

For providing superior technologies and best services

Environmental Engineering Company

The Environmental Engineering Company, which engages in the whole scope of services in relation to water or waste treatment facilities from engineering through operation, is currently in the process of transforming into a new business unit through major organizational restructuring. Its goal is to be closer to customers in line with changes of the times.

Business of the Environmental Engineering Company

The Environmental Engineering Company's business includes the engineering, procurement and construction (EPC^{*1}) of facilities relating to water and waste treatment and their operation and maintenance (O&M^{*2}). Its main customers are governments and other public offices and private companies in Japan and overseas. The Company's mission is to build infrastructure to support society and our daily lives such as water and waste treatment plants and maintain them in good condition for extended periods of time and to contribute to the establishment of a sustainable society by developing advanced technology.



Internally circulating fluidized-bed boiler for biomass-fired power generation

In response to changes in the business environment

Up to now, we have used separate corporate organizations for the EPC and the O&M of facilities in both water treatment and waste treatment businesses. In recent years, however, demand has grown for the replacement and maintenance of facilities, rather than the construction of new facilities, and such demand now

exceeds 50% of the entire sales of the environmental engineering company. There have been changes in customers' requests as well to include entrusting of operations in addition to the maintenance of facilities and we estimate this trend will continue in the future.

To respond to these changes in the business environment and diversification of customers' requests, we have decided to carry out major organizational restructuring.

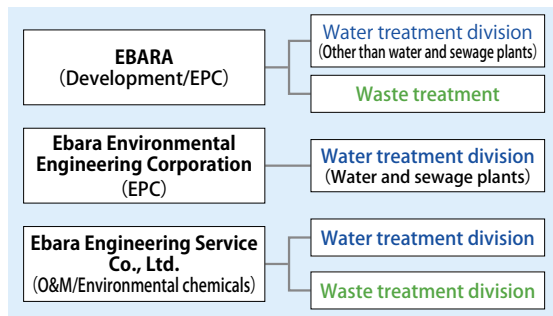
Organizational restructuring for the improvement of services

This restructuring is intended to divide an organization into two main divisions for the purpose of integrating the EPC and O&M operations respectively in the water treatment and waste treatment businesses and is scheduled to be completed in two phases by the end of 2009.

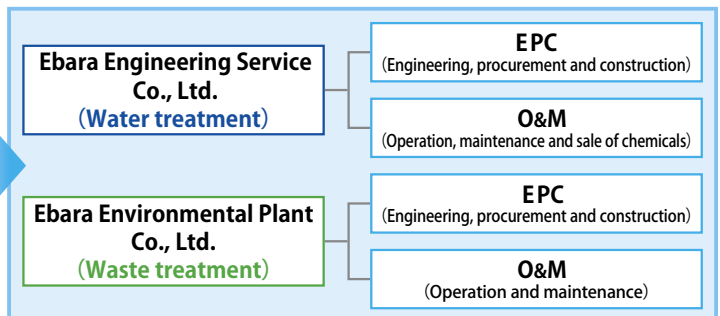
Specifically, the operations divided into three companies, namely EBARA, Ebara Environmental Engineering Corporation and Ebara Engineering Service Co., Ltd. so far, will be restructured to have Ebara Engineering Service Co., Ltd. conduct the entire water treatment business and Ebara Environmental Plant Co., Ltd. handling the entire waste treatment business. The aim of this restructuring is to be closer to customers, and to develop an organization capable of integrating the flows of operations of the respective fields to accurately identify customer needs and promptly respond to them.

We intend to improve the quality of services to offer to customers by transforming into a business unit that can conduct operations more efficiently. In addition, we will combine the business information owned by the individual consolidated companies to accumulate and make full use of the know-how in the respective business fields.

Former organization



New organization





李汀岚 (age: 9)

Building a system to incorporate customers' opinions

At present, we are in the process of working out a plan for maximizing the effect of this organizational restructuring to improve customer satisfaction. As part of this plan, we are conducting questionnaire surveys on customers and analyzing the evaluation results to reflect them in all phases of our operations. To provide integrated services spanning from the procurement of materials through the operation and management of facilities, reconsideration of education for expanding employees' knowledge, which tends to be limited to their own fields, is also necessary. For this reason, we have held training sessions according to the hierarchical levels of the front-line employees including field office director training for the purpose of strengthening management ability. Enhancing the awareness of operators, who directly listen to customers' opinions on the front line, is also important for responding to customers' requests even more accurately. Accordingly, we are also moving ahead with the creation of a system that allows operators' opinions to be reflected in the engineering, procurement and construction



Management training for field office directors

phases. From 2008 to 2009, we will continue with the organizational restructuring and various reforms along with it and

move ahead with the building of a foundation for incorporating customers' opinions into our operations to improve the business quality. Our intention is to serve the communities and residents who use the facilities, not to mention the customers, based on the new system.

Voice!

Hosting the Recycle Festa event

Akira Maruya

Aibetsu Field Office, Hokkaido sales branch,
Ebara Environmental Plant Co., Ltd.



We hold the Recycle Festa every other year, and it has proved popular as an event that plays the role of promoting the recycling and reuse of resources. Of the garbage collected, that which can be reused is repaired and cleaned by the entire staff including visitors and returned to local residents free of charge, thereby improving people's understanding of the significance of our facilities and awareness of recycling. The number of residents who visit the venue is increasing every year.



Masayoshi Hirose
President
Environmental
Engineering Company

We offer a total solution from EPC through O&M

For environmental businesses including water treatment and waste treatment, times are changing where we must place the focus on overall ability as seen in the increased demand for extension of service life of facilities, for replacement of products, and an increase in business-oriented projects as represented by PFI^{*3}. We will continue to value the opinions of people working on more than 500 field sites around the country in addition to those of our customers in Japan and overseas, and provide

the most suitable solutions in accordance with the individual sites through our differentiated products, engineering capabilities developed over the years and high-quality services. By this restructuring, we will strive even harder to strengthen the integrated operation of EPC and O&M so that we will be able to respond to customers' advanced requests more promptly and accurately and contribute to customers and society as a comprehensive environmental corporation.

*1 [EPC] Engineering, procurement and construction of plants

*2 [O&M] Operation and maintenance of plants

*3 [PFI] Private Finance Initiative: development and operation of public facilities by making use of private funds