

May 15, 2008

Financial Summary for the year ended March 31,2008

Highlight	Page No. 1 ~ 2
Consolidated Segment Information	3 ~ 4
Consolidated Statements of Income	5
Cosolidated Balance Sheets	6 ~ 7
Consolidated Statements of Cash Flows	8
Consolidated Sales and Orders by Subsegment	9

Cautionary statements with regard to forward-looking statements

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.

EBARA CORPORATION

Financial Summary for the year ended March 31, 2008

1. Consolidated Financial Highlights

Billions of Yen

Year end March 31,	Net sales		Operating Income		Ordinary Income		Net Income	
	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)
FY2008 (Original Forecast)	567.1 (5,670)	5.4	6.0 (50)	-54.6	2.7 (30)	-73.5	7.6 (60)	39.7
FY2007	538.0	4.5	13.2	21.5	10.4	34.7	5.4	62.6
FY2006	514.9	7.6	10.9	43.8	7.7	56.6	3.3	-

Change in accounting policies: Depreciation of Tangible assets, Valuation standards and methods for inventories

2. Non-Consolidated Financial Highlights

Billions of Yen

Year end March 31,	Net sales		Operating Income		Ordinary Income		Net Income	
	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)
FY2008 (Original Forecast)	246.7 (2,460)	-1.9	-6.2 (-55)	-	-3.2 (-25)	-	-1.9 (-15)	-
FY2007	251.5	-6.3	3.4	14.6	6.1	6.9	3.5	16.9
FY2006	268.3	-0.9	2.9	-	5.7	363.2	3.0	-

3. Outline of dividend

Year end March 31,	Cash dividend per share (First Half)	Cash dividend per share (Annual)
FY2008 (Original Forecast)	YEN 0.0 (0.0)	YEN 7.5 (7.5)
FY2007	0.0	7.5
FY2006	0.0	7.5

4. Consolidated Financial Position

Billions of Yen

Year end March 31,	Total Assets	Change Ratio	Net assets	Equity ratio	Shareholders' equity per share of common
FY2008	607.0	-2.9%	155.2	24.9%	Yen 358.01
FY2007	625.0	5.5%	154.9	24.2%	357.97
FY2006	592.6	6.2%	153.6	25.9%	363.68

※Net assets in 2007 includes Minority interests in consolidated subsidiaries

5. Cash Flow

Billions of Yen

Year end March 31,	CF from operating activities		CF from investing activities		CF from financing activities		Cash and cash equivalents	
	*1	*2	*1	*2	*1	*2	*1	*2
FY2008	-6.3	-4.8	31.7	39.1	-21.8	-22.7	69.1	37.7
FY2007	9.5	10.2	-10.5	-18.6	17.1	13.6	66.0	26.2
FY2006	-9.7	-2.5	-4.0	-7.6	21.7	14.2	47.5	20.8

*1:Consolidated, *2:Non-consolidated

6. Scope of consolidation

Number of consolidated subsidiaries: 55

Added 1 Ebara Great Pumps

Excluded 2 Matsubo Company Ltd., Elliott Energy Systems, Inc.

Number of subsidiaries and affiliates accounted for equity method: 2

Excluded e-BEAM Corporation

Forecast of results for the year ending March 31, 2009

Consolidated

Billions of Yen

Year end March 31,	Net sales		Operating Income		Ordinary Income		Net Income	
	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)
1st Half FY2009	220.0	-7.2	-9.0	-	-11.0	-	-6.0	-
FY2008	236.9	21.9	-7.1	-	-8.5	-	-24.5	-
Change	-16.9		-1.8		-2.4		18.5	
Annual FY2009	560.0	-1.3	13.0	116.1	9.0	226.4	4.5	-40.9
FY2008	567.1		6.0		2.7		7.6	
Change	-7.1		6.9		6.2		-3.1	

* Expectation of exchange rate US\$ = ¥103

Consolidated Segment Information

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering,

PM = Precision Machinery, E&C = Elimination and Corporate

FY2009 shows the amount of the forecast of year ended, March 31, 2009.

The Group changed the segmentation of wind power generation business and cooling and water supply systems for nuclear power plants from the EE Group to FMS Group at the beginning of the fiscal year ending March 31 2008. Figures for FY2007 are reclassified in new segmentation for comparison.

