Consolidated Financial Statements for the Six Months Ended June 30, 2008

August 18, 2008

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	
Contact	Fumitoshi Sato, Managing Director	TEL: (81)75-313-8121

Scheduled date of semi-annual securities report submission September 25, 2008
Scheduled date of interim dividend payment September 2, 2008

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

1. Consolidated Results for the Six Months Ended June 30, 2008 (January 1, 2008 – June 30, 2008)

(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	%
Six months ended 6/30/08	64,707	(5.3)	4,674	(40.6)	4,511	(42.6)	2,600	(21.4)
Six months ended 6/30/07	68,296	12.7	7,869	30.0	7,855	35.5	3,308	1.5
Year ended 12/31/07	144,283	24.3	16,529	41.2	15,949	48.1	8,690	33.5

	Net income per share	Net income per share (diluted)
	Yen	Yen
Six months ended 6/30/08	61.45	61.40
Six months ended 6/30/07	78.10	77.86
Year ended 12/31/07	205.01	204.39

(Reference) Equity in earnings of affiliates accounted for by the equity method
Six months ended June 30, 2008: ¥(2) million; Six months ended June 30, 2007: ¥(12) million; Year ended Dec. 31, 2007: ¥(2) 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 6/30/08	150,988	80,332	53.2	1,899.72
As of 6/30/07	137,452	76,253	55.5	1,798.78
As of 12/31/07	154,367	80,381	52.1	1,892.64

(Reference) Shareholders' equity
As of June 30, 2008: ¥80,328 million; As of June 30, 2007: ¥76,253 million; As of Dec. 31, 2007: ¥80,377 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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six months ended 6/30/08	(837)	(1,119)	2,236	20,618
Six months ended 6/30/07	5,510	(5,396)	4	15,905
Year ended 12/31/07	13,581	(16,444)	7,676	20,564

2. Dividends

	Dividends per share		
(Base date)	Interim	Year-end	Annual
	Yen	Yen	Yen
Year ended 12/31/07	10.00	29.00	39.00
Year ending 12/31/08	15.00		40.00
Year ending 12/31/08 (Forecast)		25.00	

3. Consolidated Forecast for the Year Ending December 31, 2008 (January 1, 2008 – December 31, 2008)

(Percentages represent changes from 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
Year ending 12/31/08	141,000	(2.3)	11,500	(30.4)	11,000	(31.0)	6,600	(24.1)	156.01

4. Others

(1) Changes in scope of consolidation and application of the equity method during the six months ended June 30, 2008: None

(2) Changes in accounting policies, procedures and presentations, etc. for preparation of interim consolidated financial statements

1. Changes according to revision of accounting standards, etc.: Yes
2. Other changes: Yes

(Note) For details, please refer to "Significant Changes on the Basis of Preparation of Interim Consolidated Financial Statements" on page 18.

(3) Number of shares outstanding (common shares)

1. Number of shares outstanding as of end of period (including treasury stock)
   As of June 30, 2008: 42,528,752 shares; As of June 30, 2007: 42,396,752 shares; As of Dec. 31, 2007: 42,473,752 shares
2. Number of treasury stock as of end of period
   As of June 30, 2008: 244,335 shares; As of June 30, 2007: 5,024 shares; As of Dec. 31, 2007: 5,250 shares

(Note) For the average number of shares outstanding on which net income per share was calculated, please refer to "Per Share Data" on page 27.

(Reference) Summary of Non-Consolidated Results

1. Non-Consolidated Results for the Six Months Ended June 30, 2008 (January 1, 2008 - June 30, 2008)

(1) Non-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	%
Six months ended 6/30/08	28,238	0.6	3,323	(14.2)	5,751	0.5	4,569	47.6
Six months ended 6/30/07	28,081	11.9	3,872	31.6	5,720	28.2	3,096	10.5
Year ended 12/31/07	56,600	42.3	7,379	52.6	9,411	49.2	5,500	50.3

	Net income per share
	Yen
Six months ended 6/30/08	107.97
Six months ended 6/30/07	73.11
Year ended 12/31/07	129.76

(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 6/30/08	98,857	64,833	65.6	1,533.26
As of 6/30/07	86,589	60,831	70.3	1,434.98
As of 12/31/07	98,542	62,523	63.4	1,472.22

(Reference) Shareholders' equity

As of June 30, 2008: ¥64,833 million; As of June 30, 2007: ¥60,831 million; As of Dec. 31, 2007: ¥62,523 million

2. Non-Consolidated Forecast for the Year Ending December 31, 2008 (January 1, 2008 - December 31, 2008)

(Percentages represent changes from 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
Year ending 12/31/08	55,800	(1.4)	5,600	(24.1)	8,100	(13.9)	5,600	1.8	132.38

* Taking into account the current business performance, HORIBA, Ltd. revised its consolidated forecast for the year ending December 31, 2008, announced on May 13, 2008 and its non-consolidated forecast for the year ending December 31, 2008, announced on February 19, 2008. Please refer to page 4 with regard to the details of the consolidated forecast. The forecast was based on information available as of August 18, 2008. Numerous uncertainties may cause actual results to be materially different from the forecast.

1. Operating Results and Financial Condition

(1) Operating Results Analysis (Please refer to "Financial Highlights for the Six Months Ended June 30, 2008 on page 28.)

(a) Operating Results for the Six Months Ended June 30, 2008

During the six months ended June 30, 2008 (the first half), HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "the HORIIBA Group" or "HORIBA" as a consolidated group) had net sales of ¥64,707 million, a decrease of 5.3% from the first half ended June 30, 2007. The decrease in sales was due to sales in the semiconductor instruments and systems business segment which sharply decreased because of the deceleration of demand in this market and the falling price of semiconductor products (DRAM, etc.). Moreover, overseas sales decreased under the influence of the strong yen and euro against the U.S. dollar. Operating income and ordinary income decreased by 40.6% to ¥4,674 million and by 42.6% to ¥4,511 million, respectively, due to the decrease in sales and the effect on the profitability in the U.S. market of the decline of the U.S. dollar against the yen and euro and the fact of that depreciation of the new enterprise resource planning ("ERP") system had increased. As a result, despite a decrease in special losses, net income decreased by 21.4% to ¥2,600 million.

Below is a review of the operating results by business segment.

(Automotive Test Systems)

Sales of emission measurement systems, our mainstay, remained strong thanks to accelerated developments in energy saving engines by auto manufacturers to counter the steep increases in the price of crude oil and CO2 regulation in advanced countries. Sales in the automotive test systems (DTS) business, acquired from Germany's Carl Schenck AG on September 30, 2005, expanded by taking advantage of the Company's existing networks of sales and services. As a result, sales in this business segment were ¥24,143 million, an increase of 10.5% from the first half ended June 30, 2007. Operating income was ¥2,536 million, an increase of 13.6%, supported by increased sales of emission measurement systems despite the fact that the DTS business was in the red.

(Analytical Instruments & Systems)

Sales of scientific analysis instruments in the Analytical Instruments & Systems segment were slow due to the deceleration of capital investment in the private sector under the global economic recession. In the second quarter (April 1, 2008 through June 30, 2008), sales and operating income in this business segment increased from the previous second quarter. In the first quarter (January 1, 2008 through March 31, 2008), however sales and operating income decreased from the first quarter in the previous year because of the stagnant market. As a result, sales in this business segment were ¥18,971 million, a decrease of 2.9% from the previous first half, and operating income was ¥873 million, a decrease of 38.9%.

(Medical/Diagnostic Instruments & Systems)

Sales of testing reagents expanded thanks to growth in the number of analyzers in use. However, sales of small sized hematology analyzers, mainly manufactured in France, decreased in the American and Asian markets, and the profitability of these products suffered under the influence of the strong euro against the U.S. dollar. As a result, sales in this business segment were ¥12,297 million, a decrease of 1.4% from the first half ended June 30,2007, and operating income was ¥104 million, a decrease of 82.0%.

(Semiconductor Instruments & Systems)

Sales of mass flow controllers used in solar cell manufacturing equipment increased, mainly in Europe. However, sales of mass flow controllers used in semiconductor manufacturing equipment and chemical concentration monitors used in semiconductor cleaning equipment sharply decreased in sluggish semiconductor markets. As a result, sales in this business segment were ¥9,295 million, a decrease of 35.6% from the first half ended June 30, 2007, and operating income was ¥1,160 million, a decrease of 68.0%.

In the second quarter(April 1, 2008 through June 30, 2008) the change in net sales and operating income from the corresponding quarter of the prior fiscal year compared with in the first quarter (January 1, 2008 through March 31, 2008). Please refer to "Consolidated Financial Results (Quarterly Comparison)" in the "Financial Highlights for the Six Months Ended June 30, 2008 on the page 29.

