

## A-a **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	5,202 (Consolidated) 1,387 (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, 2010

### KEYWORDS

● Head Office | Founded | Incorporated | Representative | Number of Employees | Financial Closing Date | Stock Listings | Scope of Business

# CSR Report Outline

## Reference Guidelines

- Ministry of the Environment, Environmental Report Guidelines (2007 edition)

## Report Coverage

- Reporting period: January 1, 2010 to December 31, 2010 (This report also contains some data from fiscal year 2011.)
- 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 26, 2011

## Planned Publication Date of Next Report

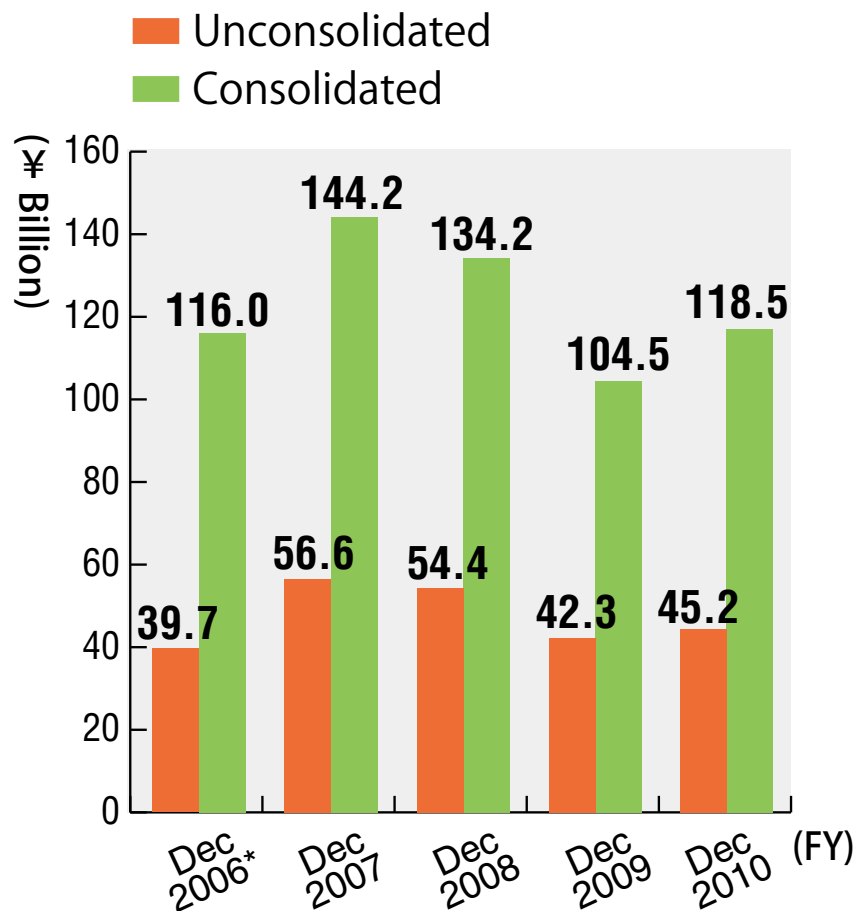
- March 2012

## Contact

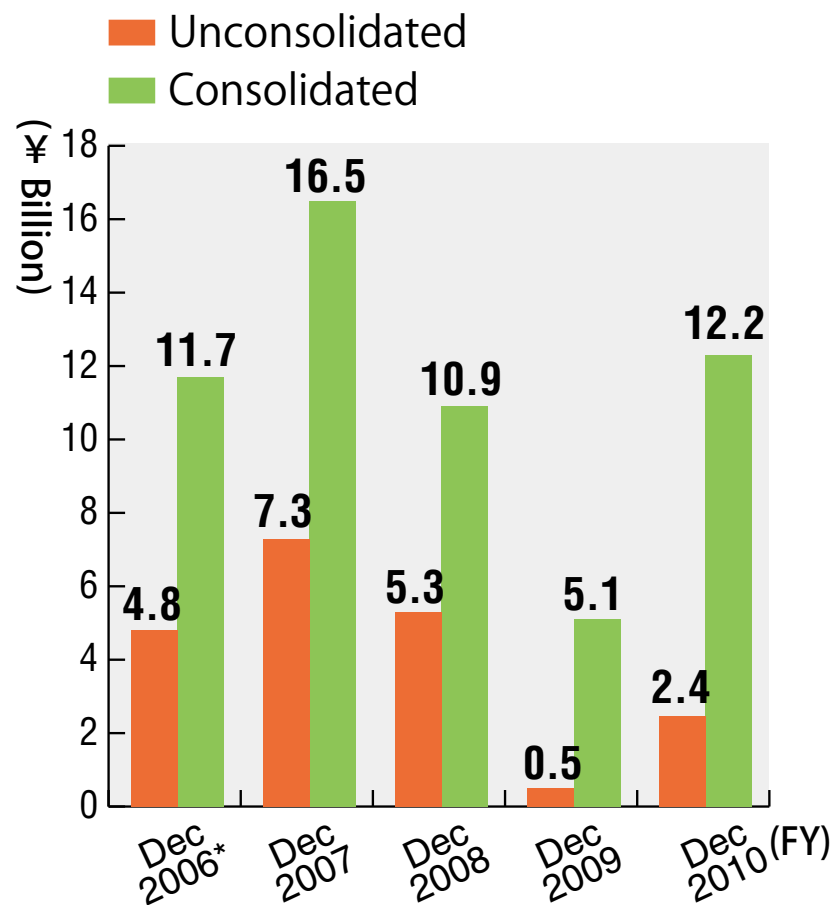
- Corporate Communications Office, HORIBA, Ltd.  
Tel: (81)-75-325-5073 (Dial-in)

# A-a Financial Results: Net Sales and Operating Income

## Net Sales



## Operating Income



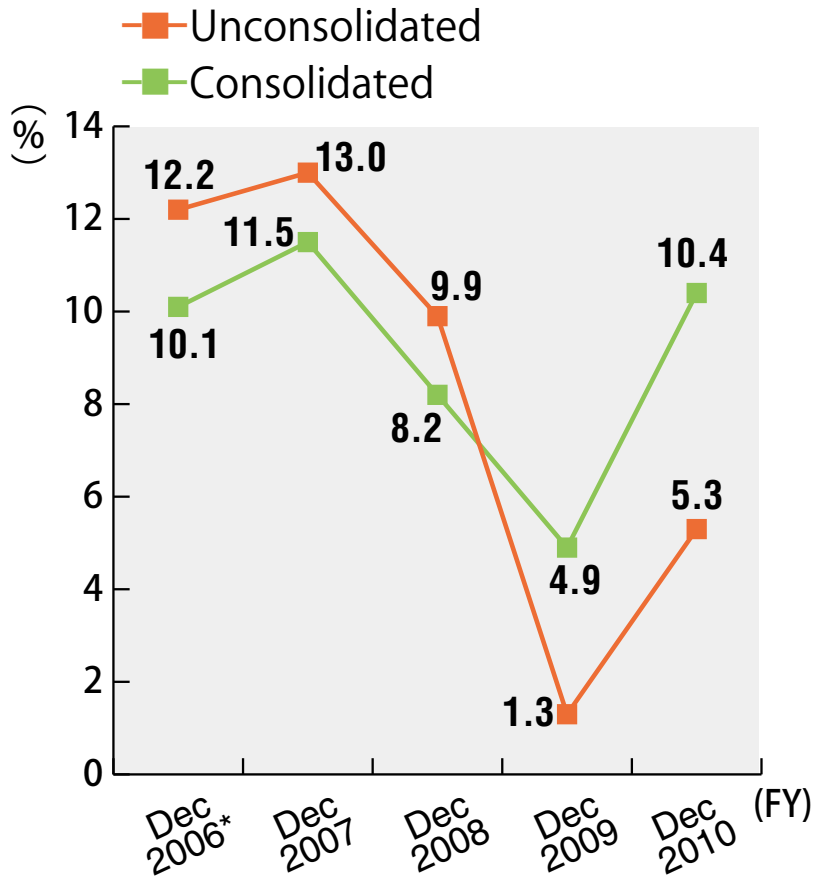
Dec 2006: Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

**KEYWORDS**

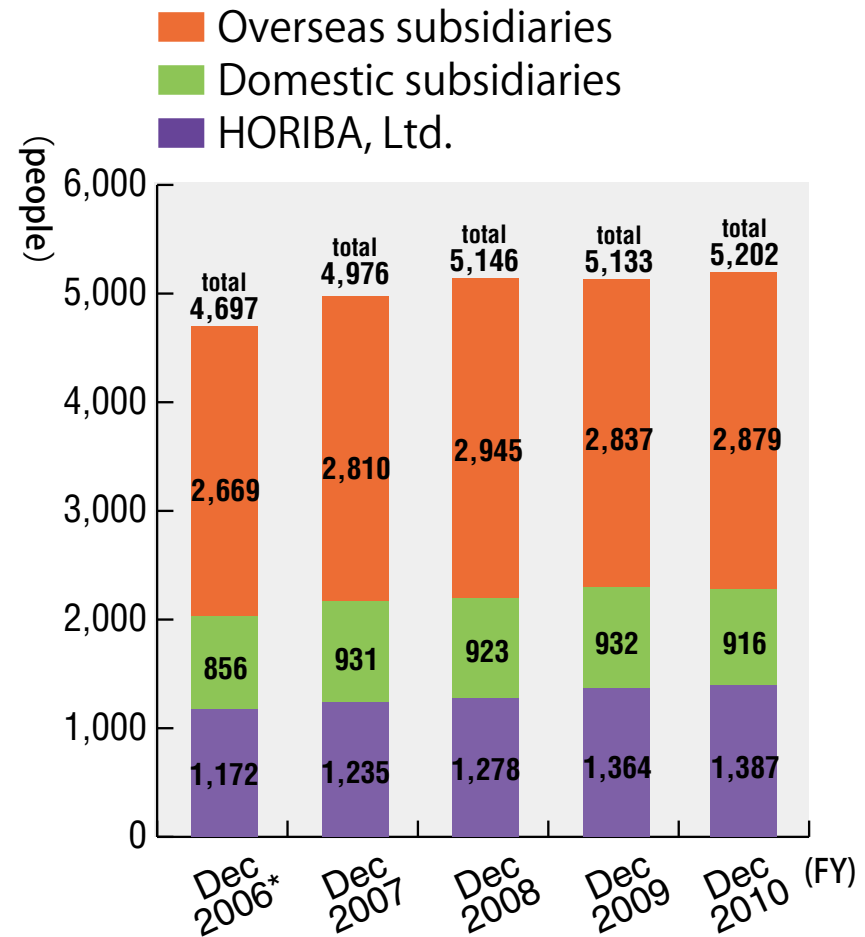
Net Sales | Operating Income | Number of Employees | Net Sales by Segment | Net Sales by Region

# A-a Financial Results: Operating Income to Net Sales and Number of Employees

## Operating Income to Net Sales



## Number of Employees



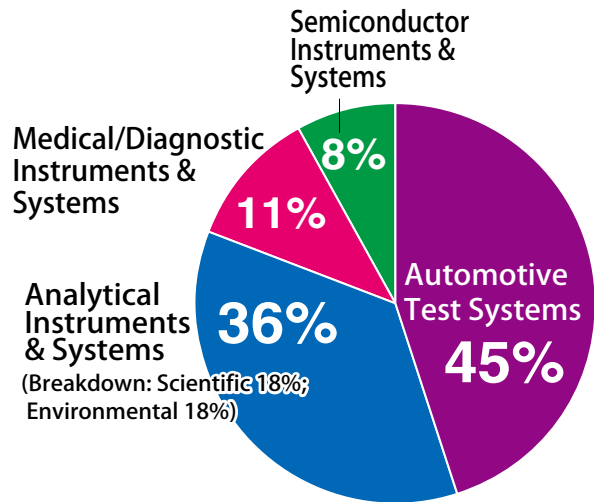
Dec 2006: Due to a change in our accounting period for fiscal 2006, the data was collected over the nine-month period of fiscal 2006.

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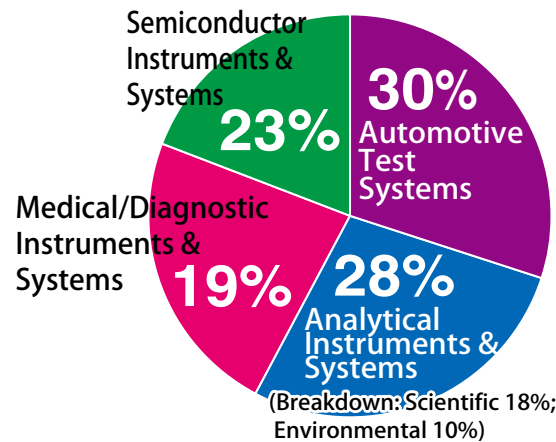
Net Sales | Operating Income | Number of Employees | Net Sales by Segment | Net Sales by Region

# A-a Financial Results: Share of Net Sales by Segment and by Region

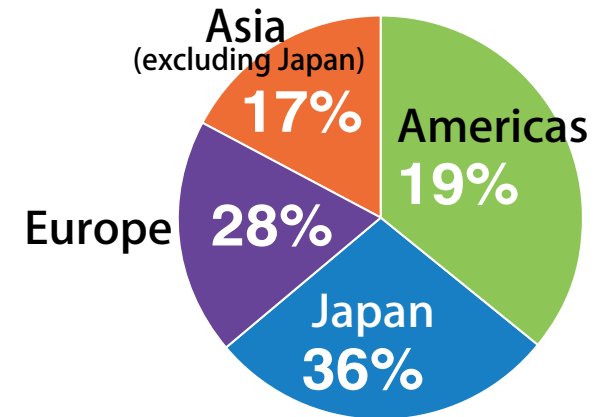
Share of Net Sales in 2010 by Segment  
(Unconsolidated)



Share of Net Sales in 2010 by Segment  
(Consolidated)



Share of Net Sales in 2010 by Region  
(By sales region)  
(Consolidated)



\* Analytical Instruments & Systems segment includes Scientific Instruments & Systems and Process & Environmental Instruments & Systems.

**KEYWORDS**

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

## **A-b** **Company Motto, Corporate Principle and Action Guidelines**

### **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

# A-b 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 Operation

We, at 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.

## **A-b** **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.



## **A-b** 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 initiatives to contribute to the goal of “a life of content for all.”

## Lead issues – Striving to provide First Class Quality –

### 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  
Responding quickly to resolve quality issues and problems

### 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

At HORIBA, Ltd., the Board of Auditors, which is comprised of three auditors (including two outside auditors), supervises and monitors the business operations conducted by the Board of Directors. HORIBA's corporate governance system consists of the Board of Directors, whose roles include decision-making, supervision and monitoring of business management, together with the Board of Executive Directors, the Operations Committee, the Management Committee and the Corporate Officer (Executive Officer) System, which assist the Representative Director and President. We have also established an internal auditing division that exists independently of other divisions and is under the direct control of

the Representative Director and President. The auditing division provides advice and guidance to ensure that business operations throughout all HORIBA group companies are conducted legally and fairly in accordance with laws, statutes, and company regulations.

In order to maintain proper internal controls, we have adopted the basic policies on the development of internal control systems as a means of ensuring that the tasks of directors and employees are executed appropriately and efficiently in compliance with the relevant laws and statutes. Based on such policies, we have developed our legal compliance and risk management systems.

