



## With employees

The EBARA Group is committed to maintaining a safe and better work environment and improving it.

### Human resource principle

For the EBARA Group's lasting development, acquire human resources who have a challenging spirit and exercise ingenuity and originality; retain them; motivate them and provide an environment in which they can demonstrate their abilities to the utmost.

### Human resource policy

1. Provide various systems to match management issues and individual behavioral goals.
2. Revise the seniority system and thoroughly implement assessment and treatment based on roles and performance.
3. Provide various systems to make people aware of their responsibilities and enhance individual autonomy.
4. Considering each company's situation, provide various systems taking the entire group into account.
5. Create a transparent and easy-to-understand mechanism.

### Evaluation system (EBARA)

We revised the management levels in 2002 and the evaluation system of comprehensive work in 2003. We also introduced a behavioral assessment system to assess the process of generating outcomes (work behavior) and the system for management by objective (MBO) to assess individual's attainment of the goals that the organization needs to achieve.

Both systems are based on interviews between supervisors and subordinates. We try to realize a fair evaluation by improving and integrating the evaluation level at the meeting of supervisors.

### Payroll system (EBARA)

In 2005, we dramatically revised the payroll system for the first time in about 30 years. The purpose was to give high marks to employees who exercised their abilities and produced good results, offer better treatment and motivate employees. In this way, we achieved a stimulated organization and contributed to the business goals, as we aim for the company's lasting growth.

### Revise the retirement allowance and pension system (EBARA)

We plan to introduce a new retirement allowance and pension system in August 2008. The retirement

allowance system shifts from a pay-as-you-earn system to an interest-granting-point system. The pension system will shift from the approved retirement annuity system to the defined-benefit pension plan and defined contribution pension plan. The new system has the following benefits: it easily keeps fairness for mid-career workers; automatically adjusts the real retirement allowance level in line with commodity price variations; and allows people to easily understand the retirement allowance at this time.

In 2007, we explained this new system 27 times. In 2008, we will hold training on investment along with the defined contribution pension plan 76 times.



Training on investment along with defined contribution pension plan

### Linkage with the EBARA Group's human resource section

The EBARA Group holds the "EBARA Group relevant companies HR meeting" once a year to report the results of the spring labor offensive, respond to revised labor laws and share information such as HR and labor problems that each company faces. In 2007, revised work rules, the results of the spring labor offensive and recruitment details were reported at this meeting.

### Employees' attitude survey (EBARA)

We conducted a survey for employees and executive officers in August 2007 to pull together employees' comments on human resource systems, which were revised after 2002, and use them for company management and system operation. The response rate was about 90 percent. We were able to find out problems and extracted challenges by analyzing answers. From now on, we will come up with measures to solve such problems.



## Maintain and improve relationships of trust through dialogue between labor and management (EBARA)

Based on the union shop system, the labor union and management hold “labor-management meetings” periodically, or as needed, to maintain and improve relationships of mutual trust. The meetings play an important role in understanding corporate management from the labor union’s point of view and checking the management’s soundness.

**Labor-management meetings held in 2007**

July	Discussion session with the president; Labor-management meeting at the beginning of the term; and Labor-management meeting by company
August	Labor-management meeting by district
October	Labor-management meeting for new union officials to get acquainted
November	Autumn labor-management meeting; and Labor-management meeting by company
January	New Year labor-management meeting
March	Labor-management meeting for spring labor offensive

## Occupational safety and health (EBARA)

We defined the “Safety and health management regulations” to ensure health and safety at the workplace, create and improve a comfortable work environment and prevent industrial accidents. Based on this, we set up the health and safety management system by appointing the comprehensive health and safety manager and industrial physician, to form the “Central health and safety committee” to supervise safety at work in the entire district, establish the “Health and safety committee” in each district, and draw up and implement the health and safety management plan.

To prevent industrial accidents, we require employees to participate in the “Health and safety education and training.” In addition, as preventive measures for mental

illness or death by overwork, we provide consultations with a doctor for people working long working hours.

## Maintain health and prevent illness

The health of employees is a source of development and continuity for the company. The EBARA Group takes measures for employees to maintain their health and prevent illness. We conduct regular health checks and specific checks for each job and for all employees every year. In addition, we try to prevent lifestyle-related diseases, metabolic syndrome and mental disorders.

