

# 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	5,448 (Consolidated) 1,417 (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, 2011

**KEYWORDS**

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

A-a

# CSR Report Outline

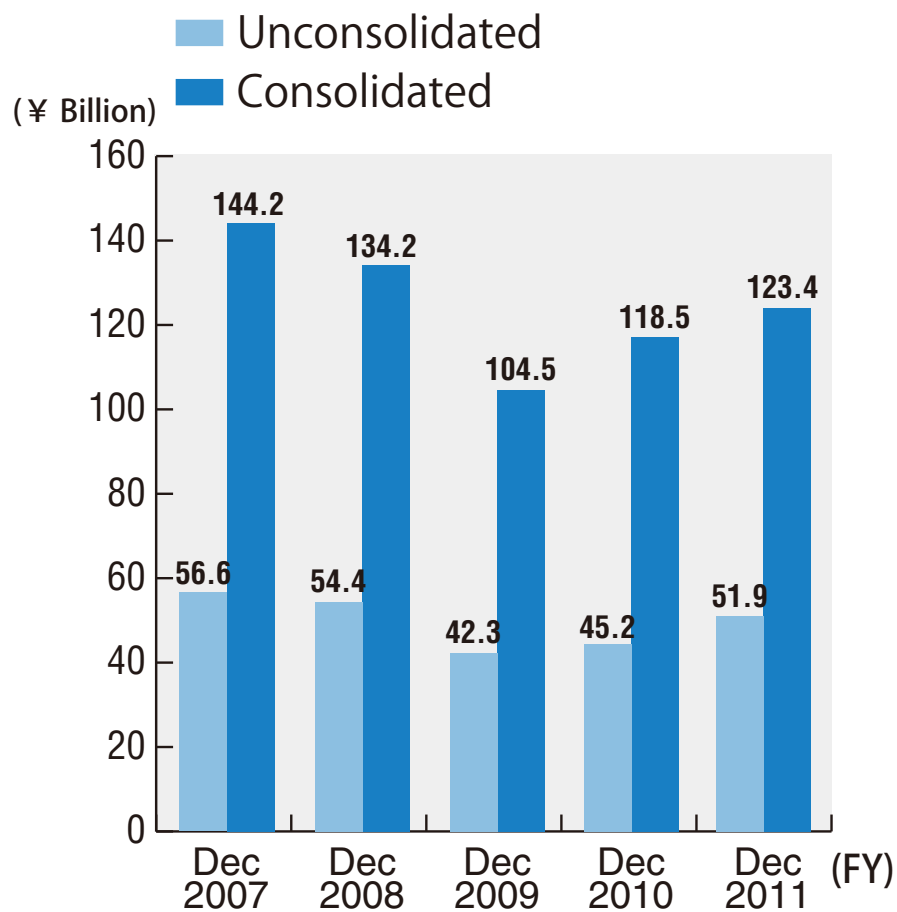
● Reference Guidelines	Ministry of the Environment, Environmental Report Guidelines (2007 edition)
● Report Coverage	Reporting period: January 1, 2011 to December 31, 2011 (This report also contains some data from fiscal year 2012.) Reporting organizations: HORIBA, Ltd., HORIBA Techno Service Co., Ltd., HORIBA STEC, Co., Ltd., HORIBA Advanced Techno Co., Ltd., HORIBA ITECH CO., Ltd., and a number of the overseas group companies
● Publication Date	March 24, 2012
● Planned Publication Date of Next Report	March 2013
● Contact	Corporate Communications Office, HORIBA, Ltd. Tel: (81)-75-325-5073 (Dial-in)

**KEYWORDS**

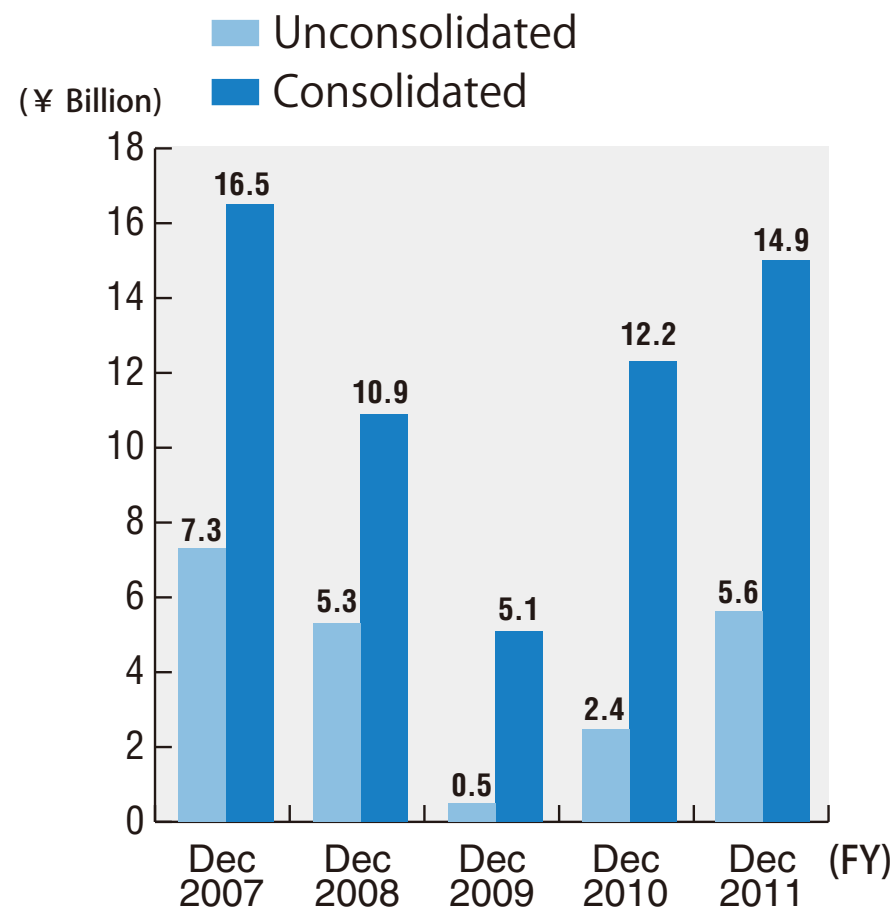
Guidelines | Reporting Period | Reporting Organizations | Publication Date | Planned Publication Date of Next Report | Contact

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

## Net Sales



## Operating Income

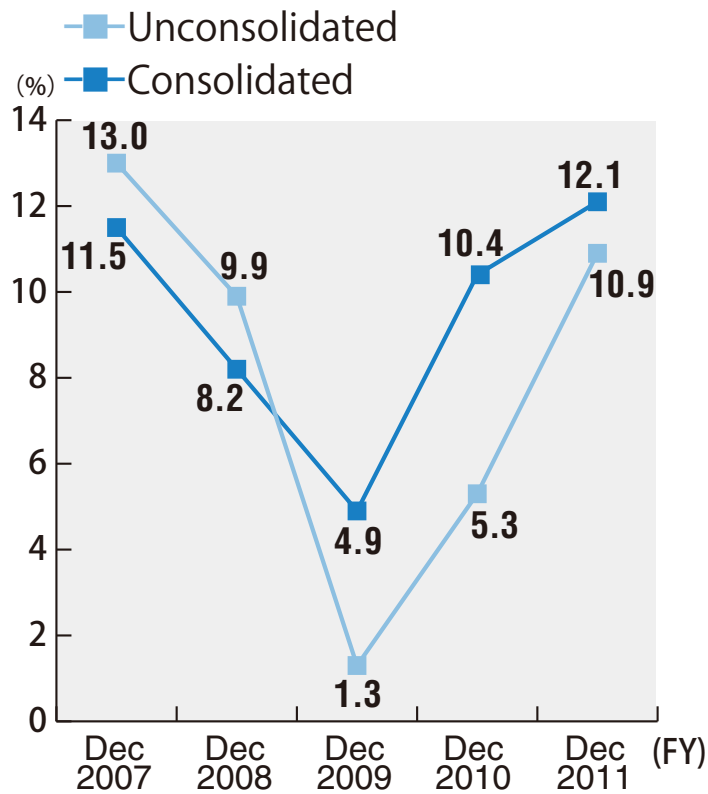


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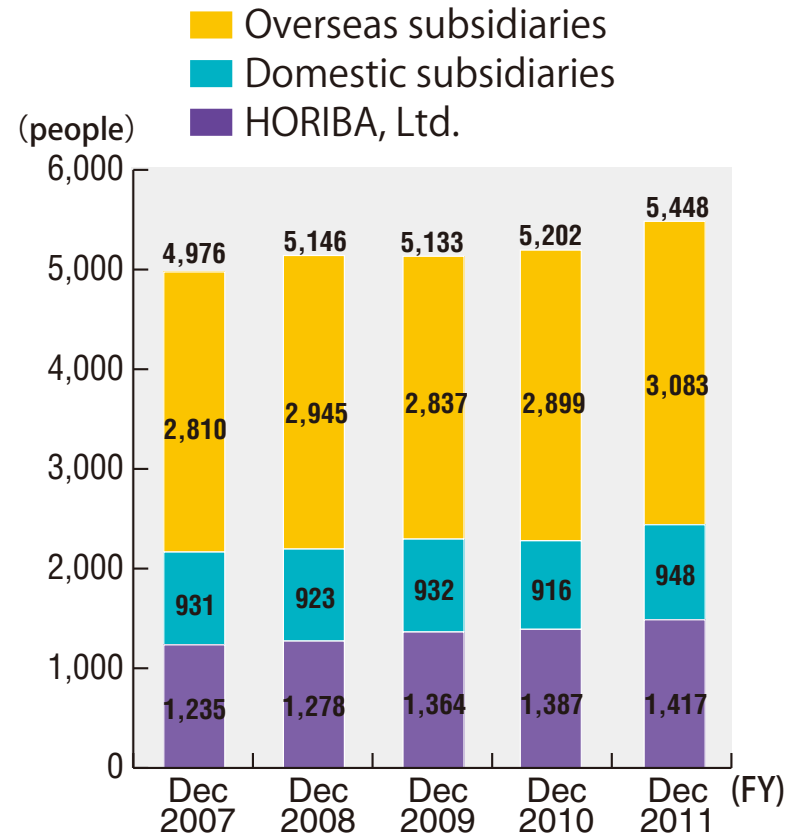
Net Sales | Operating Income | Number of Employees | Net Sales by Segment | Net Sales by Region

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

## Operating Income to Net Sales



## Number of Employees

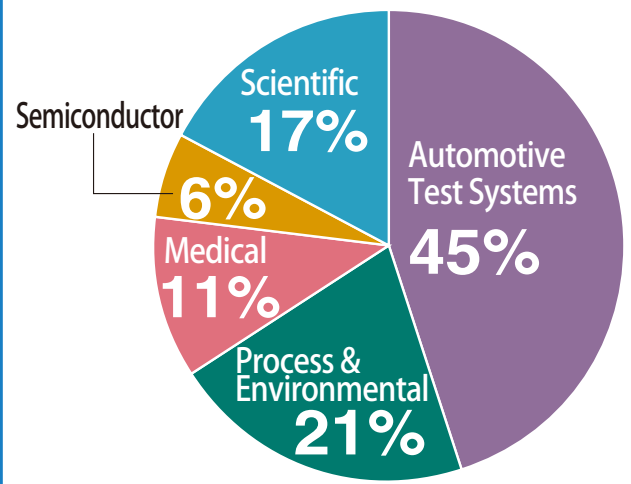


**KEYWORDS**

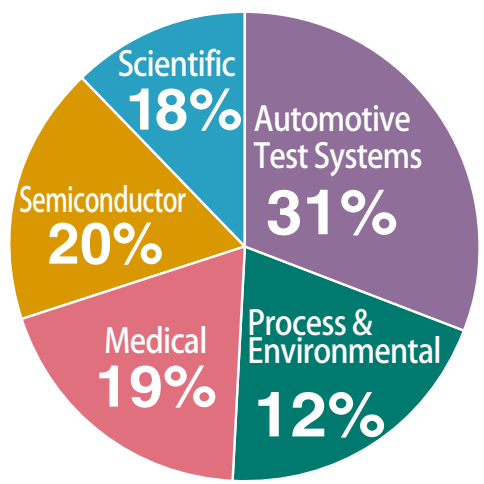
Net Sales | Operating Income | Number of Employees | Net Sales by Segment | Net Sales by Region

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

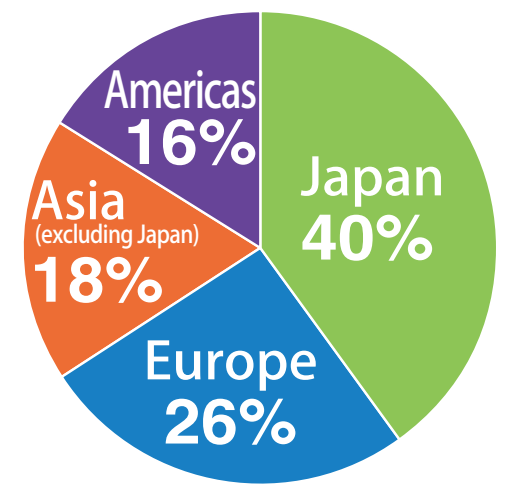
Share of Net Sales in 2011  
by Segment  
(Unconsolidated)



Share of Net Sales in 2011  
by Segment  
(Consolidated)



Share of Net Sales in 2011  
by Region  
(By sales region)  
(Consolidated)



HORIBA Gaiareport 2012

**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

A-c

# 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 **HORIBA PREMIUM: Create First Class Value for MLMAP**

**Realize HORIBA PREMIUM from the perspective of CSR**

- 1 Sign the United Nations Global Compact
- 2 Set CSR-related KPIs (Key Performance Indicators)

# Corporate Governance and Internal Controls

## Corporate Governance

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.

## Internal Controls

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**

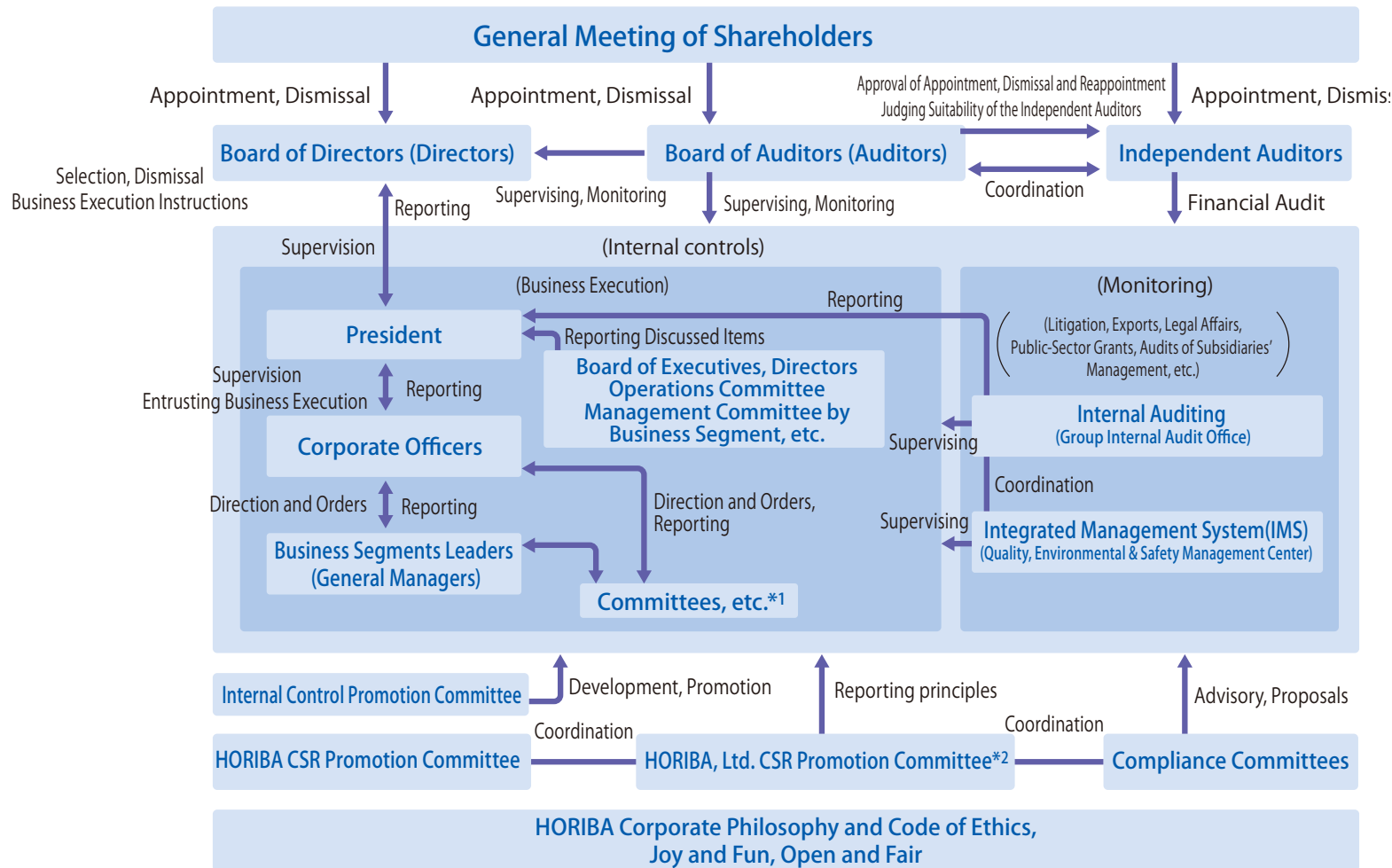
Auditors shall be allowed to request the appointment of audit assistants, chosen from among company employees, to assist them in the performance of their auditing duties. Auditor consent shall be required for all appointments, dismissals, transfers, performance evaluations and wage variations of audit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

A-c

# 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

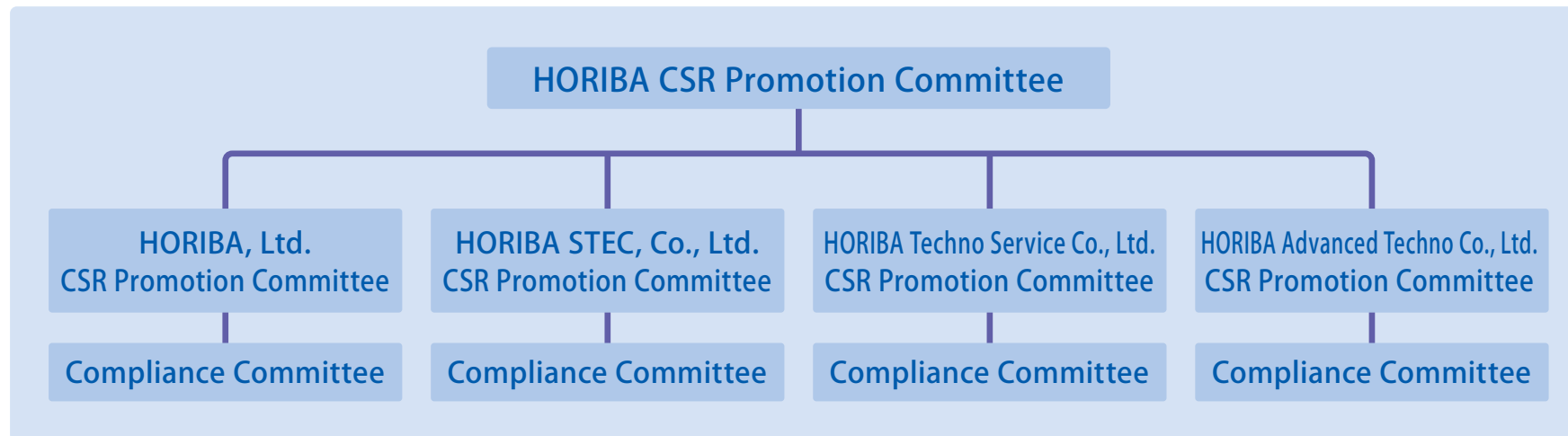
Promotion Committee in April 2005; it is currently engaged in CSR initiatives with the full-fledged support of the Group companies.

