to reduce operating costs to ensure value creation.

iii) Introduce new ERP

We introduced a core enterprise resource planning (ERP) system, as we convince that accurate and detailed information is needed for management decision-making and that the introduction of a unified information system is essential for promoting efficient operation by region. Each company is standardizing its operating processes with the participation of all employees, in order to raise their awareness.

- **Primary measure 2: Build a well-balanced business portfolio**

The Automotive Test Systems segment has been the segment that keeps high profitability, but now the Medical-Diagnostic Instruments & Systems segment is beginning to produce results from aggressive investments. Together with the Analytical Instruments & Systems and the Semiconductor Instruments & Systems segments, we aim to grow in a well-balanced manner. In terms of regions, we will invest actively and expand businesses in fast-growing China, India, South America, and other emerging markets.

- **Primary measure 3: Build “Invisible Values”**

We manage our business by focusing on "Invisible Values" and strive to create corporate value. “Invisible Values,” such as the corporate culture, brands, human resources, technologies, management capabilities, CSR, and environmental activities, are assets that do not appear in the financial statements. We will continue to utilize these assets effectively and enhance their respective values.

(4) Challenges for HORIBA

The global economy has been recovering moderately after bottoming out, but the corporate management environment is still challenging while private-sector capital investment and research & development investment are still generally weak with some exception. Faced with this situation, HORIBA will aggressively launch new products on the market and promote business expansion in emerging markets such as China and India, where rapid growth is expected. At the same time, we will implement initiatives to further improve the quality of our products and services, which is the preliminary source of confidence from our customers. Furthermore, while promoting the use of shared services and information systems in administrative operations, HORIBA will work to strengthen its corporate structure and enhance its profitability by continuing to invest in the “Invisible Values,” such as human resources and technology, that have sustained the group in the past and at present. Our overarching objective is to further enhance the brand power of HORIBA and evolve as a corporate group possessing the power of a truly innovative company, one that will prevail in rigorous competition in the global arena, even in the most difficult times.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Accounts	As of December 31, 2008 Amount	As of December 31, 2009 Amount
Assets	Millions of yen	Millions of yen
Current Assets:	94,580	89,904
Cash and Bank Deposits	18,267	21,520
Trade Notes and Accounts Receivable	37,393	34,511
Marketable Securities	5,092	6,465
Inventories	29,801	-
Merchandise and Finished Goods	-	7,809
Work in Process	-	8,468
Raw Materials and Supplies	-	7,086
Deferred Tax Assets	2,397	2,080
Other Current Assets	2,235	2,788
Allowance for Doubtful Receivables	(607)	(825)
Fixed Assets:	38,698	39,676
Property, Plant and Equipment:	23,114	23,602
Buildings and Structures, net	7,555	9,604
Machinery, Equipment and Vehicles, net	3,659	3,985
Land	7,141	7,153
Construction in Progress	1,722	156
Other Property, Plant and Equipment, net	3,035	2,702
Intangibles:	7,248	6,585
Goodwill	336	293
Software	-	5,727
Other Intangibles	6,911	563
Investments and Other Non-Current Assets:	8,335	9,488
Investment Securities	3,626	4,482
Deferred Tax Assets	2,018	2,216
Other Investments and Other Assets	2,781	2,923
Allowance for Doubtful Accounts	(91)	(133)
Total Assets	133,278	129,580

Accounts	As of December 31, 2008 Amount	As of December 31, 2009 Amount
Liabilities	Millions of yen	Millions of yen
Current Liabilities:	41,199	34,183
Trade Notes and Accounts Payable	11,102	10,567
Short-Term Loans Payable	8,852	6,618
Accounts Payable - Other	10,362	8,403
Accrued Income Taxes	1,513	666
Deferred Tax Liabilities	9	24
Accrued Bonuses to Employees	744	835
Accrued Bonuses to Directors and Corporate Auditors	37	16
Reserve for Product Warranty	918	898
Other Current Liabilities	7,658	6,153
Non-Current Liabilities:	15,237	15,420
Corporate Bonds	10,000	10,000
Long-Term Loans Payable	2,132	1,730
Deferred Tax Liabilities	12	30
Employees' Retirement Benefits	1,672	1,675
Directors' and Corporate Auditors' Retirement Benefits	895	254
Reserve for Loss on Guarantees	52	56
Other Non-Current Liabilities	472	1,673
Total Liabilities	56,437	49,603
Net Assets		
Shareholders' Equity	79,447	81,012
Common Stock	12,006	12,011
Capital Surplus	18,712	18,717
Retained Earnings	49,538	51,095
Treasury Stock	(810)	(811)
Valuation and Translation Adjustments	(2,619)	(1,106)
Net Unrealized Holding Gains on Securities	463	932
Foreign Currency Translation Adjustments	(3,083)	(2,039)
New Share Subscription Rights	-	59
Minority Interests in Consolidated Subsidiaries	13	11
Total Net Assets	76,841	79,977
Total Liabilities and Net Assets	133,278	129,580

(2) Consolidated Statement of Income

Accounts	Year Ended December 31, 2008	Year Ended December 31, 2009
	Amount	Amount
	Millions of yen	Millions of yen
Net Sales	134,247	104,538
Cost of Sales	74,673	58,713
Gross Income	59,574	45,825
Selling, General and Administrative Expenses	48,616	40,680
Operating Income	10,957	5,144
Non-Operating Income	965	932
Interest Income	340	164
Dividend Income	105	72
Foreign Exchange Gain	-	90
Subsidy Income	-	100
Other	520	504
Non-Operating Expense	1,883	802
Interest Expense	885	664
Foreign exchange losses	394	-
Other	602	137
Ordinary Income	10,040	5,274

Accounts	Year Ended December 31, 2008	Year Ended December 31, 2009
	Amount	Amount
	Millions of yen	Millions of yen
Extraordinary Gain	1,423	14
Gain on Sale of Property, Plant and Equipment	36	7
Gain on Sale of Investment Securities	-	7
Reversal of Provision for Possible Losses from Litigation	1,126	-
Gain on Insurance Surrender Value	253	-
Other	6	-
Extraordinary Loss	1,483	895
Loss on Sale of Property, Plant and Equipment	9	7
Loss on Disposal of Property, Plant and Equipment	97	37
Loss on Impairment of Fixed Assets	461	235
Loss on Restructuring of an Affiliated Company	206	-
Loss on Valuation of Investment Securities	182	6
Losses due to Violation on Antimonopoly Low	178	-
Provision for Retirement Benefits for Directors and Corporate Auditors	144	-
Loss on Reorganization of U.S. Subsidiaries	132	-
Provision of Allowance for Doubtful Accounts	70	-
Loss on Valuation of Inventories	-	472
Provision for Retirement Benefits for Employees	-	110
Loss on Valuation of Shares of Affiliated Companies	-	20
Reserve for Loss on Guarantees	-	4
Other	0	0
Income Before Income Taxes	9,980	4,393
Income Taxes (Current)	4,023	1,388
Income Taxes (Deferred)	(95)	(155)
Income Taxes	3,928	1,233
Minority Interests in Earnings of Consolidated Subsidiaries	12	(1)
Net Income	6,039	3,161

