

## Summary of Consolidated Financial Statements for the Six Months ended June 30, 2012 (Japanese GAAP)

August 6, 2012

Company name	HORIBA, Ltd.	Listed stock exchanges: Tokyo, Osaka
Listing code	6856	URL: <a href="http://www.horiba.com">http://www.horiba.com</a>
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 Six Months Ended June 30, 2012 (January 1, 2012 - June 30, 2012)

(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 6/30/12	56,955	-5.1	5,307	-22.2	5,079	-25.4	3,049	-28.7
Six months ended 6/30/11	60,031	8.9	6,825	48.2	6,805	46.8	4,277	42.3

(Note) Comprehensive Income: FY2012Q2 3,067 million yen (-40.7%), FY2011Q2 5,174 million yen (-%)

	Net Income per Share		Net Income per Share (Diluted)	
	Yen		Yen	
Six months ended 6/30/12	72.10		71.88	
Six months ended 6/30/11	101.14		100.89	

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of 6/30/12	142,617	92,277	64.5
As of 12/31/11	144,649	90,460	62.4

(Reference) Net assets excluding subscription rights to shares and minority interests in consolidated subsidiaries  
As of June 30, 2012: 91,992 million yen; As of December 31, 2011: 90,232 million yen.

### 2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Total
Year ended 12/31/11	Yen —	Yen 9.00	Yen —	Yen 31.00	Yen 40.00
Year ending 12/31/12	—	15.00	—	—	—
Year ending 12/31/12 (Forecast)	—	—	—	28.00	43.00

(Note) Changes in the latest dividend forecasts released: None

As HORIBA, Ltd. will celebrate the 60th anniversary of its foundation on January 26, 2013, it plans to pay a commemorative dividend of 10 yen per share. Thus, the year-end dividend per share for fiscal 2012 is projected to be 28 yen, after combining the commemorative dividend of 10 yen with the ordinary dividend of 18 yen.

### 3. Consolidated Forecast for the Year Ending December 31, 2012 (January 1, 2012 - December 31, 2012)

(Percentages represent changes from the previous fiscal 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
Full year	120,000	-2.8	12,000	-19.5	11,300	-22.7	7,000	-19.2	165.50

(Note) Changes in the latest business forecasts released: Yes

## Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

(2) Application of the accounting method specific to quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and retrospective restatement

① Changes in accounting policies associated with revision of accounting standards: None

② Changes in accounting policies arising from other than the above: Yes

③ Changes in accounting estimates: Yes

④ Retrospective restatement: None

(Note) This note falls under the case that "it is difficult to distinguish between a change in an accounting policy and a change in an accounting estimate".

Please see "2.Summary Information (Notes)" on page 6 for further details.

(4) Number of shares outstanding (common stock)

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
① Shares issued (including treasury stock)	42,532,752	42,532,752
② Treasury stock	235,583	238,083
	<u>Jan. - Jun. 2012</u>	<u>Jan. - Jun. 2011</u>
③ The average number of outstanding shares during the six months ended FY2012 and FY2011	42,297,128	42,292,178

Note 1. Indication regarding implementation status of quarterly review procedures

These quarterly financial statements have not been prepared for the purpose of quarterly review procedures pursuant to the Financial Instruments and Exchange Act (FIEA). Review procedures for quarterly financial statements were in the process of being implemented as of the release of these quarterly financial statements.

Note 2. 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. We do not warrant that these forecasts will be achieved. Actual results may differ from the forecasts due to a range of factors. For additional information, please see page 4, "1. (2) Qualitative Information Concerning Consolidated Earnings Forecasts for FY2012".

## **1. Qualitative Information Concerning Consolidated Results**

### **(1) Qualitative Information Concerning Consolidated Operating Results**

(For details, see page 12-15, "4. Supplemental Information - HORIBA, Ltd. Financial Highlights for the Six Months Ended June 30, 2012")

During the six months ended June 30, 2012 (the first half year), the Japanese economy recovered moderately mainly on the back of demand for reconstruction, despite harsh conditions caused by the appreciation of the yen. On the other hand, the global economy recorded a weak performance, as the impact of the European debt crisis widened and signs of a slowdown expanded mainly in Europe and the United States.

The average exchange rates for the six months from January to June 2012 were 79.77 yen per U.S. dollar and 103.48 yen per euro, marking respective increases of 3% versus the U.S. dollar and 11% versus the euro, compared to the same period of last year.

