



Building Service & Industrial Company Overview and Growth Strategies

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Looking ahead,
going beyond expectations
Ahead > Beyond

EBARA CORPORATION

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Transition to a target market-based organization

02

Building Service & Industrial Company Overview

03

E-Plan 2025 Progress

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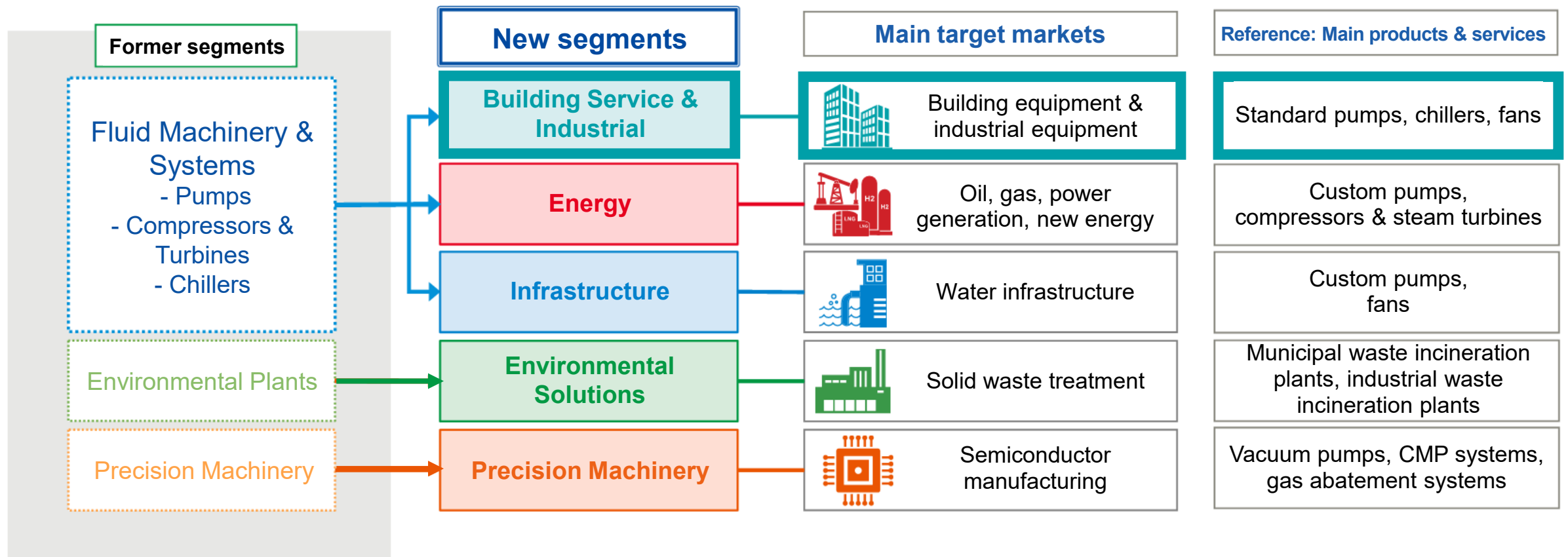
Building Service & Industrial Company Overview

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E-Plan 2025 Progress

Transition to a target market-based organization

- To achieve customer-oriented value creation, in 2023 we transitioned from a product-based structure to a target market-based structure.
- We consolidated our existing standard pump business, chiller business, and fan & blower business to newly create the Building Service & Industrial Company.



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E-Plan 2025 Progress

Building equipment market

Water supply and drainage systems and air conditioning systems for residences, offices, commercial facilities, etc.
(Supply clean water, drain dirty water, heating, cooling, ventilation, etc.)

Industrial equipment market

Pumps and chillers used in the production process equipment and utility equipment in factories for electronic devices, chemicals, food and beverages, etc. (transfer of special liquids, cooling and drying of products and equipment, etc.)



Residential housing

Supporting the drinking water and water drainage that are essential to residential living



Sports stadiums, commercial facilities, hotels

Supporting fun experiences and hospitality



General industrial

Supporting the production of products that enable enriched lifestyles



Merlion

(Singapore)

