

Title : Company Outline

● Corporate name	HORIBA, Ltd.
● Head Office	2 Miyanohigashi-cho, Kisshoin, Minami-ku, Kyoto 601-8510, Japan
● Founded	October 17, 1945
● Incorporated	January 26, 1953
● Paid-in Capital	12,011 million yen
● Representative	Atsushi Horiba, Chairman, President & CEO
● Employees	5,133 (Consolidated) 1,364 (Unconsolidated)
● Financial Closing Date	December 31
● Stock Listings	Tokyo Stock Exchange First Section Osaka Securities Exchange First Section
● Scope of Business (items sold, etc.)	Manufacture and sale of automotive, environmental, medical, semiconductor, and scientific measuring instruments Manufacture and sale of peripheral instruments related to analysis and measurement Construction work related to analysis and measurement, other construction work, and manufacture and sale of related equipment and instruments

As of December 31, 2009

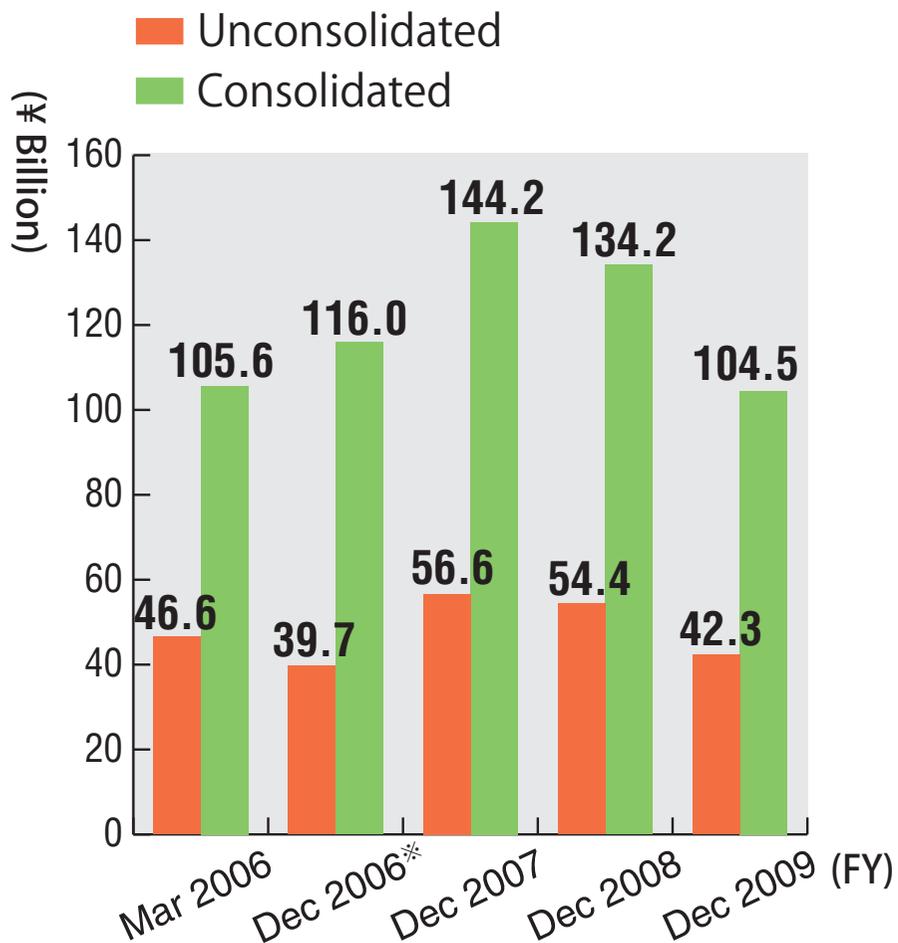
KEYWORDS

● Head Office | Founded | Incorporated | Representative

Title : CSR Report Outline

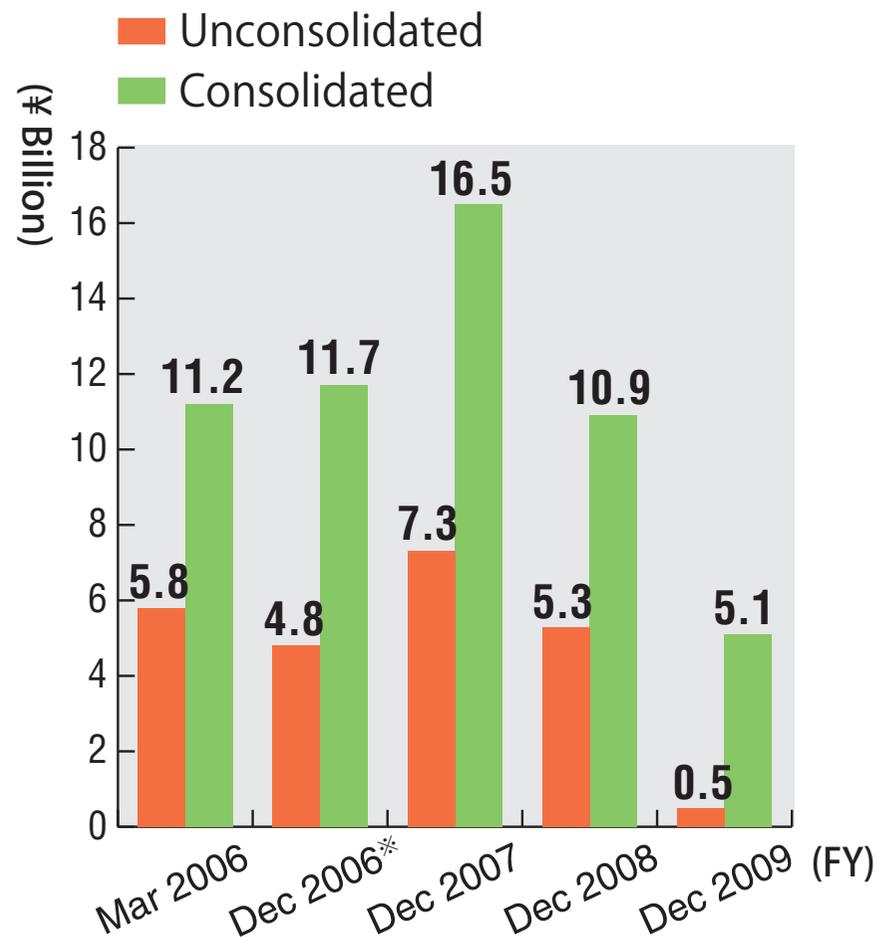
Reference Guidelines	● Ministry of the Environment, Environmental Report Guidelines (2007 edition)
Report coverage	● Reporting period: January 1, 2009 to December 31, 2009 (This report also contains some data from fiscal year 2010.) ● Reporting organizations: HORIBA, Ltd., HORIBA Techno Service Co., Ltd., HORIBA STEC, Co., Ltd., HORIBA Advanced Techno Co., Ltd., HORIBA ITECH Co., Ltd., and a number of the overseas group companies
Publication date	● March 27, 2010
Planned publication date of next report	● March 2011
Contact	● Corporate Communications Office Tel: (81)-75-313-8121

Net Sales



*Dec 2006: Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

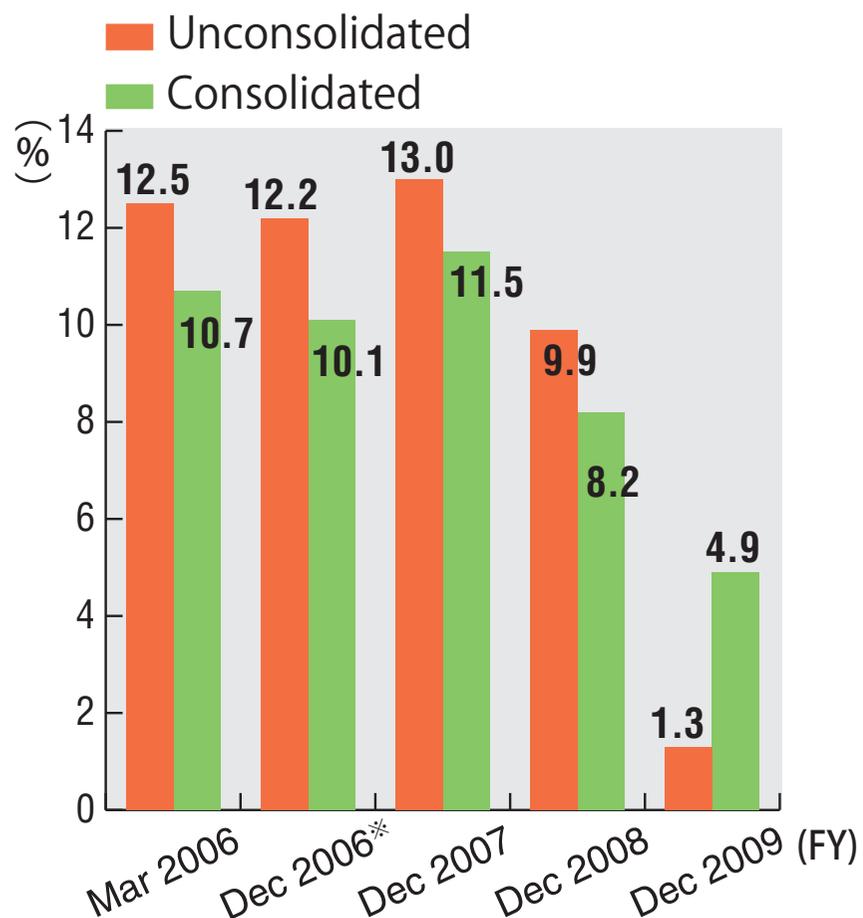
Operating Income



KEYWORDS

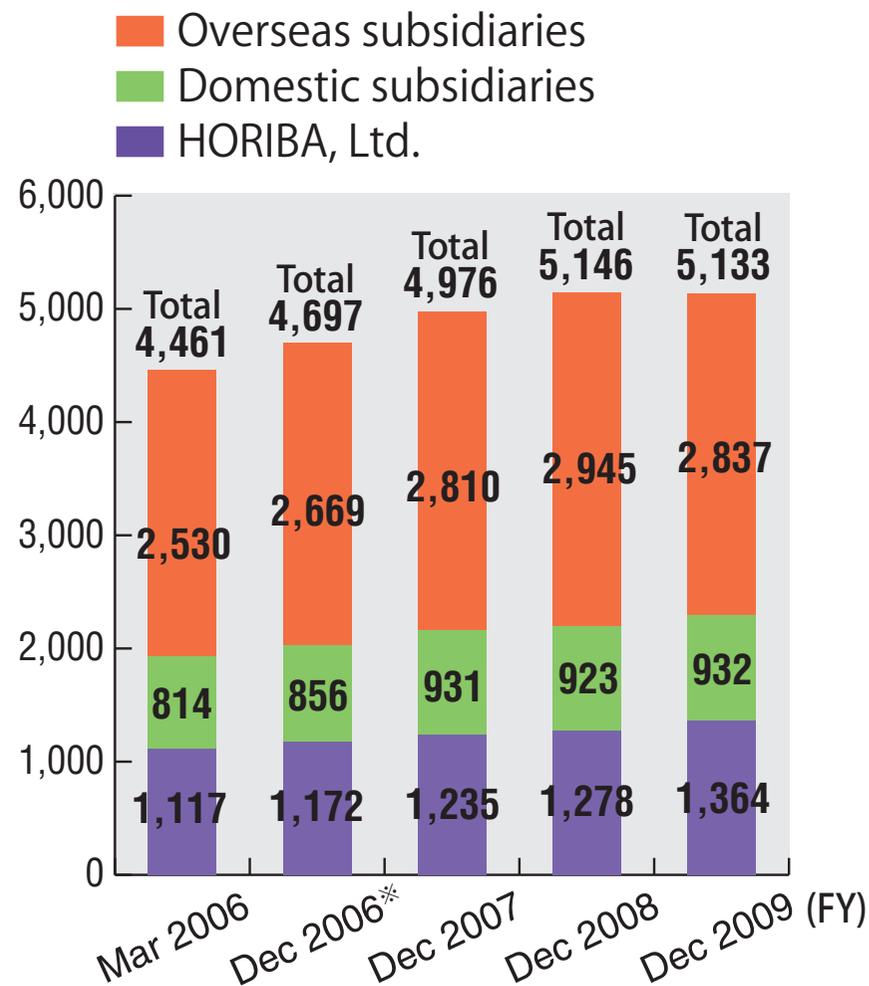
Net Sales | Operating Income | Number of Employees | Net Sales by Segment | Net Sales by Region

Operating Income to Net Sales



*Dec 2006: Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

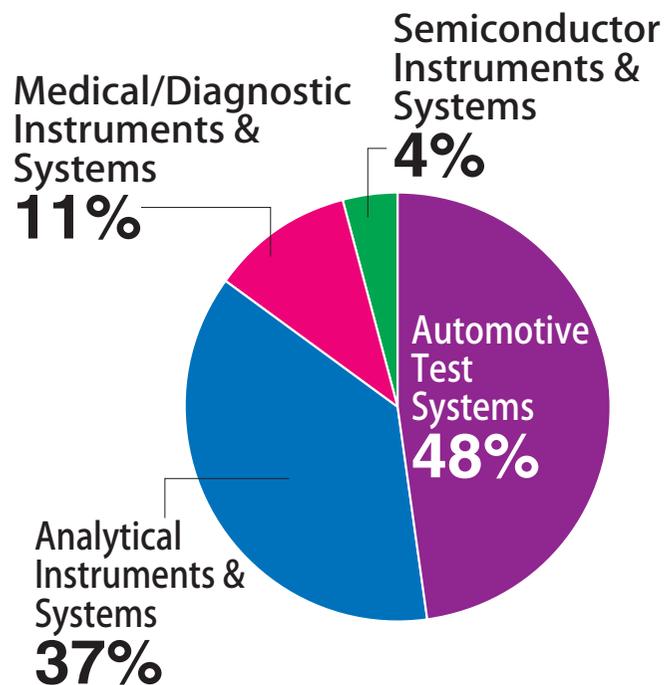
Number of Employees



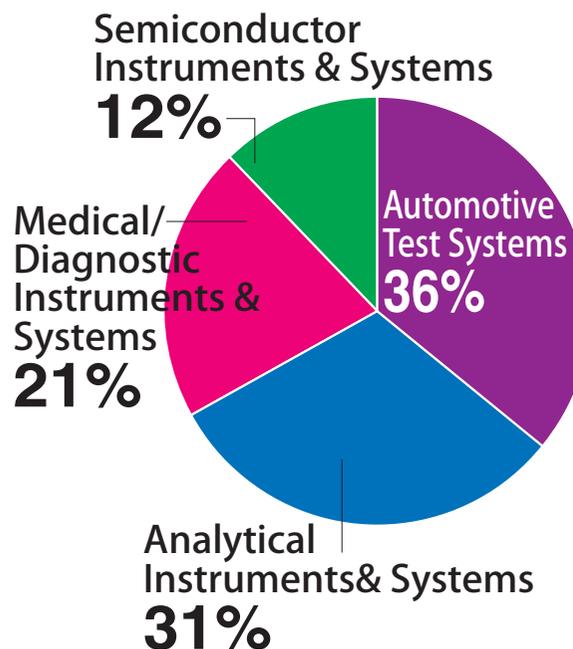
KEYWORDS

Net Sales | Operating Income | Number of Employees | Net Sales by Segment | Net Sales by Region

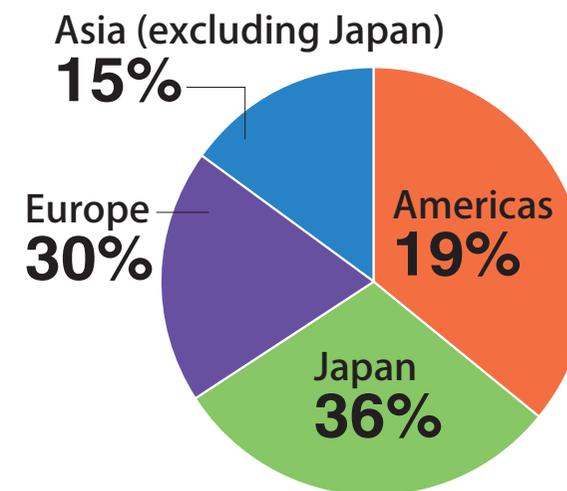
Share of Net Sales in 2009 by Segment (Unconsolidated)



Share of Net Sales in 2009 by Segment (Consolidated)



Share of Net Sales in 2009 by Region (By sales region) (Consolidated)



※ Analytical Instruments & Systems segment includes Scientific Instruments & Systems and Process & Environmental Instruments & Systems.

Overview of the Environmental Impacts: Material in balance

HORIBA's environmental policies are aimed at establishing a production system that minimizes the impact on the global environment and satisfies customer needs through its products and services. We provide a range of analytical and measuring equipment and peripheral equipment required for environmental measurement. In order to fulfill social responsibilities, we also develop products designed to be environmentally friendly with life cycles in mind, and which comply with environmental laws and regulations. At the same time, together with our suppliers, we have made consistent efforts to conserve resources and energy during production. Our employees also have a strong interest in environmental issues and participate in environmental volunteer work, including cleaning and collecting trash in areas such as alongside rivers and around company offices, conducting environmental classes in elementary and junior high schools, and working at environmental events organized by government organizations.

Environmental Initiatives for Fiscal 2009

The domestic HORIBA Group companies adopted the following environmental policies for 2009:

- 1 Promote the creation of safe and highly-efficient clean factories designed to minimize environmental impact
- 2 Provide analytical and measuring systems in response to social needs and contribute to the protection of the global environment

Under these policies, we developed initiatives to achieve the following objectives:

- 1 Reduce CO₂ emissions per unit of sales
- 2 Expand the modal shift in the transportation of products
- 3 Expand eco-friendly design in new products

In addition to these initiatives, we will also seek a new challenge by introducing a carbon footprint* system for our products in fiscal 2010, as one way to respond to social needs.

*Carbon footprint system

A system that displays the amount of greenhouse gases emitted through the entire life cycle of products and services, from the procurement of materials, manufacturing, distribution, sale and use through to final disposal, in an easy-to-understand way

Overview of the Environmental Impacts: Material in Balance

We work hard to obtain an overview of the environmental impact caused by the domestic HORIBA Group as a whole during each stage of our business activities. We achieved a reduction in overall environmental impact in fiscal 2009 as a result of our efforts to reduce costs and improve efficiency in business operations. In particular, CO₂ emissions were reduced by a large amount during the production, sale, distribution and use of our products. We will continue our efforts to reduce the total environmental impact of our activities in 2010 and thereafter.

Overview of the Environmental Impacts : Balancing Environmental Impacts

Material Flow Chart for Fiscal 2009 to Determine Environmental Impacts

Scope: Domestic production sites

HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory,
and HORIBA Advanced Techno Co., Ltd. head office/factory

Environment

IN PUT

Energy	
Electricity	14.34 mil kWh
City gas	591km ³
Fuel	86kL
Water	
Service water	68 km ³
Materials	
Metal	698tons
Glass	1ton
Packaging materials	418tons
Chemical substances	8tons
Office paper	25tons
Liquid gas (LN ₂)	1,242tons

Energy	
Vehicle fuel	42kL

Energy	
Electricity	6.08 mil kWh

Post-consumer product collection	
Collected products	12tons

Electricity	Electricity purchased from an electric power company
City gas	City gas as an energy source
Fuels	Gasoline, diesel and kerosene
Service water	Groundwater and city water
Metal	Production material
Glass	Production material

Packing materials	Materials for wrapping and packing products
Chemical substances	Substances required for the use, development and manufacturing of products
Office paper	Copy paper used in factories and offices
Liquid gas (LN₂)	Liquid nitrogen used in development and manufacturing processes

Vehicle fuels : Fuels used in truck transportation

Electricity : Electricity consumed for the use of products

Collection : Post-consumer product collection

Business processes	
Materials procurement	
Production	
Sales and distribution	
Usage	
Collection, reused and recycled	

Products	Weight of shipments
CO₂	Carbon dioxide caused by the consumption of energy, such as electricity and gas, and by non-energy greenhouse gases used for production
Chemical substances	Substances emitted mainly during manufacturing processes
Amount of drainage	Wastewater released into sewers and rivers

Total amount discharged	The total amount of valuable objects, general waste and industrial waste discharged from different divisions
Final amount of landfill waste	The amount of landfill waste discarded after reuse, recycling and intermediate treatment
Recycled materials	Discharged paper, wood and plastics that are recycled
Recycled valuable materials	Metals discharged in manufacturing processes that are sold for prices

CO₂ : Carbon dioxide emitted during the transportation of products

CO₂ : Carbon dioxide emitted during the use of products

Reused and recycled : Resale
Disposal : Disposal treatment

OUT PUT

Products	4,418tons
Emissions to air	
CO ₂	7,855tons
Chemical substances	2tons
Discharge water	
Amount of drainage	68km ³
Waste	
Total amount discharged	348tons
Final amount of landfill waste	9tons
Recycled materials	166tons
Recycled valuable materials	142tons

Emissions to air	
CO ₂	147tons

Emissions to air	
CO ₂	2,299tons

Reused, recycled, and disposal	
Reuse and recycling	1.4tons
Disposal	10tons

KEYWORDS

Environmental Impacts | Energy | Group Companies | Production Sites

Overview of the Environmental Impact : Environmental Impact of Production Sites

Environment

Group Companies (Production Sites)

Company Name	Abbreviation	Location
HORIBA Instruments Incorporated Irvine Office	HII (Irvine)	U.S.A. (California)
HORIBA Instruments Incorporated Ann Arbor Office	HII (AnnArbor)	U.S.A. (Michigan)
HORIBA Instruments Incorporated Tempe Office	HCP	U.S.A. (Arizona)
HORIBA Instruments Incorporated Troy Office	HII(Troy)	U.S.A. (Michigan)
HORIBA Jobin Yvon Inc.	JYUS	U.S.A. (New Jersey)
HORIBA/STEC Incorporated	SHI	U.S.A. (California)
HORIBA Europe GmbH Oberursel Office	HE Oberursel	Germany (Oberursel)
HORIBA Europe GmbH Darmstadt Office	HE Darmstadt	Germany (Darmstadt)
HORIBA Instruments Limited	HIL	U.K. (Northampton)

Company Name	Abbreviation	Location
HORIBA ABX S.A.S.	HMFR	France (Montpellier)
HORIBA Jobin Yvon SAS	JYFR	France (Longjumeau)
HORIBA GmbH	HA	Austria (Tulln)
HORIBA, Ltd.	HOR	Japan (Kyoto)
HORIBA STEC, Co., Ltd.	STEC	Japan (Kyoto)
HORIBA Advanced Techno Co., Ltd.	HAT	Japan (Kyoto)
HORIBA KOREA LTD.	HKL	South Korea (Kyunggido)
HORIBA Instruments (Shanghai) Co., Ltd.	HSC	China (Shanghai)

Environmental Impact of Group Production Sites for Fiscal 2009

Item/Region	Group Company Name (Abbreviation)	U.S.A.						Europe						Japan			Asia	
		HII (Irvine)	HII (AnnArbor)	HCP	HII(Troy)	JYUS	SHI	HE Oberursel	HE Darmstadt	HIL	HMFR	JYFR	HA	HOR	STEC	HAT	HKL	HSC
INPUT	Electricity consumption MW·h	416	855	810	2,360	1,915	688	532	891	392	2,621	3,383	41	9,604	4,504	232	42	395
	City gas consumption km ³	-	51	-	69	101	9	41	-	3	-	195	6.2	410	181	0.02	-	-
	Water consumption km ³	7	6	2	4	10	-	0.8	3	1	20	10	0.10	40	24	3.5	-	3
	Consumption of fuel oil & fuel for vehicles KL	-	116	0.8	57	-	49	212	-	4	-	80	15	40	31	15	3	14
	Quantity of chemicals consumed t	-	-	-	-	0.010	-	2	-	-	29	-	0.002	6.7	0.8	0.07	-	-
	Office paper t	3	3	0.2	4	3	1	2	5	0.8	23	6	1	22	3.7	-	0.2	0.4
	Packing materials t	-	-	0.1	-	15	-	5	-	-	842	-	-	407	11	-	2	-
OUTPUT	CO ₂ emissions t-CO ₂	245	875	480	1,694	1,343	703	840	455	189	131	761	55	4,443	3,296	116	21	165
	Wastewater discharge km ³	7	1	2	4	10	-	0.8	3	1	-	10	0.10	40	24	3.5	-	3
	Waste emissions t	104	16	4	16	88	-	13	46	18	186	69	15	283	58	6	0.2	5
Number of employees		92	117	8	80	196	55	163	248	95	523	291	24	1,364	415	139	24	89

KEYWORDS

Environmental Impacts | Energy | Group Companies | Production Sites

Overview of Environmental Impact: Environmental Impacts of Sales Offices and Service Stations

Environmental Impacts of Sales Offices and Service Stations (HORIBA, Ltd. and HORIBA Techno Service Co., Ltd.)

	Number of locations and category		HORIBA, Ltd. sales offices (11 locations)			HORIBA Techno Service Co., Ltd. service stations (24 locations)		
	Item/Year		2007	2008	2009	2007	2008	2009
INPUT	Electricity consumption	MWh	769	777	837	403	458	419
	Water consumption	km ³	2.1	2.2	2.5	1	1	1
	Fuel consumption	kL	57.4	62.2	66.5	198	193	165
	Office paper	t	6.0	7.2	4.8	3.6	3.1	3.5
	Packing materials	t	2.2	1.0	1.1	1.9	2.5	2.6
OUTPUT	CO ₂ emissions	t -CO ₂	424	438	471	612	621	542
	Wastewater discharge	t	2.1	2.2	2.5	1	1	1
	Amount of waste generated	t	9.4	9.4	9.3	9.9	11.3	11.7

HORIBA, Ltd. sales offices (11 locations):

Tokyo, Tohoku (Sendai City), Tochigi (Utsunomiya City), Tsukuba, Yokohama, Nagoya, Toyota, Hamamatsu, Osaka, Hiroshima (Aki-gun), Kyushu (Fukuoka City)

HORIBA Techno Service Co., Ltd. service stations (24 locations):

Tokyo, Hokkaido (Sapporo City), Tohoku (Sendai City), Tochigi (Utsunomiya City), Chiba (Ichihara City), Kashima (Kamisu City), Tsukuba, Saitama (Kawaguchi City), Nishitokyo (Kokubunji City), Yokohama, Fuji, Hamamatsu, Tokai (Toyota City), Nagoya, Hokuriku (Toyama City), Mie (Yokkaichi City), Osaka, Hyogo (Himeji City), Chugoku and Shikoku (Kurashiki City), Hiroshima (Aki-gun), Yamaguchi (Shunan City), Kyushu (Fukuoka City), Oita, Kumamoto (Aso-gun)

Initiatives for Energy Conservation

CO₂ Emissions Reduced by Approximately 40%

We were able to reduce total CO₂ emissions generated by domestic group companies by as much as 12,000 tons, compared to the previous year, to 7,855 tons in fiscal 2009. The most important reason for this reduction was a significant increase in the rate of collection of non-energy greenhouse gases used by one of our group companies, HORIBA STEC, Co., Ltd., which resulted in a reduction in atmospheric emissions.

* 1 **CO₂ emission factor**: CO₂ emission factor values were calculated based on the average (0.378 kg of CO₂ per kWh) for all electric companies in Japan. The official values of the Kansai Electric Power Company are adopted for the Kyoto District for 2005 onward.

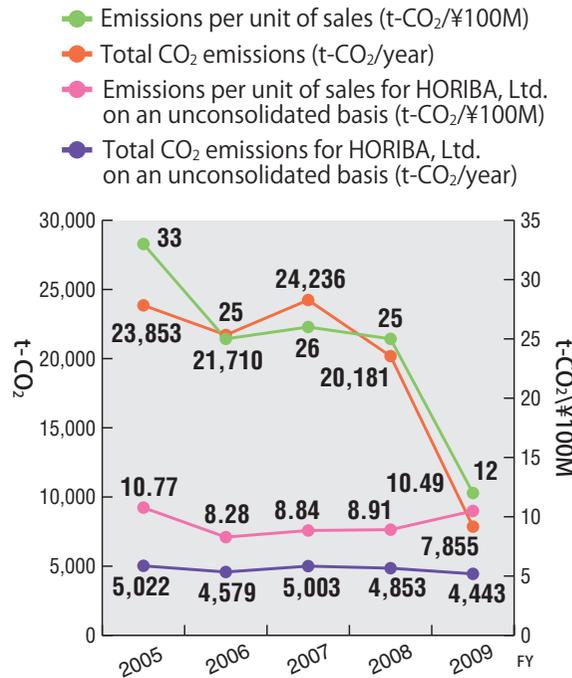
* 2 **City gas consumption**: Values are converted to those in standard conditions (0°C, 1 atmospheric pressure).

* 3 Due to a change in our accounting period for fiscal 2006, data collected over the nine-month period of fiscal 2006 was extrapolated to cover a twelve-month period.

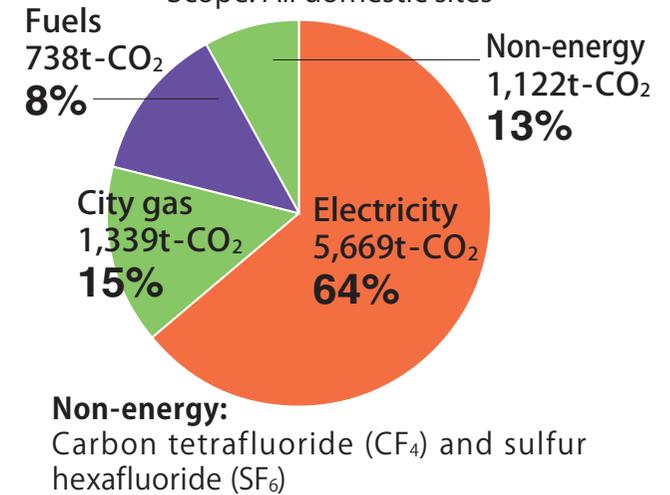
Scope: Domestic production sites unless otherwise specified

Domestic production sites: HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

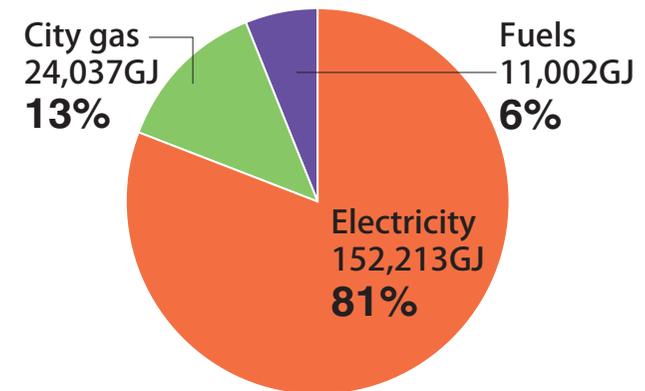
Total CO₂ Emissions



Amounts of Greenhouse Gas Emissions (CO₂ Conversion) in 2009 by Type of Energy
Scope: All domestic sites



Energy Consumption Ratio for Fiscal 2009
Scope: All domestic sites



Initiatives for Energy Conservation

Initiatives at HORIBA STEC:

HORIBA STEC, Co., Ltd. uses carbon tetrafluoride (CF₄) and sulfur hexafluoride (SF₆) gases, which contribute significantly to global warming, in its manufacturing and development processes, and concern has been raised regarding the risks posed by releasing these gases into the atmosphere. Consequently, its head office factory began collecting carbon tetrafluoride and sulfur hexafluoride gases in November 2007 while its Aso factory, which is one of the core factories of the HORIBA Group, began in October 2008. As a result, we collected 74.4% of carbon tetrafluoride and 81.6% of sulfur hexafluoride in fiscal 2009, thereby reducing these emissions by an amount equivalent to 11,000 t-CO₂ compared to the previous year. We will continue our efforts to achieve a collection rate of 100%, while at the same time seeking a new challenge of developing products that can be manufactured without the use of greenhouse gases.



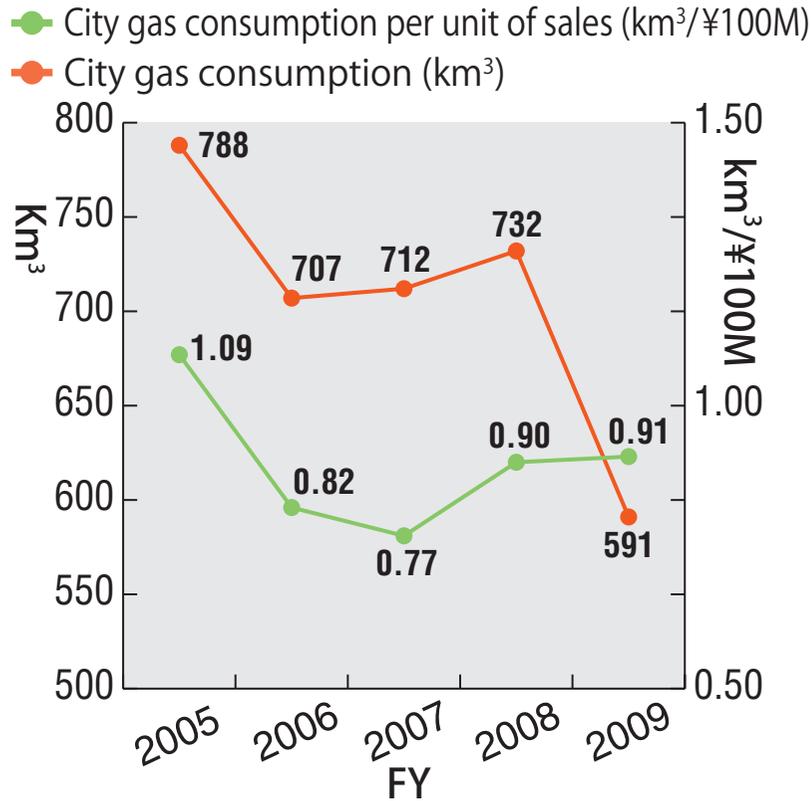
Greenhouse gas-collection equipment introduced into HORIBA STEC, Co., Ltd.

KEYWORDS

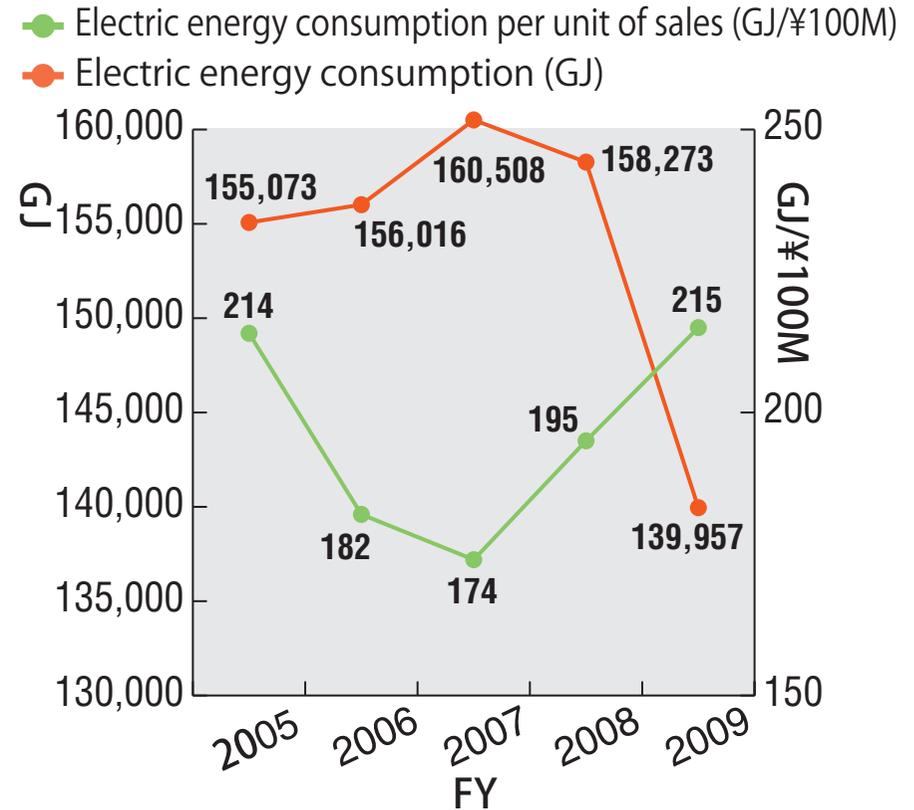
:| CO₂ | Global Warming | Energy | Electricity | City Gas

Initiatives for Energy Conservation

City Gas Consumption



Electric Energy Consumption



Scope: Domestic production sites unless otherwise specified

Domestic production sites: HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

KEYWORDS

CO₂ | Global Warming | Energy | Electricity | City Gas

Water Resources

Monitoring of Wastewater and Use of Service Water

Due in part to continuous monitoring by our round-the-clock monitoring system, HORIBA, Ltd. has not caused any accidents that have resulted in wastewater being discharged in amounts exceeding the legal limit over the past several years. We intend to maintain this record for many years to come.

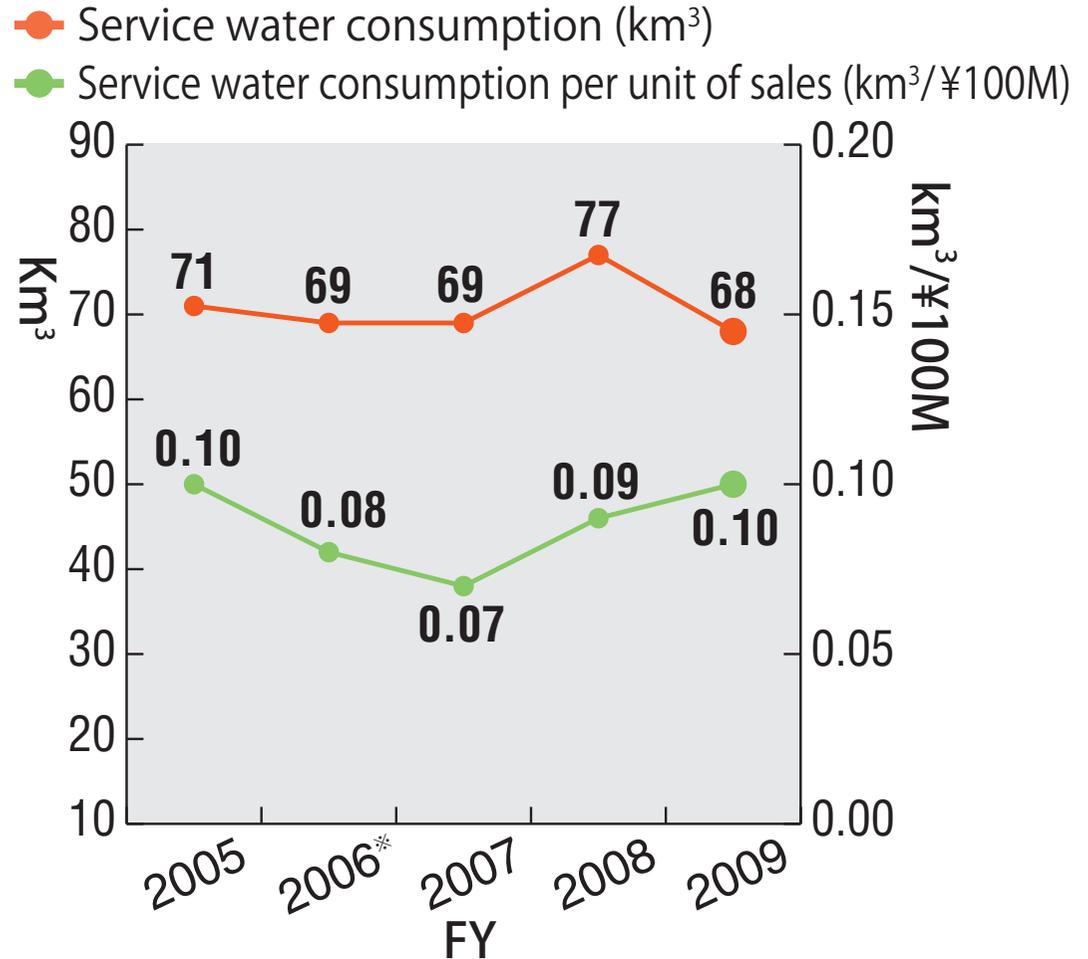
Meanwhile, the amount of service water used by domestic group companies has remained constant. We will conduct monitoring in fiscal 2010 to avoid an increase in the use of service water by maintaining efficient water usage even when production volume recovers.