Under these conditions, HORIBA, Ltd. ("the Company") and its consolidated subsidiaries (together "the HORIBA Group" or "HORIBA" as a consolidated group) posted increased sales in the Automotive Test Systems segment in response to a recovery in capital investment and R&D investment in the automobile industry. In contrast, sales decreased in the Semiconductor Instruments & Systems segment due to a decline in capital investment at manufactures of silicon semiconductors, solar cells, and light-emitting diodes (LEDs), while owing to the strength of the yen, overseas sales declined in value after conversion to yen in the Medical-Diagnostic Instruments & Systems segment and the Scientific Instruments & Systems segment. As a result, consolidated net sales decreased by 5.1% from a year earlier to 56,955 million yen.

On the profit front, profits increased in the Process & Environmental Instruments & Systems segment, but as a drop in sales in the Semiconductor Instruments & Systems segment had a large impact, overall profits declined. As a result, operating income decreased by 22.2% to 5,307 million yen, ordinary income declined by 25.4% to 5,079 million yen, and net income was down 28.7% to 3,049 million yen.

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

#### **(Automotive Test Systems)**

Thanks to a recovery in capital investment and R&D expenditure in the automobile industry, sales in Japan and the rest of Asia were robust. On the other hand, profits declined year-on-year due to a fall in the profitability of overseas-related projects caused by the strong yen, changes in the product mix stemming from a rise in the share of sales generated by the MCT (mechatronics) business, and a temporary deterioration in profitability arising from an increase in new product development expenses for driving management systems.

Consequently, sales in the segment increased by 8.5% year-on-year to 18,575 million yen and operating income decreased by 10.1% to 734 million yen.

#### **(Process & Environmental Instruments & Systems)**

Sales of stack gas analyzers and environmental radiation monitor, which saw increased demand after the Great East Japan Earthquake, were strong until the first quarter, and products such as air pollution analyzers also showed underlying strength in Japan and overseas.

As a result, sales in the segment grew by 13.5% year-on-year to 7,108 million yen and operating income increased by 54.8% to 1,021 million yen.

#### **(Medical-Diagnostic Instruments & Systems)**

Although sales of blood cell counter recorded a strong performance in Asia, sales declined in Europe and the United States due to a drop in value after yen conversion caused by the strong yen and the deterioration of the economic environment in Europe.

Consequently, sales in the segment decreased by 7.9% year-on-year to 11,041 million yen and operating income declined by 23.3% to 1,399 million yen.

**(Semiconductor Instruments & Systems)**

Sales declined mainly in the case of mass flow controllers following a sharp decline in production value at LEDs and semiconductor production equipment makers, which had been favorable until the second quarter of 2011.

As a result, sales in the segment declined by 28.0% year-on-year to 10,415 million yen and operating income was down 41.3% to 1,934 million yen.

**(Scientific Instruments & Systems)**

In Japan, sales of new pH meters and optical analyzers displayed underlying strength, but overseas sales declined in response to the appreciation of the yen and a reduction in government budgets in Europe and the United States.

Consequently, sales in the segment decreased by 3.8% year-on-year to 9,813 million yen and operating income declined by 5.1% to 218 million yen.

**(2) Qualitative Information Concerning Consolidated Earnings Forecasts for FY2012**

After taking into account current sales and income situation, we are revising our consolidated full-year fiscal 2012 earnings forecasts as follows.

Consolidated forecast of full year FY2012

(Amount: millions of yen)

	Previous forecast (As of May 9)	Revised forecast (As of Aug. 6)	Changes
Net sales	125,500	120,000	-5,500
Operating income	13,500	12,000	-1,500
Ordinary income	12,700	11,300	-1,400
Net income	8,000	7,000	-1,000

Consolidated forecast of full year FY2012 by segment

Net sales (Amount: millions of yen)				Operating income (Amount: millions of yen)			
	Previous forecast (As of May 9)	Revised forecast (As of Aug. 6)	Changes		Previous forecast (As of May 9)	Revised forecast (As of Aug. 6)	Changes
Automotive	42,500	43,000	+500	Automotive	2,500	2,700	+200
Process & Environmental	14,000	13,500	-500	Process & Environmental	1,900	1,700	-200
Medical	24,000	22,500	-1,500	Medical	3,500	3,000	-500
Semiconductor	23,500	20,500	-3,000	Semiconductor	4,000	3,300	-700
Scientific	21,500	20,500	-1,000	Scientific	1,600	1,300	-300
Total	125,500	120,000	-5,500	Total	13,500	12,000	-1,500

With regard to our consolidated earnings forecasts for the full fiscal year, after taking into account domestic and overseas demand trends, we have revised up our forecasts for the Automotive Test Systems segment. In contrast, we have revised down our forecasts for the Semiconductor Instruments & Systems segment after considering the impact of declining capital investment in the semiconductor industry. In the case of the Medical-Diagnostic Instruments & Systems segment and the Scientific Instruments & Systems segment, we have also revised down our forecasts from those previously announced after taking into account currency exchange and other factors. As a result, we have revised down our sales forecast by 5,500 million yen and our operating income forecast by 1,500 million yen.

