

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

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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 CO₂ 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 CO₂

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.