(b) Outlook for the Year Ending December 31, 2008

Outlook for the year ending December 31, 2008

(Units: millions of yen)

	Previous forecast (As of May 13)	Revised forecast (As of Aug. 18)	Change
Net sales	141,000	141,000	±0
Operating income	13,500	11,500	−2,000
Ordinary income	13,000	11,000	−2,000
Net income	7,600	6,600	−1,000

By business segment

Net sales (Units: millions of yen)

	Previous forecast (As of May 13)	Revised forecast (As of Aug. 18)	Change
Automotive	53,000	55,500	+2,500
Analytical	40,000	40,000	±0
Medical	27,000	26,500	−500
Semiconductor	21,000	19,000	−2,000
Total	141,000	141,000	±0

Operating income (Units: millions of yen)

	Previous forecast (As of May 13)	Revised forecast (As of Aug. 18)	Change
Automotive	6,200	6,200	±0
Analytical	2,700	2,300	−400
Medical	1,400	700	−700
Semiconductor	3,200	2,300	−900
Total	13,500	11,500	−2,000

Taking into consideration the business performance during the first half of the year and demand during the second half, the forecasts for operating income, ordinary income, and net income were estimated in the revised forecast to decrease by ¥2,000 million, ¥2,000 million, and ¥1,000 million, respectively, compared with the previous forecast. On the other hand, the forecast for the net sales did not change.

(Automotive Test Systems)

Due to the strong demand for emission measurement systems, the revised forecast for net sales in the Automotive Test Systems segment increased by ¥2,500 million compared with the previous forecast. However, operating income in this segment was unchanged due to the deteriorating of profit margin in the DTS business.

(Analytical Instruments & Systems)

The revised forecast for sales in the Analytical Instruments & Systems segment was unchanged despite a decrease in the revised forecast for operating income by ¥400 million due to a decreasing profit margin.

(Medical/Diagnostic Instruments & Systems)

Profitability in Medical/Diagnostic Instruments & Systems segment is expected to suffer from the strength of the euro against the U.S. dollar. So the revised forecast for sales and operating income decreased by ¥500 million and by ¥700 million, respectively, from the previous forecast.

(Semiconductor Instruments & Systems)

There is the possibility that the recovery of the market in the Semiconductor Instrument & Systems segment will be delayed. As a result, the revised forecast for sales and operating income decreased by ¥2,000 million and by ¥900 million, respectively, from the previous forecast.

*The forecast was based on information available as of August 18, 2008. Numerous uncertainties may cause actual results to be materially different from the forecast.

(2) Financial Condition Analysis

(a) Analysis of Assets, Liabilities, Net Assets and Cash Flows

As of June 30, 2008, total assets were ¥150,988 million, down ¥3,379 million from December 31, 2007. The main factor contributing to the reduction was that trade notes and accounts receivable decreased by ¥4,668 million.

Total liabilities were ¥70,655 million, down ¥3,330 million from December 31, 2007. The main factors in the decrease were that trade notes and accounts payable decreased by ¥2,897 million and that accounts payable-other decreased by ¥2,230 million.

Total net assets amounted to ¥80,332 million, down ¥48 million from December 31, 2007, due mainly to a payment of cash dividends in the amount of ¥1,229 million and an increase of treasury stock by ¥800 million, despite an increase in retained earnings reflecting net income and other factors.

The cash flow status for the six months ended June 30, 2008 was as follows.

(Cash Flows from Operating Activities)
Net cash used in operating activities amounted to ¥837 million (¥5,510 million provided for the previous first half) due mainly to ¥4,122 million for income taxes paid and a ¥1,893 million increase in inventories, despite ¥4,628 million in income before income taxes.

(Cash Flows from Investing Activities)
Net cash used in investing activities totaled ¥1,119 million (¥5,396 million used for the previous first half) due primarily to ¥2,345 million in payments for the purchase of property, plant and equipment and ¥842 million in payments for the purchase of intangibles and ¥509 million in payments for the purchase of investment securities, despite a ¥2,507 million decrease in time deposits.

(Cash Flows from Financing Activities)
Net cash provided by financing activities amounted to ¥2,236 million (¥4 million provided for the previous first half) and is attributed to ¥3,522 million from an increase in short-term borrowings against a ¥1,229 million outflow for the payment of cash dividends.

As a result, there was a net increase of ¥54 million in cash and cash equivalents to ¥20,618 million as of June 30, 2008.

(b) Trends in Cash Flow Indexes

	Year Ended 3/20/2005	Year Ended 3/20/2006	Year Ended 12/31/2006	Year Ended 12/31/2007	Six Months Ended 6/30/2008
Shareholders' equity ratio (%)	52.3	54.5	56.0	52.1	53.2
Shareholders' equity ratio on a market value basis (%)	71.8	129.5	144.0	112.8	78.8
Number of years for debt redemption	2.2	1.6	4.3	1.9	–
Interest coverage ratio	19.4	26.8	8.4	20.2	–

(Notes) Shareholders' equity ratio = Shareholders' equity/Total assets

Shareholders' equity ratio on a market value basis = Total market value of shares/Total assets

Number of years for debt redemption = Interest bearing debt/Operating cash flow

(The dept redemption period for the six-month period is calculated on an annualized basis using operating cash flow multiplied by two.)

Interest coverage ratio = Operating cash flow/Interest payments

* All indexes 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 statements of cash flows. Interest bearing debt includes all debt in the consolidated balance sheets for which interest is paid. The value used for the interest payments is the amount of the interest paid shown in the consolidated statements of cash flows.

(c) Basic Policy for Profit Distribution and Dividends for the Year Ending December 31, 2008

The Company has a policy of maintaining a standard payout ratio in which the total dividend payment amount is equal to 30% of the non-consolidated 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. So although dividend payments to shareholders are computed based on the non-consolidated net income of the Company, they are in effect made on consolidated earnings. Concerning the internal reserve for retained earnings, the Company intends to appropriate it as working capital for business expansion, capital expenditures and research and development investments, aiming to improve its corporate value in the long-and medium-term.

Under such a basic policy, the dividend for the year ending December 31, 2008 has been forecast to be ¥40 per share (interim: ¥15, year-end: ¥25), which was calculated based on the 30% non-consolidated net income in the most updated forecast.

(d) Risks Concerning HORIBA's Businesses

The following are the risks that may significantly affect HORIBA's financial condition and business performance. Please note that matters pertaining to the future described here have been determined by HORIBA as of August 18, 2008.

1. Business Risks

(1) Risks Associated with International Business Activities

HORIBA conducts business activities in many countries around the world, including the U.S and countries in Europe and Asia. Major risks associated with entering into and conducting business in these overseas markets include: sudden shifts in economic conditions or in product supply and demand; sudden changes in retail prices due to competition; changes in laws, regulations and tax systems; and social disruptions such as terrorism or war. These risks could affect HORIBA's financial position and business results.

To limit the effect of fluctuations in foreign currency exchange rates, HORIBA promotes local production and supply and employs foreign exchange forward contracts within the limits of its balance of foreign currency denominated receivables and payables for import and export transactions to minimize foreign exchange risks. However, fluctuations in foreign exchange rates could have an impact when financial statements prepared in local currencies are translated into Japanese yen for the consolidated financial statements, and a major change in foreign exchange rates beyond our estimates could affect our financial condition and business performance.

(2) Changes in Performance or Financial Position Associated with Acquisitions or Alliances

HORIBA has actively promoted corporate acquisitions and alliances to enhance the efficiency and effectiveness of its business operations. HORIBA conducts complete and diligent investigations before making acquisitions and forming alliances in order to avoid any negative impact on earnings and cash flow. However, HORIBA's financial condition and business performance could be affected if an acquisition or alliance did not proceed in accordance with initial plans.

(3) Repairs of Facilities Following Natural Disasters and Associated Delays in Delivery, etc.

HORIBA produces products in Japan, Europe (France and Germany), the U.S., Asia (China and South Korea) and other locations. In the case of a major earthquake or other natural disaster, HORIBA may incur substantial costs for the repair of manufacturing facilities, etc., or losses may be incurred due to delays in shipments or other factors. Such circumstances could have a significant impact on HORIBA's financial condition and business performance.

(4) Risks Associated with Contracts and Transactions

HORIBA enters into and conducts its business under various contracts with customers, suppliers and other stakeholders, and Horiba is committed to performing in accordance with its contracts. Nevertheless, there is a possibility of claims for damages arising from these contracts due to different views of execution or a different understanding of business terms between the parties. Such circumstances could have a significant impact on HORIBA's financial condition and business performance.

