

# **Results Presentation for Fiscal Year** **ended March 31, 2017**

## **EBARA (6361)**

May 12, 2017



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# Contents

## 1. Summary of Results

Executive Officer  
Responsible for  
Finance & Accounting

**Akihiko Nagamine**

## 2. Projection and Management Strategy

President and  
Representative Director

**Toichi Maeda**

# 1. Summary of Results

## Consolidated Results for Fiscal Year ended March 31, 2017

(unit : ¥bn)

	Fiscal Year ended March 31, 2016 (Results)	Fiscal Year ended March 31, 2017 (Results)	Change
Orders	491.2	477.9	-13.3
Net Sales	486.2	476.1	-10.1
Operating Income	38.0	29.9	-8.0
Ordinary Income	36.4	28.4	-8.0
Net Income attributable to owners of parent	17.2	20.5	+3.3

Exchange Rate  
(Average)

1USD = 115.8 JPY

1USD = 108.8 JPY

\* In this material, "1Q" means 3 months cumulative, "2Q" means 6 months cumulative, "3Q" means 9 months cumulative, "4Q" means 12 months cumulative. From this page, figures are shown in billion yen unless stated.

# 1. Summary of Results

## Segmental Results for Fiscal Year ended March 31, 2017

	Orders			Net Sales			Operating Income		
	FY ended Mar. 31, 2016	FY ended Mar. 31, 2017	Change	FY ended Mar. 31, 2016	FY ended Mar. 31, 2017	Change	FY ended Mar. 31, 2016	FY ended Mar. 31, 2017	Change
FMS Business	307.6	288.5	-19.0	320.8	292.2	-28.5	19.3	9.4	-9.8
EE Business	80.0	64.6	-15.4	70.3	68.0	-2.3	6.4	5.7	-0.6
PM Business	101.8	123.1	+21.2	93.3	114.1	+20.7	11.6	14.1	+2.4
Others, Adjustment	1.6	1.6	-0.0	1.6	1.6	-0.0	0.5	0.6	+0.0
Total	491.2	477.9	-13.3	486.2	476.1	-10.1	38.0	29.9	-8.0

FMS Business ... Fluid Machinery & Systems Business

EE Business ... Environmental Engineering Business

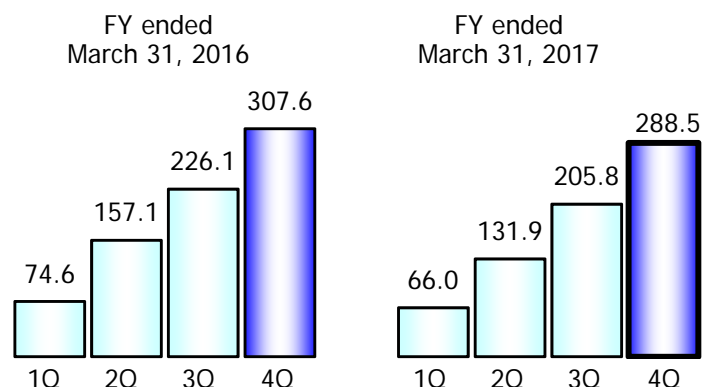
PM Business ... Precision Machinery Business

# 1. Summary of Results

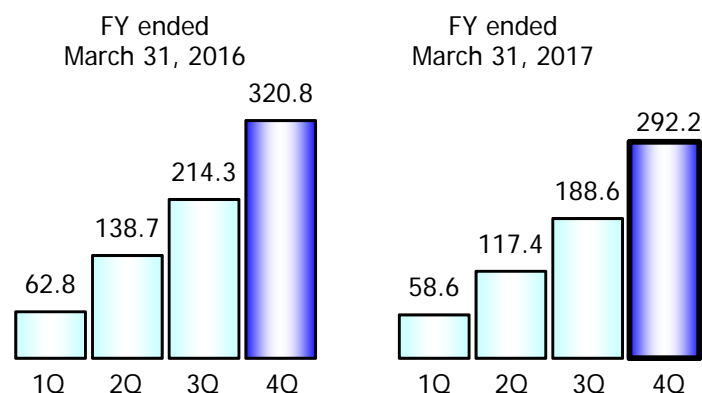
## Segmental Results for Fiscal Year ended March 31, 2017

### FMS Business

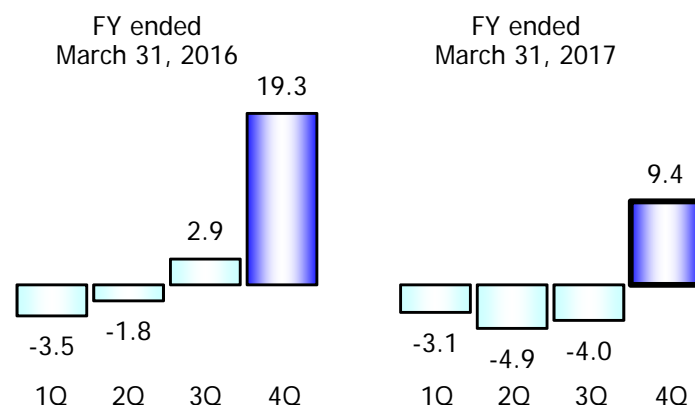
#### Orders



#### Sales



#### Operating Income



#### 【Orders】

- ✓ Decreased considerably due to the stagnant oil and gas market of the Compressors & Turbines Business

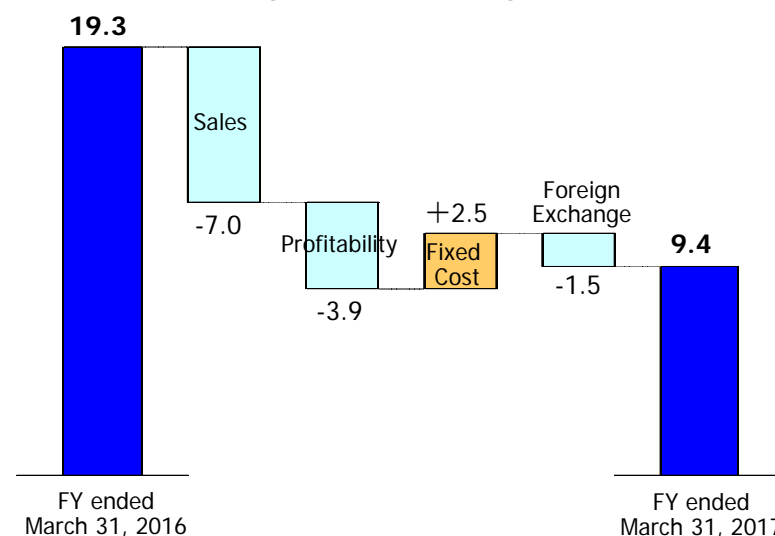
#### 【Sales】

- ✓ Decreased considerably in the Compressors & Turbines Business
- ✓ Decreased in the Pumps Business due to slow orders in the first half

#### 【Operating Income】

- ✓ Sales decreased (-)
- ✓ Reduced fixed costs (+), margin declined (-) (mostly in the Compressors & Turbines Business)

#### Breakdown of Changes in Operating Income

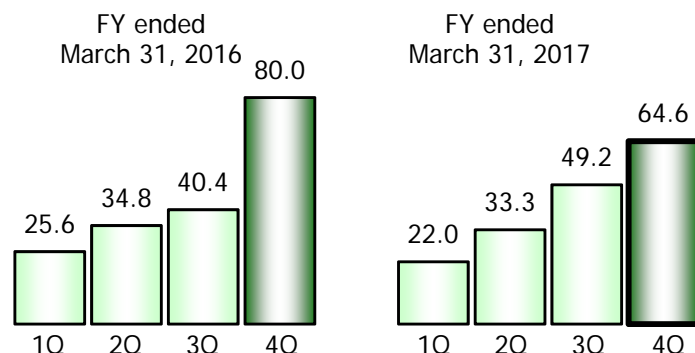


# 1. Summary of Results

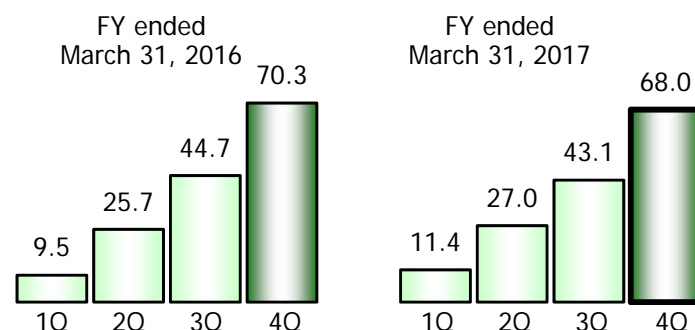
## Segmental Results for Fiscal Year ended March 31, 2017

### EE Business

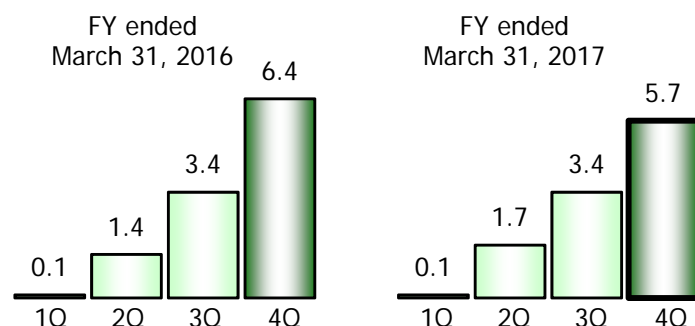
#### Orders



#### Sales



#### Operating Income



#### 【Orders】

- ✓ Orders for a long-term O&M project decreased compared with last fiscal year

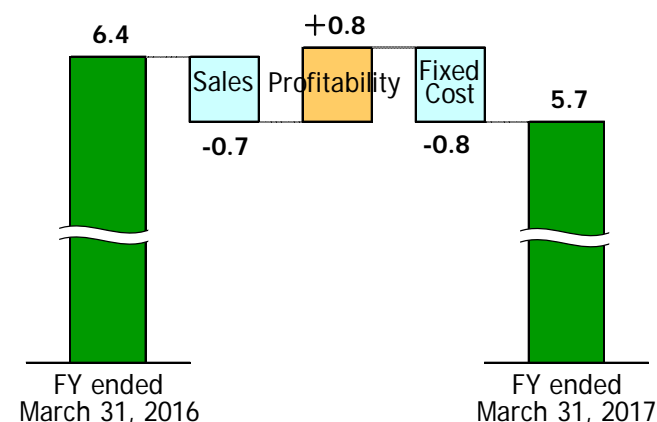
#### 【Sales】

- ✓ Services to lengthen the lifetimes of aging facilities decreased

#### 【Operating Income】

- ✓ Sales decreased (-)
- ✓ Profitability of the EPC business improved (+)
- ✓ Fixed costs increased mostly from personnel costs (-)