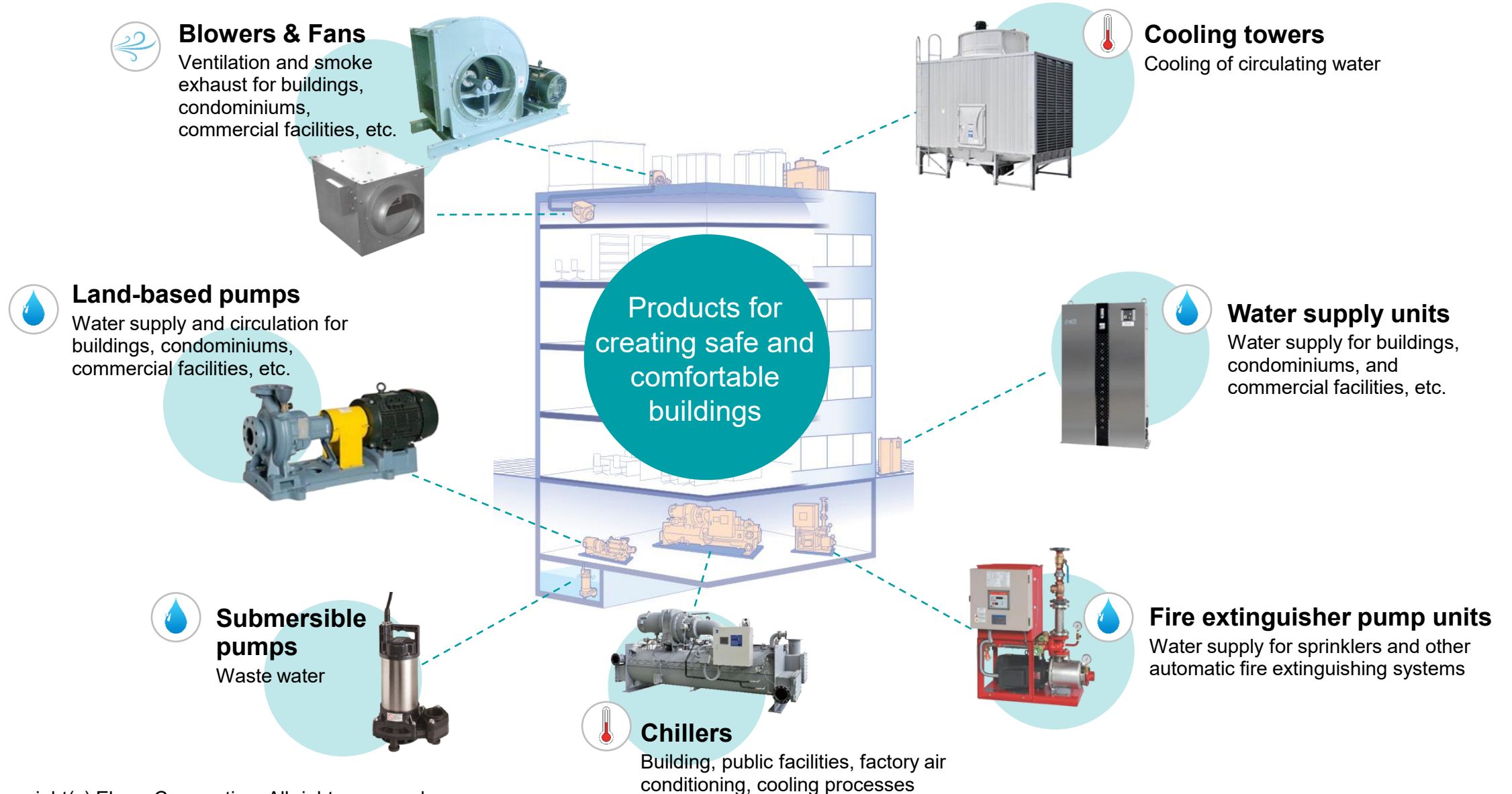


Colosseum

(Italy)

The Building Service & Industrial Company provides pumps used for water supply and drainage and the transport of various liquids, chillers and cooling towers for temperature control and cooling, and fans for ventilation to support comfortable and safe living environments and industrial development.

Main Products and Applications for the Building Equipment Market



Main Products and Applications for the Industrial Equipment Market



Industrial chillers

Precision cooling for semiconductor manufacturing and other applications



Industrial pumps

Transport of special liquids in industrial processes for chemical, food, and semiconductor manufacturing



Blowers & Fans

Deliveries to the petrochemical industry, etc.



Built-in pumps for industrial facilities

Transportation of liquids for industrial process equipment for chemicals, food, semiconductors, etc.



Products supporting industrial processes



Hydrogen-fueled absorption chiller/heater

Building, public facilities, factory air conditioning, cooling processes
Contributing to carbon neutrality



Cooling towers

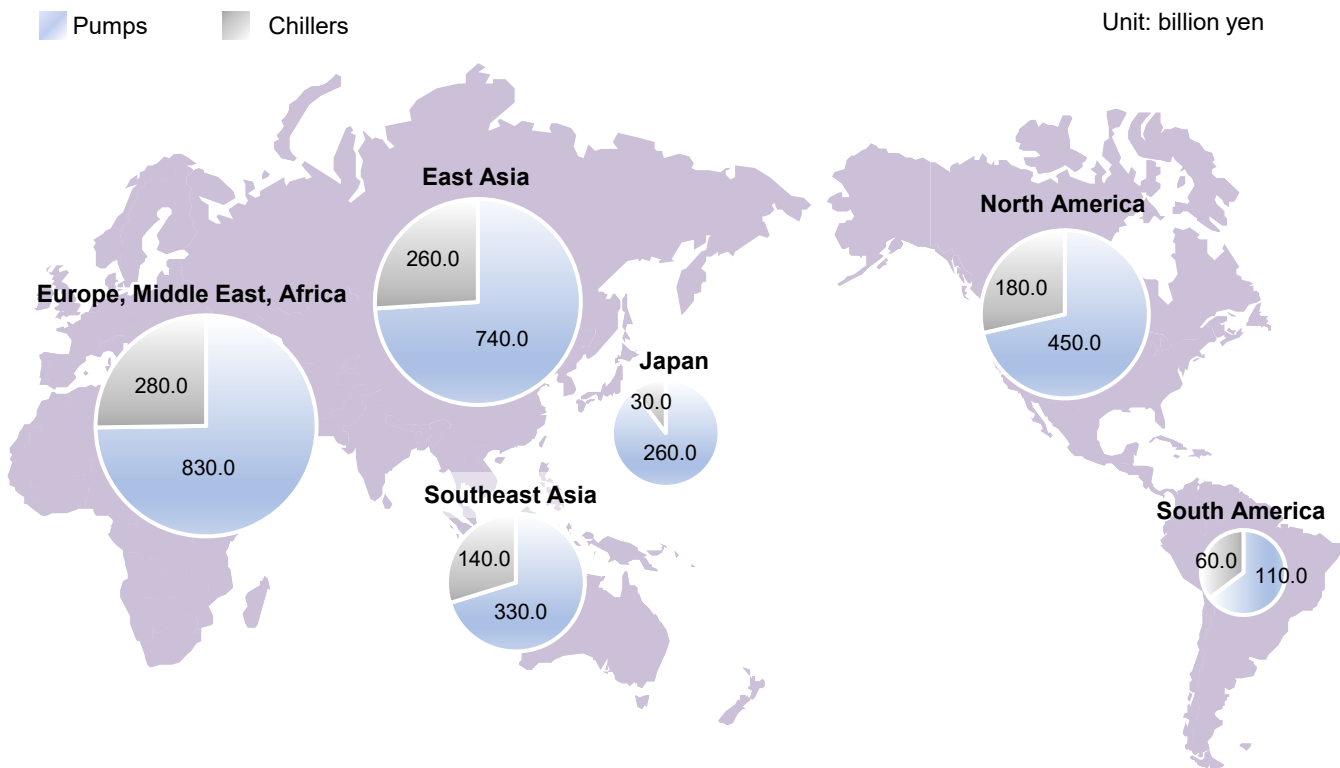
Deliveries to industrial markets, including data centers and petrochemicals, etc.