(3) Consolidated Statement of Changes in Net Assets

Accounts	Year Ended December 31, 2008	Year Ended December 31, 2009
	Millions of yen	Millions of yen
Shareholders' Equity		
Common Stock		
Beginning Balance	11,952	12,006
Changes during the Period		
Issuance of New Shares (Exercise of Stock Acquisition Rights)	54	4
Total Changes during the Period	54	4
Ending Balance	12,006	12,011
Capital Surplus		
Beginning Balance	18,658	18,712
Changes during the Period		
Issuance of New Shares (Exercise of Stock Acquisition Rights)	54	4
Total Changes during the Period	54	4
Ending Balance	18,712	18,717
Retained Earnings		
Beginning Balance	45,365	49,538
Movement by the Change of Accounting Treatment in Foreign Affiliates	-	(125)
Changes during the Period		
Dividend from Earnings	(1,865)	(1,479)
Net Income	6,039	3,161
Total Changes during the Period	4,173	1,681
Ending Balance	49,538	51,095
Treasury Stock		
Beginning Balance	(9)	(810)
Changes during the Period		
Acquisition of Treasury Stock	(800)	(0)
Total Changes during the Period	(800)	(0)
Ending Balance	(810)	(811)
Total Shareholders' Equity		
Beginning Balance	75,967	79,447
Movement by the Change of Accounting Treatment in Foreign Affiliates	-	(125)
Changes during the Period		
Issuance of New Shares (Exercise of Stock Acquisition Rights)	108	9
Dividend from Earnings	(1,865)	(1,479)
Net Income	6,039	3,161
Acquisition of Treasury Stock	(800)	(0)
Total Changes during the Period	3,480	1,689
Ending Balance	79,447	81,012

Accounts	Year Ended December 31, 2008	Year Ended December 31, 2009
	Millions of yen	Millions of yen
Valuation and Translation Adjustments		
Net Unrealized Holding Gains on Securities		
Beginning Balance	1,621	463
Changes during the Period		
Others	(1,158)	469
Total Changes during the Period	(1,158)	469
Ending Balance	463	932
Foreign Currency Translation Adjustments		
Beginning Balance	2,788	(3,083)
Changes during the Period		
Others	(5,871)	1,043
Total Changes during the Period	(5,871)	1,043
Ending Balance	(3,083)	(2,039)
Total Valuation and Translation Adjustments		
Beginning Balance	4,410	(2,619)
Changes during the Period		
Others	(7,029)	1,512
Total Changes during the Period	(7,029)	1,512
Ending Balance	(2,619)	(1,106)
New Share Subscription Rights		
Beginning Balance	-	-
Changes during the Period		
Others	-	59
Total Changes during the Period	-	59
Ending Balance	-	59
Minority Interests		
Beginning Balance	3	13
Changes during the Period		
Others	9	(1)
Total Changes during the Period	9	(1)
Ending Balance	13	11
Total Net Assets		
Beginning Balance	80,381	76,841
Movement by the Change of Accounting Treatment in Affiliates	-	(125)
Changes during the Period		
Issuance of New Shares (Exercise of Stock Acquisition Rights)	108	9
Dividend from Earnings	(1,865)	(1,479)
Net Income	6,039	3,161
Acquisition of Treasury Stock	(800)	(0)
Others	(7,020)	1,570
Total Changes during the Period	(3,539)	3,260
Ending Balance	76,841	79,977

(4) Consolidated Statement of Cash Flows

Accounts	Year Ended December 31, 2008	Year Ended December 31, 2009
	Millions of yen	Millions of yen
Cash Flows from Operating Activities:		
Income before Income Taxes	9,980	4,393
Depreciation (excluding Amortization of Goodwill)	4,501	4,536
Loss on Impairment of Fixed Assets	461	235
Amortization of Goodwill	454	36
Increase (Decrease) in Allowance for Doubtful Receivables	(30)	277
Increase (Decrease) in Provision for Possible Losses from Litigation	(1,204)	-
Increase (Decrease) in Employees' Retirement Benefits	158	44
Increase (Decrease) in Directors' and Corporate Auditors' Retirement Benefits	209	(641)
Interest and Dividend Income	(445)	(237)
Interest Expense	885	664
Foreign Exchange Losses (Gains)	(15)	42
Loss (Gain) on Sale of Property, Plant and Equipment	(26)	0
Loss on Disposal of Property, Plant and Equipment	97	37
Loss (Gain) on Valuation of Marketable Securities	-	2
Loss (Gain) on Sale of Marketable Securities	-	0
Loss on Valuation of Shares of Affiliates	-	20
Loss (Gain) on Valuation of Investment Securities	182	6
Loss (Gain) on Sale of Investment Securities	-	(7)
Decrease (Increase) in Trade Notes and Accounts Receivable	2,859	3,576
Decrease (Increase) in Inventories	(271)	6,744
Increase (Decrease) in Trade Notes and Accounts Payable	(2,502)	(769)
Other, net	(892)	(2,141)
Subtotal	14,404	16,821
Interest and Dividends Received	455	253
Interest Paid	(841)	(699)
Income Taxes Paid	(6,496)	(2,663)
Net Cash provided by Operating Activities	7,521	13,711
Cash Flows from Investing Activities:		
Increase in Time Deposits	(4)	(151)
Decrease in Time Deposits	7,512	3
Decrease in Time Deposits Restricted for Use	-	700
Payment for Purchase of Marketable Securities	-	(323)
Proceeds from Sale of Marketable Securities	-	99
Payments for Purchase of Property, Plant and Equipment	(4,797)	(3,940)
Proceeds from Sale of Property, Plant and Equipment	229	282
Payments for Purchase of Intangibles	(1,426)	(487)
Payments for Purchase of Investment Securities	(1,031)	(214)
Proceeds from Sale or Redemption of Investment Securities	25	27
Payments for Purchase of Investments in Newly Consolidated Subsidiaries	-	(122)
Increase in Loans Receivable	(1)	(0)
Decrease in Loans Receivable	14	2
Other, net	(29)	(66)
Net Cash provided by (used in) Investing Activities	490	(4,191)

