

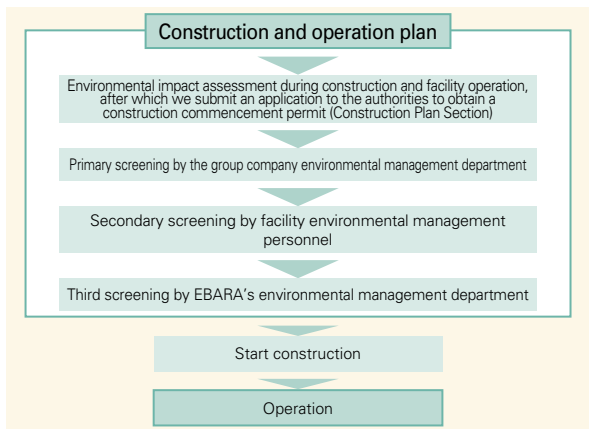


Environmental risk management

The EBARA Group conducts environmental screening and audits to avoid and reduce environmental risks, including environmental pollution incidents, under the risk management system*1.

Environmental screening

Construction of new EBARA production, testing, RD, and recreational facilities, including the revamping and demolition of obsolete facilities among these, also including the operation of such facilities, tend to have various effects on the environment. Such effects may be caused by generated waste or discharged wastewater, from the use of resources and chemical substances. There is also the problem of noise and vibration. It is probable that such effects may extend to the proximity of the premises. EBARA conducts environmental screening to reduce the environmental risks at the planning stage of construction. We carry out environment impact assessment during construction and during operation, make sure there are no planning defects and that everything is in compliance with relevant laws such as environmental laws, the occupational safety and health law and building codes. Our three-fold checking system is as follows:



Flow of environmental screening

Environmental screening in 2007

The number of screenings in 2007 came to 148. There were 104 cases where we had to inform the concerned party that the construction plan to be revised to minimize environmental impact and to meet legal obligations.

Environmental audits

Environmental audits are conducted in a three-fold system: the first audit is done by the company, office or district; the second audit (Corporate environmental audit) by EBARA's environment promotion department; and the third audit by an externally registered audit agency (third-party audit).

Foster environmental auditors

The audit team of our corporate environmental audit section consists of environmental auditors registered with CEAR*2. As of the end of 2007, EBARA has 32 qualified CEAR-registered environmental auditors. Corporate environmental audit sites provide our staff with opportunities to acquire knowledge and experience in the field.

Lead auditors	5 (3)
Auditors	0 (2)
Assistant auditors	27 (34)

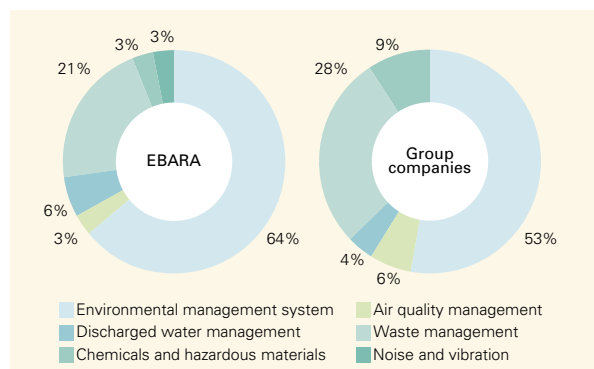
Figures in parenthesis show data for 2006

Environmental audit in 2007

The first audits were conducted in accordance with the audit programs determined by each company, office and district. Our corporate environmental audits were conducted for 17 establishments. These audits were designed to enable a thorough management of environmental risks and compliance with environmental laws within the EBARA Group, to check on the implementation of preventive measures against environmental pollution, and to promote company management-related environmental management activities.

Breakdown of issues pointed out by the corporate environmental audit in 2007

In 2007, our thorough audits revealed an increase in waste management-related environmental issues.



*1 Our "Risk management system" applicable for all EBARA Group companies. Each EBARA organization screens risk cases, and depending on the magnitude of the risk, either the organization itself or the EBARA Group takes action.

*2 "CEAR" is the Environmental Management System Auditor Registration Center, belonging to the Japan Environmental Management Association for Industry,