

Consolidated Financial Statements for the Three Months Ended March 31, 2010

May 10, 2010

Company name **HORIBA, Ltd.** Stock exchange listings: Tokyo, Osaka
 Listing code 6856 URL: <http://www.horiba.com>
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 Scheduled date of the quarterly consolidated financial statements submission: May 14, 2010
 Scheduled date of annual payment for cash dividends: —

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

1. Consolidated Results for the Three Months Ended March 31, 2010 (January 1, 2010 - March 31, 2010)

(1) Consolidated Operating Results (Percentages represent changes from the same 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 3/31/10	26,817	5.4	1,990	-2.6	1,963	4.0	1,383	43.0
Three months ended 3/31/09	25,451	—	2,043	—	1,887	—	967	—

	Net Income per Share		Net Income per Share (Diluted)	
	Yen		Yen	
Three months ended 3/31/10	32.71		32.67	
Three months ended 3/31/09	22.88		—	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 3/31/10	133,188	80,634	60.5	1,905.27
As of 12/31/09	129,580	79,977	61.7	1,889.58

(Reference) Net assets excluding subscription rights shares and minority interests in consolidated subsidiaries
 As of March 31, 2010: ¥ 80,573 million; As of December 31, 2009: ¥ 79,906 million.

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Total
Year ended 12/31/09	—	6.00	—	7.00	13.00
Year ending 12/31/10	—	—	—	—	—
Year ending 12/31/10 (Forecast)	—	6.00	—	9.00	15.00

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

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

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	55,000	12.2	3,500	116.3	3,400	98.8	2,400	135.2	56.75
Full year	118,000	12.9	8,500	65.2	7,800	47.9	5,000	58.1	118.23

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

4. Others

- (1) Changes in significant subsidiaries which affected the scope of consolidation during this period: None
- (2) Adoption of simplified financial accounting methods and specific accounting methods for presenting quarterly consolidated financial statements: Yes
(Note) Please see "4. Other" on page 7 for further details.
- (3) Changes of accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements
① Changes due to revisions in accounting standards: Yes
② Changes other than the above: Yes
(Note) Please see "4. Other" on page 7 for further details.
- (4) Number of shares outstanding (Common Stock)

	<u>March 31, 2010</u>	<u>December 31, 2009</u>
① Shares issued (including Treasury Stock)	42,532,752	42,532,752
② Treasury stock	243,000	244,951
	<u>Jan. - Mar. 2010</u>	<u>Jan. - Mar. 2009</u>
③ The average number of outstanding shares during three months ended FY2010 and FY2009	42,289,557	42,284,223

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

The business forecasts stated herein are based on information currently available and certain assumptions for factors which may affect business results. Actual results may differ from the forecasts due to a range of factors. For additional information, please see "3. Qualitative Information Concerning Forecast of Consolidated Financial Results for FY2010" on page 5 for further details.

[Qualitative Information and Consolidated Financial Statements]

1. Qualitative Information Concerning Consolidated Financial Results for FY2010 First Quarter

(For details see page 16-17, HORIBA, Ltd. Financial Highlights for the Three Months Ended March 31, 2010)

During the three months ended March 31, 2010 (the first quarter), the Japanese economy benefited from the recovery of the global economy and impacts of various economic stimulative measures, but Japan's continued fragile private-sector capital spending and high-level of unemployment kept the economic conditions depressed.

In the face of these economic conditions, although HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "HORIBA Group" or "HORIBA" as a consolidated group) were impacted by cutbacks in investment in the automobile industry, capital investment from semiconductor makers recovered. As a result, HORIBA posted consolidated net sales of 26,817 million yen, marking a 5.4% year-on-year increase. Profits also rose in the Semiconductor Instruments & Systems segment due to higher sales, but owing mainly to decline sales of automotive emission measurement systems which are our mainstay product, operating income dropped 2.6% year-on-year to 1,990 million yen.

