



# Results Presentation for the 3<sup>rd</sup> Quarter ended September 30, 2018

## **EBARA (6361)**

November 13, 2018

Looking ahead,  
going beyond expectations

*Ahead* > *Beyond*

EBARA CORPORATION

# 1. Summary of Results



## Summary of Results through FY2018 3Q

(unit : ¥bn)

|  | [Reference] <sup>*1</sup><br>3rd Quarter ended<br>Sep 30, 2017 | 3rd Quarter ended<br>Sep 30, 2018 | Change<br>(year-on-year) |
|--|--|-----------------------------------|--------------------------|
| <b>Orders</b>  | <b>372.2</b>   | <b>443.1</b>                      | <b>+70.9</b>             |
| <b>Net Sales</b>   | <b>367.9</b>   | <b>368.0</b>                      | <b>+0.0</b>              |
| <b>Operating<br/>Income</b>                                | <b>27.6</b><br>(7.5%)  | <b>20.4</b><br>(5.6%)             | <b>-7.2</b>              |
| <b>Ordinary<br/>Income</b>                                 | <b>26.9</b><br>(7.3%)  | <b>19.9</b><br>(5.4%)             | <b>-6.9</b>              |
| <b>Net Income<br/>attributable to owners<br/>of parent</b> | <b>19.3</b><br>(5.3%)  | <b>11.2</b><br>(3.0%)             | <b>-8.1</b>              |

Exchange rate(Average)

1USD = 112.4 JPY

1USD = 111.4 JPY

( ) Ratio to sales

\*1. As a [Reference], we disclose 12 months results (non-audited) of the fiscal year ended December 31, 2017 (from January 1, 2017 to December 31, 2017) to compare with the results for the fiscal year ending December 31, 2018 (from January 1, 2018 to December 31, 2018).

In this material, "1Q" means 3 months cumulative, "2Q" means 6 months cumulative, "3Q" means 9 months cumulative, "4Q" means 12 months cumulative. From this page, figures are shown in billion yen unless otherwise stated.

# 1. Summary of Results

## Segmental Summary of Results through FY2018 3Q



|                           | Orders                                      |                              |              | Net Sales                    |                              |             | Operating Income             |                              |             |
|---------------------------|---|------------------------------|--------------|------------------------------|------------------------------|-------------|------------------------------|------------------------------|-------------|
|                           | [Reference]<br>3Q ended<br>Sep. 30,<br>2017 | 3Q ended<br>Sep. 30,<br>2018 | Change       | 3Q ended<br>Sep. 30,<br>2017 | 3Q ended<br>Sep. 30,<br>2018 | Change      | 3Q ended<br>Sep. 30,<br>2017 | 3Q ended<br>Sep. 30,<br>2018 | Change      |
| <b>FMS Business</b>       | <b>226.8</b>                                | <b>244.2</b>                 | <b>+17.3</b> | <b>217.5</b>                 | <b>225.0</b>                 | <b>+7.5</b> | <b>10.0</b><br>(4.6%)        | <b>3.3</b><br>(1.5%)         | <b>-6.6</b> |
| <b>EP Business</b>        | <b>49.8</b>                                 | <b>93.3</b>                  | <b>+43.4</b> | <b>49.9</b>                  | <b>43.5</b>                  | <b>-6.3</b> | <b>3.7</b><br>(7.6%)         | <b>3.4</b><br>(7.9%)         | <b>-0.3</b> |
| <b>PM Business</b>        | <b>94.3</b>                                 | <b>104.3</b>                 | <b>+10.0</b> | <b>99.2</b>                  | <b>98.1</b>                  | <b>-1.0</b> | <b>13.5</b><br>(13.7%)       | <b>13.4</b><br>(13.7%)       | <b>-0.1</b> |
| <b>Others, Adjustment</b> | <b>1.2</b>                                  | <b>1.2</b>                   | <b>+0.0</b>  | <b>1.2</b>                   | <b>1.2</b>                   | <b>+0.0</b> | <b>0.2</b><br>(21.0%)        | <b>0.2</b><br>(18.4%)        | <b>-0.0</b> |
| <b>Total</b>              | <b>372.2</b>                                | <b>443.1</b>                 | <b>+70.9</b> | <b>367.9</b>                 | <b>368.0</b>                 | <b>+0.0</b> | <b>27.6</b><br>(7.5%)        | <b>20.4</b><br>(5.6%)        | <b>-7.2</b> |

