Consolidated Financial Statements for the Year Ended December 31, 2010
(Japanese GAAP)

February 15, 2011

Company name	**HORIBA, Ltd.**	Listed stock exchanges: Tokyo, Osaka
Listing code	6856	URL: http://www.horiba.com
Representative	Atsushi Horiba, Chairman, President and CEO	
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(Figures have been rounded down to the nearest million yen)

1. Consolidated Results for the Year Ended December 31, 2010 (January 1, 2010 - December 31, 2010)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 12/31/10	118,556	13.4	12,299	139.1	12,309	133.4	7,927	150.7
Year ended 12/31/09	104,538	-22.1	5,144	−53.1	5,274	-47.5	3,161	-47.6

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended 12/31/10	187.46	187.11	9.7	9.2	10.4
Year ended 12/31/09	74.77	74.68	4.0	4.0	4.9

(Reference) Equity in earnings of affiliates accounted for by the equity method
Year ended December 31, 2010: ¥ 12 million; Year ended December 31, 2009: ¥ (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 12/31/10	137,290	84,155	61.2	1,986.77
As of 12/31/09	129,580	79,977	61.7	1,889.58

(Reference) Net assets excluding subscription rights to shares and minority interests in consolidated subsidiaries
As of December 31, 2010: 84,019 million yen; As of December 31, 2009: 79,906 million yen.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 12/31/10	11,964	(2,821)	(1,028)	34,459
Year ended 12/31/09	13,711	(4,191)	(4,722)	27,590

2. Dividends

	Dividend per share					Total Dividends (Annual)	Payout Ratio (Consolidated)	Dividends to Net Assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of Year	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended 12/31/09	-	6.00	-	7.00	13.00	549	17.4	0.7
Year ended 12/31/10	-	6.00	-	11.00	17.00	718	9.1	0.9
Year ending 12/31/11 (Forecast)	-	9.00	-	13.00	22.00		11.6	

3. Consolidated Forecast for the Year Ending December 31, 2011 (January 1, 2011 - December 31, 2011)

(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	58,000	5.3	5,000	8.5	5,000	7.8	3,300	9.8	78.03
Full year	120,000	1.2	12,500	1.6	12,500	1.6	8,000	0.9	189.17

4. Others

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

(2) Changes in accounting principles, procedures and disclosures for consolidated financial statements
① Changes due to revisions in accounting standards: Yes
② Changes other than the above: None
(Note) Please see "Significant Changes in the Basis of Presentation of the Consoldiated Financial Statements" on page 15 for further details.

(3) Number of shares outstanding (common stock)

	December 31, 2010	December 31, 2009
① Shares issued (including treasury stock)	42,532,752	42,532,752
② Treasury stock	243,055	244,951

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Results for the Year Ended December 31, 2010 (January 1, 2010 - December 31, 2010)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 12/31/10	45,243	6.8	2,418	329.6	3,739	83.7	2,370	29.4
Year ended 12/31/09	42,366	-22.2	563	-89.6	2,035	-74.8	1,831	-70.5

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
Year ended 12/31/10	56.04	55.94
Year ended 12/31/09	43.32	43.27

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of 12/31/10	95,212	67,804	71.1	1,600.34
As of 12/31/09	90,539	65,946	72.8	1,558.08

(Reference) Net assets excluding subscription rights to shares
As of December 31, 2010: ¥ 67,677 million; As of December. 31, 2009: ¥ 65,887 million

2. Non-Consolidated Forecast for the Year Ending December 31, 2011 (January 1, 2011 - December 31, 2011)

(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	24,000	11.1	800	(0.3)	3,000	95.7	2,500	171.5	59.12
Full year	48,000	6.1	2,500	3.4	4,500	20.3	3,000	26.6	70.94

（Note）Appropriate use of business forecasts and other important information

The business forecasts stated herein are based on information currently available and certain assumptions for factors which may affect business results. Actual results may differ from the forecasts due to a range of factors. For additional information, please see "1. Operating Results" on page 5.

1. Operating Results

(1) Operating Results Analysis

(For details, see page 16, “4. Supplemental Information – HORIBA, Ltd. Financial Highlights for the Year Ended December 31, 2010”)

(i) Operating Results for the year ended December 31, 2010

During the fiscal year ended December 31, 2010, the global economy continued to experience a difficult environment such as a high level of unemployment but it recovered moderately thanks to economic stimulative measures introduced by national governments. The Japanese economy also saw a moderate recovery thanks to the impact of government economic measures and export growth to emerging markets, but the recovery has been stalled since autumn. The deflationary trend was sustained and the employment environment continued to be challenging. The business environment also remained uncertain and difficult, influenced by factors such as the sharp appreciation of the yen and the financial problems in Europe. The yen appreciated for the second consecutive year by approximately 7% against the U.S. dollar and 12% against the euro in fiscal 2010, resulting in an annual average rate of 87.79 yen and 116.27 yen, respectively.

In the analytical instruments industry, the anticipated growth in capital expenditures driven by an improvement in profits at automobile manufacturers turned out to be a continued mild recovery in development investment. In contrast, semiconductor manufacturers increased their capital expenditures, which led to a boom in the market related to semiconductor manufacturing equipment. In the meantime, the general weakening trend in product pricing continued from the backdrop of the strong yen and intensifying competition.

