

1. Financial Results

	05/3 Actual		04/3 Actual			05/3 Budget	
	1st quarter		Change from previous year	1st quarter	1st Half	Full year	1st Half
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Sales	21,674	+2,829	+15.0%	18,844	38,877	85,072	42,200
Operating Profit	2,092	+1,291	+161.1%	801	1,758	6,850	3,000
Operating Profit Ratio	9.7%	+5.4%		4.3%	4.5%	8.1%	7.1%
Ordinary Profit	2,034	+1,601	+370.7%	432	1,157	5,597	2,700
Ordinary Profit Ratio	9.4%	+7.1%		2.3%	3.0%	6.6%	6.4%
Net Profit	773	+735	+1,921.9%	38	100	2,073	800
Net Profit Ratio	3.6%	+3.4%		0.2%	0.3%	2.4%	1.9%
US\$	107.36	-11.57		118.93	118.71	116.00	108.50
Euro	134.04	+6.29		127.75	131.35	131.15	133.00

2. Segment Information

Sales	05/3 Actual		04/3 Actual			05/3 Budget	
	1st quarter		Change from previous year	1st quarter	1st Half	Full year	1st Half
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	6,031	+231	+4.0%	5,799	10,328	23,582	10,900
Analytical	6,444	+20	+0.3%	6,424	13,981	29,425	13,000
Medical	4,071	+260	+6.8%	3,811	8,371	17,301	8,500
Semiconductor	5,126	+2,316	+82.4%	2,810	6,197	14,763	9,800
Total	21,674	+2,829	+15.0%	18,844	38,877	85,072	42,200

Operating Profit	05/3 Actual		04/3 Actual			05/3 Budget	
	1st quarter		Change from previous year	1st quarter	1st Half	Full year	1st Half
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	1,193	+195	+19.6%	997	1,289	3,485	1,600
Analytical	-53	-4	-	-49	57	1,021	-400
Medical	30	-156	-83.7%	187	740	1,507	200
Semiconductor	922	+1,256	-	-334	-329	835	200
Total	2,092	+1,291	+161.1%	801	1,758	6,850	1,200

3. Trend of Sales by Segment and Area *

	05/3 Actual		04/3 Actual			05/3 Budget	
	1st quarter		Change from previous year	1st quarter	1st Half	Full year	1st Half
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	6,031	+231	+4.0%	5,799	10,328	23,582	10,900
Japan + Asia	4,352	+623	+16.7%	3,728	6,102	12,233	6,989
America	583	-145	-20.0%	729	1,528	4,040	1,345
Europe	1,095	-245	-18.3%	1,341	2,697	7,309	2,564
Analytical	6,444	+20	+0.3%	6,424	13,981	29,425	13,000
Japan + Asia	3,854	+180	+4.9%	3,674	7,577	16,114	7,228
America	478	+25	+5.6%	453	1,190	2,606	1,019
Europe	2,111	-184	-8.1%	2,296	5,213	10,704	4,752
Medical	4,071	+260	+6.8%	3,811	8,371	17,301	8,500
Japan + Asia	694	+15	+2.3%	679	1,460	2,990	1,518
America	0	+0	-	0	0	0	0
Europe	3,376	+244	+7.8%	3,131	6,910	14,311	6,981
Semiconductor	5,126	+2,316	+82.4%	2,810	6,197	14,763	9,800
Japan + Asia	3,983	+1,874	+88.9%	2,108	4,594	11,206	7,270
America	841	+339	+67.7%	502	1,056	2,228	1,913
Europe	301	+100	+50.4%	200	546	1,329	615
Total	21,674	+2,829	+15.0%	18,844	38,877	85,072	42,200

* Area segmentation is based on the region where sales occurs.

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Consolidated Financial Statements for the first quarter

ended June, 20, 2004

August 3, 2004

Company Name: HORIBA, Ltd.

