# CONSOLIDATED FINANCIAL RESULTS
## FOR THE SIX MONTHS ENDED JUNE 30, 2019
### [Japanese GAAP]

August 9, 2019

<table>
<thead>
<tr>
<th>Company name:</th>
<th>EBARA CORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock exchange listings:</td>
<td>Tokyo</td>
</tr>
<tr>
<td>Code number:</td>
<td>6361</td>
</tr>
<tr>
<td>URL:</td>
<td><a href="http://www.ebara.com/en/">http://www.ebara.com/en/</a></td>
</tr>
<tr>
<td>Representative:</td>
<td>Masao Asami, President</td>
</tr>
<tr>
<td>Contact person:</td>
<td>Akihiko Nagamine, Executive Officer, Finance &amp; Accounting Division</td>
</tr>
<tr>
<td>Tel.</td>
<td>+81-3-3743-6111</td>
</tr>
</tbody>
</table>

| Scheduled date for submission of quarterly report: | August 9, 2019 |
| Scheduled date for dividend payment: | September 10, 2019 |
| Preparing supplementary material on financial results: | Yes |
| Holding financial results presentation meeting (for institutional investors and analysts): | Yes |

(Monetary amounts are rounded down to the nearest million yen)

### 1. Results for the Six Months Ended June 30, 2019

#### (1) Financial Results

(% represents percentage change from a comparable previous period)

<table>
<thead>
<tr>
<th></th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Ordinary Income</th>
<th>Profit Attributable to Owners of Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six Months Ended</td>
<td>248,055</td>
<td>12,973</td>
<td>13,349</td>
<td>8,025</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td>(1.3)%</td>
<td>(11.9)%</td>
<td>(5.8)%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Six Months Ended</td>
<td>251,257</td>
<td>14,722</td>
<td>14,171</td>
<td>7,471</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Comprehensive Income:
- Six months ended June 30, 2019; 6,479 million yen (91.6%)
- Six months ended June 30, 2018; 3,382 million yen (—%)

<table>
<thead>
<tr>
<th></th>
<th>Net Income per Share (Yen)</th>
<th>Net Income per Share, Diluted (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six Months Ended</td>
<td>81.91</td>
<td>81.50</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six Months Ended</td>
<td>73.50</td>
<td>73.11</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Change from a comparable previous period (%) for the six months ended June 30, 2018 (“—” as shown in the above table):
- Ebara Corporation has changed its fiscal year end from March 31 to December 31, effective from the fiscal year ended December 31, 2017. Due to this change, the period of the six months ended June 30, 2018 (from January 1, 2018 to June 30, 2018) is different from the previous year (from April 1, 2017 to September 30, 2017) for the comparison. Therefore, the change from a comparable previous period (%) for the six months ended June 30, 2018 is not displayed.

#### (2) Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Total Assets</th>
<th>Net Assets</th>
<th>Equity Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of June 30, 2019</td>
<td>592,183</td>
<td>277,931</td>
<td>45.7</td>
</tr>
<tr>
<td>As of December 31, 2018</td>
<td>591,582</td>
<td>286,778</td>
<td>47.3</td>
</tr>
</tbody>
</table>

Notes:
1. Shareholders’ Equity (Net assets excluding subscription rights to shares and non-controlling interests):
   - As of June 30, 2019; 270,744 million yen
   - As of December 31, 2018; 279,640 million yen

2. “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been adopted from the beginning of the three months ended March 31, 2019. Relevant figures for the previous fiscal year are presented following retroactive application of this accounting standard.
# Dividends

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>End of 1st Quarter</th>
<th>End of 2nd Quarter</th>
<th>End of 3rd Quarter</th>
<th>Year-End</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2018</td>
<td>–</td>
<td>30.00</td>
<td>–</td>
<td>30.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Fiscal Year Ending</td>
<td>–</td>
<td>30.00</td>
<td>–</td>
<td>30.00</td>
<td>60.00</td>
</tr>
<tr>
<td>December 31, 2019 (Forecast)</td>
<td>–</td>
<td>–</td>
<td>30.00</td>
<td>60.00</td>
<td></td>
</tr>
</tbody>
</table>

Note: Revisions to forecast of dividends in this quarter: None

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# Forecast of Financial Results for the Fiscal Year Ending December 31, 2019

<table>
<thead>
<tr>
<th>Fiscal Year Ending December 31, 2019</th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Ordinary Income</th>
<th>Profit Attributable to Owners of Parent</th>
<th>Net Income per Share (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>500,000</td>
<td>(1.8)%</td>
<td>28,000 (13.8)%</td>
<td>27,000 (13.7)%</td>
<td>16,000 (12.4)%</td>
</tr>
</tbody>
</table>

Note: Revisions to forecast of financial results in this quarter: Yes

We revised the forecast of financial results for the fiscal year ending December 31, 2019, previously announced on May 14, 2019. For further details, please refer to “Explanation of Forecast of Consolidated Financial Results” on page 8.
4. Other Information

(1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

   Included:  —  (—)
   Excluded: —  (—)

(2) Adoption of specific accounting methods for preparation of quarterly financial statements: Yes
Note: For further details, please refer to “2. Consolidated Financial Statements and Significant Notes (4) Notes to Consolidated Financial Statements (Adoption of Specific Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)” on page 15.

