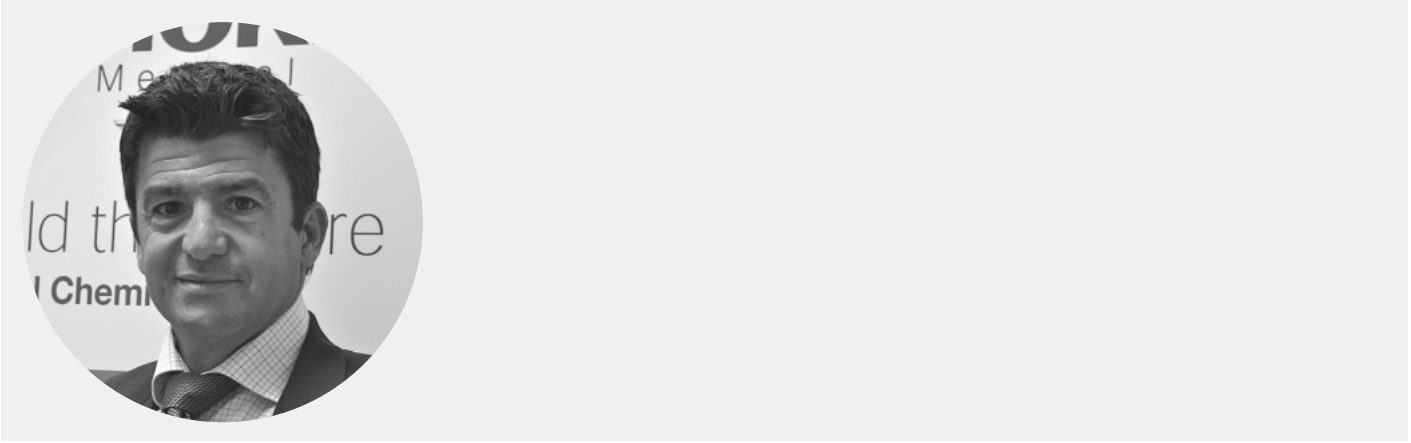
Interview: Arnaud Pradel – Product Development Director & Co-Segment Leader, HORIBA Medical, France



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Arnaud Pradel, Product Development Director and Co-Segment Leader of HORIBA Medical reveals how HORIBA has over 30 years of experience when it comes to launching products in the vitro diagnostic space, and in managing distributors in over 130 countries; why historically there has been a close relationship between the global CEO of the group, Mr Horiba, and the management of HORIBA Medical France; and how Montpellier hosts HORIBA Medical's largest R&D centre.

HORIBA´s CEO, Atsushi Horiba, has said that the medical segment is one of the main axes for the Group´s future. Could you please introduce this branch to our international readers and explain what exactly the scope of your activities in France is?

The HORIBA Medical Segment designs and develops in vitro diagnostic systems and distributes them worldwide, mainly for biological analysis in medical laboratories. We have considerable experience, not only in terms of in-house R&D capabilities, but also in regulatory know-how. Today the diagnostics business requires much more than merely developing and then selling your product: there is a critical intermediate stage, in which you need to register your product. Today this additional step has become an added-value stage in our field. The faster you can launch your instrument on the market, the higher the chance you will stand against your competitors. There remains a lot for HORIBA to accomplish in the medical domain, but we are pleased to say that we have over 30 years of experience when it comes to launching products and in managing

distributors in over 130 countries. Building relationships and trust with your distributors is essential.

We are also able to develop synergies between the scientific, medical and other segments within the Group. Indeed, the Japanese-based HORIBA Group brings together companies from around the world, providing a wide range of instruments and systems for applications of all sorts: automotive R&D, monitoring processes and the environment; medical in-vitro diagnostics; manufacturing semiconductors; metrology; and a wide range of measurements for scientific R&D and quality control.

