

Review of Previous Medium-Term Management Plans

Previous medium-term management plans have concentrated on strengthening the Group's management foundations while stabilizing profit generation. As a result, our financial position has improved, and we have established solid foundations for business management. Consequently, the EBARA Group is ready to move forward under a new medium-term management plan.

Fiscal year ended March 31, 2009, to fiscal year ended March 31, 2011

Fiscal year ended March 31, 2012, to fiscal year ended March 31, 2014

E-Plan2010

Period of strengthening our management foundations

Basic Groupwide Policies

- 1 Strengthening the business base for sustained growth
 - Selection and concentration
 - Establishing a business base from a global perspective
 - Improve cash flow
- 2 Implementing corporate activities that emphasize compliance

Accomplishments

- Withdrawal from unprofitable and non-core businesses, including the wind power generation business and fuel cell business
- Improvement of the financial positions of individual businesses through the construction of the Futtsu Plant, in Chiba Prefecture, as a leading-edge pump plant and through productivity innovation activities and other initiatives
- Realignment of Environmental Engineering Company
- Implementation of improvements in internal control systems and strengthening of compliance

Ongoing tasks

- Expand our business operations to the global market
- Human resource training for global operations

E-Plan2013

Period of establishing a more solid and stable business structure

Basic Groupwide Policies

- 1 Promoting "regional production for regional supply" in priority areas and establishing an optimally located production and supply system from a global perspective
- 2 Working to enter new markets by expanding core business domains
- 3 Aiming to optimize *monozukuri* (manufacturing) processes through scientific approaches
- 4 Expanding the functions of corporate headquarters in keeping with the globalization of business domains

Accomplishments

- Established an optimally located production and supply system based on regional strategies
- Stabilized profitability in conjunction with the completion of the pending overseas project (Environmental Engineering Company)
- Promoted productivity innovation activities in Japan and began implementing the activities globally
- Expanded the functions of corporate headquarters in keeping with the globalization of business domains

Ongoing tasks

- Delays in the quantitative and qualitative development of production and service and support bases
- Insufficient development of the three businesses "pursuing growth" (pumps business, compressors and turbines business, and precision machinery business)
- Non-achievement of benefits through the productivity innovation activities in Japan and overseas; delays in materializing improved profitability
- Expanding and fostering human resources who will lead further global development

Achievements (as of March 31, 2014)

We have globalized businesses, secured financial soundness, established a corporate culture that gives first priority to compliance, and strengthened governance. Each of these initiatives have been firmly established.

