

Integrated Report 2017





Founding Spirit

“Netsu to Makoto”

(Passion and Dedication)

Corporate Philosophy

We contribute to society through high-quality technologies and services relating to water, air, and the environment.





Contribution to Society through Business by EBARA



Natsunosuke Yago
Chairman of the Board of Directors

At EBARA, we have carried on our Corporate Philosophy of “contribution to society by providing superior technologies and services related to water, air, and the environment” along with our Founding Spirit of “*Netsu to Makoto*” (Passion and Dedication). At the time of starting our business, Japan was not fully equipped with a social infrastructure. Our founder consequently conceived the desire to “contribute to the building of Japan through the stable and safe supply of water.” Out of this desire, the Company developed the products that were the first Japanese-made of their kind, and responded to the needs of society. Needs related to social infrastructure were hardly confined to assurance of clean water; they widened to assurance of pleasant and comfortable spaces for living. In the process, EBARA became one of the first companies to begin offering air handling products in the form of fans and chillers. Meanwhile, it developed incineration facilities for disposing of waste derived in human activity and introduced them to the market. We truly expanded our business by developing the technology needed in society with passion and providing the resulting products to society with dedication.

Today as well, there has been no change in the fact that EBARA is contributing to society through its business, but the picture of our contribution has been changing. This change is being induced by the common proposition of finding ways to “protect the global environment that we live in.” To sustain and improve the global environment, it has become indispensable to “avoid warming the earth.” Efforts to reduce emissions of greenhouse gases (GHGs), which have been identified as a cause of the warming phenomenon, are now being required of all companies doing business anywhere on the face of the earth. By providing technology to resolve the problems related to this proposition, EBARA can contribute to “sustain and improve the global environment” and expand our business as a consequence of such contribution.

Companies are being called upon to “find a way to grow” through cooperation with society. Viewing the situation from this perspective, I would like to profile the “now” of the approaches EBARA is taking with its Founding Spirit of “*Netsu to Makoto*.”

Commitment to Environmental Technology

The products we provide embody our commitment to the environment. This commitment heightens the competitiveness of our products and is linked to an advantage in the market.

Technology for Reduction of Power Use

To curtail GHG emissions, it is effective to reduce the amount of power consumption needed to operate our products. A case in point here is our approach to energy-saving technology for pumps used to supply water in buildings.

Technology for Resource Recycling

EBARA is also making efforts in the field of resource recycling (regeneration and reuse) in order to reduce wasteful energy use. We are not only making and transporting safe and secure water, but also providing facilities that enable reclamation of domestic wastewater after use. We also make waste incineration facilities that recover useful resources and generate electricity in addition to incinerating residential waste.

Technology for GHG Treatment

EBARA also offers products to prevent the atmospheric emission of GHGs derived in manufacturing processes. One example is our equipment related to emission and treatment of GHGs derived in the process of manufacturing semiconductors.

Technology for Lengthening Product Life

EBARA is working to augment its technologies related to product repair, overhauling, and maintenance, in order to reduce waste derivation by lengthening the service life of the products we sell.

Society and EBARA

The “unity with society” is part of a company’s responsibility to society. The fulfillment of this responsibility is linked to employee desires to “make EBARA bigger and take on more responsibility.” It will increase EBARA’s value as a result.

Assurance of Diversity

With “respect for differences” and “awareness of the value of differences,” we are taking action to incorporate differences on the organizational level. EBARA is developing its business on a worldwide scale, and employees who are citizens of a country other than Japan now account for the majority of the EBARA Group as a whole. At the Group headquarters, we are hiring more employees who were educated outside Japan and increasing the number of women we are hiring. I believe that assurance of unity with society where differences exist will enable us to accurately ascertain what society needs and be linked to advancement of our business.

Execution of a Business Continuity Program

In anticipation of the occurrence of large-scale disasters, EBARA is implementing a business continuity program to secure the safety of its employees and discharge its responsibility for supply to customers. Circumstances in the wake of the Great East Japan Earthquake and the Kumamoto Earthquake did not impede our delivery of products. We also were able to assist restoration of the social infrastructure.

Promotion of Work-style Reform

We are striving to reduce annual work hours so that our employees' lives are not dominated by their jobs. At the same time, we are reforming our personnel system so our employees can find fulfillment in their work.

Activities in Support of Culture, Science, and Sports

EBARA supports "foundations engaged in public service projects related to culture, science, and sports," and practices its policy of "returning profits to society." Our activities in support of this cover a wide range of subjects including everything from "museum activities that show Japan's traditional culture to the general public" and "aid for research on themes in the sphere of science and engineering" to "provision of scholarships to students who may otherwise be unable to go to college."

State of Corporate Governance

In my opinion, the foundation of corporate governance lies at the scheme for objective monitoring of the quality of business execution by the Board of Directors and for supervision to further heighten that quality. From that perspective, we transitioned two years ago to become a Company with Three Committees system in which 50% or more of the board membership consists of independent directors. I think the framework of our Board satisfies major international standards as well as, of course, the requirements of the Japanese Corporate Governance Code. In addition, with the cooperation of a third-party institution, we assess the effectiveness of the Board's supervisory function every year and inform all of our stakeholders of the results. At the same time, we aspire to further improvement of effectiveness and are working on issues revealed by the evaluation results.

What has clearly changed under the new form of organizational structure is that decisions on matters of importance to management are now made through objective discussion including independent directors. This has led to greater confidence in business execution. The activities of the three committees, most of whose members are independent directors, also exclude the possibility of decisions lacking fairness and transparency by individuals, and so contribute to decision-making in conformance with conventional wisdom. The incorporation of social perspectives in the decision-making process on amounts of compensation and appointments to the Board or corporate officers likewise help personnel who are assessed feel assured about the correctness of the assessment. I am convinced that this structural change leads to greater motivation in the management team, and that this, in turn, leads to an increase in EBARA's corporate value.

What We are Aiming for

Our target vision for the growth of our business is set forth in the "management policy" and our medium-term management plan. The "management policy" presents the status to which we aspire ten years from now and the medium-term management plan sets the targets to be attained over the next three years. E-Plan 2019, our new medium-term management plan, began this fiscal year. It was eventually approved after discussions in the Board, lasting for a year, on plans prepared by the executive side. Our goal is to heighten the earning power of our Fluid Machinery & Systems Business, which accounts for two-thirds of the sales in the entire EBARA Group and constitutes the core of our "contribution to society through our business." A particular focus is in the pumps business and the compressors and turbines business. We want to once again rank among the top three entrants in those respective industries. To this end, we are going to carry out a program of business reform that centers around full-auto plants and extends from production processes to business processes. In addition, besides expanding our service & support business to curtail the impact of market fluctuation to a minimum, we are going to market new products in fields handling water where the market is both big and stable.

We have positioned the three years beginning this fiscal year as a period of "unlimited challenge toward growth" and we are going to concentrate on improving our corporate value.

We have endeavored to note accurately our thoughts and the state of our approaches in this report. On the basis of this report, I hope to further develop dialogue with all of our stakeholders.



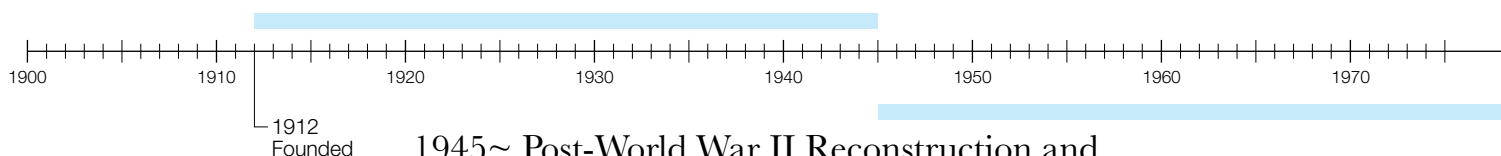
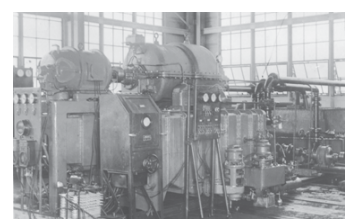
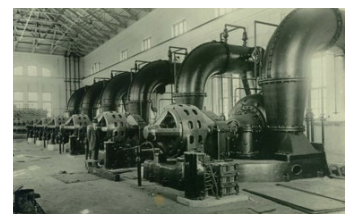
IDENTITY

EBARA's Identity

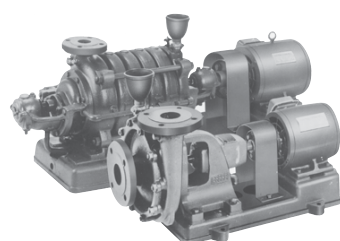
Social Issues and EBARA's Initiatives

1912~ Modernization of Japan

Social Issues	EBARA's Initiatives
Installation of water infrastructure	Utilized EBARA pumps manufactured domestically in waterworks in Japan Installed water infrastructure to prepare for natural disasters Contributed to quick restoration of waterworks following the Great Kanto Earthquake Developed first water purifiers for waterworks manufactured in Japan (developed rapid filters for waterworks)
Lack of arable land	Supplied drainage pumping station equipment and drainage pumps for reclamation of arable land
Reconstruction from Great Kanto Earthquake, increased construction of large buildings, and development of industry	Developed fans and delivered several units for use in factories and buildings Created first domestically produced centrifugal chiller
Rapid advancement of chemical industries	Delivered large-scale compressors
Sharp increase in steel production	Manufactured first domestically produced blower for smelting furnaces



1945~ Post-World War II Reconstruction and Japanese Postwar Economic Miracle



Social Issues	EBARA's Initiatives
Lack of food, salt, and other basic necessities for people of Japan	Mass-produced pumps for rapidly increasing food production and for farmland reclamation Actively manufactured electric salt production systems and contributed to stability in postwar lives of people in Japan
Housing shortages	Delivered miniature water supply pumps and hot water circulating pumps
Power shortages and need to rebuild and construct new power plants	Refined and delivered pumps for power plants
Need to step up steel production and construct additional blast furnaces	Delivered numerous blowers for blast furnaces
Growing sophistication of industry structure and advancement of heavy and chemical industries	Delivered pumps for use with special fluids or under special conditions as well as numerous process pumps for chemical plants
Development of oil refining and petrochemical industries and advancement of technologies	Began a technical alliance for compressors and turbines with Elliott Company of the United States
Increased power demand, need for high-capacity thermal power plants, and rise of supercritical pressure power plants	Delivered first domestically produced feed water pump for supercritical pressure power plants and continued to make deliveries thereafter
Air pollution from dust and sulfur dioxide gas, move to prevent pollution, and strengthening of environmental regulations	Manufactured fans for use in dust collectors and other equipment Launched new chiller with greatly reduced sulfur dioxide gas emissions Manufactured gas abatement systems equipment and developed fluidized bed incinerators
Increased construction of steel, power, fertilizer, and other plants overseas, particularly in emerging countries	Exported plant equipment, developed overseas bases, and laid foundations for overseas expansion

EBARA's founding spirit, expressed as "passion and dedication," encapsulates our resolve to develop our business driven by our passion and our dedication to following through in these efforts. True to this spirit, we have continued to fulfill our mission of contributing to society in areas relating to water, air, and the

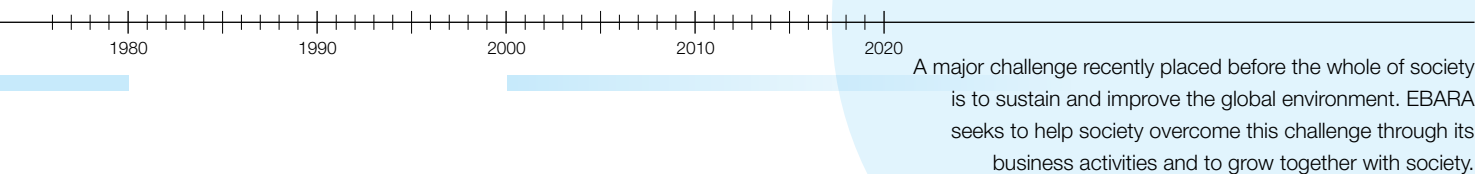
environment for more than a century. Over the years, EBARA has grown by catering to the demand and responding to the issues that arose in society in each area through its business of supporting social and industrial infrastructure.

1980~ Development of the Information Society

Social Issues	EBARA's Initiatives
Environmental preservation to ensure global sustainability Expansion of ozone holes, desertification, global warming, and other forms of environmental destruction Lack of waste disposal sites and need to realize recycling-oriented society	Developed and realized practical application of gasification and ash melting furnace for use as a next-generation waste treatment facility capable of completely decomposing dioxins and recycling residue
Growth of semiconductor market and increased semiconductor demand	Developed dry vacuum pumps and launched the Precision Machinery Business Developed and entered market for gas abatement systems Began deliveries of newly developed chemical mechanical polishing (CMP) system



Quest to Become a Manufacturer of Industrial Machinery that Grows and Develops its Business on a Global Basis



2000~ Contribution to the Sustainable Society



Social Issues	EBARA's Initiatives
Increased focus on environmental issues and rising need to accelerate global warming countermeasures and reduce environmental impacts	Delivered numerous internally circulating fluidized-bed boilers for use in renewable energy generation using woody biomass
Development and commercialization of energy-saving technologies and higher demand for efficiency	Developed and commercialized high-efficiency pumps Launched centrifugal chiller with world-leading level of ultra-high efficiency Made dry vacuum pumps smaller and more energy efficient
Extreme rain resulted from increase in paved surfaces in cities and urban heat island phenomenon	Developed pump technologies for urban rainwater drainage systems
Development of ICT, installation of IT infrastructure, and accelerated advancement of semiconductor technologies	Developed sophisticated, ultra-precise, high-productivity CMP and plating systems

BUSINESS

EBARA's Businesses

Value Provided by EBARA's Three Businesses

Fluid Machinery & Systems Business

The Fluid Machinery & Systems Business supplies products and services that combine our world-class technological capabilities and extensive experience to address customer needs and support social and industrial infrastructure around the world.

Pumps Business

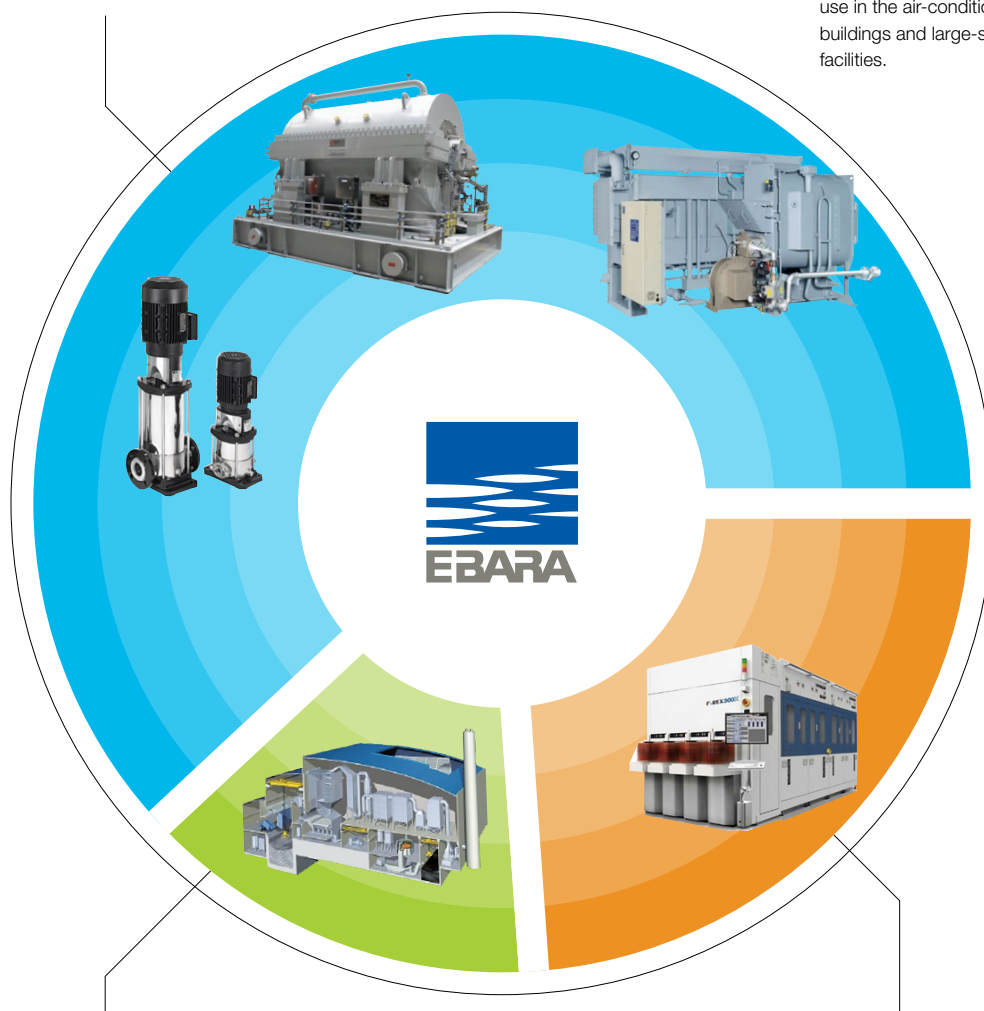
The pumps business offers large-scale, high-pressure custom pumps for use in sewage facilities, rainwater drainage systems, petrochemical plants, and other facilities as well as standard pumps for use in buildings and condominiums.

Compressors and Turbines Business

The compressors and turbines business provides compressors and turbines for oil refineries and petrochemical plants.

Chillers Business

The chillers business handles chillers, cooling towers, and related systems for use in the air-conditioning equipment of buildings and large-scale commercial facilities.



Environmental Plants Business

The Environmental Plants Business uses EBARA's incinerator and gasification plant technologies to handle the design, construction, maintenance, and operation of urban waste incineration plants and other waste treatment facilities. This business thereby helps support sanitary cities and safe and secure lifestyles.

Precision Machinery Business

The Precision Machinery Business contributes to the realization of more convenient and comfortable societies by providing dry vacuum pumps that create the vacuums used when manufacturing semiconductors, flat panels, LEDs, and other devices indispensable to the information society as well as CMP systems that can polish semiconductor wafers with nano-level precision.

Since its establishment as a pump manufacturer in 1912, the EBARA Group has continued to develop, manufacture, sell, and supply products matched to society's needs. Today, the Group is a conglomerate of its three core businesses: the mainstay Fluid Machinery & Systems Business, which supplies pumps, compressors, and other rotating machinery; the

Environmental Plants Business, which handles environment-related plants; and the Precision Machinery Business, which produces equipment and devices related to semiconductor manufacturing. With these three businesses, we are helping resolve social issues through the provision of products and services to our customers.

Water

We support water infrastructure worldwide with a rich product lineup, such as water supply pumps, pumping stations that prevent flooding, and pumps for desalination plants.

Air

We provide dry vacuum pumps that create clean vacuums, gas abatement systems for treating toxic gases as well as greenhouse gases, chillers used for air-conditioning, and tunnel ventilation fans to the global market.



Environment

We support efficient resource use and stable energy supplies by providing pumps and compressors for energy-related facilities, constructing and maintaining waste treatment facilities and biomass power generation plants, and supplying energy-efficient and resource-conserving products.

Information

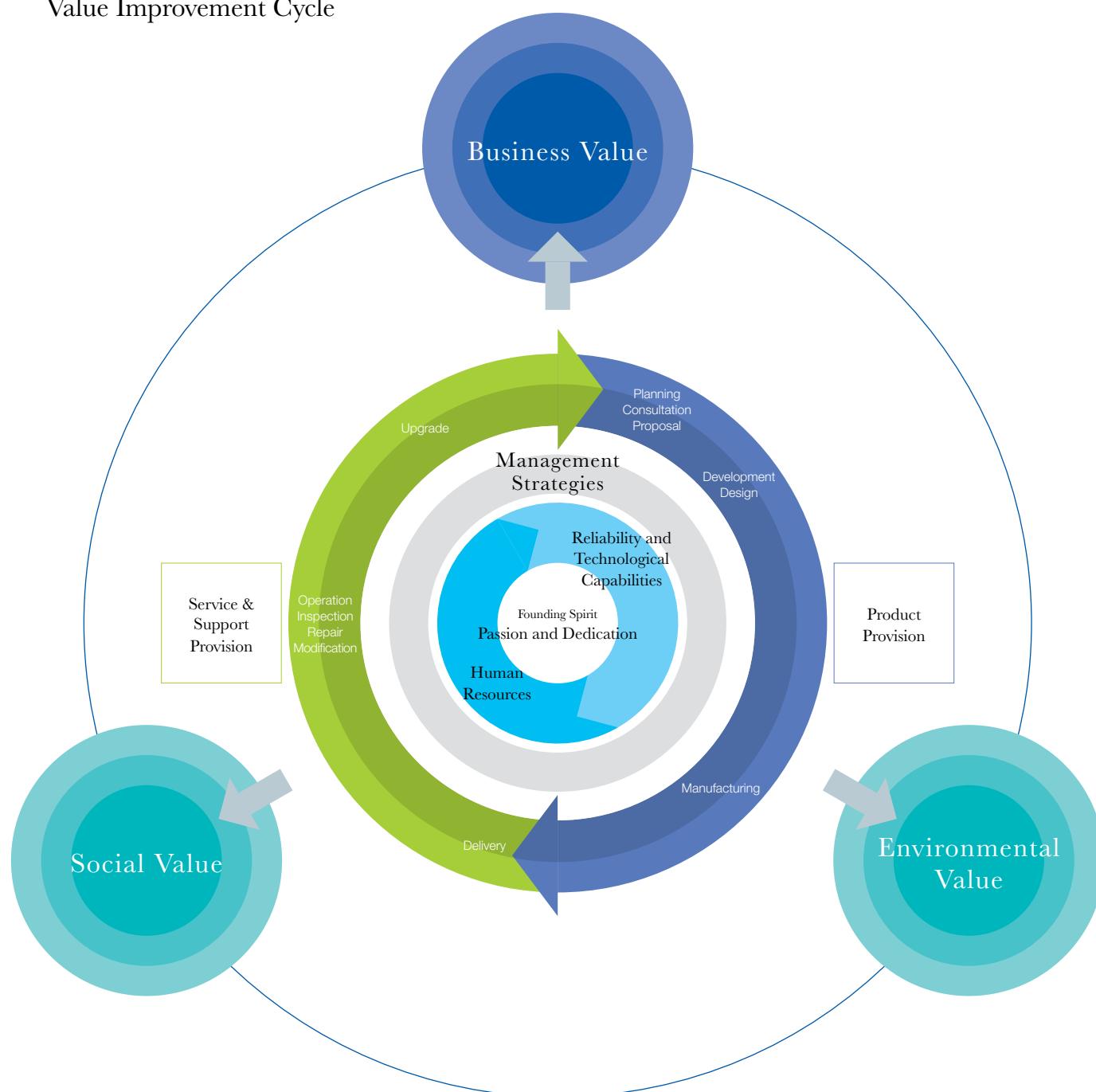
Capitalizing on technologies fostered in the water, air, and environment fields, we have developed various types of semiconductor manufacturing equipment, including CMP systems. Aiming to realize a comfortable information society, we provide customers with support.

VALUE

EBARA's Value Creation Process

View on Improving Corporate Value

Value Improvement Cycle



Our business model caters to customers' needs at all stages of product life cycles. From the proposal of solutions and product manufacturing through to post-marketing support and upgrades, the EBARA Group exploits the strengths that are its advanced technological capabilities and reliability to add unique value. The distinctive value the EBARA Group delivers is born when the Group infuses operating sites with the technologies it has honed over the years, carries out its business activities with a sense of dedication, and continues to generate results that address the issues faced by customers.

The EBARA Group views the improvement of business value as intrinsically linked to increasing social value; environmental value, mainly through reduced environmental impacts; and overall corporate value. The Group therefore strives to sustain a value improvement cycle in order to realize ongoing gains in corporate value.

EBARA Strengths Present in All Business Processes

As explained below, the EBARA Group boasts strengths in all business processes. The business activities of the EBARA Group are supported by the Group's high reliability and impeccable technological capabilities as well as its diverse human resources. Our passionate employees embody the "EBARA Way," which inspires them to tackle challenges head-on, exercising creativity while ambitiously and diligently working to complete the task at hand. These employees are what enable us to provide support to customers throughout product and plant lifecycles. The EBARA Group will continue to build upon its strengths, namely its reliability, technological capabilities, and human resources, to realize ongoing improvements in corporate value.

Business Processes	EBARA's Strengths
Planning / Consultation / Proposal	EBARA's trustworthy employees inquire into customer needs to propose comprehensive solutions for addressing these needs based on their years of experience and technical skills.
Development / Design	EBARA develops products boasting superior performance and reliability by evolving core product technologies based on the fluid, numerical analysis, material, analytical, and other fundamental technologies it has cultivated over the years. We respond to even the most difficult requests with passion and dedication, amassing our insight and technological capabilities to rise to the challenge. At the same time, EBARA seeks to reduce environmental impacts to the greatest degree possible by developing products that are more compact and efficient and use less energy.
Manufacturing	EBARA possesses cutting-edge manufacturing and test facilities in Japan as well as a network of production bases that support local production and consumption. At these facilities, our employees take advantage of their exceptional technical skills to create products of impeccable quality backed by rigorous quality control provisions. Furthermore, we endeavor to minimize the energy used and the waste produced during production activities.
Operation / Inspection / Repair / Modification	EBARA offers support for customers to boost the efficiency and otherwise improve the performance of their equipment, facilities, and plants and to realize energy savings and operating cost reductions. Our service staff is armed with industry-leading techniques and experience, enabling them to respond to customer needs swiftly and accurately. Service staff members seek to become a close-by presence as they support the stable operations of the equipment and plants of customers around the world. Moreover, we are able to comprehensively propose and provide the various services necessary at sites of operation, including renovation, lifespan-extending repairs, overhauls, and maintenance for delivered products and plants while also helping reduce their environmental impacts.
Upgrade	When it comes time for upgrades, EBARA is able to propose the optimal solution for customers' upgrade needs based on its technological capabilities and post-delivery support experience.

Social and Environmental Value

In addition to heightening the value of its business, the EBARA Group also emphasizes contributing to society and reducing environmental impacts.



EBARA provides products and services for water infrastructure to help supply clean water, address water shortages, and prevent water damages. In addition, we contribute to the safe and reliable operation of power plants and the stable supply of electricity by delivering products and services for power plants and constructing and maintaining power plants that use biomass or waste products as fuel.



