

## Service and Support

Service and support (S&S) refers to inspection, repair, parts provision, and modification following product delivery. Each of the EBARA Group's businesses is strengthening such after-sales services. The S&S business has become a foundation for the Group's other businesses, accounting for approximately 40% of net sales in the past two fiscal years.

### Basic Approach

As well as manufacturing and delivering products, after delivery we provide S&S that reflects customer needs. We will continue strengthening S&S in each business field. In particular, we will raise the percentage of S&S delivered equipment in overseas markets by enhancing capabilities through the establishment of S&S bases near customers.

Moreover, because the S&S business accounts for roughly 40% of net sales, our business results are less susceptible to the short-term negative effect of deterioration in market conditions. We will grow corporate value over the medium-to-long term by expanding businesses while using the S&S business as a stable foundation to mitigate short-term fluctuations in business results.

### Competitive Advantages

In the pumps business, we will focus on establishing bases that can provide S&S in regions where we have a long track record of product supply while extending the scope of services to reflect customer needs. Similarly, in the chillers business we will expand and improve the lineup of offerings in the S&S business.

The compressors and turbines business has service bases near customers in countries worldwide, particularly in the United States and Japan. We offer a comprehensive lineup of services that cater to customers' on-site needs, such as inspection and repair. Furthermore, we are able to bundle everything customers require into a single package. We not only provide highly experienced personnel and complete sets

of tools but also prepare plans and schedules regardless of the project's size.

Meanwhile, the Environmental Engineering Business has one of the industry's few systems to integrate engineering, procurement, and construction (EPC) projects with operating and maintenance (O&M) services. Exploiting abundant expertise accumulated through many years of providing O&M services, we design functional facilities and realize O&M services that earn strong customer endorsement.

Also, the Precision Machinery Business deploys bases and personnel close to customers worldwide so that it can provide them with timely support.

The EBARA Group's S&S Bases (As of March 31, 2016)



## Priority Strategies and Progress

### Pumps Business

**Strategy** • Increase the number of bases with sales, service, and packaging functions and establish a new business model by linking sales with S&S; use the S&S sales ratio as a key management indicator for assessing business execution; and have S&S sales account for 30% or more of sales in the overseas custom pumps business in the fiscal year ending March 31, 2017

**Progress** • We have established bases in Indonesia, Brazil, Myanmar, and Colombia. In the overseas custom pumps business, S&S sales accounted for 21% of sales in the fiscal year ended March 31, 2016.

### Compressors and Turbines Business

**Strategy** • Grow qualitatively and quantitatively by strengthening S&S capabilities while heightening product competitiveness and production capacity to ensure that market growth leads to more orders

**Progress** • We have established an S&S base in India and plan to set up an S&S base in Saudi Arabia.  
• We are seeking orders for comprehensive S&S projects.

### Chillers Business

**Strategy** • Establish stable profitability by expanding and improving the S&S lineup of the domestic business

**Progress** • We have stepped up product sales and direct S&S sales in Southeast Asia.

### Environmental Engineering Business

**Strategy** • Extend the scope of our services in O&M service market by cultivating even higher levels of satisfaction, trust, and cohesiveness in relationships with customers

**Progress** • We have received orders not only for the operation and management of waste incineration facilities but also for the management of waste-receiving facilities.

• We have expanded businesses that sell electricity generated at waste treatment facilities to public facilities and local companies.

### Precision Machinery Business

**Strategy** • Continue to strengthen customer-based S&S in priority markets, which are Taiwan, South Korea, the United States, and Japan

**Progress** • We have increased S&S sales as a percentage of sales in the semiconductor field. In addition, we have improved profitability through meticulous customer service.

## Example of Foundation Strengthening

At the beginning of 2016, in the compressors and turbines business we completed work for the provision of comprehensive after-sales services to an oil refinery in Saudi Arabia. One of the largest after-sales service orders the business has received, the project entailed comprehensively undertaking such operations as disassembly and inspection, parts supply, modification, and replacement for 17 compressors and turbines, which included not only our products but also those of other companies.

The Sodegaura Plant in Japan and the Jeannette Plant in the United States coordinated in the manufacturing and supply of parts. Through a concerted effort that sent almost 200 personnel from around the world to the site, we completed the project as planned and enhanced the oil refinery's productivity.

To cater to growing demand among customers for comprehensive after-sales services, we will continue taking advantage of the overall capabilities of the compressors and turbines business.



Personnel on-site at an oil refinery in Saudi Arabia