

Corporate Activities with a Keen Sense of Ethics and High-quality Communication

CSR - Breeding value with the highest efficiency using finite resources and time

I was appointed President and Representative Director of EBARA CORPORATION in fiscal 2013, and so was placed at the helm of EBARA Group management in the year marking the start of the 101st fiscal year since its founding in 1912. I am earnestly hoping to receive even more guidance and advice from all the parties with a stake in the EBARA Group.

As I see it, corporate enterprises are allowed to engage in economic activities in human society because society recognizes that they can increase value for society through activities utilizing the finite resources of that society. It follows that corporate economic activities naturally must be in accordance with the logic and standards of that society, as well as at harmony with human society at large and the global environment. And because they utilize finite resources and time, they must always be efficient. I believe that CSR activities may be defined as practice and confirmation, by each and every employee, to see that the corporate economic activities (= business activities) are in conformance with social logic and standards, at harmony with the global environment, and always efficient. And a CSR report of this type is the document that sets forth the results of those activities to all concerned parties, inside and outside the company, along with the company's target vision and future intentions.

Social responsibilities currently being discharged by the EBARA Group

Last year, the global economy was hampered by the lack of improvement in the unstable financial situation in Europe, economic stagnation in developed countries as exemplified by the sluggish pace of recovery in Japan and the United States, and a slowing of growth in newly emerging economies such as China and India. However, with the start of 2013, there were signs of recovery in the U.S. economy, and in Japan, the change of administration in late 2012 was followed by the implementation

of bold policy for monetary easing which induced a depreciation of the yen and rise in average stock prices. These and other developments are buoying expectations of economic recovery. This was the economic climate in this fiscal year, which is the final year of E-Plan 2013, our Medium-Term Management Plan initiated in 2011. The EBARA Group as a whole has striven to strengthen the management foundation as a task carried on from the previous Medium-Term Management Plan and execute measures based on the growth strategy, which forms the first step toward tackling the new challenge of solid growth. This year, to ensure that these measures bear tangible fruit, we must join hands in a concerted effort and be sticklers for results.

During the term of E-Plan 2013, we reconfirmed CSR activities in the EBARA Group through our response to the Great East Japan Earthquake and corporate efforts for subsequent relief and recovery. Immediately after the disaster occurred, the EBARA Group erected a setup to assist restoration of the social infrastructure. We sent engineers to the affected area while aftershocks were still occurring and thereby contributed to the early reactivation of pumping stations, refuse incinerators, and other such facilities. Thereafter, we remained involved by checking and repairing numerous products and facilities delivered to public facilities such as power stations and hospitals. Right up to the present, we continue to support the normal operation of these facilities. Although Japan has entered the third year since the disaster struck, we realize that there remain issues in the affected areas. We stand committed to mobilizing the energies of our entire Group in further efforts to usher in a full-fledged recovery as early as possible.

Formulation of CSR Policy and Cord of Conduct

Thus far, under the leadership of former President Natsunosuke Yago, the EBARA Group has bolstered its stance of approaches to improvement of the global environment. It likewise has diligently

attempted to reinforce arrangements for attaining its visions for compliance and corporate governance, and has steadily achieved results in the process. In fiscal 2012, we newly formulated CSR Policy for the EBARA Group and revised the Group's Code of Conduct.

The EBARA Group is underpinned by both a Founding Spirit, in which our founder expressed the basic spirit to animate our business activities, and a Corporate Philosophy indicating the orientation in which we are to proceed as a company. We formulated the CSR Policy in line with the Corporate Philosophy to serve as guides for its materialization while fulfilling our responsibilities as a global firm. The CSR Policy also manifests the determination of the EBARA Group to engage in economic activities grounded in a keen sense of ethics and high-quality communication in human society. It likewise embraces the goals of the United Nations Global Compact, which we endorse. Furthermore, we determined the Code of Conduct so that each and every Group employee would behave in conformance with our corporate ethics on the site of actual business practice, and Five Basic Principles for Actions by which employees can assess and check the correctness of their conduct. The Code of Conduct was extensively revised (in May 2013) for direct linkage with the newly formulated CSR Policy and application of the ten Global Compact principles.

With this formulation of the CSR Policy and revision of the Code of Conduct, the corporate ethics of the EBARA Group have been systematized to a level encompassing the Founding Spirit, Corporate Philosophy, CSR Policy, and Code of Conduct governing behavior by employees of the EBARA Group around the world. In content, too, they are now of a globally applicable and universal nature. From now on, I hope to deepen understanding of these corporate ethics by all employees of our Group across the globe and promote activities to lead their practice.



Toichi Maeda

President and Representative Director,
EBARA CORPORATION

Continued support of society throughout the product life cycle

Ever since its founding, the EBARA Group has continued to develop business mainly in the supply, construction, and provision of maintenance services for equipment and facilities that are major supports of the social infrastructure. The future holds the prospect of economic advancement centered on newly emerging economies and increase in the world population. In this situation, the energy-related and water infrastructure facilities involved in the business of the EBARA Group are bound to assume increasing importance. This suggests a further increase in opportunities for application of our products and technologies in the global community. At the same time, it is the duty of the EBARA Group to provide services to support products delivered throughout their life cycle. In our next 100 years as well, we are determined to remain "an industrial machinery manufacturer making an extensive contribution to society by providing superior technologies and best possible services." To this end, the members of our Group and their employees around the world must pull together in efforts to expand our business and further enhance the quality of our CSR activities, on the stage of the global market and in keeping with the spirit of our corporate ethics.