# Basic Policies on the Development of Internal Control Systems (1)

## 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.

## **Basic Policies on the Development of Internal Control Systems (2)**

### **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**

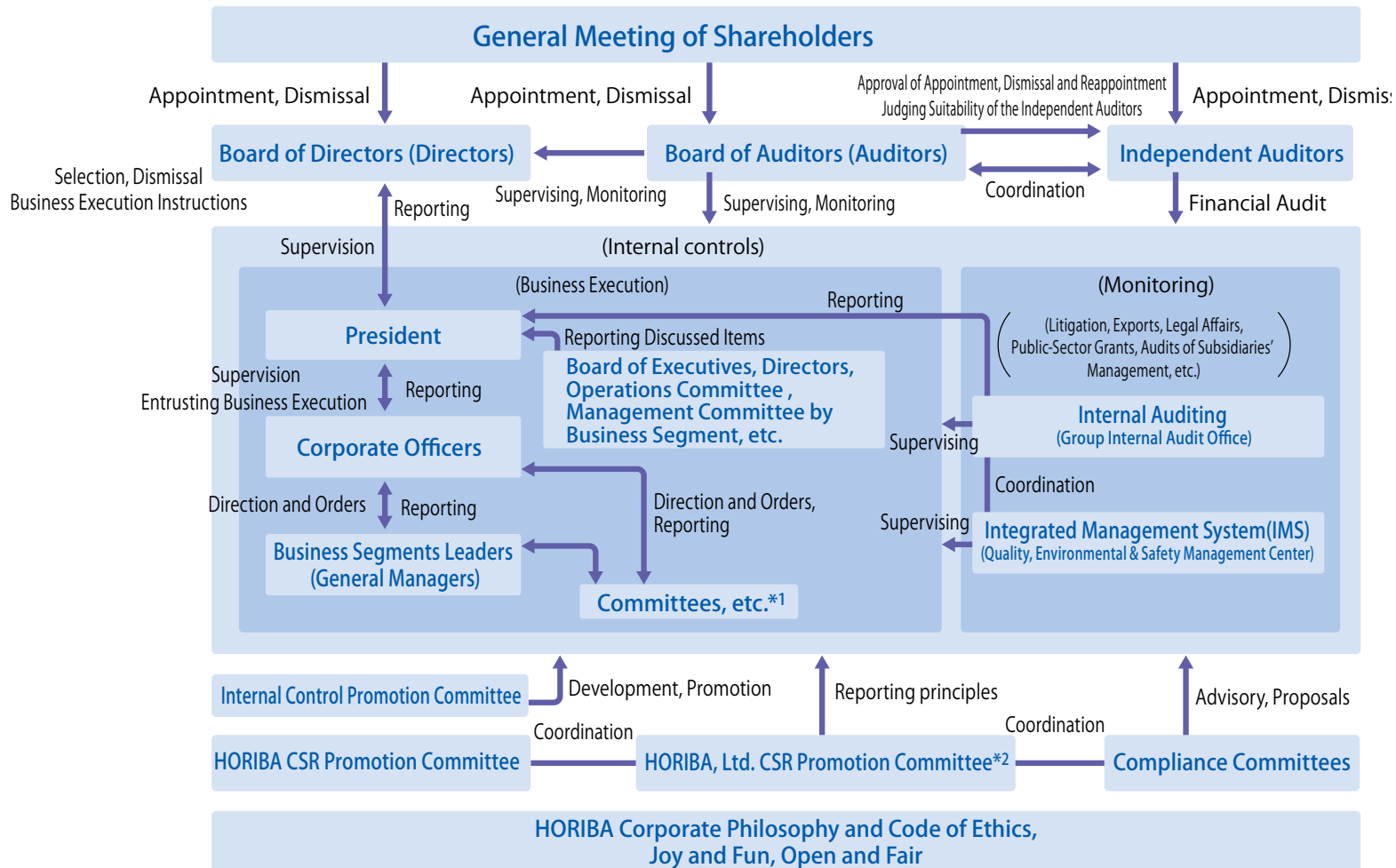
Auditors shall be allowed to request the appointment of audit assistants, chosen from among company employees, to assist them in the performance of their auditing duties. Auditor consent shall be required for all appointments, dismissals, transfers, performance evaluations and wage variations of audit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

# A-c Corporate Governance Structure Chart

## 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



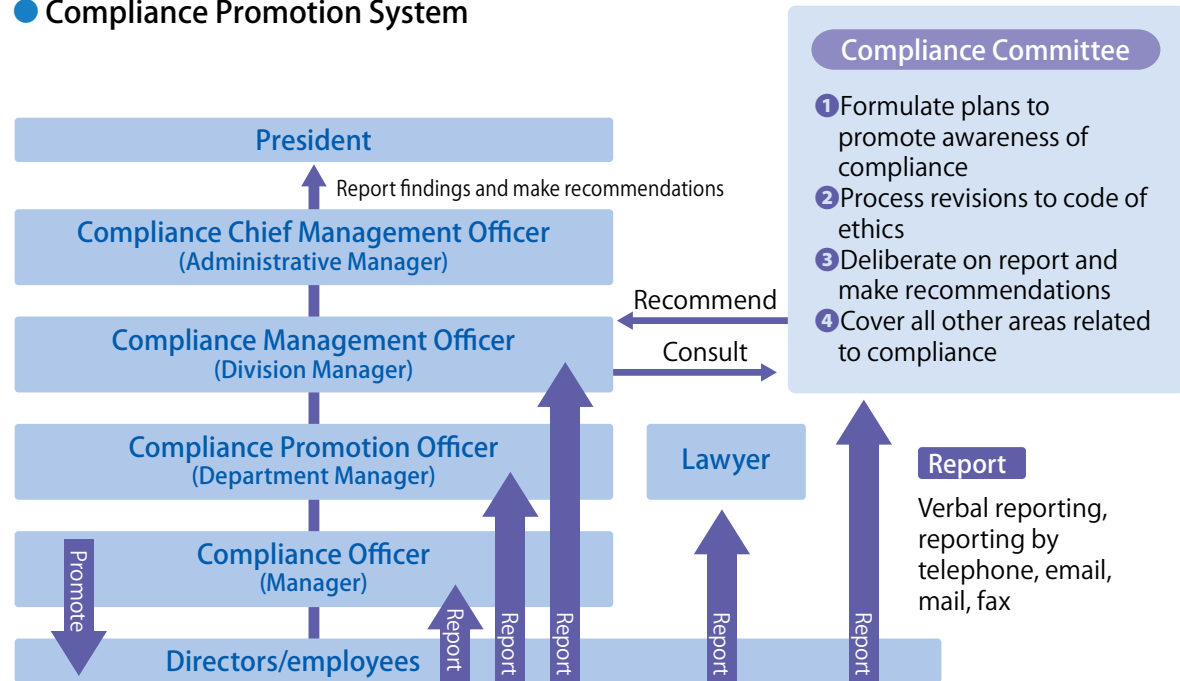


# A-c Compliance Promotion System

The Compliance Committee, which was established under the CSR Promotion Committee, formulates plans to promote awareness of compliance issues, deliberates on the content of internal reports, and makes recommendations.

We established the HORIBA Corporate Philosophy, our Compliance Management Provisions, and our Code of Ethics to enhance our compliance framework and to prevent illegal acts. To facilitate early detection and correction of illegal acts, we also established an internal reporting system that includes a lawyer consultation service as well as an internal e-mail reporting system. Through this system, we will continue to raise employee awareness and enforce observance of laws and regulations. In addition, we will hold seminars on compliance for employees in management positions and request participants to provide guidance to their staff members.

## ● Compliance Promotion System



**KEYWORDS**

CSR Policy | Lead Issues | Corporate Governance | Internal Controls | Compliance | Risk Management | Legal Training



# 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.

# A-c Legal Training

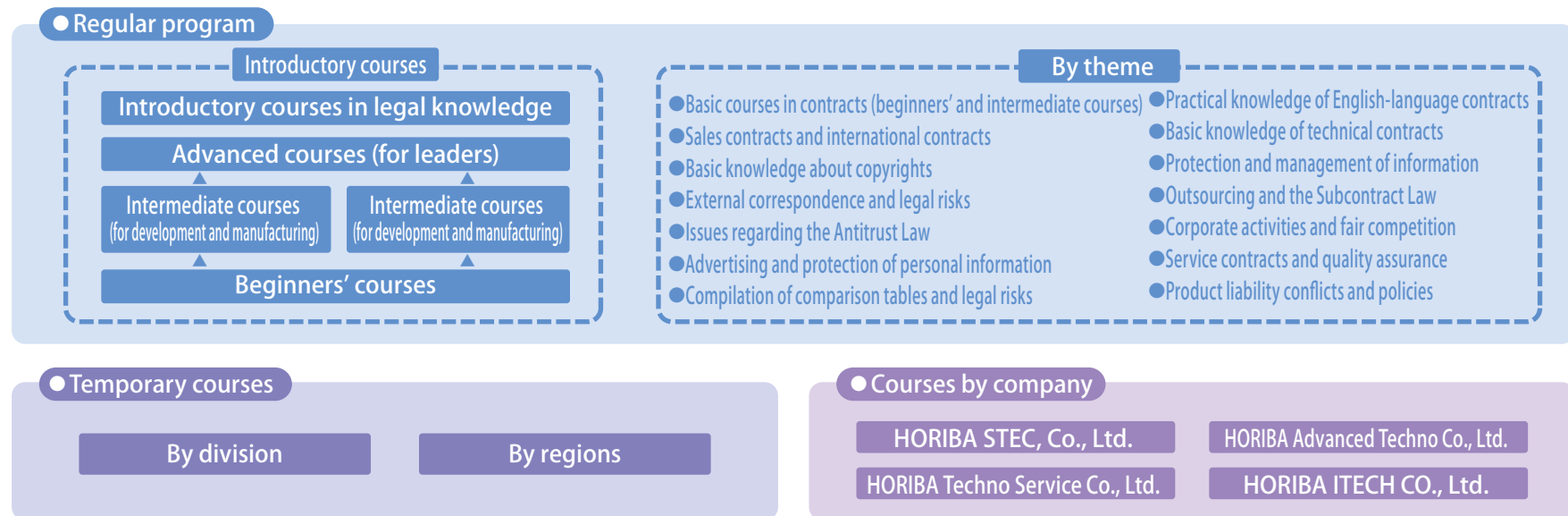
## Legal Training

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.



**KEYWORDS**

CSR Policy | Lead Issues | Corporate Governance | Internal Controls | Compliance | Risk Management | Legal Training

# A-d Integrated Management System (IMS)

## Integrated Management System (IMS)

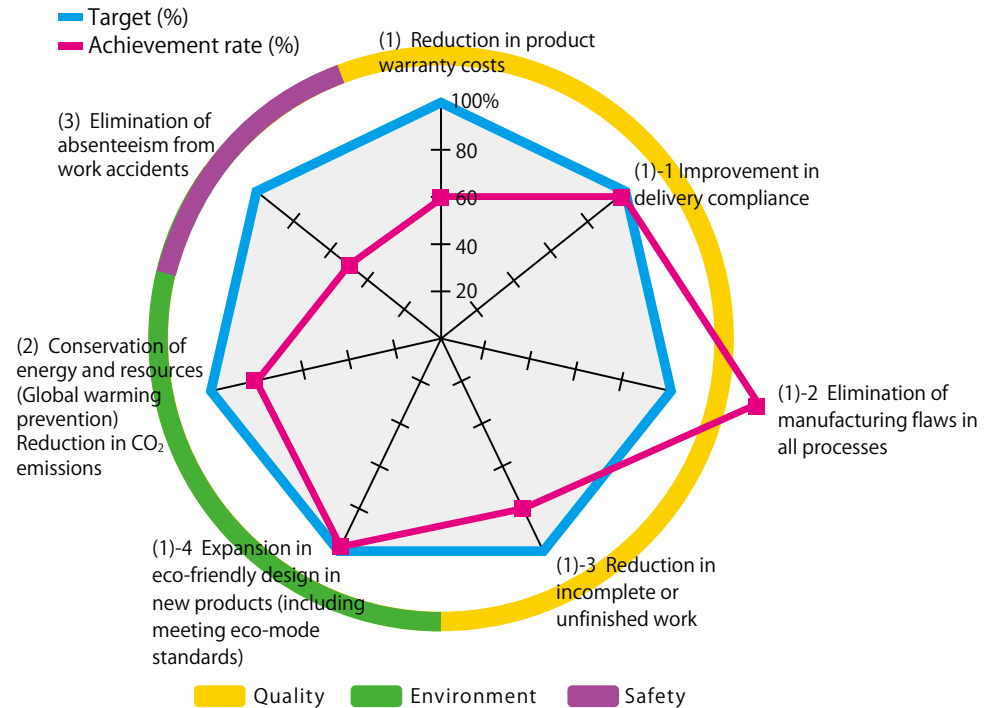
The HORIBA Group has introduced the Integrated Management System (IMS), which combines ISO 9001 (Quality Assurance System), ISO 14001 (Environmental Management System), and OHSAS 18001 (Occupational Health & Safety Management System). In addition to these systems, HORIBA, Ltd. and HORIBA STEC, Co., Ltd. have also introduced ISO 13485 (Quality Assurance System for Medical Instruments). HORIBA, Ltd. began operating its IMS in July 2004. Among HORIBA Group companies in Japan, HORIBA STEC, Co., Ltd. and HORIBA Advanced Techno Co., Ltd. obtained IMS certification in April 2008 and in December 2009, respectively. We intend to improve our management systems by integrating the management systems of our five group companies in Japan (HORIBA, Ltd., HORIBA STEC, Co., Ltd., HORIBA Techno Service Co., Ltd., HORIBA Advanced Techno Co., Ltd., and HORIBA ITECH Co., Ltd.) in May 2011 to obtain a single integrated management certification for the Group. We are also stepping up efforts in our overseas group companies to obtain ISO 9001 quality assurance certification and ISO 14001 environmental management certification at all

major manufacturing sites.

In June 2001 the HORIBA Application Center received accreditation from the Japan Accreditation Board as a test facility for ISO/IEC 17025:2005 (RTL 00880) (chemical tests). In August 2009, the CS Headquarters of HORIBA

Techno Service Co., Ltd. also 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).

IMS Target Achievement Radar Chart for 2010



# A-d Results of IMS Initiatives for 2010 (1)

## Results of IMS Initiatives for 2010

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

Our environmental initiatives have reduced total CO<sub>2</sub> emissions, compared to 2005 levels, at business sites by implementing a range of energy-saving measures including the replacement of old devices with more energy-efficient models and using 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 by incorporating a more eco-friendly design in new products. This year we held an Energy Conservation Idea Contest among HORIBA Group companies in Japan and implemented group-wide energy-saving measures. We have also established an Energy

Conservation Committee and started new initiatives to ensure compliance with the 2010 Revised Energy Conservation Act.

Despite our efforts to achieve our goals for occupational health and safety through risk assessment initiatives to eliminate absenteeism caused by work accidents, we had three occupational accidents this year. In order to prevent future accidents we implemented measures to share knowledge about these accidents among all divisions. We are also working to improve our health management system based on the results of periodic medical examinations of lifestyle-related illnesses and by providing employee health improvement programs with guidance services conducted by industrial doctors and nurses.

In order to maintain a balance between our goals for quality, environmental protection and safety, we implement quality improvement measures after carefully examining their impact on the environment and occupational health and safety.

For example, product quality improvements

gained by reducing the percentage of manufacturing defects will lead to decreased waste emissions and environmental impact. These actions will also decrease production time, thereby reducing the amount of time employees are exposed to various risks, which produces positive effects in occupational health and safety. Thus, our initiatives are designed to have synergistic effects.

# A-d Results of IMS Initiatives for 2010 (2)

## Results of IMS Initiatives for 2010

IMS Policy	Items	Group Objectives	Objectives	Targets	Results	Self-evaluation	
<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 norms, 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 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 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 50% (compared to FY 2009 results)	We are continuing our efforts to make improvements beginning at the design stage based on experience gained through previous examples.	Gradual improvements are being made.	
			Better compliance with delivery deadlines	90% compliance	We have made improvements by enhancing coordination of sales, production plans and manufacturing processes and by making necessary design revisions.	Objective achieved	
			Eliminate manufacturing flaws in all processes	Reduce the manufacturing flaws by 10% (compared to FY 2009 results)	We have achieved results that surpass our objectives through analyzing production-related issues to ensure further improvements.	Objective achieved	
			Reduce the amount of unfinished/unprocessed work	Reduce by 50% (compared to FY 2009 results)	We have analyzed the causes of unfinished specifications to resolve problems and achieved our objective for the most part.	Objective achieved	
			Raise the environmental compatibility of new products (including meeting eco-mode standards)	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	
		Energy and resource conservation (Global warming prevention)	Reduce CO <sub>2</sub> emissions	Reduce CO <sub>2</sub> emissions per unit of sales by 9% (compared to FY 2005 results)	Although total emissions have fallen, our objective for emissions per unit sales has not been achieved due to an excessive decrease in sales.	Our objective for total emissions has been achieved.	
				Introduce a carbon footprint system	Trial	We measured the carbon footprint of one product on a trial basis.	Calculation methods are being reviewed.
		Elimination of absenteeism from work accidents	Reduce risks that can lead to injury or illness	Zero	We used risk assessment for eliminating absenteeism due to work-related accidents. However, we had three accidents that resulted in absenteeism.	Three accidents that resulted in absenteeism.	
		Increase customer satisfaction: Improve evaluation by specially designated customers			Improve evaluation	We are examining how to collect data through a questionnaire survey.	Continue examination

# A-d **IMS Priority Measures for 2011**

## 2011 HORIBA Group Policy

HORIBA Premium: Providing first class quality: Toward achieving new medium- and long-term management plan objectives

### 2011 Action Plan Basic Principles of Policies, Items, and Objectives

1. To reflect the HORIBA Group's management policies, IMS policies were formulated from the perspective of "HORIBA Group is One Company" (the group management policy), as shown in the following.
2. IMS terms were established with consideration of compatibility with IMS policies and organization-wide goals.
3. IMS objectives were established with consideration toward building customer confidence.