Accounts	Year Ended December 31, 2008	Year Ended December 31, 2009
	Millions of yen	Millions of yen
Cash Flows from Financing Activities:		
Net Increase (Decrease) in Short-Term Borrowings	3,488	(2,157)
Increase in Long-Term Debt	902	20
Repayment of Long-Term Debt	(779)	(872)
Payment for Redemption of Corporate Bonds	(5,000)	-
Repayments of Finance Lease Obligations	-	(238)
Proceeds from Exercise of Stock Acquisition Rights	108	9
Payments for Purchase of Treasury Stock	(800)	(0)
Cash Dividends Paid	(1,859)	(1,482)
Other, net	(2)	-
Net Cash used in Financing Activities	(3,943)	(4,722)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,974)	133
Net Increase (Decrease) in Cash and Cash Equivalents	2,095	4,930
Cash and Cash Equivalents at Beginning of Period	20,564	22,660
Cash and Cash Equivalents at End of Period	22,660	27,590

Notes related to Going Concern

None

Important Items as a base of Consolidated Financial Statements

1. Items on the range of consolidation.

(1) The number of Consolidated subsidiaries is 36.

Overseas subsidiaries (32 companies)

HORIBA International Corporation (USA), HORIBA Instruments Incorporated (USA), HORIBA/STEC Incorporated (USA), HORIBA Jobin Yvon Inc. (USA), HORIBA ABX Inc. (USA), HORIBA Automotive Test Systems Inc. (Canada), HORIBA Jobin Yvon IBH Ltd. (UK), SRH Systems Ltd. (UK), HORIBA EUROPE HOLDING SASU (France), HORIBA ABX SAS (France), HORIBA ABX DIAGNOSTICS POLSKA. Sp. Zo.o. (Poland), HORIBA ABX HEMATOLOGIA Ltda. (Brazil), HORIBA ABX Ltd. (Thailand), HORIBA ABX Diagnostics Ltd. (Thailand), HORIBA Jobin Yvon SAS (France), HORIBA Jobin Yvon Ltd. (UK), HORIBA Jobin Yvon GmbH (Germany), HORIBA Jobin Yvon Srl (Italy), Genoptics S.A. (France), HORIBA Europe GmbH (Germany), HORIBA Europe Automation Division GmbH (Germany), HORIBA Instruments Limited (UK), HORIBA GmbH (Austria), HORIBA France Holding SARL (France), HORIBA France Sarl (France), HORIBA India Private Limited (India), HORIBA Instruments Pte Ltd. (Singapore), HORIBA Korea Ltd. (Korea), HORIBA STEC Korea Ltd. (Korea), HORIBA Automotive Test Systems Ltd. (Korea), HORIBA INSTRUMENTS (SHANGHAI) Co., Ltd. (China), HORIBA TRADING (SHANGHAI) Co., Ltd. (China)

Domestic subsidiaries (4 companies)

HORIBA STEC Co., Ltd., HORIBA ITECH Co., Ltd., HORIBA Advanced Techno Co., Ltd., HORIBA TECHNO SERVICE Co., Ltd.

(2) Unconsolidated subsidiary: 1

HORIBA Community Corporation (Japan)

Due to the size of the subsidiary, it is excluded from the range of consolidation because the effect on total assets, sales, net income and retained earnings was immaterial

2. Items on the range of application of equity method.

(1) Affiliates for which the equity method has been applied: 1

TCA/HORIBA SISTEMAS DE TESTES AUTOMOTIVOS (Brazil)

(2) Subsidiary and Affiliates for which the equity method has not been applied: 1 Subsidiary and 5 Affiliates

Subsidiary: HORIBA Community Corporation

Affiliates: Chiyoda Assy Inc., Mec Co., Ltd., SSARC Co., Ltd., KORE Technology Inc. (UK), YUNO Limited (UK)

3. Items on the change of the range of consolidation and the range of application of equity method

(1) Change of the range of consolidation

Addition in the range of consolidation during the year ended December 31, 2009

Genoptics S.A. (France): its share was acquired by HORIBA Jobin Yvon SAS (France).

Elimination from the range of consolidation during the year ended December 31, 2009

Ad Lab Inc. (USA): marged into HORIBA Jobin Yvon Inc. (USA)

Bio Pep SAS (France): marged into HORIBA ABX SAS (France)

HORIBA ABX International SAS (France): marged into HORIBA ABX SAS (France)

HORIBA Jobin Yvon International SAS (France): marged into HORIBA EUROPE HOLDING SASU (France)

ASEC: Liquidated

(2) Change of the range of application of equity method

Elimination from the range of application of equity method during the year ended December 31, 2009

Labcraft (France): Liquidated

Disclosure is omitted because, apart from those described above, there are no significant changes in the important items in the base of Consolidated Financial Statement from the latest securities report submitted on March 30, 2009.

Significant Changes in the Basis of Preparation of the Consolidated Financial Statements

1. Changes in accounting practices

(1) Changes in inventory valuation standards and valuation method

Commencing in fiscal 2009, the Company and its consolidated domestic subsidiaries adopted the "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9; issued on 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 with regard to the values on the balance sheet).
The adoption of the new standard had the effect of reducing operating income and ordinary income by 543 million yen each and income before income taxes by 1,015 million yen.
Its impact on the segment information is described in the relevant section.

(2) Adoption of accounting standard for lease transactions

Finance leases that do not transfer ownership or have bargain purchase option provisions are accounted for in the same manner as operating lease. However, the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; originally issued by the Corporate Accounting Council on June 17, 1993 and revised by the ASBJ on 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 on January 18, 1994 and revised by the ASBJ on March 30, 2007) became applicable to fiscal years beginning on or after April 1, 2008. HORIBA adopted this accounting standard and practical guideline starting in fiscal 2009, and the leases were accounted for by the method for ordinary sales transactions. With regard to the depreciation method for leased assets under finance leases other than those that are deemed to transfer the ownership of leased property to the lessees, the lease term is deemed to be the useful life, and depreciation for lease assets is computed under the straight-line method with zero residual value over the lease term. 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, continue to be accounted for in a similar way to operating leases. The above changes had no impact on operating income, ordinary income, or income before income taxes for fiscal 2009.

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

Commencing in fiscal 2009, 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 on May 17, 2006) was adopted, and necessary adjustments in preparing the consolidated financial statements were made.
The adoption of the new standard had the effect of increasing operating income by 158 million yen and reducing ordinary income and income before income taxes by 20 million yen each.
Its impact on segment information is described in the relevant section.