In the face of these economic conditions, HORIBA, Ltd. (“the Company”) and its consolidated subsidiaries (together “the HORIBA Group” or “HORIBA” as a consolidated group) implemented cost reduction measures such as the use of “shared services” (consolidation of common services in several organizations to make them more efficient and specialized) and revisions in the allocation of human resources, in order to improve profitability. At the same time, the Semiconductor Instruments & Systems segment expanded production capacity in Japan and overseas in order to satisfy growth in demand on a timely basis.

As a result of such measures and sales efforts, sales increased by 13.4% from a year earlier to 118,556 million yen. Operating income and ordinary income amounted to 12,299 million yen and 12,309 million yen, recording significant year-on-year growth of 139.1% and 133.4%, respectively. Net income surged 150.7% year on year to 7,927 million yen, due in part to a reaction to the posting of a loss on valuation of inventories in accordance with changes in accounting standards in the previous fiscal year.

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

(Automotive Test Systems)

Sales were sluggish because of the impact of investment cutbacks in the automotive industry in Japan, Europe and the United States. In addition, overseas sales also decreased in value on conversion to yen and profits deteriorated due to the strength of the yen. Regarding emission measurement systems, HORIBA's major product, while sales in the Asian market in countries such as China and India were solid due to an increase in investment by local manufacturers, a decrease in demand in developed countries and the strong yen resulted in a decrease in sales and earnings. Beside, the automotive development test systems (DTS) business posted an operating loss because of a deterioration in profitability stemming from a drop in demand in Europe, in particular. Consequently, sales in the segment decreased by 3.9% from the previous year to 35,751 million yen, and operating income amounted to 1,632 million yen, down 9.8%.

(Analytical Instruments & Systems)

In Europe and the United States, clients' investments stemming from economic measures introduced by national governments tapered off, and overseas sales declined in value on conversion to yen due to the appreciation of the yen. In contrast, analytical instruments and systems for analysis of cutting-edge materials that are developed and manufactured in France performed steadily in Japan, supported by the depreciation of the euro. Together with some recovery in sales prices, these factors contributed to an improvement in domestic profitability. As a result, segment sales edged up 0.3% year on year to 32,613 million yen, and the segment reported an operating profit of 1,995 million yen, up 31.3% from the previous year.

(Medical-Diagnostic Instruments & Systems)

The strong yen led to a sales decline on conversion to yen in Europe, where roughly half of segment sales are generated, but sales of hematology analyzers were brisk in various countries. With regard to profit, in addition to an increase in sales of testing reagents in tandem with the growth of the installed base of instruments, the impact of cost reduction stemming from the restructuring in the United States greatly contributed to profit. In light of these factors, segment sales reached 22,514 million yen, up 0.8% year on year, and operating income rose 21.8% to 2,330 million yen.

(Semiconductor Instruments & Systems)

Reflecting growth in capital investment by manufacturers of production equipment for silicon semiconductors and light-emitting diodes (LEDs), sales of HORIBA's main products in this segment, namely, mass flow controllers and chemical concentration monitors, grew significantly. However, production adjustments by LED manufacturing equipment makers through the fourth quarter caused a slight dip in segment sales. Consequently, segment sales amounted to 27,676 million yen, up 121.7% year on year, and the segment reported an operating profit of 6,340 million yen, versus an operating loss of 98 million yen in the previous year.

(ii) Outlook for the Year Ending December 31, 2011

The outlook for the global economy remains uncertain while the appreciation of the yen is likely to continue to depress earnings. However, a recovery in development investment is expected in the automotive and other manufacturing industries. The semiconductor industry is experiencing temporary sluggishness but is also anticipated to recover. Against this background, HORIBA's forecasts for fiscal 2011 are shown below.

Our assumed foreign exchange rates are 80 yen against the U.S. dollar (vs. 87.79 yen in fiscal 2010) and 110 yen against the euro (vs. 116.27 yen in fiscal 2010).

Net sales of 120,000 million yen, up 1.2% y-o-y

Net sales are expected to increase by 1,443 million yen from the previous year to 120,000 million yen. Sales in the Automotive Test Systems segment are expected to be recovered from the second half of the fiscal year, on the back of a gradual pick-up in R&D investments and capital expenditures at automotive manufacturers, our major clients.

In the Analytical Instruments & Systems segment, there is concern regarding a decline in demand, stemming from a cutback in government-related investments in Japan, but analytical instruments and systems for analysis of cutting-edge materials and those that cope with various environmental regulations are expected to see a recovery in demand in Japan and overseas.

In the Medical-Diagnostic Instruments & Systems segment, sales of hematology analyzers are projected to grow and sales of testing reagents are likely to expand in line with an increase in the number of installed systems.

The Semiconductor Instruments & Systems segment anticipates that demand for semiconductor and LED manufacturing equipment will continue to be firm but is projecting a decline in sales prices owning to the strong yen and intensifying competition. In light of such projections, sales of the Group's major products, primarily mass flow controllers and chemical concentration monitors, are expected to decrease slightly.

Operating income of 12,500 million yen, up 1.6% y-o-y

Operating income is likely to increase by 200 million yen from the previous year to 12,500 million yen. In addition to improvement in earnings of all segments excluding the Semiconductor Instruments & Systems segment due to sales growth, continued cost reduction efforts are expected to improve profits.

