Results Presentation for the Second Quarter ended September 30, 2015

EBARA (6361)

November 11, 2015
1. Summary of Results

Executive Officer
Responsible for Finance & Accounting
Akihiko Nagamine

2. Projection and Management Strategy

President
Representative Executive Officer
Toichi Maeda
## 1. Summary of Results

### Summary of Results through the 2\textsuperscript{nd} Quarter

(Six months ended September 30, 2015)

<table>
<thead>
<tr>
<th></th>
<th>2nd Quarter ended September 30, 2014 (Results)</th>
<th>2nd Quarter ended September 30, 2015 (Results)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>227.2</td>
<td>242.7</td>
<td>+15.5</td>
</tr>
<tr>
<td>Net Sales</td>
<td>186.1</td>
<td>207.0</td>
<td>+20.9</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-0.6</td>
<td>4.6</td>
<td>+5.2</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>-0.3</td>
<td>3.8</td>
<td>+4.1</td>
</tr>
<tr>
<td>Net Income attributable to owners of parent *</td>
<td>-1.9</td>
<td>1.3</td>
<td>+3.2</td>
</tr>
</tbody>
</table>

* “Net Income” as for 2Q ended June 30, 2014

### Exchange Rate (Average)

1 USD = 105.4 JPY

1 USD = 120.1 JPY

Results Presentation for the Second Quarter ended September 30, 2015
## 1. Summary of Results

### Segmental Summary of Results through the 2\textsuperscript{nd} Quarter

<table>
<thead>
<tr>
<th></th>
<th>Orders</th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMS Business</td>
<td>155.9</td>
<td>157.1</td>
<td>+1.2</td>
</tr>
<tr>
<td>EE Business</td>
<td>38.8</td>
<td>34.8</td>
<td>-3.9</td>
</tr>
<tr>
<td>PM Business</td>
<td>31.6</td>
<td>49.8</td>
<td>+18.2</td>
</tr>
<tr>
<td>Others, Adjustment</td>
<td>0.8</td>
<td>0.8</td>
<td>-0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>227.2</strong></td>
<td><strong>242.7</strong></td>
<td><strong>+15.5</strong></td>
</tr>
</tbody>
</table>

**Notes:**
- **FMS Business** = Fluid Machinery & Systems Business
- **EE Business** = Environmental Engineering Business
- **PM Business** = Precision Machinery Business

(unit: ¥bn)
1. Summary of Results

**FMS Business ・・・ Fluid Machinery & Systems Business**

**(unit : ¥bn)**

### Orders

- **FY ended March 31, 2015**
  - 1Q: 75.4
  - 2Q: 240.9
  - 3Q: 155.9
  - 4Q: 20.7

- **FY ending March 31, 2016**
  - 1Q: 74.6
  - 2Q: 157.1
  - 3Q: 151.7
  - 4Q: 20.7

*Orders*
- ✓ Orders increased in pumps business, mainly in overseas custom pumps.
- ✓ Customers postponed their decision of their capital investment plan in Compressors & Turbines business.

### Sales

- **FY ended March 31, 2015**
  - 1Q: 60.9
  - 2Q: 131.5
  - 3Q: 218.9
  - 4Q: 20.7

- **FY ending March 31, 2016**
  - 1Q: 62.8
  - 2Q: 138.7
  - 3Q: 218.9
  - 4Q: 20.7

*Sales*
- ✓ Sales in pumps business steadily progressed due to yen’s depreciation.
- ✓ Sales tend to occur in the second half of the year in Compressors & Turbines business.

### Operating Income

- **FY ended March 31, 2015**
  - 1Q: -2.8
  - 2Q: -3.1
  - 3Q: 2.7
  - 4Q: 20.7

- **FY ending March 31, 2016**
  - 1Q: -3.5
  - 2Q: -1.8
  - 3Q: -1.8
  - 4Q: 20.7

*Operating Income*
- ✓ Sales increased (+)
- ✓ Gain by Yen depreciation (+)
- ✓ Fixed cost increased mainly from pumps business (-)

---

**Breakdown of Changes in Operating Income**

- Sales: +0.8
- Profitability: +0.2
- Fixed cost: -1.0
- Foreign Exchange: +1.3

---

Results Presentation for the Second Quarter ended September 30, 2015
EE Business  ⋅⋅  Environmental Engineering Business

