



Ebara Corporation

Results Presentation for Three Months Ended March 31, 2025

May 15, 2025

Event Summary

[Company Name]	EBARA CORPORATION	
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[Event Name]	Results Presentation for Three Months Ended March 31, 2025	
[Fiscal Period]	FY2025 Q1	
[Date]	May 15, 2025	
[Time]	17:30 – 18:40 (Total: 70 minutes, Presentation: 38 minutes, Q&A: 32 minutes)	
[Venue]	Webcast	
[Number of Speakers]	3	
	Shugo Hosoda	Director, CEO & COO, President, Representative Executive Officer
	Tetsuya Fuchida	Executive Officer, CFO
	Koki Ochiai	Division Executive, Investor Relations and Public Relations Division

Presentation



Results Presentation for Three Months Ended March 31, 2025

EBARA (6361)

May 15, 2025

Looking ahead,
going beyond expectations
Ahead > Beyond

EBARA CORPORATION

Ochiai: Thank you very much for joining us today at the financial results briefing of EBARA Corporation for Q1 of the fiscal year ending December 2025. It is now at the scheduled time, and we will now begin.

Please let me introduce today's company attendees: Shugo Hosoda, Director, CEO, and COO, President, and Representative Executive Officer.

Hosoda: This is Hosoda. Hello.

Ochiai: Tetsuya Fuchida, Executive Officer, responsible for investor relations.

Fuchida: My name is Fuchida. Hello.

Ochiai: I am Ochiai, Division Executive of the Investor Relations and Public Relations Division, and I will serve as the moderator. Hello.

Table of Contents



Key Points of Results	P3	4. Upcoming Management Policy	P22
1. FY25 1Q Summary of Results		5. Appendix	
• Consolidated	P5	• Consolidated Forecast	P33
• Segment	P6	• Orders	P34
• Breakdown of Changes in Operating Profit	P7	• Revenue	P35
• Revenue by Region	P8	• Operating Profit	P36
2. FY25 1Q Results by Segment		• Backlog of Orders	P37
• Building Service & Industrial	P10	• Revenue by Region	P38
• Energy	P11	• Service & Support (S&S) Revenue	P39
• Infrastructure	P12	• Balance Sheet	P40
• Environmental Solutions	P13	• Cash Flows	P41
• Precision Machinery	P14	• ESG Topics	P42
3. FY25 Forecast			
• Segment-Specific Business Environment Overview	P17		
• Consolidated	P18		
• Segment	P19		
• Breakdown of Changes in Operating Profit	P20		
• Impact of U.S. Tariff Policies	P21		

■ Abbreviations: FY (Fiscal year, e.g., FY25: fiscal year ending December 31, 2025)/
 Q1: first quarter figures/Q1-2, Q1-3, Q1-4: cumulative total of each quarter indicated
 ■ Figures in this document are based on IFRS

For today’s proceedings, CFO Fuchida will give an overview of the financial results and outlook, followed by President Hosoda’s presentation on our upcoming management policy. We will then take questions from everyone. The end time is scheduled to be 18:30.

Mr. Fuchida will now present the results.

Key Points of Results



FY25 1Q Results

	Results	YoY
Orders	¥199.8 B.	¥8.2 B. +4.3% →
Revenue	¥212.6 B.	¥18.8 B. +9.7% ↗
Operating Profit	¥22.6 B.	¥3.3 B. +17.1% ↗
OP Ratio	10.6%	+0.6pts
Profit Attributable to Owners of Parent	¥15.7 B.	¥1.0 B. +7.4% ↗

↗ +5% change or more ↘ -5% change or more → less than ±5% change

FY25 Forecast

	Current Plan	YoY	Change vs. Prior Plan*
Orders	¥940.0 B.	¥79.4 B. +9.2% ↗	- →
Revenue	¥900.0 B.	¥33.3 B. +3.8% →	- →
Operating Profit	¥101.5 B.	¥3.5 B. +3.6% →	- →
OP Ratio	11.3%	-	-
Profit Attributable to Owners of Parent	¥72.4 B.	¥0.9 B. +1.4% →	- →

* Plan disclosed Feb/14/25

Topics

FY25 1Q Results (YoY comparison)

- Orders, revenue, operating profit, and quarterly profit attributable to owners of parent all reached first quarter record highs
- Orders increased overall, with a significant rise in Precision Machinery offsetting a decline in Energy
- Revenue growth was driven by contributions from Energy, Infrastructure, Environmental Solutions, and Precision Machinery. Profit growth in Infrastructure and Precision Machinery offset a decline in Energy

FY25 Forecast

- The full-year earnings forecast remains unchanged. At this stage, the impact of U.S. tariff policies on performance is expected to be limited
- Minor adjustments of the 1H forecast at the segment level

Fuchida: Once again, my name is Fuchida, CFO in charge of IR. Hello.

First of all, I would like to explain the key points of the Q1 results. Orders, revenue, operating profit, and quarterly profit attributable to owners of parent all reached record highs for Q1. We are making steady progress for the current fiscal year, the final year of the three-year medium-term management plan E-Plan 2025.

Orders were higher YoY due to a significant increase in the Precision Machinery Segment, despite a decrease in the Energy Segment. Revenue increased due to contributions from the Energy, Infrastructure, Environmental Solutions, and Precision Machinery Segments. Operating profit increased due to the Infrastructure and Precision Machinery Segments, offsetting the Energy Segment's decrease.

The full-year earnings forecast remains unchanged. Although the future of the U.S. tariff policies is uncertain, we believe that their impact on our business performance is limited at this time. Regarding the forecast for H1, we have made minor adjustments at the segment level, but the figures for the entire company remain unchanged.

That concludes the key points of the current financial results.



1. FY25 1Q Summary of Results

2. FY25 1Q Results by Segment

3. FY25 Forecast

4. Upcoming Management Policy

5. Appendix

Now, let's get into the detailed explanation.

(billions of yen)	FY24 1Q Results	FY25 1Q Results	Change	Change %
	a	b	b-a	(b-a)/a
Orders	191.6	199.8	+8.2	+4.3%
Revenue	193.8	212.6	+18.8	+9.7%
Operating Profit	19.2	22.6	+3.3	+17.1%
OP Ratio	10.0%	10.6%	+0.6pts	
Profit Attributable to Owners of Parent	14.6	15.7	+1.0	+7.4%
EPS (JPY)* ¹	31.84	34.18	+2.34	+7.4%
Exchange Rate*²				
Vs. USD (JPY)	148.25	152.60	+4.35	
Vs. EUR (JPY)	160.98	160.47	-0.51	
Vs. CNY (JPY)	20.64	20.98	+0.34	

*¹ Figures reflect the 5-for-1 stock split executed July 1, 2024.

*² Exchange rates are simple averages of the average rates for each quarter.

Please turn to page five. We present the consolidated results for Q1 compared to the same period of the previous fiscal year.

Orders increased JPY8.2 billion to JPY199.8 billion, revenue increased JPY18.8 billion to JPY212.6 billion, operating profit increased JPY3.3 billion to JPY22.6 billion, and profit attributable to owners of parent increased JPY1 billion to JPY15.7 billion. Accordingly, earnings per share also increased YoY to JPY34.18.

The impact of foreign exchange on operating profit is analyzed as slightly positive YoY, mainly due to the depreciation of the yen against the dollar, but also due to the impact of foreign currencies denominated in currencies other than the three major currencies.

