

Results Presentation for the Second Quarter ended September 30, 2011

EBARA (6361)

Nov 7th, 2011



Summary of Results through the 2nd Quarter

(Six months ended September 30, 2011)

(Billions of JPY)

	2 nd Quarter ended September 30, 2010 (Result) (A)	2 nd Quarter ended September 30, 2011 (Result) (B)	Change (B-A)
Orders	192.7	185.6	-7.0
Net Sales	173.1	175.9	+2.8
Operating Income	9.6	3.0	-6.5
Ordinary Income	7.7	0.1	-7.6
Net Income	3.8	-0.3	-4.2

Average Exchange Rate	1 USD=90.5 JPY	1 USD=80.4 JPY	—
Assumed Exchange Rate	1 USD=90.0 JPY	1 USD=80.0 JPY	—

Summary of Results through the 2nd Quarter

(Six months ended September 30, 2011)

(Billions of JPY)

		Sales			Operating Income		
		2Q ended Sep. 30,2010 (A)	2Q ended Sep. 30,2011 (B)	Change (B-A)	2Q ended Sep. 30,2010 (a)	2Q ended Sep. 30,2011 (b)	Change (b-a)
Reportable segment	FMS business	117.0	117.1	+0.0	6.7	0.7	-6.0
	EE business	18.6	16.9	-1.6	-1.1	-3.4	-2.2
	PM business	31.7	37.3	+5.5	3.7	5.3	+1.6
	Others	5.6	4.5	-1.0	0.0	0.2	+0.1
Adjustment		—	—	—	0.1	0.1	-0.0
Total		173.1	175.9	+2.8	9.6	3.0	-6.5

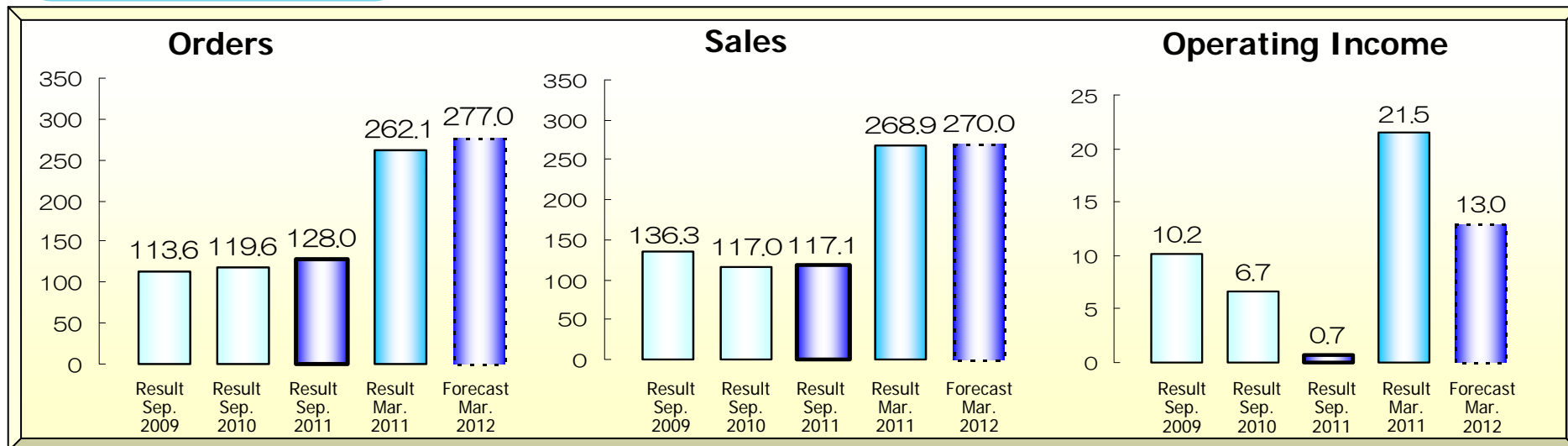
Segment Financial Results through the 2nd Quarter

(Six months ended September 30, 2011)

FMS business

··· Fluid Machinery & Systems business

(Billions of JPY)



【Orders】

Orders were comparable to the achievements in the previous period due to the strong sales of the Pumps business in emerging countries and the steady investment of the oil & gas industry.

【Sales】

Sales were comparable to the achievements in the previous period due to an increase in sales of the Pumps business and Chillers business in emerging countries, in spite of a decrease in sales of the Compressors & Turbines business.

【Operating Income】

Operating income declined significantly compared to the achievements in the previous period due to the appreciation of the yen, recording of sales of less profitable projects and an increase in fixed costs.