In Montpellier, the HORIBA Medical group designs and develops in vitro diagnostics devices in the fields of hematology and clinical chemistry, for distribution worldwide. These instruments are helping today to prepare for the health of the future. HORIBA Medical is ranked second in the European market and fourth in the global hematology market. Founded in 1983, the French company ABX has been a subsidiary of HORIBA Group since 1996. The headquarters of HORIBA Medical is in Montpellier, where we have over 500 employees.

Diagnostics is a large industry with a rather fragmented playing field, dominated by large corporations. What makes Horiba Medical special?

We have the ability to move fast, an advantage when compared to larger companies. Our ability to respond rapidly to changes within the market goes beyond our ability to take business decisions, and includes issues such as customer relationships. While you can have a strategy based on mergers and acquisitions, strategic alliances, inorganic or organic growth, the key to success remains your relationship with the customer. At HORIBA Medical our ability to respond to the customer is our number one priority, ensuring we receive direct insights from the people that matter most. In this connection our main challenge today is to utilize statistically-led technology, to ensure we always see the big picture. We need to master the ability to review our data based on quality rather than quantity. We need to retain the bridge we have with our customers, and at the same time see how they fit into a more global vision.

In October 2015, French Prime Minister, Manuel Valls, met with HORIBA´s global CEO, as part of his trip to Japan. What did this visit say about the importance which HORIBA attaches to doing business in France?

Historically there has been a close relationship between the global CEO of our group, Mr Horiba, and the management of HORIBA Medical France. We have had our ups and downs, but Mr Horiba has always recognized that in France we have a history and a particular expertise, and are willing

to transfer our know-how across the Group. Retaining our French identity remains essential. The ability to interact with different countries within our network is something important to us. Twice a year we meet with our Japanese counterparts to compare our different segments and to see where we could improve. When we achieve success, we do so collectively and likewise our successful achievement leads to that of HORIBA's whole groups. It can also help us to become a true leader in HORIBA's whole groups.

France serves as an important manufacturing base for HORIBA Medical. How would you describe your manufacturing strategy?

HORIBA Medical produces 7,500 instruments per year and more than 6,500 tonnes of reagents. We are developing reagent production sites in numerous markets and today have five production centers across the world, including one in Montpellier. A company such as HORIBA Medical cannot rely on only one reagent site. Each of our sites caters for the local market alongside other neighboring countries, and has the ability to cover for an additional site on a short-term basis should the need arise. Our strategy is based on being extremely close to the customer, as well as minimizing shipping and export costs.

Two and a half years ago we underwent a significant restructuring of our R&D facilities. Furthermore, we opened a new R&D facility in Montpellier this year, the largest center within the HORIBA Medical Group. We had not launched any new products for a period of seven years. Since this reorganization we have launched two products and a third will be launched in January 2016. We also plan to launch a new mid/high-end solution for the European market by early 2017.

On a more personal note, you have said that your capacity to integrate and adapt to various environments, cultures and languages demonstrate your sense of adventure and taste for risk. In what way does your sense of adventure help you in your work?

Having a sense of adventure, and a sense of accountability, are things to which I attach great deal of importance. France is very keen on responsibility, but accountability is often neglected. The latter can only be achieved when people are allowed to evolve and own their own work. To evolve requires a taste for adventure. It is easy to change when something needs fixing, it is much harder to change when everything is working. In the latter case, even if a particular project fails to meet expectations, an employee's sense of responsibility and accountability for their job will only be enhanced. This is something to which, as a manager, I attach a great deal of importance.

What would be your final message on HORIBA Medical?

We will soon be competing with the global diagnostic leaders in two particular fields. HORIBA Medical cannot expect to be leaders in all areas, but we can be leaders in specific areas. Last November we presented to the HORIBA board our middle and long term strategy. We have a clear vision of where we want to go, based on organic growth and opportunistic acquisitions.

HORIBA Medical has the pleasure of being headquartered in Montpellier, which offers a great quality of life for our employees, not to mention easy access to the beach, which is one of our best selling points!

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