HORIBA
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Consolidated Financial Statements for the Three Months Ended March 31, 2009

May 8, 2009

Company name	**HORIBA, Ltd.**	Stock exchange listings: Tokyo, Osaka
Listing code	6856	URL: http://www.horiba.co.jp
Representative	Atsushi Horiba, Chairman, President and CEO	
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Scheduled date of the quarterly consolidated financial statements submission May 14, 2009

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

1. Consolidated Results for the Three Months Ended March 31, 2009 (January 1, 2009 - March 31, 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	%
Three months ended 3/31/09	25,451	—	2,043	—	1,887	—	967	—
Three months ended 3/31/08	30,955	(9.3)	2,105	(49.9)	1,886	(54.1)	1,001	(45.8)

	Net income per share	Net income per share (diluted)
	Yen	Yen
Three months ended 3/31/09	22.88	—
Three months ended 3/31/08	23.63	23.60

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 3/31/09	129,673	77,023	59.4	1,821.36
As of 12/31/08	133,278	76,841	57.6	1,816.96

(Reference) Shareholders' equity

As of Mar. 31, 2009: 77,014 million yen; As of Dec. 31, 2008: 76,828 million yen

2. Dividends

	Dividend per share				
(Base date)	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 12/31/08	—	15.00	—	29.00	44.00
Year ending 12/31/09	—				
Year ending 12/31/09 (Forecast)		6.00	—	9.00	15.00

(Note) Revision of cash dividend forecast for 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
First half	50,000	—	2,000	—	1,500	—	800	—	18.92
Full year	105,000	(21.8)	3,500	(68.1)	3,000	(70.1)	1,500	(75.2)	35.47

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

4. Others

(1) Changes in significant subsidiaries which affected the scope of consolidation during this period: None

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

(Note) Please see "4. Other" on page 7 for further details.

(3) Changes of accounting policies applied, procedures and disclosures for presenting 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 (in shares)

	March 31, 2009	December 31, 2008
1) Shares issued (including treasury stock)	42,528,752	42,528,752
2) Treasury shares	244,544	244,520

	Jan. - Mar. 2009	Jan. - Mar. 2008
3) The average number of outstanding shares over period	42,284,223	42,379,762

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

1) The earnings forecast 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 FY2009 First Quarter

(For details see page 18-19, HORIBA, Ltd. Financial Highlights for the Three Months Ended March 31, 2009)

The Japanese economy deteriorated significantly during the three months ended March 31, 2009 (the first quarter) owing to aggravation of profitability of export industry and the resultant employment adjustment, in the midst of the global economic downturn which was triggered from the credit crisis that originated in the United States in the previous year.

In the face of these economic conditions, although HORIBA, Ltd., ("the Company") and its consolidated subsidiaries (together "the HORIBA Group" or "HORIBA" as a consolidated group) exerted strong efforts in marketing and sales, the strengthening of the yen reduced sales abroad, in addition to which there were sharp cutbacks in capital investment as well as investment in research and development mainly in the automotive and semiconductor industries. Consequently, sales amounted to 25,451 million yen, down 17.8% from a year earlier. Profits were influenced by the sales decline as well as the strengthening of the yen and the effects of intensified competition. However cost-cutting efforts enabled the decline in operating income to be kept to 2.9% year on year, to 2,043 million yen. Ordinary income, influenced by reduced foreign exchange losses that contributed to the improvement of non-operating income, was flat, at 1,887 million yen. Net income for the quarter declined 3.4% to 967 million yen, with an impact from an extraordinary loss caused by loss on valuation of inventories necessitated by a change in accounting standards.

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

(Automotive Test Systems)

Domestic sales felt the effect of the sharp drop in automobile production and sales of the segment declined to 9,988 million yen, 11.7% less than a year earlier. Operating income improved by 14.9% to 1,415 million yen, with the influential factors including a smaller loss in the automotive development test systems (DTS) business, which was acquired from Germany's Carl Schenck AG on September 30, 2005.

(Analytical Instruments & Systems)

Capital expenditures in the private sector have been slashed as a result of the economic recession, and this was the major reason for a 10.6% decline in sales to 8,182 million yen. The weaker euro, however, helped to improve profitability of HORIBA Jobin Yvon's products, that are mainly produced in France, in total operating income rose 151.6% to 682 million yen.