## Priority Measures for 2011

### 1 Reduction and balanced distribution of quality costs (prevention, assessment and loss)

- Provide security and safety for customers
- Comply with on-time delivery requirements to fulfill our customer obligations
- Complete repairs on-time
- Provide all customers with high quality products
- Improve design quality
- Improve manufacturing quality

### 2 Reduce the environmental impact of the overall product lifecycle

- Conserve energy and resources through the three Rs (reducing, re-using and recycling)
- Improve energy efficiency by promoting energy and resource conservation
- Develop new eco-friendly products which will comply with the EU's revised RoHS directives

### 3 Eliminate absenteeism due to work-related accidents

- Improve occupational health and safety by reducing risks (Reduce risks resulting in injury or illness)

### 4 Increase customer satisfaction

- Increase customer satisfaction: Improve our survey evaluations by specially designated customers
- Improve overall quality (increase customer satisfaction in product performance, delivery, pricing and services)

# A-d 2011 IMS Action Plan

## 2011 Action Plan

IMS Policy	Items	Group Objectives	Objectives for HORIBA, Ltd.	Targets for HORIBA, Ltd.
<p><b>1</b> At the HORIBA Group, we meet customer needs through our first class quality products and services in countries all around the world.</p> <p><b>2</b> We use our skills for the development of science and technology and for the conservation of health, energy, and the environment. At the same time, we comply with laws, regulations, and social norms, promote harmony with stakeholders and actively contribute to society.</p> <p><b>3</b> We formulate plans based on the HORIBA Group management policy to increase the enterprise value of our group and we continually work to improve them.</p>	<p>HORIBA Group Policy for 2011: HORIBA Premium: Providing first class quality: Toward achieving new medium- and long-term management plan objectives Achievement of the HORIBA Group's sales goals</p> <p><b>1</b> Create corporate value 1) Promote construction of a Group IMS</p> <p><b>2</b> 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><b>3</b> 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 no accidents at work or while commuting</p>	<p>Reduction and balanced distribution of quality costs (prevention, assessment and loss) (Reduce product warranty servicing costs by 10% compared with last year)</p> <p>Conserve energy and resources (Reduce CO<sub>2</sub> emissions per unit sales by 1% or more compared with last year to comply with the revised Energy Conservation Act)</p> <p>Eliminate work-related accidents</p> <p>Increase customer satisfaction</p>	Provide security and safety for customers	Reduce the percentage of incomplete CS sheets by 20% or more (compared to 2010)
			Comply with delivery deadlines to fulfill our obligations to customers	Increase the delivery deadline compliance rate to 93% or more
			Complete repairs on time	Reduce the number of incomplete repairs to zero
			Provide all customers with products of the same quality	Respond 100% to suppliers' requests for changes
			Improve design quality	Reduce the number of design changes due to design errors by 10% or more (compared to 2010)
			Improve manufacturing quality	Reduce the number of manufacturing flaws by 10% or more (compared to 2010)
			Secure routes for the stable supply of key parts	Create a multiple supply system to disperse risk
			Develop new eco-friendly products	Apply eco-friendly design standards 100% to new products
			Improve the level of energy and resource conservation: Effective use of energy	Improve energy efficiency by 1% or more Reduce CO <sub>2</sub> emissions by 1% or more (compared to 2010)
			Reduce CO <sub>2</sub> emissions: Effective use of chemicals	Create a system for the effective use of chemicals
Eliminate work-related accidents: Decrease the number of risk-III level accidents	Eliminate work-related accidents			
Increase customer satisfaction: Improvement in evaluation by specially designated customers or questionnaire surveys	Improve the evaluation by specially designated customers, or raise the level of evaluation based on questionnaire surveys			



# B-a-1 Customer Support Center

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

At our Customer Support Center, we receive inquiries from customers via a toll-free number or a special form on our company website.

In addition to responding to technical questions about the operation of our products and requests from customers for catalogues or chemical substance safety data sheets and other documents, we provide customer feedback quickly to relevant divisions within our company, sending inquiries about business negotiations to sales staff, requests about product development to development staff, and requests about repair and maintenance to service staff.

In 2009, we introduced the CSIS (Customer Satisfaction Information System) in order to manage the entire process from the moment the customer inquiry is first received through to the final response to the customer.

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

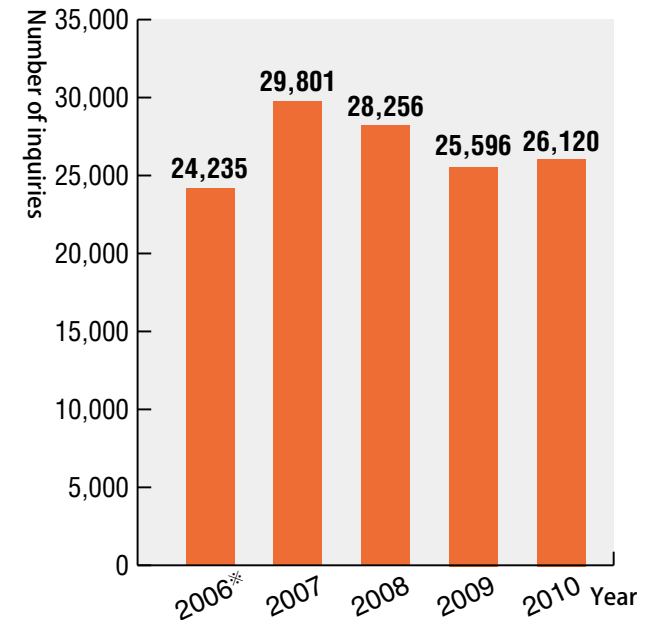
**HORIBA, Ltd. Customer Support Center**  
**0120-37-6045**

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



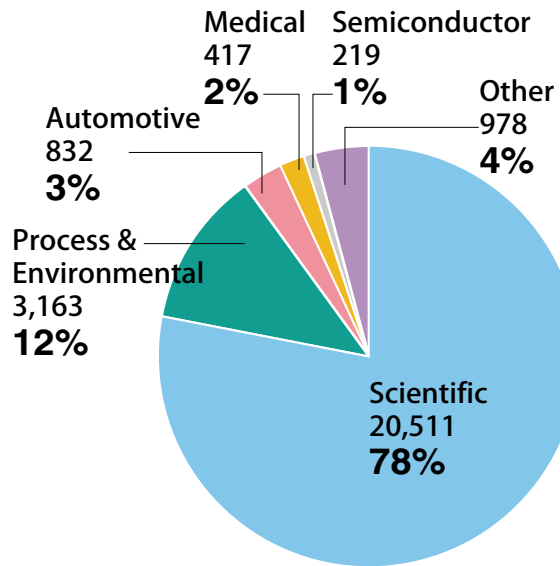
\* Due to a change in our accounting period for 2006, the data was collected over the nine-month period of 2006.

Customers

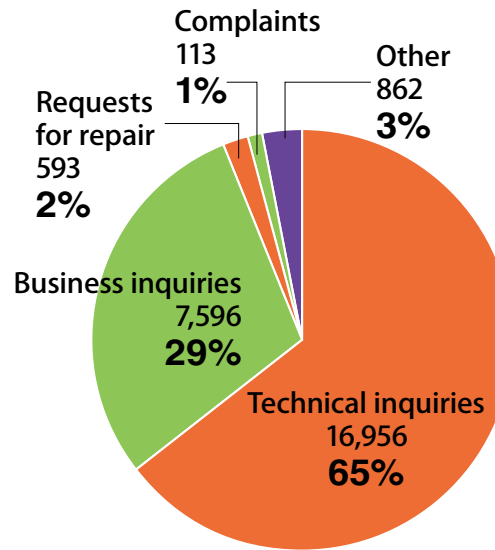


# B-a-1 Number of Customer Inquiries and Visits to the Company Website

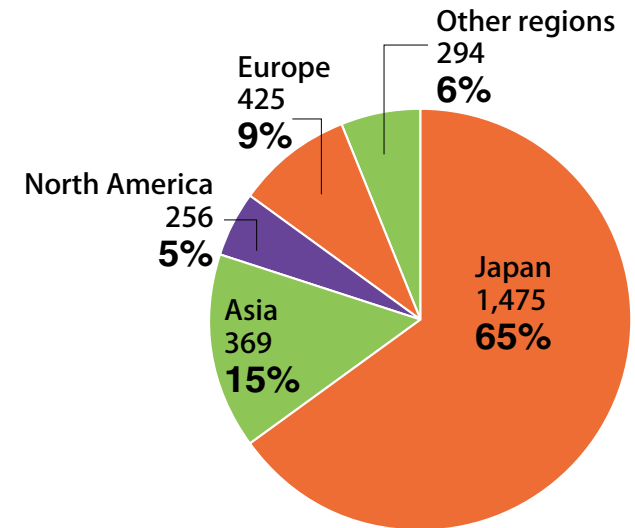
Breakdown of Inquiries in 2010  
(By Segment)



Breakdown of Inquiries in 2010  
(By Content)



Breakdown of Visits to the Company Website in 2010 by Region  
(2,819 Visits)



Customers

KEYWORDS

Customer Support | Service System

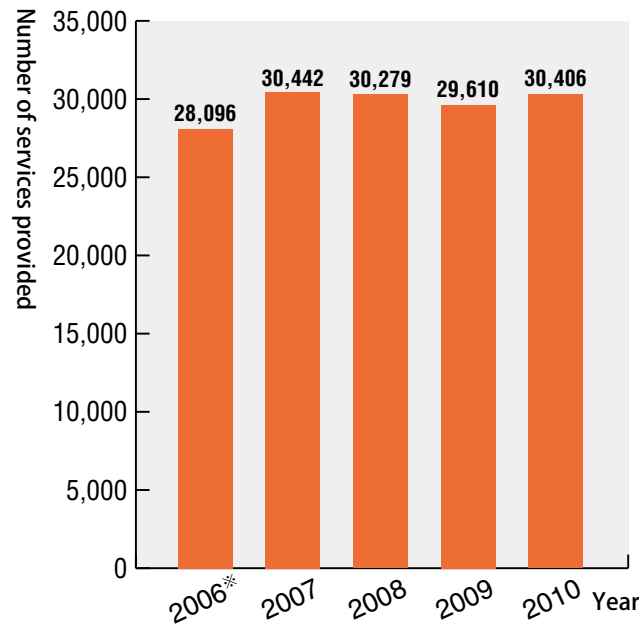
# B-a-1 Service System

## 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.

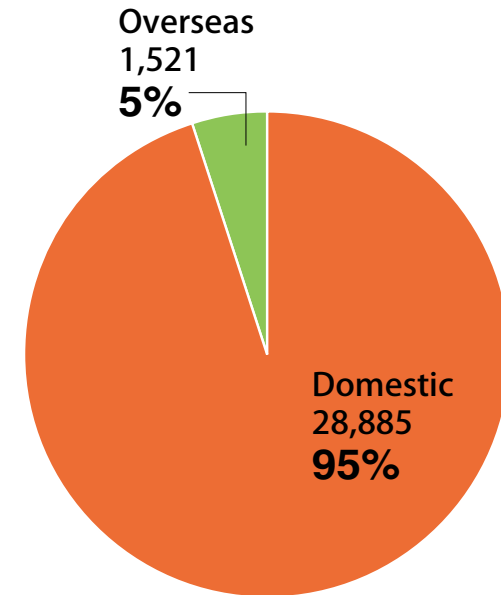
In 2010, we provided a total of 30,406 services in Japan and overseas. We offer a variety of products in different areas to meet customer requirements.

Trend in the Number of Services Provided



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

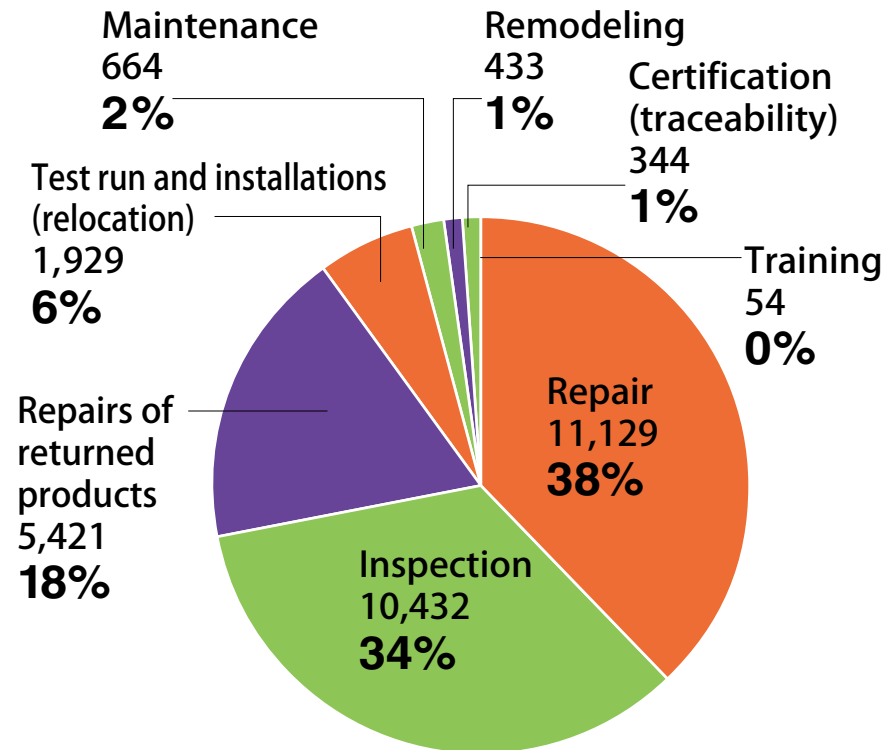
Ratio of Domestic to Overseas Service Jobs in 2010



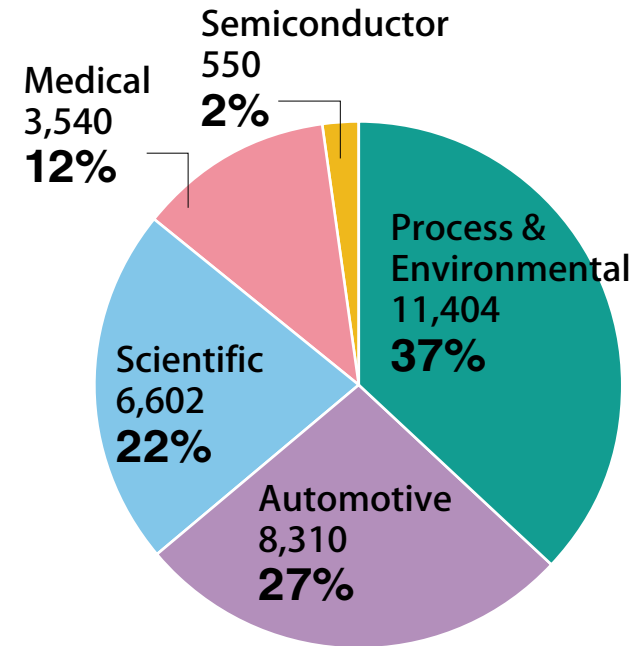
Customers

# B-a-1 Typical Services Provided in 2010

Typical Services Provided in 2010 (by Service)  
(Total 30,406)



Typical Services Provided in 2010 (by Segment)  
(Total 30,406)



Customers

## B-a-1 Exhibitions and Networking

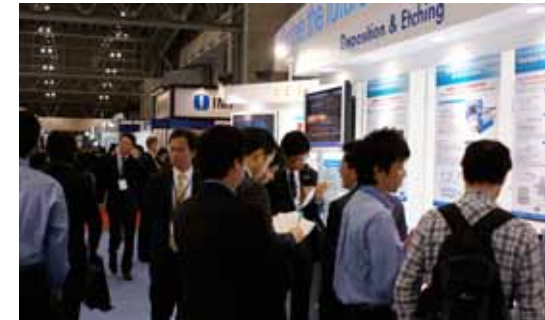
HORIBA Group companies participate in a total of about 40 exhibitions each year to actively advertise their new products and technological expertise. At the same time, the Group places great importance on further improving its hospitality. It does this by for example through initiatives such as the HORIBA 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 2010, Japan's largest automotive engineering exhibition for automotive engineers (May 19–21, 2010)



JAIMA EXPO 2010, hosted by the Japan Analytical Instruments Manufacture (September 1–4, 2010)



SEMICON Japan 2010, the world's largest exhibition on semiconductor production systems and materials (December 1–3, 2010)



### **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 provide them with an opportunity to network and to strengthen our relationships with customers.

**KEYWORDS**

Exhibitions | Automotive Engineering Exposition | JAIMA EXPO | SEMICON Japan | Hospitality

## B-a-2 Quality Improvement Initiatives

### Quality Improvement Initiatives

The HORIBA Group's quality guarantee 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 ecofriendly 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.



We held our third Technical Olympics with a total of 98 participants, including 67 members from the HORIBA Group and 31 members from our production partner companies. The competition consisted of four events: lead-free soldering, screw tightening, piping and general skills. By sharing knowledge of basic manufacturing skills among all members, we are able to establish processes for eliminating manufacturing flaws and producing products trusted by customers.

## B-a-3 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” (convictions) to all company members and strive to achieve their own ideals with the help of their supporters, regardless of affiliation or age. Thirteen 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



### The fourth HORIBA Group PQI Competition

As a Blackjack initiative, the fourth HORIBA Group Product Quality Improvement (PQI) Competition was held at the head office of HORIBA, Ltd. and the Aso Factory of HORIBA STEC, Co., Ltd. HORIBA Group companies cooperate with our production partner companies to improve product quality and to reduce the percentage of defective products.



# B-b-1 Two-Way Communication and Company Briefing Sessions

1/2

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.

## 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.

In 2010, in addition to mid-term and annual financial briefings, we held financial briefing sessions via phone at the end of the first and third quarters in order to provide more detailed information on market conditions and our financial results.

### Company briefing sessions:

#### ① For domestic institutional investors

- Annual financial briefing session (February 17, 2011 in Tokyo)
- Mid-term financial briefing session (August 6, 2010 in Tokyo)
- Individual interviews conducted by the president, executives and staff members in charge (more than 300 times annually)
- Exhibition booth and briefing tours (four times annually)

#### ② For overseas investors

- Visits to investors by the president (September 2010 in London)
- Briefing by the president at an IR forum (March and November 2010 in Tokyo)
- Individual interviews by the president, executives and staff members in charge (more than 50 times annually in Kyoto and Tokyo)

#### ③ For individual investors

- General meeting of shareholders (Saturday, March 27, 2010; a briefing session with executives after the general meeting held at the Kyoto Head Office)
- Briefing session for investors (February and April, 2010 in Kyoto)

Owners

# B-b-1 Information Disclosure

## 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 2009



Business report



Financial briefing session  
February 16, 2011



Briefing session for individual investors  
April 8, 2010



Exhibition booth tour  
September 1, 2010



# B-c-1 Group Material Purchasing Policy and Global Purchasing

## Group Material Purchasing Policy

To quickly respond to changing conditions (markets and management) in the global society, we have adopted a purchasing policy for group materials that will provide a steady supply of high-quality, low priced materials required to meet our customers' needs. To gain our customers' trust, we are working to achieve the following goals in accordance with this policy:

- 1 Promotion of development-focused purchasing
- 2 Establish supply chains through new purchasing approaches
- 3 Development and effective use of a global purchasing network
- 4 Continued development of change management with quicker response to quality flaws

## 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 by holding periodic meetings to develop global purchasing policies. In addition to bulk purchasing of group materials, group companies conclude global purchasing contracts and share materials sourced from lowest-cost countries to support the purchasing strategies of each company. Furthermore, the Group companies are implementing measures based on common strategies and local policies to improve quality, reduce costs, and save time purchasing and distributing materials.