2. Changes in methods of presentation

(Consolidated Balance Sheets)

(1) Inventories

Owing to the application of "Amendment of Regulations Concerning Terminology, Forms, and Method of Financial Statements" (2008 Cabinet Ordinance No. 50, issued on 7 August 2008), "Inventories" presented in fiscal 2008 have been reclassified into the categories of "Merchandise and finished goods," "Work in process," and "Raw Materials and Supplies" commencing in fiscal 2009. "Merchandise and Finished Goods," "Work in Process," and "Raw Materials and Supplies" included in "Inventories" for the prior fiscal year amounted to 10,107 million yen, 10,461 million yen, and 9,232 million yen, respectively.

(2) Software
"Software," which was presented within "Other Intangibles" under intangible fixed assets until fiscal 2008, has been presented as a separate category due to its increased importance in fiscal 2009. "Software" included in "Other Intangibles" for the prior fiscal year amounted to 6,123 million yen.

(Consolidated Statements of Income)
Subsidy Income
"Subsidy income", which was presented within "Other" under non-operating income until fiscal 2008, has been presented as a separate category as it exceeded 10% of the total amount of non-operating income. "Subsidy Income" in fiscal 2008 amounted to 2 million yen.

3. Additional information
(1) Changes in the useful lives of tangible 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.
This change had the effect of reducing operating income, ordinary income, and income before income taxes by 35 million yen each in fiscal 2009.
Its impact on segment information is described in the relevant section.

Significant Changes in the Basis of Preparation of the Consolidated Balance Sheets
(2) Allowance for retirement benefits for employees
At one domestic consolidated subsidiary, the method for calculating retirement benefit liabilities has changed from the simplified method to the "rule method", beginning in fiscal 2009, to enable accounting treatment relating to retirement benefits to be conducted more appropriately. As a result, the difference relating to the change from the simplified method to the "rule method" in fiscal 2009 has been recorded as an extraordinary loss of 110 million yen under the category of "Provision for Retirement Benefit for Employees". This change had no impact on operating income or ordinary income in fiscal 2009, but it reduced income before income taxes by 110 million yen.

(3) Directors' and corporate auditors' retirement benefits
Following a resolution by the board of directors meeting held on 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 on their termination (the actual payment will be made when a director or auditor retires from his post.)
As a result, the allowance for directors' and corporate auditors' retirement benefits was fully reversed in fiscal 2009. The unpaid amount of 654 million yen, which resulted from the abolition, is included in "Other Non-Current Liabilities".

Notes to Consolidated Financial Statements
(Notes to Consolidated Balance Sheets)

Fiscal 2008 (As of December 31, 2008)	Fiscal 2009 (As of December 31, 2009)
1. Accumulated depreciation deducted directly from tangible fixed assets is 26,904 million yen.	1. Accumulated depreciation deducted directly from tangible fixed assets is 30,465 million yen.
2. Assets pledged as collateral and liabilities corresponding to them are as follows: (Millions of yen) (Assets pledged as collateral) Buildings and structures 52 (Liabilities corresponding to assets pledged as collateral) Short-term loans payable 9 Long-term debt 9 In addition, time deposits of 700 million yen were pledged for payment guarantee by a financial institution upon a court decree concerning a suit for damages.	2. Assets pledged as collateral and liabilities corresponding to them are as follows: (Millions of yen) (Assets pledged as collateral) Buildings and structures 51 (Liabilities corresponding to assets pledged as collateral) Short-term loans payable 10
3. Contingent liabilities for guarantees Contingent liabilities for guarantees are given for bank loans to companies other than consolidated companies as well as to employees. (Millions of yen) HORIBA Community Corporation 184 Chiyoda Assy Inc. 43 Employees 71 299	3. Contingent liabilities for guarantees Contingent liabilities for guarantees are given for bank loans to companies other than consolidated companies as well as to employees. (Millions of yen) HORIBA Community Corporation 172 Employees 68 Chiyoda Assy Inc. 38 278
4. Accounting for notes receivable matured at year-end December 31, 2008, the end of the fiscal year, was a bank holiday. Notes receivable matured on the date was settled on the following business day. Therefore, notes in the amount of 782 million yen were included in the ending balance at December 31, 2008.	4. Accounting for notes receivable matured at year-end December 31, 2009, the end of the fiscal year, was a bank holiday. Notes receivable matured on the date was settled on the following business day. Therefore, notes in the amount of 540 million yen were included in the ending balance at December 31, 2009.

(Notes to Consolidated Statements of Income)

Fiscal 2008 (From January 1, 2008 to December 31, 2008)	Fiscal 2009 (From January 1, 2009 to December 31, 2009)
――――――――――――	1. The amount of inventories at year-end is the amount after reduction of book value associated with a decline in profitability of inventories. The following inventory valuation loss was included in cost of sales. 543 million yen
2. Research and development expenses are charged to income when incurred. Research and development expenses charged to income were. 10,662 million yen	2. Research and development expenses are charged to income when incurred. Research and development expenses charged to income were. 9,831 million yen
3. Reversal of provision for possible losses from litigation A provision for possible losses from litigation was established for payments to settle current lawsuits and in preparation for payments that may arise in the future. A lawsuit was files by Micronics Japan Co., Ltd. against the Company seeking compensation for damages related to an agreement to develop and commercialize liquid-crystal related testing equipment. In the Tokyo High Court on December 25, 2008, The Company won the case. As a result, the Company recorded an extraordinary gain of 1,126 million yen as the reversal of the provision for possible losses from litigation after subtracting attorneys' fees and other related costs from the provision of the 1,204 million yen for possible losses from litigation that was established when the Company lost the initial case in the Tokyo District Court on May 22, 2007.	――――――――――――

Fiscal 2008
(From January 1, 2008 to December 31, 2008)

4. HORIBA reviewed its long-lived assets for impairment, and as a result, impairment losses were recognized by HORIBA for the following asset groups as extraordinary loss for the year ended December 31, 2009.

Place	Purpose of Use	Assets	Impairment Loss
			Millions of yen
Kyoto	Idle asset	Land	196
Kurokawa, Miyagi	Idle asset	Land, Building etc	21
Germany	Other	Goodwill	156
Japan	Other	Goodwill	87
		Total	461

(Background)
Because there are no concrete plans to put to use the idle land owned in Kyoto City and the idle land, buildings, etc. owned in Taiwa-cho, Kurokawa-gun, Miyagi Prefecture, the book value of these assets was lowered to the level of recoverable value and the resulting impairment was recognized as extraordinary loss.
The goodwill in Germany was related to the automotive development test systems (DTS) purchased by the Company's subsidiary in Germany in September 2005 from Carl Schenk AG. HORIBA estimated that the carrying amount of the goodwill for this investment might not be recoverable under the estimated term of future cash flows and impairment loss was recognized for the full amount of the book value.
Regarding the goodwill in Japan, HORIBA estimated that the carrying amount of the goodwill for this investment might not be recoverable under the estimated term of future cash flows and recognized impairment loss for the full amount of the book value.