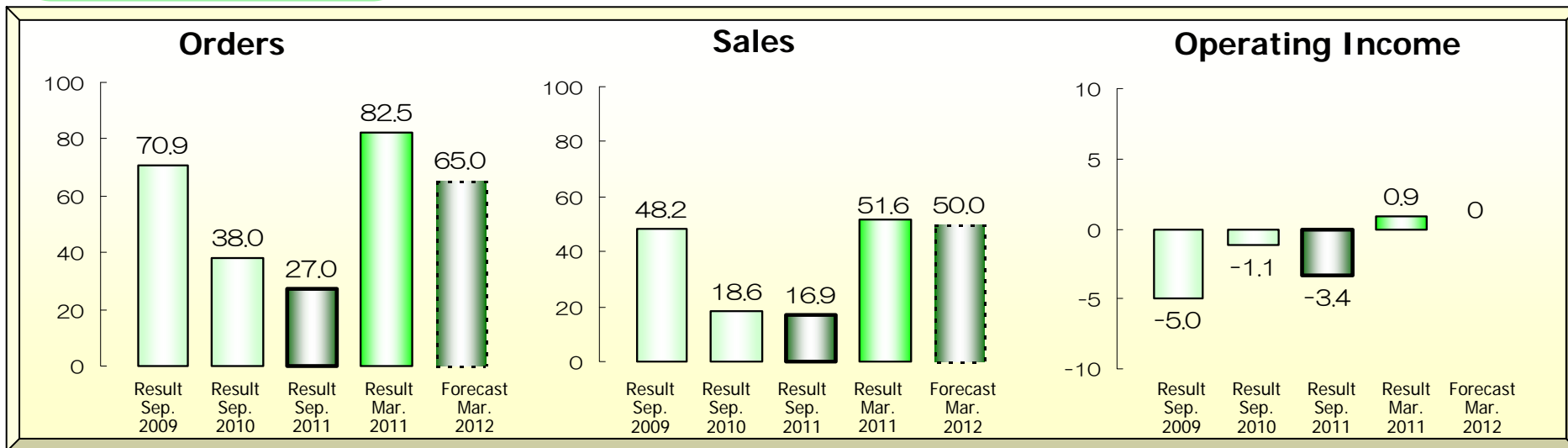
Segment Financial Results through the 2nd Quarter

(Six months ended September 30, 2011)

EE business

···Environmental Engineering business

(Billions of JPY)



【Orders】

EPC had no new orders, but O&M's orders remained strong.

【Sales】

Sales were lower than the achievements in the previous period due to a decline in sales of EPC.

【Operating Income】

Operating loss increased compared to the achievements in the previous period due to an increase in the allowance made for losses on overseas construction, in spite of efforts to improve profitability such as thorough cost-cutting.

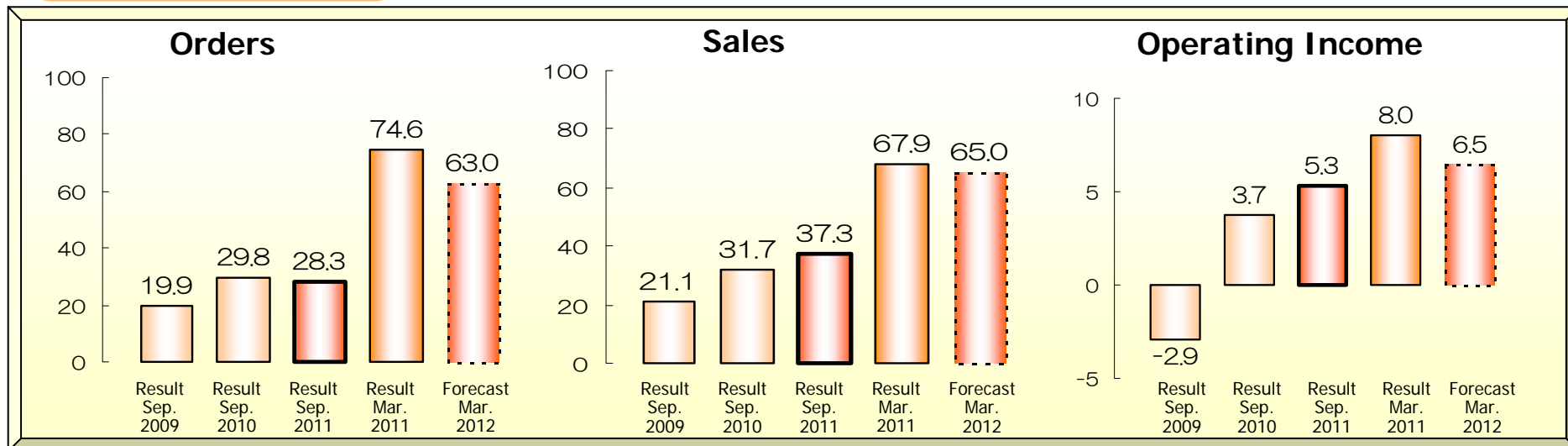
Segment Financial Results through the 2nd Quarter