## ■ Green Procurement

The HORIBA Group sets green procurement standards for purchasing parts, materials, and equipment and requests its partner companies to only 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/>

# B-c-2 Maintaining Good Relations with Production Partner Companies

Our business activities would be impossible to carry out without the cooperation and support of all our suppliers, especially our partners who provide materials and parts required for product manufacturing. We work to maintain relationships of trust with domestic and overseas materials and services suppliers, and exchange information with these partner companies. Our goal is to become a highly efficient supplier with a total commitment to First Class Quality.

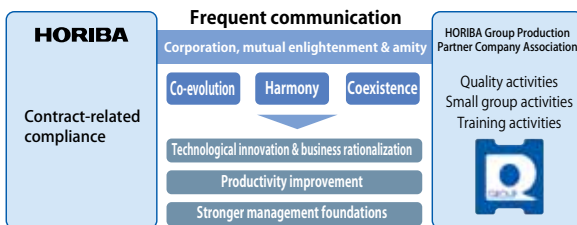
## Maintaining Good Relations with Production & Assembly Partner Companies

We seek suppliers with the ability to become production partner companies with which we can work and grow together. We maintain strong relationships with our material suppliers and with our outsource assembly companies. We have created an organization with our suppliers named “HORIBA Group Production Partner Company Association” for the HORIBA Group companies in Japan. We exchange advice, adopting “Co-evolution, Harmony and Coexistence” as our motto.

In 2010, we held our first Processing and Manufacturing Technology Exhibition to coincide with the HORIBA Group Meeting for Production Partner Companies. The goal of this exhibition was to facilitate information exchange between HORIBA and our production partner companies for proactively applying our partner companies’ manufacturing technologies to HORIBA products. The exhibition was attended by more than 400 people, including designers, developers and employees from HORIBA Group companies. In addition, we held a quality improvement lecture in October as part of the HORIBA College program to promote the understanding of HORIBA’s quality improvement initiatives. In December, we also organized a factory tour to promote communication between the President and executives and those working in the field. During the year we implemented several programs to develop win-win relationships by adopting advanced skills demonstrated by our production partner companies.



Processing and Manufacturing Technology Exhibition



# B-c-2 Interview with a Production Partner Company

## Interview with an Award Winning Member of the 20th HORIBA Group Meeting for Production Partner Companies

We interviewed Mr. Seiichi Chaya, President of OYO Electric Co., Ltd., about his company's commitment to manufacturing and its relationship of trust with HORIBA. OYO Electric Co., Ltd. engages mainly in the assembly of motor exhaust gas analyzers, a major product of HORIBA's. The company has been supporting the manufacturing of HORIBA products for over 50 years by using its various technologies.



Mr. Seiichi Chaya  
CEO and President, OYO Electric Co., Ltd.

### Commitment to Manufacturing and Quality

We specialize in made-to-order manufacturing and make products tailored to customer requirements, which vary from one customer to another. We have gradually expanded the range of our technologies as we have manufactured products in response to each customer's requirements. Today, we perform all major production processes within our company, from design, parts procurement, plating, machine processing, and printed circuit board installation through to assembly and inspection, thereby constantly manufacturing as many as a thousand different products, including industrial measurement and control systems.

We were the first of the HORIBA production partner companies to obtain ISO 9001 certification, which we obtained in 1995. We make every effort to provide customers with products of consistent first-class quality. It may be possible to use temporary measures to meet a customer requirement for reduced costs or delivery time, but that is not the case with quality. To provide first-class quality, we need to work together with customers and make concerted efforts for steady improvements. As

a manufacturing company, we think we should adopt common manufacturing knowledge as the common knowledge of our company. To this end, we are working to spread various practices required for manufacturing, including the 5S methodology, throughout all the divisions of our company as a means of improving quality.

### Relationship of Trust with HORIBA

We have been working for HORIBA for nearly as long as half a century. During this long period, there were difficult times for both OYO Electric and HORIBA, but we have always helped each other to overcome these difficulties.

For example, in 2010, when we had little work at our Kumamoto factory in the wake of the Lehman crisis, we closed the factory and conducted staff training. At around that time, HORIBA STEC needed to increase its production of mass flow controllers\*. Remembering that we had closed our Kumamoto factory, HORIBA asked us to send our staff to support their production. We immediately sent our Kumamoto factory staff to HORIBA's Aso factory to support HORIBA in increasing its

KEYWORDS

Group Material | Global Purchasing | Green Procurement | Production Partner Company

# B-c-2 Interview with a Production Partner Company

production using the manufacturing skills of our staff.

Since its establishment, HORIBA's top executives have continued to treat production partner companies as important partners. We also greatly admire HORIBA's great collective strength to make a united effort at crucial moments. HORIBA sometimes places high demands on production partner companies, but they have always worked together with us to solve problems and helped us to improve our skills. We have developed a strong sense of solidarity with HORIBA in the positive sense of the term, so we are always ready to work for the company to the best of our abilities.

## Using Customers' Smiles as Guidance

What is most important for us is to manufacture products that meet the individual needs of our customers. In other words, our company is a group of people with a passion for manufacturing, who like to make things more than anything else. Our greatest joy is to create products that bring satisfaction to our customers and to share the pleasure this brings with them. We believe that the daily efforts of

our employees, who are genuinely committed to manufacturing and feel happy seeing smiles on customers' faces, will lead to improvements in our skills and product quality.

We manufacture each product using customers' smiles as guidance, which is more important for us than working to realize impossible dreams. We will continue to adopt this approach in the future.



### Mass Flow Controller

A device used to control the flow of fluids (gases and liquids), which is indispensable for semiconductor device manufacturing that requires the most advanced technologies. It is a major product of HORIBA STEC, Co., Ltd. that has established an unrivaled reputation in the global market.



### OYO Electric Co., Ltd.

Address: 63-1 Nakamichiomote Hirakawa, Joyo, Kyoto, Japan  
Business operations: Development, design and manufacturing of measurement systems, mechatronic systems and medical systems using electronics and optics technology

# B-d-1 Basic Personnel Management Policies

Staying true to our company precept, “Joy and Fun,” we are making efforts to create an open and fair working environment where all HORIBA Group company employees may challenge themselves through their work.

## Basic Personnel Management Policies

### 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.



To facilitate communication between executives and employees, buffet parties are hosted by the President and other executives for employees celebrating their birthdays each month (head office: once per month; Tokyo: four times per year; Nagoya: three times per year).



## B-d-2 Creating a Workplace Where All Employees Can Work with a Sense of Purpose

### Promotion of the employment of people with disabilities

In order to provide greater employment opportunities for people with disabilities, we collaborate with Job-placement offices to accept employees through on-the-job training. In 2010, we employed one person with disability through on-the-job training.

We are also working to expand the scope of our activities outside the company, such as participating in the International Abilympics.



Junya Fujishige, who competed in the mechanical CAD event in the 2010 International Abilympics

### Employment of Personnel from Overseas

We employ skilled personnel irrespective of nationality in a wide range of areas, including research and development as well as administration and sales. Personnel of various nationalities (French, British, Indian, Chinese, South Korean, Russian, etc.) are working both inside and outside our companies.

We also take the initiative in recruiting new graduates. This year, we employed graduates with foreign citizenship, including those who graduated from school in 2011, for a fourth consecutive year (a total of five graduates, including those from China, South Korea and Vietnam).



Woo Jekwon, an employee newly recruited in 2010, who ranked second in the Freshers' Thesis Competition hosted by the Nikkan Kogyo Shimbun, Ltd.

# B-d-3 Support for Work-life Balance: Work and Life Are Equally Important

## Support for Work-life Balance

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. We are also working to make these systems known to all employees and to provide training for managers in order to create a work environment where employees can easily apply for our work-life balance support programs, including childcare leave.

In 2010, HORIBA, Ltd. received the Labor Bureau Director-General Prize in the "Family-

friendly Company" category of the Ministry of Health, Labour and Welfare's Award for Companies Promoting Equal Opportunity Employment and Work-life Balance. The prize was awarded in recognition of HORIBA's contributions in these areas, including its unique system of offering money to employees to celebrate their return to work from childcare leave, as well as the shorter working hour system and the company's support for childcare leave for both male and female employees, including managers. We will continue our efforts to create a workplace with systems that meet employees' needs.



We held the HORIBA Open House event and invited employees and their families to HORIBA, Ltd.'s head office to enable them to go on a workplace tour. Through factory tours and hands-on product exhibitions, we introduced them to HORIBA's businesses and corporate culture. (November 23, 2010)

## Employees who took childcare leave

HORIBA Group companies in Japan: HORIBA, Ltd.; HORIBA STEC, Co., Ltd.; HORIBA Techno Service Co., Ltd.; and HORIBA Advanced Techno Co., Ltd.

(Unit: person)

		2008	2009	2010
Women	No. who gave birth	20	19	28
	No. on childcare leave	20	18	28
	No. of managers	0	0	1
Men	No. on childcare leave	2	3	3
	No. of managers	1	0	0

Nearly 100% of women who gave birth took childcare leave and returned to work.

# B-d-4 Human Resource Development

## Overseas Training Program Open to All Employees

In order to train personnel with a global perspective by giving them one year's overseas experience, in 1984 we introduced an overseas training program, which is open to all employees. In recent years, we have sent about ten employees every year to our overseas business sites, including employees on the overseas business training program.

## HORIBA COLLEGE

HORIBA COLLEGE offers 280 training courses designed to raise participants' levels of knowledge, skills and business literacy, and to support individual employees in building independent careers. More than 1,200 employees participated in the project in 2010.

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.

(As of June 10, 2010)

Area	Country	No. of persons
Americas	U.S.A.	61
	<b>Americas total</b>	<b>61</b>
Europe	U.K.	10
	Germany	16
	France	43
	Austria/Germany	1
	<b>Europe total</b>	<b>70</b>
Asia	China	3
	South Korea	6
	Singapore	3
	India	1
	<b>Asia total</b>	<b>13</b>
<b>Total</b>		<b>144</b>



Built in a rich natural environment, FUN HOUSE is used for various training programs and meetings, including HORIBA COLLEGE programs.



## B-d-4 Human Resource Development

### Ranked among the Best Workplaces in Japan for Five Consecutive Years

The results of the fifth survey on Best Workplaces in Japan, conducted by Great Place to Work® Institute (GPTW) Japan, showed that HORIBA, Ltd. ranked among the top 20 companies. Since the survey started in Japan, HORIBA, Ltd. has been chosen among the best workplaces for five consecutive years. On March 1, 2011, we were awarded a prize together with a special commendation.

GPTW Japan defines the best companies to work for as companies where employees can trust their managers and administrators, work with a sense of pride, and enjoy camaraderie with their co-workers. 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. The results of the questionnaire conducted among our employees showed many positive responses to survey questions, such as “We

have opportunities to receive training for improving our skills and developing our abilities” or “Our company makes great contributions to local communities and society.”

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. Based on these policies, we will continue to maintain a corporate culture that makes HORIBA one of the best companies to work for in Japan.



# B-d-5 Annual Health & Safety Plan for 2011

In 2010, in accordance with the HORIBA Group policy, “First-Class Quality,” our administrative division started shared services for domestic HORIBA Group companies. The safety staff members of our group companies are working in the same workplace and organization to promote health and safety for all HORIBA Group companies in Japan (HORIBA, Ltd.; HORIBA STEC, Co., Ltd.; HORIBA Techno Service Co., Ltd.; HORIBA Advanced Techno Co., Ltd.; and HORIBA ITECH Co., Ltd.) under unified management.

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 to promote occupational health and safety based on the HORIBA Group Annual Health and Safety Plan. With a view to achieving our annual goals, we conduct periodic and planned activities for health and safety in order to prevent occupational accidents and to promote the physical and mental health of our employees.

In 2011, based on the HORIBA Group policy, “HORIBA Premium: Providing First-Class Quality,” we will work to provide safer and more comfortable workplaces for all those who work at HORIBA. We will also undertake various health and safety activities at our sales offices and Aso and Biwako factories through concerted efforts of all our group companies.

## Annual Health & Safety Plan for 2011

**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

**Safety:** Reducing work-related accidents to zero (indicator: reduction in the number of risk level III accidents)  
Reducing accidents on the way to work resulting in lost workdays to zero

**Health:** Promoting employee physical and mental health (indicator: reduction in sick leave)  
Continuing the zero work-related illnesses record

**Safe driving:** Reducing the number of accidents related to company vehicles resulting in injury or death

KEYWORDS

Occupational Health and Safety | Annual Plan | Work Accidents | Risk Assessment | Health Management and Promotion

# B-d-5 2010 Occupational Health and Safety Initiatives

## Workplace Inspections and Patrols

We accord top priority to workplace inspections and patrols. In order to promote improvement activities, executives, department managers, safety managers, health managers and industrial physicians each check potential risks regarding workplaces, facilities, work processes and employees from their own perspectives.



Safety Patrol by Executives

## Health and Safety Training

We provide various training programs on safety, physical and mental health, as well as traffic safety. The purpose of these programs is to raise employees' awareness of the dangers and risks of accidents that occur in various situations, including work-related accidents and accidents on the way to work, and to help employees learn skills in protecting themselves from accidents.

In order to learn the roles of foremen and to share values as key persons for workplace accident prevention, HORIBA Group team leaders also participate in two-day training at HORIBA's training center.



Foreman Training at the Kutsuki Training Center



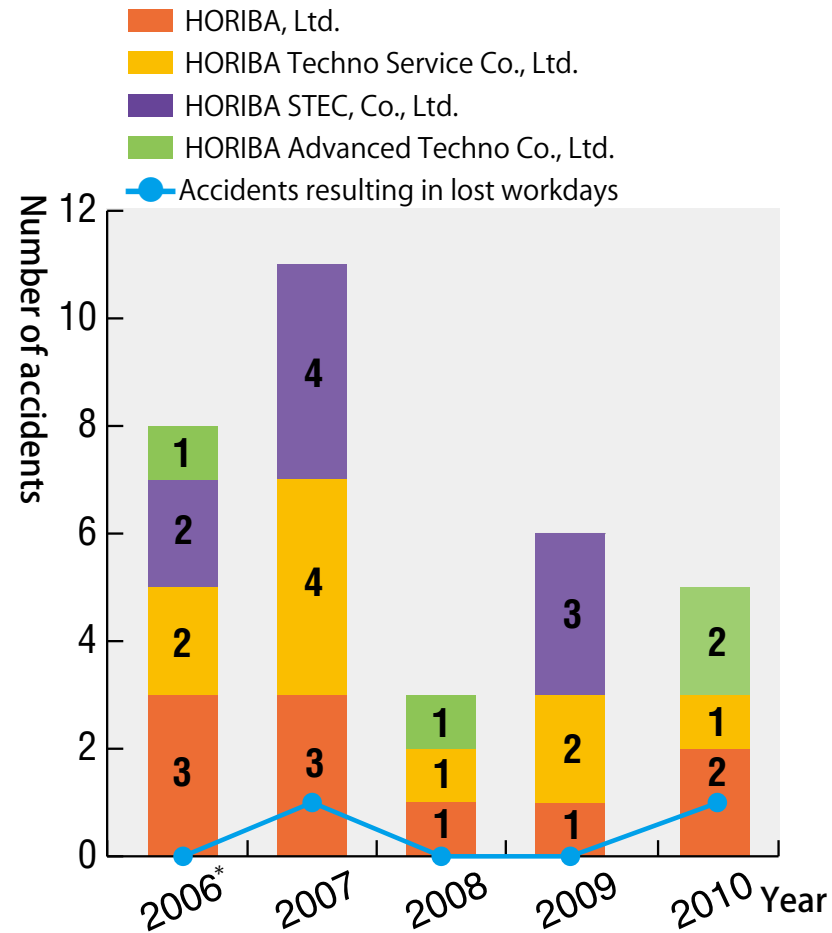
AED (Automatic External Defibrillator) Life-saving Training at HORIBA Advanced Techno Co., Ltd.

# B-d-5 Results of Initiatives Implemented to Achieve Annual Goals (1) Work Accidents

## Work Accidents

In 2010, we had an accident resulting in lost workdays in one of the HORIBA Group companies—i.e., while unloading large products, an employee fell off a truck with cargo and broke his leg. Humbly acknowledging this result, we will go back to the basics of safety in routine operations. At the same time, we will take all available measures to prevent the recurrence of similar accidents and continue our efforts to eliminate the risk of all work accidents.