(5) Other Business Risks

In addition to the above mentioned risks, there are risks associated with the breakdown or malfunction of information systems and regulations. These risks could affect HORIBA' s financial position and business results.

2. Risks Associated with Development and Production

(1) Compensation for Product Liability

HORIBA conducts optimum quality control for its products and services and strives to maintain the highest standard of reliability. Nevertheless, there is always a possibility of recalls or litigation arising from unforeseen defects. HORIBA carries product liability insurance, but there can be no guarantee that this insurance would cover the full amount of any unforeseen damages. Such circumstances could have an affect on HORIBA' s financial condition and business performance.

(2) Delays in Development of New Products

HORIBA' s field of business, measuring instruments, is extremely specialized and requires high levels of technical capability. HORIBA, therefore, invests large sums in product development. However, it is possible that the expected return on these investments will not be realized due to unforeseen circumstances.

(3) Risks Concerning Intellectual Property Rights

HORIBA possesses a wide range of intellectual property rights related to the products it manufactures, including patents, trademarks and expertise, which give it competitive superiority. HORIBA exercises all possible caution regarding the management of these intellectual property rights, but in the case of infringement by a third party, it is possible that HORIBA will be unable to attain its expected earnings. There is also a possibility of disputes over intellectual property rights with other companies. Such circumstances may significantly affect HORIBA' s financial condition and business performance.

(4) Risks Concerning Fluctuation in Raw Material Prices

HORIBA takes into account the risk of fluctuation in purchasing prices and makes arrangements, such as advance purchasing to manage the risk when it is deemed necessary. However, significant fluctuations may erode profitability because it takes time for increase in purchasing prices to be passed on and reflected in selling prices. Such circumstances may significantly affect HORIBA's financial condition and business performance.

3. Financial Risks

(1) Shifts in the Market Price of Securities Holdings or Other Assets

HORIBA holds shares in its major alliance partners and other companies as part of its technology and business strategies for the future. Currently, HORIBA' s acquisitions and sales of investment securities are carefully monitored by the Board of Directors, the market price of shares is reported to top management on a timely basis and the purpose for holding the investment securities is properly reviewed. Also, HORIBA implemented impairment accounting in the year ended March 31, 2005, before legally required. However, if the market prices of certain investment securities continue to decline or the value of land, buildings or other assets significantly decreases in the future, there may be a negative impact on the financial condition and business performance of HORIBA.

(2) Reversal of Deferred Tax Assets Resulting from Changes in Systems or Accounting Policies

HORIBA considers the deferred tax assets recorded at the end of the current period under review to be fully recoverable with future earnings (taxable income), but it is possible that a reversal of a portion of these assets will be required as a result of systemic changes or changes in accounting policies.

4. Risk by Business Segment

HORIBA consists of four business segments: Automotive Test Systems, Analytical Instruments & Systems, Medical/Diagnostic Instruments & Systems, Semiconductor Instruments & Systems, and there are particular weaknesses and risks associated with each segment. We can achieve balanced growth by overcoming each segment's weakness with complementary strengths among the other business segments, but we have to recognize the following risks, organized by business segment, associated with fluctuations in operating results.

(1) Automotive Test Systems

The main products in the Automotive Test Systems segment, emission measurement systems, are used by automobile manufacturers, automotive component manufacturers and government agencies. Thus, the trend of setting legal limits on exhaust emissions affects the demand for these products. It is possible, therefore, that the financial condition and business performance of HORIBA will be significantly affected by future regulations. Furthermore, with capital expenditures related to a shift in automatization of automotive test systems, there is a possibility of a significant impact on HORIBA's financial condition and business performance.

(2) Analytical Instruments & Systems

Scientific analysis instruments in the Analytical Instruments & Systems segment are used for R&D and product quality testing, and there are risks that demand for these instruments may be affected by the R&D budgets of government agencies and investments in R&D and production of private enterprises. Also, the demand for environmental measuring instruments, such as analyzers for air pollution and water quality, may be affected by changes in environmental regulations. Such circumstances, therefore, could have a significant impact on HORIBA's financial condition and business performance.

(3) Medical/Diagnostic Instruments & Systems

The main products in the Medical/Diagnostic Instruments & Systems segment are hematology analyzers, which are targeted for the small- and medium-sized equipment market to small- and medium-sized hospitals and medical practitioners. If the price competition is beyond our expectations, there is a possibility of a significant impact on HORIBA's financial condition and business performance.

(4) Semiconductor Instruments & Systems

The main products in the Semiconductor Instruments & Systems segment are fluid control products for semiconductor manufacturing processes and products supporting R&D and product quality testing by semiconductor manufacturers. To minimize fluctuations in the semiconductor market, HORIBA makes efforts to shorten lead time and quickly respond to customers' needs. Nevertheless, sharp fluctuations in the semiconductor market and the investments of semiconductor manufacturers may affect the financial condition and business performance of HORIBA.

2. The Corporate Group of the Company

The corporate group of the Company consists of the Company, 40 consolidated subsidiaries, 1 unconsolidated subsidiary and 7 affiliates (listed below for reference). The main business of the corporate group is the production and sale of analyzers.

Disclosure of other information is omitted as there have been no significant changes in the business descriptions (contents of the businesses) and the status of the affiliated companies from those in the last securities report submitted on March 24, 2008.

(Reference)
(1) Consolidated subsidiaries: 40 companies
Overseas subsidiaries (35 companies)
HORIBA International Corporation (U.S.A.); HORIBA Instruments Incorporated (U.S.A.); HORIBA/STEC Incorporated (U.S.A.); HORIBA Jobin Yvon Inc. (U.S.A.); AD LAB Inc. (U.S.A.); HORIBA ABX Inc. (U.S.A.); HORIBA Automotive Test Systems, Inc. (Canada); HORIBA Jobin Yvon IBH Ltd. (U.K.); SRH Systems Ltd. (U.K.); HORIBA ABX International S.A.S. (France); HORIBA ABX S.A.S. (France); BioPep S.A.S. (France); HORIBA ABX Diagnostics Polska Sp. zo. o. (Poland); HORIBA ABX Hematologia Ltda. (Brazil); HORIBA ABX (Thailand) Ltd. (Thailand); HORIBA ABX Diagnostics (Thailand) Ltd. (Thailand); HORIBA Jobin Yvon International S.A.S. (France); HORIBA Jobin Yvon S.A.S. (France); HORIBA Jobin Yvon Ltd. (U.K.); HORIBA Jobin Yvon GmbH (Germany); HORIBA Jobin Yvon S.r.l. (Italy); HORIBA Europe GmbH (Germany); HORIBA Automotive Test Systems GmbH (Germany); HORIBA Europe Automation Division GmbH (Germany); HORIBA Instruments Limited (U.K.); HORIBA GmbH (Austria); HORIBA France Holding S.a.r.l. (France); HORIBA France S.a.r.l. (France); HORIBA India Private Limited (India); HORIBA Instruments (Singapore) 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 (5 companies)
HORIBA STEC Co., Ltd.; HORIBA ITEC Co., Ltd.; HORIBA Advanced Techno Co., Ltd.; HORIBA TECHNO SERVICE Co., Ltd.; ASEC Inc.

(2) Unconsolidated subsidiaries: 1 company
HORIBA Community Corporation

(3) Affiliated companies for which the equity method has been applied: 1 company
TCA/HORIBA SISTEMAS DE TESTES AUTOMOTIVOS (Brazil)

(4) Affiliated companies for which the equity method has not been applied: 6 companies
Chiyoda Assy Inc.; Mec Co., Ltd.; SSERC Co., Ltd.; KORE Technology Ltd. (U.K.); YUNO Ltd. (U.K.); LABCRAFT S.a.r.l. (France)

(Reorganization of U.S. subsidiaries)
During the six months ended June 30, 2008 (January 1, 2008 – June 30, 2008), the Company reorganized its subsidiaries in the U.S, which accounts for 40 percent of the market for measuring instruments to expand its business and increase the efficiency of its operations. On January 2008, HORIBA Jobin Yvon Inc. (U.S.A.) and its 2 subsidiaries were removed from HORIBA Jobin Yvon International S.A.S. (France) group, and since have been subsidiaries of HORIBA International Corporation (U.S.A.), the center of our U.S. business by a transfer of shares. Also on April 2008, HORIBA ABX Inc. (U.S.A.) was removed from HORIBA ABX International S.A.S. (France) group, and since has been a subsidiary of HORIBA International Corporation (U.S.A.).

3. Business Policies

(1) Fundamental Business Policies of HORIBA

As a manufacturer of analytical equipment that is developing its business worldwide, the 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 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. The HORIBA Group has long placed great importance on its affiliated businesses and is aggressively promoting the strengthening and amalgamation of its alignments that utilize the human and technological resources of its 41 companies throughout the world.