(Six months ended September 30, 2011)

PM business

···Precision Machinery business

(Billions of JPY)



【Orders】

Orders were affected because semiconductor manufacturers postponed their capital investment plans one after another due to the global recession and the decline in demand for semiconductors.

【Sales】

Sales remained strong due to steady shipments to major customers who continued to make investments and the abundant backlog of orders.

【Operating Income】

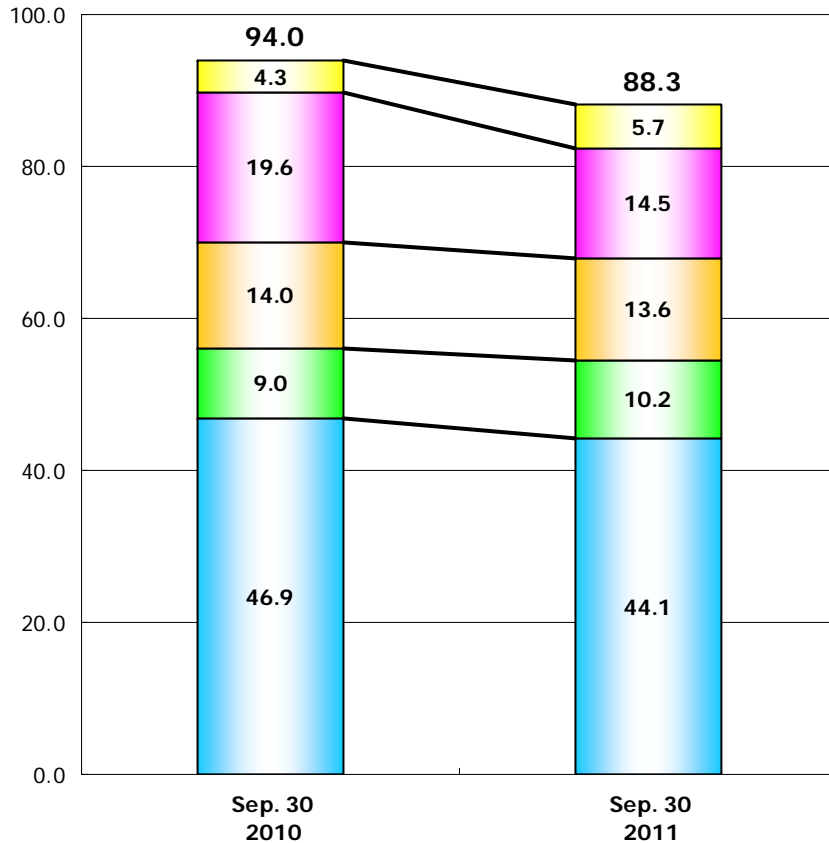
Operating income improved because effects of the production innovation movement were seen from the beginning of the period, and because there were many profitable projects.

