

1. Consolidated Financial Results

	06/3 Actual			05/3 Actual			06/3 Estimate	
	1st quarter	Change from previous year		1st quarter	1st Half	Full year	1st Half	Full year
	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net Sales	<b>22,418</b>	+744	+3.4%	21,674	42,165	92,492	46,000	100,000
Operating Income	<b>2,702</b>	+609	+29.1%	2,092	3,533	9,372	4,000	10,000
Operating Income Ratio	12.1%	+2.4P		9.7%	8.4%	10.1%	8.7%	10.0%
Ordinary Income	<b>2,683</b>	+649	+31.9%	2,034	3,319	8,882	3,800	9,000
Ordinary Income Ratio	12.0%	+2.6P		9.4%	7.9%	9.6%	8.3%	9.0%
Net Income	<b>1,047</b>	+273	+35.3%	773	815	3,523	1,600	4,600
Net Income Ratio	4.7%	+1.1P		3.6%	1.9%	3.8%	3.5%	4.6%
US\$	104.55	-2.81		107.36	108.50	108.23	106.00	106.00
Euro	137.04	+3.00		134.04	133.10	134.44	136.00	135.00

2. Consolidated Segment Information

Net Sales	06/3 Actual			05/3 Actual			06/3 Estimate	
	1st quarter	Change from previous year		1st quarter	1st Half	Full year	1st Half	Full year
	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	<b>6,318</b>	+287	+4.8%	6,031	10,582	27,021	12,800	27,200
Analytical	<b>7,107</b>	+663	+10.3%	6,444	13,085	28,510	15,000	31,800
Medical	<b>4,616</b>	+544	+13.4%	4,071	8,769	18,776	9,500	22,000
Semiconductor	<b>4,375</b>	-750	-14.6%	5,126	9,728	18,182	8,700	19,000
Total	<b>22,418</b>	+744	+3.4%	21,674	42,165	92,492	46,000	100,000

Operating Income	06/3 Actual			05/3 Actual			06/3 Estimate	
	1st quarter	Change from previous year		1st quarter	1st Half	Full year	1st Half	Full year
	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	<b>1,751</b>	+558	+46.8%	1,193	1,700	4,705	2,600	5,200
Analytical	<b>59</b>	+112	-	-53	-247	861	0	1,000
Medical	<b>118</b>	+88	+287.6%	30	386	1,145	300	1,500
Semiconductor	<b>772</b>	-149	-16.2%	922	1,694	2,659	1,100	2,300
Total	<b>2,702</b>	+609	+29.1%	2,092	3,533	9,372	4,000	10,000

3. Trend of Consolidated Sales by Segment and Area \*

	06/3 Actual			05/3 Actual			06/3 Estimate	
	1st quarter	Change from previous year		1st quarter	1st Half	Full year	1st Half	Full year
	Millions of yen	Millions of yen		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	<b>6,318</b>	+287	+4.8%	6,031	10,582	27,021	12,800	27,200
Japan + Asia	<b>4,719</b>	+367	+8.5%	4,352	6,569	14,885	7,908	14,423
America	<b>599</b>	+15	+2.7%	583	1,345	4,175	2,201	4,653
Europe	<b>998</b>	-96	-8.8%	1,095	2,667	7,960	2,689	8,122
Analytical	<b>7,107</b>	+663	+10.3%	6,444	13,085	28,510	15,000	31,800
Japan + Asia	<b>4,254</b>	+399	+10.4%	3,854	7,405	15,347	8,646	16,651
America	<b>524</b>	+45	+9.5%	478	1,019	2,295	1,285	2,558
Europe	<b>2,329</b>	+218	+10.3%	2,111	4,660	10,867	5,068	12,589
Medical	<b>4,616</b>	+544	+13.4%	4,071	8,769	18,776	9,500	22,000
Japan + Asia	<b>879</b>	+184	+26.6%	694	1,690	3,393	1,953	3,977
America	-	-	-	-	-	-	-	-
Europe	<b>3,736</b>	+360	+10.7%	3,376	7,078	15,383	7,546	18,022
Semiconductor	<b>4,375</b>	-750	-14.6%	5,126	9,728	18,182	8,700	19,000
Japan + Asia	<b>3,608</b>	-374	-9.4%	3,983	7,225	13,371	7,131	14,558
America	<b>554</b>	-287	-34.1%	841	1,912	3,493	1,183	3,464
Europe	<b>212</b>	-89	-29.6%	301	589	1,318	384	977
Total	<b>22,418</b>	+744	+3.4%	21,674	42,165	92,492	46,000	100,000

