HORIBA

Explore the future












# Gaiareport **2010**

[ HORIBA / CSR Report ]







# Striving to provide First Class Quality as we contribute to society through our analytical and measurement technologies

**Analytical and measurement technologies are indispensable tools for improving our quality of life, not only for our environment and health, but also for energy-saving and alternative energy technologies**

Most people, including HORIBA stakeholders, might think that analysis and measurement are unrelated to their daily lives; on the contrary, these technologies are, in fact, closely linked to the way we live.

Take the automobile industry as an example. Every automobile manufacturer in the world pursues the goal of developing clean, efficient engines for future generations. To do so, hazardous emissions in the exhaust are measured, and energy efficiency is calculated.

In addition, many of our local hospitals and clinics use hematology analyzers and other devices to quantitatively identify health conditions and assess possible infection. These measurements enable the provision of early treatment based on clear, quantitative analysis.

HORIBA's analytical and measurement instruments are frequently employed in a wide range of applications that include environmental conservation, medical care, R&D and many other fields. In addition, our technology enhances equipment manufacturing processes and supports the foundations of industry. Our greatest pride is our contribution to the structuring of a sustainable society and to improving the quality of life (QOL) through our technology and products. This contribution is the root of our CSR activities.

## Exploring the future through our "Omoi" philosophy

Staying true to its brand message "Explore the future," HORIBA is always working to explore the future through its technology and products. At the center of its corporate culture is its company precept "Joy and Fun." This turns into our "Omoi" (convictions): our wanting "to develop world-leading technologies," and "to deliver even better products." And this lays the foundations for all our activities. Sincere responses to customer requests through our "Omoi" philosophy allow us to develop innovative technologies and make steady advancements in the industry.

To enhance this corporate culture, we have been working on a unique project, "the Blackjack Project," to change employee attitudes and actions since 1997. More than 700 Blackjack Project activities have been carried out by HORIBA Group companies across the world. All of these projects have been excellent examples of forward-looking attitudes. As president of HORIBA Group, I am very proud of these activities.

## Providing First Class Quality in 2010

Our goal for 2010 is to continue to improve our quality, and build upon our corporate culture and unique management strategies, such as the Blackjack Project, which we have developed over many years.

First of all, we have set a policy that states, "Strive to provide First Class Quality," for the entire Group, so that all segments can work toward this target. We are implementing new initiatives to bring about transformations in attitudes and actions. At the same time we will continue our ongoing initiatives, such as "Product Quality Improvement (P.Q.I.)" and "R&D Blackjack," which are Blackjack Project activities focused on improving the quality of our products and services and enhancing our research and development. We also plan to actively discuss improvements with our production partner companies, which are HORIBA stakeholders, to further improve our production quality. At the same time, we will be enhancing our HORIBA COLLEGE, established a year ago to continually improve the quality of our human resources. In addition, we will promote well-balanced management by strengthening our system-wide management policies, for example, through an integrated management system that combines the management of quality, environment, and occupational health and safety with a compliance system. Putting the above into practice is sure to yield improvements; not only in the quality of our products but also in the quality of our human resources and business activities.

We believe that striving to provide first class quality through our "Omoi" philosophy for improving the QOL will enable us to satisfy the expectations of our stakeholders.

Analytical and measurement instruments are expected to attain even more significant roles in the future. This means that it will become increasingly important for us not only to contribute to society as a business but also actively communicate the significance and appeal of scientific technologies. In this regard, we are planning to place greater emphasis on HORIBA's unique non-business initiatives, such as educational support and educational programs for the next generation through a wide range of opportunities we provide. This is in addition to the scientific and environmental information we provide through "Gaiapress" on the HORIBA website.

Our greatest motivator is the feedback that you kindly give us. We look forward to your continued encouragement.

