

Results presentation for fiscal year ended March 31, 2011

EBARA (6361)

May 10, 2011



【Production Bases】

Impacts on production equipment were minor. All our production bases are operating as usual.

【Countermeasure against power supply shortage】

Each plant has been adjusting production shifts in order to cope with power shortages anticipated to occur this summer.

The EBARA group is making a unified effort in restoration/reconstruction support activities in this earthquake disaster as befits a company involved in social and industrial infrastructure. In parallel, we realize that our top mission is to provide an uninterrupted flow of products and services to customers and clients and have joined together as a group in order to carry out that mission as in the past.

【Current Conditions of Main Plants】



Futtsu Plant
April 4, 2011



Fujisawa Plant
March 31, 2011



**Fujisawa Plant
(Standard Pump)**
April 1, 2011



**Fujisawa Plant
(CMP)**
April 4, 2011

Summary of Results for Fiscal Year Ended March 31, 2011

(Billions of JPY)

	Fiscal year ended March 31, 2009 (Result)	Fiscal year ended March 31, 2010 (Result) (A)	Fiscal year ended March 31, 2011 (Result) (B)	Change (B-A)
Orders	481.3	426.6	430.9	+4.3
Net Sales	501.1	485.8	401.6	-84.2
Operating Income	0.6	18.9	31.5	+12.5
Ordinary Income	-2.3	16.7	28.7	+12.0
Net Income	-13.1	5.4	28.1	+22.7

Average Exchange Rate	1USD=95.8JPY	1USD =90.5JPY	1USD =85.9JPY	—
Assumed Exchange Rate	1USD =95JPY	1USD =90JPY	1USD =85JPY	—

Summary of Results for Fiscal Year Ended March 31, 2011

(Billions of JPY)

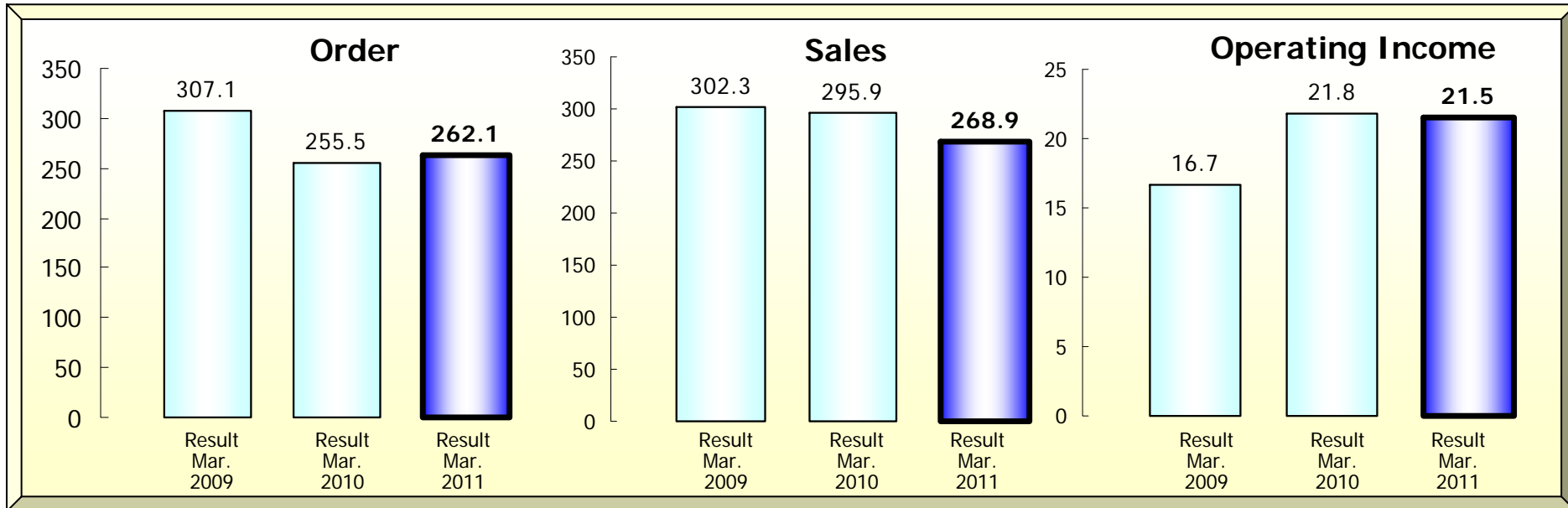
		Sales			Operating Income		
		Fiscal year ended March 31, 2010 (A)	Fiscal year ended March 31, 2011 (B)	Change (B-A)	Fiscal year ended March 31, 2010 (A)	Fiscal year ended March 31, 2011 (B)	Change (B-A)
Reportable segment	FMS business	295.9	268.9	-27.0	21.8	21.5	-0.2
	EE business	130.3	51.6	-78.6	-1.2	0.9	+2.1
	PM business	50.5	67.9	+17.3	-2.7	8.0	+10.7
Others※		9.0	13.1	+4.1	0.9	0.7	-0.2
Adjustment		—	—	—	0.0	0.2	+0.1
Total		485.8	401.6	-84.2	18.9	31.5	+12.5