#### Breakdown of Changes in Operating Income

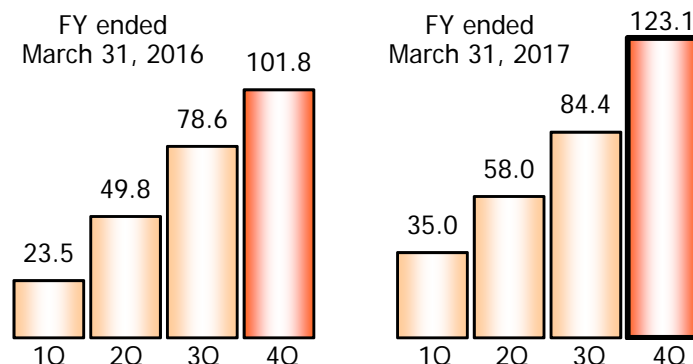


# 1. Summary of Results

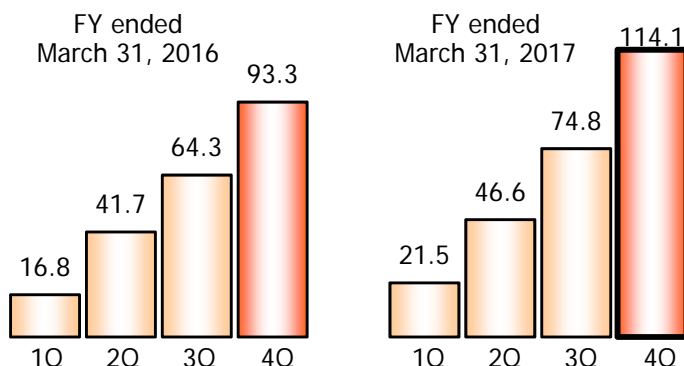
## Segmental Results for Fiscal Year ended March 31, 2017

### PM Business

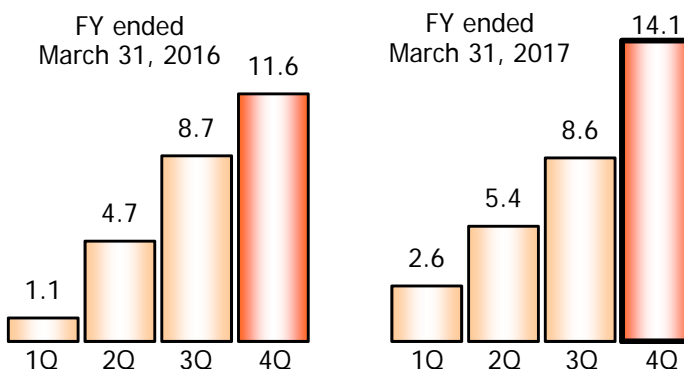
#### Orders



#### Sales



#### Operating Income



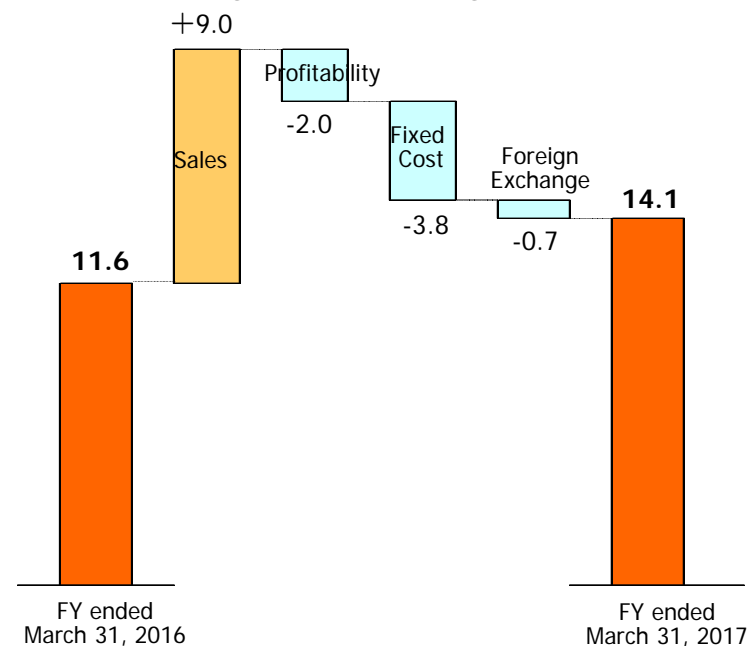
#### 【Orders, Sales】

- ✓ Capital investment in semiconductor market stays strong throughout the year
- ✓ Especially the CMP business is in good shape

#### 【Operating Income】

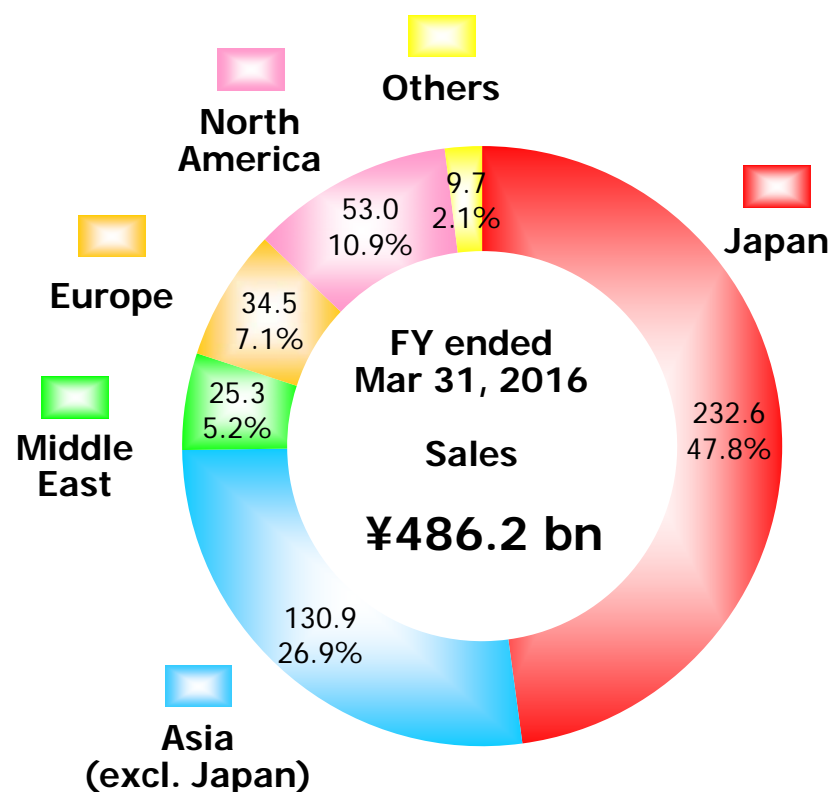
- ✓ Sales increased (+)
- ✓ Fixed costs increased mostly from R&D expenses (-)
- ✓ Some low-margin sales recorded (-)
- ✓ Decline on strong yen (-)

#### Breakdown of Changes in Operating Income



# 1. Summary of Results

## Sales Composition by Region

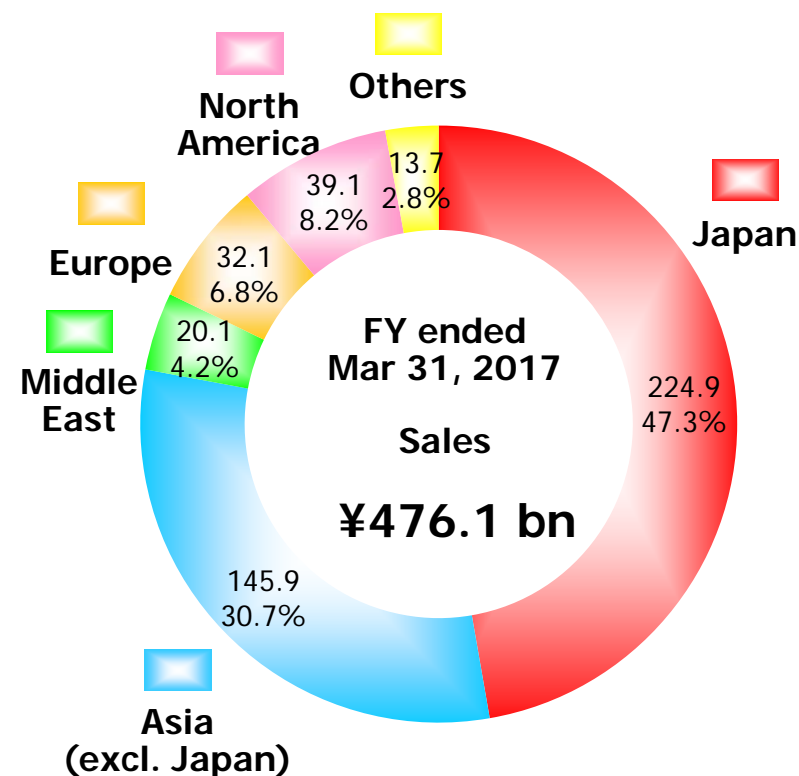


Overseas Sales

**¥253.6 bn**

Percentage of Overseas Sales to Sales

**52.2%**



Overseas Sales

**¥251.1 bn**

Percentage of Overseas Sales to Sales

**52.7%**





# 1. Summary of Results

## Balance Sheet for Fiscal Year ended March 31, 2017

(unit : ¥bn)

	As of March 31, 2016	As of March 31, 2017	Change		As of March 31, 2016	As of March 31, 2017	Change
<b>Current Assets</b>	<b>423.4</b>	<b>423.4</b>	<b>-0.0</b>	<b>Liabilities</b>	<b>329.4</b>	<b>310.9</b>	<b>- 18.4</b>
Cash and deposits, Securities	94.1	92.8	- 1.3	Notes and accounts payable-trade	116.4	120.0	+ 3.6
Notes and accounts receivable-trade	217.0	207.3	- 9.6	Interest-bearing debt	120.1	96.5	- 23.5
Inventories	88.9	97.3	+ 8.3	Others	92.8	94.3	+ 1.5
Others	23.2	25.8	+ 2.5	<b>Total Net Assets</b>	<b>250.4</b>	<b>277.5</b>	<b>+ 27.0</b>
<b>Fixed Assets</b>	<b>156.4</b>	<b>165.0</b>	<b>+ 8.6</b>	Shareholders' equity	243.4	277.4	+ 33.9
Tangible assets	105.1	110.1	+ 4.9	Accumulated other comprehensive income	- 2.4	- 6.0	- 3.5
Intangible assets	11.2	13.2	+ 2.0	Subscription rights to shares	0.9	1.3	+ 0.4
Investments and others	40.0	41.6	+ 1.6	Non-controlling interests	8.4	4.7	- 3.6
<b>Total Assets</b>	<b>579.8</b>	<b>588.4</b>	<b>+ 8.5</b>	<b>Total Liabilities and Net Assets</b>	<b>579.8</b>	<b>588.4</b>	<b>+ 8.5</b>

# 1. Summary of Results

## Financial Information for Fiscal Year ended March 31, 2017

### Management Indicators

	FY ended Mar. 31, 2016	FY ended Mar. 31, 2017
	Results	Results
<b>ROIC</b>	<b>4.8%</b>	<b>5.6%</b>
ROE	7.2%	8.0%
Debt/equity ratio	0.50	0.36