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

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

	3/2006			3/2005			
	1Q Result	2Q Estimate	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net Sales	22,418	23,581	54,000	21,674	20,490	24,279	26,047
Operating Income	2,702	1,297	6,000	2,092	1,441	3,125	2,713
<i>Operating Income Ratio</i>	12.1%	5.5%	11.1%	9.7%	7.0%	12.9%	10.4%
Ordinary Income	2,683	1,116	5,200	2,034	1,285	2,960	2,602
<i>Ordinary Income Ratio</i>	12.0%	4.7%	9.6%	9.4%	6.3%	12.2%	10.0%
Net Income	1,047	552	3,000	773	42	1,453	1,254
<i>Net Income Ratio</i>	4.7%	2.3%	5.6%	3.6%	0.2%	6.0%	4.8%

#### 5. Consolidated Segment Information (Quarterly Comparison)

Net Sales	3/2006			3/2005			
	1Q Result	2Q Estimate	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	6,318	6,481	14,400	6,031	4,550	7,964	8,475
Analytical	7,107	7,892	16,800	6,444	6,640	7,240	8,185
Medical	4,616	4,883	12,500	4,071	4,697	4,549	5,458
Semiconductor	4,375	4,324	10,300	5,126	4,601	4,525	3,928
Total	22,418	23,581	54,000	21,674	20,490	24,279	26,047

  

Operating Income	3/2006			3/2005			
	1Q Result	2Q Estimate	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	1,751	848	2,600	1,193	507	1,889	1,115
Analytical	59	-59	1,000	-53	-194	329	780
Medical	118	181	1,200	30	355	265	493
Semiconductor	772	327	1,200	922	772	641	324
Total	2,702	1,297	6,000	2,092	1,441	3,125	2,713

#### 6. Consolidated Orders, Backlog Information (Quarterly Comparison)

Orders	3/2006			3/2005			
	1Q Result	2Q Estimate	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	8,965	-	-	7,965	4,616	9,310	6,708
Analytical	7,936	-	-	7,291	7,218	8,154	6,882
Medical	4,888	-	-	4,311	5,046	4,600	4,958
Semiconductor	4,610	-	-	5,745	3,896	4,777	3,733
Total	26,400	-	-	25,313	20,778	26,843	22,282

  

Backlog	3/2006			3/2005			
	1Q Result	2Q Estimate	2H Estimate	1Q Result	2Q Result	3Q Result	4Q Result
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Engine	11,472	-	-	9,181	9,246	10,593	8,825
Analytical	7,466	-	-	6,448	7,026	7,940	6,638
Medical	1,603	-	-	1,431	1,779	1,831	1,330
Semiconductor	1,800	-	-	2,214	1,510	1,762	1,566
Total	22,343	-	-	19,275	19,562	22,126	18,361

#### Contact

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## Consolidated Financial Statements for the Three Months ended June 20, 2005

Company Name	<b>HORIBA, Ltd.</b>	August 2, 2005
Listing Code	6856	Stock Exchange Listings: Tokyo, Osaka
(URL <a href="http://www.horiba.co.jp">http://www.horiba.co.jp</a> )		Address of Head Office: Kyoto
Representative:	Atsushi Horiba Chairman, President & CEO	
Contact:	Fumitoshi Sato Managing Director	Telephone:(81)75-313-8121

### 1. Information relating to the preparation of quarterly financial statements

1. Adoption of simplified accounting principles : None
2. Differences in accounting principles applied compared to latest fiscal year : None
3. Changes in the scope of consolidation and application of the equity method : None

\*Results for the three months ended June 20, 2004 and 2005 were not audited by independent auditors.