※ From the beginning of the first year of the current fiscal year, the group has adopted the Accounting Standards for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Bureau of Japan (ASBJ) Statement No. 17, issued on March 27, 2009) and the Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, issued on March 21, 2008)

FMS business

···Fluid Machinery & Systems business

(Billions of JPY)



【Orders】

The level of orders received was the same as in the previous year. There were delays in ordering of energy-related projects, including products for the oil and gas industries. Price competition intensified.

【Sales】

Sales declined from the buoyant previous year, and a smaller backlog of orders was carried over. Sales from orders received during the period were at low level.

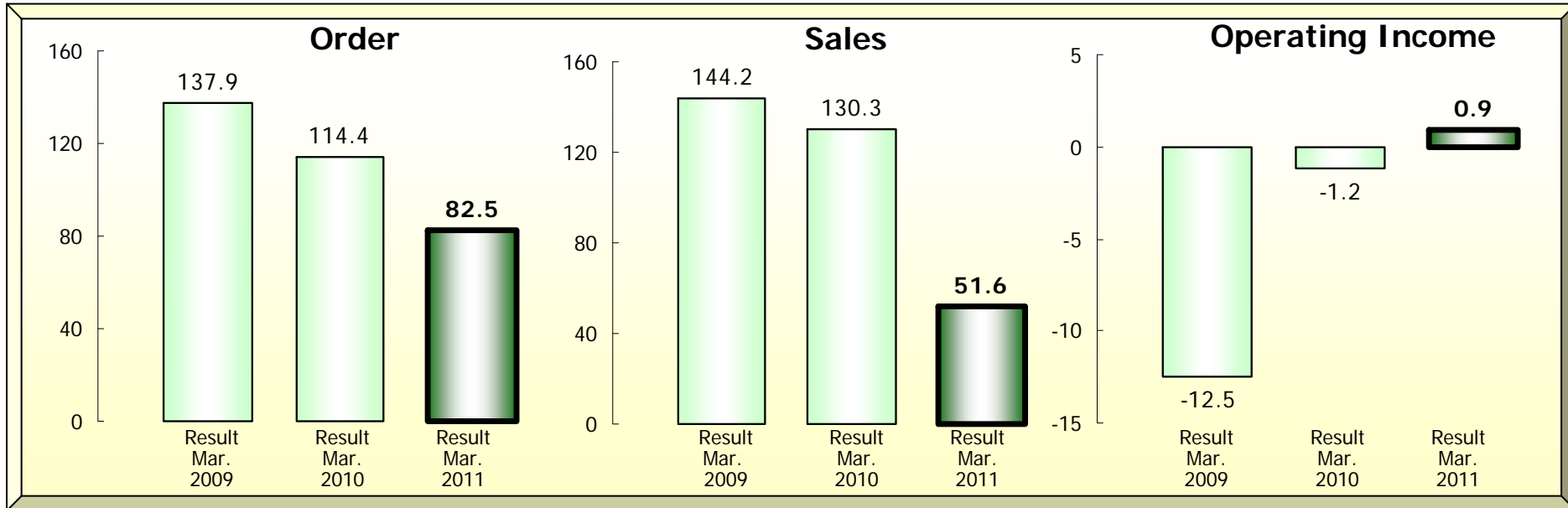
【Operating Income】

The same level of operating income as in the previous year was achieved. The decline in sales was compensated for by improved profitability through productivity enhancement and procurement cost reduction.