### ■ Lifestyle improvement program

We implement the “Let’s do the lifestyle improvement program” which improves people’s physical condition by reviewing their diet to prevent and improve lifestyle-related diseases or metabolic syndrome. This program, in which we record the amount of food we eat and nutritionists and nurses instruct people about nutrition and health once a month, is a good opportunity to recognize and improve any diet imbalance. In 2007, 152 persons participated in this program and about 70 percent of people who continued to do the program for six months successfully lost weight.

### ■ Mental health

To prevent mental disorders caused by work such as stress from work, employees can have a checkup by a neuropsychiatrist in the company. In 2007, we conducted a questionnaire to prevent mental disorders at the workplace and then held a mental health seminar for the management-level workers based on the results.

## Employees’ health and interaction through sports and hobbies

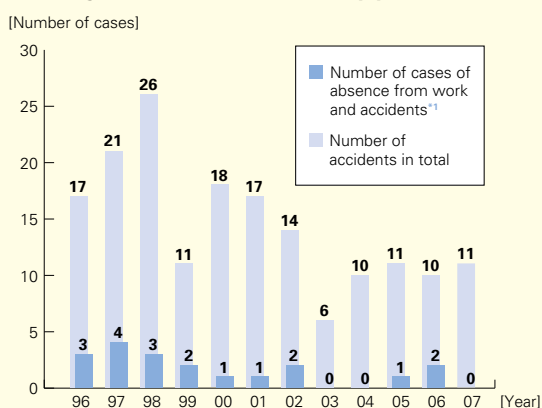
We administer the “EBARA culture and sports society” to improve employees’ health and culture level through sports and hobbies and foster a sound body and mind. This society consists of the company-wide Central Culture and Sports Society; the District Culture and Sports Society, by district; and various clubs of branches and sales branches. For sports, 45 clubs including baseball, tennis, soccer, basketball and kendo, and for culture, 31 clubs including tea ceremony, flower arrangement,

ceramic art and calligraphy are active. Throughout the year, various championships or exhibitions of works are held in each district.



Kendo club

**Change in industrial accidents by year in EBARA**





## With employees

### Training and education to enhance consciousness of human rights among employees

We started a human rights enlightening session for all employees including the EBARA Group member companies and temporary staff in conjunction with conventional training by hierarchy in 2006. We held the session at branches and sales branches all over Japan in 2006 and held it at all offices and districts in 2007. In addition, in 2007, we reorganized the Human Rights Enlightening Promotion Committee, implemented a training session to foster committee members and enhanced training and education.

### Administer the harassment consultation counter

For sexual harassment, gender harassment, power harassment and bullying, we respond to employees' consultations. In 2007, to enhance the consultation counter function, we set up the Group Consultation Counter Liaison Meeting, and conducted training to foster counseling staff.

### Labor standards and human rights protection considering international standards

For labor and human rights, we not only comply with national laws but also support internationally agreed standards, including United Nations Universal Declaration of Human Rights and ILO's core labor areas, and approach the system enhancement or staff training. From 2008, we will conduct surveys and training for overseas group companies.

### Benefit package

The EBARA Group's benefit package is shifting from a facility-oriented one to a software-oriented one. As an example, we enhanced the cafeteria. Except for the Sodegaura District, we assigned a national-registered dietitian to each district that has a cafeteria, and administer it in a way that matches the features of the district. On the other hand, two dietitians in Corporate, which is responsible for districts, make a master menu and draw up nutritional management measures. For facilities such as bachelor's dormitories, recreation facilities, club houses and stores, we try to efficiently administer them, maintaining high quality. We opened facilities, which have primarily served customers, for employees and their families, and support the safe and comfortable lives of employees, retired employees and

their families by enriching food, health and leisure-related facilities.

#### Outline of family benefit facilities

Company housing	5	(Tokyo and 4 in Kanagawa)
Bachelor's dormitories	5	(Tokyo, 3 in Kanagawa and Chiba)
Own recreation facilities	3	(Atami, Hakone and Akakura)
Clubhouses	2	(Tokyo and Fujisawa District)
Cafeteria	4	(2 in Haneda, Fujisawa District and Sodegaura District)

### Manufacturing engineer (EBARA)

In a domestic wind and water force machinery manufacturing plant, to foster human resources who can take over skills and technology and develop them, being very close to the shop floor of manufacturing, we set up a new job group called "manufacturing engineer" in 2005, and 22 people have taken on this job up to 2007.