Ordinary income of 12,500 million yen, up 1.6% y-o-y

Ordinary income is expected to rise by 190 million yen from the previous year to 12,500 million yen. Assuming foreign exchange losses and other uncertain non-operating expenses, as well as due consideration for other revenues, a non-operating balance of zero yen has been incorporated in our forecasts.

Net income of 8,000 million yen, up 0.9% y-o-y

Assuming the generation of some extraordinary losses, a net extraordinary loss of 500 million yen has been incorporated in our forecasts. As a result, net income is forecast to increase by 72 million yen from the previous year to 8,000 million yen.

Disclosure of business segments will change from the current 4 segments to 5 segments from the next fiscal year, which began on January 1, 2011. Specifically, Analytical Instruments & Systems will be split into the Scientific Instruments & Systems segment (scientific analysis instruments) and the Process and

Environmental Instruments & Systems segment (environmental measuring instruments). The three other segments remain unchanged.

(Note) The above forecasts have been made on the basis of information available as of February 15, 2011, but owing to the existence of various uncertain elements, it is possible that actual performance will vary considerably from those forecasts.

(2) Basic Policy for Profit Distribution and Dividends for the Year Ended December 31, 2010 and the Year Ending December 31, 2011

The Company's basic policy regarding dividends is to maintain its standard payout ratio in which the total dividend payment amount is equal to 30% of the 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. Thus, 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. In addition, the Company intends to appropriate internal reserves for retained earnings as working capital for business expansion, capital expenditures and investments in research and development, with the aim of improving corporate value in the medium to long term.

According to its basic policy, HORIBA has decided to pay a year-end dividend of 11 yen per share. Combined with the interim dividend that has been paid out, the annual dividend is 17 yen. For the next fiscal year ending December 31, 2011, the annual dividend per share is projected to be 22 yen, an increase of 5 yen from year 2010.

(3) Business risks

Disclosure is omitted as there have been no significant changes since the latest annual securities report that was submitted on March 29, 2010.

2. Management Policies

(1) Basic Management Policies

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

(2) Management Target Indices

The HORIBA Group endeavored to achieve net sales of 150 billion yen, an operating income margin of 10.0% or more, and ROE (return on equity) of at least 11.0% in the Mid-Long Term Management Plan that set fiscal 2010 as its final year. In this final year, due to sharp deterioration in the economic environment that began in 2008, sales fell short of the 150 billion yen target. However the Group recorded an operating income margin of 10.4% and achieved the target of operating income margin, by promoting group-wide cost reductions and an improvement in the earnings structure.

Upon the completion of the previous Mid-Long Term Management Plan, we have established the next Mid-Long Term Management Plan. Under this new plan, we will implement various measures in order to achieve the new targets of 150 billion yen in net sales, an operating income margin of 13% or more, and a ROE of at least 11% by the Plan’s final year of fiscal 2015.

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

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

Moreover, we aim to evolve and perfect the management principle of the “HORIBA Group is One Company.” which was launched in fiscal March 2004, and establish a corporate structure that enables us to generate steady high earnings.

The primary measures of the Mid-Long Term Management Plan for fiscal 2011 to fiscal 2015 are as follows:

- **Primary measure 1: Building a corporate structure that enables us to generate stable high earnings**

1. Select and invest heavily in focused businesses

Thanks to aggressive investments under the previous Mid-Long Term Management Plan, the medical-diagnostic and semiconductor businesses have grown to contribute to HORIBA’s overall earnings, with to their high profitability. In other words, focused investments in these two businesses have changed HORIBA’s earnings structure from being highly dependent on the automotive business to be becoming more well-balanced earnings structure that enable us to generate stable high earnings. In addition, we plan to focus on water quality-related products which belong to the environmental, scientific, and semiconductor businesses. Because of their high near-term growth potential, we will concentrate our human and R&D resources in this area and accelerate its global development.

Regarding the automotive business, the MCT (Mechatronics) business* has driveline-related products with high growth potential in the development of next-generation automobiles. We aim to expand the business and generating an early turnaround in profitability, by investing in the launch of new products and achieving further efficiency.

2. From business expansion driven by “technology development” to business expansion focused on “customer oriented business model”

The HORIBA Group has developed product with its unique technologies and has provided distinguished products to customers in the niche “analysis” market. Going forward, we will add application technologies to products and transform our business model so that we can provide customers with proposals for efficiency and laborsaving. By making proposals that encompass measurement methods and software, we will create the industry standard, expand market share in each of the five business area, and thereby aim to become a global leader in the analysis and measurement market.

- **Primary measure 2: Evolving and perfecting “One Company Management”**

1. Organizational reform to enhance the corporate structure

With the aim of becoming a highly profitable company and enhance its global leadership as the headquarters, HORIBA’s headquarters restructured its organization in January 2011. Going forward, the R&D Division, where operations have been separated by business segment, will be reorganized by function so that intra-segment information is shared and the capability to propose solutions is enhanced. We will also enhance the speed and quality of decision-making by clearly defining the responsibilities of persons in charge of development, production, and sales, who will work under a newly-appointed person in charge of overall business strategies.

2. Efficient management by region

During the previous Management Plan, shared services which had been successful in the U.S., was implemented in Japan. Going forward, we will introduce “shared services” in Europe and Asia with reference to successful examples in the U.S. and Japan. We will also promote further efficiency by speeding up management decision-making, and achieving a more specialized level of operations and cost reduction.