Stock Exchange Listings: Tokyo, Osaka

Listing Code: 6856

Place of Head Office: Kyoto

(URL <http://www.horiba.co.jp>)

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1. Basis of Quarterly Report

1. Adoption of simplified accounting principles : None

2. Differences in accounting principles between this quarterly report and financial statements of latest fiscal year : None

3. Changes in the scope of consolidation and application of the equity method : Yes

HORIBA,Ltd. sold all stocks of HORIBA Jobin Yvon Korea Co.,Ltd.,they were excluded from the scope of consolidation, and only the profit and loss calculation up to the time of sales are consolidated. Furthermore, Jobin Yvon Ltd. (U.K.) merged Glen Spectra Ltd. (U.K.).

2. Results for the three months ended June 20, 2004

(1) Sales and Income

	Sales		Operating Income		Ordinary Income	
	JPY million	%	JPY million	%	JPY million	%
3 months ended 6/20/04	21,674	15.0	2,092	161.1	2,034	370.7
3 months ended 6/20/03	18,844	19.2	801	-	432	-
Year ended 3/20/04	85,072	8.4	6,850	25.1	5,597	48.6

	(Quarterly) Net Income		Earnings per Share		Earnings per Share (Diluted)	
	JPY million	%	JPY		JPY	
3 months ended 6/20/04	773	1,921.9	23.02		18.83	
3 months ended 6/20/03	38	-	0.45		0.66	
Year ended 3/20/04	2,073	164.0	62.90		50.10	

Notes:

1. Percentages represent changes for net sales, operating income, and ordinary income compared to the corresponding period in the previous year.

2. Results for the 3 months ended 6/20/04 and 3 months ended 6/20/03 are not audited by independent auditors.

The consolidated financial results for the 1st quarter of year 2004 showed the following results; sales increased 15.0% to ¥21,674 million; operating income increased 161.1% to ¥2,092 million; ordinary income increased 370.7% to ¥2,034 million; net income increased 1,921.9% to ¥773 million over the same period previous year respectively.

A summary of the current business conditions by each segment is as follows:

(Engine Measurement Instruments & Systems)

Sales of large motor exhaust gas analyzers did well due to active investment for development of new type engines by Japanese automobile manufacturers and demand expansion in Asia centered around China. Sales increased 4.0% to ¥6,031 million, and operating income increased 19.6% to ¥1,193 million.

(Analytical Instruments & Systems)

Sales of X-ray elemental analyzers increased in Japanese market due to WEEE & RoHS directives (Waste Electric and Electronic Equipment and Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment) regulated by EU for green procurement, on the other hand, sales of scientific instruments in European market were slowdown. Sales increased 0.3% to ¥6,444 million, and operating loss was ¥53 million (¥49 million loss in the same period previous year).

(Medical/Diagnostic Instruments & Systems)

Due to increased sales of diagnostic reagents by good progress in the sale of mid- and small-sized hematology analyzers, sales increased 6.8% to ¥4,071 million. On the other hand, operating income decreased 83.7% to ¥30 million due to increased of sales expenses for expanding sales of new products.

(Semiconductor Instruments & Systems)

Demand expanded in the semiconductor market due to recovery of the market in late 2003, the sales of Mass Flow Controllers and Chemical Concentration Meters, which are used for semiconductor manufacturing processes, were in favorable conditions. Sales increased 82.4% to ¥5,126 million, and operating income rose ¥922 million (¥334 million loss in the same period previous year).

(2) Financial Position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
6/20/04	JPY million 91,542	JPY million 44,517	% 48.6	JPY 1,352.76
6/20/03	JPY million 96,375	JPY million 40,051	% 41.6	JPY 1,292.68
3/20/04	JPY million 92,657	JPY million 43,348	% 46.8	JPY 1,350.31

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents End of Period
3 months ended 6/20/04	JPY million 1,832	JPY million (1,347)	JPY million (849)	JPY million 13,167
3 months ended 6/20/03	JPY million 787	JPY million (663)	JPY million (2,014)	JPY million 20,278
Year ended 3/20/04	JPY million 5,789	JPY million (2,765)	JPY million (11,596)	JPY million 13,603

Cash Flow Conditions for the Term

(Cash Flow Resulting from Operating Activities)

For this term, the net cash flow resulting from operating activities amounted to ¥1,832 million. This increase was attributed primarily to the fact that, although trade payables decreased by ¥654 million and corporate tax payments were ¥1,607 million, the income before income taxes was ¥2,036 million and trade receivables decreased by ¥305 million.