Despite the decline in operating income, ordinary income grew 4.0% year-on-year to 1,963 million yen, mainly due to a decrease in interest paid and an improvement in the net foreign exchange gain/loss.

Furthermore, net income for the quarter rose to 1,383 million yen, up 43.0% year-on-year, thanks to a significant improvement in the net extraordinary gain/loss balance compared to the same quarter of the previous year when HORIBA posted a 472 million yen loss on valuation of inventories.

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

(Automotive Test Systems)

Owing to investment cutbacks in the automotive industry in Japan, the U.S. and Europe, segment sales fell 29.9% year-on-year to 7,005 million yen. In addition, due to decline sales of automotive emission measurement systems which are our mainstay product, the segment posted an operating loss of 327 million yen, compared to operating income of 1,415 million yen in the first quarter of fiscal 2009.

(Analytical Instruments & Systems)

In Japan, sales were robust thanks to a growth in demand from universities and research institutions in advance of the fiscal year-end, but sales in Europe and the U.S. were weak, as investments related to government expenditures ran their course. Consequently, sales rose 2.3% year-on-year to 8,370 million yen. Operating income, however, declined 16.9% year-on-year to 567 million yen, as sales of high-margin analytical equipment of leading-edge materials decreased in the U.S..

(Medical-Diagnostic Instruments & Systems)

Sales of hematology analyzers remained robust in Japan, and sales of testing reagents also increased in tandem with an increase in the installed base of instruments. Moreover, cost reduction in the U.S. also contributed to an improvement in profitability. As a result, sales grew 6.7% year-on-year to 5,417 million yen and operating income rose 63.4% year-on-year to 494 million yen.

(Semiconductor Instruments & Systems)

Owing to increased investment from production equipment manufactures of silicon semiconductor and light-emitting diode (LED), which recovered rapidly in the second half of last year, segment sales recovered substantially mainly in the case of mass flow controllers for semiconductor manufacturing equipment. As a result, sales soared 173.3% year-on-year to 6,023 million yen and operating income was 1,256 million yen, compared to an operating loss of 357 million yen in the first quarter of fiscal 2009.

2. Qualitative Information Concerning Consolidated Financial Position for FY2010 First Quarter

(1) Analysis of Assets, Liabilities and Net Assets

During the first quarter of fiscal 2010, total assets increased 3,607 million yen from the level at the end of the preceding fiscal year, to 133,188 million yen. Cash and bank deposits decreased by 653 million yen, property, plant and equipment by 405 million yen, and intangibles by 271 million yen. On the other hand, marketable securities increased by 2,641 million yen, current deferred tax assets by 830 million yen, and work in process by 478 million yen.

Total liabilities increased 2,950 million yen from the level at the end of the preceding fiscal year, to 52,554 million yen. The increase in trade notes and accounts payable (1,881 million yen), accrued income taxes (657 million yen), and accrued bonuses to employees (636 million yen) were more than offset the reduction in accounts payable – other (502 million yen) and long-term loans payable (209 million yen).

Net assets increased 657 million yen to 80,634 million yen from the level at the end of the preceding fiscal year, due mainly to an increase of 1,082 million yen in retained earnings.

(2) Cash Flow

During the first quarter of fiscal 2010, cash and cash equivalents increased 1,388 million yen from the amount at the end of fiscal 2009 to 28,979 million yen.

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

Net cash provided by operating activities amounted to 3,317 million yen, owing to income before income taxes for the quarter and an increase in trade notes and accounts payable. (The same quarter a year earlier, the amount provided by operating activities was 4,130 million yen.)

Net cash used in investment activities was 1,382 million yen mainly due to payments for purchase of property, plant and equipment and an increase in time deposits. (The same quarter a year earlier, the amount used in investing activities was 1,537 million yen.)

Net cash used in financing activities, reflecting cash dividends paid and repayments of long-term debt, among other factors, were 375 million yen. (The same quarter a year earlier, the amount used in financial activities was 2,765 million yen.)