- **Primary measure 3: Accelerating establishment of global development and production system**

The HORIBA Group will make further progress in establishing footprints, mainly in Asian countries. In 2011, the first year of the new Management Plan, a representative office was established as a foothold for business expansion in Vietnam, where striking economic growth is being achieved even among South-East Asian countries. In addition, the semiconductor business will expand production, with a joint-venture factory ready to start operation soon in Beijing (China), while the medical-diagnostic business will strive to expand business in South America by relocating and strengthening the reagent plant in Brazil. We will also accelerate the building of footholds for the medical-diagnostic and automotive businesses, where growth in demand is highly anticipated.

* The MCT (Mechatronics) business is the automotive measurement instruments business that was acquired from Carl Schenck AG in Germany in 2005.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Amount: millions of yen

	FY2009 (As of December 31, 2009)	FY2010 (As of December 31, 2010)
Assets		
Current Assets:		
Cash and bank deposits	21,520	26,958
Trade notes and accounts receivable	34,511	36,427
Marketable securities	6,465	7,638
Merchandise and finished goods	7,809	8,341
Work in process	8,468	8,781
Raw materials and supplies	7,086	7,720
Deferred tax assets	2,080	2,930
Other current assets	2,788	2,092
Allowance for doubtful accounts	(825)	(765)
Total Current Assets	89,904	100,124
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and structures, net	9,604	8,653
Machinery, equipment and vehicles, net	3,985	3,295
Land	7,153	7,272
Construction in progress	156	743
Other property, plant and equipment, net	2,702	2,551
Total Property, Plant and Equipment	23,602	22,516
Intangibles:		
Goodwill	293	210
Software	5,727	4,787
Other intangibles	563	373
Total Intangibles	6,585	5,371
Investments and Other Non-Current Assets:		
Investment securities	4,482	4,123
Deferred tax assets	2,216	2,129
Other investments and other assets	2,923	3,231
Allowance for doubtful accounts	(133)	(205)
Total Investments and Other Non-Current Assets	9,488	9,278
Total Fixed Assets	39,676	37,166
Total Assets	129,580	137,290

Amount: millions of yen

	FY2009 (As of December 31, 2009)	FY2010 (As of December 31, 2010)
Liabilities		
Current Liabilities:		
Trade notes and accounts payable	10,567	13,484
Short-term loans payable	6,618	5,575
Accounts payable - other	8,403	8,540
Accrued income taxes	666	3,458
Deferred tax liabilities	24	34
Accrued bonuses to employees	835	647
Accrued bonuses to directors and corporate auditors	16	106
Reserve for product warranty	898	1,098
Other current liabilities	6,153	4,751
Total Current Liabilities	34,183	37,695
Non-Current Liabilities:		
Corporate bonds	10,000	10,000
Long-term loans payable	1,730	1,195
Deferred tax liabilities	30	113
Employees' retirement benefits	1,675	1,734
Directors' and corporate auditors' retirement benefits	254	248
Reserve for loss on guarantees	56	67
Provision for compensation losses	-	429
Other non-current liabilities	1,673	1,651
Total Non-Current Liabilities	15,420	15,439
Total Liabilities	49,603	53,135
Net Assets		
Shareholders' Equity		
Common stock	12,011	12,011
Capital surplus	18,717	18,717
Retained earnings	51,095	58,468
Treasury stock	(811)	(804)
Total Shareholders' Equity	81,012	88,392
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	932	897
Foreign currency translation adjustments	(2,039)	(5,269)
Total Valuation and Translation Adjustments	(1,106)	(4,372)
Subscription Rights to Shares	59	126
Minority Interests in Consolidated Subsidiaries	11	9
Total Net Assets	79,977	84,155
Total Liabilities and Net Assets	129,580	137,290

(2) Consolidated Statements of Income

Amount: millions of yen

	FY2009 (For the year ended December 31, 2009)	FY2010 (For the year ended December 31, 2010)
Net sales	104,538	118,556
Cost of sales	58,713	66,153
Gross Income	45,825	52,402
Selling, general and administrative expenses	40,680	40,102
Operating Income	5,144	12,299
Non-Operating Income		
Interest income	164	111
Dividend income	72	73
Foreign exchange gain	90	31
Subsidy income	100	-
Other	504	376
Total non-operating income	932	593
Non-Operating Expense		
Interest expense	664	488
Other	137	95
Total non-operating expense	802	584
Ordinary Income	5,274	12,309
Extraordinary Gain		
Gain on sale of fixed assets	7	313
Gain on sale of investment securities	7	5
Reversal of allowance for doubtful accounts	-	16
Total extraordinary gain	14	335
Extraordinary Loss		
Loss on sale of fixed assets	7	25
Loss on disposal of fixed assets	37	112
Loss on impairment of fixed assets	235	40
Loss on sales of investment securities	-	0
Loss on valuation of investment securities	6	203
Loss on valuation of shares of affiliated companies	20	-
Reserve for loss on guarantees	4	11
Provision for compensation losses	-	299
Loss on valuation of inventories	472	-
Retirement benefits expense	110	-
Office transfer expenses	-	68
Other	0	-
Total extraordinary loss	895	761
Income before Income Taxes	4,393	11,882
Income taxes (current)	1,388	4,945
Income taxes (deferred)	(155)	(990)
Income Taxes	1,233	3,955
Minority interests (losses) in earnings of consolidated subsidiaries	(1)	(0)
Net Income	3,161	7,927

