

# EBARA CORPORATION (6361)

## Intermediate Management Program



JUNE, 2005

# Intermediate Management Program

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Started the “Three-year Intermediate Management Program” from April 1, 2005.

Increase the satisfaction of our stake holder, and maximize the corporate value including brand value.

## Group Basic Policy

- 1 ) Can increase its earnings on a sustained basis
- 2 ) Grows with its customers
- 3 ) Earns the trust of society

# Intermediate Management Program

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(Billions of Yen)

| (Consolidated)   | FY2005 | FY2006 | FY2007 |
|------------------|--------|--------|--------|
| Net Sales        | 485    | 525    | 570    |
| Operating Income | 11     | 20     | 27     |
| Net Income       | 3      | 7      | 10     |

|               |       |          |
|---------------|-------|----------|
| ROE :         | 8 %   | (FY2007) |
| D / E Ratio : | 1 . 2 | (FY2007) |

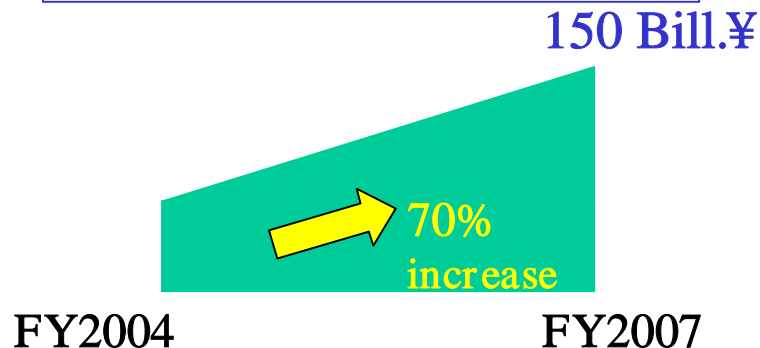
# Intermediate Management Program

## Focused item of this Plan

### Quick expansion of New Business

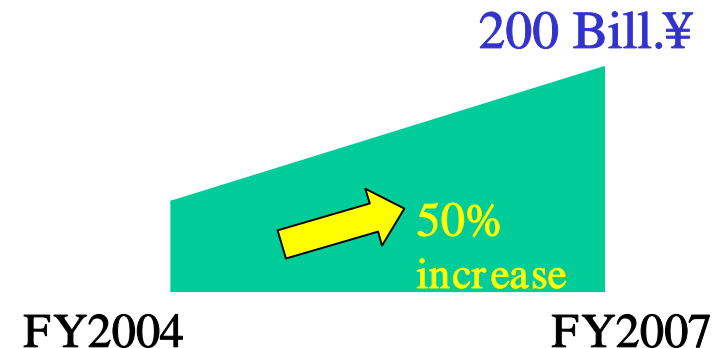
Nourish and expand the business described hereunder which we defined as new business.

- New & Renewable energy Business
- Precision Machinery Business
- EPC+OM business\*, Service Provider , PFI Business
- Biomass Related Business, Multiple Waste Treatment Plant
- Life science related Business, Solution Business



### Increase the Ratio of overseas business

Expand the overseas business mostly in Fluid Machinery & Systems Business and Engineering Business



\* EPC+OM business : Engineering, Procurement, Construction, Operation and Maintenance

# Intermediate Management Program

## Fluid Machinery & Systems Business

(Billions of Yen)