(2) Management Index Targets of HORIBA

With its mid- and long-term plan that was initiated in 2006, the HORIBA Group aims to achieve ¥150 billion in net sales, a operating income ratio of 10% or higher and a ROE of 11% or higher in the year ending December 31, 2010.

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

The HORIBA Group's business consists of four business segments: Automotive Test Systems, Analytical Instruments & Systems, Medical/Diagnostic Instruments & Systems and Semiconductor Instruments & Systems. Each of these segments targets an essentially separate market. Commonalities in fundamental technology and know-how, however, allow us to shift people and resources and to tap combinations among these segments for greater segment strength individually and overall. Our flexible strategic approach enables us to offset weak performance in any one segment with good results in another, to mitigate poor performance in struggling areas and to operate efficiently. We can achieve balanced growth by overcoming each segment's weakness with complementary strengths among all our operating segments.

We also declared a new management policy, "HORIBA Group is One Company," to focus the power of the entire HORIBA Group on generating higher levels of growth. In the past, the HORIBA Group companies conducted their own strategic planning and compiled their own operational performance projections individually. To accelerate the growth of the integrated group, we plan to ignore national boundaries and other divisions between HORIBA Group companies. Instead, we will divide the HORIBA Group into four virtual segments. Effective strategic management at the segment level will improve the profitability of the whole group, promote a more global approach to operations and management and, in doing so, and raise the overall value of the Company.

The following are the primary measures of the mid- and long-term plan from 2006 to 2010:

Primary Measure-1: To be well prepared for the post 2010 stage: "¥200 billion" in net sales

1. Promote a global business strategy based on segment matrix operation
   We strive to increase corporate value of the entire HORIBA Group by utilizing the segment matrix operation implemented in 2004, which allows us to promote our business more actively and efficiently by removing the frame of corporate and national boundaries.
2. Efficient operations by region matrix
   In Japan, the Americas and Europe, we pursue efficient operations by introducing regional shared services in administrative divisions of the HORIBA Group, including accounting and financial, legal affairs, intellectual property and information systems services. This allows us to improve the efficiency of asset turnover and maximize returns and to reduce operating costs.
3. Introduction of ERP
   Making operating decisions based on detailed and timely information is necessary. Accordingly, we will introduce the new unified operating system, Enterprise Resource Planning (ERP), to promote efficient operations by region. The introduction of this system is one of the core investments of our mid- and long-term management plan. In the early-stage, we aim to promote the standardization of operating processes by corporation as well as promote changes in the consciousness of all employees.

Primary Measure-2: Enhance well balanced operations

We will strive to increase business volume and profits beyond the Automotive Test Systems segment and promote the well balanced development of our four segments, including the stable Analytical Instruments & Systems segment. Moreover, our active investments in the Semiconductor Instruments & Systems and Medical/Diagnostic Instruments & Systems segments will begin to reach fruition. We will expand our business in emerging markets, including India and South America, as well as in China's fast growing market.

Primary Measure-3: Value increase in "Valuable Intangibles"

We will make efforts focused on "valuable intangibles" such as our unique corporate culture, the HORIBA brand value, human resources, technological capabilities, management capabilities and respect for CSR and environmental issues, which aren't shown on the balance sheet. We will continuously aim to make dramatic progress in profitability and investment efficiency by utilizing these valuable intangibles as well as enhancing their value respectively.

We have given consideration to the progress of the current mid- and long-term plan and have concluded to draw up a new mid- and long-term plan, which will be announced by the end of January 2009.

(4) Challenges for HORIBA

We think it is essential to improve investment efficiency and productivity for sustained growth and corporate value and to establish a network system for managing business risks. To achieve this, we must improve the information system that is the basis of business management for all of the HORIBA Group companies. The Company set up the Enterprise Resources Planning office on March 21, 2005 to establish and introduce a unified information system capable of providing detailed information promptly to top management and investors and to build a managerial environment leading to the targets of the mid- and long-term plan by 2010 (¥150 billion in net sales, an operating income ratio greater than 10% and a ROE of over 11%).

We also believe it important to ensure fairness, transparency and accountability in our day-to-day operations. HORIBA's directors and employees conduct their work based on the principle of "open & fair," which is consistent with the law and the Company's articles of association. To secure fair and effective management, the basic policy concerning the establishment of an internal control system to promote compliance and risk control was adopted at the Board of Directors meeting held on May 10, 2006. We started a project for internal control and have promoted an internal control system to secure fairness in our financial statements and other documentation in accordance with the Financial Instrument and Exchange Law, or J-SOX Act (a Japanese version of Sarbanes-Oxley Act), enacted to achieve an appropriate and reliable reporting system for financial statements. Through documentation, we seek to promote the visualization of all details of our operations and improve the effectiveness of our work.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Accounts	As of June 30, 2007		As of June 30, 2008		As of December 31, 2007	
	Amount	%	Amount	%	Amount	%
Assets	Millions of yen		Millions of yen		Millions of yen	
Current Assets:	96,943	70.5	108,930	72.1	113,330	73.4
Cash and bank deposits	14,525		21,148		22,064	
Trade notes and accounts receivable	43,380		41,204		45,872	
Marketable securities	2,081		5,175		6,710	
Inventories	33,354		35,505		33,734	
Deferred tax assets	2,467		2,482		2,781	
Other current assets	2,152		4,237		2,731	
Allowance for doubtful receivables	(1,018)		(822)		(564)	
Fixed Assets:	40,508	29.5	42,057	27.9	41,037	26.6
Property, Plant and Equipment:	23,883	17.4	24,520	16.3	24,070	15.6
Buildings and structures	8,118		7,623		7,903	
Machinery, equipment, and vehicles	4,336		4,754		4,342	
Land	7,508		7,495		7,525	
Construction in progress	1,409		1,193		644	
Other property, plant and equipment	2,509		3,452		3,654	
Intangibles:	7,235	5.3	8,318	5.5	8,502	5.5
Goodwill	1,373		893		1,077	
Other intangibles	5,861		7,424		7,424	
Investments and Other Non-Current Assets:	9,390	6.8	9,218	6.1	8,464	5.5
Investment securities	5,686		4,663		4,759	
Deferred tax assets	1,092		1,980		1,345	
Other investments and other assets	2,698		2,664		2,678	
Allowance for doubtful accounts	(86)		(91)		(320)	
Total Assets	137,452	100.0	150,988	100.0	154,367	100.0

Accounts	As of June 30, 2007		As of June 30, 2008		As of December 31, 2007	
	Amount	%	Amount	%	Amount	%
Liabilities	Millions of yen		Millions of yen		Millions of yen	
Current Liabilities:	50,409	36.7	54,187	35.9	58,038	37.6
Trade notes and accounts payable	15,055		13,948		16,845	
Short-term loans payable	9,915		11,219		7,540	
Current maturities of corporate bonds	–		5,000		5,000	
Accounts payable – other	10,087		10,295		12,525	
Accrued income taxes	3,251		1,829		3,795	
Deferred tax liabilities	1		82		42	
Accrued bonuses to employees	470		704		703	
Accrued bonuses to directors and corporate auditors	257		303		119	
Reserve for product warranty	1,118		1,071		1,148	
Provision for possible losses from litigation	1,204		1,204		1,204	
Other current liabilities	9,046		8,529		9,112	
Non-Current Liabilities:	10,789	7.8	16,467	10.9	15,947	10.3
Corporate bonds	5,000		10,000		10,000	
Long-term debt	2,509		3,212		2,637	
Deferred tax liabilities	194		134		205	
Employees' retirement benefits	1,726		1,671		1,813	
Directors' and corporate auditors' retirement benefits	675		746		709	
Reserve for loss on guarantees	52		52		52	
Other non-current liabilities	630		650		529	
Total Liabilities	61,198	44.5	70,655	46.8	73,985	47.9
Net Assets						
Shareholders' Equity	70,754	51.5	76,644	50.8	75,967	49.2
Common stock	11,824	8.6	12,006	7.9	11,952	7.7
Capital surplus	18,531	13.5	18,712	12.4	18,658	12.1
Retained earnings	40,406	29.4	46,734	31.0	45,365	29.4
Treasury stock	(8)	(0.0)	(810)	(0.5)	(9)	(0.0)
Valuation and Translation Adjustments	5,499	4.0	3,683	2.4	4,410	2.9
Net unrealized holding gains on securities	2,168	1.6	1,269	0.8	1,621	1.1
Foreign currency translation adjustments	3,330	2.4	2,414	1.6	2,788	1.8
Minority Interests in Consolidated Subsidiaries	0	0.0	4	0.0	3	0.0
Total Net Assets	76,253	55.5	80,332	53.2	80,381	52.1
Total Liabilities and Net Assets	137,452	100.0	150,988	100.0	154,367	100.0

