

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
Total		161

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.

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

KEYWORDS

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

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

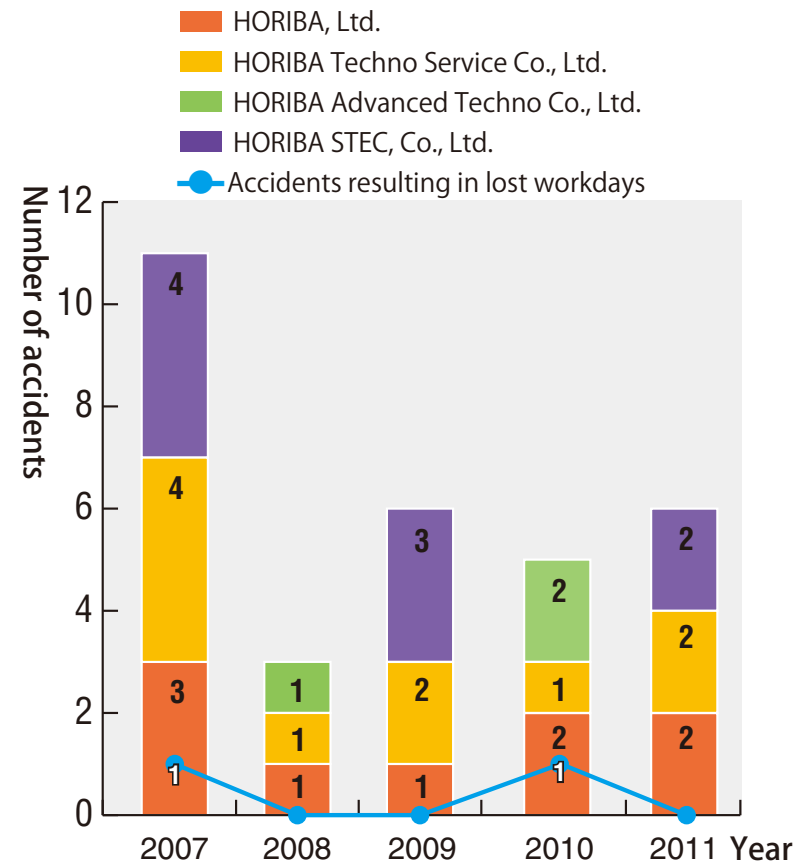
Employment injuries

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

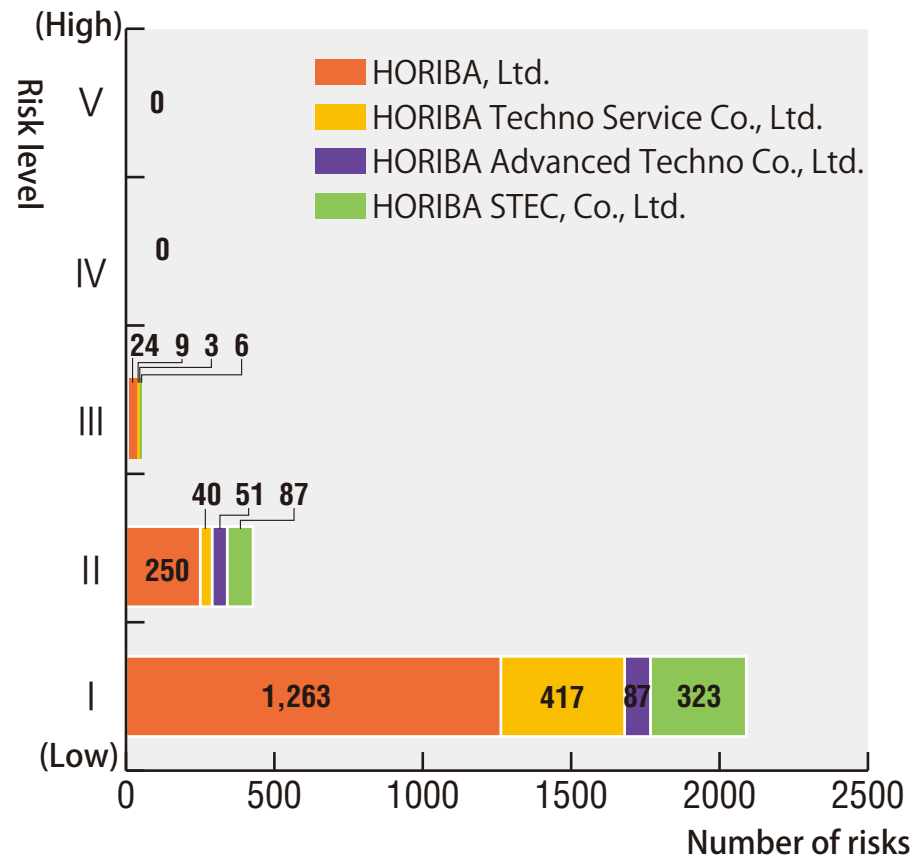
Risk Assessments

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.

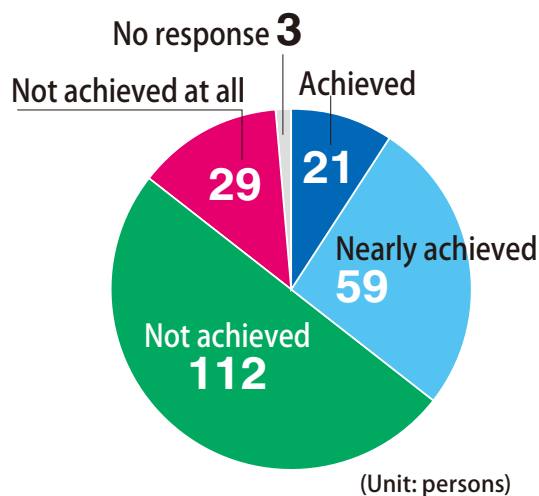
Health Improvement Activities

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

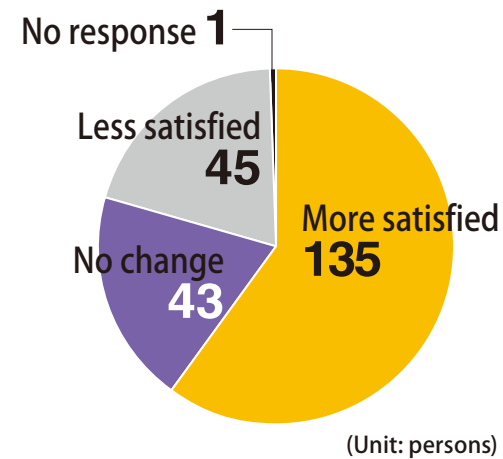
During the two-month period from March to April, the program urged employees to try one of four different plans: incorporating exercise into one's life, improving one's eating habits,

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



KEYWORDS

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