Market Scale and GDP Growth Rate



Market scale for standard pumps and chillers in 2025



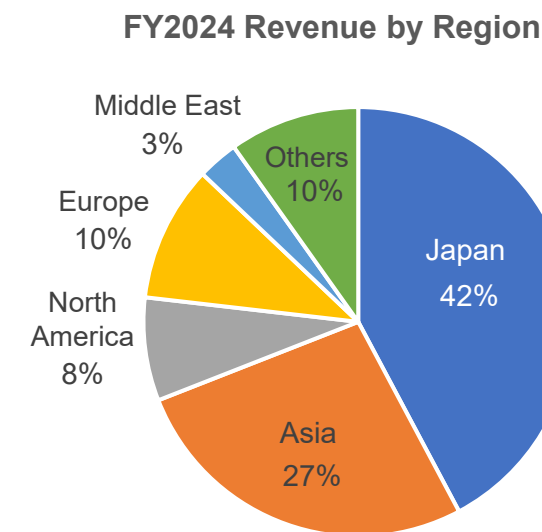
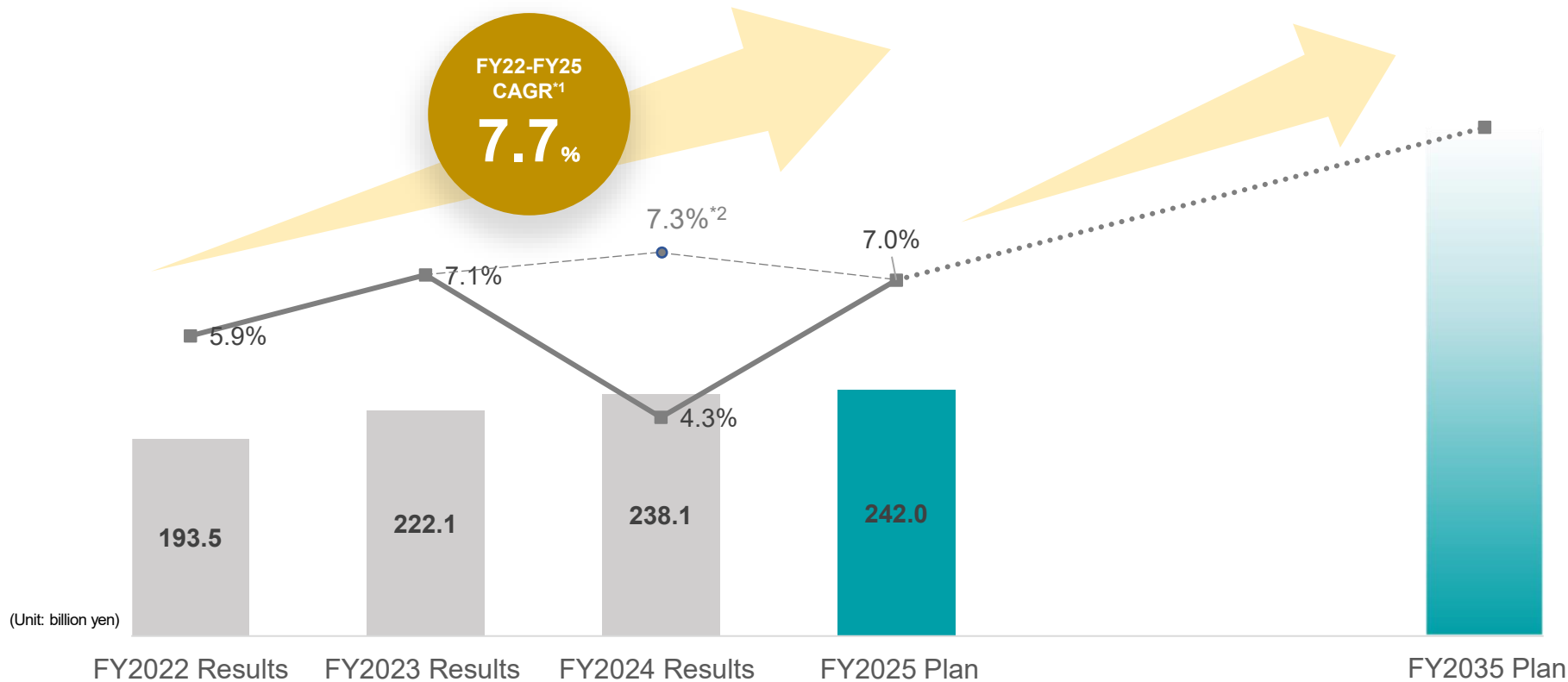
Overall global sales

