

Foreword

HORIBA - At the Center of Asia



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The HORIBA Group currently operates by dividing its five business segments between the three bases of Asia, Europe and the USA, under the principle of “HORIBA Group as One Company.” Within this structure, the business in Asia is placed at the forefront of the Group’s activities, and while the Japanese Head Office takes the initiative, the Group works closely together for the benefit of the whole. Although Japan is geographically closer to Asia than Europe and the USA, the latter two have used their political influence to establish many of their own regulations in the emerging Asian nations in order to encourage business, and the strong Yen has also caused problems on the Japan side. Furthermore, local competitors in the analyzer field are emerging in China, with the most successful of these beginning to extend their global market share.

In response to this, we are concentrating on strengthening governmental relationships, by acquiring national and ministry-level government manufacturing projects and supporting formulation of regulations. We are also setting up a streamlined local sales network to bring ourselves closer to the customer, and are making steady efforts to establish flexible local engineering services, Asian-oriented product development, localized production and joint ventures. Moreover, as service and maintenance requirements in Asia differ from Japan, Europe and the USA, systems need to be constructed according to each country’s circumstances.

HORIBA products were first exported to China in 1957, when two pH Meters were sold at Japan trade fairs in Beijing and Guangzhou, shortly before trade between Japan and China was suspended for a number of years. In 1963, one year after private trade between the two countries was resumed, Japanese industrial exhibitions were held in Beijing and Shanghai, and HORIBA reestablished business ties with China by displaying pH Meters, compound single crystals and infrared gas analyzers.

With the addition of ABX in 1996 (now HORIBA-ABX), ISA in 1997 (now HORIBA-Jobin-Yvon) and Schenck-DTS in 2005 (now HORIBA-EUROPE), the HORIBA Group became a truly global organization compared to its structure of the 1960s. Subsequently, the representative office that had been established in Shanghai in 1996 was upgraded to a limited

company in 2004, and through the assimilation of the Shanghai and Beijing offices of this new group enterprise, the foundation of the “One Company” operation principle was also established in China.

Meanwhile, the plant conducting local production of key components for the semiconductor market and environmental measurement devices (HORIBA Instruments (Shanghai) Co., Ltd.) has increased production capacity by relocating to the Anting Industrial Zone in Shanghai’s Jiading district, and local engineering and supplying capability for the automotive market has been strengthened. In addition, local production has begun of a blood cell counting reagent, greatly reducing the lead time for this product that was previously imported from the south of France, with the aim of enhancing the flexibility of reagent supply in response to customer demand.

The Anting Industrial Zone where the plant has moved to is a base for the production of new-energy vehicles and related components, and at the center of this activity is Tongji University. The former President of the University, Wan Gang, was a man of excellent business sense who had previously worked at a German automaker, and he built on his experience to successfully implement vast improvements to the campus, introducing a wide range of new facilities at a speed that would be impossible to replicate in Japan. The university has initiated development of fuel-cell vehicles with VW (in 2004), and provided the Shanghai Expo with 300 electric vehicles. What’s more, following the opening in June 2010 of the China-Germany Joint Research Center for Electric Vehicles, a joint venture between the two countries’ governments to develop the E-UniCar electric vehicle, the university is focused on formulating a new business model involving collaboration between industry, academia and government.

Our company has supplied Tongji University with NVH (Noise, Vibration, Harsh) Chassis Dynamo Meters, and German-based HORIBA-EUROPE has contributed wind tunnel balances for the Shanghai Automotive Wind Tunnel Center on the same site, an essential facility for experimenting with air resistance and wind/noise reduction, so important to the design of next-generation car bodies. Subsequently, HORIBA Group currently participates in a scholarship program to enable students of Tongji University to study in Germany. We hope to contribute further to regional research and development efforts, by setting up facilities within the plant for the testing of technology such as electric vehicle motors and new transmission systems.

As stated in HORIBA Group’s 50th anniversary commemoration booklet, “In October 1980, we completed a bulk order from Kuwait comprising of eight atmosphere monitoring stations and six water monitoring stations. This was the result of positive collaboration with the UK, instigated by General manager of Overseas Technology Department Atsushi Horiba (current Chairman, President and CEO). At 75 million yen, this was the biggest order that the company had ever taken. It was not just significant in terms of financial gain, but also showed how Kuwait placed full trust in us by requesting total system provision as well as service and maintenance.” This analyzing equipment continued to function in the aftermath of the Gulf War, conveniently recording high concentrations of sulphur dioxide resulting from the burning of the oil pipelines in Kuwait. This demonstrated the importance of the service, not only through the reliability of the analyzing equipment itself, but also the effectiveness of the maintenance system run by those on the ground.

HORIBA has a growing global reputation, as a large number of customers who purchase our products continue to use them long-term, for 15-20 years or more, and this is the basis for our expansion plan in Asia. The service in Asia involves many tasks, such as localizing, committing to improving response while lowering costs, raising the standard of technology and skills, optimization of spare parts and logistics, and establishment of domestic-based systems for completing repairs. Development of services to meet the demands of each country and customer, superior Cost of Ownership, and provision of solutions able to respond well to changing customer demands, are all extremely important points.

The coming decade is set to be dominated by Asia, and as such the region is a central part of HORIBA’s growth strategy. While the HORIBA Group’s activities in Asia currently account for 15% of total sales, we aim to raise this figure to 25%, to match Japan, Europe and the USA. Working alongside the 500 “Horibarians” in the Asia region (excluding Japan), we look forward to steadily advancing the above policies enthusiastically together.