(Cash Flow Resulting from Investing Activities)

The net cash flow used in investing activities amounted to ¥1,347 million. This was attributed primarily to factors such as payments of ¥871 million for the acquisition of fixed assets and payments of ¥241 million for the purchase of investment securities.

(Cash Flow Resulting from Financing Activities)

The net cash flow used in financing activities amounted to ¥849 million. This was attributed primarily to factors such as net decreases of ¥557 million in short-term borrowings and repayments of ¥192 million for long-term debt.

As a result, cash and cash equivalents decreased by ¥435 million to ¥13,167 million, compared with the beginning of the financial year.

3. Projected results for the year ending March 20, 2005

We expect that the sales of controllers for semiconductor processes and exhaust gas analyzers will be more than what we expected. And we also expect the improvement of manufacturing efficiency and cost reduction by group purchasing. Taking these situations into consideration, we expect the projected result for 6 months ended September 20, 2004 and the year ended March 20, 2005 as below.

	Sales	Operating Income	Ordinary Income	Net Income
6 months ended 9/20/04	JPY million 42,200	JPY million 3,000	JPY million 2,700	JPY million 800
Year ended 3/20/05	91,000	7,700	6,700	2,800

* These projected results are made at August 3, 2004, and HORIBA's actual results could materially differ from those contained in these forward-looking statements as a result of numerous factors outside of HORIBA's control.

Consolidated Balance Sheets

	As of June 20, 2004		As of June 20, 2003		As of March 20, 2004	
	Amount	%	Amount	%	Amount	%
Assets	JPY million		JPY million		JPY million	
Current Assets:	[64,161]	[70.1]	[69,238]	[71.9]	[65,726]	[70.9]
Cash and banks	12,233		19,257		13,002	
Trade notes and accounts receivable	28,500		26,373		29,143	
Marketable securities	937		1,020		601	
Inventories	19,214		18,880		19,402	
Deferred tax assets	2,069		1,904		2,177	
Other current assets	1,752		2,289		1,919	
Allowance for doubtful accounts	(547)		(487)		(520)	
Fixed Assets:	[27,381]	[29.9]	[27,128]	[28.1]	[26,930]	[29.1]
Tangible Assets:	[18,949]	[20.7]	[19,393]	[20.1]	[18,841]	[20.3]
Buildings and structures	7,022		6,833		7,088	
Machinery, equipment, and vehicles	2,416		2,155		2,338	
Land	7,706		7,610		7,476	
Construction in progress	37		1,049		158	
Other property, plant and equipment	1,765		1,744		1,779	
Intangible Assets:	[2,212]	[2.4]	[1,294]	[1.3]	[2,180]	[2.4]
Goodwill	83		282		84	
Consolidation difference	1,142		294		1,206	
Other intangibles	985		717		888	
Investments and Other Non-Current Assets:	[6,219]	[6.8]	[6,440]	[6.7]	[5,909]	[6.4]
Investment securities	4,394		4,096		3,957	
Deferred tax assets	510		917		650	
Other investments and other assets	1,435		1,555		1,441	
Allowance for doubtful accounts	(120)		(128)		(140)	
Deferred Charges:	[0]	[0.0]	[9]	[0.0]	[0]	[0.0]
Bond issue expenses	—		8		—	
Organization cost	0		0		0	
Total Assets	91,542	100.0	96,375	100.0	92,657	100.0