Sales by Region for the 2nd Quarter

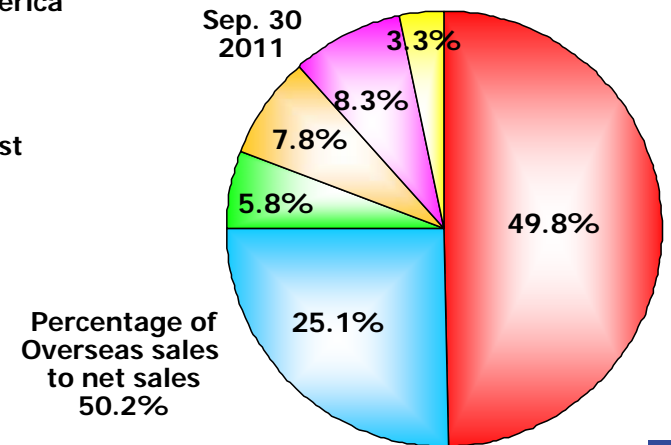
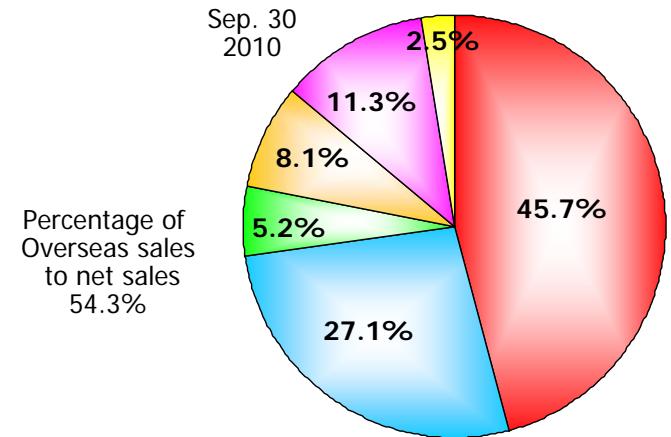
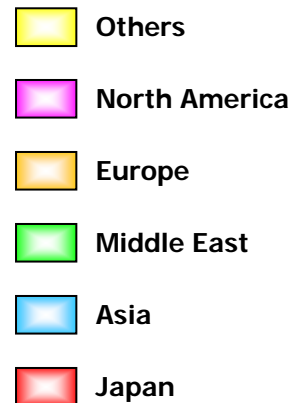
(Six months ended September 30, 2011)

Sales by Region (excluding Japan)

(Billions of JPY)



Sales Composition by Region



Segment Forecast for Fiscal Year Ending March 31, 2012

FMS business

Fluid Machinery & Systems business

(Billions of JPY)

	Fiscal Year Ended March 31, 2011 (Result) (A)	Fiscal Year Ending March 31, 2012 (Plan) (B)	Fiscal Year Ending March 31, 2012 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	262.1	290.0	277.0	-13.0	+14.8
Sales	268.9	270.0	270.0	—	+1.0
Operating Income	21.5	15.0	13.0	-2.0	-8.5

◆ **Projection of orders**

Orders in the overseas market for the oil & gas industry are expected to expand, but compared to the plan at the beginning of the period, orders are estimated to decrease due to the strong yen and fierce price competition.

◆ **Projection of sales**

Sales are expected to be comparable to the previous period due to an improvement of investment in the general industry, mainly in the overseas market, and investment in the architectural equipment industry by the Pumps business & Chillers business in spite of some effects of the strong yen.

◆ **Projection of operating income**

Operating income is expected to be lower than the plan at the beginning of the period due to the appreciation of the yen and effects of less profitable projects, in spite of efforts to improve profitability and reduce fixed costs.

Segment Forecast for Fiscal Year Ending March 31, 2012

FMS business

Major Action Plan

Status

Achieve Competitive Advantage in Global Markets

Radically Improve Profit-earning Capacity of Domestic Businesses

Strengthen Business Bases

Pumps business

Overseas

- Develop product/sales strategies placing priority on marketing for each key region
 - Sales of products that match local needs
- Expand business in the Middle East, China, India, and other emerging countries and regions
 - Implementation of various measures to capture strong demand
- Improve/expand network of service/support bases and strengthen the structure
 - Steady implementation of hub development
- Develop a global supply chain system
 - Establishment of an efficient production system as well as a logistics system

Japan

- Give assistance for past-earthquake recovery rehabilitation first priority
- Increase the domestic market share by releasing energy-saving product series
 - Introduction of high-efficiency pump series
- Strengthen efforts for renewal and after-sales service projects → Active sales and marketing

Compressors and Turbines business

- Improve/upgrade network of service/support → Continuous development of global base
- Improve/expand the lineup of products for the energy segment
 - Product development that focuses on market expansion

Chillers business

- Promote integrated management with production bases in China
 - Intergroup optimization of production
- Promote development and design of global products
 - Creation of a joint development and design system between Japan and China

All businesses

- Reduce cost via production innovation and strategic procurement
- Improve efficiency of domestic sales and service/support systems

Segment Forecast for Fiscal Year Ending March 31, 2012

EE business

··· Environmental Engineering business

(Billions of JPY)

	Fiscal Year Ended March 31, 2011 (Result) (A)	Fiscal Year Ending March 31, 2012 (Plan) (B)	Fiscal Year Ending March 31, 2012 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	82.5	65.0	65.0	—	-17.5
Sales	51.6	50.0	50.0	—	-1.6
Operating Income	0.9	4.0	0	-4.0	-0.9

- Projection of orders** We expect to receive the number of orders in the plan at the beginning of the period due to the receipt of new EPC projects and the steady performance of O&M.
- Projection of sales** Sales are expected to decline due to a slower growth of the new EPC projects received up to the previous period.
- Projection of operating income** Operating income is expected to break even by thoroughly managing the cost and profit of each project, mainly O&M, and covering the lower sales and additional losses of the overseas incinerator plant project.