3. Qualitative Information Concerning Forecast of Consolidated Financial Results for FY2010

With consideration given to the business performance during the first quarter, the Company forecasts for the cumulative second quarter of the December 2010 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.15)	Revised forecast (As of May 10)	Changes
Net sales	54,000	55,000	1,000
Operating income	2,200	3,500	1,300
Ordinary income	1,700	3,400	1,700
Net income	900	2,400	1,500

Forecast of second quarter cumulative consolidated results by segment

Net sales (Unit: millions of yen)

	Previous forecast (As of Feb.15)	Revised forecast (As of May 10)	Changes
Automotive	17,100	16,000	-1,100
Analytical	16,500	16,000	-500
Medical	11,400	11,000	-400
Semiconductor	9,000	12,000	3,000
Total	54,000	55,000	1,000

Operating income (Unit: millions of yen)

	Previous forecast (As of Feb.15)	Revised forecast (As of May 10)	Changes
Automotive	100	-300	-400
Analytical	400	600	200
Medical	700	800	100
Semiconductor	1,000	2,400	1,400
Total	2,200	3,500	1,300

The Company has revised upward its consolidated sales forecast for the second quarter of fiscal 2010 on a cumulative basis by 1,000 million yen. Although there has been a delay in the recovery of capital investment and R&D investment in the automotive industry in the Japanese, U.S., and European markets, sales of mass flow controllers for semiconductor manufacturing equipment and chemical concentration monitors for semiconductor cleaning equipment are expanding in response to increased investment from manufacturing equipment makers of the silicon semiconductor and light-emitting diode (LED). In terms of its profit forecast, the Company has revised upward operating income by 1,300 million yen, ordinary income by 1,700 million yen, and net income by 1,500 million yen mainly due to the projected increase in sales in the Semiconductor Instruments & Systems segment and the effect of cost cutting that the Company has continued to undertake since last year.

By segment, the sales estimates were revised downward for the Automotive Test Systems segment by 1,100 million yen, the Analytical Instruments & Systems segment by 500 million yen and the Medical-Diagnostic Instruments & Systems segment by 400 million yen, while the estimate for the Semiconductor Instruments & Systems segment was raised by 3,000 million yen. As to operating income, downward revision was made for the Automotive segment by 400 million yen, while upward revision was made for the Analytical segment by 200 million yen, the Medical segment by 100 million yen, and the Semiconductor segment by 1,400 million yen.

Forecast of fiscal year consolidated results

(Unit: millions of yen)

	Previous forecast (As of Feb.15)	Revised forecast (As of May 10)	Changes
Net sales	113,000	118,000	5,000
Operating income	6,500	8,500	2,000
Ordinary income	5,500	7,800	2,300
Net income	3,200	5,000	1,800

Forecast of fiscal year consolidated results by segment

Net sales (Unit: millions of yen)

	Previous forecast (As of Feb.15)	Revised forecast (As of May 10)	Changes
Automotive	37,000	36,000	-1,000
Analytical	35,000	35,000	-
Medical	24,000	24,000	-
Semiconductor	17,000	23,000	6,000
Total	113,000	118,000	5,000

Operating income (Unit: millions of yen)

	Previous forecast (As of Feb.15)	Revised forecast (As of May 10)	Changes
Automotive	1,000	600	-400
Analytical	1,500	1,500	-
Medical	2,100	2,100	-
Semiconductor	1,900	4,300	2,400
Total	6,500	8,500	2,000

With regard to its forecasts for the full fiscal year on a consolidated basis, the Company has revised upward sales by 5,000 million yen, operating income by 2,000 million yen, ordinary income by 2,300 million yen, and net income by 1,800 million yen, in view of the earnings trend for the first six months of fiscal 2010 in the Automotive segment and the demand trend of semiconductor manufacturing equipment market.