1. Summary of Results  
EE Results through the 2\textsuperscript{nd} Quarter

Orders

<table>
<thead>
<tr>
<th></th>
<th>FY ended March 31, 2015</th>
<th>FY ending March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>18.7</td>
<td>25.6</td>
</tr>
<tr>
<td>2Q</td>
<td>38.8</td>
<td>34.8</td>
</tr>
<tr>
<td>3Q</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales

<table>
<thead>
<tr>
<th></th>
<th>FY ended March 31, 2015</th>
<th>FY ending March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>9.7</td>
<td>9.5</td>
</tr>
<tr>
<td>2Q</td>
<td>23.2</td>
<td>25.7</td>
</tr>
<tr>
<td>3Q</td>
<td>40.3</td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating Income

<table>
<thead>
<tr>
<th></th>
<th>FY ended March 31, 2015</th>
<th>FY ending March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>2Q</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>3Q</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Breakdown of Changes in Operating Income

- **Sales** increased from 2014 to 2015
- **Fixed cost** decreased from 2014 to 2015

- **Sales** increased mainly from EPC business.

**Orders**

- We received two large-scale orders of EPC, however overall order fell as we couldn’t get large-scale maintenance order.

**Operating Income**

- Sales increased (+)
1. Summary of Results

PM Results through the 2nd Quarter ended September 30, 2015

PM Business  Precision Machinery Business

<table>
<thead>
<tr>
<th>PM Business</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>14.7</td>
<td>31.6</td>
<td>52.0</td>
<td>77.5</td>
</tr>
<tr>
<td>FY ended March 31, 2015</td>
<td>14.4</td>
<td>30.4</td>
<td>48.3</td>
<td>73.9</td>
</tr>
<tr>
<td>Sales</td>
<td>23.5</td>
<td>49.8</td>
<td>52.0</td>
<td>77.5</td>
</tr>
<tr>
<td>FY ending March 31, 2016</td>
<td>16.8</td>
<td>41.7</td>
<td>52.0</td>
<td>77.5</td>
</tr>
</tbody>
</table>

**Orders, Sales**
- Orders and sales have changed steadily pulled along by active capital investment especially to CMP.
- Sales increased (+)
- Gain by Yen depreciation (+)

**Operating Income**
- Sales increased (+)
- Gain by Yen depreciation (+)

**Breakdown of Changes in Operating Income**

<table>
<thead>
<tr>
<th>PM Business</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>+3.5</td>
<td>+1.2</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>2nd Quarter ended Sep 30, 2014 results</td>
<td>1.0</td>
<td>1.1</td>
<td>3.2</td>
<td>7.0</td>
</tr>
<tr>
<td>2nd Quarter ended Sep 30, 2015 results</td>
<td>2nd Quarter ended Sep 30, 2014 results</td>
<td>2nd Quarter ended Sep 30, 2015 results</td>
<td>2nd Quarter ended Sep 30, 2014 results</td>
<td>2nd Quarter ended Sep 30, 2015 results</td>
</tr>
</tbody>
</table>

Results Presentation for the Second Quarter ended September 30, 2015
1. Summary of Results

Sales Composition by Region

2Q ended Sep. 30, 2014

- **Japan**
  - Sales: ¥186.1bn
  - Percentage of Overseas Sales to Sales: 56.0%

- **Asia (excl. Japan)**
  - Sales: ¥52.3bn

- **North America**
  - Sales: ¥16.8bn

- **Europe**
  - Sales: ¥14.8bn

- **Middle East**
  - Sales: ¥6.7bn

- **Others**
  - Sales: ¥81.8bn

- **Overseas Sales**
  - ¥104.2bn

2Q ended Sep. 30, 2015

- **Japan**
  - Sales: ¥207.0bn
  - Percentage of Overseas Sales to Sales: 55.1%

- **Asia (excl. Japan)**
  - Sales: ¥56.0bn

- **North America**
  - Sales: ¥25.2bn

- **Europe**
  - Sales: ¥16.1bn

- **Middle East**
  - Sales: ¥11.8bn

- **Others**
  - Sales: ¥92.9bn

- **Overseas Sales**
  - ¥114.0bn

Results Presentation for the Second Quarter ended September 30, 2015
1. Summary of Results