Number of Accidents (On-the-job Accidents)



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

Occupational Health and Safety

KEYWORDS

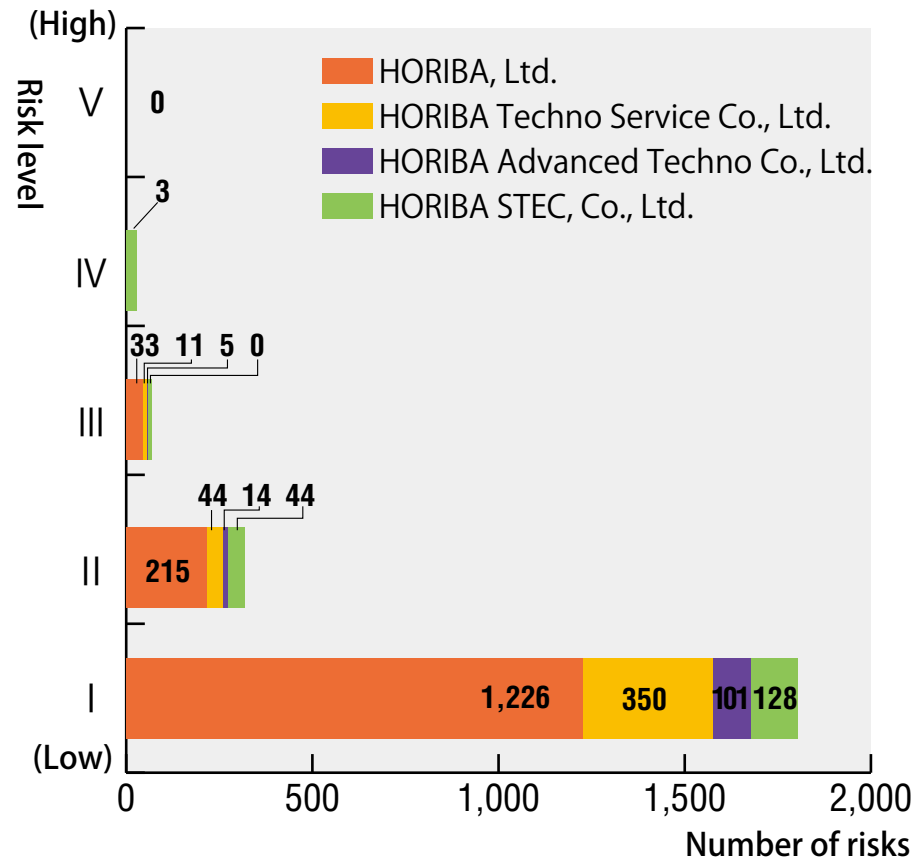
Occupational Health and Safety | Annual Plan | Work Accidents | Risk Assessment | Health Management and Promotion

# B-d-5 Results of Initiatives Implemented to Achieve Annual Goals (2) Risk Assessments

## Risk Assessments

We undertake risk assessments at different work sites by identifying the causes of near accidents and by 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.

Results of Risk Assessment for 2010



Occupational Health and Safety

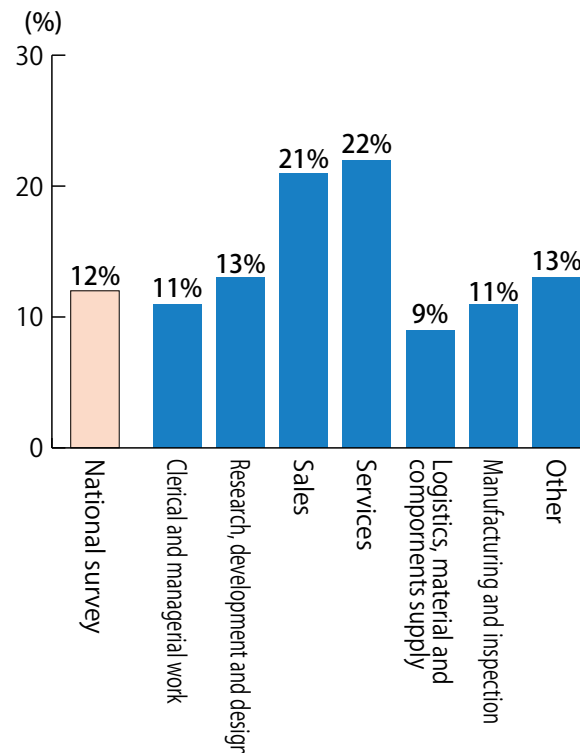
## B-d-6 Health Management and Promotion Initiatives

### Health Management

With a view to promoting the physical and mental health of employees, HORIBA company staff, including industrial physicians and 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 for employees with medical problems found in medical examinations, and to hold health promotion seminars, mental healthcare training and consulting sessions on a regular basis.

In 2010, we started a health promotion project for HORIBA Group employees' health management and promotion with the cooperation of the group health and safety staff, personnel staff, health insurance association members and labor union members. As the first step toward promoting phexamination records. The results of these assessments have helped to improve the menus of our company cafeterias and to raise employees' health awareness.

Percentage of People Who Do Not Eat Breakfast at Least Four Days a Week (by Occupation)



### Education Day

At Tokyo, Nagoya and Osaka sales offices, we hold Education Day events on a periodic basis. These events include health promotion seminars (provided for sales and service staff who do not work in offices very often to learn about calories while eating lunch), safe driving training, crime prevention training for women, and training for walking to home in the event of a disaster.



Health Promotion Seminar at the Tokyo Sales Office

KEYWORDS

Occupational Health and Safety | Annual Plan | Work Accidents | Risk Assessment | Health Management and Promotion



# B-e-1 Initiatives for Reduction of CO<sub>2</sub> Emissions during Distribution

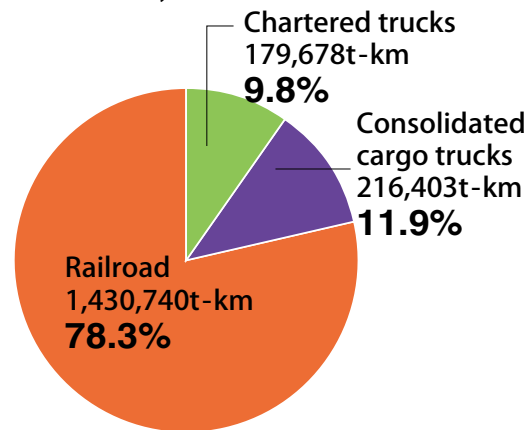
Environment

HORIBA is committed to reducing the amount of CO<sub>2</sub> 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 78% of products transported within Japan in 2010. As a result, the amount of CO<sub>2</sub> emitted during the transportation of products has been decreasing over the past several years and dropped by about 5% in 2010 compared to the previous year despite an increase in the total amount of products transported. HORIBA group companies will continue to work together to reduce CO<sub>2</sub> emissions by promoting efficient transportation methods

## Railroad Utilization Rate for the Transportation of Products in 2010

Total amount of products transported:  
1,826,821 t-km

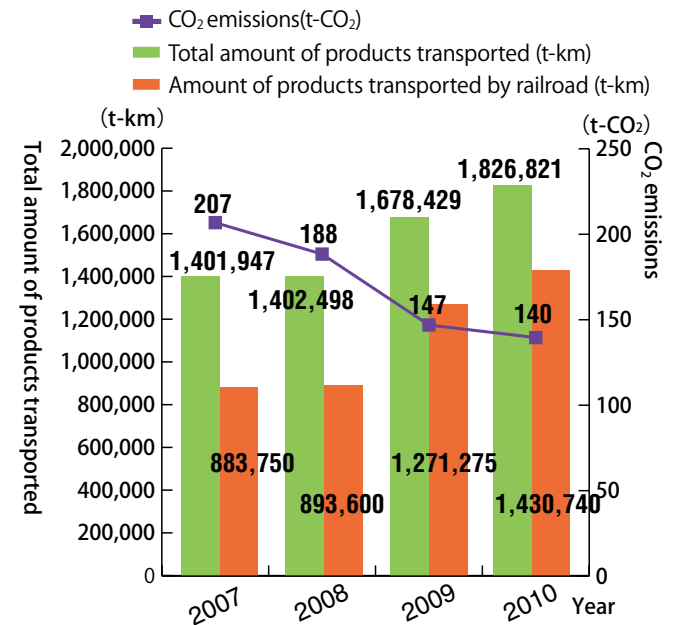
Scope: Domestic production sites  
HORIBA, Ltd. head office/factory, HORIBA STEC, Co., Ltd. head office/Aso Factory, and HORIBA Advanced Techno Co., Ltd. head office/factory



## The Amount of Products Transported and the Amount of CO<sub>2</sub> 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





## B-e-2 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 2010

In 2010, the domestic HORIBA Group companies adopted the following objectives and goals for environmental conservation under the Integrated Management System (Quality, Environment and Occupational Health and Safety).

#### Objectives:

- 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

#### Goals:

- 1 Develop energy and resource conservation activities in order to reduce CO<sub>2</sub> emissions per unit of sales
- 2 Expand eco-friendly design in new products

### 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. Although environmental impact in 2010 increased compared to the previous year as a result of improvement in our business performance, CO<sub>2</sub> emissions decreased during sales and distribution thanks to an increase in the percentage of railroad transportation.

We will continue our efforts to reduce the total environmental impact of our activities in 2011 and thereafter.

# B-e-2 Overview of the Environmental Impacts: Balancing Environmental Impacts

## Material Flow Chart for 2010 to Determine Environmental Impacts

Scope: Domestic production sites

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

Environment

### IN PUT

#### Energy

Electricity 17.80 mil kWh  
City gas 719km<sup>3</sup> Fuel 85kL

#### Water

Service water 83km<sup>3</sup>

#### Materials

Metal 1,228 tons Glass 1 tons  
Packaging materials 366 tons  
Chemical substances 8 tons  
Office paper 22tons  
Liquid gas(LN<sub>2</sub>) 1,523 tons

#### Energy

Vehicle fuel 38kL

#### Energy

Electricity 7.27 mil kWh

#### Post-consumer product collection

Collected products 16 tons

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

### Business processes



<b>Packing materials</b>	Materials for wrapping and packing products
<b>Chemical substances</b>	Substances required for the use, development and manufacturing of products
<b>Office paper</b>	Copy paper used in factories and offices
<b>Liquid gas (LN<sub>2</sub>)</b>	Liquid nitrogen used in development and manufacturing processes
<b>Vehicle fuels</b>	Fuels used in truck Transportation
<b>Electricity</b>	Electricity consumed for the use of products
<b>Collection</b>	Post-consumer product collection

<b>Products</b>	Weight of shipments
<b>CO<sub>2</sub></b>	Carbon dioxide caused by the consumption of energy, such as electricity and gas, and by non-energy greenhouse gases used for production
<b>Chemical substances</b>	Substances emitted mainly during manufacturing processes
<b>Amount of drainage</b>	Wastewater released into sewers and rivers

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

**CO<sub>2</sub>** : Carbon dioxide emitted during the transportation of products

**CO<sub>2</sub>** : Carbon dioxide emitted during the use of products

**Reused and recycled** : Resale  
**Disposal** : Disposal treatment

### OUT PUT

**Products** 4,731 tons

#### Emissions to air

**CO<sub>2</sub>** 8,786 tons

**Chemical substances** 3 tons

#### Discharge water

**Amount of drainage** 83km<sup>3</sup>

#### Waste

**Total amount discharged** 378 tons

**Final amount of landfill waste** 15 tons

**Recycled materials** 189 tons

**Recycled valuable materials** 142 tons

#### Emissions to air

**CO<sub>2</sub>** 140 tons

#### Emissions to air

**CO<sub>2</sub>** 2,749 tons

#### Reused, recycled, and disposal

**Reuse and recycling** 1.9 tons

**Disposal** 14 tons

# B-e-2 Overview of the Environmental Impacts : Environmental Impact of Production Sites

## Group Companies (Production Sites)

Company Name	Abbreviation	Location
HORIBA Instruments Incorporated Irvine Facility	HII (Irvine)	U.S.A. (California)
HORIBA Instruments Incorporated Ann Arbor Facility	HII (AnnArbor)	U.S.A. (Michigan)
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	Germany (Oberursel, Darmstadt)
HORIBA Instruments Limited	HIL	U.K. (Northampton)
HORIBA ABX S.A.S.	HMFR	France (Montpellier)

Company Name	Abbreviation	Location
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 2010

	Item/Region	U.S.A.					Europe					Asia					
		Group Company Name (Abbreviation)	HII (Irvine)	HII (AnnArbor)	HII(Troy)	JYUS	SHI	HE	HIL	HMFR	JYFR	HA	HOR	STEC	HAT	HKL	HSC
I N P U T	Electricity consumption	MW•h	343	841	3,226	1,473	1,005	1,445	314	2,937	3,423	40	10,273	7,055	469	57	618
	City gas consumption	km <sup>3</sup>	-	48	97	100	13	42	5	-	157	6.4	482	237	0.04	-	-
	Water consumption	km <sup>3</sup>	7	8	3	10	-	2.8	1	21	11	0.08	43	34	7.1	0.2	4
	Consumption of fuel oil & fuel for vehicles	KL	-	107	53	-	42	180	4	-	66	14	38	26	21	3	64
	Quantity of chemicals consumed	t	-	-	-	0.010	-	3	-	26	-	0.002	7.1	0.3	0.09	-	-
	Office paper	t	3	4	4	6	1	10	0.9	22	5	1	17	3.8	2	0.2	0.4
	Packing materials	t	-	-	-	14	-	5	-	747	-	1	357	9	-	2	-
O U T P U T	CO <sub>2</sub> emissions	t-CO <sub>2</sub>	202	842	2,230	1,080	835	1,234	162	147	653	53	4,214	4,386	187	26	355
	Wastewater discharge	km <sup>3</sup>	7	1	3	10	-	2.8	1	-	11	0.08	43	34	7.2	0.2	4
	Waste emissions	t	102	32	16	124	-	58	18	183	74	14	279	93	6	1.2	6
	Number of employees		67	117	80	194	54	400	98	525	299	22	1,387	402	139	24	132

\* Data on HORIBA Instruments Inc. Tempe Office is not provided due to factory closure.

\* Data on HORIBA Europe GmbH Oberursel and Darmstadt Offices were listed separately until Gaiareport 2010. Starting with Gaiareport 2011, data on these offices are combined into a single category.

KEYWORDS

Environmental Impacts | Material in balance | Production Sites | Non-production Sites

# B-e-2 Overview of the Environmental Impacts: Environmental Impacts of Non-production Sites

## Environmental Impacts of Non-production Sites (HORIBA, Ltd. sales offices/HORIBA Techno Service Co., Ltd. service stations/training and recreation facilities)

	Number of locations and category		HORIBA, Ltd. sales offices (11 locations)		HORIBA Techno Service Co., Ltd. service stations (24 locations)		HORIBA, Ltd. training and recreation facilities (2 locations)	
	Item/Year		2009	2010	2009	2010	2009	2010
INPUT	Electricity consumption	MWh	837	894	419	436	245	266
	Water consumption	km <sup>3</sup>	2.5	2.2	1	1	—	5
	Fuel consumption	kL	66.5	63.7	165	191	0	0
	Office paper	t	4.8	5.0	3.5	3.8	—	—
	Packing materials	t	1.1	1.2	2.6	3.2	—	—
OUTPUT	CO <sub>2</sub> emissions	t-CO <sub>2</sub>	471	486	542	609	131	156
	Wastewater discharge	t	2.5	2.2	1	1	—	5
	Amount of waste generated	t	9.3	8.5	11.7	14.6	—	—

**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)

**HORIBA, Ltd. training and recreation facilities (2 locations):** Shiga and Kyoto

**KEYWORDS**

:| Environmental Impacts | Material in balance | Production Sites | Non-production Sites

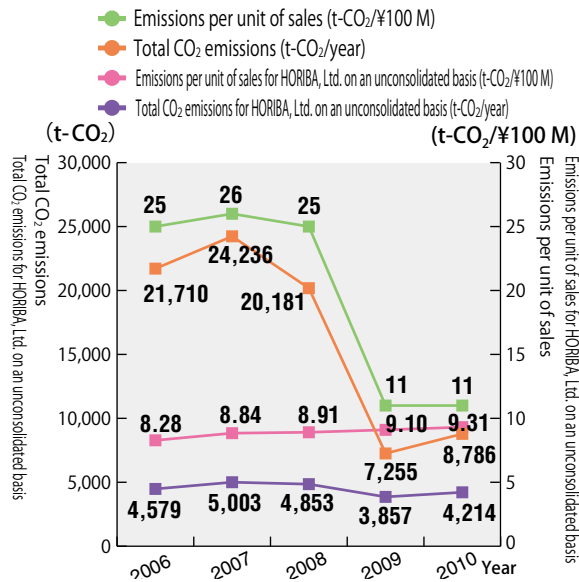
# B-e-3 CO<sub>2</sub> Emission Reduction Initiatives

Total CO<sub>2</sub> emissions generated by domestic HORIBA Group companies in 2010 increased by about 1,500 tons, compared to the previous year, to 8,786 tons. This increase was due to an increase in production resulting from improvement in our business performance, and CO<sub>2</sub> emissions per unit of sales remained at the same level as the previous year. Although total CO<sub>2</sub> emissions increased compared to the

previous year, emissions greatly decreased compared to the period before 2008, as shown in the graph. The most important reason for this decrease 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. We maintained and improved the same conditions in 2010.

Thanks to the large reduction in non-energy greenhouse gas emissions, the percentage of these gas emissions in total CO<sub>2</sub> emissions also greatly decreased. As a result, there were increases in emissions generated from the use of energy, including electricity. Accordingly, we need to develop new initiatives to reduce these emissions in the future.