By segment, downward revision was made for the Automotive Test Systems segment by 1,000 million yen in sales and 400 million in operating income. This reflects the revision made for the second quarter on a cumulative basis. In contrast, upward revision was made for the Semiconductor Instruments & Systems segment by 6,000 million yen in sales and 2,400 million yen in operating income, as demand is expected to remain robust in and after the third quarter. The outlook for the other segments remained unchanged.

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 10, 2010. 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 Application of accounting standard relating to construction contracts

With regard to the standards for recording income relating to contract works, the Company previously applied mainly the completed contract method. However, beginning in the first quarter of fiscal 2010, the Company has applied the Accounting Standard for Construction Contracts (ASBJ Statement No. 15, December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Statement No. 18, December 27, 2007). Accordingly, starting with construction contracts that commenced during the first quarter of fiscal 2010, the Company has applied the percentage of completion method (estimation of the rate of construction progress is based on the percentage of the cost incurred to the estimated total cost) in the case of construction where the outcome of the construction activity progressed up to the end of the first quarter of fiscal 2010 is deemed certain. In the case of other construction, the completed contract method has been applied. This application had no impact on sales, operating income, ordinary income and income before income taxes.

② Change in method of presentation

(Consolidated Balance Sheet)

“Software,” which was presented within “Other intangibles” under intangible fixed assets in the first quarter of fiscal 2009, has been presented as a separate category due to its increased importance in the first quarter of fiscal 2010. “Software” included in “Other intangibles” for the first quarter of the prior fiscal year amounted to 6,055 million yen.

(Additional information)

At one domestic consolidated subsidiary, the method for calculating retirement benefit liabilities changed from the simplified method to the “rule method”, beginning in the fourth quarter of fiscal 2009, to enable accounting treatment relating to retirement benefits to be conducted more appropriately. As a result, the method for calculating retirement benefit liabilities in the first quarter of fiscal 2009 differs from that used in the first quarter of fiscal 2010. The effect of this change to the profit in the first quarter of fiscal 2009 was an increase of 2 million yen each on operating income, ordinary income, and income before income taxes.

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

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Amount: millions of yen

	FY2010 first quarter (As of March 31, 2010)	FY2009 (As of December 31, 2009)
Assets		
Current Assets:		
Cash and bank deposits	20,866	21,520
Trade notes and accounts receivable	34,722	34,511
Marketable securities	9,107	6,465
Merchandise and finished goods	7,919	7,809
Work in process	8,946	8,468
Raw materials and supplies	7,410	7,086
Deferred tax assets	2,911	2,080
Other current assets	3,094	2,788
Allowance for doubtful receivables	(847)	(825)
Total Current Assets	94,131	89,904
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and structures, net	9,306	9,604
Machinery, equipment and vehicles, net	3,891	3,985
Land	7,098	7,153
Construction in progress	272	156
Other property, plant and equipment, net	2,628	2,702
Total Property, Plant and Equipment	23,196	23,602
Intangibles:		
Goodwill	269	293
Software	5,520	5,727
Other intangibles	523	563
Total Intangibles	6,313	6,585
Investments and Other Non-Current Assets:		
Investment securities	4,734	4,482
Deferred tax assets	2,034	2,216
Other investments and other assets	2,911	2,923
Allowance for doubtful accounts	(133)	(133)
Total investments and other non-current assets	9,547	9,488
Total Fixed Assets	39,057	39,676
Total Assets	133,188	129,580