(2) Consolidated Statements of Income

Accounts	Six Months Ended June 30, 2007		Six Months Ended June 30, 2008		Year Ended December 31, 2007	
	Amount	%	Amount	%	Amount	%
	Millions of yen		Millions of yen		Millions of yen	
Net Sales	68,296	100.0	64,707	100.0	144,283	100.0
Cost of Sales	36,585	53.6	35,380	54.7	77,364	53.6
Gross Income	31,710	46.4	29,327	45.3	66,918	46.4
Selling, General and Administrative Expenses	23,840	34.9	24,652	38.1	50,388	34.9
Operating Income	7,869	11.5	4,674	7.2	16,529	11.5
Other Income	448	0.7	473	0.8	998	0.7
Interest income	91		176		246	
Dividend income	50		66		85	
Foreign exchange gains	−		19		−	
Other	306		210		666	
Other Expenses	462	0.7	636	1.0	1,578	1.1
Interest expense	322		440		796	
Foreign exchange losses	5		−		320	
Loss on write-down of inventories	39		−		48	
Loss on disposal of inventories	12		−		51	
Other	82		196		361	
Ordinary Income	7,855	11.5	4,511	7.0	15,949	11.1
Special Gains	10	0.0	272	0.4	26	0.0
Gain on sale of property, plant and equipment	10		14		26	
Gain on insurance surrender value	−		253		−	
Other	−		4		−	
Special Losses	1,836	2.7	154	0.2	1,870	1.3
Loss on disposal of property, plant and equipment	28		21		53	
Loss on sale of property, plant and equipment	11		1		19	
Provision for possible losses from litigation	1,041		−		1,041	
Loss due to changes in accounting policies	703		−		703	
Reserve for loss on guarantees	52		−		52	
Loss on reorganization of U.S. subsidiaries	−		132		−	
Other	0		−		0	
Income Before Income Taxes	6,029	8.8	4,628	7.2	14,105	9.8
Income taxes (current)	3,405	5.0	2,213	3.4	6,603	4.6
Income taxes (deferred)	(680)	(1.0)	(186)	(0.2)	(1,184)	(0.8)
Minority interests in earnings of consolidated subsidiaries	(3)	(0.0)	0	0.0	(3)	(0.0)
Net Income	3,308	4.8	2,600	4.0	8,690	6.0

(3) Consolidated Statements of Changes in Shareholders' Equity

Six Months Ended June 30, 2007 (January 1, 2007 - June 30, 2007)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	Million of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at December 31, 2006	11,738	18,444	37,864	(18)	68,029
Changes during the interim period					
Issuance of new shares (Exercise of stock aquisition rights)	86	86			172
Cash dividends			(761)		(761)
Net income			3,308		3,308
Acquisition of treasury stocks				(0)	(0)
Disposal of treasury stocks			(4)	10	5
Others					
Total changes during the interim period	86	86	2,542	9	2,724
Balance at June 30, 2007	11,824	18,531	40,406	(8)	70,754

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net unrealized holding gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at December 31, 2006	2,090	2,251	4,341	3	72,375
Changes during the interim period					
Issuance of new shares (Exercise of stock aquisition rights)					172
Cash dividends					(761)
Net income					3,308
Acquisition of treasury stocks					(0)
Disposal of treasury stocks					5
Others	77	1,079	1,157	(3)	1,153
Total changes during the interim period	77	1,079	1,157	(3)	3,878
Balance at June 30, 2007	2,168	3,330	5,499	0	76,253

Six Months Ended June 30, 2008 (January 1, 2008 - June 30, 2008)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at December 31, 2007	11,952	18,658	45,365	(9)	75,967
Changes during the interim period					
Issuance of new shares (Exercise of stock aquisition rights)	54	54			108
Cash dividends			(1,231)		(1,231)
Net income			2,600		2,600
Acquisition of treasury stocks				(800)	(800)
Others					
Total changes during the interim period	54	54	1,369	(800)	677
Balance at June 30, 2008	12,006	18,712	46,734	(810)	76,644

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net unrealized holding gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at December 31, 2007	1,621	2,788	4,410	3	80,381
Changes during the interim period					
Issuance of new shares (Exercise of stock aquisition rights)					108
Cash dividends					(1,231)
Net income					2,600
Acquisition of treasury stocks					(800)
Others	(352)	(373)	(726)	0	(725)
Total changes during the interim period	(352)	(373)	(726)	0	(48)
Balance at June 30, 2008	1,269	2,414	3,683	4	80,332

Year Ended December 31, 2007 (January 1, 2007 – December 31, 2007)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at December 31, 2006	11,738	18,444	37,864	(18)	68,029
Changes during the fiscal year					
Issuance of new shares (Exercise of stock acquisition rights)	214	214			428
Cash dividends			(761)		(761)
Cash dividends (Interim dividend)			(423)		(423)
Net income			8,690		8,690
Acquisition of treasury stocks				(1)	(1)
Disposal of treasury stocks			(4)	10	5
Others					
Total changes during the fiscal year	214	214	7,500	8	7,937
Balance at December 31, 2007	11,952	18,658	45,365	(9)	75,967

	Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Net unrealized holding gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at December 31, 2006	2,090	2,251	4,341	3	72,375
Changes during the fiscal year					
Issuance of new shares (Exercise of stock acquisition rights)					428
Cash dividends					(761)
Cash dividends (Interim dividend)					(423)
Net income					8,690
Acquisition of treasury stocks					(1)
Disposal of treasury stocks					5
Others	(468)	537	68	(0)	68
Total changes during the fiscal year	(468)	537	68	(0)	8,006
Balance at December 31, 2007	1,621	2,788	4,410	3	80,381

(4) Consolidated Statements of Cash Flows

Accounts	Six Months Ended June 30, 2007	Six Months Ended June 30, 2008	Year Ended December 31, 2007
	Millions of yen	Millions of yen	Millions of yen
Cash Flows from Operating Activities:			
Income before income taxes	6,029	4,628	14,105
Depreciation (excludes amortization of goodwill)	1,594	2,134	3,671
Amortization of goodwill	252	253	489
Increase (decrease) in allowance for doubtful receivables	49	28	(163)
Increase in provision for possible losses from litigation	1,204	−	1,204
Increase (decrease) in employees' retirement benefits	41	(104)	149
Increase (decrease) in directors' and corporate auditors' retirement benefits	16	37	50
Increase in reserve for loss on guarantees	52	−	52
Interest and dividend income	(142)	(243)	(331)
Interest expense	322	440	796
Bond issuance costs	−	−	55
Foreign exchange losses (gains)	61	(6)	65
Gain on sale of property, plant and equipment	(10)	(14)	(26)
Loss on disposal of property, plant and equipment	27	21	53
Loss on sale of property, plant and equipment	11	1	19
Loss due to changes in accounting policies	703	−	703
Decrease (increase) in trade notes and accounts receivable	297	4,286	(2,432)
Decrease (increase) in inventories	(2,137)	(1,893)	(2,830)
Increase (decrease) in trade notes and accounts payable	(808)	(2,832)	610
Other, net	371	(3,275)	2,857
Subtotal	7,936	3,460	19,100
Interest and dividends received	139	247	312
Interest paid	(346)	(421)	(672)
Income taxes paid	(2,218)	(4,122)	(5,157)
Net cash provided by operating activities	5,510	(837)	13,581
Cash Flows from Investing Activities:			
Increase in time deposits	−	(5)	(7,508)
Decrease in time deposits	1	2,507	1
Increase in time deposits restricted for use	(700)	−	(700)
Payments for purchase of property, plant and equipment	(3,488)	(2,345)	(5,700)
Proceeds from sale of property, plant and equipment	409	78	820
Payments for purchase of intangibles	(1,612)	(842)	(3,400)
Payments for purchase of investment securities	(7)	(509)	(14)
Proceeds from sale or redemption of investment securities	5	−	7
Increase in loans receivable	(8)	(1)	(17)
Decrease in loans receivable	27	5	81
Other, net	(23)	(7)	(14)
Net cash used in investing activities	(5,396)	(1,119)	(16,444)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	581	3,522	(1,758)
Increase in long-term debt	479	1,105	1,015
Repayment of long-term debt	(459)	(467)	(753)
Proceeds from issuance of bonds	−	−	9,944
Proceeds from exercise of stock aquisition rights	172	108	428
Payments for purchase of treasury stock	(0)	(800)	(1)
Proceeds from sale of treasury stock	5	−	5
Cash dividends paid	(768)	(1,229)	(1,192)
Other, net	(5)	(1)	(11)
Net cash provided by financing activities	4	2,236	7,676
Effect of Exchange Rate Changes on Cash and Cash Equivalents	114	(225)	78
Net Increase (Decrease) in Cash and Cash Equivalents	233	54	4,892
Cash and Cash Equivalents at Beginning of Period	15,672	20,564	15,672
Cash and Cash Equivalents at End of Period	15,905	20,618	20,564

(5) Important Items that Form the Basis of Preparation of the Interim Consolidated Financial Statements

The disclosure of information has been omitted because no significant changes have been made in the information since its disclosure in the last semi-annual securities report (submitted on September 26, 2007).