Segment



(billions of yen)		FY24 1Q Results	FY25 1Q Results	Change	Change %
		a	b	b-a	(b-a)/a
Total	Orders	191.6	199.8	+8.2	+4.3%
	Revenue	193.8	212.6	+18.8	+9.7%
	Operating Profit	19.2	22.6	+3.3	+17.1%
	OP Ratio	10.0%	10.6%	+0.6pts	
Building Service & Industrial	Orders	58.1	59.7	+1.6	+2.8%
	Revenue	56.5	56.3	-0.2	-0.4%
	Operating Profit	4.3	4.3	-0.0	-1.4%
	OP Ratio	7.8%	7.7%	-0.1pts	
Energy	Orders	54.5	42.3	-12.1	-22.4%
	Revenue	43.5	48.6	+5.0	+11.5%
	Operating Profit	3.6	1.9	-1.6	-45.8%
	OP Ratio	8.4%	4.1%	-4.3pts	
Infrastructure	Orders	18.9	20.0	+1.1	+6.0%
	Revenue	17.2	21.5	+4.3	+25.1%
	Operating Profit	3.5	5.5	+2.0	+58.0%
	OP Ratio	20.6%	26.0%	+5.4pts	
Environmental Solutions	Orders	5.2	3.3	-1.8	-35.9%
	Revenue	20.8	23.4	+2.6	+12.6%
	Operating Profit	3.0	3.0	-0.0	-1.3%
	OP Ratio	14.8%	12.9%	-1.9pts	
Precision Machinery	Orders	54.3	73.9	+19.5	+36.0%
	Revenue	55.3	62.4	+7.0	+12.8%
	Operating Profit	5.4	8.2	+2.8	+51.5%
	OP Ratio	9.9%	13.2%	+3.3pts	
Others, Adjustment	Orders	0.2	0.2	+0.0	
	Revenue	0.2	0.3	+0.0	
	Operating Profit	-0.8	-0.6	+0.2	
	OP Ratio	-285.9%	-199.4%	+86.5pts	

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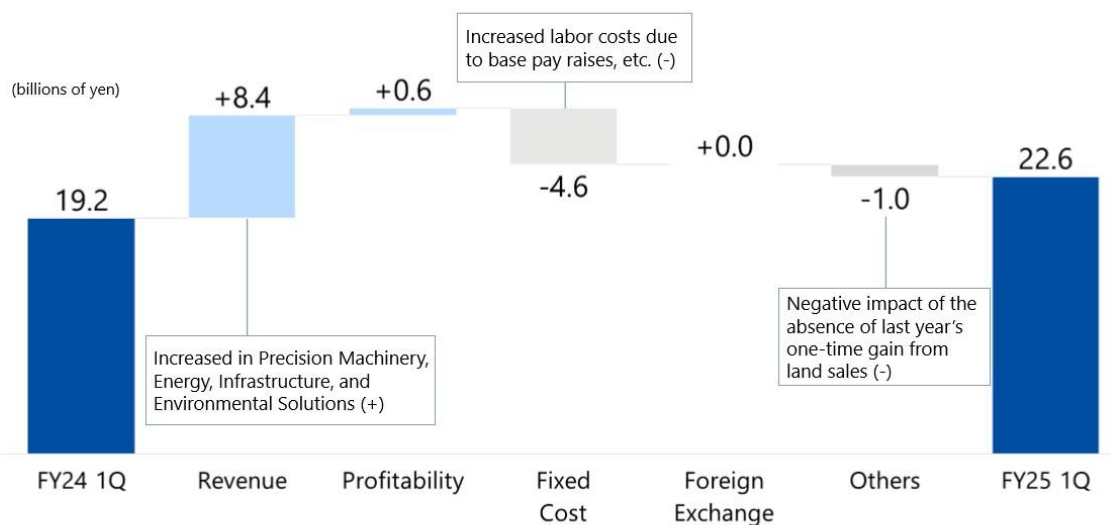
Next, please turn to page six. Here is a summary of financial results by segment. Orders decreased YoY, primarily due to a large order received in the Energy Segment in the previous year, which created a high comparison base. On the other hand, the Precision Machinery Segment saw a significant increase YoY due to continued demand for semiconductors for generative AI. Overall, the increase was JPY8.2 billion YoY.

Revenue in the Building Service and Industrial Segment was on par with the previous fiscal year, but revenue in other segments was substantial, and overall sales increased by JPY18.8 billion YoY.

Operating profit increased by JPY3.3 billion YoY, driven by the Infrastructure and Precision Machinery Segments despite a decrease in the Energy Segment. On the next page, we will explore the factors behind these increases and decreases in depth.

Breakdown of Changes in Operating Profit

Revenue growth outpaced increases in fixed costs, resulting in higher profits



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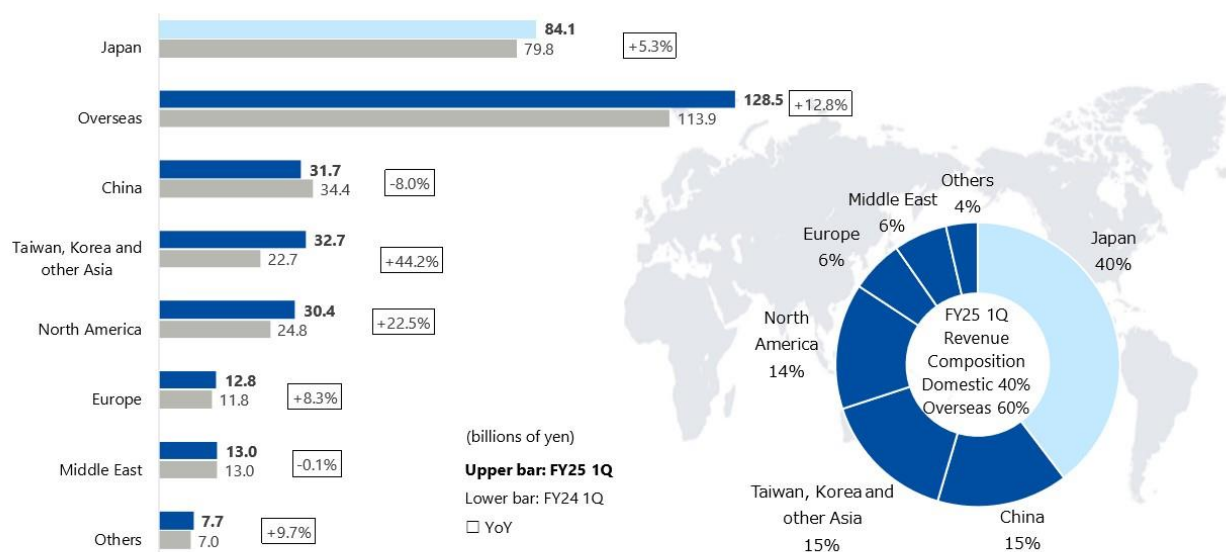
The following is an analysis of changes in operating profit YoY. Operating profit increased JPY3.3 billion from the same period of the previous fiscal year, from JPY19.2 billion to JPY22.6 billion.

Revenue increased by JPY8.4 billion, mainly due to revenue increases in the Precision Machinery, Energy, and Infrastructure Segments. Profitability is slightly positive.

On the other hand, fixed costs had a negative impact of JPY4.6 billion due to increased labor costs, including base salary increases. Finally, other costs had a negative impact of JPY1 billion on the Energy Segment due to the absence of a gain on the sale of land recorded in the previous fiscal year.

This concludes our analysis of operating profit.

1. FY25 1Q Summary of Results
Revenue by Region



*"Revenue by Region" indicates revenue on the basis of the geographical location where the goods are sold
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Next, please turn to page eight. This page breaks down our revenue composition by region. The overseas revenue composition ratio was 60%, as shown in the dark blue portion of the pie chart on the right, which is on par with the same period as the previous fiscal year.

In the bar graph on the left, the upper row is Q1 of the current fiscal year, and the lower row is Q1 of the previous fiscal year. Both Japan and overseas revenue increased YoY. In Japan, revenue increased in the Building Service and Industrial, Infrastructure, and Environmental Solutions Segments. In Taiwan, South Korea, and other parts of Asia, continued demand for semiconductors used in generative AI contributed to a higher revenue composition than last year, particularly within the Precision Machinery Segment. In North America, the Energy Segment has significantly contributed to revenue progress.

On the other hand, the largest decrease is in China. Revenue trends in the Building Service and Industrial Segment and the Precision Machinery Segment have had an impact.