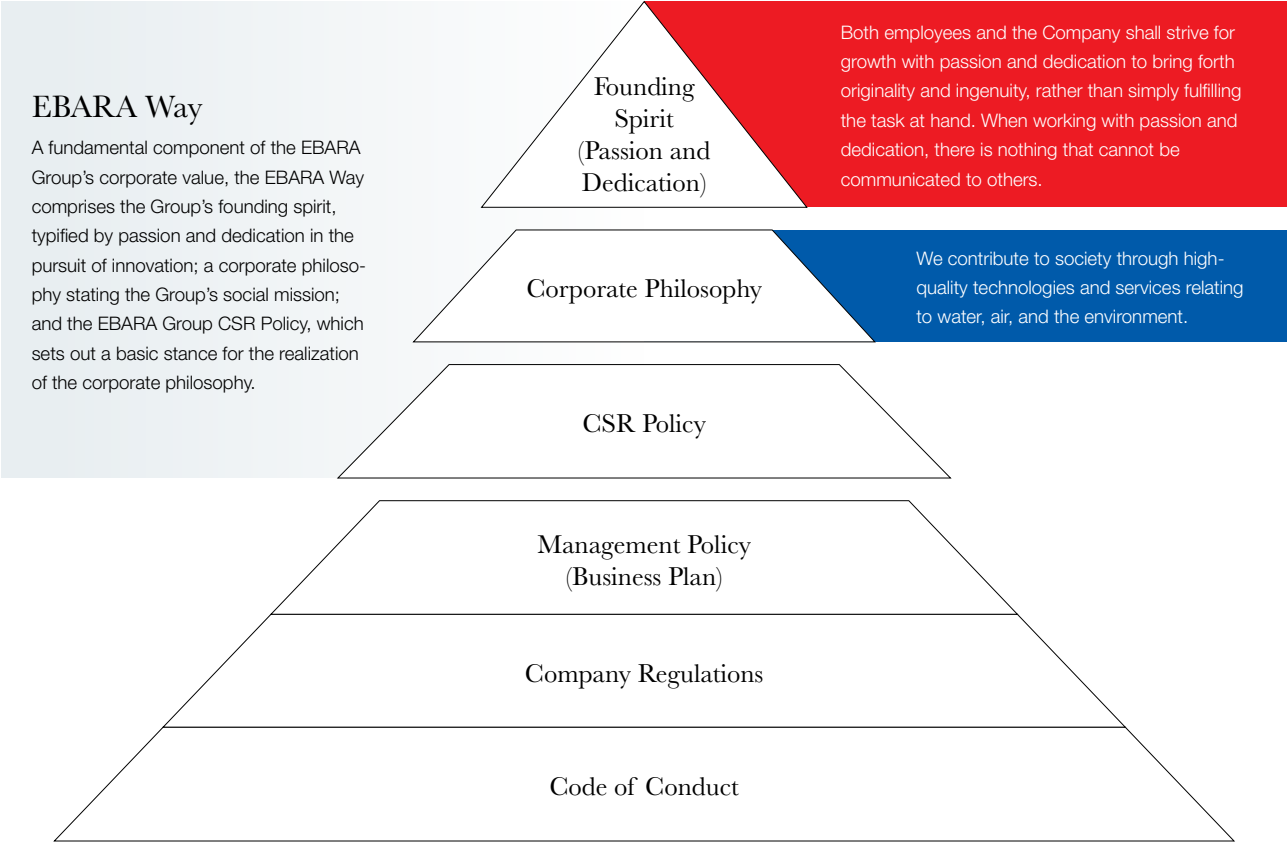
EBARA helps sustain and improve the global environment with a vast lineup of products and services that contribute to the effective use of resources and energy, sustainable consumption and production, and prevention of climate change. This lineup includes products boasting high efficiency and low energy consumption, products that make effective use of water resources, and products that prevent the release of greenhouse gases produced during manufacturing processes. In addition, we build and maintain plants that properly treat waste while also recovering valuable resources and generating electricity and supply technologies and services that extend the lifespans of delivered products.

EBARA WAY

The EBARA Group has continued to fulfill social responsibilities through business activities. In light of the 100th anniversary of the Company's founding, we systematically revised the EBARA Framework for Corporate Ethics to support our ethical operation over the next 100 years. As part of this undertaking, we redefined the common set of ethics and values that consists of the Group's founding spirit, corporate philosophy, and CSR Policy as the "EBARA Way," which is a shared principle adhered to by all employees.

All employees acting in accordance with the common set of ethics and values encapsulated in the "EBARA Way," regardless of country, region, culture, language, or gender, will be essential to continuously enhancing the value of the entire EBARA Group.

EBARA Group's Framework for Corporate Ethics



Information Regarding *Integrated Report 2017*

Editorial Policy

The EBARA Group has issued this integrated report to provide stakeholders with financial and non-financial information about its medium-to-long-term value creation activities. We have edited the report with reference to the International Integrated Reporting Council's International Integrated Reporting Framework.

Target Readers

Stakeholders, particularly shareholders and other investors

Reporting Period

The fiscal year ended March 31, 2017 (April 1, 2016, to March 31, 2017), contains some information from after April 2017

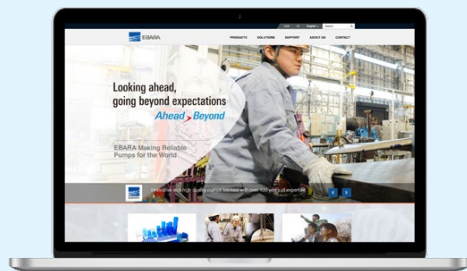
Cautionary Statement with Regard to Forward-Looking Statements

Certain of the statements made in this integrated report are forward-looking statements, which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which are valid only as of the date thereof. EBARA undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

Other Communication Tools

Corporate Website

In addition to this report and the Group's CSR reports, EBARA CORPORATION's website <http://www.ebara.co.jp/en> contains a range of information on all areas of its corporate activities.



CSR Report

The EBARA Group issues CSR reports to inform stakeholders about such topics as the working environment it provides employees and its human resources development programs, environmental initiatives, and risk management activities.

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11-Year Financial Summary

EBARA CORPORATION and Consolidated Subsidiaries
(Fiscal years ended March 31)

	2007	2008	2009
Financial Results:			
Orders	¥605,779	¥597,944	¥481,399
Net sales	538,098	567,191	501,149
Operating income	13,249	6,017	638
Ordinary income	10,415	2,757	(2,383)
Profit (loss) attributable to owners of parent	5,446	7,609	(13,113)
Depreciation and amortization	12,842	15,316	15,180
Capital expenditures	17,917	22,381	23,560
R&D expenses	11,357	10,812	8,829
Financial Position:			
Total assets*2	¥625,033	¥607,007	¥562,456
Total net assets	154,970	155,263	124,264
Shareholders' equity*3,*4	151,255	151,243	121,411
Interest-bearing debt	213,349	184,459	181,556
Retained earnings	19,455	24,256	7,316
Cash Flows:			
Cash flows from operating activities	¥ 9,544	¥ (6,317)	¥ 17,439
Cash flows from investing activities	(10,550)	31,771	(2,774)
Cash flows from financing activities	17,167	(21,807)	(3,233)
Free cash flow	(1,006)	25,454	14,664
Cash and cash equivalents at the end of the fiscal year	66,086	69,160	77,194
Share Data*5:			
Number of issued shares (1,000 shares)	422,725	422,725	422,725
Cash dividends (yen and U.S. dollars)	7.50	7.50	—
Dividend payout ratio (%)*6	58.2	41.6	—
Per Share Data (yen and U.S. dollars)*5:			
Profit (loss) attributable to owners of parent*7	¥ 12.89	¥ 18.01	¥ (31.04)
Total net assets*7	357.97	358.01	287.44
Financial Indicators:			
ROIC (%)*8	1.5	2.2	(4.1)
ROE (%)*9	3.6	5.0	(9.6)
Debt/equity ratio (times)	1.41	1.22	1.50
Operating income to sales ratio (%)	2.5	1.1	0.1
Equity ratio (%)	24.2	24.9	21.6
Overseas sales ratio (%)	31.0	37.5	36.1
Number of Employees:			
EBARA CORPORATION and consolidated subsidiaries	15,609	16,074	16,102

*1. The U.S. dollar amounts are included solely for convenience and have been translated as a matter of arithmetical computation only at the rate of ¥112.19 = US\$1, the rate of exchange prevailing on March 31, 2017.

*2. The provisional accounting treatment concerning business combinations conducted in the fiscal year ended March 31, 2016 was finalized in the fiscal year ended March 31, 2017, and the finalized details of the provisional accounting treatment have been reflected in total assets for the fiscal year ended March 31, 2016.

*3. Shareholders' equity: Net assets – (Subscription rights to shares + Non-controlling interests)

*4. The EBARA Group has applied "Accounting Standards for Presentation of Net Assets on the Balance Sheets" (ASBJ Statement No.5, issued on December 9, 2005) and "Guidance on Accounting Standards for Presentation of Net Assets on the Balance Sheets" (ASBJ Guidance No.8, issued on December 9, 2005) from the fiscal year ended March 31, 2007.

*5. EBARA CORPORATION conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016.

*6. When the annual dividend of ¥36.00 for the fiscal year ended March 31, 2017 (including an interim dividend of ¥6.00) is converted after the consolidation of shares, it is equivalent to ¥60.00 per share, consisting of an interim dividend of ¥30.00 and a year-end dividend of ¥30.00. Accordingly, the dividend payout ratio is calculated based on an annual dividend of ¥60.00 per share.

*7. Profit (loss) attributable to owners of parent per share is based on the average number of shares outstanding (excluding treasury stock) during the fiscal year. Total net assets per share is calculated using the number of shares outstanding (excluding treasury stock) as of the end of the fiscal years.

*8. ROIC: Profit attributable to owners of parent / (Interest-bearing debt (Average between beginning and end of period) + Shareholders' equity (Average between beginning and end of period))

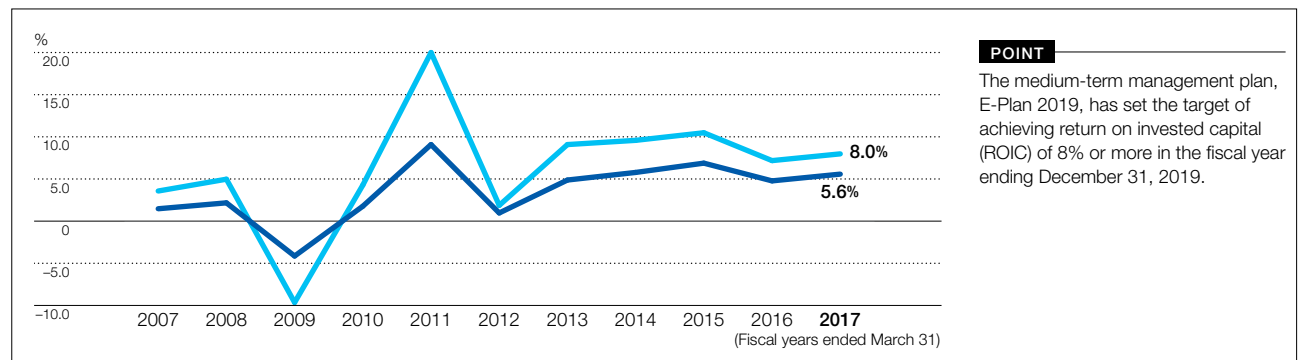
*9. ROE: Profit attributable to owners of parent / Shareholders' equity (Average between beginning and end of period)

Millions of yen							Thousands of U.S. dollars*1	
2010	2011	2012	2013	2014	2015	2016	2017	2017
¥426,622	¥430,992	¥394,922	¥428,540	¥512,276	¥487,554	¥491,280	¥477,956	\$4,260,237
485,889	401,676	412,077	426,302	448,658	482,700	486,235	476,105	4,243,738
18,953	31,542	23,267	25,084	32,195	34,567	38,011	29,996	267,367
16,774	28,750	21,087	25,663	31,311	36,258	36,472	28,465	253,721
5,442	28,192	2,890	15,303	18,974	23,581	17,254	20,588	183,510
15,274	13,524	12,765	12,356	12,118	13,039	11,611	13,739	122,462
19,484	8,189	12,316	12,302	18,153	15,847	15,730	22,675	202,111
4,977	4,067	3,827	5,026	6,465	6,754	7,633	8,759	78,073
¥522,540	¥507,898	¥488,964	¥504,576	¥530,211	¥570,392	¥579,860	¥588,458	\$5,245,191
132,665	154,938	154,656	191,786	215,047	247,553	250,445	277,509	2,473,562
129,806	151,951	151,063	186,883	208,036	239,059	241,017	271,357	2,418,727
177,859	160,413	143,617	138,914	119,673	121,501	120,127	96,531	860,424
12,568	40,760	41,752	53,886	70,629	91,816	102,446	117,884	1,050,753
¥ 23,582	¥ 26,604	¥ 12,589	¥ 34,014	¥ 26,615	¥ 11,296	¥ 21,528	¥ 33,816	\$ 301,417
(17,128)	10,997	(8,838)	(33,131)	3,539	(15,894)	(14,343)	(18,564)	(165,469)
(5,437)	(14,096)	(19,998)	3,264	(25,337)	(7,045)	(9,655)	(15,102)	(134,611)
6,454	37,601	3,751	883	30,154	(4,598)	7,185	15,252	135,948
81,712	104,003	87,296	93,791	102,338	95,603	91,185	90,683	808,298
422,725	459,245	422,899	465,118	465,187	465,644	466,045	101,736	
—	5.00	5.00	5.00	7.50	12.00	12.00	36.00	0.321
—	7.5	73.0	13.9	18.4	23.6	32.3	28.1	
¥ 12.89	¥ 66.78	¥ 6.85	¥ 35.93	¥ 40.86	¥ 50.77	¥ 37.12	¥ 213.71	\$ 1.905
307.46	360.01	357.79	402.41	448.05	514.38	518.16	2,672.19	23.818
1.8	9.1	1.0	4.9	5.8	6.9	4.8	5.6	
4.3	20.0	1.9	9.1	9.6	10.5	7.2	8.0	
1.37	1.06	0.95	0.74	0.58	0.51	0.50	0.36	
3.9	7.9	5.6	5.9	7.2	7.2	7.8	6.3	
24.8	29.9	30.9	37.0	39.2	41.9	41.6	46.1	
39.3	44.1	44.0	50.6	52.8	53.6	52.2	52.7	
13,800	14,007	14,695	15,170	15,168	16,030	16,270	16,317	

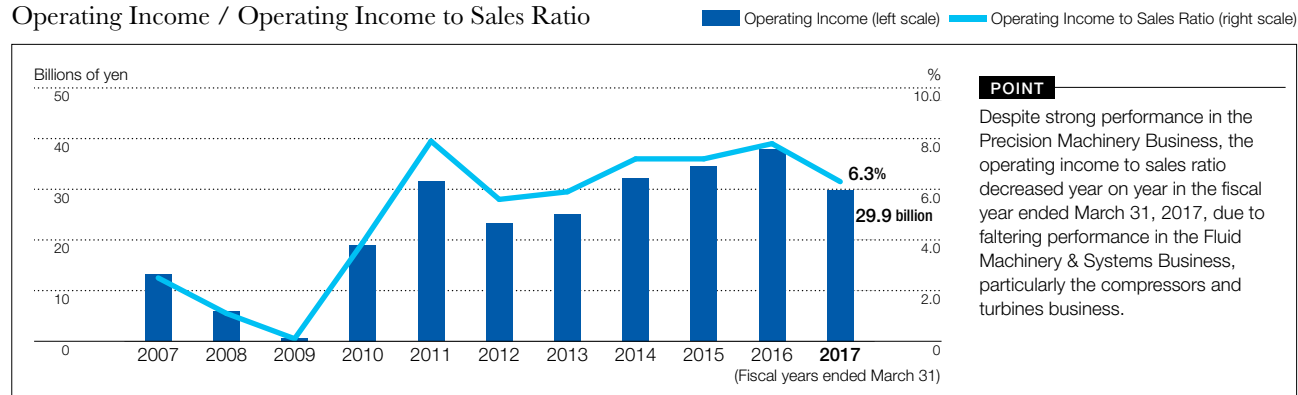
Performance Highlights

EBARA CORPORATION and Consolidated Subsidiaries

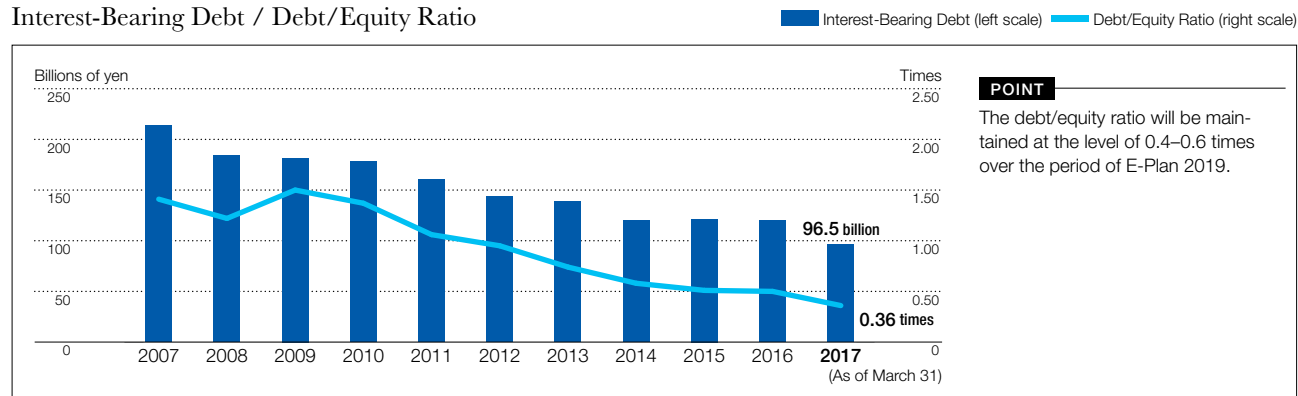
ROIC / ROE



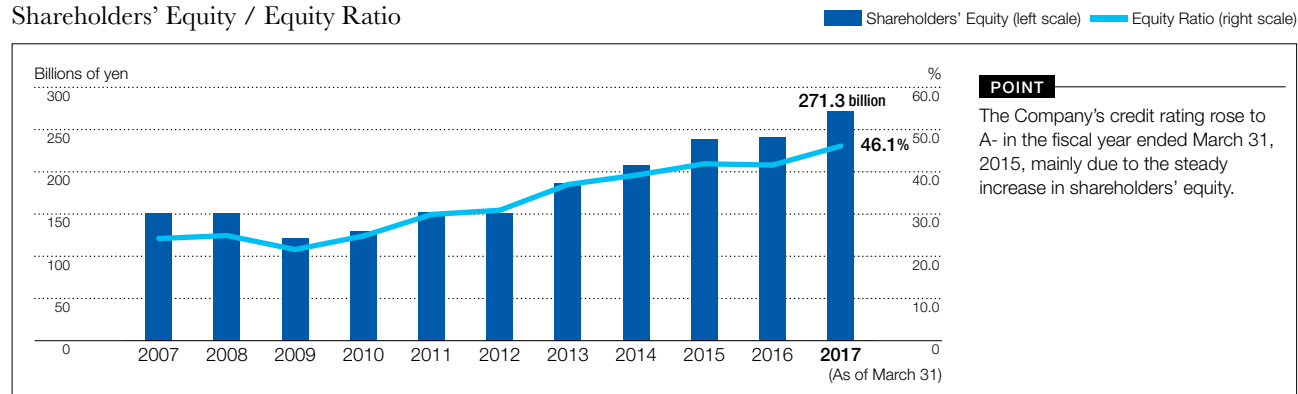
Operating Income / Operating Income to Sales Ratio



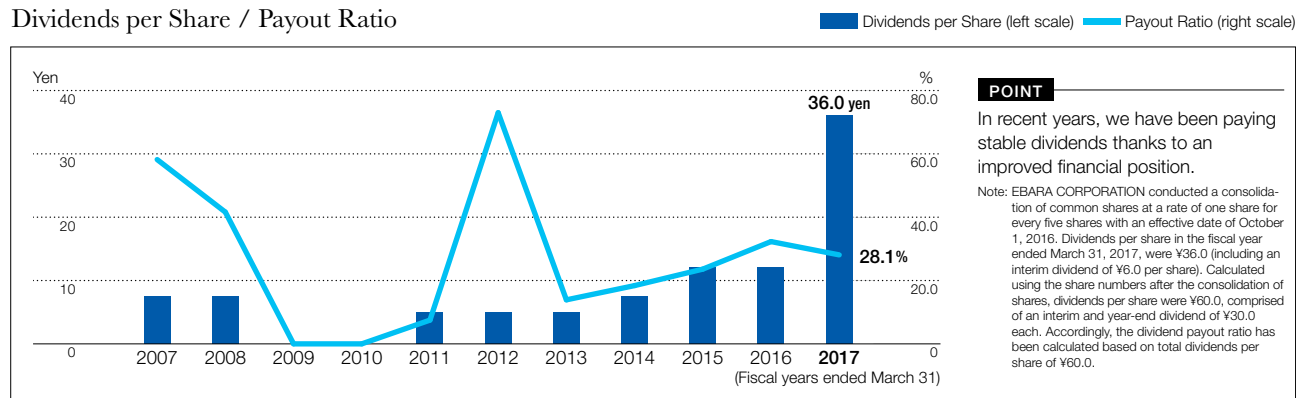
Interest-Bearing Debt / Debt/Equity Ratio



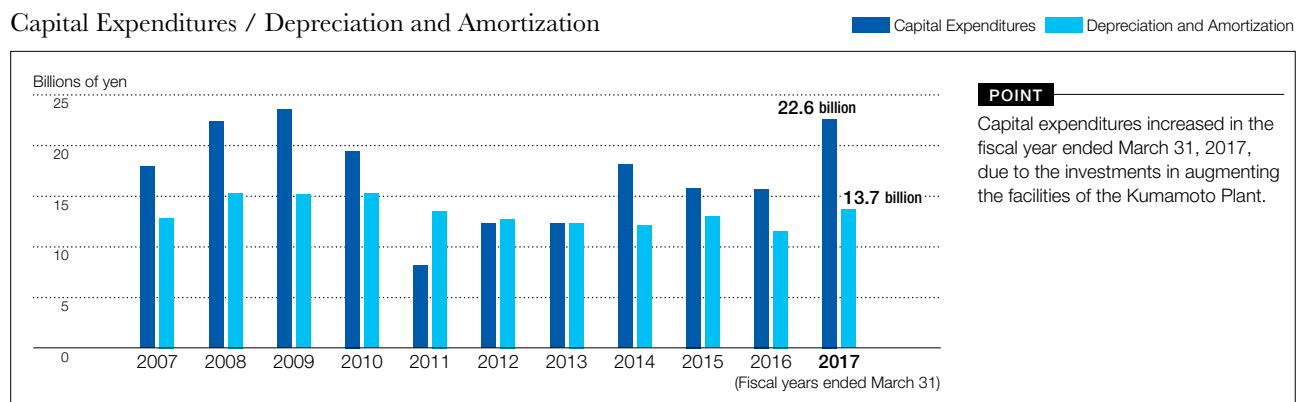
Shareholders' Equity / Equity Ratio



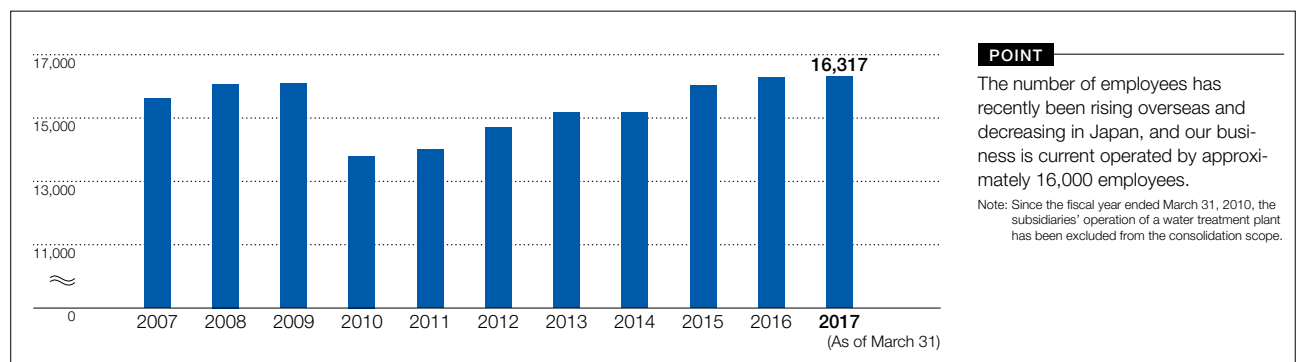
Dividends per Share / Payout Ratio



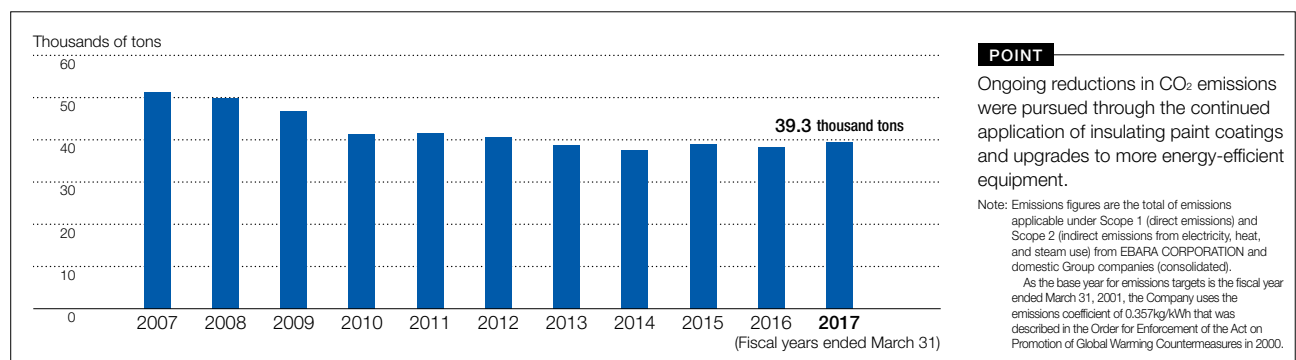
Capital Expenditures / Depreciation and Amortization



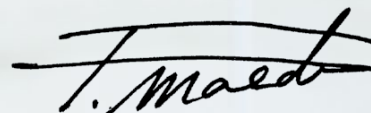
Number of Employees



CO₂ Emissions (Scope 1 and 2)



EBARA will engage in the “unlimited challenge toward growth” with the aim of becoming a manufacturer of industrial machinery that grows and develops its business on a global basis.



Toichi Maeda
President and Representative Executive Officer



Review of the Previous Medium-Term Management Plan —E-Plan 2016

The fiscal year ended March 31, 2017, was the final year of E-Plan 2016, a three-year medium-term management plan under which we strove to change course markedly from a stage of reinforcing management foundations to one of growth. During the period of this plan, we focused on achieving swift transformation and accelerating growth, successfully reaching a new record high for operating income during the second year

of the plan. In the final year of the plan, however, we were unable to achieve our consolidated performance targets. Reasons behind this outcome included the difficult environment faced in the Fluid Machinery & Systems Business, where low crude oil prices caused customers to forego making investments, as well as delayed progress in certain measures.