(3) Changes in accounting policies, Changes in accounting estimates, and Restatement of prior financial statements after error corrections
(i) Changes in accounting policies due to revisions of accounting standards, etc.: None
(ii) Changes in accounting policies other than (i) above: None
(iii) Changes in accounting estimates: None
(iv) Restatement of prior financial statements after error corrections: None

(4) Number of shares outstanding (Common Shares)

   (i) Number of common shares (Including treasury shares)
      As of June 30, 2019 102,019,253 As of December 31, 2018 101,957,853
   (ii) Number of treasury shares
      As of June 30, 2019 6,131,772 As of December 31, 2018 1,933,423
   (iii) Average number of common shares
      Six Months Ended June 30, 2019 97,983,473 Six Months Ended June 30, 2018 101,654,462

This quarterly financial result is exempt from quarterly review by certified public accountants or accounting firms.

Explanation of the Appropriate Use of Performance Forecast and Other Related Matters
1. The forecast of performance and other forward-looking statements contained in this report are based on information that was available to Ebara Corporation as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group’s performance. Actual performance may differ substantially from these forecast owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecast of performance, please refer to “Explanation of Forecast of Consolidated Financial Results” on page 8. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.

2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, Ebara Corporation assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.
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# 1. Qualitative Information Regarding Consolidated Financial Results

## (1) Explanation of Financial Results

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
<th>Change</th>
<th>Change Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders Received</td>
<td>300,805</td>
<td>245,648</td>
<td>(55,156)</td>
<td>(18.3)</td>
</tr>
<tr>
<td>Net Sales</td>
<td>251,257</td>
<td>248,055</td>
<td>(3,201)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>14,722</td>
<td>12,973</td>
<td>(1,748)</td>
<td>(11.9)</td>
</tr>
<tr>
<td>Operating Income on Sales Ratio (%)</td>
<td>5.9</td>
<td>5.2</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>14,171</td>
<td>13,349</td>
<td>(821)</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Profit Attributable to Owners of Parent</td>
<td>7,471</td>
<td>8,025</td>
<td>553</td>
<td>7.4</td>
</tr>
<tr>
<td>Net Income per Share (Yen)</td>
<td>73.50</td>
<td>81.91</td>
<td>8.41</td>
<td>—</td>
</tr>
</tbody>
</table>

During the six months ended June 30, 2019, globally, investment continued at a certain level in the oil and gas market. On the other hand, investment in the semiconductor market continued to be stagnant. In Japan, public investment was firm and private capital investment ran at the same level as in a typical year. Overall, the Japanese market was steady.

During the six months ended June 30, 2019, orders received decreased compared to the same period last year mainly due to decreases in the Environmental Plants (“EP”) Company and the Precision Machinery (“PM”) Company. Sales were level with the same period last year due to an increase in the EP Company despite a decrease in the PM Company. Operating income decreased compared to the same period last year mainly due to a decrease in the PM Company.

Consolidated net sales for the six months ended June 30, 2019 amounted to ¥248,055 million (a decrease of 1.3% year-on-year), operating income amounted to ¥12,973 million (a decrease of 11.9% year-on-year), ordinary income amounted to ¥13,349 million (a decrease of 5.8% year-on-year), and profit attributable to owners of parent amounted to ¥8,025 million (an increase of 7.4% year-on-year).