* **Domestic production sites:** HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Service Water Consumption

Scope: Domestic production sites*



KEYWORDS

Service Water | Wastewater | Water Resources

Water Resources

Environment

Wastewater Measurement Categories and Trends in Measured Values

Scope: HORIBA, Ltd. head office/factory

(Units: mg/L) except pH * Under detection limit so omitted

Regulation Category	Kyoto City Regulations	HORIBA Standards	Measured Result (maximum)			Detection Limit Value	
			FY2007	FY2008	FY2009		
Environmental categories	pH	5 ~ 9	-	6.1 ~ 7.6	6.1 ~ 7.7	6.1 ~ 7.8	/
	n-Hexane extract	5	3.5	0.9	1.0	0.5	0.2
	Phenol	1	0.3	*	*	*	0.2
	Copper	3	0.9	0.1112	0.0537	0.18	0.0005
	Zinc	2	1.0	0.4782	0.2812	0.33	0.0001
	Iron (soluble)	10	3.0	0.141	0.428	0.1165	0.0004
	Manganese (soluble)	10	3.0	0.007	0.04	0.03	0.0001
	Nickel	2	0.6	0.0087	0.0182	0.01	0.0001
Toxic substances	Boron and its compounds	10	3.0	0.4966	0.211	0.2	0.0002
	Fluorine and its compounds	8	4.5	1.16	1.35	1.9	0.02
	Cadmium and its compounds	0.1	0.03	*	*	*	0.0003
	Cyanogen compounds	1	0.3	*	*	*	0.1
	Lead and its compounds	0.1	0.07	0.003	0.007	*	0.002
	Hexavalent chromium	0.5	0.15	0.0009	0.0009	0.0017	0.0004
	Arsenic and its compounds	0.1	0.03	0.003	0.004	*	0.003
	Mercury and its compounds	0.005	0.0015	*	*	*	0.0005
	Trichloroethylene	0.3	0.09	*	*	*	0.002
	Dichloromethane	0.2	0.14	0.043	0.011	*	0.002
	Carbon tetrachloride	0.02	0.014	*	*	*	0.0002
1,1,1-trichloroethane	3	0.9	*	*	0.0006	0.0005	

Note: Regulation figures are from Kyoto City sewage and drainage standards.

* There has been no case over the past three years where factory wastewater has exceeded legal control standards.

Chemical Substances

Chemical Substance Use

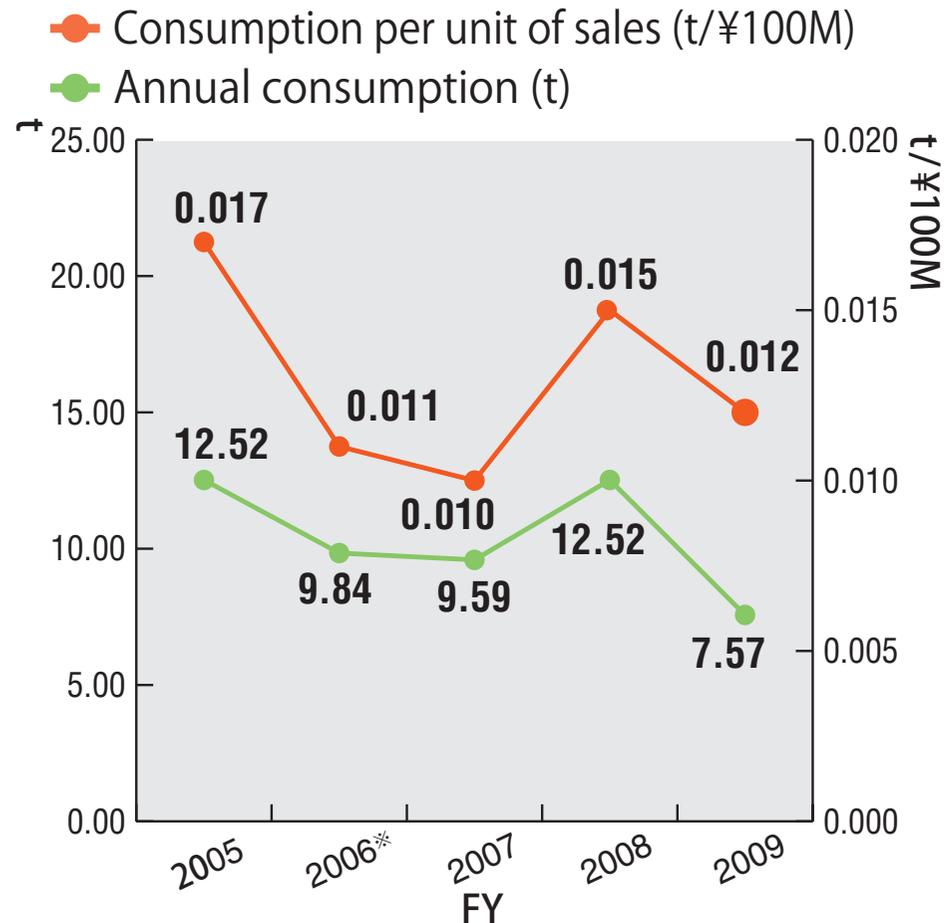
The total amount of chemical substances (measured by weight) used by domestic group companies in 2009 decreased by 40% from 2008 to 7.57 tons. One of the reasons for the decrease, apart from the economic downturn, is the combined efforts of individual employees to improve yields to reduce costs.

Meanwhile, there were no chemical substances specified in the PRTR (Pollutant Release and Transfer Register) Law in 2009, or in previous years, whose annual use exceeded the legally specified standard (1 ton) for reporting. In fiscal 2010, we will implement measures to improve management of chemical substances in accordance with the revised PRTR Law.

Scope: Domestic production sites
Domestic production sites: HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Trend in Quantity of Chemical Substances Consumed



Chemical Substances

Main Chemical Substances Handled

Scope: HORIBA, Ltd. head office/factory

Unit: kg

CAS No.*	Substance	Annual Amount Handled			Amount Transferred			Amount Recycled			Main Application
		FY2007	FY2008	FY2009	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009	
67-63-0	Isopropyl alcohol	370	1,079	339	89	321	78	0	0	0	Clean printed circuit boards
64-17-5	Ethanol	560	877	351	250	153	136	0	0	0	Clean components
67-64-1	Acetone (dimethyl ketone)	472	566	334	448	535	321	0	10	0	Cleaning
124-18-5	n-Decane (petroleum hydrocarbon type cleaning agent)	898	599	143	29	13	0	0	0	0	Clean metals
7664-38-2	Phosphoric acid	184	210	180	83	115	69	6	0	0	Product additives
7439-92-1	Lead solder	93	628	307	0	0	0	15	408	225	Printed circuit boards
7440-31-5	Lead-free solder	486	2,045	1,843	0	0	0	36	891	1,087	Printed circuit boards
7803-57-8	Hydrazine monohydrate	23	15	14	20	11	14	0	0	0	Product inspection
1330-20-7	Xylene	524	578	322	523	578	322	1	0	0	Clean semiconductors/components

* **CAS No.:** Numerical identification numbers for chemical substances managed by the Chemical Abstracts Service, a division of the American Chemical Society.

Chemical Substances

PRTR Substances for Fiscal 2009

Scope: HORIBA, Ltd. head office/factory

Minimum target treatment quantity: 10 kg Unit: kg

Ordinance No. ^{*1}	Substance	Annual Amount Handled	Added to Product	Amount Removed	Amount Emitted			Amount Transferred	Amount Recycled	Main Application
				Compounds Neutralized/Decomposed/Synthesized	Air	Water	Soil	Industrial Waste	Transferred Outside	
63	Xylene	322.1	0.0	0.0	0.1	0.0	0.0	322.0	0.0	Clean components, semiconductors
230	Lead and its compounds (such as lead solder)	307.0	79.2	0.0	2.0	0.0	0.0	0.4	225.4	Printed circuit boards
144	Dichloropentafluoropropane (HCFC-225); product name H-997	45.0	0.0	0.0	45.0	0.0	0.0	0.0	0.0	Product inspection
113	1,4-Dioxane	33.9	0.0	0.0	0.0	0.0	0.0	33.9	0.0	Product tuning
283	Hydrofluoric acid and its water-soluble salts	33.9	0.0	0.0	0.0	0.0	0.0	33.9	0.0	For semiconductors
181	Thiourea	19.4	19.0	0.0	0.0	0.0	0.0	0.4	0.0	Reagent production
24	Linear alkyl benzene sulfonate acid and its salts	18.5	0.0	0.0	0.0	0.0	0.0	18.5	0.0	For semiconductors
12	Acetonitrile	16.2	0.0	0.0	0.0	0.0	0.0	16.2	0.0	R&D
30	Bisphenol A type epoxy resin (liquid)	15.8	7.9	0.0	0.0	0.0	0.0	7.9	0.0	Adhesive
16	2-aminoethanol (monoethanolamine)	14.5	0.5	0.0	0.0	0.0	0.0	14.0	0.0	For semiconductors
Total		826.3	106.6	0.0	47.1	0.0	0.0	447.2	225.4	

* PRTR (Pollutant Release and Transfer Register) Law: Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management

*1 Ordinance No.: Numbers given in Table 1 of the Enforcement Ordinance for the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management

Chemical Substances

Atmospheric Measurement Categories and Trends in Measured Values (at vents and site perimeters)

Scope: HORIBA, Ltd. head office/factory

Measurement Category	Unit	Kyoto Prefecture Regulations	HORIBA Standards	Measured Result (maximum)			
				FY2007	FY2008	FY2009	
At vents	Xylene	Vol ppm	300	28	< 2.00	< 2.00	< 2.00
	Fluorine compounds	mg / m ³ N	5	3.5	< 0.50	< 0.50	< 0.50
	Hydrogen chloride	Vol ppm	20	6	< 1.00	< 1.00	< 1.00
	Nitrogen oxides (NOx)	Vol ppm	100	30	< 10.00	< 10.00	< 10.00
At site perimeters	Xylene	Vol ppm	3	—	< 0.30	< 0.30	< 0.30
	Fluorine compounds	mg / m ³ N	0.05	—	< 0.01	< 0.01	< 0.01
	Hydrogen chloride	Vol ppm	0.2	—	< 0.02	0.04	0.02
	Nitrogen oxides (NOx)	Vol ppm	1	—	0.028	0.044	0.019

Note: Regulation figures are based on ordinances in place to protect Kyoto Prefecture environment.
 * There have been no cases over the past three years where the control standards for substances hazardous to the air specified by laws were exceeded.

Reduction of CO₂ Emissions during Distribution

Environment

Initiatives for Reduction in the Amount of CO₂ Emissions during Distribution

HORIBA is committed to reducing the amount of CO₂ emitted during the transportation of products. We started transporting products by railroad between sites in Kyoto and Tokyo as a measure for a modal shift in 2004 and using railroad to transport reagents for medical products produced at our Aso factory in 2006. The amount of products transported by railroad has been gradually increasing and accounts for 76% of products transported within Japan in fiscal 2009 (a 10% increase compared to the previous year). As a result, the amount of CO₂ emitted during the transportation of products has been decreasing over the past several years and dropped by 22% in 2009 compared to the previous year. HORIBA group companies will continue to work together to reduce CO₂ emissions by promoting efficient transportation methods.

Railroad Utilization Rate for the Transportation of Products in Fiscal 2009

Total amount of products transported: 1,678,429 t-km

Scope: Domestic production sites

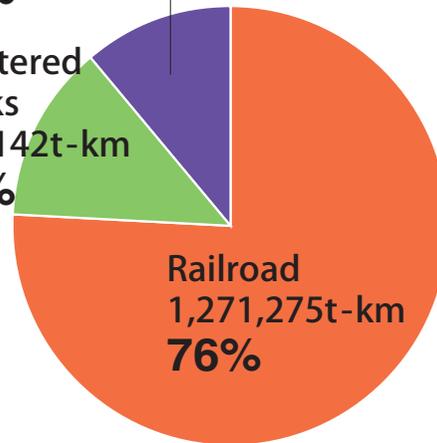
HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

Consolidated cargo trucks

193,012t-km
11%

Chartered trucks
214,142t-km
13%

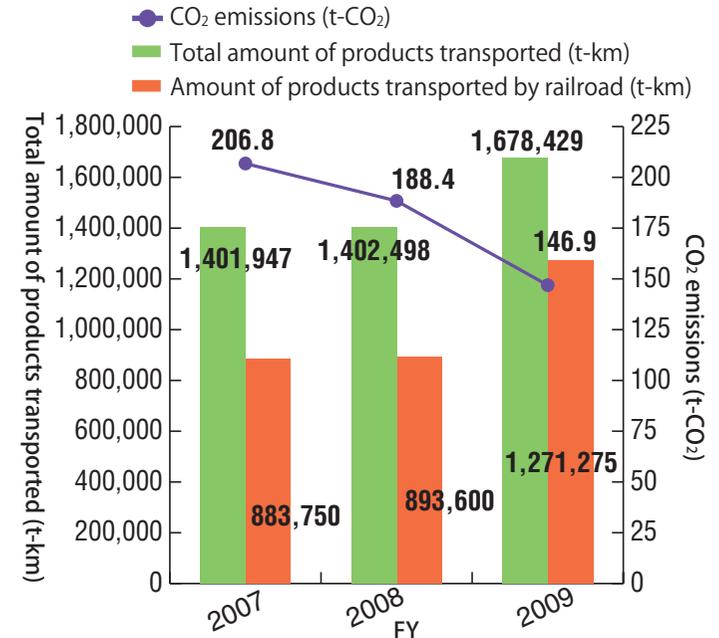
Railroad
1,271,275t-km
76%



The Amount of Products Transported and the Amount of CO₂ Emissions

Scope: Domestic production sites

HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory



Environmentally Friendly Product Designs

Environment

HORIBA's Product Design for Environment

When developing new products, we design them to be environmentally friendly with life cycles in mind. We recognize products that meet our company standards as being energy-efficient green products and present these products in our catalogue with HORIBA's Green Labels. As a result of our efforts, the amount of CO₂ emitted during the use of our products, calculated based on the accumulated total for the past ten years, has decreased by approximately 36 compared to previous models.

HORIBA's Green Label and Logo

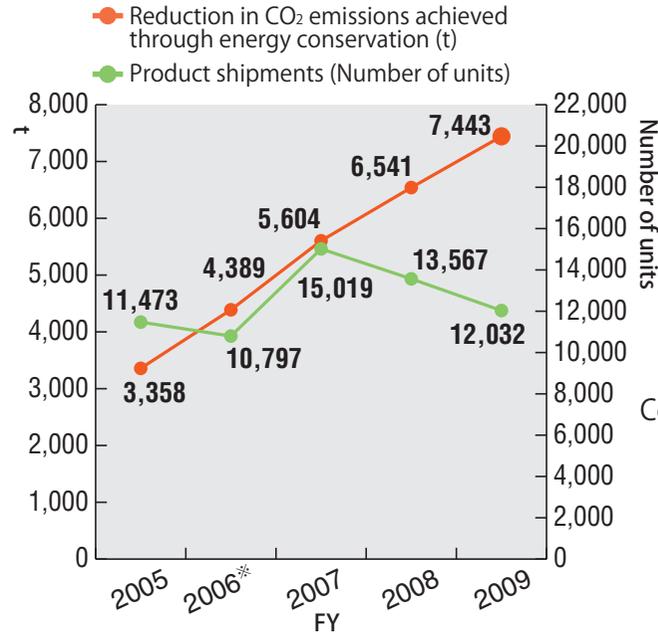


Evaluation Categories of Design for Environment

1. Lightness
2. Longevity
3. Ease of recycling
4. Ease of dismantling
5. Ease of processing
6. Environmental friendliness
7. Energy-saving
8. Information provision

Reduction in CO₂ Emissions through Energy-efficient Green Products

Scope: HORIBA, Ltd.

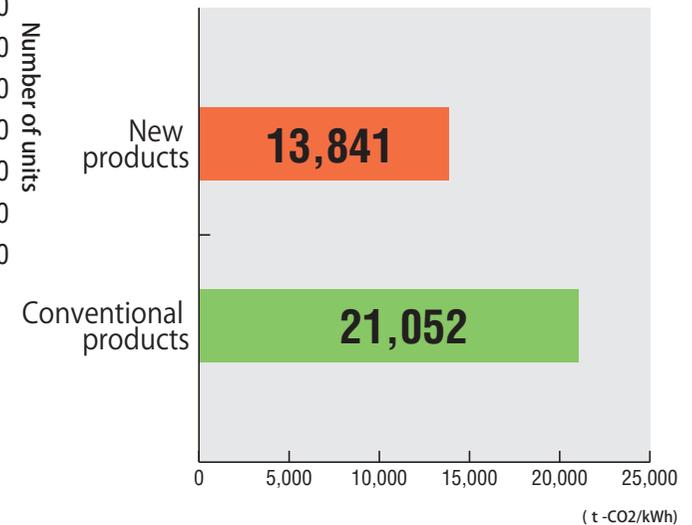


* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Comparison of CO₂ Emissions between New and Conventional Energy-Efficient Green Products

Calculations are based on the total number of units sold in the past ten years.

Scope: HORIBA, Ltd.



Environmentally Friendly Product Designs

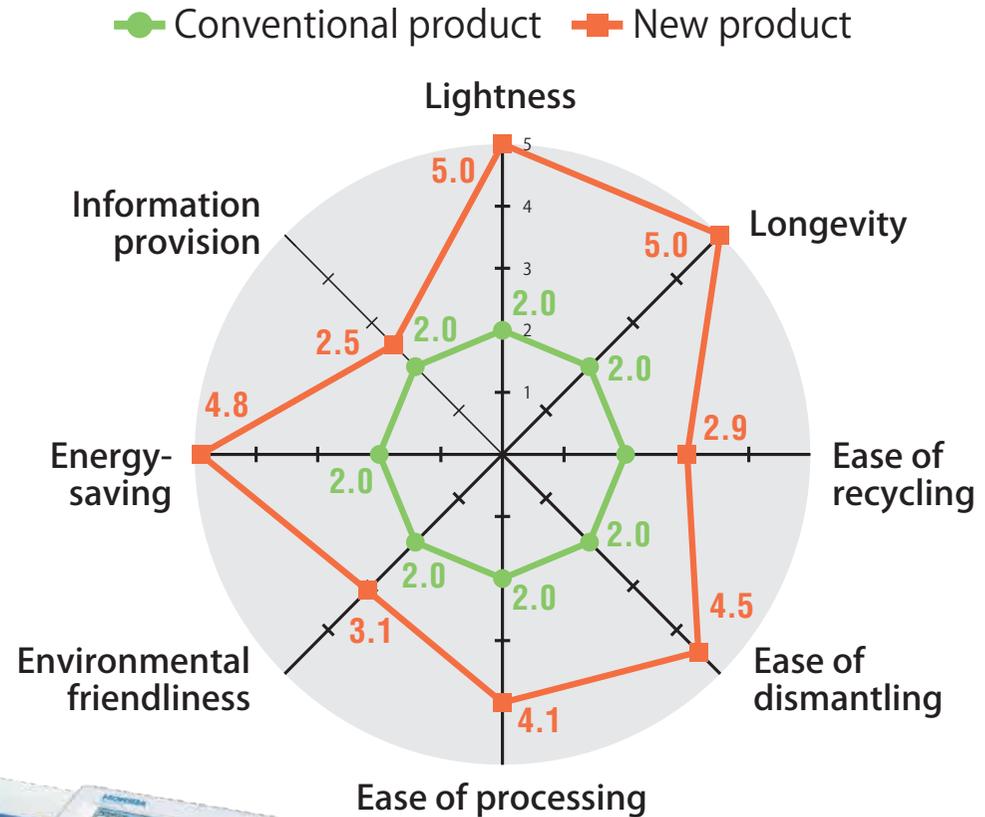
Environment

Green Product Developed by HORIBA, Ltd.

SEPA-500 – Automatic Polarimeter

Polarimeters play an essential role in the quality management and R&D of pharmaceutical, sugar and food products. The SEPA-500 automatic polarimeter of HORIBA, Ltd. measures the optical rotation of optically active substances such as sugars, amino acids, vitamins, hormones and alkaloids.

The newly developed, eco-friendly model reduces the amount of electricity required for operation by 50% compared with previous models, thereby achieving a high level of energy efficiency. It is designed to contribute to reducing the amount of CO₂ emitted during use by customers. The product is also designed to be lightweight, with a 63% reduction in volume and requiring half the installation space compared with previous models. The model is easier to maintain, has improved durability and a longer service life.



Environmentally Friendly Product Designs

Environment

Green Product Developed by HORIBA STEC, Co., Ltd.

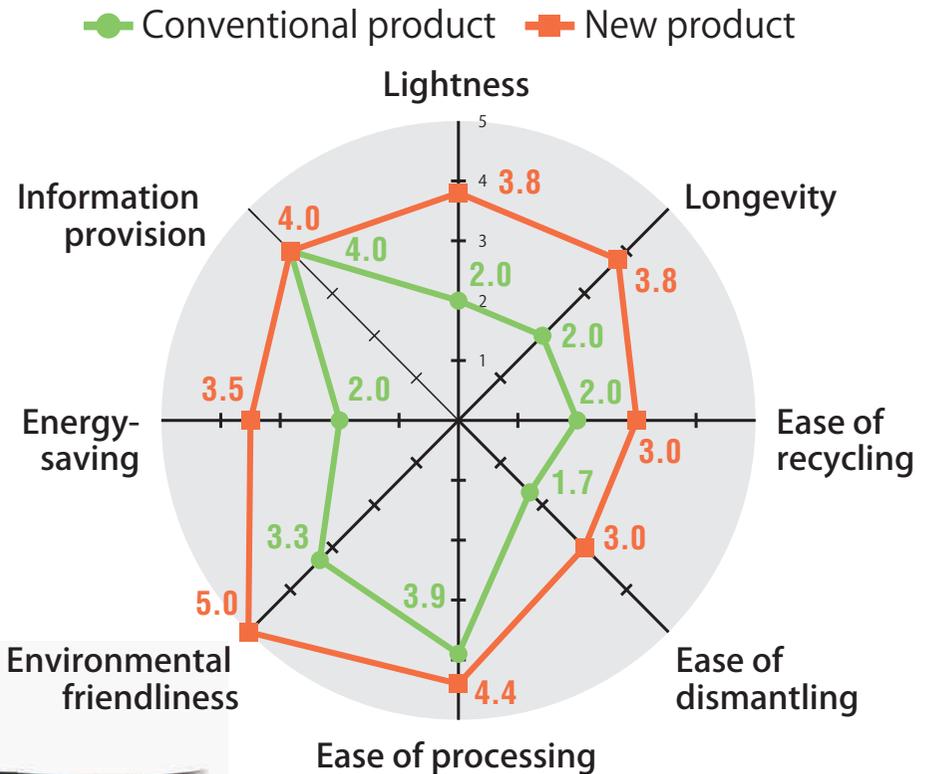
Residual Gas Analyzer MICROPOLE™ System QL Series

The MICROPOLE™ System is a mass analyzer designed to measure the total and partial pressures of residual gases inside vacuum chambers used for the deposition of thin films for semiconductors, liquid crystal panels and solar batteries. Composed of nine compact quadrupole mass analyzers and electronics, the system is designed to perform measurements for practical purposes despite its ultra-small size.

Designed as an environmentally friendly product and one of the smallest models in the world, the MICROPOLE™ analyzer is 48% lighter and consumes 23% less energy than previous models, while satisfying all RoHS* requirements. It also uses a controller equipped with a 3.5-inch LCD panel to enable users to collect data without a PC, and is designed to save space and resources. We believe that the new model, launched in 2009, will be embraced in a variety of industrial fields including solar batteries and will play a key role in enhancing the global environment in the future.



*RoHS: European directives to restrict the use of hazardous substances



Waste Reduction

Initiatives for Waste Reduction

HORIBA, Ltd. achieved its zero-emission goal in the second half of 2006 and maintained it during 2009. Meanwhile, the results of zero-emission initiatives of the domestic HORIBA Group as a whole have remained at the same level. We will continue to promote these initiatives in 2010.

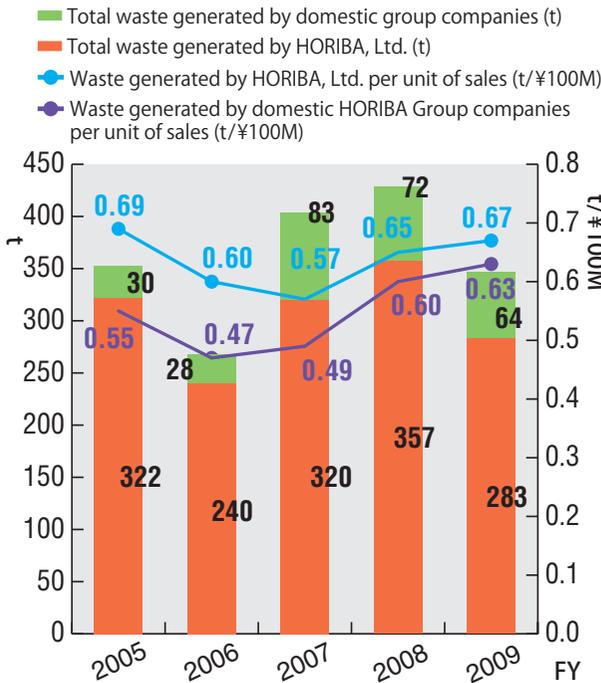
The total volume of waste has been reduced by approximately 80 tons (20%) relative to the previous year. This is partly attributable to the fact that domestic group companies have disposed of current stocks of surplus materials and experienced a decrease in sales. We will continue working to minimize waste output associated with increases in production volumes in the future through our efforts to reduce costs.

*** HORIBA's definition of zero emissions:** "The total amount of landfill waste must not exceed 1 percent of total waste generated."

*** Total waste generated:** A generic term for waste discharged from all divisions because it is no longer required (includes valuable resources, general waste and industrial waste).

*** Total amount of landfill waste:** The total amount of waste delivered to landfill after processing for reuse, recycling, or intermediate treatment (including neutralization, change into nonhazardous substance, and incineration).

Total Waste Generation and Waste Generation per Unit of Sales



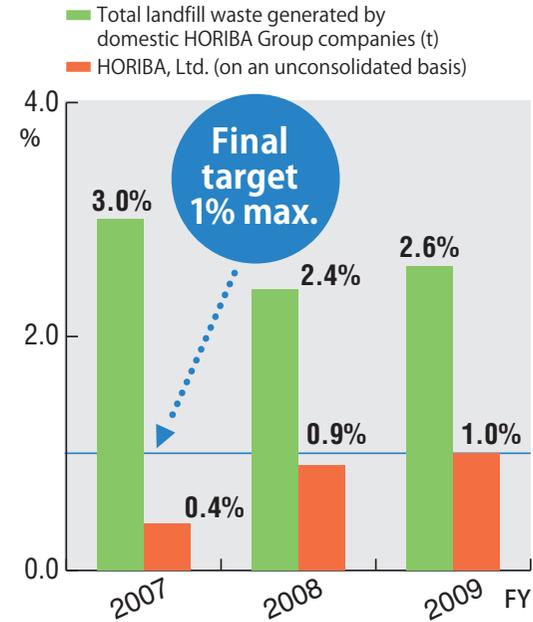
* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Scope:

Domestic production sites:

HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory and HORIBA Advanced Techno Co., Ltd. head office/factory

Trend in Total Amount of Landfilled Waste



Domestic group companies:

HORIBA STEC, Co., Ltd. and HORIBA Advanced Techno Co., Ltd.

HORIBA Group (domestic):

HORIBA, Ltd., HORIBA STEC, Co., Ltd. and HORIBA Advanced Techno Co., Ltd.

Waste Reduction

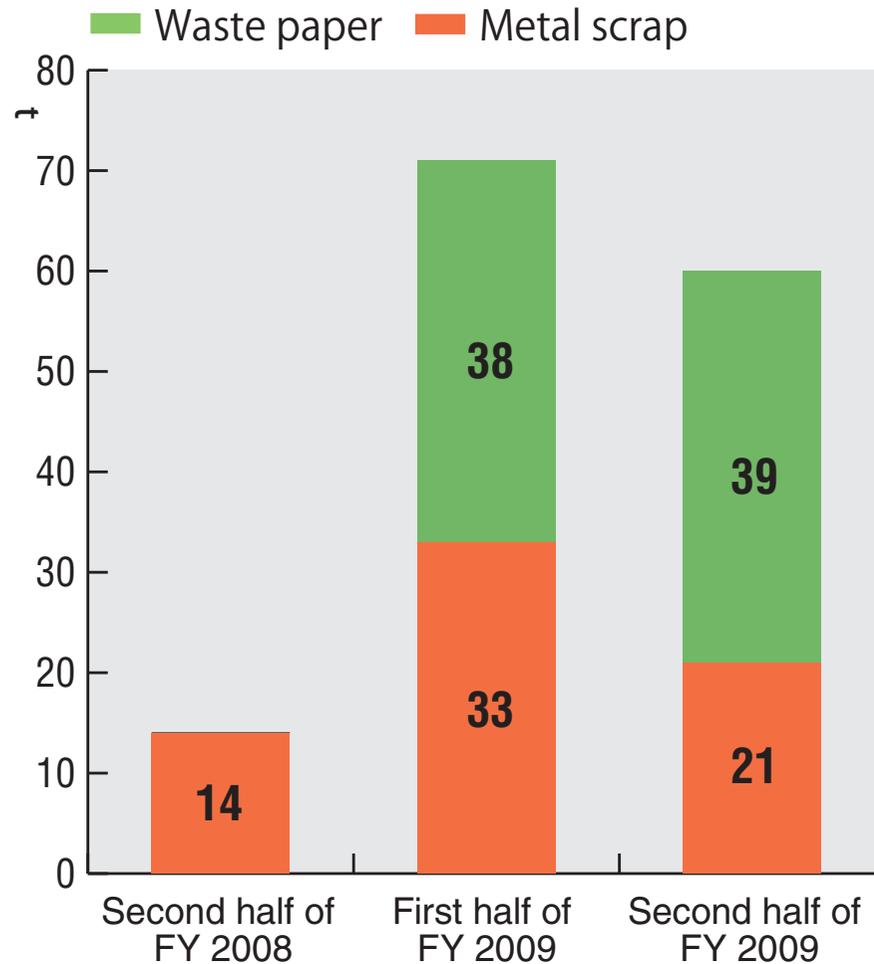
An Initiative for the Collection of Valuable Materials

HORIBA, Ltd. started a new initiative in the second half of 2008 to collect valuable materials, including metal scrap, from waste disposal of parts and materials. We have sold metal scrap to salvage companies in the past, but we started a new initiative to separate our scrap into simple material groups before selling it to the salvage companies. In 2009, we sold a total of approximately 54 tons of metal scrap as a new initiative. We also began selling waste paper, including cardboard and copy paper with the consent of our business partners, totaling approximately 77 tons of paper.

We plan to expand these initiatives across all domestic HORIBA group companies in fiscal 2010.

Volumes of Valuable Materials Collected

Scope: HORIBA, Ltd. head office/factory



KEYWORDS

Waste | Reuse | Recycling | Zero Emissions

Environmental Accounting

Integrated Management System Accounting (Environmental)

Environmental accounting, which includes quality management costs and occupational health and safety costs is part of an integrated management system (IMS) implemented at HORIBA, Ltd. In fiscal 2009, as a result of our efforts to reduce costs in response to a decrease in sales, including postponing the installation of energy-efficient facilities, business costs decreased by 40% compared to the previous year. However, in order to promote a higher level of development, R&D costs for new products increased by 30% over the previous year.

Meanwhile, cost reductions resulted in more than a 5% decrease in energy consumption and CO₂ emissions compared to the previous year, thereby contributing to environmental protection.

Due to a change in the classification of cost tabulation categories, quality improvement initiative costs have not been compared with 2009 results.

Environmental Accounting Standards:

- 1) Investment/expenditure classification: Based on financial accounting standards
- 2) Costs: Includes personnel, management and R&D expenses (excl. depreciation)
 - i) Personnel costs: Average labor costs × no. hrs environmental protection activities
 - ii) R&D costs: R&D costs for products used in environmental applications (materials & labor costs) + research costs for promoting environmental activities
 - iii) R&D economic benefit: Contribution of eco-friendly products to operating income
- 3) Based on Environmental Accounting Guidelines by the Ministry of the Environment (Fiscal 2005 version)

Costs Required for Environmental Conservation, Occupational Health and Safety and Quality Assurance (by Business Activity)

Scope: HORIBA, Ltd. head office/factory and 11 sales offices, and HORIBA Techno Service Co., Ltd. head office and 24 service stations
 Accounting period: January 1, 2009 to December 31, 2009 (Millions of yen)

Environmental Protection Costs (by Business Activity)						Economic Effect (Internal)		
Category	Key Actions	Amount Invested	Total Cost	Total	Year-on-year Comparison (%)	Benefits of Amount	Remarks	
(1) Business Area		2.4	49.5	51.8	60.5	102.1		
Details	1. Cost of pollution prevention	Maintained existing exhaust and drainage facilities; provided regular and preventive maintenance	0.0	6.8	6.8	55.9	8.0	Power-saving in facilities, effective operational benefits
	2. Cost of global environmental protection	Switchover of all air conditioners from electricity to gas, promoted switchover to energy-efficient facilities, and other initiatives	2.4	4.5	6.9	20.0	29.0	Conversion to energy-efficient facilities, modification of equipment, effect of electricity conservation
	3. Cost of resource circulation	Reduced waste and promoted zero emissions	0.0	38.1	38.1	98.0	65.1	Promotion of refuse sorting and reduced waste disposal
(2) Upstream and downstream cost	Promoted green purchasing, and collection and reuse of used products	5.9	12.7	18.6	103.5	6.6	Promotion of green purchasing and reuse of collected used products	
(3) Administration cost	Improved EMS efficiency and promoted eco-training and other initiatives	0.0	70.3	70.3	74.7	1.8	Benefit of environmental advertisements, etc.	
(4) R&D cost	Promoted design for environment, the lead-free initiative, and other initiatives	43.6	2,632.3	2,675.9	131.4	76.0	Expansion of eco-friendly products, contribution to increased operating income ratio	
(5) Cost of social activities	Actively promoted awareness-raising activities related to environmental technology and other initiatives	0.0	18.5	18.5	79.2	0.2	Support of environmental improvement, promotion of enlightenment initiatives	
(6) Cost of environmental remediation	N/A	0.0	0.0	0.0	0.0	0.0	N/A	
Total cost of environmental protection			51.8	2,783.2	2,835.1	125.5	186.8	
(7) Cost of occupational health & safety management	Health checkups, occupational health & safety training and supervision, and other initiatives	0.0	66.1	66.1	108.6			
(8) Cost of occupational health & safety preventive maintenance	Process safety, improvement of work environs, facility maintenance, and other initiatives	0.1	8.1	8.2	91.9			
(9) Cost of operational management initiatives of occupational health & safety management system	Operational management of occupational safety management system	0.0	28.7	28.7	93.0			
Total cost of occupational health & safety initiatives			0.1	102.9	103.0	102.3		
(10) Cost of prevention	Quality plan, process management, quality training and other initiatives	0.0	16.4	16.4	-			
(11) Cost of assessment	Acceptance check, quality monitoring, technological assessment and other initiatives	0.0	3.4	3.4	-			
(12) Cost of quality improvement research initiatives	Quality improvement and productivity improvement	0.0	2.3	2.3	-			
Total cost of quality improvement initiatives			0.0	22.1	22.1	-		
Grand total cost of IMS initiatives			51.9	2,908.3	2,960.2	-		

Environmental Accounting

Environmental Protection Benefits

Scope: HORIBA, Ltd. head office/factory and 11 sales offices and HORIBA Techno Service Co., Ltd. head office and 24 service stations Accounting period: January 1, 2009 to December 31, 2009

Environment

Environmental Protection Benefits				
Category	Environmental Performance Indicator (unit)	FY2008 (standard)	FY2009	Difference from Standard (Environmental protection benefits)
Benefits in terms of resources invested	Total energy input (GJ)	142,207	132,246	△ 9,961 *1
	Power consumption (GJ)	111,418	105,986	△ 5,432 *1
	City gas consumption (GJ)	20,744	16,833	△ 3,911 *1
	Fuels (diesel, kerosene and gasoline) (GJ)	10,045	9,426	△ 619 *1
	Core production elements input (iron, aluminum, copper and glass) (t)	1,120	699	△ 421
	Recycled resource input (t) Office paper and packing materials (cardboard, wood and polystyrene)	443	398	△ 45
	Water input (km ³)	44	43	△ 1
	Groundwater input (km ³)	12	15	3
	City water input (km ³)	32	28	△ 4
	Benefits in terms of environmental impact and waste	Greenhouse gas emissions (t-CO ₂)	5,912	5,455
Greenhouse gas emissions through electric energy consumption (t-CO ₂)		4,081	3,884	△ 197 *2
Greenhouse gas emissions through city gas consumption (t-CO ₂)		1,156	938	△ 218 *2
Greenhouse gas emissions through fuel consumption (t-CO ₂)		674	632	△ 42 *2
Total waste generated (t)		377	304	△ 73
Final waste at landfill (t)		3	3	0 *3
Total water drained (km ³)		44	43	△ 1
Water quality (BOD/COD) (mg/L)		N/A	N/A	—
NOx and SOx emissions (t)		N/A	N/A	—
Malodor (max. density) (mg/L)		N/A	N/A	—

Environmental Protection Benefits				
Category	Environmental Performance Indicator (unit)	FY2008 (standard)	FY2009	Difference from Standard (Environmental protection benefits)
Benefits in terms of goods and services generated	Energy consumption during operation (GJ) (Total of eco-friendly energy-saving products)	59,708	52,936	△ 6,772 *1
	Greenhouse gas emissions during operation (t-CO ₂) (Total of eco-friendly energy-saving products)	2,312	2,050	△ 262 *2
	Hazardous substances emitted during disposal of used products and recycling of containers and packaging (t)	15	10	△ 5
	Amount of used products, containers and packaging recycled (t)	1	1	0
	Amount of product packing materials used (t)	408	368	△ 40
	Greenhouse gas emissions from transporting products (t-CO ₂)	181	140	△ 41 *2
	Other benefits	Products transported (t-km)	1,357,212	1,636,840
Soil contamination (m ²)		0	0	-
Noise (dB) *at night		54	55	1
Vibration (dB) *in evening		Less than 30	Less than 30	-

* 1: GJ (gigajoule): Converted and calculated at 0.00976 GJ/kWh (from the April 1, 2006 public notification of the Energy Conservation Center).
 * 2: CO₂ emissions factor: Calculated assuming 0.378 kg of CO₂ per kWh, which is the average of all electric companies in Japan. The official value of the Kansai Electric Power Company is used for the Kyoto District.
 * 3: Only for HORIBA, Ltd. head office/factory

Economic Benefits from Environmental Protection Activities

(Millions of yen)

Economic Benefits from Environmental Protection Activities (Substantial Benefits)		
	Effect	Amount
Profit	Gain on sale of recycled waste: Amount of metals, oils, electric wires, rare metals, etc. sold (142 t)	2.3
	Gain on sale of recycled products: 23 units	24.4
Total		26.7

KEYWORDS

Environmental Accounting | Cost of Environmental Protection | Environmental Protection Benefits

Annual Health & Safety Plan for 2009

Under the slogan “Let us establish a safe, healthy and pleasant workplace and make every effort to increase the value of the HORIBA brand,” HORIBA is working in collaboration with all group companies to develop a system aimed at preventing accidents and promoting the physical and mental health of employees.