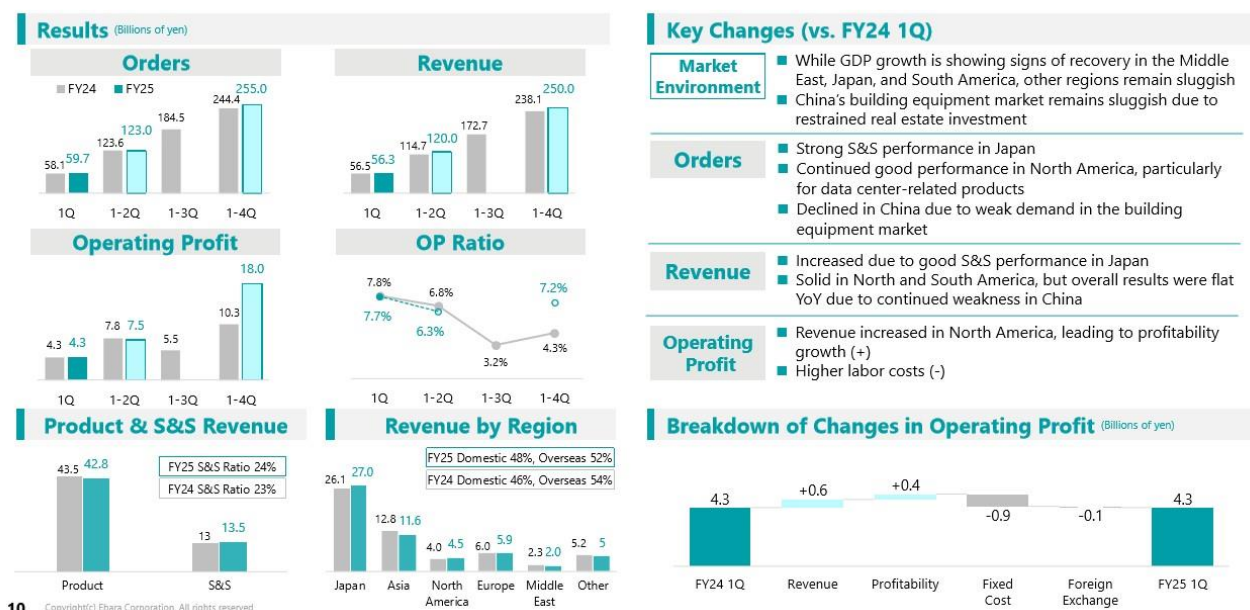
The above is the overall picture of revenue by region.

1. FY25 1Q Summary of Results
2. FY25 1Q Results by Segment
3. FY25 Forecast
4. Upcoming Management Policy
5. Appendix

From this point forward, we will explain the results by segment.

2. FY25 1Q Results by Segment

Building Service & Industrial

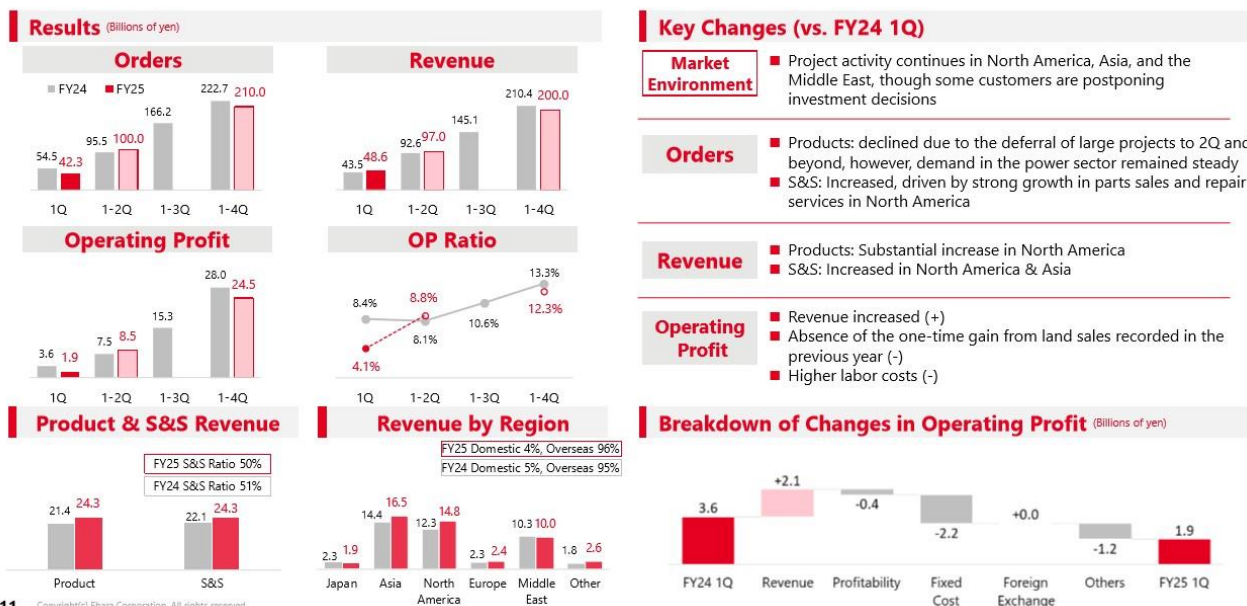


As for revenue, in Japan, the service and support business performed well, and revenue increased. Overseas, revenue was strong in North America and Latin America, but again, revenue was flat YoY due to a slowdown in China.

Operating profit also increased mainly due to higher revenue in North America. Still, it remained at the same level as in the same period of the previous fiscal year due to an increase in fixed costs such as personnel expenses.

2. FY25 1Q Results by Segment

Energy



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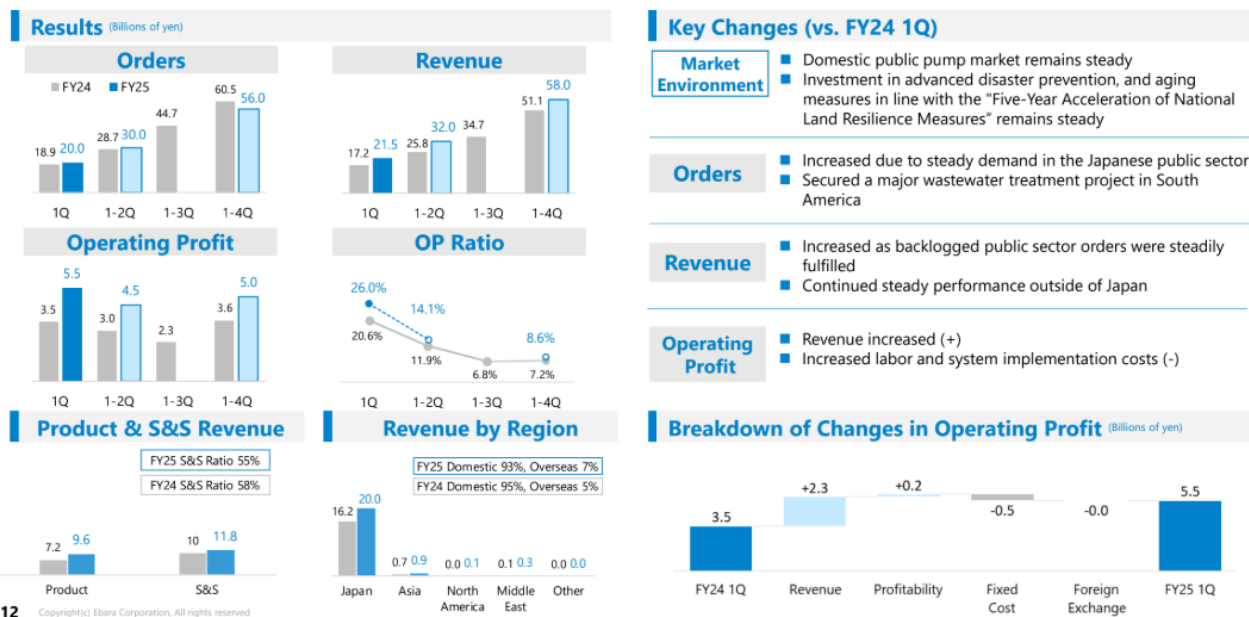
Please turn to page 11. This page is about the Energy Segment. Orders decreased, revenue increased, and operating profit decreased YoY.