Segment Forecast for Fiscal Year Ending March 31, 2012

EE business

Major Action Plan

Status

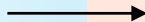
Respond flexibly to the needs of customers



Integrated management of the EPC and O&M businesses

- Strengthen core equipment improvement proposals for existing facilities, utilizing EPC design know-how
- Promote multiyear and long-term full-service contracts for maintenance to improve profitability

Improvement in competitiveness and profitability



Strengthen capabilities for making comprehensive proposals and price competitiveness

- Propose DBO projects integrating EPC design know-how and O&M maintenance/administration know-how
- Improve operation efficiency through unification of sales, construction, and procurement businesses
- Further promote standardization and packaging through establishment of dedicated organizations

Secure orders from demand for reconstruction



Broaden network information of the O&M business to the EPC business

- Identify reconstruction projects early by using the nationwide service network of the O&M business.
- Propose efficient upgrading plans at an early stage

Segment Forecast for Fiscal Year Ending March 31, 2012

PM business

... Precision Machinery business

(Billions of JPY)

	Fiscal Year Ended March 31, 2011 (Result) (A)	Fiscal Year Ending March 31, 2012 (Plan) (B)	Fiscal Year Ending March 31, 2012 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	74.6	75.0	63.0	-12.0	-11.6
Sales	67.9	75.0	65.0	-10.0	-2.9
Operating Income	8.0	8.0	6.5	-1.5	-1.5

- ◆ **Projection of orders**

The number of orders received is expected to fall short of the plan at the beginning of the period since some major customers announced a postponement of their capital investment plans, although some customers continue to make investments.

- ◆ **Projection of sales**

Sales are expected to be lower than the plan at the beginning of the period due to a significant effect of a decrease in order receipt in the current period, although this is underpinned by the order backlog from the previous period.

- ◆ **Projection of operating income**

We aim to achieve an operating income ratio of 10% by implementing measures such as restraining fixed costs, in spite of some effects of a sales decrease.

Segment Forecast for Fiscal Year Ending March 31, 2012

PM business

Major Action Plan	Status
<u>Build a business structure robust against market conditions</u>	<p>Components</p> <ul style="list-style-type: none"> · Fully introduce the EV series and G series and increase profitability · Improve/expand lineup and increase the market share of devices for non-semiconductor segments
	<p>CMP Equipment</p> <ul style="list-style-type: none"> · Major model 300S II and continuous cost reduction · Increase market share by improving process performance via functional enhancements
<u>Secure high profits</u>	<p>Propose new businesses (plating equipment, bevel polishing equipment, etc.)</p> <ul style="list-style-type: none"> · Develop a mass-production model for TSV and expand market share in the 3-D packaging technology area · Apply wafer yield improvement technology to bevel polishing equipment
<u>Optimize staffing</u>	<p>Monozukuri Process (Manufacturing)</p> <ul style="list-style-type: none"> · Establish and pervade innovative production to improve productivity · Promote overseas production and overseas procurement; and establish organizational control for that purpose
	<p>Service and support businesses</p> <ul style="list-style-type: none"> · Strengthen service and support businesses through finely-tuned responses · Establish a centralized system for global management of inventories