Based on the HORIBA Group annual plan for occupational health and safety management, each office formulates its own plan and implements priority measures to achieve annual goals by scheduling regular activities such as on-site patrols by executives and Safety and Health Promotion staff members, training in safety and health, various medical examinations and healthcare guidance.

In order to increase the value of the HORIBA brand, we will continue to develop various initiatives aimed at providing safer and more comfortable workplaces for all those who work at HORIBA.

Annual Health & Safety Plan for 2009

Annual Slogan:

Let us establish a safe, healthy and pleasant workplace and make every effort to increase the value of the HORIBA brand.

Annual Targets

- Reduce accidents to zero (all accidents: including those leading to lost workdays and those not leading to lost workdays) and reduce accidents on the way to work resulting in lost workdays to zero
- Reduce occupational illness to zero
- Promoting risk assessment
(Collection of data on risk factors that may cause injury or illness; eliminating Level IV or higher risks (on a five-point scale where V is the highest and I is the lowest); and reducing lower-level risks by half)
- Promoting employee physical and mental health
(improving follow-up services after medical examinations; holding healthcare classes)



Disaster evacuation drill for all group companies in a park nearby Head Office
November 20, 2009



Safety and health patrol by executives
July 24, 2009

Initiatives at Group Companies (1)

Occupational Health & Safety Initiatives

HORIBA has developed its corporate activities based on the 2009 group management policy, “Time One Half: Fulfilling Our Potential as a Genuinely Innovative Company.” In order to provide customers with superior standards of quality, performance and added-value products and services in a timely manner, it is particularly important to create a work environment where employees, our “human assets,” are able to develop their individual potential to the fullest extent and practice HORIBA’s company motto, “Joy and Fun.”

We will continue to provide a safe, secure and pleasant workplace for employees to increase the value of the HORIBA brand.

HORIBA, Ltd.

At HORIBA, Ltd., we formulate an annual plan for the management of occupational health and safety issues based on preventive maintenance principles. The plan incorporates a range of initiatives including on-site inspections and patrols, education and training in occupational health and safety, medical examinations and health consultation services. At the same time, we implement safety improvement measures based on the results of risk assessments and reports on near accidents. We are also committed to promoting the physical and mental health of our employees.

HORIBA Techno Service Co., Ltd.

HORIBA Techno Service Co., Ltd. is working hard to eliminate workplace and traffic accidents caused through negligence. We schedule an IMS* day every month to monitor the rules and procedures relating to safety, environmental protection and quality control. We also develop various company-wide health management initiatives for employees and their families, including prevention of the new type of influenza.



Health Promotion Seminar (Diet Class) held on November 17, 2009



Discussion at a team meeting on an IMS day

* IMS: An integrated management system introduced in 2004 that brings together the ISO 9001 Quality assurance system, the ISO 14001 Environmental management system and the OHSAS 18001 Occupational health & safety management system.

Initiatives at Group Companies (2)

HORIBA STEC, Co., Ltd.

HORIBA STEC, Co., Ltd. implements a management system in accordance with laws and regulations while its president conducts annual site inspections and patrols. These initiatives have increased employees' awareness of occupational health and safety issues, thereby contributing to maintaining a record of zero work accidents resulting in lost workdays. We are also working to develop more effective measures to prevent widespread infection such as the new type of influenza.



On-site patrol by the president, April 13, 2009

HORIBA Advanced Techno Co., Ltd.

At HORIBA Advanced Techno Co., Ltd., we have taken the initiative to provide AED (automated external defibrillator) life-saving training to maintain employee safety. We have also developed 5S activities aimed at raising performance levels, efficiency and safety.



AED life-saving training, November 5, 2009

In order to create a safe workplace free from accidents, we conduct frequent site inspections and safety patrols and promote health management initiatives for employees.

KEYWORDS

Occupational Health and Safety | Work Accidents | Annual Goals | Risk Assessment | Safety Patrol | AED

Results of Initiatives Implemented to Achieve Annual Goals (1)

Results of Initiatives Implemented to Achieve Annual Goals

Results of initiatives aimed at reducing work accidents

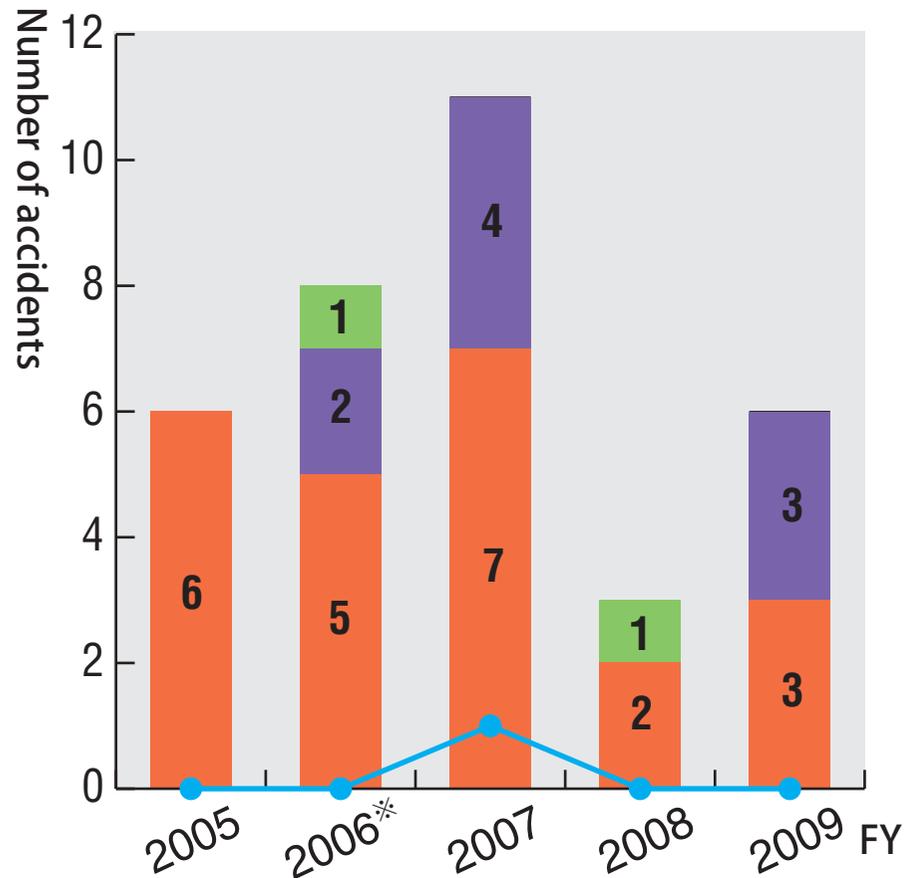
In an effort to prevent work accidents, all members of the company, including top executives and Safety and Health Promotion staff members, work together to promote occupational health and safety based on our annual plan for the management of occupational health and safety.

In the event of an accident, we hold a meeting of related parties and examine the behavior, facilities, work environments and work management related to the accident. We explore the accident causes and discuss how to prevent recurrences.

We also share information on serious accidents and accidents in other companies among group members and implement safety measures across all group companies to prevent similar accidents recurring. We will continue our collaborative efforts to provide training for all company employees and strive toward eliminating work accidents as quickly as possible based on risk assessment results and reports on near accidents.

Number of Accidents (On-the-job Accidents)

- HORIBA, Ltd. and HORIBA Techno Service Co., Ltd.
- HORIBA STEC, Co., Ltd.
- HORIBA Advanced Techno Co., Ltd.
- Accidents resulting in lost workdays



* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

KEYWORDS

Occupational Health and Safety | Work Accidents | Annual Goals | Risk Assessment | Safety Patrol | AED

Results of Initiatives Implemented to Achieve Annual Goals (2)

Results of Risk Assessments

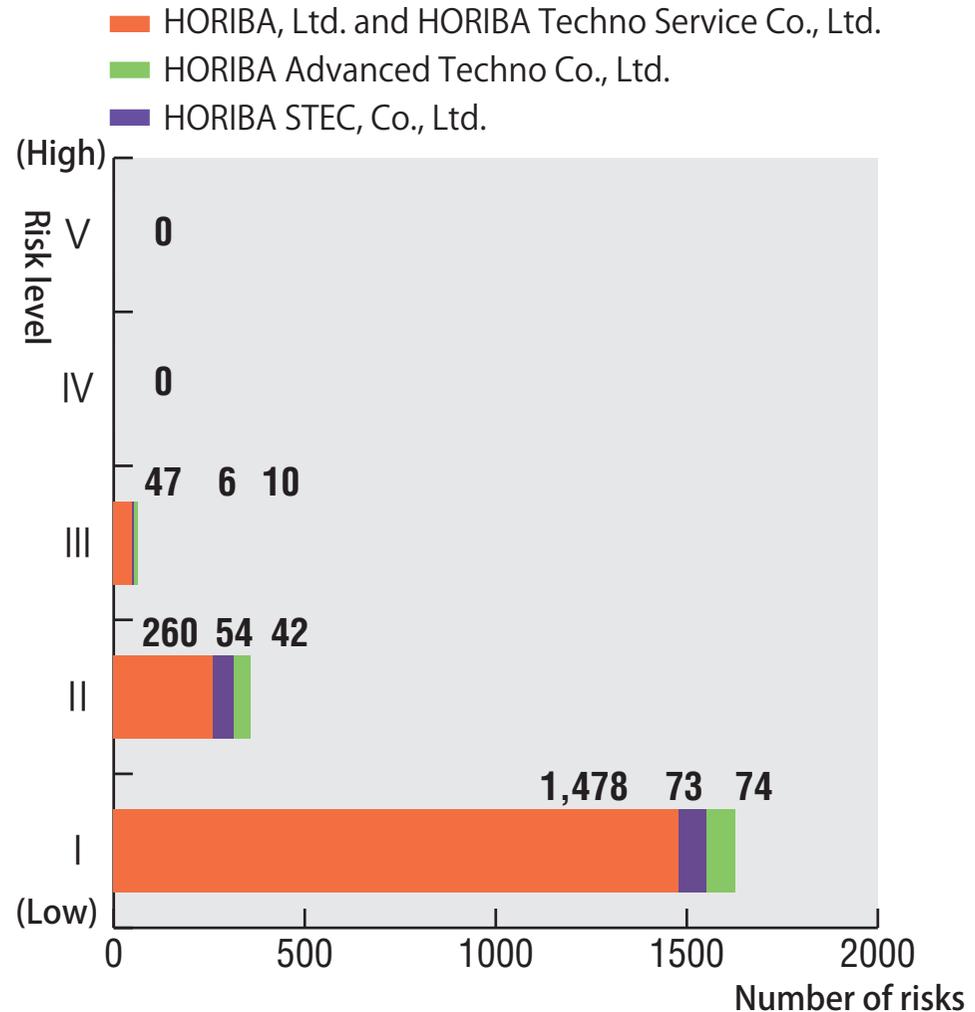
We undertake risk assessments at different work sites by identifying the causes of accidents and analyzing risk factors under different conditions—i.e., before installing equipment and facilities or altering structures, before changing materials, before modifying work practices and before making changes to organizations or personnel. Risk assessment results are grouped into five levels of risk (V is the highest and I is the lowest), and based on these results, we formulate measures to reduce risks, implement these measures and check their effectiveness.

Health Promotion Activities

With a view to promoting the physical and mental health of employees, HORIBA company staff, including industrial physicians and full-time public health nurses at the infirmary, are working to increase the percentage of people who receive medical examinations to 100%, to improve follow-up services after medical examinations, and to hold healthcare training sessions.

The infirmary plays an important role in HORIBA group companies and is engaged in a wide range of activities that currently include health consultation services, healthcare guidance, interviews with industrial physicians and health education.

Results of Risk Assessment for Fiscal 2009



Working Alongside Our Customers

At HORIBA we take pride in contributing to creating a sustainable society and improving people's quality of life by providing products and services that satisfy customer requirements. We will continue to work hard to develop fundamental and application technologies in order to provide products that realize the highest level of customer satisfaction.

Customer Support Center

Established in 1994, our Customer Support Center celebrated its 15th anniversary in 2009.

Over the years, new service channels—a toll-free number, website and email—have been added to the original telephone and fax channels. As a result, we have received an average total of 27,000 annual customer inquiries and more than 30,000 inquiries at peak times over the past five years. When the Customer Support Center was first opened, we received many technical questions about the operation of our products and inquiries concerning analytical and measurement technologies from analysis and measurement experts. In recent years, however, we have also received many inquiries relating to environmental protection and energy conservation from the general public.

In 2008, We have implemented a new system to process information from customers, thereby enabling us to quickly provide global information.

In 2009, we introduced the CSIS (Customer Satisfaction Information System) to strengthen customer relations. The system is designed to manage the entire process from the moment the customer inquiry is first received through to the final response to the customer, which makes it possible to effectively use this information as an asset.

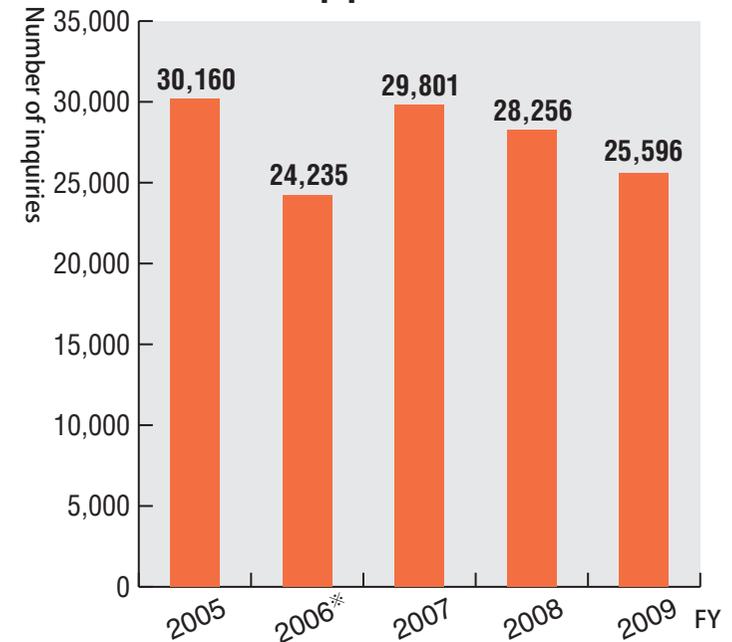
We will continue our efforts to incorporate our customers' suggestions and comments in our products and services to further contribute to society.

HORIBA, Ltd. Customer Support Center 0120-37-6045

(Toll-free) Monday through Friday
(except for holidays)
09:00 to 12:00 and 13:00 to 17:00

* Customer support services are available via mobile phone and PHS.
* Customer support services may not be accessible with some types of IP phones.

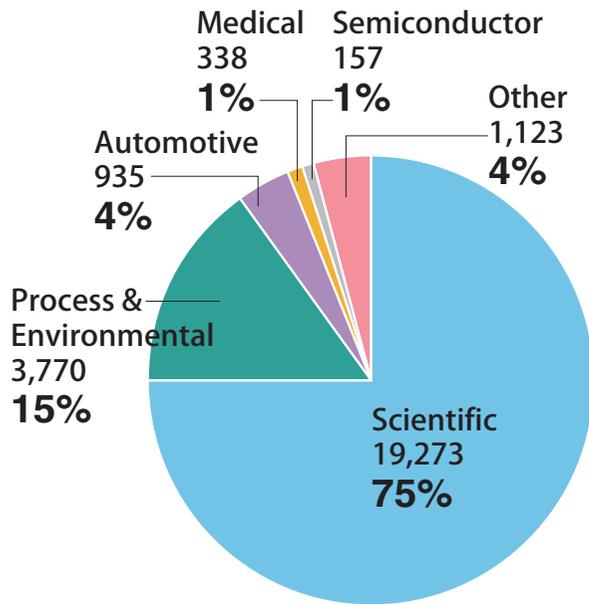
Trend in the Number of Inquiries to the Customer Support Center



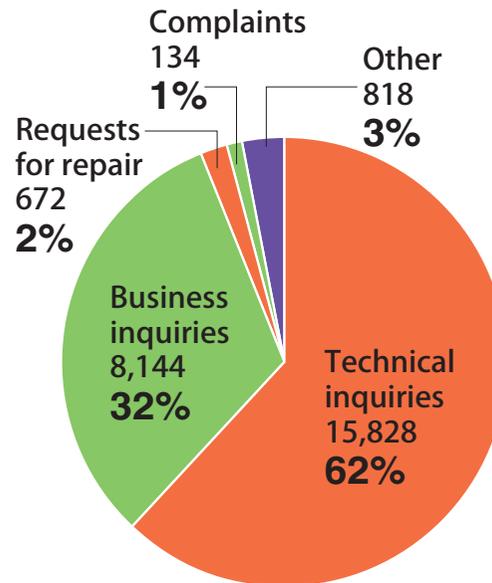
* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Working Alongside Our Customers

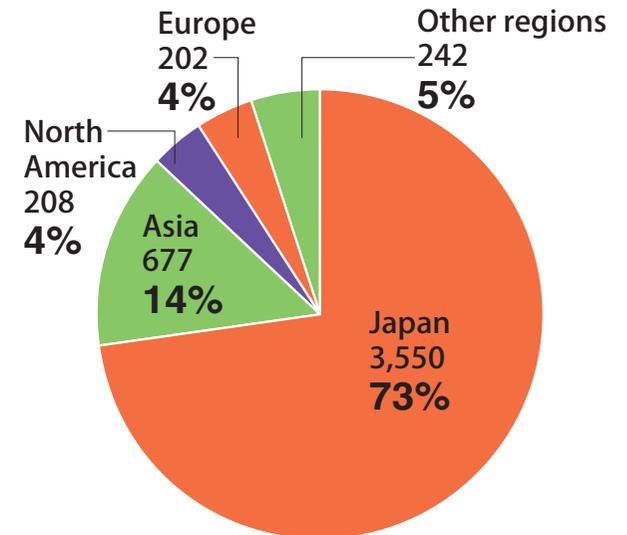
Breakdown of Inquiries in Fiscal 2009 (By Segment)



Breakdown of Inquiries in Fiscal 2009 (By Content)



Breakdown of Visits to the Company Website in Fiscal 2009 by Region (4,879 Visits)



Customers

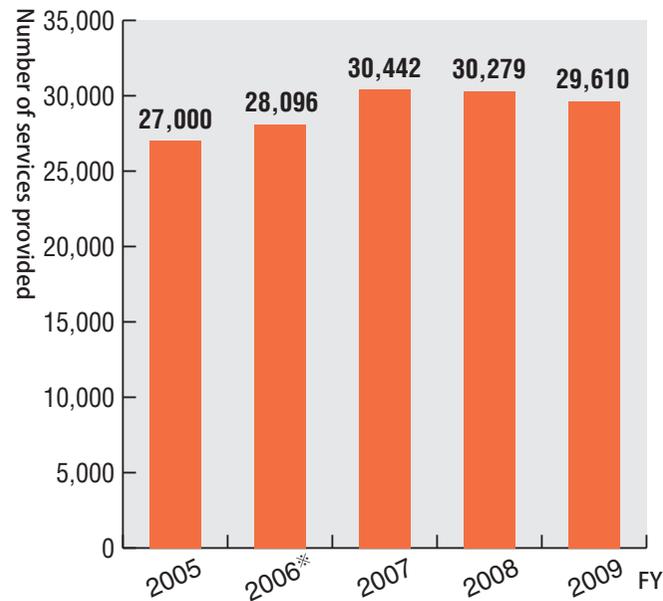
Working Alongside Our Customers

Service System

HORIBA Techno Service Co., Ltd. provides customer support services from the 25 service stations we have in Japan, as well as those we have overseas. These service offices provide field repair service, repair service for returned products, periodic on-site checks, maintenance, test operations, parts and training service.

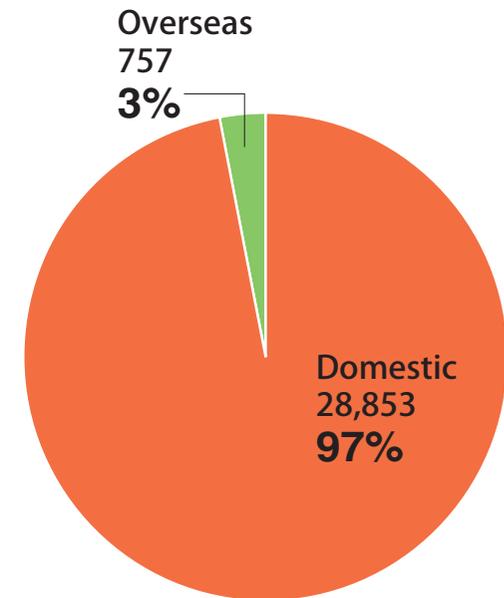
In 2009, we provided a total of 29,610 services in Japan and overseas. In August 2009, HORIBA Techno Service Co., Ltd. obtained accreditation as a CAB for ISO/IEC 17025 (ASNITE 0033 C Calibration of Emission test facilities) and started calibration test services as the second accredited test laboratory in Japan. We will continue to offer a variety of products in different areas to meet customer requirements.

Trend in the Number of Services Provided



* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

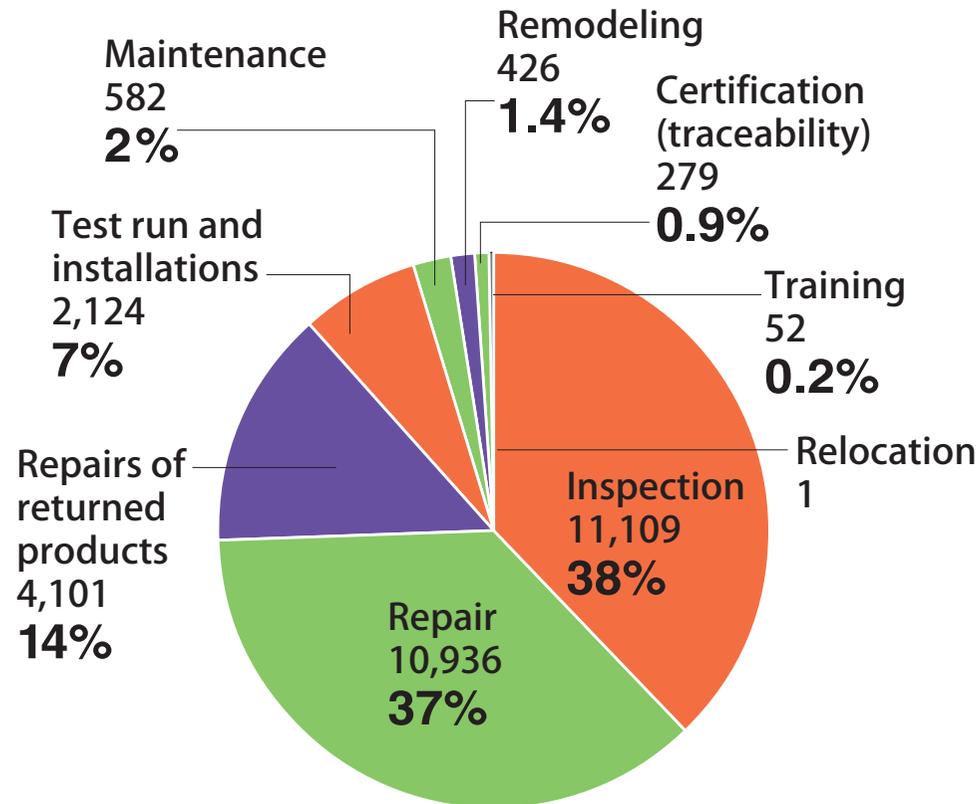
Ratio of Domestic to Overseas Service Jobs in FY 2009



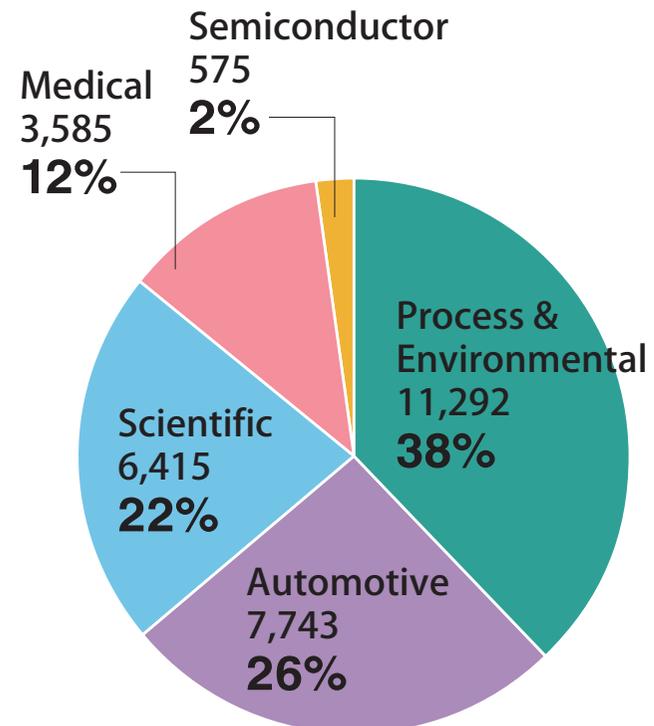
Customers

Working Alongside Our Customers

Typical Services Provided in 2009 (by Service)
(Total 29,610)



Typical Services Provided in 2009 (by Segment)
(Total 29,610)



Customers

Working Together with Our Owners (Shareholders) and Investors

At HORIBA, we appropriately distribute profits to our owners (shareholders) and investors and promote management transparency through fair disclosure of information and two-way communication.

Increase in Two-Way Communication

To ensure that the market value (stock price) is consistent with the true value of the company, HORIBA provides information to owners (i.e., shareholders) and investors (through IR – investor relations) under the slogan “Accurate, timely and fair disclosure.”

We deliver quarterly reports to owners, hold a general meeting of shareholders on a Saturday and hold shareholder-briefing sessions as a way of providing opportunities for shareholders to communicate directly with company executives.

We update information on our official website as frequently as possible and work to improve the content of various information booklets for the purpose of providing individual investors with accurate information in a timely manner. We also make great efforts to hold company briefing sessions and explain our

business policies and financial results in easy-to-understand language in order to gain as much support for HORIBA as possible.

Furthermore, our president and executives hold biannual financial briefing sessions for institutional investors and take an active part in establishing face-to-face communication by visiting investors and developing overseas IR. We conduct more than 300 interviews in addition to holding product briefing sessions at company exhibitions, thereby facilitating two-way communication with investors and providing detailed information on HORIBA’s business philosophy, strategies and financial results.

We renewed our company website in 2009 to provide owners and investors with essential information in a more efficient manner.

Company briefing sessions:

① For domestic institutional investors

- Annual financial briefing session (February 17, 2009 in Tokyo)
- Mid-term financial briefing session (August 4, 2009 in Tokyo)
- Individual interviews conducted by the president, executives and staff members in charge (more than 300 times annually)
- Product briefing sessions at company exhibitions (four times annually)

② For overseas investors

- Visits to investors by the president (September 2009 in London)
- Briefing by the president at an IR forum (February and December 2009 in Japan)
- Individual interviews by the president, executives and staff members in charge (more than 50 times annually in Japan)

③ For individual investors

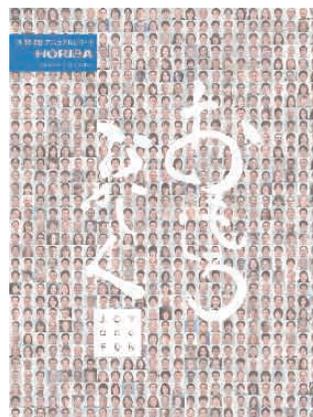
- General meeting of shareholders (Saturday, March 28, 2009; a briefing session with executives after the general meeting held at the Kyoto Head Office)
- Briefing session for investors (April 9, 2009 in Kyoto)

Working Together with Our Owners (Shareholders) and Investors

Information disclosure:

- Annual report (annual publication)
- Business report (semi-annual publication)
- Earnings digest (quarterly publication)
- Quarterly report (quarterly publication)
- Company website: Investor Relations (updated as needed)

<http://www.horiba.com/investor-relations/>



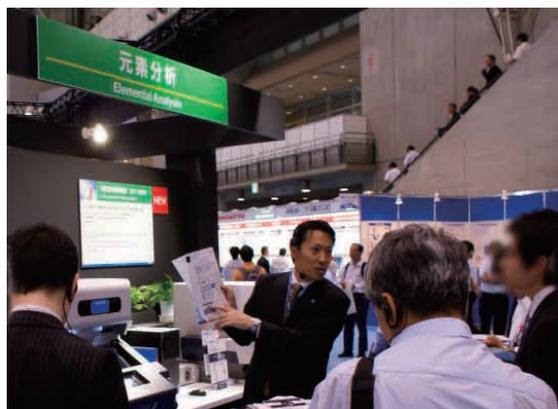
Annual Report 2008



Business Report



Financial briefing session
February 17, 2010



Product briefing session at a company exhibition
September 2, 2009



Briefing session for individual investors
April 9, 2009

Working Together with Our Suppliers

Our business activities would be impossible to carry out without the cooperation and support of suppliers in a wide range of areas, including partners who provide materials and parts required for the manufacture of products. We work to maintain relationships of trust with a wide range of domestic and overseas suppliers of materials and services, and exchange information with these partner companies. Our goal is to become a highly efficient supplier with a commitment to First Class Quality.

Maintaining Good Relations with Partner Companies in Production & Assembly

We see suppliers who provide parts as partner companies for working and growing together. We maintain strong relationships not only with material suppliers but also with assembly companies to whom we outsource the assembly. We have created an organization named Gr. HORIBA RAKURAKU-KAI with 50 companies with which we have especially strong relationships. We exchange advice, adopting “Co-evolution, Harmony and Coexistence” as our motto.

The HORIBA Group Meeting for Production Partner Companies

We hold HORIBA Group Meeting for Production Partner Companies (Gr. HCOM) twice every year in accordance with our group management policy, “HORIBA Group is One Company.” At each meeting, we report the business conditions of the HORIBA Group and our manufacturing initiatives. We also exchange information with our partner companies and award testimonials and supplementary prizes to partner companies that have cooperated with the



HORIBA group in a particularly effective manner.

The 18th HORIBA Group Meeting for Production Partner Companies was held at the HORIBA Group Training Center (also known as the FUN HOUSE) on August 18, 2009. For the first time, we adopted a round-table meeting style, with each group of companies in related industries holding round-table discussions. Representatives of individual companies talked about their “omoi” (thoughts) and exchanged views through candid discussions with HORIBA executives. A number of resolutions were adopted at this meeting, including the decision to hold a technological exhibition aimed at displaying the technologies of partner companies to the general public in fiscal 2010, organizing information exchange meetings for those working in the field, and holding a joint training seminar with partner companies as part of the HORIBA College program.



Award ceremony at the 17th HORIBA Group Meeting for Production Partner Companies (Award-winning company: Matsumoto Co., Ltd.)



Round-table discussions (FUN HOUSE, August 18, 2009)

Working Together with Our Suppliers

Interview with an Award Winning Member of the 17th HORIBA Group Meeting for Production Partner Companies

We interviewed Mr. Matsumoto, President of Matsumoto Co., Ltd., to which we outsource the plating, assembly and tuning of HORIBA products, about quality improvement initiatives at Matsumoto and his company's relationship with HORIBA.



Mr. Souki Matsumoto
CEO and President, Matsumoto Co., Ltd.
Gr. HORIBA RAKURAKU-KAI Chairman

Quality Improvement Initiatives

I have the temperament of a craftsman, so I feel a strong commitment to achieving technological excellence. We have installed the latest equipment to improve our technological skills. We also identify and analyze all problems related to quality at regular meetings, which we have been holding every Monday for the past 15 years, to provide detailed information to those working in the field. We obtained ISO 9001 Quality Assurance Certification in 1998, and thanks to the generous support of HORIBA, we were the first plating company of our size in Kyoto to obtain certification.

We will continue our quality-improvement initiatives to respond to the needs of HORIBA, which is committed to setting standards of the highest quality by providing products of first class quality.

Relationship of Trust with HORIBA

We have been serving HORIBA for the past 25 years. We fully appreciate the dedication (“omoi”) of Dr. Masao Horiba, HORIBA Supreme Counsel, and President Atsushi Horiba to maintaining relationships built on trust with partner companies. Thus, we are also committed to providing products of the highest quality in response to their commitment.

What interests me most about a company is the personalities of those who work for the company: HORIBA's employees are all hard working and warm-

hearted.

Just as our relationship with HORIBA is built on mutual trust, we also maintain good relations with other members of Gr. HORIBA RAKURAKU-KAI—we help each other and exchange ideas.

The 18th HORIBA Group Meeting for Production Partner Companies (Gr. HCOM)

Although HORIBA and our company have always been open and honest with each other, we also feel the need to develop a new relationship of mutual trust, as our companies have both grown in size. We are also faced with the necessity to overcome the difficult circumstances resulting from current economic conditions. For these reasons, I proposed open discussions between HORIBA and its partner companies about what we need to do under the present circumstances. Accordingly, we conducted a series of round-table discussions at the 18th Gr. HCOM.

Good communication channels exist between HORIBA and our company at the executive level. However, it is necessary to share more information among those who are working in the field. I believe this is a major issue that needs to be addressed at the Gr. HORIBA RAKURAKU-KAI meetings in 2010. HORIBA and its partner companies will continue to work collaboratively to develop greater mutual trust by utilizing various opportunities such as the technological exhibition proposed at the last meeting.

Working Together with Our Suppliers

Group Material Purchasing Policy

In consideration of the problems facing the global environment and local communities, we have adopted a policy for purchasing group materials that will provide only those high-quality materials needed for the HORIBA Group manufacturing activities in the amount needed, and when needed. We are working to achieve the following goals in accordance with this policy:

- 1 We shall reduce the delivery time, manufacturing time and costs by half.
- 2 We shall purchase materials that satisfy customer demand (subsequent processes).
- 3 We shall eliminate defective parts and materials from our suppliers and not accept defective parts or materials from suppliers.
- 4 We shall share information and provide training to improve our buyers skills.

Making Effective Use of the HORIBA Group's International Network for Global Purchasing

HORIBA Group companies in Europe, the United States and Asia are working together in each of these regions to develop global purchasing policies. Group companies set target prices for each region to reduce purchasing costs. To improve quality and reduce costs and procurement time in the purchasing and distribution of materials, the companies implement a range of measures based on common strategies and local policies. In addition to the bulk purchasing of materials, they maximize the use of materials from low-cost countries and screen suppliers to find those that can provide the highest-quality materials at the lowest prices.

■ Green Procurement

The HORIBA Group sets green procurement standards for purchasing of parts, materials and equipment and requests its partner companies to purchase materials that meet these standards.

Please visit the following website for information on green procurement by HORIBA Group companies:

<http://www.horiba.com/contact-us/procurement/>

Working Together with Our Employees

Under the company motto “Joy and Fun,” we develop employees’ technological skills as well as their general personal abilities through training programs. We also adopt policies to promote diverse work styles, including telecommuting and short working hours, to maintain a healthy balance between work and life and support the development of the next generation.

Three Basic Personnel Management Policies

With a view to achieving our company precept (working with “Joy and Fun”), we have adopted three basic personnel management policies to provide a work environment that enables each employee to seek challenges and enjoy the adventure of working on a global stage.

Shorter Working Hours and Telecommuting

In response to changes in employees’ family circumstances, we have adopted a shorter working hour system and a telecommuting system to maintain and improve employees’ work-life balance. In the shorter working hour system, employees’ working hours are set at 60% or 80% of general working hours, according to individual needs. The telecommuting system allows employees engaged in work that can be performed at home to work from home, normally for a maximum period of six months.

Celebrating Milestones in the Growth of Employees’ Children and Return to Work from Childcare Leave

As part of our support system for the development of the next generation, we offer money to employees to celebrate their children’s entrance into school and to celebrate their return to work. When an employee has a child, a photograph of the child is posted in the company newsletter to enable all company members to celebrate the birth and growth of the child.

Nearly all women who gave birth in fiscal 2009 took childcare leave. Three men with new babies also took childcare leave.

Open & Fair

We believe in disclosing all necessary company information and personnel rules to every employee. This policy ensures open competition and allows free communication between executives and employees, managers and staff, and among employees themselves. We also believe that all employees should have an equal chance and rewards in proportion to their contributions in a fair work environment.

Positive Evaluation System

Challenges always involve the risk of failure. If employees do not accept a challenge, they get no points in our evaluation system, even if they do not fail. If they accept a challenge, they receive a positive evaluation; and if their challenge brings them success, they will get extra points. We determine employee evaluations by how they attack their challenges.

Communication

Information is not what you communicate to others, but what you share with others. We have designed communication systems to allow staff to express their opinions and make proposals instead of managers passing information to their staff in one-way communications.

Working Together with Our Employees

Improving the Skill Level of Individual Employees to Enhance the Organizational Capacity of the Company

If we are to grow into a top global company with an annual income of 200 billion yen, we need to develop human assets that can act as the driving forces.

We started a HORIBA College project in 2009, to create an organization and system for developing personnel (human assets) who are able to achieve successful results on a global stage while contributing to the local communities.

In order to share the HORIBA philosophy, train first-rate personnel (human assets) with a global perspective and enhance our organizational capacity, HORIBA College offers approximately 280 training courses designed to raise participants' levels of knowledge, skills and business literacy, and to support individual employees in building independent careers.

We are developing global "human assets," i.e., personnel who are able to respond flexibly to changes in the business environment and are able to develop different strategies through self-training and on-the-job training, essential to ability development; and off-the-job training, including HORIBA College courses.

Topics for Fiscal 2009

① Ranked among the Top 25 Best Workplaces in Japan

HORIBA, Ltd. was ranked among the top companies for the third consecutive year due to our corporate culture being highly valued during this period.

② Change from temporary to permanent employment: Development of manufacturing technologies by maintaining our "human assets"

To ensure open and fair competition, we have introduced a system that allows employees to change from temporary to permanent employment. This enables us to utilize their high levels of skill and performance at work sites to improve organizational capacity.

③ Manners improvement project launched

This project was launched under the slogan "Let us confront difficulties with a positive attitude and excellent manners." The purpose of the project is to encourage first-class manners befitting HORIBA employees with a goal to enhance the value of the HORIBA brand, reduce production time by half and increase communication among employees.



Employees participating in the manufacturing/logistics course at HORIBA College (December 2, 2009)



Group work in the manufacturing/logistics course at HORIBA College (November 2, 2009)

Working Together with Society

We actively support education of the next generation through a range of events, such as programs in the areas of science, technology and environmental protection, which form the basis of HORIBA's business. These are in addition to science and engineering classes and cultural and sports events.

Environmental Communication

HORIBA is committed to maintaining communication with a large number of stakeholders, both inside and outside the company, through its corporate activities. We take advantage of every opportunity to exchange views with our stakeholders and reflect their views in our corporate activities for developing a win-win relationship.

Record of Environmental Communication in 2009

		FY2009
Number of published copies of the CSR Report (Gaiareport 2009, leaflet edition)	Japanese-language edition	7,200 copies
	English-language edition	2,000 copies
Copies of the CSR Report requested by individuals and groups outside the company		1,130 copies
Hits on Gaiapress website		11,360
Number of newspaper and magazine advertisements		8
Number of environmental exhibitions for the general public		3
Number of on-site seminars (environmental experiment workshops), open house events and training sessions for external institutions		18
Number of copies of the HORIBA 2009 calendar, <i>Fishes in an Underwater Paradise</i>		46,326 copies
Number of IMS inquiry sheets received		170

* For further information regarding IMS inquiry sheets, please see the following page, Working Together with Society (2/3).

Programs for company tours, on-site seminars and open house events in 2009

	Events	Total number of participants
On-site seminars	10	278
Open house events	1	66
Training sessions for external institutions	7	61

Scope: HORIBA, Ltd.

