

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)