Amount: millions of yen

	FY2010 first quarter (As of March 31, 2010)	FY2009 (As of December 31, 2009)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	12,448	10,567
Short-term loans payable	6,417	6,618
Accounts payable - other	7,900	8,403
Accrued income taxes	1,324	666
Deferred tax liabilities	67	24
Accrued bonuses to employees	1,472	835
Accrued bonuses to directors and corporate auditors	59	16
Reserve for product warranty	946	898
Other current liabilities	6,669	6,153
Total Current Liabilities	37,308	34,183
Non-Current Liabilities:		
Corporate bonds	10,000	10,000
Long-term loans payable	1,521	1,730
Deferred tax liabilities	119	30
Employees' retirement benefits	1,676	1,675
Directors' and corporate auditors' retirement benefits	228	254
Reserve for loss on guarantees	67	56
Other non-current liabilities	1,633	1,673
Total Non-Current Liabilities	15,246	15,420
Total Liabilities	52,554	49,603
Net Assets		
Shareholders' Equity		
Common stock	12,011	12,011
Capital surplus	18,717	18,717
Retained earnings	52,177	51,095
Treasury stock	(804)	(811)
Total Shareholders' Equity	82,101	81,012
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	1,039	932
Foreign currency translation adjustments	(2,567)	(2,039)
Total Valuation and Translation Adjustments	(1,528)	(1,106)
Subscription Rights to Shares	56	59
Minority Interests in Consolidated Subsidiaries	3	11
Total Net Assets	80,634	79,977
Total Liabilities and Net Assets	133,188	129,580

(2) Consolidated Statement of Income

Amount: millions of yen

	FY2009 first quarter (Three months ended March 31, 2009)	FY2010 first quarter (Three months ended March 31, 2010)
Net sales	25,451	26,817
Cost of sales	14,020	15,142
Gross Income	11,430	11,674
Selling, general and administrative expenses	9,386	9,683
Operating Income	2,043	1,990
Non-Operating Income		
Interest income	52	24
Dividend income	1	1
Foreign exchange gain	-	58
Other	99	60
Total non-operating income	152	144
Non-Operating Expense		
Interest expense	242	141
Foreign exchange losses	44	-
Other	22	30
Total non-operating expense	309	172
Ordinary Income	1,887	1,963
Extraordinary Gain		
Gain on sale of property, plant and equipment	1	0
Total extraordinary gain	1	0
Extraordinary Loss		
Loss on disposal of property, plant and equipment	5	4
Loss on valuation of inventories	472	-
Loss on impairment of fixed assets	8	40
Loss on valuation of investment securities	7	-
Reserve for loss on guarantees	-	11
Other	0	-
Total Extraordinary Loss	495	56
Income before Income Taxes	1,392	1,907
Income taxes (current)	891	1,192
Income taxes (deferred)	(461)	(660)
Income Taxes	429	531
Minority interests in earnings of consolidated subsidiaries	(4)	(7)
Net Income	967	1,383

(3) Consolidated Statement of Cash Flows

Amount: millions of yen

	FY2009 first quarter (Three months ended March 31, 2009)	FY2010 first quarter (Three months ended March 31, 2010)
Cash Flows from Operating Activities:		
Income before income taxes	1,392	1,907
Depreciation (excluding amortization of goodwill)	1,016	1,038
Loss on impairment of fixed assets	8	40
Amortization of goodwill	8	9
Increase (decrease) in allowance for doubtful receivables	37	58
Increase (decrease) in employees' retirement benefits	(81)	24
Increase (decrease) in directors' and corporate auditors' retirement benefits	(638)	(25)
Interest and dividend income	(53)	(25)
Interest expense	242	141
Foreign exchange losses (gains)	(1)	11
Loss (gain) on sale of property, plant and equipment	(1)	-
Loss (gain) on sale of fixed assets	-	(0)
Loss on disposal of property, plant and equipment	5	4
Loss (gain) on valuation of marketable securities	-	1
Loss (gain) on valuation of investment securities	7	-
Decrease (increase) in trade notes and accounts receivable	4,776	(832)
Decrease (increase) in inventories	956	(1,351)
Increase (decrease) in trade notes and accounts payable	(1,784)	2,091
Other, net	(312)	871
Subtotal	5,582	3,966
Interest and dividends received	66	26
Interest paid	(284)	(192)
Income taxes paid	(1,232)	(482)
Net Cash provided by (used in) Operating Activities	4,130	3,317
Cash Flows from Investing Activities:		
Increase in time deposits	(66)	(500)
Payments for purchase of marketable securities	-	(239)
Proceeds from sale of marketable securities	-	158
Payments for purchase of property, plant and equipment	(1,377)	(666)
Proceeds from sale of property, plant and equipment	1	6
Payments for purchase of intangibles	(91)	(48)
Payments for purchase of investment securities	(3)	(91)
Proceeds from sale or redemption of investment securities	0	-
Decrease in loans receivable	0	0
Other, net	(1)	(1)
Net Cash provided by (used in) Investing Activities	(1,537)	(1,382)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term borrowings	(1,329)	176
Increase in long-term debt	3	9
Repayments of long-term debt	(181)	(220)
Repayments of finance lease obligations	(48)	(50)
Payments for purchase of treasury stock	(0)	-
Net decrease (increase) of treasury stock	-	(0)
Cash dividends paid	(1,209)	(290)
Net Cash provided by (used in) Financing Activities	(2,765)	(375)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	95	(170)
Net Increase (Decrease) in Cash and Cash Equivalents	(76)	1,388
Cash and Cash Equivalents at Beginning of Period	22,660	27,590
Cash and Cash Equivalents at End of Period	22,583	28,979

