

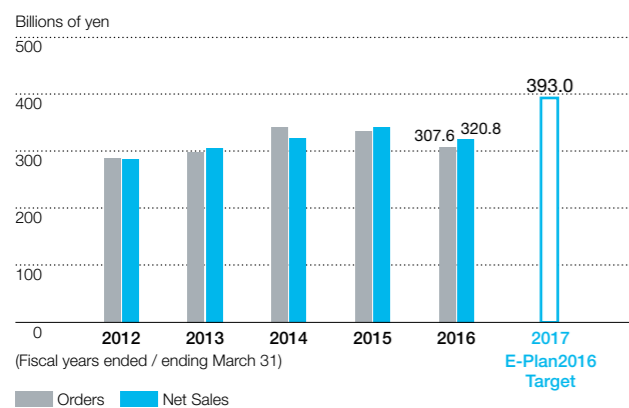
Fluid Machinery & Systems Company

Enhancing Our Presence on the Global Market

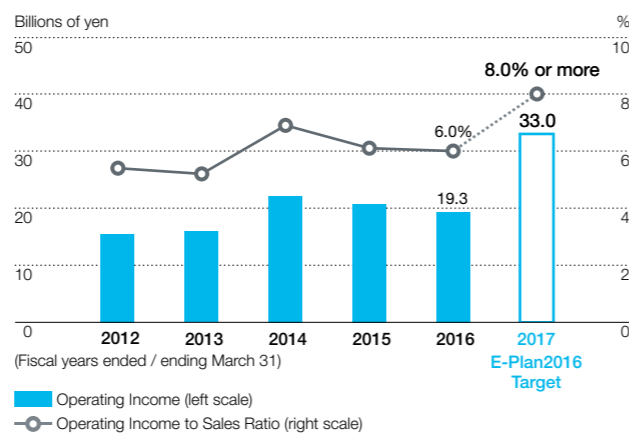


Atsuo Ohi
Company President

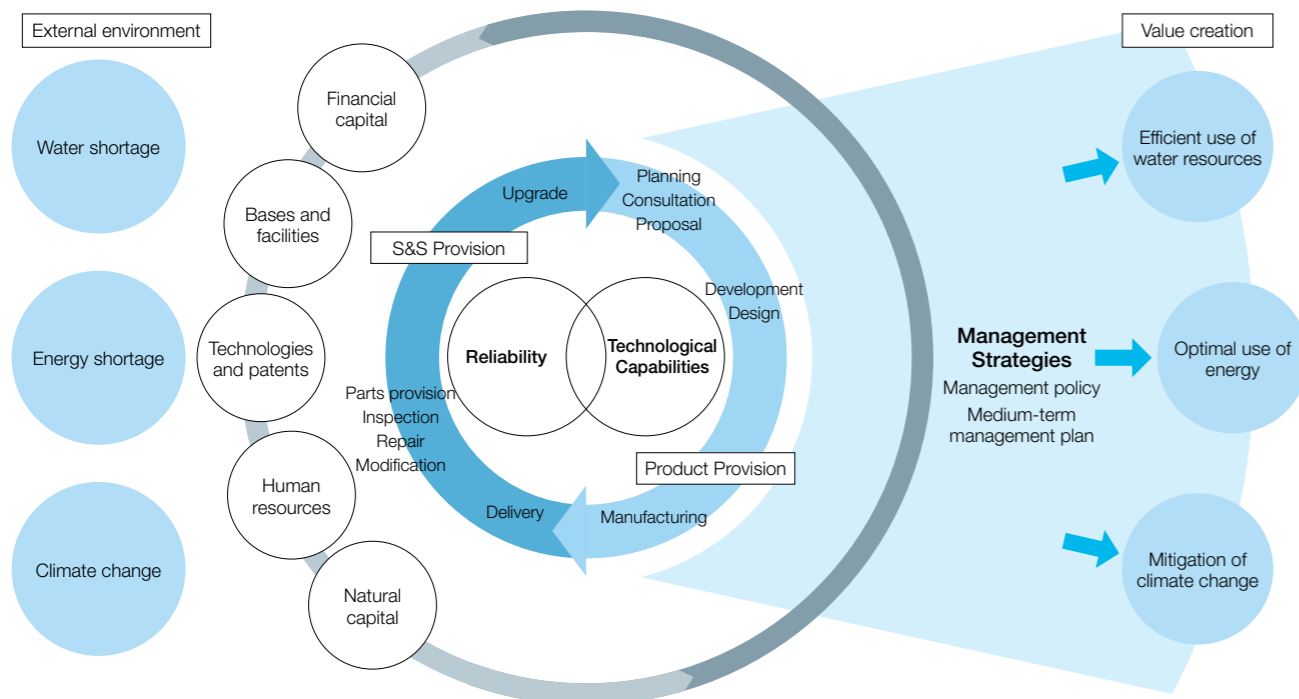
Orders / Net Sales



Operating Income / Operating Income to Sales Ratio



Business Model



SWOT Analysis

STRENGTHS (S)	WEAKNESSES (W)
<ul style="list-style-type: none"> Fluid Machinery & Systems (FMS) overall: Extensive delivery track record Pumps: Abundant lineup of products in terms of sizes and applications Large market share centered on Japan Compressors and Turbines: Global service and support network Chillers: World-class efficiency 	<ul style="list-style-type: none"> FMS overall: Cost-competitiveness Pumps: Lower profitability than major overseas competitors Compressors and Turbines: Giant overseas competitors
OPPORTUNITIES (O)	THREATS (T)
<ul style="list-style-type: none"> Potential growth in demand for various types of pumps in emerging markets mainly in Asia Increased construction of ethylene plants and oil refineries mainly in North America and Asia Capturing of demand from various customers for service and support (S&S) 	<ul style="list-style-type: none"> Decrease in competitiveness due to yen appreciation Dramatic change in the energy market centered on oil and gas Global economic downturn that includes emerging countries

E-Plan2016

Business Conditions

- Oil and gas:** Although oil price volatility has lessened, it is uncertain when customers' investment will pick up. In the fields of oil refining and petrochemicals, such as ethylene, some investment plans are expected to move forward.
- Building equipment:** The domestic market is stable because outside conditions do not affect it significantly. In the overseas market, demand is steady and centered on pump-related products.

Basic Policies of E-Plan2016