Pumps **2,720.0** billion yen
 Chillers **950.0** billion yen

EBARA's market share is currently in the 6% range
 ↓
Aim to double share in the next 10 years

| Region | GDP Growth Rate Forecast | Business Environment |
|-----------------------------|--------------------------|--|
| Japan | → | <ul style="list-style-type: none"> ➤ The number of new building projects started in the building equipment market is stagnating, but the service market demand is on an upward trend ➤ Continued demand for capital expenditures in the industrial equipment market |
| East Asia | ↗ | <ul style="list-style-type: none"> ➤ In China, the building equipment market is stagnant due to real estate investment restraint, but certain industries and public sector markets are firm, due to government investment |
| Southeast Asia | ↗ | <ul style="list-style-type: none"> ➤ Projecting growth supported by construction investments in the transport and infrastructure, commercial and residential sectors |
| Europe, Middle East, Africa | → | <ul style="list-style-type: none"> ➤ Europe is expected to see restrained new investments due to rising inflation, interest rates, and rising raw material costs ➤ Geopolitical conflict in the Middle East is on a mild downward trend, but supply chain disruptions continue |
| North America | → | <ul style="list-style-type: none"> ➤ Market is stagnant due to continued high interest rates, rising construction costs, and labor shortages |
| South America | → | <ul style="list-style-type: none"> ➤ While some countries are curbing spending on construction projects, we project firm growth overall |

Financial Performance



*1. CAGR: Compound Annual Growth Rate

*2. FY2024 Operating profit ratio 7.3%: If there are no losses related to goodwill impairment

E-Plan 2025 Targets

Growth rate: Revenue CAGR (FY2022 to FY2025) 6% or higher

Profitability: Operating income ratio of 7% or higher

E-Plan 2025 Final FY Progress

- In Japan, the S&S business grew on increased contact points with customers. Outside Japan, we are projecting revenue CAGR of 7.7% on the effect of acquiring Hayward Gordon in North America and strong sales to data centers
- Forecast achieving an operating profit ratio of 7.0% on the effect of sales of high-added-value products and increased revenues from highly profitable S&S

Current Status and Future Outlook



Annual production volume of standard pumps, etc.

Approximately 1.3 million units worldwide

Market share for standard pumps in Japan

No. 1



Market share for cooling towers in Japan

No. 1



Remote monitoring solutions

EBARA Maintenance Cloud
IoT sensor and cloud-based status monitoring and maintenance service

Energy-saving solutions

Developed PM motor with built-in inverter (IVM)
Contributing to a decarbonized society

Global network

Selling products globally through Group sales companies

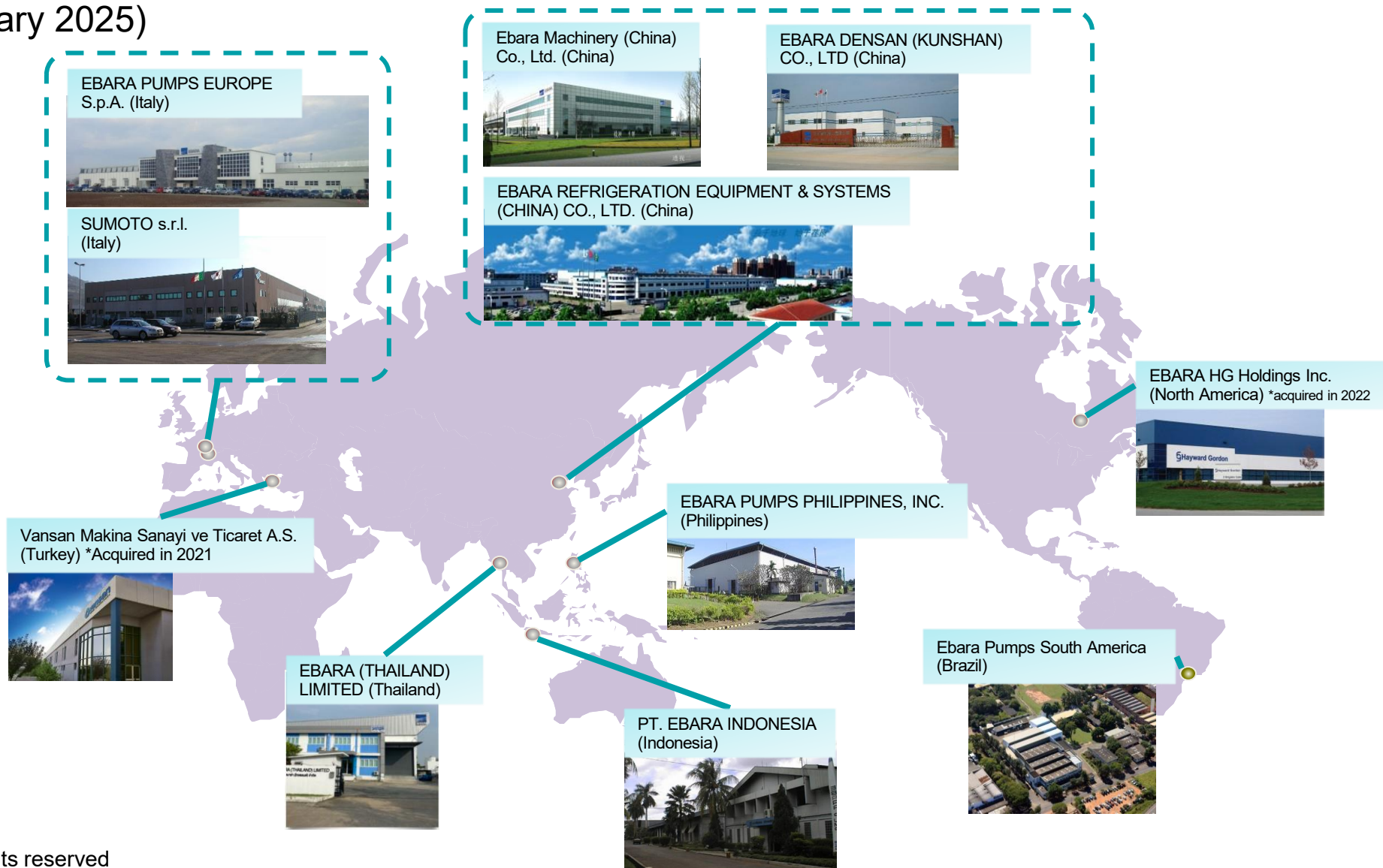
Global Bases



Number of Group Companies:
32 companies (as of February 2025)

