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To whom it may concern:

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### **HORIBA Establishes New Mid-Long Term Management Plan**

Targeting 150 billion yen in net sales,  
operating income margin of 13% or more, and ROE of at least 11% in five years.

HORIBA plans to concentrate investments in growth businesses and  
establish a corporate structure that enables it to generate steady high earnings.

HORIBA, Ltd. (ticker: 6856) has established a new Mid-Long Term Management Plan beginning in fiscal 2011. The Company aims to become an integrated analysis company which is able to provide analysis solutions to its customers by utilizing its global business infrastructure.

- During the five-year period from fiscal 2011 to fiscal 2015, HORIBA aims to further evolve its “One Company” management, concentrate management resources in highly profitable medical-diagnostic and semiconductor businesses, and change to a corporate structure that enables it to generate steady high earnings.
- In order to achieve the above, HORIBA will add application technologies to products and transform its business model so that the Company can provide customers with proposals for efficiency and laborsaving.
- Numerical targets (for fiscal 2015)  
150 billion yen in consolidated net sales, 20 billion in operating income (operating income margin of 13% or more), and ROE<sup>\*1</sup> of at least 11%

Under the management principle of the “HORIBA Group is One Company.” which was launched in fiscal 2004, the Company launched various measures to achieve well-balanced growth in five business segments (automotive, environmental, medical-diagnostic, semiconductor, and scientific), promote global operation of these divisions as One Company across the corporate group or national framework, and conduct integrated group management.

In fiscal 2010, ended December 31, 2010, which was the final year of the previous Mid-Long Term Management Plan, the Company achieved the Plan’s target of an operating margin of 10% or more, by recording a 10.4% margin. Net sales and ROE, however, fell short of the 150 billion yen and the 11% target.

On this occasion, HORIBA has established the new Mid-Long Term Management Plan which covers the period up to fiscal 2015. We aim to establish a corporate structure that enables us to generate steady high earnings as an integrated analysis company that can provide analysis solutions to its customers, by utilizing our global business infrastructure.

We have set up the following three priority measures in the Plan.

- **Priority Measure 1: Building a corporate structure that enables us to generate stable high earnings**

- 1. Select and invest heavily in focused businesses**

Thanks to aggressive investments under the previous Mid-Long Term Management Plan, the medical-diagnostic and semiconductor businesses have grown to contribute to HORIBA's overall earnings, with to their high profitability. In other words, focused investments in these two businesses have changed HORIBA's earnings structure from being highly dependent on the automotive business to be becoming more well-balanced earnings structure that enable us to generate stable high earnings. In addition, we plan to focus on water quality-related products which belong to the environmental, scientific, and semiconductor businesses. Because of their high near-term growth potential, we will concentrate our human and R&D resources in this area and accelerate its global development.

Regarding the automotive business, the MCT (Mechatronics) business<sup>2</sup> has driveline-related products with high growth potential in the development of next-generation automobiles. We aim to expand the business and generating an early turnaround in profitability, by investing in the launch of new products and achieving further efficiency.

- 2. From business expansion driven by “technology development” to business expansion focused on “customer oriented business model”**

The HORIBA Group has developed product with its unique technologies and has provided distinguished products to customers in the niche “analysis” market. Going forward, we will add application technologies to products and transform our business model so that we can provide customers with proposals for efficiency and laborsaving. By making proposals that encompass measurement methods and software, we will create the industry standard, expand market share in each of the five business area, and thereby aim to become a global leader in the analysis and measurement market.

- **Priority Measure 2: Evolving and perfecting “One Company Management”**

- 1. Organizational reform to enhance the corporate structure**

With the aim of becoming a highly profitable company and enhance its global leadership as the headquarters, HORIBA's headquarters restructured its organization in January 2011. Going forward, the R&D Division, where operations have been separated by business segment, will be reorganized by function so that intra-segment information is shared and the capability to propose solutions is enhanced. We will also enhance the speed and quality of decision-making by clearly defining the responsibilities of persons in charge of development, production, and sales, who will work under a newly-appointed person in charge of overall business strategies.

- 2. Efficient management by region**

During the previous Management Plan, “shared services”<sup>3</sup> which had been successful in the U.S., was implemented in Japan. Going forward, we will introduce “shared services” in Europe and Asia with reference to successful examples in the U.S. and Japan. We will also promote further efficiency by speeding up management decision-making, and achieving a more specialized level of operations and cost reduction.

- **Priority Measure 3: Accelerating establishment of global development and production system**

The HORIBA Group will make further progress in establishing footprints, mainly in Asian countries. In 2011, the first year of the new Management Plan, a representative office was established as a foothold for business expansion in Vietnam, where striking economic growth is being achieved even among South-East Asian countries. In addition, the semiconductor business will expand production, with a joint-venture factory ready to start operation soon in Beijing (China), while the medical-diagnostic business will strive to expand business in South America by relocating and strengthening the reagent plant in Brazil. We will also accelerate the building of footholds for the medical-diagnostic and automotive businesses, where growth in demand is highly anticipated.

The Mid-Long Term Management Plan's earnings and other business targets are as follows:

(Amount: millions of yen)

(Segment)	FY2010 (Actual)			FY2015 (Plan)		
	Sales	Operating Income	Operating Income Ratio	Sales	Operating Income	Operating Income Ratio
Automotive	35,751	1,632	4.6%	46,000	5,000	10.9%
Medical	22,514	2,330	10.4%	34,000	6,000	17.6%
Semiconductor	27,676	6,340	22.9%	30,000	6,000	20.0%
Scientific	20,825	1,120	5.4%	24,000	1,500	6.3%
Process&Environmental	11,787	875	7.4%	16,000	1,500	9.4%
Total	118,556	12,299	10.4%	150,000	20,000	13.3%
ROE	9.7%			11.0%		

<Reference>

\*1. ROE (Return on Equity) is the ratio of net income divided by shareholders' equity which is net assets excluding subscription rights to shares and minority interests.

\*2. The MCT (Mechatronics) business is the automotive measurement instruments business that was acquired from Carl Schenck AG in Germany in 2005.

\*3. "Shared services" refer to the consolidation of certain common services in several divisions and organizations in order to enhance the productivity of the entire company or group companies and achieve cost reductions.