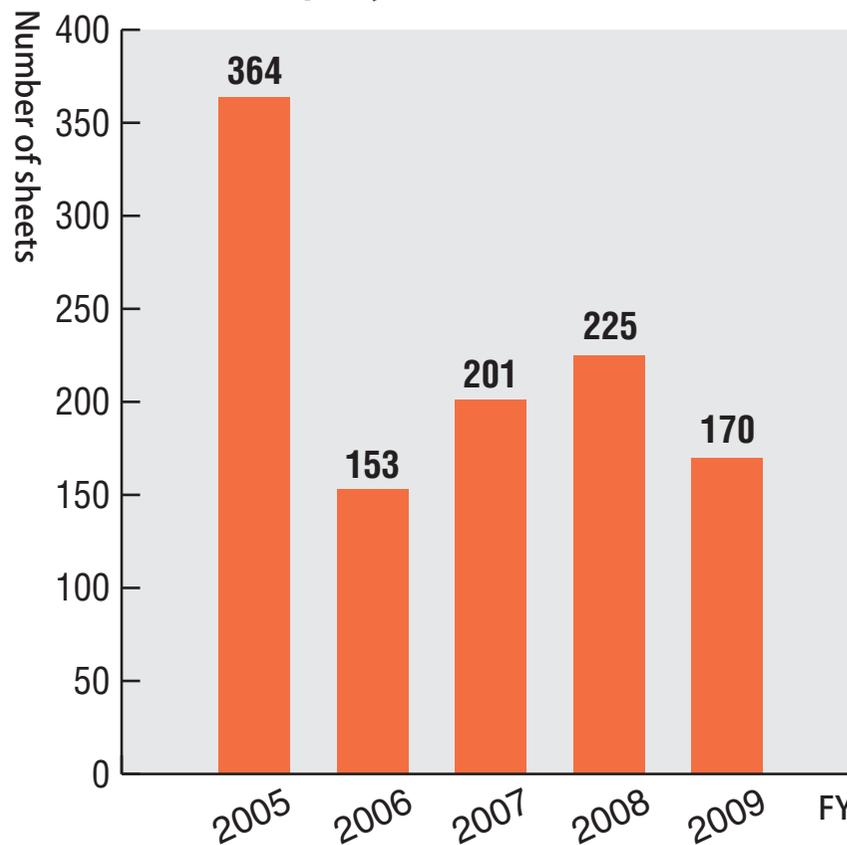
Working Together with Society

IMS Inquiry Sheets

We issue IMS inquiry Sheets to provide appropriate responses to our stakeholders' survey requests, questionnaires, inquiries and proposals concerning our policies pertaining to product quality, environmental protection, and occupational health and safety.

We received 170 inquiries in 2009, down approximately 15 % compared to the previous year. Overall there has been a decline in the total number of inquiry sheets resulting from fewer surveys on chemical substances, while the percentage of surveys and questionnaires on matters related to quality, the environment and corporate social responsibility has increased. We will continue to respond promptly to inquiries from stakeholders to maintain open communication.

Trend in the Number of IMS Inquiry Sheets Received



* There was an error in the number of sheets received in 2008 in Gaiareport 2009: 228 should have read 225.

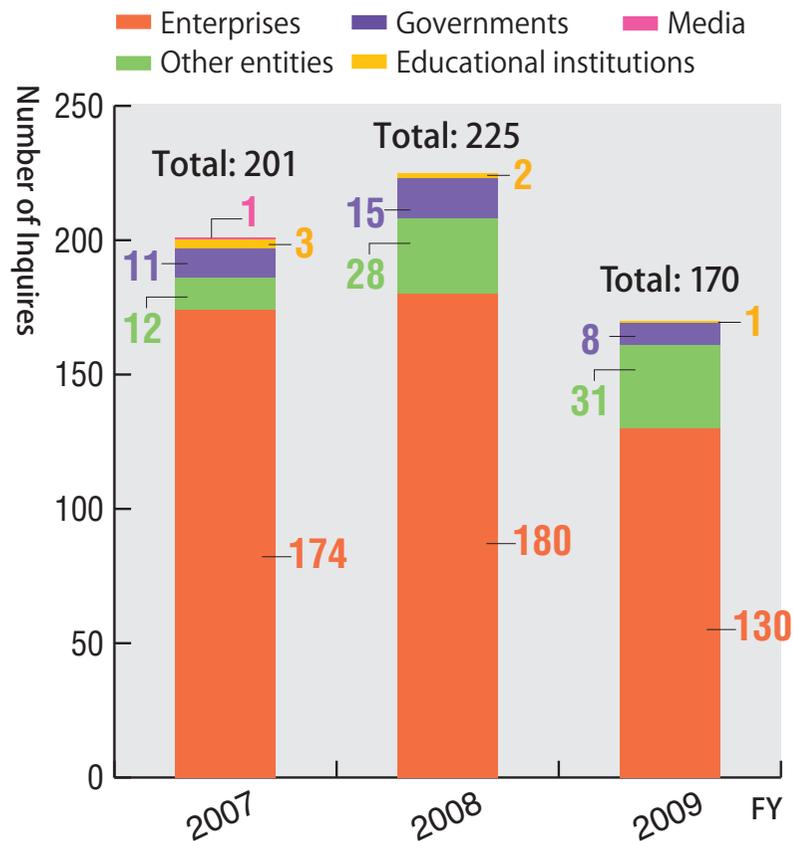
* The increase in the number of sheets in 2005 was due to a rapid increase in the number of surveys on asbestos.

* Due to a change in our accounting period for fiscal 2006, data was collected over a nine-month period and extrapolated to cover a 12-month period.

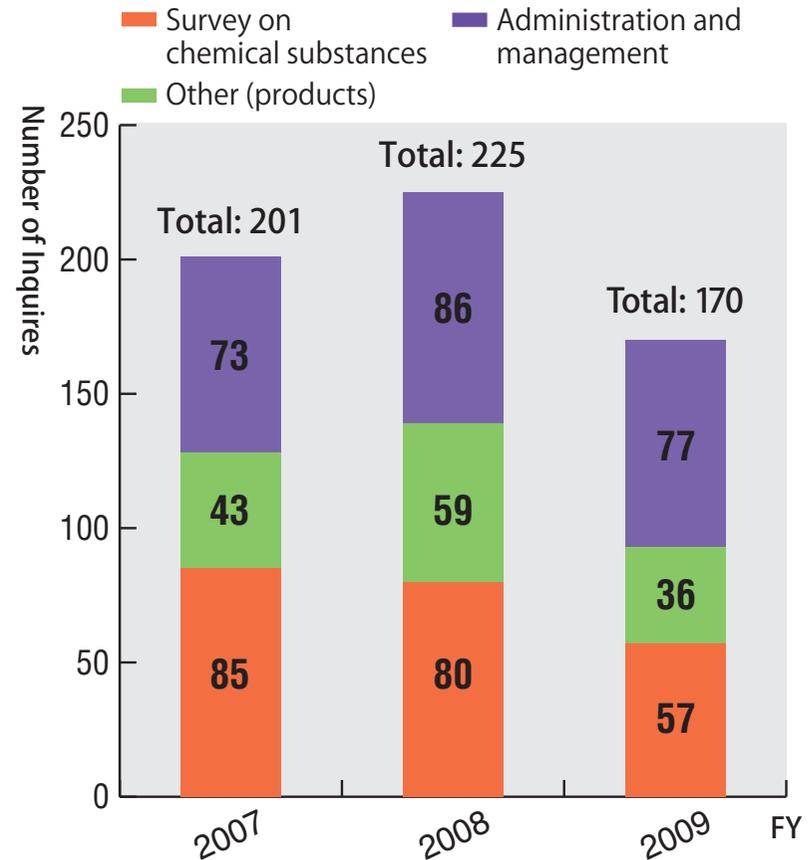
* The name of the sheet was changed from Communication Sheet to IMS Inquiry Sheet at the beginning of July 2009.

Working Together with Society

Trend in the Number of IMS Inquiries by Stakeholder



Trend in the Number of IMS Inquiries by Subject

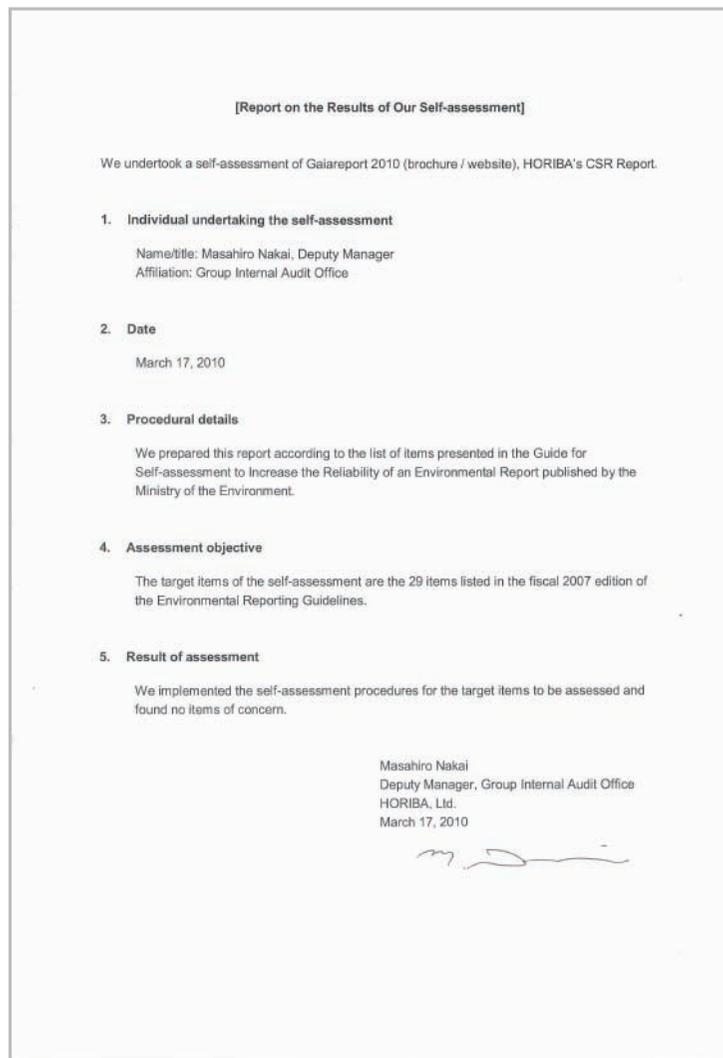


Chemical substances: Green procurement, WEEE/RoHS, asbestos, other hazardous substances, etc.
Administration and management: Corporate governance, relevance to CSR, etc.

The graphs show the number of inquiries by stakeholder and by subject from 2007, when data was collected for the first time.

Self-assessment

Based on the Guide for Self-assessment to Increase the Reliability of an Environmental Report (Ministry of the Environment), HORIBA requested the Group Internal Audit Office to conduct a self-assessment of the data provided in Gaiareport 2010 (brochure and Web versions) and the system used to aggregate the data. We disclose the self-assessment results to stakeholders in this report. We will continue to make improvements through the effective use of self-assessments based on the guidelines provided by the Ministry of the Environment.



The 29 Items Listed in the Environmental Reporting Guidelines (Fiscal Year 2007 Version)

1. Basic Information

- BI-1 CEO's statement
- BI-2 Fundamental requirements of reporting
- BI-3 Summary of the organization's business (including management indices)
- BI-4 Outline of environmental reporting
- BI-5 Material balance of organizational activities

2. Status of Environmental Management

- MP-1 Status of environmental management
- MP-2 Status of compliance with environmental regulations
- MP-3 Environmental accounting information
- MP-4 Status of environmentally conscious investment or financing
- MP-5 Status of supply chain management for environmental conservation
- MP-6 Status of green purchasing or procurement
- MP-7 Status of research and development of new environmental technologies and DfE
- MP-8 Status of environmentally friendly transportation
- MP-9 Status of biodiversity conservation and sustainable use of biological resources
- MP-10 Status of environmental communication
- MP-11 Status of social contribution related to environment
- MP-12 Status of products and services that contribute to the reduction of negative environmental impacts

3. Status of Activities for Environmental Impacts and Reduction Measures

- OP-1 Total amount of energy input and reduction measures
- OP-2 Total amount of material input and reduction measures
- OP-3 Amount of water input and reduction measures
- OP-4 Amount of materials recycled within an organization's operational area
- OP-5 Total amount of manufactured products or sales
- OP-6 Amount of greenhouse gas emissions and reduction measures
- OP-7 Air pollution, its environmental impacts on the living environment, and reduction measures
- OP-8 Amount of release and transfer of chemical substances and reduction measures
- OP-9 Total amount of waste generation and final disposal and reduction measures
- OP-10 Total amount of water discharge and reduction measures

4. Status of the Relationship between Environmental Considerations and Management

5. Status of Social Initiatives

Company Motto, Corporate Principle and Action Guidelines

HORIBA's Company Motto

Joy and Fun

Corporate Principle

Infinite Growth toward a Great Future
Contributing to the Protection of the Global
Environment and Achieving Harmony between
Human Society and Nature

Action Guidelines

1. Pursuing total customer satisfaction
2. Achieving the highest possible technical standards
3. Maintaining the spirit of challenge
4. Developing creativity
5. Promoting better communication

HORIBA Corporate Philosophy (1)

HORIBA's Company Motto

Joy and Fun

HORIBA's company motto originates from the belief that if we take interest and pride in the work that occupies most of the active time in our lives, in the place where we spend the large part of each day, then as a result our satisfaction with life will increase, and we will be able to enjoy our lives even more. Taking interest and pride in our work leads us to "Joy and Fun."

[Business Operations]

We, at the HORIBA, apply our most advanced analytical technologies to provide highly original analytical and measuring products and equipment in such fields as engine emissions, scientific analysis, industrial and process control, environment monitoring, semi-conductor process control, medical and health-care, and biotechnology, thereby contributing to the progress of science and technology, improvement in the quality, development and benefit of human health. We are engaging in the new businesses for derivative and peripheral products aim to develop scientific technology and improve the life of the community, while at the same time minimizing the impact on the environment.

We strictly abide by all environmental protection laws and regulations in our business activities. In addition, all HORIBA group

companies are required to attain the highest levels of quality for establishing, developing, and maintaining environmental systems, including implementing internal control standards that minimize the impact that our business activities have on the environment.

We strive to deliver higher value-added products and services in the shortest possible time to customers all over the world, combining the functions and specialties of development, production, sales, and services from globally located points throughout the world. Furthermore, we aim to be the leader in the global market in the fields and product segments in which we operate, to meet all customers' needs consistently, and to effectively maximize our limited resources through a policy of selective investment.

HORIBA Corporate Philosophy (2)

Customer Responsiveness

We maintain a philosophy of pursuing technology to the ultimate degree in both the fundamental and applied technology fields, supplying products that continuously satisfy customers' requirements. We are committed to offering top-quality, highly reliable products and services with a consistent level of excellence throughout the world. We are obliged to observe the highest standards for establishing, developing, and maintaining quality control systems. To provide products and services to customers in the fastest delivery time possible, we have adopted the slogan "Ultra-Quick Supplier" for all our activities. This slogan encompasses not only production lead times but also development, marketing and sales, service, and control functions.

Responsibility to Shareholders and Investors

Our basic policy is to calculate annual dividends on an allocated rate of net income. Important information regarding management and business operations are fully disclosed on a regular basis to shareholders and potential investors. A timely responsive management control system should be maintained by HORIBA group companies to ensure that company objectives are met, profit generated and the information disclosed represents the true performance of the company as well as its management.

Employees

We are proud of the entrepreneurial spirit that led to the creation of HORIBA group companies. Each employee is made aware of this heritage, and we actively encourage ideas and innovations from individual employees. HORIBA promotes an open and fair business environment that allows all employees to achieve their individual goals and maximize their potential. To further each employee's personal and professional growth, we encourage thinking from a global perspective and have established a global personnel development program and performance evaluation system. We value employees who challenge their personal abilities and recognize their own accomplishments.

Code of Ethics

● Code of Conduct

HORIBA has drawn the Code of Conduct that encompasses the following eight articles, in compliance with the company motto of “Joy and Fun” and our HORIBA Corporate Philosophy. Board members and employees of HORIBA strictly observe them in order to constantly be aware of our mission and role as well as to pursue sustainable development into the future as an international enterprise.

Our board members and employees value this code, take initiative in practicing it as Horibarians,* and commit to educating and disseminating its content throughout the corporation. Moreover, we will continue to appreciate opinions from both inside and outside the corporation, reflect them to improve efficiency of internal systems and to strengthen our corporate ethics. Should a situation arise that is contrary to the code, we shall promptly disclose accurate information, ensure accountability, carry out an investigation into the cause, and endeavor to prevent a recurrence.

1. We shall comply with all laws, regulations, and social norms.
2. We shall contribute to society by providing excellent products and services.
3. We shall engage in fair, transparent, and free competition. We shall also maintain sound, normal relationships with governments.
4. We shall respect our employees' individuality and create safe, healthy, and comfortable workplaces.
5. We shall respect the opinions of our stakeholders (interested parties).
6. We shall make an active social contribution as a good corporate citizen.
7. We recognize that environmental initiatives are essential to the existence of our company, and we shall voluntarily commit ourselves to them.
8. We shall confront antisocial groups and organizations that threaten the social order and the safety of citizens, and we shall absolutely reject any unlawful or unjustified requests.

● Behavioral Criteria

We have formulated our Behavioral Criteria as a means of putting our Code of Conduct into effect in our corporate activities. This Code of Conduct sets forth principles that HORIBA's board members and employees are required to follow when conducting corporate business. These detailed Behavioral Criteria address important matters and can be practices in our day-to-day business activities.

*** Horibarian :**

The common designation for all employees of the HORIBA Group

The HORIBA Group CSR Policy and Lead Issues

Group CSR Policy – **Promoting CSR activities through our operations** –

With our commitment to energy, human health, the environment, and safety, we will pursue corporate to initiatives contribute to the goal of “a life of content for all.”

Lead issues – **Creating corporate value and preventing loss** –

① Improving total quality

Raising awareness of safety, ethical standards and compliance
Preventing recurrence of non-compliance and restoring public trust
Checking legal requirements for production lines

② Strengthening security measures (management of information, intellectual property and access to facilities)

③ Promoting measures for saving energy and resources

Corporate Governance and Internal Controls

Corporate Governance and Internal Controls

HORIBA's corporate governance system is composed of the Board of Directors, whose roles include decision-making, supervision and the monitoring of important issues such as business policies, goals and strategies, together with the Board of Executive Managers, the Operations Committee, the Management Committee and the Corporate Officer (Executive Officer) System, which assist the President to perform business functions.

We have established a Board of Auditors for supervision and monitoring, and have established an auditing division that exists independently of other divisions under the direct control of the President. The auditing division provides advice and guidance to ensure that business operations in HORIBA, Ltd. and all HORIBA group companies are

conducted legally and fairly in accordance with laws, company regulations and internal control rules, and to make any necessary improvements. We maintain a system for promoting proper business management by exchanging information relating to the results of audits through coordination between groups in charge of internal audits, supervision of auditors and financial audits.

In order to maintain proper internal controls, we have adopted basic policies for the development of internal control systems as a means to ensure legal compliance and manage the risk of loss, as well as maintain the accuracy and reliability of our operations.

Corporate Governance and Internal Controls

Basic Policies on the Development of Internal Control Systems

1. Systems for ensuring compliance of director and employee business operations with laws and statutes

① We shall stipulate the obligations of directors and employees to comply with laws and statutes when conducting business operations in accordance with the HORIBA Corporate Philosophy and our Code of Ethics to create a corporate culture that facilitates legal compliance, and to prevent violations of laws and statutes.

Directors and employees who discover violations of laws and statutes committed by other directors and employees shall report such violations in accordance with the Compliance Management Provisions, and the Compliance Chief Management Officer shall verify reported violations and take appropriate measures to maintain and enhance the governance system, including reporting the violations to relevant company organizations as necessary.

② We shall ensure all directors and employees thoroughly understand our Code of Ethics and Compliance Management Provisions, which form the basis of our compliance system, in order to promote the development, maintenance and improvement of our internal control system. We

shall also provide training for directors and employees as necessary.

③ A division established independently of the executive divisions shall conduct internal audits in order to detect and prevent violations of laws and statutes, and to issue instructions for improving business operation processes.

④ In addition to the company system outlined in ① above regarding the reporting of facts relating to compliance, including violations of laws and statutes, we have already created a reporting system that allows employees to report directly to external lawyers and other groups based on our Compliance Management Provisions. We shall continue to ensure that this system is properly maintained.

⑤ Auditors shall be required to state their opinions on issues related to the implementation of company systems for compliance with laws and statutes, and shall be required to formulate measures to make necessary improvements.

⑥ In order to improve the system for supervision and monitoring by directors and auditors, we have appointed external board members and external auditors with the knowledge and experience required for the proper management of business

operations. We shall continue the practice of appointing appropriate external members.

2. Systems for the preservation and management of information concerning the execution of duties by directors

Information concerning the execution of duties by directors, including information related to the execution of duties by employees who conduct business operations under the direction and supervision of directors, shall be preserved and managed properly and securely in accordance with rules pertaining to documents, such as our Document Management Provisions and Document Preservation Standards, in such a way as to allow access to the information when necessary.

3. Rules and other systems on the management of risk of loss

We shall establish risk management rules for the development and operation of a risk management system to manage risk of loss.

We shall also provide directors and employees with education and training in risk management as required.

Corporate Governance and Internal Controls

4. Systems for ensuring the efficient execution of duties by directors

In order to ensure the efficient execution of duties by directors, the Board of Directors shall, as a general rule, meet once a month, with special meetings of the Board to be held as necessary.

Directors and executive officers shall take appropriate measures, including delegating responsibilities among themselves, to ensure the efficient execution of duties in accordance with decisions made by the Board of Directors.

5. Systems for ensuring good management practice within the corporate group (our company and subsidiaries)

① Group companies shall set out rules based on HORIBA's corporate philosophy, which is designed to ensure proper management of business operations in all HORIBA group companies. Group companies shall also manage and monitor the business operations of subsidiaries as appropriate, via reporting and approval systems implemented by HORIBA in accordance with the management rules of related companies. Directors and employees who identify serious compliance issues such as violations of laws and statutes by group companies shall report this information in accordance with

our Compliance Management Provisions.

② Subsidiaries that identify compliance issues such as violations of laws and regulations in relation to the business management instructions of HORIBA shall report this information to the division responsible for either auditing or compliance. This division shall immediately report the issue to the auditors and to the relevant internal officers as appropriate. Auditors shall be required to state their opinions and formulate measures to make any necessary improvements. The relevant division and internal officers that have received such a report shall take appropriate measures in accordance with the Compliance Management Provisions, risk management rules and other relevant regulations.

6. Employees who have been requested to assist auditors to perform their duties and the independence of such employees from the directors

Auditors shall be allowed to request the appointment of audit assistants, chosen from among company employees, to assist them in the performance of their auditing duties. Auditor consent shall be required for all appointments, dismissals,

transfers, performance evaluations and wage variations of audit assistants.

7. Systems for enabling directors and employees to report to auditors, systems regarding other matters related to reporting to auditors, and systems for ensuring the effective implementation of audits by auditor

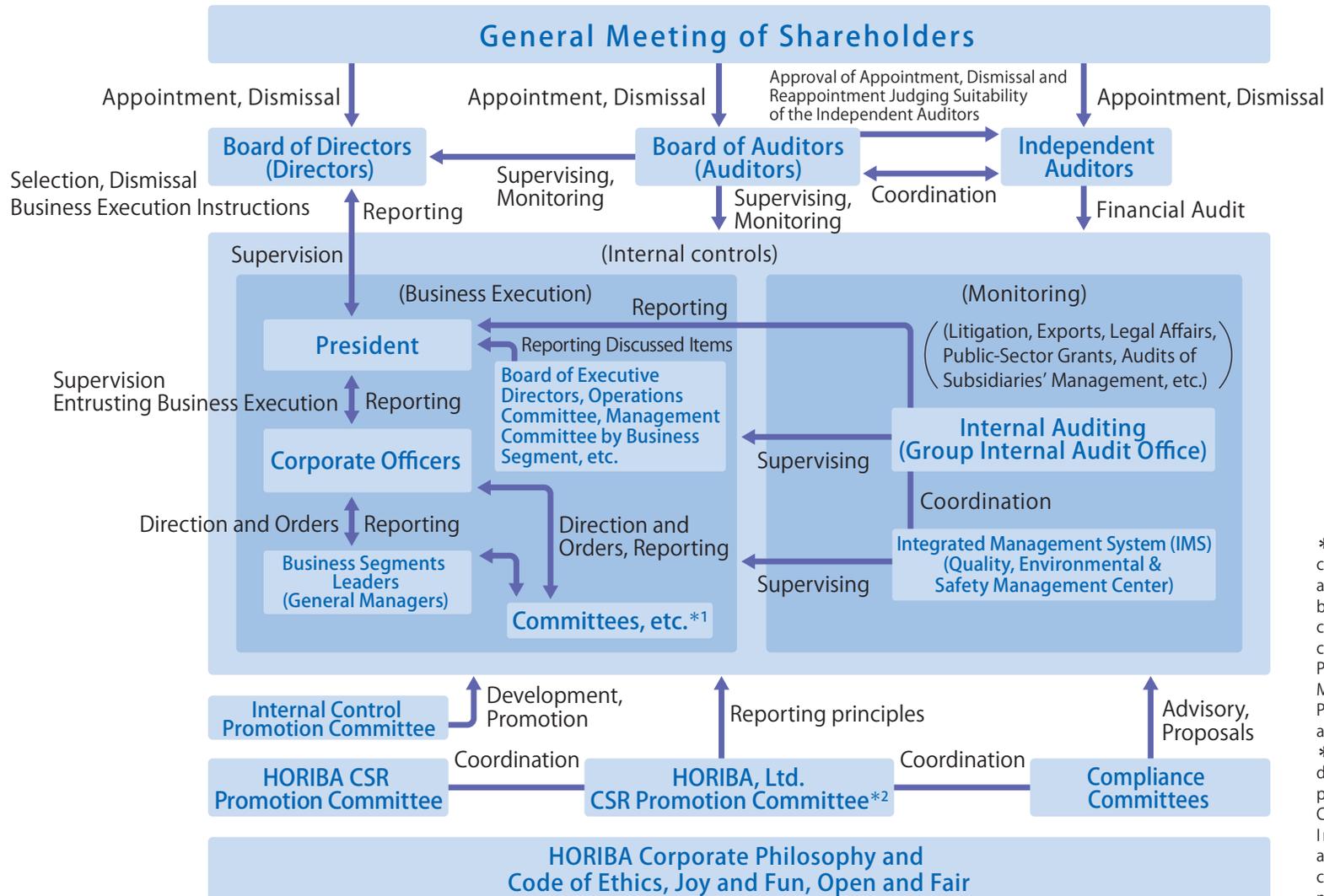
① Directors and employees who identify serious issues that may impact upon company business operations or performance shall report this information to auditors. In addition to such voluntary reporting, auditors shall be allowed to request reports from directors and employees when required.

② We shall maintain the proper operation of reporting systems based on Compliance Management Provisions for internal reporting in order to ensure that compliance issues such as violations of laws and statutes are properly reported to auditors.

③ Every effort shall be made to ensure coordination between auditors and external experts, including lawyers and certified public accountants, and auditing divisions and other internal organizations.

Corporate Governance and Internal Controls

Corporate Governance Structure Chart



*1: Committees, etc. refer to committees and conferences that are established and registered based on the "Regulations concerning conferences and committees," such as the Promotion Committee for Management of Business with Public Subsidies and the Safety and Health Committee.

*2: The CSR Promotion Committee decides on the CSR Policy and priority measures and organizes CSR-related specific activities. In addition, it discusses and approves issues and measures concerning the promotion of risk management.

The CSR Promotion System

The CSR Promotion System

The concept behind HORIBA's CSR initiative is to fulfill our CSR through our business operations. Moreover, our stakeholders now expect more from us. We contribute to society in order to fulfill the role expected of us as a corporate citizen. It is important that HORIBA's significant awareness of, and initiatives to support CSR become well known by our stakeholders through our actions.

The HORIBA Group formed the HORIBA

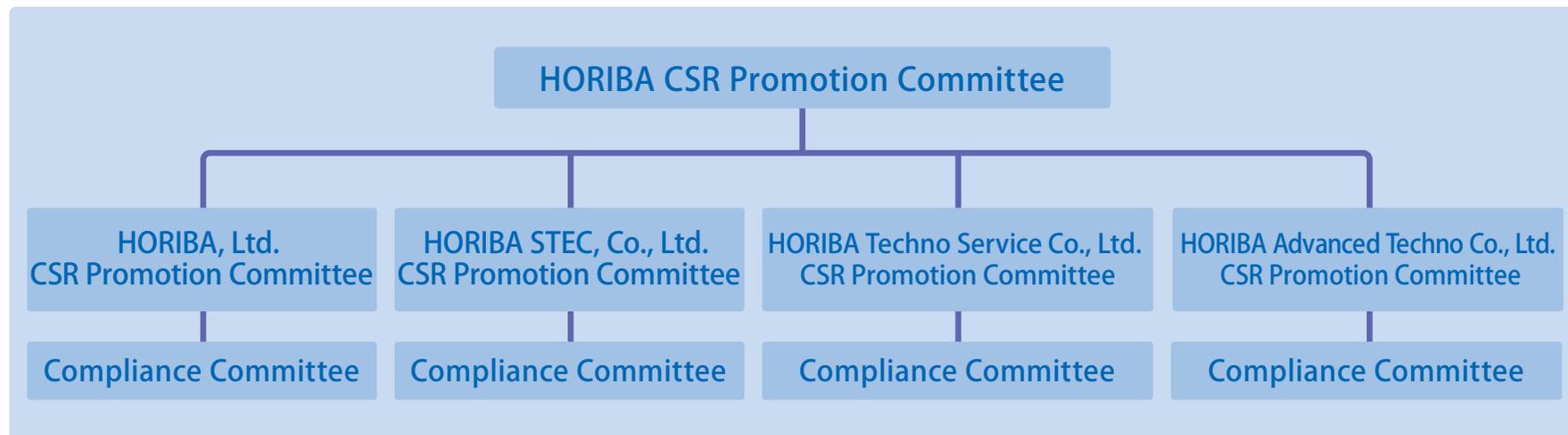
CSR Promotion Committee in April 2005; it is currently engaged in CSR initiatives with the full-fledged support of the Group companies.

This committee meets every six months, bringing together the directors in charge of CSR at HORIBA STEC, Co., Ltd.; HORIBA Advanced Techno Co., Ltd.; and HORIBA Techno Service Co, Ltd. under the chairmanship of Kozo Ishida Dr. Eng., Executive Vice President of HORIBA, Ltd. They determine the CSR policies and priority challenges for all Group companies. The members of this committee

deliberate the details and approve issues in this committee, and seek to reflect the results of the meeting in their workplaces through their respective CSR Promotion Committees.

The member companies convene their committees every three months and prepare reports on the results of detailed surveys of specific initiatives targeting issues determined by the HORIBA CSR Promotion Committee. Reports are also prepared for social initiatives such as those focused on education, the environment, and local community.

● HORIBA CSR Promotion System



Compliance Promotion System

Compliance Promotion System

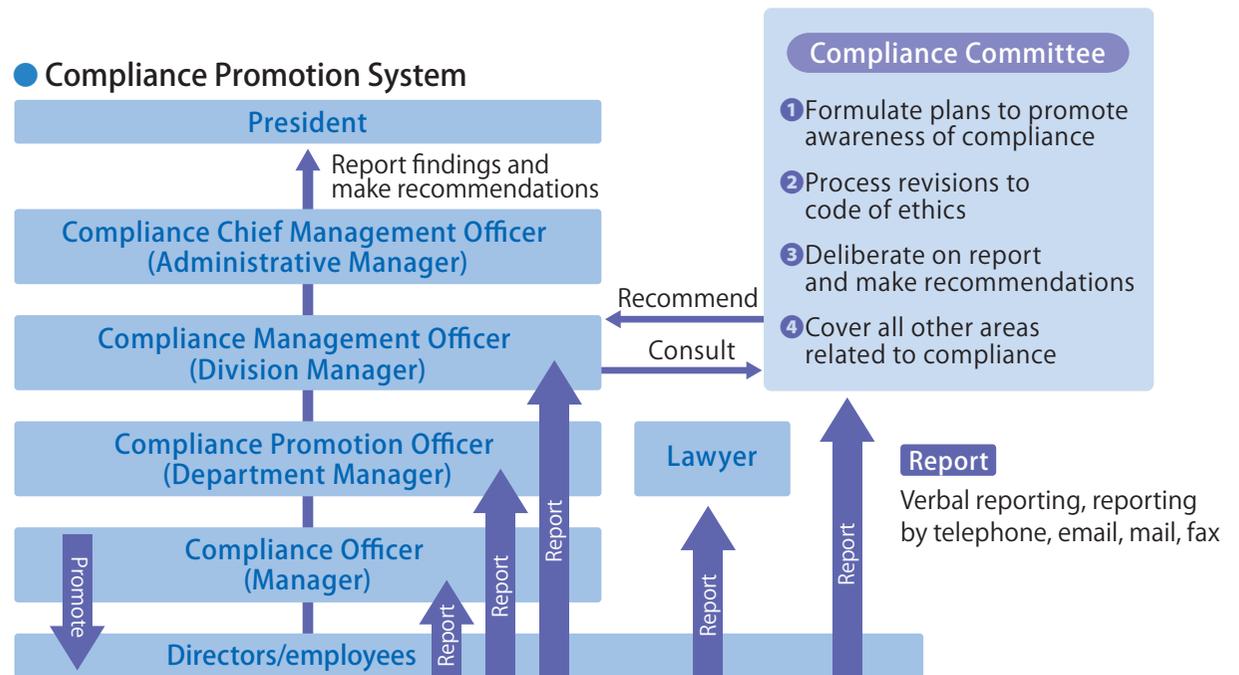
Companies and employees that have been involved in criminal activity or scandals are drawing the ire of the public. Clearly, raising employee awareness of, and compliance with laws, ordinances, and regulations is important for promoting fair trade and fair business operations. To improve the value of the HORIBA brand and operate as a global company, we have established a distinctive system that ensures stronger compliance to the laws, regulations, and social norms of all countries in which we operate. We also promote risk management across the entire HORIBA Group, thereby avoiding risk exposure and ensuring a rapid and appropriate response in circumstances where risk is unavoidable.

At HORIBA, we established our Compliance Committee to discuss relevant matters and inquire, report, and make recommendations in response to instances of whistle-blowing. This committee promotes a better understanding of compliance issues and effective risk management.

We established the HORIBA Corporate Philosophy, our Compliance Management

Provisions, and our Code of Ethics to enhance our systems related to compliance. We also introduced an internal reporting system that encompasses prevention, early detection, and correction of illegal acts. We will continue to

improve employee awareness and observance of laws and regulations by establishing a lawyer consultation service and an internal e-mail reporting system.



Risk Management

Risk Management

Managing risk is a major challenge for every company, as risk factors can impede goal achievement within an organization. When an incident or accident occurs that impacts a company's operations and causes the company to fall behind its objectives, the cost and the labor required to deal with it can be enormous, particularly if the company is slow to respond. In such cases, the critical factor in a successful crisis management approach is a well-focused initial response based on sound information.

At HORIBA, we adopted our Group Risk Management Regulations in August 2007 to strengthen our risk management system. We created major classifications of risks to operations, risks to development and manufacturing, risks to sales, and risks to

financial affairs. We stipulated a management system for addressing these risks and a responsibility system that will manage crisis situations whenever they occur.

The HORIBA CSR Promotion Committee undertakes the responsibility of discussing and approving the tasks required to promote risk management and risk countermeasures. We maintain a system for implementing precise, responsible actions whenever we face a challenge. Moreover, we provide periodic awareness campaigns and training programs so that all employees of the HORIBA Group—from top management to the responsible personnel—remain fully aware of their specific responsibilities.

Legal Training

Legal Training

Many business operations are closely linked to laws, and it is important that each employee nurture an awareness of the law in order to prevent any legal problem from arising. We must discipline ourselves through our own initiative by acquiring adequate legal knowledge of the rules of market competition, and applying this knowledge wisely and strategically.

We provide legal training to assist employee

acquisition of an awareness of the law and the necessary legal knowledge required for their level of business operations.

We offer several training courses to cultivate legal awareness and provide the general legal knowledge required by the employees of our domestic Group companies for day-to-day operations. The regular program comprises introductory courses, which are held

continuously, as well as courses on specific themes. In addition to these courses we also offer temporary courses that are given on request from various divisions and regions, and courses for specific companies that are held by the Group companies.

Regular Program

Introductory courses

- Advanced courses (for leaders)
- Intermediate courses (for sales staff and engineers)
- Beginners' courses (general knowledge for sales staff and engineers)

By Theme

- Basic contracts
- Compliance and protection of personal information
- International contracts and English-language contracts
- Sales contracts
- Technical contracts
- Unfair Competition Prevention Law
- Protection of confidential information
- Antitrust Law
- Product Liability Law
- Copyright Law

Temporary Courses

By division

By regions

Courses by company

HORIBA STEC, Co., Ltd.

HORIBA Advanced Techno Co., Ltd.

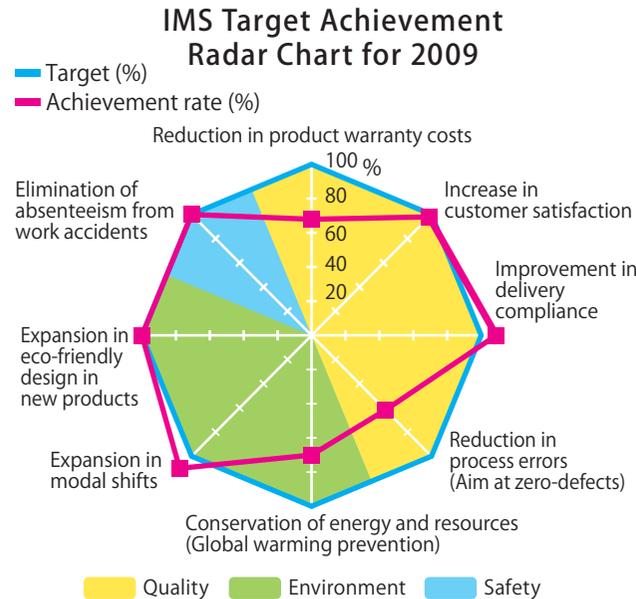
HORIBA Techno Service Co., Ltd.

HORIBA ITECH Co., Ltd.

Integrated Management System (IMS)

Integrated Management System (IMS)

At HORIBA, we have introduced ISO 13485 (Quality Assurance System for Medical Instruments) in addition to the Integrated Management System (IMS), which combines ISO 9001 (Quality Assurance System), ISO 14001 (Environmental Management System), and OHSAS 18001 (Occupational Health & Safety Management System). We began operating our IMS in 2004; the HORIBA Group is also planning the establishment and operation of a Group IMS in 2011. In Japan, HORIBA STEC, Co., Ltd. and HORIBA Advanced Techno Co., Ltd. obtained IMS certification, in April 2008 and in December 2009, respectively. All our major overseas production sites also plan to obtain ISO 9001 quality assurance certification and ISO 14001 environmental management certification by FY 2011. In August 2009, the CS Headquarters of HORIBA Techno Service Co., Ltd. received accreditation from the National Institute of Technology and Evaluation as a CAB (Conformity Assessment Body) for ISO/IEC 17025:2005 (ASNITE 0033C Calibration of Emission test facilities).



Results of IMS initiatives for 2009

At HORIBA, we place top priority on improving quality and strive to increase customer satisfaction in terms of product performance, delivery, pricing and services. We also exchange information with partner companies at the HORIBA Group Meeting for Production Partner Companies (Gr. HCOM) to improve the quality of the design, manufacturing and purchasing processes and to reduce the incidence of flaws in our products.

Our environmental initiatives have reduced total CO₂ emissions at business sites through

implementation of a range of energy-saving measures including the replacement of old devices with more energy-efficient models and the use of LED lighting on a trial basis. However, we were unable to achieve our target level of emissions per unit sales due to a decrease in overall sales volume. We are continuing our efforts to promote modal shifts in transportation and incorporate a more eco-friendly design in new products.

Meanwhile, we have achieved our goals for occupational health and safety through initiatives to eliminate absenteeism from work accidents via risk assessment.

In order to maintain a balance between our goals for quality, environmental protection and safety, we choose only quality issues by carefully examining their impact on the environment and occupational health and safety.