Owing to the reduction in operating income, we have lowered our ordinary income forecast by 1,400 million yen and our net income forecast by 1,000 million yen.

Non-consolidated forecast of full year FY2012

(Amount: millions of yen)

	Previous forecast (As of May 9)	Revised forecast (As of Aug. 6)	Changes
Net sales	53,500	53,500	-
Operating income	4,500	4,200	-300
Ordinary income	6,200	6,200	-
Net income	4,500	4,500	-

With regard to our full-year non-consolidated earnings forecasts, although we are forecasting an increase in sales in the Automotive Test Systems segment, we expect profitability to deteriorate. On the other hand, in the case of other segments, apart from the Semiconductor Instruments & Systems segment, we expect results to fall short of our initial forecasts. After taking these factors into account, we have retained our sales forecast and revised down our operating income forecast by 300 million yen. We have not changed our ordinary income and net income forecasts mainly because we are projecting an improvement in the net non-operating income/loss.

We have not changed the forecast for dividend payment for the term.

(Note) The forecast for dividend amount and business results have been made on the basis of information available as of August 6, 2012. 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

## **2. Summary Information (Notes)**

### **(1) Changes in significant subsidiaries during the current period**

None

### **(2) Application of the accounting method specific to quarterly consolidated financial statements**

None

### **(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement (Change in method of depreciation of tangible fixed assets)**

Previously, the method of depreciation for tangible fixed assets other than buildings at HORIBA, Ltd. and three domestic consolidated subsidiaries were accounted for based on the declining balance method, but this changed to the straight line method, which overseas consolidated subsidiaries use, from the first quarter of fiscal 2012.

This change was implemented mainly for two reasons: to unify the accounting processes of the HORIBA Group and to ensure the appropriateness of periodic earnings. First, in the case of the Mid-Long Term Management Plan that started in 2011, in order to further develop global management, we adopted the development and completion of "One Company Management" as a high-priority policy, and as part of this, a unified business performance evaluation system, including overseas consolidated subsidiaries, became necessary. Second, in view of the outcome of an investigation regarding the actual use of tangible fixed assets at HORIBA and future business development planned under the Mid-Long Term Management Plan, we concluded that the adoption of the straight line method would enable expenditure to be allocated in a way that is more consistent with the actual state of asset use. The effect of this change in the first half of fiscal 2012 was a decrease of 207 million yen in depreciation expenses and an increase of 207 million yen each in operating income, ordinary income, and income before income taxes.

### **(Change in estimates regarding residual value of tangible fixed assets)**

On the occasion of the change in the method of depreciation for tangible fixed assets, HORIBA, Ltd. and three domestic consolidated subsidiaries revised the residual value of tangible fixed assets. As a result, we changed to the method that entails depreciation to a residual value (1 yen) based on the actual state of asset use from the first quarter of fiscal 2012.

The effect of this change in the first half of fiscal 2012 was an increase of 158 million yen in depreciation expenses and a decrease of 158 million yen each in operating income, ordinary income, and income before income taxes.

### **(Changes in method of presentation)**

Previously, HORIBA, Ltd. and some consolidated subsidiaries presented freight and shipping expenses as selling, general and administrative (SG&A) expenses, but from the first quarter of fiscal 2012, this method changed to present as cost of sales.

This change was implemented mainly for two reasons. First, in the case of the Mid-Long Term Management Plan that started in 2011, in order to further develop global management, we adopted the development and completion of "One Company Management" as a high-priority policy, and as part of this, a unified business performance evaluation system, including overseas consolidated subsidiaries, became necessary. Second, as the ratio of freight and shipping expenses to overall costs has increased, due to an increase in international transportation and higher fuel costs caused by globalization, we concluded that making freight and shipping expenses correspond directly to sales, including the cost of sales, would result in more appropriate disclosure of gross income.