### Cash Flows

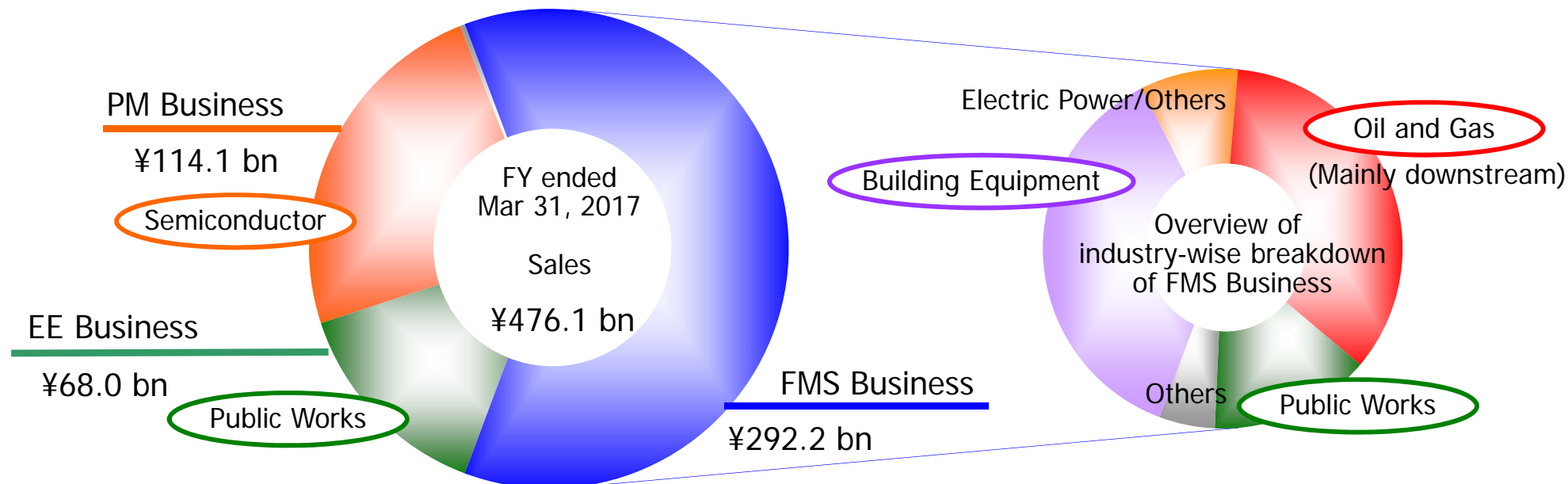
	FY ended Mar. 31, 2016	FY ended Mar. 31, 2017	FY ending Dec. 31, 2017
	Results	Results	Plan
Cash flows from operating activities	+21.5	+33.8	+20.7
Cash flows from investing activities	-14.3	-18.5	-20.0
<b>Free cash flow</b>	<b>+7.1</b>	<b>+15.2</b>	<b>+0.7</b>
Cash flows from financing activities	-9.6	-15.1	+2.5

### Capital Expenditures, Depreciation and Amortization, R&D Expenses (unit : ¥bn)

	FY ended Mar. 31, 2016	FY ended Mar. 31, 2017	FY ending Dec. 31, 2017
	Results	Results	Plan
<b>CAPEX</b>	<b>15.7</b>	<b>22.6</b>	<b>20.0</b>
FMS	9.7	11.8	8.0
EE	0.5	1.1	1.0
PM	3.3	7.4	7.0
Others	2.1	2.3	4.0
<b>D&amp;A</b>	<b>11.6</b>	<b>13.7</b>	<b>13.0</b>
FMS	7.4	8.5	8.0
EE	0.3	0.4	0.5
PM	2.1	2.9	3.0
Others	1.6	1.8	1.5
<b>R&amp;D</b>	<b>7.6</b>	<b>8.7</b>	<b>9.5</b>
FMS	5.0	4.7	3.5
EE	0.1	0.2	0.5
PM	2.4	3.7	5.5

## 2. Projection and Management Strategy

### Business Environment of Fiscal Year 2017



#### Main Business Environment

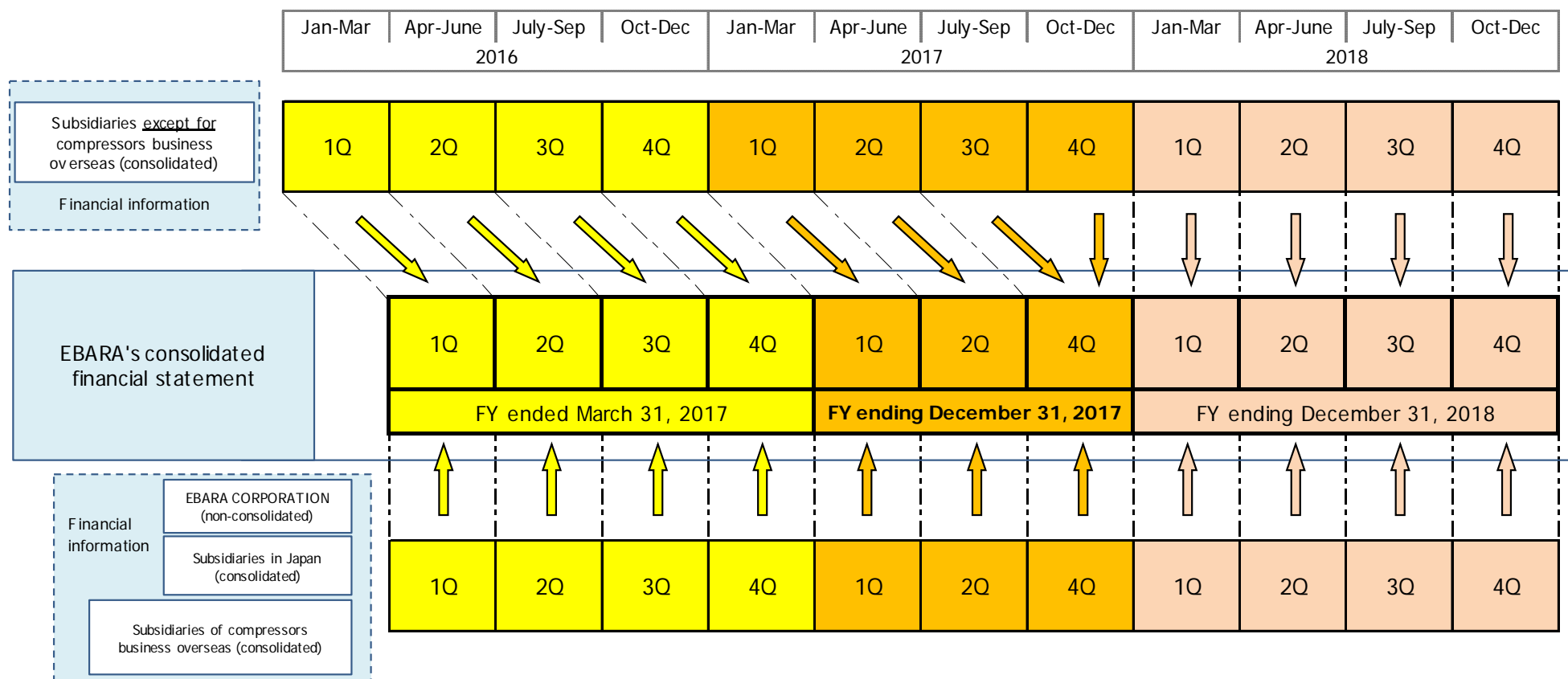
- Oil and Gas**  
(Mainly downstream)  
Crude oil price fluctuations are calming down but customers may restart investment in latter part of this year
- Public Works**  
Investment on replacement or repair for infrastructure facilities is stable
- Building Equipment**  
Domestic markets are stable and overseas are recovering
- Semiconductor**  
Demand is stable at a high level

## 2. Projection and Management Strategy

### Summary of Projection (Change in accounting period)

#### Change in accounting period (the date of closing accounting period)

- ✓ Change accounting period under condition of approval in the shareholder meeting in late June 2017
- ✓ Our company's accounting period change from the end of March to the end of December
- ✓ Consolidated subsidiaries whose accounting period is the end of March change the period to the end of December
- ✓ The fiscal year ending December 31, 2017 is going to be from April 1 to December 31, 2017 (9 months)



## 2. Projection and Management Strategy

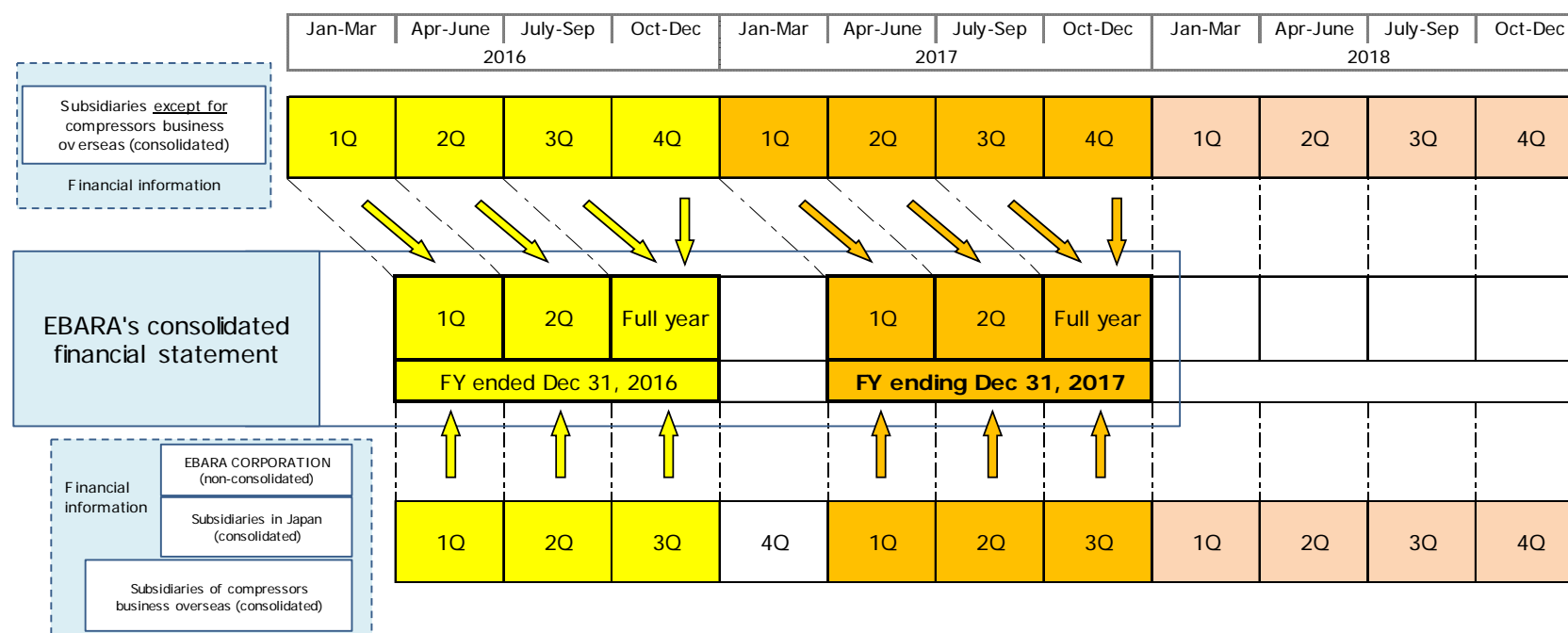
### Summary of Projection (FY ending December 31, 2017: 9 month)

#### Change in accounting period

- ✓ As a reference, we calculated 9 months results for the fiscal year ended December 31, 2016, as the same period with the fiscal year ending December 31, 2017. (from Financial Results)

Assumed Exchange Rate:  
1USD = 110 JPY

	(Reference) FY ended December 31, 2016 (9 Months Results)	FY ending December 31, 2017 (9 Month Plan)	Change
Orders	385.4	404.0	+18.5
Net Sales	350.2	354.0	+3.7
Operating Income	11.4	15.0	+3.5
Ordinary Income	9.5	14.0	+4.4
Net Income	7.3	8.0	+0.6