## Operating Results by Business Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Orders Received</th>
<th>Net Sales</th>
<th>Segment Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Six Months</td>
<td>Six Months</td>
<td>Six Months</td>
</tr>
<tr>
<td></td>
<td>Ended June 30,</td>
<td>Ended June</td>
<td>Ended June</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Fluid Machinery &amp; Systems</td>
<td>161,532</td>
<td>161,761</td>
<td>154,330</td>
</tr>
<tr>
<td></td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Environmental Plants</td>
<td>65,815</td>
<td>30,589</td>
<td>29,368</td>
</tr>
<tr>
<td></td>
<td>(53.5)</td>
<td>(53.5)</td>
<td>(53.5)</td>
</tr>
<tr>
<td>Precision Machinery</td>
<td>72,616</td>
<td>52,537</td>
<td>66,720</td>
</tr>
<tr>
<td></td>
<td>(27.7)</td>
<td>(27.7)</td>
<td>(27.7)</td>
</tr>
<tr>
<td>Segment Total</td>
<td>299,964</td>
<td>244,888</td>
<td>250,419</td>
</tr>
<tr>
<td></td>
<td>(18.4)</td>
<td>(18.4)</td>
<td>(18.4)</td>
</tr>
<tr>
<td>Others</td>
<td>840</td>
<td>760</td>
<td>837</td>
</tr>
<tr>
<td></td>
<td>(9.6)</td>
<td>(9.6)</td>
<td>(9.6)</td>
</tr>
<tr>
<td>Adjustment</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>300,805</td>
<td>245,648</td>
<td>251,257</td>
</tr>
<tr>
<td></td>
<td>(18.3)</td>
<td>(18.3)</td>
<td>(18.3)</td>
</tr>
<tr>
<td></td>
<td>14,722</td>
<td>12,973</td>
<td>12,973</td>
</tr>
<tr>
<td></td>
<td>(11.9)</td>
<td>(11.9)</td>
<td>(11.9)</td>
</tr>
</tbody>
</table>
### Outline of Business Environment and Situation by Business Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Business Environment</th>
<th>Business Situation and the Trend of Orders Received (Note1)</th>
</tr>
</thead>
</table>
| Pumps   | (In overseas market)  | • In the oil and gas market, due to the upward trend in crude oil prices, inquiries have been increasing and the demand is high especially in China.  
• Demand for water infrastructure is recovering with increases in the Middle East, China and Southeast Asia.  
• In the electric power market, due to the regulation on CO2 emissions, the coal market was lackluster. (In domestic market (Japan))  
• New building construction starts were level with the same period last year.  
• Investment for social infrastructure renovation and maintenance exceeded those of the same period last year. | (In overseas market)  
• Oil and gas related orders received exceeded those of the same period last year.  
• The volume of orders received for the water infrastructure exceeded those of the same period last year.  
• The volume of orders received for electric power exceeded those of the same period last year. (In domestic market (Japan))  
• The volume of orders received for building construction-related equipment was level with the same period last year.  
• The volume of orders received for the public sectors was smaller than the same period last year. |
| Fluid Machinery & Systems | Compressors & Turbines | • Investment for new products has continued to recover. Projects have been increasing in China, India, Russia and the Middle East. Shale gas and ethylene related investments were also favorable in the United States. However, from the segment perspective, the recovery is delayed except for the oil refining and petrochemicals markets. Therefore, intense price competition continued with large-scale projects.  
• In the service market, demand remains firm mainly due to orders of component and remodeling.  
• The LNG market (cryogenic pumps) has gradually recovered. Although price competition is intense, the market is booming in Asia. There were movements toward Final Investment Decision for LNG carriers which had previously been postponed. | • Investment has been increasing mainly in China, India, the United States and Russia. However, the volume of orders received for new products was smaller than the same period last year due to intense price competition and postponement of ordering schedules.  
• The volume of orders received for service exceeded those of the same period last year due to orders of remodeling, repair and component being firm. |
| Chillers | • In Japan, the market was level with the same period last year. Demand for renewal was firm.  
• In China, the market continued to slow down with constant and intense competition. | • In Japan, the volume of orders received exceeded those of the same period last year due to new eco-friendly products.  
• In China, the volume of orders received exceeded those of the same period last year due to new products. |
| Environmental Plants (Note2) | • The volume of new EPC orders placed by the public sector for municipal waste incineration facilities was level with the same period last year.  
• In the O&M for existing facilities, new orders ran at about the same level as in a typical year.  
• Demand for the construction of power generation facilities with woody biomass fuel and industrial waste incineration facilities continued in private companies. | • In the private sector, constructions of an industrial waste incineration facility and a biomass power generation facility have been ordered. However, the volume of orders received was smaller than the same period last year when the level was extremely high. (In addition to projects for private sector, large-scale DBO and long-term comprehensive projects in the public sector were ordered in the same period last year.)  
(Overview of large-scale orders received)  
• Industrial waste incineration facilities (1 order)  
• Biomass power generation facilities (1 order)  
• Major improvement project for general waste incineration facilities (1 order) |
| Precision Machinery | • Semiconductor-related capital investment continued to be lackluster overall due to a slowdown of capital investment by memory companies. | • The volume of orders received was smaller than the same period last year mainly due to a slowdown of investment by memory companies. |

Note1: Arrows indicate a year-on-year increase/decrease in orders received:

- in the case of +5% or more
- in the case of -5% or greater
- in the case of movement within the -5% and +5% range

Note2: EPC •••••••• The engineering, procurement, and construction for plants

O&M •••••••• The operation and maintenance for plants

DBO(Design, Build and Operate) ••• The contract for operation and maintenance after construction for a certain period of time, in addition to the engineering, procurement, and construction for plants
(2) Explanation of Financial Position

i. Assets
Total assets as of June 30, 2019 were ¥592,183 million, ¥601 million higher than as of December 31, 2018. Principal changes in asset items included an increase of ¥22,993 million in cash and deposits, an increase of ¥7,312 million in other items in tangible fixed assets, and a decrease of ¥29,371 million in notes and accounts receivable-trade.

ii. Liabilities
Total liabilities as of June 30, 2019 were ¥314,251 million, ¥9,448 million higher than as of December 31, 2018. Principal changes in liability items included an increase of ¥24,918 million in short-term loans payable, a decrease of ¥6,994 million in notes and accounts payable-trade, a decrease of ¥4,089 million in electronically recorded obligations, and a decrease of ¥2,694 million in long-term loans payable.

iii. Net Assets
Net assets as of June 30, 2019 amounted to ¥277,931 million, ¥8,846 million lower than as of December 31, 2018. Principal changes affecting net asset items were profit attributable to owners of parent of ¥8,025 million, purchase of treasury shares of ¥12,773 million, cash dividends paid of ¥3,000 million, and a decrease of ¥2,792 million in translation adjustments. Shareholders’ equity (Net assets excluding subscription rights to shares and non-controlling interests) amounted to ¥270,744 million, and equity ratio was 45.7%.

“Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been adopted from the beginning of the three months ended March 31, 2019. Regarding the financial position, figures as of the end of the previous fiscal year have been retroactively adjusted for comparison.
(3) Explanation of Forecast of Consolidated Financial Results

We revised the forecast for the fiscal year ending December 31, 2019, reflecting the results after the previous announcement on May 14, 2019 mainly due to decreases of orders received and sales in the PM Company and the Fluid Machinery & Systems (“FMS”) Company. The revised forecast is as follows. In addition, the revised forecast by business segment is as follows.