(3) Consolidated Statement of Changes in Net Assets

Amount: millions of yen

	FY2009 (For the year ended December 31, 2009)	FY2010 (For the year ended December 31, 2010)
Shareholders' Equity		
Common Stock		
Beginning balance	12,006	12,011
Changes during the period		
Issuance of new shares (exercise of subscription rights to shares)	4	-
Total changes during the period	4	-
Ending balance	12,011	12,011
Capital Surplus		
Beginning balance	18,712	18,717
Changes during the period		
Issuance of new shares (exercise of subscription rights to shares)	4	-
Total changes during the period	4	-
Ending balance	18,717	18,717
Retained Earnings		
Beginning balance	49,538	51,095
Movement by the change of accounting treatment in foreign affiliates	(125)	-
Changes during the period		
Dividend from earnings	(1,479)	(549)
Net income	3,161	7,927
Disposal of treasury stock	-	(4)
Total changes during the period	1,681	7,373
Ending balance	51,095	58,468
Treasury Stock		
Beginning balance	(810)	(811)
Changes during the period		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	-	6
Total changes during the period	(0)	6
Ending balance	(811)	(804)
Total Shareholders' Equity		
Beginning balance	79,447	81,012
Movement by the change of accounting treatment in foreign affiliates	(125)	-
Changes during the period		
Issuance of new shares (exercise of subscription rights to shares)	9	-
Dividend from earnings	(1,479)	(549)
Net income	3,161	7,927
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	-	2
Total changes during the period	1,689	7,379
Ending balance	81,012	88,392

Amount: millions of yen

	FY2009 (For the year ended December 31, 2009)	FY2010 (For the year ended December 31, 2010)
Valuation and Translation Adjustments		
Net Unrealized Holding Gains on Securities		
Beginning balance	463	932
Changes during the period		
Others	469	(35)
Total changes during the period	469	(35)
Ending balance	932	897
Foreign Currency Translation Adjustments		
Beginning balance	(3,083)	(2,039)
Changes during the period		
Others	1,043	(3,230)
Total changes during the period	1,043	(3,230)
Ending balance	(2,039)	(5,269)
Total Valuation and Translation Adjustments		
Beginning balance	(2,619)	(1,106)
Changes during the period		
Others	1,512	(3,265)
Total changes during the period	1,512	(3,265)
Ending balance	(1,106)	(4,372)
Subscription Rights to Shares		
Beginning balance	-	59
Changes during the period		
Others	59	67
Total changes during the period	59	67
Ending balance	59	126
Minority Interests		
Beginning balance	13	11
Changes during the period		
Others	(1)	(2)
Total changes during the period	(1)	(2)
Ending balance	11	9
Total Net Assets		
Beginning balance	76,841	79,977
Movement by the change of accounting treatment in affiliates	(125)	-
Changes during the period		
Issuance of new shares (exercise of subscription rights to shares)	9	-
Dividend from Earnings	(1,479)	(549)
Net Income	3,161	7,927
Acquisition of Treasury Stock	(0)	(0)
Disposal of Treasury Stock		2
Others	1,570	(3,201)
Total Changes during the Period	3,260	4,178
Ending Balance	79,977	84,155

(4) Consolidated Statements of Cash Flows

Amount: millions of yen

	FY2009 (For the year ended December 31, 2009)	FY2010 (For the year ended December 31, 2010)
Cash Flows from Operating Activities:		
Income before income taxes	4,393	11,882
Depreciation expense	4,536	4,489
Loss on impairment of fixed assets	235	40
Amortization of goodwill	36	34
Increase (decrease) in allowance for doubtful receivables	277	165
Increase (decrease) in employees' retirement benefits	44	197
Increase (decrease) in directors' and corporate auditors' retirement benefits	(641)	(6)
Increase (decrease) in provision for compensation losses	-	429
Interest and dividend income	(237)	(185)
Interest expense	664	488
Foreign exchange losses (gains)	42	64
Loss (gain) on sale of fixed assets	0	(287)
Loss on disposal of fixed assets	37	112
Loss (gain) on valuation of marketable securities	2	4
Loss (gain) on sale of marketable securities	0	-
Loss on valuation of shares of affiliates	20	-
Loss (gain) on valuation of investment securities	6	203
Loss (gain) on sale of investment securities	(7)	(4)
Decrease (increase) in trade notes and accounts receivable	3,576	(4,985)
Decrease (increase) in inventories	6,744	(3,689)
Increase (decrease) in trade notes and accounts payable	(769)	3,933
Other, net	(2,141)	535
Subtotal	16,821	13,423
Interest and dividends received	253	189
Interest paid	(699)	(503)
Income taxes (paid) refund	(2,663)	(1,144)
Net Cash Provided by (used in) Operating Activities	13,711	11,964
Cash Flows from Investing Activities:		
Increase in time deposits	(151)	(655)
Decrease in time deposits	3	804
Increase in time deposits restricted for use	-	(262)
Decrease in time deposits restricted for use	700	-
Payments for purchase of marketable securities	(323)	(228)
Proceeds from sale of marketable securities	99	456
Payments for purchase of property, plant and equipment	(3,940)	(3,280)
Proceeds from sale of property, plant and equipment	282	608
Payments for purchase of intangibles	(487)	(187)
Payments for purchase of investment securities	(214)	(101)
Proceeds from sale or redemption of investment securities	27	87
Payments for purchase of investments in newly consolidated subsidiaries	(122)	-
Payments of loans receivable	(0)	(79)
Collection of loans receivable	2	24
Other, net	(66)	(7)
Net Cash Provided by (used in) Investing Activities	(4,191)	(2,821)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term borrowings	(2,157)	(38)
Increase in long-term debt	20	341
Repayments of long-term debt	(872)	(543)
Repayments of finance lease obligations	(238)	(237)
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	9	-
Net decrease (increase) of treasury stock	-	(0)
Payments for purchase of treasury stock	(0)	-
Cash dividends paid	(1,480)	(550)
Net Cash Provided by (used in) Financing Activities	(4,722)	(1,028)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	133	(1,244)
Net Increase (Decrease) in Cash and Cash Equivalents	4,930	6,868
Cash and Cash Equivalents at Beginning of Period	22,660	27,590
Cash and Cash Equivalents at End of Period	27,590	34,459