EE business

···Environmental Engineering business

(Billions of JPY)



【Orders】

Some decline resulted from the exclusion of the water treatment plant business from consolidation. Despite severe competition, significant DBO project business managed to be secured by the EPC business. Furthermore, long-term full-service consignment agreements were received for O&M services.

【Sales】

Operating income in this year was lower than in the previous year. A significant decline resulted from the exclusion of the water treatment plant business from consolidation. Sales of domestic EPC services dropped.

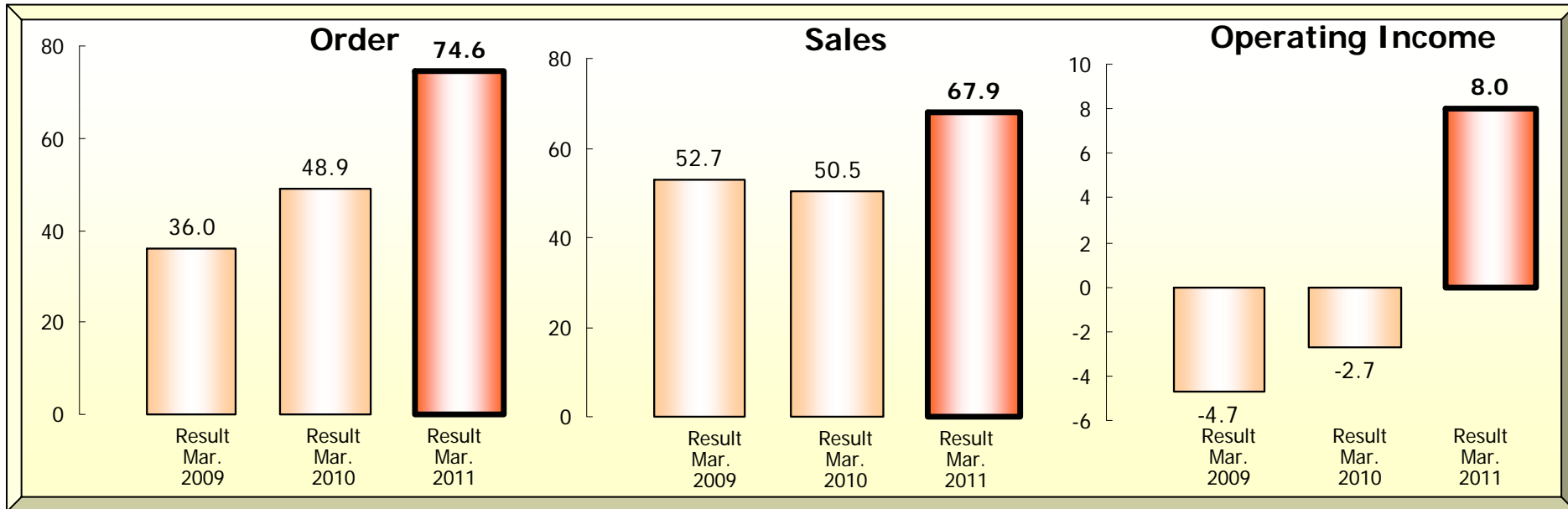
【Operating Income】

Black figures were secured as a result of thorough efforts to reduce costs and a decrease in the provision for overseas construction during the year.

PM business

... Precision Machinery business

(Billions of JPY)



【Orders】

An increase of approximately 53% compared to the previous year was achieved because of the continued capital investment of some lead users.

【Sales】

A steady increase of approximately 34% was achieved compared to the previous year due to a stable inflow of orders.