Vision for the EBARA Group

Although we were unable to meet important consolidated performance targets, the EBARA Group was able to make contributions to society and the environment through its business during the period of E-Plan 2016. These contributions came from the development and subsequent launch of new products boasting superior energy efficiency in all businesses. Looking ahead, we remain committed to making further contributions to the resolution of social issues in the course of our business activities and thereby realizing a more enriched society and protecting the environment.

One look at the world today will reveal countless issues plaguing society and the global environment. Companies too are not without problems, as the competitive climate is constantly growing more complicated and more intense. In this climate, there will certainly be companies that choose to prioritize their own profits and market presence, paying no heed to the concerns of society and the environment. As a company, EBARA must, of course, grow its profits. However, the growth and competitive edge we seek cannot come at the expense of society and the environment. Rather, our vision for the EBARA Group is one in which the Group is able

to create social value and help alleviate the burden placed on the environment through its business activities while simultaneously generating profits.

The medium-to-long-term goal of the EBARA Group is to become a manufacturer of industrial machinery that grows and develops its business on a global basis and that can stand abreast with global rivals in terms of both quantity and quality, or, in other words, business scale and profitability. Accomplishing this goal will require that we swiftly heighten the competitiveness of our products in the Fluid Machinery & Systems Business and other businesses while expanding our service and support, or S&S operations. These are tasks that cannot be accomplished without employees that are driven by their passion and dedication and embody the “EBARA Way.” We therefore recognize the need to develop organizational structures and workplace environments that enable employees to exercise their talents to an even greater extent than previously possible. Moreover, employees should be able to hone their skills in a corporate culture that encourages competition and embraces challenges while pursuing higher pinnacles together with their coworkers.

Start of a New Medium-Term Management Plan—E-Plan 2019

Our new medium-term management plan, E-Plan 2019, was forged out of sincere introspection with regard to our inability to achieve the targets of E-Plan 2016 and live up to the expectations of our shareholders and other investors. In formulating this plan, we picked apart our experience with E-Plan 2016 to identify the issues that would need to be addressed in the new plan. Now in motion, E-Plan 2019 is aimed at thoroughly improving profitability in all businesses, and its period has been designated as a time to engage in the “unlimited challenge toward growth.”

Taking advantage of products backed by EBARA's technologies and turning an earnest eye to the needs of customers, we have proceeded to bolster the Group's performance by maximizing the value we provide to customers. In my capacity as president, I will strive to ensure that all employees and all members of management are keenly aware of the fact that all of our efforts should be aimed at both the accomplishment of our medium-to-long-term goal and at contributions to society and the environment. Spurring us forward, I will help unite the strengths of our employees to drive further improvements to the EBARA Group's corporate value.

New Medium-Term Management Plan—E-Plan 2019

Management Policy and Medium-Term Management Plan

The management policy established in November 2015 defines annual net sales of ¥500.0 billion as the absolute minimum acceptable level. Moreover, we plan to raise this bar by the mid-2020s. This decision was based on our expectation that, in the near future, the Company will require an increasingly large scale in order to win out against the competition as our rivals constantly form and dissolve alliances. As part of our efforts to achieve sales of this level, we will focus on overseas expansion and the growth of operations through a stock-type model in existing businesses. At the same time, the Company will invest in production equipment, develop new products, and refine existing products. Other priority measures will include growing and strategically replacing existing businesses through M&A activities. For example, we will conduct acquisitions for


increasing overseas market shares and bolstering product lineups. At the same time, we will look to limit performance volatility in businesses that are highly susceptible to market fluctuations by engaging in M&A activities related to S&S operations.

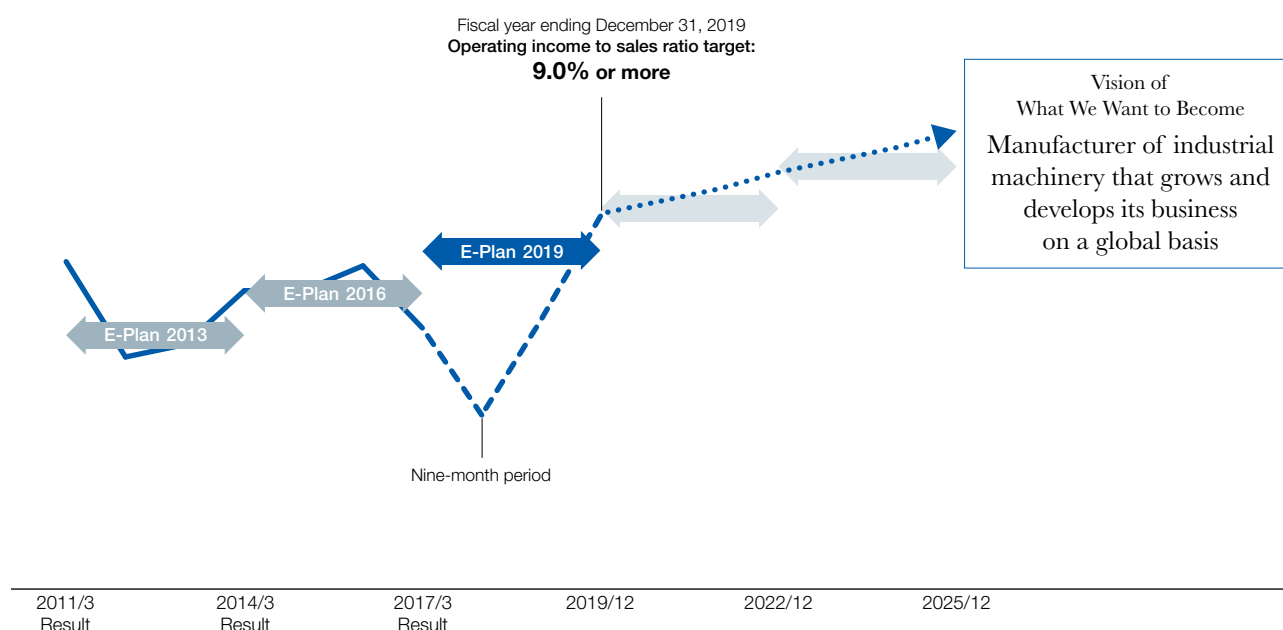
E-Plan 2019 is the first medium-term management plan to be formulated based on this management policy. Launched in April 2017, this plan is focused on profit, and its period has been designated as a time during which we will pursue profitability improvements in all businesses. Particular emphasis in E-Plan 2019 is placed on the profit margin of the pumps business, our largest business and the one that we have been developing since EBARA's founding.

Goals of the Management Policy

- The Company recognizes that consolidated sales of ¥500.0 billion constitute the minimum level required to continuously develop its businesses on a global basis and grow.
- In addition to the organic growth of its existing business resources, the Company has positioned mergers and acquisitions of businesses of a certain scale at the center of its growth strategy.
- The Company will achieve the organic growth of its existing business resources by increasing its presence around the world and by expanding its stock-type business.
- The Company will make continuous investments in production facilities and investments for new product development and the improvement of existing products in order to improve its product competitiveness.

Operating Income to Sales Ratio by Medium-Term Management Plan Period

— Operating Income to Sales Ratio
 Medium-Term Management Plan Period



Performance under E-Plan 2016 and Issues Remaining

The three years of the previous medium-term management plan, E-Plan 2016, was a period during which we endeavored to change course markedly from a stage of reinforcing management foundations to one of growth. During this period, we emphasized quantity, or net sales, in overseas markets and quality, or operating income, in the domestic market as we utilized internal and external resources in a flexible and concentrated manner and advanced measures in all businesses aimed at swiftly bringing about change and accelerating growth. As a result of these efforts, the Precision Machinery Business remained strong throughout the plan's period, achieving net sales and operating income figures that exceeded our targets. The Fluid Machinery & Systems Business, meanwhile, was unable to meet its targets for these indicators. This was a result of a combination of factors, including delays in investment and orders among customers accompanying the slump in the crude oil price, which became exceptionally prominent in the second half of 2014. The Fluid Machinery & Systems Business was also impacted by sluggish demand in China stemming from economic slowdown, the protracted deflation trend in the domestic economy, and other external factors as well as delays in the progress measures in various business areas. The Environmental Plants Business also fell slightly short of its targets as we were unable to achieve our profitability improvement goals in engineering, procurement, and construction operations. As a consequence of the inability to achieve targets in these two businesses, our consolidated performance targets similarly went unmet. Although the heavy impact of operating environment factors certainly was a factor behind the inability to achieve income targets in the Fluid Machinery & Systems Business, we cannot deny the fact that the main cause lies in our lack of effort, an outcome we must accept in earnest.

I would now like to offer some details on the successes in each business during the period of E-Plan 2016 as well as the issues that remain. The Precision Machinery Business benefited from an accommodating operating environment as well as our steadfast effort to advance productivity innovation activities and shorten lead times, which enabled us to take advantage of the rapid growth in demand that began in 2016. This business

generated substantial results over the past three years and has thus come to support the solid performance we are seeing today. Success was also achieved in the Environmental Plants Business, where we were able to steadily grow operation and maintenance, or O&M, business in Japan. In addition, our network of bases has expanded from 73 prior to the start of E-Plan 2016 to 80 today. This expanded network is proving to be a powerful asset for generating stable earnings. Similarly, the overseas network of the pumps business was expanded in the Fluid Machinery & Systems Business. Specifically, we established nine new overseas bases, nearly accomplishing the target of 10 new bases. In addition, we acquired companies in Indonesia and Brazil and established a service shop in Saudi Arabia. Meanwhile, we succeeded in developing and introducing new products each year in the standard pumps business.

Aside from our business, we also reinforced the Company's corporate governance system by transitioning to the Company with Three Committees system for the form of our organizational structure.

Turning to issues, although we were able to increase the number of S&S bases in the pumps business, we were unable to deploy services that were truly matched to the customers in the regions where these bases were located. As a result, we could not fully capitalize on our progress in S&S operations, and sales and income in the pumps business did not reach the targeted levels. At the same time, we experienced delays in commencing full-fledged production of new core global products, and the benefits of these products only just began appearing in the fiscal year ended March 31, 2017, the final year of E-Plan 2016. In the Environmental Plants Business, we sought to improve profitability with regard to new plant construction, but efforts on this front were incomplete. Furthermore, we had initially planned to cultivate a product line that could stand alongside components and chemical mechanical polishing, or CMP, systems as a third pillar of operations in the Precision Machinery Business. We had high hopes for plating systems with this regard, but sales promotions did not progress smoothly and the actual performance of this product line diverged significantly from our expectations.

Expansion of Overseas Network in Pumps Business during E-Plan 2016 Period (As of March 31, 2017)

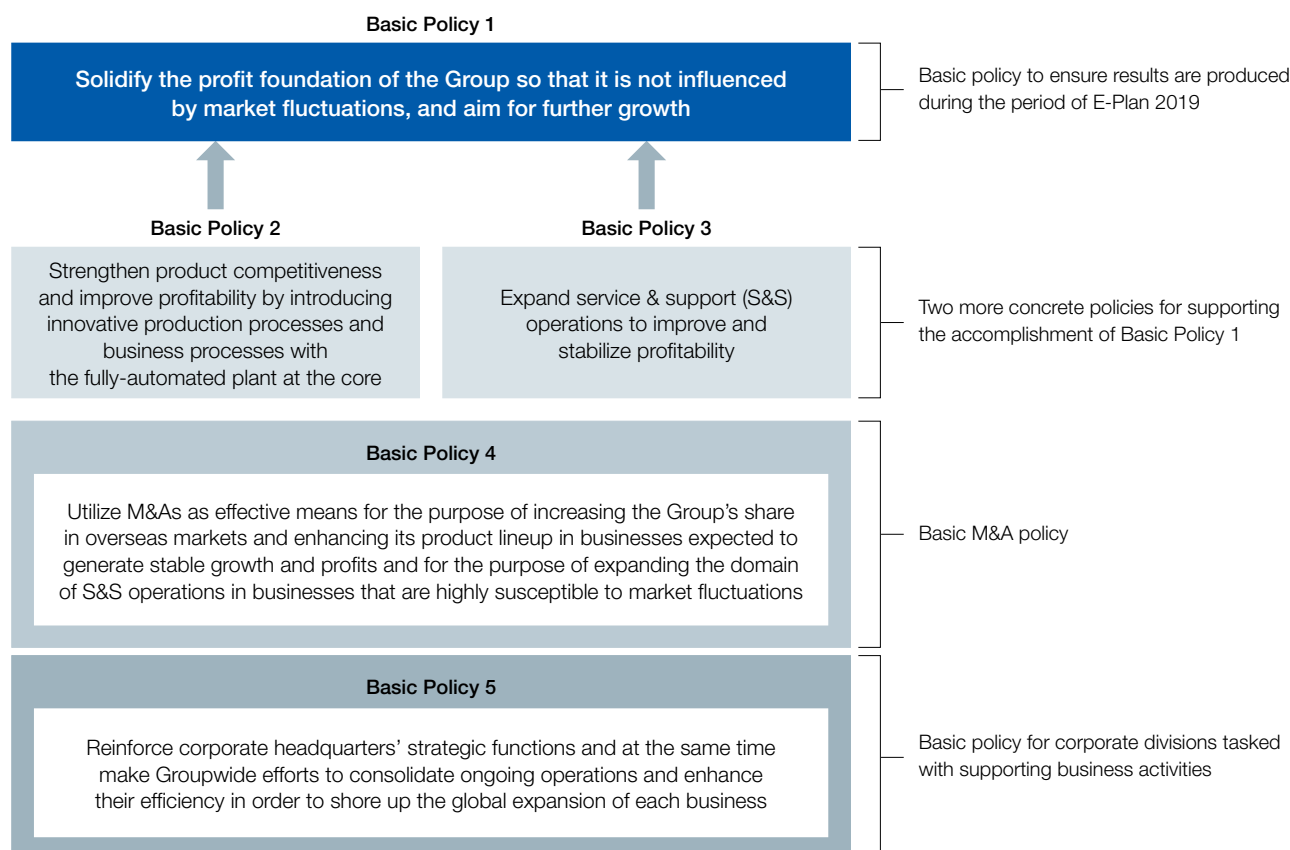


New Medium-Term Management Plan—E-Plan 2019

Basic Policies of E-Plan 2019

Based on the issues remaining from E-Plan 2016, the following five Basic Group Policies have been put forth for E-Plan 2019.

Framework of Basic Group Policies



Basic Policy 1: Solidify Profit Foundation of the Group So That It is Not Influenced by Market Fluctuations

Basic Policy 1 provides the basic framework for E-Plan 2019. The EBARA Group seeks to achieve further growth by establishing profit foundations in all businesses that are not influenced by market fluctuations. To guide these efforts, we have evaluated the businesses in EBARA's five business domains based on their degree of sensitivity to market fluctuations. Through these evaluations, the standard pumps and chillers businesses and the Environmental Plants Business have been categorized as businesses in which the influence of market fluctuations is small and stable growth and profits can be expected. Meanwhile, the custom pumps and compressors and turbines businesses and the Precision Machinery Business have been categorized as businesses that are heavily influenced by market fluctuations. Determining the speed of initiatives in each business based on this categorization has been positioned as a core aspect of E-Plan 2019. In businesses in which we can expect stable growth and profits, we will conduct investments in a focused manner aimed at growing

operations and boosting profitability. In businesses that are heavily influenced by market fluctuations, rather than implementing strategies that are at the whim of market trends, we will strive to build robust profit structures that can guarantee profits even when faced with the poorest of market conditions.

In these manners, we will seek to improve the profitability of all businesses and raise the bar for minimum profits. After this goal has been accomplished, the next step will be to expand the scale of these businesses. This is the goal of Basic Policy 1. Basic Policies 2, 3, and 4 are meant to lay out more concrete policies for supporting the implementation of Basic Policy 1. This framework has been adopted to ensure consistency with the policies of E-Plan 2016 and to chart a clear course for our efforts during the period of E-Plan 2019.

Basic Policy 2: Introduce Innovative Production Processes and Business Processes

It can be expected that the Internet of Things, or IoT, robotics, and artificial intelligence, or AI, technologies will be more advanced and come to be more widely used over the next

three years. Acting in accordance with Basic Policy 2, we will seek to incorporate these technologies into our business. As a manufacturer, the EBARA Group has always been dedicated to achieving innovation in its production operations. As one facet of these efforts, we began implementing productivity innovation activities under the guidance of head office management departments around a decade ago. In the Precision Machinery Business, these productivity innovation activities have enabled us to address the recent rise in orders, thereby supporting the strong performance of this business. Looking to expand upon these activities during the period of E-Plan 2019, we have decided to establish fully-automated plants utilizing IoT, robotics, AI, and other cutting-edge technologies in the dry vacuum pumps and standard pumps businesses.

The development of fully-automated plants will enable us to revise our domestic production system in the standard pumps business to manufacture products in Japan that still feature the cost competitiveness necessary to be sold overseas. Such a system would contribute to increased in-company production while also creating a model for production lines that can be introduced at overseas plants. Moreover, fully-automated plants offer a solution to the ever changing labor requirements that stem from demand fluctuations for the dry vacuum pumps of the Precision Machinery Business. Given that we produce and overhaul dry vacuum pumps overseas, we should also be able to apply this line model to overseas production lines. If realized, fully-automated plants could make it possible to boost our competitiveness by fundamentally transforming operations in upstream areas, including marketing, order receipt, sales, and supply chain management, as well as in downstream S&S operations. These plants would be at the core of these efforts. Our first focus will be creating fully-automated plants in the dry vacuum pumps and standard pumps businesses. Once this is accomplished, we will look at introducing such plants into certain areas of production in other businesses. In terms of schedule, we hope to develop a concrete idea for how we will realize fully-automated plants within the fiscal year ending

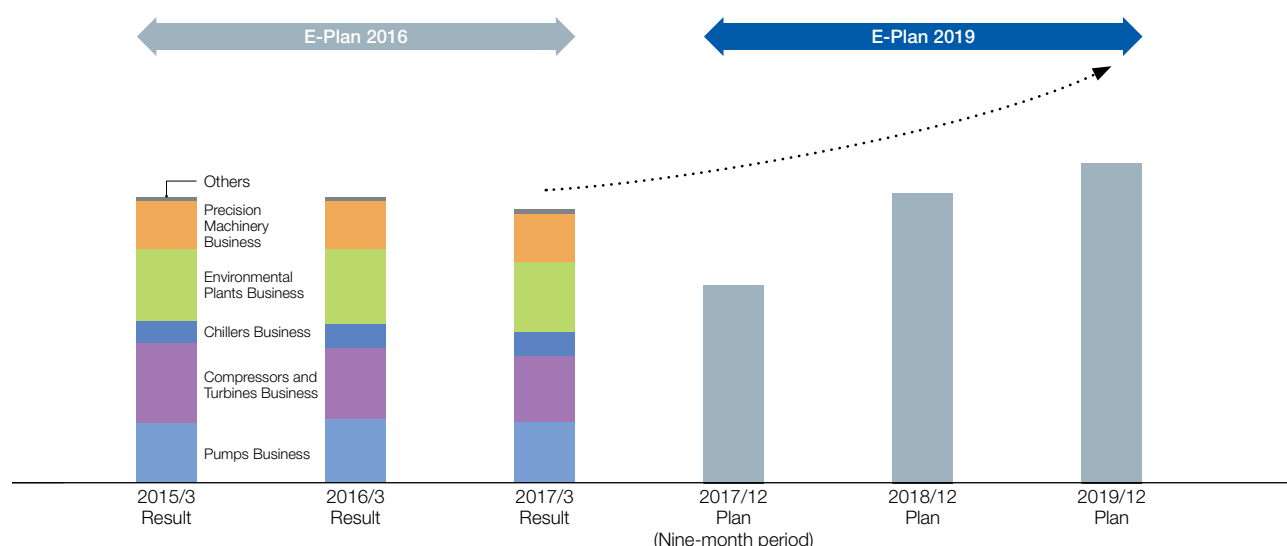
December 31, 2017, and finalize investment decisions by the end of the year. The construction of fully-automated production lines will then be commenced in the fiscal year ending December 31, 2018, with the aim of putting these lines into operation during the following fiscal year. The introduction of innovative production processes and business processes is crucial to the pumps business, where we are pursuing increased profitability through structural reforms. Recognizing this fact, we will implement drastic revisions to our design, production, and supply chain management processes in order to shorten product lead times and reduce manufacturing costs.

Basic Policy 3: Expand S&S Operations

Basic Policy 3 is to expand our S&S operations, which we expect to function as a pillar supporting earnings. In April 2017, we reorganized our organization to perform business operation in a way that integrates order receipt, production, sales, and S&S. Under the new organizational structure, we are able to clearly identify the target markets for each business, accurately reflect customer needs in new product launches, and thereby ensure that products can be swiftly introduced into the appropriate markets to guarantee contributions to earnings.

In the pumps business, an area in which we are particularly determined to reinforce operations, augmenting and optimizing the functions of bases is a matter of urgency. As for the custom pumps business, we aim to dispatch employees from Japan to overseas bases in droves and to accelerate efforts to develop and enhance the skills of local overseas hires. At the same time, we intend to bolster the database functions that are indispensable to S&S operations. The compressors and turbines business, meanwhile, differs from the custom pumps business in that it already has a global S&S system in place. Our focus in this business will therefore be to reevaluate this system so that we can develop the ideal service center network. The creation of new services using the IoT and AI will also be pursued on the S&S front.

S&S Sales by Business



Basic Policy 4: Utilize M&As

Basic Policy 4 is to continue utilizing M&A activities as a viable tool for developing our business. In the standard pumps business, a business in which we anticipate stable growth and earnings, M&A activities will be carried out with an eye to increasing EBARA's share in overseas markets and bolstering product lineups. In businesses that are heavily influenced by market fluctuations, namely the custom pumps and compressors and turbines businesses, our goal will be to mitigate risks of performance downturns through M&As aimed at expanding S&S operations, which are resilient to market fluctuations.

Basic Policy 5: Reinforce Corporate Headquarters

Lastly, Basic Policy 5 is meant to guide us in reinforcing the corporate headquarters' strategic functions while at the same time making Groupwide efforts to consolidate ongoing operations and enhance their efficiency in order to shore up the global expansion of each of the EBARA Group's businesses as we proceed to implement Basic Policies 1 through 4. Under this policy, we will consolidate and enhance the efficiency of ongoing processes of management functions that need to be adjusted in line with the globalization of our business, including human resources, taxation, finance, governance, and core system functions. We thereby aim to reinforce the strategic function.

The work style reforms that are already underway are another area requiring attention going forward. The EBARA Group's work style reforms are designed to help all employees realize ongoing improvements in work efficiency and productivity. In other words, these reforms are initiatives aimed at

generating a continual increase in the value created by each employee by the hour. We have thus established targets for the total work hours of all employees, including managers, based on which we will endeavor to cut costs without sacrificing productivity. The accomplishment of this objective will lead to an increase in earnings capacity and thereby contribute to the improvement of profitability in all businesses, the aim for E-Plan 2019. Meanwhile, the cash flows generated as the EBARA Group grows into a conglomerate that boasts high earnings will be allocated to growth investments, shareholders returns, and employee compensation.

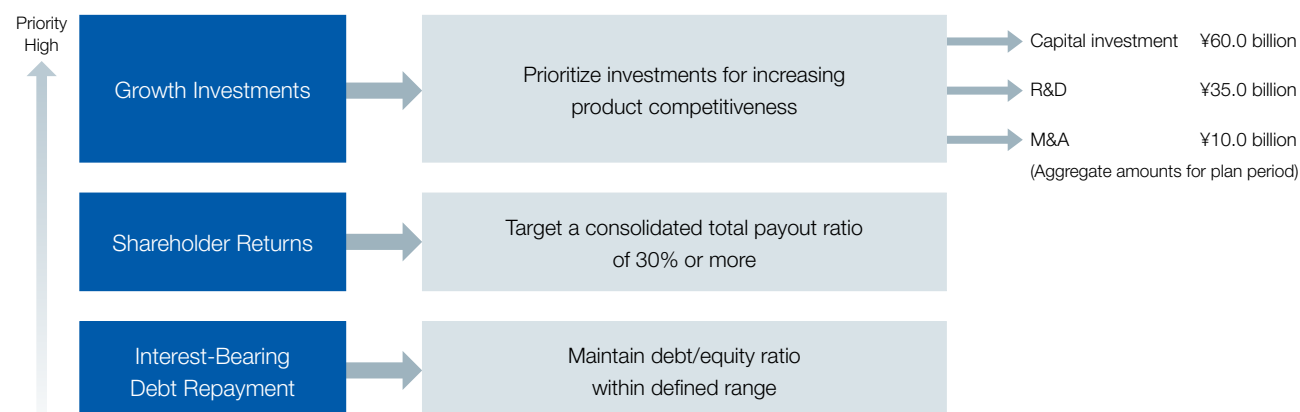
The pumps business is faced with the pressing need to improve profitability. The domestic operations of the pumps business, in particular, require structural reforms. The success of these reforms will hinge on the aforementioned corporate culture that encourages competition and embraces challenges, and cultivating such a culture will thus be our first priority. As one facet of these efforts, we have eliminated the prior human resource systems, which tended to favor employees with longer service records, and replaced them with new job grade and evaluation systems to foster a culture that is thoroughly merit and results oriented. At the same time, we have begun increasing the efficiency of organizational management by expanding individual organizations and flattening organizational levels. These efforts have led to a 40% decrease in the overall number of organizations at EBARA Corporation and its domestic subsidiaries, and the number of Fluid Machinery & Systems Business organizations has been cut by 60%. These new initiatives will be advanced while simultaneously building upon the measures of E-Plan 2016.