**Atsushi Horiba**
**Chairman, President & CEO**
**HORIBA, Ltd.**

# Creatures have developed their own sensing abilities to survive and preserve their species.

# “Sensing abilities”

## Honeybees

### Recognizing pollen

Honeybees have eyes that allow them to recognize pollen by detecting UV rays and have olfactory senses that are even more powerful than those of dogs. What is the secret of how honeybees efficiently collect nectar and pollen? It is their acute sense of vision and smell hidden in their tiny bodies.

## Corals and zooxanthellae

### Catching subtle UV rays from the moon

Zooxanthellae are microbes living on coral. They are known to have protein sensors that can catch the subtle UV rays that form part of moonlight. Research has shown the reactions of these sensors can affect the spawning of coral.

## Elephants

### A detection ability that keeps elephant herds together

Elephants are known to have strong bonds within their herds. Particularly, female elephants communicate with each other by growling at low frequencies that are inaudible to the human ear. In this way, they recognize each other, so they can survive together in the wild. This is only possible thanks to their amazing detection ability.

## Swallowtail butterflies

### A sense of taste that supports the coexistence of species

For example, Papilio xuthus lays eggs only on specific plants that contain ten different substances. Swallowtail butterflies select plants to lay their eggs on using their surprisingly sophisticated taste receptors. These taste sensors have allowed these organisms to evolve into a diverse range of species and coexist in harmony.

## Owls

### Judging distances using their ears

The visual cells of the Japanese scops owl, which sense light, are 100 times denser than those of human beings. However, their sense of hearing is even more amazing. Their left and right ears are positioned asymmetrically, allowing them to judge not only the directions but also the distance to sounds, including very quiet ones.

## Spiders

### Sensors that detect body flexing

In general, spiders have very weak vision. However, they can detect air vibrations using fine hairs on their legs and recognize when victims are caught in their webs. Moreover, spiders are said to be able to locate where victims are caught in their webs using their harp-like special sensing organs that can detect the flexing of their bodies.

## Gaiapress Learn from the wonders of life and nature

“Gaiapress” is a website which HORIBA has operated since 1996, when the Internet was still in its infancy. Its purpose is to communicate a broad spectrum of content about the significance and possibilities of analytical and measurement technologies and sensors, which are essential for our everyday lives and corporate activities.. A main feature is its focus on answering readers’ questions by keeping up-to-date and paying constant attention to current social concerns, based on the concept that “questioning why is the mother of science.” “Gaiapress” started the “Animal Conference on the Environment” in 1997, for the 3rd Session of the Kyoto Conference of the Parties to the United Nations Framework Convention on Climate Change, and has been collaborating with the conference after it became an independent website called “Animal Conference on the Environment Project.” The website focus is to let children experience the joy of thinking about interesting or strange environmental problems associated with a colorful range of animals from all around the world. This website was the basis for a TV animation series called “Animal Conference on the Environment” (by NHK Educational Corporation,) which commenced broadcasting in March 2010. The Convention on Biological Diversity, to be held in Nagoya, is coming up soon.


Besides this, “the Wonder CHANNEL” highlights the amazing sensing abilities of animals, insects and plants and shows how important it is for life to “be able to sense” and “measure from a wide variety of perspectives.”

Gaiapress http://www.jp.horiba.com/sensorium/ Official website of the Animal Conference on the Environment Project http://zomama.jp/

# Working hand in hand with society with our broad spectrum of analytical and measurement technologies

**Maintaining safe and healthy lives, saving energy, reducing emissions, conducting research on and developing new energy sources, and manufacturing products in a sustainable way all start with collecting accurate data using analytical and measurement instruments.**

**HORIBA is contributing to society by developing and providing a wide range of products and services.**

## HORIBA Automotive Test Systems

### Supporting the development of automobiles for a more sustainable society

Our automotive emission measuring instruments are widely used by automakers and certification bodies across the world to conduct R&D for engines and perform certification tests for emission regulations. Measuring carbon dioxide, nitrogen oxide, hydrocarbons, etc. in vehicle emissions leads to reducing the impact of the automobile on the atmosphere. We have been swiftly responding to emission regulations in different countries since the beginning of the 1970s. Our emission measurement systems have become essential R&D tools for developing super low emission vehicles. HORIBA Automotive Test Systems products are integral to reducing automotive emissions. In this way they contribute to a more sustainable society.