(6) Significant Changes in the Basis of Preparation of the Interim Consolidated Financial Statements

(Depreciation of fixed assets)

Effective January 1, 2008, the Company and its domestic subsidiaries adopted the method of depreciation for fixed assets acquired on or after April 1, 2007 provided by the revised Corporate Tax Law, following the completion of its fixed assets management system. As a result of this change, operating income, ordinary income and income before taxes were ¥62 million less, respectively, than they would have been without the adoption of the new method.

<Additional information>

The Company and its domestic subsidiaries adopted the revised Corporation Tax Law and changed its method of depreciation of tangible fixed assets acquired on or before March 31, 2007. Accordingly, the difference between the residual value of such an asset and the value equivalent to 5% of its acquisition cost, as computed by the previous Corporation Tax Law, is depreciated over a period of five years starting from the year following the year in which the value of the asset falls to 5% of its acquisition cost. The difference is amortized by the straight-line method and is included in depreciation expense. This change did not have a material impact on operating income, ordinary income, or income before taxes.

(Loss on the disposal of inventories and the write-down of inventories)

Effective January 1, 2008, the Company and certain of its domestic subsidiaries reclassified loss on the disposal of inventories and loss on the write-down of inventories from non-operating expense to cost of sales in connection with changes in management and organizational structure to cope with the increased number of the titles relating to publications and the necessities of cost management. This change did not have a material impact on the results of operating income and did not have any impact on ordinary income or income before taxes.

(Foreign currency forward contracts)

Prior to January 1, 2008, assets and liabilities denominated in foreign currencies that were hedged by foreign currency forward contracts were translated at the contracted rates if the forward contracts qualified for hedge accounting. Effective January 1, 2008, the Company and its domestic subsidiaries changed this method of accounting for such hedge activities. Under the new policy, foreign currency forward contracts used to hedge foreign exchange exposure are measured at fair value and the unrealized gains (losses) are recognized in income. This change did not have any impact on the results of operating income and did not have a material impact on ordinary income or income before taxes.

(7) Notes to Consolidated Financial Statements

[Notes to Consolidated Balance Sheets]

	As of June 30, 2007	As of June 30, 2008	As of December 31, 2007
	Millions of yen	Millions of yen	Millions of yen
1. Accumulated depreciation for tangible assets	28,363	29,523	28,641
2. Pledged assets			
Buildings and structures	68	68	67
Secured liabilities			
Short-term loans payable	12	12	12
Long-term debt	25	12	25
	In addition, time deposits of ¥700 million were pledged for payment guarantee by a financial institution upon a court decree concerning a suit for damages at June 30, 2007.	In addition, time deposits of ¥700 million were pledged for payment guarantee by a financial institution upon a court decree concerning a suit for damages at June 30, 2008.	In addition, time deposits of ¥700 million were pledged for payment guarantee by a financial institution upon a court decree concerning a suit for damages at December 31, 2007.
3. Contingent liabilities for guarantees			
HORIBA Community Corporation	302	190	196
Chiyoda Assy Inc.	48	46	48
Employees	13	11	11
	363	247	255
4. Notes receivable discounted	180	–	–
5. Notes receivable matured on June 30, 2007 and December 31, 2007, which was a bank holiday	June 30, 2007, the end of the interim period, was a bank holiday. Notes receivable maturing on that date were settled on the following business day. Therefore, those notes in the amount of ¥1,015 million were included in the ending balance at June 30, 2007.	–	December 31, 2007, the end of the period, was a bank holiday. Notes receivable maturing on that date were settled on the following business day. Therefore, those notes in the amount of ¥890 million were included in the ending balance at December 31, 2007.

[Note to Consolidated Statements of Income]

	Six Months Ended June 30, 2007	Six Months Ended June 30, 2008	Year Ended December 31, 2007
	Millions of yen	Millions of yen	Millions of yen
1. Research and development expenses	4,672	5,148	9,473
2. Loss on reorganization of U.S. subsidiaries	–	Breakdown of this loss consists of reserve for product warranty (¥62 million) and loss on write-down of inventories (¥70 million).	–

[Notes to Consolidated Statements of Changes in Shareholders' Equity]

Six Months Ended June 30, 2007 (January 1, 2007 – June 30, 2007)

1. Type and number of shares outstanding and treasury stock

(Number of shares)

	As of December 31, 2006	Increase	Decrease	As of June 30, 2007
Number of shares issued				
Common stock (Note 1)	42,314,752	82,000	–	42,396,752
Total	42,314,752	82,000	–	42,396,752
Treasury Stock				
Common stock (Notes 2 and 3)	10,936	88	6,000	5,024
Total	10,936	88	6,000	5,024

(Note) 1. The increase in the number of shares of common stock is due to the exercise of stock acquisition rights.

2. The increase in the number of shares of treasury stock is due to the acquisition of shares of less than one unit.

3. The decrease in the number of shares of treasury stock is due to the exercise of stock acquisition rights.

2. Dividends

(1) Dividend payment

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on February 21, 2007	Common stock	761	18	December 31, 2006	March 8, 2007

(2) Dividend whose record date is attributable to the current interim period, but which is to be effective after the current interim period

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on August 21, 2007	Common stock	423	Retained earnings	10	June 30, 2007	September 4, 2007

Six Months Ended June 30, 2008 (January 1, 2008 – June 30, 2008)

1. Type and number of shares outstanding and treasury stock

(Number of shares)

	As of December 31, 2007	Increase	Decrease	As of June 30, 2008
Number of shares issued				
Common stock (Note 1)	42,473,752	55,000	–	42,528,752
Total	42,473,752	55,000	–	42,528,752
Treasury Stock				
Common stock (Note 2)	5,250	239,085	–	244,335
Total	5,250	239,085	–	244,335

(Note) 1. The increase in the number of shares of common stock is due to the exercise of stock acquisition rights.

2. The increase in the number of shares of treasury stock is due to the acquisition of shares by resolution of Board of Directors meeting and the acquisition of shares of less than one unit.

2. Dividends

(1) Dividend payment

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on February 19, 2008	Common stock	1,231	29	December 31, 2007	March 6, 2008

(2) Dividend whose record date is attributable to the current interim period but to be effective after the current interim period

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on August 18, 2008	Common stock	634	Retained earnings	15	June 30, 2008	September 2, 2008

Year Ended December 31, 2007 (January 1, 2007 – December 31, 2007)

1. Type and number of shares outstanding and treasury stock

(Number of shares)

	As of December 31, 2006	Increase	Decrease	As of December 31, 2007
Number of shares issued				
Common stock (Note 1)	42,314,752	159,000	–	42,473,752
Total	42,314,752	159,000	–	42,473,752
Treasury Stock				
Common stock (Notes 2 and 3)	10,936	314	6,000	5,250
Total	10,936	314	6,000	5,250

(Note) 1. The increase in the number of shares of common stock is due to the exercise of stock acquisition rights.