(Medical-Diagnostic Instruments & Systems)

Sales in Japan of new blood testing equipment grew, but overseas sales, suffering from the reduced value when translated into yen, were down and segment sales decreased 14.2% to 5,076 million yen. Nevertheless, sales of high-margin, new products increased and helped us achieve 302 million yen in operating income. (Last year during the same quarter we had an operating loss of 58 million yen.)

(Semiconductor Instruments & Systems)

Worldwide softening of the semiconductor market caused sales of semiconductor related equipment, led by mass flow controllers, to decline. Consequently, sales were 2,203 million yen, down 51.9% year on year, and our operating loss was 357 million yen. (Last year during the same quarter we had an operating income of 660 million yen.)

2. Qualitative Information Concerning Consolidated Financial Position for FY2009 First Quarter

(1) Analysis of Assets, Liabilities and Net Assets

During the first quarter total assets declined by 3,605 million yen from the level at the end of the preceding fiscal year, to 129,673 million yen, mainly due to a decrease of 4,191 million yen in trade notes and accounts receivable.

Total liabilities declined 3,787 million yen from the level at the end of the preceding fiscal year, to 52,649 million yen. The major factors for the change in total liabilities were the reduction of 1,616 million yen in accounts payable - other, the reduction of 1,603 million yen in trade notes and accounts payable, and the reduction of 1,181 million yen in short-term loans payable.

Net assets increased 181 million yen to 77,023 million yen from the level at the end of the preceding fiscal year, due mainly to an increase of 597 million yen in foreign currency translation adjustments.

(2) Cash Flow

During the first quarter, on a consolidated base, cash and cash equivalents declined from the amount at the end of the preceding consolidated fiscal year by 76 million yen to 22,583 million yen.

Major reasons for change in cash flow during the quarter were as follows.

Net cash provided by operating activities amounted to 4,130 million yen, being influenced by a decrease in trade notes and accounts receivable. (The same quarter a year earlier, the amount used by operating activities was 236 million yen.)

Net cash used by investment activities was 1,537 million yen owing to payments for purchase of property, plant and equipment and other factors. (The same quarter a year earlier, the amount provided from investing activities was 608 million yen.)

Net cash used by financing activities, reflecting a decrease in short-term borrowings and cash dividends paid, among other factors, was 2,765 million yen (whereas a year earlier the amount used by financing activities was 688 million yen.)

3. Qualitative Information Concerning Forecast of Consolidated Financial Results for FY2009

With consideration given to the revenue trends during the first quarter, the Company forecasts for the cumulative second quarter of the December 2009 term and the fiscal year, both on a consolidated basis, are as follows.

Forecast of second quarter cumulative consolidated results

(Unit: millions of yen)

	Previous forecast (As of Feb.17)	Revised forecast (As of May 8)	Changes
Net sales	52,000	50,000	-2,000
Operating income	1,000	2,000	+1,000
Ordinary income	800	1,500	+700
Net income	500	800	+300

Forecast of second quarter cumulative consolidated results by segment

By business segment

Net sales (Unit: millions of yen)

	Previous forecast (As of Feb.17)	Revised forecast (As of May 8)	Changes
Automotive	20,500	19,500	-1,000
Analytical	16,500	16,000	-500
Medical	10,000	10,500	+500
Semiconductor	5,000	4,000	-1,000
Total	52,000	50,000	-2,000

Operating income (Unit: millions of yen)

	Previous forecast (As of Feb.17)	Revised forecast (As of May 8)	Changes
Automotive	1,400	1,700	+300
Analytical	600	800	+200
Medical	300	500	+200
Semiconductor	-1,300	-1,000	+300
Total	1,000	2,000	+1,000

Regarding the outlook for cumulative consolidated results through the second quarter, while sales in the Medical-Diagnostic Instruments & Systems segment is progressing satisfactorily, it is expected that the decreases of capital expenditure and R&D expenditure in the automotive industry in Japan and Europe will increase in magnitude, and demand in the semiconductor industry is likely to remain weak, leading to a downward revision of the outlook for sales by 2.0 billion yen. Regarding profit, influenced by the effect of cost cutting and the weaker-than-expected yen, progress toward achievement of the outlook was greater during the first quarter than had been expected, and upward revisions were made of the outlooks for operating income, by 1.0 billion yen, and ordinary income, by 0.7 billion yen, as well as 0.3 billion yen for net income for the first six months.