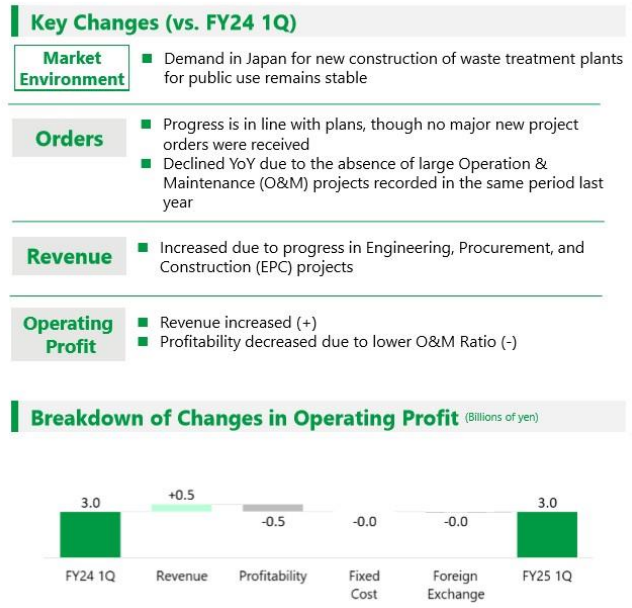
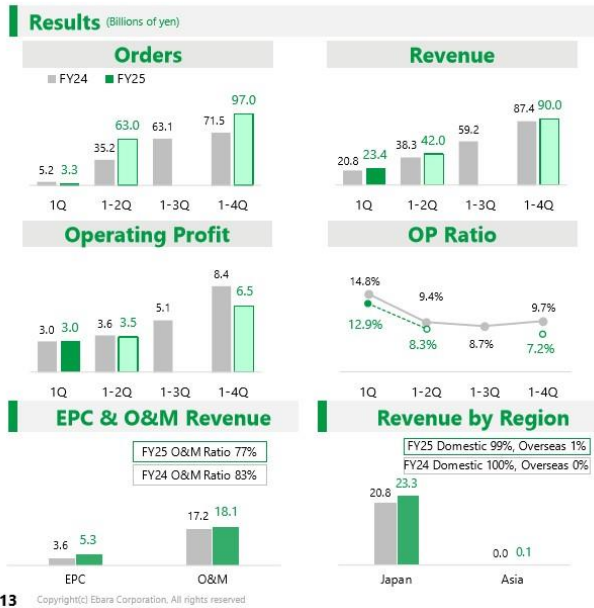
Regarding the market environment, some customers postponed their investment decisions for petrochemical projects in the downstream market and LNG projects in North America, Asia, and the Middle East, although project activity continued in these regions. Under such circumstances, our product orders decreased due to the postponement of large projects, while those for electric power remained strong. The service and support business increased due to growth in parts sales and repairs in North America.

Revenue in North America increased. As did service and support revenue, particularly in North America and Asia. Although higher revenue had a positive effect on operating profit, profit declined due to an increase in fixed costs and the absence of a gain from land sales recorded in the previous fiscal year.

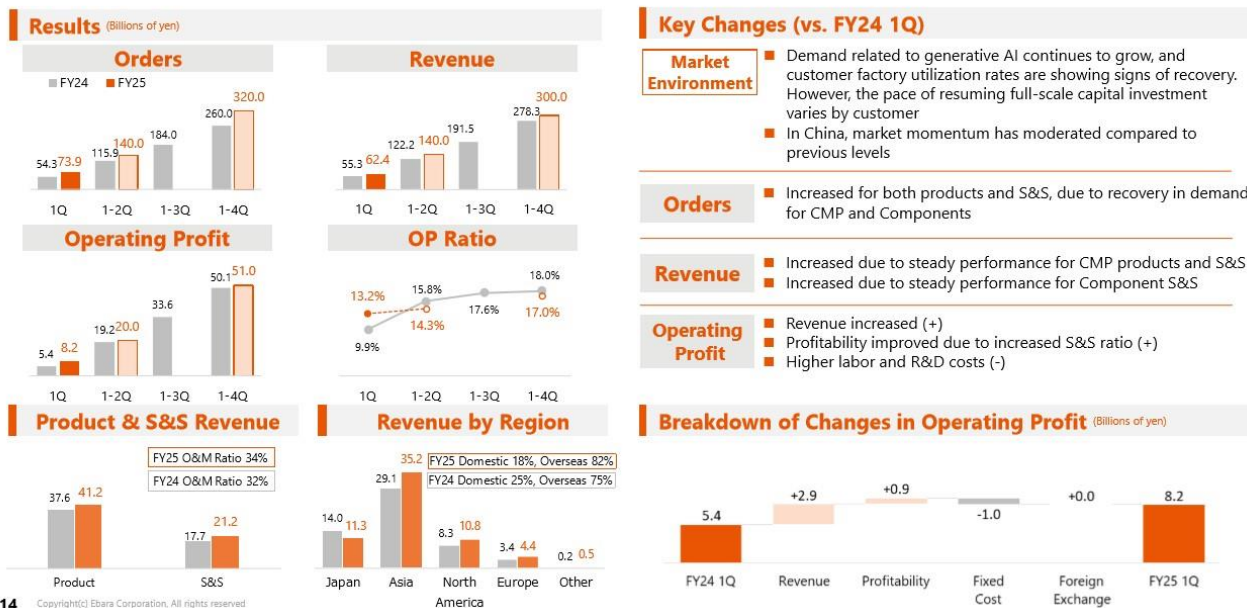
2. FY25 1Q Results by Segment

Infrastructure





Next, please turn to page 13. This page is about the Environmental Solutions Segment. Orders declined YoY, while revenue increased, and operating profit remained flat. Orders declined due to a high comparison base from the same period last year, when a large Operation and Maintenance (O&M) project was secured. Revenue increased thanks to progress on ongoing Engineering, Procurement, and Construction (EPC) projects. Although the increase in revenue had a positive impact on operating profit, the lower proportion of O&M revenue led to reduced profitability, resulting in operating profit remaining at a similar level to the previous year.



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Next, please see page 14. This page is about the Precision Machinery Segment. Orders, revenue, and operating profit all increased YoY. While the semiconductor market in China showed signs of cooling compared to previous momentum, demand related to generative AI remained strong. Among major global customers, some factories saw improved utilization rates. However, the full-scale resumption of capital investment for increased production varied by customer, with differing activity levels.

Orders for both products and service and support are increasing due to the recovery of demand in both the CMP and component markets.

Revenue increased due to strong revenue for both products and service and support. Operating profit increased due to the effect of higher revenue and an increase in the service and support ratio, which improved profitability and covered the increase in fixed costs.

Precision Machinery Quarterly Trends



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Next, please turn to page 15. The following table shows the quarterly trends in orders and revenue for the Precision Machinery Segment as a whole, as well as for components and CMP Systems.

Q1 orders for CMP Systems decreased compared to the previous fiscal year’s Q4, but remained high, partly due to the impact of postponed projects from the last fiscal year. Revenue also appears to have been subdued in Q1. Still, YoY comparisons show a steady increase in demand for service and support, such as dry vacuum pump overhauls and parts replacement for CMP Systems, due to improved customer factory utilization rates.

This concludes our explanations of Q1 results.

- 1. FY25 1Q Summary of Results
- 2. FY25 1Q Results by Segment
- 3. FY25 Forecast**
- 4. Upcoming Management Policy
- 5. Appendix

3. FY25 Forecast

Segment-Specific Business Environment Overview

Segment	Primary Target Markets	Trends by Market and Region	EBARA's Market Outlook FY25 (1-year period)
Building Service & Industrial	Building and industrial equipment	<ul style="list-style-type: none"> Europe: Capital investment will remain sluggish due to rising construction and labor costs China: While the building equipment and industrial markets are stagnant, growth is expected in the public sector United States: Although tariff policies may have some impact, we anticipate increased demand from data centers 	Overseas → Growth in 2%-range
		<ul style="list-style-type: none"> Building Equipment Market: Project delays will continue due to persistently high construction costs and labor shortages Industrial Market: Demand for capital investment will remain steady 	Japan → Remain stable
Energy	Oil and gas Power facilities New energy	<ul style="list-style-type: none"> New Product Segments: Steady demand in the petrochemical and LNG markets, particularly in North America, Asia, and the Middle East Service: Maintenance demand is expected to return to normal levels Decarbonization-Related Markets: Demand is expected to see medium-term growth, especially in areas such as ammonia and CCUS (Carbon Capture, Utilization, and Storage). However, some project delays are currently being observed Power Market: Increasing number of ammonia conversion project plans, mainly in Japan and across Asia 	Global → LNG: Growth in 5%-range Ethylene: Growth in 4%-range
Infrastructure	Water-related infrastructure Ventilation	<ul style="list-style-type: none"> Stable outlook due to the national land resiliency plan and other factors 	Japan → Remain stable
		<ul style="list-style-type: none"> Steady growth in water demand, particularly in Asia, driven by population increases Demand for river drainage pumps will remain consistent due to increasing flood damage around the world caused by extreme weather/global warming 	Overseas → Growth in 4%-range
Environmental Solutions	Solid waste treatment	<ul style="list-style-type: none"> Demand for new construction for public waste treatment facilities will remain roughly in line with typical annual levels Rising demand for life extension projects for aging facilities 	Japan → Remain stable
Precision Machinery	Semiconductor manufacturing	<ul style="list-style-type: none"> Overall, the expansion trend will continue, especially in generative AI-related markets. However, there is growing uncertainty around the sustainability of demand from China 	Global → Growth in 3%-range

Next, please turn to page 17. This is about the earnings forecast. While there has been no major change in our market outlook since the beginning of the period, we would like to explain our perception of the order environment by segment, which is the premise for our earnings forecast.