### 2. Results for the Three Months ended June 20, 2005 (March 21, 2005 - June 20, 2005)

#### (1) Sales and Income

	Net sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
3 months ended 20/6/05	22,418	3.4	2,702	29.1	2,683	31.9
3 months ended 20/6/04	21,674	15.0	2,092	161.1	2,034	370.7
Year ended 20/3/05	92,492	8.7	9,372	36.8	8,882	58.7

	Net income		Net income per share		Net income per share (diluted)	
	¥ million	%	¥		¥	
3 months ended 20/6/05	1,047	35.3	27.12		25.01	
3 months ended 20/6/04	773	1,921.9	23.02		18.83	
Year ended 20/3/05	3,523	69.9	98.33		83.81	

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

#### (2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	¥
As of 20/6/05	98,615	55,702	56.5	1,419.62
As of 20/6/04	91,542	44,517	48.6	1,352.76
As of 20/3/05	99,913	52,262	52.3	1,415.75

#### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
3 months ended 20/6/05	1,270	(484)	415	17,278
3 months ended 20/6/04	1,832	(1,347)	(849)	13,167
Year ended 20/3/05	7,215	(3,628)	(1,058)	16,108

### 3. Projected Results for the Year ending March 20, 2006 (March 21, 2005 - March 20, 2006)

	Net sales	Ordinary income	Net income
	¥ million	¥ million	¥ million
6 months ending 20/9/05	46,000	3,800	1,600
Year ending 20/3/06	100,000	9,000	4,600

Reference: Estimated net income per share (full year) ¥111.42

\* The projected results are computed based on information available to us at August 2, 2005, 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. Please refer to page 5 of the attachments with regard to the above projected results.

## Operating Results and Financial Condition

### 1. Operating Results

Consolidated net sales for the three months ended June 20, 2005 increased by 3.4% to ¥22,418 million compared with the three months ended June 20, 2004. As for income, operating income increased by 29.1% to ¥2,702million, ordinary income increased by 31.9% to ¥2,683 million and net income increased by 35.3% to ¥1,047 million.

#### **(Engine Measurement Instruments & Systems)**

In addition to active R&D investments in eco-friendly products by domestic automobiles manufacturers, high demand in Asia boosted sales of large-scale motor exhaust gas analyzers. Total segment sales increased by 4.8% to ¥6,318 million and operating income increased by 46.8% to ¥1,751 million compared with the previous first quarter.

#### **(Analytical Instruments & Systems)**

With expanded sales of X-ray elemental analyzers for hazardous substances and analysis instruments for nano-technology R&D, total segment sales increased by 10.3% to ¥7,107 million relative to the previous first quarter. Operating income amounted to ¥59 million (operating loss of ¥53 million in the previous first quarter).

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

With increased sales of large-scale hematology analyzers, mainly in the European market, sales for this segment increased by 13.4% to ¥4,616 million and operating income increased by 287.6% to ¥118 million compared with the previous first quarter.

#### **(Semiconductor Instruments & Systems)**

Though sales of analytical instruments for semiconductor and liquid crystal were favorable, total segment sales decreased by 14.6% to ¥4,375 million and operating income decreased by 16.2% to ¥772 million compared with the previous first quarter. This decrease was affected by the lack of strong sales of mass flow controllers for semiconductor manufacturing as was the case in the previous fiscal quarter.

### 2. Financial Condition

#### **(1) Cash Flows**

##### **Cash Flows Resulting from Operating Activities**

Net cash provided by operating activities amounted to ¥1,270 million. This was due mainly to ¥2,290 million for income before income taxes and ¥1,777 million for a decrease in trade notes and accounts receivable, despite ¥2,597 million for a decrease in trade notes and accounts payable and ¥1,192 million for income tax paid.

##### **Cash Flows Resulting from Investing Activities**

Net cash used in investing activities totaled ¥484 million. This was due mainly to ¥555 million for purchase of tangible fixed assets and ¥302 million for purchase of investment securities, despite ¥501 million for proceeds from sales of investment securities.

##### **Cash Flows Resulting from Financing Activities**

Net cash provided by financing activities amounted to ¥415 million. This was due mainly to ¥265 million for net increase in short-term borrowing and ¥685 million for an increase in long-term debt.

As a result, cash and cash equivalents increased by ¥1,169 million and cash and cash equivalents at the end of the period amounted to ¥17,278 million.