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



KEYWORDS

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

A-c

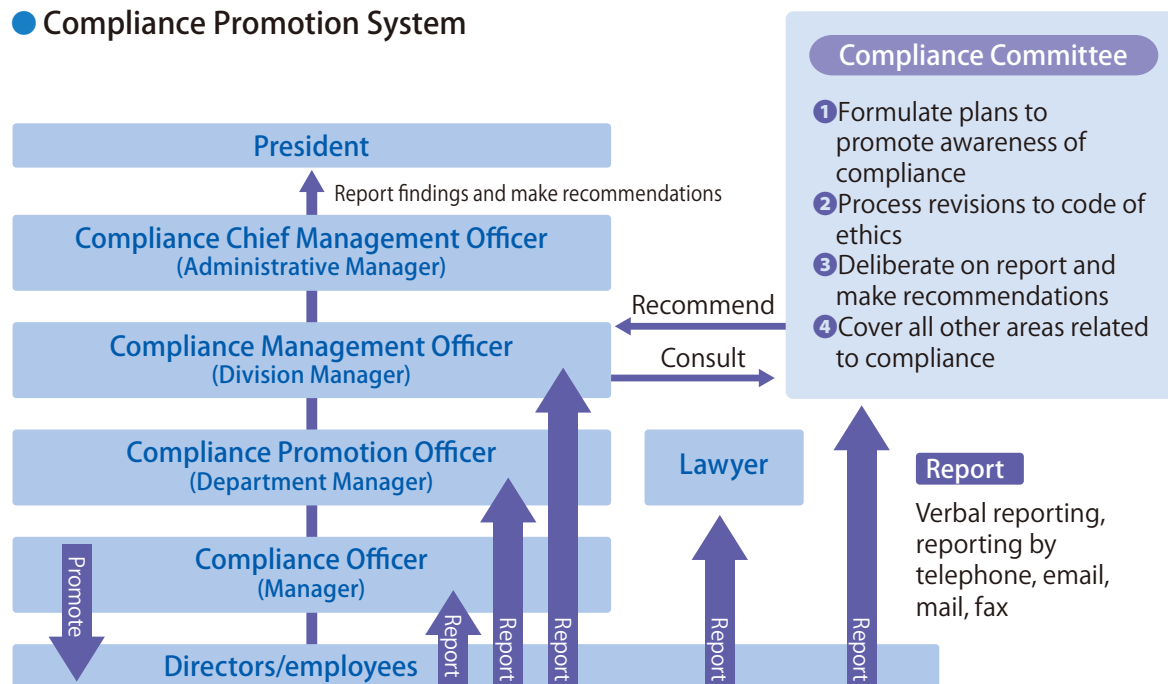
# Compliance Promotion System

## 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 | Global Compact



# 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

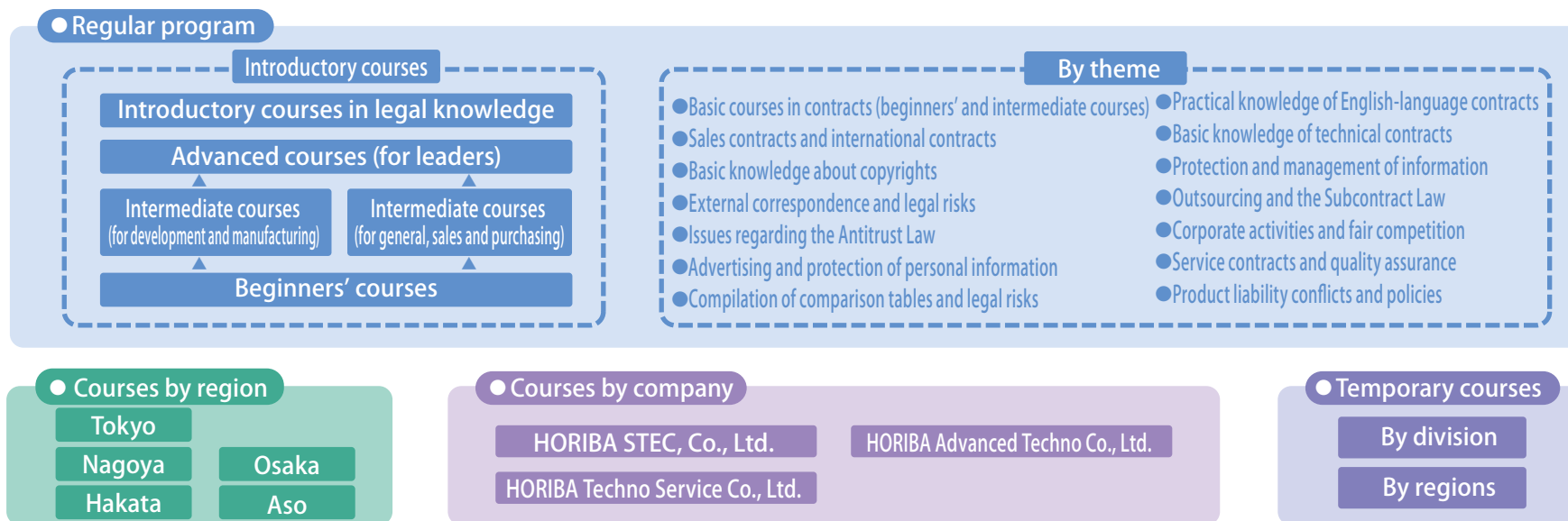
## Legal Training

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 | Global Compact

A-c

# HORIBA, Ltd. signed the United Nations Global Compact

## HORIBA, Ltd. signed the United Nations Global Compact

Mr. Atsushi Horiba, President & CEO of HORIBA, Ltd., signed the Letter of Commitment of the United Nations Global Compact (UNGC) and submitted it to the United Nations through the office of Global Compact Japan Network. On April 28th, HORIBA, Ltd. was registered as a participant in the UNGC.

The UNGC is a strategic policy initiative for businesses with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

We are determined to take a proactive approach to these issues in order to continue a sustainable growth as a global corporation.



### The Ten Principles of the United Nations Global Compact

#### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
Principle 4: the elimination of all forms of forced and compulsory labour;  
Principle 5: the effective abolition of child labour; and  
Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;  
Principle 8: undertake initiatives to promote greater environmental responsibility; and  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

# A-d Integrated Management System (IMS)

## Integrated Management System (IMS)

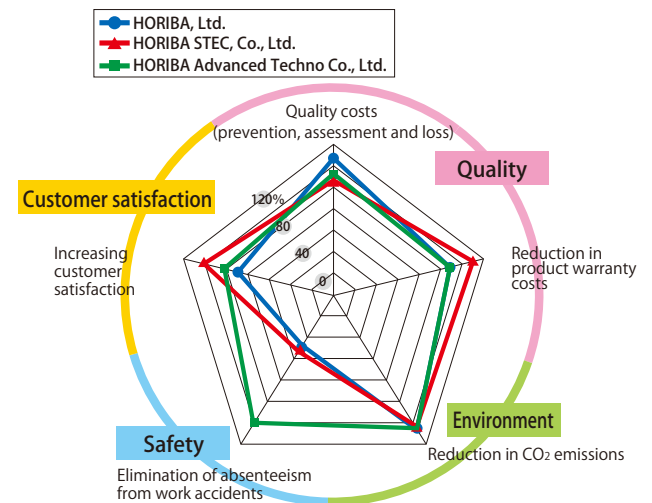


IMS (Integrated Management System) is a management system that integrates the ISO9001 quality standard, the ISO14001 environmental standard and the occupational health and safety certification OHSAS18001. HORIBA, Ltd. and HORIBA STEC Inc. employ IMS in combination with the ISO13485 quality management system for medical devices.

In April 2011, the Japan Quality Assurance Organization (JQA) granted the JQA Integrated Management System Certification (JQA-IG0001-07) to the HORIBA Group in the group IMS\* category. We are aiming to have our major overseas production bases obtain accreditation for ISO9001 (quality) and ISO14001 (environmental) standards.

In addition, the Kyoto Analysis Center of HORIBA, Ltd. was approved by the Japan Accreditation Board as a test station for ISO/IEC 17025:2005 (RTL00880) (chemical testing) in June 2001. Also the CS of the HQ at HORIBA Techno Service Co., Ltd., one of our group company, was accredited by the National Institute of Technology and Evaluation as a CAB for ISO/IEC 17025:2005 (ASNITE 0033C) Calibration of Emission Test Facilities in August 2009.

## IMS Target Achievement Radar Chart for 2011



# A-d Results of IMS Initiatives for 2011 (1)

## Results of IMS Initiatives for 2011

### Quality

At HORIBA, we place high 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 the percentage of faulty products.

### Environment

Our environmental initiatives included reducing CO<sub>2</sub> emissions at business sites by replacing old devices with more energy-efficient models and shifting to high-efficiency lighting.

Moreover, in addition to responding to the 2010 Revised Energy Conservation Act, we carried out in-house power- and energy-saving activities through our Energy Conservation Committee in response to the government's and electric power companies' requests for electricity conservation, such as controlling room temperatures during summer and winter, removing some lamps, turning off unnecessary lighting, stopping some elevators, and switching off equipment not in use.

These activities helped reduce total CO<sub>2</sub>

emissions compared to 2010 levels, enabling the company to achieve its IMS objectives which were established based on the Energy Conservation Act.

Other ongoing initiatives include promoting modal shifts in transportation, incorporating more eco-friendly designs in new products, and giving concrete form to some of the ideas submitted during our in-house 2010 Energy Conservation Idea Contest and applying them to the HORIBA Group.

### Occupational health and safety

Despite our efforts to implement a smooth PDCA cycle through risk assessment initiatives aimed at occupational safety leading to eliminating employment injuries, we had two accidents (without temporary absence from work) this year. We implemented measures to share knowledge about these accidents among all HORIBA Group mainly by providing related divisions with training intended to prevent future accidents.

### Health management

We expanded the functions of the Health Management Office, which is a department for health support. In this office, a full-time occupational physician and a public health nurse interview and provide guidance to employees based on the results of periodic

medical examinations of lifestyle-related illnesses. In addition, mental health promotions that focus on manager and employee training aim to realize a comfortable work environment for all employees so that our company motto of "Joy and Fun" may be realized. We are also implementing an employee health promotion project organized by cross-sectional members aiming to promote employees' physical and mental health in order to help employees maintain and promote their overall health further.

In order to maintain a balance between our goals for quality, environment, and occupational health and safety, we implement quality improvement measures after carefully examining their impact on the environment and occupational health and safety and considering any trade-offs, endeavoring for a consistent implementation.

For example, product quality improvements gained by reducing the percentage of faulty products will lead to decreased waste emissions and environmental impact. These actions will also decrease production time, thereby reduce the amount of time to expose employees 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 2011 (2)

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## IMS Policy, items, Objectives and Results for 2011

Group IMS Policy	Group IMS Items	Group IMS Objectives	IMS Objectives for HORIBA, Ltd.	IMS Targets for HORIBA, Ltd.	Results	Self-evaluation
<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—Create First Class Value for MLMAP</p> <p>IMS Items</p> <p><b>1</b> Create corporate value</p> <p>1) Promote the construction of the Group IMS</p> <p><b>2</b> Enhance the HORIBA brand (Manufacturing aimed at increasing customer satisfaction)</p> <p>2) Improve overall quality</p> <p>3) Respond to customer demands quickly</p> <p>4) Observe rules and codes of ethics both inside and outside the company</p> <p><b>3</b> Promote creation of safe and efficient Clean Factories (Prevent corporate losses)</p> <p>5) Contribute to environmental protection</p> <p>6) Improve production/ administrative efficiency</p> <p>7) Strive for no employment and commuting injuries</p>	<p>Reduce quality costs (prevention, assessment and loss)</p> <p>Increase rates of costs for prevention and assessment and decrease the rate of cost for loss . (Reduce warranty cost by 10% compared with last year)</p> <p>Conserve energy and resource (Reduce CO<sub>2</sub> basic unit by 1% or more compared with last year to comply with the revised Energy Conservation Act)</p> <p>CO<sub>2</sub> emissions: 70 [t-CO<sub>2</sub>] CO<sub>2</sub> basic unit: 0.1 [t-CO<sub>2</sub>] per JPY100 million</p>	Provide security and ensure safety for customers	Reduce the number of customer offers not yet completed by 20% or more (compared to that of 2010)	We accelerated handling customer offers using the Web.	Improvements are being made.
			Comply with delivery deadlines to fulfill our obligations to customers	Increase the delivery deadline compliance rate to 93% or more	We have made improvements by enhancing coordination of sales, production plans and manufacturing processes and by making necessary design changes.	Objective achieved
			Complete repairs on time	Reduce the number of repairs not yet completed to zero	We have analyzed the causes of unfinished specifications to resolve problems and achieved our objective for the most part.	Objective achieved
			Provide all customers with products with high and consistent quality	Respond 100% to suppliers' requests for changes	- We newly established a section of change order control. - Each division improved it by analyzing required processing time.	Improvements are being made.
			Improve design quality	Reduce the number of design changes due to design errors by 10% or more (compared to that of 2010)	- We helped designers improve their skills. - We conducted face-to-face design verification. - We enhanced our design reviews.	Objective achieved
			Improve production quality	Reduce the percentage of faulty products by 10% or more (compared to that of 2010)	- We carried out factor analysis. - We always gave feedback on design factors to the design sections. These sections changed the original designs as necessary. - We improved manufacturing factors in faulty products by analyzing their causes with the Five Whys Technique.	Improvements are being made.
			Ensure stable supplies of key parts	Obtain multiple suppliers to disperse risk	- We completed area surveys for suppliers by industry. - We began to obtain alternatives of key parts suppliers.	Continue implementation
			Develop new eco-friendly products	Apply eco-friendly design standards 100% to new products	We continued to incorporate eco-friendly design as an essential condition for design review.	Objective achieved
			Improve the levels 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)	We exceeded our objectives for both total CO <sub>2</sub> emissions and CO <sub>2</sub> basic unit by replacing old equipment with high-efficient models, promoting in-house energy conservation efforts, and reforming our business processes.	Objective achieved
			Reduce CO <sub>2</sub> emissions: Effective use of chemicals	Create a system for the effective use of chemicals	- We completed identification of actual conditions. - We completed company-wide inventory-taking of chemical reagents. - We completed inventory-taking of chemicals in storage at each group company.	Continue implementation
Eliminate employment injuries	Eliminate work-related accidents: Decrease the number of risk III level accidents	Eliminate employment injuries	We used risk assessment for eliminating temporary absence from work to zero, but had two.	We had two.		
Increase customer satisfaction	Increase customer satisfaction: effective use of questionnaire	Raise the evaluation based on questionnaire	We developed a method for collecting data through questionnaire.	Continue implementation		



# A-d **IMS Priority Measures for 2012**

HORIBA Gaiareport 2012

## 2012 HORIBA Group Policy

HORIBA Premium—Create First Class Value for MLMAP—  
Create High Quality Value—Toward Achieving Medium- and Long-term Management Plan 2015

### 2012 Action Plan Basic Principles of Policies, Items, and Objectives

1. To reflect the HORIBA Group's management policies, we formulate Group IMS policies from the perspective of the group management policy, "HORIBA Group is One Company."
2. We establish Group IMS objectives while taking into consideration their compatibility with IMS policies and organization-wide goals.
3. We establish Group IMS objectives while prioritizing the building of customer confidence.