For example, improving product quality by reducing the percentage of defective products during manufacturing will lead to a decrease in waste emissions and environmental impact. It will also decrease the production time, thereby reducing the amount of time employees are exposed to various risks and producing positive effects in occupational health and safety. Thus, our initiatives are designed to have synergistic effects.

Results of IMS Initiatives for Fiscal 2009

Results of IMS Initiatives for Fiscal 2009

Items	Group Objectives	Objectives for HORIBA, Ltd.	FY 2009 Targets for HORIBA, Ltd.	FY 2009 Results for HORIBA, Ltd.	Self-evaluation
<p>1 Create corporate value 1.Promote construction of a Group IMS</p> <p>2 Enhance the HORIBA brand (Manufacturing aimed at increasing customer satisfaction) 2.Respond rapidly to customer demands 3.Improve overall quality 4.Observe rules and codes of ethics both inside and outside the company</p> <p>3 Promote creation of safe and high-efficiency clean factories (Prevent corporate losses) 5.Contribute to environmental protection 6.Improve production/administrative efficiency 7.Strive for no accidents at work or while commuting</p>	Reduce product warranty servicing costs		Reduce by 70% (compared to FY 2008 results)	We have adopted measures to make improvements beginning at the design stage based on experience gained through previous examples.	The objective has not been achieved; greater efforts are required to make improvements.
		Increase customer satisfaction	90% compliance with deadlines for responding to inquiries about product specifications	We have analyzed the causes of unfinished specifications to resolve problems and achieved our objective for the most part.	Objective achieved
		Better compliance with delivery deadlines	85%	Our results exceeded expectation through coordination of sales, production plans and manufacturing processes.	Objective achieved
		Reduce the incidence of manufacturing flaws (Aim at zero-defects)	Reduce the product defect rate by 10% (compared to FY 2008 results)	Considerable improvements have been made by gathering feedback on defects caused by design-related problems. Production-related issues are also being analyzed to ensure further improvements.	The objective has not been achieved; greater efforts are required to make improvements.
	Energy and resource conservation (Global warming prevention)		Reduce CO ₂ emissions per unit of sales by 9% (compared to FY 2005 results)	Although total emissions have fallen due to a decrease in production, our objective for emissions per unit of sales has not been achieved.	Decrease in total emissions
		Expand the modal shift	Increase the total transportation distance by 5% (compared to FY 2008 results)	We have achieved a 7% increase in modal shift as planned.	Objective achieved
		Heighten the environmental compatibility of new products	100% of products newly released on the market	We fully achieved our objective for design review by incorporating environmentally friendly design as one requirement.	Objective achieved
	Elimination of absenteeism from work accidents	Reduce risks that can lead to injury or illness	Zero	We used risk assessment to achieve our goal of eliminating absenteeism following a work-related accident.	Objective achieved

IMS Priority Measures for Fiscal 2010

Fiscal 2010 Action Plan Policies, Items and Objectives

1. We reviewed IMS policies from the perspective of our group management policy, “HORIBA Group is One Company,” to ensure that they reflected the management policies of the HORIBA Group and the HORIBA Group policy for fiscal 2010: “First Class Quality: Striving to provide first class quality.”
2. IMS terms were established with consideration of consistency with IMS policies and organization-wide goals.
3. IMS objectives were established with consideration of quality goals in which our customers can be confident.

Priority Measures for Fiscal 2010

1 HORIBA Group policy for fiscal 2010 First Class Quality: Striving to provide first class quality

- Reduce product warranty servicing costs (product defect rate)
- Achieve better compliance with delivery deadlines
- Reduce the product defect rate in all our manufacturing processes

2 Protection of the global environment through the three Rs (reduce, reuse and recycle)

- Reduce CO₂ emissions to conserve energy and resources (prevent global warming)
- Introduce a carbon footprint system
- Enhance the environmental compatibility of products designed in accordance with the WEEE & RoHS directives and eco-mode standards

3 Improvement in occupational health and safety by reducing risks

- Eliminate absenteeism due to work accidents (Reduce risks resulting in injury or illness)

4 Increase in customer satisfaction

- Increase customer satisfaction: Improve customer evaluations
- Improve overall quality (increase customer satisfaction in terms of product performance, delivery, pricing and services)
- Create a well-balanced management system in quality, environmental protection and occupational health and safety

Fiscal 2010 IMS Action Plan

Fiscal 2010 Action Plan

IMS Policy	Items	Group Objectives	Objectives for HORIBA, Ltd.	FY 2010 Targets for HORIBA, Ltd.
<p>1. Establish an eco-conscious production system and meet customer needs through our products and services.</p> <p>2. Comply with laws, regulations and social norm, promote harmony with stakeholders and actively contribute to society.</p> <p>3. Formulate plans based on our management policy to increase the enterprise value of our group and continually work to improve them.</p>	<p>HORIBA Group Policy for Fiscal 2010: First-Class Quality</p> <p>① Create corporate value 1. Promote construction of a Group IMS</p> <p>② Enhance the HORIBA brand (Manufacturing aimed at increasing customer satisfaction) 2. Improve overall quality 3. Respond rapidly to customer demands 4. Observe rules and codes of ethics both inside and outside the company</p> <p>③ Promote creation of safe and highly-efficient clean factories (Prevent corporate losses) 5. Contribute to environmental protection 6. Improve production/administrative efficiency 7. Strive for zero accidents at work or while commuting</p>			Reduce by half (compared to FY 2009 results)
		Reduce product warranty servicing costs	Better compliance with delivery deadlines	90% compliance
			Eliminate manufacturing flaws in all manufacturing processes	Reduce the amount of manufacturing flaws by 10% (compared to FY 2009 results)
			Reduce the amount of unfinished/unprocessed work	Reduce by half (compared to FY 2009 results)
			Raise the environmental compatibility of new products (including meeting eco-mode standards)	100% of products released on the market
		Conserve energy and resources (Global warming prevention)	Reduce CO ₂ emissions	Reduce CO ₂ emissions per unit of sales by 9% (compared to FY 2005 results)
			Introduce a carbon footprint system	Test
		Eliminate absenteeism due to work accidents	Reduce risks that can lead to injury or illness	Zero
		Increase customer satisfaction		Improvement in evaluation

KEYWORDS

:| Integrated Management System | IMS | Results of IMS Initiatives | Action Plan | Objectives | Priority Measures

Quality Improvement Initiatives

Quality Improvement Initiatives

Our activities cover the following three stages: the first stage, covering product planning to design; the second stage, covering material procurement to manufacture; and the third stage, covering shipment to after-sales services. In order to satisfy the needs of our customers, we make every effort to achieve the highest quality standards in the world at every stage, in addition to producing safe and eco-friendly products of outstanding quality. To this end, we perform design reviews, which are an important function to ensure product quality, and conduct reliability assessment tests on essential product parts as a means to improve the reliability of our products. We also collaborate with group companies and suppliers inside and outside of Japan to establish a comprehensive quality assurance system across all HORIBA group companies so that we can provide customers with products of consistently high quality throughout the world.

Overview of the Environmental Impacts: Material in balance

HORIBA's environmental policies are aimed at establishing a production system that minimizes the impact on the global environment and satisfies customer needs through its products and services. We provide a range of analytical and measuring equipment and peripheral equipment required for environmental measurement. In order to fulfill social responsibilities, we also develop products designed to be environmentally friendly with life cycles in mind, and which comply with environmental laws and regulations. At the same time, together with our suppliers, we have made consistent efforts to conserve resources and energy during production. Our employees also have a strong interest in environmental issues and participate in environmental volunteer work, including cleaning and collecting trash in areas such as alongside rivers and around company offices, conducting environmental classes in elementary and junior high schools, and working at environmental events organized by government organizations.

Environmental Initiatives for Fiscal 2009

The domestic HORIBA Group companies adopted the following environmental policies for 2009:

- 1 Promote the creation of safe and highly-efficient clean factories designed to minimize environmental impact
- 2 Provide analytical and measuring systems in response to social needs and contribute to the protection of the global environment

Under these policies, we developed initiatives to achieve the following objectives:

- 1 Reduce CO₂ emissions per unit of sales
- 2 Expand the modal shift in the transportation of products
- 3 Expand eco-friendly design in new products

In addition to these initiatives, we will also seek a new challenge by introducing a carbon footprint* system for our products in fiscal 2010, as one way to respond to social needs.

*Carbon footprint system

A system that displays the amount of greenhouse gases emitted through the entire life cycle of products and services, from the procurement of materials, manufacturing, distribution, sale and use through to final disposal, in an easy-to-understand way

Overview of the Environmental Impacts: Material in Balance

We work hard to obtain an overview of the environmental impact caused by the domestic HORIBA Group as a whole during each stage of our business activities. We achieved a reduction in overall environmental impact in fiscal 2009 as a result of our efforts to reduce costs and improve efficiency in business operations. In particular, CO₂ emissions were reduced by a large amount during the production, sale, distribution and use of our products. We will continue our efforts to reduce the total environmental impact of our activities in 2010 and thereafter.

Overview of the Environmental Impacts : Balancing Environmental Impacts

Material Flow Chart for Fiscal 2009 to Determine Environmental Impacts

Scope: Domestic production sites

HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory,
and HORIBA Advanced Techno Co., Ltd. head office/factory

Environment

IN PUT

Energy	
Electricity	14.34 mil kWh
City gas	591km ³
Fuel	86kL
Water	
Service water	68 km ³
Materials	
Metal	698tons
Glass	1ton
Packaging materials	418tons
Chemical substances	8tons
Office paper	25tons
Liquid gas (LN ₂)	1,242tons

Energy	
Vehicle fuel	42kL

Energy	
Electricity	6.08 mil kWh

Post-consumer product collection	
Collected products	12tons

Electricity	Electricity purchased from an electric power company
City gas	City gas as an energy source
Fuels	Gasoline, diesel and kerosene
Service water	Groundwater and city water
Metal	Production material
Glass	Production material

Packing materials	Materials for wrapping and packing products
Chemical substances	Substances required for the use, development and manufacturing of products
Office paper	Copy paper used in factories and offices
Liquid gas (LN₂)	Liquid nitrogen used in development and manufacturing processes

Vehicle fuels : Fuels used in truck transportation

Electricity : Electricity consumed for the use of products

Collection : Post-consumer product collection

Business processes



Products	Weight of shipments
CO₂	Carbon dioxide caused by the consumption of energy, such as electricity and gas, and by non-energy greenhouse gases used for production
Chemical substances	Substances emitted mainly during manufacturing processes
Amount of drainage	Wastewater released into sewers and rivers

Total amount discharged	The total amount of valuable objects, general waste and industrial waste discharged from different divisions
Final amount of landfill waste	The amount of landfill waste discarded after reuse, recycling and intermediate treatment
Recycled materials	Discharged paper, wood and plastics that are recycled
Recycled valuable materials	Metals discharged in manufacturing processes that are sold for prices

CO₂ : Carbon dioxide emitted during the transportation of products

CO₂ : Carbon dioxide emitted during the use of products

Reused and recycled : Resale
Disposal : Disposal treatment

OUT PUT

Products	4,418tons
Emissions to air	
CO ₂	7,855tons
Chemical substances	2tons
Discharge water	
Amount of drainage	68km ³
Waste	
Total amount discharged	348tons
Final amount of landfill waste	9tons
Recycled materials	166tons
Recycled valuable materials	142tons

Emissions to air	
CO ₂	147tons

Emissions to air	
CO ₂	2,299tons

Reused, recycled, and disposal	
Reuse and recycling	1.4tons
Disposal	10tons

Overview of the Environmental Impact : Environmental Impact of Production Sites

Environment

Group Companies (Production Sites)

Company Name	Abbreviation	Location
HORIBA Instruments Incorporated Irvine Office	HII (Irvine)	U.S.A. (California)
HORIBA Instruments Incorporated Ann Arbor Office	HII (AnnArbor)	U.S.A. (Michigan)
HORIBA Instruments Incorporated Tempe Office	HCP	U.S.A. (Arizona)
HORIBA Instruments Incorporated Troy Office	HII(Troy)	U.S.A. (Michigan)
HORIBA Jobin Yvon Inc.	JYUS	U.S.A. (New Jersey)
HORIBA/STEC Incorporated	SHI	U.S.A. (California)
HORIBA Europe GmbH Oberursel Office	HE Oberursel	Germany (Oberursel)
HORIBA Europe GmbH Darmstadt Office	HE Darmstadt	Germany (Darmstadt)
HORIBA Instruments Limited	HIL	U.K. (Northampton)

Company Name	Abbreviation	Location
HORIBA ABX S.A.S.	HMFR	France (Montpellier)
HORIBA Jobin Yvon SAS	JYFR	France (Longjumeau)
HORIBA GmbH	HA	Austria (Tulln)
HORIBA, Ltd.	HOR	Japan (Kyoto)
HORIBA STEC, Co., Ltd.	STEC	Japan (Kyoto)
HORIBA Advanced Techno Co., Ltd.	HAT	Japan (Kyoto)
HORIBA KOREA LTD.	HKL	South Korea (Kyunggido)
HORIBA Instruments (Shanghai) Co., Ltd.	HSC	China (Shanghai)

Environmental Impact of Group Production Sites for Fiscal 2009

Item/Region	Group Company Name (Abbreviation)	U.S.A.						Europe						Japan			Asia	
		HII (Irvine)	HII (AnnArbor)	HCP	HII(Troy)	JYUS	SHI	HE Oberursel	HE Darmstadt	HIL	HMFR	JYFR	HA	HOR	STEC	HAT	HKL	HSC
INPUT	Electricity consumption MW·h	416	855	810	2,360	1,915	688	532	891	392	2,621	3,383	41	9,604	4,504	232	42	395
	City gas consumption km ³	-	51	-	69	101	9	41	-	3	-	195	6.2	410	181	0.02	-	-
	Water consumption km ³	7	6	2	4	10	-	0.8	3	1	20	10	0.10	40	24	3.5	-	3
	Consumption of fuel oil & fuel for vehicles KL	-	116	0.8	57	-	49	212	-	4	-	80	15	40	31	15	3	14
	Quantity of chemicals consumed t	-	-	-	-	0.010	-	2	-	-	29	-	0.002	6.7	0.8	0.07	-	-
	Office paper t	3	3	0.2	4	3	1	2	5	0.8	23	6	1	22	3.7	-	0.2	0.4
	Packing materials t	-	-	0.1	-	15	-	5	-	-	842	-	-	407	11	-	2	-
OUTPUT	CO ₂ emissions t-CO ₂	245	875	480	1,694	1,343	703	840	455	189	131	761	55	4,443	3,296	116	21	165
	Wastewater discharge km ³	7	1	2	4	10	-	0.8	3	1	-	10	0.10	40	24	3.5	-	3
	Waste emissions t	104	16	4	16	88	-	13	46	18	186	69	15	283	58	6	0.2	5
Number of employees		92	117	8	80	196	55	163	248	95	523	291	24	1,364	415	139	24	89

KEYWORDS

Environmental Impacts | Energy | Group Companies | Production Sites

Overview of Environmental Impact: Environmental Impacts of Sales Offices and Service Stations

Environmental Impacts of Sales Offices and Service Stations (HORIBA, Ltd. and HORIBA Techno Service Co., Ltd.)

	Number of locations and category		HORIBA, Ltd. sales offices (11 locations)			HORIBA Techno Service Co., Ltd. service stations (24 locations)		
	Item/Year		2007	2008	2009	2007	2008	2009
INPUT	Electricity consumption	MWh	769	777	837	403	458	419
	Water consumption	km ³	2.1	2.2	2.5	1	1	1
	Fuel consumption	kL	57.4	62.2	66.5	198	193	165
	Office paper	t	6.0	7.2	4.8	3.6	3.1	3.5
	Packing materials	t	2.2	1.0	1.1	1.9	2.5	2.6
OUTPUT	CO ₂ emissions	t -CO ₂	424	438	471	612	621	542
	Wastewater discharge	t	2.1	2.2	2.5	1	1	1
	Amount of waste generated	t	9.4	9.4	9.3	9.9	11.3	11.7

HORIBA, Ltd. sales offices (11 locations):

Tokyo, Tohoku (Sendai City), Tochigi (Utsunomiya City), Tsukuba, Yokohama, Nagoya, Toyota, Hamamatsu, Osaka, Hiroshima (Aki-gun), Kyushu (Fukuoka City)

HORIBA Techno Service Co., Ltd. service stations (24 locations):

Tokyo, Hokkaido (Sapporo City), Tohoku (Sendai City), Tochigi (Utsunomiya City), Chiba (Ichihara City), Kashima (Kamisu City), Tsukuba, Saitama (Kawaguchi City), Nishitokyo (Kokubunji City), Yokohama, Fuji, Hamamatsu, Tokai (Toyota City), Nagoya, Hokuriku (Toyama City), Mie (Yokkaichi City), Osaka, Hyogo (Himeji City), Chugoku and Shikoku (Kurashiki City), Hiroshima (Aki-gun), Yamaguchi (Shunan City), Kyushu (Fukuoka City), Oita, Kumamoto (Aso-gun)

Initiatives for Energy Conservation

CO₂ Emissions Reduced by Approximately 40%

We were able to reduce total CO₂ emissions generated by domestic group companies by as much as 12,000 tons, compared to the previous year, to 7,855 tons in fiscal 2009. The most important reason for this reduction was a significant increase in the rate of collection of non-energy greenhouse gases used by one of our group companies, HORIBA STEC, Co., Ltd., which resulted in a reduction in atmospheric emissions.

* 1 **CO₂ emission factor**: CO₂ emission factor values were calculated based on the average (0.378 kg of CO₂ per kWh) for all electric companies in Japan. The official values of the Kansai Electric Power Company are adopted for the Kyoto District for 2005 onward.

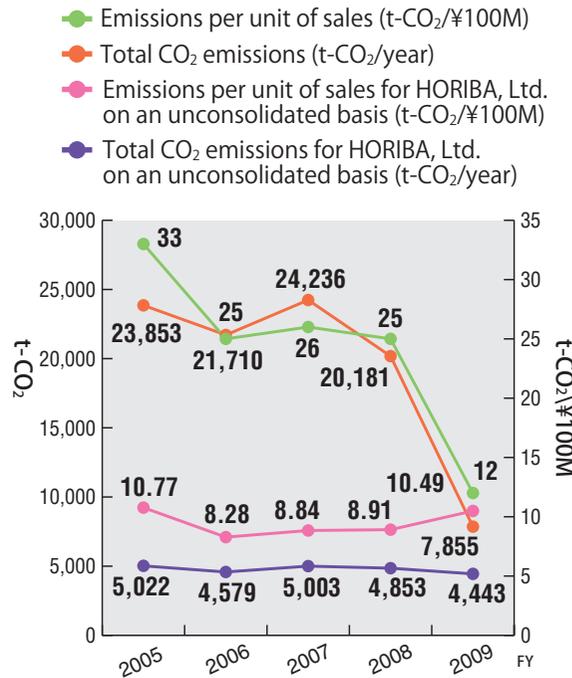
* 2 **City gas consumption**: Values are converted to those in standard conditions (0°C, 1 atmospheric pressure).

* 3 Due to a change in our accounting period for fiscal 2006, data collected over the nine-month period of fiscal 2006 was extrapolated to cover a twelve-month period.

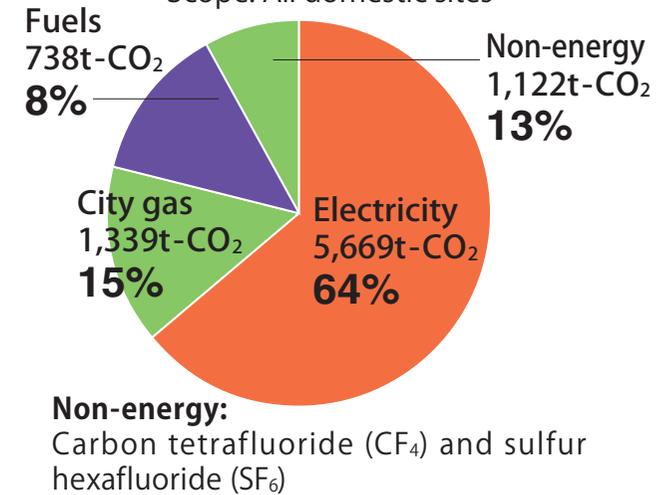
Scope: Domestic production sites unless otherwise specified

Domestic production sites: HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

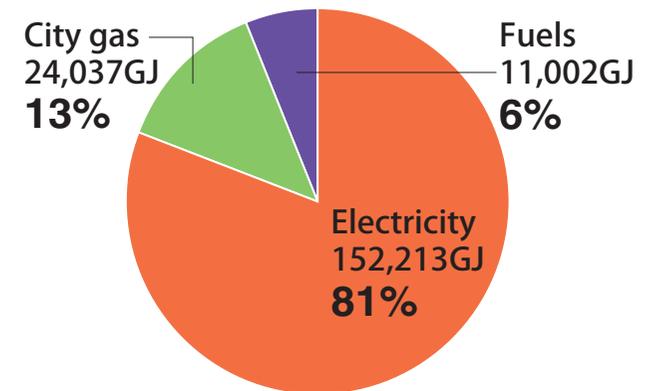
Total CO₂ Emissions



Amounts of Greenhouse Gas Emissions (CO₂ Conversion) in 2009 by Type of Energy
 Scope: All domestic sites



Energy Consumption Ratio for Fiscal 2009
 Scope: All domestic sites



Initiatives for Energy Conservation

Initiatives at HORIBA STEC:

HORIBA STEC, Co., Ltd. uses carbon tetrafluoride (CF₄) and sulfur hexafluoride (SF₆) gases, which contribute significantly to global warming, in its manufacturing and development processes, and concern has been raised regarding the risks posed by releasing these gases into the atmosphere. Consequently, its head office factory began collecting carbon tetrafluoride and sulfur hexafluoride gases in November 2007 while its Aso factory, which is one of the core factories of the HORIBA Group, began in October 2008. As a result, we collected 74.4% of carbon tetrafluoride and 81.6% of sulfur hexafluoride in fiscal 2009, thereby reducing these emissions by an amount equivalent to 11,000 t-CO₂ compared to the previous year. We will continue our efforts to achieve a collection rate of 100%, while at the same time seeking a new challenge of developing products that can be manufactured without the use of greenhouse gases.



Greenhouse gas-collection equipment introduced into HORIBA STEC, Co., Ltd.

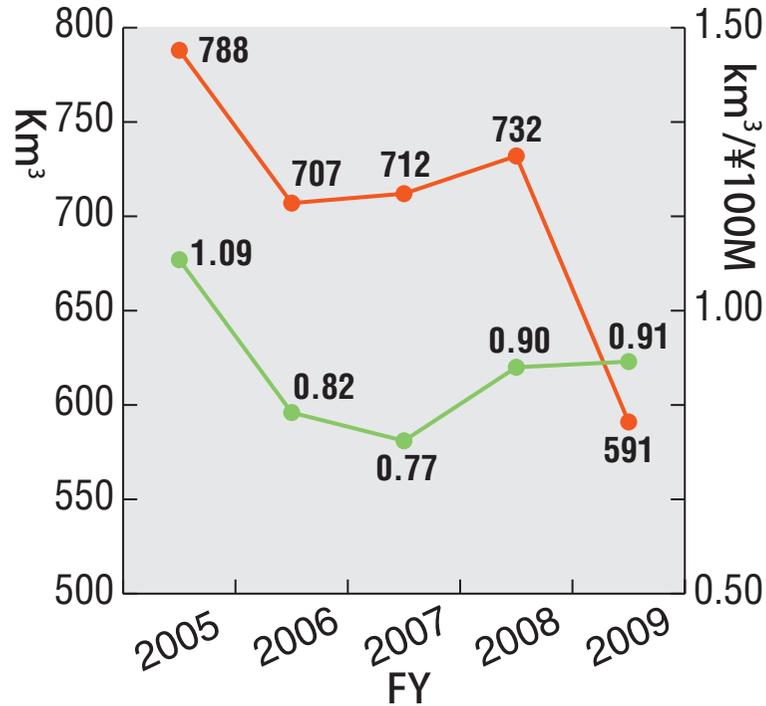
KEYWORDS

:| CO₂ | Global Warming | Energy | Electricity | City Gas

Initiatives for Energy Conservation

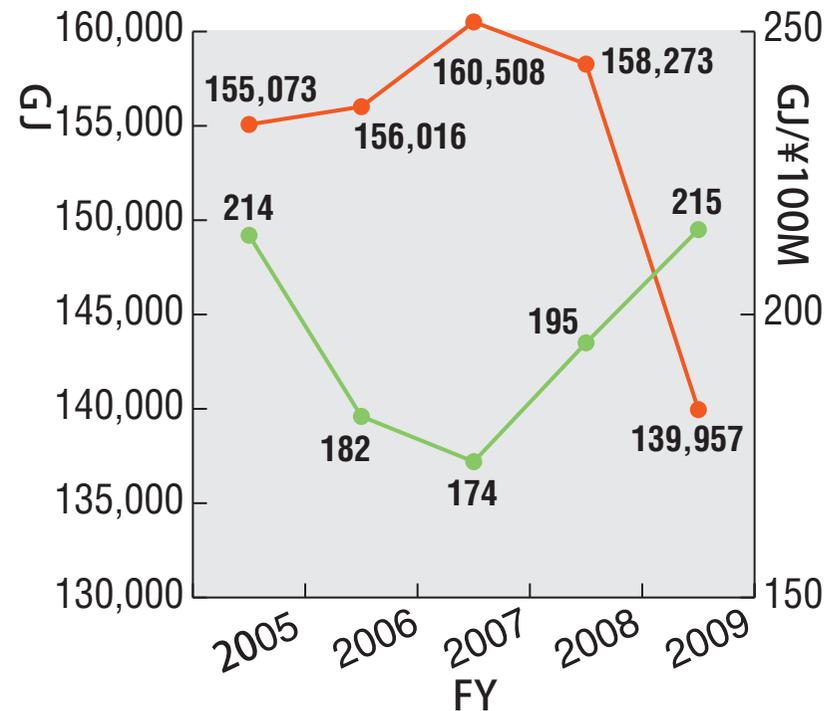
City Gas Consumption

- City gas consumption per unit of sales (km³/¥100M)
- City gas consumption (km³)



Electric Energy Consumption

- Electric energy consumption per unit of sales (GJ/¥100M)
- Electric energy consumption (GJ)



Scope: Domestic production sites unless otherwise specified

Domestic production sites: HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

KEYWORDS

CO₂ | Global Warming | Energy | Electricity | City Gas

Water Resources

Monitoring of Wastewater and Use of Service Water

Due in part to continuous monitoring by our round-the-clock monitoring system, HORIBA, Ltd. has not caused any accidents that have resulted in wastewater being discharged in amounts exceeding the legal limit over the past several years. We intend to maintain this record for many years to come.

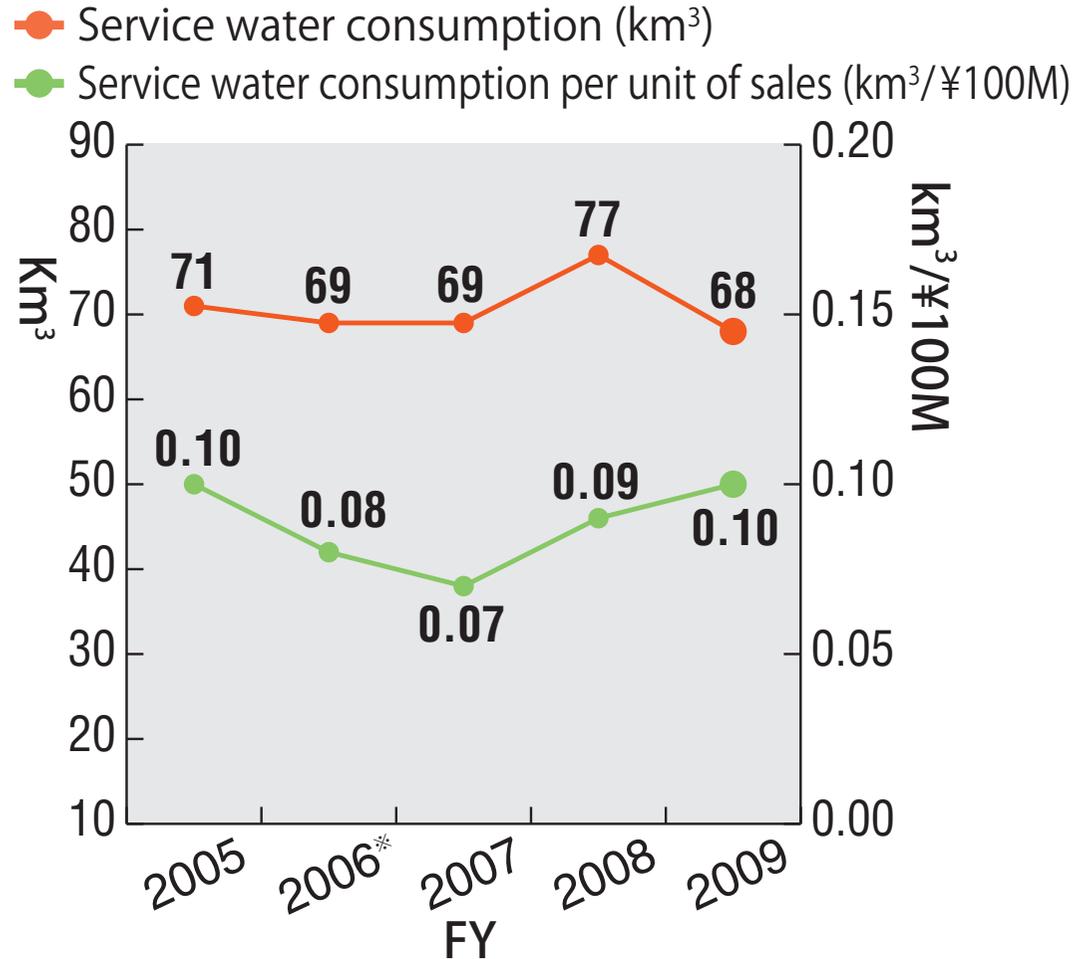
Meanwhile, the amount of service water used by domestic group companies has remained constant. We will conduct monitoring in fiscal 2010 to avoid an increase in the use of service water by maintaining efficient water usage even when production volume recovers.

* **Domestic production sites:** HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Service Water Consumption

Scope: Domestic production sites*



KEYWORDS

Service Water | Wastewater | Water Resources

Water Resources

Environment

Wastewater Measurement Categories and Trends in Measured Values

Scope: HORIBA, Ltd. head office/factory

(Units: mg/L) except pH * Under detection limit so omitted

	Regulation Category	Kyoto City Regulations	HORIBA Standards	Measured Result (maximum)			Detection Limit Value
				FY2007	FY2008	FY2009	
Environmental categories	pH	5 ~ 9	-	6.1 ~ 7.6	6.1 ~ 7.7	6.1 ~ 7.8	/
	n-Hexane extract	5	3.5	0.9	1.0	0.5	0.2
	Phenol	1	0.3	*	*	*	0.2
	Copper	3	0.9	0.1112	0.0537	0.18	0.0005
	Zinc	2	1.0	0.4782	0.2812	0.33	0.0001
	Iron (soluble)	10	3.0	0.141	0.428	0.1165	0.0004
	Manganese (soluble)	10	3.0	0.007	0.04	0.03	0.0001
	Nickel	2	0.6	0.0087	0.0182	0.01	0.0001
Toxic substances	Boron and its compounds	10	3.0	0.4966	0.211	0.2	0.0002
	Fluorine and its compounds	8	4.5	1.16	1.35	1.9	0.02
	Cadmium and its compounds	0.1	0.03	*	*	*	0.0003
	Cyanogen compounds	1	0.3	*	*	*	0.1
	Lead and its compounds	0.1	0.07	0.003	0.007	*	0.002
	Hexavalent chromium	0.5	0.15	0.0009	0.0009	0.0017	0.0004
	Arsenic and its compounds	0.1	0.03	0.003	0.004	*	0.003
	Mercury and its compounds	0.005	0.0015	*	*	*	0.0005
	Trichloroethylene	0.3	0.09	*	*	*	0.002
	Dichloromethane	0.2	0.14	0.043	0.011	*	0.002
	Carbon tetrachloride	0.02	0.014	*	*	*	0.0002
	1,1,1-trichloroethane	3	0.9	*	*	0.0006	0.0005

Note: Regulation figures are from Kyoto City sewage and drainage standards.

* There has been no case over the past three years where factory wastewater has exceeded legal control standards.

KEYWORDS

:| Service Water | Wastewater | Water Resources

Chemical Substances

Chemical Substance Use

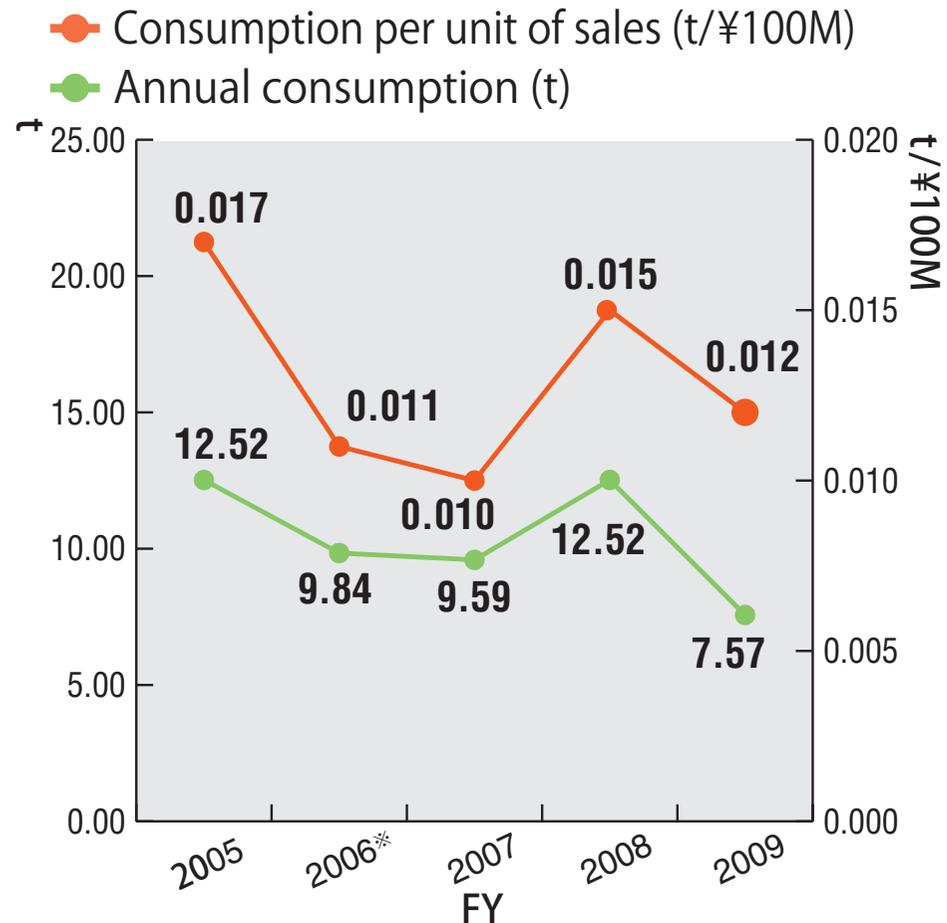
The total amount of chemical substances (measured by weight) used by domestic group companies in 2009 decreased by 40% from 2008 to 7.57 tons. One of the reasons for the decrease, apart from the economic downturn, is the combined efforts of individual employees to improve yields to reduce costs.

Meanwhile, there were no chemical substances specified in the PRTR (Pollutant Release and Transfer Register) Law in 2009, or in previous years, whose annual use exceeded the legally specified standard (1 ton) for reporting. In fiscal 2010, we will implement measures to improve management of chemical substances in accordance with the revised PRTR Law.

Scope: Domestic production sites
 Domestic production sites: HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Trend in Quantity of Chemical Substances Consumed



Chemical Substances

Main Chemical Substances Handled

Scope: HORIBA, Ltd. head office/factory

Unit: kg

CAS No.*	Substance	Annual Amount Handled			Amount Transferred			Amount Recycled			Main Application
		FY2007	FY2008	FY2009	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009	
67-63-0	Isopropyl alcohol	370	1,079	339	89	321	78	0	0	0	Clean printed circuit boards
64-17-5	Ethanol	560	877	351	250	153	136	0	0	0	Clean components
67-64-1	Acetone (dimethyl ketone)	472	566	334	448	535	321	0	10	0	Cleaning
124-18-5	n-Decane (petroleum hydrocarbon type cleaning agent)	898	599	143	29	13	0	0	0	0	Clean metals
7664-38-2	Phosphoric acid	184	210	180	83	115	69	6	0	0	Product additives
7439-92-1	Lead solder	93	628	307	0	0	0	15	408	225	Printed circuit boards
7440-31-5	Lead-free solder	486	2,045	1,843	0	0	0	36	891	1,087	Printed circuit boards
7803-57-8	Hydrazine monohydrate	23	15	14	20	11	14	0	0	0	Product inspection
1330-20-7	Xylene	524	578	322	523	578	322	1	0	0	Clean semiconductors/components

* **CAS No.:** Numerical identification numbers for chemical substances managed by the Chemical Abstracts Service, a division of the American Chemical Society.

Chemical Substances

PRTR Substances for Fiscal 2009

Scope: HORIBA, Ltd. head office/factory

Minimum target treatment quantity: 10 kg Unit: kg

Ordinance No. ^{*1}	Substance	Annual Amount Handled	Added to Product	Amount Removed	Amount Emitted			Amount Transferred	Amount Recycled	Main Application
				Compounds Neutralized/Decomposed/Synthesized	Air	Water	Soil	Industrial Waste	Transferred Outside	
63	Xylene	322.1	0.0	0.0	0.1	0.0	0.0	322.0	0.0	Clean components, semiconductors
230	Lead and its compounds (such as lead solder)	307.0	79.2	0.0	2.0	0.0	0.0	0.4	225.4	Printed circuit boards
144	Dichloropentafluoropropane (HCFC-225); product name H-997	45.0	0.0	0.0	45.0	0.0	0.0	0.0	0.0	Product inspection
113	1,4-Dioxane	33.9	0.0	0.0	0.0	0.0	0.0	33.9	0.0	Product tuning
283	Hydrofluoric acid and its water-soluble salts	33.9	0.0	0.0	0.0	0.0	0.0	33.9	0.0	For semiconductors
181	Thiourea	19.4	19.0	0.0	0.0	0.0	0.0	0.4	0.0	Reagent production
24	Linear alkyl benzene sulfonate acid and its salts	18.5	0.0	0.0	0.0	0.0	0.0	18.5	0.0	For semiconductors
12	Acetonitrile	16.2	0.0	0.0	0.0	0.0	0.0	16.2	0.0	R&D
30	Bisphenol A type epoxy resin (liquid)	15.8	7.9	0.0	0.0	0.0	0.0	7.9	0.0	Adhesive
16	2-aminoethanol (monoethanolamine)	14.5	0.5	0.0	0.0	0.0	0.0	14.0	0.0	For semiconductors
Total		826.3	106.6	0.0	47.1	0.0	0.0	447.2	225.4	

* PRTR (Pollutant Release and Transfer Register) Law: Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management

*1 Ordinance No.: Numbers given in Table 1 of the Enforcement Ordinance for the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management

Chemical Substances

Atmospheric Measurement Categories and Trends in Measured Values (at vents and site perimeters)

Scope: HORIBA, Ltd. head office/factory

Measurement Category	Unit	Kyoto Prefecture Regulations	HORIBA Standards	Measured Result (maximum)			
				FY2007	FY2008	FY2009	
At vents	Xylene	Vol ppm	300	28	< 2.00	< 2.00	< 2.00
	Fluorine compounds	mg / m ³ N	5	3.5	< 0.50	< 0.50	< 0.50
	Hydrogen chloride	Vol ppm	20	6	< 1.00	< 1.00	< 1.00
	Nitrogen oxides (NOx)	Vol ppm	100	30	< 10.00	< 10.00	< 10.00
At site perimeters	Xylene	Vol ppm	3	—	< 0.30	< 0.30	< 0.30
	Fluorine compounds	mg / m ³ N	0.05	—	< 0.01	< 0.01	< 0.01
	Hydrogen chloride	Vol ppm	0.2	—	< 0.02	0.04	0.02
	Nitrogen oxides (NOx)	Vol ppm	1	—	0.028	0.044	0.019

Note: Regulation figures are based on ordinances in place to protect Kyoto Prefecture environment.