Balance Sheet through the 2nd Quarter

Assets

<table>
<thead>
<tr>
<th>March 31, 2015</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>415.0</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>155.3</td>
</tr>
<tr>
<td>Total</td>
<td>570.3</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th>March 31, 2015</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>244.2</td>
</tr>
<tr>
<td>Long-term Liabilities</td>
<td>78.6</td>
</tr>
<tr>
<td>Net Assets</td>
<td>247.5</td>
</tr>
<tr>
<td>Total</td>
<td>570.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 31, 2015</th>
<th>September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>226.4</td>
</tr>
<tr>
<td>Long-term Liabilities</td>
<td>75.7</td>
</tr>
<tr>
<td>Net Assets</td>
<td>245.2</td>
</tr>
<tr>
<td>Total</td>
<td>547.4</td>
</tr>
</tbody>
</table>
1. Summary of Results

Supplementary information

**Capital Expenditure / Depreciation & Amortization Expenses**

- Capital Expenditure (1st Half)
- Capital Expenditure (2nd Half)
- Depreciation & Amortization Expenses (1st Half)
- Depreciation & Amortization Expenses (2nd Half)

<table>
<thead>
<tr>
<th></th>
<th>FY ended March 31, 2014 results</th>
<th>FY ending March 31, 2015 results</th>
<th>FY ending March 31, 2016 results / plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>10.7</td>
<td>12.1</td>
<td>11.2</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization Exp.</td>
<td>7.4</td>
<td>5.7</td>
<td>5.7</td>
</tr>
<tr>
<td>FY ended March 31, 2014 results</td>
<td>18.1</td>
<td>15.8</td>
<td>18.5</td>
</tr>
<tr>
<td>FY ending March 31, 2015 results</td>
<td>10.7</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>FY ending March 31, 2016 results / plan</td>
<td>7.4</td>
<td>6.1</td>
<td>7.3</td>
</tr>
<tr>
<td>FY ending March 31, 2016 results / plan</td>
<td>6.4</td>
<td>3.3</td>
<td>3.1</td>
</tr>
<tr>
<td>FY ending March 31, 2016 results / plan</td>
<td>6.7</td>
<td>3.5</td>
<td>3.2</td>
</tr>
<tr>
<td>FY ending March 31, 2016 results / plan</td>
<td>6.1</td>
<td>3.4</td>
<td>3.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY ended March 31, 2014 results</th>
<th>FY ending March 31, 2015 results</th>
<th>FY ending March 31, 2016 results / plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Development Expenses</td>
<td>6.4</td>
<td>6.7</td>
<td>6.1</td>
</tr>
<tr>
<td>FY ended March 31, 2014 results</td>
<td>3.3</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>FY ending March 31, 2015 results</td>
<td>3.1</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>FY ending March 31, 2016 results / plan</td>
<td>3.2</td>
<td>3.4</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Not revised from the plan
1. Summary of Results

Supplementary information

Cash Flows

Not revised from the plan

- Cash Flow from operating activities
- Cash Flow from investing activities
- Free Cash Flow

(unit: ¥bn)

Interest-bearing Debt

- Interest-bearing Debt
- D/E Ratio

(unit: ¥bn)

FY ended March 31, 2014 results
FY ended March 31, 2015 results
FY ending March 31, 2016 plan

FY ended March 31, 2014 results
FY ended March 31, 2015 results
FY ending March 31, 2016 plan

Results Presentation for the Second Quarter ended September 30, 2015
2. Projection and Strategy

FMS Projection for Fiscal Year Ending March 31, 2016

Revised Projection: **Orders**

(单位：亿円)

<table>
<thead>
<tr>
<th></th>
<th>FY ended March 31, 2015 results</th>
<th>FY ending March 31, 2016 results / plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>75.4</td>
<td>74.6</td>
</tr>
<tr>
<td>2Q</td>
<td>155.9</td>
<td>157.1</td>
</tr>
<tr>
<td>3Q</td>
<td>240.9</td>
<td>355.0</td>
</tr>
<tr>
<td>4Q</td>
<td>334.4</td>
<td>345.0</td>
</tr>
</tbody>
</table>

**Orders**

- Orders in Pumps business are expected to be steady the same as the first half.
- In Compressors and Turbines business, we have made downward revisions to the order forecast for the full-year due to delay of customers’ Final Investment Decision.

**Sales**

- Able to achieve the initial plan.

**Operating Income**

- In Compressors and Turbines business, its performance is stable as about a half of sales come from Service & Support business which is profitable.
## EE Projection for Fiscal Year Ending March 31, 2016

### Orders

- Secure EPC orders in which our competitiveness is effective, and orders for long-term comprehensive contracts of O&M.

### Sales

- Sales to steadily increase from an expending backlog.
- Sound progress in the EPC construction works.

