

Consolidated Financial Statements for the Nine Months Ended December 20, 2003

February 3, 2004

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1. Basis of Quarterly Report

- Differences in accounting principles between this quarterly report and financial statements of latest fiscal year : None
- Changes in the scope of consolidation and application of the equity method : Yes
 HORIBA, Ltd. merged HORIBA Jobin Yvon Co., Ltd.
 ABX International S.A.S. (France) purchased BioPEP S.A. (France)
 Jobin Yvon Inc. (U.S.A.) purchased IBH Consultants Ltd. (U.K.).

2. Results for the nine months ended December 20, 2003

(1) Sales and Income

	Sales		Operating Income		Ordinary Income	
	JPY million	%	JPY million	%	JPY million	%
9 months ended 12/20/03	59,251	9.3	3,678	14.7	2,907	85.2
9 months ended 12/20/02	54,218	-	3,208	-	1,569	-
Year ended 3/20/03	78,501	5.4	5,473	114.9	3,766	135.5

	(Quarterly) Net Income		Earnings per Share	Earnings per Share (Diluted)
	JPY million	%	JPY	JPY
9 months ended 12/20/03	994	-	31.86	25.59
9 months ended 12/20/02	(180)	-	(5.81)	-
Year ended 3/20/03	785	-	22.21	18.31

Notes:

- Percentages represent changes for net sales, operating income, and ordinary income compared to the corresponding period in the previous year.
- Results for the 9 months ended 12/20/03 and 9 months ended 12/20/02 are not audited by independent auditors.

The consolidated financial results for the 3rd Quarter of the year ended March 20, 2004 shows sales of JPY59,251 million. As for income, operating income was JPY3,678 million, ordinary income was JPY2,907million, and net income was JPY994 million.

Below are summaries of the current business condition of each business segment.

(Engine Measurement Instruments & Systems)

With mid- and long-term stricter exhaust gas regulations and investments for new models, HORIBA is seeing favorable conditions for the sales of large exhaust gas analyzers mainly to Japanese automakers. Total segment sales increased 25.4% over the previous year to JPY16,056 million. Operating income increased 29.6% to JPY2,178 million due to the increased sales.

(Analytical Instruments & Systems)

Due to expanding demand for environmental-related products in the Japanese market, sales for this segment increased 6.5% over the previous year to JPY20,540 million. However, with the intensifying competition in Japan, operating income fell 66.3% to JPY151 million.

(Medical/Diagnostic Instruments & Systems)

With an increase in sales of test reagents for blood cell counters, the total sales for this segment were up 11.1% from the previous year to JPY12,802 million, and operating income also increased 43.3% to JPY1,401 million.

(Semiconductor Instruments & Systems)

As for the 3rd quarter, the semiconductor market recovered and sales of mass flow controllers for semiconductor production processes showed signs of recovery. However total sales for this segment were down 7.2% from the previous year to JPY9,852 million, operating loss was -JPY53 million (the operating income for the previous year was JPY100 million), due to poor market conditions in the first half.

Comparison with the Same Term of the Previous Year:

Sales by Segment	9 months ended 12/20/03		9 months ended 12/20/02		Change from Previous Year		Year ended 3/20/03	
	Amount	%	Amount	%	Amount	%	Amount	%
Engine Measurement Instruments & Systems	JPY million 16,056	27.1	JPY million 12,804	23.6	JPY million 3,252	25.4	JPY million 21,131	26.9
Analytical Instruments & Systems	20,540	34.7	19,279	35.6	1,261	6.5	27,037	34.5
Medical/Diagnostic Instruments & Systems	12,802	21.6	11,523	21.3	1,279	11.1	15,941	20.3
Semiconductor Instruments & Systems	9,852	16.6	10,612	19.6	(759)	-7.2	14,391	18.3
Total	JPY 59,251	100.0	JPY 54,218	100.0	JPY 5,033	9.3	JPY 78,501	100.0

Operating Income by Segment	9 months ended 12/20/03		12 months ended 12/20/02		Change from Previous Year		Year ended 3/20/03	
	Amount	%	Amount	%	Amount	%	Amount	%
Engine Measurement Instruments & Systems	JPY million 2,178	59.2	JPY million 1,681	52.4	JPY million 497	29.6	JPY million 3,149	57.6
Analytical Instruments & Systems	151	4.1	449	14.0	(298)	-66.3	767	14.0
Medical/Diagnostic Instruments & Systems	1,401	38.1	978	30.5	424	43.3	1,390	25.4
Semiconductor Instruments & Systems	(53)	-1.4	100	3.1	(154)	-153.4	165	3.0
Total	JPY 3,678	100.0	JPY 3,208	100.0	JPY 469	14.7	JPY 5,473	100.0