### 3. Outlook for the Year Ending March 20, 2006

#### Outlook for the first half (six months ending September 20, 2005)

Sales, mainly for Asia, will increase steadily in engine measurement instruments & systems, and X-ray elemental analyzers and analysis instruments for nano-technology R&D will remain strong in analytical instruments & systems. Meanwhile, sales for U.S.A. are forecast to be slowdown negatively affected by the weak yen against the Euro in medical/diagnostic instruments & systems. Consequently, there is no revision of our initial outlook: net sales of ¥46 billion, an increase of 9.1%, compared with the previous first half

As for income, compared with the previous first half, operating income is projected to increase by 13.2% to ¥4 billion due to expanded sales of profitable products in engine measurement instruments & systems and ordinary income is forecast to increase by 14.5% to ¥3.8 billion supported by the positive effect of exchange rate fluctuations. Net income will also increase by 96.1% to ¥1.6 billion due to a decrease of special losses and improvement of income tax rate. Each income is expected to increase compared with our initial outlook.

#### Outlook for the year (year ending March 20, 2006)

There is no revision of our initial outlook for the year ending March 20, 2006, which was announced on May 10, 2005. With regard to operating income by segment, there are some changes as described in page 1.

(Note1) Please refer to page 1 with regard to the segment information.

(Note2) The outlook is calculated based on information available to us at August 2, 2005. Uncertainties could cause our actual results to be different from these projections. Of uncertainties, some of the main factors are listed as follows.

Business risks (sudden changes in economic conditions in our market and demand for our products/drastic fluctuations in market prices affected by competitors/environmental restrictions /delay in launching new products, etc.)

Risks on world-wide activities (fluctuation of exchange rates/changes in laws, rules and taxation/terrorist acts, wars and other social confusions/other risks on economy, social and politics)

Compensation for product liability

Changes in results and financial condition caused by M&A and tie-ups

Changes in a market values of marketable and investment securities and other assets

Reversal of deferred tax assets due to changes in accounting standards and policies

Repairs of facilities damaged by natural disasters and delay in a delivery of products

Intellectual property, etc.

## Consolidated Balance Sheets

Accounts	As of June 20, 2005		As of June 20, 2004		As of March 20, 2005	
	Amount	%	Amount	%	Amount	%
Assets	¥ million		¥ million		¥ million	
Current Assets:	71,292	72.3	64,161	70.1	72,505	72.6
Cash and bank deposits	16,689		12,233		15,447	
Trade notes and accounts receivable	28,634		28,500		30,595	
Marketable securities	592		937		680	
Inventories	22,175		19,214		22,012	
Deferred tax assets	1,547		2,069		2,012	
Other current assets	2,183		1,752		2,270	
Allowance for doubtful receivables	(529)		(547)		(511)	
Fixed Assets:	27,322	27.7	27,381	29.9	27,407	27.4
Property, Plant and Equipment:	18,409	18.7	18,949	20.7	18,481	18.5
Buildings and structures	7,042		7,022		7,184	
Machinery, equipment, and vehicles	2,871		2,416		2,866	
Land	6,570		7,706		6,564	
Construction in progress	127		37		81	
Other property, plant and equipment	1,796		1,765		1,784	
Intangibles:	2,611	2.6	2,212	2.4	2,688	2.7
Goodwill	74		83		78	
Consolidation difference	1,224		1,142		1,315	
Other intangibles	1,312		985		1,294	
Investments and Other Non-current Assets:	6,302	6.4	6,219	6.8	6,237	6.2
Investment securities	3,996		4,394		4,296	
Deferred tax assets	1,084		510		704	
Other investments and other assets	1,340		1,435		1,356	
Allowance for doubtful accounts	(119)		(120)		(119)	
Deferred Charges:	-	-	0	0.0	-	-
Organization cost	-		0		-	
<b>Total Assets</b>	<b>98,615</b>	<b>100.0</b>	<b>91,542</b>	<b>100.0</b>	<b>99,913</b>	<b>100.0</b>