To expand our presence on the global market in each of our businesses, the FMS Company will establish an efficient business structure by engaging in the priority tasks of "expanding our business scale in growing overseas markets" and "improving profitability in the mature Japanese market." In keeping with the perspective that thorough examinations of customer needs are the source of product competitiveness, we will enhance our product capabilities that will enable us to offer quality, prices, and delivery that meet customer needs while creating S&S business across the entire life cycle of the product.

Additionally, we will strategically and continuously fortify our core technologies,* which serve as the foundation of our competitiveness. At the same time, by leveraging these E-Plan2016 Vision of What We Want to Become in the Fiscal Year Ending March 31, 2020 technologies to develop products, we intend to strengthen our ability to cater to markets.

* Hydro- and aero-design technology, oscillation- and structural-analysis technology, material application technology, electric and electronics technology, and production and quality control technology associated with molding, bonding, processing, measuring, and automation

Business Strategy

Vision of What We Want to Become in the Fiscal Year Ending March 31, 2020

- Pumps Business**
 - Cast off our existing conservative corporate culture
 - Become Asia's No. 1 pump manufacturer
 - Become one of the world's top three pump manufacturers
- Compressors and Turbines Business**
 - Establish the "Elliott" brand
 - Achieve sales of ¥200 billion
- Chillers Business**
 - Capture the No. 1 market share for chillers in China and Southeast Asia
 - Grow overseas sales to account for 50% or more of net sales

Company's Targets for E-Plan2016

Net Sales (Fiscal year ending March 31, 2017)	Operating Income (Fiscal year ending March 31, 2017)	Operating Income to Sales Ratio (Fiscal year ending March 31, 2017)
¥393.0 billion	¥33.0 billion	8.0% or more

Achievements in the Fiscal Year Ended March 31, 2016, and Measures Going Forward

In the fiscal year ended March 31, 2016, despite marketing new products in the pumps business and receiving large orders for S&S projects in the compressors and turbines business, business results were lackluster due to slumping crude oil prices and China's softening economic growth.