By region

| | |
|---------------------|--------------|
| In Japan | 3 companies |
| Overseas | 29 companies |
| China | 4 companies |
| Other parts of Asia | 9 companies |
| Europe | 5 companies |
| North America | 2 companies |
| Latin America | 4 companies |
| Middle East | 2 companies |
| Africa | 3 companies |



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E-Plan 2025 Progress

| | |
|-------------------------|---|
| Basic Policy | <ul style="list-style-type: none">■ In the building service and industrial equipment markets, aim for further business growth by providing new, customer-oriented solutions that combine pumps, chillers, and services■ Utilize DX to enhance and optimize workflow and business management |
| Basic Strategies | <ol style="list-style-type: none">1. Strengthen solutions business<ul style="list-style-type: none">● Shift from selling products to selling services by offering solutions to customers● Create and implement new business model● Strengthen contact points with customers2. Capture growth markets<ul style="list-style-type: none">● Global expansion of products from M&A bases (Vansan, Hayward Gordon)● Develop new markets by injecting high-value-added products such as ultra-compact, leak-free pumps and industrial chillers● Engage in industrial utility markets in developed countries (food and semiconductor markets)● Expand sales channels in Africa and strengthen irrigation products● Establish new bases: Africa, South America, Asia, and Northern Europe3. Rebuild global business infrastructure<ul style="list-style-type: none">● Expand production bases to support overseas sales growth● Reevaluate global procurement and production allocation from the perspective of geopolitical risks |

Initiatives to Strengthen Solutions Business

Remote monitoring solutions



What is the "EBARA Maintenance Cloud"?

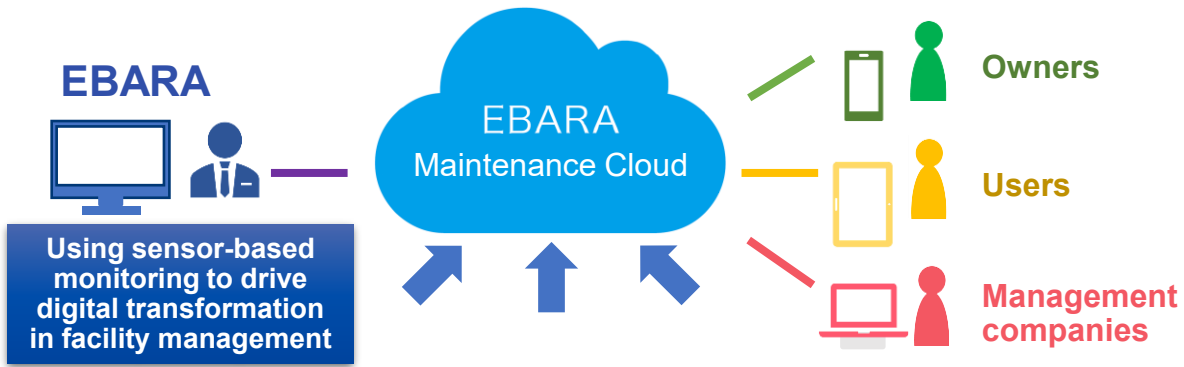
- Real-time status monitoring for equipment and facilities in factories, buildings, and commercial facilities
- Monitor valuable equipment with IoT sensors and the cloud

Steady provision of S&S to connected customers

Connecting with customers and markets through "pumps that link users to Ebara"

- Provides remote monitoring of device operating status to enable worker reduction and labor savings for customers and partner companies
- Analyzing accumulated operating data and establishing predictive maintenance technology will reduce emergency repairs and facility downtime
- Expand service business by capturing maintenance and management services for competitor products as well

Target sensor installations for 2025 (cumulative): 10,000 units
 Target markets: Condominiums, commercial buildings, factories, transportation facilities



QiDe
 Vibration and temperature monitoring for rotating equipment

Installation is possible for all manufacturer devices

Pumps Blowers & Fans Cooling towers

JES guards
 Water supply pump unit status monitoring

Water supply units

RISSA
 Status monitoring for chillers and hot and cold water units

Turbo chillers Screw chillers Absorption chillers

QiDe-i
 Incorporates various sensor data to meet diverse customer sensing needs

Expand measurement and monitoring range to include pressure, current, etc.