First, demand from Chinese customers, which has driven the market until now, appears to have settled down for the Precision Machinery segment. On the other hand, demand for semiconductors for generative AI is in a phase of further expansion. We expect the market to grow in the 3% range globally in the current fiscal year.

We expect service and support to return to normal levels in the Energy Segment, for new products to continue to sell well. We expect market growth of around 5% in the important markets of LNG and ethylene.

We expect solid growth to continue overseas for the Building Service and Industrial Segment. In the Japanese market, construction costs are expected to remain high in the building equipment market, while capital investment is likely to continue in the industrial market. We assume about 2% growth overseas, while the Japanese market is expected to remain flat.

For our segments that operate mainly in Japan, Infrastructure and Environmental Solutions their target markets are expected to remain stable.

3. FY25 Forecast

Consolidated



Consolidated full-year and 1H forecasts remain unchanged. Minor adjustments were made to the forecast for certain segments in 1H

(billions of yen) Announced date (m/d/y)	1-4Q				1-2Q			
	FY24 Results	FY25 Plan	Change	Change %	FY24 Results	FY25 Plan	YoY Change	
	a	May/15/25 b			b-a	(b-a)/a	c	May/15/25 d
Orders	860.5	940.0	+79.4	+9.2%	399.6	457.0	+57.3	+14.3%
Revenue	866.6	900.0	+33.3	+3.8%	394.5	432.0	+37.4	+9.5%
Operating Profit	97.9	101.5	+3.5	+3.6%	39.9	42.0	+2.0	+5.1%
OP Ratio	11.3%	11.3%	-	-	10.1%	9.7%	-0.4pts	-
Profit Attributable to Owners of Parent	71.4	72.4	+0.9	+1.4%	29.2	29.9	+0.6	+2.3%
ROIC	12.2%	11.6%	-0.6pts					
ROE	16.2%	15.0%	-1.2pts					
EPS (JPY)*1	154.62	156.73	+2.11	+1.4%				
Annual Dividend per share (JPY)*1	55.0	56.0	+1.0					
Exchange Rate*2								
Vs. USD (JPY)	151.41	145.00			151.97	145.00		
Vs. EUR (JPY)	163.80	160.00			164.30	160.00		
Vs. CNY (JPY)	21.04	20.00			21.07	20.00		

*1 Figures reflect the 5-for-1 stock split executed July 1, 2024.

*2 Exchange Rate: FY24 exchange rates are simple averages of quarterly average FY25 rates are the assumed exchange rate for the year.

I will now touch on our forecasts for the current fiscal year and H1. Please turn to page 18. In response to the progress of Q1 results, the H1 forecasts for some segments have been slightly adjusted, but the forecasts for the entire company remain unchanged for both H1 and the full year.

3. FY25 Forecast Segment



(billions of yen) Announced date (m/d/y)		1-4Q				1-2Q						
		FY24 Results	FY25 Plan May/15/25	Change	Change %	FY24 Results	FY25 P.Plan Feb/14/25	FY25 Plan May/15/25	YoY Change		Change from prior plan	
		a	b	b-a	(b-a)/a	c	d	e	e-c	(e-c)/c	e-d	(e-d)/d
Total	Orders	860.5	940.0	+79.4	+9.2%	399.6	457.0	457.0	57.3	+14.3%	-	-
	Revenue	866.6	900.0	+33.3	+3.8%	394.5	432.0	432.0	37.4	+9.5%	-	-
	Operating Profit	97.9	101.5	+3.5	+3.6%	39.9	42.0	42.0	2.0	+5.1%	-	-
	OP Ratio	11.3%	11.3%	-	-	10.1%	9.7%	9.7%	-0.4pts	-	-	-
Building Service & Industrial	Orders	244.4	255.0	+10.5	+4.3%	123.6	120.0	123.0	-0.6	-0.5%	3.0	+2.5%
	Revenue	238.1	250.0	+11.8	+5.0%	114.7	120.0	120.0	5.2	+4.5%	-	-
	Operating Profit	10.3	18.0	+7.6	+74.1%	7.8	8.0	7.5	-0.3	-3.9%	-0.5	-6.3%
	OP Ratio	4.3%	7.2%	+2.9pts	-	6.8%	6.7%	6.3%	-0.5pts	-	-0.4pts	-
Energy	Orders	222.7	210.0	-12.7	-5.7%	95.5	110.0	100.0	4.4	+4.6%	-10.0	-9.1%
	Revenue	210.4	200.0	-10.4	-5.0%	92.6	97.0	97.0	4.3	+4.7%	-	-
	Operating Profit	28.0	24.5	-3.5	-12.5%	7.5	8.5	8.5	0.9	+13.3%	-	-
	OP Ratio	13.3%	12.3%	-1.0pts	-	8.1%	8.8%	8.8%	+0.7pts	-	-	-
Infrastructure	Orders	60.5	56.0	-4.5	-7.5%	28.7	27.0	30.0	1.2	+4.4%	3.0	+11.1%
	Revenue	51.1	58.0	+6.8	+13.5%	25.8	33.5	32.0	6.1	+23.9%	-1.5	-4.5%
	Operating Profit	3.6	5.0	+1.3	+35.2%	3.0	4.5	4.5	1.4	+46.0%	-	-
	OP Ratio	7.2%	8.6%	+1.4pts	-	11.9%	13.4%	14.1%	+2.2pts	-	+0.7pts	-
Environmental Solutions	Orders	71.5	97.0	+25.4	+35.5%	35.2	59.0	63.0	27.7	+78.8%	4.0	+6.8%
	Revenue	87.4	90.0	+2.5	+2.9%	38.3	40.5	42.0	3.6	+9.4%	1.5	+3.7%
	Operating Profit	8.4	6.5	-1.9	-23.0%	3.6	3.0	3.5	-0.1	-3.0%	0.5	+16.7%
	OP Ratio	9.7%	7.2%	-2.5pts	-	9.4%	7.4%	8.3%	-1.1pts	-	+0.9pts	-
Precision Machinery	Orders	260.0	320.0	+59.9	+23.0%	115.9	140.0	140.0	24.0	+20.8%	-	-
	Revenue	278.3	300.0	+21.6	+7.8%	122.2	140.0	140.0	17.7	+14.5%	-	-
	Operating Profit	50.1	51.0	+0.8	+1.7%	19.2	20.0	20.0	0.7	+3.7%	-	-
	OP Ratio	18.0%	17.0%	-1.0pts	-	15.8%	14.3%	14.3%	-1.5pts	-	-	-
Others, Adjustment	Orders	1.2	2.0	+0.7	-	0.5	1.0	1.0	0.4	-	-	-
	Revenue	1.1	2.0	+0.8	-	0.5	1.0	1.0	0.4	-	-	-
	Operating Profit	-2.6	-3.5	-0.8	-	-1.3	-2.0	-2.0	-0.6	-	-	-
	OP Ratio	-239.5%	-175.0%	+64.5pts	-	-227.6%	-200.0%	-200.0%	+27.6pts	-	-	-

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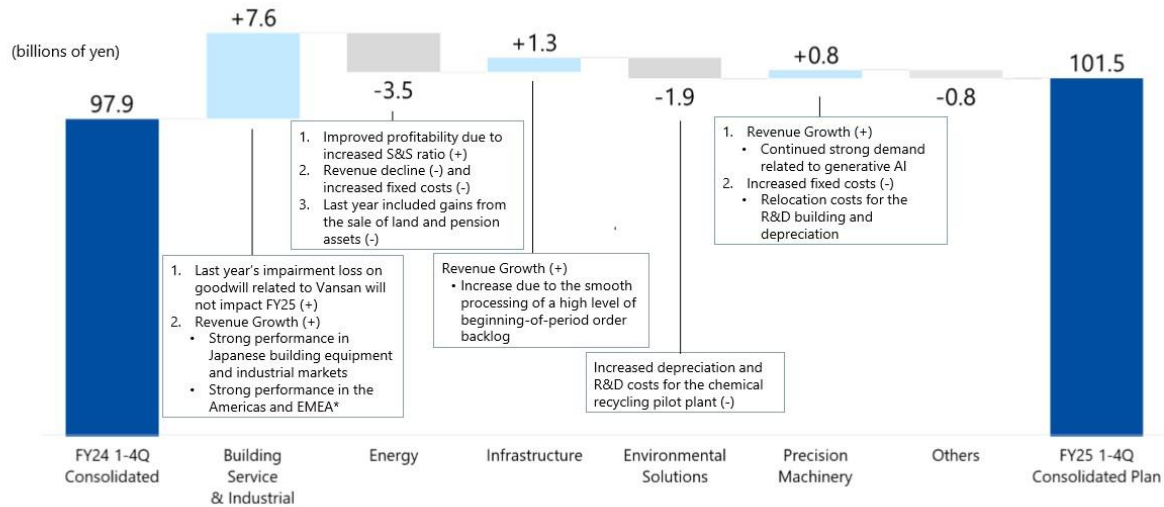
Next, please see page 19. As explained earlier, the company-wide forecasts for H1 and the full year remain unchanged. Based on Q1 progress, we have slightly revised the H1 forecasts for each segment, which are now more certain of the outlook.