(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

Three Months Ended March 31, 2010 (January 1, 2010 - March 31, 2010)

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	7,005	8,370	5,417	6,023	26,817	-	26,817
(2) Intersegment sales and transfers	-	-	-	-	-	-	-
Total	7,005	8,370	5,417	6,023	26,817	-	26,817
Operating income (loss)	(327)	567	494	1,256	1,990	-	1,990

(Notes)

1. Classification of business segment

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

2. Main Products in Each Business Segment

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

3. Additional information

Three months ended March 31, 2010

(Accounting method of allowance for retirement benefits for employees)

As stated in "Additional information", at one domestic consolidated subsidiary, the method for calculating retirement benefit liabilities changed from the simplified method to the "rule method", beginning in the fourth quarter of fiscal 2009, to enable accounting treatment relating to retirement benefits to be conducted more appropriately. As a result, the method for calculating retirement benefit liabilities in the first quarter of fiscal 2009 differs from that used in the first quarter of fiscal 2010. The effect of this change to the operating profit in the first quarter of fiscal 2009 was an increase of 0 million yen for Automotive Test Systems, 2 million yen for Analytical Instruments & Systems, 0 million yen for Medical-Diagnostic Instruments & Systems, and 0 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

Three Months Ended March 31, 2010 (January 1, 2010 - March 31, 2010)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net sales							
(1) Sales to outside customers	12,310	4,243	8,947	1,316	26,817	-	26,817
(2) Intersegment sales and transfers	3,810	382	980	363	5,537	(5,537)	-
Total	16,120	4,625	9,928	1,680	32,354	(5,537)	26,817
Operating income (loss)	1,598	168	(65)	209	1,910	80	1,990

(Notes)

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

3. Additional information

Three months ended March 31, 2010

(Accounting method of allowance for retirement benefits for employees)

As stated in "Additional information", at one domestic consolidated subsidiary, the method for calculating retirement benefit liabilities changed from the simplified method to the "rule method", beginning in the fourth quarter of fiscal 2009, to enable accounting treatment relating to retirement benefits to be conducted more appropriately. As a result, the method for calculating retirement benefit liabilities in the first quarter of fiscal 2009 differs from that used in the first quarter of fiscal 2010. The effect of this change to the operating profit in the first quarter of fiscal 2009 was an increase of 2 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

Three Months Ended March 31, 2010 (January 1, 2010 - March 31, 2010)

Millions of yen

	Americas	Europe	Asia	Total
Overseas sales	4,946	6,889	3,676	15,511
Consolidated sales	-	-	-	26,817
Ratio of overseas sales to consolidated sales (%)	18.4	25.7	13.7	57.8

(Notes)

