

Results presentation for FY2010

(ended March 31, 2010)

EBARA (6361)

May 10th. 2010



EBARA

Summary of Results Presentation for FY2010

(ended March 31, 2010)

(Billions of JPY)	FY2008 (Result)	FY2009 (Result)	FY2010 (Result)	Change (FY10/ FY09)
Orders	597.9	481.3	426.6	-54.7
Net Sales	567.1	501.1	485.8	-15.2
Operating Income	6.0	0.6	18.9	+18.4
Ordinary Income	2.7	-2.3	16.7	+19.1
Net Income	7.6	-13.1	5.4	+18.5

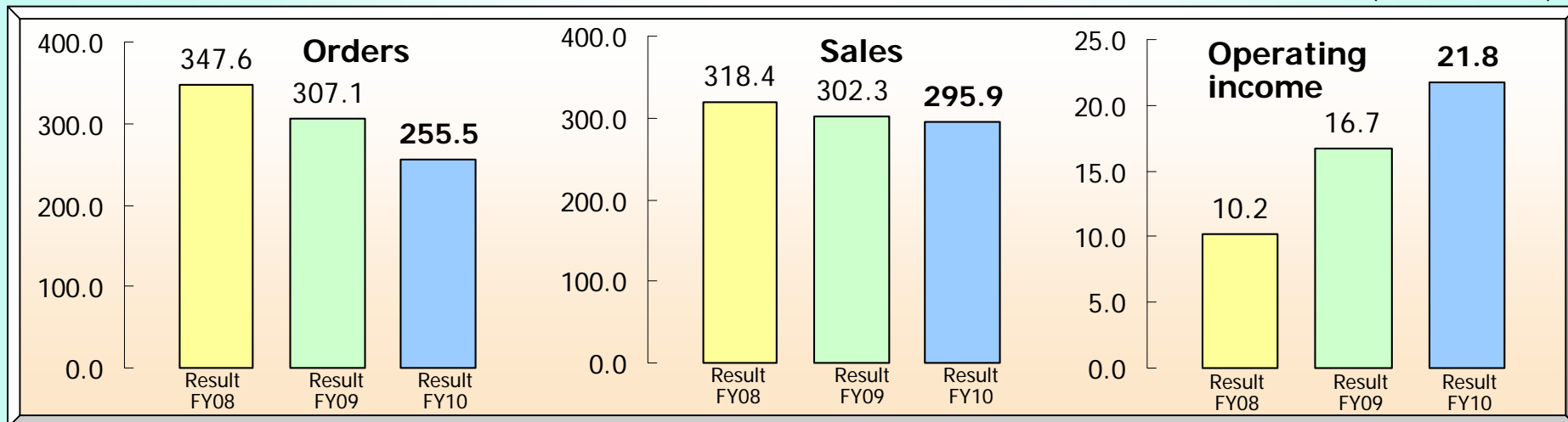
Segment Financial Result for FY2010

(ended March 31, 2010)

FMS business

··· Fluid Machinery & Systems business

(Billions of JPY)



【 Order 】

Orders were substantially below the previous fiscal year due to effects of the delay in placement of orders for nuclear power generation and for oil and gas, and because of stagnation in the domestic and international private-sector markets and the building equipment markets.

【 Sales 】

Sales were below the previous fiscal year due to effects of weak domestic and international investment in building equipment and a reduced domestic public budget.

【 Operating Income 】

Operating income was substantially above the previous fiscal year owing to sales of highly profitable projects and to improved profitability brought by cost-cutting measures, although profit decreased due to effects of the sluggish building equipment market.