In the Energy Segment, the largest revision is a downward revision of JPY10 billion to H1 orders due to the postponement of an expected project to H2.

There are also some increases and decreases depending on the segment, so please review the figures at your convenience.

Breakdown of Changes in Operating Profit

We anticipate achieving record-high operating profit while strategically advancing growth and infrastructure investments



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*Europe, the Middle East, Africa

Please turn to page 20. The chart below shows the breakdown of changes in operating profit from JPY97.9 billion in the previous fiscal year to our consolidated plan for JPY101.5 billion in 2025. This is unchanged from the previously announced figures at the beginning of the fiscal year.

Impact of U.S. Tariff Policies (as of End of April 2025)

- We have made progress in regional production for regional consumption across our global sites, resulting in limited impact on exports to the U.S.. However, future policy changes could introduce new impact, and we will continue to monitor developments closely
- We will address potential cost increases from tariffs through appropriate pricing strategies and by enhancing the added value of our products and services

Segment	Tariff Impact	Projected Direct Impact	
		Outside of the U.S. ⇒ U.S.	U.S. ⇒ Outside of the U.S.
Building Service & Industrial	Limited	Increased import costs for products and components sourced from China and Europe by U.S. bases	Increased import costs for Canadian and South American bases sourcing from U.S.-based suppliers
Energy	Limited	Increased import costs for components sourced from Canada, Mexico, Japan, and China by U.S. manufacturing bases	Increased export costs from U.S. manufacturing bases to other countries
Infrastructure	Limited	Increased export costs from Japanese and Vietnamese manufacturing bases	—
Environmental Solutions	None	—	—
Precision Machinery	Limited	As of now, semiconductor-related products are exempt from the additional tariffs	—

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Please turn to page 21. This section explains the projected direct impacts of the U.S. tariff policy based on information available as of the end of April 2025.

We have made progress with regional production for regional consumption across our global sites, and the impact of imports and exports to the U.S. is expected to be limited at the moment. The impact by segment is shown on the slide. We will continue to closely monitor the impact of these additional measures, as they may have an impact in the future.

We will respond to cost increases due to tariffs by setting appropriate prices and increasing the added value of our products and services.

That concludes our explanation of earnings forecast and impact of U.S. tariffs.

1. FY25 1Q Summary of Results
2. FY25 1Q Results by Segment
3. FY25 Forecast
- 4. Upcoming Management Policy**
5. Appendix

Hosoda: I will explain from here on. Once again, my name is Hosoda. Until the last financial results briefing, I was explaining as CFO, but from this time, I will be explaining from a new position.

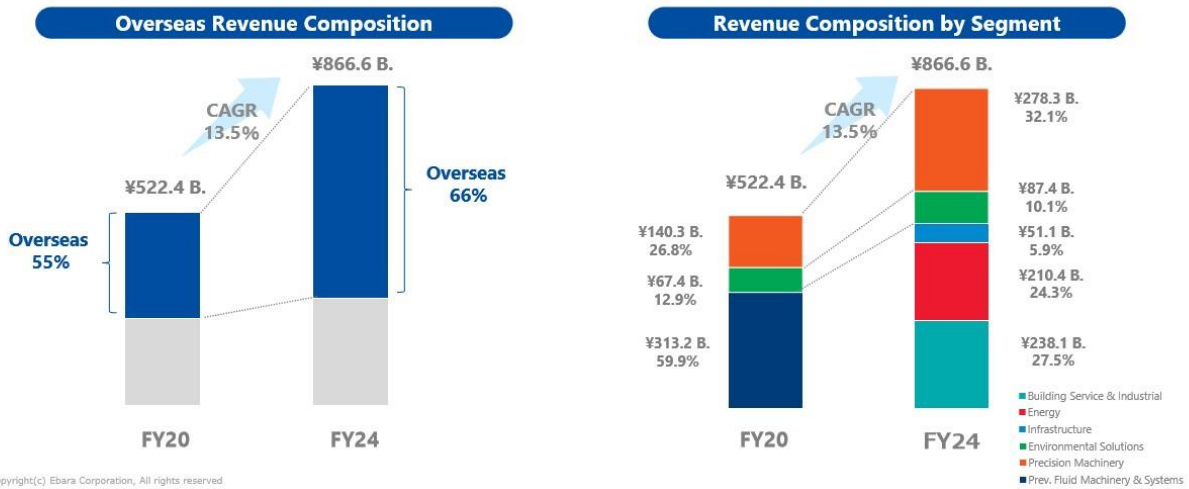
As you know, this year marks the final year of our current three-year medium-term management plan, E-Plan 2025. At the same time, this is the year in which we will be formulating E-Plan 2028, our new medium-term management plan for the next three years. As in previous fiscal years, we are currently working on the new medium-term plan to be announced in February of next year. At the same time, we are also reviewing our long-term vision, E-Vision 2030.

We are envisioning our desired state approximately 10 years from now as the basis for formulating a new vision. From there, we plan to back cast and develop a new three-year medium management plan. Therefore, we expect that the revised vision will be oriented toward the year 2035.

Against this backdrop, today, I would like to share with you the emerging direction of our future management, which is beginning to take shape as we develop the new vision and the new medium-term plan.

Revenue Composition of the EBARA Group

- We have operations in 41 countries/regions worldwide. Overseas revenue now accounts for over 60% of consolidated revenue, and the importance of global business expansion continues to grow across all segments
- Each business segment is steadily expanding by leveraging its strengths in target markets



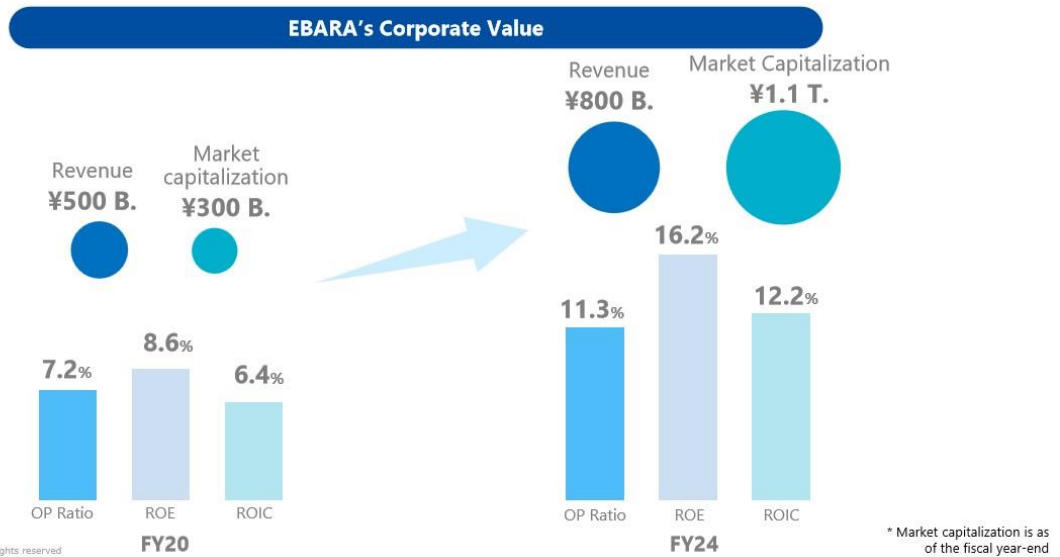
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This slide shows our group's revenue composition trend over the past several years. After reorganizing into five segments based on target markets, the company has achieved business expansion in all segments. As a result, the CAGR for this period, 2020 to 2024, is 13.5%, a very high growth rate.