VOICE

Toshihisa Sano,  
Manufacturing engineer  
Production department,  
Haneda Plant

#### I want to take over high skills and technology in conjunction with design.

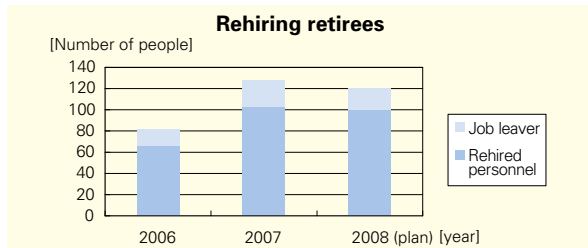
For EBARA fluid machinery, one product corresponds to one order, and is manufactured by workers with sophisticated skills who have experience going back 10 or 20 years. Theorizing the skills, which have conventionally been handed down to others through OJT (on-the-job training), is one of my missions. I learn from the skilled workers on the site and want to serve as a bridge between the designing section and the manufacturing site, and take over and develop the technique to manufacture EBARA's traditional, large industrial fluid machinery.

### Taking over sophisticated technology (EBARA)

In April 2006, we formed the "Retirees rehiring system." This is to rehire retirees that meet a certain criteria on a request basis, and the rehiring rate is over 80 percent. This system is based on the law concerning stabilization of employment of older persons and designed to surely pass on the accumulated technology and knowledge to the next generation. Now they can renew their contracts every year until they are 65 years old. Since there are



workers who have sophisticated skills that will retire, we are trying to smoothly administer this system.



### HR development HR: Human Resource

The EBARA Group reviews the HR development program to make various personnel development programs systematic and improve ROI, responding to social changes such as globalization, a change in the population structure and diversity of individual values.

#### ■ Motivate female employees and maintain appropriate appraisals

The EBARA Group has introduced the Female Success Promotion Program since June 2006 to promote the effective use of human resources, raise motivation, support career paths and promote a good balance between work and life. In 2006, we held the program session with the theme of “career path support” four times and 139 people (men: 0; women: 139) participated in it. In 2007, we held the program session four times with the theme of ripple effects of training at the workplace, and 109 people (men: 3 and women: 106) participated in it.

We held the fourth session in cooperation with three trading and manufacturing companies. Some participants commented that they were able to review themselves through interactions with other company employees and re-recognized the importance of positive behavior. We try to enhance the program to realize a work environment that enables women to play an active role and to be appraised appropriately.



The Female Success Promotion Program

#### ■ Foster leaders for the next generation

To foster the next-generation leaders to be the future of the EBARA Group, we have conducted a business leader

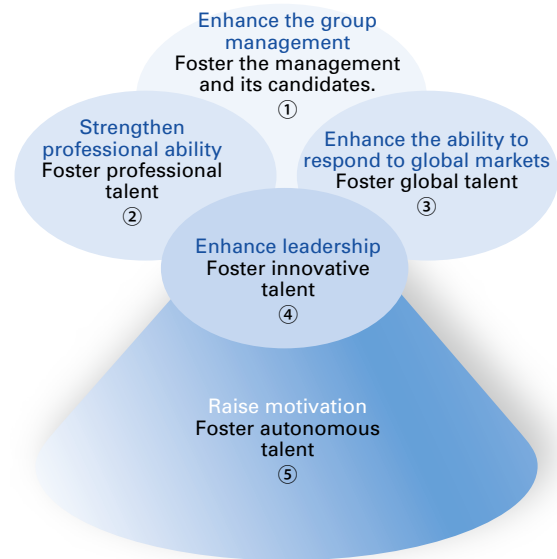
training program for management-level employees since 2005, and 31 people attended this program in 2007. This training is characterized for not only developing leadership but also nurturing innovative talent, to develop people who can meet the needs of stakeholders such as customers, shareholders, employees and society by acquiring the viewpoint of “looking at EBARA from the outside.” Employees who finished the training make full use of their knowledge, experience and human networks developed through the training and are voluntarily committed to cross-sectional themes such as corporate culture reform and creation of new corporate philosophies.

### Management issues and HR development program

#### Management issues (purpose)

Achievement as a goal

HR development program from ① to ⑤ (diagram below)



#### HR development program

①	Training for directors and the management of the group companies, Training for business leaders
②	Training on sales, legal affairs, finance and intellectual assets, Career path support (coaching and promoting women’s success), Home study
③	Study overseas (long term, short term and domestic), training before going overseas, Foreign language training
④	Business leader training and G-One skill training
⑤	Hierarchical training