Notes related to Going Concern

None

Important Items Regarding the Preparation of the Consolidated Financial Statements

With the exception of significant changes in the basis of preparation of the consolidated financial statements, disclosure of the important items regarding the preparation of the consolidated financial statements has been omitted, as there were no significant changes from the matters disclosed in the Annual Securities Report (released on March 29, 2010.)

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

1. Changes in accounting practices

(1) Retirement benefits

Effective fiscal 2010, the Company has adopted the "Partial Revisions to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008).

This application had no impact on operating income, ordinary income and income before income taxes.

(2) Accounting standard for sales and costs of completed construction

With regard to the standards for recording income relating to contract works, the Company previously applied mainly the completed contract method. Since fiscal 2010, however, the Company has applied the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). Accordingly, starting with construction contracts that commenced during 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 fiscal 2010 is deemed certain. In the case of other construction, the completed contract method has been applied.

This application had no impact on operating income, ordinary income and income before income taxes.

2. Changes in methods of presentation

(Consolidated Statements of Income)

"Subsidy income" (which amounted to 34 million yen in fiscal 2010) was presented as a separate category until fiscal 2009 but has been included in "Other income," as it represented less than 10% of the total amount of non-operating income.

3. Additional information

(Consolidated taxation system)

The Company and certain of its consolidated subsidiaries have received approval from the Commissioner of the National Tax Agency of Japan to adopt the consolidated taxation system effective fiscal 2011 ending December 31, 2011. From fiscal 2010 ended December 31, 2010, accounting treatment and presentation regarding deferred taxes have been based on the "Practical Solution on Tax Effect Accounting under the Consolidated Taxation System (Part 1)" (ASBJ PITF No. 5), and the "Practical Solution on Tax Effect Accounting under the Consolidated Taxation System (Part 2)" (ASBJ PITF No. 7) under the assumption that the Company would adopt the consolidated taxation system.

4. Supplemental Information

HORIBA, Ltd. Financial Highlights for the Year Ended December 31, 2010

1. Consolidated Financial Results

Millions of yen

	12/2010 Result	12/2009 Result	Changes from Previous Year		12/2011 Estimate	Changes from Previous Year	12/2011 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st half**	Amount
Net Sales	**118,556**	104,538	+14,017	+13.4%	**120,000**	+1,443	**58,000**	+2,898
Operating Income	**12,299**	5,144	+7,155	+139.1%	**12,500**	+200	**5,000**	+393
Operating Income Ratio	***10.4%***	*4.9%*	*+5.5P*		***10.4%***	*+0.0P*	***8.6%***	*+0.2P*
Ordinary Income	**12,309**	5,274	+7,034	+133.4%	**12,500**	+190	**5,000**	+363
Ordinary Income Ratio	***10.4%***	*5.0%*	*+5.4P*		***10.4%***	*+0.0P*	***8.6%***	*+0.2P*
Net Income	**7,927**	3,161	+4,765	+150.7%	**8,000**	+72	**3,300**	+293
Net Income Ratio	***6.7%***	*3.0%*	*+3.7P*		***6.7%***	*+0.0P*	***5.7%***	*+0.2P*
US$	**87.79**	93.65	-5.86		**80.00**	-7.79	**80.00**	-11.36
Euro	**116.27**	130.35	-14.08		**110.00**	-6.27	**110.00**	-11.22

2. Consolidated Segment Results

Millions of yen

Net Sales	12/2010 Result	12/2009 Result	Changes from Previous Year		12/2011 Estimate	Changes from Previous Year	12/2011 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st half**	Amount
Automotive	**35,751**	37,192	-1,441	-3.9%	**37,000**	+1,248	**17,500**	+2,386
Analytical	**32,613**	32,525	+87	+0.3%	**33,000**	+386	**16,000**	+345
(Scientific)	***20,825***	*20,503*	*+322*	*+1.6%*	***21,000***	*+174*	***10,000***	*+111*
(Process&Environmental)	***11,787***	*12,022*	*-234*	*-2.0%*	***12,000***	*+212*	***6,000***	*+234*
Medical	**22,514**	22,337	+177	+0.8%	**23,000**	+485	**11,500**	+372
Semiconductor	**27,676**	12,483	+15,193	+121.7%	**27,000**	-676	**13,000**	-206
Total	**118,556**	104,538	+14,017	+13.4%	**120,000**	+1,443	**58,000**	+2,898