(Method used for grouping)
In connection with the use of impairment accounting, assets are grouped under industry segment basis. Idle assets bearing no connection to an industry are grouped on a property-by-property basis.

Fiscal 2009
(From January 1, 2009 to December 31, 2009)

4. HORIBA reviewed its long-lived assets for impairment, and as a result, impairment losses were recognized by HORIBA for the following asset groups as extraordinary loss for the year ended December 31, 2009

Place	Purpose of Use	Assets	Impairment Loss
			Millions of yen
Kyoto	Idle asset	Land	8
Kyoto and other	Business assets (Semiconductor)	Tool, Machinery etc.	93
Germany	Business assets (Automotive)	Machinery	133
		Total	235

(Background)
Because there are no concrete plans to put to use the idle land owned in Kyoto City, the book value of this asset was lowered to the level of recoverable value and the resulting impairment was recognized as extraordinary loss.
Regarding the business assets (semiconductor related business) owned in Kyoto City and others, HORIBA estimated that the book value of these assets exceeded the estimated future cash flows due to deterioration in profitability and was lowered to the level of recoverable value. The resulting impairment was recognized as extraordinary loss.
The business assets related to the automotive development test systems (DTS) in Germany were purchased by the Company's subsidiary in Germany in September 2005 from Carl Schenk AG. HORIBA estimated that the book value of these assets exceeded the estimated future cash flows due to deterioration in profitability and was lowered to the level of recoverable value. The resulting impairment was recognized as extraordinary loss.

(Method used for grouping)
In connection with the use of impairment accounting, assets are grouped under industry segment basis. Idle assets bearing no connection to an industry are grouped on a property-by-property basis.

Fiscal 2008 (From January 1, 2008 to December 31, 2008)	Fiscal 2009 (From January 1, 2009 to December 31, 2009)
(Method used for calculating a recoverable amount) The recoverable amount for idle assets was measured according to estimated net realizable value. Estimated net realizable value was determined on the basis of publicly announced market values for land.	(Method used for calculating a recoverable amount) The recoverable amount for idle assets was measured according to estimated net realizable value. Estimated net realizable value was determined on the basis of publicly announced market values for land. In addition, value for use of business assets (semiconductor-related business) and those (automotive test system business) based on the estimated future cash flow were estimated to be negative at the present. Thus, impairment loss was recognized based on the assumption of zero recoverable amount.
5. Losses related to violation of the antimonopoly law In connection with the Company's violation of the Antimonopoly Law in the bidding to supply of air pollution analyzers to public entities, the Japan Fair Trade Commission issued a restraining order and imposed a fine on the Company on November 12, 2008. The amount of 178 million yen, which aggregated the fine of 37 million yen and the estimated amount of damages for breach of contract and other costs, were recognized as loss due to violation of the antimonopoly law in extraordinary loss for the year ended December 31, 2008.	―――――――――
6. Loss on business reorganization Loss on business reorganization consists of a reserve for product warranty of 62 million yen and loss on the write-down of inventories of 70 million yen.	―――――――――

(Notes to Consolidated Statements of Changes in Shareholders' Equity)

Fiscal 2008 (From January 1, 2008 to December 31, 2008)

1. Type and number of shares issued and treasury stock

	Outstanding Balance as at Dec 2007	Number of shares increased during the Year 2008	Number of shares decreased during the Year 2008	Outstanding Balance as at Dec 2008
Shares issued				
Common Stocks (note 1)	42,473,752	55,000	-	42,528,752
Total	42,473,752	55,000	-	42,528,752
Treasury Stock				
Common Stocks (note 2)	5,250	239,270	-	244,520
Total	5,250	239,270	-	244,520

(Notes)

1. An increase of 55,000 shares in the number of common shares issued is due to exercise of stock acquisition rights.
2. An increase of 239,270 shares in the number of common shares issued is due to acquisition of own shares pursuant to the resolution of the board meeting for 238,900 shares and acquisition of shares of less than one unit for 370 shares.

2. Information on dividends

(1) Dividends paid

Resolved at	Type of stock	Amount (million of yen)	Dividend per share (yen)	Base date	Effective date
Board meeting (February 19, 2008)	Common Stock	1,231	29	December 31, 2007	March 6, 2008
Board meeting (August 18, 2008)	Common Stock	634	15	June 30, 2008	September 2, 2008

(2) Dividends for the current fiscal year to be paid in the next fiscal year

Resolved at	Type of stock	Amount (million of yen)	Source of dividend	Dividend per share (yen)	Base date	Effective date
Board meeting (February 19, 2009)	Common Stock	1,226	Retained Earnings	29	December 31, 2008	March 13, 2009

Fiscal 2009 (From January 1, 2009 to December 31, 2009)

1. Type and number of shares issued and treasury stock

	Outstanding Balance as at Dec 2009	Number of shares increased during the Year 2009	Number of shares decreased during the Year 2009	Outstanding Balance as at Dec 2009
Shares issued				
Common Stocks (note 1)	42,528,752	4,000	-	42,532,752
Total	42,528,752	4,000	-	42,532,752
Treasury Stock				
Common Stocks (note 2)	244,520	431	-	244,951
Total	244,520	431	-	244,951

(Notes)

1. An increase of 4,000 shares in the number of common shares issued is due to exercise of stock acquisition rights.
2. An increase of 431 shares in the number of common shares issued is due to acquisition of shares of less than one unit.

2. Information on stock acquisition rights and stock acquisition rights for treasury stock

Category	Detail of Subscription rights	Type of Share	Number of shares for the Subscription rights				Outstanding Balance as at December 31, 2009 (million of yen)
			Balance as at Dec 2008	Increase in the Year 2009	Decrease in the Year 2009	Balance as at Dec 2009	
HORIBA, Ltd.	Stock Options	-					59
Total		-					59

3. Information on dividends

(1) Dividends paid

Resolved at	Type of stock	Amount (million of yen)	Dividend per share (yen)	Base date	Effective date
Board meeting (February 17, 2009)	Common Stock	1,226	29	December 31, 2008	March 9, 2009
Board meeting (August 4, 2009)	Common Stock	253	6	June 30, 2009	August 24, 2009

(2) Dividends for the current fiscal year to be paid in the next fiscal year

Resolved at	Type of stock	Amount (million of yen)	Source of dividend	Dividend per share (yen)	Base date	Effective date
Board meeting (February 15, 2010)	Common Stock	296	Retained Earnings	7	December 31, 2009	March 8, 2010

(Notes to Consolidated Statements of Cash Flows)