As for the fiscal year ending March 31, 2017, although the yen has been appreciating since the previous fiscal year, conditions in oil- and gas-related markets are expected to improve steadily. Amid these conditions, we will strengthen S&S business and steadily develop and market products that reflect demand in each region.

E-Plan2016 in Each Business

Basic Policies of E-Plan2016

Achievements in the Fiscal Year Ended March 31, 2016, and Measures Going Forward

Pumps Business

- (1) We will engage in speedy product development that meets customer needs and bring competitive new products to market.
- (2) We will increase the number of bases equipped with sales, service, and packaging functions on a global basis and establish a new business model by linking sales with service and support (S&S). In the pumps business, we have set the overseas sales ratio as well as the S&S sales ratio as key management indicators to assess business execution, and we will manage them accordingly. For the final year of E-Plan2016, we are targeting an overseas sales ratio of 45% or higher, and we will also pursue an S&S sales ratio of 30% or more in the overseas custom pumps business.
- (3) We will thoroughly reduce manufacturing costs through such means as revising basic product design while optimizing our procurement and product supply systems on a global basis by sharing data among production, sales, and service bases.

In the fiscal year ended March 31, 2016, we introduced two core global products and 15 regional products. We achieved the target of having regional products account for at least 10% of sales in the pumps business. We will market core global products in earnest from the fiscal year ending March 31, 2017.

We are increasing and improving overseas bases. We acquired companies in Indonesia and Brazil and established sales bases in Myanmar and Colombia. Also, we are expanding patrol services for customers.



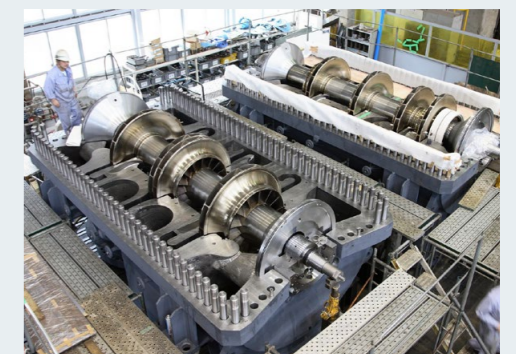
A water intake pump for a power station

Compressors and Turbines Business

- (1) We will thoroughly enforce Group management through a global organization and speed up the decision-making process through the establishment of a globally integrated production management system.
- (2) By strengthening competitiveness and bolstering production capacity, we will diligently incorporate market growth to boost earnings while reinforcing S&S capabilities to enhance both the quantitative and qualitative aspects of operations.
- (3) To optimize the *monozukuri* process, we will take a scientific approach in advancing global productivity innovation activities and enhance our competitive edge by raising our competitiveness in terms of prices, delivery, and quality.

As customers in the oil and gas market continued to postpone order placements and investment decisions amid low crude oil prices, we received orders for products for petrochemical plants in North America, products for oil refineries in Asia and Africa, and comprehensive services for petrochemical plants in the Middle East.

To strengthen S&S, we set up bases in China and India, and we plan to establish a base in Saudi Arabia. Further, we aim to attract orders for comprehensive S&S. At the same time, as a new initiative we are seeking orders for products for fertilizer plants.



Disassembled compressors

Chillers Business

- (1) In the domestic business in Japan, we will ensure stable profitability by enhancing revenues from product sales and expanding the lineup of our S&S business.
- (2) Defining China and Southeast Asia as priority areas, we will expand the scale of overseas operations by launching products that match the market needs of each area to enhance our presence.
- (3) We will establish a development system allowing for coordination between bases in Japan and China and quickly launch products that meet market needs by effectively utilizing the development resources of bases in these two countries.

In Japan, we establish stable profitability by accepting orders selectively to increase profit margins in fields with fierce price competition and augmenting and improving the S&S lineup. Aiming to expand overseas businesses, we stepped up product sales and direct S&S sales in Southeast Asia and strengthened sales through distributors in the Middle East and Europe.