* There have been no cases over the past three years where the control standards for substances hazardous to the air specified by laws were exceeded.

Reduction of CO₂ Emissions during Distribution

Initiatives for Reduction in the Amount of CO₂ Emissions during Distribution

HORIBA is committed to reducing the amount of CO₂ emitted during the transportation of products. We started transporting products by railroad between sites in Kyoto and Tokyo as a measure for a modal shift in 2004 and using railroad to transport reagents for medical products produced at our Aso factory in 2006. The amount of products transported by railroad has been gradually increasing and accounts for 76% of products transported within Japan in fiscal 2009 (a 10% increase compared to the previous year). As a result, the amount of CO₂ emitted during the transportation of products has been decreasing over the past several years and dropped by 22% in 2009 compared to the previous year. HORIBA group companies will continue to work together to reduce CO₂ emissions by promoting efficient transportation methods.

Railroad Utilization Rate for the Transportation of Products in Fiscal 2009

Total amount of products transported: 1,678,429 t-km

Scope: Domestic production sites

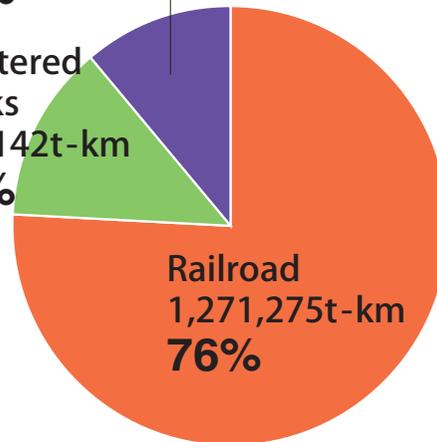
HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory

Consolidated cargo trucks

193,012t-km
11%

Chartered trucks
214,142t-km
13%

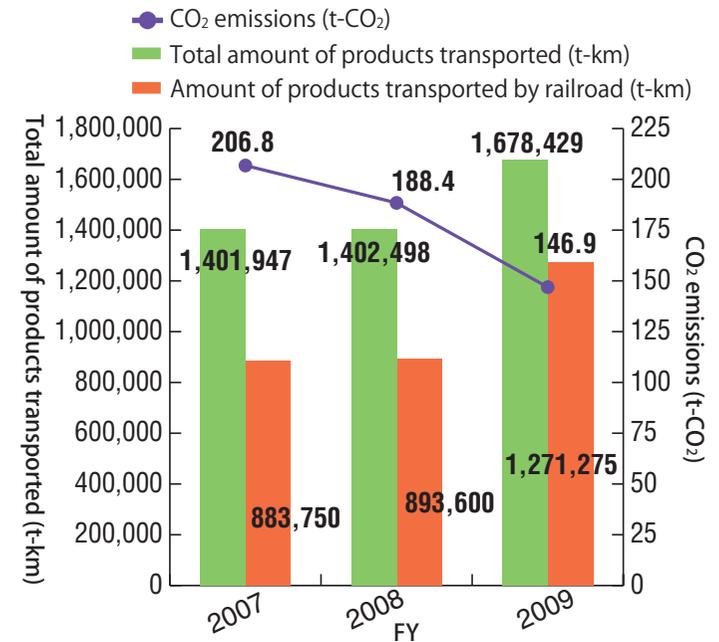
Railroad
1,271,275t-km
76%



The Amount of Products Transported and the Amount of CO₂ Emissions

Scope: Domestic production sites

HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory, and HORIBA Advanced Techno Co., Ltd. head office/factory



Environmentally Friendly Product Designs

HORIBA's Product Design for Environment

When developing new products, we design them to be environmentally friendly with life cycles in mind. We recognize products that meet our company standards as being energy-efficient green products and present these products in our catalogue with HORIBA's Green Labels. As a result of our efforts, the amount of CO₂ emitted during the use of our products, calculated based on the accumulated total for the past ten years, has decreased by approximately 36 compared to previous models.

HORIBA's Green Label and Logo

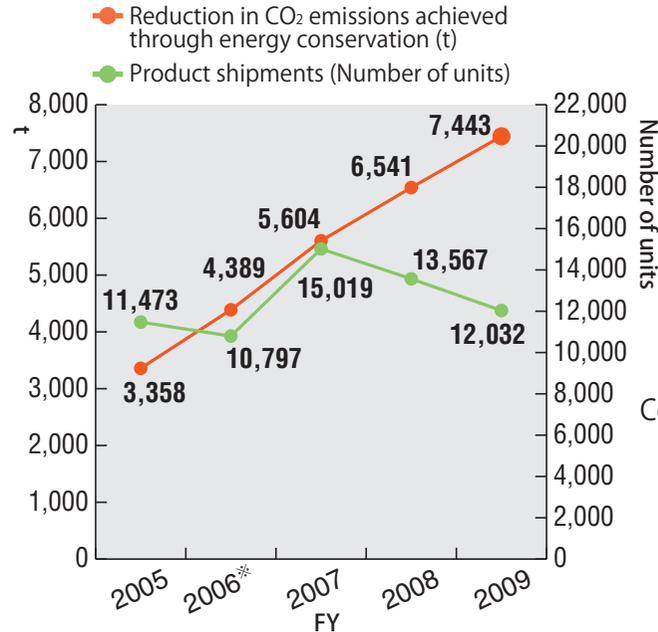


Evaluation Categories of Design for Environment

1. Lightness
2. Longevity
3. Ease of recycling
4. Ease of dismantling
5. Ease of processing
6. Environmental friendliness
7. Energy-saving
8. Information provision

Reduction in CO₂ Emissions through Energy-efficient Green Products

Scope: HORIBA, Ltd.

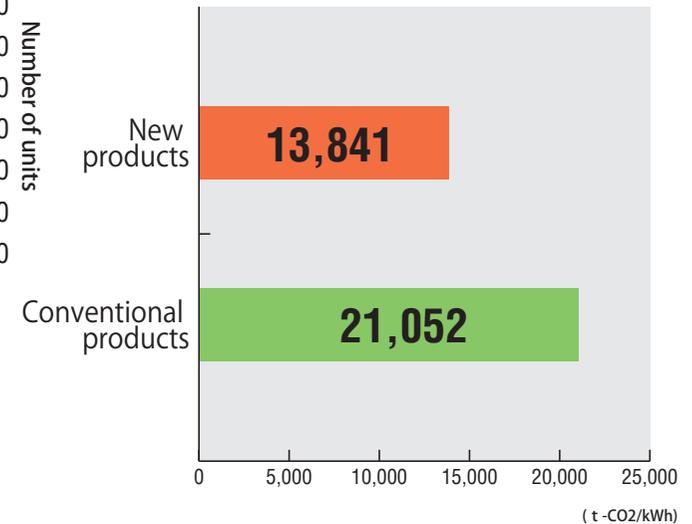


* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Comparison of CO₂ Emissions between New and Conventional Energy-Efficient Green Products

Calculations are based on the total number of units sold in the past ten years.

Scope: HORIBA, Ltd.



Environmentally Friendly Product Designs

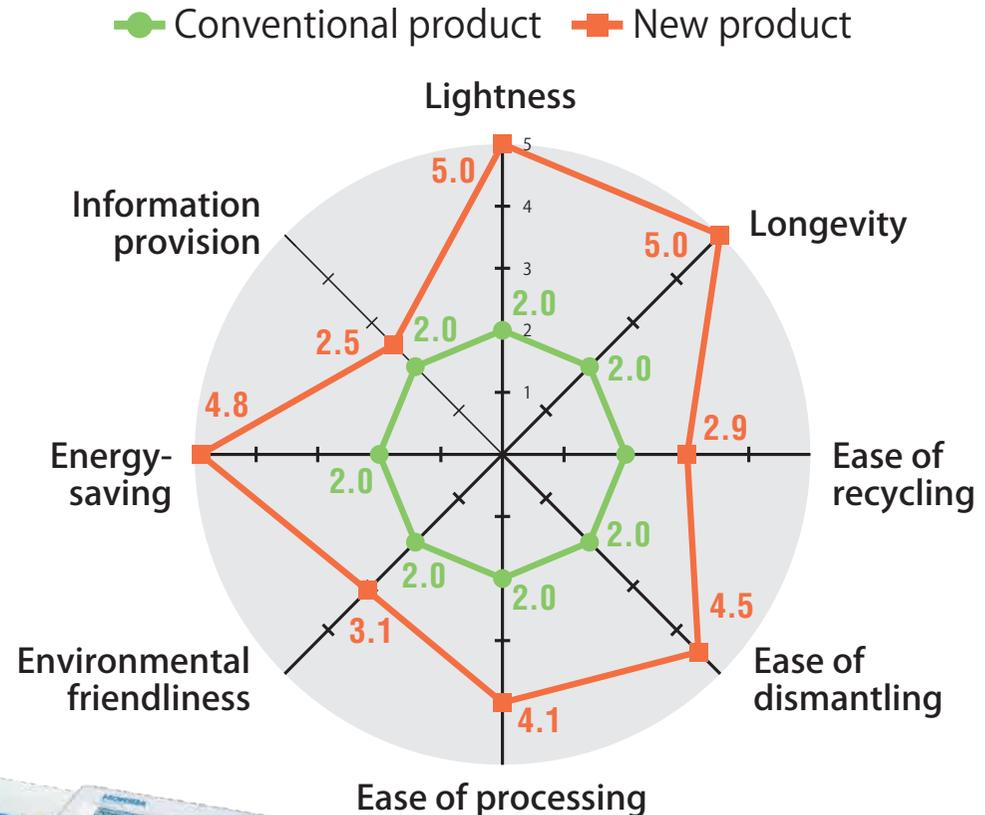
Environment

Green Product Developed by HORIBA, Ltd.

SEPA-500 – Automatic Polarimeter

Polarimeters play an essential role in the quality management and R&D of pharmaceutical, sugar and food products. The SEPA-500 automatic polarimeter of HORIBA, Ltd. measures the optical rotation of optically active substances such as sugars, amino acids, vitamins, hormones and alkaloids.

The newly developed, eco-friendly model reduces the amount of electricity required for operation by 50% compared with previous models, thereby achieving a high level of energy efficiency. It is designed to contribute to reducing the amount of CO₂ emitted during use by customers. The product is also designed to be lightweight, with a 63% reduction in volume and requiring half the installation space compared with previous models. The model is easier to maintain, has improved durability and a longer service life.



Environmentally Friendly Product Designs

Environment

Green Product Developed by HORIBA STEC, Co., Ltd.

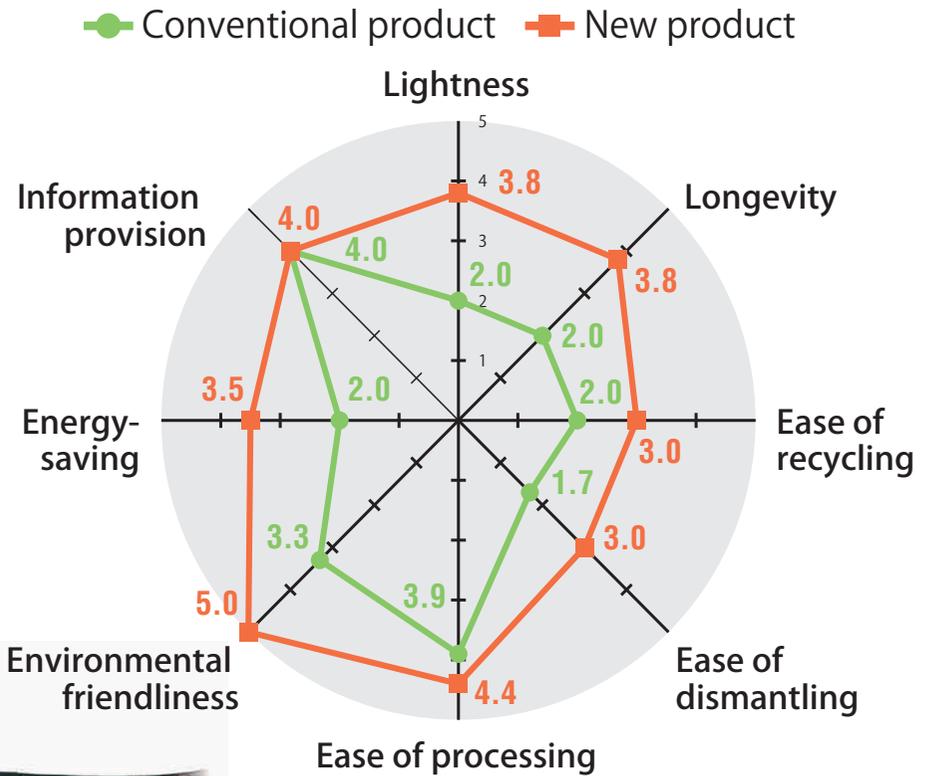
Residual Gas Analyzer MICROPOLÉ™ System QL Series

The MICROPOLÉ™ System is a mass analyzer designed to measure the total and partial pressures of residual gases inside vacuum chambers used for the deposition of thin films for semiconductors, liquid crystal panels and solar batteries. Composed of nine compact quadrupole mass analyzers and electronics, the system is designed to perform measurements for practical purposes despite its ultra-small size.

Designed as an environmentally friendly product and one of the smallest models in the world, the MICROPOLÉ™ analyzer is 48% lighter and consumes 23% less energy than previous models, while satisfying all RoHS* requirements. It also uses a controller equipped with a 3.5-inch LCD panel to enable users to collect data without a PC, and is designed to save space and resources. We believe that the new model, launched in 2009, will be embraced in a variety of industrial fields including solar batteries and will play a key role in enhancing the global environment in the future.



*RoHS: European directives to restrict the use of hazardous substances



Waste Reduction

Initiatives for Waste Reduction

HORIBA, Ltd. achieved its zero-emission goal in the second half of 2006 and maintained it during 2009. Meanwhile, the results of zero-emission initiatives of the domestic HORIBA Group as a whole have remained at the same level. We will continue to promote these initiatives in 2010.

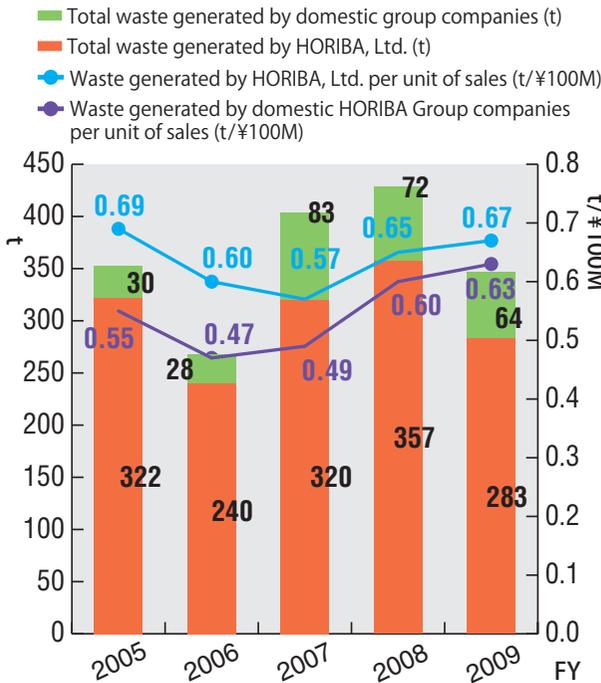
The total volume of waste has been reduced by approximately 80 tons (20%) relative to the previous year. This is partly attributable to the fact that domestic group companies have disposed of current stocks of surplus materials and experienced a decrease in sales. We will continue working to minimize waste output associated with increases in production volumes in the future through our efforts to reduce costs.

*** HORIBA's definition of zero emissions:** "The total amount of landfill waste must not exceed 1 percent of total waste generated."

*** Total waste generated:** A generic term for waste discharged from all divisions because it is no longer required (includes valuable resources, general waste and industrial waste).

*** Total amount of landfill waste:** The total amount of waste delivered to landfill after processing for reuse, recycling, or intermediate treatment (including neutralization, change into nonhazardous substance, and incineration).

Total Waste Generation and Waste Generation per Unit of Sales



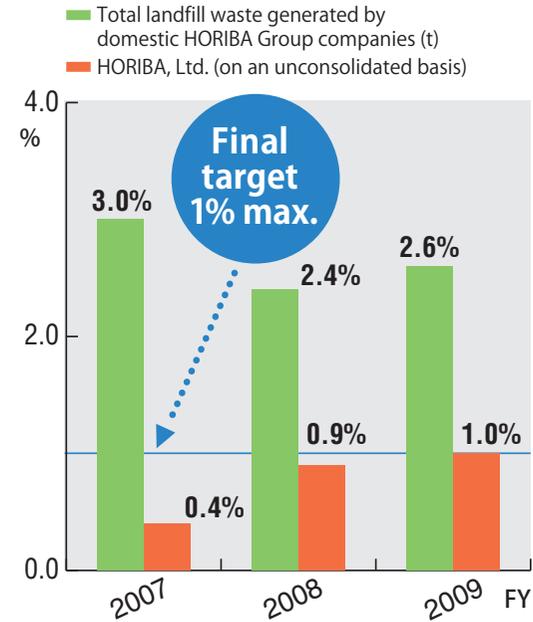
* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Scope:

Domestic production sites:

HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso factory and HORIBA Advanced Techno Co., Ltd. head office/factory

Trend in Total Amount of Landfilled Waste



Domestic group companies:

HORIBA STEC, Co., Ltd. and HORIBA Advanced Techno Co., Ltd.

HORIBA Group (domestic):

HORIBA, Ltd., HORIBA STEC, Co., Ltd. and HORIBA Advanced Techno Co., Ltd.

Waste Reduction

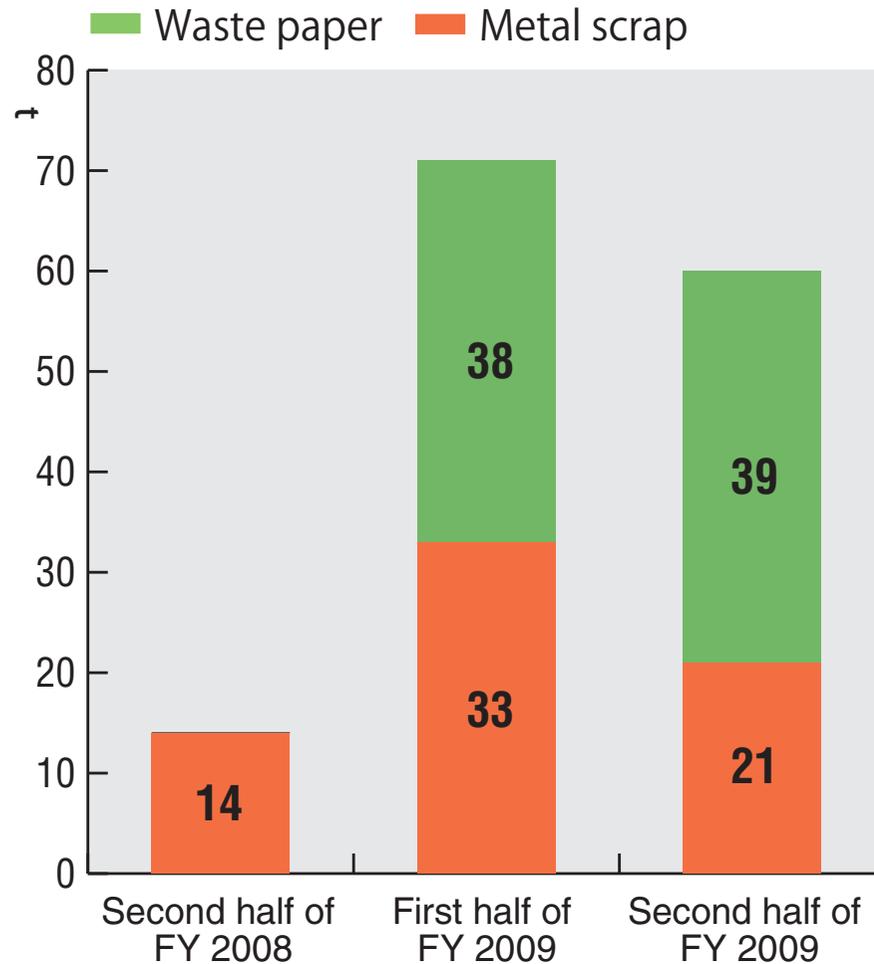
An Initiative for the Collection of Valuable Materials

HORIBA, Ltd. started a new initiative in the second half of 2008 to collect valuable materials, including metal scrap, from waste disposal of parts and materials. We have sold metal scrap to salvage companies in the past, but we started a new initiative to separate our scrap into simple material groups before selling it to the salvage companies. In 2009, we sold a total of approximately 54 tons of metal scrap as a new initiative. We also began selling waste paper, including cardboard and copy paper with the consent of our business partners, totaling approximately 77 tons of paper.

We plan to expand these initiatives across all domestic HORIBA group companies in fiscal 2010.

Volumes of Valuable Materials Collected

Scope: HORIBA, Ltd. head office/factory



Environmental Accounting

Integrated Management System Accounting (Environmental)

Environmental accounting, which includes quality management costs and occupational health and safety costs is part of an integrated management system (IMS) implemented at HORIBA, Ltd. In fiscal 2009, as a result of our efforts to reduce costs in response to a decrease in sales, including postponing the installation of energy-efficient facilities, business costs decreased by 40% compared to the previous year. However, in order to promote a higher level of development, R&D costs for new products increased by 30% over the previous year.

Meanwhile, cost reductions resulted in more than a 5% decrease in energy consumption and CO₂ emissions compared to the previous year, thereby contributing to environmental protection.

Due to a change in the classification of cost tabulation categories, quality improvement initiative costs have not been compared with 2009 results.

Environmental Accounting Standards:

- 1) Investment/expenditure classification: Based on financial accounting standards
- 2) Costs: Includes personnel, management and R&D expenses (excl. depreciation)
 - i) Personnel costs: Average labor costs × no. hrs environmental protection activities
 - ii) R&D costs: R&D costs for products used in environmental applications (materials & labor costs) + research costs for promoting environmental activities
 - iii) R&D economic benefit: Contribution of eco-friendly products to operating income
- 3) Based on Environmental Accounting Guidelines by the Ministry of the Environment (Fiscal 2005 version)

Costs Required for Environmental Conservation, Occupational Health and Safety and Quality Assurance (by Business Activity)

Scope: HORIBA, Ltd. head office/factory and 11 sales offices, and HORIBA Techno Service Co., Ltd. head office and 24 service stations
Accounting period: January 1, 2009 to December 31, 2009
(Millions of yen)

Environmental Protection Costs (by Business Activity)						Economic Effect (Internal)		
Category	Key Actions	Amount Invested	Total Cost	Total	Year-on-year Comparison (%)	Benefits of Amount	Remarks	
(1) Business Area		2.4	49.5	51.8	60.5	102.1		
Details	1. Cost of pollution prevention	Maintained existing exhaust and drainage facilities; provided regular and preventive maintenance	0.0	6.8	6.8	55.9	8.0	Power-saving in facilities, effective operational benefits
	2. Cost of global environmental protection	Switchover of all air conditioners from electricity to gas, promoted switchover to energy-efficient facilities, and other initiatives	2.4	4.5	6.9	20.0	29.0	Conversion to energy-efficient facilities, modification of equipment, effect of electricity conservation
	3. Cost of resource circulation	Reduced waste and promoted zero emissions	0.0	38.1	38.1	98.0	65.1	Promotion of refuse sorting and reduced waste disposal
(2) Upstream and downstream cost	Promoted green purchasing, and collection and reuse of used products	5.9	12.7	18.6	103.5	6.6	Promotion of green purchasing and reuse of collected used products	
(3) Administration cost	Improved EMS efficiency and promoted eco-training and other initiatives	0.0	70.3	70.3	74.7	1.8	Benefit of environmental advertisements, etc.	
(4) R&D cost	Promoted design for environment, the lead-free initiative, and other initiatives	43.6	2,632.3	2,675.9	131.4	76.0	Expansion of eco-friendly products, contribution to increased operating income ratio	
(5) Cost of social activities	Actively promoted awareness-raising activities related to environmental technology and other initiatives	0.0	18.5	18.5	79.2	0.2	Support of environmental improvement, promotion of enlightenment initiatives	
(6) Cost of environmental remediation	N/A	0.0	0.0	0.0	0.0	0.0	N/A	
Total cost of environmental protection		51.8	2,783.2	2,835.1	125.5	186.8		
(7) Cost of occupational health & safety management	Health checkups, occupational health & safety training and supervision, and other initiatives	0.0	66.1	66.1	108.6			
(8) Cost of occupational health & safety preventive maintenance	Process safety, improvement of work environs, facility maintenance, and other initiatives	0.1	8.1	8.2	91.9			
(9) Cost of operational management initiatives of occupational health & safety management system	Operational management of occupational safety management system	0.0	28.7	28.7	93.0			
Total cost of occupational health & safety initiatives		0.1	102.9	103.0	102.3			
(10) Cost of prevention	Quality plan, process management, quality training and other initiatives	0.0	16.4	16.4	-			
(11) Cost of assessment	Acceptance check, quality monitoring, technological assessment and other initiatives	0.0	3.4	3.4	-			
(12) Cost of quality improvement research initiatives	Quality improvement and productivity improvement	0.0	2.3	2.3	-			
Total cost of quality improvement initiatives		0.0	22.1	22.1	-			
Grand total cost of IMS initiatives		51.9	2,908.3	2,960.2	-			

Environmental Accounting

Environmental Protection Benefits

Scope: HORIBA, Ltd. head office/factory and 11 sales offices and HORIBA Techno Service Co., Ltd. head office and 24 service stations Accounting period: January 1, 2009 to December 31, 2009

Environmental Protection Benefits				
Category	Environmental Performance Indicator (unit)	FY2008 (standard)	FY2009	Difference from Standard (Environmental protection benefits)
Benefits in terms of resources invested	Total energy input (GJ)	142,207	132,246	△ 9,961 *1
	Power consumption (GJ)	111,418	105,986	△ 5,432 *1
	City gas consumption (GJ)	20,744	16,833	△ 3,911 *1
	Fuels (diesel, kerosene and gasoline) (GJ)	10,045	9,426	△ 619 *1
	Core production elements input (iron, aluminum, copper and glass) (t)	1,120	699	△ 421
	Recycled resource input (t) Office paper and packing materials (cardboard, wood and polystyrene)	443	398	△ 45
	Water input (km ³)	44	43	△ 1
	Groundwater input (km ³)	12	15	3
	City water input (km ³)	32	28	△ 4
	Benefits in terms of environmental impact and waste	Greenhouse gas emissions (t-CO ₂)	5,912	5,455
Greenhouse gas emissions through electric energy consumption (t-CO ₂)		4,081	3,884	△ 197 *2
Greenhouse gas emissions through city gas consumption (t-CO ₂)		1,156	938	△ 218 *2
Greenhouse gas emissions through fuel consumption (t-CO ₂)		674	632	△ 42 *2
Total waste generated (t)		377	304	△ 73
Final waste at landfill (t)		3	3	0 *3
Total water drained (km ³)		44	43	△ 1
Water quality (BOD/COD) (mg/L)		N/A	N/A	—
NOx and SOx emissions (t)		N/A	N/A	—
Malodor (max. density) (mg/L)		N/A	N/A	—

Environmental Protection Benefits				
Category	Environmental Performance Indicator (unit)	FY2008 (standard)	FY2009	Difference from Standard (Environmental protection benefits)
Benefits in terms of goods and services generated	Energy consumption during operation (GJ) (Total of eco-friendly energy-saving products)	59,708	52,936	△ 6,772 *1
	Greenhouse gas emissions during operation (t-CO ₂) (Total of eco-friendly energy-saving products)	2,312	2,050	△ 262 *2
	Hazardous substances emitted during disposal of used products and recycling of containers and packaging (t)	15	10	△ 5
	Amount of used products, containers and packaging recycled (t)	1	1	0
	Amount of product packing materials used (t)	408	368	△ 40
	Greenhouse gas emissions from transporting products (t-CO ₂)	181	140	△ 41 *2
	Other benefits	Products transported (t-km)	1,357,212	1,636,840
Soil contamination (m ²)		0	0	-
Noise (dB) *at night		54	55	1
Vibration (dB) *in evening		Less than 30	Less than 30	-

* 1: GJ (gigajoule): Converted and calculated at 0.00976 GJ/kWh (from the April 1, 2006 public notification of the Energy Conservation Center).
 * 2: CO₂ emissions factor: Calculated assuming 0.378 kg of CO₂ per kWh, which is the average of all electric companies in Japan. The official value of the Kansai Electric Power Company is used for the Kyoto District.
 * 3: Only for HORIBA, Ltd. head office/factory

Economic Benefits from Environmental Protection Activities

(Millions of yen)

Economic Benefits from Environmental Protection Activities (Substantial Benefits)		
	Effect	Amount
Profit	Gain on sale of recycled waste: Amount of metals, oils, electric wires, rare metals, etc. sold (142 t)	2.3
	Gain on sale of recycled products: 23 units	24.4
Total		26.7

Annual Health & Safety Plan for 2009

Under the slogan “Let us establish a safe, healthy and pleasant workplace and make every effort to increase the value of the HORIBA brand,” HORIBA is working in collaboration with all group companies to develop a system aimed at preventing accidents and promoting the physical and mental health of employees.

Based on the HORIBA Group annual plan for occupational health and safety management, each office formulates its own plan and implements priority measures to achieve annual goals by scheduling regular activities such as on-site patrols by executives and Safety and Health Promotion staff members, training in safety and health, various medical examinations and healthcare guidance.

In order to increase the value of the HORIBA brand, we will continue to develop various initiatives aimed at providing safer and more comfortable workplaces for all those who work at HORIBA.

Occupational
Health and Safety

Annual Health & Safety Plan for 2009

Annual Slogan:

Let us establish a safe, healthy and pleasant workplace and make every effort to increase the value of the HORIBA brand.

Annual Targets

- Reduce accidents to zero (all accidents: including those leading to lost workdays and those not leading to lost workdays) and reduce accidents on the way to work resulting in lost workdays to zero
Reduce occupational illness to zero
- Promoting risk assessment
(Collection of data on risk factors that may cause injury or illness; eliminating Level IV or higher risks (on a five-point scale where V is the highest and I is the lowest); and reducing lower-level risks by half)
- Promoting employee physical and mental health
(improving follow-up services after medical examinations; holding healthcare classes)



Disaster evacuation drill for all group companies in a park nearby Head Office
November 20, 2009



Safety and health patrol by executives
July 24, 2009

KEYWORDS

Occupational Health and Safety | Work Accidents | Annual Goals | Risk Assessment | Safety Patrol | AED

Initiatives at Group Companies (1)

Occupational Health & Safety Initiatives

HORIBA has developed its corporate activities based on the 2009 group management policy, “Time One Half: Fulfilling Our Potential as a Genuinely Innovative Company.” In order to provide customers with superior standards of quality, performance and added-value products and services in a timely manner, it is particularly important to create a work environment where employees, our “human assets,” are able to develop their individual potential to the fullest extent and practice HORIBA’s company motto, “Joy and Fun.”

We will continue to provide a safe, secure and pleasant workplace for employees to increase the value of the HORIBA brand.

HORIBA, Ltd.

At HORIBA, Ltd., we formulate an annual plan for the management of occupational health and safety issues based on preventive maintenance principles. The plan incorporates a range of initiatives including on-site inspections and patrols, education and training in occupational health and safety, medical examinations and health consultation services. At the same time, we implement safety improvement measures based on the results of risk assessments and reports on near accidents. We are also committed to promoting the physical and mental health of our employees.

HORIBA Techno Service Co., Ltd.

HORIBA Techno Service Co., Ltd. is working hard to eliminate workplace and traffic accidents caused through negligence. We schedule an IMS* day every month to monitor the rules and procedures relating to safety, environmental protection and quality control. We also develop various company-wide health management initiatives for employees and their families, including prevention of the new type of influenza.



Health Promotion Seminar (Diet Class) held on November 17, 2009



Discussion at a team meeting on an IMS day

* IMS: An integrated management system introduced in 2004 that brings together the ISO 9001 Quality assurance system, the ISO 14001 Environmental management system and the OHSAS 18001 Occupational health & safety management system.

Initiatives at Group Companies (2)

HORIBA STEC, Co., Ltd.

HORIBA STEC, Co., Ltd. implements a management system in accordance with laws and regulations while its president conducts annual site inspections and patrols. These initiatives have increased employees' awareness of occupational health and safety issues, thereby contributing to maintaining a record of zero work accidents resulting in lost workdays. We are also working to develop more effective measures to prevent widespread infection such as the new type of influenza.



On-site patrol by the president, April 13, 2009

HORIBA Advanced Techno Co., Ltd.

At HORIBA Advanced Techno Co., Ltd., we have taken the initiative to provide AED (automated external defibrillator) life-saving training to maintain employee safety. We have also developed 5S activities aimed at raising performance levels, efficiency and safety.



AED life-saving training, November 5, 2009

In order to create a safe workplace free from accidents, we conduct frequent site inspections and safety patrols and promote health management initiatives for employees.

Results of Initiatives Implemented to Achieve Annual Goals (1)

Results of Initiatives Implemented to Achieve Annual Goals

Results of initiatives aimed at reducing work accidents

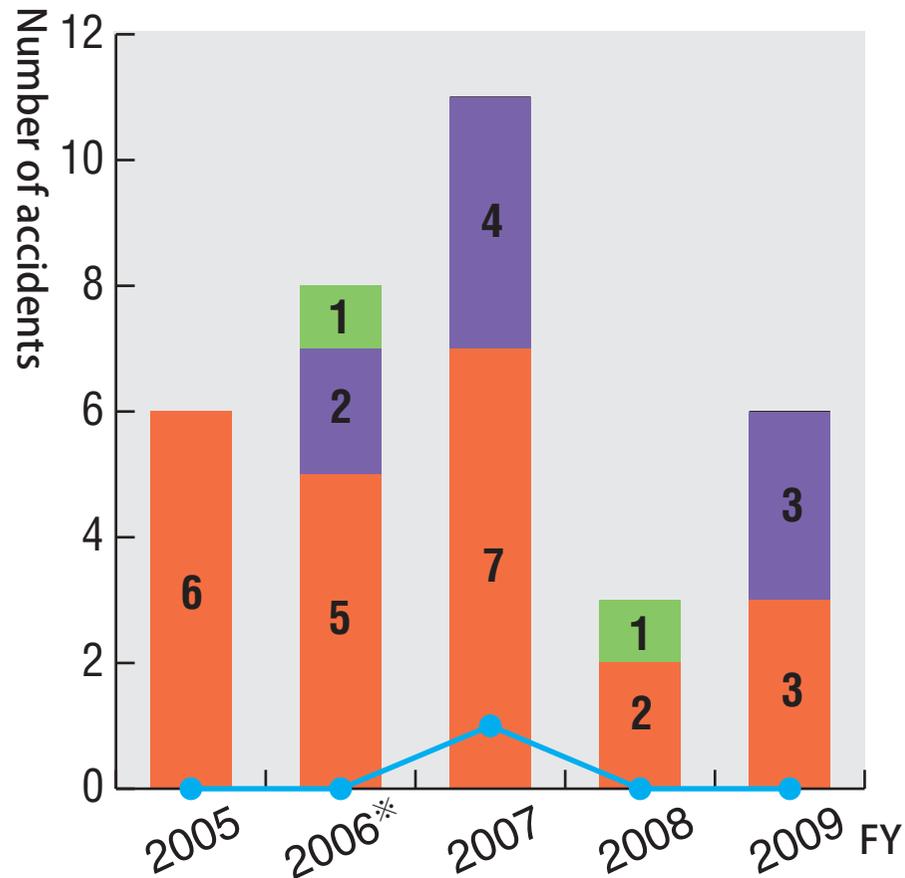
In an effort to prevent work accidents, all members of the company, including top executives and Safety and Health Promotion staff members, work together to promote occupational health and safety based on our annual plan for the management of occupational health and safety.

In the event of an accident, we hold a meeting of related parties and examine the behavior, facilities, work environments and work management related to the accident. We explore the accident causes and discuss how to prevent recurrences.

We also share information on serious accidents and accidents in other companies among group members and implement safety measures across all group companies to prevent similar accidents recurring. We will continue our collaborative efforts to provide training for all company employees and strive toward eliminating work accidents as quickly as possible based on risk assessment results and reports on near accidents.

Number of Accidents (On-the-job Accidents)

- HORIBA, Ltd. and HORIBA Techno Service Co., Ltd.
- HORIBA STEC, Co., Ltd.
- HORIBA Advanced Techno Co., Ltd.
- Accidents resulting in lost workdays



* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

Results of Initiatives Implemented to Achieve Annual Goals (2)

Results of Risk Assessments

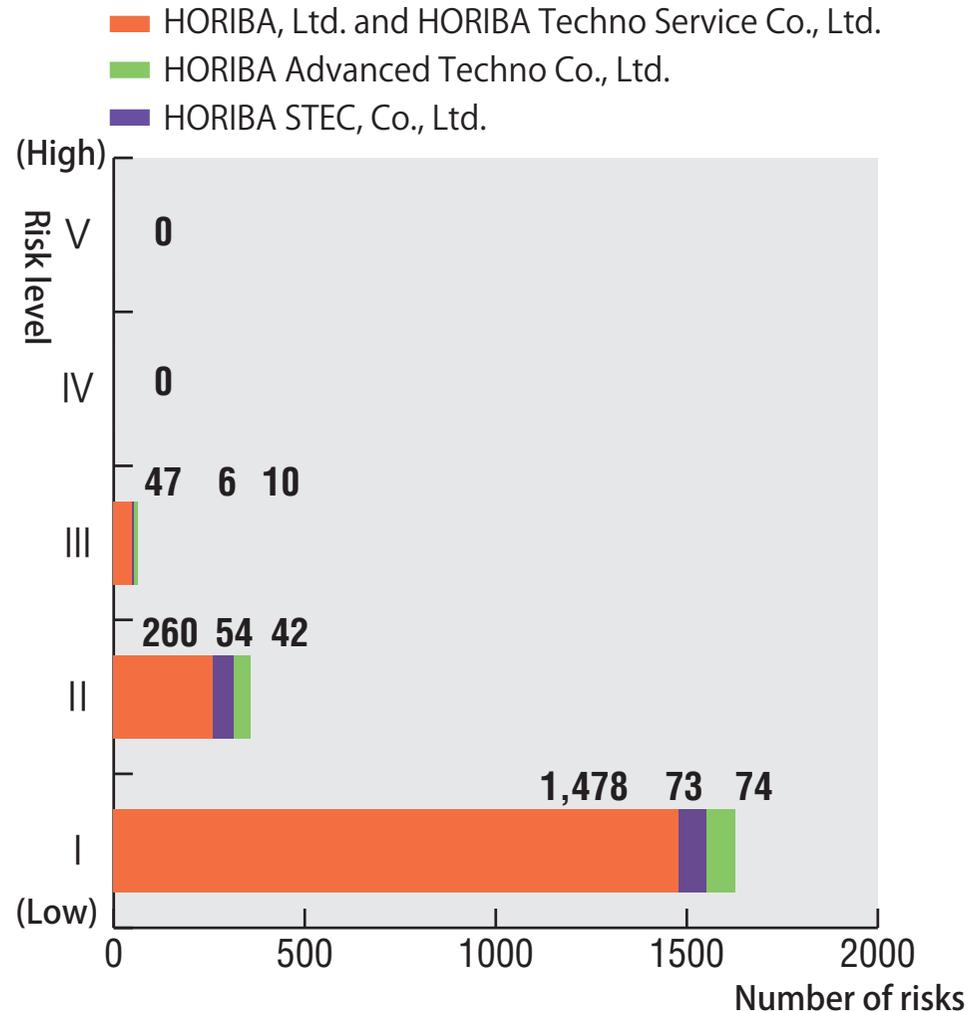
We undertake risk assessments at different work sites by identifying the causes of accidents and analyzing risk factors under different conditions—i.e., before installing equipment and facilities or altering structures, before changing materials, before modifying work practices and before making changes to organizations or personnel. Risk assessment results are grouped into five levels of risk (V is the highest and I is the lowest), and based on these results, we formulate measures to reduce risks, implement these measures and check their effectiveness.