Operating Income	12/2010 Result	12/2009 Result	Changes from Previous Year		12/2011 Estimate	Changes from Previous Year	12/2011 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st half**	Amount
Automotive	**1,632**	1,810	-177	-9.8%	**1,700**	+67	**200**	+368
Analytical	**1,995**	1,519	+475	+31.3%	**2,200**	+204	**800**	+160
(Scientific)	***1,120***	*1,246*	*-126*	*-10.1%*	***1,200***	*+79*	***300***	*+26*
(Process&Environmental)	***875***	*273*	*+602*	*+220.2%*	***1,000***	*+124*	***500***	*+134*
Medical	**2,330**	1,912	+417	+21.8%	**2,600**	+269	**1,200**	+109
Semiconductor	**6,340**	(98)	+6,439	-	**6,000**	-340	**2,800**	-243
Total	**12,299**	5,144	+7,155	+139.1%	**12,500**	+200	**5,000**	+393

(Note 1.) Beginning from the next fiscal year, we will split Analytical Instruments & Systems segment into the Scientific Instruments & Systems segment and the Process and Environmental Instruments & Systems segment based on management approach. Accordingly, we disclose the information for your information.

3. Consolidated Segment Sales by Region

Millions of yen

	12/2010 Result	12/2009 Result	Changes from Previous Year		12/2011 Estimate	Changes from Previous Year	12/2011 Estimate	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**1st half**	Amount
Automotive	**35,751**	37,192	-1,441	-3.9%	**37,000**	+1,248	**17,500**	+2,386
Japan	**12,016**	12,988	-972	-7.5%	**15,000**	+2,983	**7,900**	+2,130
Asia	**6,244**	6,515	-270	-4.2%	**6,800**	+555	**3,000**	+517
Americas	**5,926**	6,504	-578	-8.9%	**5,700**	-226	**2,600**	+376
Europe	**11,563**	11,182	+380	+3.4%	**9,500**	-2,063	**4,000**	-638
Analytical	**32,613**	32,525	+87	+0.3%	**33,000**	+386	**16,000**	+345
Japan	**14,048**	13,540	+508	+3.8%	**15,200**	+1,151	**7,800**	+535
Asia	**5,855**	5,150	+705	+13.7%	**5,100**	-755	**2,400**	-147
Americas	**5,522**	5,537	-14	-0.3%	**5,500**	-22	**2,500**	-43
Europe	**7,186**	8,297	-1,111	-13.4%	**7,200**	+13	**3,300**	+1
(Scientific)	***20,825***	*20,503*	*+322*	*+1.6%*	***21,000***	*+174*	***10,000***	*+111*
Japan	***6,689***	*6,207*	*+481*	*+7.8%*	***7,500***	*+810*	***3,700***	*+220*
Asia	***4,225***	*3,537*	*+688*	*+19.5%*	***3,600***	*-625*	***1,800***	*-79*
Americas	***4,396***	*4,451*	*-55*	*-1.3%*	***4,400***	*+3*	***2,000***	*+50*
Europe	***5,514***	*6,305*	*-791*	*-12.6%*	***5,500***	*-14*	***2,500***	*-80*
(Process&Environmental)	***11,787***	*12,022*	*-234*	*-2.0%*	***12,000***	*+212*	***6,000***	*+234*
Japan	***7,359***	*7,332*	*+27*	*+0.4%*	***7,700***	*+340*	***4,100***	*+314*
Asia	***1,629***	*1,612*	*+16*	*+1.0%*	***1,500***	*-129*	***600***	*-68*
Americas	***1,126***	*1,085*	*+40*	*+3.8%*	***1,100***	*-26*	***500***	*-94*
Europe	***1,671***	*1,991*	*-319*	*-16.1%*	***1,700***	*+28*	***800***	*+82*
Medical	**22,514**	22,337	+177	+0.8%	**23,000**	+485	**11,500**	+372
Japan	**4,826**	4,322	+504	+11.7%	**5,300**	+473	**2,700**	+400
Asia	**2,132**	1,899	+232	+12.3%	**2,200**	+67	**1,100**	+142
Americas	**6,011**	5,665	+345	+6.1%	**6,000**	-11	**3,000**	+1
Europe	**9,544**	10,449	-905	-8.7%	**9,500**	-44	**4,700**	-172
Semiconductor	**27,676**	12,483	+15,193	+121.7%	**27,000**	-676	**13,000**	-206
Japan	**12,010**	6,518	+5,492	+84.3%	**13,500**	+1,489	**6,600**	+1,091
Asia	**6,067**	2,424	+3,642	+150.2%	**5,400**	-667	**2,600**	-389
Americas	**4,311**	1,895	+2,416	+127.5%	**3,800**	-511	**2,000**	-270
Europe	**5,287**	1,645	+3,642	+221.3%	**4,300**	-987	**1,800**	-638
Total	**118,556**	104,538	+14,017	+13.4%	**120,000**	+1,443	**58,000**	+2,898

4. Capital Expenditures, Depreciation and R&D Expenses

Millions of yen

	12/2010	12/2009	12/2011
	Result	Result	Estimate
Capital Expenditures (*2)	4,033	4,534	5,300
Depreciation	4,523	4,573	4,500
R&D Expenses	9,480	9,831	10,000

(Note 2.) Capital Expenditures are investments in tangible and intangible fixed assets.