Financial Strategy

The cash flows generated during the period of E-Plan 2019 will be primarily allocated to growth investments for increasing product competitiveness, but we will also strive to issue stable dividend payments. Among these growth investments, we have earmarked approximately ¥60.0 billion for capital investments, which includes the investments budgeted for

developing fully-automated plants in the standard pumps and dry vacuum pumps businesses. Other increases will include ¥35.0 billion devoted to R&D activities and ¥10.0 billion set aside for M&A activities. In regard to dividend payments, we had targeted an average dividend payout ratio of 25% during the period of E-Plan 2016. We surpassed our target with a

Use of Cash Flows during E-Plan 2019 Period

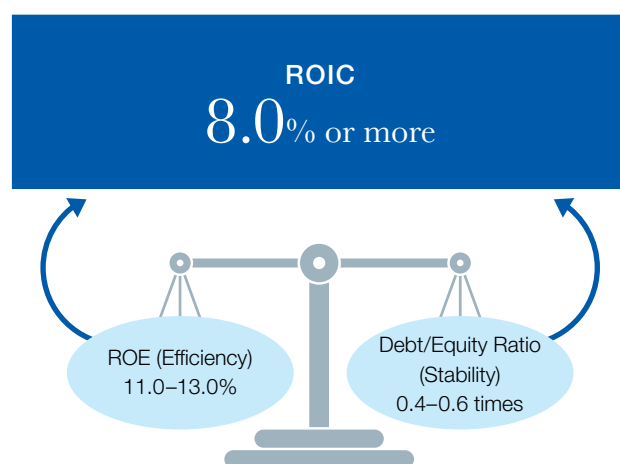


ratio of around 28%. Under E-Plan 2019, we will aspire to issue an even higher level of returns, targeting a consolidated total payout ratio, which accounts for share buybacks in addition to dividends, of 30% or more. The EBARA Group has a unique funding situation in which we tend to accumulate funds beginning in April and leading up to October, when expenditures

generally start increasing. For this reason, it is important to take a flexible stance toward shareholder returns, remaining mindful of the balance between our ability to generate cash flows and our financial position. As for interest-bearing debt, our policy will be to maintain the current debt/equity ratio while procuring funds through borrowings as necessary.

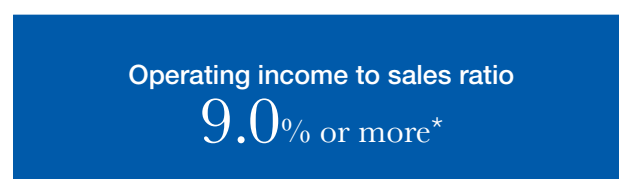
Targets to Be Achieved Under E-Plan 2019

Targets for the Fiscal Year Ending December 31, 2019



Return on invested capital, or ROIC, will continue to be positioned as the most important key management indicator under E-Plan 2019. Unfortunately, we were unable to achieve our ROIC target of 7.0% or higher for the fiscal year ending March 31, 2017, the final year of E-Plan 2016, with the actual figure coming to 5.6%. Regardless, we have chosen to chase an even higher level of returns under E-Plan 2019 with a final-year target that is 1 percentage point higher than the previous target at 8.0% or more. This lofty target might seem a little overly ambitious. Nevertheless, we are committed to achieving ROIC of 8.0% or more. This goal will be pursued in part by increasing the earnings capacity of the struggling pumps business to be on par with the levels of other businesses and thereby raising the consolidated operating income to sales ratio to 9.0% or above. At the same time, we will endeavor to keep the debt/equity ratio around its current level and post return on equity of 11.0% or above. Improving the profitability of the pumps business is a central part of E-Plan 2019. To further clarify this fact, we have announced targets for the operating income to sales ratios of individual businesses in the final year of the plan.

For the pumps business, we project that the global market will grow by an average annual rate of around 4% while the domestic market will contract by roughly 2% each year. The compressors and turbines business, meanwhile, is currently suffering from the exceptionally bearish conditions in the global oil and gas markets, but we anticipate that by around 2020 conditions in these markets will recover to the relatively bullish



Fluid Machinery & Systems Business	8.5% or more
Pumps Business	8.0% or more
Compressors and Turbines Business	11.0% or more
Chillers Business	7.0% or more
Environmental Plants Business	11.0% or more
Precision Machinery Business	12.0% or more

* On the assumption that consolidated net sales will amount to ¥500 billion or more

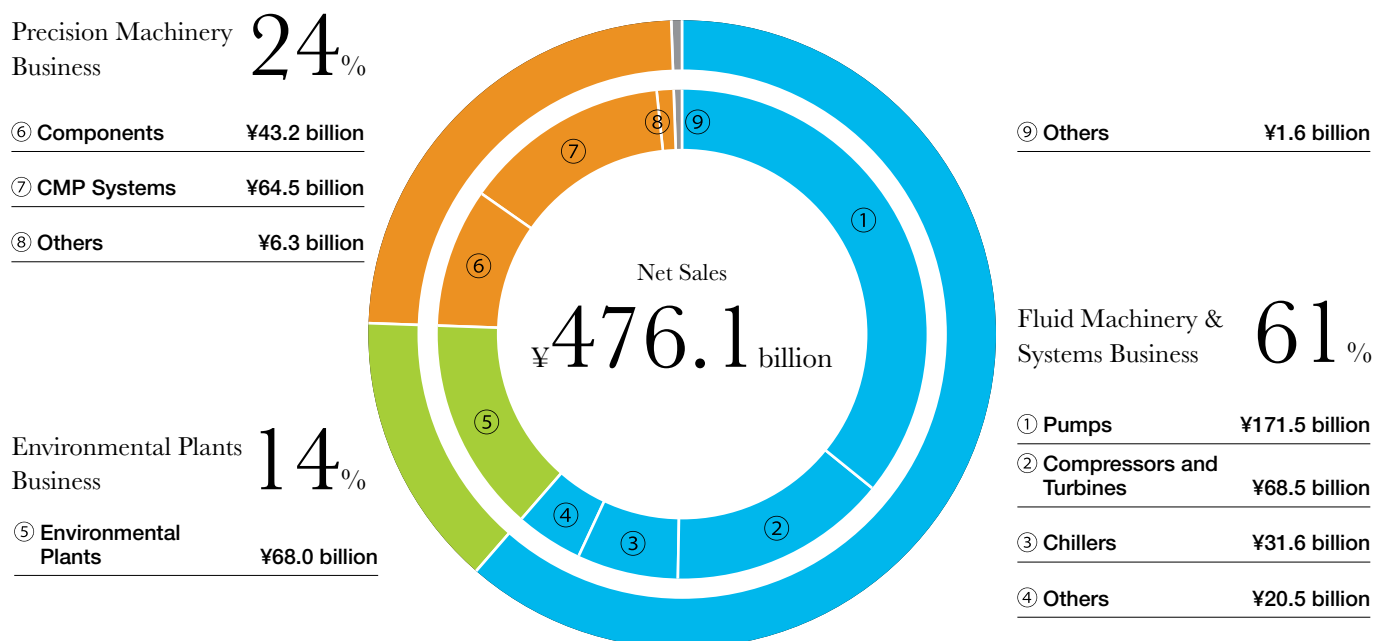
state seen in 2013. As for the Precision Machinery Business, this business is anticipated to enjoy a continuously growing market supported by firm global demand for semiconductors, particularly those for memory and IoT applications, coupled with robust capital investment demand in Taiwan, South Korea, Japan, China, and other Asian markets.

In this manner, all businesses are projected to grow over the medium-to-long term. Nonetheless, we have incorporated a certain degree of risks pertaining to market growth into the targets of E-Plan 2019, making for targets for which accomplishment is not overall dependent on the expansion of business scale. Furthermore, we have chosen not to set net sales targets for individual businesses, rather opting to formulate other targets based on the assumption of our achieving total consolidated net sales of more than ¥500 billion in the plan's final year.

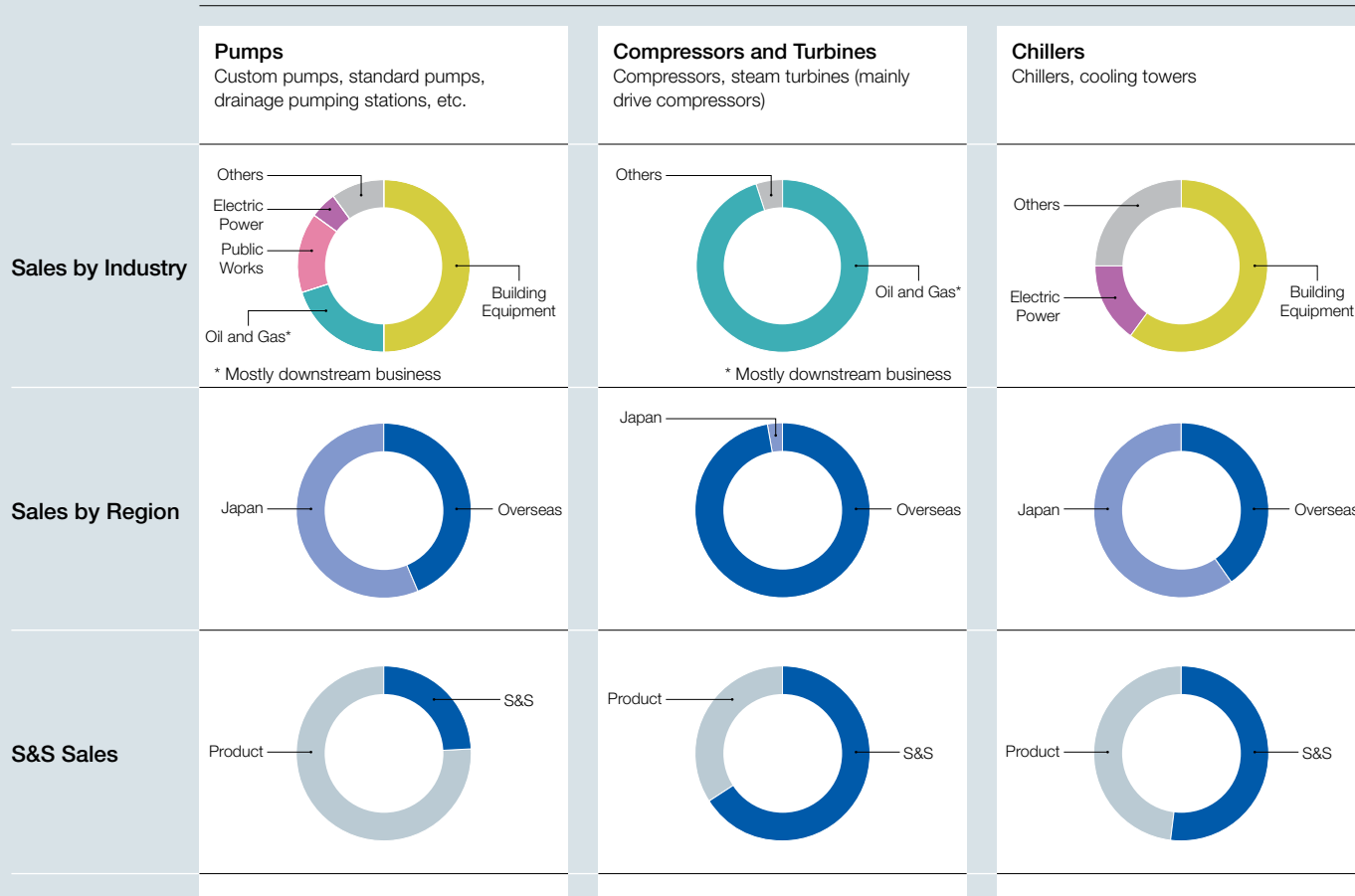
These targets may seem a bit conservative. However, these targets have been adopted based on one of the realizations made under E-Plan 2016: that rather than attempting to predict market trends, it is more important to build a strong business foundation that is capable of generating steady profits no matter how market conditions may fluctuate. Beyond E-Plan 2019 lies our vision of becoming a manufacturer of industrial machinery that grows and develops its business on a global basis. Striving to transform EBARA into such a manufacturer, we will engage in the "unlimited challenge toward growth" during the period of E-Plan 2019 to thoroughly improve profitability in all businesses.

At a Glance

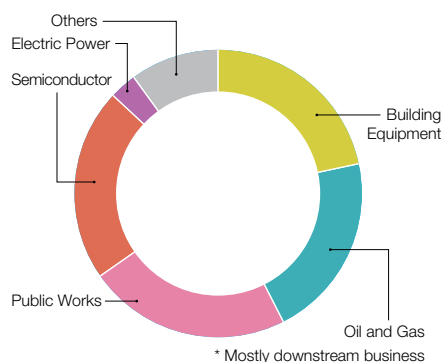
Composition of Net Sales (Fiscal year ended March 31, 2017)



Fluid Machinery & Systems Business



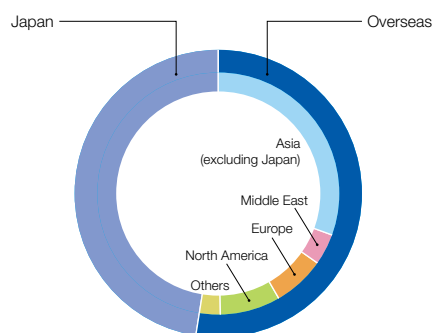
Net Sales Ratio by Industry



POINT

A balanced distribution of net sales was achieved without sales being overly concentrated on any particular industry. EBARA Group products are used to support a safe, secure, and comfortable society in a wide range of fields, including both social and industrial infrastructure.

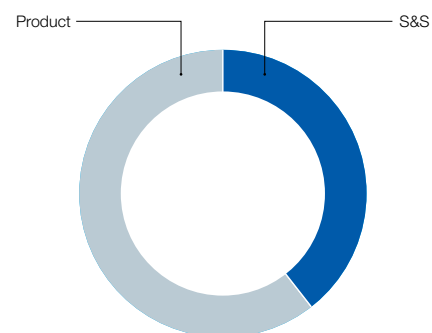
Net Sales Ratio by Region



POINT

Overseas sales accounted for more than 50% of total sales, with the largest portion of overseas sales coming from Asia. Recently, sales in the Precision Machinery Business have been growing overseas. The EBARA Group will continue to move forward with the globalization of its businesses to incorporate the growth of overseas markets.

Ratio of S&S Sales to Total Sales

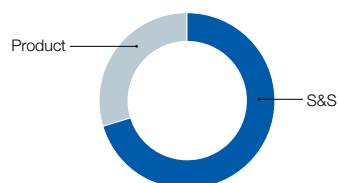
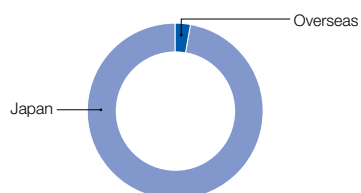
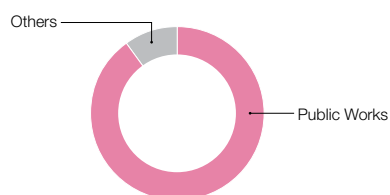


POINT

Service and support (S&S) sales accounted for approximately 40% of total sales, as was the case in the previous fiscal year, and these sales have come to represent a stable earnings foundation for the Group.

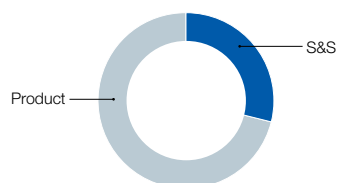
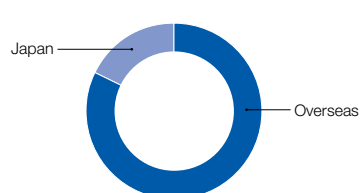
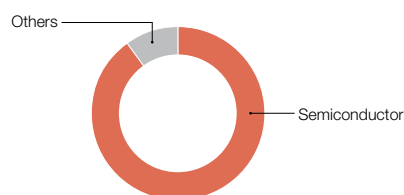
Environmental Plants Business

Environmental plants (waste incineration plants, biomass power generation plants)



Precision Machinery Business

Components (dry vacuum pumps, gas abatement systems), CMP systems, others (plating systems, etc.)



Fluid Machinery & Systems Business

Thoroughly Improving Profitability

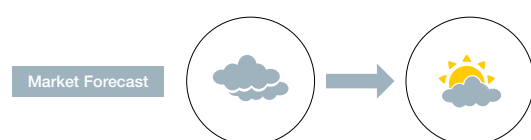


Atsuo Ohi
Company President

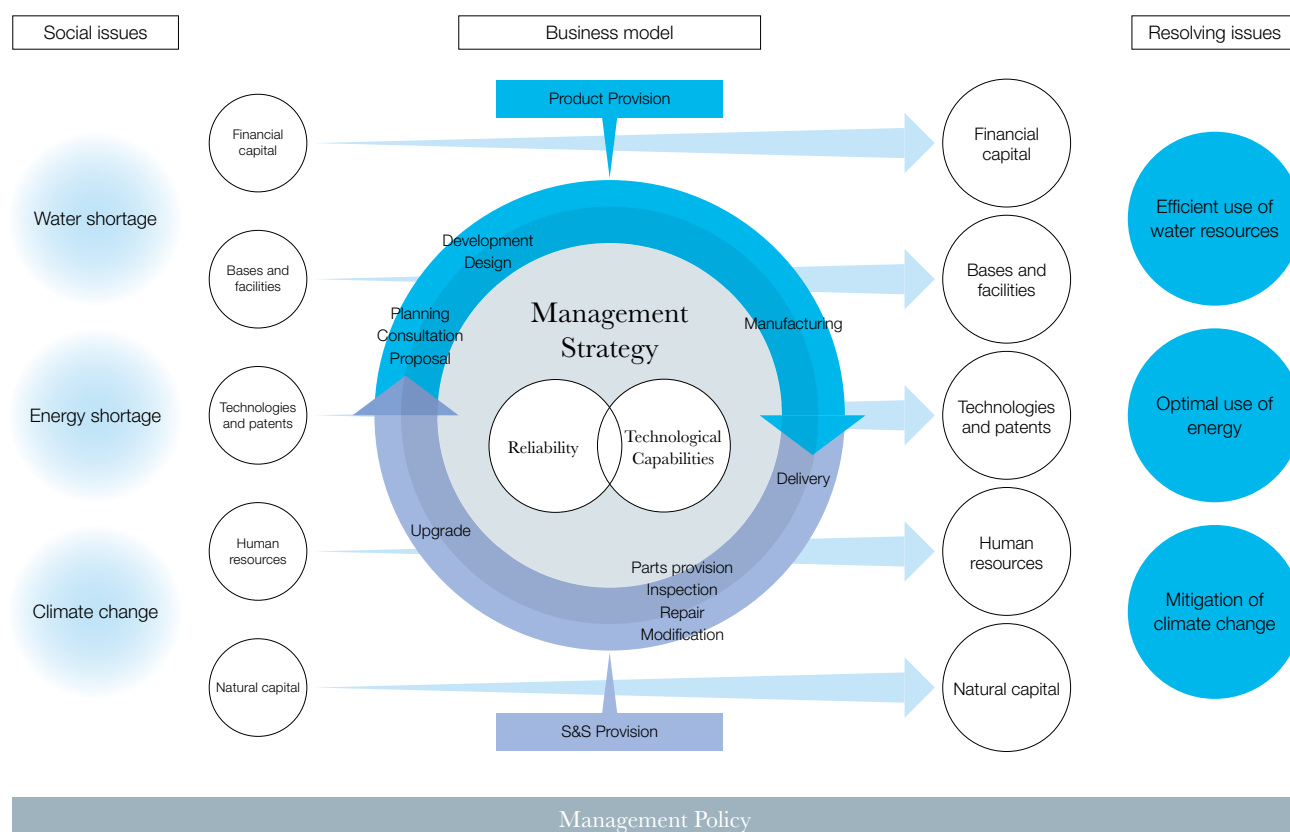
Review of Operations

In the fiscal year ended March 31, 2017, overall financial performance in the Fluid Machinery & Systems Business was lower than in previous fiscal years. Although the pumps business and other operations performed well in the domestic market, the compressor- and turbine-related capital investment plans of customers did not proceed as projected in overseas oil and gas markets.

In the fiscal year ending December 31, 2017, oil and gas market conditions are expected to recover gradually, stimulating a steady upturn in the operating environment.



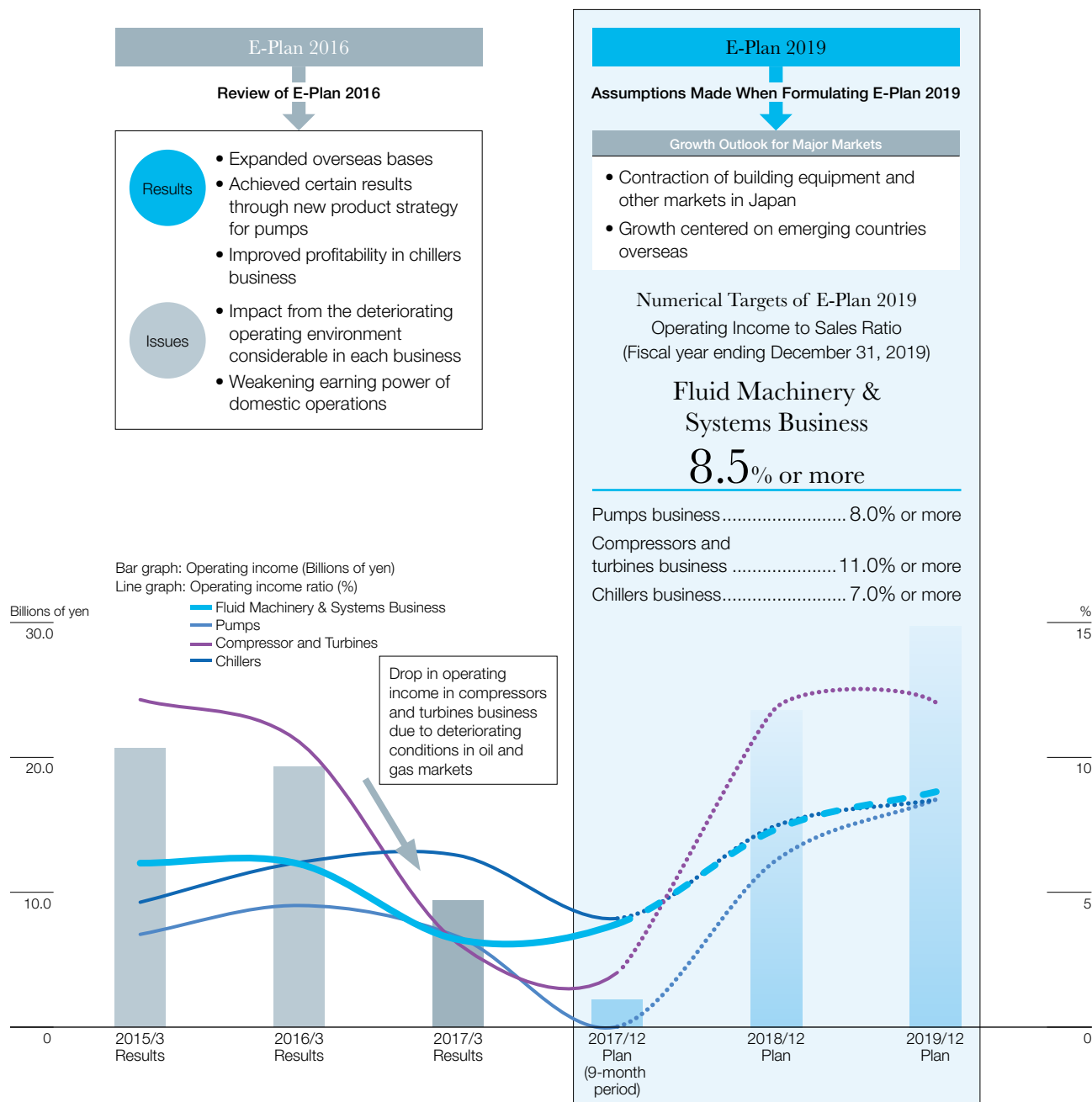
Business Model



(From left)
Axial compressor impeller
Pump S&S base established in Saudi Arabia
in August 2017
New RTXF model centrifugal chiller launched
in January 2017



Numerical Targets of E-Plan 2019



E-Plan 2019 by Business

Pumps Business

Growth Outlook for Major Markets

- Average annual growth of 4% in global market
- Average annual market contraction of 2% centered on building equipment in the domestic market



EVMS model stainless steel vertical multistage pump



Vertical mixed flow duplex stainless-steel can pump with adjustable vane

Standard Pumps Business

Given that the standard pumps business is less susceptible to market fluctuations in the global market, it will be positioned as the profit base of the pumps business. Upon improving profitability through reforms of the business structure of domestic operations, we will aim for growth in the global market.

Basic Policies

- 1 We will continue to eliminate and integrate existing models and reduce administrative costs while shortening product lead time and reducing manufacturing costs.
➡ Started operating with lineup featuring only 7,000 models in April 2017
- 2 We will fundamentally revise our existing production system. By establishing automated production lines through the utilization of the IoT, AI, and robotics as well as shortening product lead time and reducing manufacturing costs, we will strengthen product competitiveness.
- 3 We will fundamentally change business systems for production and sales and enhance operational efficiency.
- 4 We will continuously launch new products that will be sold globally as well as new products that reflect specific regional needs.
➡ Continue to manage the sales of core global products and regional products

Custom Pumps Business

Given that the custom pumps business is a business susceptible to market fluctuations, particularly in oil and gas markets, we will conduct structural reforms on the domestic production system so that profits will be generated even when market conditions are poor. Furthermore, we will aim to improve profitability by expanding domestic and overseas service and support (S&S) operations and by growing operations dealing in products targeting the public sector in Japan.

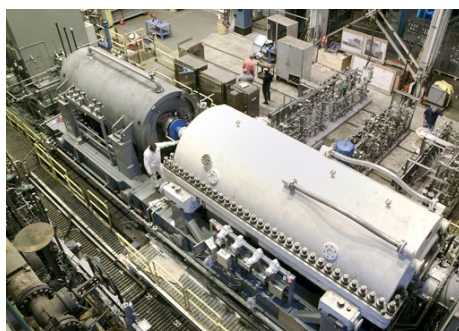
Basic Policies

- 1 We will re-examine our domestic production system to transform this production system into a flexible system that will generate stable income even if the current market conditions persist and will also allow us to increase production once the market recovers.
➡ Promptly transition to a structure that can flexibly deal with operating environment fluctuations
➡ Set a target for the operating income to sales ratio of custom pumps business and manage it carefully
- 2 By re-inventing our production system and standardizing our products, we will shorten product lead times and reduce manufacturing costs.
- 3 In order to expand overseas S&S operations, we will enhance our sales and technology support systems in local regions closer to our customers.
➡ Relocate sales and technical staff from Japan to overseas to enhance the capabilities of overseas bases (Enhance technological capabilities and train local staff)
➡ Manage S&S sales

Compressors and Turbines Business

Growth Outlook for Major Markets

- New plant construction investment to recover to 2013's level by 2020
- Average annual market growth of 3% due to increasing energy demand



Centrifugal compressor

While our ultimate goal is to establish a position as one of the world's top three in the compressors market for oil and gas application by the early 2020s and maintain our No.1 position in the downstream market, during the period of E-Plan 2019, we will aim to improve the profitability of products operations and expand S&S operations so that we will be able to generate a certain level of profits even if the current conditions of low crude oil prices should continue.