Overseas revenue growth has been particularly strong, with a CAGR of about 19% when looking only at overseas revenue. As a result, the overseas revenue ratio reached 66%, or about two-thirds, of total revenue in the previous fiscal year. We see this as an indication that we are becoming a global company.

Evolution of EBARA Group's Corporate Value

- Significant improvement across key management indicators, including market capitalization, revenue, operating profit, ROE, ROIC, etc.



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The previous slide discussed the scale of the business. This slide shows profitability indicators such as operating profit ratio and efficiency indicators such as ROE and ROIC. The profitability and efficiency indicators have also significantly improved over the past few years.

Despite a temporary decline recently, the current market capitalization has reached the JPY1 trillion mark.

Key Management Issues

- Due to our transition to a customer-focused organizational structure based on target markets, each segment has improved its earning power. However, we have identified some issues that remain from a company-wide perspective

Identified Issues

- Achieving overall optimization as an integrated corporate group
- Enhancing management systems to support rapid global business expansion
 - Company-wide implementation of ERP and maximizing functionality
 - Developing a global talent management platform
- Achieving profitability in new business initiatives

As mentioned above, the earning power of each of our existing businesses has improved over the past few years, and we have experienced several very strong years, but from a company-wide perspective, we are also seeing challenges.

Over the last 10 years, we have been working on improving earning power, and the results of these efforts have been showing over the previous five years. However, given our rapid global expansion, there is still a strong tendency for each site to pursue the optimal solution individually. We have not yet achieved overall optimization as a single integrated corporate group, which is one of the issues.

Additionally, various management systems have not kept pace with the rapid development of global business. In our case, ERP, administrative HR systems, and HRM (human resource management systems). The ultimate goal of our current ERP efforts is to implement it throughout the group. Although we have begun implementation for some group companies, it will take time to implement the system for the entire group, to ensure stable operation of the system once it is implemented, and to maximize the use of the system, such as the enhancement of business management that will result from the system's implementation.

In the area of HRM, despite our global business, we have yet to develop an HRM (Human Resource Management) system that will serve as a foundation for promoting human resource recruitment and success, and this is an issue that we need to address in the future.

In addition, we recognize that nurturing and monetizing our new business ventures will be a key challenge going forward.

With future business expansion in mind, we are currently prioritizing efforts to strengthen our foundation. At this stage, we are also exploring what the ideal state of the company should look like over the next several years.



Comparison with Global Benchmarks

- While our business scale, profitability, and capital efficiency have significantly improved, there remains a considerable gap across key metrics compared to one of our benchmark companies (a leading global industrial equipment manufacturer operating in similar markets)
- Leveraging the uniqueness of our diversified business portfolio, which spans multiple businesses, products, and services, we aim to further enhance key metrics by positioning Precision Machinery, Building Service & Industrial, and Energy Segments as growth drivers, and take the next step forward as a Global Excellent Company



While the above is an internal discussion of our group, looking outward, there are several global conglomerates with similar markets and product lines to ours that we use as a benchmark to learn from.

The global industrial equipment manufacturer shown on this slide, let's call it Company A, is one such example. A manufacturer of industrial equipment, primarily rotating equipment, which operates in markets relatively similar to those of our group, such as the semiconductor market, the energy market, and various industrial markets. This company, which has many similarities with our company, is being closely watched as a benchmark.

Our group has grown over the past few years, but as you can see, there is still a gap between us and Company A. That said, we view this as an indication of the significant growth potential that still lies ahead for us.

Of course, what is important now is to build on this and raise our sights even higher to achieve another level of evolution as a globally excellent company. To achieve this, we will include the challenges I mentioned earlier, and while overcoming them and leveraging our own strengths, we will firmly benchmark our global competitors, such as Company A.

While it may be difficult to match their scale immediately without a phased approach, we believe it is crucial to close the gap with the benchmark company in terms of qualitative aspects, such as profitability, including operating profit ratio, and efficiency metrics like ROE.

We understand that pursuing optimization of global operations and improving profitability and efficiency will increase the scale of our business.

Basic Management Policy

- As we expand our business globally, we aim not for local optimization in individual regions, but for overall optimization as an integrated corporate group—pursuing global operational excellence

1) Pursue Global Operational Excellence

- Achieve integrated business management through ERP and various operational systems
- Implement globally standardized systems (e.g., HR systems, etc.)
- Strengthen corporate functions

2) Manage Our Business Portfolio to Realize Our Vision

- Pursue synergies as a conglomerate centered on core technologies
- Position Precision Machinery, Building Service & Industrial, and Energy as the three strategic pillars, each with sufficient scale, profitability, and efficiency
 - Precision Machinery: Proactively invest in growth markets to capture emerging opportunities
 - Building Service & Industrial: Enhance capital efficiency while developing high-value-added, high-profit businesses, particularly in the industrial sector
 - Energy: Leverage our existing profit base in the oil & gas market while driving growth through strategic investments in LNG and decarbonization to lead the energy transition
- Position Infrastructure and Environmental Solutions as a stable cash-generating foundation, primarily in Japan
- Systematic promotion of new business development
- Effectively utilize M&A as a strategic tool

3) Develop a Global Talent Management Platform and Advance Human Capital Management

- Develop a foundational system to promote the development and advancement of talent across the Group
- Create a positive cycle where individuals can flourish, and their contributions drive company growth

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On the other hand, when expanding a global business, a certain fixed cost is necessary to achieve optimization. To efficiently cover these fixed costs, we believe that a business must ultimately reach a certain scale. While our immediate priority is to pursue profitability and efficiency, our long-term vision is to grow the business to a scale that meets these requirements. We are currently formulating a vision that reflects this goal.

Given the above, we are considering our management direction over the next several years. As I have explained in the context of my previous explanations, the first policy is to pursue global operational excellence, achieving overall optimization as one integrated corporate group.

The second policy is to manage our business portfolio to align with our ideal future state. Our company is a conglomerate connected by core technologies, and we aim to maximize synergies while managing our portfolio with a clear strategic focus.

Getting into more detail, we have traditionally treated each of our five segments equally. However, looking ahead five to ten years, we envision a portfolio where three core business segments stand out and make up most of our operations.

These three pillars are the Precision Machinery Segment, which focuses on the semiconductor market, the Energy Segment, and the Building Service and Industrial Segment, each with a certain level of business scale, profitability, and efficiency. Although these three segments have the same core competence, they have different segment characteristics and strengths. Our group's unique conglomerate structure allows each of these three businesses to establish its presence while leveraging each other's different characteristics and strengths.

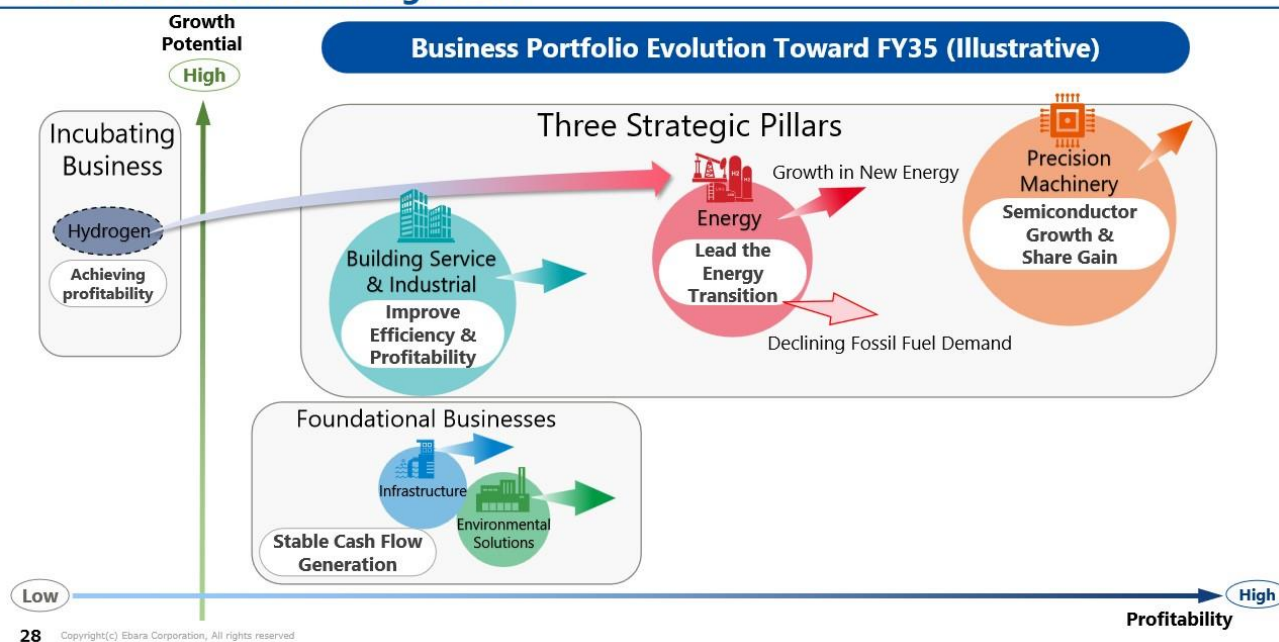
In this case, the remaining two segments, the Infrastructure Segment and the Environmental Solutions Segment, will be smaller in scale overall. Still, they will be positioned as two foundational businesses that will generate stable cash mainly in the domestic market.