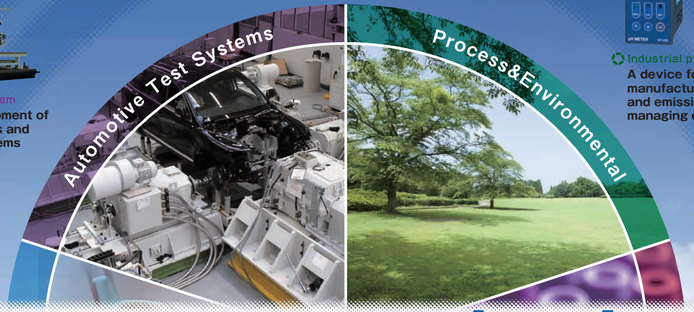
Motor Exhaust Gas Analyzer

Engine Test System

**For the development of reliable engines and emissions systems**

Driving Recorder

**For prevention of dangerous driving and reduction of fuel consumption**




# “Measurement technologies”

## HORIBA Scientific

### For explorations into the new; making new discoveries and developing new technologies

Our Raman spectroscopy systems are used in cutting-edge biotechnology and nanotechnology research. Raman spectroscopy-based analysis is very effective in analyzing fine molecular structures and thus is essential for the analysis of secondary batteries and other new materials, and in nanomaterial research. HORIBA Scientific products support research in new fields and in the development of new technologies, such as the nature, structure and behavior of materials.


Laser Raman Analyzer

X-ray Analytical Microscope

**A device for conducting nondestructive analysis of chemical elements for quality management, assessments and investigations**

Nano Particle Analyzer

**A device for analyzing nano particles with regard to several elements in the development of new pharmaceuticals, etc.**

Industrial pH Meter

**A device for monitoring manufacturing processes and emissions and for managing quality**

Multi-Parameter Water Quality Meter

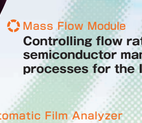
**A device for measuring the water quality of lakes, rivers and other bodies of water for environmental conservation and pollution control**

Testing reagents for food safety

**Ensuring food safety through testing for residual pesticides and mycotoxins.**

Compact Electrode-type Blood Glucose Analyzer

**For blood sugar level management and data-based treatments**



Mass Flow Module

**Controlling flow rates in semiconductor manufacturing processes for the IT industry**

Full Automatic Film Analyzer

**For managing the quality of large solar panels and improving yield rates**

Stack Gas Analyzer


Automatic Blood Cell Counter plus CRP

Fiber Optic Chemical Solution Concentration Monitor

## HORIBA Process & Environmental

### Global environmental conservation and improved industrial processes

Many thermal power stations use stack gas measurement instruments to measure emissions generated by combustion. Constant, continued measurements of nitrogen oxide and other air pollutants contained in the emissions allow strict monitoring and controlling of hazardous emissions. HORIBA Process & Environmental products support global environmental conservation and industrial development by acting as the “eyes” that monitor the environment and industrial processes for detecting abnormal values.

## HORIBA Medical

### Promoting data-based medical care in local medical institutions

White blood cell counts or proteins that are known to increase when the body is infected with bacteria or other pathogens can be measured using an automatic blood cell count/CRP measuring apparatus that can detect infections or other serious conditions at an early stage. This analysis not only helps doctors make appropriate judgments on the necessity of further examinations based on early diagnoses, while minimizing the amount of sample taken from a patient. HORIBA Medical products improve the diagnostic capability of local clinics and medical institutions as they contribute to providing patients with better medical environments in which they can receive medical treatments based on data.