	As of June 20, 2004		As of June 20, 2003		As of March 20, 2004	
	Amount	%	Amount	%	Amount	%
Liabilities	JPY million		JPY million		JPY million	
Current Liabilities:	[27,887]	[30.5]	[34,405]	[35.6]	[29,371]	[31.7]
Notes and accounts payable — trade	7,914		7,449		8,757	
Short—term loans payable	5,630		5,843		6,352	
Current portion of long—term debt	497		685		641	
Accounts payable — other	6,046		4,908		5,650	
Accrued income taxes	1,293		673		2,052	
Accrued bonuses to employees	2,492		1,433		2,095	
Reserve for product warranty	900		997		885	
Deferred tax liabilities	0		—		0	
Current maturities of bonds	—		9,000		—	
Other current liabilities	3,111		3,413		2,935	
Non—Current Liabilities:	[16,752]	[18.3]	[19,395]	[20.1]	[17,597]	[19.0]
Corporate bonds	5,000		5,000		5,000	
Convertible bonds	7,944		9,983		8,819	
Long—term debt	611		1,202		647	
Employees' retirement benefits	1,105		2,357		1,108	
Deferred tax liabilities	193		34		20	
Other non—current liabilities	1,897		817		2,001	
Total Liabilities	44,639	48.8	53,800	55.7	46,969	50.7
Minority Interests in Consolidated Subsidiaries	2,385	2.6	2,523	2.7	2,340	2.5
Shareholders' Equity						
Common stock	7,598	8.3	6,577	6.9	7,160	7.7
Capital surplus	11,896	13.0	10,875	11.3	11,456	12.4
Retained earnings	24,788	27.1	22,399	23.2	24,341	26.3
Net unrealized holding gains on securities	1,216	1.3	567	0.6	1,100	1.2
Foreign currency translation adjustments	(742)	(0.8)	(118)	(0.1)	(433)	(0.5)
Treasury stock	(239)	(0.3)	(250)	(0.3)	(277)	(0.3)
Total Shareholders' Equity	44,517	48.6	40,051	41.6	43,348	46.8
Total Liabilities, Minority Interests and Shareholders' Equity	91,542	100.0	96,375	100.0	92,657	100.0

Consolidated Statements of Income

	Three months ended June 20, 2004		Three months ended June 20, 2003		Year ended March 20, 2004	
	Amount	%	Amount	%	Amount	%
Net Sales	JPY million 21,674	100.0	JPY million 18,844	100.0	JPY million 85,072	100.0
Cost of Sales	12,584	58.1	11,227	59.6	50,417	59.3
Gross Income	9,089	41.9	7,616	40.4	34,654	40.7
Selling, General and Administrative Expenses	6,996	32.2	6,815	36.1	27,804	32.6
Operating Income	2,092	9.7	801	4.3	6,850	8.1
Other Income	[185]	[0.9]	[159]	[0.8]	[582]	[0.7]
Interest and dividend income	7	0.0	34	0.2	84	0.1
Foreign exchange gain	58	0.3	—	—	—	—
Other	119	0.6	125	0.6	498	0.6
Other expenses	[244]	[1.2]	[528]	[2.8]	[1,835]	[2.2]
Interest expense	113	0.5	155	0.8	448	0.5
Amortization of bond issue expenses	—	—	3	0.0	11	0.0
Foreign exchange loss	—	—	18	0.1	235	0.3
Amortization of goodwill	25	0.1	74	0.4	301	0.4
Other	105	0.6	277	1.5	837	1.0
Ordinary Income	2,034	9.4	432	2.3	5,597	6.6
Special gains	[16]	[0.1]	[8]	[0.0]	[120]	[0.1]
Gain on sales of properties	16	0.1	8	0.0	120	0.1
Special losses	[14]	[0.1]	[16]	[0.1]	[938]	[1.1]
Loss on disposal of properties	11	0.1	6	0.0	57	0.1
Loss on sales of properties	3	0.0	10	0.1	25	0.0
Loss on valuation of properties	—	—	—	—	133	0.2
Loss on valuation of inventories	—	—	—	—	89	0.1
Loss on change of retirement benefit plan	—	—	—	—	441	0.5
Loss on sales of investment securities	—	—	—	—	34	0.0
Retirement benefits to directors	—	—	—	—	0	0.0
Loss on valuation of investment securities	—	—	—	—	135	0.2
Other	—	—	—	—	19	0.0
Income Before Income Taxes	2,036	9.4	423	2.2	4,779	5.6
Income Taxes (Current)	860	4.0	379	2.1	2,937	3.4
Income Taxes (Deferred)	314	1.5	18	0.1	(363)	(0.4)
Minority Interest in Earnings of Consolidated Subsidiaries	86	0.3	(12)	(0.2)	132	0.2
Net Income	773	3.6	38	0.2	2,073	2.4