Additionally, we plan to use M&A even more extensively as a strategic tool for managing our business portfolio.

The third policy is to maximize the use of human resources and advance human capital management. While we have long promoted ESG-focused management, we believe our efforts in Environment (E) and Governance (G) have already reached a certain standard. However, we recognize that the Social (S) aspect has lagged somewhat behind. By advancing our human capital management, we aim to raise the level of our initiatives in this area.

4. Upcoming Management Policy

Business Portfolio Management



This slide shows how we envision the evolution of our business portfolio over the next 10 years. The vertical axis represents growth potential, and the horizontal axis represents profitability. It maps out each business's current state and the direction we expect them to evolve.

The three strategic pillars at the top indicate the three core businesses: the Precision Machinery Segment, the Energy Segment, and the Building Service and Industrial Segment. Each has distinct characteristics, and we anticipate their growth strategies will differ accordingly.

We will examine each business in more detail as we develop our next medium-term management plan. Broadly speaking, the key assumption for the Precision Machinery Segment is the continued expansion of the semiconductor market. Our basic policy is to firmly capture this expanding market by proactively investing in production capacity and R&D. This business will require forward-looking investments to support its growth trajectory.

In the Energy Segment, I believe that the oil and gas market, which has traditionally focused on fossil fuels, will continue to generate strong cash flow. However, I believe that business models in this area are likely to change significantly in the context of trends such as carbon neutrality and energy transition.

While maintaining cash flow from conventional markets, we must also build new business models in collaboration with customers, focusing on areas like hydrogen, ammonia, sustainable aviation fuel (SAF), and carbon capture, utilization, and storage (CCUS).

A notable feature of our Energy Segment is our strong position in the LNG market, which serves as a transitional solution toward carbon neutrality. Given the expected continued demand in this area, we aim to

maximize returns from LGN while balancing our approach between traditional oil & gas and emerging carbon-neutral solutions.

The Building Service and Industrial Segment is a reasonably large business, but it requires significant capital investment. Among the three pillars, it currently has relatively low profitability and efficiency.

Of course, we will expand the scale of our business. We will also maximize the added value of our products and make investments to increase profitability and efficiency while extending the scale of our business accordingly. This path differs from the other two pillars to an extent, but we expect these three businesses to become our strategic pillars, as they expand down their own paths.

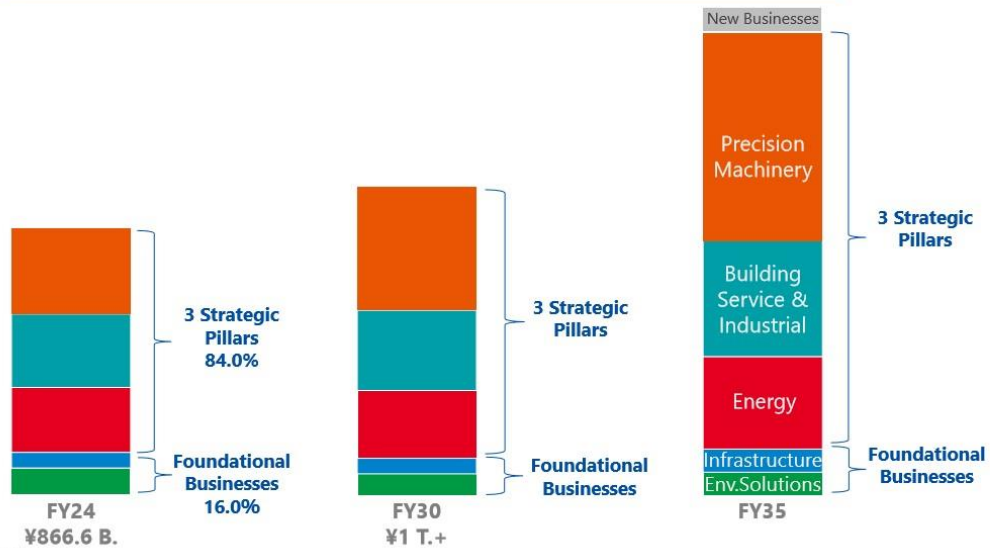
While we envision these three pillars as our ideal state 10 years from now, the path to that goal will vary by business. This reflects the current reality of our company.

4. Upcoming Management Policy

Our Business Portfolio Vision



Revenue Composition by Business Portfolio (Illustrative)



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The graphs on the slide illustrate the business portfolio we aim for in 2035, 10 years from now. We expect to target around 1.5 to 2 times the current revenue scale.

The Precision Machinery Segment is expected to grow significantly, and the Energy and Building Service & Industrial Segments will also realize some growth. However, we assume that the three strategic pillars will account for about 90% of the total expansion.



- We aim to create a virtuous cycle where individuals, empowered to grow and act with initiative, thrive in their roles, creating a positive cycle in which individual contributions drive growth



Next, I would like to touch on global talent, which we position as the source of our long-term competitiveness. As I mentioned earlier, I believe the essence of human capital management is creating a mechanism to achieve personal and company growth simultaneously.

Employees choose the company as a place to increase their own value, or in other words, to increase the human capital they possess, and the company chooses human resources who will contribute to their value creation. I believe it is necessary to create a system in which the company and the individual grow together through a virtuous cycle of providing value to each other's chosen areas.

We are in the process of restructuring our personnel system based on these ideas to create a system for visualization, strategic assignments, and human resource training. We would also like to establish measures to expand, empower, and fairly evaluate human resources who are willing to take on challenges, desire growth, and demonstrate career ownership.

This is the overall direction of what we are considering in the new E-Vision and E-Plan.

Essential EBARA. Everywhere

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As part of our long-term vision review, we are re-examining our group's value creation story. If you trace our company's history, you will see that we have continued to provide value to the world by solving the social issues of the time through our business. We believe that we are a business entity with such a history.

Our areas of focus, water and air, energy, waste, resource recycling, flood control and irrigation, agriculture, and the semiconductors that support these fields, are all deeply and directly connected to the realization of a sustainable society.

Our commitment to working closely with customers to find solutions has enabled us to continue providing value over our 100-year-plus history. This approach is embodied in our founding spirit of "Passion and Dedication." This spirit, combined with our core competencies, such as our expertise in fluid control technologies, has allowed us to keep delivering value.

As we continue to provide value, we refine our core competencies further, expand the areas where we can solve problems, and prepare ourselves to solve future challenges. Through this ongoing cycle, we have built a legacy of value creation.

Today, and in the years ahead, sustainability is the key challenge facing society. As a company that aims to be essential to the world, we are committed to the concept of being "Essential." Our products are embedded in many aspects of society and daily life, playing a vital, behind-the-scenes role. This is how we deliver value and define our very reason for being. We aspire to be a company that is recognized as indispensable to the realization of a sustainable society. We are currently developing a value creation story that reflects this aspiration.

What I have discussed today represents the thinking behind our new medium-term plan and long-term vision, which we are currently discussing. There are still some uncertainties. This may change in the future without prior notice, but we hope you understand the current direction we are heading in. It will take a little more time to officially send out the information, and we plan to do so by February next year.

That's all from me. Thank you very much for your attention.