## Total CO<sub>2</sub> Emissions

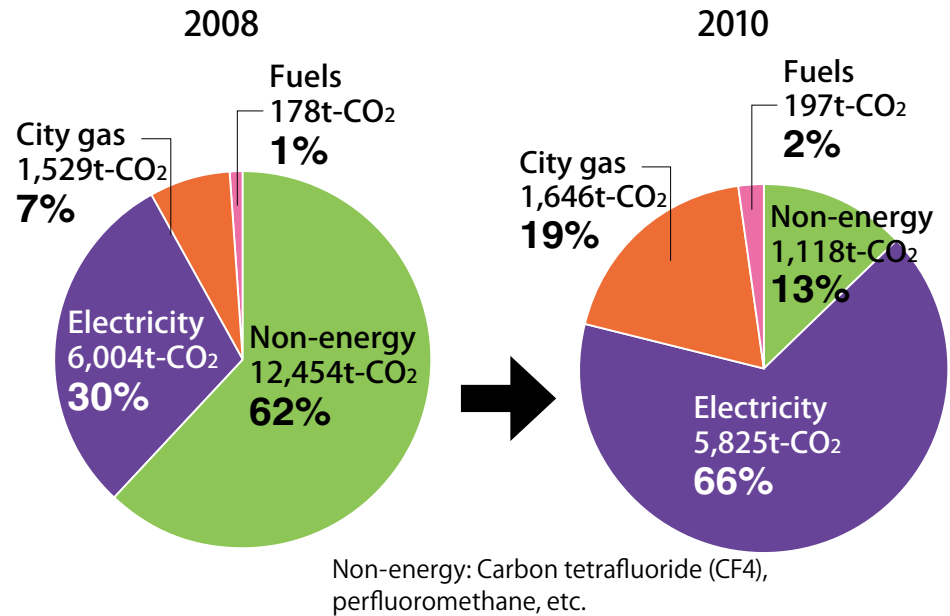


**\* 1 CO<sub>2</sub> emission factor:** CO<sub>2</sub> emission factor values were calculated based on the average (0.378 kg of CO<sub>2</sub> per kWh) for all electric companies in Japan. The official values of the Kansai Electric Power Company are adopted for the Kyoto District for 2005 onward. Values for city gas are calculated using the official values of Osaka Gas Co., Ltd from 2005.

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

**\* 3** Data collected over the nine-month period of 2006 was extrapolated to cover a twelve-month period.

## CO<sub>2</sub> Emissions by Type of Energy in 2008 and 2010



Non-energy: Carbon tetrafluoride (CF<sub>4</sub>), perfluoromethane, etc.

Scope: Domestic production sites

KEYWORDS

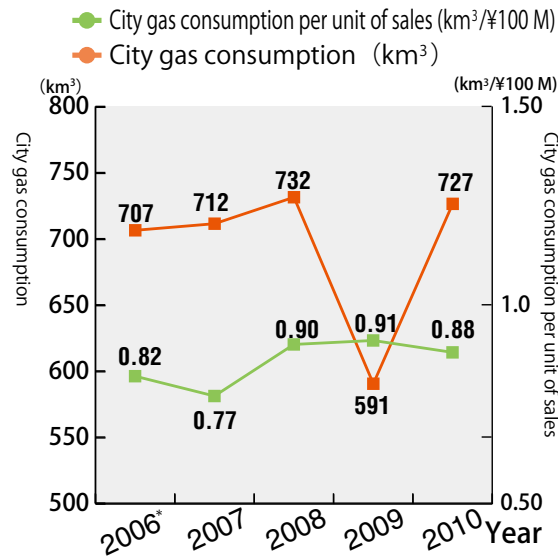
Reduction in CO<sub>2</sub> Emissions | Energy Conservation | City Gas | Electricity

# B-e-3 Energy Consumption

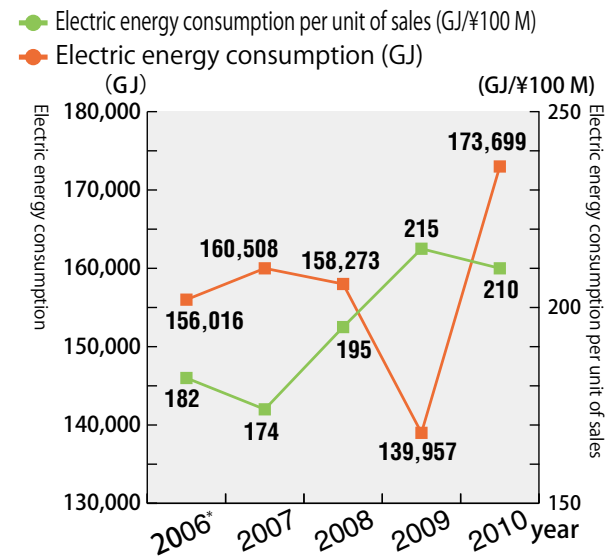
## Compliance with the Revised Energy Conservation Act

In 2010, the Revised Energy Conservation Act was enacted, and among HORIBA Group companies, HORIBA, Ltd. and HORIBA STEC, Co., Ltd. were designated by the government as specified corporations. To ensure compliance with the new act, the HORIBA Group formed the Energy Conservation Committee and established an energy management system with the aim of improving management standards and selecting representatives responsible for the promotion of energy conservation. In 2011, the Global Warming Prevention Ordinances of Kyoto Prefecture and Kyoto City are likely to be revised to implement stronger energy conservation measures. We will accordingly make further efforts to conserve energy.

City Gas Consumption



Electric Energy Consumption



Scope: Domestic production sites

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

\* Data collected over the nine-month period of 2006 was extrapolated to cover a twelve-month period.

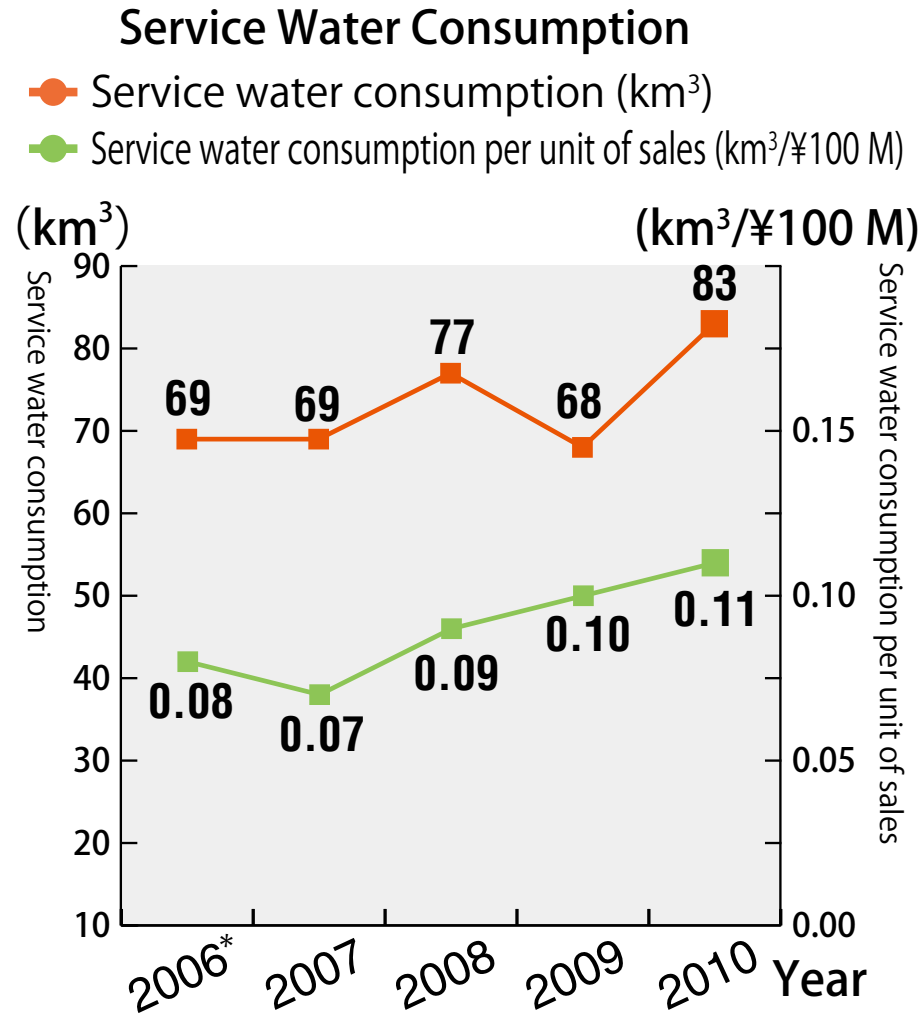
KEYWORDS

Reduction in CO<sub>2</sub> Emissions | Energy Conservation | City Gas | Electricity

# B-e-3 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 maintained this record in 2010 and we intend to maintain it for many years to come.

Meanwhile, the amount of service water used by domestic group companies, which remained nearly constant until 2009, increased in 2010 by 15 km<sup>3</sup> (approximately 23%) compared to the previous year due to a rapid increase in the production of the group companies. In 2011, we will make efforts to make more efficient use of water by monitoring the amount of service water used.



Scope: Domestic production sites

\* Data collected over the nine-month period of 2006 was extrapolated to cover a twelve-month period.



# B-e-3 Wastewater Measurement Categories and Trends in Measured Values

Environment

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	
			2008	2009	2010		
Environmental categories	pH	5 to 9	-	6.1 to 7.7	6.1 to 7.8	6.3 to 8.0	/
	n-Hexane extract	5	3.5	1.0	0.5	0.2	0.2
	Phenol	1	0.3	*	*	*	0.2
	Copper	3	0.9	0.0537	0.18	0.076	0.0005
	Zinc	2	1.0	0.2812	0.33	0.15	0.0001
	Iron (soluble)	10	3.0	0.428	0.1165	0.0400	0.0004
	Manganese (soluble)	10	3.0	0.04	0.03	0.01	0.0001
	Nickel	2	0.6	0.0182	0.01	*	0.0001
Toxic substances	Boron and its compounds	10	3.0	0.211	0.2	0.2	0.0002
	Fluorine and its compounds	8	4.5	1.35	1.9	1.5	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	0.007	*	*	0.002
	Hexavalent chromium	0.5	0.15	0.0009	0.0017	*	0.0004
	Arsenic and its compounds	0.1	0.03	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	0.011	*	*	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**

| Monitoring of Wastewater | Use of Service Water | Chemical Substances | PRTR | Atmospheric Measurement

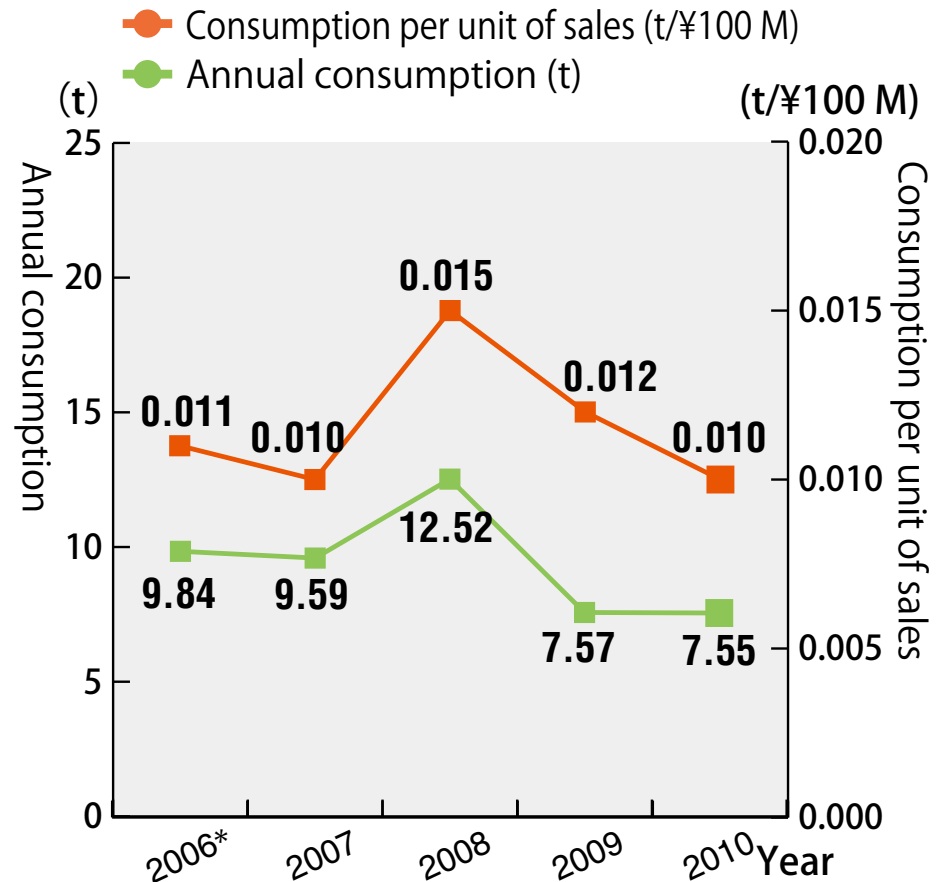
# B-e-3 Chemical Substance Use

The total amount of chemical substances (measured by weight) used by domestic HORIBA Group companies in 2010 was 7.55 tons, which was nearly the same as in 2009. Obtained while our business performance has been improving, this result leads us to believe that the effects of initiatives at individual work sites are starting to appear. Meanwhile, we implemented measures regarding chemical substances specified in the revised PRTR Law\* in 2010, and there were no chemical substances whose annual use exceeded the legally specified standard (1 ton; 0.5 tons for type I specified substances).

In 2011, we plan to revise our system in order to achieve a further reduction in the use of chemical substances.

**\* 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

Trend in Quantity of Chemical Substances Consumed



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

Scope: Domestic production sites

KEYWORDS

Monitoring of Wastewater | Use of Service Water | Chemical Substances | PRTR | Atmospheric Measurement

# B-e-3 Main Chemical Substances Handled

Environment

Scope: HORIBA, Ltd. head office/factory

Unit: kg

CAS No.	Substance (IUPAC)	Annual Amount Handled			Amount Transferred			Amount Recycled			Main Application
		2008	2009	2010	2008	2009	2010	2008	2009	2010	
67-63-0	Isopropyl alcohol	1,079	339	423	321	78	116	0	0	0	Clean printed circuit boards
64-17-5	Ethanol	877	351	384	153	136	102	0	0	2	Clean components
67-64-1	Acetone (dimethyl ketone)	566	334	229	535	321	203	10	0	0	Cleaning
124-18-5	n-Decane (petroleum hydrocarbon type cleaning agent)	599	143	338	13	0	0	0	0	0	Clean metals
7664-38-2	Phosphoric acid	210	180	146	115	69	77	0	0	0	Product additives
7439-92-1	Lead solder	628	307	175	0	0	0	408	225	111	Printed circuit boards
7440-31-5	Lead-free solder	2,045	1,843	1,415	0	0	1	891	1,087	1,007	Printed circuit boards
7803-57-8	Hydrazine monohydrate	15	14	15	11	14	15	0	0	0	Product inspection
1330-20-7	Xylene	578	322	120	578	322	120	0	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

KEYWORDS

| Monitoring of Wastewater | Use of Service Water | Chemical Substances | PRTR | Atmospheric Measurement

# B-e-3 PRTR Substances for 2010

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 Compounds Neutralized/ Decomposed/Synthesized	Amount Emitted			Amount Transferred	Amount Recycled	Main Application
					Air	Water	Soil	Industrial Waste	Transferred Outside	
305	Lead compounds	174.6	63.7	0.0	0.0	0.0	0.0	0.0	110.9	Printed circuit boards
80	Xylene	120.3	0.0	0.0	0.1	0.0	0.0	120.2	0.0	Clean components, semiconductors
304	Lead	71.5	1.0	0.0	0.0	0.0	0.0	70.5	0.0	Radiation shielding
185	Dichloropentafluoropropane (HCFC-225); product name H-997	55.9	0.0	0.0	51.2	0.0	0.0	0.0	4.7	Product inspection
374	Hydrofluoric acid and its water-soluble salts	27.6	0.0	0.3	0.0	0.0	0.0	27.3	0.0	For semiconductors
30	Linear alkyl benzene sulfonate acid and its salts	25.6	0.0	0.0	0.0	0.0	0.0	25.6	0.0	For semiconductors
245	Thiourea	25.5	24.0	0.3	0.0	0.5	0.0	0.7	0.0	Reagent production
150	1,4-Dioxane	24.3	0.0	0.0	0.0	0.0	0.0	24.3	0.0	Product tuning
11	Sodium azide	18.4	2.4	0.8	0.0	15.1	0.0	0.1	0.0	Product tuning
20	2-aminoethanol	18.1	0.0	0.0	0.0	0.1	0.0	18.0	0.0	For semiconductors
Total		561.8	91.1	1.4	51.3	15.7	0.0	286.7	115.6	

#9 \* 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



## B-e-3 Atmospheric Measurement Categories and Trends in Measured Values (at vents and site perimeters)

Environment

Scope : HORIBA, Ltd. head office/factory

Measurement Category		Unit	Kyoto Prefecture Regulations	HORIBA Standards	Measured Result (maximum)		
					2008	2009	2010
At vents	Xylene	Vol ppm	300	28	< 2.00	< 2.00	< 2.00
	Fluorine compounds	mg/m <sup>3</sup> N	5	3.5	< 0.50	< 0.50	0.8
	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 <sup>3</sup> N	0.05	—	< 0.01	< 0.01	< 0.01
	Hydrogen chloride	Vol ppm	0.2	—	0.04	0.02	< 0.02
	Nitrogen oxides (NOx)	Vol ppm	1	—	0.044	0.019	0.016

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.

**KEYWORDS**

Monitoring of Wastewater | Use of Service Water | Chemical Substances | PRTR | Atmospheric Measurement

# B-e-4 Initiatives for Waste Reduction

Environment

HORIBA, Ltd. achieved its zero-emission goal in the second half of 2006 and maintained it until the end of 2009. However, in 2010, we were unable to meet our zero-emission requirements due to the unanticipated disposal of heavy materials, which we had no choice but to deliver to landfill. However, this situation was only temporary and we are likely to achieve the zero-emission goal again in 2011.

Although the total volume of waste has been slightly reduced at HORIBA, Ltd., that of the domestic HORIBA Group companies as a whole increased by 31 tons (about 9%) relative to the previous year. This increase is attributable to a rapid increase in the production of the group companies. We will take measures to minimize waste output and reduce the amount of generated waste through our efforts to reduce costs.