Consolidated Statements of Capital Surplus and Retained Earnings

	Three months ended June 20, 2004	Three months ended June 20, 2003	Year ended March 20, 2004
(Capital Surplus)	JPY million	JPY million	JPY million
Balance of capital surplus at beginning of period	[11,456]	[10,875]	[10,875]
Increase of capital surplus	[439]	[—]	[581]
Conversion of convertible bonds	437	—	581
Increase on disposal treasury stock	2	—	—
Balance of capital surplus at end of period	11,896	10,875	11,456
(Retained Earnings)			
Balance of retained earnings at beginning of period	[24,341]	[22,936]	[22,936]
Increase of retained earnings	[773]	[38]	[2,073]
Net income	773	38	2,073
Decrease of retained earnings	[326]	[575]	[669]
Cash dividends	224	356	449
Bonus to directors and statutory auditors	102	97	98
Decrease of retained earnings by merger of consolidated subsidiary	—	121	121
Balance of retained earnings at end of period	[24,788]	[22,399]	[24,341]

Consolidated Statements of Cash Flows

	Three months ended June 20, 2004	Three months ended June 20, 2003	Year ended March 20, 2004
Cash Flows from Operating Activities:			
Income before income taxes	2,036	423	4,779
Depreciation	639	683	2,903
Amortization of consolidation difference	62	13	133
Amortization of bond issue expenses	—	3	11
Increase in allowance for doubtful receivables	64	16	10
Increase (decrease) in employees' retirement benefits	22	114	(1,138)
Interest and dividend income	(7)	(34)	(84)
Interest expense	113	155	448
Foreign exchange gains	(6)	(8)	(11)
Gain on sales of property, plant and equipment	(16)	(8)	(120)
Loss on disposal of properties	11	6	57
Loss on sales of property, plant and equipment	3	10	25
Loss on sales of investment securities	—	—	34
Loss on valuation of investment securities	—	—	135
Retirement benefits to directors	—	—	0
Loss on valuation of properties	—	—	133
Decrease in trade notes and accounts receivables	305	3,414	688
Increase in inventories	(78)	(274)	(881)
Decrease in trade notes and accounts payable	(654)	(1,722)	(357)
Bonuses to directors and statutory auditors	(102)	(97)	(98)
Bonuses to directors and statutory auditors charged to minority interests	(6)	(7)	(7)
Other, net	1,126	28	2,575
Subtotal	3,513	2,715	9,240
Interest and dividends received	7	8	85
Interest paid	(80)	(137)	(519)
Payment of retirement benefits to directors	—	—	(30)
Income taxes paid	(1,607)	(1,799)	(2,986)
Net cash provided by operating activities	1,832	787	5,789
Cash Flows from Investing Activities:			
Increase in time deposits	—	—	(85)
Decrease in time deposits	—	2	87
Payment for purchase of property, plant and equipment	(871)	(799)	(2,622)
Proceeds from sale of property, plant and equipment	91	25	261
Payment for purchase of intangibles	(197)	(27)	(418)
Payment for purchase of investment securities	(241)	(104)	(413)
Proceeds from sale and redemption of investment securities	—	—	452
Payment for purchase of investments in consolidated subsidiaries	(19)	—	(168)
Payment for purchase of investments in newly consolidated subsidiaries	—	—	(272)
Increase in loans receivable	(0)	(1)	(1)
Decrease in loans receivable	1	231	237
Other, net	(110)	9	179
Net cash used in investing activities	(1,347)	(663)	(2,765)
Cash Flows from Financing Activities:			
Payment for redemption of corporate bonds	—	—	(9,000)
Net decrease in short-term borrowings	(557)	(1,061)	(589)
Increase in long-term debt	45	—	247
Repayment of long-term debt	(192)	(699)	(1,618)
Payments for purchase of treasury stock	(19)	(0)	(26)
Proceeds from disposal of treasury stock	59	—	—
Cash dividends paid	(133)	(210)	(449)
Cash dividends paid to minority interests	(26)	(0)	(39)
Other, net	(24)	(41)	(120)
Net cash provided by (used in) financing activities	(849)	(2,014)	(11,596)
Effects of Exchange Rate Changes	(70)	107	114
Net Decrease in Cash and Cash Equivalents	(435)	(1,782)	(8,457)
Cash and Cash Equivalents at Beginning of Year	13,603	22,061	22,061
Cash and Cash Equivalents at End of Period	13,167	20,278	13,603