Comparison of Quarters:

Sales by Segment	4/03-6/03		7/03-9/03		10/03-12/03		9 months ended 12/20/03	
	Amount	%	Amount	%	Amount	%	Amount	%
Engine Measurement Instruments & Systems	JPY million 5,799	30.8	JPY million 4,529	22.6	JPY million 5,728	28.1	JPY million 16,056	27.1
Analytical Instruments & Systems	6,424	34.1	7,557	37.7	6,559	32.2	20,540	34.6
Medical/Diagnostic Instruments & Systems	3,811	20.2	4,559	22.8	4,431	21.7	12,802	21.6
Semiconductor Instruments & Systems	2,810	14.9	3,386	16.9	3,654	17.9	9,852	16.6
Total	JPY 18,844	100	JPY 20,033	100	JPY 20,374	100	JPY 59,251	100

Operating Income by Segment	4/03-6/03		7/03-9/03		10/03-12/03		9 months ended 12/20/03	
	Amount	%	Amount	%	Amount	%	Amount	%
Engine Measurement Instruments & Systems	JPY million 997	124.4	JPY million 291	30.5	JPY million 889	46.3	JPY million 2,178	59.2
Analytical Instruments & Systems	(49)	-6.1	106	11.1	94	4.9	151	4.0
Medical/Diagnostic Instruments & Systems	187	23.4	553	57.9	660	34.4	1,401	38.1
Semiconductor Instruments & Systems	(334)	-41.7	5	0.5	275	14.4	(53)	-1.4
Total	JPY 801	100.0	JPY 956	100.0	JPY 1,919	100.0	JPY 3,678	100.0

Average Exchange Rate	9 months ended 12/20/03	12 months ended 12/20/02	Year ended 3/20/03
US Dollar	JPY 118.34	JPY 126.04	JPY 125.18
Euro	131.69	116.65	118.13
Sterling Pound	190.67	186.31	187.89

(2) Financial Position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	JPY million	JPY million	%	JPY
12/20/03	87,083	41,716	47.9	1,315.11
12/20/02	-	-	-	-
3/20/03	100,541	40,143	39.9	1,293.30

* No quarterly financial statements were prepared.

(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
	JPY million	JPY million	JPY million	JPY million
9 months ended 12/20/03	4,149	(2,459)	(12,190)	11,637
9 months ended 12/20/02	-	-	-	-
Year ended 3/20/03	8,960	(1,337)	(2,354)	22,061

* No quarterly financial statements were prepared.

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 JPY4,149 million. This increase was attributed primarily to the fact that, although trade payables decreased by JPY1,346 million and corporate tax payments were JPY2,652 million, income before income taxes was JPY2,865 million and trade receivables decreased by JPY4,808 million.

(Cash Flow Resulting from Investing Activities)

The net cash flow used in investing activities amounted to JPY2,459 million. This was attributed primarily to factors such as payments of JPY2,110 million for the acquisition of fixed assets.

(Cash Flow Resulting from Financing Activities)

The net cash flow used in financing activities amounted to JPY12,190 million. This was attributed primarily to an outlay of JPY9,000 million for the redemption of bonds, a net decrease of JPY1,770 million in short-term borrowings and repayment of JPY1,071 million for long-term debt. As a result, cash and cash equivalents decreased by JPY10,423 million to JPY11,637 million, compared with the beginning of the year.

3. Projected results for the year ending March 20, 2004

There is no change in the projected result reported with the release of interim results.

HORIBA expects favorable conditions for Engine Measurement Instruments & Systems and Semiconductor Instruments & Systems in the 4th quarter. However, we also expect decreases in sales prices due to increasing competition and worsening profits in the US market as a result of a further depreciation in the value of the US dollar. Taking these factors into account, we estimate the following consolidated business results for the term — Sales: JPY82.5 billion (up 5.1% from the preceding year), Operating Income: JPY5.5 billion (up 0.5%), Ordinary Income: JPY4.2 billion (up 11.5%) and Net Income for the Term: JPY1.4 billion (up 78.1%).