Summary of Forecast for Fiscal Year Ending March 31, 2012

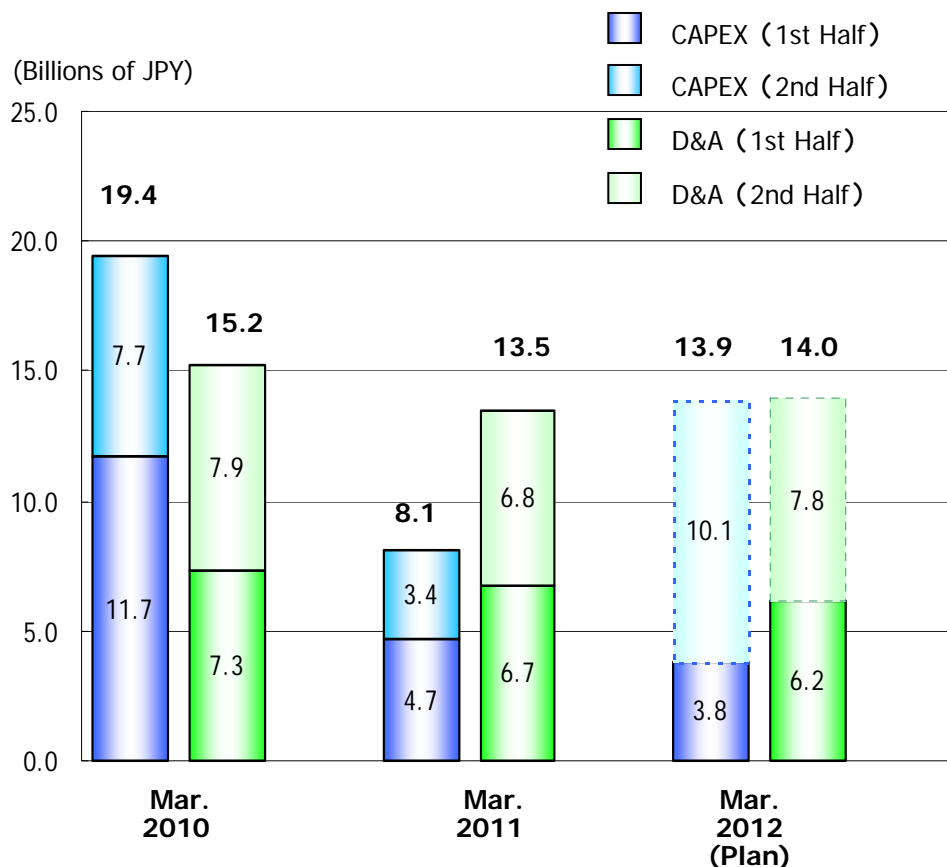
(Billions of JPY)

	Fiscal Year Ended March 31, 2011 (Result) (A)	Fiscal Year Ending March 31, 2012 (Plan) (B)	Fiscal Year Ending March 31, 2012 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	430.9	440.0	415.0	-25.0	-15.9
Net Sales	401.6	405.0	395.0	-10.0	-6.6
Operating Income	31.5	28.0	20.0	-8.0	-11.5
Ordinary Income	28.7	25.0	16.0	-9.0	-12.7
Net Income	28.1	13.0	8.0	-5.0	-20.1

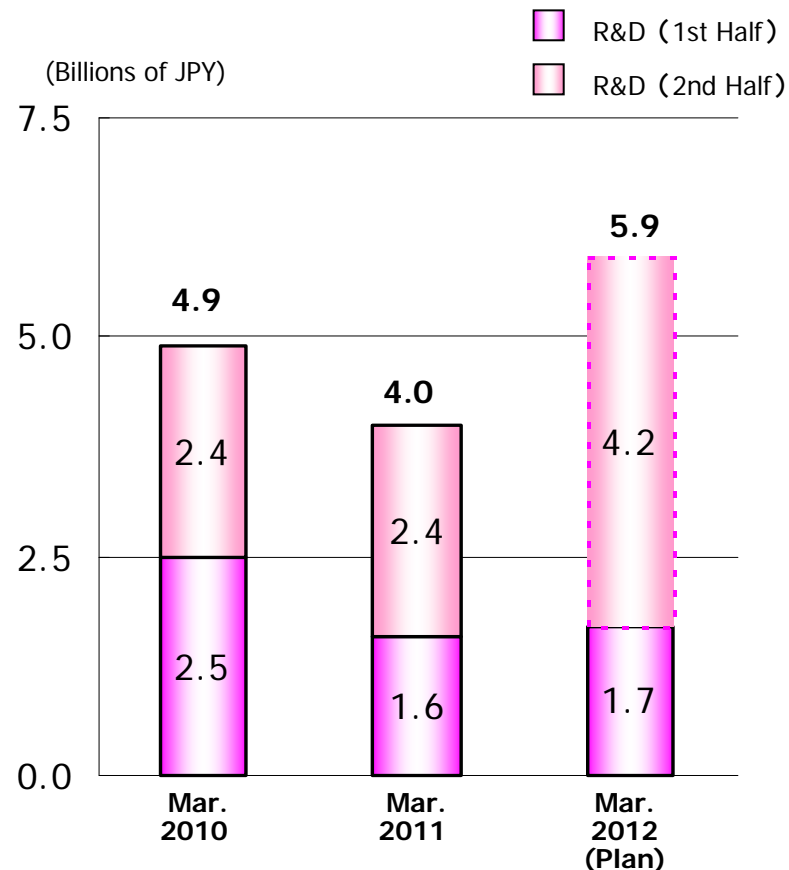
Average Exchange Rate	1 USD=85.9 JPY	—	—	—	—
Assumed Exchange Rate	1 USD=85.0 JPY	1 USD=80.0 JPY	1 USD=75.0 JPY	—	—