## HORIBA Semiconductor

### Enriching people’s lives by supporting the IT and energy industries

The processes involved in sophisticated semiconductor manufacturing require strict inspections performed under complex process management for producing semiconductors that meet the highest quality standards. Chemical solution concentration monitors, one of the inspection instruments used in semiconductor manufacturing, are used to monitor the concentrations of many different solutions, such as cleaning solutions. This enables efficient and appropriate use of cleaning solutions, thereby contributing to improving semiconductor yield rates. HORIBA Semiconductor products enrich our lives by supporting the IT and energy industries, including the production of semiconductors and solar batteries, which support our lives.

# Resolving the largest problem in the field of pediatrics through “Medication-free medical care”

[ Dialogue between: ] Dr.Tatsuo Nishimura, Nishimura Pediatric Clinic(right) and Yoko Sugiyama, HORIBA(left)

**People talking about how isolated parents can feel and how much anxiety they experience as they take care of their children is nothing new in the midst of the current trend towards nuclear families and the decline in the population of children.**

**Actually, this is also affecting the field of pediatrics. Yoko Sugiyama, who does marketing for HORIBA's Medical Electronic Systems Division, asked Tatsuo Nishimura, Director of "the Nishimura Pediatric Clinic," about problems presently facing pediatrics.**

## “Diagnosis is more important than treatment.” “Explanations are more important than medication.”

**Sugiyama:** It has been 11 years since “the Nishimura Pediatric Clinic” began operations. Have you noticed any changes in the needs of patients and their families over these years?

**Nishimura:** Today, parents have more medical knowledge than in the past, presumably due to the spread of Internet use. Some parents ask many questions about treatment policies.

**Sugiyama:** In fact, I also search online when my child becomes ill. As my job is related to medicine, I watch TV programs about medication or diseases whenever possible.

**Nishimura:** Oh, do you? One thing you should remember is that TV programs tend to focus only on lethal or very serious conditions. Limited information sources can make parents worry more. We now strive to show them reasons “why these conditions are present” in an easy-to-understand manner.

**Sugiyama:** I tend to panic when my child suddenly develops a fever. However, if someone gives me detailed information about the condition, I feel much better. That is why you have been saying that “explanation is more important than medication,” isn't it?

**Nishimura:** Yes. For example, in conventional pediatric medicine, it is a typical medical judgment that patients with a fever should be given antibiotics. It is also true that many parents are relieved when their children are given medicine. Although it is a fact that antibiotics are effective in treating bacterial infections, they are ineffective against viral infections, which are a common cause of fever. I strongly want to prevent unnecessary antibiotic administrations. Ms. Sugiyama, did you see a doctor every time you caught a cold as a child?

**Sugiyama:** I remember my grandmother, who was living with us, saying, “Get a lot of sleep, and you will be fine,” when I caught a cold (laugh). By contrast, my mother often worries about her grandchild more than me now. It may be because she takes her responsibility for her grandchild too seriously, thinking “My precious grandchild is now under my care. I have to take good care of this child.” As a full-time worker, I do not have many opportunities to share information with fellow mothers either.

**Nishimura:** To tell you the truth, I sense that parents are becoming less and less confident about taking care of their children. There may be many reasons for this, including the trend towards nuclear families and fewer children, as well as increasing exposure to sensational medical information. There is nothing wrong with sending out a wide range of information; however, the problem is that special cases are sometimes communicated as common cases. At the same time, doctors are also likely to give unnecessarily large amounts of medicine to these extremely anxious patients and parents. However, giving children medicine on a continued basis can result in their parents becoming “addicted” to their child receiving medication. Actually, there are many people who do not like to leave clinics without being prescribed medicine. Many patients ask doctors to prescribe them antibiotics in particular. In my opinion, this is the largest problem in pediatric medicine at the moment.

**Sugiyama:** My mother often says, “Go to the hospital now and at least get some medicine,” or “Prescription medicine is the better than over-the-counter drugs.” I suppose that she wants to be on the cautious side to protect her precious grandchild. Frankly, I also want medicine if that leads to an early recovery.