1. Order received

Billions of Yen

Year end March 31,	Business Segment				Total
	FMS	EE	PM	E&C	
FY2008	347.6	151.1	99.1	—	597.9
FY2007	312.2	163.5	129.9	—	605.7
Change	35.3	-12.4	-30.7	—	-7.8
FY2009	319.0	153.0	83.0	—	555.0

2. Sales

Billions of Yen

Year end March 31,	Business Segment				Total	Geographical Segment			
	FMS	EE	PM	E&C		Japan	North America	Other	E&C
FY2008	318.4	141.4	107.2	—	567.1	475.1	73.6	52.0	-33.6
FY2007	290.0	140.2	107.7	—	538.0	460.7	66.7	41.6	-31.0
Change	28.3	1.1	-0.4	—	29.0	14.4	6.8	10.4	-2.6
FY2009	328.0	150.0	82.0	—	560.0				

3. Operating Income

Billions of Yen

Year end March 31,	Business Segment				Total	Geographical Segment			
	FMS	EE	PM	E&C		Japan	North America	Other	E&C
FY2008	10.2	-12.1	7.9	-0.0	6.0	-3.9	5.2	4.9	-0.1
FY2007	10.5	-7.4	10.0	0.0	13.2	8.6	2.6	2.9	-1.0
Change	-0.3	-4.7	-2.0	-0.0	-7.2	-12.6	2.6	1.9	0.8
FY2009	11.0	-3.0	5.0	—	13.0				

4. Total Assets

Billions of Yen

Year end March 31,	Business Segment				Total
	FMS	EE	PM	E&C	
FY2008	295.3	138.9	107.8	64.7	607.0
FY2007	299.6	139.9	129.9	55.5	625.0
Change	-4.3	-0.9	-22.0	9.2	-18.0

5. Employees

Person

Year end March 31,	FMS	EE	PM	Corporate	Total	Ebara Only	Japan	Other
FY2008	8,315	5,525	1,803	431	16,074	2,649	8,431	4,994
FY2007	7,621	5,714	1,863	411	15,609	2,586	8,667	4,356
Change	694	-189	-60	20	465	63	-236	638

6. Research and Development expenses

Billions of Yen

Year end March 31,	Business Segment				Total	Non- consolidated
	FMS	EE	PM	E&C		
FY2008	3.8	4.1	2.8	—	10.8	6.2
FY2007	3.9	4.5	2.9	—	11.3	6.5
FY2009	4.0	4.0	4.0	—	12.0	7.5

7. Depreciation and Amortization expenses

Billions of Yen

Year end March 31,	Business Segment				Total	Non- consolidated
	FMS	EE	PM	E&C		
FY2008	7.3	2.6	5.3	-0.0	15.3	9.2
FY2007	6.0	2.6	4.1	-0.0	12.8	7.5
FY2009	8.0	2.5	5.5	—	16.0	8.0

8. Capital Expenditures

Billions of Yen

Year end March 31,	Business Segment				Total	Non- consolidated
	FMS	EE	PM	E&C		
FY2008	9.8	4.2	8.4	-0.1	22.3	14.3
FY2007	8.6	2.3	6.9	-0.0	17.9	10.3
FY2009	23.0	4.0	4.0	—	31.0	26.0

9. Backlog of Order received

Billions of Yen

Year end March 31,	Business Segment				Total
	FMS	EE	PM	E&C	
FY008	209.0	130.9	32.8	—	372.8
FY2007	178.1	119.4	53.3	—	350.9
Change	30.8	11.4	-20.4	—	21.8
FY2009	200.0	133.9	33.8	—	367.7

10. Ratio of Consolidated to Non-Consolidated

Year end March 31,	Sale	Operating Income	Ordinary Income	Net Income
	times	times	times	times
FY2008	2.30	—	—	—
FY2007	2.14	3.87	1.70	1.54