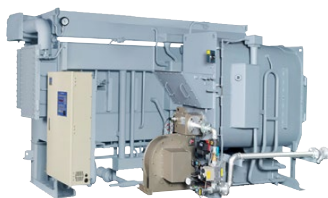
Basic Policies

- 1 In addition to strengthening our competitiveness in existing markets, we will seek to enter new segments and markets through M&A activities and proprietary development.
 - ➡ Shorten product lead times and reduce manufacturing costs while continuing to reduce costs
 - ➡ Seek orders for S&S of other companies' products and comprehensive S&S projects
- 2 We will thoroughly improve the profitability of the product and S&S operations.
 - ➡ Review operating processes of products operations and design systems
 - ➡ Optimize global bases in S&S operations
- 3 We will deepen the integration of global management in order to overcome international competition.
 - ➡ Promote cash flow-oriented management through the integrated management of the bases in Japan and the United States

Chillers Business

Growth Outlook for Major Markets

- Average annual market growth of 3% over medium-to-long term in China, Southeast Asia, and other markets



Gas-fired absorption chiller-heater launched in April 2017

In our operations in China, we will aim to expand our market share. In our domestic operations, we will undergo transition to a highly profitable structure.

Basic Policies

- 1 In the Chinese market, we will designate centrifugal chillers and cooling towers as the most important models, and we will develop and promote sales of competitive products.
 - ➡ Improve product lineup of centrifugal chillers (launch highly efficient, low-cost centrifugal chillers)
 - ➡ Improve profitability by cutting back on existing product costs
 - ➡ Manage new product sales
- 2 In the domestic market, we will steadily maintain our S&S operations for chillers and expand our cooling tower S&S operations, which promise growth.
- 3 We will promptly establish bases and build production, sales, and service systems in order to expand our business to countries other than Japan and China.
 - ➡ Utilize the overseas sales bases of the pumps business

Environmental Plants Business

Maintaining Consistent Growth and Improving Profitability

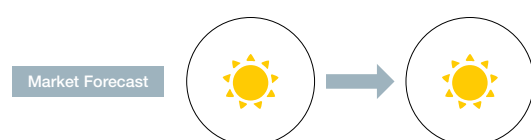
Akira Ichihara
Company President



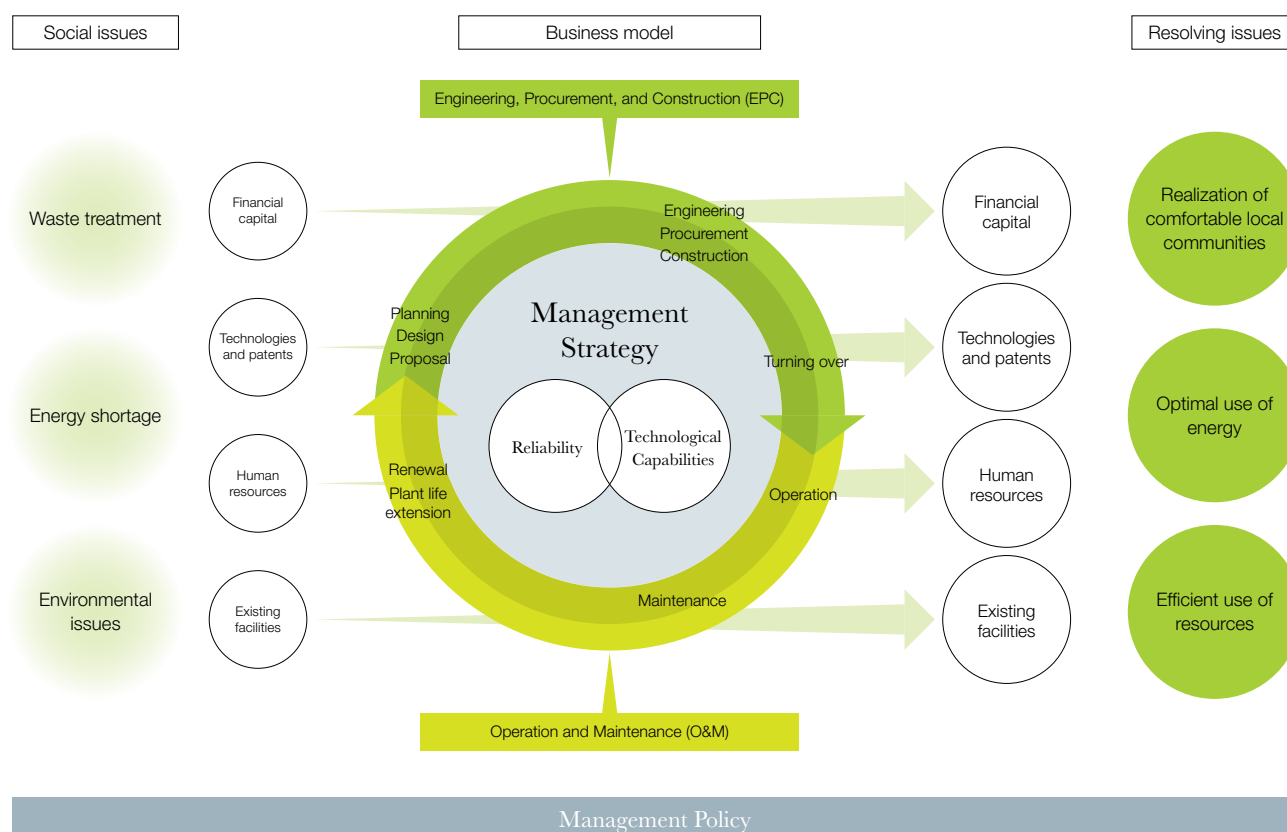
Review of Operations

In the fiscal year ended March 31, 2017, the Environmental Plants Business achieved performance that was in line with previous fiscal years. This result was a product of solid performance in the midst of stable waste treatment facility upgrade demand in Japan.

In the fiscal year ending December 31, 2017, public-sector demand for waste treatment facilities is expected to be consistent with previous fiscal years while plans for biomass power plants are on the rise in the private sector, making for a stable business environment.



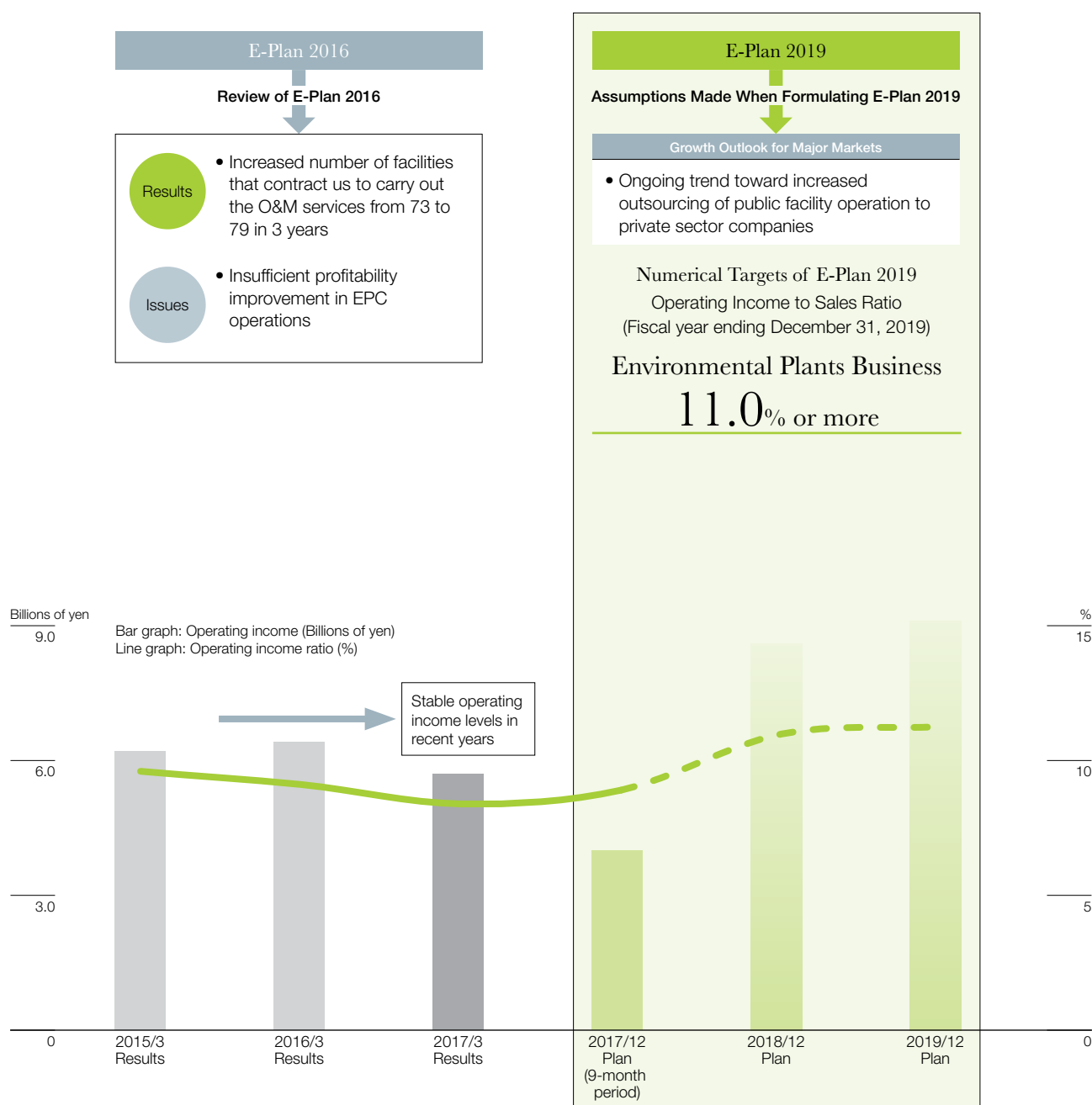
Business Model



(From left)
Musashino Clean Center completed in March 2017
Central control room of waste incineration plant
Funabashi City north waste incineration plant
completed in March 2017



Numerical Targets of E-Plan 2019



Precision Machinery Business

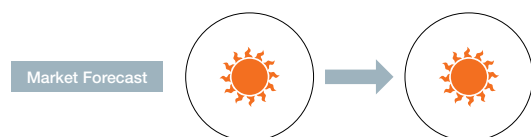
Building Business Foundations for Sustainable Growth



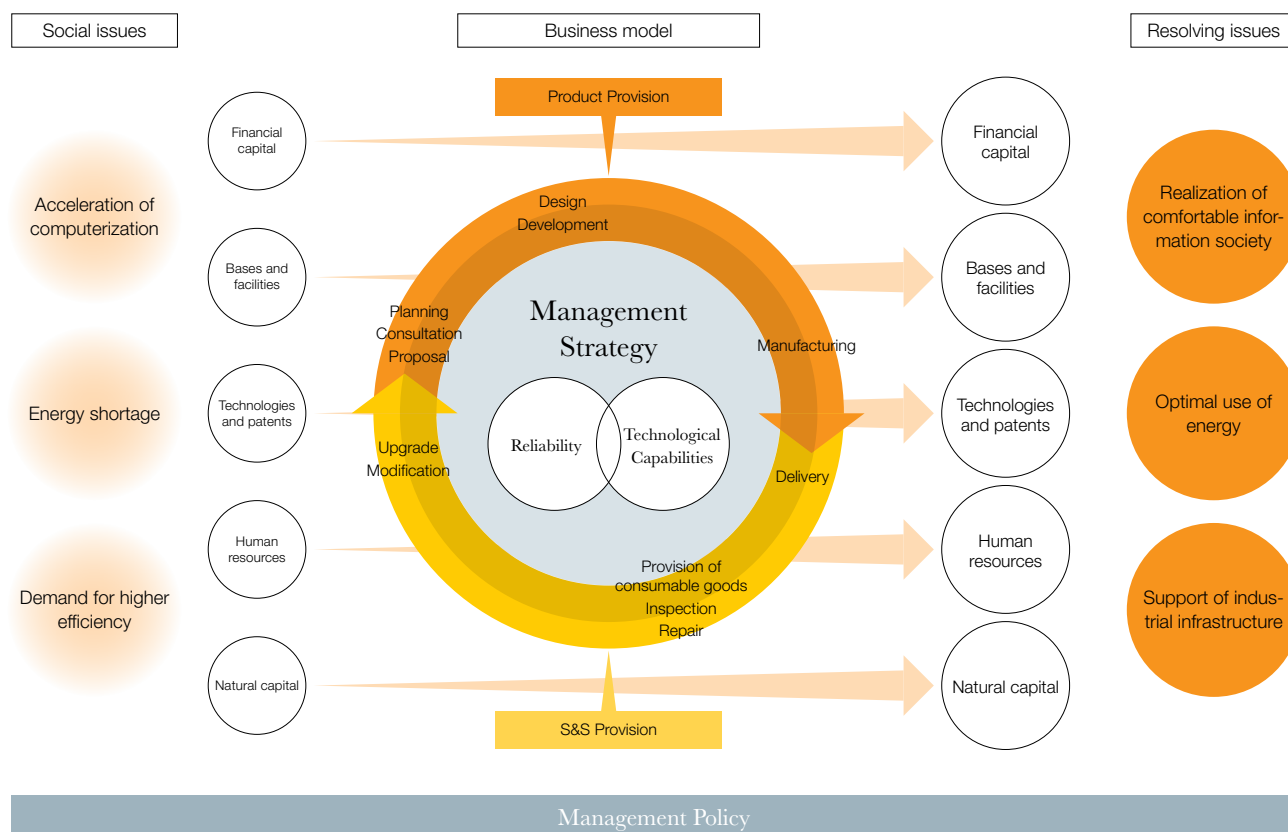
Masao Asami
Company President

Review of Operations

The Precision Machinery Business has benefited from the high capital investment levels seen among semiconductor manufacturers in the recent years. As a result, demand for EBARA products rose significantly in the fiscal year ended March 31, 2017, on the back of higher demand for storage devices, particularly for server applications. In the fiscal year ending December 31, 2017, the appetite for investment among customers is expected to remain strong.



Business Model



(From left)

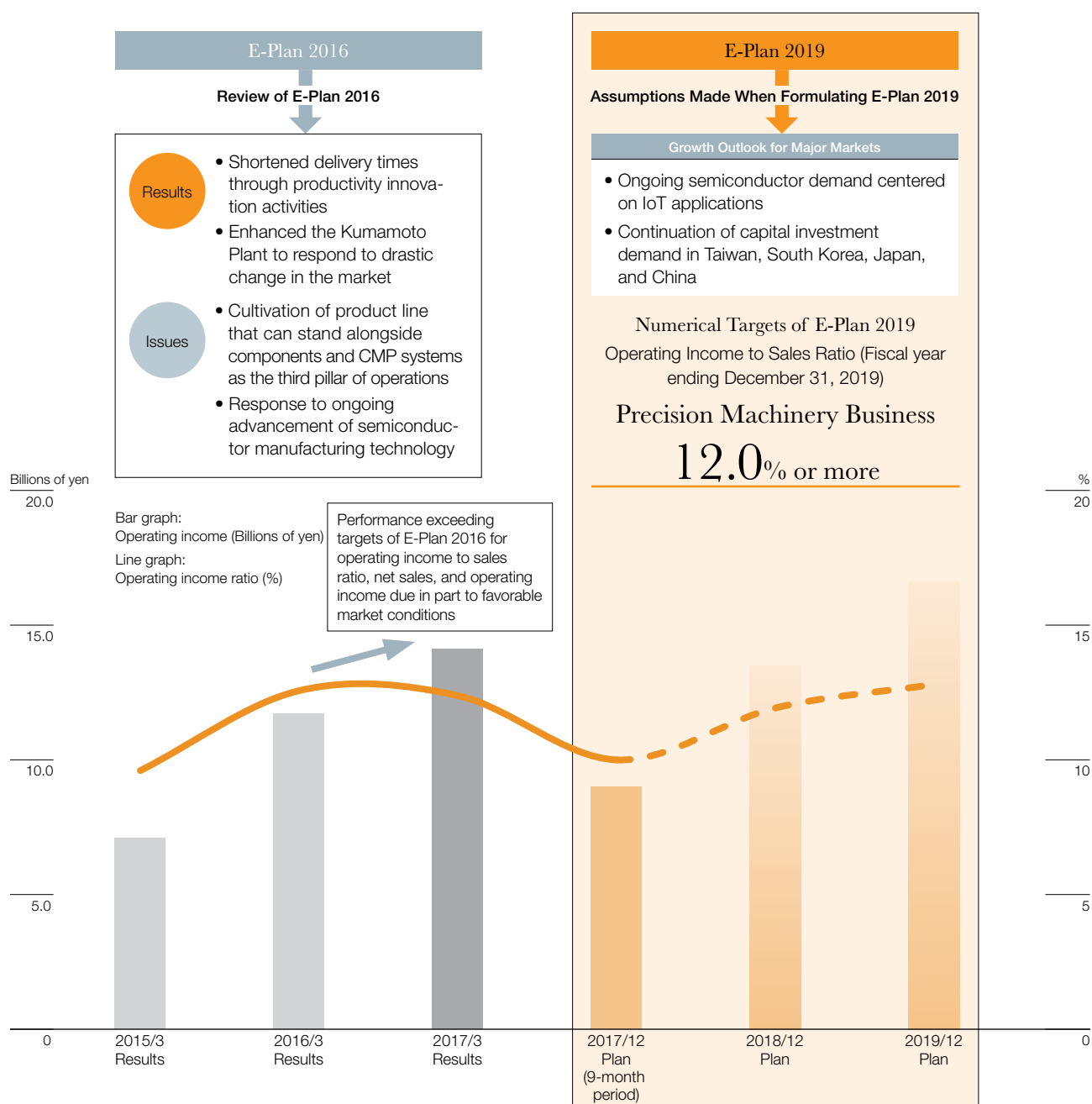
Chemical mechanical polishing (CMP) system being prepared for shipment

New facility constructed within Kumamoto Plant

Newly launched EV-L model dry vacuum pump boasting lower electricity consumption than previous models



Numerical Targets of E-Plan 2019



R&D and Intellectual Properties

Management Resources Underpinning Competitive Edge—Capabilities of Our Technologies



The EBARA Group has been an R&D-oriented company since its establishment in 1912. We completely revamped our R&D system in the fiscal year ended March 31, 2010. Since then, we have been heightening product competitiveness through an approach of aligning research and development and intellectual property operations more closely with business activities in accordance with the BRDIP^{*1} strategy. We have also begun engaging ABA^{*2} activities aimed at effectively utilizing external resources.

^{*1}. An original EBARA Group acronym created from “business,” “R&D,” and “intellectual property”

^{*2}. An original EBARA Group acronym created from “academy,” “business,” and “associations”

Basic Approach

The BRDIP strategy reemphasizes that research and development and intellectual property operations are for businesses. By dovetailing research and development and intellectual property activities with business operations, this strategy aims to accomplish two major goals: maximizing development investment efficiency and heightening product competitiveness. Moreover, the strategy incorporates our plans to trigger new advances by integrating the Fluid Machinery & Systems, Environmental Plants, and Precision Machinery businesses.

In regard to research and development, each business segment is responsible for product development, while corporate divisions are responsible for research on core and fundamental technologies. We are strengthening basic research through Ebara Open Innovation (EOI)^{*3} and heightening product competitiveness through Ebara Open Laboratory (EOL).^{*4} Also, with a view to creating new businesses, we are moving ahead with activities based on Ebara Innovation for “X” (EIX).^{*5}

Furthermore, Ebara Open for Supplier (EOS)^{*6} activities are aimed at enhancing prototyping efforts.

For more than a century, we have exploited intellectual properties. Globalization has led us to shift from protecting intellectual properties to incorporating them into aggressive expansion strategies. Specifically, we are focusing on the needs of Group companies worldwide as we advance intellectual property initiatives. Furthermore, rather than patent numbers, we are focusing more on patent quality with a view to securing patents that will underpin competitive advantages while also engaging in technology branding activities.

^{*3}. An original open innovation format that entails fostering young researchers at outside research institutions and conducting joint research to resolve advanced technological issues

^{*4}. A corporate research organization that enables exchanges among researchers and open sharing of research themes in-house

^{*5}. A new research and development system for business creation

^{*6}. A term referring to both a framework and activities for open exploration of R&D suppliers that is not limited to existing suppliers

Competitive Advantages

In research and development, EOI is responsible for some of our basic research, which it conducts with 50 research departments at 30 universities. EOL conducts research on around 80 research themes, including those conducted by EOI, and focuses on enhancing technological capabilities to further bolster product competitiveness.

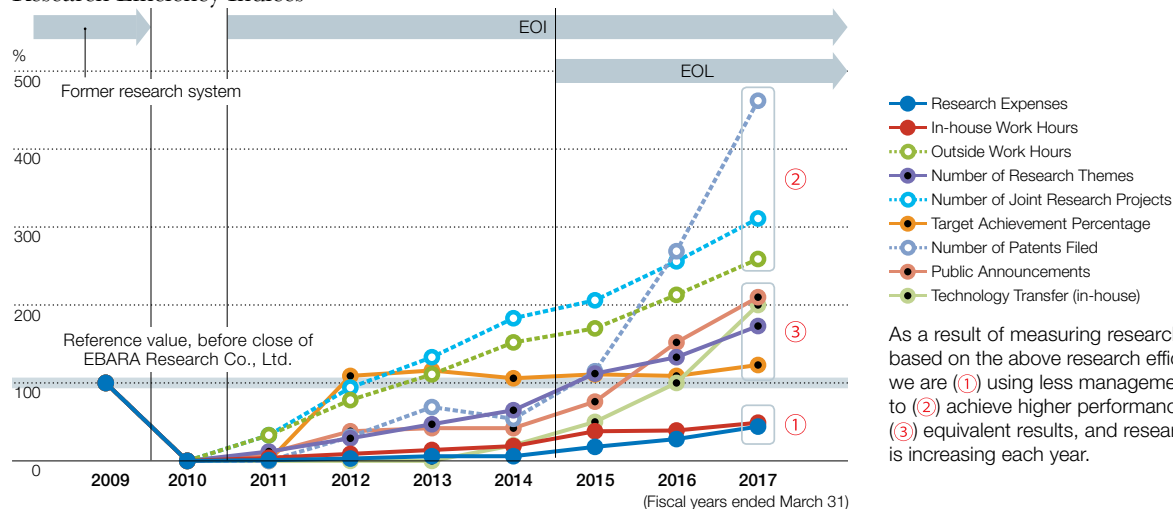
As shown in the graph, by entrenching the activities of EOI and EOL into our R&D ventures and managing them based on the defined key performance indicators (KPIs), we can contribute to the maximization of development investment efficiency and the heightening of product competitiveness. Numerical evaluations show that the quality, volume, and contribution to business activities of our current research ventures has surpassed that of research in the fiscal year ended March 31, 2009, when we were still operating under the previous R&D system. Research efficiency is also up.

Going forward, we will prioritize research themes that are directly linked to our business as we boost product competitiveness based on the defined KPIs.

Regarding intellectual properties, as a result of introducing the Precision Machinery Company's corporate culture to the Fluid Machinery & Systems Company, its patent filings in Japan have exceeded 200 for two consecutive years and have more than tripled since three years ago. As our intellectual properties strategy, we continue to focus on patent quality rather than numbers with a view to developing intellectual properties that will underpin competitive advantages. Our KPIs are the numbers of patent, utility model, and design applications filed and of applications filed based on the pre-litigation strategy^{*7}.

^{*7}. Strategy of acquiring patents to prepare for potential future litigations

Research Efficiency Indices



Priority Strategies and Progress

	Strategy	Progress
R&D R&D activities that are fully integrated with intellectual property activities aimed at supporting competitiveness and growth strategies	Promote and support EIX and formulate themes for next fiscal year	Began applying research results to business and formulated themes based on activities prior to EIX
	Advance research on EOL themes, transfer results to businesses, and establish business models and systems	Selected priority themes, accomplished targets, managed and evaluated progress using KPIs, applied for patents related to business model, and provided back-office support
	Establish such fundamental technologies for numerical analysis and analytical techniques, strengthen business foundations, and promote research and development	Formulated and implemented plans for developing numerical analysis and analytical infrastructure, helped perform work outsourced by business segments, and cooperated in R&D activities
	Establish a system for information security and confidential information management and manage risks	Revised review methods for public announcements, began sharing review results, and established a system for managing technological information
Intellectual Property Promoting strategic intellectual property activities that fully utilize the Group's intellectual properties	Acquire intellectual property rights strategically and on a global basis	Progressively shifted focus from patent numbers to patent quality and ultimately patents that will underpin competitive advantages through pre-litigation strategy
	Establish a system for the management of risks accompanying global intellectual property rights	Constructed system for managing intellectual properties of overseas Group companies and tracked intellectual property activities
	Enhance and solicit the value of the EBARA brand	Optimized procedures for acquisition and maintenance of trademarks for the Company's logo and advanced technology branding activities

Initiatives for Strengthening Research Foundations: New Method for Utilizing External Resources via EOS

The EBARA Group has begun constructing a unique supplier network to be utilized in improving R&D efficiency.

Requirements of R&D activities include the ability to swiftly create and test prototypes and testing equipment, the capability to utilize quality, new materials in components, and other procurement needs. For this reason, the EBARA Group has begun conducting what it calls "EOS activities," which are activities meant to uncover highly accommodating collaboration partners without being limited to existing, business-related partners. Through these activities, we coordinate with external institutions to find partner companies that the EBARA Group can exercise technological synergies with, organize technology exchange forums, visit such companies, and take part in other initiatives. In addition, we have created frameworks that allow

for quick progress from planning meetings to production and finally payment in order to make it easier for partner companies to fill orders from EBARA. We also consult with companies on an individual basis, and there have been some cases in which interactions between engineers have led to orders being placed and articles being produced.

EOS activities create a scheme that is similar to utilizing virtual factories, not requiring the acquisition of assets. These activities also make development consulting possible, contributing to increased development efficiency. Furthermore, as one facet of our efforts to bolster collaboration with partner companies, we provide these companies with free access to certain patents held by the Company and conduct intellectual property matching activities to help partners more effectively utilize these patents.

Human Resources

Management Resources Underpinning Competitive Edge—Human Resources and Diversity



The EBARA Group must be a team capable of swift transformation if it is to compete in the growing global market. For this reason, we are implementing various initiatives to cultivate a corporate culture that encourages competition and embraces challenges.

Basic Approach

The Group seeks to create a comfortable workplace environment and foster a corporate culture in which employees are able to fully exercise their talents in engaging in appropriate competition and in tackling new challenges. As another aspect of this culture, we aim to empower all employees and stimulate their growth through fair evaluation. Furthermore, we strive to recruit diverse personnel from around the world with high ambitions and a propensity for innovation based on the recognition that Japan is part of a global market.