Fiscal 2008 (From January 1, 2008 to December 31, 2008)	Fiscal 2009 (From January 1, 2009 to December 31, 2009)
Reconciliation of year-end "cash and cash equivalents" in the cash flow statement with the equivalent items reported in the balance sheet (As of December 31, 2008) (Millions of yen) Cash and bank deposits 18,267 Restricted deposits (700) Time deposits with maturities exceeding 3 months (0) Short-term investments (marketable securities) with expiration or redemption date maturities being within 3 months since their acquisition date 5,092 Cash and cash equivalents 22,660	Reconciliation of year-end "cash and cash equivalents" in the cash flow statement with the equivalent items reported in the balance sheet (As of December 31, 2009) (Millions of yen) Cash and bank deposits 21,520 Time deposits with maturities exceeding 3 months (157) Short-term investments (marketable securities) with expiration or redemption date maturities being within 3 months since their acquisition date 6,228 Cash and cash equivalents 27,590

(Segment Information)

[Business Segment Information]

Year Ended December 31, 2008 (January 1, 2008 - December 31, 2008) Millions of yen

	Automotive Test Systems	Analytical Instruments & Systems	Medical-Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Elimination and/or unallocated	Consolidated
I. Net Sales and Operating Income							
Net Sales							
(1) Sales to outside customers	54,232	38,531	24,721	16,762	134,247	-	134,247
(2) Intersegment sales and transfers	-	-	-	-	-	-	-
Total	54,232	38,531	24,721	16,762	134,247	-	134,247
Operating Expenses	47,000	36,704	24,043	15,540	123,289	-	123,289
Operating Income	7,231	1,827	678	1,221	10,957	-	10,957
II. Assets, Depreciation, Impairment Loss and Capital Expenditures							
Assets	38,436	30,364	17,408	17,485	103,694	29,584	133,278
Depreciation	1,605	1,234	1,409	706	4,955	-	4,955
Impairment Loss	223	100	11	125	461	-	461
Capital Expenditures	1,951	1,601	2,728	363	6,644	-	6,644

Year Ended December 31, 2009 (January 1, 2009 - December 31, 2009) Millions of yen

	Automotive Test Systems	Analytical Instruments & Systems	Medical-Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Elimination and/or unallocated	Consolidated
I. Net Sales and Operating Income							
Net Sales							
(1) Sales to outside customers	37,192	32,525	22,337	12,483	104,538	-	104,538
(2) Intersegment sales and transfers	-	-	-	-	-	-	-
Total	37,192	32,525	22,337	12,483	104,538	-	104,538
Operating Expenses	35,381	31,005	20,424	12,582	99,394	-	99,394
Operating Income (Loss)	1,810	1,519	1,912	(98)	5,144	-	5,144
II. Assets, Depreciation, Impairment Loss and Capital Expenditures							
Assets	31,928	29,057	18,744	14,736	94,466	35,114	129,580
Depreciation	1,349	1,258	1,395	570	4,573	-	4,573
Impairment Loss	137	3	0	94	235	-	235
Capital Expenditures	1,159	1,104	1,941	328	4,534	-	4,534

(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. Unallocable operating expenses to be included in “Elimination and/or unallocated” did not incur.

4. Corporate assets included in “Elimination and/or unallocated” amount to 35,114 million yen, mainly consisting of cash and cash equivalents, short-term investments, and investment securities.

5. Depreciation and capital expenditures include long-term advance expenses and the amount of amortization associated with these expenses.

6. Changes in accounting standards

(Changes in inventory valuation standards and valuation method)

As stated in “Significant Changes in the Basis of Preparation of the Consolidated Financial Statements, 1. Changes in accounting practices, (1) Changes in inventory valuation standards and valuation method,” the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9; issued on July 5, 2006) has been adopted since fiscal 2009. The adoption of the new standard had the effect of increasing operating income of the Medical-Diagnostic Instruments & Systems by 0 million yen and reducing operating income of the Automotive Test Systems by 11 million yen, the Analytical Instruments & Systems by 342 million yen, and the Semiconductor Instruments & Systems by 189 million yen, respectively.

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

As stated in “Significant Changes in the Basis of Preparation of the Consolidated Financial Statements, 1. Changes in accounting practices, (3) Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements,” 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 on May 17, 2006) was adopted, commencing in fiscal 2009. The adoption of the new standard had the effect of increasing operating income of the Automotive Test Systems by 182 million yen, and reducing operating income of the Analytical Instruments & Systems by 9 million yen, and the Medical-Diagnostic Instruments & Systems by 13 million yen, and the Semiconductor Instruments & Systems by 1 million yen, respectively.

7. Additional information

(Changes in the useful lives of tangible fixed assets)

As stated in “Significant Changes in the Basis of Preparation of the Consolidated Financial Statements, 3. Additional information, (1) Changes in the useful lives of tangible fixed assets, the Company and its consolidated domestic subsidiaries reviewed the estimated useful lives of some machinery and equipment, commencing in fiscal 2009, in accordance with the revised Corporate Tax Law of Japan. This change had the effect of reducing operating income of the Automotive Test Systems by 14 million yen, the Analytical Instruments & Systems by 7 million yen, the Medical-Diagnostic Instruments & Systems by 1 million yen, and the Semiconductor Instruments & Systems by 12 million yen, respectively.

[Geographic Segment Information]

Year Ended December 31, 2008 (January 1, 2008 - December 31, 2008)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
I. Net Sales and Operating Income							
Net Sales							
(1) Sales to outside customers	54,353	21,356	53,738	4,798	134,247	-	134,247
(2) Intersegment sales and transfers	13,700	1,522	4,764	2,198	22,186	(22,186)	-
Total	68,054	22,878	58,503	6,997	156,434	(22,186)	134,247
Operating Expenses	60,394	22,505	56,709	6,262	145,871	(22,581)	123,289
Operating Income	7,660	373	1,793	735	10,563	394	10,957
II. Assets	61,463	10,488	29,480	2,262	103,694	29,584	133,278

Year Ended December 31, 2009 (January 1, 2009 - December 31, 2009)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
I. Net Sales and Operating Income							
Net Sales							
(1) Sales to outside customers	43,659	16,987	39,364	4,526	104,538	-	104,538
(2) Intersegment sales and transfers	9,980	1,488	3,824	1,764	17,057	(17,057)	-
Total	53,640	18,475	43,188	6,291	121,595	(17,057)	104,538
Operating Expenses	52,178	17,783	41,760	5,570	117,293	(17,898)	99,394
Operating Income	1,462	691	1,427	720	4,302	841	5,144
II. Assets	53,002	8,371	30,767	2,324	94,466	35,114	129,580

(Notes)

1. Countries and regions are grouped according to geographic 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. Unallocable operating expenses to be included in “Elimination and/or unallocated” did not incur.
4. Corporate assets that are included in “Elimination and/or unallocated” amount to 35,114 million yen, mainly consisting of cash and cash equivalents, short-term investments, and investment securities.
5. Change in accounting standards

(Changes in inventory valuation standards and valuation method)

As stated in “Significant Changes in the Basis of Preparation of the Consolidated Financial Statements, 1. Changes in accounting practices, (1) Changes in inventory valuation standards and valuation method,” the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9; issued on July 5, 2006) has been adopted since fiscal 2009. The adoption of the new standard had the effect of reducing operating income in the Japan segment by 543 million yen.