Consolidated Statements of Income

Billions of Yen

Year end March 31,	Current	Previous	Change	
	2008	2007	Amount	%
Net Sales	567.1	538.0	29.0	5.4
Cost of sales	469.8	434.9	34.9	8.0
(Sales cost ratio)	(82.8)	(80.8)		2.0
Gross Profit	97.3	103.1	-5.8	(5.7)
S.G & A expenses	91.3	89.9	1.3	1.4
Operating Income	6.0	13.2	-7.2	(54.6)
Non-operating income	3.9	4.9	-1.0	(21.8)
Interest income	0.7	0.4		
Dividend income	1.5	3.2		
Others	1.6	1.2		
Non-operating expense	7.1	7.8	-0.6	(8.5)
Interest expense	3.9	3.7		
Others	3.1	4.0		
Ordinary Income	2.7	10.4	-7.6	(73.5)
Extraordinary income	74.5	8.1	66.4	814.9
Gain on sales of fixed assets	72.4	0.6		
Gain on sales of investment securities	1.7	7.2		
Gain on reversal of reserve for losses on contingent liabilities	0.0	0.2		
Gain on reversal of allowance for doubtful receivables	-	0.0		
Gain on resersal of reserve for revaluation of investments	0.1	-		
Profit on bad debt recovered	0.2	-		
Extraordinary expense	43.7	7.4	36.2	487.3
Loss on sales and disposal of fixed assets	2.4	0.4		
Loss on liquidation of subsidiaries and affiliates	1.9	1.4		
Loss on sales of investment securities	0.4	0.0		
Write-down of securities and other investments	1.0	0.0		
Write-down of inventories	6.0	-		
Reserve for revaluation of investments	-	0.1		
Legal expenses	-	0.9		
Loss due to violations of Japan's Anti-Monopoly Law	0.3	2.8		
Impairment losses	0.9	0.3		
Losses on completion guarantees for specific projects	5.2	-		
Loss on the prior year adjustment	-	1.1		
Provision to the reserve for losses on specific construction work	13.6	-		
Losses on suspension of specific construction work	9.8	-		
Reserve for legal expenses	0.2	-		
Special retirement benefit paid	1.5	-		
Income before income taxes	33.5	11.1	22.4	202.1
Income taxes	9.0	4.1	4.9	119.5
Deferred tax benefits	17.4	2.5	14.9	596.0
Minority interests in consolidated subsidiaries	0.5	1.0	-0.4	-
Net Income	7.6	5.4	2.1	39.7

Consolidated Balance Sheets (Assets)

Billions of Yen

Year end March 31,	Current	Previous	Change	
	2008	2007	Amount	%
Assets				
I Current assets	416.9	431.6	(14.7)	-3.4
Cash and time deposits	70.2	66.0	4.1	6.3
Securities	18.9	0.0	18.9	-
(Cash and cash equivalent)	(69.1)	(66.0)	3.1	4.7
Trade receivables	215.7	225.0	(9.2)	-4.1
Inventories	81.1	96.5	(15.4)	-16.0
Deferred tax assets	12.0	14.7	(2.6)	-18.2
Others	19.3	31.2	(11.8)	-38.0
Allowance for doubtful receivables	(0.6)	(2.0)	1.3	-68.3
II Fixed assets	190.0	193.3	(3.2)	-1.7
(1) Tangible fixed assets	102.8	98.2	4.5	4.7
Buildings	30.2	31.8	(1.6)	-5.1
Machinery and equipment	36.9	36.9	—	-0.2
Land	19.5	18.8	0.6	3.6
Construction in progress	10.7	4.7	6.0	126.8
Others	5.3	5.8	(0.4)	-7.2
(2) Intangible fixed assets	10.6	14.2	(3.5)	-25.1
(3) Investment and long-term receivables	76.5	80.8	(4.3)	-5.3
Investment securities	27.4	37.5	(10.1)	-27.3
Long-term loans receivables	6.4	3.8	2.6	68.0
Deferred tax assets	13.2	25.1	(11.9)	-47.4
Others	41.1	16.9	24.2	142.6
Allowance for doubtful receivables	(11.6)	(1.0)	(10.5)	966.0
Reserve for revaluation of investments	(0.1)	(1.6)	1.5	-93.1
Total assets	607.0	625.0	(18.0)	-2.9

Ratio of Consolidated to Non-Consolidated	1.4	1.4
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Consolidated Balance Sheets (Liabilities & Net assets)