To reflect this change in presentation method, we have rearranged the quarterly consolidated financial statements for the first half of fiscal 2011 (ended December 31, 2011). In the consolidated statements of income for the first half of fiscal 2011, the amounts disclosed for cost of sales and SG&A expenses were 33,173 million yen and 20,032 million yen, respectively. However, owing to this change, these amounts have been restated as 34,358 million yen for cost of sales and 18,847 million yen for SG&A expenses.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

Amount: millions of yen

	FY2011 (As of December 31, 2011)	FY2012 first half (As of June 30, 2012)
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and bank deposits	28,893	33,380
Trade notes and accounts receivable	39,375	31,455
Marketable securities	8,350	7,313
Merchandise and finished goods	9,015	9,304
Work in process	9,127	10,276
Raw materials and supplies	8,144	8,276
Deferred tax assets	3,201	2,984
Other current assets	2,896	2,563
Allowance for doubtful accounts	(750)	(713)
<b>Total Current Assets</b>	108,255	104,840
<b>Fixed Assets:</b>		
<b>Property, Plant and Equipment:</b>		
Buildings and structures, net	8,156	9,156
Machinery, equipment and vehicles, net	2,945	2,787
Land	7,362	7,801
Construction in progress	2,130	2,172
Other property, plant and equipment, net	2,328	2,504
<b>Total Property, Plant and Equipment</b>	22,924	24,422
<b>Intangibles:</b>		
Goodwill	201	362
Software	4,182	3,863
Other intangibles	256	359
<b>Total Intangibles</b>	4,640	4,586
<b>Investments and Other Non-Current Assets:</b>		
Investment securities	3,514	3,718
Deferred tax assets	2,115	2,136
Other investments and other assets	3,240	2,993
Allowance for doubtful accounts	(40)	(79)
<b>Total Investments and Other Non-Current Assets</b>	8,829	8,768
<b>Total Fixed Assets</b>	36,394	37,777
<b>Total Assets</b>	144,649	142,617

Amount: millions of yen

	FY2011 (As of December 31, 2011)	FY2012 first half (As of June 30, 2012)
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Trade notes and accounts payable	13,196	11,861
Short-term loans payable	6,684	4,622
Accounts payable - other	7,805	8,284
Accrued income taxes	2,459	1,482
Deferred tax liabilities	18	4
Accrued bonuses to employees	755	376
Accrued bonuses to directors and corporate auditors	84	267
Reserve for product warranty	1,308	1,243
Provision for business structure improvement	174	13
Other current liabilities	6,085	6,951
<b>Total Current Liabilities</b>	<b>38,574</b>	<b>35,108</b>
<b>Non-Current Liabilities:</b>		
Corporate bonds	10,000	10,000
Long-term loans payable	1,291	945
Deferred tax liabilities	108	128
Employees' retirement benefits	1,775	1,852
Directors' and corporate auditors' retirement benefits	221	183
Provision for compensation losses	616	528
Other non-current liabilities	1,600	1,593
<b>Total Non-Current Liabilities</b>	<b>15,615</b>	<b>15,231</b>
<b>Total Liabilities</b>	<b>54,189</b>	<b>50,340</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	12,011	12,011
Capital surplus	18,717	18,717
Retained earnings	66,278	68,013
Treasury stock	(788)	(780)
<b>Total Shareholders' Equity</b>	<b>96,219</b>	<b>97,961</b>
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized holding gains on securities	717	839
Foreign currency translation adjustments	(6,703)	(6,808)
<b>Total Accumulated Other Comprehensive Income</b>	<b>(5,986)</b>	<b>(5,969)</b>
<b>Subscription Rights to Shares</b>	<b>186</b>	<b>245</b>
<b>Minority Interests in Consolidated Subsidiaries</b>	<b>40</b>	<b>39</b>
<b>Total Net Assets</b>	<b>90,460</b>	<b>92,277</b>
<b>Total Liabilities and Net Assets</b>	<b>144,649</b>	<b>142,617</b>



(2) Consolidated Statements of Income and Consolidated Comprehensive Income Statements  
(Consolidated Statements of Income)