## Consolidated Balance Sheets

Accounts	As of June 20, 2005		As of June 20, 2004		As of March 20, 2005	
	Amount	%	Amount	%	Amount	%
Liabilities	¥ million		¥ million		¥ million	
Current Liabilities:	32,772	33.2	27,887	30.5	34,799	34.9
Trade notes and accounts payable	8,617		7,914		11,290	
Short-term loans payable	5,653		5,630		5,468	
Current portion of long-term debt	242		497		267	
Accounts payable - other	7,039		6,046		5,476	
Accrued income taxes	1,191		1,293		1,463	
Accrued bonuses to employees	1,627		2,492		2,355	
Reserve for product warranty	789		900		820	
Deferred tax liabilities	-		0		-	
Current maturities of convertible bonds	2,988		-		3,863	
Other current liabilities	4,622		3,111		3,794	
Non-Current Liabilities:	10,012	10.2	16,752	18.3	10,305	10.3
Corporate bonds	5,000		5,000		5,000	
Convertible bonds	-		7,944		-	
Long-term debt	2,090		611		1,442	
Employees' retirement benefits	1,355		1,105		1,347	
Directors' and corporate auditors' retirement benefits	630		-		1,144	
Deferred tax liabilities	15		193		22	
Other non-current liabilities	919		1,897		1,348	
<b>Total Liabilities</b>	<b>42,785</b>	<b>43.4</b>	<b>44,639</b>	<b>48.8</b>	<b>45,105</b>	<b>45.2</b>
Minority Interests in Consolidated Subsidiaries	127	0.1	2,385	2.6	2,544	2.5
Shareholders' Equity						
Common stock	10,078	10.2	7,598	8.3	9,640	9.6
Capital surplus	16,787	17.0	11,896	13.0	13,932	13.9
Retained earnings	27,811	28.3	24,788	27.1	27,422	27.5
Net unrealized holding gains on securities	1,108	1.1	1,216	1.3	1,401	1.5
Foreign currency translation adjustments	68	0.1	(742)	(0.8)	20	0.0
Treasury stock	(152)	(0.2)	(239)	(0.3)	(154)	(0.2)
<b>Shareholders' Equity</b>	<b>55,702</b>	<b>56.5</b>	<b>44,517</b>	<b>48.6</b>	<b>52,262</b>	<b>52.3</b>
<b>Total Liabilities, Minority Interests, and Shareholders' Equity</b>	<b>98,615</b>	<b>100.0</b>	<b>91,542</b>	<b>100.0</b>	<b>99,913</b>	<b>100.0</b>

## Consolidated Statements of Income

Accounts	Three Months ended June 20, 2005		Three Months ended June 20, 2004		Year ended March 20, 2005	
	Amount	%	Amount	%	Amount	%
	¥ million		¥ million		¥ million	
Net Sales	22,418	100.0	21,674	100.0	92,492	100.0
Cost of Sales	12,081	53.9	12,584	58.1	53,855	58.2
<b>Gross Income</b>	<b>10,336</b>	<b>46.1</b>	<b>9,089</b>	<b>41.9</b>	<b>38,637</b>	<b>41.8</b>
Selling, General and Administrative Expenses	7,634	34.0	6,996	32.2	29,264	31.7
<b>Operating Income</b>	<b>2,702</b>	<b>12.1</b>	<b>2,092</b>	<b>9.7</b>	<b>9,372</b>	<b>10.1</b>
<u>Other Income</u>	112	0.5	185	0.9	722	0.8
Interest and dividend income	17	0.1	7	0.0	103	0.1
Foreign exchange gains	-	-	58	0.3	-	-
Other	95	0.4	119	0.6	618	0.7
<u>Other Expenses</u>	130	0.6	244	1.2	1,213	1.3
Interest expense	76	0.3	113	0.5	372	0.4
Foreign exchange losses	1	0.0	-	-	40	0.0
Amortization of goodwill	-	-	25	0.1	85	0.1
Other	52	0.3	105	0.6	714	0.8
<b>Ordinary Income</b>	<b>2,683</b>	<b>12.0</b>	<b>2,034</b>	<b>9.4</b>	<b>8,882</b>	<b>9.6</b>
<u>Special Gains</u>	396	1.8	16	0.1	39	0.0
Gain on sale of property, plant and equipment	1	0.0	16	0.1	38	0.0
Gain on sale of investment securities	394	1.8	-	-	0	0.0
<u>Special Losses</u>	789	3.6	14	0.1	2,815	3.0
Loss on disposal of property, plant and equipment	8	0.0	11	0.1	45	0.0
Loss on sale of property, plant and equipment	27	0.2	3	0.0	1,123	1.2
Loss on impairment of fixed assets	-	-	-	-	53	0.1
Loss on change of retirement benefit plan	-	-	-	-	79	0.1
Loss on change in accounting method for retirement benefits	-	-	-	-	143	0.2
Loss on sale of investment securities	-	-	-	-	0	0.0
Retirement benefits to directors	749	3.4	-	-	-	-
Loss on valuation of investment securities	4	0.0	-	-	35	0.0
Provision of retirement benefits for directors and corporate auditors for prior years	-	-	-	-	1,150	1.2
Other	-	-	-	-	183	0.2
<b>Income Before Income Taxes</b>	<b>2,290</b>	<b>10.2</b>	<b>2,036</b>	<b>9.4</b>	<b>6,105</b>	<b>6.6</b>
Income taxes (Current)	923	4.1	860	4.0	2,353	2.6
Income taxes (Deferred)	275	1.2	314	1.5	(62)	(0.1)
Minority interest in earnings of consolidated subsidiaries	44	0.2	86	0.3	290	0.3
<b>Net Income</b>	<b>1,047</b>	<b>4.7</b>	<b>773</b>	<b>3.6</b>	<b>3,523</b>	<b>3.8</b>