2. The increase in the number of shares of treasury stock is due to the acquisition of shares of less than one unit.

3. The decrease in the number of shares of treasury stock is due to the exercise of stock acquisition rights.

2. Dividends

(1) Dividend payment

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on February 21, 2007	Common stock	761	18	December 31, 2006	March 8, 2007
Board of Directors meeting held on August 21, 2007	Common stock	423	10	June 30, 2007	September 4, 2007

(2) Dividend with a record date attributable to the end of the current fiscal term but which is to be effective after the current fiscal term

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on February 19, 2008	Common stock	1,231	Retained earnings	29	December 31, 2007	March 6, 2008

[Notes to Consolidated Statements of Cash Flows]

Reconciliation between cash and bank deposits in the consolidated balance sheets and cash and cash equivalents at the end of the period in the consolidated statements of cash flows:

	As of June 30, 2007	As of June 30, 2008	As of December 31, 2007
	Millions of yen	Millions of yen	Millions of yen
Cash and bank deposits	14,525	21,148	22,064
Time deposits for payment guarantee with use restrictions	(700)	(700)	(700)
Time deposits with maturities exceeding 3 months	–	(5,005)	(7,509)
Short-term investments whose expiration or redemption date is within 3 months	2,079	5,175	6,709
Cash and cash equivalents at end of period	15,905	20,618	20,564

[Segment Information]

1. Business Segment Information

Six Months Ended June 30, 2007 (January 1, 2007 - June 30, 2007)

Millions of yen

	Automotive Test Systems	Analytical Instruments & Systems	Medical/Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	21,856	19,539	12,470	14,428	68,296	—	68,296
(2) Intersegment sales and transfers	—	—	—	—	—	—	—
Total	21,856	19,539	12,470	14,428	68,296	—	68,296
Operating Expenses	19,624	18,110	11,888	10,803	60,426	—	60,426
Operating Income	2,232	1,428	582	3,625	7,869	—	7,869

Six Months Ended June 30, 2008 (January 1, 2008 - June 30, 2008)

Millions of yen

	Automotive Test Systems	Analytical Instruments & Systems	Medical/Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	24,143	18,971	12,297	9,295	64,707	—	64,707
(2) Intersegment sales and transfers	—	—	—	—	—	—	—
Total	24,143	18,971	12,297	9,295	64,707	—	64,707
Operating Expenses	21,607	18,098	12,193	8,134	60,033	—	60,033
Operating Income	2,536	873	104	1,160	4,674	—	4,674

(Note)

(Change in Accounting Standards)

As shown in Note (6) "Significant Changes in the Basis of Preparation of the Interim Consolidated Financial Statements," the Company and its domestic subsidiaries adopted the method of depreciation for fixed assets acquired on or after April 1, 2007 provided by the revised Corporate Tax Law. As a result, operating expenses were ¥24 million more in Automotive Test Systems, ¥22 million more in Analytical Instruments & Systems, ¥3 million more in Medical/Diagnostic Instruments & Systems and ¥12 million more in Semiconductor Instruments & Systems than they would have been without the adoption of the new method. Operating income was less by the same amounts accordingly.

Year Ended December 31, 2007 (January 1, 2007 - December 31, 2007)

Millions of yen

	Automotive Test Systems	Analytical Instruments & Systems	Medical/Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	51,475	40,038	25,835	26,934	144,283	—	144,283
(2) Intersegment sales and transfers	—	—	—	—	—	—	—
Total	51,475	40,038	25,835	26,934	144,283	—	144,283
Operating Expenses	44,717	37,366	24,603	21,066	127,753	—	127,753
Operating Income	6,757	2,672	1,232	5,867	16,529	—	16,529

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, Fuel Cell Evaluation 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 Sugar 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, Vacuum Meters

2. Geographic Segment Information

Six Months Ended June 30, 2007 (January 1, 2007 – June 30, 2007)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	31,717	8,161	26,119	2,297	68,296	—	68,296
(2) Intersegment sales and transfers	7,569	352	2,236	962	11,120	(11,120)	—
Total	39,286	8,514	28,356	3,259	79,416	(11,120)	68,296
Operating Expenses	31,744	8,289	28,415	2,837	71,286	(10,860)	60,426
Operating Income (Loss)	7,542	225	(59)	421	8,129	(260)	7,869

Six Months Ended June 30, 2008 (January 1, 2008 – June 30, 2008)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	28,594	9,535	24,439	2,138	64,707	—	64,707
(2) Intersegment sales and transfers	7,116	766	1,944	930	10,758	(10,758)	—
Total	35,710	10,301	26,384	3,069	75,466	(10,758)	64,707
Operating Expenses	31,000	10,367	26,702	2,892	70,962	(10,929)	60,033
Operating Income (Loss)	4,710	(65)	(318)	176	4,503	170	4,674

(Note)

(Change in Accounting Standards)

As shown in Note (6) "Significant Changes in the Basis of Preparation of the Interim Consolidated Financial Statements," the Company and its domestic subsidiaries adopted the method of depreciation for fixed assets acquired on or after April 1, 2007 provided by the revised Corporate Tax Law. As a result, operating expenses were ¥62 million more, and operating income ¥62 million less in the Japan segment

Year Ended December 31, 2007 (January 1, 2007 – December 31, 2007)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales							
(1) Sales to outside customers	61,707	18,556	58,972	5,046	144,283	—	144,283
(2) Intersegment sales and transfers	16,334	858	4,192	2,146	23,531	(23,531)	—
Total	78,042	19,415	63,164	7,192	167,815	(23,531)	144,283
Operating Expenses	65,117	18,355	61,323	6,321	151,117	(23,364)	127,753
Operating Income	12,924	1,060	1,840	871	16,697	(167)	16,529

3. Overseas Sales

Six Months Ended June 30, 2007 (January 1, 2007 – June 30, 2007)

Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	13,659	18,389	9,292	41,342
Consolidated sales	―	―	―	68,296
Ratio of overseas sales to consolidated sales (%)	20.0	26.9	13.6	60.5

(Note) Overseas sales comprise sales of the Company and its subsidiaries in countries or regions other than Japan.

Six Months Ended June 30, 2008 (January 1, 2008 – June 30, 2008)

Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	11,790	19,277	8,568	39,636
Consolidated sales	―	―	―	64,707
Ratio of overseas sales to consolidated sales (%)	18.2	29.8	13.3	61.3

(Note) Overseas sales comprise sales of the Company and its subsidiaries in countries or regions other than Japan.

Year Ended December 31, 2007 (January 1, 2007 – December 31, 2007)

Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	29,780	41,947	20,585	92,313
Consolidated sales	―	―	―	144,283
Ratio of overseas sales to consolidated sales (%)	20.6	29.1	14.3	64.0

(Note) Overseas sales comprise sales of the Company and its subsidiaries in countries or regions other than Japan.

[Per Share Data]

Six Months Ended June 30, 2007		Six Months Ended June 30, 2008		Year Ended December 31, 2007	
	Yen		Yen		Yen
Net assets per share	1,798.78	Net assets per share	1,899.72	Net assets per share	1,892.64
Net income per share	78.10	Net income per share	61.45	Net income per share	205.01
Net income per share (diluted)	77.86	Net income per share (diluted)	61.40	Net income per share (diluted)	204.39

Calculation of net assets per share

	As of June 30, 2007	As of June 30, 2008	As of December 31, 2007
Total net assets (millions of yen)	76,253	80,332	80,381
Amount deducted from total net assets (millions of yen)	0	4	3
(Minority interests included in above amount)	(0)	(4)	(3)
Net assets from common shares (millions of yen)	76,253	80,328	80,377
Number of common shares used to calculate net assets per share (thousands of shares)	42,391	42,284	42,468

Calculation of basic and diluted net income per share

	Six Months Ended June 30, 2007	Six Months Ended June 30, 2008	Year Ended December 31, 2007
Net income per share (basic)			
Net income	3,308	2,600	8,690
Amount deducted from total net income (millions of yen)	―	―	―
Net income from common shares (millions of yen)	3,308	2,600	8,690
Average number of common shares (thousands of shares)	42,356	42,323	42,390
Net income per share (diluted)			
Amount deducted from total net income (millions of yen)	―	―	―
Increased in number of common shares (thousands of shares)	131	38	129
(Stock acquisition rights included in increase)	(131)	(38)	(129)
Diluted common shares outstanding	―	―	―

[Omission from the Disclosed Financial Statement]

Notes with information concerning leases, securities, derivative transactions and stock options are omitted because disclosure in these interim financial statements is deemed unnecessary.

[Other]

On April, 2008, the Fair Trade Commission of Japan investigated the Company due to suspicions of breach of the Antimonopoly Act regarding the sale of air pollution analyzers to the Japanese government and local public enties. We will continue the inquiry presently being conducted by the Fair Trade Commission of Japan to uncover the complete picture of this incident.