	Sales	Operating Income	Ordinary Income	Net Income
	JPY million	JPY million	JPY million	JPY million
Year ended 3/20/04	82,500	5,500	4,200	1,400

* These projected results are made at February 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 December 20, 2003		As of September 20, 2003		As of March 20, 2003	
	Amount	%	Amount	%	Amount	%
Assets	JPY million		JPY million		JPY million	
Current Assets:	(59,924)	(68.7)	(69,467)	(71.3)	(73,820)	(73.4)
Cash	11,218		15,465		21,409	
Trade notes and accounts receivable	24,873		25,112		29,594	
Marketable securities	420		548		653	
Inventories	19,639		19,636		18,336	
Deferred tax assets	1,834		1,978		1,999	
Prepayment for redemption of corporate bonds	-		5,000		-	
Other current assets	2,477		2,258		2,289	
Allowance for doubtful accounts	(539)		(532)		(462)	
Fixed Assets:	(27,155)	(31.3)	(27,821)	(28.7)	(26,698)	(26.6)
Tangible Assets:	(19,105)	(21.9)	(19,631)	(20.2)	(19,000)	(18.9)
Buildings and structures	7,314		6,858		6,872	
Machinery, equipment, and vehicles	2,055		2,143		2,144	
Land	7,581		7,621		7,510	
Construction in progress	402		1,182		827	
Other property, plant and equipment	1,751		1,826		1,645	
Intangible Assets:	(1,191)	(1.4)	(1,228)	(1.3)	(1,387)	(1.4)
Goodwill	125		213		350	
Consolidation difference	246		208		301	
Other intangibles	819		806		735	
Investments and Other Non-Current Assets:	(6,859)	(8.0)	(6,960)	(7.2)	(6,310)	(6.3)
Investment securities	4,869		4,947		3,910	
Deferred tax assets	622		609		968	
Other investments and other assets	1,494		1,529		1,552	
Allowance for doubtful accounts	(126)		(124)		(120)	
Deferred Charges:	(3)	(0.0)	(6)	(0.0)	(22)	(0.0)
Bond issue expenses	2		5		11	
Organization cost	0		0		0	
Business commencement expense	-		-		10	
Total Assets	87,083	100.0	97,294	100.0	100,541	100.0

Consolidated Balance Sheets

	As of December 20, 2003		As of September 20, 2003		As of March 20, 2003	
	Amount	%	Amount	%	Amount	%
Liabilities	JPY million		JPY million		JPY million	
Current Liabilities:	(24,543)	(28.2)	(34,887)	(35.9)	(37,961)	(37.7)
Notes and accounts payable - trade	7,674		8,104		9,198	
Short-term loans payable	5,094		5,712		6,714	
Current portion of long-term debt	678		717		684	
Accounts payable - other	4,635		4,731		4,533	
Accrued income taxes	1,113		985		2,079	
Accrued bonuses to employees	1,503		1,938		2,012	
Reserve for product warranty	867		927		935	
Deferred tax liabilities	0		-		-	
Current maturities of bonds	-		9,000		9,000	
Other current liabilities	2,976		2,769		2,802	
Non-Current Liabilities:	(18,553)	(21.3)	(19,089)	(19.6)	(19,876)	(19.8)
Corporate bonds	5,000		5,000		5,000	
Convertible bonds	9,154		9,727		9,983	
Long-term debt	1,107		1,050		1,836	
Employees' retirement benefits	2,542		2,461		2,234	
Deferred tax liabilities	21		33		22	
Other non-current liabilities	728		817		800	
Total Liabilities	43,097	49.5	53,976	55.5	57,837	57.5
Minority Interests in Consolidated Subsidiaries	2,269	2.6	2,256	2.3	2,559	2.6
Shareholders' Equity						
Common stock	6,992	8.0	6,706	6.9	6,577	6.5
Capital surplus	11,289	13.0	11,003	11.3	10,875	10.8
Retained earnings	23,261	26.7	22,461	23.1	22,936	22.8
Net unrealized holding gains on securities	900	1.0	943	1.0	405	0.4
Foreign currency translation adjustments	(459)	-0.5	204	0.2	(401)	-0.4
Treasury stock	(268)	-0.3	(257)	-0.3	(250)	-0.2
Total Shareholders' Equity	41,716	47.9	41,061	42.2	40,143	39.9
Total Liabilities, Minority Interests and Shareholders' Equity	87,083	100.0	97,294	100.0	100,541	100.0