### Operating Income

- O&M business makes stable income.
2. Projection and Strategy

PM Projection for Fiscal Year Ending March 31, 2016

Revised Projection: **Orders**

[unit: ¥bn]

**Orders**

✓ In the semiconductor industry, capital investments are likely to remain restrained.

✓ There will be a temporary drop in the amount of orders.

✓ Taking the higher first half results of CMP into account, we have raised our full year plan.

**Sales**

✓ Able to achieve the initial plan.

**Operating Income**

✓ Able to achieve the initial plan if we can achieve the sales plan.
### Summary of Projection for Fiscal Year Ending March 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ended March 31, 2015 (Results) (A)</th>
<th>Fiscal Year Ending March 31, 2016 (Plan) (B)</th>
<th>Fiscal Year Ending March 31, 2016 (Forecast) (C)</th>
<th>Change (C-B)</th>
<th>Change (C-A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>487.5</td>
<td>517.0</td>
<td>517.0</td>
<td>—</td>
<td>+29.4</td>
</tr>
<tr>
<td>Net Sales</td>
<td>482.6</td>
<td>507.0</td>
<td>507.0</td>
<td>—</td>
<td>+24.3</td>
</tr>
<tr>
<td>Operating Income</td>
<td>34.5</td>
<td>37.0</td>
<td>37.0</td>
<td>—</td>
<td>+2.4</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>36.2</td>
<td>37.0</td>
<td>37.0</td>
<td>—</td>
<td>+0.7</td>
</tr>
<tr>
<td>Net Income attributable to owners of parent *</td>
<td>23.5</td>
<td>24.0</td>
<td>24.0</td>
<td>—</td>
<td>+0.4</td>
</tr>
</tbody>
</table>

* "Net Income" as for fiscal year ended March 31, 2015

**Exchange Rate**
- Average: 1USD = 117.1 JPY
- Assumed: 1USD = 115 JPY
- Assumed: 1USD = 115 JPY
### 2. Projection and Strategy

#### Summary of Projection for Fiscal Year Ending March 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ended March 31, 2015 (Results) (A)</th>
<th>Fiscal Year Ending March 31, 2016 (Plan) (B)</th>
<th>Fiscal Year Ending March 31, 2016 (Forecast) (C)</th>
<th>Change (C-B)</th>
<th>Change (C-A)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FMS Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders</td>
<td>334.4</td>
<td>355.0</td>
<td>345.0</td>
<td>-10.0</td>
<td>+10.5</td>
</tr>
<tr>
<td>Net Sales</td>
<td>342.0</td>
<td>355.0</td>
<td>355.0</td>
<td>—</td>
<td>+12.9</td>
</tr>
<tr>
<td>Operating Income</td>
<td>20.7</td>
<td>21.5</td>
<td>21.5</td>
<td>—</td>
<td>+0.7</td>
</tr>
<tr>
<td><strong>EE Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders</td>
<td>73.7</td>
<td>80.0</td>
<td>80.0</td>
<td>—</td>
<td>+6.2</td>
</tr>
<tr>
<td>Net Sales</td>
<td>64.9</td>
<td>70.0</td>
<td>70.0</td>
<td>—</td>
<td>+5.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>6.2</td>
<td>7.0</td>
<td>7.0</td>
<td>—</td>
<td>+0.7</td>
</tr>
<tr>
<td><strong>PM Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders</td>
<td>77.5</td>
<td>80.0</td>
<td>90.0</td>
<td>+10.0</td>
<td>+12.4</td>
</tr>
<tr>
<td>Net Sales</td>
<td>73.9</td>
<td>80.0</td>
<td>80.0</td>
<td>—</td>
<td>+6.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>7.0</td>
<td>8.0</td>
<td>8.0</td>
<td>—</td>
<td>+0.9</td>
</tr>
<tr>
<td><strong>Others, Adjustment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders</td>
<td>1.7</td>
<td>2.0</td>
<td>2.0</td>
<td>—</td>
<td>+0.2</td>
</tr>
<tr>
<td>Net Sales</td>
<td>1.7</td>
<td>2.0</td>
<td>2.0</td>
<td>—</td>
<td>+0.2</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>—</td>
<td>-0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orders</td>
<td>487.5</td>
<td>517.0</td>
<td>517.0</td>
<td>—</td>
<td>+29.4</td>
</tr>
<tr>
<td>Net Sales</td>
<td>482.6</td>
<td>507.0</td>
<td>507.0</td>
<td>—</td>
<td>+24.3</td>
</tr>
<tr>
<td>Operating Income</td>
<td>34.5</td>
<td>37.0</td>
<td>37.0</td>
<td>—</td>
<td>+2.4</td>
</tr>
</tbody>
</table>

(单位：亿円)
2. Projection and Strategy

Enhancing pumps business

- Strengthening of Service & Support (S&S) of custom pumps and expanding sales for standard pumps.