FMS Business ... Fluid Machinery & Systems Business

EP Business ... Environmental Plants Business

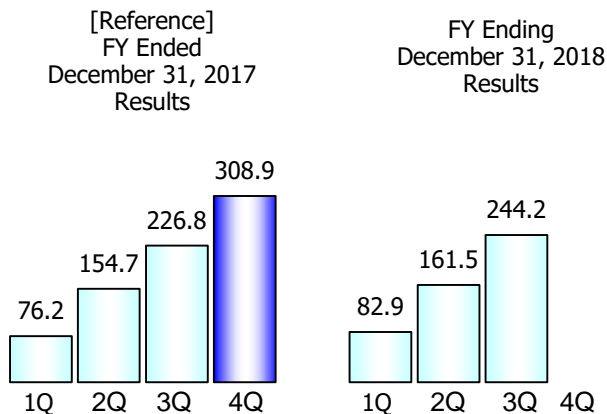
PM Business ... Precision Machinery Business

# 1. Summary of Results

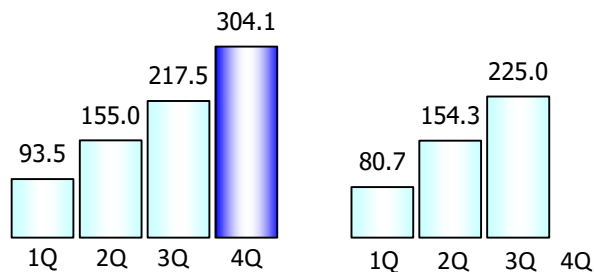
## FMS Results through FY2018 3Q

### FMS Business

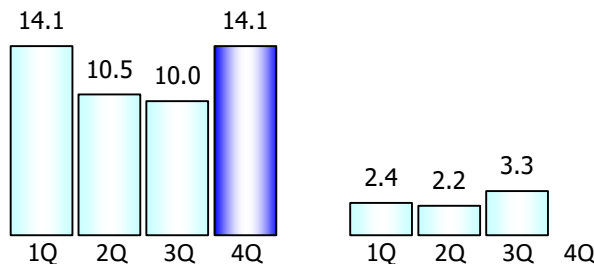
#### Orders



#### Sales



#### Operating Income



#### 【Orders】

- ✓ Increased in compressors & turbines business, mainly in products

#### 【Sales】

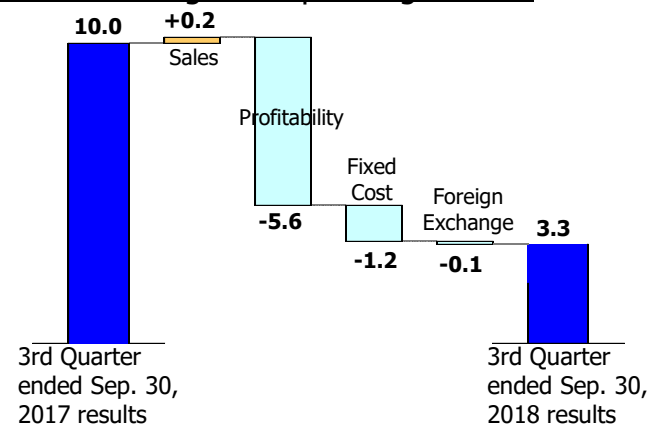
- ✓ Increased in compressors & turbines and pumps business
- ✓ The amount of Service & Support (S&S) sales decreased

| S & S ratio | 3Q ended Jun.30, 2017 | 3Q ended Jun.30, 2018 |
|-------------|-----------------------|-----------------------|
| FMS         | 36.4%                 | 33.1%                 |
| Pump        | 25.5%                 | 24.5%                 |
| CT          | 59.8%                 | 50.2%                 |

#### 【Operating Income】

- ✓ S&S sales ratio decreased (-)
- ✓ An allowance for losses from some projects which was low margin was recorded (-)
- ✓ Fixed costs increased mainly by personnel expenses (-)