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

(6) Notes in case of significant changes in the amount of shareholders' equity

None

6.Other

HORIBA, Ltd. Financial Highlights for the Three Months Ended March 31, 2010

1. Consolidated Financial Results

	12/2010 Result		12/2009 Result		Changes		12/2010 Estimate		12/2009 Result	
	1Q(3months)		1Q(3months)		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	Millions of yen	Millions of yen
Net Sales	26,817	25,451	+1,365	+5.4%			55,000	118,000	49,031	104,538
Operating Income	1,990	2,043	-53	-2.6%			3,500	8,500	1,618	5,144
Operating Income Ratio	7.4%	8.0%	-0.6P				6.4%	7.2%	3.3%	4.9%
Ordinary Income	1,963	1,887	+75	+4.0%			3,400	7,800	1,710	5,274
Ordinary Income Ratio	7.3%	7.4%	-0.1P				6.2%	6.6%	3.5%	5.0%
Net Income	1,383	967	+416	+43.0%			2,400	5,000	1,020	3,161
Net Income Ratio	5.2%	3.8%	+1.4P				4.4%	4.2%	2.1%	3.0%
US\$	90.69	93.76	-3.07				90.00	90.00	95.59	93.65
Euro	125.49	122.01	+3.48				125.00	125.00	127.42	130.35

2. Consolidated Segment Results

Net Sales	12/2010 Result		12/2009 Result		Changes		12/2010 Estimate		12/2009 Result	
	1Q(3months)		1Q(3months)		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	Millions of yen	Millions of yen
Automotive	7,005	9,988	-2,983	-29.9%			16,000	36,000	18,369	37,192
Analytical	8,370	8,182	+188	+2.3%			16,000	35,000	15,574	32,525
Medical	5,417	5,076	+340	+6.7%			11,000	24,000	10,710	22,337
Semiconductor	6,023	2,203	+3,819	+173.3%			12,000	23,000	4,376	12,483
Total	26,817	25,451	+1,365	+5.4%			55,000	118,000	49,031	104,538

Operating Income	12/2010 Result		12/2009 Result		Changes		12/2010 Estimate		12/2009 Result	
	1Q(3months)		1Q(3months)		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	Millions of yen	Millions of yen
Automotive	(327)	1,415	-1,743	-			(300)	600	1,394	1,810
Analytical	567	682	-114	-16.9%			600	1,500	566	1,519
Medical	494	302	+192	+63.4%			800	2,100	780	1,912
Semiconductor	1,256	(357)	+1,613	-			2,400	4,300	(1,123)	(98)
Total	1,990	2,043	-53	-2.6%			3,500	8,500	1,618	5,144

3. Consolidated Segment Sales by Region

	12/2010 Result		12/2009 Result		Changes		12/2010 Estimate		12/2009 Result	
	1Q(3months)		1Q(3months)		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	Millions of yen	Millions of yen
Automotive	7,005	9,988	-2,983	-29.9%			16,000	36,000	18,369	37,192
Japan	3,121	4,200	-1,079	-25.7%			5,100	12,000	7,166	12,988
Asia	910	1,172	-261	-22.3%			2,700	6,600	3,371	6,515
Americas	1,225	2,010	-785	-39.1%			2,800	6,400	3,220	6,504
Europe	1,747	2,604	-856	-32.9%			5,400	11,000	4,610	11,182
Analytical	8,370	8,182	+188	+2.3%			16,000	35,000	15,574	32,525
Japan	4,531	4,333	+198	+4.6%			7,100	14,800	6,972	13,540
Asia	1,142	851	+290	+34.1%			2,600	5,300	2,376	5,150
Americas	1,198	1,376	-177	-12.9%			2,800	6,300	2,785	5,537
Europe	1,498	1,621	-122	-7.5%			3,500	8,600	3,440	8,297
Medical	5,417	5,076	+340	+6.7%			11,000	24,000	10,710	22,337
Japan	1,026	1,181	-154	-13.1%			2,100	5,100	2,157	4,322
Asia	443	294	+149	+50.6%			900	2,000	825	1,899
Americas	1,443	1,201	+241	+20.1%			2,900	6,200	2,671	5,665
Europe	2,503	2,400	+103	+4.3%			5,100	10,700	5,055	10,449
Semiconductor	6,023	2,203	+3,819	+173.3%			12,000	23,000	4,376	12,483
Japan	2,626	1,379	+1,247	+90.5%			5,300	9,900	2,477	6,518
Asia	1,179	333	+846	+254.1%			2,300	4,500	789	2,424
Americas	1,078	211	+867	+410.6%			2,200	4,300	525	1,895
Europe	1,138	280	+858	+306.5%			2,200	4,300	584	1,645
Total	26,817	25,451	+1,365	+5.4%			55,000	118,000	49,031	104,538