Health Promotion Activities

With a view to promoting the physical and mental health of employees, HORIBA company staff, including industrial physicians and full-time public health nurses at the infirmary, are working to increase the percentage of people who receive medical examinations to 100%, to improve follow-up services after medical examinations, and to hold healthcare training sessions.

The infirmary plays an important role in HORIBA group companies and is engaged in a wide range of activities that currently include health consultation services, healthcare guidance, interviews with industrial physicians and health education.

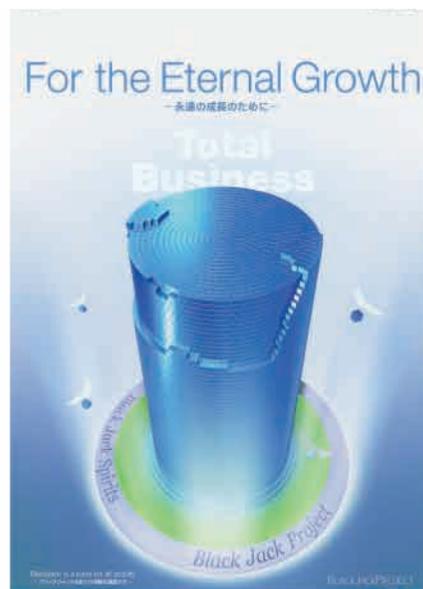
Results of Risk Assessment for Fiscal 2009



Blackjack Initiatives

Blackjack Initiatives Aimed at Improving Employee Awareness and Behavior

Blackjack initiatives, which are aimed at improving employee awareness and behavior, cover a wide range of activities, from greeting campaigns for new employees to activities for improving quality, cost and delivery. Employees express their “omoi” (thoughts) to all company members and strive to achieve their own ideals with the help of their supporters, regardless of affiliation or age. Twelve years have passed since the Blackjack project was introduced and more than 700 project themes have been proposed during this time. Blackjack initiatives are developed by all HORIBA group companies around the world and form the basis of their business activities. The initiatives are an important part of HORIBA-style management for boosting quality standards, fostering corporate spirit, developing human assets and stimulating organizations.



Symbol of Blackjack initiatives, which represents the growth of the “omoi” of individual employees based on strong mutual bonds



Final presentation at the BJ Award World Cup, which recognizes the best initiative for the year. A representative from Singapore won the gold medal in 2009.

Opening of a New Research Center in Europe

Development of an R&D System and Promotion of Collaboration among Group Companies

HORIBA will become the first Japanese company to open a new research center on the premises of Ecole Polytechnique, a higher education institution for top engineers and scientists located near Paris (scheduled to open in 2011). Accordingly, President Horiba held a press conference on the new research center in France in September of 2009.

The new research center will be located in an area known as the Paris Saclay Cluster, a new hub for the optical industry created by the French government to encourage collaboration between industry, the university and the government, and to promote development of biotechnologies and other cutting-edge technologies. Based on the worldwide reputation of the gratings of HORIBA Jobin Yvon S.A.S. (a

global brand of optical technology), which are used by a French national nanotechnology institute and NASA (USA), HORIBA was requested by the French government to participate in research and development in Europe and decided to open the new research center in France.

HORIBA Jobin Yvon S.A.S. will relocate its head office to this research center and subsidiaries in areas around Paris will be brought together to develop a research and development system and promote collaboration among group companies.

We will develop new technologies that will contribute to global development in this hub for cutting-edge research and development.



Message by President Horiba at the press conference



Image of the new research center

Title : **Basis for Management**

In Recognition of our Continuous Investment in France and Efforts to Develop Closer Ties with France

President Horiba Awarded the Legion of Honor, France's Highest Order

Atsushi Horiba, President of HORIBA, Ltd., was awarded the National Order of the Legion of Honor* (Ordre National de la Légion d'Honneur), the highest decoration in France. He received the decoration from the French Ambassador to Japan in January 2010.

Since the establishment of HORIBA France SARL in 1982, HORIBA has been actively engaged in business activities in France, adding ABX (currently HORIBA ABX S.A.S.) to its group in 1996 and ISA (currently HORIBA Jobin Yvon S.A.S.) in 1997. The Order of the Legion of Honor was awarded to President Horiba in acknowledgement of HORIBA's contribution to promoting friendship between Japan and France, as well as its active business development and contributions to creating employment opportunities in France.

Kyoto, where HORIBA, Ltd. originated, and France both enjoy long histories. HORIBA believes that each city will inspire the other in

terms of art and culture, in the same way that HORIBA group companies achieved growth by learning from each other based on the recognition of mutual differences in values.

We have continued to invest in France to support the development of HORIBA, with the reagent factory (City of Montpellier) of HORIBA ABX S.A.S., which began operation in September 2008, and the new research center (near Paris), which is scheduled to open in spring 2011. Furthermore we also appointed two Frenchmen as executive officers of HORIBA, Ltd. in 2009, thereby fostering a close relationship with France.

We will continue to generate employment opportunities in France in addition to promoting the exchange of cultural and human assets. Using synergies created through exchange, we will develop original technologies and products and spread our message around the world.



President Horiba shaking hands with Philippe Faure, French Ambassador to Japan, at the awards ceremony

*** Order of the Legion of Honor:** The Order of the Legion of Honor, a prestigious decoration established in 1802 by Napoleon Bonaparte, is awarded to individuals who have made outstanding contributions in economic and cultural fields. There are different degrees of the Order of the Legion of Honor: Grand-Croix (Grand Cross), Grand Officier (Grand Officer), Commandeur (Commander), Officier (Officer) and Chevalier (Knight). The Order of Chevalier, which was awarded to President Horiba, is awarded to individuals who have contributed to the promotion of economic and cultural exchange between Japan and France.

Title : **Basis for Management**

Promoting the Globalization of Management

Three Non-Japanese Members Nominated as Executive Officers

In April 2009, HORIBA, Ltd. appointed three non-Japanese members as corporate officers for the first time since its establishment. Under current circumstances where overseas employees account for 55%* of all employees and overseas sales account for 65%* of total sales, effective corporate management requires appointing non-Japanese members as executives and utilizing their talents. When selecting these new executive officers, we examined their ability to implement HORIBA's group management policy ("HORIBA Group is One Company"), and to exercise global leadership in business management, as well as their ability to realize HORIBA's

corporate motto, "Joy and Fun," and to instill the HORIBA corporate ethos overseas.

Accordingly, Michel Mariton of HORIBA Jobin Yvon S.A.S. (France) was appointed as Senior Corporate Officer and Rex Tapp of HORIBA Instruments Inc. and Bertrand de Castelnaud of HORIBA ABX S.A.S. as Corporate Officers. We will continue to promote the diversification and globalization of management and facilitate cultural exchange between France and Kyoto, where the HORIBA Head Office is located, to develop original initiatives.

*Figures as of December 31, 2009.

KEYWORDS

:| Executive Officers | Non-Japanese Executive Officers | Corporate Officers | Human Assets

Striving to provide First Class Quality

Expansion of the Training Center for the Development of Human Assets and Construction of a New Factory

The expansion of HORIBA's training center (known as the FUN HOUSE) in Shiga Prefecture was completed in February 2009. A training room that can accommodate up to 120 people was created and existing accommodation facilities were expanded. This training center is used by HORIBA group companies for important meetings and to hold sessions for HORIBA College, a company training project introduced in January 2009.

In May 2009, we also completed construction of the Lake Biwa factory in Shiga Prefecture to serve as a manufacturing hub for HORIBA group companies. The factory, which has an

area for the manufacture of large products and is designed to satisfy demand for increased production, functions as a distribution center incorporating the latest automatic distribution system. It will also serve as a core facility for HORIBA's production and distribution system, and is designed to facilitate improvements in quality, delivery and cost.

We aim to develop environments that bring together the collective energy of all group companies to implement the HORIBA Group policy, "First-Class Quality: Striving to provide first class quality."



FUN HOUSE (Takashima City, Shiga Prefecture)



Lake Biwa Factory (Otsu City, Shiga Prefecture)

KEYWORDS

∴ First Class Quality | HORIBA Group Training Center | FUN HOUSE | HORIBA College | Lake Biwa Factory

Working Alongside Our Customers

At HORIBA we take pride in contributing to creating a sustainable society and improving people's quality of life by providing products and services that satisfy customer requirements. We will continue to work hard to develop fundamental and application technologies in order to provide products that realize the highest level of customer satisfaction.

Customer Support Center

Established in 1994, our Customer Support Center celebrated its 15th anniversary in 2009.

Over the years, new service channels—a toll-free number, website and email—have been added to the original telephone and fax channels. As a result, we have received an average total of 27,000 annual customer inquiries and more than 30,000 inquiries at peak times over the past five years. When the Customer Support Center was first opened, we received many technical questions about the operation of our products and inquiries concerning analytical and measurement technologies from analysis and measurement experts. In recent years, however, we have also received many inquiries relating to environmental protection and energy conservation from the general public.

In 2008, We have implemented a new system to process information from customers, thereby enabling us to quickly provide global information.

In 2009, we introduced the CSIS (Customer Satisfaction Information System) to strengthen customer relations. The system is designed to manage the entire process from the moment the customer inquiry is first received through to the final response to the customer, which makes it possible to effectively use this information as an asset.

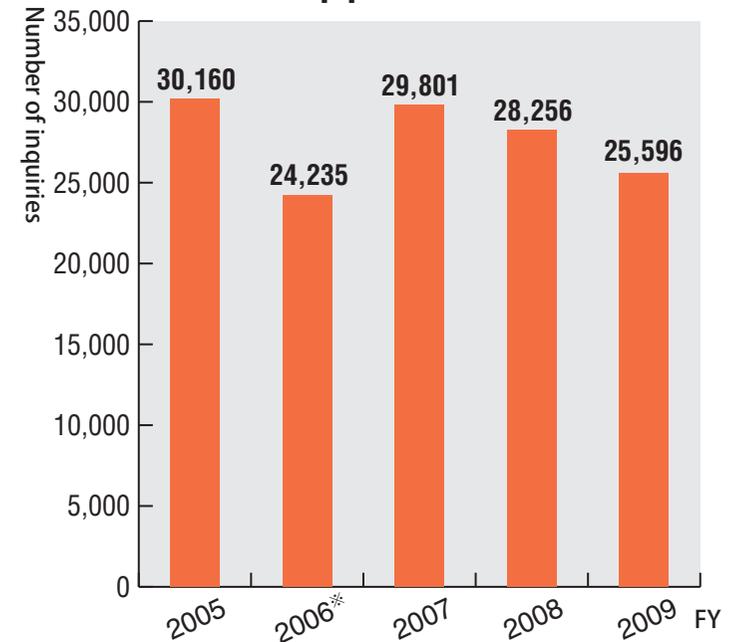
We will continue our efforts to incorporate our customers' suggestions and comments in our products and services to further contribute to society.

HORIBA, Ltd. Customer Support Center 0120-37-6045

(Toll-free) Monday through Friday
(except for holidays)
09:00 to 12:00 and 13:00 to 17:00

* Customer support services are available via mobile phone and PHS.
* Customer support services may not be accessible with some types of IP phones.

Trend in the Number of Inquiries to the Customer Support Center

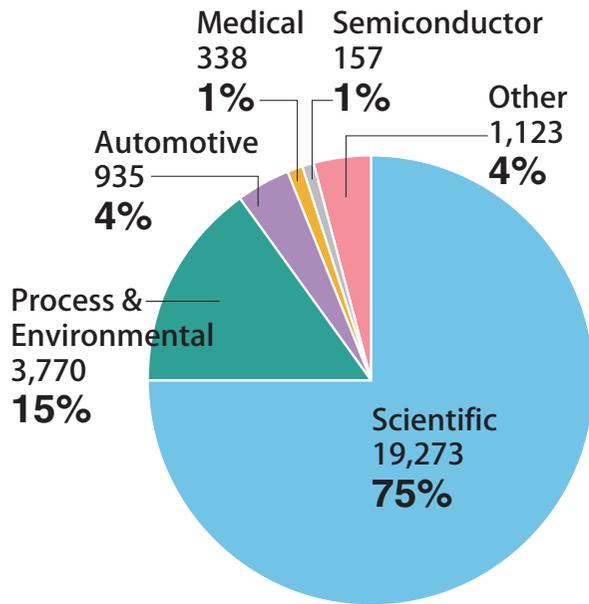


* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

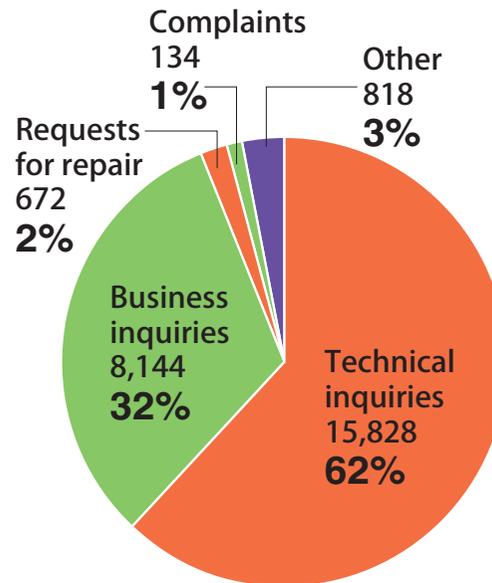
Customers

Working Alongside Our Customers

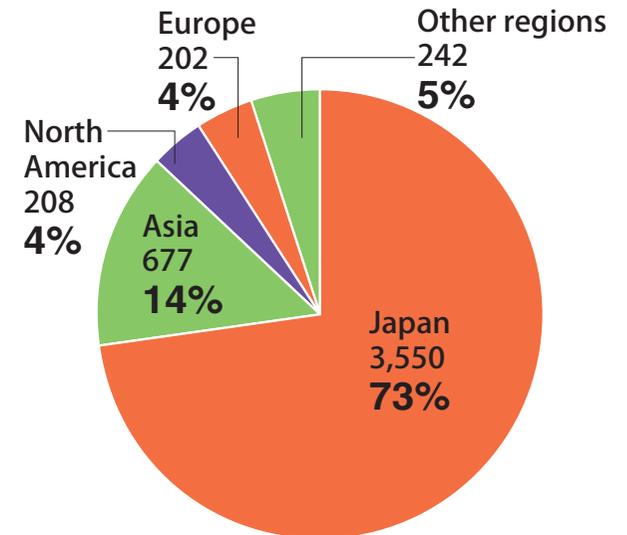
Breakdown of Inquiries in Fiscal 2009 (By Segment)



Breakdown of Inquiries in Fiscal 2009 (By Content)



Breakdown of Visits to the Company Website in Fiscal 2009 by Region (4,879 Visits)



Customers

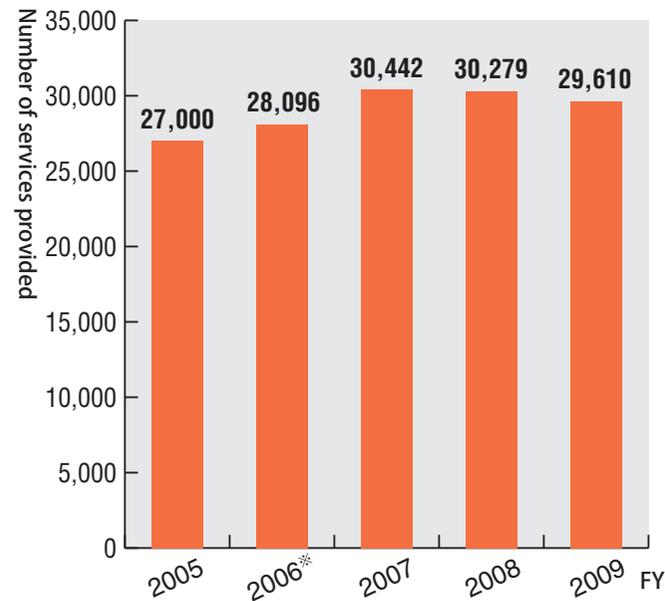
Working Alongside Our Customers

Service System

HORIBA Techno Service Co., Ltd. provides customer support services from the 25 service stations we have in Japan, as well as those we have overseas. These service offices provide field repair service, repair service for returned products, periodic on-site checks, maintenance, test operations, parts and training service.

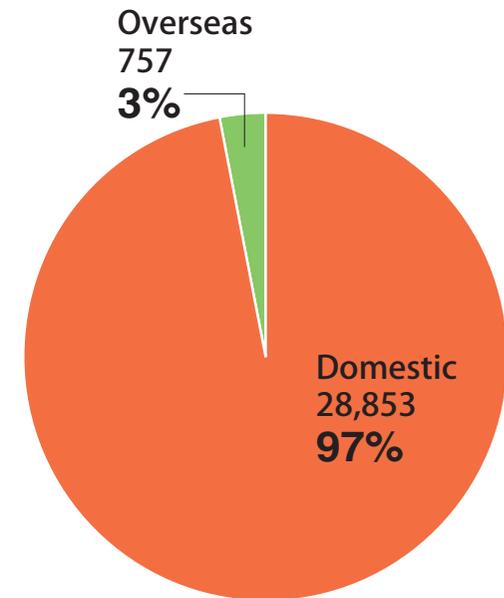
In 2009, we provided a total of 29,610 services in Japan and overseas. In August 2009, HORIBA Techno Service Co., Ltd. obtained accreditation as a CAB for ISO/IEC 17025 (ASNITE 0033 C Calibration of Emission test facilities) and started calibration test services as the second accredited test laboratory in Japan. We will continue to offer a variety of products in different areas to meet customer requirements.

Trend in the Number of Services Provided



* Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

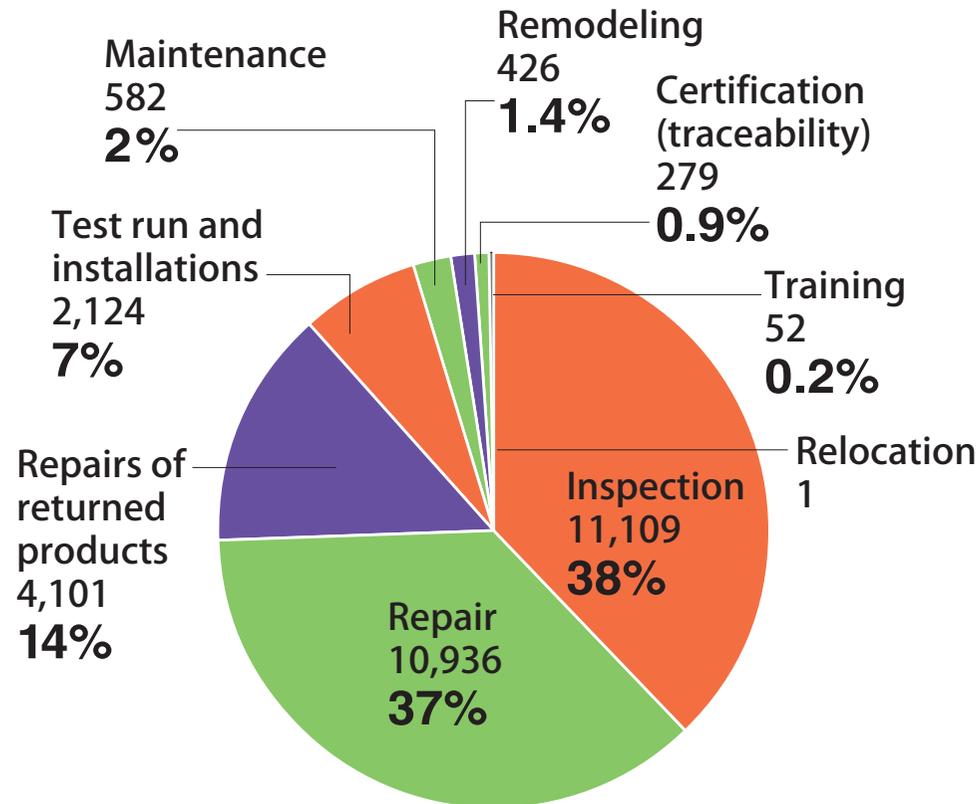
Ratio of Domestic to Overseas Service Jobs in FY 2009



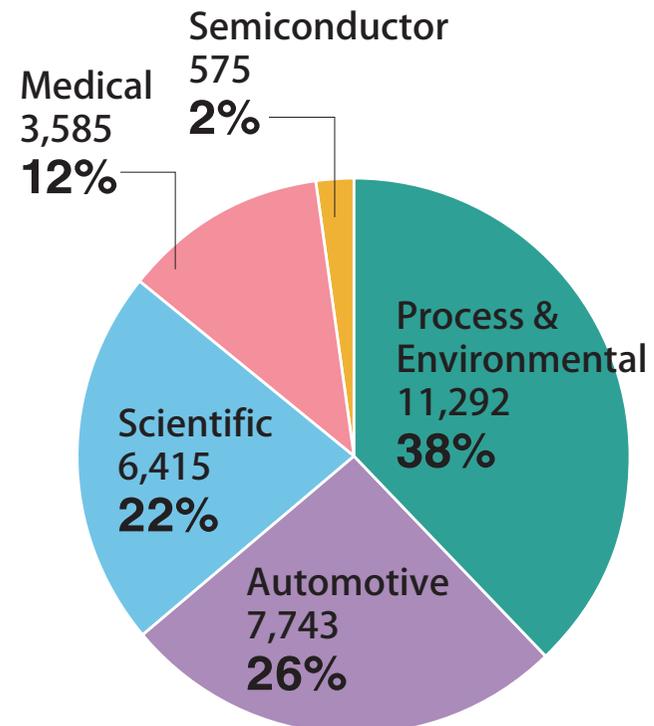
Customers

Working Alongside Our Customers

Typical Services Provided in 2009 (by Service)
(Total 29,610)



Typical Services Provided in 2009 (by Segment)
(Total 29,610)



Customers

Working Together with Our Owners (Shareholders) and Investors

At HORIBA, we appropriately distribute profits to our owners (shareholders) and investors and promote management transparency through fair disclosure of information and two-way communication.

Increase in Two-Way Communication

To ensure that the market value (stock price) is consistent with the true value of the company, HORIBA provides information to owners (i.e., shareholders) and investors (through IR – investor relations) under the slogan “Accurate, timely and fair disclosure.”

We deliver quarterly reports to owners, hold a general meeting of shareholders on a Saturday and hold shareholder-briefing sessions as a way of providing opportunities for shareholders to communicate directly with company executives.

We update information on our official website as frequently as possible and work to improve the content of various information booklets for the purpose of providing individual investors with accurate information in a timely manner. We also make great efforts to hold company briefing sessions and explain our

business policies and financial results in easy-to-understand language in order to gain as much support for HORIBA as possible.

Furthermore, our president and executives hold biannual financial briefing sessions for institutional investors and take an active part in establishing face-to-face communication by visiting investors and developing overseas IR. We conduct more than 300 interviews in addition to holding product briefing sessions at company exhibitions, thereby facilitating two-way communication with investors and providing detailed information on HORIBA’s business philosophy, strategies and financial results.

We renewed our company website in 2009 to provide owners and investors with essential information in a more efficient manner.

Company briefing sessions:

① For domestic institutional investors

- Annual financial briefing session (February 17, 2009 in Tokyo)
- Mid-term financial briefing session (August 4, 2009 in Tokyo)
- Individual interviews conducted by the president, executives and staff members in charge (more than 300 times annually)
- Product briefing sessions at company exhibitions (four times annually)

② For overseas investors

- Visits to investors by the president (September 2009 in London)
- Briefing by the president at an IR forum (February and December 2009 in Japan)
- Individual interviews by the president, executives and staff members in charge (more than 50 times annually in Japan)

③ For individual investors

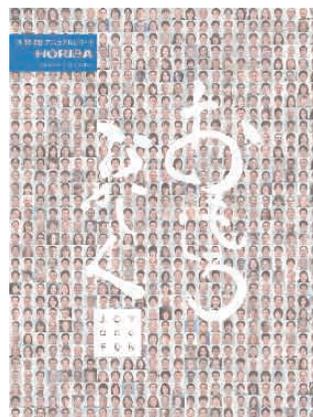
- General meeting of shareholders (Saturday, March 28, 2009; a briefing session with executives after the general meeting held at the Kyoto Head Office)
- Briefing session for investors (April 9, 2009 in Kyoto)

Working Together with Our Owners (Shareholders) and Investors

Information disclosure:

- Annual report (annual publication)
- Business report (semi-annual publication)
- Earnings digest (quarterly publication)
- Quarterly report (quarterly publication)
- Company website: Investor Relations (updated as needed)

<http://www.horiba.com/investor-relations/>



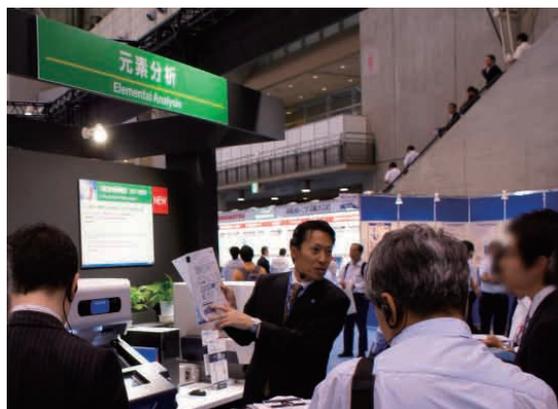
Annual Report 2008



Business Report



Financial briefing session
February 17, 2010



Product briefing session at a company exhibition
September 2, 2009



Briefing session for individual investors
April 9, 2009

Working Together with Our Suppliers

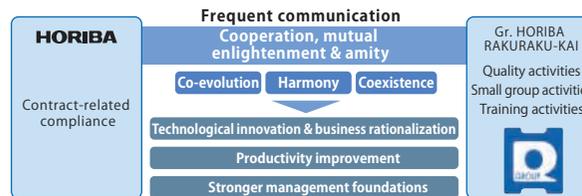
Our business activities would be impossible to carry out without the cooperation and support of suppliers in a wide range of areas, including partners who provide materials and parts required for the manufacture of products. We work to maintain relationships of trust with a wide range of domestic and overseas suppliers of materials and services, and exchange information with these partner companies. Our goal is to become a highly efficient supplier with a commitment to First Class Quality.

Maintaining Good Relations with Partner Companies in Production & Assembly

We see suppliers who provide parts as partner companies for working and growing together. We maintain strong relationships not only with material suppliers but also with assembly companies to whom we outsource the assembly. We have created an organization named Gr. HORIBA RAKURAKU-KAI with 50 companies with which we have especially strong relationships. We exchange advice, adopting “Co-evolution, Harmony and Coexistence” as our motto.

The HORIBA Group Meeting for Production Partner Companies

We hold HORIBA Group Meeting for Production Partner Companies (Gr. HCOM) twice every year in accordance with our group management policy, “HORIBA Group is One Company.” At each meeting, we report the business conditions of the HORIBA Group and our manufacturing initiatives. We also exchange information with our partner companies and award testimonials and supplementary prizes to partner companies that have cooperated with the



HORIBA group in a particularly effective manner.

The 18th HORIBA Group Meeting for Production Partner Companies was held at the HORIBA Group Training Center (also known as the FUN HOUSE) on August 18, 2009. For the first time, we adopted a round-table meeting style, with each group of companies in related industries holding round-table discussions. Representatives of individual companies talked about their “omoi” (thoughts) and exchanged views through candid discussions with HORIBA executives. A number of resolutions were adopted at this meeting, including the decision to hold a technological exhibition aimed at displaying the technologies of partner companies to the general public in fiscal 2010, organizing information exchange meetings for those working in the field, and holding a joint training seminar with partner companies as part of the HORIBA College program.



Award ceremony at the 17th HORIBA Group Meeting for Production Partner Companies (Award-winning company: Matsumoto Co., Ltd.)



Round-table discussions (FUN HOUSE, August 18, 2009)

Working Together with Our Suppliers

Interview with an Award Winning Member of the 17th HORIBA Group Meeting for Production Partner Companies

We interviewed Mr. Matsumoto, President of Matsumoto Co., Ltd., to which we outsource the plating, assembly and tuning of HORIBA products, about quality improvement initiatives at Matsumoto and his company's relationship with HORIBA.



Mr. Souki Matsumoto
CEO and President, Matsumoto Co., Ltd.
Gr. HORIBA RAKURAKU-KAI Chairman

Quality Improvement Initiatives

I have the temperament of a craftsman, so I feel a strong commitment to achieving technological excellence. We have installed the latest equipment to improve our technological skills. We also identify and analyze all problems related to quality at regular meetings, which we have been holding every Monday for the past 15 years, to provide detailed information to those working in the field. We obtained ISO 9001 Quality Assurance Certification in 1998, and thanks to the generous support of HORIBA, we were the first plating company of our size in Kyoto to obtain certification.

We will continue our quality-improvement initiatives to respond to the needs of HORIBA, which is committed to setting standards of the highest quality by providing products of first class quality.

Relationship of Trust with HORIBA

We have been serving HORIBA for the past 25 years. We fully appreciate the dedication (“omoi”) of Dr. Masao Horiba, HORIBA Supreme Counsel, and President Atsushi Horiba to maintaining relationships built on trust with partner companies. Thus, we are also committed to providing products of the highest quality in response to their commitment.

What interests me most about a company is the personalities of those who work for the company: HORIBA's employees are all hard working and warm-

hearted.

Just as our relationship with HORIBA is built on mutual trust, we also maintain good relations with other members of Gr. HORIBA RAKURAKU-KAI—we help each other and exchange ideas.

The 18th HORIBA Group Meeting for Production Partner Companies (Gr. HCOM)

Although HORIBA and our company have always been open and honest with each other, we also feel the need to develop a new relationship of mutual trust, as our companies have both grown in size. We are also faced with the necessity to overcome the difficult circumstances resulting from current economic conditions. For these reasons, I proposed open discussions between HORIBA and its partner companies about what we need to do under the present circumstances. Accordingly, we conducted a series of round-table discussions at the 18th Gr. HCOM.

Good communication channels exist between HORIBA and our company at the executive level. However, it is necessary to share more information among those who are working in the field. I believe this is a major issue that needs to be addressed at the Gr. HORIBA RAKURAKU-KAI meetings in 2010. HORIBA and its partner companies will continue to work collaboratively to develop greater mutual trust by utilizing various opportunities such as the technological exhibition proposed at the last meeting.

Working Together with Our Suppliers

Group Material Purchasing Policy

In consideration of the problems facing the global environment and local communities, we have adopted a policy for purchasing group materials that will provide only those high-quality materials needed for the HORIBA Group manufacturing activities in the amount needed, and when needed. We are working to achieve the following goals in accordance with this policy:

- 1 We shall reduce the delivery time, manufacturing time and costs by half.
- 2 We shall purchase materials that satisfy customer demand (subsequent processes).
- 3 We shall eliminate defective parts and materials from our suppliers and not accept defective parts or materials from suppliers.
- 4 We shall share information and provide training to improve our buyers skills.

Making Effective Use of the HORIBA Group's International Network for Global Purchasing

HORIBA Group companies in Europe, the United States and Asia are working together in each of these regions to develop global purchasing policies. Group companies set target prices for each region to reduce purchasing costs. To improve quality and reduce costs and procurement time in the purchasing and distribution of materials, the companies implement a range of measures based on common strategies and local policies. In addition to the bulk purchasing of materials, they maximize the use of materials from low-cost countries and screen suppliers to find those that can provide the highest-quality materials at the lowest prices.

■ Green Procurement

The HORIBA Group sets green procurement standards for purchasing of parts, materials and equipment and requests its partner companies to purchase materials that meet these standards.

Please visit the following website for information on green procurement by HORIBA Group companies:

<http://www.horiba.com/contact-us/procurement/>

Working Together with Our Employees

Under the company motto “Joy and Fun,” we develop employees’ technological skills as well as their general personal abilities through training programs. We also adopt policies to promote diverse work styles, including telecommuting and short working hours, to maintain a healthy balance between work and life and support the development of the next generation.

Three Basic Personnel Management Policies

With a view to achieving our company precept (working with “Joy and Fun”), we have adopted three basic personnel management policies to provide a work environment that enables each employee to seek challenges and enjoy the adventure of working on a global stage.

Shorter Working Hours and Telecommuting

In response to changes in employees’ family circumstances, we have adopted a shorter working hour system and a telecommuting system to maintain and improve employees’ work-life balance. In the shorter working hour system, employees’ working hours are set at 60% or 80% of general working hours, according to individual needs. The telecommuting system allows employees engaged in work that can be performed at home to work from home, normally for a maximum period of six months.

Celebrating Milestones in the Growth of Employees’ Children and Return to Work from Childcare Leave

As part of our support system for the development of the next generation, we offer money to employees to celebrate their children’s entrance into school and to celebrate their return to work. When an employee has a child, a photograph of the child is posted in the company newsletter to enable all company members to celebrate the birth and growth of the child.

Nearly all women who gave birth in fiscal 2009 took childcare leave. Three men with new babies also took childcare leave.

Open & Fair

We believe in disclosing all necessary company information and personnel rules to every employee. This policy ensures open competition and allows free communication between executives and employees, managers and staff, and among employees themselves. We also believe that all employees should have an equal chance and rewards in proportion to their contributions in a fair work environment.

Positive Evaluation System

Challenges always involve the risk of failure. If employees do not accept a challenge, they get no points in our evaluation system, even if they do not fail. If they accept a challenge, they receive a positive evaluation; and if their challenge brings them success, they will get extra points. We determine employee evaluations by how they attack their challenges.

Communication

Information is not what you communicate to others, but what you share with others. We have designed communication systems to allow staff to express their opinions and make proposals instead of managers passing information to their staff in one-way communications.

Working Together with Our Employees

Improving the Skill Level of Individual Employees to Enhance the Organizational Capacity of the Company

If we are to grow into a top global company with an annual income of 200 billion yen, we need to develop human assets that can act as the driving forces.

We started a HORIBA College project in 2009, to create an organization and system for developing personnel (human assets) who are able to achieve successful results on a global stage while contributing to the local communities.

In order to share the HORIBA philosophy, train first-rate personnel (human assets) with a global perspective and enhance our organizational capacity, HORIBA College offers approximately 280 training courses designed to raise participants' levels of knowledge, skills and business literacy, and to support individual employees in building independent careers.

We are developing global "human assets," i.e., personnel who are able to respond flexibly to changes in the business environment and are able to develop different strategies through self-training and on-the-job training, essential to ability development; and off-the-job training, including HORIBA College courses.

Topics for Fiscal 2009

① Ranked among the Top 25 Best Workplaces in Japan

HORIBA, Ltd. was ranked among the top companies for the third consecutive year due to our corporate culture being highly valued during this period.

② Change from temporary to permanent employment: Development of manufacturing technologies by maintaining our "human assets"

To ensure open and fair competition, we have introduced a system that allows employees to change from temporary to permanent employment. This enables us to utilize their high levels of skill and performance at work sites to improve organizational capacity.

③ Manners improvement project launched

This project was launched under the slogan "Let us confront difficulties with a positive attitude and excellent manners." The purpose of the project is to encourage first-class manners befitting HORIBA employees with a goal to enhance the value of the HORIBA brand, reduce production time by half and increase communication among employees.



Employees participating in the manufacturing/logistics course at HORIBA College (December 2, 2009)



Group work in the manufacturing/logistics course at HORIBA College (November 2, 2009)

Working Together with Society

We actively support education of the next generation through a range of events, such as programs in the areas of science, technology and environmental protection, which form the basis of HORIBA's business. These are in addition to science and engineering classes and cultural and sports events.

Environmental Communication

HORIBA is committed to maintaining communication with a large number of stakeholders, both inside and outside the company, through its corporate activities. We take advantage of every opportunity to exchange views with our stakeholders and reflect their views in our corporate activities for developing a win-win relationship.

Record of Environmental Communication in 2009

		FY2009
Number of published copies of the CSR Report (Gaiareport 2009, leaflet edition)	Japanese-language edition	7,200 copies
	English-language edition	2,000 copies
Copies of the CSR Report requested by individuals and groups outside the company		1,130 copies
Hits on Gaiapress website		11,360
Number of newspaper and magazine advertisements		8
Number of environmental exhibitions for the general public		3
Number of on-site seminars (environmental experiment workshops), open house events and training sessions for external institutions		18
Number of copies of the HORIBA 2009 calendar, <i>Fishes in an Underwater Paradise</i>		46,326 copies
Number of IMS inquiry sheets received		170

* For further information regarding IMS inquiry sheets, please see the following page, Working Together with Society (2/3).

Programs for company tours, on-site seminars and open house events in 2009

	Events	Total number of participants
On-site seminars	10	278
Open house events	1	66
Training sessions for external institutions	7	61

Scope: HORIBA, Ltd.

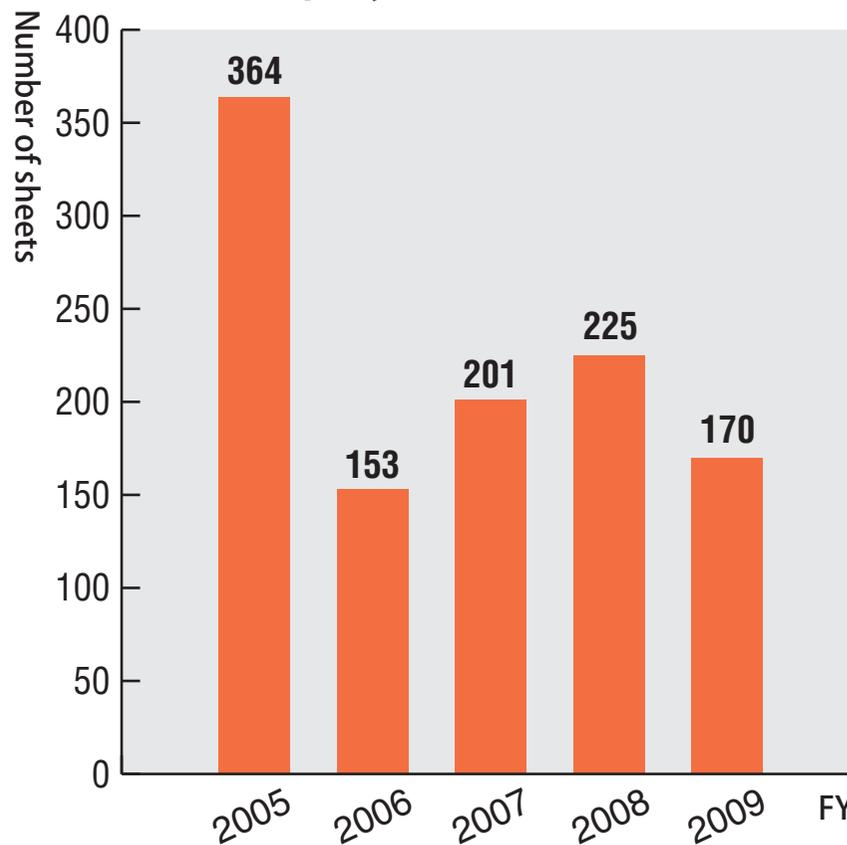
Working Together with Society

IMS Inquiry Sheets

We issue IMS inquiry Sheets to provide appropriate responses to our stakeholders' survey requests, questionnaires, inquiries and proposals concerning our policies pertaining to product quality, environmental protection, and occupational health and safety.

We received 170 inquiries in 2009, down approximately 15 % compared to the previous year. Overall there has been a decline in the total number of inquiry sheets resulting from fewer surveys on chemical substances, while the percentage of surveys and questionnaires on matters related to quality, the environment and corporate social responsibility has increased. We will continue to respond promptly to inquiries from stakeholders to maintain open communication.

Trend in the Number of IMS Inquiry Sheets Received



* There was an error in the number of sheets received in 2008 in Gaiareport 2009: 228 should have read 225.