#### Breakdown of Changes in Operating Income

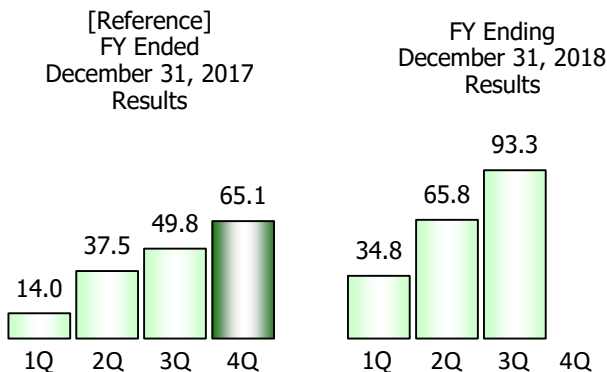


# 1. Summary of Results

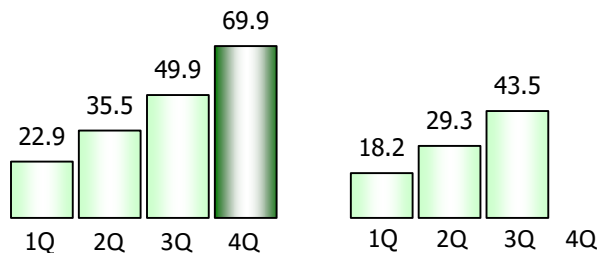
## EE Results through FY2018 3Q

### EP Business

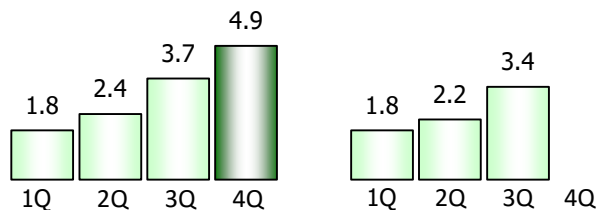
#### Orders



#### Sales



#### Operating Income



#### 【Orders】

✓ Orders were at a high level

#### 【Sales】

✓ Decreased mainly in EPC business

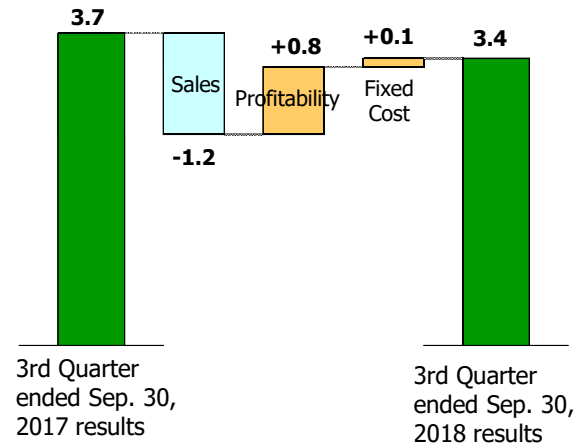
#### 【Operating Income】

✓ Sales decreased (-)

✓ Operation and Maintenance (O&M) sales ratio increased (+)

✓ A loss occurred due to withdrawal from a part of business at a manufacturing subsidiary in China (-)

#### Breakdown of Changes in Operating Income

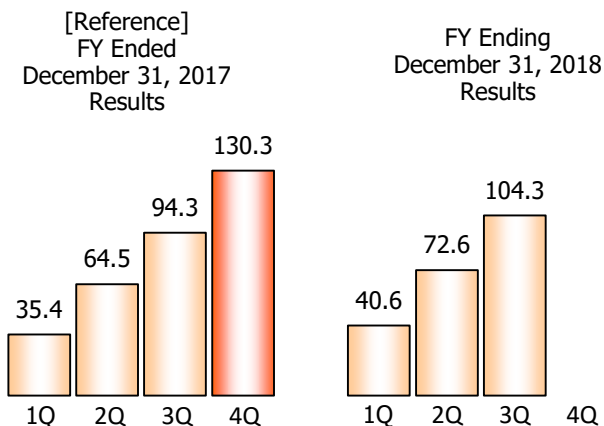


# 1. Summary of Results

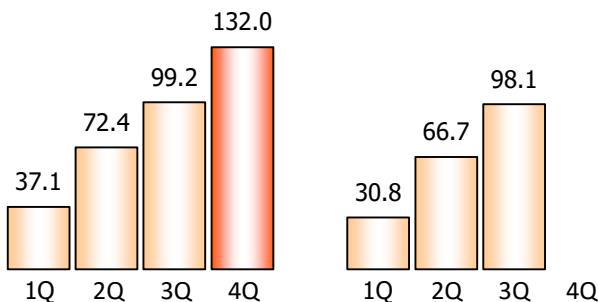
## PM Results through FY2018 3Q

### PM Business

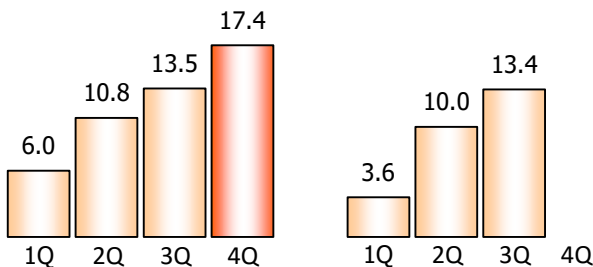
#### Orders



#### Sales



#### Operating Income



#### 【Orders】

- ✓ CAPEX in the semiconductor industry mainly in Memory remained steady
- ✓ Increased in CMP and components business