Consolidated Statements of Operations

	Nine months ended December 20, 2003		Six months ended September 20, 2003		Year ended March 20, 2003	
	Amount	%	Amount	%	Amount	%
Net Sales	JPY million 59,251	100.0	JPY million 38,877	100.0	JPY million 78,501	100.0
Cost of Sales	34,874	58.9	23,015	59.2	47,675	60.7
Gross Income	24,377	41.1	15,862	40.8	30,826	39.3
Selling, General and Administrative Expenses	20,699	34.9	14,104	36.3	25,352	32.3
Operating Income	3,678	6.2	1,758	4.5	5,473	7.0
Other Income	(339)	(0.6)	(238)	(0.6)	(602)	(0.8)
Interest and dividend income	45	0.1	33	0.1	122	0.2
Other	293	0.5	204	0.4	480	0.6
Other expenses	(1,110)	(1.9)	(839)	(2.2)	(2,310)	(3.0)
Interest expense	357	0.6	272	0.7	684	0.9
Amortization of bond issue expenses	8	0.0	5	0.0	11	0.0
Foreign exchange loss	121	0.2	59	0.2	878	1.1
Amortization of goodwill	223	0.4	152	0.4	291	0.4
Other	398	0.7	349	0.9	443	0.6
Ordinary Income	2,907	4.9	1,157	2.9	3,766	4.8
Special gains	(8)	(0.0)	(8)	(0.0)	(158)	(0.2)
Gain on sales of properties	8	0.0	8	0.0	12	0.0
Gain on sales of investment securities	-	-	-	-	14	0.0
Gain on change in subsidiary's retirement benefits plan	-	0.0	-	0.0	131	0.1
Special losses	(50)	(0.1)	(26)	(0.0)	(806)	(1.0)
Loss on disposal of properties	30	0.1	13	0.0	90	0.1
Loss on sales of properties	16	0.0	9	-	203	0.3
Loss on sales of investment securities	-	-	-	-	34	0.0
Retirement benefits to directors	0	0.0	0	0.0	133	0.2
Loss on disposal of inventories	-	-	-	-	24	0.0
Loss on valuation of investment securities	3	0.0	3	0.0	319	0.4
Income Before Income Taxes	2,865	4.8	1,139	2.9	3,118	4.0
Income Taxes (Current)	1,681	2.8	963	2.4	2,393	3.1
Income Taxes (Deferred)	145	0.2	52	0.1	(231)	-0.3
Minority Interest in Earnings of Consolidated Subsidiaries	44	0.1	22	0.1	171	0.2
Net Income	994	1.7	100	0.3	785	1.0

Consolidated Statements of Capital Surplus and Retained Earnings

	Nine months ended December 20, 2003	Six months ended September 20, 2003	Year ended March 20, 2003
	JPY million	JPY million	JPY million
(Capital Surplus)			
Balance of capital surplus at beginning of period	(10,875)	(10,875)	(-)
Balance of capital surplus at beginning of period	-	-	10,875
Increase of capital surplus	(414)	(-)	(-)
Conversion of convertible bonds	414	127	-
Balance of capital surplus at end of period	11,289	11,003	10,875
(Retained Earnings)			
Balance of retained earnings at beginning of period	(22,936)	(22,936)	(-)
Balance of retained earnings at beginning of period	-	-	22,479
Increase of retained earnings	(994)	(100)	(785)
Net income	994	100	785
Decrease of retained earnings	(669)	(575)	(328)
Cash dividends	449	356	263
Bonus to directors and statutory auditors	98	98	65
Decrease of retained earnings by merger of consolidated subsidiary	121	121	-
Balance of retained earnings at end of period	(23,261)	(22,461)	(22,936)

