

Founded in 1912, EBARA Corporation has grown to become one of the world's principal manufacturers of industrial machinery, based especially on its fluid machinery and systems business, with particularly strong positions in pumps and compressors as well as other related products. With its origins in the fluid machinery and systems business, the Company expanded into the environmental engineering business centered around incinerators and gasification technology as well as into the precision machinery business, which produces semiconductor manufacturing equipment and other equipment.

The EBARA Group is constantly thinking of what will be required in the future and is seeking to accurately grasp the current and future needs of its customers, while it continues to pursue the development of superior technologies and products in all its businesses. In the years to come, as in the past, the EBARA Group will continue to achieve further development and contribute to society by excelling in the development of technologies as well as the manufacturing and marketing of products and by providing high-quality support and services.

Our Next Stage in Growth:



On the Cover: Upward Flow Cryogenic Liquid Expanders

Cryogenic liquid expanders have become an important component in the liquefaction process train. Used in lieu of a Joule-Thomson valve, this product typically increases LNG production by 3%-5%. This machine is an upward flow configuration (bottom inlet, top outlet), and several advantages can be gained by changing the direction of the flow.

Cautionary Statement with Regard to Forward-Looking Statements

Certain of the statements made in this annual 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.

Contents

- 2 Financial Highlights**
- 3 Message from the Management**
- 4 An Interview with the President**
- 10 At a Glance**
- 12 Review and Outlook**
- 20 Governance Structure and
Management Systems**

Tackling New Challenges

- 25 Corporate Social Responsibility (CSR)**
- 28 EBARA Global Network**
- 30 Financial Section**
- 73 EBARA Group History**
- 74 Corporate Data**