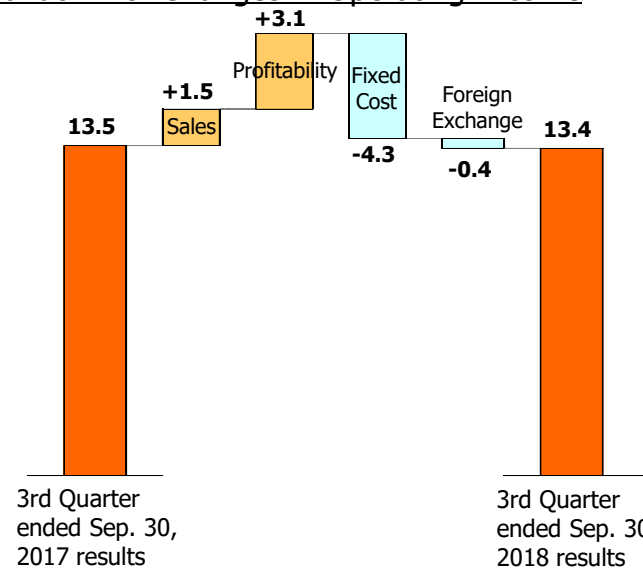
#### 【Sales】

- ✓ Increased in components business
- ✓ Although sales in CMP business decreased, it still remained at a high level

#### 【Operating Income】

- ✓ Fixed costs increased mainly due to personnel expenses and R&D expenses (-)

#### Breakdown of Changes in Operating Income



## 2. Projection

### Summary of Projection for FY2018



|   | [Reference]<br>FY ended<br>Dec. 31, 2017 | FY ending<br>Dec. 31, 2018 | FY ending<br>Dec. 31, 2018 | Change       | Change       |
|---|--|----------------------------|----------------------------|--------------|--------------|
|   | Results(A)                               | Forecast (B)*              | Forecast (C)**             | (C-B)        | (C-A)        |
| Orders  | <b>506.0</b>                             | <b>555.0</b>               | <b>571.0</b>               | <b>+16.0</b> | <b>+64.9</b> |
| Net Sales   | <b>507.8</b>                             | <b>505.0</b>               | <b>508.0</b>               | <b>+3.0</b>  | <b>+0.1</b>  |
| Operating Income                                  | <b>36.6</b><br>(7.2%)                    | <b>37.0</b><br>(7.3%)      | <b>32.0</b><br>(6.3%)      | <b>-5.0</b>  | <b>-4.6</b>  |
| Ordinary Income                                   | <b>35.4</b><br>(7.0%)                    | <b>36.0</b><br>(7.1%)      | <b>31.0</b><br>(6.1%)      | <b>-5.0</b>  | <b>-4.4</b>  |
| Net Income<br>attributable to<br>owners of parent | <b>22.7</b><br>(4.5%)                    | <b>22.0</b><br>(4.4%)      | <b>17.0</b><br>(3.3%)      | <b>-5.0</b>  | <b>-5.7</b>  |

( ) Ratio to sales

\* Forecast (B) is the previous forecast announced on Aug 9, 2018.

\*\* Forecast (C) is the latest forecast announced on Nov 13, 2018.

## 2. Projection

### Segmental Summary of Projection for FY2018

|                       |                     | [Reference]<br>FY ended<br>Dec. 31, 2017 | FY ending<br>Dec. 31, 2018 | FY ending<br>Dec.31,2018 | Change       | Change       |
|-----------------------|---------------------|--|----------------------------|--------------------------|--------------|--------------|
|                       |                     | Result(A)                                | Forecast (B)*              | Forecast(C)**            | (C-B)        | (C-A)        |
| FMS<br>Business       | Orders              | <b>308.9</b>                             | <b>324.0</b>               | <b>329.0</b>             | <b>+5.0</b>  | <b>+20.0</b> |
|                       | Net Sales           | <b>304.1</b>                             | <b>314.0</b>               | <b>316.0</b>             | <b>+2.0</b>  | <b>+11.8</b> |
|                       | Operating<br>Income | <b>14.1</b><br>(4.7%)                    | <b>13.5</b><br>(4.3%)      | <b>10.0</b><br>(3.2%)    | <b>-3.5</b>  | <b>-4.1</b>  |
| EP<br>Business        | Orders              | <b>65.1</b>                              | <b>90.0</b>                | <b>100.0</b>             | <b>+10.0</b> | <b>+34.8</b> |
|                       | Net Sales           | <b>69.9</b>                              | <b>60.0</b>                | <b>60.0</b>              | -            | <b>-9.9</b>  |
|                       | Operating<br>Income | <b>4.9</b><br>(7.1%)                     | <b>6.0</b><br>(10.0%)      | <b>5.0</b><br>(8.3%)     | <b>-1.0</b>  | <b>+0.0</b>  |
| PM<br>Business        | Orders              | <b>130.3</b>                             | <b>140.0</b>               | <b>140.0</b>             | -            | <b>+9.6</b>  |
|                       | Net Sales           | <b>132.0</b>                             | <b>130.0</b>               | <b>130.0</b>             | -            | <b>-2.0</b>  |
|                       | Operating<br>Income | <b>17.4</b><br>(13.2%)                   | <b>17.0</b><br>(13.1%)     | <b>17.0</b><br>(13.1%)   | -            | <b>-0.4</b>  |
| Others,<br>Adjustment | Orders              | <b>1.6</b>                               | <b>1.0</b>                 | <b>2.0</b>               | <b>+1.0</b>  | <b>+0.3</b>  |
|                       | Net Sales           | <b>1.6</b>                               | <b>1.0</b>                 | <b>2.0</b>               | <b>+1.0</b>  | <b>+0.3</b>  |
|                       | Operating<br>Income | <b>0.1</b><br>(8.0%)                     | <b>0.5</b><br>(50.0%)      | <b>0.0</b><br>(0.0%)     | <b>-0.5</b>  | <b>-0.1</b>  |
| Total                 | Orders              | <b>506.0</b>                             | <b>555.0</b>               | <b>571.0</b>             | <b>+16.0</b> | <b>+64.9</b> |
|                       | Net Sales           | <b>507.8</b>                             | <b>505.0</b>               | <b>508.0</b>             | <b>+3.0</b>  | <b>+0.1</b>  |
|                       | Operating<br>Income | <b>36.6</b><br>(7.2%)                    | <b>37.0</b><br>(7.3%)      | <b>32.0</b><br>(6.3%)    | <b>-5.0</b>  | <b>-4.6</b>  |