Amount: millions of yen

	FY2011 first half (Six months ended June 30, 2011)	FY2012 first half (Six months ended June 30, 2012)
Net sales	60,031	56,955
Cost of sales	34,358	32,874
<b>Gross Income</b>	<b>25,673</b>	<b>24,080</b>
Selling, general and administrative expenses	18,847	18,772
<b>Operating Income</b>	<b>6,825</b>	<b>5,307</b>
<b>Non-Operating Income</b>		
Interest income	50	101
Dividend income	47	47
Other	155	156
Total non-operating income	253	305
<b>Non-Operating Expense</b>		
Interest expense	221	247
Foreign exchange losses	31	216
Other	20	70
Total non-operating expense	273	534
<b>Ordinary Income</b>	<b>6,805</b>	<b>5,079</b>
<b>Extraordinary Gain</b>		
Gain on sales of fixed assets	5	20
Reversal of provision for loss on guarantees	67	-
Reversal of provision for compensation losses	-	44
Other	4	-
Total extraordinary gain	76	64
<b>Extraordinary Loss</b>		
Loss on sales of fixed assets	4	0
Loss on disposal of fixed assets	14	13
Loss on impairment of fixed assets	85	83
Loss on sales of investment securities	0	-
Loss on valuation of investment securities	53	1
Provision for business structure improvement	284	-
Other	2	-
Total extraordinary loss	445	99
<b>Income before Income Taxes and Minority Interests</b>	<b>6,436</b>	<b>5,044</b>
Income taxes (current)	2,270	1,887
Income taxes (deferred)	(111)	106
Total income taxes	2,158	1,994
<b>Income before Minority Interests</b>	<b>4,277</b>	<b>3,049</b>
Minority interests (losses) in earnings of consolidated subsidiaries	0	0
<b>Net Income</b>	<b>4,277</b>	<b>3,049</b>

## (Consolidated Statements of Comprehensive Income)

Amount: millions of yen

	FY2011 first half (Six months ended June 30, 2011)	FY2012 first half (Six months ended June 30, 2012)
<b>Income before Minority Interests</b>	4,277	3,049
<b>Other Comprehensive Income</b>		
Net unrealized holding gains on securities	(105)	121
Foreign currency translation adjustments	1,001	(103)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	896	17
<b>Comprehensive Income</b>	5,174	3,067
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	5,173	3,066
Minority interests portion of comprehensive income	0	0

## (3) Consolidated Statements of Cash Flows

Amount: millions of yen

	FY2011 first half (Six months ended June 30, 2011)	FY2012 first half (Six months ended June 30, 2012)
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes and minority interests	6,436	5,044
Depreciation expense	1,999	1,827
Loss on impairment of fixed assets	85	83
Amortization of goodwill	16	39
Increase (decrease) in allowance for doubtful accounts	(12)	21
Increase (decrease) in provision for business structure improvement	280	(164)
Increase (decrease) in employees' retirement benefits	4	84
Increase (decrease) in directors' and corporate auditors' retirement benefits	(36)	(37)
Increase (decrease) in provision for loss on guarantees	(67)	-
Increase (decrease) in provision for compensation losses	(10)	(88)
Interest and dividend income	(97)	(149)
Interest expense	221	247
Foreign exchange losses (gains)	(1)	(10)
Loss (gain) on sales of fixed assets	(0)	(20)
Loss on disposal of fixed assets	14	13
Loss (gain) on valuation of investment securities	53	1
Loss (gain) on sales of investment securities	0	-
Decrease (increase) in trade notes and accounts receivable	1,111	7,827
Decrease (increase) in inventories	(2,112)	(1,693)
Increase (decrease) in trade notes and accounts payable	734	(1,076)
Other, net	(743)	697
<b>Subtotal</b>	<b>7,877</b>	<b>12,647</b>
Interest and dividends received	91	141
Interest paid	(241)	(253)
Income taxes (paid) refund	(4,001)	(3,002)
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>3,725</b>	<b>9,533</b>
<b>Cash Flows from Investing Activities:</b>		
Increase in time deposits	(522)	(1,158)
Decrease in time deposits	1	918
Decrease in time deposits restricted for use	32	32
Payments for purchase of marketable securities	(905)	(1,705)
Proceeds from sales of marketable securities	101	1,204
Payments for purchase of property, plant and equipment	(1,933)	(2,267)
Proceeds from sales of property, plant and equipment	14	36
Payments for purchase of intangibles	(96)	(305)
Payments for purchase of investment securities	(27)	(36)
Proceeds from sales or redemption of investment securities	11	6
Payments for purchase of investments in consolidated subsidiaries	(46)	(18)
Payments of loans receivable	(78)	(14)
Collection of loans receivable	17	73
Other, net	(23)	101
<b>Net Cash Provided by (used in) Investing Activities</b>	<b>(3,453)</b>	<b>(3,131)</b>
<b>Cash Flows from Financing Activities:</b>		
Net increase (decrease) in short-term borrowings	1,281	(2,265)
Increase in long-term debt	104	256
Repayments of long-term debt	(350)	(395)
Repayments on finance lease obligations	(76)	(65)
Proceeds from stock issuance to minority shareholders	41	-
Net decrease (increase) of treasury stock	(0)	0
Cash dividends paid	(465)	(1,308)
Cash dividends paid to minority interests	(6)	-
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>528</b>	<b>(3,778)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>369</b>	<b>77</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,169</b>	<b>2,701</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>34,459</b>	<b>35,767</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>35,628</b>	<b>38,469</b>