Message from Executive Officer Responsible for Human Resources

Wellsprings of competitiveness represented by organizations that enable all employees to fully exercise their talents and individuality and human resources systems that allow them to play larger roles



Hisashi Iijima
Executive Officer
Division Executive,
Human Resources,
Legal & General Affairs Division

Major Reform of Human Resources Systems

The EBARA Group is developing its business activities on a global scale. At the same time, the number of the Group's 16,317 employees stationed overseas, currently around 9,000 employees, has come to exceed the approximate 7,500 employees working in Japan. At the heart of the Group, EBARA CORPORATION revised its human resources systems, which serve as the basis for the systems, in April 2017. As part of this change, the prior work skill qualification based systems, which tended to favor employees with longer service records, were replaced with merit and job grade based systems, which are not influenced by age or gender. The Group will continue to expand its business in the global market going forward. As our business grows more global, we will also seek to globalize our human resources systems through personnel exchanges and by better tracking and utilizing our human resources. We aim to establish human resources systems that are tailored to providing fair evaluations of the accomplishments and roles of employees in order to reward talented individuals with positions and compensation that match their abilities.

At the same time, we plan to develop organizations that allow for swift decision making and transformation as necessary to win out against global competition. We have therefore taken steps to expand and flatten our organizations, creating three organization levels, to build organizations that make it possible to discover and then foster a greater number of promising candidates for future leadership positions earlier in their careers. I see organizations that enable employees with diverse backgrounds to fully exercise their talents and individuality and human resources systems that allow them to play larger roles based on their talents and ambitions, rather than their number of years with the Group, as wellsprings of competitiveness.

Human Resources Recruitment and Development

In recruiting human resources, we are adopting the perspective of promoting diversity. Accordingly, we are working to secure talented human resources with a focus on non-Japanese individuals, women, and people that have experience at other companies. In terms of human resources development, we introduced the Career Management Program in the fiscal year ended March 31, 2016. This program is designed to create an environment in which all talented and ambitious employees are encouraged to think about their career, regardless of their age, gender, or nationality, and to refine their skills while aspiring to play larger roles in the organization. Already, roughly 800 employees have participated in this program, which is gradually taking shape as a program that helps all participants fulfill their dreams. We will continue to promote this important human resources system going forward.

Priority Strategies and Progress

	Strategy	Progress
Development of a workplace environment in which all employees can tackle challenges and refine their skills, regardless of their age, gender, or nationality	Development of a workplace environment that is conducive to work-life balance	Commenced full-fledged introduction of telecommuting system in April 2017
	Implement the Career Management Program	Implemented program targeting employees in the Fluid Machinery & Systems Company in the fiscal year ended March 31, 2016, and expanded program to target corporate division employees in June 2017
Fair evaluation of employee roles and successes	Institute role assignment systems that employees accept and evaluation systems that account for employees' efforts to fulfill their roles	Introduced new job grade and evaluation system for managers in July 2017
Operation of organizations at which talented human resources can acquire varied experiences	Expand and flatten organizations	Expanded individual organizations, flattened organization levels, and reduced organization numbers by 40% year on year in April 2017

Initiatives for Strengthening Organizational Capabilities: Utilization of Human Resources

Promotion of Diversity

The EBARA Group aims to become an even stronger organization and to continue growing. To accomplish this goal, EBARA CORPORATION will transform its current management team, which is predominately comprised of Japanese men, in order to encourage participation in management by diverse individuals of various genders and nationalities.

At the same time, we recognize the need for us to develop a workplace environment that allows employees to choose from diverse working styles in order to promote diversity. Accordingly, we are implementing various diversity promotion initiatives, including diversity management training for managers and the introduction of a telecommuting system. These initiatives are being conducted in three areas: awareness and corporate culture reforms, system and environment reforms, and work process reforms and visualization.

Reference Diversity page of EBARA's corporate website
http://www.ebara.co.jp/en/about/csr/social/human_rights/1209152_3116.html

Empowerment of Female Employees

With the aim of supporting the female employees working in various divisions in exercising their talents and developing their careers, EBARA CORPORATION set the targets of raising the ratio of female managers (non-consolidated basis) to more than 5% by April 2017 and more than 7% by April 2020. The April 2017 goal was achieved with a ratio of 5.2% at EBARA CORPORATION.

In addition, the Company was included in the MSCI Japan Empowering Women Index (WIN) in July 2017. This index looks at the top 500 Japanese companies by market capitalization. Categorized based on the Global Industry Classification Standard® (GICS®), those companies exhibiting excellence in terms of gender diversity within their industry are chosen for inclusion.



2017 Constituent
MSCI Japan Empower
Women Index (WIN)

Note: THE INCLUSION OF EBARA CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF EBARA CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Career Management Program

The Career Management Program was implemented as one facet of efforts to transition to a corporate culture that encourages employee endeavors by inspiring them to formulate their own career plans and work toward accomplishing them. This transition represents a departure from the previous culture, in which employees were expected to perform the work assigned to them in the division the Company placed them. Under the Career Management Program, we are systematically positioning and nurturing employees based on their ambitions and aptitudes and in accordance with the Company's medium-to-long-term business strategies. In this manner, we hope to stimulate the growth of both the Company and its employees. The scope of employees to which this program applies is gradually being expanded and the ability to systematically cultivate human resources is being improved. At the same time, we are promoting communication between supervisors and their subordinates. We plan to extend the Career Management Program to all employees in the future.

Reference "Creating a Corporate Culture of Competition and Challenge" on page 11 of *EBARA Group CSR Report 2017*
<http://www.ebara.co.jp/en/about/csr/ethics/report/index.html>

Cultivation of Globally Competent Employees

The importance of overseas Group companies is growing in conjunction with the globalization of our business. The Group previously began dispatching Japanese employees to overseas Group companies with the aim of cultivating globally competent employees. We have recently expanded upon these efforts through the start of human resources development that entails summoning talented employees recruited by overseas companies to work in Japan over a fixed period of time. Employees summoned in this manner are given the opportunity to learn EBARA's manufacturing technologies while also gaining an understanding of Japanese business practices. Upon returning to their country, these individuals help foster smooth coordination with bases in Japan. By adding the human resources element into our efforts to reinforce overseas bases, we hope to build the foundations that will underpin the globalization of our business.

Number of employees dispatched to overseas from Japan: 76
 (Human resources development program targeting employees that have been with the Company for around 10 years)
 Number of overseas employees summoned to Japan: 45

Note: Figures above are for the period from April 2010 to September 2017.

Board of Directors

(As of June 23, 2017)



Back row, from left

Shiro Kuniya ●

Chairperson of the Compensation Committee

Shozo Yamazaki ●

Member of the Audit Committee

Manabu Tsujimura

Senior Managing Executive Officer

Hajime Sawabe ●

Member of the Compensation Committee

Front row, from left

Nobuko Matsubara ●

Member of the Nomination Committee

Sakon Uda ●

Lead Independent Director
Chairperson of the Nomination Committee
Member of the Compensation Committee

Natsunosuke Yago

Director, Chairman
Chairman of the Board of Directors
Member of the Nomination Committee



Back row, from left

Tetsuji Fujimoto
Chairperson of the Audit Committee

Atsuo Ohi
Senior Managing Executive Officer

Masao Namiki ●
Member of the Audit Committee

Shusuke Tsumura
Member of the Audit Committee

Front row, from left

Toichi Maeda
President and
Representative Executive Officer

Izumi Sato ●
Member of the Audit Committee

● Independent Director

Composition of the Board of Directors

To ensure the Board of Directors effectively fulfills its roles and responsibilities, the Company shall make up the Board of personnel with sufficient knowledge and experience inside and outside the Company in areas related to business management. Knowledge and experience important to the Company from the perspective of company management are defined as the areas

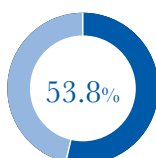
of “legal affairs and risk management,” “personnel and human resource development,” “finance, accounting, and capital policy,” “auditing,” “management of individual businesses (in the Company),” “corporate management and management strategy,” “research and development,” “the environment,” “social,” and “internal control and governance.” In addition to having

Corporate Governance System at a Glance (As of June 23, 2017)

Format	Company with Three Committees
Chairman of Board of Directors	Non-Executive Inside Director
Number of Directors	13
Of whom are Independent Directors	7
Number of Independent Directors	7
Term of Directors	1 year

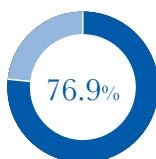
Ratio of Independent Directors to Total Directors

Independent Directors	7
Inside Directors	6



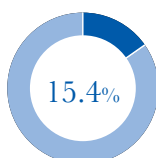
Ratio of Non-Executive Directors to Total Directors

Directors not concurrently serving as Executive Officers	10
Of whom are Independent Directors	7
Of whom are Inside Directors	3
Directors concurrently serving as Executive Officers	3



Ratio of Female Directors to Total Directors

Female Directors	2
Male Directors	11



Composition of Three Committees

	Nomination Committee	Compensation Committee	Audit Committee
Number of members	3	3	5
Of whom are Independent Directors	2	3	3
Of whom are Inside Directors	1	0	2
Chairperson	Independent	Independent	Inside

Overview of the Board of Directors (As of June 23, 2017)

Name		Classification Committee positions	
Natsunosuke Yago	Director, Chairman Chairman of the Board of Directors Member of the Nomination Committee	Non-Executive Nomination Committee	
Toichi Maeda	Director President and Representative Executive Officer		
Sakon Uda	Lead Independent Director Chairperson of the Nomination Committee Member of the Compensation Committee	Independent Nomination Committee Compensation Committee	
Masao Namiki	Independent Director Member of the Audit Committee	Independent Audit Committee	
Shiro Kuniya	Independent Director Chairperson of the Compensation Committee	Independent Compensation Committee	
Nobuko Matsubara	Independent Director Member of the Nomination Committee	Independent Nomination Committee	
Hajime Sawabe	Independent Director Member of the Compensation Committee	Independent Compensation Committee	
Shozo Yamazaki	Independent Director Member of the Audit Committee	Independent Audit Committee	
Izumi Sato	Independent Director Member of the Audit Committee	Independent Audit Committee	
Tetsuji Fujimoto	Director Chairperson of the Audit Committee	Non-Executive Audit Committee	
Manabu Tsujimura	Director Senior Managing Executive Officer		
Atsuo Ohi	Director Senior Managing Executive Officer		
Shusuke Tsumura	Director Member of the Audit Committee	Non-Executive Audit Committee	

Non-Executive Non-Executive Inside Director

Independent Independent Director with notification submitted to Tokyo Stock Exchange

appropriate knowledge in all of these areas, the Company appoints nominees for Director positions by specifying areas in which the Company particularly expects them to contribute.

The chart below details the areas in which the Company expects the Directors elected for the fiscal year ending December 31, 2017, to contribute based on these policies.

Reference Reasons for the selection of individual Directors can be found in the proposal for the election of Directors contained in the Notice of the 152nd Ordinary General Meeting of Shareholders.

http://www.ebara.co.jp/en/about/ir/stock/shareholdersmeeting/_icsFiles/afieldfile/2017/05/30/E6361_152_1_1.pdf

Attendance at Board of Directors and committee meetings in the fiscal year ended March 31, 2017 (Meetings attended / Total meetings)					Areas in which Directors (Non-Executive Directors) are expected to contribute*								
Board of Directors	Nomination Committee	Compensation Committee	Audit Committee		Legal affairs and risk management	Personnel and human resource development	Finance, accounting, and capital policy	Auditing	Corporate management and management strategy	Research and development	The environment	Social	Internal control and governance
14/14	7/7												
14/14					—	—	—	—	—	—	—	—	—
14/14	7/7												
14/14			14/14										
14/14		3/3											
14/14	7/7												
12/14		3/3											
13/14			14/14										
12/14			13/14										
14/14			14/14										
14/14					—	—	—	—	—	—	—	—	—
14/14					—	—	—	—	—	—	—	—	—
14/14			14/14										

Nomination Committee Member of the Nomination Committee Compensation Committee Member of the Compensation Committee Audit Committee Member of the Audit Committee

* The above table does not represent all of the areas in which Directors possess expertise.

Brief Personal History of Directors

(As of June 23, 2017)

Natsunosuke Yago Director, Chairman, Chairman of the Board of Directors,
Member of the Nomination Committee

Apr. 1977 Joined the Company
June 2002 Executive Officer of the Company
Apr. 2004 Group Executive, Precision Machinery Group of the Company
June 2004 Director of the Company (to present)
Apr. 2005 President, Precision Machinery Company of the Company
Apr. 2006 Managing Executive Officer of the Company
Apr. 2007 President and Representative Director of the Company
Apr. 2013 Director, Chairman of the Company (to present)
June 2015 Member of the Nomination Committee of the Company (to present)

Toichi Maeda Director, President and Representative Executive Officer

Apr. 1981 Joined the Company
Apr. 2007 Executive Officer of the Company
Apr. 2010 Managing Executive Officer of the Company
Apr. 2011 Head of Business Unit, Custom Pump Business Unit,
Fluid Machinery & Systems Company of the Company
June 2011 Director of the Company (to present)
Apr. 2012 President, Fluid Machinery & Systems Company of the Company
Apr. 2013 President and Representative Director of the Company
June 2015 President and Representative Executive Officer of the Company
(to present)

Sakon Uda Lead Independent Director, Chairperson of the Nomination Committee,
Member of the Compensation Committee

July 1989 Joined McKinsey & Company
Feb. 2006 Executive Officer, Japan Post Holdings Co., Ltd.
Oct. 2007 Senior Managing Executive Officer, Japan Post Holdings Co., Ltd.
First Executive Officer, Japan Post Service Co., Ltd.
(currently Japan Post Co., Ltd.)
May 2010 Professor, Kenichi Ohmae Graduate School of Business (to present)
July 2010 Executive Officer, Chief Operating Officer, The Tokyo Star Bank, Limited
June 2011 Director of the Company (to present)
Sep. 2012 Counselor, Nuclear Damage Liability Facilitation Fund
(currently Nuclear Damage Compensation and Decommissioning
Facilitation Corporation)
Apr. 2014 Dean, Faculty of Business Administration Professor,
Business Breakthrough University (to present)
June 2014 Director, Business Breakthrough, Inc. (to present)
June 2015 Director, Public Utility Fund Japan-North America Medical Exchange
Foundation (to present)
Chairperson of the Nomination Committee of the Company (to present)
July 2015 Lead Independent Director of the Company (to present)
Apr. 2016 Vice President, Business Breakthrough University (to present)
Sep. 2016 Advisor to Tokyo Metropolitan Government (to present)
Special advisor to the Tokyo Metropolitan Government Political
Reform Headquarters (to present)
June 2017 Member of the Compensation Committee of the Company
(to present)

Masao Namiki Independent Director, Member of the Audit Committee

Apr. 1975 Joined Tokyo Shibaura Electric Co., Ltd.
(currently TOSHIBA CORPORATION)
June 2003 Executive Officer, Corporate Vice President,
TOSHIBA CORPORATION
June 2005 Executive Officer, Corporate Senior Vice President,
TOSHIBA CORPORATION
June 2007 Executive Officer, Corporate Executive Vice President,
TOSHIBA CORPORATION
June 2008 Director, Executive Officer, Corporate Executive Vice President,
TOSHIBA CORPORATION
June 2009 Director, Representative Executive Officer, Corporate Senior
Executive Vice President, TOSHIBA CORPORATION
June 2011 Senior Advisor, TOSHIBA CORPORATION
June 2012 Director of the Company (to present)
June 2015 Member of the Audit Committee of the Company (to present)

Shiro Kuniya Independent Director, Chairperson of the Compensation Committee

Apr. 1982 Registered as an attorney (to present)
Joined Oh-ebashi Law Offices (currently Oh-ebashi Lpc & Partners)
May 1987 Registered as an attorney at law, New York Bar Association (to present)
June 1997 Outside Audit & Supervisory Board Member, Sunstar Inc.
Aug. 2002 Managing Partner, Oh-ebashi Lpc & Partners (to present)
June 2006 Outside Audit & Supervisory Board Member, NIDEC CORPORATION
Mar. 2012 Outside Director, NEXON Co., Ltd. (to present)
June 2012 Director of the Company (to present)
June 2013 Outside Director, Sony Financial Holdings Inc. (to present)
Outside Audit & Supervisory Board Member, Takeda Pharmaceutical
Company Limited (to present)
June 2015 Chairperson of the Compensation Committee of the Company
(to present)
June 2016 Outside Director (Chairperson of Audit and Supervisory Committee),
Takeda Pharmaceutical Company Limited (to present)

Nobuko Matsubara Independent Director, Member of the Nomination Committee

Apr. 1964 Entered Ministry of Labor
Mar. 1987 Director of International Labor Division, Ministry of Labor
Oct. 1991 Director-General of Women's Bureau, Ministry of Labor
July 1997 Administrative Vice Minister, Ministry of Labor
Apr. 1999 Chairman, Japan Association for Employment of Persons with
Disabilities (currently Japan Organization for Employment of the
Elderly, Persons with Disabilities and Job Seekers)
Sep. 2002 Ambassador Extraordinary and Plenipotentiary of Japan to Italy
Nov. 2002 Ambassador Extraordinary and Plenipotentiary of Japan to Albania,
to San Marino and to Malta
Jan. 2006 Advisor, Incorporated Foundation of Japan Institute for Women's
Empowerment & Diversity Management (currently Public Interest
Incorporate Foundation of Japan Institute for Women's Empowerment
& Diversity Management)
June 2006 External Director, MITSUI & CO., LTD.
July 2006 Chairman, Japan Institute for Women's Empowerment & Diversity
Management
June 2008 Outside Director, Daiwa Securities Group Inc. (to present)
July 2012 Honorary Chairman, Japan Institute for Women's Empowerment &
Diversity Management (to present)
Nov. 2014 Chairman, Public Interest Incorporated Foundation Nihon FULLHAP
June 2015 Director of the Company (to present)
Member of the Nomination Committee of the Company (to present)
Mar. 2017 Outside Director, Dentsu Inc. (to present)

Hajime Sawabe Independent Director, Member of the Compensation Committee

Apr. 1964	Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)
June 1996	Director, Executive Vice President of Recording Device Business, TDK Corporation
June 1998	President & Representative Director, TDK Corporation
June 2006	Chairman & Representative Director, TDK Corporation
Mar. 2008	Outside Director, Asahi Glass Co., Ltd.
June 2008	Outside Director, TEIJIN LIMITED Outside Director, Nomura Securities Co., Ltd.
June 2009	Outside Director, Nomura Holdings, Inc.
Mar. 2011	Outside Audit & Supervisory Board Member, Nikkei Inc. (to present)
June 2011	Director, Chairman of the Board & Directors, TDK Corporation
Oct. 2011	Councilor, Waseda University (to present)
Apr. 2012	Executive Adviser, Japan Management Association (to present)
June 2012	Executive Advisor, TDK Corporation (to present)
July 2014	Vice President, Board of Trustees, Waseda University (to present)
June 2015	Outside Director, Japan Display Inc. Director of the Company (to present) Member of the Compensation Committee of the Company (to present)

Shozo Yamazaki Independent Director, Member of the Audit Committee

Nov. 1970	Entered Tohatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
Sep. 1974	Registered as a certified public accountant (to present)
July 1991	Representative Partner, Tohatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
July 2010	Chairman and President, The Japanese Institute of Certified Public Accountants
July 2013	Advisor, The Japanese Institute of Certified Public Accountants (to present)
Apr. 2014	Professor, Tohoku University Accounting School (to present)
Feb. 2015	Outside Audit & Supervisory Board Member, Tohoku University Venture Partners Co., Ltd. (to present)
June 2015	Director of the Company (to present) Member of the Audit Committee of the Company (to present) Outside Audit & Supervisory Board Member, Regional Economy Vitalization Corporation of Japan (to present)

Izumi Sato Independent Director, Member of the Audit Committee

Apr. 1987	Registered as an attorney (to present) Joined Fukuda, Nakagawa & Yamakawa Law Office
Jan. 1996	Established Izumi Sato Law Office (to present)
Apr. 2002	Part-time Instructor, Nihon University Law School
June 2002	Part-time Director, Japan Iron and Steel Recycling Institute (to present)
Apr. 2014	Part-time Instructor, Keio University Law School (to present)
June 2014	Councilor, Japan Automobile Recycling Promotion Center (to present)
June 2015	Director of the Company (to present) Member of the Audit Committee of the Company (to present)
Apr. 2016	Member of the Tokyo Pollution Review Board (to present)

Tetsuji Fujimoto Director, Chairperson of the Audit Committee

Apr. 1976	Joined the Company
Apr. 2004	Executive Officer of the Company Division Executive, Financing & Corporate Accounting, Corporate Group of the Company
June 2007	Director of the Company (to present)
Apr. 2008	Managing Executive Officer of the Company
Apr. 2011	Responsible for Group Management, Finance & Accounting and Internal Control of the Company
Apr. 2012	President and Representative Director of EBARA Environmental Plant Co., Ltd.
June 2012	Senior Managing Executive Officer of the Company
Apr. 2013	President, Environmental Engineering Company of the Company
June 2015	Chairperson of the Audit Committee of the Company (to present)

Manabu Tsujimura Director, Senior Managing Executive Officer

Apr. 1974	Joined the Company
June 2002	Executive Officer of the Company
Apr. 2007	Managing Executive Officer of the Company
Apr. 2009	Division Executive, Technologies, Research & Development Division of the Company
June 2009	Director of the Company (to present)
Apr. 2011	President, Precision Machinery Company of the Company Responsible for Technologies, R&D and Intellectual Property of the Company (to present)
Apr. 2013	Senior Managing Executive Officer of the Company
June 2015	Senior Managing Executive Officer of the Company (to present)

Atsuo Ohi Director, Senior Managing Executive Officer

Apr. 1981	Joined the Company
Apr. 2008	Executive Officer of the Company
Oct. 2008	Division Executive, Corporate Strategy Planning Division of the Company
Apr. 2010	Managing Executive Officer of the Company
Apr. 2011	Head of Business Unit, Global Marketing & Sales Business Unit, Fluid Machinery & Systems Company of the Company
Apr. 2012	Vice President, Fluid Machinery & Systems Company, Head of Business Unit, Global Pump Business Unit, Fluid Machinery & Systems Company of the Company
June 2012	Director of the Company (to present)
Apr. 2013	President, Fluid Machinery & Systems Company of the Company (to present)
Apr. 2014	Senior Managing Executive Officer of the Company
June 2015	Senior Managing Executive Officer of the Company (to present)

Shusuke Tsumura Director, Member of the Audit Committee

Apr. 1981	Joined the Company
July 2009	General Manager, Finance & Accounting Department, Finance & Corporate Accounting Division of the Company
Apr. 2012	General Manager, Group Management Department of the Company
Apr. 2013	Deputy Division Executive, Finance & Accounting Division of the Company
June 2014	Full-Time Audit & Supervisory Board Member of the Company
June 2015	Director of the Company (to present) Member of the Audit Committee of the Company (to present)

Corporate Governance

The EBARA Group has established the “EBARA Way,” composed of its “Founding Spirit,” “Corporate Philosophy,” and the “EBARA Group CSR Policy” as the EBARA Group’s identity and set of values to be shared across the Group. Under the EBARA Way, EBARA upholds the enhancement of corporate value through sustainable business development and sharing the results with all stakeholders including shareholders as its most important management objectives. To achieve such objectives, we constantly seek the best possible corporate governance and strive toward its further enhancement.

The EBARA Group has also established the “EBARA Corporate Governance Basic Policy,” and will endeavor to ensure the implementation of the basic policy and to further enhance its corporate governance.

Reference EBARA Corporate Governance Basic Policy

http://www.ebara.co.jp/en/about/ir/Governance/governance/_icsFiles/afieldfile/2017/09/27/20170922basic_policy.pdf

Corporate Governance Basic Policy

The Company’s basic policies for corporate governance are as follows.

Respect for shareholders’ rights and ensuring equality among shareholders

The Company respects shareholders’ rights and fosters an environment for shareholders to effectively exercise their rights while ensuring equality among shareholders.

Respect for the interest of stakeholders and appropriate cooperation with them

The Company strives to appropriately cooperate with various stakeholders, including customers, business partners, employees, and local communities. The Company also strives to develop a corporate culture and climate in which such stakeholders’ rights and viewpoints are respected and business is effectively executed.

Ensuring appropriate disclosure and transparency

The Company strives to ensure management transparency through adequate disclosure of its corporate information.

Clear separation between supervision and business execution in management

The Company has established a governance system comprising mainly Non-Executive Directors, including Independent Directors who play important roles. The Company has adopted a “Company with Three Committees” system to ensure the clear separation between supervision and execution in management.

Constructive dialogue with shareholders and other investors

The Company engages in constructive dialogue with shareholders and investors on the basis of its IR Basic Policy, with a view to contributing to sustainable growth and the medium-to-long-term enhancement of corporate value.

Initiatives for Strengthening Corporate Governance

Transition to the Company with

Three Committees System (June 2015~)

EBARA has adopted the organization form of the “Company with Three Committees” with the Nomination Committee, the Compensation Committee, and the Audit Committee as statutory committees under the Board of Directors with the aim of facilitating the implementation of the aforementioned basic policies for corporate governance and strengthening corporate governance from the following perspectives.

Independence and Objectivity of Management Supervision

With the Board of Directors consisting mainly of Independent Directors and Non-Executive Inside Directors, we intend to reinforce the management supervision function of the Board of Directors from the perspectives of independence and objectivity in order to enhance its transparency. In addition, the quality of business execution will be monitored from an objective perspective to provide oversight for improving this quality.

Expansion of Executive Authority and Enhancement of Flexibility and Competitiveness

We intend to promote flexible and swift business management and establish an environment that will support the reinforcement of competitiveness and facilitate appropriate risk-taking in business execution by ensuring the clear division of roles and responsibilities between the Board of Directors and Executives and by delegating authority to Executives for an extensive range of business execution.

Establishment of Systems that are Up to Global Standards

We intend to establish corporate governance systems that are clear and easy to understand with reference to global standards. As part of the evaluation of the Board of Directors conducted in the fiscal year ended March 31, 2016, we performed benchmark analysis with the cooperation of a third party organization, and it was found that the composition of the Company’s Board of Directors not only complied with all of the principles of Japan’s Corporate Governance Code, but also met almost all of the generally accepted international standards.

Adoption of All Principles of Japan's Corporate Governance Code

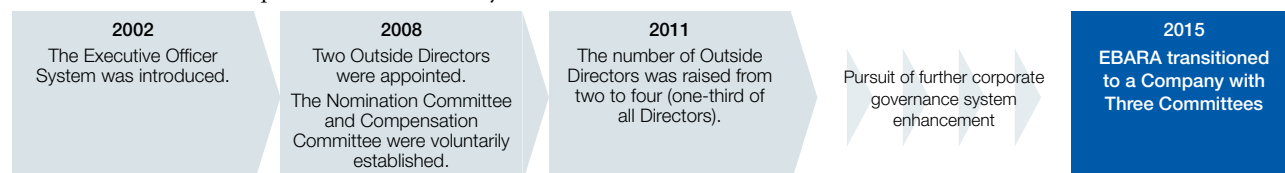
The EBARA Group agrees with the intent of Japan's Corporate Governance Code, which was established by the Tokyo Stock Exchange, and has adopted all of the principles therein. This fact is clearly indicated in the Company's Corporate Governance Report, which also contains detailed information

on all 11 principles for which the code requires disclosure as well as on initiatives related to all other principles and supplementary principles.