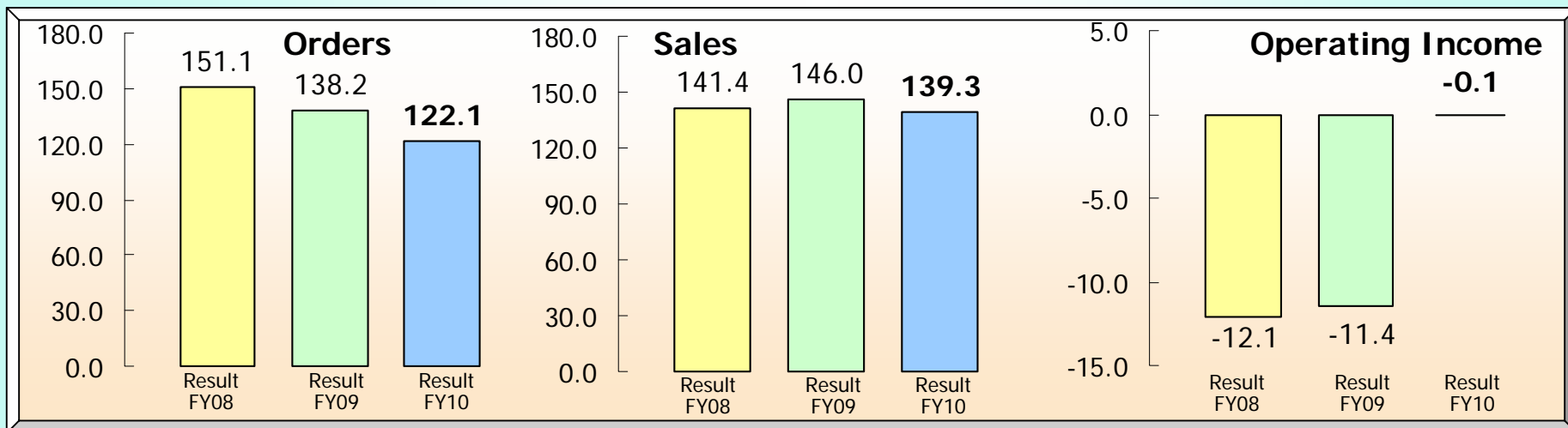
Segment Financial Result for FY2010

(ended March 31, 2010)

EE business

···Environmental Engineering business

(Billions of JPY)



【 Order 】

Orders were substantially below the previous fiscal year because of a decrease in the number of projects under O&M long-term full-service consignment agreements, an absence of orders received for large EPC projects in the environmental plant business.

【 Sales 】

Sales dropped from the previous fiscal year because of a decrease in sales of EPC services from orders received during this fiscal year, although O&M services grew in the environmental plant business.

【 Operating Income 】

Operating income improved dramatically from the previous fiscal year as a result of thoroughgoing efforts to reduce fixed expenses and costs and a decrease in provision for overseas constructions during the fiscal year.

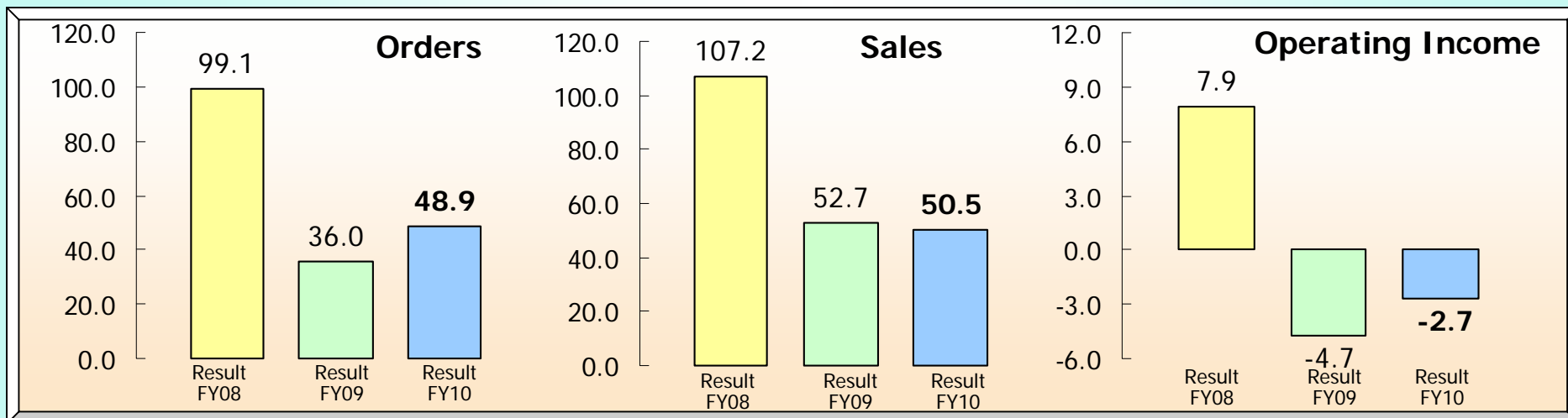
Segment Financial Result for FY2010

(ended March 31, 2010)

PM business

... Precision Machinery business

(Billions of JPY)



【 Order 】

Orders were above from the previous fiscal year due to an increase in orders from the second quarter. This is because stagnated capital investment of some leading users recovered on the back of increased demand for semiconductor products especially in emerging countries.