By segment, the sales estimates were revised downward for the Automotive Test Systems segment by 1.0 billion yen, the Analytical Instruments & Systems segment by 0.5 billion yen, and the Semiconductor Instruments & Systems segment by 1.0 billion yen, while the outlook for the Medical-Diagnostic Instruments & Systems segment was raised by 0.5 billion yen. As to operating income, upward revisions were made for the Automotive Test Systems and Semiconductor Instruments & Systems segments of 0.3 billion yen each, and the Analytical Instruments & Systems and Medical-Diagnostic Instruments & Systems segments of 0.2 billion yen each.

The outlook for fiscal year consolidated performance is as follows.

Forecast of fiscal year consolidated results

(Unit: millions of yen)

	Previous forecast (As of Feb.17)	Revised forecast (As of May 8)	Changes
Net sales	110,000	105,000	-5,000
Operating income	3,500	3,500	±0
Ordinary income	3,000	3,000	±0
Net income	1,500	1,500	±0

Forecast of fiscal year consolidated results by segment

By business segment

Net sales (Unit: millions of yen)

	Previous forecast (As of Feb.17)	Revised forecast (As of May 8)	Changes
Automotive	41,500	39,000	-2,500
Analytical	35,500	35,000	-500
Medical	22,000	22,000	±0
Semiconductor	11,000	9,000	-2,000
Total	110,000	105,000	-5,000

Operating income (Unit: millions of yen)

	Previous forecast (As of Feb.17)	Revised forecast (As of May 8)	Changes
Automotive	2,500	2,500	±0
Analytical	1,800	1,800	±0
Medical	1,200	1,200	±0
Semiconductor	-2,000	-2,000	±0
Total	3,500	3,500	±0

The sales forecast for the fiscal year, on a consolidated base, has been revised downward by 5.0 billion yen, owing to expectation that the demand in the automotive-related industry and semiconductor industry will be weaker during the third quarter and onward than had been anticipated. Regarding profits, whereas the forecast for the first two quarters of consolidated results has been raised, from the third quarter onward the uncertainty surrounding the economy and market environment is such that no change has been made in the forecast for operating income, ordinary income and net income, relative to the initial forecasts.

By segment, downward revisions have been made for the forecast for sales by the Automotive Test Systems segment of 2.5 billion yen, the Analytical Instruments & Systems segment by 0.5 billion yen, and the Semiconductor Instruments & Systems segment by 2.0 billion yen. The Medical-Diagnostic Instruments & Systems segment sales forecast remains unchanged as the sales have been about the same as initially forecast.

No change has been made regarding the planned dividend payment for the term.

(Note) The expected dividend amount and forecast for business results have been made on the basis of information available as of May 8, 2009. However owing to the existence of various uncertain elements, it is possible that actual performance will vary considerably from the 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:

None

(2) Adoption of simplified financial accounting methods and special 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 first 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 first 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 quarter are based on the annual estimated depreciation which is evenly divided over the year.

② Special accounting methods for presenting quarterly consolidated financial statements

None

(3) Changes in accounting policies, procedures, and presentation rules applied in preparing quarterly financial statements

① Adoption of accounting standard for quarterly financial reporting

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.)

② Change of evaluation standards and evaluation methods of important assets

Inventories

Commencing in the three months ended March 31, 2009, 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 162 million yen each and income before income taxes by 635 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 in the three months ended March 31, 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 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 37 million yen and reducing ordinary income and income before income taxes by 108 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 this first quarter period. 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, ordinary, and income before income tax. 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 life of machinery and equipment. As a result, the 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 11 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 full in the first quarter. The unpaid amount of 654 million yen, that resulted from the abolition, is included in "other non-current liabilities."