## Priority Measures for 2012

### ① Reduce quality costs (prevention, assessment and loss)

#### Increase rates of costs for prevention and assessment and decrease the rate of cost for loss

- Provide safe and secure products to customers
- Ensure customers our quick responses
- Shorten periods for repairs
- Provide all customers with products with high and consistent quality
- Improve design quality (including that of outsourced designs)
- Improve manufacturing quality (including that of outsourced manufacturing)
- Improve the quality of parts

### ② Conserve energy and resource

- Use energy effectively by promoting energy and resource conservation
- Maintain zero emissions through the three Rs (reduce, reuse, and recycle)
- Effective use of chemicals
- Develop new eco-friendly products compliant with the RoHS Directive 2011/65/EU

### ③ Promote employees' health and eliminate employment injuries

- Eliminate employment injuries (reduce risk factors resulting in injury or illness)
- Promote employees' physical and mental health
- Reduce traffic accidents in the course of employment

### ④ Increase customer satisfaction

- Increase customer satisfaction  
—Increase customer satisfaction with respect to both products and services
- Improve overall quality (increase customer satisfaction in product performance, delivery, pricing and services)

#### KEYWORDS

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

# A-d 2012 IMS Action Plan

## 2012 Group IMS Policy, Items, and Objectives

Group IMS policy	Group IMS items	Group IMS objectives	IMS objectives for HORIBA, Ltd.	IMS 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 2012: "HORIBA PREMIUM—Create First Class Value for MLMAP</p> <p>IMS items</p> <p><b>①</b> Create corporate value</p> <p>1) Promote the construction of the Group IMS</p> <p><b>②</b> Enhance the HORIBA brand (Production aimed at increasing customer satisfaction)</p> <p>2) Improve overall quality</p> <p>3) Respond to customer demands promptly</p> <p>4) Observe rules and codes of ethics both inside and outside the company</p> <p><b>③</b> Promote the creation of safe and highly efficient Clean Factories (Prevent corporate losses)</p> <p>5) Contribute to environmental protection</p> <p>6) Improve production/administrative efficiency</p> <p>7) Strive for no employment and commuting injuries</p>	<p>Reduce quality costs (prevention, assessment and loss)</p> <p>Increase rates of costs for prevention and assessment and decrease the rate of cost for loss (Reduce warranty cost by 10% compared with last year)</p> <p>* Percentage of faulty products = warranty cost / sales</p> <p>Conserve energy and resources (Reduce CO<sub>2</sub> basic unit by 1% compared with last year to comply with the revised Energy Conservation Act) (CO<sub>2</sub> emissions: [t-CO<sub>2</sub>/year]; CO<sub>2</sub> basic unit: [t-CO<sub>2</sub>/JPY100 million])</p> <p>Eliminate employment injuries</p> <p>Promote employees' physical and mental health</p> <p>Reduce traffic accidents in the course of employment</p> <p>Increase customer satisfaction</p>	Provide safe and secure products to customers	Improve the completion of customer offers by 10%
			Ensure customers our quick responses	Increase the delivery deadline compliance rate to 98% or more (Delayed deliveries by no more than 14 days) Increase the rate of on-time responses made to define specifications to 80% or more
			Shorten periods for repairs	Increase the regular inspection rate by 5% Reduce the number of days for repairs by 10%
			Provide all customers with products with high and consistent quality	Ensure 100% our responses to suppliers' requests for changes on-time
			Improve design quality (including that of outsourced design)	Reduce the number of design changes due to design errors by 10%
			Improve manufacturing quality (including that of outsourced manufacturing)	Reduce the numbers of faulty products in production lines by 10% .
			Improve the quality of parts	Reduce the numbers of faulty parts purchased or machined by 10%)
			Use energy and resources effectively	Improve energy efficiency by 1% Reduce CO <sub>2</sub> emissions by 1%
			Maintain zero emissions	Reduce the final waste disposal rate to 1% or less (Create a group-wide system for realizing zero emissions)
			Effective use of chemicals	Maintain the amount of stored hazardous substances to 90% of the maximum permissible levels or less
Eliminate employment injuries	Eliminate employment injuries and traffic accidents in the course of employment (with or without temporary absence from work) Continue the zero disease in the course of employment Eliminate commuting injuries (with temporary from work)			
Promote employees' physical and mental health	Increase the percentage of employees undergoing follow-up medical examinations Decrease the number of employees complaining about their mental conditions Reduce the number of physical injuries offended by employees to zero			
Reduce traffic accidents in the course of employment	Reduce the number of traffic accidents caused by employees (those offended by employees or own-injured)			
Increase customer satisfaction	Further increase current customer satisfactions			

HORIBA Gaiareport 2012

**KEYWORDS**

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



# 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.

We respond to technical questions about the operation of our products and requests from customers for catalogues or chemical substance safety data sheets and other documents as well as provide customer feedback to our sales, development, and service divisions quickly and appropriately based on the content of customers' feedback. We thus strive to enhance customer satisfaction.

In 2011, due to the effects of the Great East Japan Earthquake, we received many inquiries about the PA-1000 Radi environmental radiation monitor. In addition, we also received many inquiries about the LAQUA F-70 Series/DS-70 benchtop pH/water quality analyzer, which employs the industry's first large-capacitance touch panel in order to realize intuitive operation.

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

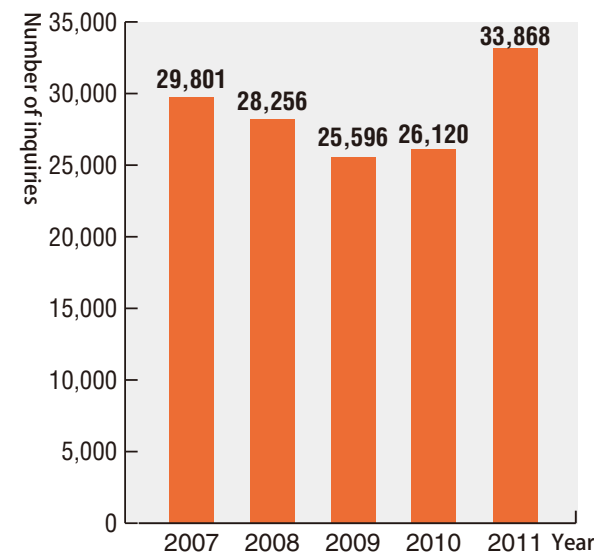
(except for holidays)

9:00-12:00/13:00-17:00

\* Customer support services are available via mobile phone and PHS.

\* Customer support services may not be accessible with some types of IP phones.

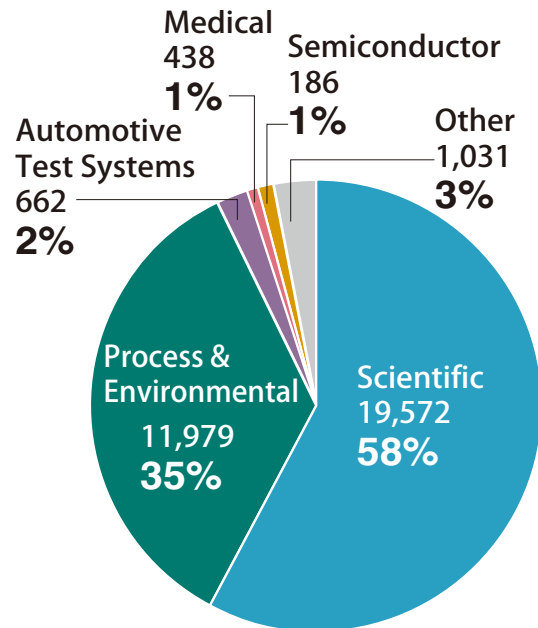
Trend in the Number of Inquiries to the Customer Support Center



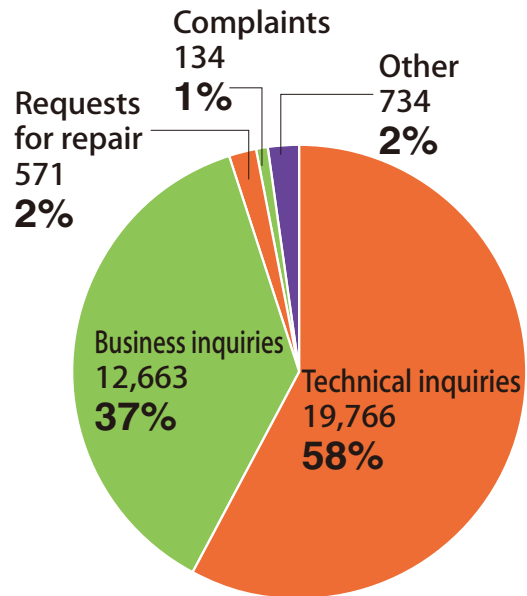
Customers

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

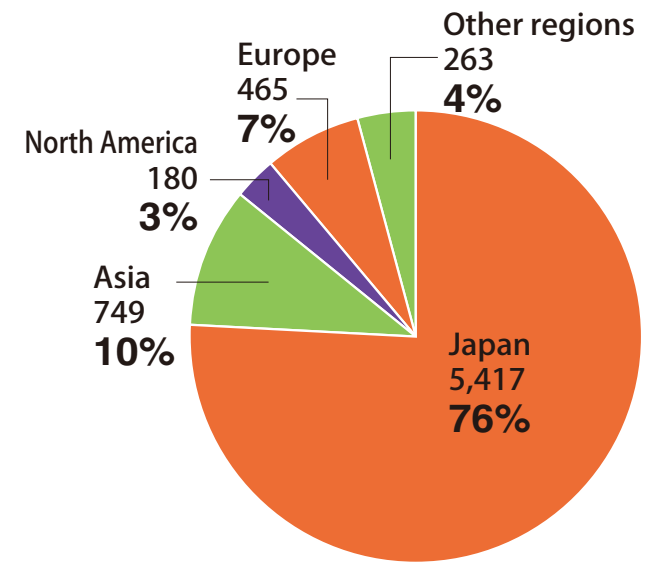
Breakdown of Inquiries in 2011  
(By Segment)



Breakdown of Inquiries in 2011  
(By Content)



Breakdown of Visits to the Company Website in 2011 by Region  
(7,074 Visits)



Customers

KEYWORDS

Customer Support | Service System

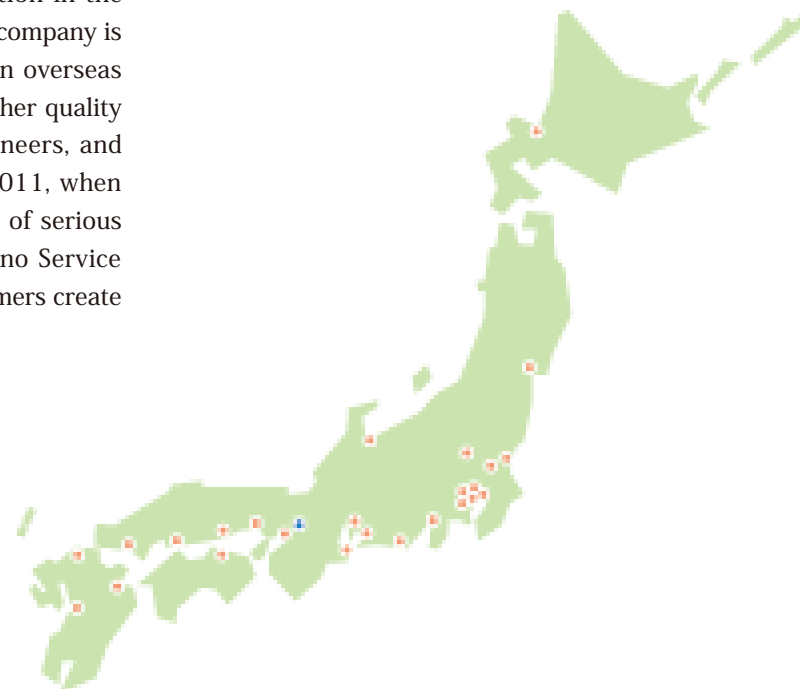
# B-a-1 Service System

## Service System

In September 2011, HORIBA Techno Service Co., Ltd. established a new service station in the Shikoku region, its 26th station in Japan. By increasing the number of service stations, the company is able to provide highly localized services. It is also strengthening its customer services in overseas markets, mainly in Asian countries. Furthermore, it is working to provide ever swifter, higher quality services on a global scale by enhancing our skill improvement training for field engineers, and establishing systems for technical know-how information, parts supply, and so on. In 2011, when many of its customers decided to conduct operations on Saturdays and Sundays as part of serious efforts in Japan to conserve electricity, particularly during the summer, HORIBA Techno Service adjusted its support system to meet their needs. In the future, it will continue to help customers create the ideal environment for analysis and measurement.



Service training with overseas engineers



### HORIBA Techno Service's service stations in Japan

Tokyo, Hokkaido, Tohoku, Tochigi, Chiba, Kashima, Tsukuba, Saitama, Nishi-Tokyo, Yokohama, Fuji, Hamamatsu, Tokai, Nagoya, Hokuriku, Mie, Kyoto, Osaka, Hyogo, Okayama, Shikoku, Hiroshima, Yamaguchi, Kyushu, Oita, and Kumamoto (as of December 31, 2011)

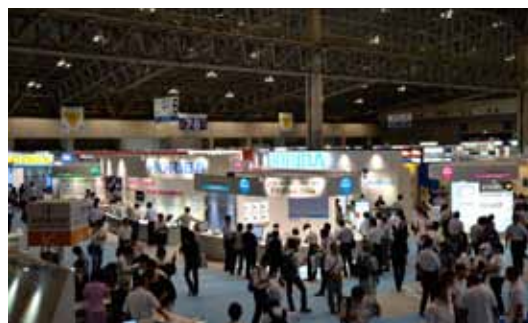
Customers

## B-a-1 Exhibitions and Networking

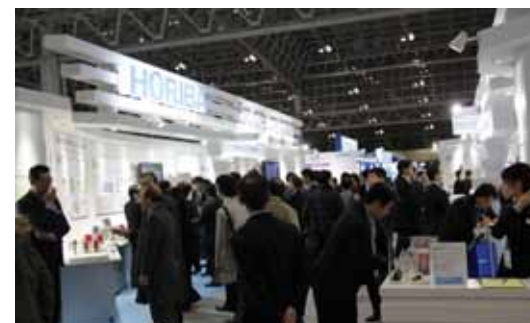
HORIBA Group companies participate in a total of about 40 exhibitions each year to actively advertise their new products and technological expertise. At the same time, the Group places great importance on further improving its hospitality. It does this by for example through initiatives such as the HORIBA 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 2011, Japan's largest automotive engineering exhibition for automotive engineers (May 18–20, 2011)



JAIMA EXPO 2011/SIS2011, the largest exhibition of analytical and scientific instruments and related technologies in Asia. (September 7–9, 2011)



SEMICON Japan 2011, the world's largest exhibition on semiconductor production systems and materials (December 7-9, 2011)



### 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

Exhibition | Automotive Engineering Exposition | JAIMA EXPO/SIS | SEMICON Japan | Hospitality Suite

## B-a-2 Quality Improvement Initiatives

### Quality Improvement Initiatives

The HORIBA Group's quality assurance 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 strive to develop the highest quality standards in the world at each stage, in addition to producing safe and ecofriendly products of outstanding quality.

To this end, we are working to reduce quality costs (prevention, assessment and loss). We are also working to increase rates of costs for prevention and assessment and to decrease the rate of cost for loss.

- Design review as an important function to ensure product quality
- Stepping up change order control to maintain consistent quality
- On-the-spot assessment to examine whether customers' needs are being met
- Reliability assessment tests on essential product parts
- Organizing Product Quality Improvement

(PQI) competitions to eliminate issues  
- Organizing the Technical Olympics

We also collaborate with HORIBA Group and suppliers to establish a comprehensive quality assurance system so that we can provide customers with high quality products with consistency throughout the world.



#### PQI Competition

The Fifth HORIBA Group PQI Competition was held on October 27 to compete over the results of quality improvement initiatives. HORIBA Group companies cooperate with our production partner companies to improve product quality and to reduce the percentage of faulty products.



#### Technical Olympics

On July 21, we held our fourth Technical Olympics in which members from the HORIBA Group and our production partner companies competed with one another to determine who had the best skills. A total of 66 people, including 35 from the HORIBA Group and 31 from 10 of our assembly partner companies, participated in the competitions. These competitions aim to allow engineers to demonstrate their skills honed by working with HORIBA Group products and to raise their skill levels. In four categories (lead free soldering, tightening of screws, plumbing, and general skills), engineers displayed their skills to the fullest and competed at a high level with one another.

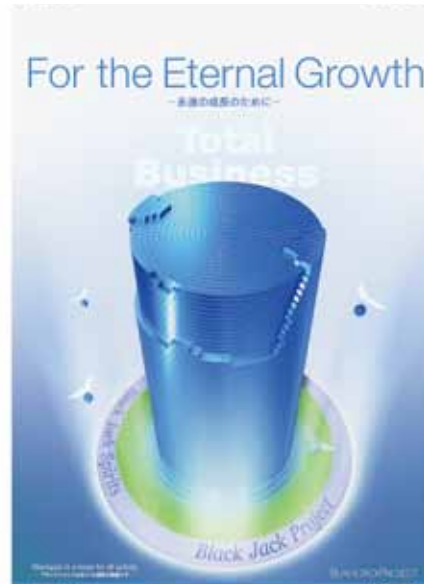
By sharing knowledge of basic manufacturing skills among all members, we are able to establish processes for eliminating faulty products, and aim to produce reliable and high-quality products for our customers.



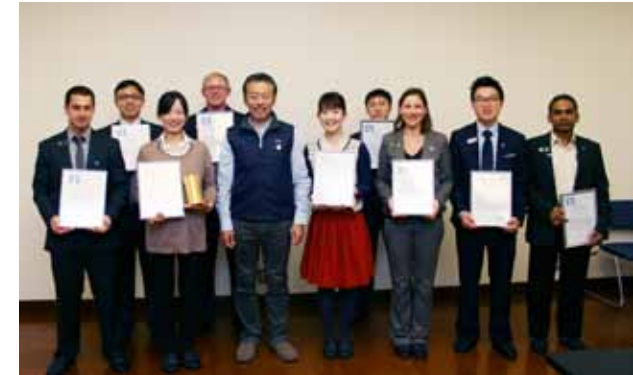
## B-a-2 Blackjack Initiatives

### 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. Fourteen years have passed since the Blackjack project was introduced and many 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



#### Blackjack Award World Cup

The participants for the final presentation at the Blackjack Award World Cup 2011, which recognizes the best initiative for the year.

# B-b-1 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 2011, our president visited investors in the U.S. for the first time. In addition, the director in charge of investor relations and some IR managers visited investors in Asian (Singapore and Hong Kong) for the first time. Amidst the ongoing shift from domestic to overseas investors, we are working to ensure that our IR activities meet investor needs more precisely.

For the first time, HORIBA was named as a winner of the “Best IR Award” in a competition for excellence in IR activities organized by the Japan Investor Relations Association. The selection of winners out of 304 companies that had applied to participate in the competition was based on a questionnaire survey of stock analysts and investors and a review by a screening panel. We will continue to further refine our strengths which were evaluated highly by the judges (e.g., proactive participation in IR activities by top management, clear presentations and easy-to-understand annual reports), thereby carrying out effective IR activities to accurately communicate HORIBA’s corporate culture to our stakeholders.



**Award ceremony at which the Best IR Award was presented**

Left: Mr. Hajime Sawabe (Chairperson, Japan Investor Relations Association) Right: Atsushi Horiba



Owners

# B-b-1 Company Briefing Sessions and Information Disclosure

## Company Briefing Sessions

### ① For domestic institutional investors

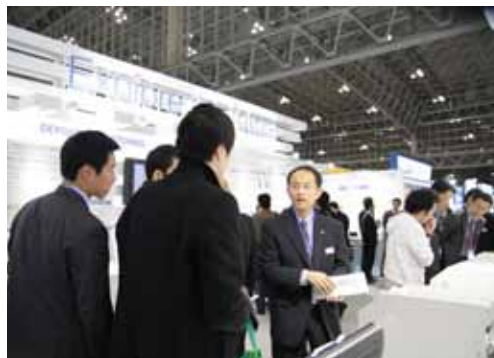
- Annual financial briefing session (February 16, 2011 in Tokyo)
- Mid-term financial briefing session (August 5, 2011 in Tokyo)
- Individual interviews conducted by the president, executives and staff members in charge (more than 300 times annually)
- Exhibition booth and briefing tours (four times annually)

### ② For overseas investors

- Visits to investors by the president (July 2011 in the U.S. September 2011 in London)
- Briefing by the president at an IR forum (March and November 2011 in Japan)
- Individual interviews by the president, executives and staff members in charge (more than 50 times annually in Japan)
- Visits to investors by executives and IR managers (November 2011, Asia)

### ③ For individual investors

- General meeting of shareholders (Saturday, March 26, 2011; a briefing session with executives after the general meeting held at the Kyoto Head Office)
- Briefing session for investors (August 29, 2011 in Kyoto)



Exhibition booth tour (December 8, 2011)



Aso factory (Kumamoto Prefecture) tour (December 20, 2011)

## Information Disclosure

- Annual report (annual publication)
  - Business report (semi-annual publication)
  - Earnings digest (quarterly publication)
  - Company website: Investor Relations (updated as needed)
- <http://www.horiba.com/investor-relations/>



Annual report



Business report



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

### Group Purchasing Policy

Our group purchasing policy is to challenge the procurement from a global perspective and overcome the difficulties posed by an extremely highly valued yen in order to survive as a company. In our daily operations, we are working to achieve three goals: (1) rebuild our global production system, (2) increase productivity, and (3) improve purchasing quality.