Overseas, growth is likely to soften in China's market. In Japan, however, solid demand is expected. In China, we will continue to provide products that reflect customer needs, particularly those of industrial customers. As for overseas markets other than China, we will strengthen product sales capabilities.



High-efficiency turbo chiller

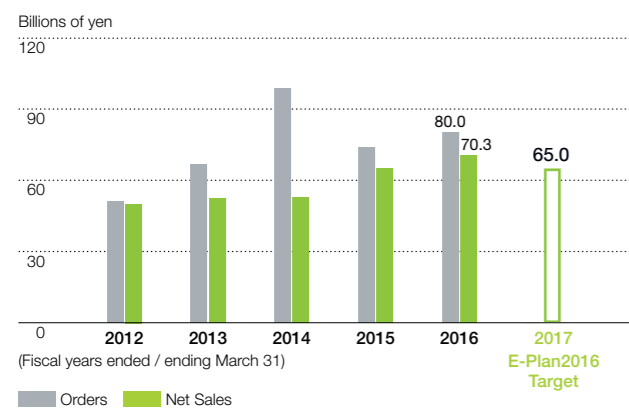
Environmental Engineering Company

Increasing Market Share, Profitability, and Efficiency

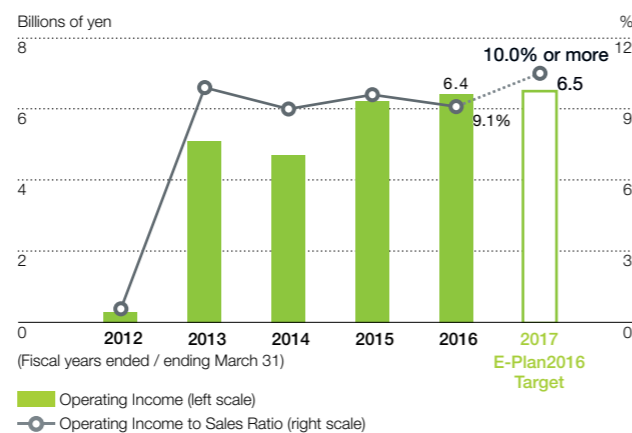


Akira Ichihara
Company President

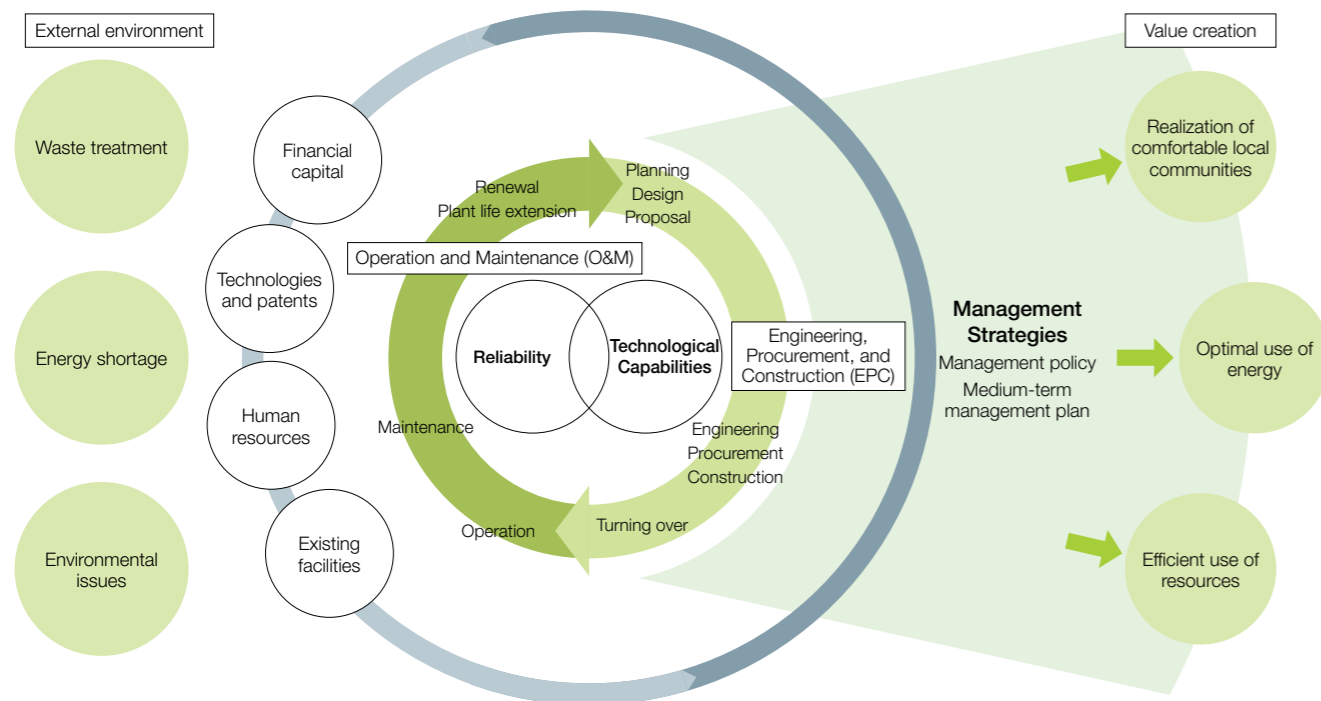
Orders / Net Sales



Operating Income / Operating Income to Sales Ratio



Business Model



SWOT Analysis

STRENGTHS (S)	WEAKNESSES (W)
<ul style="list-style-type: none"> One of Japan's leading companies in terms of delivery track record and number of contracts for operation services Structure that integrates engineering, procurement, and construction (EPC) projects with operation and maintenance (O&M) services Painstaking services that exploit the network among bases 	<ul style="list-style-type: none"> Limited opportunities for business expansion due to maturity of Japan's market
OPPORTUNITIES (O)	THREATS (T)
<ul style="list-style-type: none"> Increase in demand for services to lengthen the lifetimes of aging facilities Acceleration in transfer of facility management from the public to the private sector 	<ul style="list-style-type: none"> Significant reduction in grants and subsidies due to change in government policy Reduction in waste due to population decline or heightening environmental awareness in Japan

E-Plan2016

Business Conditions

- Business conditions have not changed significantly, and steady investment in the renewal and repair of waste treatment facilities is continuing.
- Increasingly, municipal authorities are contracting private companies for facility management. The contracting of O&M services is shifting from single-year contracts to long-term multiple-year contracts for comprehensive services.