Consolidated Statements of Cash Flows

	Nine months ended December 20, 2003	Six months ended September 20, 2003	Year ended March 20, 2003
	JPY million	JPY million	JPY million
Cash Flows from Operating Activities:			
Income before income taxes	2,865	1,139	3,118
Depreciation	2,157	1,370	2,806
Amortization of consolidation difference	28	18	108
Loss on disposal of properties	30	13	90
Amortization of bond issue expenses	8	5	11
Loss on valuation of investment securities	3	3	319
Loss on disposal of inventories	-	-	24
Increase in allowance for doubtful receivables	71	34	54
Increase (decrease) in employees' retirement benefits	299	200	(168)
Interest and dividend income	(45)	(33)	(122)
Interest expense	357	272	684
Foreign exchange (gains) losses	(3)	(5)	5
Gain on sale of property, plant and equipment	(8)	(8)	(12)
Loss on sale of property, plant and equipment	16	9	203
Gain on sales of investment securities	-	-	(14)
Loss on sales of investment securities	-	-	34
Retirement benefits to directors	0	0	133
Decrease in trade notes and accounts receivables	4,808	5,204	397
Decrease (increase) in inventories	(1,290)	(660)	813
Increase (decrease) in trade notes and accounts payable	(1,346)	(1,272)	1,215
Bonuses to directors and statutory auditors	(97)	(98)	(65)
Bonuses to directors and statutory auditors charged to minority interests	(7)	(7)	(4)
Other, net	(674)	(584)	846
Subtotal	7,172	5,603	10,481
Interest and dividends received	36	25	124
Interest paid	(377)	(298)	(685)
Payment of retirement benefits to directors	(30)	(30)	(80)
Income taxes paid	(2,652)	(2,091)	(879)
Net cash provided by operating activities	4,149	3,209	8,960
Cash Flows from Investing Activities:			
Increase in time deposits	(87)	(87)	(17)
Decrease in time deposits	87	0	258
Payment for purchase of investment securities	(121)	(119)	(340)
Proceeds from sale of investment securities	1	1	1,933
Payment for purchase of property, plant and equipment	(2,110)	(1,591)	(2,638)
Proceeds from sale of property, plant and equipment	105	88	364
Payment for purchase of intangibles	(248)	(179)	(304)
Proceeds from sale of intangibles	-	-	2
Payment for purchase of investments in consolidated subsidiaries	(168)	(168)	(452)
Payment for purchase of investments in newly consolidated subsidiaries	(129)	-	-
Increase in loans receivable	(2)	(3)	(305)
Decrease in loans receivable	236	234	69
Other, net	(20)	(17)	93
Net cash used in investing activities	(2,459)	(1,842)	(1,337)
Cash Flows from Financing Activities:			
Payment for redemption of corporate bonds	(9,000)	(5,000)	-
Net decrease in short-term borrowings	(1,770)	(1,421)	(1,389)
Increase in long-term debt	251	-	445
Repayment of long-term debt	(1,071)	(895)	(1,005)
Payments for purchase of treasury stock	(18)	(7)	(8)
Cash dividends paid	(435)	(356)	(264)
Cash dividends paid to minority interests	(39)	(39)	(18)
Other, net	(107)	(61)	(114)
Net cash provided by (used in) financing activities	(12,190)	(7,782)	(2,354)
Effects of Exchange Rate Changes	76	279	167
Net Increase (Decrease) in Cash and Cash Equivalents	(10,423)	(6,136)	5,435
Cash and Cash Equivalents at Beginning of Year	22,061	22,061	16,625
Cash and Cash Equivalents at End of Year	11,637	15,924	22,061

Business Segment Information

1. Business Segment Information

Nine months ended December 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 customers	16,056	20,540	12,802	9,852	59,251	-	59,251
(2) Intersegment sales and transfer	-	-	-	-	-	-	-
Operating expenses	13,877	20,389	11,400	9,905	55,573	-	55,573
Operating Income (Loss)	2,178	151	1,401	(53)	3,678	-	3,678

Six months ended September 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 customers	10,328	13,981	8,371	6,197	38,877	-	38,877
(2) Intersegment sales and transfer	-	-	-	-	-	-	-
Operating expenses	9,038	13,923	7,630	6,526	37,119	-	37,119
Operating Income (Loss)	1,289	57	740	(329)	1,758	-	1,758

Year ended March 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 customers	21,131	27,037	15,941	14,391	78,501	-	78,501
(2) Intersegment sales and transfer	-	-	-	-	-	-	-
Operating expenses	17,981	26,269	14,551	14,226	73,027	-	73,027
Operating Income	3,149	767	1,390	165	5,473	-	5,473

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

Nine months ended December 20, 2003

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million
Net Sales							
(1) Sales to outside customers	29,130	5,704	23,651	765	59,251	-	59,251
(2) Intersegment sales and transfers	6,355	183	1,344	320	8,204	(8,204)	-
Total	35,485	5,888	24,996	1,086	67,456	(8,204)	59,251
Operating expenses	32,848	6,216	24,081	1,044	64,190	(8,616)	55,573
Operating Income (Loss)	2,637	(328)	914	41	3,265	412	3,678