When purchasing parts, materials, and equipment, we strive to ensure free, fair transactions while observing Japanese and foreign laws and regulations as well as the applicable social codes. In purchasing operations, we emphasize compliance mainly by exchanging memorandums with our suppliers to cease any relations with antisocial groups.

In addition, we are working to reduce environmental impact by reducing the amount of packaging materials used chiefly by encouraging our suppliers to use dedicated reusable casings when delivering parts and material.

### Green Procurement

We are promoting global production aimed at reducing environmental impact throughout product lifecycles. To this end, the environmental impact of procurement for parts and materials by the HORIBA Group's materials divisions must be reduced. We strive to promote green procurement primarily by revising as necessary our Green Procurement Guidelines, which we issued in 2003, so that those guidelines meet statutory regulations and keep pace with social trends as well as by inviting our suppliers to briefing sessions and training programs and also giving priority to suppliers intent on pursuing environmental initiatives during purchasing.

### Promotion of global procurement

HORIBA Group companies worldwide periodically work together to hold meetings in order to promote global procurement. While applying common KPIs, we make international efforts to achieve parts standardization, joint purchasing, and quality improvement in order to realize high productivity across the boundaries of our group companies.

In promoting global purchasing, one concern

is how to ensure the export control mandated by the Foreign Exchange and Foreign Trade Act. To cope with this issue, export control committee members play a central role in establishing close cooperation with the export control division and providing periodic training. Thus we work to ensure compliance with relevant laws and ordinances.



Participants in the HORIBA Group global supply chain council held in Shanghai (October 14, 2011)

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

Our business activities would be possible to carry out with 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.

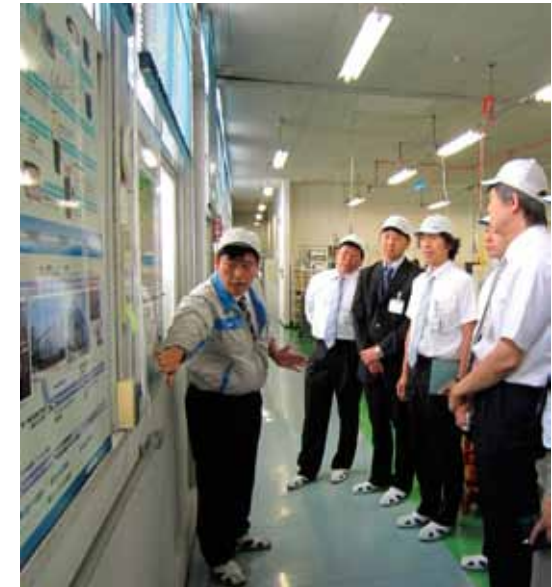
## Maintaining Good Relations with Production & Assembly Partner Companies

We consider suppliers of production partner companies with which we can work and grow together. We maintain strong relationships with our material suppliers as well as with our outsource assembly companies. We have created an organization with our suppliers named “HORIBA Group Cooperators Organization of Manufacturing” for the HORIBA Group companies in Japan. We try to improve each other by adopting “Co-evolution, Harmony and Coexistence” as our motto.

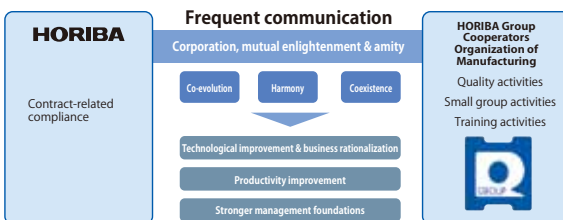
In 2011, we worked with production partner companies to jointly hold the following events:  
 Quality lectures at HORIBA COLLEGE (April)  
 HORIBA product workshops (June)  
 Technical Olympics (July)  
 QC competitions (October)  
 HORIBA STEC factory tour (December)

In particular, at the HORIBA product workshops held in June, we showed our production partner companies the level of quality that is expected of HORIBA products by having them learn about HORIBA products and observe the products at our factories with their own eyes in order to allow them to see how the parts, which they supply us with, are used for the HORIBA products and what roles such parts play.

Thus we endeavor to raise both our own and their quality awareness, improve production sites and increase technological capabilities by establishing close cooperation and coordination between our suppliers and HORIBA through encouraging learning from one another.



Scene from a HORIBA product workshop (June 2011)



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

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

Mr. Shigeru Kirino, president and representative director of Crystal Optics Inc., is attempting to apply super-precision grinding to all kinds of materials based on a grinding technology for optical single crystals which he acquired while he was working for HORIBA. He has since expanded his company's business using this technology. We interviewed him about his enthusiasm for his work and asked him to share some interesting episodes.



Mr. Shigeru Kirino  
President & Representative Director  
Crystal Optics Inc.

### What he acquired through trial and error at HORIBA helped him establish himself as an independent businessman

In the spring of 1964, I was 15. After graduating junior high school, I joined HORIBA, Ltd. Some 50 new employees had joined the growing company, increasing its work force to about 200. That year, the Tokyo Olympics were held, and I remember seeing the first run of the Shinkansen bullet train from the roof of the company together with my co-workers. I was assigned to the grinding section, where I specialized in grinding crystals such as alkali halides, fluorides, and ultraviolet and infrared aperture plates.

To ensure the temperature and humidity were continuously maintained at fixed levels, the grinding chamber was well sealed with 50-cm-thick walls and doors that were as thick as the doors of refrigerators. For this reason, employees that were working in the grinding chamber were given special 10-minute-long breaks at 10:00 a.m. and 3:00 p.m. daily. At that time, my superior was the late Mr. Masahiro Oura (former HORIBA president). He had a really warm heart and I was proud to work for him.

Around that time, HORIBA's MEXA (Motor Exhaust Gas Analyzer) became a big hit. This monitor used lithium fluoride for its window. I was solely responsible for all processes, including breaking, rounding, and grinding the crystals. Since production could not catch up with demand if

processes were performed in that manner, the company decided to outsource the work to an optical glass grinder. As a result, I sometimes visited the subcontractor in order to instruct its personnel about grinding technology, sessions which sometimes lasted into the middle of the night. Different grinding technologies are used for different materials. I taught myself through repeated trial and error since there was no one to teach me. I thought as hard as I could about what to do to apply such technology to mass production. The experience I gained at that time is still useful to me even today.

Going independent was reckless. I had no sales experience nor any customers and I was 36 years old. But as many graduates of national universities joined HORIBA, I got caught in the dilemma of often not being permitted to do what I was interested in doing. In addition, HORIBA trended toward shrinking its crystal grinding operations. So I decided to start a business on my own. Indeed, it was reckless.

After starting my business, though I was asked on a number of occasions whether my company was being managed properly, many people stepped in and kindly replied that "Your company should be all right if it is run by a former HORIBA employee." Also, being a former HORIBA employee is also advantageous when borrowing money from banks. This is, so to speak, my retirement allowance from HORIBA, and this is why I publicly emphasize that I am a former HORIBA employee. When I left the

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

company, my superior told me that I should not expect to win business from HORIBA. However, I think this remark was intended to encourage me, meaning that I ought to stand on my own feet and do my best. The reason I say this is that in the end I received orders from HORIBA immediately after I quit the company (laughter). That former superior of mine gave me a great deal of mental support even after I left the company.

### Providing numerically demonstrable super-high quality with making constant efforts to stay a step ahead of the times

When doing business, I think the most important thing is to determine at a given point in time whether my company is ready to handle what the world needs at that moment and, furthermore, to determine what my company can do to meet the needs of the world. When working, one should look one step ahead of the times. If one looks two to three steps ahead, one tends to give up thinking that progress is impossible. However, anyone can look a single step ahead. This is also part of our company's slogan, "Look one step ahead of yourself and the times." Each morning, I recite it together with all of my employees.

As the name "Crystal Optics" suggests, we attempt to make our minds as clear and transparent as crystals when talking with our customers. If our attitude is clear, so too will the attitude of our customers be. Anything we gain from our communication we will always return to our customers. Our relationships with our customers

come to nothing unless they are win-win. That is the meaning of taking a clear attitude toward customers.

Crystal Optics has assembled a large number of the world's best measuring instruments. Using data obtained by such first-rate measuring instruments, we objectively prove that the products we deliver to customers are of high quality. I believe that accurate figures are the best proof of product quality, which gives customers a sense of security and gains their trust.

When I worked for HORIBA, the company forbade employees from buying expensive measuring instruments even if they wanted them. Naturally,



Super-precision lathe



Example of processing by a super-precision lathe (mirror for reflecting telescopes)

HORIBA decided whether to buy instruments or not based on whether their introduction would increase profits. Usually, such requests were rejected. Therefore, I made my own measuring instruments and I also modified the existing grinding machines by myself. In the end, all these efforts positively impacted the rest of my life. Crystal Optics has enjoyed a long business relationship with HORIBA as one of its production partner companies thanks to the training I received while I was an employee there. This experience also leads to the development of my attitude toward my current job, and I am truly grateful for this.



### Corporate profile

Crystal Optics Inc.  
Head office factory: 4-25 Imakatata 3-chome, Otsu, Shiga Prefecture 520-0241  
Business operations: Super-precision grinding (stainless steel, metals, ceramics, new materials, optical crystals, etc.); super-precision smooth grinding (smooth grinding of metals and super-hard, equally plane surfaces as well as circle grinding); precision machining; and manufacture and sale of LED lighting apparatuses



# 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 2011, we employed two persons with disability through on-the-job training.

### 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 2012, for a fifth consecutive year (a total of seven graduates, including those from China, South Korea and Indonesia).

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

The results of the sixth survey on Best Workplaces in Japan, conducted by Great Place to Work® Institute (GPTW) Japan, showed that HORIBA, Ltd. ranked among the top 21 companies. Since the survey started in Japan, HORIBA, Ltd. has been chosen among the best workplaces for six consecutive years.

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 "Our company has an atmosphere that welcomes new employees" 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.



KEYWORDS

Open & Fair | Positive Evaluation System | Communication | Diversity | Work-life Balance | Human Resource Development

# B-d-3 Support for Work-life Balance

## Support for Work-life Balance

In response to changes in employees' family circumstances, we have introduced the employees with reduced working time system and the work from home 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.

### Employees who started taking 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	2011
Women	No. who gave birth	20	19	28	24
	No. on childcare leave	20	18	28	26
	No. of managers	0	0	1	0
Men	No. on childcare leave	2	3	3	3
	No. of managers	1	0	0	1

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

# B-d-4 Human Resource Development

## Open Application Overseas Training Program

HORIBA, Ltd. launched an open-application overseas training program in 1984 to allow our employees to develop international ways of thinking by working in HORIBA Group companies abroad. Then, in 1999, this program was made available to all employees of HORIBA Group companies. In 2011, including those on the Overseas On-the-job Training Program, we sent 13 Japanese employees to our overseas bases. A total of more than 150 employees have participated in such overseas training so far and worked on the global stage.

## Employees sent to overseas business sites for training (cumulative total through 2011)

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

Area	Country	No. of persons
Americas	U.S.A.	67
	Europe	9
Asia	Germany	22
	France	45
	Austria/Germany	1
	China	5
	South Korea	6
	Singapore	4
	India	2
<b>Total</b>		<b>161</b>

## 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 2,500 employees participated in the project in 2011.

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.



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

**KEYWORDS**

Open & Fair | Positive Evaluation System | Communication | Diversity | Work-life Balance | Human Resource Development



# B-d-5 Annual Health & Safety Plan for 2012

In 2011, in accordance with the HORIBA Group policy, "HORIBA PREMIUM -Create First Class Value for MLMAP-", we formulated an annual health and safety management plan for the HORIBA Group. In order to achieve our annual goals, all group employees made united efforts to implement health and safety programs.

Shared services were launched for HORIBA Group companies in Japan (HORIBA, Ltd.; HORIBA STEC Co., Ltd.; HORIBA Techno Service Co., Ltd.; and HORIBA Advanced Techno Co., Ltd.) Health and safety officers at group companies are working together to manage and promote health and safety initiatives for the entire group in an integrated manner.

In 2012, we will continue to 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 2012

### Annual Slogan

Let us all work together to establish a safe, healthy, and pleasant workplace and aim to enhance the value of the HORIBA brand.

### Annual Targets

#### [Eliminate employment injuries]

- Eliminate employment-related and traffic accidents (whether resulting in lost workdays or not)
- Continue the zero employment-related illnesses record
- Eliminate commuting injuries (resulting in temporary absence from work)

#### [Promote employees' mental and physical health]

- Increase the percentage of employees undergoing secondary medical examinations
- Decrease the number of employees complaining about their mental conditions

#### [Reduce employment-related traffic accidents]

- Reduce the number of traffic accidents caused by employees which result in the injury or death of the victim(s) to zero
- Reduce the number of traffic accidents caused by employees (those which result in injury or death on the part of the victim(s) as well as those where losses are sustained due to employees' negligence) to zero

# B-d-5 2011 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.



Health and 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 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.

Each year, a professional is invited to come in-house to give a lecture on forklift operation. Practical training allows participants to reconfirm the importance of basic operational procedures and safety checks.



Foreman Training at the Kutsuki Training Center



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



Practical Training in Forklift Operation

**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 (1) Employment injuries

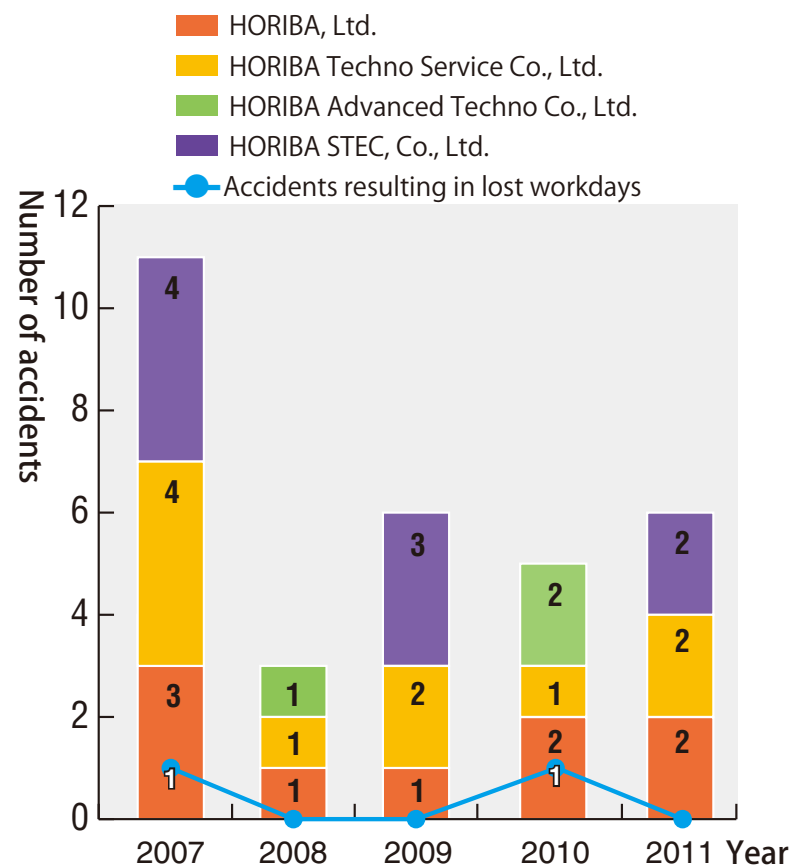
## Employment injuries

In 2011, the HORIBA Group had no serious accident resulting in temporary absence from work. However, six accidents that did not result in temporary absence from work occurred at some group companies.

Specifically, one employee cut his finger while disassembling one of his company's products. Another employee's arm was lacerated by a glass fragment while he was transferring partitions. Still another employee slipped on the floor and fell, resulting in a blow to the head. The head of a fourth employee was lacerated by a doorknob when he was replacing cleaning mats. A fifth employee suffered a lumbar spine sprain in a rear-end pileup in which he was a victim. The sixth employee suffered an avulsion fracture in the instep of his foot in a relay race during the in-house Thanks Day event. The main cause behind these accidents were unsafe acts, revealing the risks hidden in daily operations.

Humbly acknowledging these results, under a principle of compliance with health and safety rules as well as traffic regulations, 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. Specific measures we will take include eliminating all risk factors through risk assessments, applying examples of favorable improvements at one division to others, raising each employee's health and safety awareness through exhaustive health and safety training, and creating an open, pleasant, and comfortable workplace where all employees can work energetically.