- Projects for power generation plants that use such resources as wood fiber biomass are expected to increase in the private sector.

Business Strategy

Vision of What We Want to Become in the Fiscal Year Ending March 31, 2020

- Leader in the domestic EPC and O&M markets
- Operating income to sales ratio of more than 11%

Basic Policies of E-Plan2016

- In the EPC market in Japan, we will establish an earnings structure that will enable us to secure stable sales and operating income.
- In the O&M market in Japan, by improving customer satisfaction, customer bonding, and customer trust, we will expand the operational management outsourcing area.
- We will reinforce the competitiveness of the EE Company as a whole in terms of cost, quality, and business type by maximizing the synergy between the EPC and O&M fields.



In the fiscal year ended March 31, 2016, we received an order for the long-term comprehensive management of Hiroasaki Area Environmental Maintenance Center, shown above.

Company's Targets for E-Plan2016

Net Sales (Fiscal year ending March 31, 2017)	Operating Income (Fiscal year ending March 31, 2017)	Operating Income to Sales Ratio (Fiscal year ending March 31, 2017)
¥65.0 billion	¥6.5 billion	10.0% or more

Achievements in the Fiscal Year Ended March 31, 2016, and Measures Going Forward

In the fiscal year ended March 31, 2016, large orders included three for EPC projects, one for major repairs of existing facilities, and four for long-term comprehensive O&M services. Extending the scope of its operations, the O&M business received an order for the management of a waste-receiving facility, in addition to the O&M of a waste incineration plant. Also, we expanded a business engaged in local production for

local consumption, which sells electricity generated at a waste treatment facility to public facilities and local companies.

We will continue to lay and reinforce the foundations of stable earnings under our basic strategy of increasing price competitiveness through the development of an incinerator series and design bundles and extending the scope of our O&M services.