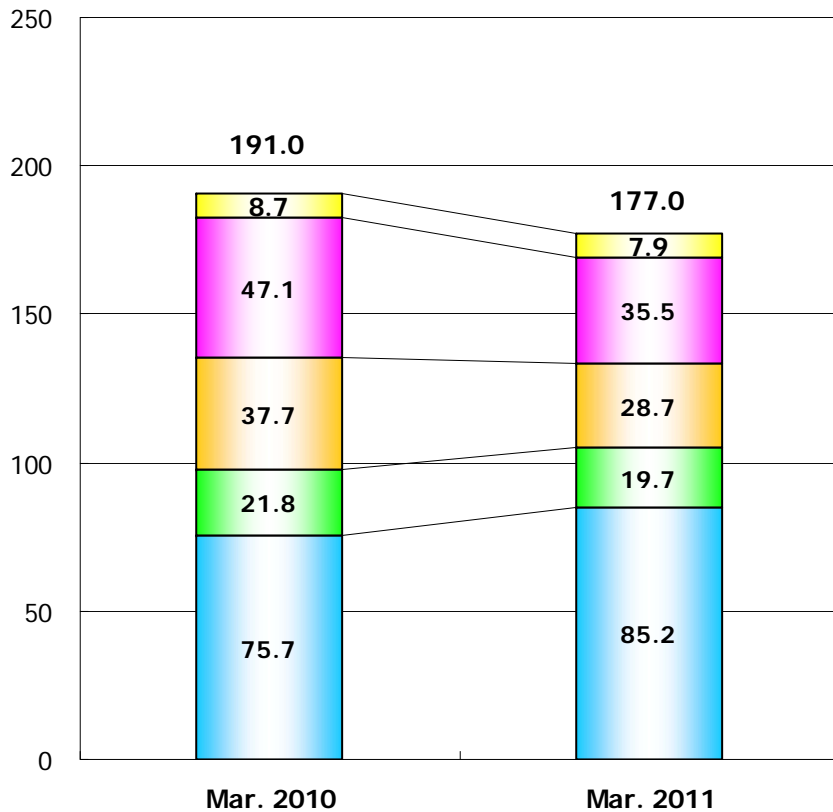
【Operating Income】

A significant improvement of 11.8% resulted from efforts to reduce fixed expenses and costs.

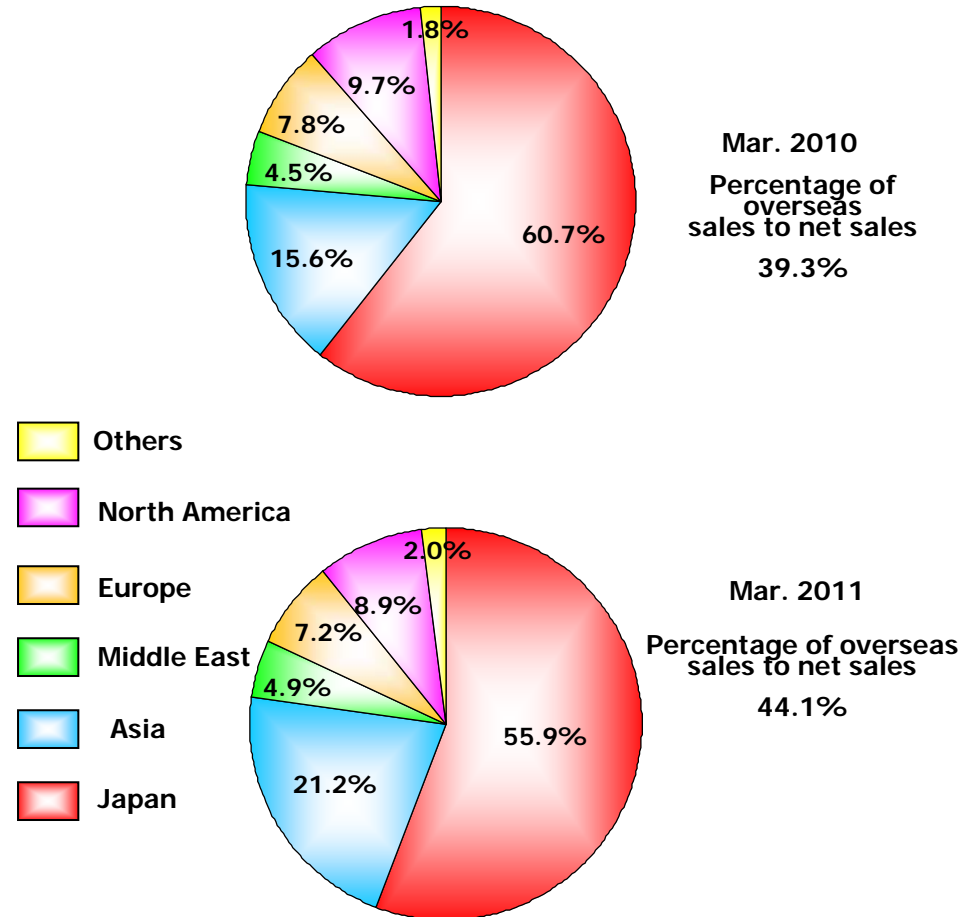
<u>Items</u>	<u>Amount</u>
<u>Extraordinary Income</u>	<u>¥2.3 Billion</u>
Principal source of extraordinary income	
• Gain on sales of fixed assets	¥1.0 Billion
• Gain on sales of subsidiaries and affiliates' stocks	¥1.1 Billion
 <u>Extraordinary expenses</u>	 <u>¥2.5 Billion</u>
Principal Extraordinary expenses	
• Loss on sales and disposal of fixed assets	¥0.8 Billion
• Loss on valuation of investment securities	¥0.5 Billion
• Loss on adjustment for changes of accounting standard for asset retirement obligations	¥0.9 Billion