2022 → 2023 → 2024

EBARA Maintenance Cloud adoption case study

Adoption by Keio Corporation (below referred to as Keio)



Evolving Railway Infrastructure Management with EBARA Maintenance Cloud

KEIO Corporation Case Study

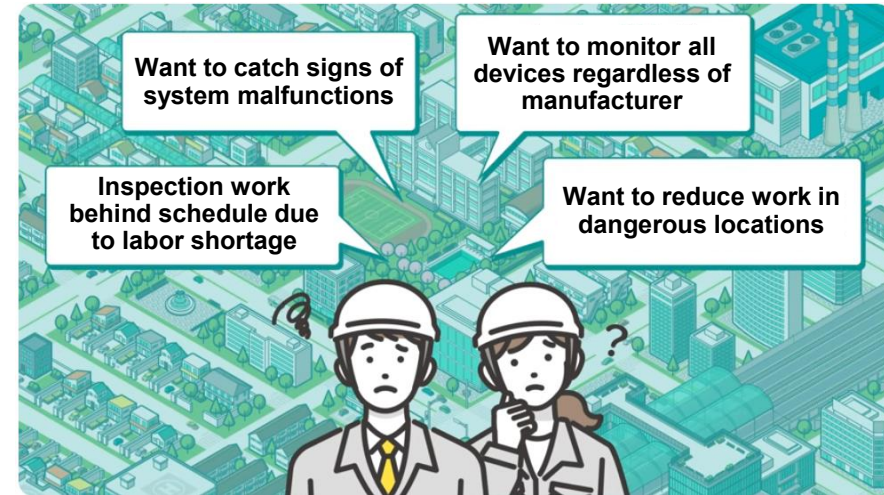
Source: YouTube **The EBARA Channel**

<https://www.youtube.com/watch?v=C6xxZTZZ1hM>

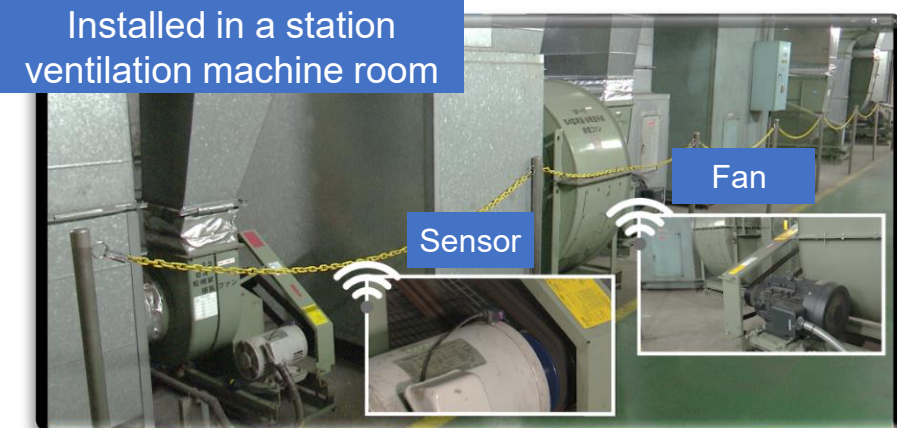
*With permission from Keio Corporation

*YouTube is a registered trademark or trademark of Google LLC

Examples of customer problems



Allows continuous monitoring of equipment status from a dashboard → Centralized management, including for competitor products



Initiatives to Strengthen Solutions Business

Energy-saving solutions



Background of IVM development

Addressing global warming

Motors account for more than 50% of the world's electricity consumption, and pumps account for approximately 20% of that consumption.

EBARA's mission is to contribute to reducing global power consumption by improving the energy efficiency of pumps, fans, and other equipment mainly offered by the Building Services & Industrial Company

Differentiation through integrated pump, motor, and control systems

As standard pump products increasingly become commodities, fierce price competition is expected to continue. New business expansion requires differentiating products that propose new added value and help solve customer problems.

Since there are limits to differentiation in the pump sector, we will strive for differentiation through motors and control systems

Developed an IVM capable of operating in an energy-saving state by incorporating an integrated inverter that can adjust the rotation speed of the pump drive motor

IVM: Intelligent Variable-speed Motor



Initiatives to Strengthen Solutions Business

Energy-saving solutions



IVM energy savings case study

- Achieves energy savings rate of 24.5% to 78%
- Initial costs are high compared to products with no IVM, but this difference can be recovered within two years

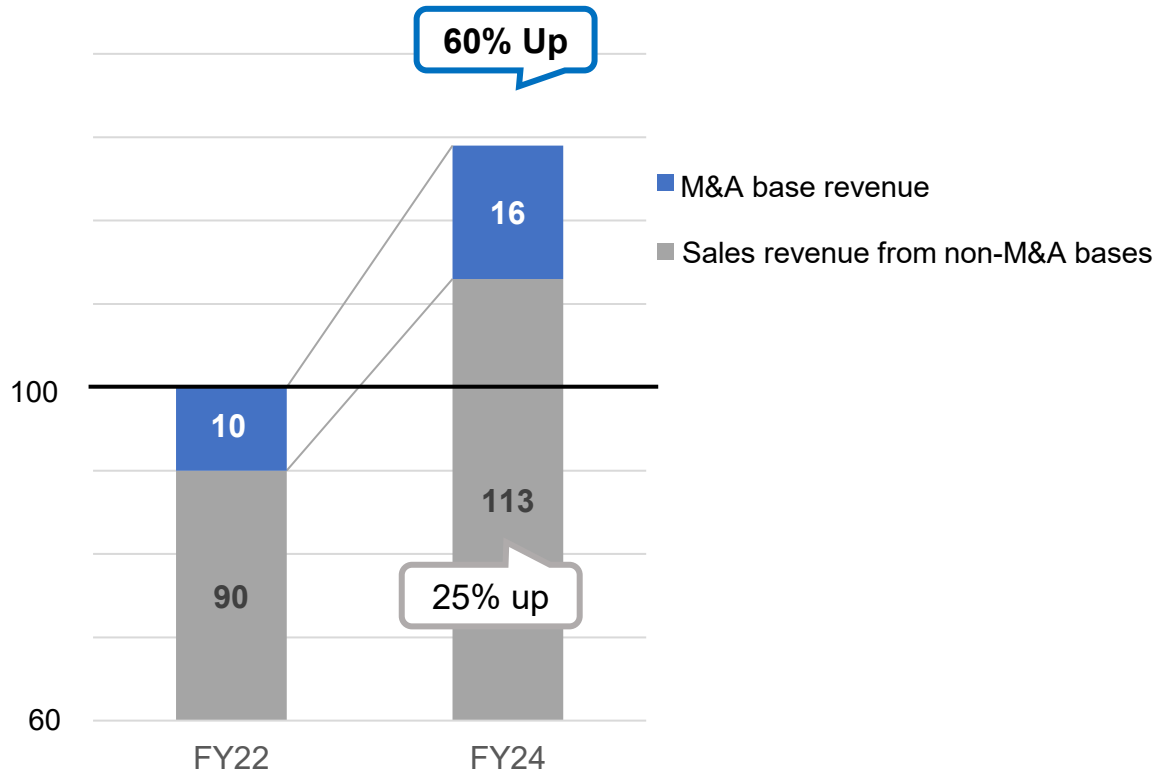
| Model / Pump Output | Equipment Name | Energy Savings Rate* | Reduction in carbon dioxide emissions (t-CO2) | Price difference recovery compared to products with no integrated IVM (annual) |
|---------------------|---|----------------------|---|--|
| LPDV-type / 2.2kW | Cooling tower irrigation pump for high-pressure compressors | 41.5% | 3.8 | 1.1 |
| FDPV-type / 1.5kW | Circulator pump for boiler tanks | 78.0% | 3.0 | 1.3 |
| LPDV-type / 2.2kW | Feed pump for cooling towers | 24.5% | 2.1 | 1.9 |
| LPDV-type / 3.7kW | Feed pump for screw hoppers | 70.2% | 5.5 | 0.6 |