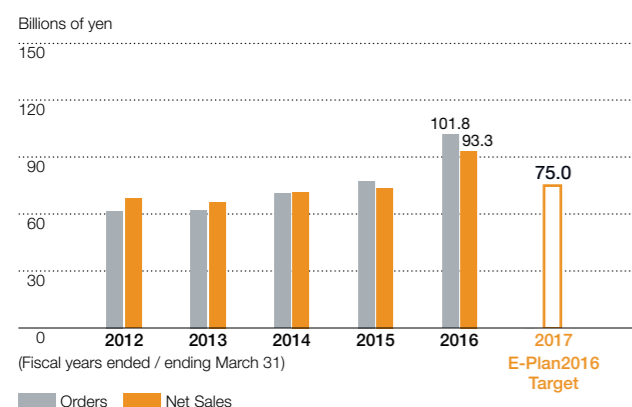
Precision Machinery Company

Building Business Foundations for Sustainable Growth

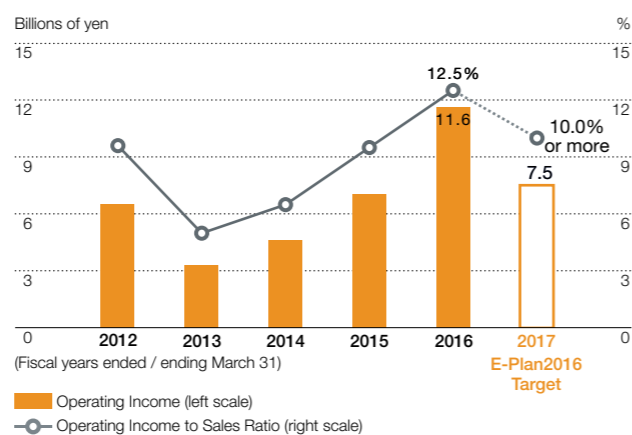


Masao Asami
Company President

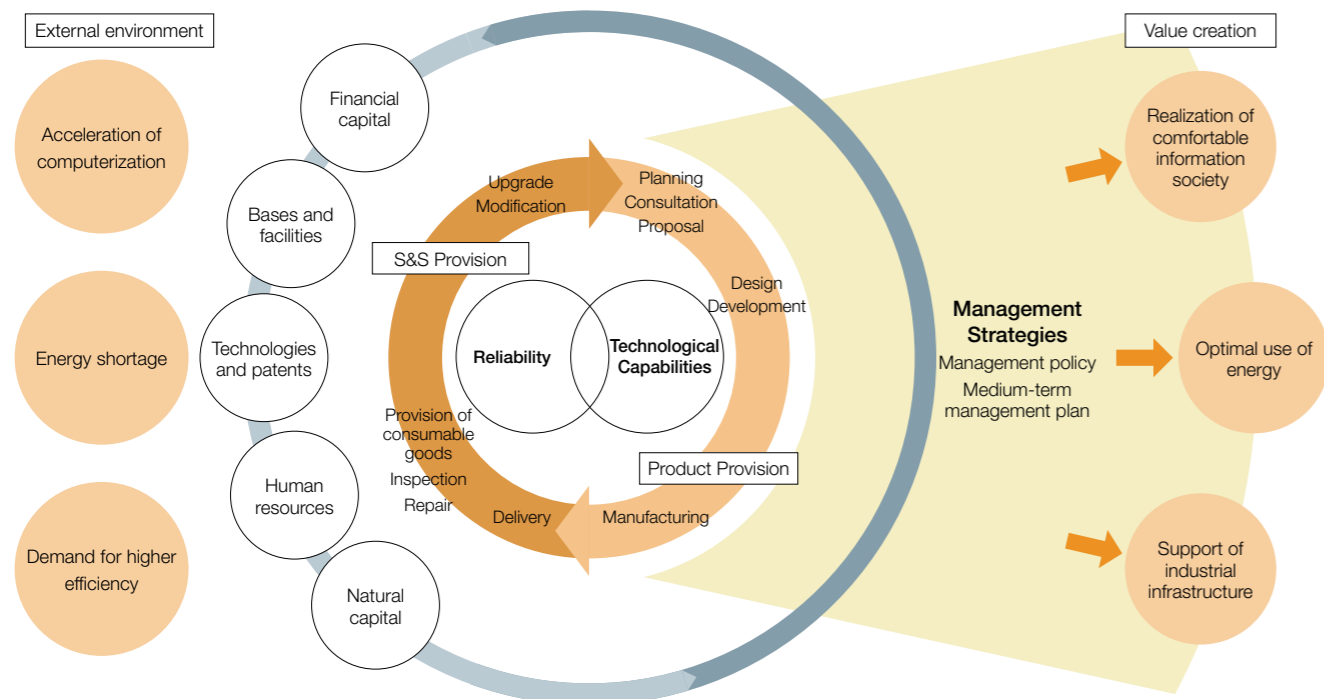
Orders / Net Sales



Operating Income / Operating Income to Sales Ratio



Business Model



SWOT Analysis

STRENGTHS (S)	WEAKNESSES (W)
<ul style="list-style-type: none"> Extensive lineup of products as an exhaust equipment manufacturer, from pumps through to gas abatement systems Own overhaul plants in regions worldwide Ability to develop products that exploit the EBARA Group's core technologies, such as rotating and fluid machinery technologies 	<ul style="list-style-type: none"> Small size of business in non-semiconductor field
OPPORTUNITIES (O)	THREATS (T)
<ul style="list-style-type: none"> Increase in demand for semiconductors needed to process growing data volumes Expansion of markets for such products as LEDs (light-emitting diodes), flat panel displays, and photovoltaic cells 	<ul style="list-style-type: none"> Downscaling of capital investment plans by semiconductor manufacturers

E-Plan2016

Business Conditions

- Capital investment is firm in the semiconductor industry.
- In semiconductors centered on memory-related devices, which saw favorable capital investment in the fiscal year ended March 31, 2016, a temporary slowdown in capital investment is likely. However, capital investment in advanced logic devices is expected to pick up.
- Capital investment by manufacturers of memory-related devices is expected to recover in the second half of the fiscal year ending March 31, 2017.

- Through flexible business management that is capable of responding to market changes in a timely manner, we will improve the average operating income ratio throughout the E-Plan2016 period.