Sales by Region (excluding Japan)

(Billions of JPY)



Sales Composition by Region



FMS business

Fluid Machinery & Systems business

(Billions of JPY)

	Fiscal year ended March 31, 2011 (A)	Fiscal year ending March 31, 2012 (Plan) (B)	Change (B)-(A)
Order	262.1	290.0	+27.9
Sales	268.9	270.0	+1.1
Operating Income	21.5	15.0	-6.5

- Projection of orders

The order environment is expected to improve. Domestic market stagnation concerns will arise due to the earthquake disaster. The markets of the oil and gas industries should expand as a result of rising crude oil prices in overseas markets.

- Projection of sales

Performance is expected to match that of the previous year. The backlog of orders carried over from the previous year in custom pumps business and compressor and fans business will decline. Capital investments in general industries and construction equipment can be recovered, mainly in overseas markets. Global service/support businesses are expected to expand

- Projection of OP

Profits are projected to decrease. Profitability improvement efforts are under way. Fixed expenses are expected to rise. The main sales should come from less-profitable projects.

FMS business

... Status of major action plan

Major Action Plan	Status
<u>Achieve Competitive Advantage in Global Markets</u>	<p>Custom pumps business</p> <ul style="list-style-type: none"> · Develop product/sales strategies placing priority on marketing for each key region · Expand business in the Middle East, China, India, and other emerging countries and regions · Improve/expand network of service/support bases and strengthen the structure <p>Standard pumps business</p> <ul style="list-style-type: none"> · Develop product/sales strategies placing priority on marketing for each key region · Develop a global supply chain system for producing/transporting on demand · Increase the domestic market share by releasing energy-saving product series
<u>Radically Improve Profit-earning Capacity of Domestic Businesses</u>	<p>Fluid related plants business</p> <ul style="list-style-type: none"> · Strengthen efforts for projects to be evaluated in a comprehensive manner · Strengthen efforts for renewal and after-sales service projects <p>Compressors and fans business</p> <ul style="list-style-type: none"> · Improve/upgrade network of service/support bases in Middle East and elsewhere · Improve/expand the lineup of products for the energy segment <p>Chillers business</p> <ul style="list-style-type: none"> · Promote integrated management with production bases in China · Promote development and design of global products
<u>Strengthen Business Bases</u>	<p>All businesses</p> <ul style="list-style-type: none"> · Reduce cost via production innovation and strategic procurement · Improve efficiency of domestic sales and service/support systems <p>※Cope with production for earthquake disaster measures Continue product supply by changing suppliers, production shifts, etc</p>

EE business

···Environmental Engineering business

(Billions of JPY)

	Fiscal year ended March 31, 2011 (A)	Fiscal year ending March 31, 2012 (Plan) (B)	Change (B)-(A)
Order	82.5	65.0	-17.5
Sales	51.6	50.0	-1.6
Operating Income	0.9	4.0	+3.1

- ◆ Projection of orders

Steady orders are expected. In particular, new EPC projects and O&M projects should be secured, such as long-term full-service consignment agreements
- ◆ Projection of sales

The same level of performance as in the previous year is expected. The level of achievement of EPC projects to be completed this year and so on should remain steady.
- ◆ Projection of OP