*Energy savings rate: A product's rate of achievement for energy savings standards set by the government indicated as a percentage

Trends in overseas sales revenue

- Continuously evaluate and implement M&A to expand sales channels and product lineup
- M&A bases* have achieved relatively high revenue growth rates, contributing to the growth of overseas business

Sales Revenue Growth from M&A (FY2022 set to 100)



Our M&A-related activities

- 2021: Acquired pump manufacturer Vansan (Turkey)
- 2022: Acquired pump and mixer manufacturer Hayward Gordon (Canada and the US)
- 2023: Took over operations of the submersible pump business Spandau Pumpen
- 2024: Acquired pump distributor Asanvil (Uruguay)

Factors behind changes in non-M&A revenue

- Revenue increased primarily in North and South America
- Particularly strong performance from products for data centers in North America
- Although the building equipment market in China was stagnant due to real estate investment restraint, orders received for products to industrial and public sector markets were favorable through FY2024
- Through FY2024, foreign exchange fluctuations contributed to overall revenue growth

M&A results in 2025

Acquisition of Mitsubishi Electric's Three-Phase Motor Business

On November 12, 2025, EBARA and Mitsubishi Electric announced an agreement to transfer the three-phase motor and Interior Permanent Magnet (IPM) motor businesses operated domestically by Mitsubishi Electric's FA Systems Division, as well as the motor, pump, and die casting*¹ businesses operated by Mitsubishi Electric's Thai subsidiary, Mitsubishi Electric Automation (Thailand) Co., Ltd., to EBARA

| | |
|---------------------------------------|---|
| Businesses Subject to Transfer | Design, manufacture, sales and services of three-phase motors* ² , IPM* ³ motors, pumps, and die-casting |
| Expected Completion Date | In 2026 |
| Objective | By acquiring motor design and development capabilities and technical know-how, we will offer dramatic energy-saving solutions through the integration of our products with motor and rotation control technology. Accelerate growth in global markets by acquiring and expanding production systems in Japan and Thailand |

Equity Transfer Agreement for Brazilian pump unit manufacturing and sales company Germek

Through our Brazilian subsidiary, EBARA BOMBAS AMÉRICA DO SUL LTDA., on October 31, 2025, we concluded an equity transfer agreement with the equity holder of GEMINI GERMEK HIDROMECÂNICA LTDA.

| | |
|---------------------------------------|---|
| Businesses Subject to Transfer | GEMINI GERMEK HIDROMECÂNICA LTDA. (Design, manufacturing, sales and service of pump units for the firefighting and agricultural sectors) |
| Expected Completion Date | Scheduled for the end of January 2026 |
| Objective | By leveraging Germek's advanced design and engineering capabilities, in addition to offering stand-alone pump products, we will strengthen our structure for providing customized solutions for optimal pump units that are tailored to the diverse needs of customers in Brazil and other regions. |

*1. A casting technology that mass-produces castings by forcing molten metal into a mold at high speeds and high pressure