## Consolidated Statements of Surplus

Accounts	Three Months ended June 20, 2005	Three Months ended June 20, 2004	Year ended March 20, 2005
	¥ million	¥ million	¥ million
<b>(Capital surplus)</b>			
Balance of capital surplus at beginning of period	13,932	11,456	11,456
Increase of capital surplus	2,855	439	2,475
Conversion of convertible bonds	437	437	2,475
Increase on disposal of treasury stock	-	2	-
<u>Increase through a stock-for-stock exchange</u>	2,418	-	-
Balance of capital surplus at end of period	16,787	11,896	13,932
<b>(Retained earnings)</b>			
Balance of retained earnings at beginning of period	27,422	24,341	24,341
Increase of retained earnings	1,047	773	3,523
<u>Net income</u>	1,047	773	3,523
Decrease of retained earnings	657	326	442
Cash dividends	478	224	327
Bonus to directors and statutory auditors	176	102	102
Decrease on disposal of treasury stock	3	-	4
<u>Effect of excluding a subsidiary from consolidation</u>	-	-	7
Balance of retained earnings at end of period	27,811	24,788	27,422

## Consolidated Statements of Cash Flows

Accounts	Three Months ended June 20, 2005	Three Months ended June 20, 2004	Year ended March 20, 2005
	¥ million	¥ million	¥ million
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes	2,290	2,036	6,105
Depreciation	625	639	2,692
Loss on impairment of fixed assets	-	-	53
Amortization of consolidation difference	79	62	251
Loss on disposal of property, plant and equipment	8	11	45
Loss on valuation of investment securities	4	-	35
Increase (decrease) in allowance for doubtful receivables	25	64	(23)
Increase (decrease) in directors' and corporate auditors' retirement benefits	(514)	-	1,144
Increase in employees' retirement benefits	9	22	230
Interest and dividend income	(17)	(7)	(103)
Interest expense	76	113	372
Foreign exchange losses (gains)	0	(6)	23
Gain on sale of property, plant and equipment	(1)	(16)	(38)
Loss on sale of property, plant and equipment	27	3	1,123
Gain on sale of investment securities	(394)	-	(0)
Loss on sale of investment securities	-	-	0
Retirement benefits to directors	749	-	-
Decrease (increase) in trade notes and accounts receivable	1,777	305	(894)
Increase in inventories	(193)	(78)	(2,281)
Increase (decrease) in trade notes and accounts payable	(2,597)	(654)	2,162
Bonuses to directors and statutory auditors	(10)	(102)	(102)
Bonuses to directors and statutory auditors charged to minority interests	-	(6)	(6)
Other, net	543	1,126	(299)
<b>Subtotal</b>	<b>2,489</b>	<b>3,513</b>	<b>10,488</b>
Interest and dividends received	17	7	100
Interest paid	(44)	(80)	(385)
Payment of retirement benefits to directors	-	-	(26)
Income taxes paid	(1,192)	(1,607)	(2,960)
<b>Net cash provided by operating activities</b>	<b>1,270</b>	<b>1,832</b>	<b>7,215</b>
<b>Cash Flows from Investing Activities:</b>			
Increase in time deposits	(0)	-	(17)
Decrease in time deposits	14	-	0
Payments for purchase of investment securities	(302)	(241)	(394)
Proceeds from sales or redemption of investment securities	501	-	559
Payments for purchase of property, plant and equipment	(555)	(871)	(2,979)