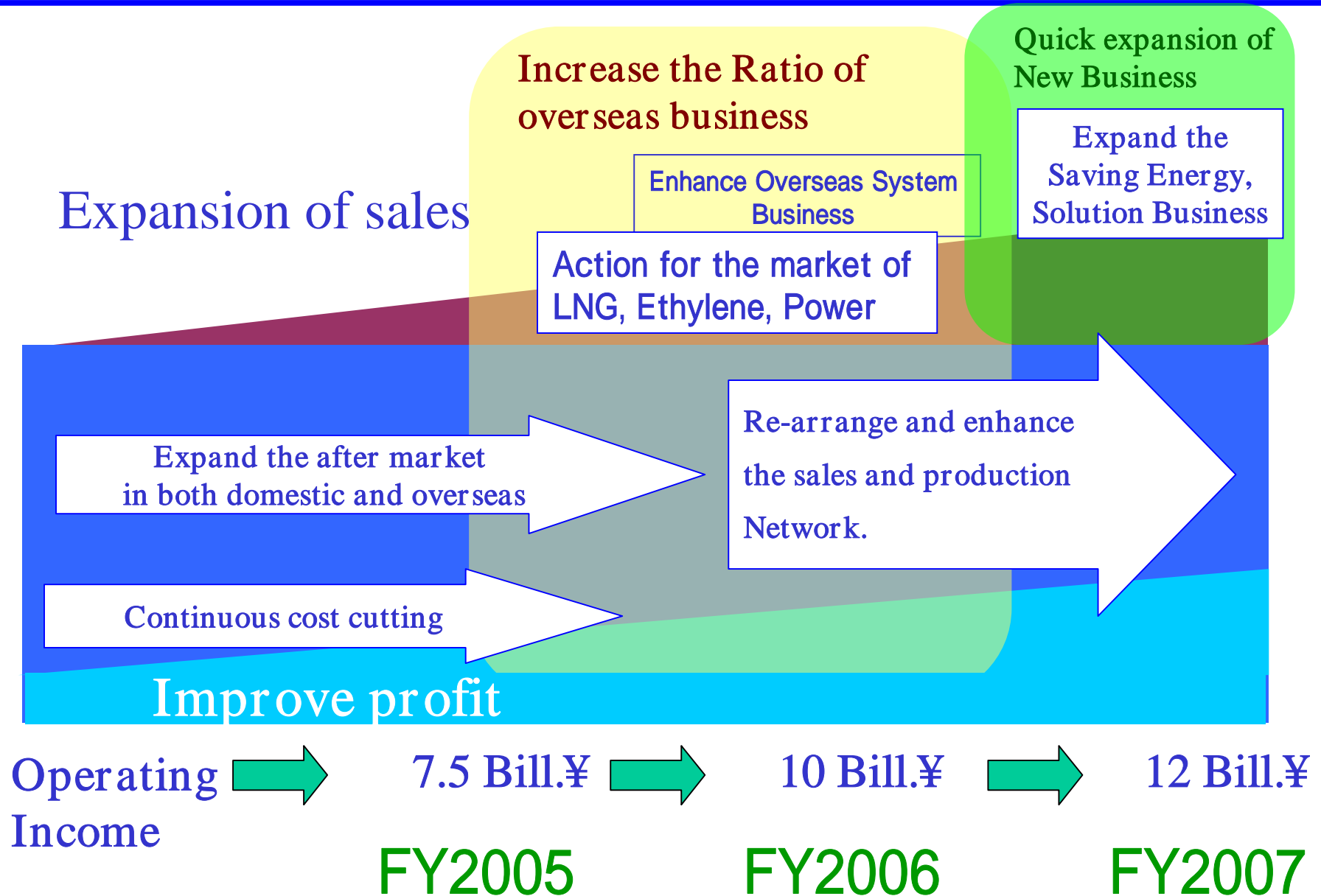
| (Consolidated)   | FY2005 | FY2006 | FY2007 |
|------------------|--------|--------|--------|
| Net Sales        | 245    | 255    | 270    |
| Operating Income | 7.5    | 10     | 12     |

### Market Trend (Premise of plan)

- Public works will continuously and gradually decrease in view of long term, although there are still some replacement project.
- Basic industry such as Oil & Gas (mainly LNG), Chemical, Power generation, water infrastructure in global market will strongly increase.
- Facility improvement and /or conversion related to “saving energy” will be expanded in domestic private market.

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## Fluid Machinery & Systems Business



(Billions of Yen)