4. Consolidated Financial Results (Quarterly Comparison)

	12/2010			12/2009			
	1Q Result	2Q Estimate	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	26,817	28,182	63,000	25,451	23,579	23,620	31,886
Operating Income	1,990	1,509	5,000	2,043	(425)	521	3,004
<i>Operating Income Ratio</i>	7.4%	5.4%	7.9%	8.0%	(1.8%)	2.2%	9.4%
Ordinary Income	1,963	1,436	4,400	1,887	(176)	467	3,096
<i>Ordinary Income Ratio</i>	7.3%	5.1%	7.0%	7.4%	(0.7%)	2.0%	9.7%
Net Income	1,383	1,016	2,600	967	53	265	1,875
<i>Net Income Ratio</i>	5.2%	3.6%	4.1%	3.8%	0.2%	1.1%	5.9%
US\$	90.69	89.31	90.00	93.76	97.42	93.70	89.72
Euro	125.49	124.51	125.00	122.01	132.83	133.90	132.66

5. Consolidated Segment Results (Quarterly Comparison)

Net Sales	12/2010			12/2009			
	1Q Result	2Q Estimate	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	7,005	8,994	20,000	9,988	8,380	7,742	11,080
Analytical	8,370	7,629	19,000	8,182	7,391	7,175	9,776
Medical	5,417	5,582	13,000	5,076	5,633	5,478	6,148
Semiconductor	6,023	5,976	11,000	2,203	2,173	3,224	4,881
Total	26,817	28,182	63,000	25,451	23,579	23,620	31,886

Operating Income	12/2010			12/2009			
	1Q Result	2Q Estimate	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	(327)	27	900	1,415	(20)	(330)	746
Analytical	567	32	900	682	(115)	185	767
Medical	494	305	1,300	302	477	473	659
Semiconductor	1,256	1,143	1,900	(357)	(766)	194	830
Total	1,990	1,509	5,000	2,043	(425)	521	3,004

6. Consolidated Orders and Backlog Information (Quarterly Comparison)

Orders	12/2010			12/2009			
	1Q Result	2Q Estimate	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	10,357	-	-	5,527	8,530	8,648	8,128
Analytical	8,213	-	-	6,795	7,827	7,668	9,101
Medical	5,725	-	-	5,575	5,513	5,512	5,910
Semiconductor	6,827	-	-	1,580	2,526	3,809	5,338
Total	31,124	-	-	19,478	24,397	25,638	28,479

Backlog	12/2010			12/2009			
	1Q Result	2Q Estimate	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	19,104	-	-	17,649	17,798	18,704	15,753
Analytical	7,216	-	-	7,119	7,555	8,047	7,373
Medical	2,327	-	-	2,343	2,223	2,256	2,019
Semiconductor	2,981	-	-	782	1,135	1,720	2,177
Total	31,630	-	-	27,894	28,712	30,730	27,323

7. Capital Expenditures, Depreciation and R&D Expenses

	12/2010		12/2009	
	1Q Result	Full-year Estimate	1Q Result	Full-year Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Capital Expenditures (*)	680	4,500	1,544	4,534
Depreciation	1,048	4,500	1,025	4,573
R&D Expenses	2,359	10,000	2,177	9,831

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

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