Assumptions regarding foreign currency exchange rates are as follows: US $1= ¥105, EUR1= ¥120 (Assumptions in the previous forecast were US$1=¥110, EUR1=¥130)

Actual performance may differ from the forecast owing to factors such as changing market environment.

Forecast for the Fiscal Year Ending December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Orders Received</td>
</tr>
<tr>
<td>Previous Forecast : A</td>
<td>525,000</td>
</tr>
<tr>
<td>Revised Forecast : B</td>
<td>512,000</td>
</tr>
<tr>
<td>Change (B-A)</td>
<td>(13,000)</td>
</tr>
</tbody>
</table>

Forecast for the Fiscal Year Ending December 31, 2019 by Business Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Orders Received</td>
</tr>
<tr>
<td>Previous Forecast : A</td>
<td>330,000</td>
</tr>
<tr>
<td></td>
<td>331,000</td>
</tr>
<tr>
<td></td>
<td>16,000</td>
</tr>
<tr>
<td>Revised Forecast : B</td>
<td>320,000</td>
</tr>
<tr>
<td></td>
<td>321,000</td>
</tr>
<tr>
<td></td>
<td>15,500</td>
</tr>
<tr>
<td>Change (B-A)</td>
<td>(10,000)</td>
</tr>
<tr>
<td></td>
<td>(10,000)</td>
</tr>
<tr>
<td></td>
<td>(500)</td>
</tr>
</tbody>
</table>
2. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2018</th>
<th>As of June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>110,610</td>
<td>133,603</td>
</tr>
<tr>
<td>Notes and accounts receivable-trade</td>
<td>176,895</td>
<td>147,524</td>
</tr>
<tr>
<td>Electronically recorded monetary claims</td>
<td>6,990</td>
<td>8,794</td>
</tr>
<tr>
<td>Securities</td>
<td>1,668</td>
<td>3,240</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>18,082</td>
<td>19,119</td>
</tr>
<tr>
<td>Work in process</td>
<td>65,845</td>
<td>65,512</td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>38,731</td>
<td>36,657</td>
</tr>
<tr>
<td>Others</td>
<td>14,714</td>
<td>12,676</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(3,308)</td>
<td>(2,644)</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>430,230</td>
<td>424,485</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and structures, net</td>
<td>44,269</td>
<td>44,653</td>
</tr>
<tr>
<td>Machinery and equipment, net</td>
<td>28,599</td>
<td>28,097</td>
</tr>
<tr>
<td>Others, net</td>
<td>35,009</td>
<td>42,321</td>
</tr>
<tr>
<td><strong>Total tangible assets</strong></td>
<td>107,879</td>
<td>115,072</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>10,670</td>
<td>10,226</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>22,301</td>
<td>22,164</td>
</tr>
<tr>
<td>Others</td>
<td>25,686</td>
<td>25,850</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(5,187)</td>
<td>(5,615)</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td>42,801</td>
<td>42,399</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>161,351</td>
<td>167,698</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>591,582</td>
<td>592,183</td>
</tr>
</tbody>
</table>
### LIABILITIES

**Current Liabilities**
- Notes and accounts payable-trade 63,320 56,326
- Electronically recorded obligations 62,854 58,764
- Short-term loans payable 46,766 71,685
- Provision for bonuses 6,263 4,819
- Provision for directors’ bonuses 344 181
- Provision for losses on construction completion guarantees 4,873 3,764
- Provision for product warranties 5,118 3,910
- Provision for construction losses 12,374 13,074
- Provision for expenses related to the sales of land 254 —
- Others 56,380 58,960

**Total current liabilities** 258,550 271,487

**Long-term Liabilities**
- Bonds payable 10,000 10,000
- Long-term loans payable 20,730 18,035
- Provision for directors’ retirement benefits 116 127
- Defined benefit liability 10,681 9,979
- Asset retirement obligations 2,245 2,445
- Others 2,479 2,176

**Total long-term liabilities** 46,253 42,764

**Total Liabilities** 304,803 314,251

### NET ASSETS

**Shareholders’ Equity**
- Common shares 79,066 79,142
- Capital surplus 80,296 80,371
- Retained earnings 135,715 143,536
- Treasury shares (5,439) (18,213)

**Total shareholders’ equity** 289,639 284,837

**Accumulated Other Comprehensive Income**
- Net unrealized gains (losses) on investment securities 381 249
- Deferred gains (losses) on hedges (57) 2
- Translation adjustments (1,226) (4,019)
- Remeasurements of defined benefit plans (9,096) (10,325)