【 Sales 】

Sales also showed signs of recovery due to effects of an increase in orders received. However, full-year sales were at approximately the same level as in FY2009 because little order backlog was carried over from the previous fiscal year.

【 Operating Income 】

Operating Income improved from the previous fiscal year as a result of intensive efforts to reduce fixed expenses, such as cutting personnel expenses, halting the operation of some production lines, and introducing a work sharing system enabling four-day workweek shifts.

Principal break down of Extraordinary income and Extraordinary expenses in FY2010

(ended March 31, 2010)

<u>Items</u>	<u>Amount</u>
<u>1.Extraordinary income and expenses</u>	<u>¥-4.7 Billion</u>
<u>Extraordinary Income</u>	<u>¥ 6.7 Billion</u>
Principal source of extraordinary income	
• Gain on sales of subsidiaries and affiliates' stocks	¥ 3.4 Billion
• Gain on transfer of business	¥ 0.6 Billion
• Gain on forgiveness of debts	¥ 0.4 Billion
• Gain on reversal of allowance for doubtful receivables	¥ 0.4 Billion
<u>Extraordinary expenses</u>	<u>¥ 11.5 Billion</u>
Principal Extraordinary expenses	
• Loss on sales of stocks of subsidiaries and affiliates' stocks	¥ 7.3 Billion
• Loss on sales and disposal of fixed assets	¥ 1.5 Billion
• Loss on liquidation of subsidiaries and affiliates	¥ 1.3 Billion

Segment Forecast for FY2011

(ended March 31, 2011)

FMS business

... Fluid Machinery & Systems business

(Billions of JPY)	Result FY2010	Plan FY2011	Change
Order	255.5	300.0	+44.5
Sales	295.9	290.0	-5.9
Operating Income	21.8	15.0	-6.8

- ◆ Projection of orders

The number of orders for investment related to energy is expected to increase because of the trend of rising oil prices and economic development of emerging countries. However, the intensification of price competition will continue, and investment related to building equipment and public sectors is expected to remain weak.

- ◆ Projection of sales

Sales are expected to decline mainly due to causes attributable to a decrease in order backlogs as a result of a drop in order receipts in the custom pumps business in the first half of the previous fiscal year and a delay in the recovery of the building equipment market.

- ◆ Projection of OP

Operating income is expected to decrease because of declining sales in the custom pumps business and an increase in sales of less-profitable projects primarily targeting overseas oil and gas industries, although efforts are under way to improve profitability.

Segment Forecast for FY2011

(ended March 31, 2011)

FMS business

... Status of major action plan

Major Action Plan	Status
<p><u>Strengthen business base in global markets and increase profitability</u></p>	<p>Custom pumps business</p> <ul style="list-style-type: none"> • Move ahead on innovative production in the Futtsu Plant and strengthen overseas production bases • Focus on the rapidly growing markets including nuclear power, water infrastructure, and LNG • Expand the after-sales service business with a new organization in which design and sales are integrated
<p><u>Strengthen Group management</u></p>	<p>Standard pumps business</p> <ul style="list-style-type: none"> • Push forward the integrated functions of sales, production, and distribution around the world • Introduce to the market a new energy-saving pump series • Strengthen growing businesses such as the renewal business
<p><u>Emphasis on improving profitability</u></p>	<p>Compressors and fans business</p> <ul style="list-style-type: none"> • Promote management integration within the Elliott Group • Expand the global service business • Develop personnel who are able to work globally
<p><u>Emphasis on improving profitability</u></p>	<p>Chillers business</p> <ul style="list-style-type: none"> • Enhance products cooperatively within the Group and expand global sales • Introduce to the market new turbo cooling systems and low-cost chillers • Boost order receipts for product and maintenance combination systems
	<p>Fluid related plants business</p> <ul style="list-style-type: none"> • Improve profit by strengthening management of individual projects • Strengthen efforts for renewal and after-sales service projects

Segment Forecast for FY2011

(ended March 31, 2011)

EE business

···Environmental Engineering business

(Billions of JPY)	Result FY2010	Plan FY2011	Change
Orders	122.1	75.0	-47.1
Sales	139.3	58.0	-81.3
Operating Income	-0.1	2.0	+21

※ Ebara Engineering Service Co., Ltd. will be excluded from the scope of consolidation for and after FY2011, since it will become an affiliate accounted for by the equity method.