Progress in enhancing local functions

We will carry out set up of new facilities and enhancements to existing facilities by the following means.
- New facilities establishment
- M&A
- Additional investment on existing facilities
- Enhancing alliance with local company

Strengthening product lineup

We will strive to do rapid development of new products, quick time-to-market and strengthening the competitiveness of existing products.

FIGURE: Overseas facilities to be established within E-Plan2016

- Europe & Africa Division
  (To be established by Mar/2017)
- Central Asia Division
- China & East Asia Division
- Middle East Division
- South Asia Division
- Southeast Asia Division
- Saudi Arabia by the end of FY2015
  (New facilities establishment)
- Indonesia Aug/2015
  (M&A)
- Brazil Sep/2015
  (M&A)

Regional Division
Regions Division to be established in the future
Existing facilities in pumps business
Facilities to be established in the future
2. Projection and Strategy

Enhancing pumps business

Our pumps business in the Southeast Asian region

- In pumps market of Southeast Asia, high growth is expected and we have high share.

Progress of enhancing functions in overseas bases

- “Southeast Asia regional office” integrates business activities of subsidiaries in this region.
- Several ways to enhance overseas bases
  - Establishing a new base for sales by green field investment (in southern Vietnam)
  - Establishing a new base for S&S via M&A deals (in Indonesia)
  - Establishing a new plant (in northern Vietnam)
  - Additional capital expenditures at an existing plant (in Philippines)
  - Enhancing alliances with local distributors and service providers (mainly in Philippines and Thailand)
- The company we bought in Indonesia will be an important base in the strategy of S&S in the future.

Progress of strengthening product lineup

- Launching new products

- We plan to launch EVMS, new model of standard pump, by the end of this FY.
  - Advantages in price and lead time.
  - Lunching new products continuously

Pumps market scale in the Southeast Asia and our market share

*Ebara estimated value

- 2013: 150 billion yen
- 2019: 190 billion yen
- Our market share (target): 16%

Our market share

* Overseas Competitor A
* Overseas Competitor B
* Overseas Competitor C
* Overseas Competitor D

Our pumps business

Overseas Competitor A: 9%
Overseas Competitor B: 1%
Overseas Competitor C: 6%
Overseas Competitor D: 94%

Our estimated value: 16%

9%
16%
2. Projection and Strategy

Enhancing pumps business

Business structure in Southeast Asia

Enhancement to facilities
(sales, S&S, manufacture)
Launching new products

Southeast Asia Division

Ebara Thailand
- Sales
- S&S
- established in 1993
- established a new branch office in Myanmar

Ebara Pumps Malaysia
- Sales
- S&S
- established in 2001
- enhancement of S&S function

Ebara Engineering Singapore
- Sales
- S&S
- established in 1983

P.T. Ebara Indonesia
- Manufacturing
- established in 1980
- casting ability equipped
- manufacturing mainly standard pumps

P.T. Ebara Turbomachinery Services Indonesia
- S&S
- bought in Aug. 2015 via M&A

Ebara Vietnam Pump Company
- Manufacturing
- Sales
- S&S
- established in 1995
- casting ability equipped
- manufacturing mainly custom pumps
- added canning function in 2015

Ebara Pumps Philippines
- Manufacturing
- Sales
- S&S
- established in 1991
- casting ability equipped
- used to be base for manufacturing pump parts
- now changed to base for manufacturing and sales of industrial pumps

[Headquarters]
Southeast Asia Regional Office (Jakarta)

An improvement of the profit ratio by providing S&S from coordinated network between local subsidiaries
Raising market share by sales promotion of various pumps

Enhancing pumps business

Raising market share by sales promotion of various pumps

Results Presentation for the Second Quarter ended September 30, 2015
Sales from S&S accounting for as much as about 40% of net sales (FY ended March 31, 2015)

- As long as equipment and plants that we delivered continue to be worked, we can expect stable S&S demand.
- *As more than 40% of our sales come from S&S business, the influence of cutbacks in capital investment resulting from the decline of economy is not likely to have a big impact to our earnings.*
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.

Note
1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

2. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.