5. Consolidated Financial Results (Quarterly Comparison)

Millions of yen

	12/2010 Result				12/2009 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	26,817	28,284	27,611	35,842	25,451	23,579	23,620	31,886
Operating Income	1,990	2,559	3,167	4,526	2,043	(425)	521	3,004
Operating Income Ratio	*7.4%*	*9.0%*	*11.5%*	*12.6%*	*8.0%*	*(1.8%)*	*2.2%*	*9.4%*
Ordinary Income	1,963	2,618	3,105	4,566	1,887	(176)	467	3,096
Ordinary Income Ratio	*7.3%*	*9.3%*	*11.2%*	*12.7%*	*7.4%*	*(0.7%)*	*2.0%*	*9.7%*
Net Income	1,383	1,623	2,001	2,919	967	53	265	1,875
Net Income Ratio	*5.2%*	*5.7%*	*7.3%*	*8.1%*	*3.8%*	*0.2%*	*1.1%*	*5.9%*
US$	90.69	92.03	85.75	82.69	93.76	97.42	93.70	89.72
Euro	125.49	116.95	110.42	112.22	122.01	132.83	133.90	132.66

6. Consolidated Segment Results (Quarterly Comparison)

Millions of yen

Net Sales	12/2010 Result				12/2009 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive	7,005	8,107	6,754	13,883	9,988	8,380	7,742	11,080
Analytical	8,370	7,283	7,520	9,438	8,182	7,391	7,175	9,776
(Scientific)	*5,357*	*4,530*	*4,939*	*5,997*	*5,117*	*4,586*	*4,408*	*6,390*
(Process&Environmental)	*3,013*	*2,752*	*2,580*	*3,441*	*3,064*	*2,805*	*2,766*	*3,385*
Medical	5,417	5,710	5,654	5,733	5,076	5,633	5,478	6,148
Semiconductor	6,023	7,183	7,682	6,787	2,203	2,173	3,224	4,881
Total	26,817	28,284	27,611	35,842	25,451	23,579	23,620	31,886

Operating Income	12/2010 Result				12/2009 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive	(327)	143	(83)	1,883	1,415	(20)	(330)	746
Analytical	567	56	502	853	682	(115)	185	767
(Scientific)	*327*	*(63)*	*351*	*494*	*473*	*(36)*	*145*	*664*
(Process&Environmental)	*240*	*119*	*150*	*358*	*208*	*(78)*	*39*	*103*
Medical	494	584	796	443	302	477	473	659
Semiconductor	1,256	1,774	1,952	1,344	(357)	(766)	194	830
Total	1,990	2,559	3,167	4,526	2,043	(425)	521	3,004

7. Consolidated Orders and Backlog Information (Quarterly Comparison)

Millions of yen

Orders	12/2010 Result				12/2009 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive	10,357	8,033	12,544	8,667	5,527	8,530	8,648	8,128
Analytical	8,213	7,943	8,472	8,642	6,795	7,827	7,668	9,101
(Scientific)	*5,255*	*4,869*	*5,585*	*5,520*	*4,212*	*4,723*	*4,656*	*6,146*
(Process&Environmental)	*2,958*	*3,074*	*2,887*	*3,121*	*2,583*	*3,103*	*3,011*	*2,955*
Medical	5,725	5,613	5,330	5,623	5,575	5,513	5,512	5,910
Semiconductor	6,827	7,149	7,448	6,190	1,580	2,526	3,809	5,338
Total	31,124	28,740	33,796	29,124	19,478	24,397	25,638	28,479

Backlog	12/2010 Result				12/2009 Result			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive	19,104	19,030	24,821	19,605	17,649	17,798	18,704	15,753
Analytical	7,216	7,876	8,828	8,033	7,119	7,555	8,047	7,373
(Scientific)	*5,066*	*5,405*	*6,050*	*5,574*	*5,027*	*5,164*	*5,412*	*5,169*
(Process&Environmental)	*2,149*	*2,471*	*2,778*	*2,459*	*2,092*	*2,390*	*2,635*	*2,204*
Medical	2,327	2,230	1,906	1,796	2,343	2,223	2,256	2,019
Semiconductor	2,981	2,947	2,714	2,117	782	1,135	1,720	2,177
Total	31,630	32,086	38,270	31,552	27,894	28,712	30,730	27,323

Non-Consolidated Financial Results

Millions of yen

	12/2010 Result	12/2009 Result	Changes from Previous Year		12/2010 Estimate	Changes from Previous Year	12/2009 Result	Changes from Previous Year
	Full Year	Full Year	Amount	Ratio	**Full Year**	Amount	**Full Year**	Amount
Net Sales	**45,243**	42,366	+2,876	+6.8%	**48,000**	+2,756	**24,000**	+2,392
Operating Income	**2,418**	563	+1,855	+329.6%	**2,500**	+81	**800**	-2
Operating Income Ratio	***5.3%***	*1.3%*	*+4.0P*		***5.2%***	*-0.1P*	***3.3%***	*-0.4P*
Ordinary Income	**3,739**	2,035	+1,703	+83.7%	**4,500**	+760	**3,000**	+1,466
Ordinary Income Ratio	***8.3%***	*4.8%*	*+3.5P*		***9.4%***	*+1.1P*	***12.5%***	*+5.4P*
Net Income	**2,370**	1,831	+538	+29.4%	**3,000**	+629	**2,500**	+1,579
Net Income Ratio	***5.2%***	*4.3%*	*+0.9P*		***6.3%***	*+1.1P*	***10.4%***	*+6.1P*

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