Profits are expected to improve. Losses are expected to be reduced due to additional provision for overseas incinerator plant projects allocated in the previous year

EE business

... Status of major action plan

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

PM business

... Precision Machinery business

(Billions of JPY)

	Fiscal year ended March 31, 2011 (A)	Fiscal year ending March 31, 2012 (Plan) (B)	Change (B)-(A)
Order	74.6	75.0	+0.4
Sales	67.9	75.0	+7.1
Operating Income	8.0	8.0	0.0

- ◆ Projection of orders

The same level of performance is expected to be achieved as in the previous year. There is a risk of impacts of the earthquake disaster becoming evident from now on. The semiconductor market should continue to develop steadily. Capital investment of lead users is also expected to continue.

- ◆ Projection of sales

Performance exceeding that of the previous year is expected. An abundant order backlog should be carried over from the previous year.

- ◆ Projection of OP

The same level of performance as in the previous year should be achieved. Sales are expected to increase. Fixed expenses, including expenses for research and development, should increase also.

PM business

... Status of major action plan

Major Action Plan	Status
<p><u>Build a business structure robust against market conditions</u></p>	<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
<p><u>Secure high profits</u></p>	<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
	<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><u>Optimize staffing</u></p>	<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

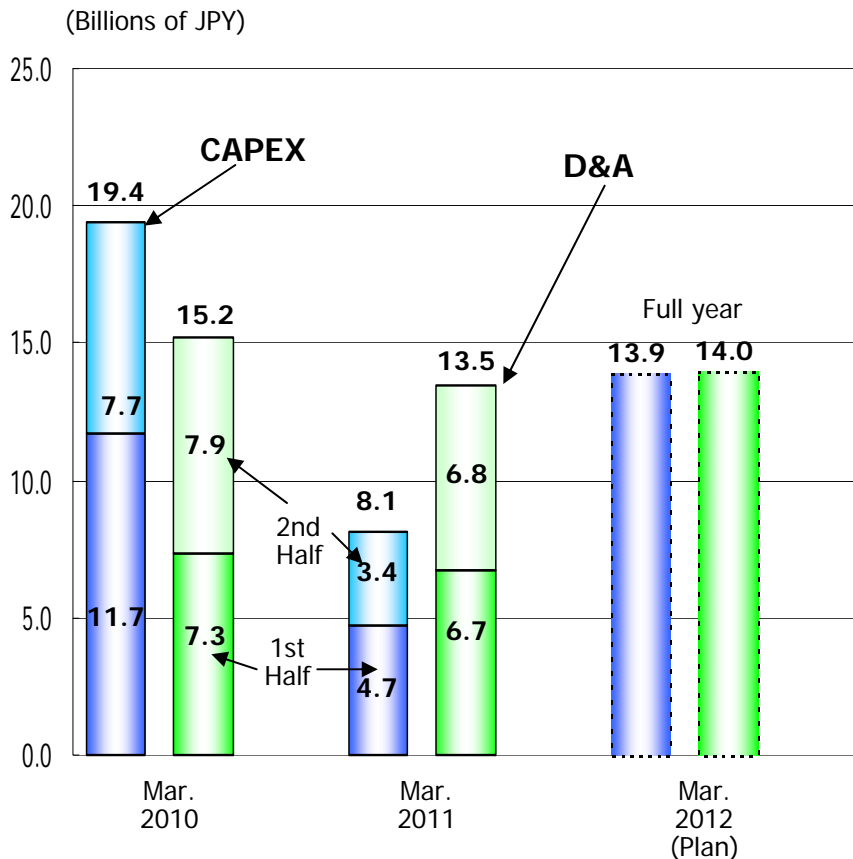
Segment Forecast for Fiscal Year Ending March 31, 2012

(Billions of JPY)