#### 4. Supplemental Information

HORIBA, Ltd. Financial Highlights for the Six Months Ended June 30, 2012
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##### 1. Consolidated Financial Results

Amount: millions of yen

	12/2012 Result	12/2011 Result	Changes		12/2012 Estimate	12/2011 Result	Changes	
	1st half	1st half	Amount	Ratio	Full year	Full year	Amount	Ratio
	Net Sales	<b>56,955</b>	60,031	-3,076	-5.1%	<b>120,000</b>	123,456	-3,456
Operating Income	<b>5,307</b>	6,825	-1,518	-22.2%	<b>12,000</b>	14,906	-2,906	-19.5%
<i>Operating Income Ratio</i>	<i>9.3%</i>	<i>11.4%</i>	<i>-2.1P</i>		<i>10.0%</i>	<i>12.1%</i>	<i>-2.1P</i>	
Ordinary Income	<b>5,079</b>	6,805	-1,726	-25.4%	<b>11,300</b>	14,611	-3,311	-22.7%
<i>Ordinary Income Ratio</i>	<i>8.9%</i>	<i>11.3%</i>	<i>-2.4P</i>		<i>9.4%</i>	<i>11.8%</i>	<i>-2.4P</i>	
Net Income	<b>3,049</b>	4,277	-1,227	-28.7%	<b>7,000</b>	8,664	-1,664	-19.2%
<i>Net Income Ratio</i>	<i>5.4%</i>	<i>7.1%</i>	<i>-1.7P</i>		<i>5.8%</i>	<i>7.0%</i>	<i>-1.2P</i>	
US\$	<b>79.77</b>	82.01	-2.24		<b>80.00</b>	79.80	+0.20	
Euro	<b>103.48</b>	115.04	-11.56		<b>100.00</b>	111.13	-11.13	

##### 2. Consolidated Segment Results

Amount: millions of yen

	12/2012 Result	12/2011 Result	Changes		12/2012 Estimate	12/2011 Result	Changes	
	1st half	1st half	Amount	Ratio	Full year	Full year	Amount	Ratio
	Net Sales							
Automotive	<b>18,575</b>	17,112	+1,462	+8.5%	<b>43,000</b>	38,678	+4,321	+11.2%
Process&Environmental	<b>7,108</b>	6,264	+843	+13.5%	<b>13,500</b>	14,558	-1,058	-7.3%
Medical	<b>11,041</b>	11,994	-953	-7.9%	<b>22,500</b>	23,485	-985	-4.2%
Semiconductor	<b>10,415</b>	14,457	-4,041	-28.0%	<b>20,500</b>	24,694	-4,194	-17.0%
Scientific	<b>9,813</b>	10,202	-388	-3.8%	<b>20,500</b>	22,040	-1,540	-7.0%
Total	<b>56,955</b>	60,031	-3,076	-5.1%	<b>120,000</b>	123,456	-3,456	-2.8%
Operating Income								
Automotive	<b>734</b>	816	-82	-10.1%	<b>2,700</b>	2,834	-134	-4.8%
Process&Environmental	<b>1,021</b>	659	+361	+54.8%	<b>1,700</b>	2,532	-832	-32.9%
Medical	<b>1,399</b>	1,824	-425	-23.3%	<b>3,000</b>	3,166	-166	-5.3%
Semiconductor	<b>1,934</b>	3,295	-1,360	-41.3%	<b>3,300</b>	4,939	-1,639	-33.2%
Scientific	<b>218</b>	229	-11	-5.1%	<b>1,300</b>	1,433	-133	-9.3%
Total	<b>5,307</b>	6,825	-1,518	-22.2%	<b>12,000</b>	14,906	-2,906	-19.5%