**Total accumulated other comprehensive income** (9,999) (14,092)

**Subscription Rights to Shares** 1,152 1,107

**Non-Controlling Interests** 5,985 6,079

**Total Net Assets** 286,778 277,931

**Total Liabilities and Net Assets** 591,582 592,183
<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>251,257</td>
<td>248,055</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>187,387</td>
<td>185,642</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>63,870</td>
<td>62,413</td>
</tr>
<tr>
<td><strong>Selling, General and Administrative Expenses</strong></td>
<td>49,148</td>
<td>49,440</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>14,722</td>
<td>12,973</td>
</tr>
<tr>
<td><strong>Non-operating Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>121</td>
<td>155</td>
</tr>
<tr>
<td>Dividends income</td>
<td>290</td>
<td>163</td>
</tr>
<tr>
<td>Share of profit of entities accounted for using equity method</td>
<td>815</td>
<td>621</td>
</tr>
<tr>
<td>Others</td>
<td>276</td>
<td>658</td>
</tr>
<tr>
<td><strong>Total non-operating income</strong></td>
<td>1,503</td>
<td>1,599</td>
</tr>
<tr>
<td><strong>Non-operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>682</td>
<td>659</td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td>957</td>
<td>357</td>
</tr>
<tr>
<td>Others</td>
<td>414</td>
<td>206</td>
</tr>
<tr>
<td><strong>Total non-operating expenses</strong></td>
<td>2,054</td>
<td>1,222</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>14,171</td>
<td>13,349</td>
</tr>
<tr>
<td><strong>Extraordinary Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sales of fixed assets</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>394</td>
<td>114</td>
</tr>
<tr>
<td><strong>Total extraordinary income</strong></td>
<td>406</td>
<td>124</td>
</tr>
<tr>
<td><strong>Extraordinary Loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on sales of fixed assets</td>
<td>79</td>
<td>2</td>
</tr>
<tr>
<td>Loss on retirement of fixed assets</td>
<td>108</td>
<td>63</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>1,652</td>
<td>571</td>
</tr>
<tr>
<td>Provision for loss on litigation</td>
<td>1,257</td>
<td>—</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total extraordinary loss</strong></td>
<td>3,098</td>
<td>638</td>
</tr>
<tr>
<td><strong>Income before Income Taxes</strong></td>
<td>11,478</td>
<td>12,836</td>
</tr>
<tr>
<td><strong>Income Taxes</strong></td>
<td>3,389</td>
<td>3,974</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>8,089</td>
<td>8,862</td>
</tr>
<tr>
<td><strong>Profit Attributable to Non-Controlling Interests</strong></td>
<td>617</td>
<td>836</td>
</tr>
<tr>
<td><strong>Profit Attributable to Owners of Parent</strong></td>
<td>7,471</td>
<td>8,025</td>
</tr>
</tbody>
</table>
### Consolidated Statements of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2018</td>
<td>June 30, 2019</td>
</tr>
<tr>
<td>Profit</td>
<td>8,089</td>
<td>8,862</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains (losses)</td>
<td>(1,192)</td>
<td>(157)</td>
</tr>
<tr>
<td>(losses) on investment securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred gains (losses) on hedges</td>
<td>(5)</td>
<td>60</td>
</tr>
<tr>
<td>Translation adjustment</td>
<td>(3,961)</td>
<td>(2,930)</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans, net of tax</td>
<td>351</td>
<td>598</td>
</tr>
<tr>
<td>Share of other comprehensive income of entities accounted for using equity method</td>
<td>102</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td>(4,706)</td>
<td>(2,382)</td>
</tr>
<tr>
<td><strong>Comprehensive Income</strong></td>
<td>3,382</td>
<td>6,479</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of parent</td>
<td>2,892</td>
<td>5,735</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>489</td>
<td>744</td>
</tr>
</tbody>
</table>
(3) Consolidated Statements of Cash Flows

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before income taxes</td>
<td>11,478</td>
<td>12,836</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,788</td>
<td>7,418</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>1,652</td>
<td>571</td>
</tr>
<tr>
<td>Loss (gain) on sales of securities and investment securities</td>
<td>(394)</td>
<td>(114)</td>
</tr>
<tr>
<td>Increase (decrease) in provisions</td>
<td>1,339</td>
<td>(3,442)</td>
</tr>
<tr>
<td>Increase (decrease) in defined benefit liability</td>
<td>(1,380)</td>
<td>(682)</td>
</tr>
<tr>
<td>Loss (gain) on sales of fixed assets</td>
<td>68</td>
<td>(8)</td>
</tr>
<tr>
<td>Interest and dividends income</td>
<td>(411)</td>
<td>(319)</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>682</td>
<td>659</td>
</tr>
<tr>
<td>Decrease (increase) in notes and accounts receivable-trade</td>
<td>19,987</td>
<td>26,475</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>(8,960)</td>
<td>480</td>
</tr>
<tr>
<td>Increase (decrease) in notes and accounts payable-trade</td>
<td>9,555</td>
<td>(10,196)</td>
</tr>
<tr>
<td>Others</td>
<td>5,616</td>
<td>2,363</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>47,020</strong></td>
<td><strong>36,041</strong></td>
</tr>
<tr>
<td>Interest and dividends income received</td>
<td>408</td>
<td>319</td>
</tr>
<tr>
<td>Interest expenses paid</td>
<td>(632)</td>
<td>(631)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(902)</td>
<td>(5,522)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>45,893</strong></td>
<td><strong>30,206</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of fixed assets</td>
<td>(7,413)</td>
</tr>
<tr>
<td>Proceeds from sales of fixed assets</td>
<td>79</td>
</tr>
<tr>
<td>Purchase of securities and investment securities</td>
<td>(1,771)</td>
</tr>
<tr>
<td>Proceeds from sales and redemption of securities and investment securities</td>
<td>1,027</td>
</tr>
<tr>
<td>Payments into time deposits</td>
<td>(751)</td>
</tr>
<tr>
<td>Proceeds from withdrawal of time deposits</td>
<td>720</td>
</tr>
<tr>
<td>Payments of loans receivable</td>
<td>(19)</td>
</tr>
<tr>
<td>Collection of loans receivable</td>
<td>26</td>
</tr>
<tr>
<td>Others</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(8,123)</strong></td>
</tr>
</tbody>
</table>
### Cash Flows from Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase (decrease) in short-term loans payable</td>
<td>4,699</td>
<td>23,445</td>
</tr>
<tr>
<td>Proceeds from long-term loans payable</td>
<td>-</td>
<td>612</td>
</tr>
<tr>
<td>Repayment of long-term loans payable</td>
<td>(1,263)</td>
<td>(950)</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(6)</td>
<td>(12,773)</td>
</tr>
<tr>
<td>Proceeds from disposal of treasury shares</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Repayment of long-term loans payable</td>
<td>(1,263)</td>
<td>(950)</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(6)</td>
<td>(12,773)</td>
</tr>
<tr>
<td>Proceeds from disposal of treasury shares</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>(1,523)</td>
<td>(3,000)</td>
</tr>
<tr>
<td>Cash dividends paid to non-controlling interests</td>
<td>(414)</td>
<td>(687)</td>
</tr>
<tr>
<td>Others</td>
<td>(398)</td>
<td>(393)</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>1,093</td>
<td>6,252</td>
</tr>
</tbody>
</table>