Number of Accidents (Employment injuries)



Occupational Health and Safety

HORIBA Gaiareport 2012

**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

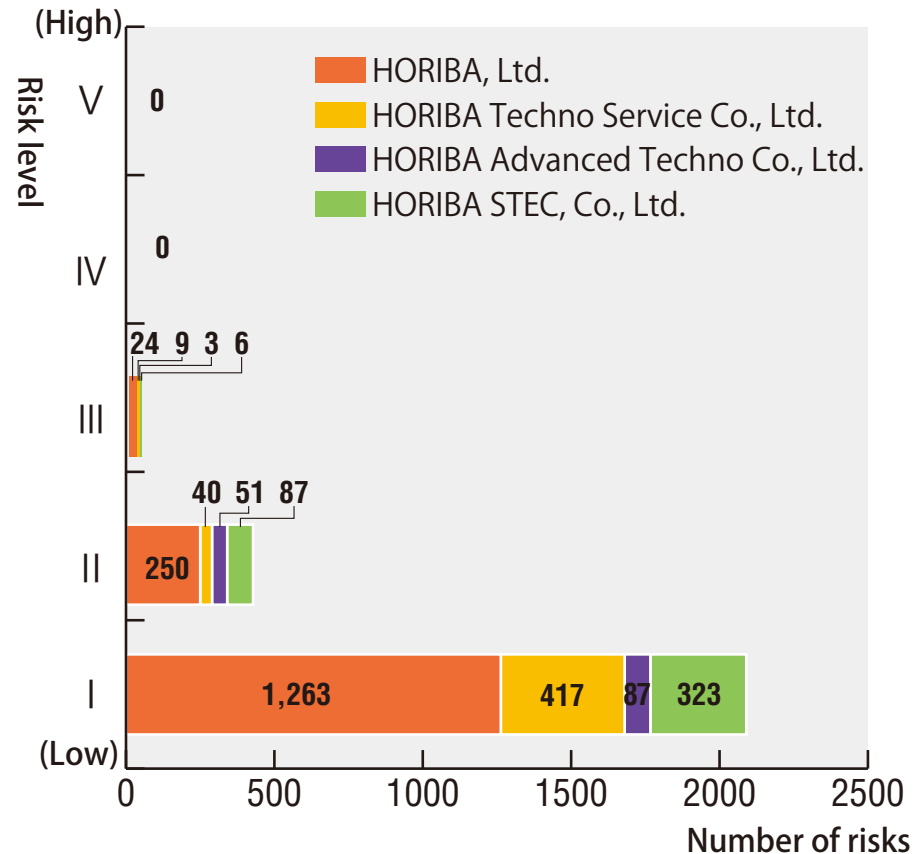
## Risk Assessments

We undertake risk assessments at different work sites by identifying the causes of work accidents, traffic accidents, near accidents, and risks identified during work site patrols as well as by analyzing risk factors under different conditions—i.e., before installing new equipment or before making changes to any of the four production factors\*. 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.

We unified risk assessment standards for group companies in Japan and put into place a system that enables all employees to register and view risk assessment information in a database accessible from the group network. This helps employees obtain information on remaining risks in their own division and use information from other divisions on disasters, risks, and favorable improvements in their own division.

\* Four production factors: man, machine, material, or method

Results of Risk Assessment for 2011



Occupational Health and Safety

# B-d-6 Health Management and Promotion Initiatives

## Health Management Room

We expanded the functions of the Health Management Office, which is a department for health support. In this office, a full-time occupational physician and a public health nurse interview and provide guidance to employees based on the results of periodic medical examinations of lifestyle-related illnesses. Our aim is to pay close attention to the physical and mental health of our employees, thereby contributing to the creation of an office environment that is even easier to work in.

## Unification of Risk Assessment Standards and Databases

We unified risk assessment standards for HORIBA Group companies in Japan and installed a new risk assessment information database in our group network, thus enabling all employees to register and view risk assessment information.

This helps employees obtain information on remaining risks in their own division and use information from other divisions on disasters, risks, and favorable improvements in their own division.

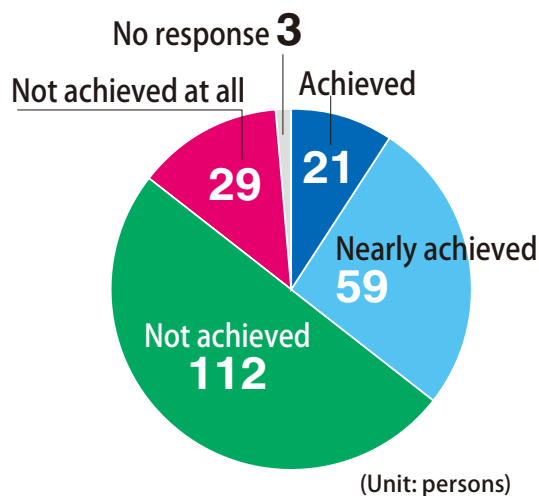
## Health Improvement Activities

We planned the Health Improvement Challenge 2011 as a program to encourage employees to reevaluate their lifestyles and offer opportunities to improve health.

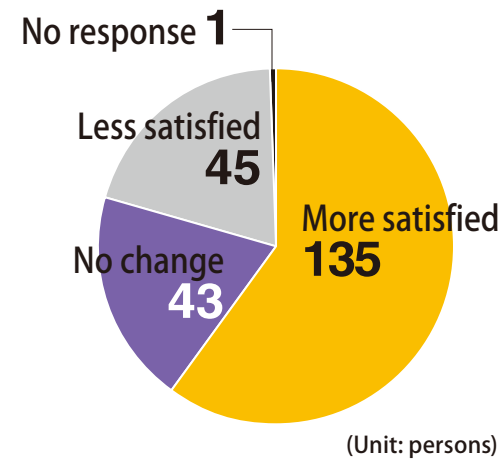
During the two-month period from March to April, the program urged employees to try one of four different plans: incorporating exercise into one's life, improving one's eating habits,

relieving stress, or refraining from smoking and drinking. A total of 323 employees applied for one of these courses, and 224 of them (70%) reported successful results. Two received a special excellence award and nine received an excellence award for their innovative, effective initiatives.

Health Improvement Challenge 2011  
Goal Achievement



Post-program Changes in Level of Satisfaction with One's Health



Occupational Health and Safety

HORIBA Gaiareport 2012

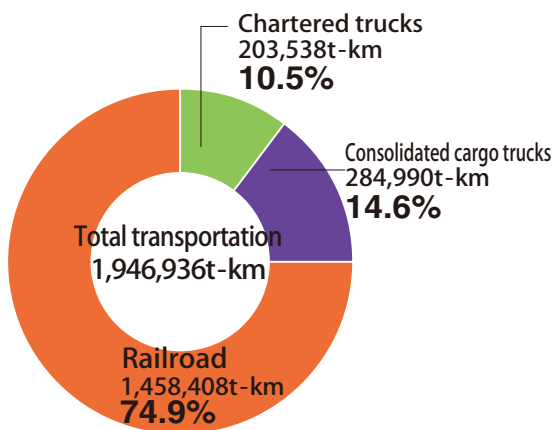
**KEYWORDS**

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

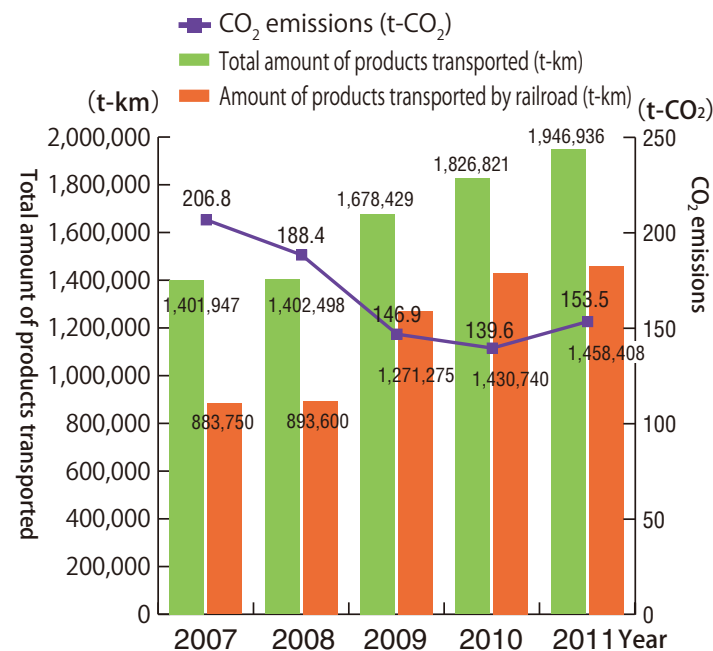
# B-e-1 Initiatives for Reduction of CO<sub>2</sub> Emissions during Distribution

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 continues to increase each year, and 75% of all transportation was by railroad in 2011, up 3.4% compared to the previous year. The amount of CO<sub>2</sub> emitted during the transportation of products increased by about 10% over that for 2010. This increase was due to an increase in overall sales for the HORIBA Group. 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 2011**  
(Scope: Domestic production sites\*)



**The Amount of Products Transported and the Amount of CO<sub>2</sub> Emissions**  
(Scope: Domestic production sites\*)



\* Domestic production sites include the HORIBA, Ltd. head office/factory and Biwako Plant, HORIBA STEC Co., Ltd. head office/factory and 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

In 2011, as in 2010, the domestic HORIBA Group companies adopted the following goals for environmental conservation under the Integrated Management System (Quality, Environment and Occupational Health and Safety) in order to promote efforts to build safe and highly efficient clean factories as well as to contribute to the protection of the global environment.

- 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 2011 increased in some stages compared to the previous year as a result of improvement in our business performance, thanks to initiatives for electricity and energy conservation, energy consumption and CO<sub>2</sub> emissions decreased.

In 2012, we expect to face a harsh economic environment but will continue our efforts to reduce the total environmental impact of our activities.

#### KEYWORDS

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



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

## Material Flow Chart for 2011 to Determine Environmental Impacts

Scope: Domestic production sites

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

Environment

### IN PUT

**Energy**  
 Electricity 17.24 mil kWh  
 City gas 677 km<sup>3</sup> Fuel 76 kL

**Water**  
 Service water 76 km<sup>3</sup>

**Materials**  
 Metal 914 tons Glass 1ton  
 Packaging materials 353 tons  
 Chemical substances 8 tons  
 Office paper 23 tons  
 Liquid gas (LN<sub>2</sub>) 1,343 tons

**Energy**  
 Vehicle fuel 44 kL

**Energy**  
 Electricity 12.35 mil kWh

**Post-consumer product collection**  
 Collected products 8 tons

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

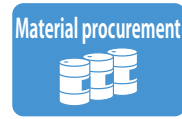
**Packing materials** Materials for wrapping and packing products  
**Chemical substances** Substances required for the use, development and manufacturing of products  
**Office paper** Copy paper used in factories and offices  
**Liquid gas (LN<sub>2</sub>)** Liquid nitrogen used in development and manufacturing processes

**Vehicle fuels:** Fuels used in truck Transportation

**Electricity:** Electricity consumed for the use of products

**Collection:** Post-consumer product collection

### Business processes



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

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

**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** 5,673 tons  
**Emissions to air**  
 CO<sub>2</sub> 8,879 tons  
 Chemical substances 4 tons  
**Discharge water**  
 Amount of drainage 76 km<sup>3</sup>  
**Waste**  
 Total amount discharged 418 tons  
 Final amount of landfill waste 8 tons  
 Recycled materials 379 tons

**Emissions to air**  
 CO<sub>2</sub> 154 tons

**Emissions to air**  
 CO<sub>2</sub> 4,670 tons

**Reused, recycled, and disposal**  
 Reuse and recycling 2 tons Disposal 6 tons

**KEYWORDS**

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

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

Environment

## Group Companies (Production Sites)

Company Name	Abbreviation	Location	Company Name	Abbreviation	Location
HORIBA Instruments Incorporated Irvine Facility	HII (Irvine)	U.S.A. (California)	HORIBA Instruments Limited	HIL	U.K. (Northampton)
HORIBA Instruments Incorporated Ann Arbor Facility	HII (AnnArbor)	U.S.A. (Michigan)	HORIBA ABX SAS	HMFR	France (Montpellier)
HORIBA Instruments Incorporated Troy Facility	HII (Troy)	U.S.A. (Michigan)	HORIBA Jobin Yvon SAS	JYFR	France (Longjumeau)
HORIBA Instruments Incorporated Edison Office Former HORIBA Jobin Yvon Inc.	HII (Edison) Former JYUS	U.S.A. (New Jersey)	HORIBA (Austria) GmbH	HA	Austria (Tulln)
HORIBA Instruments Incorporated Austin Office HORIBA Instruments Incorporated Santa Clara Office Former HORIBA/STEC Incorporated	HII (Austin/Santa Clara) Former SHI	U.S.A. (Texas) U.S.A. (California)	HORIBA, Ltd	HOR	Japan (Kyoto)
HORIBA Europe GmbH	HE	Germany (Oberursel, Darmstadt)	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 2011

	Item/Region	U.S.A					Europe					Asia				
		Group Company Name (Abbreviation)	HII (Irvine)	HII (AnnArbor)	HII (Troy)	HII (Edison)	HII (Austin/Santa Clara)	HE	HIL	HMFR	JYFR	HA	HOR	STEC	HAT	HKL
INPUT	Electricity consumption MW·h	296	875	3,787	1,526	1,144	1,366	355	2,841	3,335	37	10,066	6,897	277	55	902
	City gas consumption km <sup>3</sup>	-	47	107	81	5	48	3	-	143	5	434	243	0.02	-	-
	Water consumption km <sup>3</sup>	9	9	3	9	-	1.8	0.3	23	12	0.2	41	32	4	0.1	5
	Consumption of fuel oil & fuel for vehicles kL	-	100	51	-	42	164	4	-	65	16	37	28	11	3	15
	Quantity of chemicals consumed t	-	-	-	0.02	-	3	-	31	-	0.002	7.3	0.9	0.08	-	-
	Office paper t	2	4	8	4	1	11	0.8	24	4	0.3	17	5	3	0.3	0.4
	Packing materials t	-	-	-	14	-	5	-	823	-	-	324	29	-	4	-
OUTPUT	CO <sub>2</sub> emissions t-CO <sub>2</sub>	175	844	2,579	1,071	876	1,172	174	142	615	54	4,211	4,557	112	25	340
	Wastewater discharge km <sup>3</sup>	9	1	3	9	-	1.8	0.3	-	12	0.2	41	32	4	0.1	4
	Waste emissions t	107	32	32	119	-	42	18	174	82	16	322	92	4	0.7	8
	Number of employees 人	68	117	80	190	52	400	95	571	305	26	1,417	384	134	27	140

\* 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

Environment

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

	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	2011	2009	2010	2011	2009	2010	2011
INPUT	Electricity consumption	MWh	837	894	836	419	436	380	245	266	240
	LP gas consumption	km <sup>3</sup>	0	0	0	0	0	0	10	13	11
	Fuel consumption	kL	66.5	63.7	58.6	165	191	194	-	-	-
	Office paper	t	4.8	5.0	5.1	3.5	3.8	3.7	-	-	-
	Packing materials	t	1.1	1.2	0.9	2.6	3.2	3.8	-	-	-
OUTPUT	CO <sub>2</sub> emissions	t-CO <sub>2</sub>	471	486	452	542	609	593	131	161	140
	Amount of waste generated	t	9.3	8.5	6.2	11.7	14.6	20.0	-	-	-

**Sales Offices (11 locations):** Tokyo, Sendai, Utsunomiya, Tsukuba, Yokohama, Nagoya, Toyota, Hamamatsu, Osaka, Hiroshima, Fukuoka

**Service stations (24 locations):** Sapporo, Sendai, Utsunomiya, Ichihara, Kashima, Tsukuba, Kawaguchi, Tokyo, Kokubunji, Yokohama, Fuji, Hamamatsu, Toyota, Nagoya, Toyama, Yokkaichi, Osaka, Himeji, Kurashiki, Hiroshima, Yamaguchi, Fukuoka, Oita, Kumamoto

**Training and recreation facilities (2 locations):** Takashima (Shiga Prefecture) and Kyoto

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

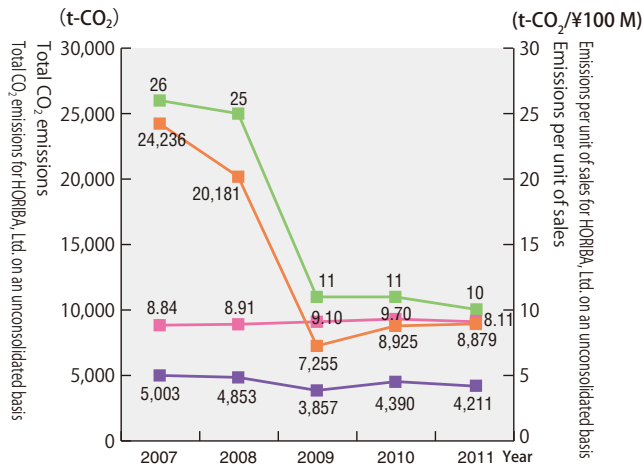
Total CO<sub>2</sub> emissions generated by domestic HORIBA Group companies in 2011 decreased by 0.5% compared to the previous year to 8,879 tons. Total CO<sub>2</sub> emissions per unit of sales declined by 5% over 2010.

Also, CO<sub>2</sub> emissions for HORIBA, Ltd. alone fell by 4% compared to 2010 to 4,211 tons. Emissions per unit of sales were down 16% compared to the previous year. The major reason for these decreases was

the effectiveness of the measures the company took to conserve electricity and save energy in response to the requests of the government and other parties after the Great East Japan Earthquake.

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

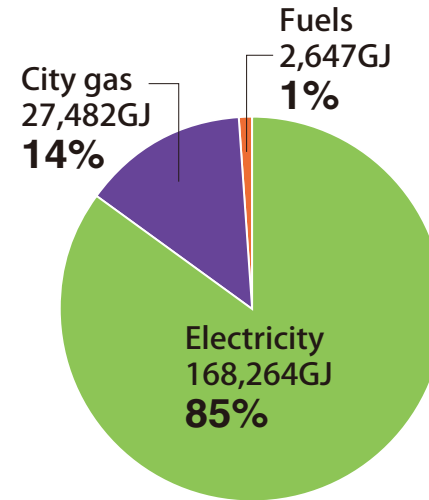
- Emissions per unit of sales (t-CO<sub>2</sub>/¥100 M)
- Total CO<sub>2</sub> emissions (t-CO<sub>2</sub>/year)
- Emissions per unit of sales for HORIBA, Ltd. on an unconsolidated basis (t-CO<sub>2</sub>/¥100 M)
- Total CO<sub>2</sub> emissions for HORIBA, Ltd. on an unconsolidated basis (t-CO<sub>2</sub>/year)



**\*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).

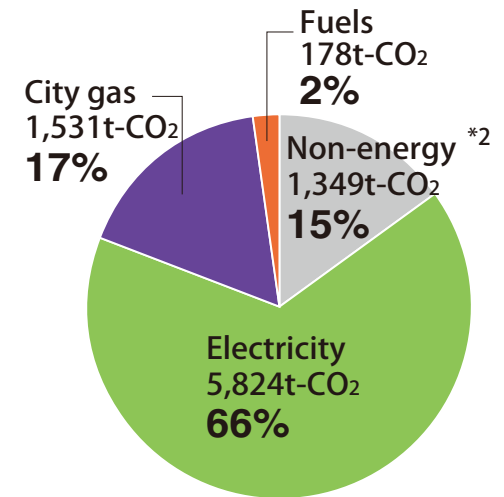
## Energy Consumption by Type in 2011

(Scope: Domestic production sites\*1)



## Greenhouse Gas Emissions (CO<sub>2</sub> Equivalent) by Type of Energy in 2011

(Scope: Domestic production sites\*1)



\*1 Domestic production sites include the HORIBA, Ltd. head office/factory and Biwako Plant, HORIBA STEC Co., Ltd. head office/factory and Aso Factory, and HORIBA Advanced Techno Co., Ltd. head office/factory.