**Nishimura:** Such parental behaviors are the result of them having been educated that medication is a necessity. In my opinion, pediatricians must now make a shift “from treatment to diagnosis” and “from medication to explanation.” I believe that by reducing people's dependence on medicine we can help parents increase their “ability to raise children.”

## Data allows well-grounded diagnoses

**Sugiyama:** “It is an eye-opener and a surprise to hear you say” that “diagnosis is more important than treatment” and “explanations are more important than medication.”

**Nishimura:** We should take our time to explain that people will naturally recover from most fevers and colds caused by viruses. We should encourage patient's families by telling them that “They will recover naturally. Let's just do what we can,” rather than saying “I will give you some cold medicine.” Repetition of this allows them to learn by experience “what to do when their children develop a fever and the course of their recovery” which different conditions heal. I want them to become able to do what they can at home before coming to the hospital the next time their children develop the same condition.

“The Nishimura Pediatric Clinic” is situated in a quiet residential area in Kashiwara City, Osaka. Being a local center for medical care, it supports the health of children and reassures parents (above photo). On the interior walls are many posters raising awareness among parents and patients, including those saying “Common sense about colds” and “Unnecessary antibiotics will do you harm” (photo on the left).

**Sugiyama:** You are saying that families can do something at home to help their children before going to see a doctor to get some medicine for them while knowing that there are always medical professionals out there to help them, right?

**Nishimura:** Certainly. I make it a rule not to prescribe unnecessary medicines whenever possible. This applies not only to antibiotics, but to all medicines. However, “diagnosis” and “explanations” must always be able to be backed up.

**Sugiyama:** I sense that doctors like you are increasing in number. At present, young practitioners and emergency medical facilities are making use of an increasing number of testing equipment, as they conduct more quick and simple medical tests.

**Nishimura:** That's right. While observations are still a principal basis for diagnoses, test data collected using such testing equipment is another important evidence for our judgments. Compact testing devices are very effective tools for practitioners like us.

**Sugiyama:** What made you decide to equip your clinic with testing tools so that you can conduct quick tests at your facility?

**Nishimura:** When I was working for a hospital, I would always give antibiotics to patients with a fever. I knew that fevers were mostly caused by viruses, but it never occurred to me to question what I was doing, since fellow pediatricians, including more experienced ones, also prescribed antibiotics just as I did. However, later I began to treat growing numbers of cases of infections with MRSA*1, PRSP*2 and “other bacteria resistant to antibiotics.” Seeing with my own eyes the fact that these resistant bacteria were rampant in our and other facilities, I felt that this was a crisis. Resistant bacteria are the result of excessive administration of antibiotics. This is how I began to become more aware of the importance of quick tests and test-based data.

**Yoko Sugiyama**
Business Promotion Department, Medical Electronic Systems Division, HORIBA
Born in Kanagawa Prefecture. Joined HORIBA in 1997. A member of the Marketing Group for medical testing equipment. Mother of three children.

## Medical equipment-based test data provides reasons for feeling safe.

**Sugiyama:** You are using a testing device that can complete blood cell count and measure a inflammation marker*3 at the same time in your clinic.

**Nishimura:** Basically, I use it to provide parents and patients with evidence for feeling safe. However, there are also cases in which patients that seem to just have a cold turn out to be in a much more serious condition. For example, one day a one-year-old child was taken to our clinic with a fever. First, I assumed that this child had just developed exanthema subitum or had a viral cold. However, the results of a blood test showed that this child had as many as 35,000 $\mu$l white blood cells (the normal number is less than 10,000 $\mu$l). Obviously something was wrong. So, I performed a blood culture and confirmed that this child had bacteremia. Bacteremia is a bacterial infection that requires administration of antibiotics. If left unattended, it can cause meningitis, threatening the life of the patient.

**Sugiyama:** So performing tests on the spot enabled you to detect the problem immediately.

**Nishimura:** That's right. Bacterimia usually occurs in young children. They are often too young to describe how they feel in words. The case I just mentioned may be a special case, but it is a fact that tests and test data can help us make diagnose in lethal cases like this.