( ) Ratio to sales

\* Forecast (B) is the previous forecast announced on Aug 9, 2018.

\*\* Forecast (C) is the latest forecast announced on Nov 13, 2018.



# FMS Projection for FY2018

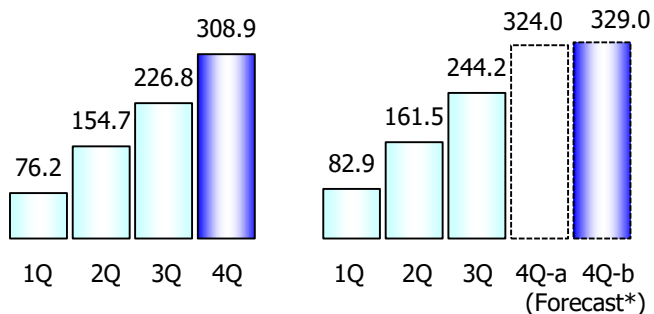
### FMS Business

Changed orders, sales and operating income from the previous forecast.

[Reference]  
FY Ended  
December 31, 2017  
Results

FY Ending  
December 31, 2018  
Results/Plan

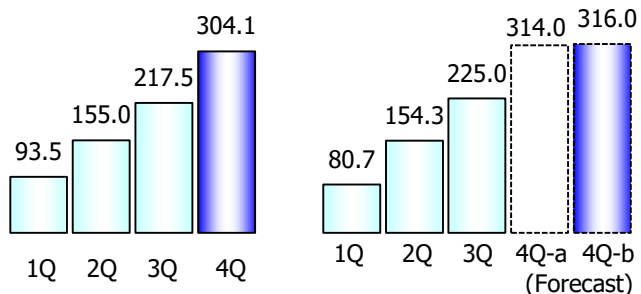
#### Orders



#### 【Orders , Sales 】

- ✓ Revised upward the forecast in compressors & turbines business, reflecting a steady CAPEX recovery
- ✓ Revised downward the forecast of pumps business due to some delays of order receipts in custom pumps S&S

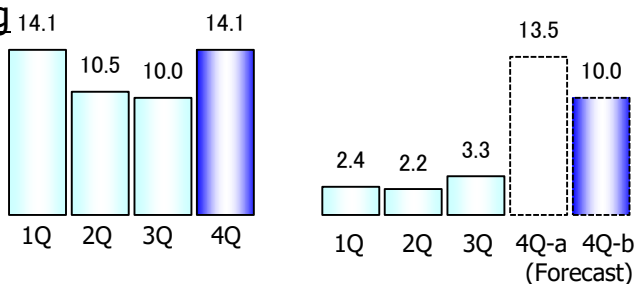
#### Sales



#### 【Operating Income】

- ✓ Revised downward the forecast for the following reasons
  - Progress was delayed in some projects of custom pumps S&S, and some amounts of sales expected to be recorded during this fiscal year are expected to shift to the next fiscal year
  - An allowance for losses from orders we received at low margin level was recorded due to severe price competition
  - A decrease in profitability of chillers business

#### Operating Income



\* :4Q-a is the previous forecast announced on Aug 9, 2018.,  
4Q-b is the latest forecast announced on Nov 13, 2018.