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Accounts	As of March 31, 2009	As of December 31, 2008
	Amount	Amount
Assets	Millions of yen	Millions of yen
Current Assets:	90,377	94,580
Cash and bank deposits	18,494	18,267
Trade notes and accounts receivable	33,201	37,393
Marketable securities	4,859	5,092
Merchandise and finished goods	10,436	10,107
Work in process	9,887	10,461
Raw materials and supplies	8,914	9,232
Deferred tax assets	2,818	2,397
Other current assets	2,344	2,235
Allowance for doubtful receivables	(580)	(607)
Fixed Assets:	39,296	38,698
Property, Plant and Equipment:	23,971	23,114
Buildings and structures, net	8,506	7,555
Machinery, equipment and vehicles, net	4,099	3,659
Land	7,156	7,141
Construction in progress	1,181	1,722
Other property, plant and equipment, net	3,027	3,035
Intangibles:	6,926	7,248
Goodwill	141	336
Other intangibles	6,785	6,911
Investments and Other Non-Current Assets:	8,398	8,335
Investment securities	3,539	3,626
Deferred tax assets	2,190	2,018
Other investments and other assets	2,838	2,781
Allowance for doubtful accounts	(170)	(91)
Total Assets	129,673	133,278

Accounts	As of March 31, 2009 Amount	As of December 31, 2008 Amount
Liabilities	Millions of yen	Millions of yen
Current Liabilities:	36,984	41,199
Trade notes and accounts payable	9,499	11,102
Short-term loans payable	7,670	8,852
Accounts payable - other	8,745	10,362
Accrued income taxes	1,234	1,513
Deferred tax liabilities	42	9
Accrued bonuses to employees	1,268	744
Accrued bonuses to directors and corporate auditors	105	37
Reserve for product warranty	936	918
Other current liabilities	7,480	7,658
Non-Current Liabilities:	15,665	15,237
Corporate bonds	10,000	10,000
Long-term debt	2,041	2,132
Deferred tax liabilities	37	12
Employees' retirement benefits	1,526	1,672
Directors' and corporate auditors' retirement benefits	257	895
Reserve for loss on guarantees	52	52
Other non-current liabilities	1,750	472
Total Liabilities	52,649	56,437
Net Assets		
Shareholders' Equity	79,083	79,447
Common stock	12,006	12,006
Capital surplus	18,712	18,712
Retained earnings	49,174	49,538
Treasury stock	(810)	(810)
Valuation and Translation Adjustments	(2,069)	(2,619)
Net unrealized holding gains on securities	416	463
Foreign currency translation adjustments	(2,485)	(3,083)
Minority Interests in Consolidated Subsidiaries	8	13
Total Net Assets	77,023	76,841
Total Liabilities and Net Assets	129,673	133,278

(2) Consolidated Statements of Income

Accounts	Three Months Ended March 31, 2009 Amount
	Millions of yen
Net Sales	25,451
Cost of Sales	14,020
Gross Income	11,430
Selling, General and Administrative Expenses	9,386
Operating Income	2,043
Non-Operating Income	152
Interest income	52
Dividend income	1
Other	99
Non-Operating Expenses	309
Interest expense	242
Foreign exchange losses	44
Other	22
Ordinary Income	1,887
Extraordinary gains	1
Gain on sale of property, plant and equipment	1
Extraordinary Losses	495
Loss on disposal of property, plant and equipment	5
Loss on valuation of inventories	472
Loss on impairment of fixed assets	8
Loss on valuation of investment securities	7
Other	0
Income Before Income Taxes	1,392
Income taxes (current)	891
Income taxes (deferred)	(461)
Total Income taxes	429
Minority interests in earnings of consolidated subsidiaries	(4)
Net Income	967