**\* HORIBA's definition of zero emissions:**

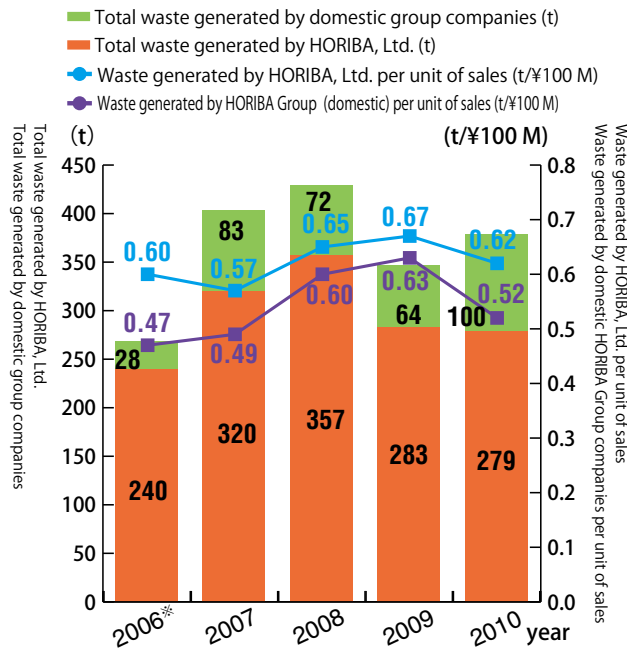
"The total amount of landfill waste must not exceed 1 percent of total waste generated."

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:**

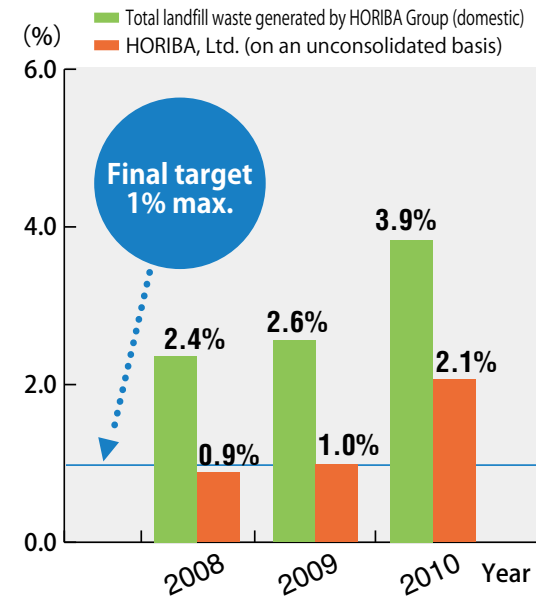
The total amount of waste delivered to landfill after processing for reuse, recycling, or intermediate treatment (including neutralization, change into nonhazardous substance, and incineration).

**Total Waste Generation and Waste Generation per Unit of Sales**



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

**Trend in Total Amount of Landfilled Waste**



**Scope:**

**Domestic production sites:**

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

**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.

KEYWORDS

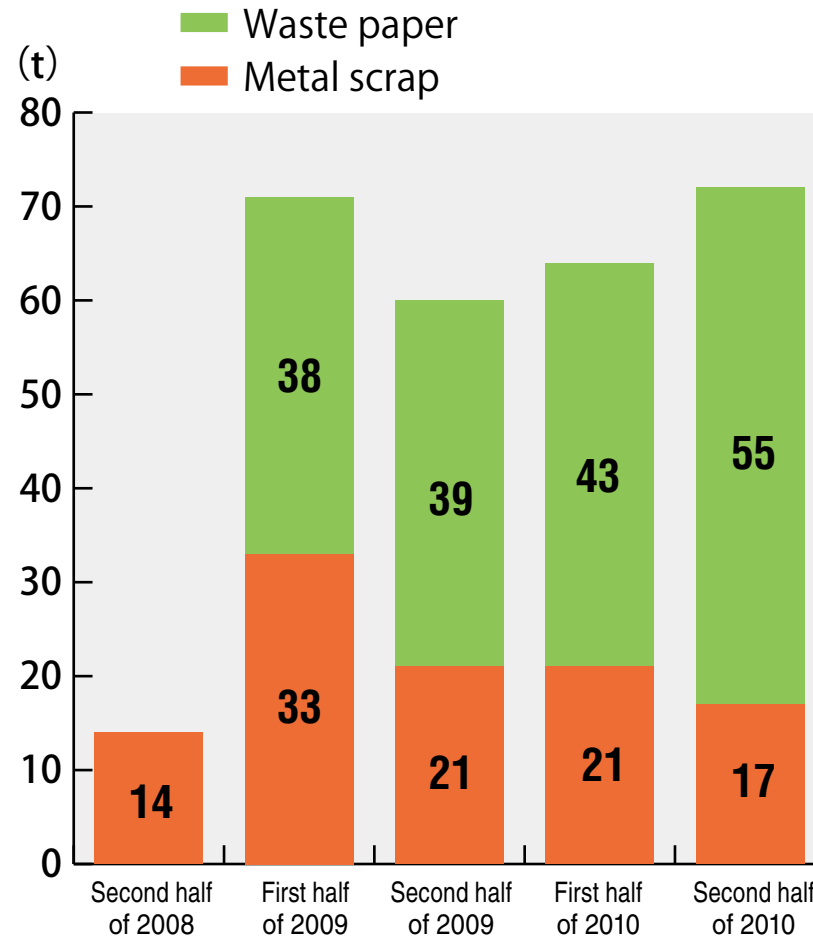
Waste Reduction | Collection of Valuable Materials

# B-e-4 An Initiative for the Collection of Valuable Materials

HORIBA, Ltd. started a new initiative in the second half of 2009 to separate metal scrap into simple material groups before selling it to the salvage companies. In 2010, we sold a total of approximately 38 tons of metal scrap. We also began selling waste paper in 2009, including cardboard and copy paper with the consent of our business partners, selling a total of approximately 97 tons of paper in 2010.

Volumes of Valuable Materials Collected

Scope: HORIBA, Ltd. head office/Biwako Plant



KEYWORDS

Waste Reduction | Collection of Valuable Materials



# B-e-5 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 CO<sub>2</sub> emitted during the use of our products, calculated based on the accumulated total for the past ten years, has decreased by approximately 35% compared to previous models.

HORIBA's Green Label and Logo

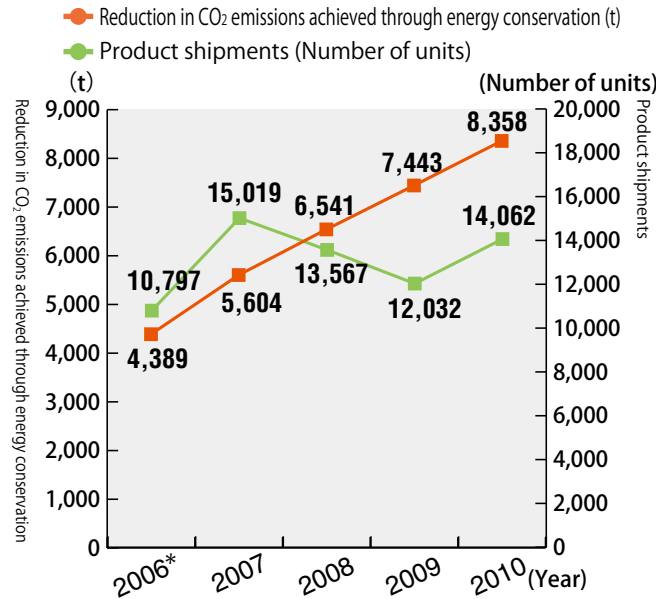


### Evaluation Categories of Design for Environment

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

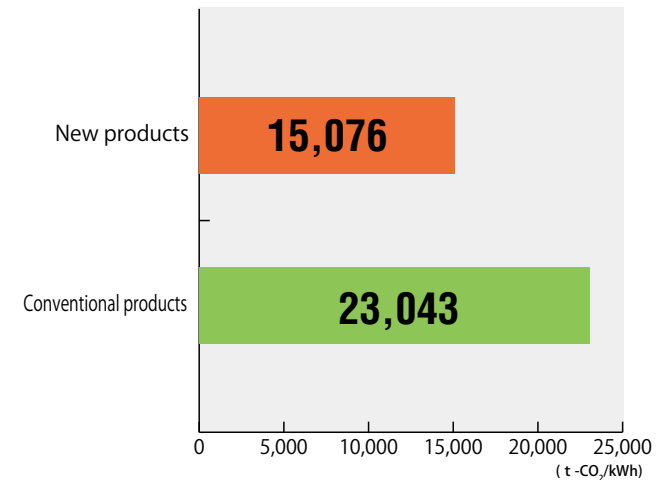
## Reduction in CO<sub>2</sub> Emissions through Energy-efficient Green Products

Scope: HORIBA, Ltd.



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

## Comparison of CO<sub>2</sub> Emissions between New and Conventional Energy-Efficient Green Products



# B-e-5 Green Product: HORIBA, Ltd.

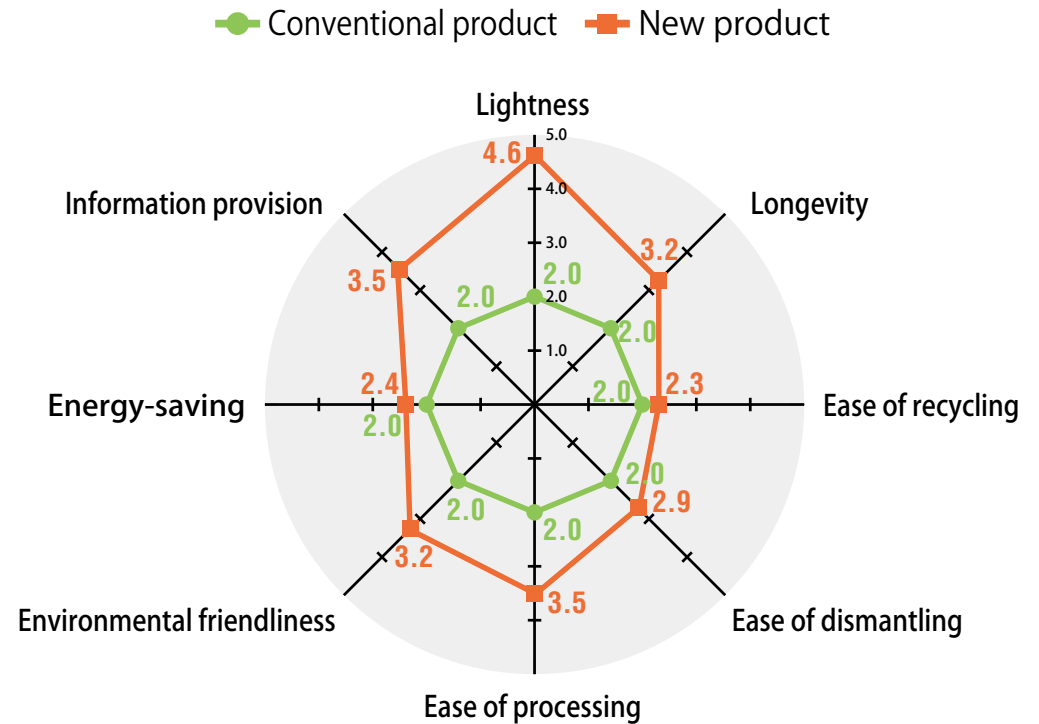
Environment

## Green Product Developed by HORIBA, Ltd.

### Automatic CRP Analyzer LT-130

The LT-130 is a device that measures the blood concentration of C-reactive protein (CRP) in just four minutes. Such measurement plays a very important role in the early diagnosis of inflammations and infections, judgment of the levels and courses of such illnesses, prognosis and the assessment of treatment effects.

The newly developed, eco-friendly model is designed to be much more compact and lightweight than previous models (30% reduction in weight and installation space compared with previous models). We also improved recyclability by increasing the use of cardboard for packaging to 100% instead of using foam polystyrene.



HORIBA Gaicareport 2011

**KEYWORDS**

Design for Environment | Green Products

# B-e-5 Green Product: HORIBA STEC, Co., Ltd.

Environment

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

### Liquid Mass Flow Meter/Controller for DeviceNet Communication LF-F404/LV-F404

The LF-F404/LV-F404 series are liquid mass flow meter/controller models for DeviceNet communication\*, which are designed to measure and control liquid materials used in semiconductors, solar batteries and LED (light-emitting diode) manufacturing equipment.

Designed based on a concept that is the opposite to that of gas mass flow controllers, the LF-F404 and LV-F404 are equipped with cooling-system flow sensors and can be used to measure and control a wide range of liquid materials.

Designed as environmentally friendly products, these models can reduce the power consumption of electric circuit boards in accordance with changes in the communication method, thereby reducing overall power consumption by approximately 20% compared with conventional models. The new models also use DeviceNet communication so that users can reduce the number of communication parts used in a relatively large system.

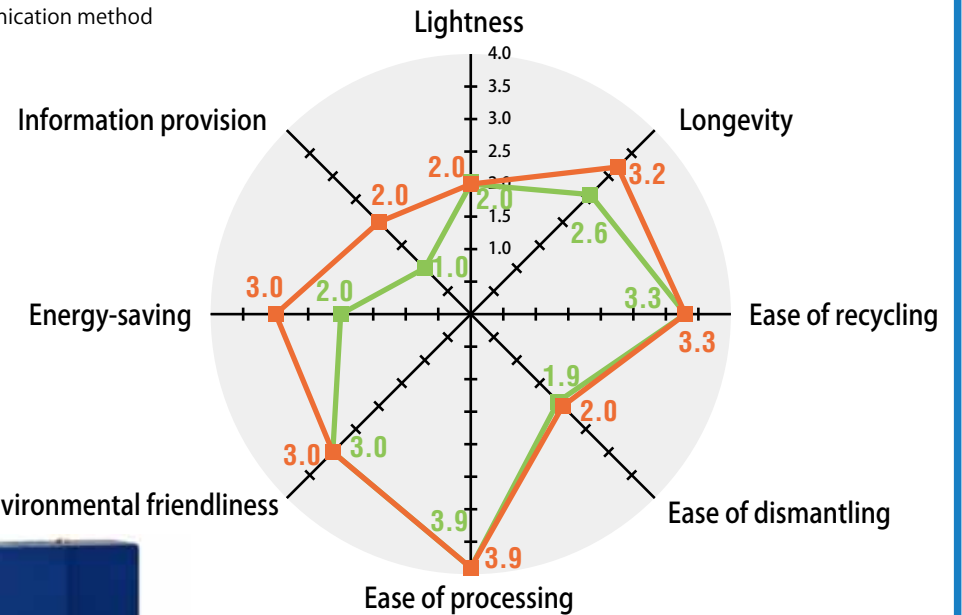
The need to measure and control liquid

materials is likely to increase in industries aiming to reduce environmental impact, such as in the solar battery and LED fields. Our newly developed models are expected to contribute to the development of these industries.

\* High-speed response communication method



— Conventional product — New product



# B-e-5 Green Product: HORIBA Advanced Techno Co., Ltd.

Environment

## Green Product Developed by HORIBA Advanced Techno Co., Ltd.

### On-site Industrial Water Quality Monitoring System H-1 Series

The H-1 series are on-site industrial water quality monitoring systems that measure a full range of items (pH, oxidation-reduction potential (ORP), dissolved oxygen, electrical conductivity, electrical resistivity, turbidity, mixed liquor suspended solid (MLSS), residual chlorine and fluoride ion) required for the comprehensive measurement and control of water quality.

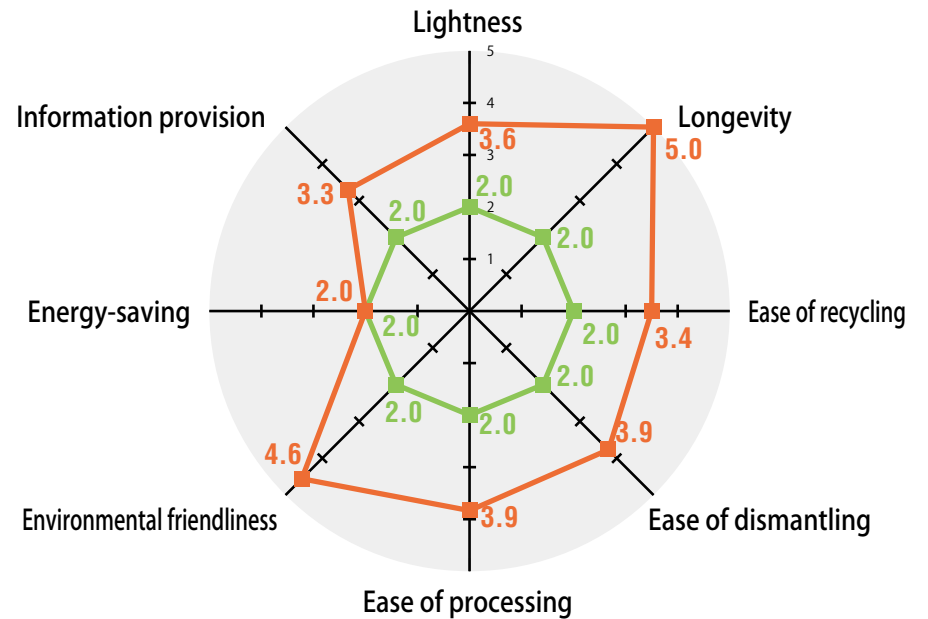
In order to handle the severe environmental conditions in processes in the field, the H-1 series models were developed with robustness, functionality and ease of maintenance as key design concepts. These models satisfy various requirements in water quality control.