Summary of Forecast for Fiscal Year Ending March 31, 2012

Capital Expenditures (CAPEX) Depreciation & Amortization (D&A)



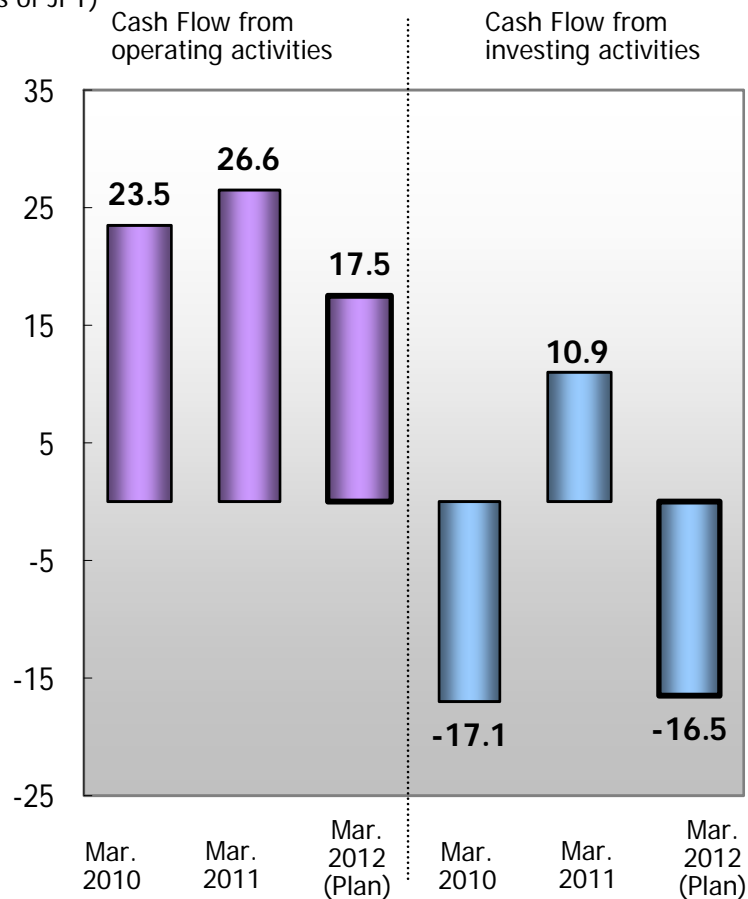
R&D Expenses



Cash Flow Plan for Fiscal Year Ending March 31, 2012

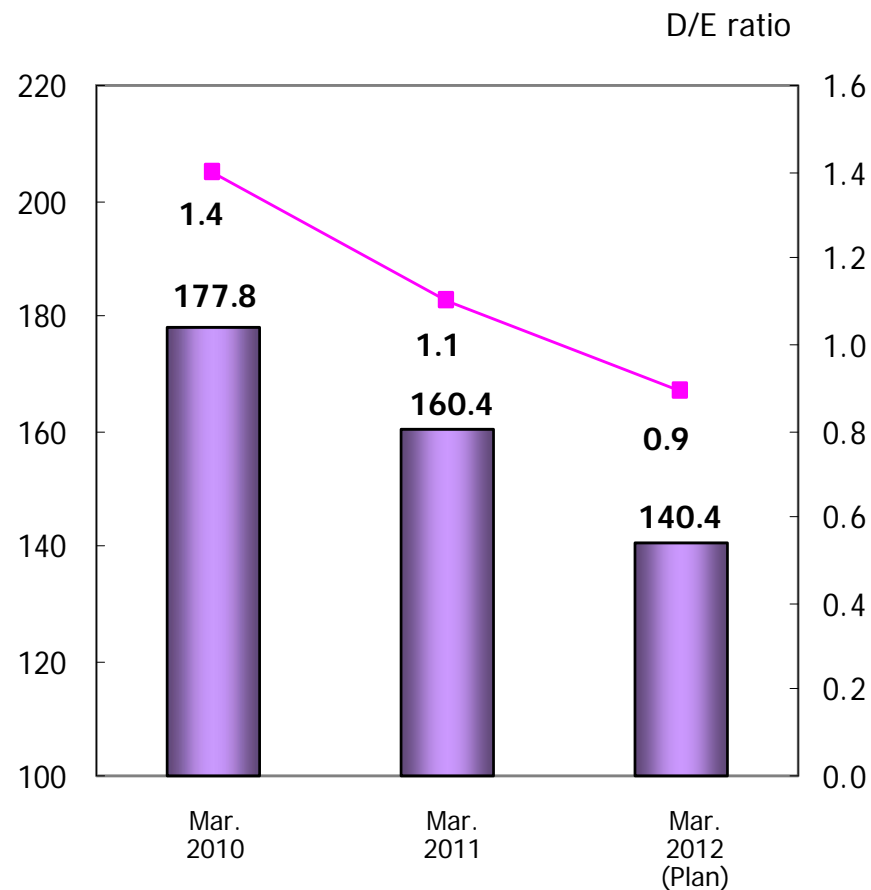
Cash flow

(Billions of JPY)