## 2. Projection and Management Strategy

### Summary of Projection (FY ending December 31, 2017: 9 month)

	Orders			Net Sales			Operating Income		
	(Reference) FY ended Dec. 31, 2016 (Results)	FY ending Dec. 31, 2017 (Plan)	Change	(Reference) FY ended Dec. 31, 2016 (Results)	FY ending Dec. 31, 2017 (Plan)	Change	(Reference) FY ended Dec. 31, 2016 (Results)	FY ending Dec. 31, 2017 (Plan)	Change
FMS Business	231.5	238.0	+6.4	213.8	218.0	+4.1	-3.4	2.0	+5.4
EE Business	50.9	75.0	+24.0	45.7	45.0	-0.7	3.9	4.0	+0.0
PM Business	101.6	90.0	-11.6	89.4	90.0	+0.5	10.3	9.0	-1.3
Others, Adjustment	1.2	1.0	-0.2	1.2	1.0	-0.2	0.5	0.0	-0.5
Total	385.4	404.0	+18.5	350.2	354.0	+3.7	11.4	15.0	+3.5

## 2. Projection and Management Strategy

### Summary of Projection (FY ending March 31, 2018: 12 month [Reference])

#### Change in accounting period

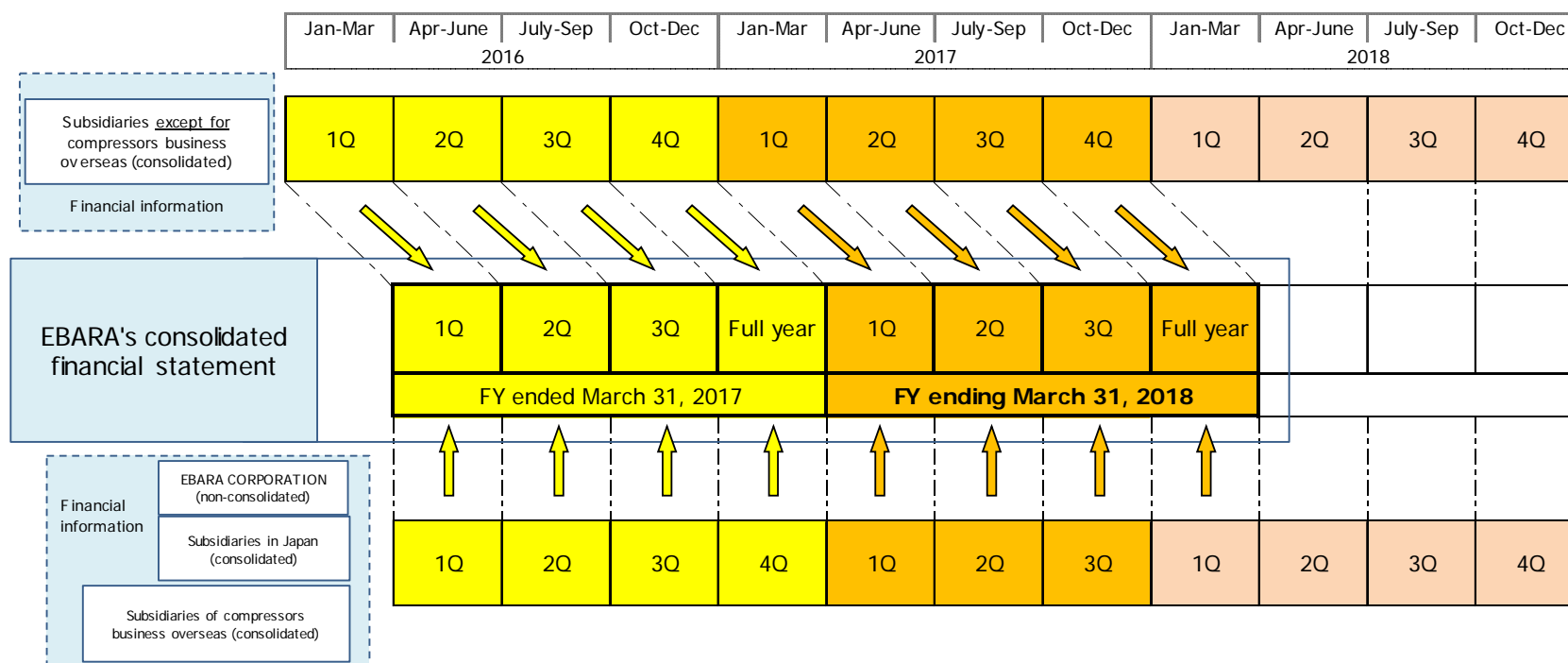
✓ The plan with no change in accounting period

→ Though sales are expected to decrease due to slow orders in the previous fiscal year, operating margins are expected to improve.

Assumed Exchange Rate:

1USD = 110 JPY

	FY ended March 31, 2017 (Results)	(Reference) FY ending March 31, 2018 (Plan)	Change
Orders	477.9	502.0	+24.0
Net Sales	476.1	465.0	-11.1
Operating Income	29.9	30.0	+0.0
Ordinary Income	28.4	30.0	+1.5
Net Income	20.5	19.0	-1.5



## 2. Projection and Management Strategy

### Summary of Projection (FY ending March 31, 2018: 12 month [Reference])

	Orders			Net Sales			Operating Income		
	FY ended Mar. 31, 2017 (Results)	(Reference) FY ending Mar. 31, 2018 (Plan)	Change	FY ended Mar. 31, 2017 (Results)	(Reference) FY ending Mar. 31, 2018 (Plan)	Change	FY ended Mar. 31, 2017 (Results)	(Reference) FY ending Mar. 31, 2018 (Plan)	Change
FMS Business	288.5	300.0	+ 11.4	292.2	290.0	-2.2	9.4	11.0	+1.5
EE Business	64.6	90.0	+ 25.3	68.0	63.0	-5.0	5.7	6.5	+0.7
PM Business	123.1	110.0	-13.1	114.1	110.0	-4.1	14.1	12.0	-2.1
Others, Adjustment	1.6	2.0	+0.3	1.6	2.0	+0.3	0.6	0.5	-0.1
Total	477.9	502.0	+24.0	476.1	465.0	-11.1	29.9	30.0	+0.0

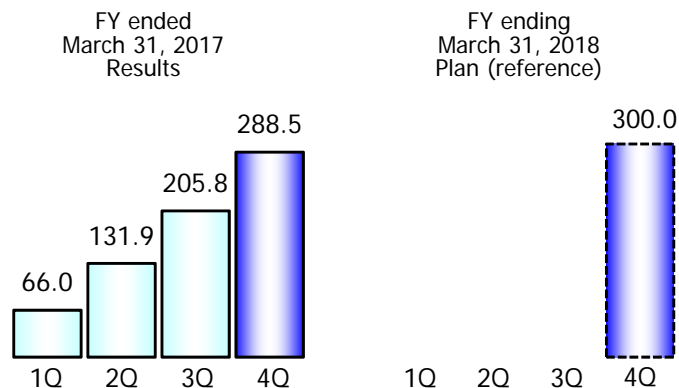


## 2. Projection and Management Strategy

### Summary of Projection (FY ending March 31, 2018: 12 month [Reference])

#### FMS Business

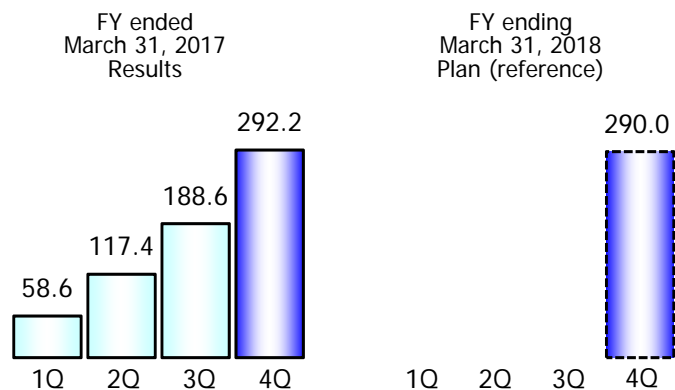
##### Orders



##### 【Orders】

- ✓ Expected to increase mostly in the Pumps Business due to overseas market recovery

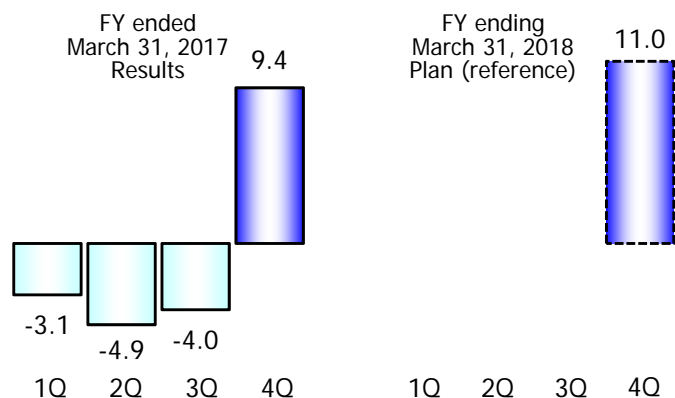
##### Sales



##### 【Sales】

- ✓ Expected to decrease slightly due to a decline in order backlog

##### Operating Income



##### 【Operating Income】

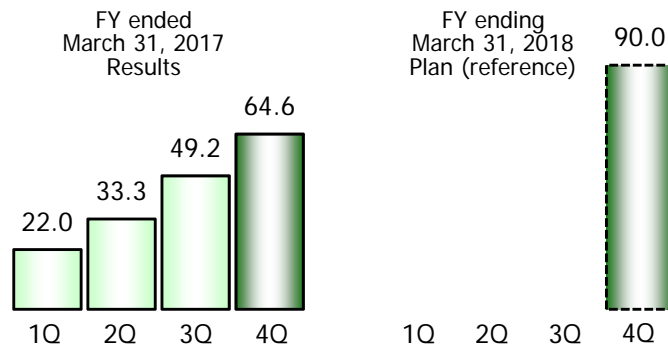
- ✓ Profitability is expected to improve in the Pumps Business and the Compressors & Turbines Business

## 2. Projection and Management Strategy

### Summary of Projection (FY ending March 31, 2018: 12 month [Reference])

#### EE Business

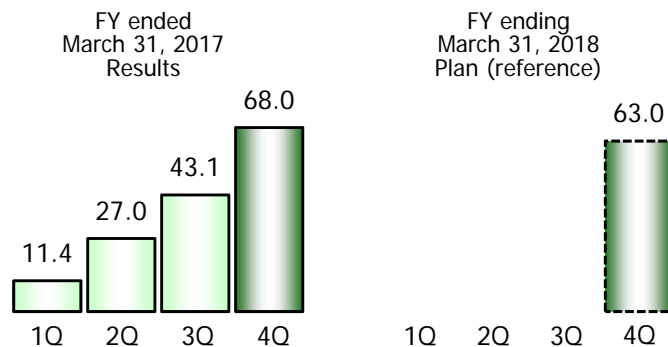
##### Orders



##### 【Orders】

- ✓ We have got some preferential negotiation rights and orders are expected to increase compared with last fiscal year