\*2 Non-energy: Sulfur hexafluoride, perfluoromethane, etc.

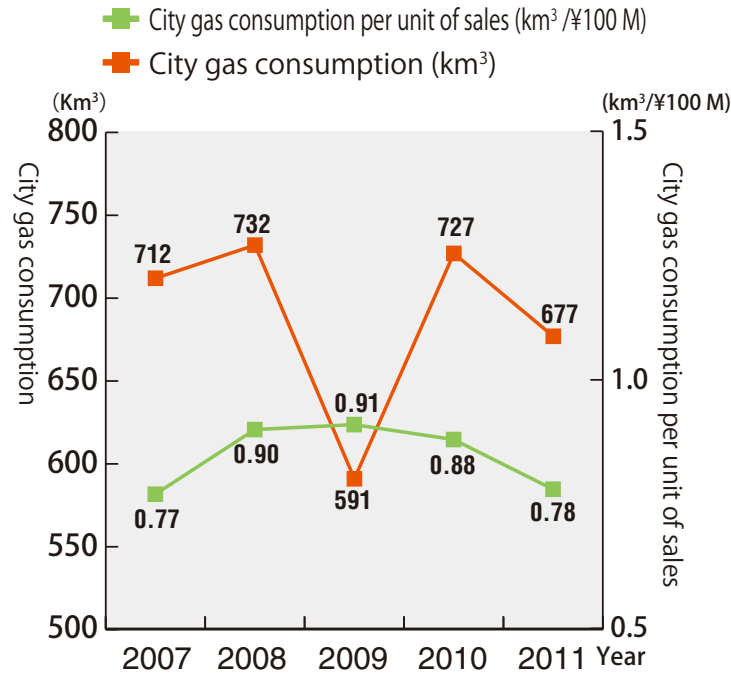
KEYWORDS

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

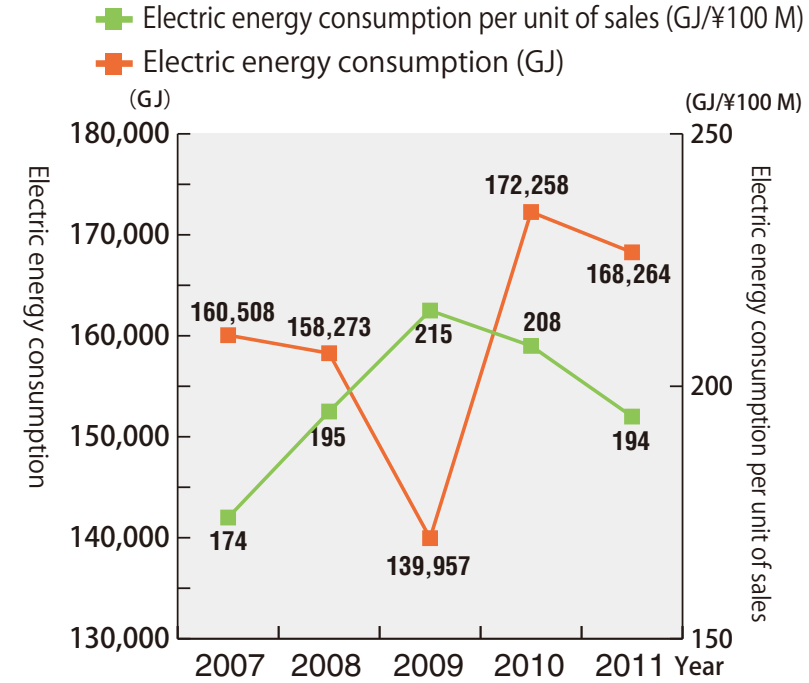
# B-e-3 Energy Consumption

Environment

**City Gas Consumption**  
(Scope: Domestic production sites\*)



**Electric Energy Consumption**  
(Scope: Domestic production sites\*)



\* Domestic production sites include the HORIBA, Ltd. head office/factory and Biwako Plant, HORIBA STEC Co., Ltd. head office/factory and Aso Factory, and HORIBA Advanced Techno Co., Ltd. head office/factory.

HORIBA Gaiareport 2012

**KEYWORDS**

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

# B-e-3 Response to Requests for Electricity Conservation

The principal measures we took on a company-wide scale in response to the requests of the government and other parties for electricity conservation in 2011 were as follows:

## ● Common matters

- All-out efforts to achieve “no overtime-work days” and reductions in overtime hours through increased productivity
- Centralization of desk work areas during overtime and holiday work
- Unplugging equipment not in use (reduction of stand-by power consumption)

## ● Air-conditioning systems and ventilation

- Thorough efforts to maintain room temperatures at 28°C and turn off air-conditioning systems 30 minutes prior to closing the office
- Limiting of the operating time of air conditioning systems in common spaces and hallways

## ● Lighting

- Thorough efforts to turn off lights during lunchtime
- Thorough efforts to turn off unnecessary lights during overtime hours
- Removal of some lights in common-use spaces, lavatories, and hallways

## ● OA equipment

- Adjustment of PC/CRT monitor brightness, reduction of standby power consumption
- Centralization of copiers and printers

## ● Elevators

- Reduction of the number of elevators in operation and encouragement of the use of stairs

## ● Work areas

- Removal of some lights and the lowering of window blinds to block sunlight
- Turning off of some shared equipment (e.g., refrigerators and electric kettles)

## ● Other

- Reduction in the brightness of signboard lighting
- Turning off vending machine lighting completely or partially

## ● Production and development equipment

- All-out efforts to stop equipment from idling when not in use
- Change of methods for using equipment and operation hours mainly through reviews of procedures

### KEYWORDS

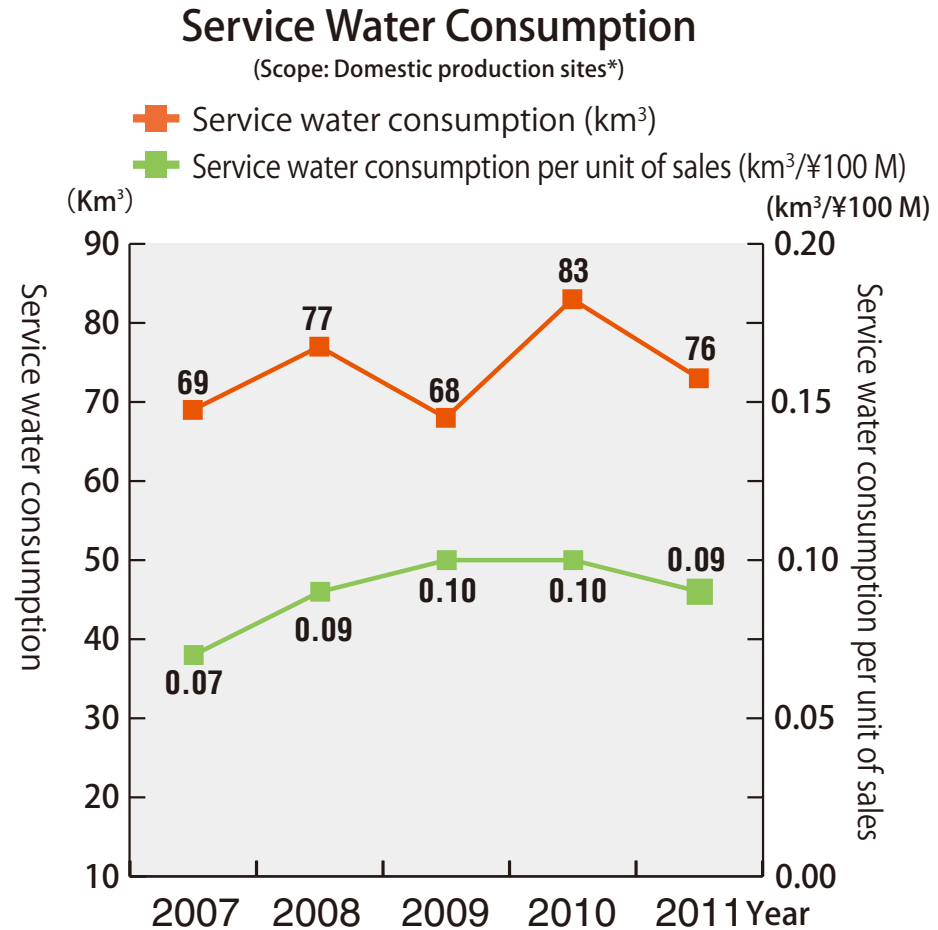
Reduction in CO<sub>2</sub> Emissions | Energy Conservation | City Gas | Electricity

# B-e-3 Monitoring of Wastewater and Use of Service Water

Environment

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 2011 and we intend to maintain it for many years to come.

Meanwhile, in 2010 the amount of service water used by domestic group companies increased by about 23% compared to the previous year due to a rapid increase in the production of the group companies. In 2011, however, the amount decreased by about 9% due to spillover effects from the electricity saving and energy conservation measures. In the future, we will continue to make efforts to make more efficient use of water by monitoring the amount of service water used.



\* Domestic production sites include the HORIBA, Ltd. head office/factory and Biwako Plant, HORIBA STEC Co., Ltd. head office/factory and Aso Factory, and HORIBA Advanced Techno Co., Ltd. head office/factory.

KEYWORDS

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



# 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	
			2009	2010	2011		
Environmental categories	pH	5 ~ 9	-	6.1 ~ 7.8	6.3 ~ 8.0	6.5 ~ 7.9	-
	n-Hexane extract	5	3.5	0.5	0.2	0.3	0.2
	Phenol	1	0.3	*	*	0.02	0.01
	Copper	3	0.9	0.18	0.076	0.035	0.002
	Zinc	2	1.0	0.33	0.15	0.15	0.002
	Iron (soluble)	10	3.0	0.1165	0.04	0.04	0.0004
	Manganese (soluble)	10	3.0	0.03	0.01	*	0.01
	Nickel	2	0.6	0.01	*	0.01	0.01
Toxic substances	Boron and its compounds	10	3.0	0.2	0.2	0.2	0.1
	Fluorine and its compounds	8	4.5	1.9	1.5	1.3	0.1
	Cadmium and its compounds	0.1	0.03	*	*	*	0.005
	Cyanogen compounds	1	0.3	*	*	*	0.1
	Lead and its compounds	0.1	0.07	*	*	*	0.01
	Hexavalent chromium	0.5	0.15	0.0017	*	*	0.0004
	Arsenic and its compounds	0.1	0.03	*	*	*	0.005
	Mercury and its compounds	0.005	0.0015	*	*	*	0.0005
	Trichloroethylene	0.3	0.09	*	*	*	0.03
	Dichloromethane	0.2	0.14	*	*	*	0.002
	Carbon tetrachloride	0.02	0.014	*	*	*	0.002
	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

# B-e-3 Chemical Substance Use

Environment

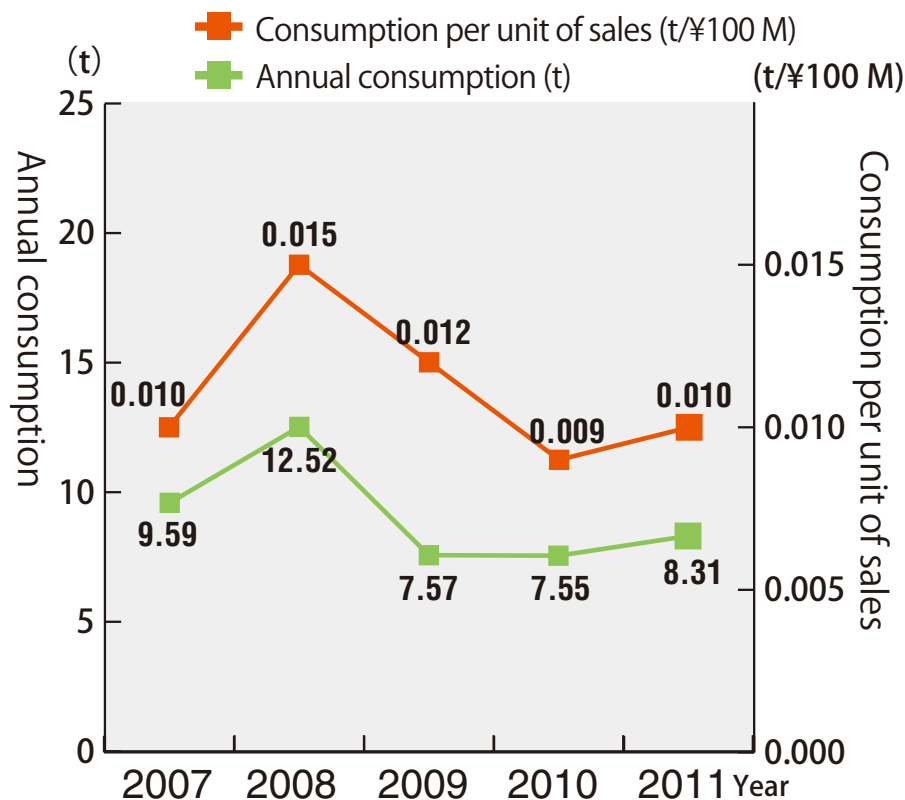
The total amount of chemical substances (measured by weight) used by domestic HORIBA Group companies in 2011 was 8.31 tons, just slightly more than in 2010. The major reason for this increase was the continuous improvement in business performance. Through activities to reduce the risks involved in using chemical substances at each workplace as much as possible, HORIBA, Ltd. reduced the amount of chemical substances stored at its sites by 0.88 tons compared to 2010. Meanwhile, we have implemented measures regarding chemical substances specified in the revised PRTR Law since 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 2012, we plan to revise our system in order to further reduce the risks involved 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

(Scope: Domestic production sites\*)



\* Domestic production sites include the HORIBA, Ltd. head office/factory and Biwako Plant, HORIBA STEC Co., Ltd. head office/factory and Aso Factory, and HORIBA Advanced Techno Co., Ltd. head office/factory.

HORIBA Gaiareport 2012

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
		2009	2010	2011	2009	2010	2011	2009	2010	2011	
67-63-0	Isopropyl alcohol	339	423	404	78	116	126	0	0	0	Clean printed circuit boards
64-17-5	Ethanol	351	384	406	136	102	99	0	2	0	Clean components
67-64-1	Acetone (dimethyl ketone)	334	229	403	321	203	382	0	0	0	Cleaning
124-18-5	n-Decane (petroleum hydrocarbon type cleaning agent)	143	338	78	0	0	0	0	0	0	Clean metals
7664-38-2	Phosphoric acid	180	146	121	69	77	76	0	0	0	Product additives
7439-92-1	Lead solder	307	175	165	0	0	0	225	111	107	Printed circuit boards
7440-31-5	Lead-free solder	1,843	1,415	1,279	0	1	2	1,087	1,007	921	Printed circuit boards
7803-57-8	Hydrazine monohydrate	14	15	26	14	15	26	0	0	0	Product inspection
1330-20-7	Xylene	322	120	11	322	120	11	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 2011

Environment

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 Remove Compounds Neutralized/ Decomposed/ Synthesized	Amount Emitted			Amount Transferred	Amount Recycled	Main Application
					Air	Water	Soil	Industrial Waste	Transferred Outside	
305	Lead compounds	164.7	57.7	0.0	0.0	0.0	0.0	0.0	107.0	Printed circuit board soldering
185	Dichloropentafluoropropane (HCFC-225); product name H-997	125.5	0.0	0.0	125.5	0.0	0.0	0.0	0.0	Product inspection
82	Silver and its water-soluble compounds	59.1	15.5	0.7	0.7	0.0	0.0	1.1	41.1	Printed circuit board soldering
30	Linear alkyl benzene sulfonate acid and its salts	26.4	0.0	0.0	0.0	0.0	0.0	26.4	0.0	For semiconductors
374	Hydrofluoric acid and its watersoluble salts	24.5	0.7	0.1	0.0	0.0	0.0	23.7	0.0	For semiconductors
245	Thiourea	23.2	20.0	0.5	0.0	2.5	0.0	0.2	0.0	Reagent production
20	2-aminoethanol	18.6	0.0	0.0	0.0	1.1	0.0	17.5	0.0	For semiconductors
394	Beryllium and its compounds	12.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	Product components
11	Sodium azide	11.4	2.6	0.6	0.0	7.2	0.0	1.0	0.0	Product tuning
80	Xylene	10.5	0.0	0.0	0.0	0.0	0.0	10.5	0.0	Clean components, semiconductors
392	Normal hexane	10.0	0.3	0.1	0.8	0.0	0.0	8.8	0.0	Commissioned analysis and product development
<b>Total</b>		485.9	108.8	2.0	127.0	10.8	0.0	89.2	148.1	

\* 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

KEYWORDS

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

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

Scope : HORIBA, Ltd. head office/factory

Measurement Category		Unit	Kyoto Prefecture Regulations	HORIBA Standards	Measured Result (maximum)		
					2009	2010	2011
At vents	Xylene	Vol ppm	300	28	< 2	< 2	< 2
	Fluorine compounds	mg/m <sup>3</sup> N	5	3.5	< 0.5	0.8	< 0.5
	Hydrogen chloride	Vol ppm	20	6	< 1	< 1	< 1
	Nitrogen oxides	Vol ppm	100	30	< 10	< 10	< 10
At site perimeters	Xylene	Vol ppm	3	—	< 0.3	< 0.3	< 0.3
	Fluorine compounds	mg/m <sup>3</sup> N	0.05	—	< 0.01	< 0.01	< 0.01
	Hydrogen chloride	Vol ppm	0.2	—	0.02	< 0.02	0.11
	Nitrogen oxides	Vol ppm	1	—	0.019	0.016	0.014

**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

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 disposal of unrecyclable old equipment, which we had no choice but to deliver to landfill. In 2011, we again achieved our zero-emission goal by rectifying this situation.

In 2011, the total volume of waste generated by HORIBA, Ltd. alone increased by 15% compared to the previous year due to increased production. The amount generated by domestic HORIBA Group companies as a whole increased by 39 tons (up about 10%).

In 2012, in order to achieve our zero-emission goal, the HORIBA Group plans to analyze and confirm the actual conditions of, and improve the overall situation of, waste reduction.