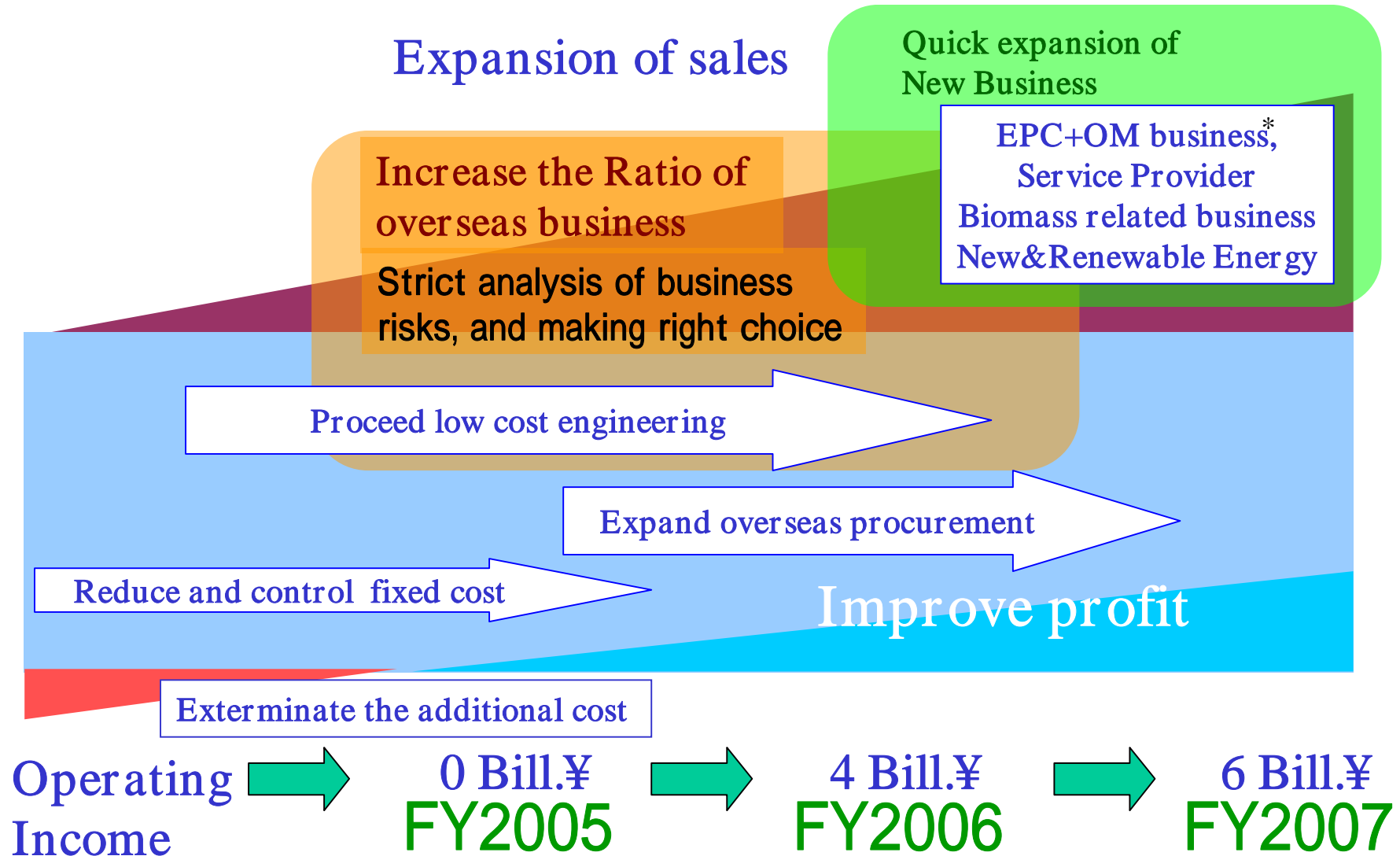
| (Consolidated)   | FY2005 | FY2006 | FY2007 |
|------------------|--------|--------|--------|
| Net Sales        | 170    | 190    | 210    |
| Operating Income | 0      | 4      | 6      |

## Market Trend (Premise of plan)

- Public works will continuously and gradually decrease in view of long term.
- House waste treatment market will begin to recover from FY2006 because of its potential demand.
- Comprehensive commission contract will expand, including PFI scheme.
- Overseas environmental project will highly increase mostly in Asia area.
- Competence of proposal will be more important, because of the change of government subsidy system.

# Intermediate Management Program

# Environmental Engineering Business



\* EPC+OM business : Engineering, Procurement, Construction, Operation and Maintenance

# Intermediate Management Program

# Precision Machinery Business

(Billions of Yen)

| (Consolidated)   | FY2005 | FY2006 | FY2007 |
|------------------|--------|--------|--------|
| Net Sales        | 70     | 80     | 90     |
| Operating Income | 3.5    | 6      | 9      |

## Market Trend (Premise of plan)

- Semiconductor market will recover from second half of FY2005.
- The market related to the next generation design rule (65nm Technology Node) will quickly move upward toward the peak of second half of FY2006.
- The demand for yield improvement will rapidly increase in the technology of detection and removal of defect.

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# Precision Machinery Business

Expansion of sales

Act for next generation design rule (65nm Technology Node)

The demand for yield improvement will rapidly increase.

Expand new products

CMP

Copper/Bump plating system

Electron Beam defect inspection system

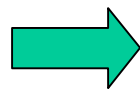
Bevel polishing system

Comprehensive cost cutting

- Shorten the lead time of CMP
- Cost cutting by applying integrated model (Vacuum Pump)

Improve profit

Operating Income



3.5Bill.¥



6.0Bill.¥



9.0Bill.¥

FY2005

FY2006

FY2007<sup>10</sup>

## New scheme for Organization / Personnel from begging of FY2005

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- Innovate In-house Company System
  - To enhance strategies, speed up decision making, define responsibility of each business unit.
  - Decrease number of organization into 40% of previous, and build simple hierarchy (three)
- Abolish old seniority-based salary system, change into that based role and result.

This release contains forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof. Ebara undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.