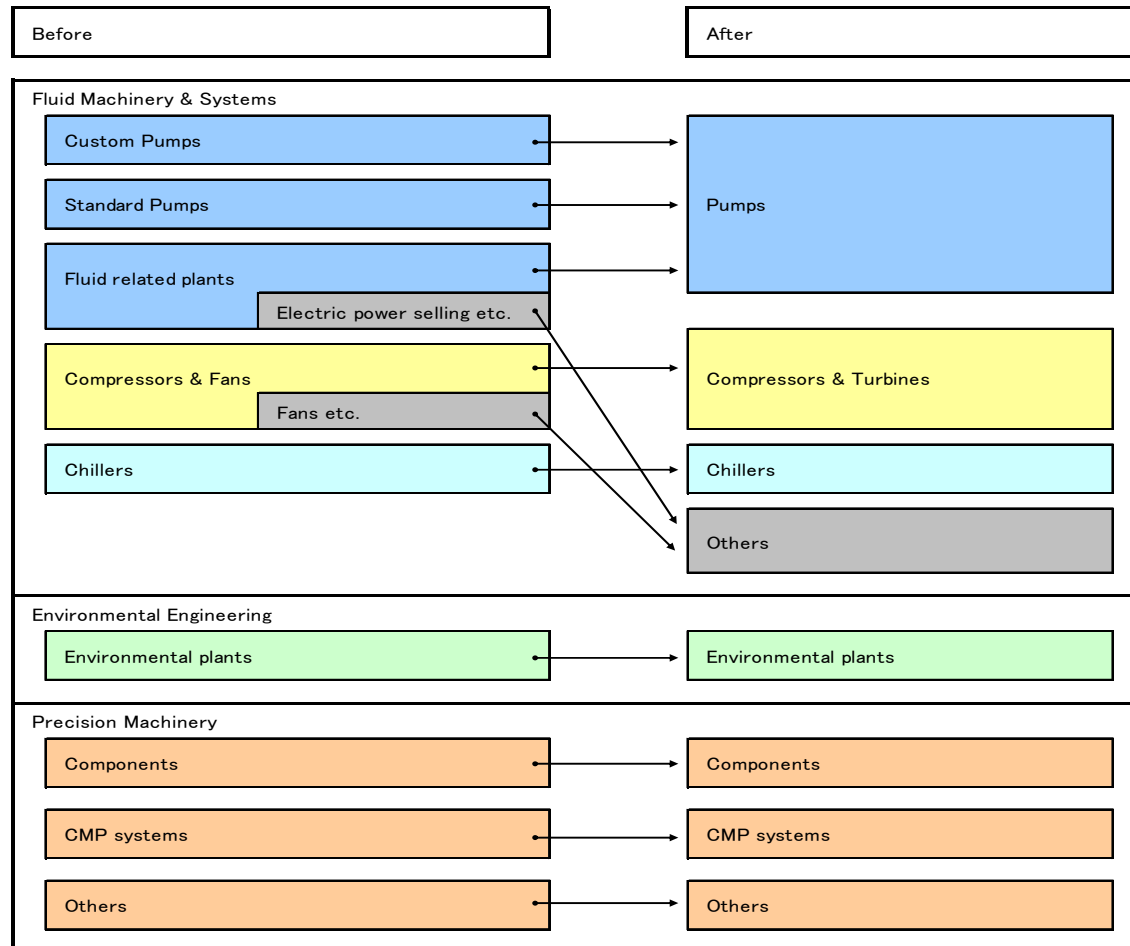
Interest-Bearing Dept

(Billions of JPY)



Change of the business classification

Ebara group sets three reportable segment, Fluid Machinery & Systems, Environmental Engineering and Precision Machinery. As regards the breakdown within reporting segments, actual results and plans for orders and sales have been disclosed according to a more-detailed business classification. Data have been adjusted to be consistent with the business classification specified in the medium-term management plan entitled "E-Plan2013."



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.