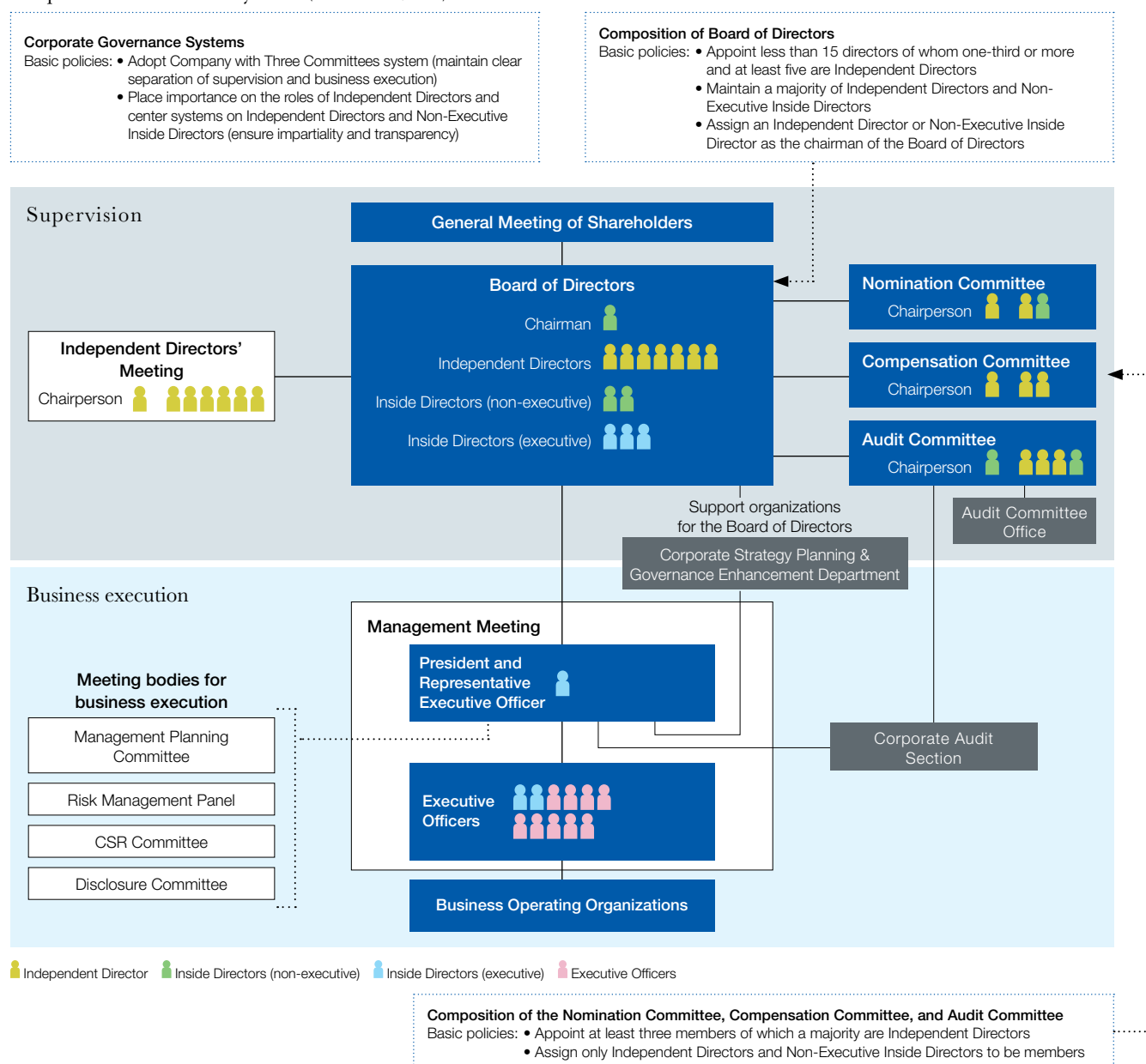
Reference Corporate Governance Report

http://www.ebara.co.jp/en/about/ir/Governance/governance/_icsFiles/afidfile/2017/11/17/corporategovernance171117_1.pdf

Transformation of Corporate Governance System



Corporate Governance Systems (As of June 23, 2017)



Message from an Independent Director

Effectiveness Founded on Accurate Recognition and Shared Sense of Urgency



Sakon Uda
Lead Independent Director

In the fiscal year ended March 31, 2017, EBARA made steady progress out of recognition of the need to address the medium-to-long-term management issues identified in an evaluation of the Board of Directors conducted in the last fiscal year. Also, in this fiscal year, the E-Plan 2019 medium-term management plan was established. Accordingly, discussions in the Independent Directors' Meeting were focused on the medium-to-long-term strategies of each business. We also devoted a significant amount of time to discussions about Companywide measures, such as those pertaining to organizational and human resources system reforms.

In the fiscal year ending December 31, 2017, we will engage in even more in-depth discussions at meetings of the Nomination Committee, the Compensation Committee, and the Audit Committee. EBARA cannot weather the storms to come if its Board of Directors and the committees are not effective at performing their tasks. It is only when Independent Directors accurately recognize the challenges facing the Company and share a sense of urgency with the executive management team that the Board of Directors can truly boast effectiveness. The first year of E-Plan 2019 will also be an important time. I will therefore devote myself to ensuring that all discussions in the Board of Directors and the committees are fruitful so that EBARA can continue to grow.

Independent Directors

Role of Independent Directors

The Company recognizes that the role of Independent Directors is important to ensuring the Board of Directors can exercise an effective supervisory function. Accordingly, Independent Directors are expected to verify and assess as appropriate the business results of the Company and the performance of Executive Officers in consideration of the management strategies or management plans set out by the Board of Directors and determine and express opinions on whether it is appropriate to delegate management responsibilities to the incumbent Executive Officers from an independent perspective.

Specialties and Independence of Independent Directors

To effectively fulfill the role described above, Independent Directors must have adequate specialized knowledge in areas

important to company management and must also be able to contribute to discussions on the essence of management from a position that is completely independent from the execution of business in terms of both personal and economic interests. To ensure that Independent Directors possess these qualities, the Company appoints individuals who meet the criteria set out in the Independence Standards of Independent Directors of EBARA. Currently, all seven of the Company's Independent Directors are registered as independent directors with the Tokyo Stock Exchange.

Reference The Independence Standards of Independent Directors of EBARA can be found on page 30 of the Notice of the 152nd Ordinary General Meeting of Shareholders.

http://www.ebara.co.jp/en/about/ir/stock/shareholdersmeeting/_icsFiles/afieldfile/2017/05/30/E6361_152_1_1.pdf

Board of Directors

(Meetings in the fiscal year ended March 31, 2017: 14)

Role of Board of Directors

The Board of Directors is charged with three major responsibilities: indicating the directions for important corporate strategies, establishing frameworks to allow for appropriate risks to be taken in business execution, and providing highly effective oversight for business execution from an objective and independent standpoint. In addition, the Board of Directors is expected to exercise both leadership from the perspectives of defensive functions and growth-oriented functions. In terms of defensive functions, the Board will work to establish regulatory frameworks for preventing the occurrence of scandals and the materialization of other downside risks. From the perspective of growth-oriented functions, the Board will ensure that systems are in place to allow management to take bold action to prevent the loss of upside risk (such as business opportunities). In the fiscal year ended March 31, 2017, a sufficient amount of time was devoted to deeper discussion of medium-to-long-term issues including the following.

Major Issues Discussed by the Board of Directors in the Fiscal Year Ended March 31, 2017

- Establishment of annual management plan and key performance indicators for business segments
- Evaluation of the Board of Directors' Effectiveness
- Basic policies of the new medium-term management plan and progress reports
- Growth strategies (organic growth and M&A strategies)
- Organizational and human resources system reforms
- Investor relations activity reports
- Executive Officer CSR action plans

Evaluation of the Board of Directors' Effectiveness

The Company believes it is necessary to pursue the best possible corporate governance systems and strive for further enhancement at all times. Annual evaluations of the effectiveness of the Board of Directors are conducted to evaluate the

contributions it makes and the results are disclosed. The Company then works to resolve any issues that come to light.

Evaluation of the Board of Directors' Effectiveness in the Fiscal Year Ended March 31, 2017

1. Analysis and Evaluation Process

With the cooperation of a third-party organization, the Company had each Director complete a questionnaire and then held individual interviews with all of the Directors based on their responses to the questionnaire. Furthermore, the state of improvements made with regard to issues identified in the benchmark analysis* performed during the fiscal year ended March 31, 2016, was evaluated. Based on the results, the Board of Directors discussed its effectiveness at meetings held in May and June 2017 and confirmed the evaluation of its effectiveness and the future actions to be taken.

* Benchmark analysis performed in the fiscal year ended March 31, 2016, evaluating the Company's corporate governance systems in comparison to global standards and to three domestic companies and two U.S. companies that represent good examples

2. Summary of the Results of the Analysis and Evaluation

It was found that Directors' evaluations of the composition and status of operation of the Company's Board of Directors and Committees were generally high, indicating that they are being operated appropriately. Particular improvement in effectiveness was confirmed with regard to the following items.

- Sufficient time spent on medium-to-long-term issues to conduct deeper discussion when formulating the new medium-term management plan
- Progress made in improvements addressing issues recognized in the evaluation for the fiscal year ended March 31, 2016 (enhancement of discussion of medium-to-long-term issues and the communication of information to capital

markets and improvement of the efficiency of proceedings in meetings of the Board of Directors)

- High level of contribution to discussions by Independent Directors

Based on the above, the evaluation of the Board of Directors concluded that the Board of Directors is fully exercising its oversight functions and that greater effectiveness has been provided.

3. Action to Be Taken

The evaluation of the Board of Directors conducted in the fiscal year ended March 31, 2017, found that it is necessary to enhance discussions and deepen understanding regarding long-term issues that may influence the improvement of corporate value. In addition, we recognize the need to periodically review the status of the Board of Directors in order to ensure that its scale and composition are ideal given changes in the Company's business and operating environment. Based on this recognition, we have identified the following four areas in which ongoing action should be taken as an important aspect of ensuring the effectiveness of the Board of Directors oversight function.

- Enhancement of identification and discussion of long-term issues contributing to the improvement of corporate value
- Periodic reviews of the size and composition of the Board of Directors
- Enhancement of discussion on succession planning in the Nomination Committee
- Ongoing monitoring of the state of progress of the new medium-term management plan (E-Plan 2019)

Reference Overview of the Results of the FY2016 Evaluation about the Effectiveness of the Company's Board of Directors

http://www.ebara.co.jp/en/about/ir/Governance/governance/_icsFiles/afieldfile/2017/06/27/board_evaluation_FY2016_en_1.pdf

Nomination Committee

(Members: 3 (of whom 2 are Independent Directors and 1 is a Non-Executive Inside Director); Chairperson: Independent Director; Meetings in the fiscal year ended March 31, 2017: 7)

The Nomination Committee is mainly responsible for decisions on the proposals submitted to the General Meeting of Shareholders concerning the election and dismissal of Directors, recommendations to the Board of Directors concerning the election and dismissal of Executive Officers, and recommendations to the Board of Directors concerning the appointment and dismissal of Directors with special titles and Executive Officers with special titles. In addition, the Nomination Committee is also tasked with the formulation of plans for the succession of the President and Representative Executive Officer.

Plans for the Succession of the President and Representative Executive Officer

The Nomination Committee selects candidates for becoming the next President and Representative Executive Officer based on the Company's management strategies. Candidates are chosen from a broad age group, and the committee reviews qualifications of each candidate and identifies the skills and experience each candidate needs to acquire.

Compensation Committee

(Members: 3 (of whom 3 are Independent Directors); Chairperson: Independent Director; Meetings in the fiscal year ended March 31, 2017: 3)

The Compensation Committee decides on policies for individual compensation of Directors and Executive Officers along with the amounts of individual compensation for Directors and Executive Officers in addition to making recommendations to the Board of Directors concerning

officer compensation systems, including those of affiliates.

Information on the compensation systems developed based on the policies decided by the Compensation Committee can be found in the "Compensation Systems" section on page 49 of this report.

Audit Committee

(Members: 5 (of whom 3 are Independent Directors and 2 are Non-Executive Inside Directors); Chairperson: Non-Executive Inside Director; Meetings in the fiscal year ended March 31, 2017: 14)

The Audit Committee is responsible for conducting audits to assess whether or not Directors, Executive Officers, and employees of the Company and its subsidiaries are in compliance with legal obligations and internal regulations. In addition, the committee endeavors to monitor Executive Officers and verify whether they execute their duties in a sound, fair,

appropriate, and efficient manner in accordance with the basic policies for management and the medium- and long-term management plans, which are established by the Board of Directors. The Audit Committee pursues appropriate coordination with Independent Auditors and the Internal Audit Division in order to ensure effective and efficient auditing activities.

Independent Directors' Meetings

(Meetings in the fiscal year ended March 31, 2017: 13)

The Independent Directors' Meetings were established out of recognition of the need for meetings exclusively for Independent Directors based on consideration for the necessity of frameworks for supplying Independent Directors with sufficient

information and of sharing awareness of issues and building consensuses. Through these meetings, Independent Directors are able to freely exchange information and foster shared recognition as required to perform their duties.

Executive Management System

Executive Officers are elected by a resolution of the Board of Directors. Executive Officers determine matters related to the execution of duties as delegated by the Board of Directors and perform such duties in line with the overall direction of management philosophy and strategies as decided by the Board of Directors. Although all 12 of the Executive Officers are currently Japanese men, the Company is considering the appointment of female Executive Officers and Executive

Officers of foreign nationality in the future from the standpoint of diversity. The Management Meeting, made up of all Executive Officers, is in place as a consultative body for facilitating decision making by the President and Representative Executive Officer. The execution of duties by Executive Officers is supervised by the Board of Directors and audited by the Audit Committee to ensure that such execution is performed in a sound, fair, appropriate, and efficient manner.

CSR Promotion System

Independent Directors and Non-Executive Inside Directors are encouraged by the Board of Directors to attend meetings of the CSR Committee as observers, at which they offer advice as necessary, in order to provide appropriate oversight for important matters related to CSR management. The CSR Committee reports on its deliberations to the Board of

Directors, and the Board of Directors has established a system enabling it to exhibit supervisory functions by accurately understanding the status of proceedings of this committee.

Reference Information on compliance initiatives can be found in the "Compliance" section on page 53 of this report.

Risk Management

Non-Executive Inside Directors are encouraged by the Board of Directors to attend meetings of the Risk Management Panel (RMP) as observers, at which they offer advice as necessary, in order to provide appropriate oversight for important matters related to risk management. The RMP reports on its deliberations to the Board of Directors, and the Board of Directors has

established a system enabling it to exhibit supervisory functions by accurately understanding the status of proceedings of this panel.

Reference Information on risk management initiatives can be found in the "Risk Management" section on page 52 of this report.

Internal Control System

The Group has set out the Basic Policy for Internal Control, and it strives to realize the system for ensuring appropriate operations approved by the Board of Directors.

Every year, Executive Officers perform self-evaluations on the development and operation status of internal controls, and the areas that should be improved are reflected in the next year's plan based on the results. In this fashion, the Company will continue making improvements. The results of these

self-evaluations by Executive Officers are reported to the Board of Directors, and the Board of Directors has established a system enabling it to exercise supervisory functions by accurately understanding these results.

Reference Information on the Basic Policy for Internal Control as well as the development and operation status of internal controls can be found in the Company's Corporate Governance Report.
http://www.ebara.co.jp/en/about/ir/Governance/governance/_icsFiles/afieldfile/2017/11/17/corporategovernance171117_1.pdf

Compensation Systems

Compensation of Directors

Compensation levels and the compensation system for Directors reflect the skills and experience of Directors as well as their roles in the Board of Directors and committees to encourage and supervise the execution of operations by the Executive Officers in line with the Company's management philosophy and strategies for the purpose of sustained growth of the Company and the medium-to-long-term enhancement of corporate value.

Compensation for Directors consists of basic compensation and share-based payment involving stock options enabling the evaluation of the medium-to-long-term enhancement of corporate value and is determined by the Compensation Committee. Furthermore, an additional allowance is paid to the Chairman of the Board of Directors, the Lead Independent Director, and the chairperson of each committee in consideration of the scope of their roles and responsibilities as well as the additional working hours required for executing their duties.

Compensation for Independent Directors, who are expected to fulfill their roles and responsibilities completely independent of the business execution of the Company, comprises basic compensation and share-based payment involving stock options that are not linked to performance.

The ratio of different types of compensation for Directors (basic compensation to annual bonus to long-term incentives) is as follows.

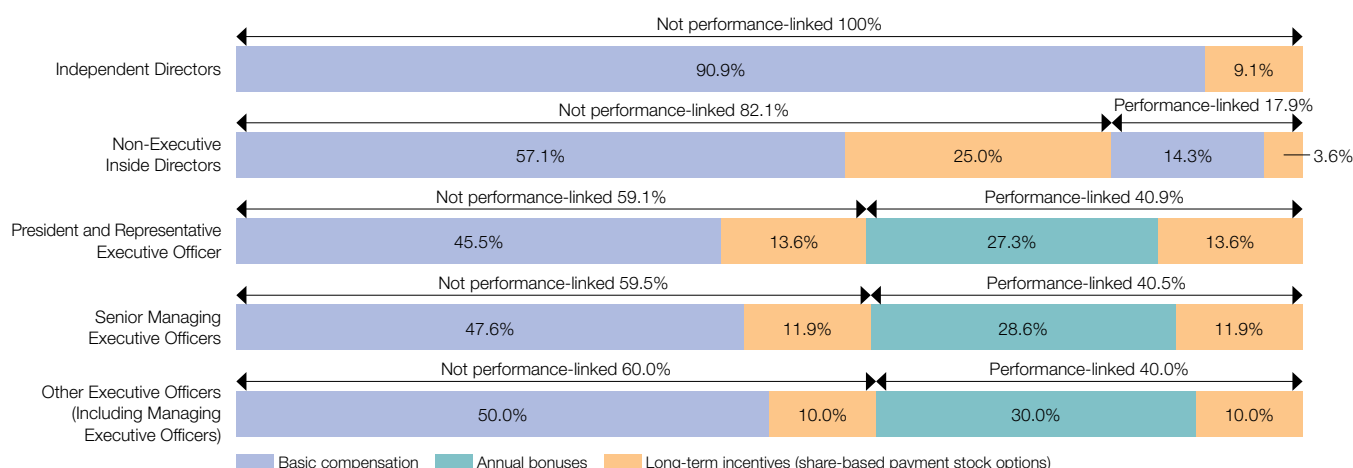
Compensation of Executive Officers

The compensation system for Executive Officers is linked to short-term and medium-to-long-term performance to encourage the execution of business in line with the management philosophy and management strategies and to provide strong motivation for the achievement of management targets. This system also provides an appropriate level of compensation when targets are met, for the purpose of sustained growth of the Company and the medium-to-long-term enhancement of corporate value.

The compensation for Executive Officers comprises basic compensation according to title, such as President and Representative Executive Officer or Senior Managing Executive Officer, a performance-linked annual bonus, and share-based compensation using stock options that are conditional on the achievement of performance targets set out in the medium-term management plan and is determined by the Compensation Committee. The share based compensation using stock options correlates the number of exercisable stock acquisition rights with consolidated return on invested capital (ROIC), which is set forth as a target performance indicator in the medium-term management plan. The compensation system for Executive Officers is designed to make the performance-linked portion larger than the portion of the basic compensation if numerical targets are achieved.

The ratio of different types of compensation is as follows. Long-term incentives shall be provided in the form of stock options that are conditional on the achievement of business performance objectives in order to increase the portion of compensation that is linked to performance in line with the weight of each Executive Officer's responsibility for that performance.

Composition of Compensation Paid to Directors and Executive Officers (If 100% of the target for performance-linked compensation is achieved)



Total Amounts of Compensation for Directors and Executive Officers (Fiscal Year Ended March 31, 2017)

Executive position	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)					
		Basic compensation		Bonuses		Stock options	
		Recipients	Amount	Recipients	Amount	Recipients	Amount
Directors of the Board (excluding Independent Directors)	244	4	152	—	—	4	91
Independent Directors	100	7	92	—	—	7	8
Executive Officers	620	15	313	13	150	15	156
Total	965	26	557	13	150	26	257

Notes: 1. Compensation paid to Directors for serving concurrently as Executive Officers is included in the Executive Officer compensation column.

2. The basic compensation (limited to performance-linked portion) of Non-Executive Inside Directors and bonuses of Executive Officers are calculated based on the performance of the EBARA Group, the performance of the relevant division, and an evaluation of the individual's performance in the fiscal year under review, and amounts are determined individually after deliberation in the Compensation Committee.

3. Basic compensation shown is the total amount of basic compensation paid to Directors and Executive Officers in office as of March 31, 2017, for the term of office of each Director and Executive Officer for the fiscal year ended March 31, 2017, and basic compensation paid to the two Executive Officers who retired at the conclusion of the meeting of the Board of Directors held on June 24, 2016, for their terms of office during the fiscal year ended March 31, 2017.

4. Bonuses shown are the total amount of bonuses paid to Executive Officers in office as of March 31, 2017, for the fiscal year ended March 31, 2017.

5. Stock options shown is the total amount of stock options granted to Directors and Executive Officers in office as of March 31, 2017, for the term of office of each Director and Executive Officer for the fiscal year ended March 31, 2017, and stock options granted to the two Executive Officers who retired at the conclusion of the meeting of the Board of Directors held on June 24, 2016, for their terms of office during the fiscal year ended March 31, 2017. Stock options are calculated at the fair value of subscription rights to shares and shown as the amount recorded as an expense in the fiscal year under review.

Dialogue with Shareholders and Other Investors

The EBARA Group recognizes the development of a long-term trusting relationship with shareholders and other investors as one of its most important management matters. The EBARA Group provides appropriate corporate information necessary for shareholders and other investors to make investment decisions and strives to further strengthen its trusting relationship with these stakeholders on a continuous basis by engaging in investor relations (IR) activities for enhancing its corporate value through constructive dialogue.

The Board of Directors practices appropriate oversight of the dialogue with shareholders and other investors, positioning it as an important management issue. To facilitate this

oversight, the Board of Directors receives quarterly reports on IR activities by the division responsible for these activities, and directors offer advice as necessary.

In regards to the EBARA Group IR structure, in principle, the IR Department (Investor Relations Section, Corporate Strategy Planning & Governance Enhancement Department), which is under the direct control of the President, performs all IR activities with the President and Representative Executive Officer as the Chief Executive. Furthermore, Directors (including Independent Directors), Executive Officers, and other members of top management have opportunities to hold dialogues directly with shareholders and investors as necessary.

IR Activities

IR Meetings	The Company regularly explains its performance and management strategies through daily meetings with domestic and overseas institutional investors as well as during visits to individual overseas institutional investors in Europe, the United States, and other locations. The Company also participates in domestic and overseas conferences organized by securities companies. In addition, it engages in discussions focused on environmental, social, and governance (ESG) information pertaining to the Company.
Regular Financial Results Presentation Meetings for Analysts and Institutional Investors	Presentation meetings are held after the release of the annual and six-month financial results, where the President and Representative Executive Officer and executives responsible for each business segment give presentations on the Company's business performance and management strategies. In addition, presentation meetings in the form of teleconferences are held after the release of the three-month and nine-month financial results.
IR Events	Several factory tours are held each year for private and institutional investors, and executives responsible for business segments give presentations on business activities, factories, and products. In addition, presentations on business activities for each business segment are held for analysts and institutional investors as appropriate. In the fiscal year ended March 31, 2017, a presentation meeting was held on the compressors and turbines business in September 2016 while another meeting was convened in March 2017 to explain the new E-Plan 2019 medium-term management plan.
Facilitation of Smooth Exercise of Voting Rights at General Meeting of Shareholders	In principle, convocation notices for the General Meeting of Shareholders are mailed around three weeks in advance. The convocation notices for the General Meeting of Shareholders for the fiscal year ended March 31, 2017, we mailed 21 days in advance, and these notices were uploaded on the Company's corporate website six days prior to their mailing. In order to facilitate the exercise of voting rights by overseas investors, English-language versions of convocation notices are prepared and uploaded on the Company's corporate website and on the Tokyo Stock Exchange's website together with their Japanese-language counterparts.

Executive Officers

(As of June 23, 2017)

Toichi Maeda* President and Representative Executive Officer

Manabu Tsujimura* Senior Managing Executive Officer,
Responsible for Technologies, R&D and Intellectual Property

Atsuo Ohi* Senior Managing Executive Officer,
President, Fluid Machinery & Systems Company

Nobuharu Noji Managing Executive Officer

Division Executive, Standard Pump Business Division, Fluid Machinery & Systems Company, Responsible for Chillers Business, Fluid Machinery & Systems Company

Apr. 1984 Joined the Company
Apr. 2006 Division Executive, Components Division, Precision Machinery Company
Apr. 2008 Executive Officer
Apr. 2011 Managing Executive Officer
Apr. 2013 Division Executive, Standard Pump Business Division, Operations of Technology and Production, Fluid Machinery & Systems Company
June 2013 Director
Apr. 2014 Head of Standard Pump Business Unit, Fluid Machinery & Systems Company
June 2015 Managing Executive Officer, Responsible for Chillers Business, Fluid Machinery & Systems Company (to present)
Apr. 2017 Division Executive, Standard Pump Business Unit, Fluid Machinery & Systems Company (to present)

Norio Kimura Managing Executive Officer

Division Executive, Custom Pump Division, Fluid Machinery & Systems Company

July 1990 Joined the Company
Apr. 2009 Executive Officer
Apr. 2011 Division Executive, New Business Drive Division, Precision Machinery Company
Apr. 2013 Division Executive, Components Division, Precision Machinery Company
Apr. 2014 Managing Executive Officer
June 2015 Managing Executive Officer (to present)
Apr. 2016 Head of Custom Pump Business Unit, Fluid Machinery & Systems Company
Apr. 2017 Division Executive, Custom Pump Division, Fluid Machinery & Systems Company (to present)

Masao Asami Managing Executive Officer

President, Precision Machinery Company

Apr. 1986 Joined the Company
Apr. 2010 Executive Officer
Apr. 2011 Division Executive, Sales and Marketing Division, Precision Machinery Company
Apr. 2014 Managing Executive Officer
June 2015 Managing Executive Officer (to present)
Apr. 2016 President, Precision Machinery Company (to present)

Akira Ichihara Managing Executive Officer

President, Environmental Engineering Company
President and Representative Director, EBARA Environmental Plant Co., Ltd.