Billions of Yen

Year end March 31,	Current	Previous	Change	
	2008	2007	Amount	%
Liabilities				
I Current liabilities	310.0	322.0	(11.9)	-3.7
Trade payables	150.7	167.8	(17.1)	-10.2
Short-term bank loans	66.8	69.0	(2.1)	-3.1
Commercial paper	-	15.0	(15.0)	-100.0
Current portion of bonds	10.2	14.0	(3.8)	-27.1
Accrued income taxes	5.4	2.9	2.5	87.8
Bonus payment reserve (including Directors')	7.5	7.4	0.0	1.0
Reserve for construction relations	21.8	3.9	17.8	446.2
Others	47.4	41.7	5.6	13.5
II Long-term liabilities	141.6	148.0	(6.3)	-4.3
Bonds	20.0	30.3	(10.3)	-34.0
Convertible bonds	40.0	40.0	-	-
Long-term bank loans	47.3	45.0	2.3	5.2
Retirement allowance reserve (including Directors')	28.0	30.1	(2.0)	-6.8
Others	6.2	2.5	3.6	139.7
Total of liabilities	451.7	470.0	(18.3)	-3.9
Net assets				
I Common stock	61.2	61.2	-	-
II Capital surplus	65.2	65.2	-	-
III Retained Earnings	24.2	19.4	4.8	24.7
IV Treasury stock, at cost	(0.1)	(0.0)	(0.0)	44.3
V Net unrealized gain (loss)	2.9	6.7	(3.8)	-56.9
VI Translation adjustments	(2.2)	(1.3)	(0.9)	66.2
VII Minority interest in consolidated subsidiaries	4.0	3.7	0.3	8.2
Total net assets	155.2	154.9	0.2	0.2
Total liabilities and net assets	607.0	625.0	(18.0)	-2.9

Interest bearing debt	184.4	213.3	(28.9)	-13.5
Loans guaranteed as contingent liabilities	12.6	12.6	0.0	
(Loans guaranteed ; non-consolidated)	(46.7)	(46.6)	0.1	

Consolidate Statements of Cash Flows

Billions of Yen

Year end March 31,	Previous	Current	Next	Total of 3 periods
	2007	2008	2009	
Cash flows from operating activities				
Income before income taxes	11.1	33.5	8.0	52.6
Adjustment of cash flow item :				
Depreciation and amortization	12.8	15.3	16.0	44.1
Gain on sales of fixed assets	(0.5)	(77.9)	1.0	(77.4)
Gain on sales of securities	(7.2)	(1.2)	–	(8.4)
Increase(decrease) in allowance and other	1.1	35.7	(10.0)	26.8
Increase/decrease of operating assets and liabilities				
Trade receivables	2.0	(1.6)	} 4.2	} (2.9)
Inventories	(11.8)	10.9		
Trade payable	6.7	(13.3)		
Income taxes paid	(4.3)	(5.0)	(10.0)	(19.3)
Legal Expenses & Loss for violations of Anti-Monopoly Law	(1.9)	(0.8)	(1.2)	(3.9)
Others	1.5	(1.8)	–	(0.3)
Net cash provided by (used for) operating activities	9.5	(6.3)	8.0	11.2
Cash flows from investing activities				
Purchase of fixed assets	(17.4)	(16.7)	(26.3)	(60.4)
Sales of fixed assets	2.6	64.2	6.3	} 73.7
Other Investments	4.3	(15.7)	(8.0)	
Collection of fund	–	–	20.0	
Net cash provided by (used for) investing activities	(10.5)	31.7	(8.0)	13.3
Free Cash Flows	(1.0)	25.4	–	24.5
Cash flows from financing activities				
Issurance of (convertible)bonds	39.9	–	} (21.7)	} (21.3)
Redemption of (convertible)bonds	(20.1)	(14.1)		
Proceeds from bank loans and commercial paper	59.1	149.3		
Repayment of bank loans and commercial paper	(59.3)	(154.4)		
Capital paid in from minority shareholders'	0.9	1.0	1.3	3.2
Dividends paid	(3.1)	(3.1)	(3.1)	(9.3)
Dividends paid to minority shareholders' in consolidated subsidiaries	(0.1)	(0.3)	(0.2)	(0.6)
Purchase and sales of treasury stock	(0.0)	(0.0)	–	(0.0)
Net cash provided by (used for) financing activities	17.1	(21.8)	(23.7)	(28.0)
Translation adjustments	1.6	(0.7)	–	0.9
Total CF	17.8	2.8	(23.7)	(2.6)
Cash and cash equivalents				
At beginning of period	47.5	66.0	69.1	
Net effect of deconsolidation and consolidation of subsidiaries	0.7	0.1	–	
At end of period	66.0	69.1	45.4	
*Information on interest-bearing debt				
Short term	98.0	77.0	77.0	
Long term	115.3	107.3	85.6	
Total interest-bearing debt	213.3	184.4	162.7	