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

As stated in “Significant Changes in the Basis of Preparation of the Consolidated Financial Statements, 1. Changes in accounting practices, (3) Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements,” 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 on May 17, 2006) was adopted commencing in fiscal 2009. The adoption of the new standard had the effect of increasing operating income in the Europe segment by 187 million yen, and reducing operating income in the Asia segment by 28 million yen.

6. Additional information

(Changes in the useful lives of tangible fixed assets)

As stated in Significant Changes in the Basis of Preparation of the Consolidated Financial Statements, 3. Additional information, (1) Changes in the useful lives of tangible fixed assets," the Company and its consolidated domestic subsidiaries reviewed the estimated useful lives of some machinery and equipment, commencing in fiscal 2009, in accordance with the revised Corporate Tax Law of Japan. This change had the effect of reducing operating income in the Japan segment by 35 million yen.

[Overseas Sales]

Year Ended December 31, 2008 (January 1, 2008 - December 31, 2008) Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	25,410	43,137	19,148	87,697
Consolidated sales	-	-	-	134,247
Ratio of overseas sales to consolidated sales (%)	18.9	32.1	14.3	65.3

Year Ended December 31, 2009 (January 1, 2009 - December 31, 2009) Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	19,603	31,575	15,990	67,169
Consolidated sales	-	-	-	104,538
Ratio of overseas sales to consolidated sales (%)	18.8	30.2	15.3	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.

(Per Share Data)

Year ended December 31, 2008		Year ended December 31, 2009	
	Yen		Yen
Net Assets per Share	1,816.96	Net Assets per Share	1,889.58
Net Income per Share	142.76	Net Income per Share	74.77
Net Income per Share (diluted)	142.71	Net Income per Share (diluted)	74.68

(note 1) Underlying base for the Calculation of Net Assets per Share

	As of December 31, 2008	As of December 31, 2009
Total net assets (millions of yen)	76,841	79,977
Amount deducted from total net assets (millions of yen)	13	70
(thereof Subscription Rights)	-	(59)
(thereof Minority interests)	(13)	(11)
Net assets from common shares (millions of yen)	76,828	79,906
Number of common shares used to calculate net assets per share (thousands of shares)	42,284	42,287

(note 2) Underlying base for the Calculation of Basic and Diluted Net Income per Share

	As of December 31, 2008	As of December 31, 2009
Net Income per Share (basic)		
Net income (millions of yen)	6,039	3,161
Amount deducted from total net income (millions of yen)	—	—
Net income from common shares (millions of yen)	6,039	3,161
Average number of common shares (thousands of shares)	42,303	42,286
Net Income per Share (diluted)		
Amount deducted from total net income (millions of yen)	—	—
Increased number of common shares (thousands of shares)	14	54
(thereof Stock Acquisition Rights - Subscription Rights)	(14)	(54)
Diluted common shares outstanding	————	Subscription Rights (resolved on June 18, 2005 Number of shares 249,000)

(Omission from the disclosed Financial Statement)

Notes with information concerning leases, related party transactions, securities, derivative transactions, retirement benefits and pension plans, stock options and corporate combination were omitted because disclosure in these financial statements were deemed unnecessary.

HORIBA, Ltd. Financial Highlights for the Year ended December 31, 2009

1. Consolidated Financial Results

	12/2009 Result	12/2008 Result	Changes from Previous Year		12/2010 Estimate	Changes from Previous Year	12/2010 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st Half**	Amount
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	**Millions of yen**	Millions of yen
Net Sales	**104,538**	134,247	(29,709)	(22.1%)	**113,000**	+8,461	**54,000**	+4,968
Operating Income	**5,144**	10,957	(5,813)	(53.1%)	**6,500**	+1,355	**2,200**	+581
Operating Income Ratio	***4.9%***	*8.2%*	*(3.3P)*		***5.8%***	*+0.9P*	***4.1%***	*+0.8P*
Ordinary Income	**5,274**	10,040	(4,766)	(47.5%)	**5,500**	+225	**1,700**	(10)
Ordinary Income Ratio	***5.0%***	*7.5%*	*(2.5P)*		***4.9%***	*(0.1P)*	***3.1%***	*(0.4P)*
Net Income	**3,161**	6,039	(2,877)	(47.6%)	**3,200**	+38	**900**	(120)
Net Income Ratio	***3.0%***	*4.5%*	*(1.5P)*		***2.8%***	*(0.2P)*	***1.7%***	*(0.4P)*
US$	**93.65**	103.48	(9.83)		**90.00**	(3.65)	**90.00**	(5.59)
Euro	**130.35**	152.65	(22.30)		**130.00**	(0.35)	**130.00**	2.58

2. Consolidated Segment Results

Net Sales	12/2009 Result	12/2008 Result	Changes from Previous Year		12/2010 Estimate	Changes from Previous Year	12/2010 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st Half**	Amount
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	**Millions of yen**	Millions of yen
Automotive	**37,192**	54,232	(17,039)	(31.4%)	**37,000**	(192)	**17,100**	(1,269)
Analytical	**32,525**	38,531	(6,006)	(15.6%)	**35,000**	+2,474	**16,500**	+925
Medical	**22,337**	24,721	(2,384)	(9.6%)	**24,000**	+1,662	**11,400**	+689
Semiconductor	**12,483**	16,762	(4,278)	(25.5%)	**17,000**	+4,516	**9,000**	+4,623
Total	**104,538**	134,247	(29,709)	(22.1%)	**113,000**	+8,461	**54,000**	+4,968

Operating Income	12/2009 Result	12/2008 Result	Changes from Previous Year		12/2010 Estimate	Changes from Previous Year	12/2010 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st Half**	Amount
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	**Millions of yen**	Millions of yen
Automotive	**1,810**	7,231	(5,420)	(75.0%)	**1,000**	(810)	**100**	(1,294)
Analytical	**1,519**	1,827	(307)	(16.8%)	**1,500**	(19)	**400**	(166)
Medical	**1,912**	678	+1,234	+182.1%	**2,100**	+187	**700**	(80)
Semiconductor	**(98)**	1,221	(1,320)	-	**1,900**	+1,998	**1,000**	+2,123
Total	**5,144**	10,957	(5,813)	(53.1%)	**6,500**	+1,355	**2,200**	+581