Business Segment Information

1. Business Segment Information

Three months ended June 20, 2004

	Engine Measurement Instruments & Systems	Analytical Instruments & Systems	Medical / Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
Net Sales	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million
(1) Sales to outside customers	6,031	6,444	4,071	5,126	21,674	–	21,674
(2) Intersegment sales and transfer	–	–	–	–	–	–	–
Operating expenses	4,837	6,498	4,040	4,204	19,581	–	19,581
Operating Income (Loss)	1,193	(53)	30	922	2,092	–	2,092

Three months ended June 20, 2003

	Engine Measurement Instruments & Systems	Analytical Instruments & Systems	Medical / Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
Net Sales	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million
(1) Sales to outside customers	5,799	6,424	3,811	2,810	18,844	–	18,844
(2) Intersegment sales and transfer	–	–	–	–	–	–	–
Operating expenses	4,801	6,473	3,623	3,144	18,043	–	18,043
Operating Income (Loss)	997	(49)	187	(334)	801	–	801

Year ended March 20, 2004

	Engine Measurement Instruments & Systems	Analytical Instruments & Systems	Medical / Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
Net Sales	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million
(1) Sales to outside customers	23,582	29,425	17,301	14,763	85,072	–	85,072
(2) Intersegment sales and transfer	–	–	–	–	–	–	–
Operating expenses	20,096	28,404	15,793	13,928	78,222	–	78,222
Operating Income	3,485	1,021	1,507	835	6,850	–	6,850

Note: Main products of each business segment

Business Segment	Main Products
Engine Measurement Instruments & Systems	Motor Exhaust Gas Analyzers, Vehicle Emissions Test Systems, Engine Research and Test Systems, Chassis Dynamometers, Robot Drivers, Automotive Emission Analyzers, Fuel Cell System Gas Analyzer Systems, Vessel Engine Exhaust Gas Analyzers, Tachometers and Super-Low-Mass PM Analyzers.
Analytical Instruments & Systems	PH-Meters, Ion Meters, Process Water Analyzers, Particle Size Distribution Analyzers, Metal-Ceramics Analyzers, ICP Luminescence Analyzers, Fourier Transform Infrared Spectrometers, Energy Dispersive X-ray Analyzers, X-ray Fluorescence Analyzers, Optical Crystals, Infrared Detectors, Radiation Thermo Meters, Food Analyzers, Water Pollution Analyzers, Air Pollution Analyzers, Stack Gas Analyzers, Soil Pollutant Analyzer and Radio Frequency Glow Discharge Optical Emission Spectrometer.
Medical / Diagnostic Instruments & Systems	Clinical Diagnostics Analyzers, Hematology Analyzers, Blood Cell Counters, Clinical Chemistry Analyzers, Immunoassay Analyzers, Blood Glucose Analyzers and Urometers.
Semiconductor Instruments & Systems	Mass Flow Controllers, Liquid Injection Systems, Chemical Concentration Meters, Spectroscopic Ellipsometers, Plasma Process Monitors, Flat Panel Display Module Defect Inspection Systems, Particle Counters and Reticle/Mask Particle Detection Systems.