Proceeds from sale of property, plant and equipment	3	91	230
Payments for purchase of intangibles	(134)	(197)	(730)
Proceeds from sale of intangibles	-	-	0
Payments for purchase of investments in a consolidated subsidiary	-	(19)	(19)
Payments for purchase of investments in newly consolidated subsidiaries	-	-	(119)
Payments for sales of investments in a consolidated subsidiary	-	-	(45)
Increase in loans receivable	(5)	(0)	(0)
Decrease in loans receivable	0	1	2
Other, net	(7)	(110)	(115)
<b>Net cash used in investing activities</b>	<b>(484)</b>	<b>(1,347)</b>	<b>(3,628)</b>
<b>Cash Flows from Financing Activities:</b>			
Net increase (decrease) in short-term borrowings	265	(557)	(1,034)
Increase in long-term debt	685	45	1,049
Repayment of long-term debt	(48)	(192)	(720)
Payments for purchase of treasury stock	(22)	(19)	(88)
Proceeds from sales of treasury stock	21	59	206
Cash dividends paid	(430)	(133)	(328)
Cash dividends paid to minority interests	(31)	(26)	(72)
Other, net	(22)	(24)	(70)
<b>Net cash used in financing activities</b>	<b>415</b>	<b>(849)</b>	<b>(1,058)</b>
<b>Cash and Cash Equivalents Foreign Currency Translation Adjustments</b>	<b>(32)</b>	<b>(70)</b>	<b>104</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,169</b>	<b>(435)</b>	<b>2,633</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>16,108</b>	<b>13,603</b>	<b>13,603</b>
<b>Cash and Cash Equivalents of a Subsidiary Excluded from Consolidation</b>	<b>-</b>	<b>-</b>	<b>(127)</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>17,278</b>	<b>13,167</b>	<b>16,108</b>

## Business Segment Information

### 1. Business Segment Information

Results for the Three Months ended June 20, 2005 (March 21, 2005 - June 20, 2005)

	Engine Measurement Instruments & Systems	Analytical Instruments & Systems	Medical/Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
<b>Net Sales</b>							
(1) Sales to customers	6,318	7,107	4,616	4,375	22,418	-	22,418
(2) Intersegment sales and transfer	-	-	-	-	-	-	-
Operating expenses	4,567	7,048	4,497	3,603	19,716	-	19,716
<b>Operating Income</b>	1,751	59	118	772	2,702	-	2,702

Results for the Three Months ended June 20, 2004 (March 21, 2004 - June 20, 2004)

	Engine Measurement Instruments & Systems	Analytical Instruments & Systems	Medical/Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
<b>Net Sales</b>							
(1) Sales to 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
<b>Operating Income (Loss)</b>	1,193	(53)	30	922	2,092	-	2,092

Results for the Year ended March 20, 2005 (March 21, 2004 - March 20, 2005)

	Engine Measurement Instruments & Systems	Analytical Instruments & Systems	Medical/Diagnostic Instruments & Systems	Semiconductor Instruments & Systems	Total	Unallocated	Consolidated
	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
<b>Net Sales</b>							
(1) Sales to customers	27,021	28,510	18,776	18,182	92,492	-	92,492
(2) Intersegment sales and transfer	-	-	-	-	-	-	-
Operating expenses	22,316	27,648	17,631	15,523	83,119	-	83,119
<b>Operating Income</b>	4,705	861	1,145	2,659	9,372	-	9,372

