

1. The EBARA Group recognizes that it exists to support society, industry, and infrastructure.

ISO 26000
INDEX

Organizational governance

Human rights

Labour practices

The environment

Fair operating practices

Consumer issues

Community involvement and development

Business Continuity Management System

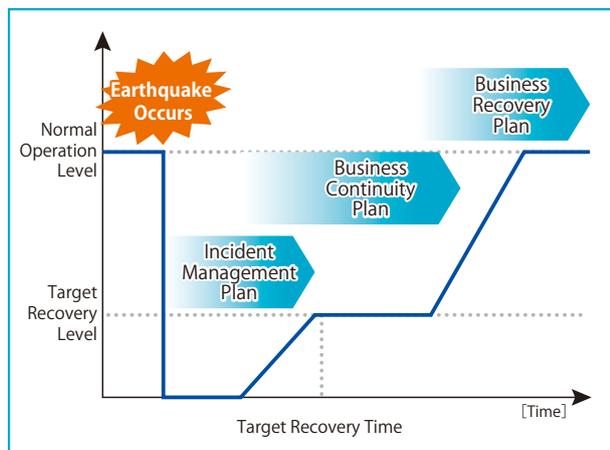
The EBARA Group's products, technologies, and services are used in every corner of our society, industry, and daily life, including water supply and sewerage systems, flood-control drain pumps, waste incinerators, power plants, steel, chemical, semiconductor, and other types of plants, hospitals, commercial buildings, and condominiums. It is the mission of the EBARA Group to provide products and services to help continue or quickly recover these functions when a massive disaster strikes. In the EBARA Group's Business Continuity Plan, top priority is placed on the support for the recovery of facilities important for the residents' life and assets, which is considered the important tasks to be fulfilled.

The EBARA Group develops measures on the assumption of disasters such as an earthquake and new strains of influenza as part of the Group's business continuity management system. The measures assume specific damage from a disaster and include the following three plans appropriate for each post-disaster stage.

- ① **Incident Management Plan**
Evacuation, rescue, containment of widespread damage, and relief planning.
- ② **Business Continuity Plan**
A plan for swift resumption of operations by setting target recovery levels and times to minimize suspension of business (products and services).
- ③ **Business Recovery Plan**
A plan for the complete recovery and normalization of all business operations.

EBARA will ensure the promulgation of these plans to all employees through education and training. In the meantime, we will implement the PDCA (plan-do-check-act) cycle, and continue to make improvements that reflect the latest information and observations made by employees during their training.

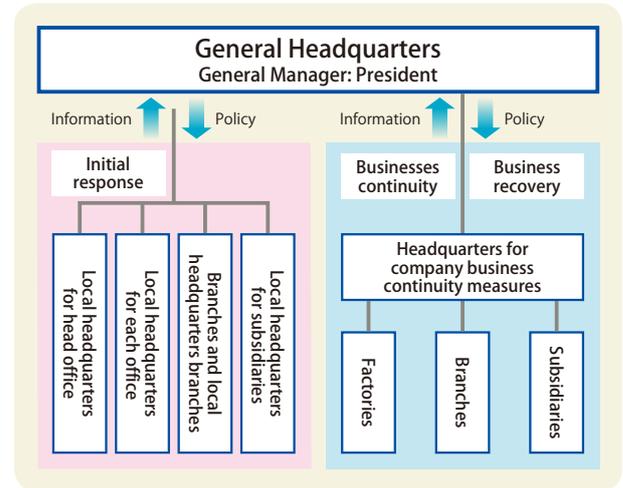
Initiation of Countermeasures in the Event of an Earthquake



Building the organizational system

In FY2012, we modified our organizational structure to be formed when a disaster strikes. (Diagram below) We changed the system to allow faster information delivery to the general manager, who then would be able to provide instructions more quickly, by defining the roles of each team and specify the members in advance. We will develop power supply, communication, housing, and other systems of the infrastructure to allow, not only the Haneda head office, but Fujisawa, Osaka, and other offices to place the general headquarters depending on the disaster location. At normal times, each office functions as a committee, makes improvements through activities such as training, and leads continuous progress.