Segment Information

2. Area Segment Information

Three months ended June 20, 2004

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales	JPY million	JPY million					
(1) Sales to outside customers	12,449	1,904	6,884	435	21,674	-	21,674
(2) Intersegment sales and transfers	2,888	38	461	151	3,539	(3,539)	-
Total	15,338	1,942	7,346	586	25,214	(3,539)	21,674
Operating expenses	12,766	2,031	7,853	527	23,179	(3,597)	19,581
Operating Income (Loss)	2,571	(89)	(507)	59	2,034	57	2,092

Three months ended June 20, 2003

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales	JPY million	JPY million					
(1) Sales to outside customers	9,990	1,684	6,969	199	18,844	-	18,844
(2) Intersegment sales and transfers	1,933	77	556	95	2,663	(2,663)	-
Total	11,924	1,762	7,525	294	21,507	(2,663)	18,844
Operating expenses	11,043	1,986	7,551	298	20,878	(2,835)	18,043
Operating Income (Loss)	881	(223)	(25)	(3)	629	172	801

Year ended March 20, 2004

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
Net Sales	JPY million	JPY million					
(1) Sales to outside customers	41,419	8,874	33,654	1,124	85,072	-	85,072
(2) Intersegment sales and transfers	8,312	266	1,822	503	10,904	(10,904)	-
Total	49,731	9,141	35,476	1,627	95,977	(10,904)	85,072
Operating expenses	45,478	9,071	33,485	1,539	89,574	(11,351)	78,222
Operating Income	4,253	69	1,991	88	6,402	447	6,850

3. Overseas Sales

Three months ended June 20, 2004

	America	Europe	Asia	Total	JPY million
Overseas sales	3,595	4,677	2,476	10,748	
Consolidated sales	-	-	-	21,674	
Overseas sales to consolidated sales	16.6%	21.6%	11.4%	49.6%	

Three months ended June 20, 2003

	America	Europe	Asia	Total	JPY million
Overseas sales	2,671	6,559	2,106	11,337	
Consolidated sales	-	-	-	18,844	
Overseas sales to consolidated sales	14.2%	34.8%	11.2%	60.2%	

Year ended March 20, 2004

	America	Europe	Asia	Total	JPY million
Overseas sales	12,106	27,361	8,395	47,863	
Consolidated sales	-	-	-	85,072	
Overseas sales to consolidated sales	14.2%	32.2%	9.9%	56.3%	

Note: Overseas sales comprise sales of HORIBA, Ltd. and its subsidiaries in countries or regions other than Japan.

Production, Order Booking and Sales

1. The results of production

Segment	Three months ended June 20, 2004	Three months ended June 20, 2003	Year ended March 20, 2004	JPY million
Engine Measurement Instruments & Systems	4,855	7,554	24,845	
Analytical Instruments & Systems	6,000	7,279	30,460	
Medical / Diagnostic Instruments & Systems	3,979	4,782	17,765	
Semiconductor Instruments & Systems	7,202	4,623	14,361	
Total	22,038	24,239	87,432	

Notes

1. Intersegment transactions are offset.
2. The amounts represent sales prices.
3. The amounts don't include consumption tax.

2. The results of order booking

Segment	Three months ended June 20, 2004		Three months ended June 20, 2003		Year ended March 20, 2004	
	Amount	%	Amount	%	Amount	%
JPY million	7,965	31.5%	6,325	30.0%	23,343	27.2%
	7,291	28.8%	7,543	35.7%	29,544	34.6%
	4,311	17.0%	3,932	18.6%	17,400	20.4%
	5,745	22.7%	3,326	15.7%	15,191	17.8%
	Order Booking	25,313	100.0%	21,127	100.0%	85,480
Order Booking	9,181	47.6%	8,011	45.8%	7,246	46.3%
	6,448	33.5%	6,602	37.7%	5,602	35.8%
	1,431	7.4%	1,213	6.9%	1,191	7.6%
	2,214	11.5%	1,684	9.6%	1,596	10.3%
	Backlog	19,275	100.0%	17,511	100.0%	15,636

3. The results of sales

Segment	Three months ended June 20, 2004	Three months ended June 20, 2003	Year ended March 20, 2004	JPY million
Engine Measurement Instruments & Systems	6,031	5,799	23,582	
Analytical Instruments & Systems	6,444	6,424	29,425	
Medical / Diagnostic Instruments & Systems	4,071	3,811	17,301	
Semiconductor Instruments & Systems	5,126	2,810	14,763	
Total	21,674	18,844	85,072	

Notes

Intersegment transactions of Intersegments are offset.