

(Translation)

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To whom it may concern

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Notice of Revision of the Forecast of Consolidated Financial Results, and Variances Between Non-Consolidated Estimated Financial Results and the Previous Fiscal Year's Actual Results

Ebara Corporation ("the Company") has revised its financial results forecast for the fiscal year ended December 31, 2020 released on November 12, 2020.

Furthermore, the Company expects a variance between its non-consolidated estimated financial results for the fiscal year ended December 31, 2020 and the actual results of the previous fiscal year. Details are as follows:

1. Revisions to the Forecast of Consolidated Financial Results

Revisions to the Forecast of Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast: A	513,000	32,000	29,500	18,500	194.21
Revised Forecast: B	523,700	37,800	37,000	24,600	258.17
Change (B-A)	10,700	5,800	7,500	6,100	—
Change Ratio (%)	2.1%	18.1%	25.4%	33.0%	—
(Reference) Results for the fiscal year ended December 31, 2019	522,424	35,298	35,571	23,349	241.79

Reasons for the Revisions

Net sales exceeded expectations in all business segments, and as a result the forecast has been revised to ¥523,700 million (an increase of ¥10,700 million from the previous announcement of ¥513,000 million).

Operating income exceeded expectations in all business segments, and as a result the forecast has been revised to ¥37,800 million (an increase of ¥5,800 million from the previous announcement of ¥32,000 million).

The revised forecast for ordinary income is ¥37,000 million (an increase of ¥7,500 million from the previous announcement of ¥29,500 million). This is attributed to an increase in operating income and an

increase in non-operating income such as equity in earnings of affiliates.

The revised forecast for profit attributable to owners of parent is ¥24,600 million (an increase of ¥6,100 million from the previous announcement of ¥18,500 million). This is attributed to an increase in ordinary income and other factors.

(Reference) Forecast of Consolidated Financial Results by Business Segment

		Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Others	Total
Net Sales		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
	Previous Forecast: A	306,500	65,000	140,000	1,500	513,000
	Revised Forecast: B	313,600	67,500	141,100	1,500	523,700
	Change (B-A)	7,100	2,500	1,100	-	10,700
	Change Ratio (%)	2.3%	3.8%	0.8%	-%	2.1%
Segment Income		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
	Previous Forecast: A	16,000	6,000	10,500	(500)	32,000
	Revised Forecast: B	19,800	7,100	11,400	(500)	37,800
	Change (B-A)	3,800	1,100	900	-	5,800
	Change Ratio (%)	23.8%	18.3%	8.6%	-%	18.1%

(Fluid Machinery & Systems)

The forecast for net sales has been revised to ¥313,600 million (an increase of ¥7,100 million from the previous announcement of ¥306,500 million). Segment income has been revised to ¥19,800 million (an increase of ¥3,800 million from the previous announcement of ¥16,000 million). This revision is mainly attributed to an improvement in profitability in the compressor & turbine business.

(Environmental Plants)

The forecast of net sales has been revised to ¥67,500 million (an increase of ¥2,500 million from the previous announcement of ¥65,000 million). Segment income has been revised to ¥7,100 million (an increase of ¥1,100 million from the previous announcement of ¥6,000 million). This revision is mainly attributed to improvement in profitability in the O&M (operation and maintenance for plants) business.

(Precision Machinery)

The forecast of net sales has been revised to ¥141,100 million (an increase of ¥1,100 million from the previous announcement of ¥140,000 million). Segment income has been revised to ¥11,400 million (an increase of ¥900 million from the previous announcement of ¥10,500 million). This revision is mainly attributed to sales growth and improvement in profitability.

2. Variances Between Non-Consolidated Estimated Financial Results and the Previous Fiscal Year's Actual Results

Variances Between Non-Consolidated Estimated Financial Results for the Fiscal Year Ended December 31, 2020 and the Previous Fiscal Year's Actual Results (January 1, 2020 to December 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Fiscal Year's Actual Results (A)	220,266	2,037	17,317	15,978	165.46
Estimated Results for the Fiscal Year Ended December 31, 2020 (B)	230,900	2,700	24,700	23,200	243.48
Change (B-A)	10,633	662	7,382	7,221	—
Change Ratio (%)	4.8%	32.5%	42.6%	45.2%	—

Reasons for the Variances

The estimated result of net sales is ¥230,900 million (an increase of ¥10,633 million from the previous fiscal year's actual results of ¥220,266 million). This is attributed to growth in the Precision Machinery business segment.

The estimated result of operating income is ¥2,700 million (an increase of ¥662 million from the previous fiscal year's actual results of ¥2,037 million). This is attributed to growth in the Precision Machinery business segment.

The estimated result of ordinary income is ¥24,700 million (an increase of ¥7,382 million from the previous fiscal year's actual results of ¥17,317 million). This is attributed to an increase in operating income, an increase in dividend income and other factors.

(Note)

The forecast of performance contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the future performance. Actual performance may differ owing to a wide range of factors.

End of News Release