## 3. Consolidated Segment Sales by Destination

Amount: millions of yen

	12/2012		12/2011		12/2012		12/2011	
	Result	Result	Changes		Estimate	Result	Changes	
	1st half	1st half	Amount	Ratio	Full year	Full year	Amount	Ratio
<b>Automotive</b>	<b>18,575</b>	17,112	+1,462	+8.5%	<b>43,000</b>	38,678	+4,321	+11.2%
Japan	<b>8,233</b>	7,090	+1,142	+16.1%	<b>15,900</b>	14,672	+1,227	+8.4%
Asia	<b>3,961</b>	2,993	+968	+32.4%	<b>11,200</b>	7,379	+3,820	+51.8%
Americas	<b>2,231</b>	2,035	+196	+9.6%	<b>5,100</b>	4,989	+110	+2.2%
Europe	<b>4,148</b>	4,992	-844	-16.9%	<b>10,800</b>	11,636	-836	-7.2%
<b>Process&amp;Environmental</b>	<b>7,108</b>	6,264	+843	+13.5%	<b>13,500</b>	14,558	-1,058	-7.3%
Japan	<b>5,023</b>	4,234	+789	+18.6%	<b>9,500</b>	10,447	-947	-9.1%
Asia	<b>771</b>	784	-12	-1.6%	<b>1,700</b>	1,643	+56	+3.4%
Americas	<b>543</b>	407	+136	+33.4%	<b>800</b>	809	-9	-1.2%
Europe	<b>769</b>	838	-68	-8.2%	<b>1,500</b>	1,657	-157	-9.5%
<b>Medical</b>	<b>11,041</b>	11,994	-953	-7.9%	<b>22,500</b>	23,485	-985	-4.2%
Japan	<b>2,646</b>	2,699	-52	-1.9%	<b>5,600</b>	5,435	+164	+3.0%
Asia	<b>1,368</b>	1,223	+145	+11.9%	<b>3,100</b>	2,704	+395	+14.6%
Americas	<b>2,651</b>	3,196	-544	-17.0%	<b>5,200</b>	6,019	-819	-13.6%
Europe	<b>4,375</b>	4,875	-500	-10.3%	<b>8,600</b>	9,326	-726	-7.8%
<b>Semiconductor</b>	<b>10,415</b>	14,457	-4,041	-28.0%	<b>20,500</b>	24,694	-4,194	-17.0%
Japan	<b>5,357</b>	6,049	-692	-11.4%	<b>11,000</b>	11,244	-244	-2.2%
Asia	<b>3,087</b>	3,394	-306	-9.0%	<b>5,500</b>	5,998	-498	-8.3%
Americas	<b>1,363</b>	2,241	-877	-39.1%	<b>2,800</b>	3,656	-856	-23.4%
Europe	<b>607</b>	2,772	-2,164	-78.1%	<b>1,200</b>	3,795	-2,595	-68.4%
<b>Scientific</b>	<b>9,813</b>	10,202	-388	-3.8%	<b>20,500</b>	22,040	-1,540	-7.0%
Japan	<b>3,666</b>	3,717	-51	-1.4%	<b>7,500</b>	7,186	+313	+4.4%
Asia	<b>1,966</b>	2,076	-109	-5.3%	<b>3,800</b>	4,567	-767	-16.8%
Americas	<b>1,813</b>	1,973	-160	-8.1%	<b>4,100</b>	4,493	-393	-8.8%
Europe	<b>2,367</b>	2,435	-67	-2.8%	<b>5,100</b>	5,791	-691	-11.9%
<b>Total</b>	<b>56,955</b>	60,031	-3,076	-5.1%	<b>120,000</b>	123,456	-3,456	-2.8%
Japan	<b>24,927</b>	23,791	+1,135	+4.8%	<b>49,500</b>	48,986	+513	+1.0%
Asia	<b>11,155</b>	10,470	+684	+6.5%	<b>25,300</b>	22,293	+3,006	+13.5%
Americas	<b>8,604</b>	9,854	-1,249	-12.7%	<b>18,000</b>	19,969	-1,969	-9.9%
Europe	<b>12,267</b>	15,914	-3,647	-22.9%	<b>27,200</b>	32,207	-5,007	-15.5%

## 4. Capital Expenditures, Depreciation and R&amp;D Expenses

Amount: millions of yen

	12/2012		12/2011	
	1st half Result	Full-year Estimate	1st half Result	Full-year Result
	Capital Expenditures (*)	3,364	6,500	1,677
Depreciation	1,867	4,500	2,016	4,146
R&D Expenses	5,039	10,000	4,828	10,060