Six months ended September 20, 2003

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million
Net Sales							
(1) Sales to outside customers	19,214	3,775	15,367	520	38,877	-	38,877
(2) Intersegment sales and transfers	4,077	144	928	186	5,336	(5,336)	-
Total	23,291	3,920	16,296	706	44,213	(5,336)	38,877
Operating expenses	22,009	4,182	15,861	682	42,736	(5,616)	37,119
Operating Income (Loss)	1,282	(262)	434	23	1,477	280	1,758

Year ended March 20, 2003

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million	JPY million
Net Sales							
(1) Sales to outside customers	37,076	9,642	30,895	886	78,501	-	78,501
(2) Intersegment sales and transfers	7,553	561	1,911	414	10,440	(10,440)	-
Total	44,629	10,204	32,806	1,301	88,941	(10,440)	78,501
Operating expenses	41,519	10,006	30,598	1,247	83,372	(10,344)	73,027
Operating Income	3,109	197	2,208	53	5,569	(95)	5,473

3. Overseas Sales

Nine months ended December 20, 2003

JPY million

	America	Europe	Asia	Total
Overseas sales	7,951	19,549	6,029	33,530
Consolidated sales	-	-	-	59,251
Overseas sales to consolidated sales	13.4%	33.0%	10.2%	56.6%

Six months ended September 20, 2003

JPY million

	America	Europe	Asia	Total
Overseas sales	5,293	12,323	4,181	21,798
Consolidated sales	-	-	-	38,877
Overseas sales to consolidated sales	13.6%	31.7%	10.8%	56.1%

Year ended March 20, 2003

JPY million

	America	Europe	Asia	Total
Overseas sales	9,622	28,327	6,914	44,864
Consolidated sales	-	-	-	78,501
Overseas sales to consolidated sales	12.3%	36.1%	8.8%	57.2%

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

The results of production by segment for the nine months ended December 20, 2003 are as below :

JPY million

Segment	Nine months ended December 20, 2003	Six months ended September 20, 2003	Year ended March 20, 2003
Engine Measurement Instruments & Systems	17,759	11,210	19,877
Analytical Instruments & Systems	20,755	13,306	24,909
Medical / Diagnostic Instruments & Systems	13,929	9,271	15,300
Semiconductor Instruments & Systems	12,436	7,417	12,638
Total	64,880	41,205	72,725

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

The results of order booking by segment for the nine months ended December 20, 2003 are as below :

Segment	Nine months ended December 20, 2003		Six months ended September 20, 2003		Year ended March 20, 2003	
	Amount	%	Amount	%	Amount	%
	JPY million		JPY million		JPY million	
Engine Measurement Instruments & Systems	18,688	28.5%	11,139	27.1%	23,471	28.9%
Analytical Instruments & Systems	22,871	35.1%	14,758	36.0%	27,293	33.7%
Medical / Diagnostic Instruments & Systems	12,979	19.9%	8,654	21.1%	15,786	19.5%
Semiconductor Instruments & Systems	10,689	16.5%	6,429	15.8%	14,491	17.9%
Order Booking	65,228	100.0%	40,982	100.0%	81,042	100.0%
Engine Measurement Instruments & Systems	10,116	47.8%	8,296	48.0%	7,485	49.1%
Analytical Instruments & Systems	7,814	36.8%	6,261	36.1%	5,483	35.9%
Medical / Diagnostic Instruments & Systems	1,268	6.0%	1,374	7.9%	1,091	7.2%
Semiconductor Instruments & Systems	2,005	9.4%	1,401	8.0%	1,168	7.8%
Backlog	21,205	100.0%	17,333	100.0%	15,228	100.0%

3. The results of sales

The results of sales by segment for the nine months ended December 20, 2003 are as below :

JPY million

Segment	Nine months ended December 20, 2003	Six months ended September 20, 2003	Year ended March 20, 2003
Engine Measurement Instruments & Systems	16,056	10,328	21,131
Analytical Instruments & Systems	20,540	13,981	27,037
Medical / Diagnostic Instruments & Systems	12,802	8,371	15,941
Semiconductor Instruments & Systems	9,852	6,197	14,391
Total	59,251	38,877	78,501

Notes

Intersegment transactions of Intersegments are offset.