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

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

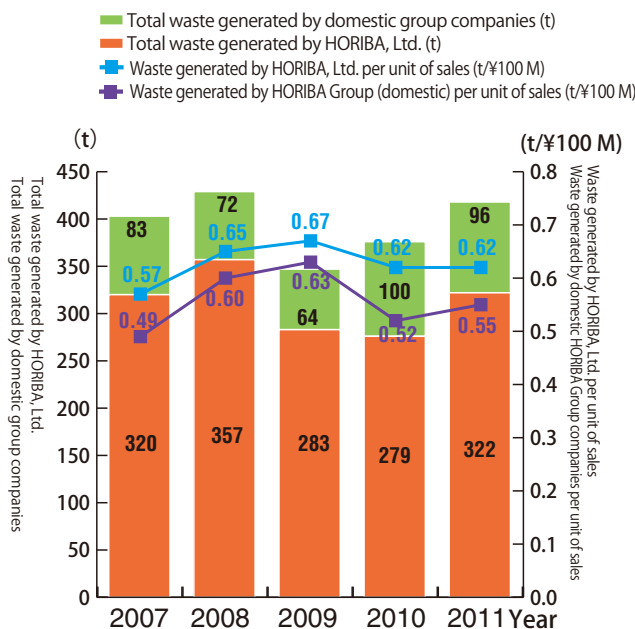
**Total waste generated:**

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

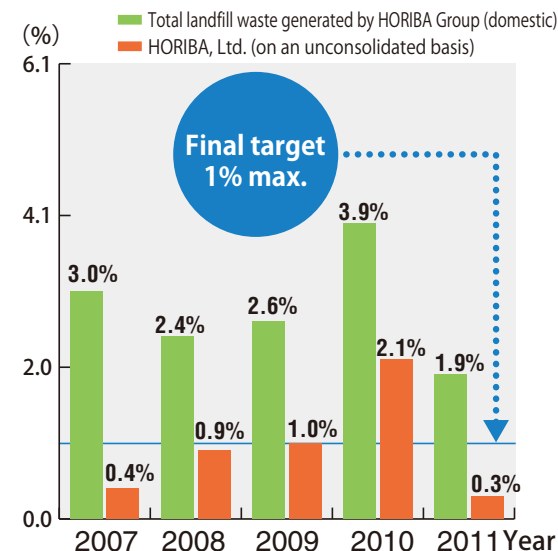
**Total amount of landfill waste:**

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**



**Trend in Total Amount of Landfilled Waste**



Scope:

**Domestic production sites:**

HORIBA, Ltd. head office/factory and Biwako Plant, HORIBA STEC, Co., Ltd. head office/factory and 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.



# B-e-5 HORIBA's Product Design for Environment

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 ensure that these products are presented in our catalogues 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

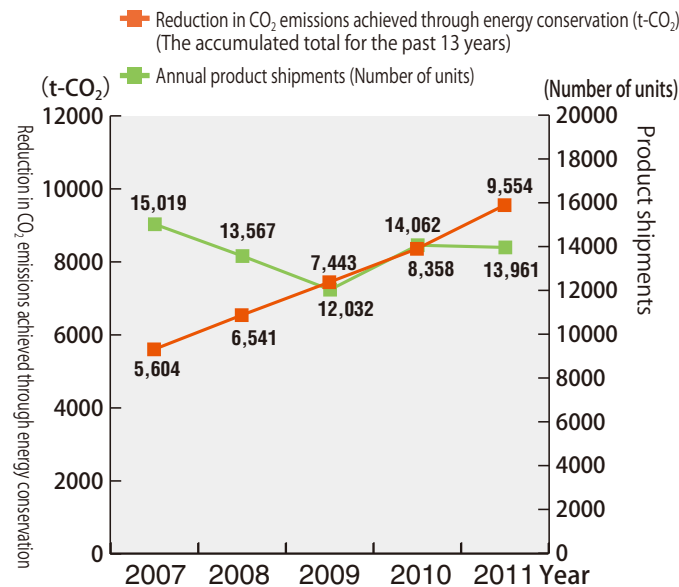


### Evaluation Categories of Design for Environment

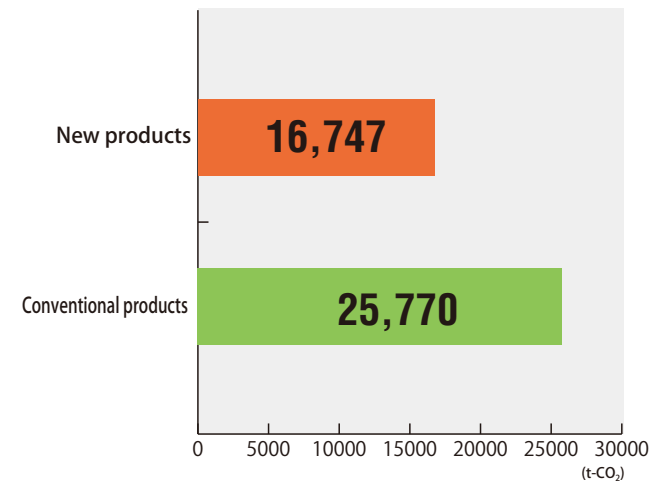
1. Lightness
2. Longevity
3. Ease of recycling
4. Ease of dismantling
5. Ease of processing
6. Environmental friendliness
7. Energy-saving
8. Information provision

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

Scope: HORIBA, Ltd.



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



Calculated based on the cumulative number of units sold over the past decade

KEYWORDS

Design for Environment | Green Products

# B-e-5 Eco-Friendly Product: HORIBA, Ltd.

Environment

## Eco-Friendly Product Developed by HORIBA, Ltd.

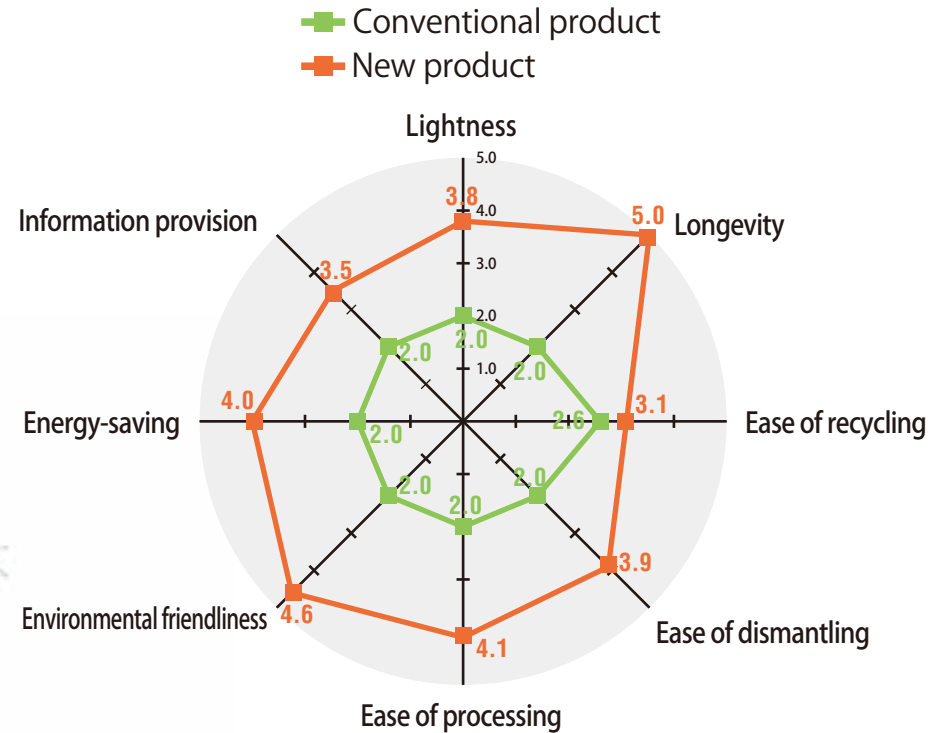
### Desktop pH and Water Quality Analyzer (LAQUA Series)

The LAQUA Series measures pH, one important indicator of a solution's chemical characteristics, as well as electrical conductivity, which indicates a solution's ability to conduct an electric current and is known to be proportional to the amount of electrolytes and solid matter dissolved in the solution.

These analyzers, which enable more comfortable and accurate measurement, can be used in the same manner as smartphones.

Their eco-friendly designs consider the needs of the environment, achieving substantial energy savings and weight reduction. Power consumption, installation area, and the number of parts used were all reduced by 20%.

In addition, these systems have a front glass-top panel, increasing their resistance to chemicals and thereby their durability.



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

Environment

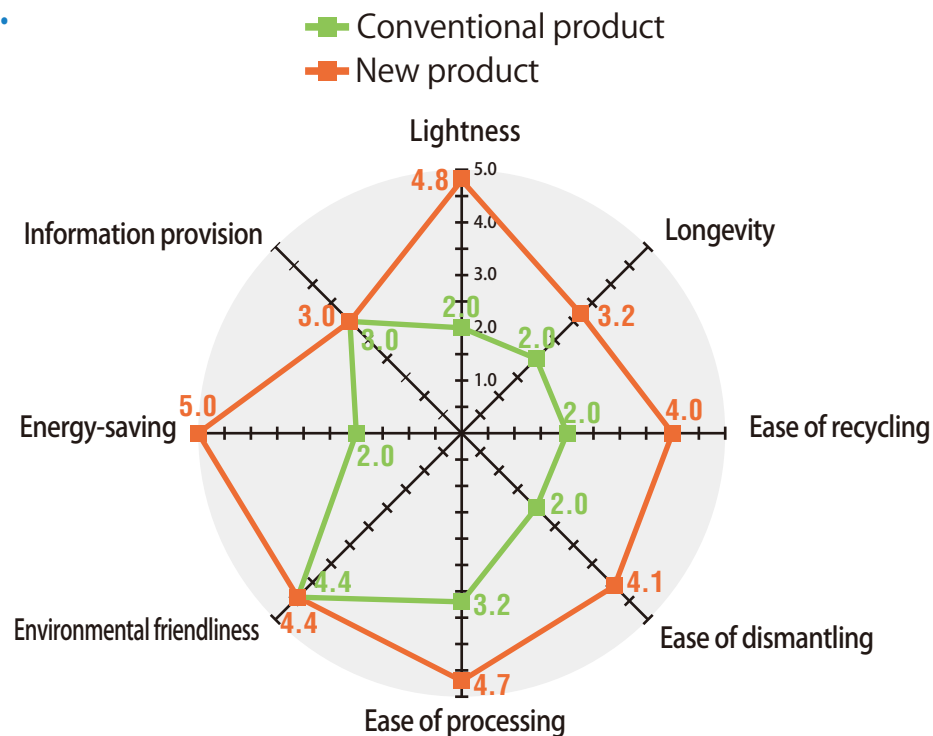
## Eco-Friendly Product Developed by HORIBA STEC, Co., Ltd.

### Mass Flow Module SEC-Z700X

The mass flow controller (MFC) controls the flow of fluids used in systems such as semiconductor production equipment. In a gas supply system that uses several MFCs, a change in the flow of fluids for one MFC causes fluid pressure to fluctuate, adversely affecting the controllability of other MFCs. For this reason, customers usually install a pressure regulator in front of their MFCs.

One aspect of SEC-Z700X's environmentally friendly design is its combination of an MFC and pressure sensor into a single module in order to prevent the flow control system from being easily affected by pressure fluctuations caused by pressure signal feedback to the system. This eliminates the need for a pressure regulator and pressure gauge, both essential components of conventional gas supply systems. Through this innovation, HORIBA STEC has substantially reduced the size and weight of SEC-Z700X.

In the future, we expect that demand for SEC-Z700X will increase rapidly and that this device will contribute to industries such as those using semiconductor production equipment as they strive to reduce their environmental impact.



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

Environment

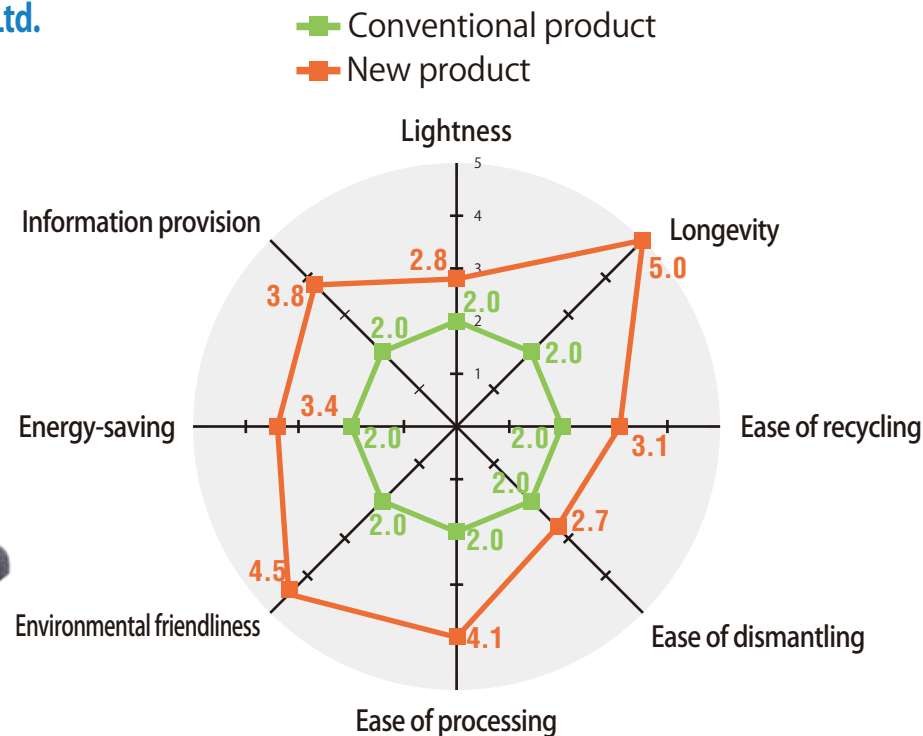
## Eco-Friendly Product Developed by HORIBA Advanced Techno Co., Ltd.

### (On-site Industrial) Optical Dissolved Oxygen Meter HD-200FL

The on-site industrial optical (fluorescent) dissolved oxygen meter HD-200FL is suitable for monitoring aeration tanks such as those used in sewage and wastewater treatment processes.

Unlike previous membrane type polarographic sensors, HD-200FL eliminates the need to replace electrolyte (internal solution) or warm up the sensor, thereby enabling unprecedentedly high maintainability and low running costs by making the most of its characteristics as an optical sensor. In addition, other features increase the convenience of the meter, including the use of a sensor cap with a built-in memory chip and a function for notifying the use when the fluorescent membrane should be replaced.

One aspect of the HD-200FL's environmentally friendly design is that it prolongs the life of the meter by extending the replacement cycle of the sensor's fluorescent membrane and avoids using electrolyte. In addition, harmful substances such as lead, the use of which is prohibited, are not used for parts or in production processes. This too significantly increases the meter's ability to protect the environment.



# B-e-6 Environmental Accounting (1)

Environment

The results of environmental accounting for HORIBA, Ltd. in 2011 show that among business area costs, global environmental protection costs decreased by 56% compared to 2010. This is because the large investments we made in air conditioning systems ran their course. Meanwhile, in terms of environmental protection effects, 17 indicators such as total energy inputs and greenhouse gas emissions declined compared to the previous year. This is likely a manifestation of the direct and indirect effects of the electricity saving and energy conservation measures that we implemented.

Environmental Accounting Standards:

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

## Environmental Protection Costs (by Business Activity)

Scope: HORIBA, Ltd. head office/Biwako Plant/11 sales offices and it's training center, HORIBA Techno Service Co., Ltd. 24 service stations  
Accounting period: January 1, 2011 to December 31, 2011

(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>		9.0	61.6	70.6	77.1	110.0		
Details	<b>1. Cost of pollution prevention</b>	Maintained existing exhaust and drainage facilities; provided regular and preventive maintenance	0.0	6.5	6.5	86.5	12.1	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	8.1	7.6	15.7	43.7	32.5	Conversion to energy-efficient facilities, modification of equipment, effect of electricity conservation
	<b>3. Cost of resource circulation</b>	Water conservation and promoted zero emissions	0.9	47.5	48.4	100.5	65.4	Reduction of water consumption, etc.
<b>(2) Upstream and downstream cost</b>		Promoted green purchasing, and collection and reuse of used products	9.1	13.3	22.4	84.3	7.0	Promotion of green purchasing and reuse of collected used products
<b>(3) Administration cost</b>		Improved operational efficiency of environmental management systems, promoted ecotraining and other initiatives	0.0	100.2	100.2	96.5	2.3	Benefit of environmental advertisements, etc.
<b>(4) R&amp;D cost</b>		Promoted design for environment, the leadfree initiative, and other initiatives	52.6	570.8	623.4	84.0	933.2	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	15.6	15.6	91.7	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	N/A	
<b>Total cost of environmental protection</b>			70.7	761.5	832.2	84.8	1,052.7	

**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/factory/11 sales offices and it's training center, and HORIBA Techno Service Co., Ltd. 24 service stations  
Accounting period: January 1, 2011 to December 31, 2011

Environmental Protection Benefits				
Category	Environmental Performance Indicator (unit)	2010 (standard)	2011	Difference from Standard (Environmental protection benefits)
Benefits in terms of resources invested	Total energy input (GJ)	147,121	141,404	△ 5,717 *1
	Power consumption (GJ)	115,837	112,450	△ 3,387 *1
	City gas consumption (GJ)	21,144	18,917	△ 2,227 *1
	Fuels (diesel, kerosene and gasoline)	10,140	10,037	△ 103 *1
	Core production elements input (iron, SUS, aluminum, copper and glass) (t)	1,229	915	△ 314
	Recycled resource input (t) Office paper and packing materials (cardboard, wood and polystyrene)	387	355	△ 32
	Water input (km <sup>3</sup> )	51	45	△ 6
	Groundwater input (km <sup>3</sup> )	16	17	1
	City water input (km <sup>3</sup> )	35	28	△ 7
Benefits in terms of environmental impact and waste	Greenhouse gas emissions (t-CO <sub>2</sub> )	5,644	5,398	△ 246 *2
	Greenhouse gas emissions through electric energy consumption (t-CO <sub>2</sub> )	3,780	3,665	△ 115 *2
	Greenhouse gas emissions through city gas consumption (t-CO <sub>2</sub> )	1,183	1,058	△ 125 *2
	Greenhouse gas emissions through fuel consumption (t-CO <sub>2</sub> )	680	673	△ 7 *2
	Total waste generated (t)	302	348	46
	Final waste at landfill (t)	6	1	△ 5 *3
	Total water drained (km <sup>3</sup> )	48	45	△ 3
	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)	2010 (standard)	2011	Difference from Standard (Environmental protection benefits)
Benefits in terms of goods and services generated	Energy consumption during operation (GJ) (Total of eco-friendly energysaving products)	45,289	54,759	9,470 *1
	Greenhouse gas emissions during operation (t-CO <sub>2</sub> ) (Total of eco-friendly energy-saving products)	1,754	2,121	367 *2
	Hazardous substances emitted during disposal of used products and recycling of containers and packaging (t)	14	6	△ 8
	Amount of used products, containers and packaging recycled (t)	2	2	0
	Amount of product packing materials used (t)	361	329	△ 32
	Other benefits	Greenhouse gas emissions from transporting products (t-CO <sub>2</sub> )	132	138
Products transported (t-km)		1,785,988	1,858,294	72,306
Soil contamination (m <sup>2</sup> )		0	0	-
Noise (dB) *at night		55	54	△ 1
Vibration (dB) *in evening		Less than 30	40	-

\*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	Sales of solder residue, metal waste, etc. generated in production processes	3.7
	Gain on sale of recycled products	50.1
Total		53.8



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

### Participation on the boards of industrial associations, etc.

In May 2011, Atsushi Horiba (Chairman, President and CEO of HORIBA, Ltd.) was appointed Chairman and Kansai Branch Director of the Japan Electric Measuring Instruments Manufacturers' Association (JEMIMA) and Vice President (for International Operations) of the Japan Analytical Instruments Manufacturers' Association (JAIMA).