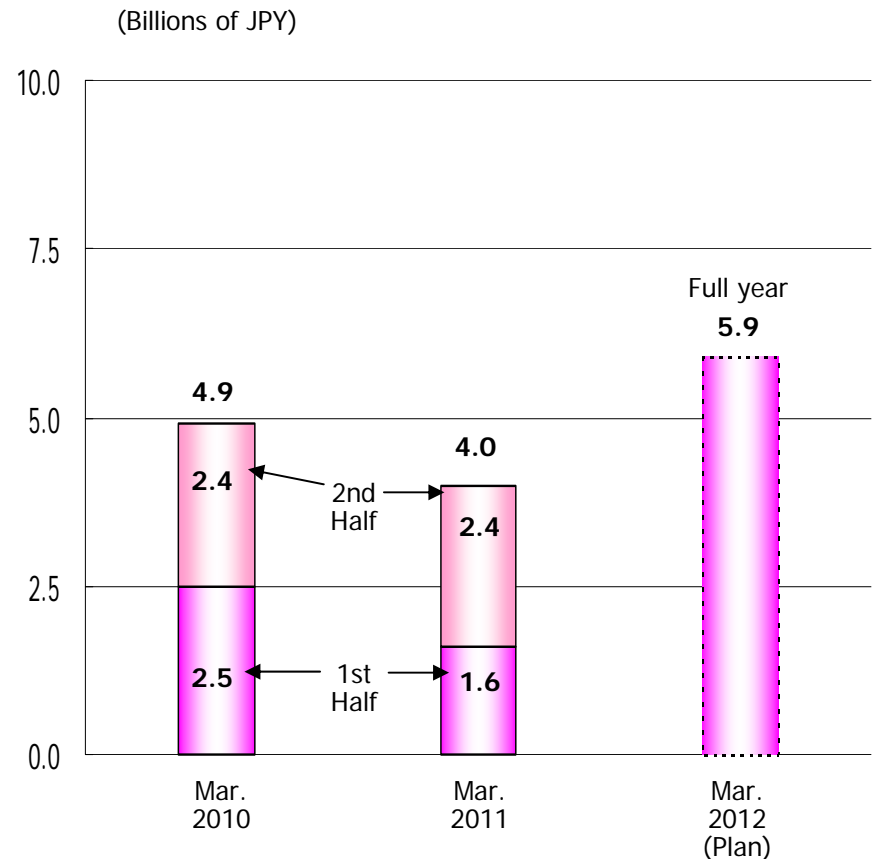
	Fiscal year ended March 31, 2010 (Result) (A)	Fiscal year ended March 31, 2011 (Result) (B)	Fiscal year ending March 31, 2012 (Plan) (C)	Change (C-B)
Orders	426.6	430.9	440.0	+9.1
Net Sales	485.8	401.6	405.0	+3.4
Operating Income	18.9	31.5	28.0	-3.5
Ordinary Income	16.7	28.7	25.0	-3.7
Net Income	5.4	28.1	13.0	-15.1

Average Exchange Rate	1USD=94.7JPY	1USD=85.9JPY	—	—
Assume Exchange Rate	1USD=90JPY	1USD=85JPY	1USD=80JPY	—

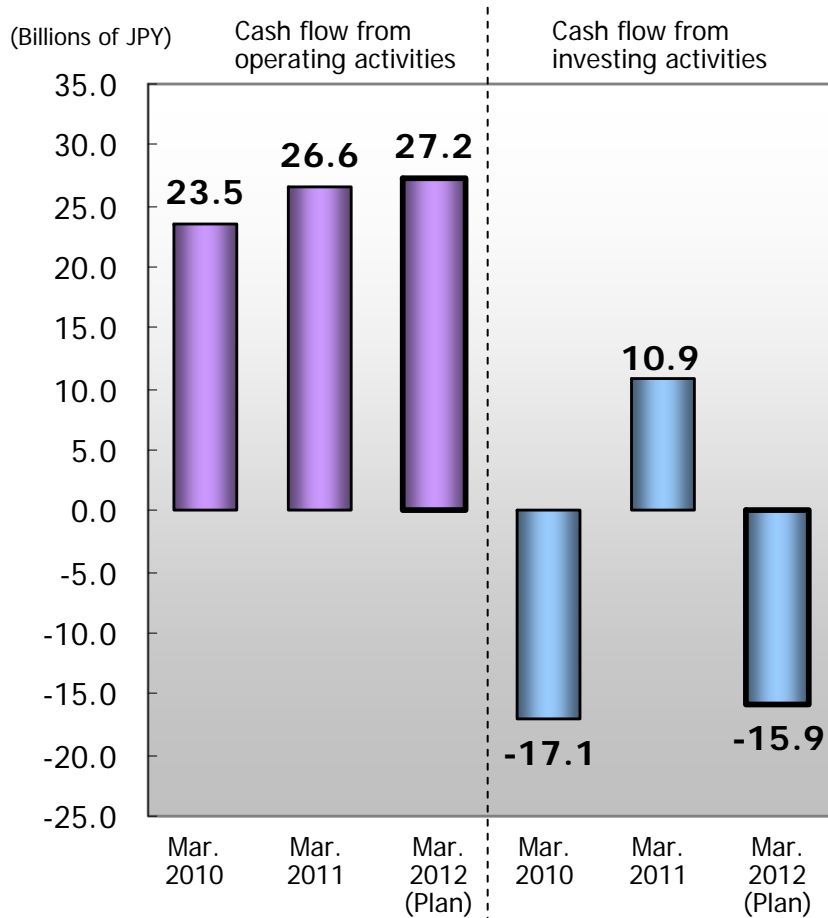
Capital Expenditures Depreciation & Amortization