(3) Consolidated Statements of Cash Flows

Accounts	Three Months Ended March 31, 2009
	Millions of yen
Cash Flows from Operating Activities:	
Income before income taxes	1,392
Depreciation (excludes amortization of goodwill)	1,016
Loss on impairment of fixed assets	8
Amortization of goodwill	8
Increase (decrease) in allowance for doubtful receivables	37
Increase (decrease) in employees' retirement benefits	(81)
Increase (decrease) in directors' and corporate auditors' retirement benefits	(638)
Interest and dividend income	(53)
Interest expense	242
Foreign exchange losses (gains)	(1)
Loss (gain) on sale of property, plant and equipment	(1)
Loss on disposal of property, plant and equipment	5
Loss (gain) on valuation of investment securities	7
Decrease (increase) in trade notes and accounts receivable	4,776
Decrease (increase) in inventories	956
Increase (decrease) in trade notes and accounts payable	(1,784)
Other, net	(312)
Subtotal	5,582
Interest and dividends received	66
Interest paid	(284)
Income taxes paid	(1,232)
Net cash provided by operating activities	4,130
Cash Flows from Investing Activities:	
Increase in time deposits	(66)
Payments for purchase of property, plant and equipment	(1,377)
Proceeds from sale of property, plant and equipment	1
Payments for purchase of intangibles	(91)
Payments for purchase of investment securities	(3)
Proceeds from sale or redemption of investment securities	0
Decrease in loans receivable	0
Other, net	(1)
Net cash used in investing activities	(1,537)
Cash Flows from Financing Activities:	
Net increase (decrease) in short-term borrowings	(1,329)
Increase in long-term debt	3
Repayment of long-term debt	(181)
Repayments of finance lease obligations	(48)
Payments for purchase of treasury stock	(0)
Cash dividends paid	(1,209)
Net cash used in financing activities	(2,765)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	95
Net Increase (Decrease) in Cash and Cash Equivalents	(76)
Cash and Cash Equivalents at Beginning of Period	22,660
Cash and Cash Equivalents at End of Period	22,583

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.)

(4) Notes related to going concern

None

(5) Segment Information

[Business Segment Information]

Three Months Ended March 31, 2009 (January 1, 2009 - March 31, 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	9,988	8,182	5,076	2,203	25,451	―	25,451
(2) Intersegment sales and transfers	―	―	―	―	―	―	―
Total	9,988	8,182	5,076	2,203	25,451	―	25,451
Operating Income (Loss)	1,415	682	302	(357)	2,043	―	2,043

(Notes)

1. Classification of business segment

The HORIBA Group's business is classified by types of purpose and market to use our products.

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 3 million yen for Automotive Test Systems, 91 million yen for Analytical Instruments & Systems, 11 million yen for Medical-Diagnostic Instruments & Systems, and 56 million yen for Semiconductor Instruments & Systems.

(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 43 million yen for Automotive Test Systems and decreased 2 million yen for Analytical Instruments & Systems, and 4 million yen for Medical-Diagnostic Instruments & Systems.

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 4 million yen for Automotive Test Systems, 2 million yen for Analytical Instruments & Systems, and 0 million yen for Medical-Diagnostic Instruments & Systems, and 3 million yen for Semiconductor Instruments & Systems.

[Geographic Segment Information]

Three Months Ended March 31, 2009 (January 1, 2009 - March 31, 2009) Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	12,189	4,245	8,437	579	25,451	—	25,451
(2) Intersegment sales and transfers	1,993	403	816	392	3,607	(3,607)	—
Total	14,182	4,649	9,254	972	29,058	(3,607)	25,451
Operating Income (Loss)	1,368	200	(17)	58	1,609	434	2,043

(Notes)

1. 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 162 million yen for Japan.

(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 loss decreased 43 million yen for Europe, while operating income was 6 million yen less for Asia.

2. 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 11 million yen for Japan.

[Overseas Sales]

Three Months Ended March 31, 2009 (January 1, 2009 - March 31, 2009) Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	4,800	6,905	2,651	14,357
Consolidated sales	—	—	—	25,451
Ratio of overseas sales to consolidated sales (%)	18.9	27.1	10.4	56.4

(Note) 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) related to 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.

Others

HORIBA, Ltd. Financial Highlights for the Three Months Ended March 31, 2009

1. Consolidated Financial Results

	12/2009 Result	12/2008 Result	Changes		12/2009 Estimate		12/2008 Result	
	1Q(3 months)	1Q(3 months)	Amount	Ratio	1st half	Full year	1st half	Full year
	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	30,955	-5,504	-17.8%	50,000	105,000	64,707	134,247
Operating Income	2,043	2,105	-61	-2.9%	2,000	3,500	4,674	10,957
Operating Income Ratio	*8.0%*	*6.8%*	*+1.2P*		*4.0%*	*3.3%*	*7.2%*	*8.2%*
Ordinary Income	1,887	1,886	+0	+0.0%	1,500	3,000	4,511	10,040
Ordinary Income Ratio	*7.4%*	*6.1%*	*+1.3P*		*3.0%*	*2.9%*	*7.0%*	*7.5%*
Net Income	967	1,001	-34	-3.4%	800	1,500	2,600	6,039
Net Income Ratio	*3.8%*	*3.2%*	*+0.6P*		*1.6%*	*1.4%*	*4.0%*	*4.5%*
US$	93.76	105.25	-11.49		95.00	95.00	104.89	103.48
Euro	122.01	157.63	-35.62		125.00	125.00	160.61	152.65