## Test data is a map for fever treatment

**Sugiyama:** I am a mother of three children. You never can tell when children may develop a fever. In addition, it is usually difficult for me to take time off from work. As a result, I often have to resort to medicine. In addition, having a doctor prescribe some medicine for children can relieve (or is it satisfy) their grandmother and grandfather. However, I am now beginning to feel that this way of thinking is wrong.

**Nishimura:** I am glad to hear that you find what I have to say helpful. Let me add one more thing. In my opinion, what is really needed in child rearing is “preventative medicine.” Today, most serious diseases are, in fact, vaccine-preventable. While serious conditions require adequate treatments, ordinary colds do not need antibiotics. The important thing is to eliminate the fears of families who rush to the hospital to get antibiotics every time their children develop a fever.

**Sugiyama:** To tell you the truth, our children's doctor does not use blood testing equipment. I hope more and more pediatricians begin to focus on what is in the best interests of young children and medical care as a whole as you do.

**Nishimura:** Perhaps it is necessary to further advertise the idea that by performing blood tests you can judge whether individual conditions are serious or can be healed naturally. I believe that “fever risk management” is very important. In other words, it is better to make well-grounded diagnoses based on appropriate test results than to simply give antibiotics for colds. Basically, it is doctors themselves who have made it the norm for doctors to casually prescribe antibiotics. I want to bring about a change to this situation.

**Sugiyama:** I do marketing for HORIBA's Medical Electronic Systems Division as a product planner. If you have any requests for HORBA, please feel free to let us know.

**Nishimura:** Today's medical testing technologies are much more advanced than they used to be. Actually, I desperately wanted such advanced testing devices. Medical care without test data can be compared to heading for your destination without a map. I find HORIBA's testing equipment very helpful. However, the compact device which I am using at the moment cannot differentiate white blood cells into more than three parts*4. As I also want to count neutrophils*5, I would really appreciate it if you released a device that can differentiate white blood cells into five parts*4.

**Sugiyama:** Thank you very much. It was an eye-opening experience for me to talk with you today, as I have long been dependant on medicine. I am also happy to hear you say that our testing equipment is of help in promoting medical practices that are not dependant on medicine, as that has given me renewed respect for the significance of medical tests. Recognizing how vital testing equipment is to medicine not only increases our motivation for this work, but allows us to work on specific issues. Above all, hearing that our products are required in the front lines of medical field is a big encouragement to us. We will continue to work even harder to support the “medicine-free medicine” which you advocate.

**Tatsuo Nishimura**
Director, Nishimura Pediatric Clinic
Born in Osaka Prefecture. Opened the Nishimura Pediatric Clinic in 1998 after working for the Nara Prefectural Hospital. Advocates the importance of “medicine-free pediatric medicine,” by publishing theses, including “Changes in Standards for and Numbers of Antibiotic Administrations” and through other means.

## Test data is like a map for medical care.

*1: Methicillin (antibiotic)-resistant *Staphylococcus aureus*.
*2: Penicillin (antibiotic)-resistant *Streptococcus pneumonia*
*3: Blood test items used for diagnosis of inflammation associated with infections, injuries, etc.
*4: White blood cells can be differentiated into three parts, namely lymphocytes, monocytes and granulocytes (collective name for neutrophils, eosinophils and basophils), the ratios of which are calculated. White blood cells can also be differentiated into five parts, namely lymphocytes, monocytes, neutrophils, eosinophils and basophils, the ratios of which are calculated.
*5: A type of granulocyte, which is a kind of white blood cell. They are characterized by their active migration (amoeboid locomotion) and fight invading bacteria or true fungi.