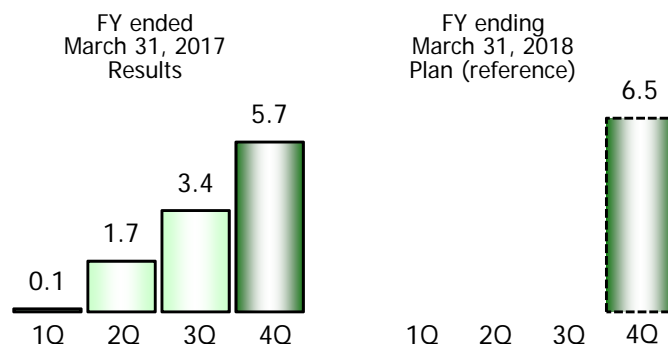
##### Sales



##### 【Sales】

- ✓ Decrease slightly due to a decline in order backlog

##### Operating Income



##### 【Operating Income】

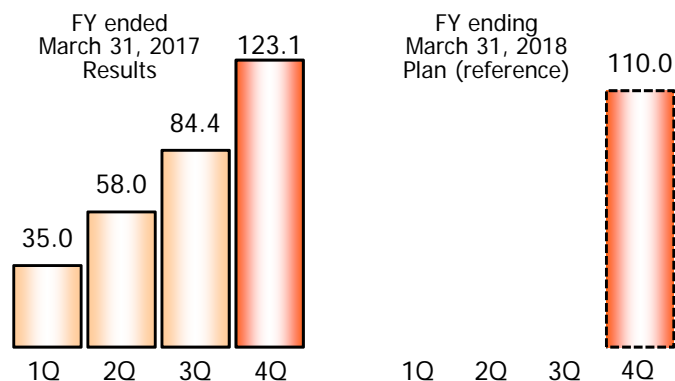
- ✓ The product mix becomes favorable due to increase of the composition of O&M sales

## 2. Projection and Management Strategy

### Summary of Projection (FY ending March 31, 2018: 12 month [Reference])

#### PM Business

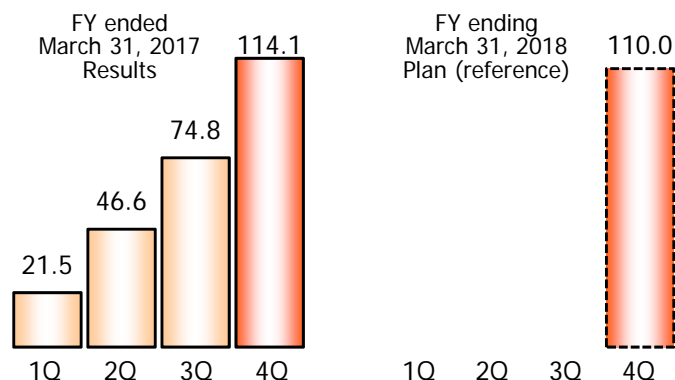
##### Orders



##### 【Orders】

- ✓ Semiconductor market stays steady, but a high level of orders in the CMP business until last fiscal year calms down

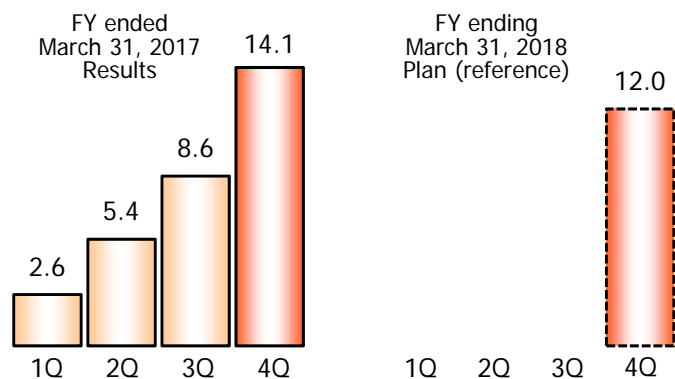
##### Sales



##### 【Sales】

- ✓ Surely record the sales of the orders we got last fiscal year
- ✓ Sales may increase depending on orders in the second half

##### Operating Income



##### 【Operating Income】

- ✓ Sales decrease
- ✓ Fixed costs is expected to increase mostly from R&D expenses

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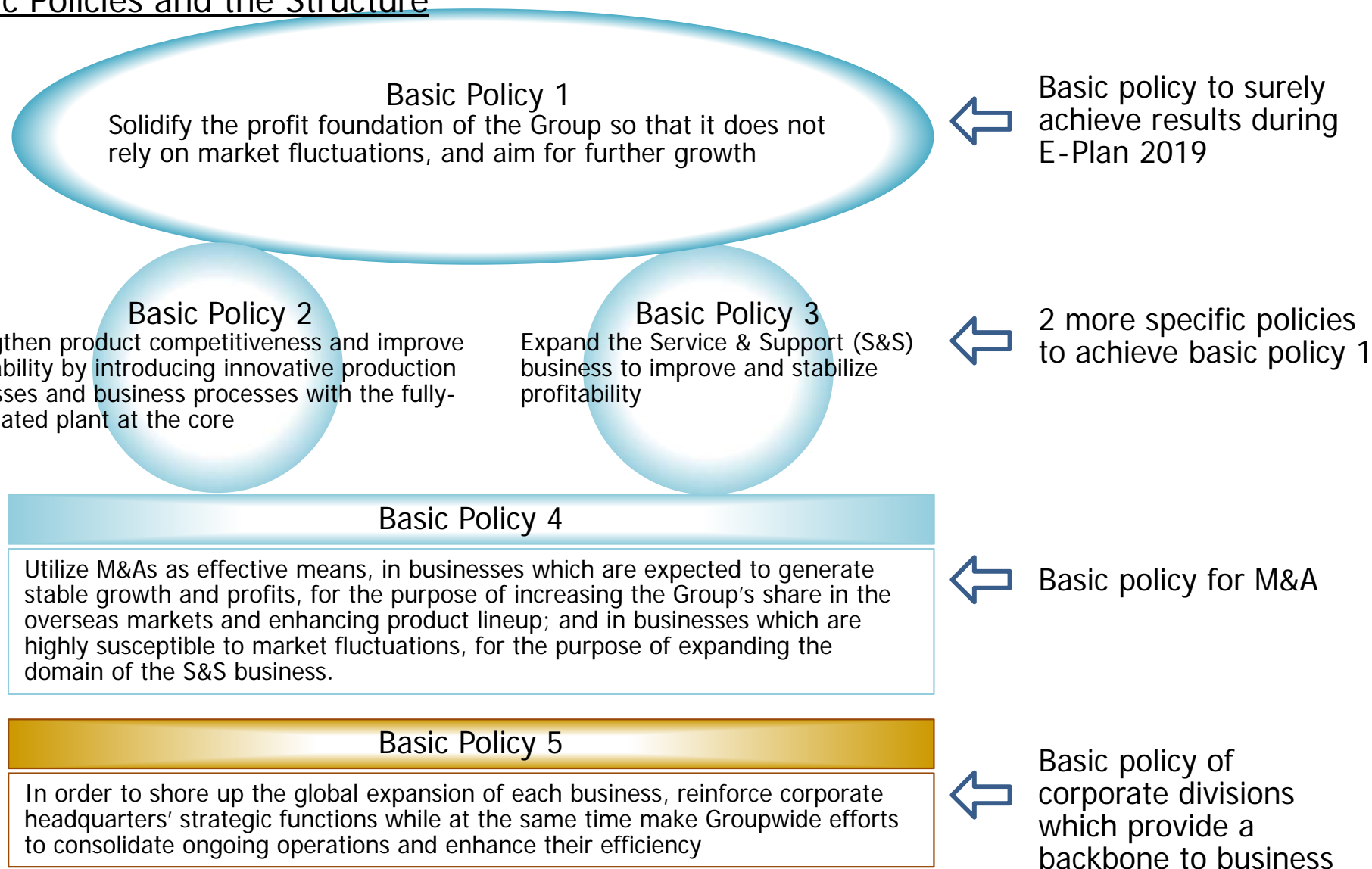
## 2. Projection and Management Strategy

### Medium-Term Management Plan “E-Plan 2019”

#### The Key Message of E-Plan 2019

“Unlimited challenge toward growth”

#### 5 Basic Policies and the Structure



## 2. Projection and Management Strategy

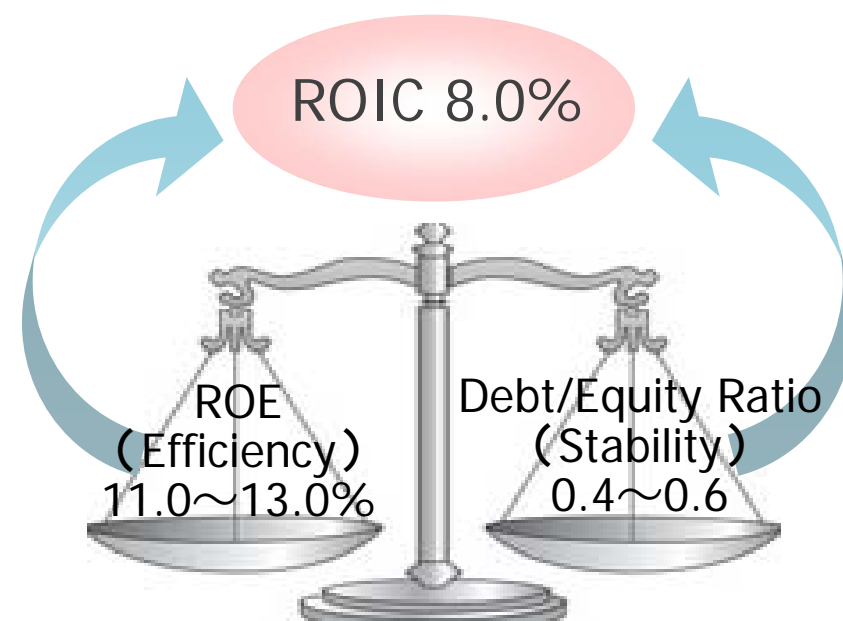
### E-Plan 2019 Numerical Targets

#### Targets to be achieved in FY2019

➤ **ROIC 8.0% or more\***

$$\text{ROIC} = \frac{\text{Profit (loss) attributable to owners of parent}}{(\text{Interest-bearing debt}^{**} + \text{Shareholders' equity}^{**})}$$

\*\*Average between beginning and end of period



➤ **OI to sales ratio 9.0% or more\***

OI = Operating income

➤ FMS Business	8.5% or more
Pumps Business	8.0% or more
Compressor and Turbines Business	11.0% or more
Chillers Business	7.0% or more
➤ EE Business	11.0% or more
➤ PM Business	12.0% or more