- ◆ Projection of orders
Orders are expected to increase from the previous fiscal year because an agreement for a new EPC project for which EBARA received priority negotiating rights will be concluded in the environmental plant business.
- ◆ Projection of sales
Sales are expected to decrease due to effects of sluggish order receipts for new EPC projects before the previous fiscal year in the environmental plant business.
- ◆ Projection of OP
Operating income is expected to be in the black because of thoroughgoing profit improvement for each project, especially in the O&M business, despite a decline in income associated with decreasing sales.

Segment Forecast for FY2011

(ended March 31, 2011)

EE business

... Status of major action plan

Major Action Plan	Status
Environmental plants business <u>Respond flexibly to the needs of customers</u> <u>Improvement in competitiveness and profitability</u> <u>Secure orders from demand for reconstruction</u>	<p data-bbox="755 508 1856 715">Integrated management of the EPC and O&M businesses<ul style="list-style-type: none">• Promote multiyear and long-term full-service contracts for maintenance• Strengthen initiatives to capture demand for extending facility life and for major renewal project• Propose facility improvement based on stock management</p> <p data-bbox="755 758 1856 1029">Strengthen capabilities for making comprehensive proposals and price competitiveness<ul style="list-style-type: none">• Propose DBO projects in cooperation with EPC and O&M businesses• Strengthen product competitiveness through LCC reduction by broadening know-how of the O&M business, which is top-ranked in Japan, to the EPC business</p> <p data-bbox="755 1058 1856 1265">Broaden network information of the O&M business to the EPC business<ul style="list-style-type: none">• Identify reconstruction projects early by using the nationwide service network of the O&M business• Efficiently propose renewal for reconstruction projects</p>

Segment Forecast for FY2011

(ended March 31, 2011)

PM business

... Precision Machinery business

(Billions of JPY)	Result FY2010	Plan FY2011	Change
Orders	48.9	65.0	+16.1
Sales	50.5	62.0	+11.5
Operating Income	-2.7	3.0	+5.7

- ◆ Projection of orders The trend of capital investment that was limited to some leading users is expected to spread through the general memory industry in the future and to continue during the current fiscal year.
- ◆ Projection of sales Sales are expected to increase by about 23% year-on-year as more orders will be received.
- ◆ Projection of OP Operating income is expected to be brought into the black by further improving business efficiency and by reducing fixed expenses as much as possible even while sales grow.

Segment Forecast for FY2011

(ended March 31, 2011)

PM business

... *Status of major action plan*

Major Action Plan

Status

Strengthening competitiveness
of core products

Enhancing Profitability

Expand and strengthen
the business base

Components business

- Fully introduce the EV series and G series and increase market share by entering growing fields
- Globally roll out small dry pumps and exploit the dry pump market for general industry use

CMP Equipment systems business

- Polish the major model 300S II and continue cost reduction
- Increase the market share of CMP systems by adding new features and improving features
- Release next-generation equipment and develop it for new applications

Plating System business

- Exploit new customers through development of next-generation compact models
- Develop a mass-production system for TSV and expand market share in the 3-D packaging technology area

After Service Business

- Tie up with system makers
- Promote replacement through energy-saving diagnosis
- Globally procure parts and other items

Explore new applications through continuous development

- Apply electron beam technology to EUV lithography mask testing
- Apply bevel polishing equipment to wafer yield improvement technology