#### Main products of each business segment

Business Segment	Main Products
Engine Measurement Instruments & Systems	Motor Exhaust Gas Analyzers, Automatic Engine Measurement Control Systems, Portable Emissions Analyzers, On-Board Emissions Measurement Systems, High Sensitivity Continuous PM Measurement Systems, Fuel Cell Evaluation Systems
Analytical Instruments & Systems	pH Meters, Water Quality Monitor for Total Nitrogen/Phosphorus, Stack Gas Analysis Systems, Particle size Distribution Analyzers, X-Ray Analytical Microscopes, Monochromator/Grating, ICP Optical Emission Spectrometer, Raman Spectrophotometer
Medical/Diagnostic Instruments & Systems	Hematology Analyzers, Hematology Analyzers Plus CRP, Blood Glucose Analyzers, Clinical Chemistry Systems
Semiconductor Instruments & Systems	Mass Flow Controllers, Chemical Concentration Monitor, Ultra-Thin Film Analyzer, Film Thickness Analyzers for FPDs, Reticle/Mask Particle Detection Systems

## Geographical Segment Information

### 2. Geographical Segment Information

Results for the Three Months ended June 20, 2005 (March 21, 2005 - June 20, 2005)

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
<b>Net Sales</b>							
(1) Sales to outside customers	13,044	1,678	7,277	417	22,418	-	22,418
(2) Intersegment sales and transfers	2,847	78	646	253	3,826	(3,826)	-
Total	15,892	1,757	7,923	670	26,244	(3,826)	22,418
Operating expenses	12,998	1,833	8,234	549	23,616	(3,900)	19,716
<b>Operating Income (Loss)</b>	2,894	(76)	(310)	120	2,628	74	2,702

Results for the Three Months ended June 20, 2004 (March 21, 2004 - June 20, 2004)

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
<b>Net Sales</b>							
(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
<b>Operating Income (Loss)</b>	2,571	(89)	(507)	59	2,034	57	2,092

Results for the Year ended March 20, 2005 (March 21, 2004 - March 20, 2005)

	Japan	America	Europe	Asia	Total	Elimination and/or unallocated	Consolidated
	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million	¥ million
<b>Net Sales</b>							
(1) Sales to outside customers	45,288	9,965	35,529	1,709	92,492	-	92,492
(2) Intersegment sales and transfers	9,888	261	2,102	626	12,879	(12,879)	-
Total	55,177	10,226	37,631	2,336	105,371	(12,879)	92,492
Operating expenses	47,812	10,099	36,199	2,089	96,200	(13,081)	83,119
<b>Operating Income</b>	7,364	127	1,432	246	9,170	201	9,372

### 3. Overseas Sales

Results for the Three Months ended June 20, 2005 (March 21, 2005 - June 20, 2005)

¥ million

	America	Europe	Asia	Total
Overseas sales	3,499	5,043	2,785	11,328
Consolidated sales	-	-	-	22,418
Overseas sales to consolidated sales (%)	15.6	22.5	12.4	50.5

Results for the Three Months ended June 20, 2004 (March 21, 2004 - June 20, 2004)

¥ million

	America	Europe	Asia	Total
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

Results for the Year ended March 20, 2005 (March 21, 2004 - March 20, 2005)

¥ million

	America	Europe	Asia	Total
Overseas sales	17,705	24,925	10,971	53,602
Consolidated sales	-	-	-	92,492
Overseas sales to consolidated sales (%)	19.1	27.0	11.9	58.0

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

### Orders, Backlog

Segment		Three Months ended June 20, 2005		Three Months ended June 20, 2004		Year ended March 20, 2005	
		Amount	%	Amount	%	Amount	%
O r d e r s	Engine Measurement Instruments & Systems	¥ million 8,965	34.0	¥ million 7,965	31.5	¥ million 28,601	30.0
	Analytical Instruments & Systems	7,936	30.0	7,291	28.8	29,546	31.0
	Medical/Diagnostic Instruments & Systems	4,888	18.5	4,311	17.0	18,916	19.9
	Semiconductor Instruments & Systems	4,610	17.5	5,745	22.7	18,152	19.1
	Total	26,400	100.0	25,313	100.0	95,217	100.0
B a c k l o g	Engine Measurement Instruments & Systems	11,472	51.3	9,181	47.6	8,825	48.1
	Analytical Instruments & Systems	7,466	33.4	6,448	33.5	6,638	36.2
	Medical/Diagnostic Instruments & Systems	1,603	7.2	1,431	7.4	1,330	7.2
	Semiconductor Instruments & Systems	1,800	8.1	2,214	11.5	1,566	8.5
	Total	22,343	100.0	19,275	100.0	18,361	100.0