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

### 5. Consolidated Financial Results (Quarterly Comparison)

Amount: millions of yen

	12/2012			12/2011 Result			
	1Q Result	2Q Result	2H Estimate	1Q	2Q	3Q	4Q
Net Sales	29,522	27,432	63,044	29,308	30,723	27,614	35,810
Operating Income	3,627	1,680	6,692	3,108	3,689	2,880	5,200
<i>Operating Income Ratio</i>	12.3%	6.1%	10.6%	10.6%	12.0%	10.4%	14.5%
Ordinary Income	3,555	1,523	6,220	3,077	3,696	2,604	5,201
<i>Ordinary Income Ratio</i>	12.0%	5.6%	9.9%	10.5%	12.0%	9.4%	14.5%
Net Income	2,141	908	3,950	2,157	2,120	1,616	2,771
<i>Net Income Ratio</i>	7.3%	3.3%	6.3%	7.4%	6.9%	5.9%	7.7%
US\$	79.35	80.19	80.23	82.31	81.71	77.75	77.43
Euro	104.14	102.82	96.52	112.66	117.42	110.09	104.35

### 6. Consolidated Segment Results (Quarterly Comparison)

Amount: millions of yen

	12/2012			12/2011 Result			
	1Q Result	2Q Result	2H Estimate	1Q	2Q	3Q	4Q
Net Sales							
Automotive	9,185	9,390	24,424	8,268	8,844	7,133	14,431
Process&Environmental	4,106	3,002	6,391	2,917	3,346	3,810	4,483
Medical	5,543	5,497	11,458	5,774	6,220	5,746	5,744
Semiconductor	5,508	4,907	10,084	6,971	7,485	5,588	4,649
Scientific	5,178	4,635	10,686	5,376	4,826	5,336	6,501
Total	29,522	27,432	63,044	29,308	30,723	27,614	35,810
Operating Income							
Automotive	562	171	1,965	357	450	120	1,897
Process&Environmental	893	128	678	246	409	813	1,059
Medical	746	652	1,600	795	1,024	675	667
Semiconductor	1,210	724	1,365	1,520	1,767	932	711
Scientific	215	2	1,081	188	37	338	865
Total	3,627	1,680	6,692	3,108	3,689	2,880	5,200

### 7. Consolidated Orders and Backlog Information (Quarterly Comparison)

Amount: millions of yen

	12/2012			12/2011 Result			
	1Q Result	2Q Result	2H Estimate	1Q	2Q	3Q	4Q
Orders							
Automotive	12,348	10,148	-	11,391	10,822	8,366	13,083
Process&Environmental	3,933	3,211	-	2,891	4,088	3,731	4,085
Medical	6,031	5,299	-	6,449	6,150	5,522	5,641
Semiconductor	5,372	4,532	-	7,502	7,377	4,466	4,965
Scientific	5,502	4,526	-	6,195	4,733	5,082	5,734
Total	33,188	27,718	-	34,430	33,172	27,169	33,509
Backlog							
Automotive	27,755	28,512	-	22,728	24,707	25,940	24,591
Process&Environmental	2,525	2,734	-	2,433	3,174	3,095	2,697
Medical	2,562	2,364	-	2,471	2,402	2,178	2,075
Semiconductor	1,597	1,223	-	2,648	2,539	1,418	1,733
Scientific	5,603	5,495	-	6,393	6,300	6,047	5,279
Total	40,043	40,330	-	36,675	39,123	38,679	36,377

Non-Consolidated Financial Results

Amount: millions of yen

	12/2012	12/2011	Changes		12/2012	12/2011	Changes	
	Result	Result			Estimate	Result		
	1st half	1st half	Amount	Ratio	Full Year	Full Year	Amount	Ratio
Net Sales	<b>27,045</b>	24,591	+2,453	+10.0%	<b>53,500</b>	51,902	+1,597	+3.1%
Operating Income	<b>2,656</b>	2,256	+400	+17.7%	<b>4,200</b>	5,651	-1,451	-25.7%
<i>Operating Income Ratio</i>	<b>9.8%</b>	9.2%	+0.6P		<b>7.9%</b>	10.9%	-3.0P	
Ordinary Income	<b>4,905</b>	4,653	+251	+5.4%	<b>6,200</b>	8,278	-2,078	-25.1%
<i>Ordinary Income Ratio</i>	<b>18.1%</b>	18.9%	-0.8P		<b>11.6%</b>	15.9%	-4.3P	
Net Income	<b>4,013</b>	3,773	+239	+6.3%	<b>4,500</b>	5,541	-1,041	-18.8%
<i>Net Income Ratio</i>	<b>14.8%</b>	15.3%	-0.5P		<b>8.4%</b>	10.7%	-2.3P	

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