# EP Projection for FY2018

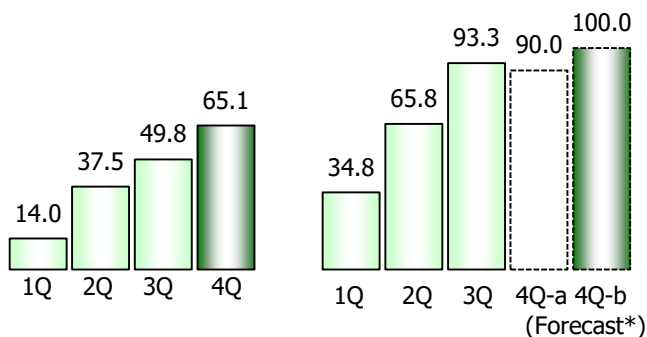
### EP Business

### Changed orders and operating income from the previous forecast

[Reference]  
FY Ended  
December 31, 2017  
Results

FY Ending  
December 31, 2018  
Results/Plan

#### Orders



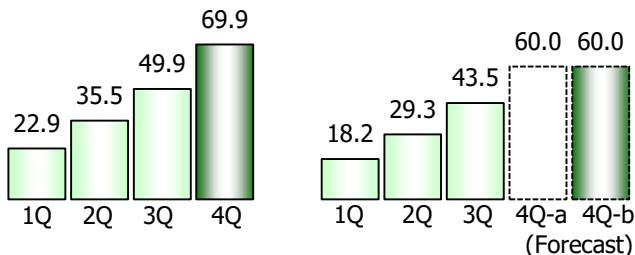
#### 【Orders】

- ✓ Revised upwards the forecast by reflecting strong orders level

#### 【Sales】

- ✓ Expected to go as planned

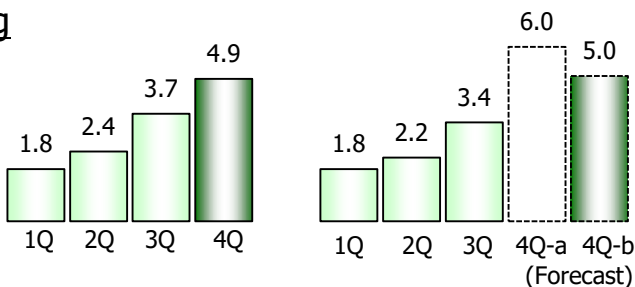
#### Sales



#### 【Operating Income】

- ✓ Revised downward the forecast mainly due to a loss which was caused by withdrawal from a part of business at a manufacturing subsidiary in China

#### Operating Income



\* :4Q-a is the previous forecast announced on Aug 9, 2018.,  
4Q-b is the latest forecast announced on Nov 13, 2018.

# PM Projection for FY2018

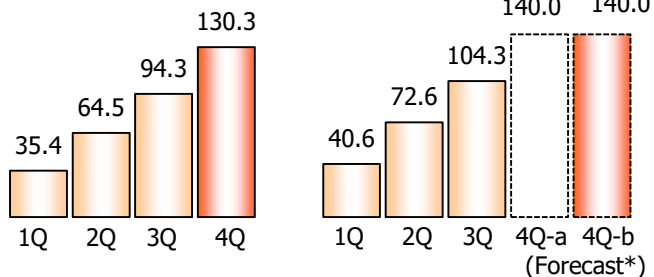
### PM Business

### Changed breakdown of segment in orders and operating income

[Reference]  
FY Ended  
December 31, 2017  
Results

FY Ending  
December 31, 2018  
Results/Plan

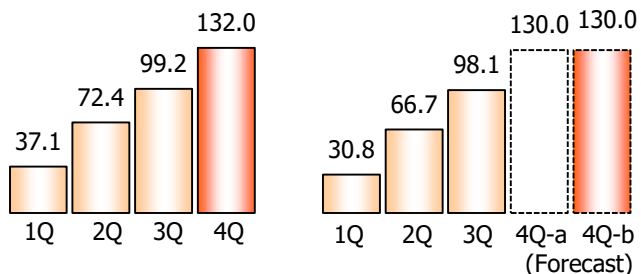
#### Orders



#### 【Orders, Sales】

- ✓ CAPEX in the semiconductor industry mainly in Memory remained steady
- ✓ Although there is no change in the forecast as a whole, the breakdown of sub-segments was modified reflected on changes of our customers' investment plan

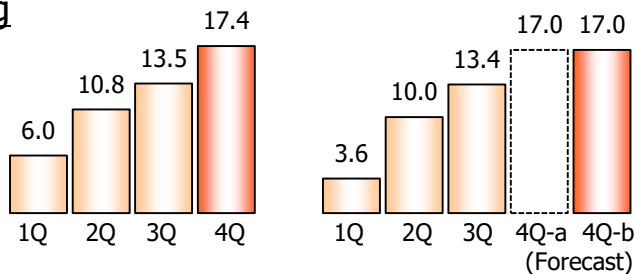
#### Sales



#### 【Operating Income】

- ✓ Fixed costs are expected to increase, partly because of R&D expenses carried over from the last fiscal year
- ✓ R&D projects with customers are expected to be implemented intensively in 4Q

#### Operating Income



\* :4Q-a is the previous forecast announced on Aug 9, 2018.,  
4Q-b is the latest forecast announced on Nov 13, 2018.