### Effect of Exchange Rate Changes on Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effect of Exchange Rate Changes on Cash and Cash Equivalents</strong></td>
<td>(1,514)</td>
<td>(1,216)</td>
</tr>
</tbody>
</table>

### Increase (Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (Decrease) in Cash and Cash Equivalents</td>
<td>37,348</td>
<td>23,404</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Period</td>
<td>139,102</td>
<td>110,556</td>
</tr>
<tr>
<td>Increase (Decrease) in Cash and Cash Equivalents</td>
<td>507</td>
<td>686</td>
</tr>
<tr>
<td><strong>Resulting from Change of Scope of Consolidation</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash and Cash Equivalents at End of Period

<table>
<thead>
<tr>
<th>Description</th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents at End of Period</strong></td>
<td>176,958</td>
<td>134,647</td>
</tr>
</tbody>
</table>
(4) Notes to Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Note for Significant Changes in the Amount of Shareholders’ Equity)

At a meeting on February 13, 2019, the Board of Directors passed a resolution to repurchase up to 7,000,000 common shares of Ebara Corporation (Total acquisition price of shares: ¥15,000 million). Accordingly, the Company repurchased 4,197,800 common shares. As a result, for the six months ended June 30, 2019, treasury shares increased ¥12,773 million and amounted to ¥18,213 million as of June 30, 2019. The repurchase of common shares based on this resolution was concluded on August 8, 2019.

(Adoption of Specific Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses on income before income taxes for the six months under review are calculated by multiplying income before income taxes for the six months under review by the reasonably estimated annual effective tax rate for the entire fiscal year with application of tax effect accounting.

(Segment Information)

Six Months Ended June 30, 2018

1. Information Regarding Sales and Income by Reportable Segment

<table>
<thead>
<tr>
<th>Reportable Segments</th>
<th>Fluid Machinery &amp; Systems</th>
<th>Environmental Plants</th>
<th>Precision Machinery</th>
<th>Total</th>
<th>Adjustment (Note 2)</th>
<th>Consolidated (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>154,330</td>
<td>29,368</td>
<td>66,720</td>
<td>250,419</td>
<td>837</td>
<td>251,257</td>
</tr>
<tr>
<td>Intersegment and transfers</td>
<td>278</td>
<td>—</td>
<td>—</td>
<td>278</td>
<td>1,392</td>
<td>1,670</td>
</tr>
<tr>
<td>Total</td>
<td>154,608</td>
<td>29,368</td>
<td>66,720</td>
<td>250,697</td>
<td>2,230</td>
<td>252,927</td>
</tr>
<tr>
<td>Segment Income</td>
<td>2,276</td>
<td>2,217</td>
<td>10,080</td>
<td>14,574</td>
<td>171</td>
<td>14,746</td>
</tr>
</tbody>
</table>

Notes: 1. The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.
2. The “Adjustment” item for Segment Income shows eliminations among intersegment sales and transfers.
3. Segment Income has been adjusted with operating income in the consolidated statements of income.

2. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Negative Goodwill by Reportable Segment

(Material impairment loss of fixed assets)

In Fluid Machinery & Systems, the book value of business assets has been lowered to the expected recoverable amount following the discontinuation of Tochigi Plant’s production which was concentrated to Futtsu Plant, and impairment loss has been booked mainly due to the reduced amount. The resulting impairment loss amounted to ¥1,652 million for the six months ended June 30, 2018.