**Report**
CSR initiative by a group company handling medical equipment

### Supporting improvement of the quality of medical care and healthy lifestyles through participating in events

HORIBA ABX S.A.S.*, based in Montpellier in southern France, is a manufacturer specializing in medical equipment and actively participates in events related to medical care or health. For example, the company has taken part in “Les Virades de l' espoir,” a fundraising event for research on cystic fibrosis, a genetic disease since 2003. It has also been continuously participating in “Les 20 km de Montpellier,” a charity half marathon for donating sport wheelchairs to disabled people who desire to practice sports.

* A manufacturer specializing in clinical testing equipment and reagents, which became a member of the HORIBA Group in 1996

HORIBA ABX S.A.S. staff members participating in “Les Virades de l'espoir”

# With our stakeholders

HORIBA's analytical and measurement technologies support energy, environmental conservation, health and safety as "mother tools" in academic research and all kinds of industries. We believe that providing products and services that meet the needs of customers will contribute to building a more sustainable society and improve people's QOL (quality of life).

This is why we strive to provide high quality products and services that satisfy the needs of customers in a timely manner by improving our basic and applied technologies to the best possible levels as we work in close cooperation with our suppliers. We believe that responding to social demands and expectations should form the basis of our CSR (corporate social responsibility).

At the same time, we actively share information about the wonders of the earth and nature and the attractiveness of science and technology, which we discover through our analytical and measurement technologies. We endeavor to strengthen our bond with society through environmental conservation and educational support activities.

Staying true to our company precept "Joy and Fun," we accomplish our CSR initiatives by developing not only technologies, but also our people through our human resource development activities by creating an open and fair corporate culture that encourages its members to always set ambitious targets and constantly improve themselves.

## Working Alongside Our Customers

By having customers use HORIBA's products and services, we can contribute to building a more sustainable society and improve people's QOL.

Roles that a blood cell count apparatus can play in Pediatrics

User's Voice (P09)

## Working Together with Our Owners

The company appropriately distributes profit to our owners (shareholders) and investors and assures transparency in HORIBA's business management. This is heightened through swift and fair information disclosure and two-way communication.

**Action**

Informal gatherings with shareholders, IR briefings

## Working Together with Our Suppliers

We improve our manufacturing technologies in close cooperation with our suppliers based on the solid, trusting relationships that we have developed over many years as we strive to provide first class quality as a manufacturer.

**Action**

Gr. HORIBA RAKURAKU-KAI/Study sessions with production partner companies

A technical exhibition held by a supplier resulting from a proposal made at a study session

## Working Together with Our Employees

We work to put our company precept "Joy and Fun" into practice by showing pride in and having a venture spirit with regard to the work we do. We place high importance on developing quality human resources and providing good working conditions.

**Action**

Three human resource management principles (Open & Fair, performance evaluation and communication)/HORIBA COLLEGE/high quality career-specific training/next generation development support/family-friendly

"HORIBA COLLEGE" is an in-house college by employees for employees. It offers a variety of carefully-designed programs.

## Working Together with Society

Scientific technology and environmental conservation are core to our business activities.HORIBA actively provides educational support for the next generation of learning in science and engineering, as well as in cultural and sporting fields.

**Action**

A wide range of educational support activities; support for culture and sports; information website on the environment, nature, space and science called "Gaiapress;" environmental conservation activities

Delivering classes on biodiversity and analytical technologies

Supporting a boys soccer team representing Kyoto tour of France

# HORIBA's style of global management

## Bringing about changes in attitudes and actions through our "Blackjack Project"

Our Blackjack Project includes any kind of activity that can bring about positive changes in the attitudes and actions of our employees, from "greeting exchanges" by new employees to quality, cost and delivery improvements. The goal of the project is to allow individual employees to express their "omoi" (convictions) across the board, involve a wide range of supporters irrespective of organization or age, and help them turn their own "visions of what they want to be" into reality. Over the past 12 years more than 700 "themes" have been implemented as part of the project. Representing the HORIBA style of management, the Blackjack Project is an ongoing activity in HORIBA Group companies around the world for quality improvement, motivation building, human resource development, optimization of organizations, and other purposes that closely affect the foundations of our business activities.