Apr. 1977 Joined the Company
July 2007 Division Executive, Administration Division, Environmental Engineering Company
Apr. 2013 President and Representative Director, EBARA Environmental Plant Co., Ltd. (to present)
June 2015 Executive Officer
President, Environmental Engineering Company (to present)
Apr. 2016 Managing Executive Officer (to present)

Hisashi Iijima Executive Officer

Division Executive, Human Resources, Legal & General Affairs Division

Apr. 1976 Joined the Company
Apr. 2014 Executive Officer
Division Executive, Human Resources, Legal & Public Relations Division
Apr. 2015 Division Executive, Human Resources, Legal & General Affairs Division (to present)
June 2015 Executive Officer (to present)

Akihiko Nagamine Executive Officer

Division Executive, Finance & Accounting Division

Apr. 1982 Joined EBARA DENSAN LTD.
June 2006 Director of EBARA DENSAN LTD.
July 2010 Joined the Company
General Manager, Investment and Affiliates Supervision Department, Finance & Corporate Accounting Division
Apr. 2014 Division Executive, Finance & Accounting Division (to present)
Apr. 2015 Executive Officer
June 2015 Executive Officer (to present)
Responsible for Finance & Accounting, Group Management, and Internal Control

Toshihiko Miyashita Executive Officer

Responsible for Compressors and Turbines Business, Fluid Machinery & Systems Company

Apr. 1975 Joined the Company
Mar. 2011 President and Representative Director of Elliott Ebara Turbomachinery Corporation
Feb. 2014 Deputy COO of Elliott Group Holdings, Inc.
June 2015 Executive Officer (to present)
Responsible for Compressors and Turbines Business, Fluid Machinery & Systems Company
Apr. 2016 Deputy CEO of Elliott Group Holdings, Inc. (to present)

Seiji Katsuoka Executive Officer

Division Executive, CMP Division, Precision Machinery Company

Apr. 1994 Joined the Company
Apr. 2009 Executive Officer
Division Executive, Semiconductor Equipment Division, Precision Machinery Company
Apr. 2011 Division Executive, CMP Division, Precision Machinery Company (to present)
June 2016 Executive Officer (to present)

Akihiro Kida Executive Officer

Division Executive, System Business Division, Fluid Machinery & Systems Company

Apr. 1984 Joined the Company
Apr. 2011 Executive Officer
Deputy Head of Domestic Sales, Marketing & Service Business Unit, Fluid Machinery & Systems Company
June 2016 Executive Officer (to present)
Head of Domestic Sales, Marketing & Service Business Unit, Fluid Machinery & Systems Company
Apr. 2017 Division Executive, System Business Division, Fluid Machinery & Systems Company (to present)

* Director concurrently serving as an Executive Officer

Risk Management

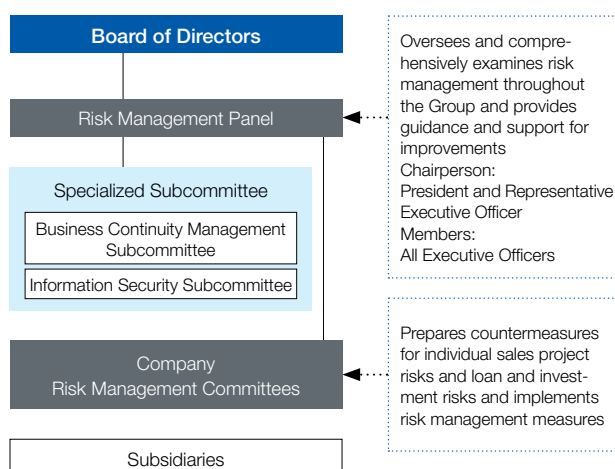
Basic Approach

The EBARA Group must reinforce its Group governance and risk management measures in order to support the global expansion of its business. To strengthen Group governance, we are revising our regulations for Group administration and ensuring these regulations are observed. In addition, we have established the Risk Management Guidelines,*¹ which are meant to facilitate the development of risk management systems at Group companies based on shared targets, as well as the Internal Control Guidelines*² aimed at enhancing internal controls. These and other frameworks are implemented at all Group companies. We will pursue ongoing improvements in our risk management system by utilizing and entrenching these frameworks.

*1. A guideline targeting improvements in risk management at overseas Group companies that was formulated by having each company conduct self-evaluations of their risk management level based on 12 areas, including the environment, anti-corruption, occupational safety, and human rights, and then establish a plan for the development of risk management systems to be implemented by the fiscal year ending December 31, 2019.

*2. Guidelines for self-inspections designed to help EBARA Group companies practice autonomy in establishing, implementing, and improving internal controls

Risk Management System



Priority Strategies and Progress

EBARA endeavors to spread the risk management measures it has been implementing to Group companies and to entrench these measures at these companies. In addition, business continuity management and information security measures will be reinforced overseas, where such efforts have previously been lacking, to support the global development of the Group's businesses.

	Strategy	Progress
Reinforcement of governance at overseas subsidiaries and throughout the Group	Deploy the Internal Control Guidelines at Group companies	Supported implementation at Group companies and expanded guideline items
Prevention of risks and swift and effective response to risks that do materialize	Introduce Risk Management Guidelines at Group companies	Conducted follow-up monitoring of Group companies (status monitoring, improvement instructions)
	Continue risk management centered on Risk Management Panel	Held nine Risk Management Panel meetings (including four regular meetings and individual project meetings) and established emergency contact reporting line in Japan and overseas
	Reinforce business continuity management and information security measures at overseas Group companies	Established Business Continuity Management Subcommittee and Information Security Subcommittee

Main Risks and Countermeasures

Risk category	Risk management
1. Risks associated with ordinary business activities 1) Compliance risks (1) Prohibition of cartels and bid-rigging (2) Prohibition of bribery* (3) Antisocial forces (4) Trade security management* (5) Compliance with Construction Business Act (6) Compliance with Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors*	Each subsidiary has established its Basic Policy on Anti-Corruption. In Japan, we have set up a specialized committee that spans our organization laterally and discusses policies, establishes regulations, and implements and manages policies and regulations through educational activities. A specialized corporate department conducts regular monitoring.
2) Risks associated with the reliability of financial reporting*	For consolidated companies, we have established an internal control system and conduct assessments based on the Financial Instruments and Exchange Act. We provide a guideline for internal controls for self-checks to all subsidiaries, which make continuous self-checks and improvements.
3) Sales project risks 4) Loan and investment risks 5) Environmental risks*	Risk management committees and the Risk Management Panel discuss specific risks and major projects. We develop operations and conduct ISO audits based on ISO 14001 standards.
6) Other operational risks	We have established specialized committees for quality assurance and occupational safety as well as the Information Security Subcommittee. We prepare and implement policies for activities and action plans.
2. Crisis	We have established the Business Continuity Management Subcommittee. Each division has a business continuity plan and conducts education and training. We have established a contact system and prepared a manual for measures in response to emergencies overseas.

* For these risk categories, each overseas company is currently preparing plans for the establishment of measures equivalent to those in Japan.

Compliance

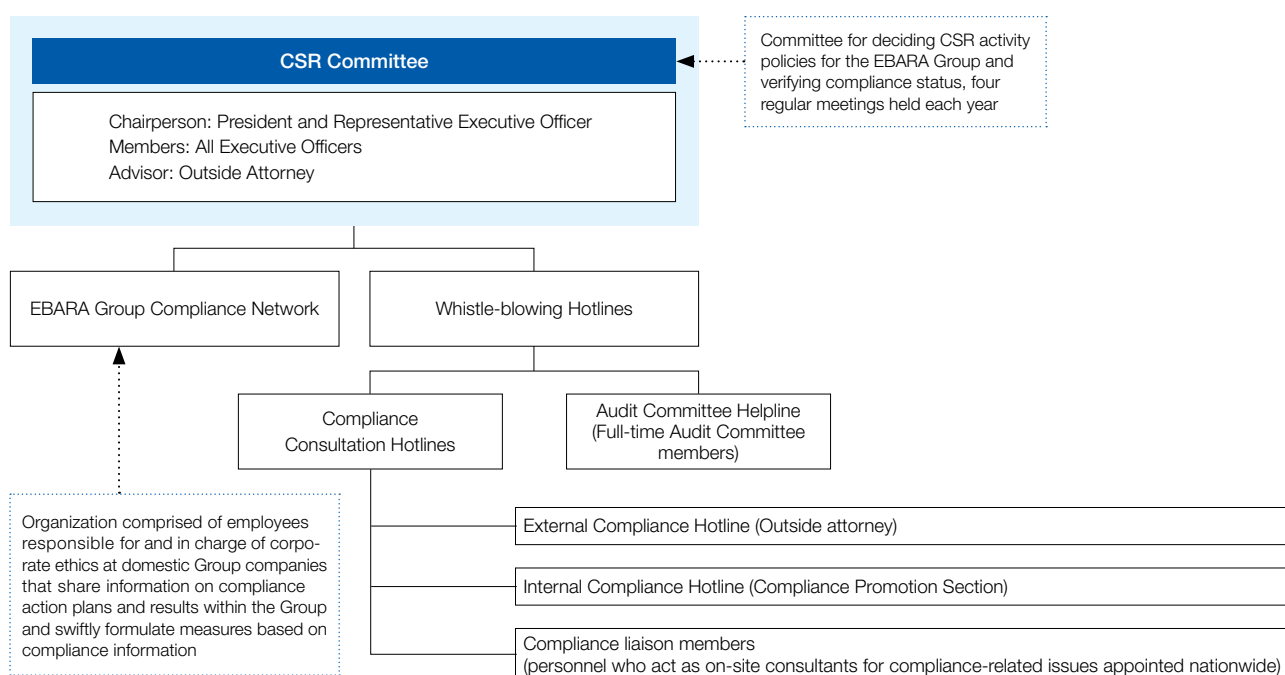
Basic Approach

We practice compliance based on the EBARA Group CSR Policy, which calls on us to conduct business with a strong sense of ethics and foster relationships of trust with such valued stakeholders as customers, suppliers, shareholders, investors, local communities, and employees. In addition to legal compliance, the Group makes conscientious efforts to conform to in-house regulations and other rules, social norms, and common sense in its business activities.

The Group is well aware of the fact that a scandal resulting from a failure to guarantee compliance would undoubtedly have a severe adverse impact on its management foundations. To ensure good compliance, we have established the CSR Committee, the EBARA Group Compliance Network, the compliance liaison system, and whistle-blowing hotlines.

Reference The entire text of the EBARA Group Code of Conduct is available on EBARA CORPORATION's website
http://www.ebara.co.jp/en/about/csr/ethics/corporate_ethics/index.html

The EBARA Group's Compliance System



Priority Strategies and Progress

	Strategy	Progress
Thorough compliance and anti-corruption	Analyze and improve compliance awareness	Revised compliance surveys and confirmed good level of compliance awareness through comparison with external benchmarks and analysis of awareness levels and risks by company and division
	Extend the coverage of overseas EBARA Group hotlines	Established hotlines allowing for consultation with attorney's offices in five companies in China, one company in Vietnam, and one company in Indonesia and held hotline briefings and anti-corruption training
	Continue Anti-Corruption Program*	Reasserted commitment to Anti-Corruption Program and spread awareness through declarations by representatives of overseas Group companies and performed training based on basic policies on anti-corruption and rules on corruption prevention (training at Group companies and for individuals dispatched overseas)

* Risk management program implemented at the Company and its subsidiaries that require the formulation of (1) an anti-corruption declaration issued by a top company representative, (2) basic policies on anti-corruption, and (3) rules on corruption prevention

Environmental Initiatives

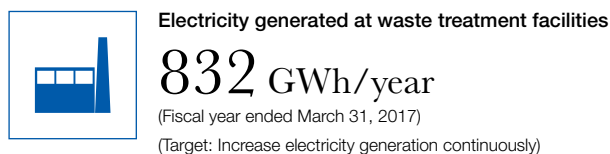
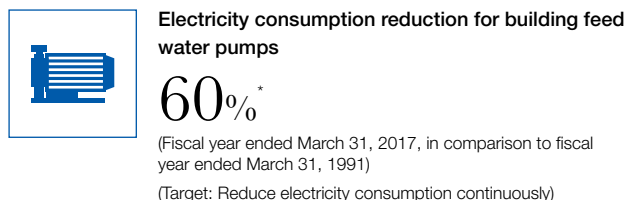
Global climate change and the loss of biodiversity are progressing, and we are gradually losing the stable global environment that underpins our lives and economies. As it expands its business, the EBARA Group is also contributing to sustain and improve the global environment through the provision of environmental technologies. Examples of these technologies include technologies for minimizing product electricity consumption while maximizing efficiency, technologies for recycling resources, technologies for treating greenhouse gases, and technologies for extending product lifespans.

Commitment to Environmental Technologies

The EBARA Group exercises its commitment to the environment in the products it provides. Although it is difficult for the EBARA Group to directly cut CO₂ emissions, the greatest contributor to global warming, it is possible for the Group to decrease the electricity required to operate its products. Lower electricity consumption reduces the need to use oil, coal, and other fossil fuels, the usage of which emits CO₂. For example, we have succeeded in decreasing the energy used by pumps used to supply water in buildings and condominiums by pursuing ongoing improvements to efficiency. The EBARA Group is also focused on resource recycling. Our efforts in this area include creating waste incineration facilities that are not only capable of incinerating household garbage but also of recovering valuable resources from waste and generating electricity as part of their operations.

Through the provision of such products, the EBARA Group aims to contribute to reduced environmental impacts and thereby boost the competitiveness of its products and increase its edge in the market.

Data Highlights



* Reduction in electricity by controlling the number of pump rotations



Model PNEGM building feed water pump unit

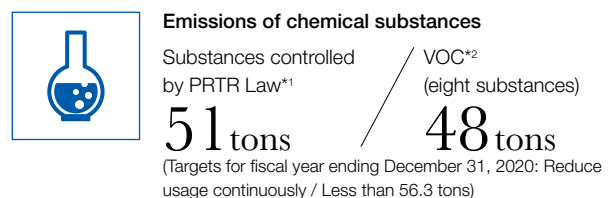
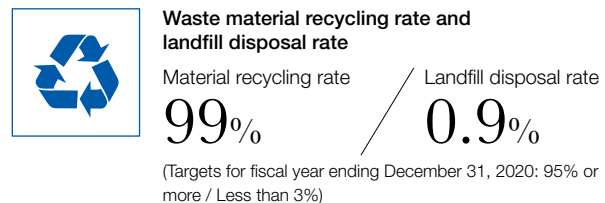


Waste incineration plant with electricity generation facilities (Musashino Clean Center)

Reduction of Environmental Impacts

The EBARA Group is engaged in a never-ending quest to prevent the pollution and reduce the environmental impacts that accompany its business activities. At the same time, we strive to contribute to the resolution of social issues in the fields of water, air, and the environment while helping to realize a recycling-oriented society. Ongoing environmental management activities, we believe, will support these efforts. To guide these efforts, the EBARA Group has established its FY2020 Environmental Targets, a set of medium-to-long-term targets to be accomplished by the fiscal year ending December 31, 2020. We are working toward the accomplishment of these targets in Japan and overseas.

Data Highlights



Notes: 1. Figures are for EBARA CORPORATION and domestic consolidated subsidiaries, excluding one company that operates an electricity supply business

2. All figures are from the fiscal year ended March 31, 2017

*1. Pollutant release and transfer register laws, laws for promoting improvement in determining and managing the amount of specific chemical substances discharged into the environment

*2. Volatile organic compounds

Reference "Environmental Initiatives" on pages 13–16 of *EBARA Group CSR Report 2017*

<http://www.ebara.co.jp/en/about/csr/ethics/report/index.html>

Our Relationship with Society

The EBARA Group sees promoting unity with society as part of a company's responsibility to society. We are convinced that fulfilling this responsibility will also serve to improve the corporate value of the EBARA Group.

Execution of Business Continuity Programs

The EBARA Group implements drills simulating large-scale disasters and other business continuity programs to ensure that it is able to guarantee employee safety and fulfill its obligations to supply products to customers even under extreme circumstances.

Data Highlights



Number of first-response and business continuity drills

82^{*1}

(Fiscal year ending December 31, 2017)
(Target: Increase number of drills continuously)



Safety confirmation email response rate as part of drills

85%^{*2}

(As of November, 2017)
(Target: Improve response rate continuously)

Note: All figures are for EBARA CORPORATION and major domestic subsidiaries

*1. Aggregate number of drills, includes drills conducted at individual sales bases

*2. Rate of response to safety confirmation emails two hours after sending

Encouragement of Diversity

The EBARA Group respects the differences between people and recognizes the value of such differences and is working to incorporate these differences into its organization. We thereby aim to develop a business that accurately caters to the needs of a society in which diversity exist.

Data Highlights



Non-Japanese individuals employed in Japan

61→128

(Change from fiscal year ended March 31, 2014, to March 31, 2017)
(Target: Increase non-Japanese employees continuously)



Percentage of female managers

5.2%

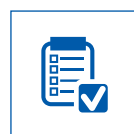
(EBARA CORPORATION unconsolidated, as of April, 2017)
(Target: Increase to above 7% by April, 2020)

Promotion of Work-style Reform

The EBARA Group is advancing reforms to its human resource systems in order to reduce annual working hours and better

motivate employees in their work. In addition, we administer compliance questionnaires to employees to solicit input for driving improvements to ensure that the Company is always a comfortable place to work.

Data Highlights



Compliance questionnaires

Response rate / Respondents

95% / 8,666

(Fiscal year ended March 31, 2017)
(Target: Increase responses continuously)



Career Management Program participants

Over 800

(Aggregate as of April, 2017)
(Target: Increase participants continuously)

Note: All figures are for EBARA CORPORATION and major domestic subsidiaries

Support for Culture, Arts, and Sports

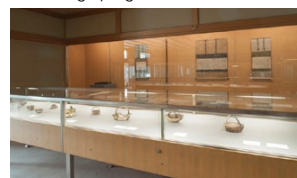
Through support for the Hatakeyama Culture Foundation, which engages in public interest activities focused on culture, the arts, and sports, the EBARA Group seeks to return its profits to society in a variety of areas.



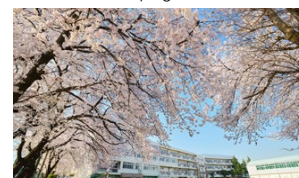
Support for Science Intercollege program



Cultivation of tennis players and support for further developing their skills



Operation of the Hatakeyama Memorial Museum of Fine Art



Aid for students through the provision of scholarships



Proactive cultivation of world-class tennis players from childhood at Ebara Shohnan Sports Center Inc.



Support for the Tokyo Haneda Vickies professional women's basketball team as a main sponsor

EBARA Group History

1912 to 1940s

Building our foundations

1912 (Nov.)	Inokuty Type Machinery Office was founded. Issey Hatakeyama was appointed general manager under the supervision of Ariya Inokuty, a professor of Tokyo Imperial University.	1938 (Apr.)	New plant was built in Haneda, Kamata-ku, Tokyo. The Head Office and manufacturing operations shifted from Shinagawa to the new facility in Haneda.
1920 (May)	EBARA CORPORATION was established. A plant was constructed in Minami-Shinagawa, Shinagawa-cho, Ebara-gun, Tokyo, marking the establishment of the Company, which assumed the responsibilities of the Inokuty Type Machinery Office and began the manufacturing of centrifugal pumps.	1941 (Dec.)	New plant was built in Kawasaki.
		1945 (Apr.)	The Haneda Plant was damaged in war. All operations, except for a pump testing facility, fabrication and welding shop, and main building, were deemed no longer functional. As a result, production was transferred to the Kawasaki Plant.

1950s to 1970s

Meeting technological needs

1955 (Jan.)	The Haneda Plant was reopened to spearhead the Company's manufacturing operations.	1965 (May)	The Fujisawa Plant was opened as the first facility in Japan to mass-produce standard pumps, and it took over the production of chillers from the Haneda Plant.
1956 (Jan.)	Ebara-Infilco Co., Ltd., was set up to manufacture and sell water treatment equipment.	1975 (Jan.)	EBARA's first overseas production facility, Ebara Indústrias Mecânicas e Comércio Ltda., was established in Brazil.
1964 (Apr.)	EBARA's first post-World War II overseas sales office was opened in Bangkok.	1975 (Nov.)	The Sodegaura Plant was opened to manufacture mainly compressors and turbines.
1964 (June)	Ebara Service Co., Ltd., was established to provide after-sales service for EBARA's products.	1979 (Dec.)	P.T. Ebara Indonesia was established in Indonesia to manufacture standard pumps in Southeast Asia.

1980s to 1990s

Spreading our technology

1981 (Jan.)	Ebara International Corporation was established in the United States to provide a North American base for the pumps business.	1989 (Jan.)	Ebara Italia S.p.A. (currently Ebara Pumps Europe S.p.A.) was established to manufacture stainless steel standard pumps.
1986 (Jan.)	EBARA realigned its production systems by integrating the Kawasaki Plant into the Fujisawa Plant.	1992 (Aug.)	EBARA QINGDAO CO., LTD., was founded in China as a center for boiler production.
1987 (July)	A precision machining facility was opened at the Fujisawa Plant dedicated to the production of vacuum equipment for the semiconductor industry.	1994 (Oct.)	Ebara-Infilco Co., Ltd., was merged into the Company.

2000s and later

Surpassing 100 years

2000 (Apr.)	Ebara Techno-serve Co., Ltd., was formed to combine sales and maintenance services for the standard pumps business.	2009 (Apr.)	EBARA integrated its water treatment plant businesses into Ebara Engineering Service Co., Ltd.
2000 (Apr.)	Elliott Company, a leading company in the compressors and turbines business, became a wholly owned subsidiary.	2009 (Oct.)	EBARA integrated its environmental plant businesses into EBARA Environmental Plant Co., Ltd.
2001 (June)	Ebara Kyushu Co., Ltd., established in Kumamoto Prefecture for producing CMP and other equipment, went into full operation.	2010 (Jan.)	The Futtsu Plant was newly established in Chiba Prefecture, and the functions of the former Haneda Plant were transferred there.
2002 (Apr.)	The compressors and turbines business was split off into a separate company, Elliott Ebara Turbomachinery Corporation, located in Chiba Prefecture.	2010 (Mar.)	EBARA, Mitsubishi Corporation, and JGC Corporation started a joint venture in the water business, Ebara Engineering Service Co., Ltd. (currently Swing Corporation).
2002 (Sep.)	The chillers business was split off into a separate company, Ebara Refrigeration Equipment & Systems Co., Ltd.	2010 (Oct.)	Ebara Kyushu Co., Ltd., was merged into the Company.
2003 (May)	Ebara Great Pumps Co., Ltd., was established in China to manufacture and sell pumps in China for the oil and gas industries.	2012 (Apr.)	In a realignment of the pumps business, Ebara Technoserve Co., Ltd., Ebara Yoshikura Hydro-Tech Co., Ltd., and Ebara Environmental Technologies Hokkaido Co., Ltd., were merged.
2005 (Apr.)	An in-house company system was introduced with a corporate structure comprising a Corporate Sector for headquarters functions and three core companies: Fluid Machinery & Systems, Environmental Engineering, and Precision Machinery.	2014 (Mar.)	Ebara Pumps Middle East FZE was established in the United Arab Emirates to serve as a sales and service base for pumps in the Middle East.
2005 (Aug.)	Ebara Boshan Pumps Co., Ltd. (currently EBARA MACHINERY ZIBO CO., LTD.), was established in China to manufacture and sell large-scale, high-pressure pumps in China.	2015 (June)	EBARA transitioned to a Company with Three Committees.
2006 (May)	Ebara Machinery (China) Co., Ltd., was formed to serve as the manufacturing, sales, and service center for standard pumps in China.	2015 (Aug.)	An Indonesian company that provides maintenance services for rotating machinery, PT. Turbindo Chikara Surya (currently PT. Ebara Turbomachinery Services Indonesia), was acquired.
		2015 (Dec.)	A Brazilian pumps manufacturer, Thebe Bombas Hidráulicas S.A., was acquired.
		2016 (Nov.)	The semiconductor manufacturing equipment production facilities and dry vacuum pump service facilities of the Kumamoto Plant were augmented.

Corporate Profile / Stock Information

(As of March 31, 2017)

Corporate Profile

Company Name:	EBARA CORPORATION
Foundation:	November 1912
Head Office:	11-1, Haneda Asahi-cho, Ohta-ku, Tokyo 144-8510, Japan
Phone:	81-3-3743-6111
URL:	http://www.ebara.co.jp/en
Paid-in Capital:	¥78,764 million
Number of Employees (Consolidated):	16,317

Stock Information

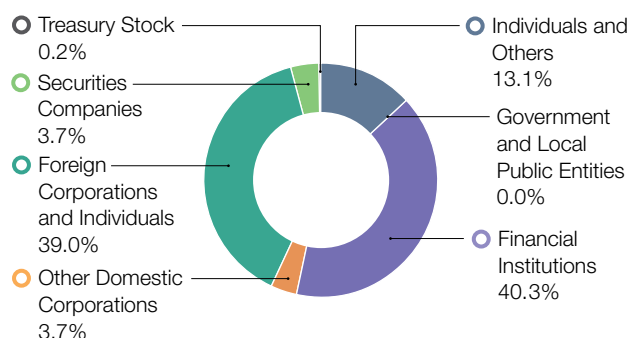
Securities Code:	6361 (Japan)
Number of Shares Issued:	101,736,053
Number of Shareholders:	24,783
Securities Traded:	Tokyo Stock Exchange
Number of Shares Constituting One Unit*:	100 * Lowered from 1,000 to 100 shares as of October 1, 2016
Transfer Agent and Registrar:	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan
Accounting Auditor:	Ernst & Young ShinNihon LLC
Major Indices:	Nikkei 225, JPX-Nikkei Index 400

Major Shareholders

Name	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	9.9
The Master Trust Bank of Japan, Ltd. (Trust Account)	9.5
ICHIGO TRUST PTE. LTD.	7.1
THE BANK OF NEW YORK 133522	2.3
Mizuho Bank, Ltd.	2.0
National Mutual Insurance Federation of Agricultural Cooperatives	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.7
GOLDMAN, SACHS & CO. REG	1.7
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1.5
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.4

Note: Treasury stock has been eliminated from the total number of shares issued in calculating the percentage.

Composition of Shareholders



External Recognition Based on ESG Factors

EBARA CORPORATION has been selected for inclusion in several ESG indexes by various domestic and overseas ESG ratings institutions.

FTSE4Good Index Series



FTSE4Good

FTSE Blossom Japan Index



FTSE Blossom
Japan

Morningstar Socially Responsible Investment Index



As of January 4, 2017

MSCI Japan Empowering Women Index



2017 Constituent
MSCI Japan Empower
Women Index (WIN)

MSCI Japan ESG Select Leaders Index



2017 Constituent
MSCI Japan ESG
Select Leaders Index

Note: THE INCLUSION OF EBARA CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF EBARA CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



EBARA CORPORATION

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