3. Consolidated Segment Sales by Region

	12/2009 Result	12/2008 Result	Changes from Previous Year		12/2010 Estimate	Changes from Previous Year	12/2010 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st Half**	Amount
	Millions of yen	Millions of yen	Millions of yen		**Millions of yen**	Millions of yen	**Millions of yen**	Millions of yen
Automotive	**37,192**	54,232	(17,039)	(31.4%)	**37,000**	(192)	**17,100**	(1,269)
Japan	**12,988**	17,785	(4,796)	(27.0%)	**12,000**	(988)	**5,100**	(2,066)
Asia	**6,515**	7,937	(1,421)	(17.9%)	**7,300**	+784	**3,500**	+128
Americas	**6,504**	9,299	(2,794)	(30.1%)	**6,700**	+195	**3,100**	(120)
Europe	**11,182**	19,209	(8,026)	(41.8%)	**11,000**	(182)	**5,400**	+789
Analytical	**32,525**	38,531	(6,006)	(15.6%)	**35,000**	+2,474	**16,500**	+925
Japan	**13,540**	15,688	(2,148)	(13.7%)	**14,800**	+1,259	**7,000**	+27
Asia	**5,150**	6,359	(1,208)	(19.0%)	**5,300**	+149	**2,700**	+323
Americas	**5,537**	6,421	(883)	(13.8%)	**6,300**	+762	**3,000**	+214
Europe	**8,297**	10,062	(1,765)	(17.5%)	**8,600**	+302	**3,800**	+359
Medical	**22,337**	24,721	(2,384)	(9.6%)	**24,000**	+1,662	**11,400**	+689
Japan	**4,322**	3,873	+448	+11.6%	**5,100**	+777	**2,400**	+242
Asia	**1,899**	1,788	+110	+6.2%	**2,000**	+100	**1,000**	+174
Americas	**5,665**	6,797	(1,131)	(16.6%)	**6,200**	+534	**2,900**	+228
Europe	**10,449**	12,262	(1,812)	(14.8%)	**10,700**	+250	**5,100**	+44
Semiconductor	**12,483**	16,762	(4,278)	(25.5%)	**17,000**	+4,516	**9,000**	+4,623
Japan	**6,518**	9,202	(2,684)	(29.2%)	**9,100**	+2,581	**5,000**	+2,522
Asia	**2,424**	3,063	(638)	(20.8%)	**3,000**	+575	**1,600**	+810
Americas	**1,895**	2,892	(997)	(34.5%)	**3,000**	+1,104	**1,400**	+874
Europe	**1,645**	1,603	+42	+2.7%	**1,900**	+254	**1,000**	+415
Total	**104,538**	134,247	(29,709)	(22.1%)	**113,000**	+8,461	**54,000**	+4,968

4. Consolidated Financial Results (Quarterly Comparison)

	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Result	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	31,886	30,955	33,751	34,740	34,799
Operating Income	2,043	(425)	521	3,004	2,105	2,568	3,486	2,796
Operating Income Ratio	*8.0%*	*(1.8%)*	*2.2%*	*9.4%*	*6.8%*	*7.6%*	*10.0%*	*8.0%*
Ordinary Income	1,887	(176)	467	3,096	1,886	2,624	3,176	2,353
Ordinary Income Ratio	*7.4%*	*(0.7%)*	*2.0%*	*9.7%*	*6.1%*	*7.8%*	*9.1%*	*6.8%*
Net Income	967	53	265	1,875	1,001	1,599	2,163	1,274
Net Income Ratio	*3.8%*	*0.2%*	*1.1%*	*5.9%*	*3.2%*	*4.7%*	*6.2%*	*3.7%*
US$	93.76	97.42	93.70	89.72	105.25	104.53	107.74	96.40
Euro	122.01	132.83	133.90	132.66	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 Result	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	11,080	11,305	12,837	14,314	15,774
Analytical	8,182	7,391	7,175	9,776	9,152	9,818	9,366	10,194
Medical	5,076	5,633	5,478	6,148	5,913	6,384	6,557	5,866
Semiconductor	2,203	2,173	3,224	4,881	4,583	4,711	4,503	2,963
Total	25,451	23,579	23,620	31,886	30,955	33,751	34,740	34,799

Operating Income	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Result	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)	746	1,231	1,304	2,487	2,207
Analytical	682	(115)	185	767	271	601	473	480
Medical	302	477	473	659	(58)	162	321	252
Semiconductor	(357)	(766)	194	830	660	499	204	(143)
Total	2,043	(425)	521	3,004	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 Result	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	8,128	12,070	12,287	16,570	8,805
Analytical	6,795	7,827	7,668	9,101	10,740	10,270	11,082	5,908
Medical	5,575	5,513	5,512	5,910	6,213	6,815	6,296	5,155
Semiconductor	1,580	2,526	3,809	5,338	5,244	4,578	4,472	2,653
Total	19,478	24,397	25,638	28,479	34,269	33,952	38,421	22,523

Backlog	12/2009				12/2008			
	1Q Result	2Q Result	3Q Result	4Q Result	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	15,753	27,533	26,983	29,240	22,271
Analytical	7,119	7,555	8,047	7,373	10,623	11,075	12,791	8,506
Medical	2,343	2,223	2,256	2,019	2,385	2,817	2,556	1,844
Semiconductor	782	1,135	1,720	2,177	1,879	1,746	1,715	1,405
Total	27,894	28,712	30,730	27,323	42,422	42,622	46,304	34,028

7. Capital Expenditures, Depreciation and R&D Expenses

	12/2009 Result	12/2008 Result	12/2010 Estimate
		Millions of yen	
Capital Expenditures (*)	4,534	6,644	4,500
Depreciation	4,573	4,955	4,500
R&D Expenses	9,831	10,662	10,000

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

Changes in Corporate Officers (as at April 1, 2010)

(1) Newly Appointed

Name	New Title	Current Title
Tsukasa SATAKE	Corporate Officer General Manager in Scientific/ Semiconductor Instruments & Systems Division	General Manager in Scientific/ Semiconductor Instruments & Systems Division
Hiroshi KAWAMURA	Corporate Officer General Manager in Automotive Test Systems Division	General Manager in Automotive Test Systems Division

(2) Promoted

Name	New Title	Current Title
Masayuki ADACHI	Senior Corporate Officer President and CEO of HORIBA International Corporation (USA)	Corporate Officer President and CEO of HORIBA International Corporation (USA)

(Note) Family names capitalized.

With these changes, there will be seven senior corporate officers and seven corporate officers.