Summary of Forecast for FY2011

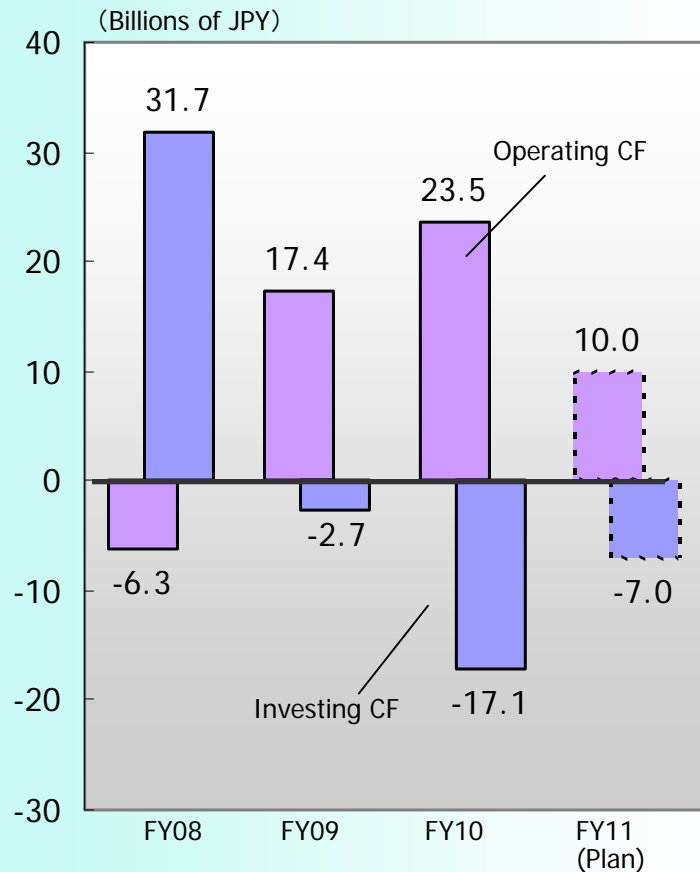
(ended March 31, 2011)

(Billions of JPY)	FY2010 (Result)	FY2011 (Plan)	Change
Orders	426.6	440.0	+13.4
Net Sales	485.8	410.0	-75.8
Operating Income	18.9	20.0	+1.1
Ordinary Income	16.7	17.5	+0.8
Net Income	5.4	9.0	+3.6

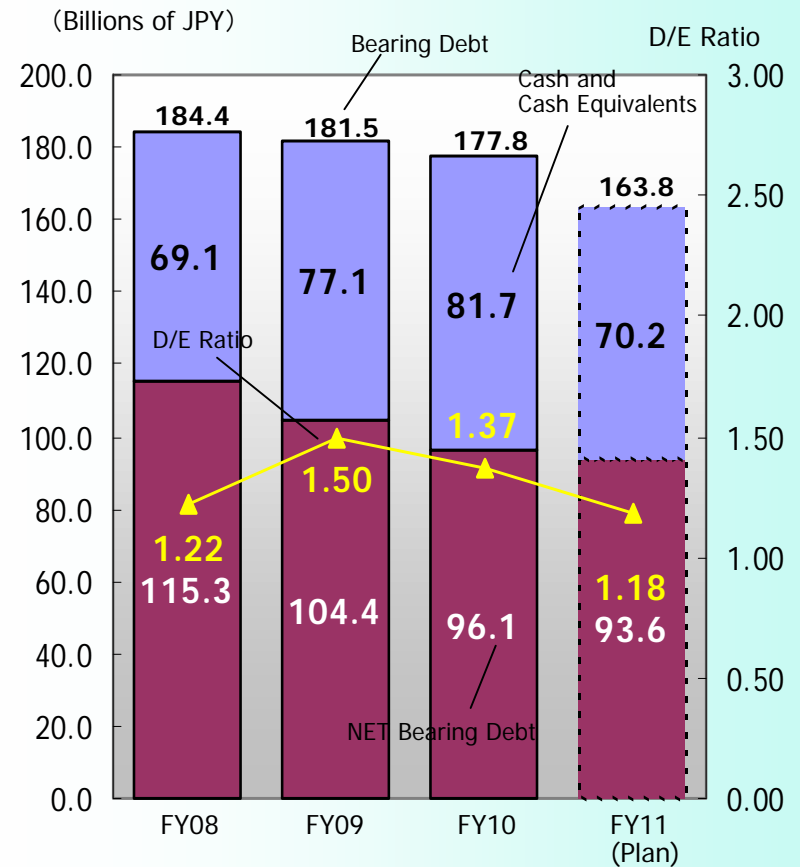
Summary of Forecast for FY2011

(ended March 31, 2011)

Cash flow



Interest-Bearing Debt



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.