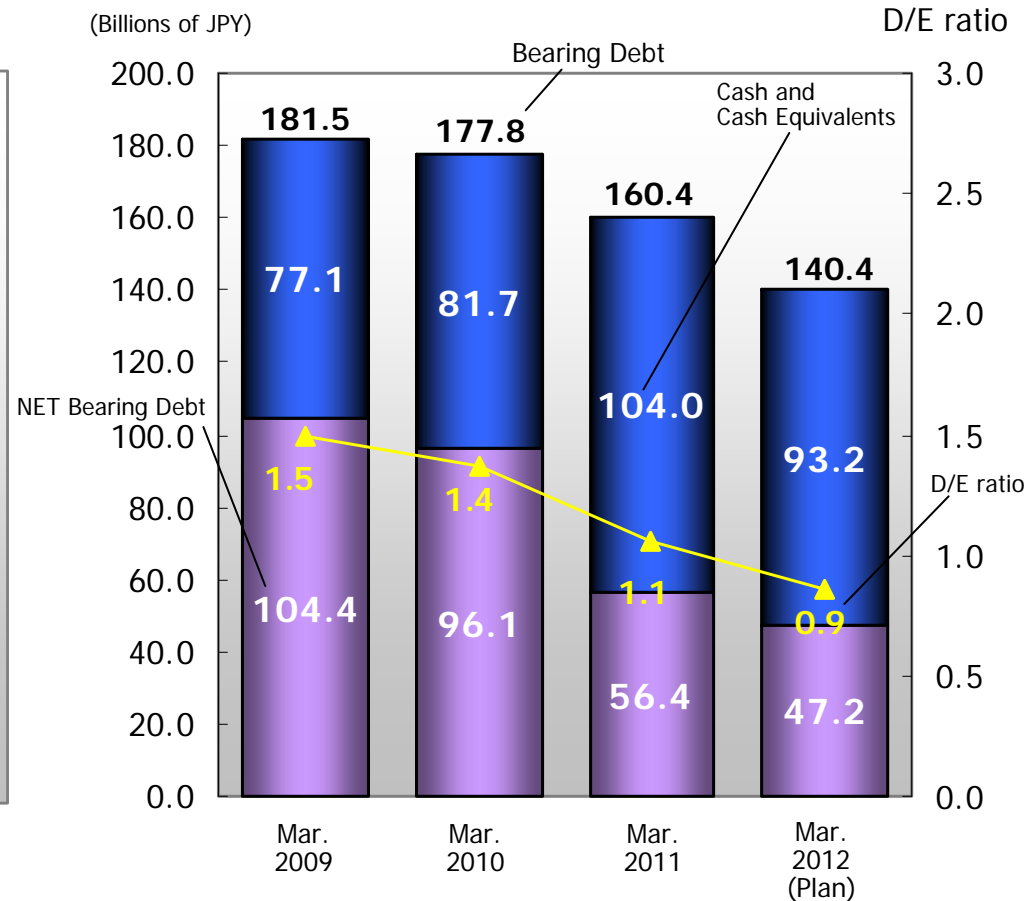
R&D Expenses



Cash Flow



Interest-Bearing Dept



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.