2. Consolidated Segment Results

Net Sales	12/2009 Result	12/2008 Result	Changes		12/2009 Estimate		12/2008 Result	
	1Q(3 months)	1Q(3 months)	Amount	Ratio	1st half	Full year	1st half	Full year
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	9,988	11,305	-1,317	-11.7%	19,500	39,000	24,143	54,232
Analytical	8,182	9,152	-970	-10.6%	16,000	35,000	18,971	38,531
Medical	5,076	5,913	-836	-14.2%	10,500	22,000	12,297	24,721
Semiconductor	2,203	4,583	-2,379	-51.9%	4,000	9,000	9,295	16,762
Total	25,451	30,955	-5,504	-17.8%	50,000	105,000	64,707	134,247

Operating Income	12/2009 Result	12/2008 Result	Changes		12/2009 Estimate		12/2008 Result	
	1Q(3 months)	1Q(3 months)	Amount	Ratio	1st half	Full year	1st half	Full year
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	1,415	1,231	+183	+14.9%	1,700	2,500	2,536	7,231
Analytical	682	271	+411	+151.6%	800	1,800	873	1,827
Medical	302	-58	+361	-	500	1,200	104	678
Semiconductor	-357	660	-1,017	-	-1,000	-2,000	1,160	1,221
Total	2,043	2,105	-61	-2.9%	2,000	3,500	4,674	10,957

3. Consolidated Segment Sales by Region

	12/2009 Result	12/2008 Result	Changes		12/2009 Estimate		12/2008 Result	
	1Q(3 months)	1Q(3 months)	Amount	Ratio	1st half	Full year	1st half	Full year
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	9,988	11,305	-1,317	-11.7%	19,500	39,000	24,143	54,232
Japan	4,200	5,956	-1,755	-29.5%	7,200	12,600	9,703	17,785
Asia	1,172	1,310	-137	-10.5%	2,800	6,400	3,214	7,937
Americas	2,010	1,655	+355	+21.5%	3,800	7,800	3,777	9,299
Europe	2,604	2,383	+221	+9.3%	5,700	12,200	7,446	19,209
Analytical	8,182	9,152	-970	-10.6%	16,000	35,000	18,971	38,531
Japan	4,333	4,863	-530	-10.9%	7,400	15,400	8,311	15,688
Asia	851	1,113	-261	-23.5%	2,100	4,800	3,002	6,359
Americas	1,376	1,181	+194	+16.5%	2,900	6,600	3,041	6,421
Europe	1,621	1,993	-372	-18.7%	3,600	8,200	4,616	10,062
Medical	5,076	5,913	-836	-14.2%	10,500	22,000	12,297	24,721
Japan	1,181	881	+299	+34.0%	2,200	4,500	1,852	3,873
Asia	294	303	-9	-3.1%	700	1,600	767	1,788
Americas	1,201	1,529	-327	-21.4%	2,800	5,900	3,318	6,797
Europe	2,400	3,199	-799	-25.0%	4,800	10,000	6,359	12,262
Semiconductor	2,203	4,583	-2,379	-51.9%	4,000	9,000	9,295	16,762
Japan	1,379	2,509	-1,130	-45.0%	2,300	4,800	5,203	9,202
Asia	333	811	-478	-58.9%	800	1,800	1,583	3,063
Americas	211	841	-630	-74.9%	400	1,300	1,653	2,892
Europe	280	420	-140	-33.4%	500	1,100	854	1,603
Total	25,451	30,955	-5,504	-17.8%	50,000	105,000	64,707	134,247