Consolidated Sales and Orders of Subsegment

The Group changed the segmentation of wind power generation business and cooling and water supply systems for nuclear power plants from the EE Group to FMS Group at the beginning of the fiscal year March 31 2008. Figures for FY2007 are reclassified in new segmentation for comparison.

1. Order received

Billions of Yen

Year end March 31,	Current		Previous		Change		Next	
	FY2008	*1	FY2007	*1		*2	FY2009	*2
FMS Business		%		%		%		%
Custom Pumps	88.6	14.8	62.0	10.2	26.6	42.9	60.0	-32.3
Compressors & Fans	93.4	15.6	87.9	14.5	5.5	6.3	90.0	-3.6
Fluid related plants	44.3	7.4	47.0	7.8	-2.7	-5.7	45.0	1.6
Standard pumps	84.6	14.1	80.0	13.2	4.6	5.8	87.0	2.8
Chillers	36.6	6.1	35.1	5.8	1.5	4.3	37.0	1.1
Total of FMS	347.6	58.1	312.2	51.5	35.3	11.3	319.0	-8.2
EE Business								
Water treatment plants	56.4	9.4	56.1	9.3	0.3	0.5	65.0	15.2
Environmental plants	65.9	11.0	79.4	13.1	-13.5	-17.0	62.0	-5.9
Others	28.7	4.8	27.9	4.6	0.8	2.9	26.0	-9.4
Total of EE	151.1	25.3	163.5	27.0	-12.4	-7.6	153.0	1.3
PM Business								
Components	31.1	5.2	32.3	5.3	-1.2	-3.7	32.0	2.9
CMPsystems	52.3	8.7	58.2	9.6	-5.9	-10.1	45.0	-14.0
Others	15.7	2.6	39.3	6.5	-23.6	-60.1	6.0	-61.8
Total of PM	99.1	16.6	129.9	21.4	-30.7	-23.6	83.0	-16.2
Total	597.9	100.0	605.7	100.0	-7.8	-1.3	555.0	-7.2

2. Sales

Billions of Yen

Year end March 31,	Current		Previous		Change		Next	
	FY2008	*1	FY2007	*1		*2	FY2009	*2
FMS Business		%		%		%		%
Custom Pumps	71.1	12.5	53.4	9.9	17.7	33.1	73.0	2.7
Compressors & Fans	79.9	14.1	71.5	13.3	8.4	11.7	87.0	8.9
Fluid related plants	47.2	8.3	52.6	9.8	-5.4	-10.3	47.0	-0.4
Standard pumps	84.4	14.9	79.4	14.8	5.0	6.3	86.0	1.9
Chillers	35.6	6.3	33.0	6.1	2.6	7.9	35.0	-1.7
Total of FMS	318.4	56.1	290.0	53.9	28.3	9.8	328.0	3.0
EE Business								
Water treatment plants	54.9	9.7	63.6	11.8	-8.7	-13.7	61.0	11.1
Environmental plants	56.6	10.0	49.1	9.1	7.5	15.3	62.0	9.5
Others	29.9	5.3	27.5	5.1	2.4	8.7	27.0	-9.7
Total of EE	141.4	24.9	140.2	26.1	1.1	0.8	150.0	6.1
PM Business								
Components	33.2	5.9	29.2	5.4	4.0	13.7	31.0	-6.6
CMPsystems	58.2	10.3	45.5	8.5	12.7	27.9	45.0	-22.7
Others	15.8	2.8	32.9	6.1	-17.1	-52.0	6.0	-62.0
Total of PM	107.2	18.9	107.7	20.0	-0.4	-0.4	82.0	-23.5
Total	567.1	100.0	538.0	100.0	29.0	5.4	560.0	-1.3

*1 shows the composition ratio

*2 shows the increase and decrease ratio