The final presentation of the BlackJack Award World Cup, which is held to honor the most outstanding activities of the year. The Gold Medal winner for 2009 was the Singaporean team.


The symbol for the Blackjack Project, symbolizing individual employees closely connected to each other through their *"omoi"* and growing together.

## Corporate governance/Internal controls

HORIBA makes management decisions on important issues such as management policies, targets and strategies at Board of Directors meetings. The Board of Directors also supervises and monitors the company's management, and has several other systems in place to support the president, such as the Board of Executive Directors, Operations Committee, Management Committee and the Corporate Officer System. For its auditing and monitoring system, HORIBA has established a Board of Auditors and the Group Internal Audit Office, which is under the direct control of the president and remains independent from other divisions. It conducts audits to determine whether each division is conducting itself in a fair and legal manner, while at the same time providing advice and reports to facilitate improvements. In addition, HORIBA ensures fair management by making sure that information about audit results are shared for coordination between internal audits, supervision of auditors and financial audits. As for internal controls, the "Basic Policies on the Development of Internal Control Systems" was adopted to establish a control system for compliance and loss risk management and ensure accuracy and reliability.

## Integrated Management System (IMS)

As the figure indicates, HORIBA's management is based on the Integrated Management System (IMS), which integrates management of quality, environment and occupational health & safety, and quality control required for medical equipment. HORIBA introduced the IMS in 2004 and plans to apply it to all of its group companies by 2011. In Japan, HORIBA STEC Co., Ltd. and HORIBA Advanced Techno Co., Ltd. acquired IMS certification in April 2008 and in December 2009, respectively. As for overseas establishments, HORIBA is planning to acquire ISO9001 (quality) and ISO14001 (environment) certification for all its major overseas production sites by 2011. Moreover, in August 2009, the customer support headquarters at HORIBA Techno Service Co., Ltd. was accredited by the International Accreditation Japan of the National Institute of Technology and Evaluation as a CAB for "ISO/IEC 17025:2005 (ASNITE 0033C Calibration of Emission test facilities)."

## What is the Gaiareport?

According to Greek mythology, Gaia is the maternal goddess of the Earth who ensures that the planet thrives and is capable of cleansing itself. The HORIBA Group, a manufacturer of analytical and environmental measuring instruments, contributes to the advancement of a sustainable society through our analytical and measurement business. To express this determination, we have named our CSR communications media Gaiapress (our website) and Gaiareport (the CSR report). At HORIBA, we remain committed to the global environment by focusing on environmental measurements.

## See our data resources on the Web for more information

Detailed information about our CSR activities appears on the Web, making its access easier and more convenient. Searching for the subject you are interested in is made easy by using keywords or categories to take you to the web page where the relevant information is available.
For more information, access our data resources on the Web!

http://gaiareport.horiba.com/en

HORIBA
Explore the future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the Corporate Communications Office.


●Relevant websites
Environmental protection initiatives ➡ http://www.horiba.com/social-responsibility/
Investor relations ➡ http://www.horiba.com/investor-relations/
Gaiapress ➡ http://www.jp.horiba.com/sensorium/

### The new Gaiareport significantly reduced paper use

From 2009 on, the Gaiareport is in leaflet and online formats, significantly reducing the use of paper compared to the previous booklet format. The essence of HORIBA's CSR activities focuses on the hope that our Gaiareport will be read by as many people as possible.


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LBEP
VEGETABLE OIL INK
Waterless Printing Naturally
COJ CARBON OFFSET JAPAN
この印刷物1枚当たりのCO2排出量 約120g

This is printed on FSC-certified paper using wood from "responsibly managed forests" and is also Lake Biwa Ecological Paper, part of the cost of which is donated to an environmental charity working to protect the environment of Lake Biwa. Also, it was printed with soy-based vegetable ink, using a waterless printing process that does not produce hazardous liquid waste. Moreover, we offset carbon dioxide emissions from the production process through the COJ (CARBON OFFSET JAPAN).

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