In order to greatly improve the environmental friendliness of these products, we have eliminated the use of prohibited hazardous substances, such as lead, in their parts and during their manufacture. We have also adopted common standards for the transformer casings of all the models in the series, used aluminum die-cast casings,

increased the robustness of the models by enhancing their noise-resistivity, and improved the ease of maintenance and reliability by enhancing the automatic correction function and other self-diagnosis features, thereby prolonging their useful lives.



● Conventional product    ■ New product



**KEYWORDS**

Design for Environment | Green Products

# B-e-6 Environmental Accounting (1)

Environment

Until last year, environmental accounting, which includes quality management costs and occupational health and safety costs, was treated as part of an integrated management system (IMS) implemented at HORIBA, Ltd. For 2010, however, we report our environmental accounting results in the conventional form. We also report results on labor rates that have been revised based on data going back to 2009.

The results for 2010 shows that among business area costs, global environmental protection costs increased by 325% compared to the previous year as a result of the update of the air conditioning system of the office building. Meanwhile, R&D costs decreased by 30% compared to the previous year due to the narrowing down of development areas.

Environmental Accounting Standards:

- 1) Investment/expenditure classification: Based on financial accounting standards
- 2) Costs: Includes personnel, management and R&D expenses (excl. depreciation)
- 3) 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
- 4) Based on Environmental Accounting Guidelines by the Ministry of the Environment (2005 version)

Note: Due to changes in our company systems, we report results on HORIBA's labor rates that have been revised based on data going back to 2009.

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

Scope: HORIBA, Ltd. head office/Biwako Plant / 11 sales offices and it's training center

HORIBA Techno Service Co., Ltd. head office and 24 service stations

Accounting period: January 1, 2010 to December 31, 2010

(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 (M)	Remarks	
<b>(1) Business area cost</b>		27.8	63.8	91.6	129.5	109.2		
<b>Details</b>	<b>1. Cost of pollution prevention</b>	Maintained existing exhaust and drainage facilities; provided regular and preventive maintenance	0.9	6.6	7.5	97.0	13.0	Power-saving in facilities, effective operational benefits
	<b>2. Cost of global environmental protection</b>	Switchover of all air conditioners from electricity to gas, promoted switchover to energy-efficient facilities, and other initiatives	26.9	9.0	35.9	325.0	31.0	Conversion to energy-efficient facilities, modification of equipment, effect of electricity conservation
	<b>3. Cost of resource circulation</b>	Reduced waste and promoted zero emissions	0.0	48.2	48.2	92.8	65.2	Separation of Waste and Collection of Valuable Materials
<b>(2) Upstream and downstream cost</b>		Promoted green purchasing, and collection and reuse of used products	11.6	14.9	26.5	141.5	6.8	Promotion of green purchasing and reuse of collected used products
<b>(3) Administration cost</b>		Improved EMS efficiency and promoted eco-training and other initiatives	0.0	103.8	103.8	101.6	2.1	Benefit of environmental advertisements, etc.
<b>(4) R&amp;D cost</b>		Promoted design for environment, the lead-free initiative, and other initiatives	54.1	1,867.3	1,921.4	70.7	373.7	Expansion of eco-friendly products, Contribution to operating income
<b>(5) Cost of social activities</b>		Actively promoted awareness-raising activities related to environmental technology and other initiatives	0.0	17.0	17.0	86.2	0.2	Support of environmental improvement, promotion of enlightenment initiatives
<b>(6) Cost of environmental remediation</b>		N/A	0.0	0.0	0.0	0.0	0.0	N/A
<b>Total cost of environmental protection</b>			93.5	2,066.8	2,160.3	73.7	492.0	

**KEYWORDS**

Environmental Accounting | Cost of Environmental Protection | Environmental Protection Benefits

# B-e-6 Environmental Accounting (2)

Environment

## Environmental Protection Benefits

Scope: HORIBA, Ltd. head office/Biwako Plant and 11 sales offices and HORIBA Techno Service Co., Ltd. head office and 24 service stations Accounting period: January 1, 2010 to December 31, 2010

Environmental Protection Benefits				
Category	Environmental Performance Indicator (unit)	2009 (standard)	2010	Difference from Standard (Environmental protection benefits)
Benefits in terms of resources invested	Total energy input (GJ)	135,626	147,121	11,495 *1
	Power consumption (GJ)	108,376	115,837	7,461 *1
	City gas consumption (GJ)	17,824	21,144	3,320 *1
	Fuels (diesel, kerosene and gasoline) (GJ)	9,426	10,140	714 *1
	Core production elements input (iron, aluminum, copper and glass) (t)	699	1,229	530
	Recycled resource input (t) Office paper and packing materials (cardboard, wood and polystyrene)	398	387	△ 11
	Water input (km <sup>3</sup> )	43	51	8
	Groundwater input (km <sup>3</sup> )	15	16	1
	City water input (km <sup>3</sup> )	28	35	7
	Benefits in terms of environmental impact and waste	Greenhouse gas emissions (t-CO <sub>2</sub> )	5,000	5,465
Greenhouse gas emissions through electric energy consumption (t-CO <sub>2</sub> )		3,370	3,601	231 *2
Greenhouse gas emissions through city gas consumption (t-CO <sub>2</sub> )		997	1,183	186 *2
Greenhouse gas emissions through fuel consumption (t-CO <sub>2</sub> )		632	680	48 *2
Total waste generated (t)		304	302	△ 2
Final waste at landfill (t)		3	6	3 *3
Total water drained (km <sup>3</sup> )		43	51	8
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)	2009 (standard)	2010	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)	52,936	45,289	△ 7,647 *1
	Greenhouse gas emissions during operation (t-CO <sub>2</sub> ) (Total of eco-friendly energy-saving products)	2,050	1,754	△ 296 *2
	Hazardous substances emitted during disposal of used products and recycling of containers and packaging (t)	10	14	4
	Amount of used products, containers and packaging recycled (t)	1	2	1
	Amount of product packing materials used (t)	368	361	△ 7
	Greenhouse gas emissions from transporting products (t-CO <sub>2</sub> )	140	132	△ 8 *2
	Products transported (t-km)	1,636,840	1,785,988	149,148
Other benefits	Soil contamination (m <sup>2</sup> )	0	0	-
	Noise (dB) *at night	55	55	0
	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: CO<sub>2</sub> emissions factor: Calculated assuming 0.378 kg of CO<sub>2</sub> 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)	5.4
	Gain on sale of recycled products: 16 units	14.5
Total		19.9



## B-e-7 Initiatives for the Growth of the Analysis and Measurement Industry

### ● Masao Horiba Awards 2010

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. The theme for 2010 was “Non-sampling Measurement of Diffusion Materials in the Air.” A specific theme is set for each year, encouraging researchers in Japan and abroad to conduct unique research on that theme.



2010 Masao Horiba Awards Ceremony (October 15, 2010)



# B-e-7 2010 Initiatives for Dialogue with Local Communities and Society

## ● Volunteering at a Bicycle Seminar for Children

At the 2010 Muko City Festival held in Muko City, Kyoto, members of the HORIBA bicycle club volunteered at a bicycle seminar for children. (November 20 and 21, 2010)



## ● Clean Up 2010

Volunteers from among HORIBA STEC, Co., Ltd. employees cleaned up around their company. (November 6, 2010)



## ● Smiles for Children in Hospitals

HORIBA ABX S.A.S. (France), which manufactures and sells medical care products, supports an entertainment service program in which volunteer clowns visit medical care facilities to entertain hospitalized children.



Photos Copyright Hervé Hôte

## B-e-8 2010 Initiatives for the Support for the Development of Society's Next Generation

### ● Participation and Support for Events for Children

We hold various events to provide children with opportunities to learn about the joy of science and the wonders of animals through hands-on experience using HORIBA products.

#### (Examples of events held in 2010)

- May 2: Green College program (Izu Oshima)
- July 21: Waste Collector Project (Kyoto City Kyogoku Elementary School)
- July 31: Kids Engineer 2010 (Pacifco Yokohama)
- August 8: BIKKURI! ECO 100sen – 100 Surprising Ecological Topics (Takashimaya Kyoto Department Store)
- August 19: Manufacturing Exhibition (HORIBA STEC, Co., Ltd.'s head office)
- October 4 to 6: The Blue Planet: 2010 JCI World Congress Osaka, Japan (Osaka International Convention Center)
- November 6 and 7: Youngsters' Science Festival Kyoto (Kyoto Municipal Science Center for Youth)

### ● On-site Environmental Seminars

In order to provide elementary and junior high school students with opportunities to learn about various phenomena in our daily lives, we hold on-site environmental seminars, in which participants can conduct experiments using familiar materials and biodiversity seminars on the amazing sensing abilities of animals and plants. In 2010, we held 30 seminars, with a total of 1,443 participants.



Manufacturing Exhibition



BIKKURI! ECO 100sen – 100 Surprising Ecological Topics



Waste Collector Project

#### KEYWORDS

● On-site Environmental Seminars | Events for Children | Kyoto 21st Century Innovative Education Forum | Get-together Party | HORIBA Challenge Tour | Physics Olympiad

## B-e-8 2010 Initiatives for the Support for the Development of Society's Next Generation

### ● Participation in the Kyoto 21st Century Innovative Education Forum

The Kyoto 21st Century Innovative Education Forum (hosted by the Kyoto Education Conference) provides an opportunity for companies, universities, primary and secondary schools, government organizations, mass media, citizens and students to learn together. HORIBA played an active role in the forum as a representative of companies with the aim of developing a new model to educate society's next generation starting from Kyoto.

### ● HORIBA Challenge Tour 2010

As in last year, HORIBA supported Kyoto Prefecture's under-13 selected soccer team in going to France to play games overseas. In France, where the team played soccer games, we invited team members to a company tour and a lunch at HORIBA Jobin Yvon S.A.S. (France). The members were presented with original T-shirts from the employees' union.



### ● Get-together Party for University Students and HORIBA executives

Fifteen university students who worked as event staff at "Discover New Things and Learn from the Past: Bridge to Peace," which was held on the anniversary of the end of World War II in 2010, were invited to HORIBA's guesthouse for a get-together party with HORIBA executives. (October 29, 2010)



### ● Co-hosting the International Physics Olympiad

In order to contribute to science education for young people, HORIBA Jobin Yvon S.A.S. (France), which manufactures science-related products, co-hosted the International Physics Olympiad (hosted by La Société Française de Physique and the Physics Teachers Association), an international science competition for senior high school students. (January 2010)



#### KEYWORDS

● On-site Environmental Seminars | Events for Children | Kyoto 21st Century Innovative Education Forum | Get-together Party | HORIBA Challenge Tour | Physics Olympiad

## B-e-9 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 207,141 in 2010.

#### KEYWORDS

:| Gaiapress | Website | Animal Conference on the Environment | Advertising Awards | Biodiversity



# B-e-9 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.



### 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.



### 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 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.

## B-e-9 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.



### 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.

#### KEYWORDS

! Gaiapress | Website | Animal Conference on the Environment | Advertising Awards | Biodiversity

## B-e-9 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.**

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. Between March and October in 2010, which was declared by the United Nations as the International Biodiversity Year, 20 episodes were broadcast in Japan of an animated series entitled “The Animal Conference on the Environment” (NHK Educational Channel), based on the stories told on our website.

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/>



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Various animal characters representing different countries around the world

### KEYWORDS

! Gaiapress | Website | Animal Conference on the Environment | Advertising Awards | Biodiversity



## B-e-9 Grand Prize at the 2010 Japan B to B Advertising Awards

At the 31st Japan B to B Advertising Awards in 2010, hosted by the Industrial Advertising Association Japan, a HORIBA poster entitled “Bird Beaks Are Multi-Functional Tools” received the grand prize from the Minister of Economy, Trade and Industry Award. The poster’s theme was the diversity of bird beaks.



Minister of Economy, Trade and Industry Award  
Winner of the Minister of Economy, Trade and Industry Award

Calendar title: Bird Beaks Are Multi-Functional Tools  
Advertising company: HORIBA, Ltd.

Planned and produced by: L'union Publications, Inc./Kousakusha

The theme of HORIBA's 2010 calendar is “Bird Beaks Are Multi-Functional Tools.” Bird beaks are birds’ irreplaceable tools that have evolved in response to their environment on Earth. They use their beaks to make nests, capture prey, attract mates, and sometimes fight battles. Bird beaks vary widely in form and function. Their diversity provided Darwin with an important clue in developing his theory of evolution.

Since 1994, HORIBA's calendars have been designed with the global environment as themes. Each of the 365 days is adorned by colorful illustrations representing the environmental theme selected for the year. We hope to stimulate viewers’ interest in the global environment through the visual messages our calendars deliver every day.



Silver Prize Winner in the  
Business Catalogue Category  
Catalogue title: “abiroh 2010”

This catalogue represents the relationship between the sensory functions of animals and ecosystems and takes the sun and moon as its theme. Its aim is to highlight the importance of alternative functions (analysis technologies) for mankind, which has lost the sensing abilities of animals.



Bronze Prize in the Product Catalogue category  
Catalogue title: SZ-100 – Nano-particle Analyzer

The design concepts of the catalogue are smartness, intelligence and speed. To represent the analysis of nano-particles in liquids, we used images of dolphins swimming in water, thereby giving a sense of movement to the photo.

## B-e-9 Gold Prize Winner at the 49th Business Advertising Awards

At this year's prestigious Business Advertising Awards, which were established in 1962 and are hosted by Fuji Sankei Business i, HORIBA's corporate advertisement published in a monthly magazine, Business i. ENECO, received the Gold Prize and the Outstanding Designer Prize in the Magazine Advertisement category. The Business i. ENECO monthly magazine is an economic journal on the future of energy and the global

environment. To coincide with an international discussion on biodiversity at COP10 held in October 2010, HORIBA published an advertisement entitled "Frog Choir Facing Disbandment!" in several issues of the journal in order to send a message about the crisis of extinction of species. We will continue to send our messages to society using original concepts.



Advertisement published in March, April, July, September and October issues in 2009. Winner of the Minister of Economy, Trade and Industry Award "Frog Choir Facing Disbandment!"



## B-e-9 Policies and Achievements Regarding Biodiversity Activities

Based on the HORIBA Group CSR Policies, we at HORIBA are conducting corporate activities using “energy,” “health,” “the environment” and “safety” as keywords. As part of our corporate responsibility, we have formulated the following HORIBA Biodiversity Activity Policies:

### HORIBA Biodiversity Activity Policies

- 1 Contribute to biodiversity through our analysis and measurement technologies
- 2 Send messages about the importance of biodiversity to society
- 3 Take an active part in working with related local organizations

### Achievements Regarding Biodiversity-related Activities

#### Corporate Communications Office

- 1 Presented information on endangered species on the HORIBA calendar
- 2 Presented articles related to biodiversity on the HORIBA’s official website
- 3 Exhibited products in the Biodiversity EXPO in Osaka (March)
- 4 Participated in the Green College 2010 project (Izu Oshima, May)
- 5 Lectured on the sensors of animals and plants in on-site seminars (Kids Engineer 2010, etc.)



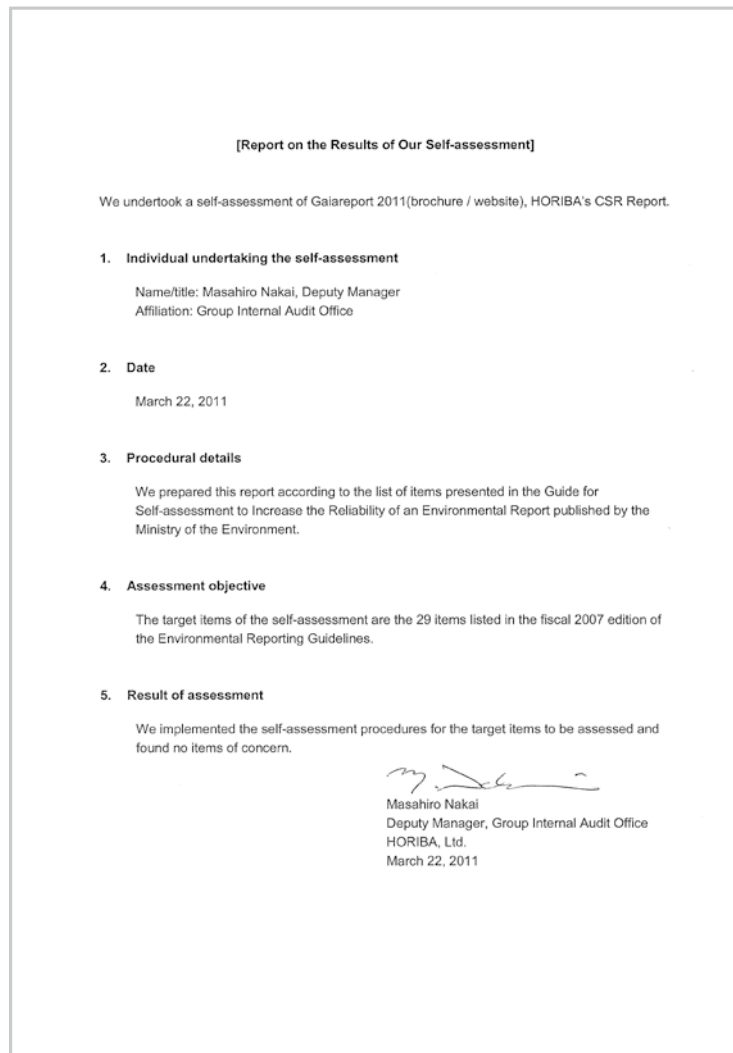
Green College



Kids Engineer 2010

## B-e-9 Gaiareport: 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 2011 (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.



## B-e-9 Self-assessment—The 29 Items Listed in the Environmental Reporting Guidelines (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