# Breakdown of Orders Results by Business Segment

|                                 | Full year  |                               |                    |               |               | 3Q  |  |                 |
|---------------------------------|--|-------------------------------|--------------------|---------------|---------------|---|--|-----------------|
|                                 | [Reference]<br>FY ended<br>Dec. 31,<br>2017<br>Results | FY ending<br>Dec. 31,<br>2018 |                    |               | Change<br>YoY | [Reference]<br>3Q ended<br>Sep. 30,<br>2017<br>Results(A) | 3Q ended<br>Sep. 30,<br>2018<br>Results(B) | Change<br>(B-A) |
|                                 |  | Forecast<br>(Aug.)            | Forecast<br>(Nov.) | Change        |               |   |  |                 |
| <b>FMS Business</b>             |  |                               |                    |               |               |   |  |                 |
| <b>Pumps</b>                    | 174.2  | <b>178.0</b>                  | <b>173.0</b>       | <b>-5.0</b>   | -1.2          | 132.4   | <b>126.1</b>                               | -6.3            |
| <b>Compressors and Turbines</b> | 83.3   | <b>95.0</b>                   | <b>105.0</b>       | <b>+ 10.0</b> | +21.6         | 55.5  | <b>77.7</b>                                | +22.1           |
| <b>Chillers</b>                 | 34.5   | <b>37.0</b>                   | <b>37.0</b>        | -             | +2.4          | 26.9  | <b>29.3</b>                                | +2.3            |
| <b>Others</b>                   | 16.7   | <b>14.0</b>                   | <b>14.0</b>        | -             | -2.7          | 11.7  | <b>11.0</b>                                | -0.7            |
| <b>FMS Business Total</b>       | 308.9  | <b>324.0</b>                  | <b>329.0</b>       | <b>+ 5.0</b>  | +20.0         | 226.8   | <b>244.2</b>                               | +17.3           |
| <b>EP Business</b>              |  |                               |                    |               |               |   |  |                 |
| <b>Environmental Plants</b>     | 65.1   | <b>90.0</b>                   | <b>100.0</b>       | <b>+ 10.0</b> | +34.8         | 49.8  | <b>93.3</b>                                | +43.4           |
| <b>EP Business Total</b>        | 65.1   | <b>90.0</b>                   | <b>100.0</b>       | <b>+ 10.0</b> | +34.8         | 49.8  | <b>93.3</b>                                | +43.4           |
| <b>PM Business</b>              |  |                               |                    |               |               |   |  |                 |
| <b>Components</b>               | 59.8   | <b>64.0</b>                   | <b>63.0</b>        | <b>-1.0</b>   | +3.1          | 44.6  | <b>45.8</b>                                | +1.2            |
| <b>CMP Systems</b>              | 62.7   | <b>71.0</b>                   | <b>71.0</b>        | -             | +8.2          | 44.0  | <b>54.3</b>                                | +10.2           |
| <b>Others</b>                   | 7.7  | <b>5.0</b>                    | <b>6.0</b>         | <b>+ 1.0</b>  | -1.7          | 5.6   | <b>4.1</b>                                 | -1.4            |
| <b>PM Business Total</b>        | 130.3  | <b>140.0</b>                  | <b>140.0</b>       | -             | +9.6          | 94.3  | <b>104.3</b>                               | +10.0           |
| <b>Others</b>                   | 1.6  | <b>1.0</b>                    | <b>2.0</b>         | <b>+ 1.0</b>  | +0.3          | 1.2   | <b>1.2</b>                                 | +0.0            |
| <b>Others Total</b>             | 1.6  | <b>1.0</b>                    | <b>2.0</b>         | <b>+ 1.0</b>  | +0.3          | 1.2   | <b>1.2</b>                                 | +0.0            |
| <b>Total</b>                    | 506.0  | <b>555.0</b>                  | <b>571.0</b>       | <b>+ 16.0</b> | +64.9         | 372.2   | <b>443.1</b>                               | +70.9           |

\* From the first quarter ended March 31, 2018, the cryogenic pumps (LNG transfer pumps) business, which was included in the pumps business before, is included in the compressors & turbines business.