- To overcome competition in mainstay markets (Taiwan, South Korea, the United States, and Japan), we will employ and develop human resources in all fields, such as marketing, development, production, quality assurance, sales, and S&S, and appoint optimal human resources to locations in Japan and overseas.

Business Strategy

Vision of What We Want to Become in the Fiscal Year Ending March 31, 2020

- Operating income to sales ratio of more than 10%
- Cultivated product line that can stand alongside vacuum pump products and chemical mechanical polishing (CMP) systems as a third pillar of operations
- Business foundation capable of supporting sustainable growth

Basic Policies of E-Plan2016

- We will establish a sound business position that does not rely on the capital investment cycle of the semiconductor industry. Additionally, we will take appropriate measures in preparation for the recovery of the non-semiconductor market (manufacturing equipment for LEDs, LCD panels, photovoltaic panels, and lithium ion batteries), which remains sluggish.

Company's Targets for E-Plan2016

Net Sales (Fiscal year ending March 31, 2017)	Operating Income (Fiscal year ending March 31, 2017)	Operating Income to Sales Ratio (Average in the period)
¥75.0 billion	¥7.5 billion	9.0% or more

Achievements in the Fiscal Year Ended March 31, 2016, and Measures Going Forward

In the fiscal year ended March 31, 2016, we extended our customer base, increased market shares, and grew orders for mainstay CMP systems and component products. Further, the company received major orders for plating systems, which have grown into a third pillar.

Given the abovementioned conditions, we decided to invest in an expansion of the Kumamoto Plant. Featuring a high level

of flexibility, the new plant will be able to produce not only mainstay CMP systems but also various types of semiconductor manufacturing equipment. In the fiscal year ending March 31, 2017, we will continue catering to various needs of customers and expand the business by maintaining high production levels and starting up the new plant as planned.