*2. Motor units that use three alternating currents as power sources

*3. Interior Permanent Magnet: Models featuring permanent embedded magnets

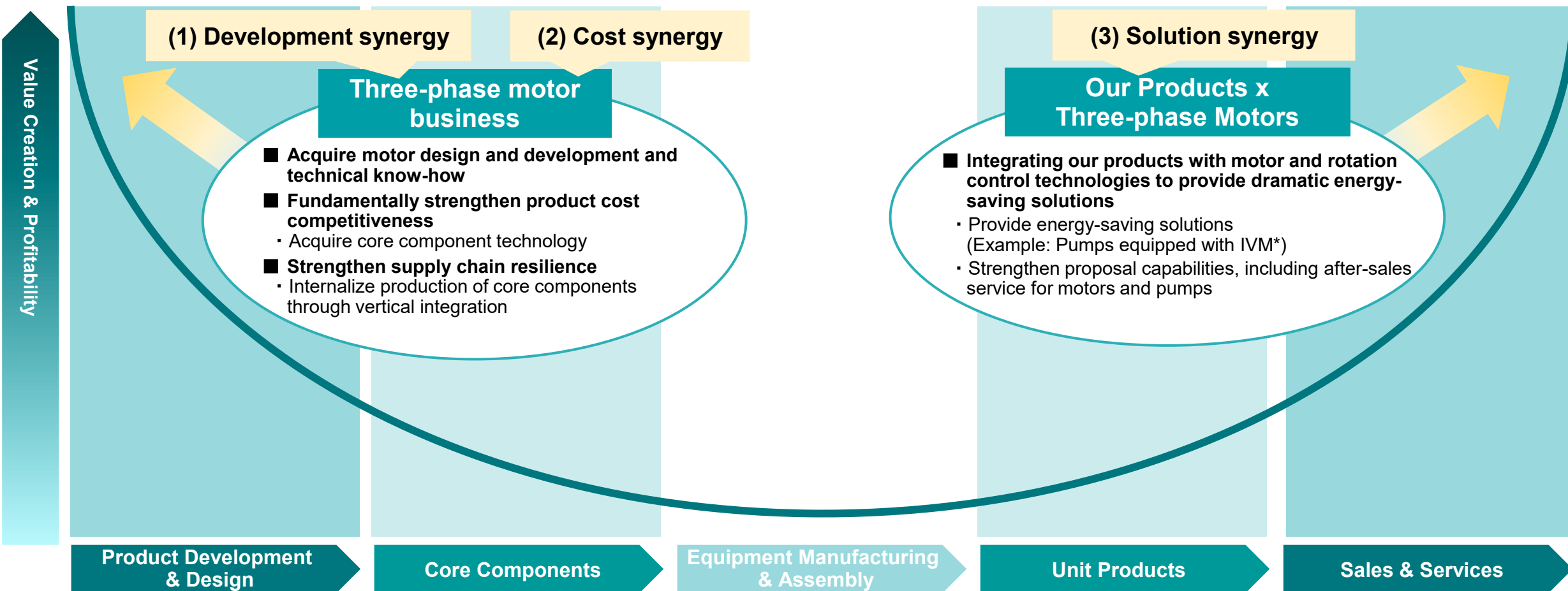
Initiatives in Growth Markets



Amid increasing global demand for energy efficiency in industrial machinery, we are strengthening both ends of the smile curve in our high-value-added business to strengthen and accelerate our ability to propose energy-saving solutions.



(Motor image)
EBARA FSDV-type
IVM* pump



Strategy for the data center market

- The data center cooling market is expected to grow at a CAGR of approximately 16% from FY22 to FY30 due to increased demand, including the expanding use of AI
- Cooling methods are shifting from traditional air cooling to high-efficiency, next-generation liquid cooling and immersion cooling, which is changing the types of pumps in demand
- We provide compact, highly efficient pumps to address customer problems related to reducing electricity costs and saving space
- EBARA PUMPS AMERICAS CORPORATION quickly identified demand and introduced products tailored to customer needs

EPD/OPTIMA



3U



Main products for data centers

SC



High efficiency

Gen 1 air cooling

- Heat is exhausted outside using the data center's air conditioning system and internal server fans

Gen 2 & Gen 3 First liquid cooling

- To address the limitations of air cooling, water and other liquids are used as a cooling medium
- A heat exchange mechanism is installed around the motherboard for cooling

Conventional

Next-generation

Gen 4 D2C cooling

- A method of removing heat by pumping coolant onto a cold plate attached directly to the chip on the motherboard

Gen 5 immersion cooling

- The motherboard and other components are immersed in liquid and the liquid is cooled

There are limits to cooling high-density servers and high-heat-generating CPUs/GPUs, and cooling consumes a lot of power

As this method directly cools the processor, currently it is one of the most effective and efficient methods

Industrial chillers

- Chillers are used in the manufacturing process for cooling semiconductor manufacturing equipment and FPD manufacturing equipment, and require highly accurate temperature stability
- With advancements in the information society, load demands on semiconductor manufacturing processes are increasing, leading to higher numbers of machines and associated equipment, including chillers
- There is growing demand for compact, high-output chillers that utilize space efficiently as a measure to combat global warming
- By combining our proprietary pump and refrigeration technologies, we offer products with greater energy-efficiency and space-savings compared to competitor products
- Sales are conducted through the Precision Machinery Company's distribution channels

Etching equipment



Chillers account for 44% of the power consumption

↓
Energy conservation is essential



Industrial chillers

Used to cool the heat generated during the etching process



Significant energy and space savings achieved through EBARA's proprietary technology

1. Developed a compact, energy-saving pump specifically for chillers



- Inverter control
- Seal-less, leak-free
- High efficiency
- Compact design

2. Developed proprietary refrigeration cycle and control technology
 - Extremely low temperatures and high loads
 - Energy saving
 - Temperature tracking and stability

Future direction of the business

In the building and industrial equipment markets, we will aim for further business growth by providing new, customer-oriented solutions that combine standard pumps, chillers, and services

Expand business scale and added value to further increase profitability and efficiency

Create added value



Stable growth

- ✓ Through the EBARA Maintenance Cloud, offer value through labor force and work reduction, and strengthen the S&S business
- ✓ Offer and expand on energy-saving solutions such as IVM
- ✓ Expand sales channels and product lineup to increase sales overseas
- ✓ Develop and expand sales of products for growth industries, including data center products and industrial chillers

Demand for pumps and heating and cooling equipment is expected to grow steadily due to global population growth and economic and industrial development

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