# Breakdown of Sales Results by Business Segment

|                                 | Full year  |                               |                      |              |               | 3Q  |  |                 |
|---------------------------------|--|-------------------------------|----------------------|--------------|---------------|---|--|-----------------|
|                                 | [Reference]<br>FY ended<br>Dec. 31,<br>2017<br>Results | FY ending<br>Dec. 31,<br>2018 |                      |              | Change<br>YoY | [Reference]<br>3Q ended<br>Sep. 30,<br>2017<br>Results(A) | 3Q ended<br>Sep. 30,<br>2018<br>Results(B) | Change<br>(B-A) |
|                                 |  | Forecast<br>(Aug)             | Forecast<br>(Latest) | Change       |               |   |  |                 |
| <b>FMS Business</b>             |  |                               |                      |              |               |   |  |                 |
| <b>Pumps</b>                    | 168.5  | <b>178.0</b>                  | <b>173.0</b>         | <b>-5.0</b>  | +4.4          | 124.7   | <b>128.5</b>                               | +3.8            |
| <b>Compressors and Turbines</b> | 83.8   | <b>85.0</b>                   | <b>92.0</b>          | <b>+ 7.0</b> | +8.1          | 57.2  | <b>62.8</b>                                | +5.5            |
| <b>Chillers</b>                 | 35.8   | <b>37.0</b>                   | <b>37.0</b>          | -            | +1.1          | 23.8  | <b>24.0</b>                                | +0.2            |
| <b>Others</b>                   | 15.9   | <b>14.0</b>                   | <b>14.0</b>          | -            | -1.9          | 11.7  | <b>9.5</b>                                 | -2.1            |
| <b>FMS Business Total</b>       | 304.1  | <b>314.0</b>                  | <b>316.0</b>         | <b>+ 2.0</b> | +11.8         | 217.5   | <b>225.0</b>                               | +7.5            |
| <b>EP Business</b>              |  |                               |                      |              |               |   |  |                 |
| <b>Environmental Plants</b>     | 69.9   | <b>60.0</b>                   | <b>60.0</b>          | -            | -9.9          | 49.9  | <b>43.5</b>                                | -6.3            |
| <b>EP Business Total</b>        | 69.9   | <b>60.0</b>                   | <b>60.0</b>          | -            | -9.9          | 49.9  | <b>43.5</b>                                | -6.3            |
| <b>PM Business</b>              |  |                               |                      |              |               |   |  |                 |
| <b>Components</b>               | 57.0   | <b>58.0</b>                   | <b>58.0</b>          | -            | +0.9          | 42.0  | <b>44.7</b>                                | +2.7            |
| <b>CMP Systems</b>              | 68.5   | <b>67.0</b>                   | <b>66.0</b>          | <b>-1.0</b>  | -2.5          | 52.5  | <b>48.6</b>                                | -3.8            |
| <b>Others</b>                   | 6.4  | <b>5.0</b>                    | <b>6.0</b>           | <b>+ 1.0</b> | -0.4          | 4.6   | <b>4.7</b>                                 | +0.0            |
| <b>PM Business Total</b>        | 132.0  | <b>130.0</b>                  | <b>130.0</b>         | -            | -2.0          | 99.2  | <b>98.1</b>                                | -1.0            |
| <b>Others</b>                   | 1.6  | <b>1.0</b>                    | <b>2.0</b>           | <b>+ 1.0</b> | +0.3          | 1.2   | <b>1.2</b>                                 | +0.0            |
| <b>Others Total</b>             | 1.6  | <b>1.0</b>                    | <b>2.0</b>           | <b>+ 1.0</b> | +0.3          | 1.2   | <b>1.2</b>                                 | +0.0            |
| <b>Total</b>                    | 507.8  | <b>505.0</b>                  | <b>508.0</b>         | <b>+ 3.0</b> | +0.1          | 367.9   | <b>368.0</b>                               | +0.0            |

\* From the first quarter ended March 31, 2018, the cryogenic pumps (LNG transfer pumps) business, which was included in the pumps business before, is included in the compressors & turbines business.

## Outline of the Repurchase of Shares of Common Stock

- We plan to repurchase shares of its common stock with the aim of improving capital efficiency.

【Details of repurchasing】

|   |   |
|---|---|
| Type of shares to be repurchased              | Common shares of Ebara Corporation.   |
| Total number of shares to be repurchased      | Up to 2 million shares<br>(Represents 1.97% of the total number of issued shares<br>(excluding treasury stock)) |
| Total purchase price for repurchase of shares | Up to 5 billion yen   |
| Period of repurchase                          | From November 14, 2018 to December 20, 2018   |

### Measures for improving ROIC during E-Plan2019

Improve Operating Income Ratio

Improve Working Capital Efficiency

Improve Capital Efficiency

- Flexible implementation of repurchase of shares

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.

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