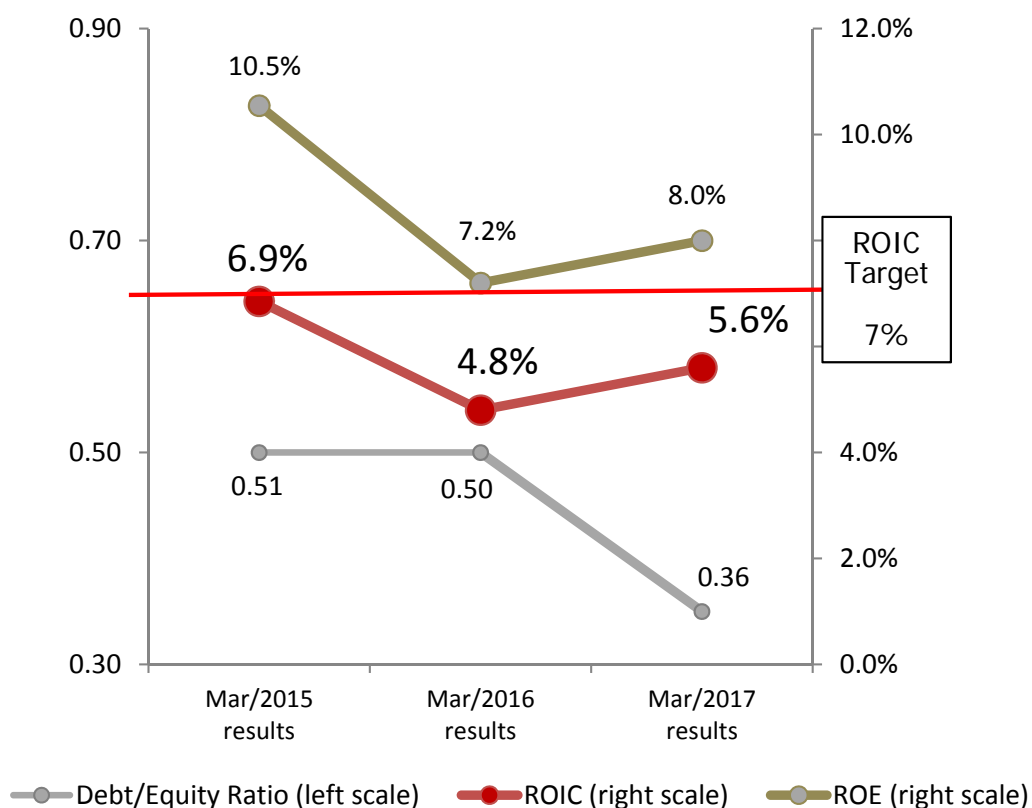
\*On the assumption that consolidated external sales will be 500 billion yen or more

## 2. Projection and Management Strategy

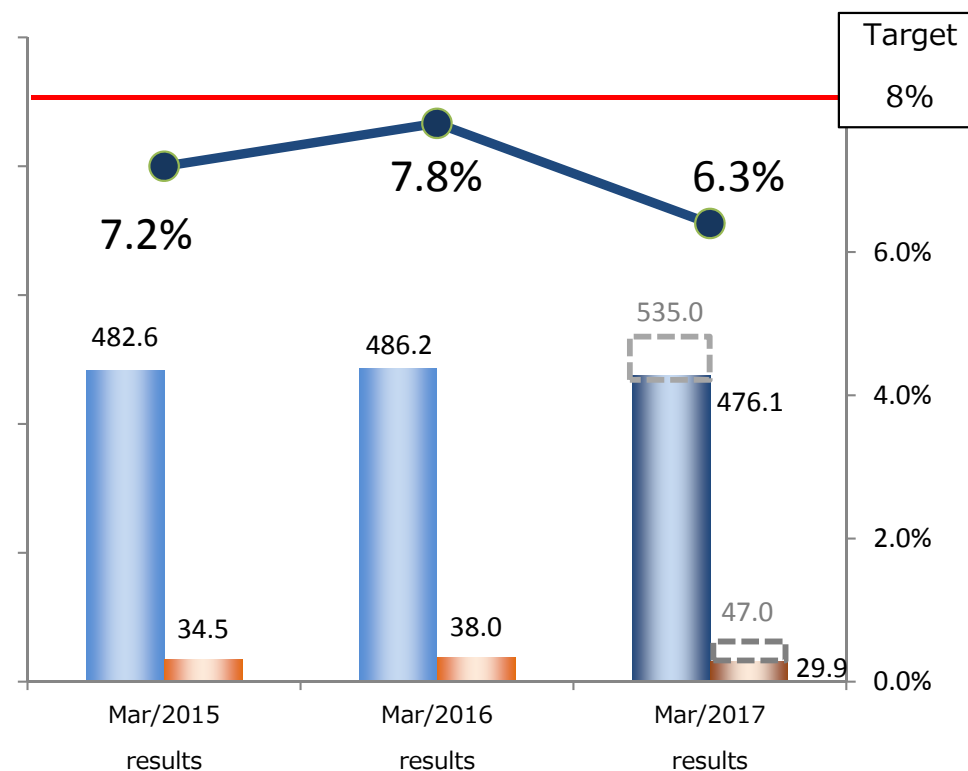
### E-Plan 2016 Group-wide management indicators and the result

ROIC, Operating Income Ratio ... Both fell short of the targets

Trend of ROIC, ROE, Debt/Equity Ratio



Trend of Operating Income Ratio



Capital Investment (3 years cumulative) Plan: 57.0 billion yen, Result: 54.2 billion yen

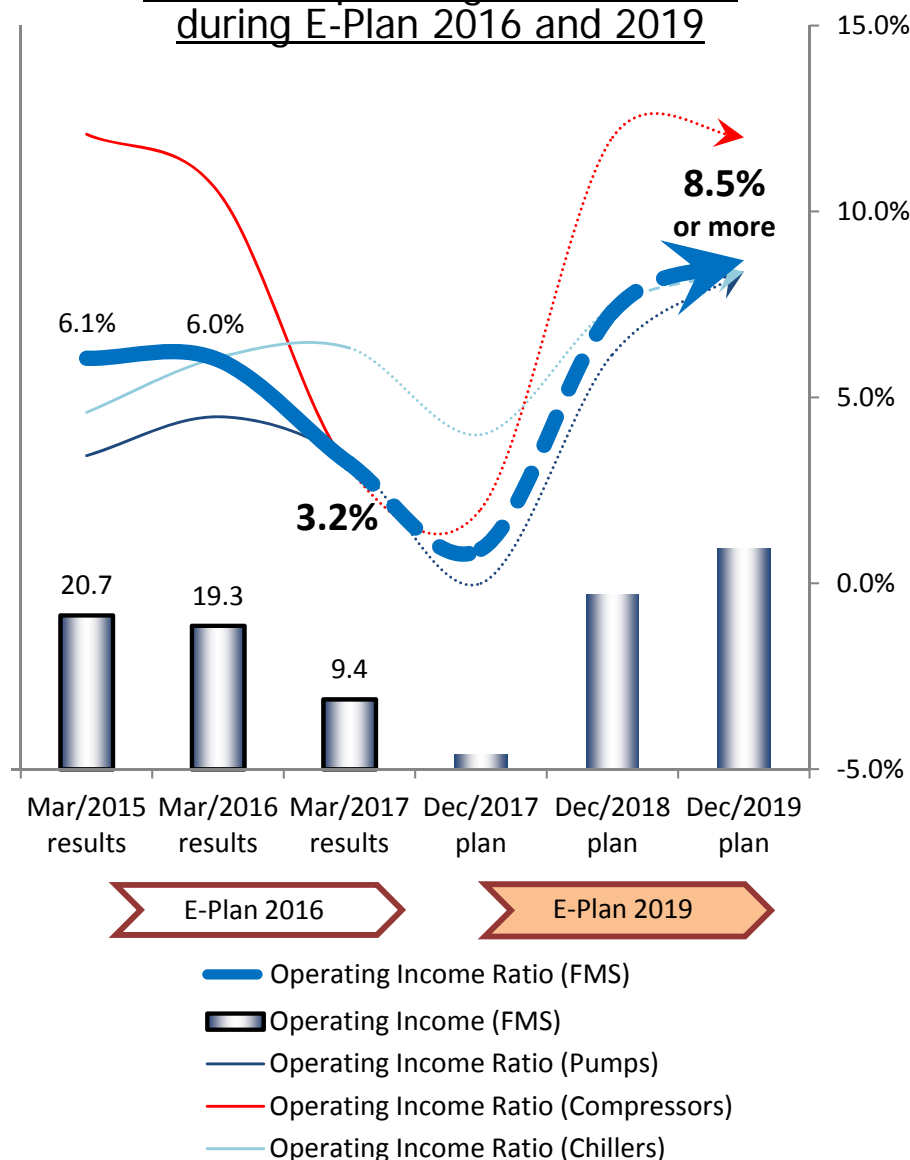
R&D Expenses (3 years cumulative) Plan: 30.0 billion yen, Result: 23.1 billion yen

## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### FMS Business

Trend of Operating Income Ratio during E-Plan 2016 and 2019



#### [Review of E-Plan 2016]

Fell short of the targets

- Orders and sales fell considerably due to the deterioration of overseas markets susceptible to drastic market fluctuations

#### [Achievements]

- Expanded overseas bases
- New product strategy for pumps achieved certain results
- Profitability improved in Chillers Business

#### [Tasks]

- An impact from the deteriorating external environment can be considerable in each business
- "Earning power" of the domestic business becomes weak

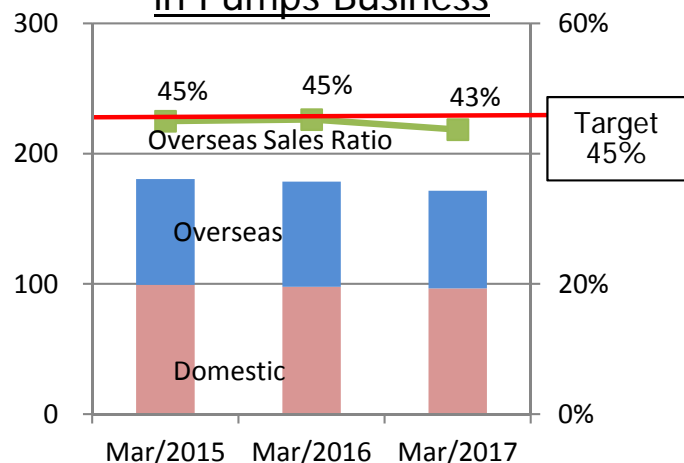


## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

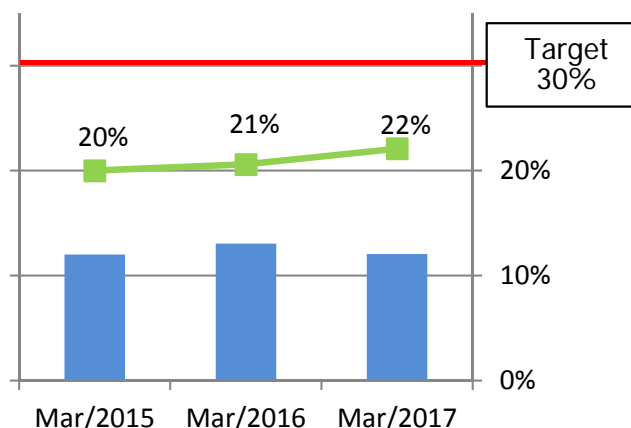
#### FMS Business [Result of Major Numerical Targets of E-Plan 2016]

Overseas Sales Ratio in Pumps Business



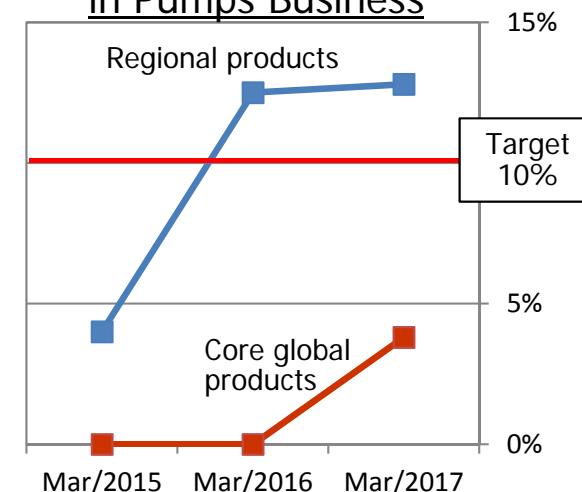
Missed the target slightly, though markets slowed at one point mostly in oil and gas markets