(Material change in goodwill amount)

None

(Material negative goodwill arisen)

None
Six Months Ended June 30, 2019

1. Information Regarding Sales and Income by Reportable Segment

<table>
<thead>
<tr>
<th>Reportable Segments</th>
<th>Fluid Machinery &amp; Systems</th>
<th>Environmental Plants</th>
<th>Precision Machinery</th>
<th>Total</th>
<th>Others (Note 1)</th>
<th>Adjustment (Note 2)</th>
<th>Consolidated (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Customers</td>
<td>154,227</td>
<td>32,177</td>
<td>60,891</td>
<td>247,297</td>
<td>758</td>
<td>248,055</td>
<td>248,055</td>
</tr>
<tr>
<td>Intersegment and transfers</td>
<td>352</td>
<td>1</td>
<td>-</td>
<td>353</td>
<td>1,307</td>
<td>1,661</td>
<td>(1,661)</td>
</tr>
<tr>
<td>Total</td>
<td>154,580</td>
<td>32,178</td>
<td>60,891</td>
<td>247,650</td>
<td>2,066</td>
<td>249,717</td>
<td>248,055</td>
</tr>
<tr>
<td>Segment Income</td>
<td>5,319</td>
<td>3,096</td>
<td>4,454</td>
<td>12,870</td>
<td>87</td>
<td>12,958</td>
<td>14</td>
</tr>
</tbody>
</table>

Notes: 1. The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Negative Goodwill by Reportable Segment

   (Material impairment loss of fixed assets)
   None

   (Material change in goodwill amount)
   None

   (Material negative goodwill arisen)
   None

(Additional Information)
Adoption of “Partial Amendments to Accounting Standard for Tax Effect Accounting”
“Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been adopted from the beginning of the three months ended March 31, 2019. Accordingly, deferred tax assets are presented under “Investments and other assets” and deferred tax liabilities are presented under “Fixed liabilities”.
3. Others

(1) Litigation and Others

(Progress of Dispute Regarding Fire Accident at Bulky Waste Treatment Facility at the Gifu City Eastern Clean Center)

On October 23, 2015, a fire broke out at the bulky waste treatment facility at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, when Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. EEP is responsible for the operation and management of a waste incinerating facility that is located adjacent to the bulky waste treatment facility where the fire occurred.

Regarding this incident, while the Company had been discussing with Gifu City the compensation for related damages, a lawsuit against EEP was filed by Gifu City at the Gifu District Court on January 31, 2019 claiming compensation for damages of ¥4,362 million and late charges for such compensation. Furthermore, Gifu City amended its amount of the compensation claim for damages to ¥4,474 million and late charges for such compensation on July 22, 2019, and EEP received the amended petition pertaining to this lawsuit on July 25, 2019. At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated results of operation.
### (2) Segment Information

Business Segment

FMS = Fluid Machinery & Systems, EP = Environmental Plants, PM = Precision Machinery

(i) Actual Results and Forecast of Orders Received, Sales, Operating Income and Backlog of Orders Received by Business Segment

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Orders Received</th>
<th>Sales</th>
<th>Operating Income</th>
<th>Backlog of Orders Received</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Change</td>
<td></td>
<td>Forecast</td>
</tr>
<tr>
<td>Pumps</td>
<td>84.9</td>
<td>3.6</td>
<td>4.3</td>
<td>175.0</td>
</tr>
<tr>
<td>Compressors &amp; Turbines</td>
<td>50.7</td>
<td>-5.0</td>
<td>-10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Chillers</td>
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<td>0.9</td>
<td>4.7</td>
<td>33.0</td>
</tr>
<tr>
<td>Others</td>
<td>6.2</td>
<td>0.7</td>
<td>11.3</td>
<td>12.0</td>
</tr>
<tr>
<td>Total of FMS</td>
<td>161.5</td>
<td>0.2</td>
<td>0.1</td>
<td>320.0</td>
</tr>
<tr>
<td>EP</td>
<td>65.8</td>
<td>-35.2</td>
<td>-53.5</td>
<td>80.0</td>
</tr>
<tr>
<td>PM</td>
<td>72.6</td>
<td>-20.0</td>
<td>-27.7</td>
<td>110.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.8</td>
<td>(0.0)</td>
<td>(9.6)</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>300.8</td>
<td>0.1</td>
<td>0.1</td>
<td>512.0</td>
</tr>
<tr>
<td>Pumps</td>
<td>90.5</td>
<td>(2.0)</td>
<td>(2.3)</td>
<td>176.0</td>
</tr>
<tr>
<td>Compressors &amp; Turbines</td>
<td>40.6</td>
<td>(1.2)</td>
<td>(3.2)</td>
<td>100.0</td>
</tr>
<tr>
<td>Chillers</td>
<td>16.7</td>
<td>2.2</td>
<td>13.4</td>
<td>33.0</td>
</tr>
<tr>
<td>Others</td>
<td>6.3</td>
<td>1.0</td>
<td>15.9</td>
<td>12.0</td>
</tr>
<tr>
<td>Total of FMS</td>
<td>154.3</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>321.0</td>
</tr>
<tr>
<td>EP</td>
<td>29.3</td>
<td>2.8</td>
<td>9.6</td>
<td>67.0</td>
</tr>
<tr>
<td>PM</td>
<td>66.7</td>
<td>(5.8)</td>
<td>(8.7)</td>
<td>110.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.8</td>
<td>(0.0)</td>
<td>(9.4)</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>251.2</td>
<td>(3.2)</td>
<td>(1.3)</td>
<td>500.0</td>
</tr>
<tr>
<td>Pumps</td>
<td>5.2</td>
<td>0.3</td>
<td>7.1</td>
<td>10.0</td>
</tr>
<tr>
<td>Compressors &amp; Turbines</td>
<td>(4.1)</td>
<td>4.0</td>
<td>12.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Chillers</td>
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<td>0.6</td>
<td>314.7</td>
<td>2.0</td>
</tr>
<tr>
<td>Others</td>
<td>1.0</td>
<td>(1.9)</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Total of FMS</td>
<td>2.2</td>
<td>3.0</td>
<td>133.6</td>
<td>15.5</td>
</tr>
<tr>
<td>EP</td>
<td>2.2</td>
<td>0.8</td>
<td>39.7</td>
<td>5.5</td>
</tr>
<tr>
<td>PM</td>
<td>10.0</td>
<td>(5.6)</td>
<td>(55.8)</td>
<td>7.0</td>
</tr>
<tr>
<td>Others &amp; Adjustment</td>
<td>0.1</td>
<td>(0.0)</td>
<td>(30.3)</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>14.7</td>
<td>1.7</td>
<td>(11.9)</td>
<td>28.0</td>
</tr>
<tr>
<td>Pumps</td>
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<td>0.6</td>
<td>0.7</td>
<td>99.1</td>
</tr>
<tr>
<td>Compressors &amp; Turbines</td>
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<td>84.3</td>
</tr>
<tr>
<td>Chillers</td>
<td>17.9</td>
<td>(0.0)</td>
<td>(0.5)</td>
<td>16.7</td>
</tr>
<tr>
<td>Others</td>
<td>6.5</td>
<td>1.4</td>
<td>22.6</td>
<td>8.1</td>
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<tr>
<td>Total of FMS</td>
<td>199.7</td>
<td>15.0</td>
<td>7.5</td>
<td>208.3</td>
</tr>
<tr>
<td>EP</td>
<td>206.7</td>
<td>5.8</td>
<td>2.8</td>
<td>227.3</td>
</tr>
<tr>
<td>PM</td>
<td>36.2</td>
<td>(9.6)</td>
<td>(26.7)</td>
<td>35.3</td>
</tr>
<tr>
<td>Others</td>
<td>0.0</td>
<td>(0.0)</td>
<td>(34.2)</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>442.7</td>
<td>11.2</td>
<td>2.5</td>
<td>471.0</td>
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</table>
### ii) Actual Results and Forecast of Orders Received and Sales in the Precision Machinery Business Segment