We are striving to stimulate international strategic activities targeted at allowing the analysis and measurement industry to achieve further growth in order to contribute to key industries around the world and lay the foundation for the next evolution of our industry.



In May 2011, President Atsushi Horiba became Chairman and Kansai Branch Director of the Japan Electric Measuring Instruments Manufacturers' Association.

### Masao Horiba Awards 2011

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 2011 was "Achieving Ultra-high Sensitivity and Ultra-high Speed in Analysis and Measurement Technologies Using Electromagnetic Waves (Near Infrared to X-rays)." A specific theme is set for each year, encouraging researchers in Japan and abroad to conduct unique research on that theme.



2011 Masao Horiba Awards Ceremony (October 17, 2011)

#### KEYWORDS

Analysis and Measurement Industry | Masao Horiba Awards | Response to the Great East Japan Earthquake | Program for Making Use of Corporate Engineers | Support for Victims of Crimes | Kyoto City on its Environmental Policy

# B-e-8 The HORIBA Group's Response to the Great East Japan Earthquake

The HORIBA Group set up a disaster response headquarters to identify and handle the damage caused to the Group by the disaster as well as to offer services to meet the needs of our customers and business partners suffering serious damage in the Tohoku and Kanto regions (e.g., by lending out medical equipment, distributing test reagents, and providing emergency vehicles for services). At the same time, we worked to accelerate the supply of our products necessary for reconstruction work.

In addition, we continue to strive to enhance our risk management by improving our system for contacting employees during emergencies as well as by implementing safety confirmation training.



Disaster response headquarters

## Product-related

### Supplying products necessary for reconstruction work

We have made company-wide efforts to increase our production of environmental radiation monitor for measuring radioactivity and stack gas analyzers, which are used at thermal power stations to measure stack gases, in order to help such power stations resume operation. In addition, we have lent out cartridges for blood glucose analyzers (used for measuring blood glucose levels) and automatic blood cell counters plus CRP\* free of charge. These have been used in the temporary clinics set up in disaster-stricken areas.



Environmental radiation monitor

Blood cell counters lent out free to a temporary clinic set up in Miyako City, Iwate Prefecture



### Employee's opinion

#### The roles HORIBA should play as a manufacturer of analysis and measurement instruments

Masayori Sawamoto, HORIBA, Ltd.

As demand for environmental radiation monitors grew after the Great East Japan Earthquake struck, we responded to deliver such instruments to customers as quickly as possible. What I saw when I visited Fukushima Prefecture for the first time strengthened my resolve to help people measure the levels of invisible, odorless

radiation. Based on such resolve, I carry out my work at the company.

In 2011, the words "recovery" and "quick response" were always on my mind, but in 2012 the word is "reconstruction." I will continue to provide HORIBA products to customers while thinking about the roles HORIBA should play as a manufacturer of analysis and measurement instruments, giving a long, hard look at what things will be like 5, 10, and 30 years from now.



HORIBA employees engaged in the development, manufacture, and sale of environmental radiation monitors

## KEYWORDS

Analysis and Measurement Industry | Masao Horiba Awards | Response to the Great East Japan Earthquake | Program for Making Use of Corporate Engineers | Support for Victims of Crimes | Kyoto City on its Environmental Policy

# B-e-8 The HORIBA Group's Response to the Great East Japan Earthquake

## Support activities

### Donation and volunteer activities

HORIBA Group companies both inside and outside Japan offered donation matching programs to double the amount of relief money donated by employees in order to reach as many victims in the disaster-stricken areas as possible. In April, HORIBA also held a charity bazaar and auction. As a result, the Group donated a total of more than 40 million yen, including the proceeds from the charity mentioned above, through the Red Cross societies of the respective countries, etc.

Besides this financial support a total of 125 environmental radiation monitors have been donated to Fukushima, Miyagi, Tochigi, and Ibaraki Prefectures. In addition, individual HORIBA employees volunteered to work to support the disaster-stricken areas (e.g., by sending relief supplies or independently taking volunteer leave to participate in aid activities).



Charity bazaar held by employees

### Messages of support from French children

In late March 2011, HORIBA ABX SAS (France) received messages of support intended for the disaster-stricken areas in Japan from 210 local elementary school students. These warm, cordial messages were delivered via HORIBA to elementary schools in Iwate Prefecture.



A HORIBA ABX members received messages written by French elementary school students



### KEYWORDS

Analysis and Measurement Industry | Masao Horiba Awards | Response to the Great East Japan Earthquake | Program for Making Use of Corporate Engineers | Support for Victims of Crimes | Kyoto City on its Environmental Policy

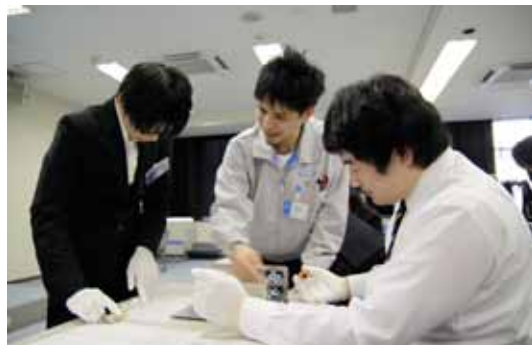


## B-e-8 2011 Initiatives for Dialogue with Local Communities and Society

### Lectures by HORIBA Employees for Students at Maizuru National College of Technology

At Maizuru National College of Technology, as part of the engineering and design exercises for the Institute of National Colleges of Technology's program for making use of corporate engineers and other resources, some of HORIBA's employees, including alumni from the college, collaborated as lecturers to provide practical training to students.

From October 20 to December 6, HORIBA employees gave eight lectures on the flow of operations from product development to shipment at HORIBA. We hope that these lectures help students develop a clear vision of what it means to be an engineer before they enter the world of work.



### Support for Victims of Crimes through a "Dream Collection Box"

We converted one of the beverage vending machines installed at HORIBA by HORIBA Community Co., Ltd., the HORIBA Group's employee welfare company, into one with a "dream collection box."

From this vending machine, ten yen per cup will be remitted to the Nippon Foundation via the vending machine operator, thereby enabling HORIBA to help National Network Victim Support, a nonprofit organization, support for victims of crimes. A portion of the money spent by employees using the vending machine will be given away as a donation to those who fall victim to unreasonable crimes and suffer injuries.



### Cooperation with Kyoto City on its Environmental Policy

From June to August, HORIBA representatives attended the environmental learning seminars intended for businesses in Kyoto that were hosted by the Global Warming Measures Office of the City of Kyoto's Environmental Policy Bureau. Participating companies acquired know-how on environmental protection activities related to business operations and participated in active group discussions about how to protect the environment.

In recognition of HORIBA's active cooperation with Kyoto City on its environmental policy, the municipal government issued a document certifying HORIBA to be a business site that is promoting the development of environmental officers. Going forward, we will continue to strive to reduce environmental impact in order to fulfill our corporate social responsibilities.



#### KEYWORDS

Analysis and Measurement Industry | Masao Horiba Awards | Response to the Great East Japan Earthquake | Program for Making Use of Corporate Engineers | Support for Victims of Crimes | Kyoto City on its Environmental Policy

## B-e-8 Regarding the Lawsuit Seeking Damages Associated with HORIBA's Past Practices that Violated the Antimonopoly Law

By May 31, 2012, 36 local governments had filed a lawsuit against HORIBA for damages associated with the company's previous violations of the Antimonopoly Law. This section explains the circumstances of this legal action.

In November 2008, together with two other companies in the industry, we were ordered by the Japan Fair Trade Commission to end practices (so-called “bid rigging”) that violated the Antimonopoly Law. The Japan FTC claimed that three companies violated the law with respect to the bidding for automatic measuring instruments for constantly monitoring the air (air pollution monitoring systems), which were ordered by government and municipal offices.

Later, some of the local governments that are the users of these instruments demanded payment of damages from us and the other two companies, claiming that because of the

illegal acts, they had been forced to purchase the instruments at unreasonably high prices.

These claims for damages included some that we found unacceptable in terms of the scope of the transactions covered by the claims, the calculation of damages, and so forth. As a result, we thought that some of the claimed damages were too high. For this reason, while consulting with our lawyers, we negotiated with the local governments in good faith to solve this issue, but unfortunately we were unable to reach an agreement. Under these circumstances, the local governments took legal action against us in the courts of

their respective districts.

In court, we hope to clarify whether we should pay the damages claimed and whether the amounts claimed are appropriate if it is deemed that we should do so.

Regardless of the outcome, we take seriously the fact that we were previously ordered by the Japan FTC to end practices that violated the Antimonopoly Law and we are striving to prevent recurrence of similar illegal acts.

We ask for all our stakeholders understanding regarding the state of affairs described above.

### KEYWORDS

Analysis and Measurement Industry | Masao Horiba Awards | Response to the Great East Japan Earthquake | Program for Making Use of Corporate Engineers | Support for Victims of Crimes | Kyoto City on its Environmental Policy

# B-e-9 2011 Initiatives for the Support for the Development of Society's Next Generation (Japan)

## Environmental Delivering Classes

In order to provide elementary and junior high school students with opportunities to learn about various phenomena in our daily lives, we hold environmental delivering classes, in which participants can conduct experiments using familiar materials and biodiversity seminars on the amazing sensing abilities of animals and plants. In 2011, we held 69 seminars, with a total of 2,378 participants.



HORIBA Environmental Delivering Class

## 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 2011)

- July 10 : Science Experiment Class (Shikoku Gakuin University, Marugame City, Kagawa Prefecture)
- July 28-29 : HORIBA Environmental Delivering Classes (Morikoro Park, Nagoya City, Aichi Prefecture)
- August 5-6 : Kids Engineer 2011 (INTEX Osaka, Osaka City, Osaka Prefecture)
- August 7 : Bikkuri! ECO 100sen-100 Surprising Ecological Topics (Takashimaya Kyoto Department Store, Kyoto City, Kyoto Prefecture)
- September 24 : Kids Engineer in Hachinohe (Hachinohe Institute of Technology, Hachinohe City, Aomori Prefecture)
- October 1 : Science World (Ishikawa Prefecture Children Activity Center, Komatsu City, Ishikawa Prefecture)
- November 5-6 : Youngsters' Science Festival (Kyoto Municipal Science Center for Youth, Kyoto City, Kyoto Prefecture)



Kids Engineer 2011



Bikkuri! ECO 100sen



## B-e-9 2011 Initiatives for the Support for the Development of Society's Next Generation (Overseas)

### Environmental Delivering Classes at Japanese Schools in Europe

We held four classes on environmental radiation at Japanese schools in Paris, Lille, and Montpellier in France and Brussels in Belgium. About 250 students, parents and teachers participated.



An environmental delivering class at a Japanese school in Paris

### HORIBA Challenge Tour 2011

HORIBA supported Kyoto Prefecture's under-13 selected soccer team in going to Germany to play games there. During their one-week stay, we invited the team members to attend a company tour and luncheon with our employees at HORIBA Europe GmbH (Germany). Members were presented with soccer balls and towels of the local soccer club in Frankfurt as souvenirs from HORIBA Europe.



Kyoto Prefecture's elite soccer team on their German tour

### Support to Africa Inspires

HORIBA Instruments Ltd. (UK) is supporting "Africa Inspires," a project aimed at helping to improve the water quality in Ugandan schools. Improvement targets were created by using an HORIBA analyzer comparing the water quality between the UK and Africa. LOCOG\* are also supporting this project with fund raising activities.

\* London Organising Committee of the Olympic and Paralympic Games

"Africa Inspires"

<http://www.africa-inspires.com/index.html>



HORIBA's equipment used in water analysis in Africa

## B-e-10 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://gaiapress.horiba.com/en/>



Gaiapress has continued to expand its coverage of topics since 1996. The total number of hits on the website was 153,435 in 2011.

# B-e-10 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 and Natural Resources (IUCN). It provides us with an opportunity to focus our attention on the importance of the rich diversity of life as an invaluable asset of the world.



### Wonder Channel

~ Amazing Abilities of Living Things Revealed through Images ~

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



### SUPER SENSORIUM

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



### Super Nature

~ Mystery Exploration Party ~

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

## B-e-10 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.





## B-e-10 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 Third Session of the Conference of the Parties (COP3) held in Kyoto. 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/>



© NURUE Inc.

Various animal characters representing different countries around the world

#### KEYWORDS

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

# B-e-10 Grand Prize at the 2011 Japan B to B Advertising Awards

At the 32nd Japan B to B Advertising Awards in 2011, hosted by the B to B Advertising Association Japan, HORIBA received awards in three categories. A 2011 HORIBA calendar won the gold prize in the calendar category. The company's "ABIROH 2011" catalog won the silver prize in the corporate catalogue category. In the website category, HORIBA's website received the bronze prize for "HORIBA connexion: An Exhibition Linked to Social Media" (part of JAIMA EXPO 2010).



**Silver Prize Winner in the Business Catalogue Category**  
Catalogue title: "abiroh 2011"

Analysis enables one to see what one cannot usually see, feel what one cannot usually feel, and perceive what one cannot usually perceive. The message of HORIBA intends to excite people using unique information that no one usually notices.



**Gold prize winner in the calendar category**

Calendar title: An Emissary of the Sun  
Advertising company: HORIBA, Ltd.  
Planned and produced by: L'union Publications, Inc./Kousakusha

Today, though it may seem that the earth revolves around humanity, in reality there are diverse, tough organisms coexisting on earth which maintain a balance with the environment. This calendar was made with a feeling of veneration for life beyond human beings.



**Website category**

Website title: HORIBA connexion: An Exhibition Linked to Social Media  
<http://www.jp.horiba.com/connexion/>

HORIBA introduced social media on its website for JAIMA EXPO 2010, one of the major exhibitions in which it participates, before any other exhibitor. Its JAIMA Expo 2010-linked website, which was designed to arouse interest in the event in order to pique the curiosity of viewers to visit the exhibition site even before the exhibition began, even enabled those unable to visit the site to enjoy the event.



# B-e-10 Runner-up in the 38th Nikkei Business Daily Advertising Awards

One of HORIBA's advertisement series was awarded the runner-up award in the Material, Industrial Equipment and Service Category in the Nikkei Business Daily Advertising Awards, the largest advertising awards in Japan. This is the fifth consecutive time HORIBA has received this award. We will continue to strive to communicate our unique messages to society.

HORIBA's corporate advertisement, entitled "HORIBA, Ltd. believes that mystery has a mechanism—one that is not supernatural in nature," was published in the Nikkei Sangyo Shimbun from November 2010 to September 2011.



Published November 29, 2010



Published January 26, 2011



Published March 28, 2011



Published May 26, 2011



Published July 25, 2011



Published September 26, 2011

## B-e-10 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

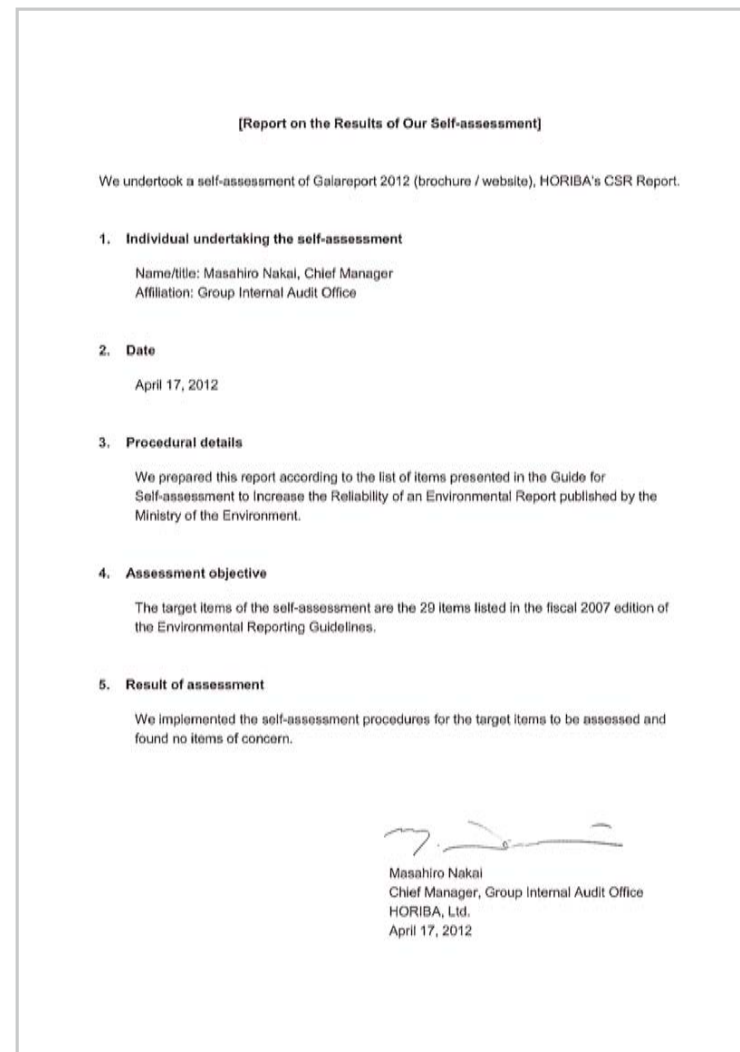
- 1 Presented information on endangered species on the HORIBA calendar
- 2 Presented articles related to biodiversity on the HORIBA's official website
- 3 Lectured on the sensors of animals and plants in on-site seminars (Kids Engineer 2011, etc.)



Kids Engineer 2011 in Hachinohe

# B-e-10 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 2012 (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-10 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