S&S Sales Ratio in Overseas Custom Pumps Business



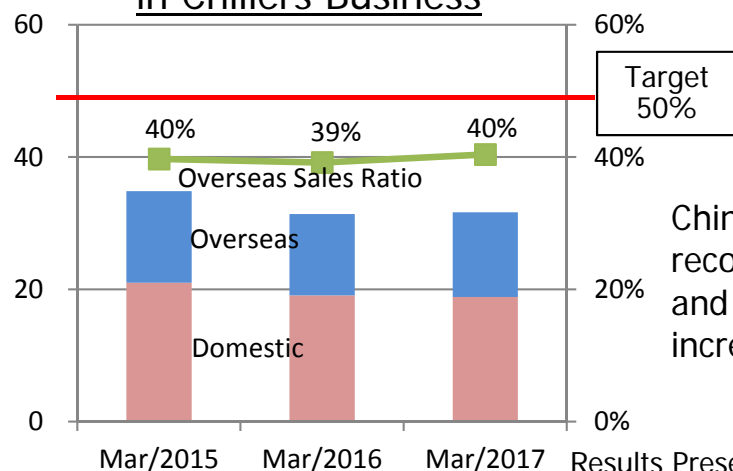
S&S sales increased slightly, but the ratio fell short of the target

New Product Sales Ratio in Pumps Business



Regional product sales are in good shape, but core global products missed the target due to delay in launch

Overseas Sales Ratio in Chillers Business

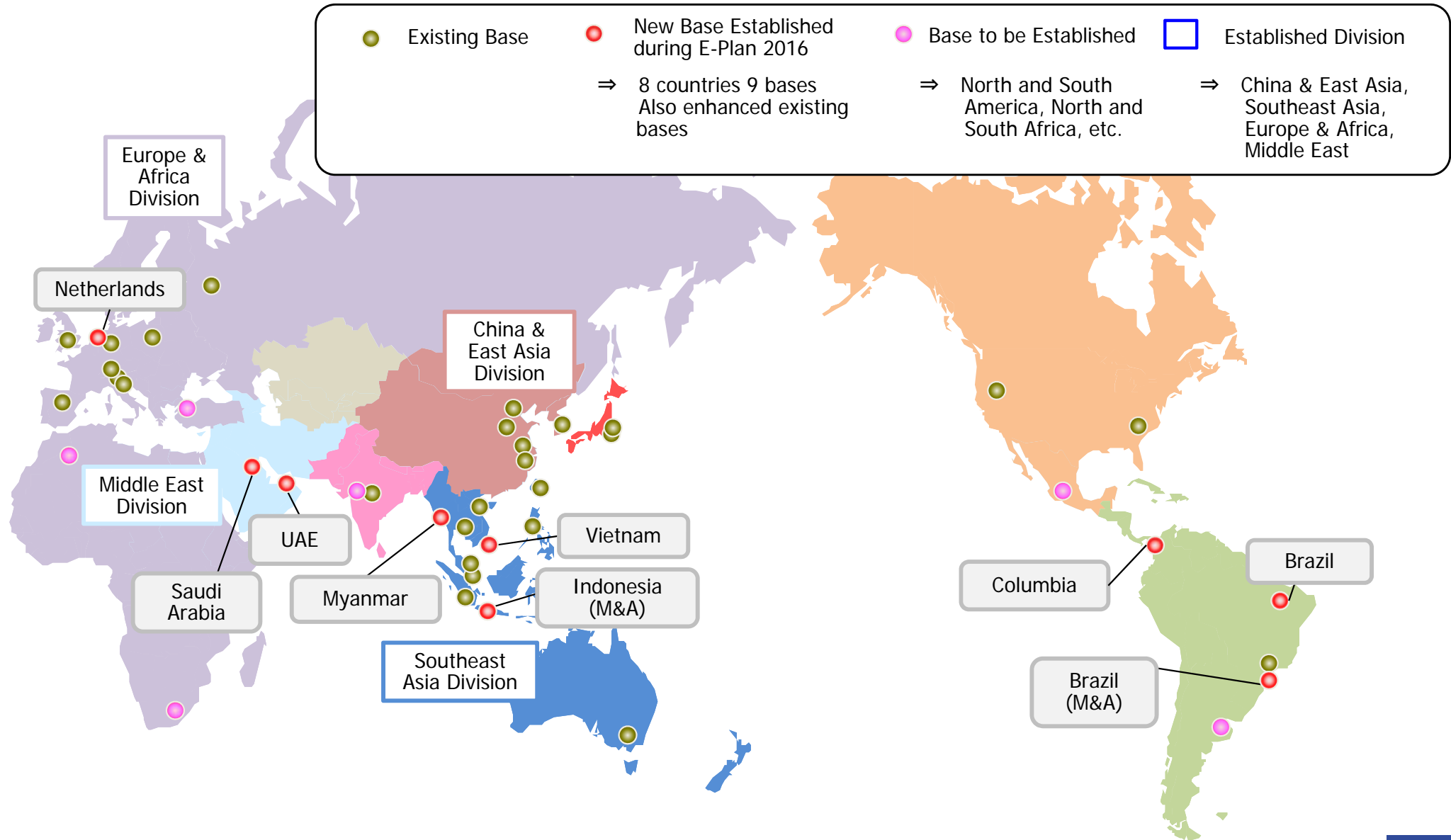


Chinese market did not recover as we expected and overseas sales did not increase

## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### FMS Business [Overseas Bases Establishment in Pumps Business]



## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### Pumps Business

##### 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 on the business structure of the domestic business, we will aim for growth on the global markets and set forth the following as our basic policy.

- 1) We will continue to eliminate and integrate extant models, and reduce administrative costs, while at the same time shorten product lead time and reduce manufacturing costs.
  - Reducing extant models to around 7000 models, started in April 2017
- 2) We will fundamentally revise the conventional production system. By establishing an automated production line through the utilization of 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 the business systems of 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



## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### Pumps Business

##### Custom Pumps Business

Given that the Custom Pumps Business is a business susceptible to market fluctuations, particularly from the oil and gas markets, we will conduct structural reforms on the domestic production system so that profits will be generated even at the bottom of the market. Furthermore, we will aim to improve profitability by expanding the domestic and overseas S&S business and through the expansion of the products business intended for the public sector in Japan, and set forth the following as our basic policy.

- 1) We will re-examine our domestic production system, and transform our production system into a flexible system that will generate stable income even if current market conditions prevail, and will also allow us to increase production once the market recovers.
  - Promptly change to structure which can flexibly deal with external environment fluctuations
  - Set the target for operating income ratio of Custom Pumps Business and manage it carefully
- 2) By renewing our production system and standardizing our products, we will shorten product lead time and reduce manufacturing costs.
- 3) In order to expand the overseas S&S business, we will enhance our sales and technology support system in the local regions closer to our customers.
  - Relocate sales and technical staff from Japan to overseas to enhance capability of overseas bases
  - Manage S&S sales



## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### Compressors and Turbines Business

While our ultimate goal is to establish our position in the world's top three in the compressors market for oil and gas by the early 2020's, and maintain the No.1 position in the downstream market, during the period of E-Plan 2019, we will aim to improve the profitability of the products business and expand the S&S business 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, and set forth the following as our basic policy.

- 1) In addition to ensuring and strengthening our competitiveness in the existing markets, we will seek to enter new segments and markets through M&As and proprietary development.
  - While continuing to reduce costs, shorten product lead time and reduce manufacturing costs
  - Seek orders for S&S of other companies' products and comprehensive S&S projects
- 2) We will thoroughly improve the profitability of the products and S&S businesses.
  - Review an operating process of the products business and the design system
  - In the S&S business, optimize global bases
- 3) We will deepen the integration of global management in order to overcome international competition.
  - Through the integrated management of the bases in Japan and the US, promote cash flow-oriented management



## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### Chillers Business

In the China business, we will aim to expand our market share, and in our domestic business, we will undergo transition to a highly-profitable structure, and set forth the following as our basic policy.

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

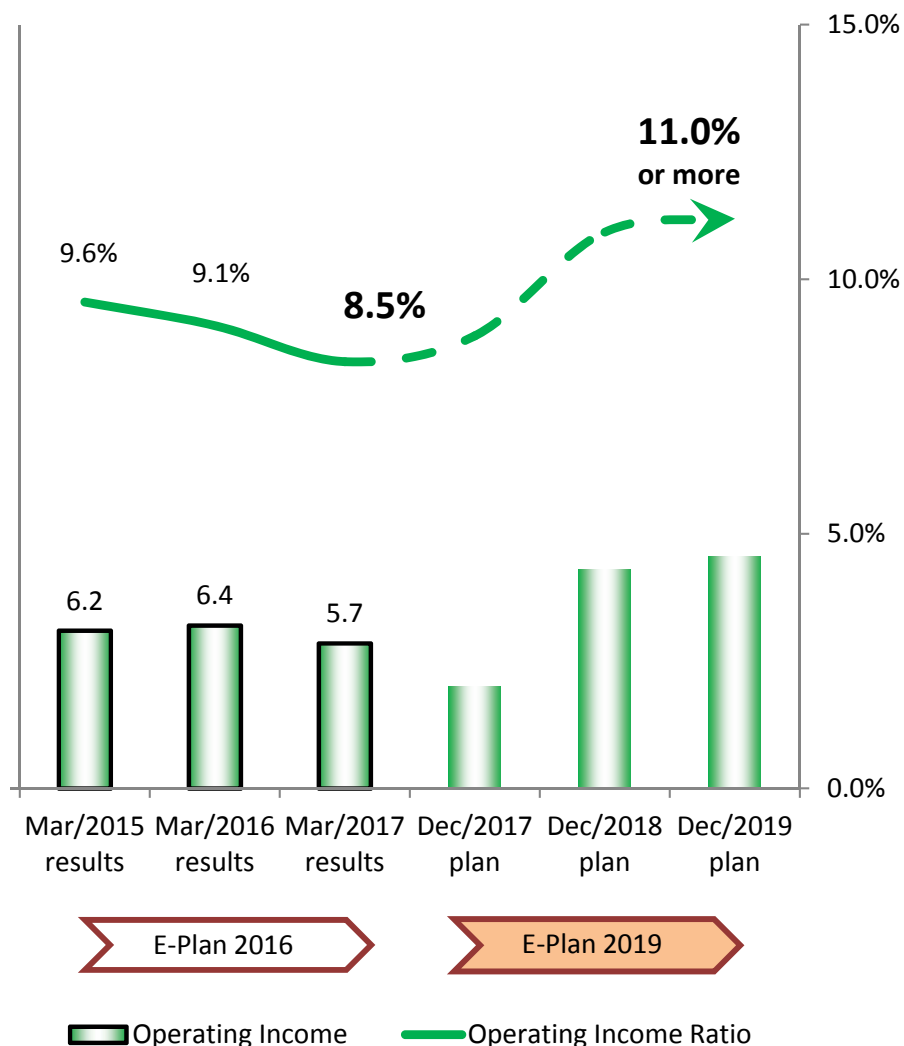


## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### EE Business

<Results for the E-Plan 2016 Final Year and Targets of E-Plan 2019>



#### [Review of E-Plan 2016]

Profitability improvement in the EPC Business missed the target and fell slightly

#### [Achievements]

- The number of facilities that contract us to carry out the O&M services has increased from 73 to 79 in 3 years

#### [Tasks]

- Profitability improvement in the EPC Business is not enough



## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### EE Business

We will continue to aim for stable growth and improved profits mainly in the domestic O&M business (public infrastructure services) which primarily caters to public sector entities, and set forth the following as our basic policy.