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2018</th>
<th>Six Months Ended June 30, 2019</th>
<th>Fiscal Year Ending December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Change</td>
</tr>
<tr>
<td><strong>Orders Received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Components</td>
<td>30.7</td>
<td>25.2</td>
<td>(5.4)</td>
</tr>
<tr>
<td>CMP Systems</td>
<td>38.7</td>
<td>24.8</td>
<td>(13.9)</td>
</tr>
<tr>
<td>Others</td>
<td>3.1</td>
<td>2.4</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Total of PM</strong></td>
<td>72.6</td>
<td>52.5</td>
<td>(20.0)</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Components</td>
<td>30.6</td>
<td>29.6</td>
<td>(0.9)</td>
</tr>
<tr>
<td>CMP Systems</td>
<td>32.1</td>
<td>28.3</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Others</td>
<td>3.8</td>
<td>2.8</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>Total of PM</strong></td>
<td>66.7</td>
<td>60.8</td>
<td>(5.8)</td>
</tr>
</tbody>
</table>
### (3) Area Information

(i) Geographical Segment

Compiled on the basis of the geographical location of the company reporting the sales

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2018</th>
<th></th>
<th>Six Months Ended June 30, 2019</th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td></td>
<td>Composition (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td></td>
<td></td>
<td>Japan</td>
<td>157.0</td>
<td>62.5</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>North America</td>
<td>37.7</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Asia (except Japan)</td>
<td>41.8</td>
<td>16.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Others</td>
<td>14.6</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>251.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Operating Income

|                      |                          |       | Japan                          | 9.3   | 3.7    | 3.7   | (5.5) |
|                      |                          |       | North America                  | (0.0) | 3.0    | 3.1   | 3.1   |
|                      |                          |       | Asia (except Japan)            | 4.9   | 4.9    | 4.9   | (0.0) |
|                      |                          |       | Others                         | 1.0   | 0.9    | 0.9   | (0.0) |
|                      |                          |       | Adjustment                     | (0.4) | 0.2    | 0.2   | 0.7   |
|                      |                          |       | Total                          | 14.7  | 12.9   | 12.9  | (1.7) |

(ii) Regional Segment

Compiled on the basis of the geographical location where the goods are sold

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2018</th>
<th></th>
<th>Six Months Ended June 30, 2019</th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td></td>
<td>Composition (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td></td>
<td></td>
<td>Japan</td>
<td>118.6</td>
<td>47.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>China</td>
<td>32.5</td>
<td>12.9</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>Other Asia</td>
<td>45.5</td>
<td>18.2</td>
</tr>
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<td>North America</td>
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<td></td>
<td>Europe</td>
<td>17.4</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Middle East</td>
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<td></td>
<td></td>
<td></td>
<td>Others</td>
<td>8.3</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>251.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note: Sales in China which were included in “Asia (except Japan)” are separately presented from the three months ended March 31, 2019. Additionally, “Asia (except Japan)” apart from China is restated as “Other Asia”.

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**Billions of yen**