5. Others

HORIBA, Ltd. Financial Highlights for the Six Months Ended June 30, 2008

Consolidated

1. Consolidated Financial Results

	12/2008 Result	12/2007 Result	Change from previous year		12/2008 Estimate	12/2007 Result	Change from previous year	
	1st Half	1st Half	Amount	Ratio	Full year	Full year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	
Net Sales	64,707	68,296	−3,588	−5.3%	141,000	144,283	−3,283	−2.3%
Operating Income	4,674	7,869	−3,194	−40.6%	11,500	16,529	−5,029	−30.4%
Operating Income Ratio	*7.2%*	*11.5%*	*−4.3P*		*8.2%*	*11.5%*	*−3.3P*	
Ordinary Income	4,511	7,855	−3,344	−42.6%	11,000	15,949	−4,949	−31.0%
Ordinary Income Ratio	*7.0%*	*11.5%*	*−4.5P*		*7.8%*	*11.1%*	*−3.3P*	
Net Income	2,600	3,308	−707	−21.4%	6,600	8,690	−2,090	−24.1%
Net Income Ratio	*4.0%*	*4.8%*	*−0.8P*		*4.7%*	*6.0%*	*−1.3P*	
US$	104.89	120.15	−15.26		105.00	117.85	−12.85	
Euro	160.61	159.68	+0.93		165.00	161.31	+3.69	

2. Consolidated Segment Results

Net Sales	12/2008 Result	12/2007 Result	Change from previous year		12/2008 Estimate	12/2007 Result	Change from previous year	
	1st Half	1st Half	Amount	Ratio	Full year	Full year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	
Automotive	24,143	21,856	+2,286	+10.5%	55,500	51,475	+4,024	+7.8%
Analytical	18,971	19,539	−568	−2.9%	40,000	40,038	−38	−0.1%
Medical	12,297	12,470	−172	−1.4%	26,500	25,835	+664	+2.6%
Semiconductor	9,295	14,428	−5,133	−35.6%	19,000	26,934	−7,934	−29.5%
Total	64,707	68,296	−3,588	−5.3%	141,000	144,283	−3,283	−2.3%

Operating Income	12/2008 Result	12/2007 Result	Change from previous year		12/2008 Estimate	12/2007 Result	Change from previous year	
	1st Half	1st Half	Amount	Ratio	Full year	Full year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	
Automotive	2,536	2,232	+303	+13.6%	6,200	6,757	−557	−8.3%
Analytical	873	1,428	−555	−38.9%	2,300	2,672	−372	−13.9%
Medical	104	582	−478	−82.0%	700	1,232	−532	−43.2%
Semiconductor	1,160	3,625	−2,464	−68.0%	2,300	5,867	−3,567	−60.8%
Total	4,674	7,869	−3,194	−40.6%	11,500	16,529	−5,029	−30.4%

3. Consolidated Segment Sales by Region

	12/2008 Result	12/2007 Result	Change from previous year		12/2008 Estimate	12/2007 Result	Change from previous year	
	1st Half	1st Half	Amount	Ratio	Full year	Full year	Amount	Ratio
	Millions of yen	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	
Automotive	24,143	21,856	+2,286	+10.5%	55,500	51,475	+4,024	+7.8%
Japan	9,703	7,834	+1,869	+23.9%	17,500	15,959	+1,540	+9.7%
Asia	3,214	3,316	−102	−3.1%	8,000	8,059	−59	−0.7%
Americas	3,777	4,140	−362	−8.8%	8,800	10,536	−1,736	−16.5%
Europe	7,446	6,564	+882	+13.4%	21,200	16,920	+4,279	+25.3%
Analytical	18,971	19,539	−568	−2.9%	40,000	40,038	−38	−0.1%
Japan	8,311	8,096	+214	+2.7%	17,300	15,423	+1,876	+12.2%
Asia	3,002	3,360	−357	−10.7%	6,000	6,957	−957	−13.8%
Americas	3,041	3,303	−262	−7.9%	6,600	6,972	−372	−5.3%
Europe	4,616	4,779	−163	−3.4%	10,100	10,684	−584	−5.5%
Medical	12,297	12,470	−172	−1.4%	26,500	25,835	+664	+2.6%
Japan	1,852	2,009	−157	−7.8%	4,100	4,043	+56	+1.4%
Asia	767	772	−4	−0.6%	2,000	1,866	+133	+7.1%
Americas	3,318	3,376	−58	−1.7%	7,000	7,033	−33	−0.5%
Europe	6,359	6,312	+47	+0.8%	13,400	12,891	+508	+3.9%
Semiconductor	9,295	14,428	−5,133	−35.6%	19,000	26,934	−7,934	−29.5%
Japan	5,203	9,013	−3,810	−42.3%	10,500	16,542	−6,042	−36.5%
Asia	1,583	1,842	−258	−14.0%	3,500	3,702	−202	−5.5%
Americas	1,653	2,838	−1,185	−41.8%	3,400	5,238	−1,838	−35.1%
Europe	854	733	+120	+16.5%	1,600	1,450	+149	+10.3%
Total	64,707	68,296	−3,588	−5.3%	141,000	144,283	−3,283	−2.3%

4. Consolidated Financial Results (Quarterly Comparison)

	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net Sales	30,955	33,751	76,292	34,114	34,181	32,668	43,318
Operating Income	2,105	2,568	6,825	4,205	3,663	3,662	4,997
Operating Income Ratio	*6.8%*	*7.6%*	*8.9%*	*12.3%*	*10.7%*	*11.2%*	*11.5%*
Ordinary Income	1,886	2,624	6,488	4,107	3,747	3,410	4,683
Ordinary Income Ratio	*6.1%*	*7.8%*	*8.5%*	*12.0%*	*11.0%*	*10.4%*	*10.8%*
Net Income	1,001	1,599	3,999	1,848	1,459	2,059	3,322
Net Income Ratio	*3.2%*	*4.7%*	*5.2%*	*5.4%*	*4.3%*	*6.3%*	*7.7%*
US$	105.25	104.53	105.11	119.45	120.85	117.93	113.17
Euro	157.63	163.59	169.39	156.46	162.90	161.93	163.95

5. Consolidated Segment Results (Quarterly Comparison)

Net Sales	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	11,305	12,837	31,356	10,714	11,142	11,365	18,252
Analytical	9,152	9,818	21,028	10,118	9,421	9,014	11,483
Medical	5,913	6,384	14,202	5,999	6,471	6,062	7,302
Semiconductor	4,583	4,711	9,704	7,281	7,146	6,225	6,279
Total	30,955	33,751	76,292	34,114	34,181	32,668	43,318

Operating Income	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	1,231	1,304	3,663	1,189	1,042	1,873	2,652
Analytical	271	601	1,426	1,060	368	410	833
Medical	−58	162	595	143	439	236	412
Semiconductor	660	499	1,139	1,812	1,813	1,142	1,100
Total	2,105	2,568	6,825	4,205	3,663	3,662	4,997

6. Consolidated Orders and Backlog Information (Quarterly Comparison)

Orders	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	12,070	12,287	−	18,038	11,870	15,096	12,318
Analytical	10,740	10,270	−	10,115	9,348	10,155	11,043
Medical	6,213	6,815	−	5,944	6,606	6,248	6,796
Semiconductor	5,244	4,578	−	7,964	6,761	5,851	5,621
Total	34,269	33,952	−	42,063	34,586	37,351	35,780

Backlog	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	27,533	26,983	−	28,244	28,972	32,702	26,768
Analytical	10,623	11,075	−	8,406	8,333	9,475	9,035
Medical	2,385	2,817	−	2,271	2,407	2,592	2,086
Semiconductor	1,879	1,746	−	2,636	2,250	1,876	1,218
Total	42,422	42,622	−	41,558	41,964	46,646	39,108

7. Capital Expenditures, Depreciation and Research and Development Expenses

	12/2008		12/2007	
	1H Result	Full-year Estimate	1H Result	Full-year Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital Expenditures (*)	2,802	8,400	5,314	9,336
Depreciation	2,387	4,800	1,846	4,161
R&D Expenses	5,148	10,000	4,672	9,473

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

Non-Consolidated

1. Non-Consolidated Segment Sales (Quarterly Comparison)

Net Sales	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	7,531	6,657	12,610	6,844	5,488	6,784	7,401
Analytical	5,844	4,528	10,126	6,007	4,521	4,794	5,116
Medical	1,014	992	2,292	1,029	1,213	1,085	1,233
Semiconductor	712	955	2,531	1,612	1,364	879	1,223
Total	15,103	13,135	27,561	15,494	12,587	13,543	14,975

2. Non-Consolidated Orders and Backlog Information (Quarterly Comparison)

Orders	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	8,381	5,535	−	8,049	4,295	8,685	5,104
Analytical	4,989	4,878	−	5,565	4,438	5,084	5,779
Medical	1,094	937	−	889	1,406	1,074	1,341
Semiconductor	1,095	1,152	−	1,546	1,082	920	1,152
Total	15,560	12,503	−	16,051	11,223	15,765	13,377

Backlog	12/2008			12/2007			
	1Q Result	2Q Result	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Automotive	4,828	3,706	−	5,499	4,305	6,206	3,978
Analytical	2,809	3,158	−	2,778	2,686	2,975	3,664
Medical	1,109	1,053	−	855	1,049	1,038	1,029
Semiconductor	907	1,104	−	802	531	573	524
Total	9,653	9,022	−	9,936	8,572	10,794	9,196

Contact
Nobuhiro Tanji, Corporate Strategy Office, HORIBA, Ltd.
2, Miyanohigashi-cho, Kisshoin, Minami-ku, Kyoto 601-8510, Japan
E-mail: nobuhiro.tanji@horiba.com