- 1) We will fully develop business management and profit/loss management through deepening and change.
  - Enhance a profit/loss management system of each facility
  - Improve the profitability of the EPC Business
  - Manage an operating margin of O&M
- 2) We will shore up our domestic customer base and strengthen the presence of our domestic O&M business.
  - Manage O&M sales ratio
- 3) We will ensure the sustained growth of the new electric power business while at the same time proactively incorporate the biomass power generation facility market into our business.
  - Capture orders for wood biomass power generation plants
  - Enter the market of compact biomass power generation systems



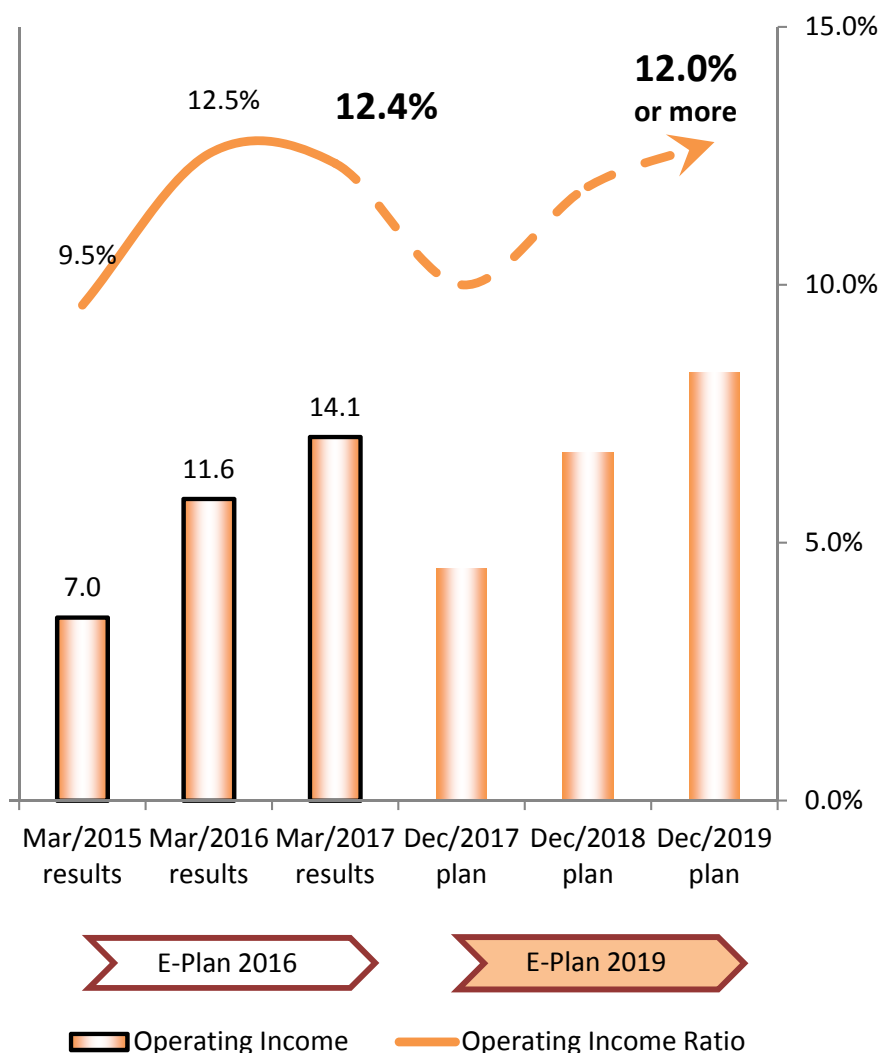


## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### PM Business

<Results for the E-Plan 2016 Final Year and Targets of E-Plan 2019>



#### [Review of E-Plan 2016]

Despite the cyclicity, the market has been in good shape in the past 3 years. As a result, operating income ratio, sales, and operating income have exceeded the targets.

#### [Achievements]

- Shortened delivery time through productivity innovation activities
- Enhance the Kumamoto Plant to respond to drastic change in the market

#### [Tasks]

- Cultivated product line that can stand alongside components and CMP systems as the third pillar
- Deal with advancing semiconductor manufacturing technology

## 2. Projection and Management Strategy

### Review of E-Plan 2016 and Major Measures of E-Plan 2019

#### PM Business

Upon securing an operating income ratio exceeding the average operating income ratio for the period of the E-Plan 2019 by the early 2020's, we will create new businesses and new products that will become the third pillar as well as establish a business base to ensure sustainable growth for 2020 and beyond when semiconductor-manufacturing technology will reach a turning point, and set forth the following as our basic policy.

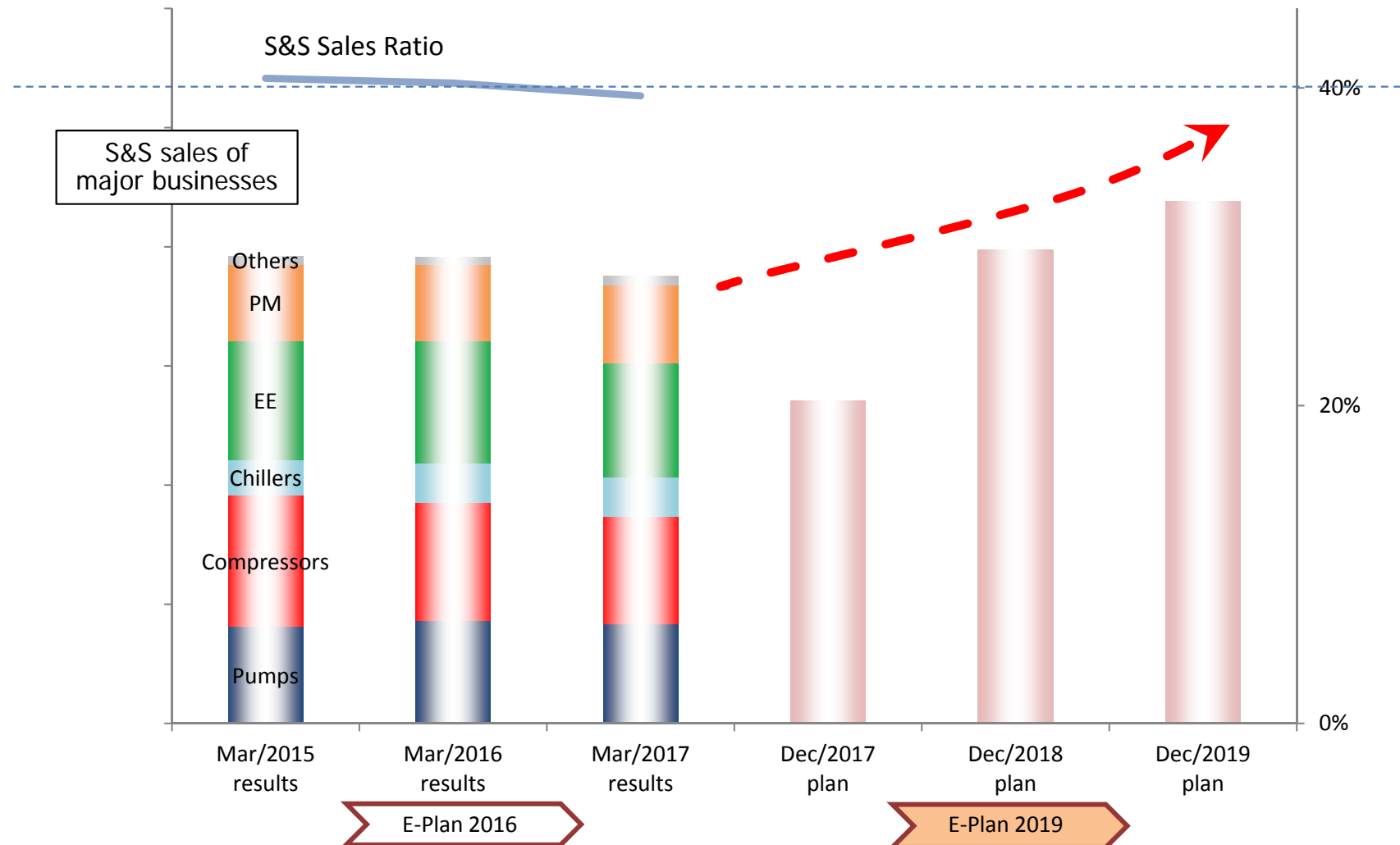
- 1) We will enhance production efficiency and business efficiency by promoting automation, and strengthen our competitiveness by shortening product lead time and reducing costs.
  - Establish an automated assembly line for dry vacuum pumps, and minimize the effects of personnel shortages/excesses caused by market fluctuations (build a model case of a fully-automated plant with a view to expand it to overseas production bases)
- 2) We will increase sales from the equipment group centering on plating equipment, which is slated to become the third pillar, mainly in the packaging process.
  - Manage new product sales ratio
- 3) We will utilize the open innovation policy, seek out demand for new semiconductor manufacturing technology, and engage in development for commercialization.
- 4) We will expand and stabilize existing businesses, while at the same time reinforce the global strategies of each business.
  - Launch and develop next-generation models of extant products and new process technology, and reinforce the competitiveness of these products
  - Enhance the S&S business

## 2. Projection and Management Strategy

### Important KPIs (Sales of S&S Business)

To solidify the profit foundation of the EBARA Group so that it does not rely on market fluctuations, we need to expand the service & support business in all businesses

→ Continue adopting S&S sales as an important KPIs



## 2. Projection and Management Strategy

### Brand Statement

#### Establishment of our Brand Statement

While we have started transforming our corporate culture to achieve a medium-to-long-term growth goal for the next 100 years, we have established our brand statement and published in April 2017.

This is the message for all employees to share our strong will: looking ahead to growth, take action and go beyond the goal.

## Looking ahead, going beyond expectations

*Ahead* ➤ *Beyond*

[Brand concept]

Since our foundation, the driving forces of our growth have been “challenge” and “creativity.”

This spirit remains strong within us. It is reflected in all our dealings with people internally and externally, our attitude to our work, and the dedication with which we respond to society. It lies at the heart of our professional attitudes of responsibility and pride, and our indomitable will to succeed.

As a world-class manufacturer, we support social infrastructure, drive industrial development, and contribute to richer, safer living and a prospering society. But the world is faced with global issues such as natural disasters and increasing demands on the environment and resources. The Internet of Things is changing the way we live, making our world wider and more digital. Our world is entering an era of change, and so must we.

We will create results that go beyond expectations. We can do this because of our long history, our keen foresight, our cherished relationships, and our ability to change. We can do this because we believe in cooperation based on diversity that goes beyond countries and cultures and the framework of our own organization. And we can do this through our global collective wisdom that fuses together new technology and new ideas.

Looking ahead, going beyond expectations.

This release contains 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.

Note

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