Structure to operate the business continuity management system during a disaster



Improvement of initial response plan

In addition to the conventional fire and disaster prevention measures and evacuation training, we have improved our systems such as the stockpiles of water and food for all employees in the metropolitan area. In FY2012, we established a safety confirmation system using an IT system, conducted report training using satellite phones, and implemented other new initiatives. To increase the disaster prevention awareness of each employee, earthquake measures were included in the CSR training to educate all employees in Japan and a booklet "EBARA Group Disaster Response Guide" was prepared and distributed. In FY2013, we will further enhance our infrastructure by introducing the safety confirmation system in each Group company, among other efforts.



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◇Development of Business Continuity Plan based on risk assessment

We are preparing the measures by assuming the risk preventing the implementation of our Business Continuity Plan at the time of a disaster.

① Risk of not securing personnel:

The information on employee safety collected by the safety confirmation system will be used also to secure personnel for the implementation of the Business Continuity Plan. We are also organizing information on engineers and qualified technicians in Japan to help immediately start the tasks requiring specialized skills or qualifications such as design, construction, and electrical works.

② Risk of interruption of telegraphic communication:

Assuming that IP phones, mobile phones, and other ordinary means of communication will be interrupted, we have secured backup communication systems such as satellite phones at our major offices in Japan.

The operation of information systems and networks are essential for the output of digitized drawings and other data and information exchange with customers and relevant parties inside and outside the company using e-mail. In order to ensure the operation of the core system required, we are improving our measures by preparing backup power supply, extending communication lines, creating data backups, and providing training to use such facilities.

③ Risk of interruption in supply:

We are developing information delivery systems and diversifying material suppliers to facilitate the understanding of the condition of our customers and other relevant external parties during a disaster.

◇Improvement of effectiveness through training and practice

The EBARA Group's major facilities in Japan concentrate in the Tokyo metropolitan area and are susceptible to serious damage in case of an earthquake directly striking Tokyo. Aiming to improve the action skills of each employee, we will develop and implement training and practice programs to improve the skills of employees engaging in disaster recovery and increase employee responsiveness to unexpected events during FY2013. We will enhance our system to appropriately fulfill the mission of our Group in the crisis of society, industry, and people's lives.

Improvement of Information Security

Whether in or outside Japan, we believe that maintaining electronic information available for safe and stable use in both normal and disaster times is our Group's social responsibility, and we will work to strengthen our information infrastructure.

◇Prevention of information leakage

We are strengthening our information security as part of measures to prevent information leakage. The risk of information leakage supposedly increases during a disaster as people may evacuate and leave the office without power or information devices unattended. We are implementing measures to prevent information leakage not only in normal times, but also during a disaster.

In FY2012, the e-mail systems of the Group companies in Japan were switched to web-based systems, which would not leave e-mail data in the PCs, in order to improve the measures to prevent e-mail information. Over the years, we have been implementing virus checking of all electronic information, encryption of PCs used outside the offices, encryption of USB memory, and collection of operation logs to identify any data brought outside the offices. We will continue to strengthen our security systems that are independent of the ways the users use PCs and other information devices.

◇Measures for a disaster and emergency

To increase the reliability and performance of electronic information, in FY2012, we increased and strengthened our in-house power generation and UPS (uninterruptible power source) in the data center shared by the entire Group. Based on the lessons learned from the Great East Japan Earthquake, we have installed an independent power generation system that will last at least two days without external power supply. We have shifted the operation of the web-based e-mail system and the EBARA Portal to external service providers and began outsourcing both the hardware and software operation. This will allow us to use electronic information even if the data center becomes unavailable for use. Further, we are planning to enhance our information infrastructure to allow communication among the employees in an emergency, including the confirmation of personal safety.

◇Revision of information-related rules

In order to respond to rapid changes in the IT environment of electronic information, improve safety and reliability, and introduce new technologies and devices, we are revising the internal rules to make them more straightforward and flexible. We are aiming to reorganize and revise our rules for the principles of our Group information and communication systems, operation procedures to flexibly respond to the actual operation, and other manuals by April 2014.

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