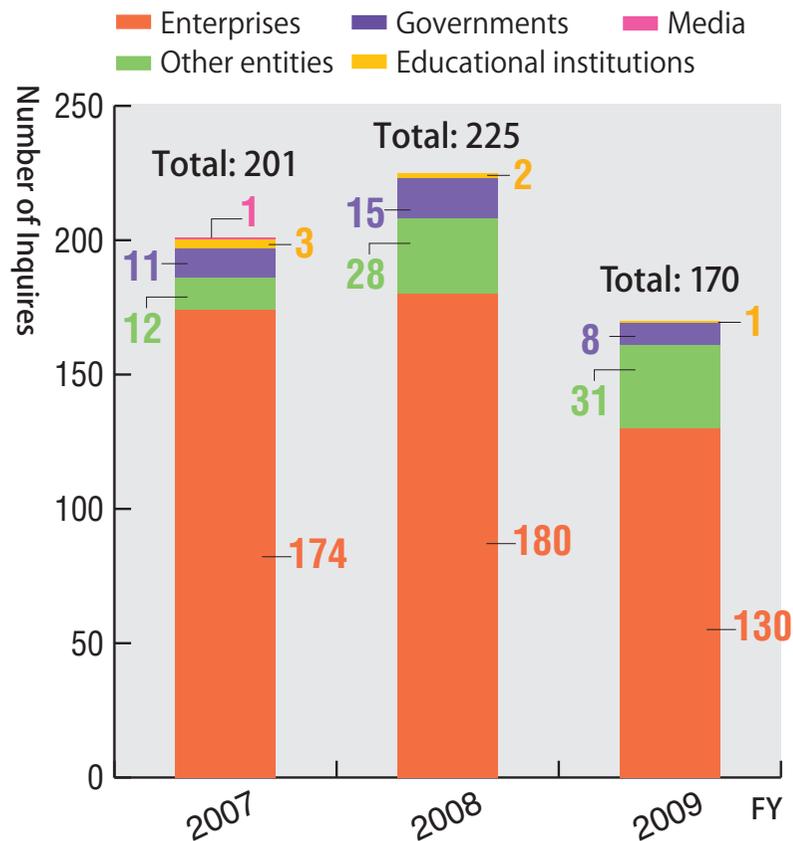
* The increase in the number of sheets in 2005 was due to a rapid increase in the number of surveys on asbestos.

* Due to a change in our accounting period for fiscal 2006, data was collected over a nine-month period and extrapolated to cover a 12-month period.

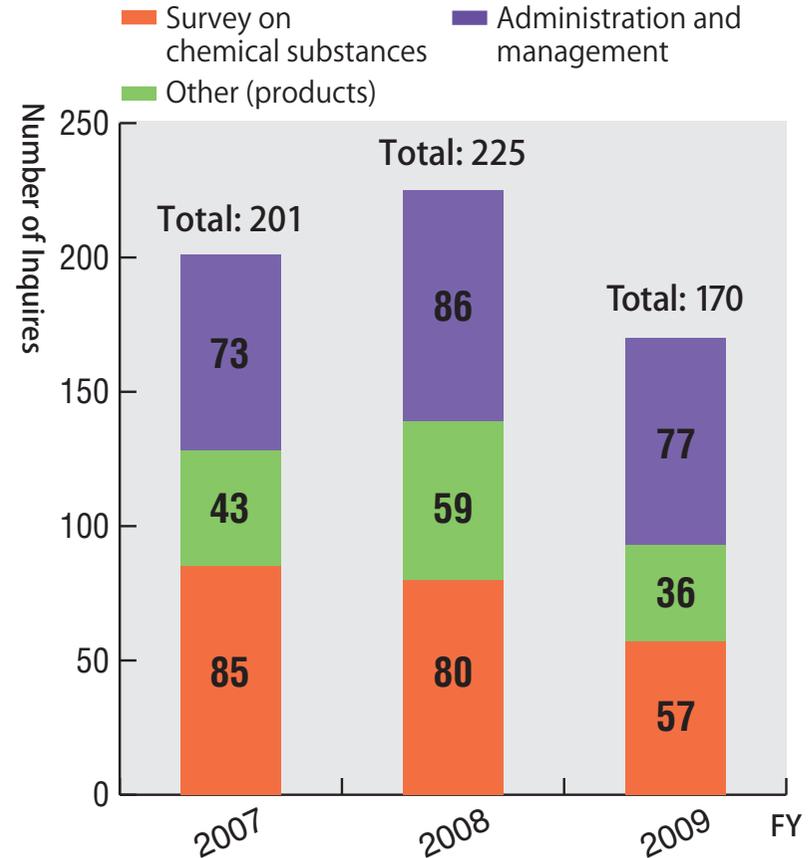
* The name of the sheet was changed from Communication Sheet to IMS Inquiry Sheet at the beginning of July 2009.

Working Together with Society

Trend in the Number of IMS Inquiries by Stakeholder



Trend in the Number of IMS Inquiries by Subject



Chemical substances: Green procurement, WEEE/RoHS, asbestos, other hazardous substances, etc.
Administration and management: Corporate governance, relevance to CSR, etc.

The graphs show the number of inquiries by stakeholder and by subject from 2007, when data was collected for the first time.

Title : Working Together with Our Stakeholders

HORIBA Sensor Travels into Space

Traditional Low Technology Used in the Most Advanced Experiments in Space: HORIBA's Electric Conductivity Sensor

HORIBA's electric conductivity sensor was transported into space onboard space shuttle Discovery in April 2010 for use on the International Space Station (ISS).

The sensor was originally designed to be used for chromatography*, a method for separating a compound into its constituent elements. On the ISS, however, the sensor will be used in the process to purify intravenous (IV) fluid for emergency surgery onboard the space shuttle. Experiments are being conducted to recycle urine into water for drinking and cooking in space, where water supplies are limited. Although solutions other than urine are used for IV fluid, it is necessary to make continuous measurements of electric conductivity to check the purity of water and the concentration stability of IV fluid.

HORIBA's sensor was selected for two main reasons: It is capable of measuring a trace amount of sample to a high degree of sensitivity; and it is made of glass, enabling simple confirmation that no air bubbles are present in the fluid injected into human blood vessels.

The glass electrodes of HORIBA's sensor are made by skilled workers using traditional low-tech methods. Craftsmanship passed down through generations was used in the most advanced experiments in space.

* Chromatography: A method used to separate and refine constituent elements, mixed in a liquid, based on differences in size, absorption, electric charge, mass, and hydrophobic properties.



HORIBA's electric conductivity sensor travels into space

Title : Working Together with Our Stakeholders

HORIBA College Opens to Develop “Human Assets” and Enhance Organizational Capacity

HORIBA College Opens

If we are to grow into a top global company with an annual income of 200 billion yen, we need to develop human assets that can serve as the driving forces.

We started the HORIBA College project in 2009 to create an organization and system for developing personnel (human assets) who are able to achieve successful results on a global stage while contributing to the local communities.

To share the HORIBA philosophy, train first-rate personnel (human assets) with a global perspective and enhance our organizational capacity, HORIBA College offers approximately

280 training courses designed to raise participants’ levels of knowledge, skills and business literacy, and to support individual employees in building independent careers.

We are developing global “human assets,” i.e., personnel who are able to flexibly respond to changes in the business environment and develop different strategies through self-training and on-the-job training, essential to ability development; and off-the-job training, including HORIBA College courses.



Group work in the manufacturing/logistics course at HORIBA College (November 2, 2009)

Title : **Working Together with Our Stakeholders**

Contributions to the Development of the Automobile Industry in India and to Environmental Protection

Participation in an Automobile Development Project in India Utilizing HORIBA Measurement Technology

In a bid to expand its automobile industry to become the second largest industry after IT, India is currently engaged in a project to construct six research centers and related facilities required for the testing, research and development of automobiles. As part of the project, HORIBA will deliver a bulk order of automotive emission measurement systems to four of the research centers in India. We take great pleasure in supporting the development of India's automobile industry and contributing to the protection of the global environment with our measurement technology.



An automotive emission measurement system

Teaching Children the Joy of Creative Manufacturing

The Kyoto Manufacturing Hall of Fame was opened

The Kyoto Manufacturing Hall of Fame (Kyoto Monozukuri no Dendo) was opened in February 2009 inside the Kyoto Learning and Lifestyle Academy (Kyoto Manabi no Machi Ikikata Tankyukan). HORIBA Supreme Counsel, Dr. Masao Horiba, supports the Hall of Fame in his role as Chairman of the Committee for the Development of Education in the 21st Century, which was set up to promote education projects.

The Manufacturing Hall of Fame was opened as part of a project to stimulate children's interest in creative manufacturing while developing their artistic and social skills. Many exhibits depicting the studies and achievements of business entrepreneurs and scientists who lived in Kyoto are displayed on panels and video screens in the hall. In the hands-on learning corner, HORIBA holds on-site seminars on creative manufacturing to teach middle and upper-grade elementary school children about the joy of manufacturing.



HORIBA Supreme Counsel, Dr. Masao Horiba, delivering a speech at the opening ceremony



HORIBA on-site seminar in the hands-on learning corner

One of the Best Companies to Work for in Japan

Ranked among the Top 25 Best Workplaces in Japan for Four Consecutive Years

The results of the fourth survey on Best Workplaces in Japan, conducted by Great Place to Work® Institute Japan (GPTW), were announced on March 1, 2010: HORIBA, Ltd. was once again ranked among the top 25 companies for the fourth consecutive year.

GPTW Japan has identified five dimensions that define the best companies to work for: credibility, respect, fairness, pride and camaraderie. The survey includes a questionnaire for company executives

concerning the company system and corporate culture, as well as questions for a random sample of employees. Employee responses account for two-thirds of the survey, thereby allowing employees' opinions to be more strongly reflected in the final evaluation.

At HORIBA, we work in line with the company motto "Joy and Fun," and have basic policies of open and fair competition, positive evaluation and communication. The results of the questionnaire conducted among our

employees showed many positive responses to survey questions, such as "I am allowed to perform responsible tasks" or "Our company makes great contributions to local communities and society."

We believe that the results of the survey are based on long-term evaluation of HORIBA's corporate culture. We will continue to maintain open and fair communication in order to be ranked among the best companies to work for.



Ranked 9th in 2007



Ranked 6th in 2008



Gaiapress (1)

Gaiapress—Communication with Nature, the Environment, Life and the Unknown

HORIBA has been hosting the website, Gaiapress, since the early days of the Internet in 1996. This website presents information on a wide range of topics to promote a better understanding of nature, the environment, life and the mysteries of science. These topics provide opportunities for people to think about the value and potential of analytical and measurement technology and sensors, which play essential roles in our lives and business

activities. Gaiapress is also highly sensitive to current social issues and is expanding its coverage of topics in response to readers' questions.

Based on our belief that scientific development always starts with the question “Why?” we will continue to promote communication with readers through Gaiapress.

Gaiapress
<http://www.jp.horiba.com/sensorium/>



Gaiapress has continued to expand its coverage of topics since 1996. The total number of hits on the website was 11,360 in 2009.

Gaiapress (2)

Major Web Pages of Gaiapress

Red Data Animals ~ The Ark of Gaia ~

This web page contains information on endangered species of animals that have been listed in different versions of the Red List (IUCN Red List of Threatened Animals) up until 2004, published by the International Union for Conservation of Nature (IUCN). It provides us with an opportunity to focus our attention on the importance of the rich diversity of life as an invaluable asset of the world.



Wonder CHANNEL ~ Amazing Abilities of Living Things Revealed through Images ~

The videos on these web pages highlight the amazing sensing abilities of animals, insects and plants, and enable us to appreciate the importance of feeling and measuring the existence of living things from different perspectives.



SUPER SENSORIUM

These web pages provide information on the life networks, biodiversity and capabilities of living things. Readers are also able to learn about the Convention on Biological Diversity and the Biodiversity Center of Japan.



Super Nature Mystery Exploration Party

These web pages present many interesting mysteries in three different categories: the Mysterious World of Living Things, Communicating with the Unknown and the Mysteries of Science. Join us in as we explore unknown worlds that are the subject of scientific study.

Gaiapress (3)

Earthrium What does the Earth really look like?

Earthrium began in March 2006 on the Internet as a joint project between HORIBA, Ltd. and the Think the Earth Project team. This website provides views of planet Earth from different perspectives using computer-generated terrestrial globes.

How does global warming occur? What did the Earth look like three billion years ago?

In what countries is English spoken? What does an aurora look like when viewed from space? Which parts of the Earth were inhabited by tyrannosaurs?

Rotate the globe on your screen to reveal new and exciting information about planet Earth.



A Wide Range of Other Topics

This web page provides information on related websites including the HONEST Acid Rain Information Network and the Animal Conference on the Environment, the animation of which was broadcast on television in Japan beginning in March 2010, as mentioned in the “Topics” section.

SENSORIUM

This web page explains the mysteries behind measurement technology through Omoshiro Bunseki Zukan (Analysis with Amusing Illustrations) and Bunsekigaku Nyumon (Introduction to Analysis). We also answer readers’ questions about analytical and measurement technology.



GAIA MUSEUM

Here you can enjoy different views of the Earth—See how the Earth appears at night when viewed from Space and what the Earth looked like 4.5 billion years ago.



Initiatives in 2009 (1)

HORIBA plays an active role in environmental events held for the general public. We take great pleasure in providing opportunities for mainly elementary and junior high school students to consider environmental issues in terms of analytical and measurement technology.

The major environmental events that we endorse and support are listed below.

● **The Kyoto International Cartoon Exhibition**
(Sponsored by the NPO Kyoto International Cartoonist Congress (KICC))

* Held biennially

● **BIKKURI! ECO 100sen – A Hundred Surprising Selections from Ecological Topics**
(Sponsored by BIKKURI! ECO 100sen Executive Committee)

Youngsters' Science Festival Kyoto
(Sponsored by the Kyoto Municipal Science Center for Youth)

● **Kids Engineer**
(Sponsored by the Society of Automotive Engineers of Japan)

We co-sponsored these events and exhibited our products in 2009 (with the exception of the Kyoto International Cartoon Exhibition, which is held biennially).

● **BIKKURI! ECO 100sen 2009 – A Hundred Surprising Selections from Ecological Topics**

“Although I often hear people talk about the environment and ecological issues, I don’t really understand what they mean.” “What do I actually need to do to become environmentally friendly?”— In order to help people gain understanding, we present an extensive selection of ecological topics (100 in total) in August every year at the Takashimaya department stores in Kyoto and Shinjuku, which attract many visitors. In December of 2009, we presented all ecological slogans collected from past events to the COP15 Copenhagen Climate Change Conference. In addition, we organize other events such as the Kyoto Protocol Birthday Walk held in Kyoto in February each year.

HORIBA has been participating in these events and exhibitions since they first began in 2005.

This workshop was held for elementary school students and their parents at BIKKURI! ECO 100sen 2009. We worked together with more than 30 participants to conduct various experiments using HORIBA pH meters and air pollution monitoring machines.



Takashimaya department store in Kyoto, August 13, 2009

BIKKURI! ECO 100sen official website:
<http://www.eco100.jp/>

Initiatives in 2009 (2)

● Kids Engineer 2009

Kids Engineer is a hands-on learning event especially designed for children to stimulate their interest in engineering, to provide opportunities for them to experience science and technology related to automobiles, and to discover the joys of manufacturing. HORIBA has participated in this event since it first began in 2008. In 2009, we conducted experiments using air pollution monitoring machines and pH meters. In addition, Tomoki Aoyama, a HORIBA employee who participated in the 49th Antarctic Expedition Party, spoke to participants about his experiences in the Antarctic.



Nagoya Trade and Industry Center, August 21, 2009

● 14th Youngsters' Science Festival Kyoto

HORIBA has participated in this event since it first began. The festival was held over two days in 2009 with 6,100 visitors, including elementary school children and their parents. HORIBA conducted experiments to measure familiar objects using pH meters and discussed acid rain with participants.

TV Animation of the Animal Conference on the Environment

HORIBA has supported the Animal Conference on the Environment, which has gained recognition worldwide, since it became Official Partner.

The Animal Conference on the Environment began in 1997 on Gaiapress, a website hosted by HORIBA, to coincide with the Kyoto Climate Change Conference (COP3). HORIBA has continued to participate in the running of the Animal Conference as official program partner, even though it is now managed independently.

This website is designed to teach children the joy of thinking by providing opportunities for them to consider environmental issues in a fun and enjoyable manner with the help of unique animal characters gathered from around the world. The stories posted on the website have also been published as four picture books and translated into different languages including South Korean and Taiwanese. In South Korea they are used as supplementary readers in elementary schools, and are gaining widespread popularity in other

countries as well. The program has received recognition in various arenas: in 2008 it was chosen for an affiliated event at the Tokyo International Film Festival; and in 2009 it was invited to participate in the Forum International Cinéma & Littérature in Monaco, where it received international acclaim by animated film makers in Europe. In March 2010, several months before the Nagoya Conference on Biodiversity, an animated series entitled “The Animal Conference on the Environment” (NHK Education Channel), based on the stories told on our website, was broadcast here in Japan.

As official partner of the Animal Conference on the Environment, HORIBA will continue to create opportunities for children to experience the joy of thinking.



The Animal Conference on the Environment official website : <http://zomama.jp/>



Various animal characters representing different countries around the world

Grand Prize Winner at the 2009 Japan B to B Advertising Awards

Unique concepts and Messages were praised

At the 30th Japan B to B Advertising Awards in 2009, the largest and only B to B (business to business) advertising awards in Japan, a HORIBA, Ltd. poster entitled “Frog Choir Facing Disbandment!” was chosen as the most outstanding work from among gold-prize winning works in different categories, receiving the grand prize, the Minister for Economy, Trade and Industry Award.

Our business catalogue and calendar were also highly praised as works that have greatly contributed to brand development among B to B companies. Their clear design concepts and powerful, highly original messages, won silver prizes in each of the respective categories. We will continue to send our message to society based on original concepts.

Intended Message of the Poster

The growing seriousness of environmental damage has led to the expression “endangered species” becoming widely known. However, few people are aware that frogs, which we learn about in childhood, are also facing a serious crisis. From our perspective as a manufacturer whose business activities include environmental analysis, we created a poster that sends a strong message to society using the familiar image of frogs singing in chorus in order to highlight the serious crisis facing this biological species caused by environmental pollution.



Winner of the Minister of Economy, Trade and Industry Award
“Frog Choir Facing Disbandment!”



Designer: Kazuya Setaka
HORIBA, Ltd. Corporate Communications Office



Silver Prize Winner in the Business Catalogue Category
“abiroh 2009”



Silver Prize Winner in the Calendar Category
Fishes in an Underwater Paradise

Quality Improvement Initiatives

In addition to striving to achieve our quality goals, we also carry out a wide range of quality improvement initiatives, such as providing training, holding competitions, presenting awards and passing down knowledge and experience.



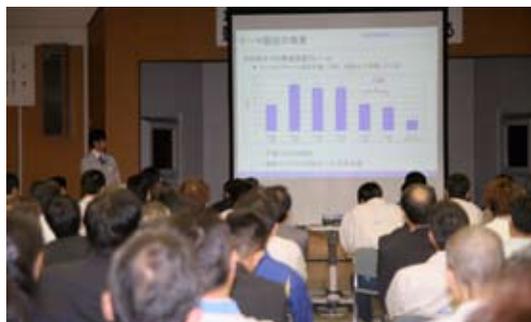
Basic Skill Training

Special training was provided for new technical staff members of HORIBA, Ltd., HORIBA Techno Service Co., Ltd. and HORIBA Advanced Techno Co., Ltd. (April 14–17, 2009)



2nd Technical Olympics

Assembly technicians from HORIBA Group companies and production partner companies competed in terms of their assembly skills, aiming to improve them. (July 23, 2009)



3rd HORIBA Group Product Quality Improvement (PQI) Competition

This event brought together representatives from HORIBA Group companies and partner companies, who gave presentations on their initiatives, aimed at improving their products and services, and competed for high ratings. (November 4, 2009)



GET WAY Different departments involved in the series of processes from product development to marketing, such as research, development, production and sales sections, work in close cooperation to compile a comprehensive guidebook. They do this by sharing their knowledge and experience, and thereby more efficiently communicate HORIBA's development and production processes to help people better understand them, and identify relationships between relevant departments.

Occupational Health and Safety Initiatives

We work to improve our occupational health and safety conditions through systematic provision of education and training, so that all our staff members can work with peace of mind.



Tokyo Area Fire Drills

Joint fire drills for building tenants were carried out at the Tokyo Branch and Tokyo Sales Office of HORIBA, Ltd. (January 21, 2009)



3rd HORIBA Group Firefighting Training

Fire-fighting teams from HORIBA Group companies participated in this event, which was held in cooperation with the local fire department. (June 9, 2009)



Biwako Plant Fire Drill

A fire drill took place at the Biwako Plant with the supervision and cooperation of the local fire department. (June 10, 2009)



Safety patrol by the top management

The top management carried out a safety patrol at the head office of HORIBA, Ltd., checking on accident risks mainly in the head office and adjoining main factory to prevent accidents from occurring and identify the actual conditions of occupational health and safety management. (July 24, 2009)



Minami Ward Fire-fighting Team Training

HORIBA, Ltd. sent its own fire-fighting team to a fire-fighting training event hosted by the Minami Ward Association of Private Fire-fighting Teams, formed by business establishments based in the jurisdiction of the Minami Fire Station, Kyoto City Fire Department, to let it exhibit the results of its usual training. (September 4, 2009)



Two-thousand consecutive days with no accidents

October 21, 2009 marked the 2,000th consecutive day, stretching back to May 1, 2004, with no accidents in the head office of HORIBA, Ltd.

KEYWORDS

Occupational Health and Safety | Fire Drills | Firefighting Training | Safety Patrol | Consecutive Days with No Accidents

Occupational Health and Safety Initiatives



HORIBA Advanced Techno Co., Ltd. invited a lecturer from the Traffic Section of Kyoto Minami Police Station, Kyoto Prefectural Police, and held a safe driving seminar for those applying for authorization to drive company cars. (October 6, 2009)



A road safety seminar, given by a guest lecturer from the Traffic Section of Kyoto Minami Police Station, Kyoto Prefectural Police, was provided for cycling commuters at the head office of HORIBA, Ltd. (January 19, 2010)



A company cafeteria committee, made up of members from the employee benefits sections of HORIBA Group companies, national registered dieticians, and public health nurses, has been formed to help employees maintain and improve their health, and to enhance the services of their company cafeterias.



Each HORIBA Group company makes efforts to promote road safety. Their innovative initiatives include equipping their company cars with traffic control systems and drive recorders produced by HORIBA ITECH Co., Ltd. to accumulate data. Not only do they monitor each drive but also they identify close-call incidents, and the data is used to prepare learning materials for safe driving seminars that are held four times a year.

KEYWORDS

| Occupational Health and Safety | Safe Driving Seminar | Road Safety Seminar | Health Promotion | Company Cafeteria Committee | Drive Recorders

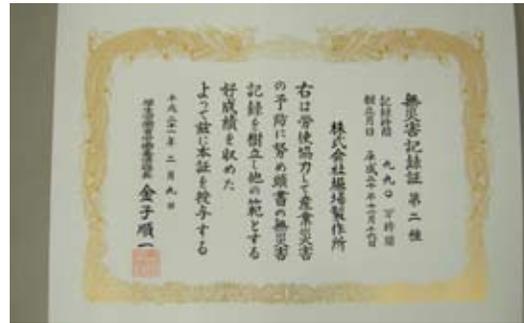
Occupational Health and Safety Initiatives

We have been honored for our steady efforts to improve occupational health and safety.



Granted the AED installation mark

HORIBA, Ltd. was granted the AED installation mark by the Mayor of Kyoto for its installation and advanced management of automated external defibrillators (AEDs) in a ceremony that celebrated the fact that the number of lifesaving seminar graduates had reached 20,000. (February 8, 2009)



Second Category Zero-accident Record Certificate granted

HORIBA, Ltd. was granted a no-accident record certificate by the head of the Kyoto Shimo Labor Standards Supervision Office, Kyoto Labor Bureau, for meeting the criteria for the Class II certificate of 9.9 million hours (total labor time) set by the Ministry of Health, Labor and Welfare. (February 18, 2009)



Won the Excellent Safe Driving Manager Prize

Yoshifumi Nakamura, an employee of HORIBA Advanced Techno Co., Ltd., was awarded the prize by the superintendent of the Kyoto Prefectural Police and the Kyoto Prefecture Road Safety Association. (April 8, 2009)



Won the Encouragement Award from the Director of the Kyoto Labor Bureau

HORIBA, Ltd. won the Encouragement Award from the Director of the Kyoto Labor Bureau at the Kyoto Health & Safety/Working Environment Improvement Convention 2009. (July 7, 2009)



Received a certificate of appreciation from the Japanese Red Cross Society

HORIBA, Ltd. received a Japanese Red Cross Society Certificate of Appreciation at the Japanese Red Cross Society Blood Donators Commendation Ceremony 2009, in which HORIBA STEC Co., Ltd. was awarded the District Leader Prize (for donating blood for over 10 years). (October 21, 2009)

KEYWORDS

| Occupational Health and Safety | Prize | Commendation | Zero-accident Record | Safe Driving Manager | Working Environment Improvement | AED | Certificate of Appreciation

Exhibitions and Networking

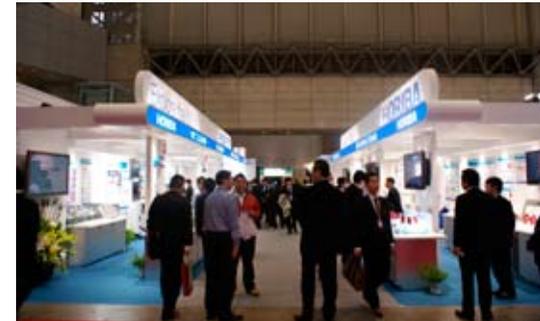
HORIBA Group companies participate in a total of about 40 exhibitions each year to actively advertise their new products and technological expertise. At the same time, the Group places great importance on further improving its hospitality. It does this by for example through initiatives such as the HORIBA Hospitality Suite. This provides HORIBA with invaluable communication opportunities not only to listen directly to customer views and reactions but also to deepen its relationships with its customers.



Automotive Engineering Exposition 2009, Japan's largest automotive engineering exhibition for automotive engineers (May 20–22, 2009)



JAIMA EXPO 2009, hosted by the Japan Analytical Instruments Manufacturers Association (September 2–4, 2009)



SEMICON Japan 2009, the world's largest exhibition on semiconductor production systems and materials (December 2–4, 2009)



HORIBA Hospitality Suite

We organize IR seminars, presentations for investors, and other events concurrently with exhibitions, so that we can let as many people as possible know about HORIBA. The HORIBA Hospitality Suite is an event that we hold during exhibitions. We invite customers and other people involved in relevant industries to it to provide them with the opportunity of networking with other users, and to strengthen our relationships with users.

Support for HORIBA's Athletes

HORIBA has employees who are Japan's leading athletes and successfully balance their careers as athletes with their working careers at HORIBA by fulfilling their work responsibilities just as other employees do.



Individual 2nd place in the Asian Archery Grand Prix

Yuki Hayashi, an employee of HORIBA, Ltd. and a member of the Japanese Female Archery Team for the Beijing Olympics, had an individual 2nd place and won the championship in the team competition in the Asian Archery Grand Prix held in Bangkok, Thailand, in February 2009. Moreover, she was awarded the KAGAYAKI Award by Kyoto Prefecture in March 2009 in the Kyoto Prefecture Sports Awards 2008 for her great contribution to the promotion of sports.



Won the All Japan Orienteering Championships

Yoko Bamba, an employee of HORIBA, Ltd., won the All Japan Orienteering Championships in March 2009. She has also qualified for the World Orienteering Championships 2010 by coming first in the middle-distance and sprint categories in the qualifying trials.

Family-friendly/Communication

HORIBA sees its employees and their families as important stakeholders. We believe that we can provide even better working conditions by inviting employees and their families to a wide variety of events and letting them know more about HORIBA.



HORIBA Group Thanks Day

Employees planned and implemented events designed to promote communication with employees and their families in different parts of Japan. (May 2, 2009)



HORIBA Open House 2009

We invited employee families to the head office and adjoining main factory of HORIBA, Ltd. to introduce them to HORIBA by letting them go on a factory tour, giving them hands-on experience, and so on. (November 3, 2009)

Initiatives for Growth of the Analysis and Measurement Industry



We contribute to growth of the analysis and measurement industry, for example by actively participating in activities of organizations in the industry and providing young researchers from across the world with grants.



Appointed to vice-chair the JEMIMA

Atsushi Horiba, Chairman, President & CEO, HORIBA, Ltd. was appointed to Vice Chairperson and Kansai Branch Director of the Japan Electric Measuring Instruments Manufacturers' Association (JEMIMA) in May 2009. He also acts as President of the Japan Analytical Instruments Manufacturers Association (JAIMA). HORIBA employees also actively take part in committee activities of these associations and related academic associations, attesting to the Group-wide efforts to help the analysis and measurement industry to grow.



Masao Horiba Awards 2009

The Masao Horiba Awards were launched in 2003, a year that marked the 50th anniversary of HORIBA, Ltd., to support young researchers engaged in analysis- or measurement-related research. A specific theme is set for each year, encouraging researchers in Japan and abroad to conduct unique research on that theme. The theme for 2009 was "Ultrasensitive and Nondestructive Detection of Surface Contamination on Semiconductor and Related Materials." (October 19, 2009)

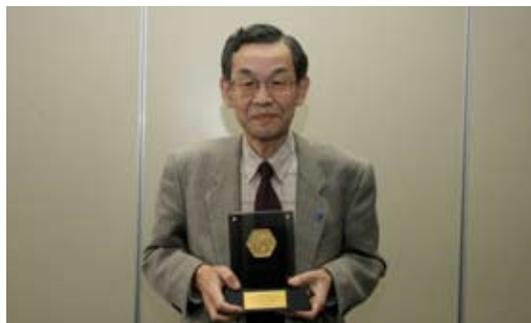
KEYWORDS

: | Analysis and Measurement Industry | JEMIMA | Japan Electric Measuring Instruments Manufacturers' Association | Japan Analytical Instruments Manufacturers Association | Masao Horiba Awards

Initiatives Related to Technologies and Inventions



HORIBA's initiatives in analysis technology research are highly regarded.



Our ion sensor development commended by the Minister of Education, Culture, Sports, Science, and Technology Award

Takashi Aomi of HORIBA, Ltd. received the Award for Science and Technology (in the category of technology) in the Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology 2009, for his development of ion sensors and analytical equipment using them. (April 14, 2009)



Honored in the 53rd Kyoto Prefecture Award for Outstanding Inventors and Other Persons of Merit 2009

A total of nine employees from HORIBA, Ltd. and HORIBA STEC Co., Ltd. were honored in the 53rd Kyoto Prefecture Award for Outstanding Inventors and Other Persons of Merit 2009. (April 23, 2009)



The 2009 Technology Award awarded by the Japan Society of Corrosion Engineering

HORIBA's Radio Frequency / Pulse Glow Discharge Optical Emission Spectroscopy (rf/pulse-GD-OES) won the 2009 Technology Award in JSCE Materials and Environments 2009, hosted by the Japan Society of Corrosion Engineering. (May 22–25, 2009)

KEYWORDS

:| Technologies | Inventions | Awards | Award for Science and Technology | Award for Outstanding Inventors and Other Persons of Merit | Technology Award | Japan Society of Corrosion Engineering

Human Resource Development Support (Education) to Nurture the Next Generation



HORIBA provides educational support in many different ways.



Atsushi Horiba, the Chairman, President & CEO of HORIBA, Ltd., chairs the Kyoto Educational Association. It is made up of members representing businesses, universities and local communities, and has been working to promote education and human resource development. For example, it holds the Kyoto 21st Century Education Creation Forum every two months. (Photographed at the Kyoto Educational Association First Anniversary Symposium on June 10, 2009)



Provision of on-site seminars

HORIBA offers on-site seminars on biodiversity, the environment and other themes in local facilities and schools to communicate the importance of measuring and feeling things through these seminars, in which HORIBA products and experiment devices are used. During the past five years, about 2,100 people have attended these seminars.



On-site learning for neighboring junior high school students

The head office of HORIBA, Ltd. accepted two junior high school students in Kyoto City as participants of a hands-on career exploration program and provided them with five days of on-site learning at the head office of HORIBA, Ltd. (May 18–22, 2009)



Received a letter of appreciation from Kyoto City for donating comic books entitled Kyoto Monozukuri Retsuden (Stories of Kyoto Manufacturers)

HORIBA is one of the supporters of the Kyoto Children's Manufacture Project, which Kyoto City has been promoting. It compiled and donated comic books entitled Kyoto Monozukuri Retsuden (Stories of Kyoto Manufacturers). HORIBA received a letter of appreciation from Kyoto City for this donation. (December 22, 2009)

KEYWORDS

: | Educational support | Human Resource Development Support (Education) to Nurture the Next Generation | Kyoto Educational Association | On-site seminars | On-site learning | Kyoto Monozukuri Retsuden | Kyoto Children's Manufacture Project

Human Resource Development Support (Sports) to Nurture the Next Generation



Supporting the U-13 Kyoto Soccer Team with its tours to France

We supported the U-13 Kyoto Soccer Team with its tours to France for two years. As part of this program, we have also invited the team to our factories in France.

In addition, we also provide support for the junior team of Kyoto Purple Sanga, the local soccer club competing in the J League Division 1. This includes equipping the playing field of the Biwako Plant with the facilities required for night matches for the team.

Environmental Protection Initiatives

While HORIBA is working to provide customers with environmentally friendly products and services as a manufacturer of analytical and measurement equipment, individual HORIBA employees care greatly about environmental problems in their daily lives and actively participate in environmental events, cleanups and other environmental activities.



Participating in the Kyoto Eco-Point Model Project
HORIBA is a supporter of the Kyoto Eco-Point Model Project. We purchase carbon credits to offset our electricity consumption at exhibitions. (The above photograph shows a carbon offset certificate based on CO₂ emissions resulting from energy consumption at exhibitions.)



Participating in the Suma Cleanup
Many HORIBA employees take part in the Suma Cleanup, which takes place on the Suma Coast in Kobe City twice a year. (April 19 and September 27, 2009)



Lecturing about his experience in the South Pole
Tomoki Aoyama, an employee of HORIBA, Ltd., who had stayed at the South Pole for about one year as a member of the 49th Japanese Antarctic Research Expedition, gave a lecture in his hometown about Antarctic research. (May 9, 2009)



Our local consumption of local products initiatives introduced
We have been approved by Kyoto Prefecture as an "Enjoy Food Made in Kyoto" facility and carry out various initiatives to promote local consumption of local products in our company cafeterias. These efforts were covered in the Local consumption of local products Seminar co-hosted by the Kinki Regional Agricultural Administration Office and the Kansai Economic Federation. (July 9, 2009)



Commended for our corporate efforts to improve dietary behavior
The local consumption of local products initiatives that the head offices of HORIBA, Ltd. and HORIBA STEC Co., Ltd. had been working on by promoting use of locally produced vegetables was commended by the Japan Produce Alliance for Better Health as a corporate activity that contributes to improving dietary behavior. (February 25, 2010)



Trash Research on Commuting Roads
Volunteers from among the HORIBA Group company employees and their families picked up trash and conducted trash research on commuting roads. (October 25, 2009)

KEYWORDS

Environmental Protection | Kyoto Eco-Point Model Project | Suma Cleanup | South Pole | Local Consumption of Local Products | Enjoy Food Made in Kyoto | Dietary Behavior Improvements | Trash Research on Commuting Roads | Cleanups

Environmental Protection Initiatives



Cleanup around the company

Volunteers from among HORIBA STEC employees cleaned up around the head office. (October 31, 2009)



Received a letter of appreciation from the Kamo River Environment Improvement Association

The former employee association of HORIBA, Ltd. received a letter of appreciation from the Kamo River Environment Improvement Association, a volunteer organization established to promote river environment improvement and preservation. The former employee association is the only private-sector company body among the members of the Kamo River Environment Improvement Association. (November 28, 2009)

Won the Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award and Nikkei Science Advertising Award in the 58th Nikkei Advertising Awards

HORIBA, Ltd. won the Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award and Nikkei Science Advertising Award in the 58th Nikkei Advertising Awards. The Nikkei Advertising Awards are the most prestigious and most credible advertising awards in Japan. HORIBA has received the Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award for five consecutive years. In three of them, including 2009, it won the Material and Industrial Machinery Section Prize. The Nikkei Science Advertising Award was also awarded to HORIBA for the second consecutive year, and it won top prize in 2009.

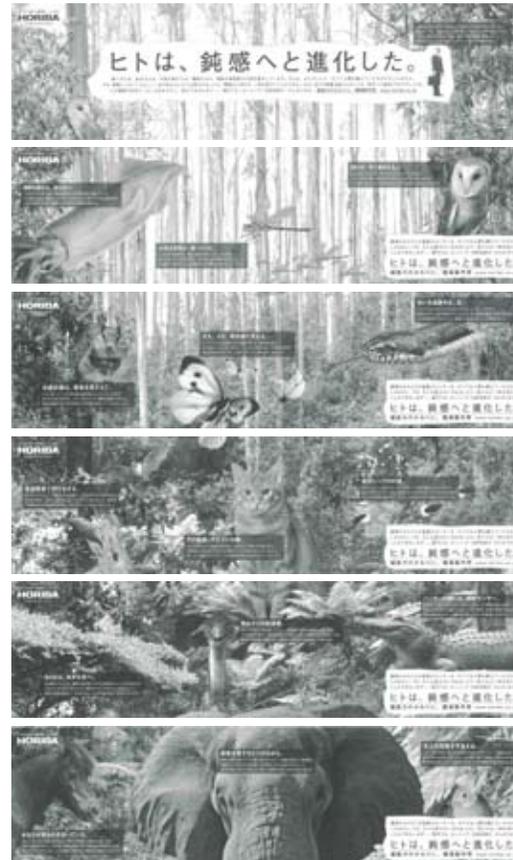


Winner of the Industrial Machinery Section Prize in the 36th Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award “Evolution has made human beings less sensitive.”

< Advertising concept >

The theme of the advertising is “biological sensors.” It features the concept that human beings have opted to lose their own sensory functions in the course of their evolution and civilization, while many other creatures have enhanced their unique sensory functions to survive.

- Planned by: HORIBA, Ltd.
- Produced by: Best Crews inc.
- Creative director : Haruo Inatomi
- Art director : Daisuke Ishii (aLTENa)
- Designer : Daisuke Ishii
- Producer : Eiji Kawachi (HORIBA, Ltd.)
- Copywriter : Haruo Inatomi



Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) advertising made up of three parts, as elements constituting one image

KEYWORDS

: | Advertising | Nikkei Advertising Awards | Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award | Nikkei Science Advertising Award

Won the Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award and Nikkei Science Advertising Award in the 58th Nikkei Advertising Awards

Environment



Winner of the top prize in the 38th Nikkei Science Advertising Award
 “HORIBA Wonder Wonderful”

< Advertising concept >

This advertising emphasizes the fact that HORIBA is an analytical and measurement equipment manufacturer that supports research and development activities by highlighting researchers and their research themes. The capital letters “W” in the title, “Wonder Wonderful,” suggest “Win & Win.”

- Planned by: HORIBA, Ltd.
- Produced by: Nikkei Advertising Co., Ltd.
- Creative Director : Masaaki Ishikawa (Nikkei Advertising Co., Ltd.)
- Art Director : Tadashi Kiyama (GRAFIGHT INC.)
- Designer : Harumi Kawamura (GRAFIGHT INC.)
- Producer : Tetsuya Matsuda (HORIBA, Ltd.)
- Copywriter : Naoki Arakawa
- Planner : Masami Fujioka (Nikkei Advertising Co., Ltd.)



Double page spread advertising in the Nikkei Science magazine

KEYWORDS

: | Advertising | Nikkei Advertising Awards | Nikkei Sangyo Shimbun (Nikkei Industrial Daily newspaper) Advertising Award | Nikkei Science Advertising Award