4. Consolidated Financial Results (Quarterly Comparison)

	12/2009 1Q Result	12/2009 2Q Estimate	12/2009 2H Estimate	12/2008 1Q Result	12/2008 2Q Result	12/2008 3Q Result	12/2008 4Q Result
	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**	**24,548**	**55,000**	30,955	33,751	34,740	34,799
Operating Income	**2,043**	**-43**	**1,500**	2,105	2,568	3,486	2,796
Operating Income Ratio	***8.0%***	***-0.2%***	***2.7%***	*6.8%*	*7.6%*	*10.0%*	*8.0%*
Ordinary Income	**1,887**	**-387**	**1,500**	1,886	2,624	3,176	2,353
Ordinary Income Ratio	***7.4%***	***-1.6%***	***2.7%***	*6.1%*	*7.8%*	*9.1%*	*6.8%*
Net Income	**967**	**-167**	**700**	1,001	1,599	2,163	1,274
Net Income Ratio	***3.8%***	***-0.7%***	***1.3%***	*3.2%*	*4.7%*	*6.2%*	*3.7%*
US$	**93.76**	**96.24**	**95.00**	105.25	104.53	107.74	96.40
Euro	**122.01**	**127.99**	**125.00**	157.63	163.59	162.20	127.18

5. Consolidated Segment Results (Quarterly Comparison)

Net Sales	12/2009 1Q Result	12/2009 2Q Estimate	12/2009 2H Estimate	12/2008 1Q Result	12/2008 2Q Result	12/2008 3Q Result	12/2008 4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	**9,988**	**9,511**	**19,500**	11,305	12,837	14,314	15,774
Analytical	**8,182**	**7,817**	**19,000**	9,152	9,818	9,366	10,194
Medical	**5,076**	**5,423**	**11,500**	5,913	6,384	6,557	5,866
Semiconductor	**2,203**	**1,796**	**5,000**	4,583	4,711	4,503	2,963
Total	**25,451**	**24,548**	**55,000**	30,955	33,751	34,740	34,799

Operating Income	12/2009 1Q Result	12/2009 2Q Estimate	12/2009 2H Estimate	12/2008 1Q Result	12/2008 2Q Result	12/2008 3Q Result	12/2008 4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	**1,415**	**284**	**800**	1,231	1,304	2,487	2,207
Analytical	**682**	**117**	**1,000**	271	601	473	480
Medical	**302**	**197**	**700**	-58	162	321	252
Semiconductor	**-357**	**-642**	**-1,000**	660	499	204	-143
Total	**2,043**	**-43**	**1,500**	2,105	2,568	3,486	2,796

6. Consolidated Orders and Backlog Information (Quarterly Comparison)

Orders	12/2009 1Q Result	12/2009 2Q Estimate	12/2009 2H Estimate	12/2008 1Q Result	12/2008 2Q Result	12/2008 3Q Result	12/2008 4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	**5,527**	**-**	**-**	12,070	12,287	16,570	8,805
Analytical	**6,795**	**-**	**-**	10,740	10,270	11,082	5,908
Medical	**5,575**	**-**	**-**	6,213	6,815	6,296	5,155
Semiconductor	**1,580**	**-**	**-**	5,244	4,578	4,472	2,653
Total	**19,478**	**-**	**-**	34,269	33,952	38,421	22,523

Backlog	12/2009 1Q Result	12/2009 2Q Estimate	12/2009 2H Estimate	12/2008 1Q Result	12/2008 2Q Result	12/2008 3Q Result	12/2008 4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	**17,649**	**-**	**-**	27,533	26,983	29,240	22,271
Analytical	**7,119**	**-**	**-**	10,623	11,075	12,791	8,506
Medical	**2,343**	**-**	**-**	2,385	2,817	2,556	1,844
Semiconductor	**782**	**-**	**-**	1,879	1,746	1,715	1,405
Total	**27,894**	**-**	**-**	42,422	42,622	46,304	34,028

7. Capital Expenditures, Depreciation and Research and Development Expenses

	12/2009 1Q Result	12/2009 Full-year Estimate	12/2008 1Q Result	12/2008 Full-year Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital Expenditures (*)	**1,544**	**5,700**	1,133	6,644
Depreciation	**1,025**	**4,600**	1,162	4,955
R&D Expenses	**2,177**	**9,500**	2,465	10,662

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

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