



Results Presentation for FY2019 Ended December 31, 2019

EBARA (6361)

February 26, 2020

Please find corrections from
the presentation material
released on February 12:
P.10, P.11, P.13, P.17

Looking ahead,
going beyond expectations

Ahead  *Beyond*

EBARA CORPORATION

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*1. Fluid Machinery & Systems Business / *2. Environmental Plants Business / *3. Precision Machinery Business

✓ "Net Sales by Region" shown in this document indicates sales on the basis of the geographical location where the goods are sold.

Abbreviations

FY: fiscal year (FY2019: fiscal year ending December 31, 2019) / 1Q: 1Q figures / 1-2Q, 1-3Q, 1-4Q: cumulative total from 1Q to each quarter

1. Summary of Results Companywide



FY19 1-4Q Results

(in billion yen)	FY18 1-4Q Results	FY19 1-4Q Results	Change
Orders	575.5	552.2	- 23.3
Net Sales	509.1	522.4	+ 13.2
Operating Income	32.4	35.2	+ 2.8
OI Ratio	6.4%	6.8%	+ 0.4pts
Ordinary Income	31.2	35.5	+ 4.2
Net Income Attributable to Owners of Parent	18.2	23.3	+ 5.0

Exchange Rate

USD1=JPY111.3

USD1=JPY108.5

Overview

Markets

- ✓ **Oil and gas (O&G)**
In the downstream sector, capex continues to maintain a certain level
- ✓ **Semiconductor**
Though memory manufacturers' capital investment remains stagnant, some customers are expanding their investment
- ✓ Concerns over US-China trade dispute and geopolitical risks remain

Results

- ✓ **FMS**
Sales and profit increased
- ✓ **EP**
Sales and profit increased
- ✓ **PM**
Sales and profit decreased

1. Summary of Results Segment



(in billion yen)		FY18 1-4Q Results	FY19 1-4Q Results	Change
Total	Orders	575.5	552.2	- 23.3
	Net Sales	509.1	522.4	+ 13.2
	Operating Income	32.4	35.2	+ 2.8
	OI Ratio	6.4%	6.8%	+ 0.4pts
FMS Business	Orders	326.2	331.6	+ 5.3
	Net Sales	308.9	323.1	+ 14.1
	Operating Income	8.7	17.2	+ 8.5
	OI Ratio	2.8%	5.3%	+ 2.5pts
EP Business	Orders	106.9	91.4	- 15.5
	Net Sales	62.8	69.5	+ 6.6
	Operating Income	4.9	7.4	+ 2.5
	OI Ratio	7.8%	10.8%	+ 3.0pts
PM Business	Orders	140.6	127.6	- 13.0
	Net Sales	135.7	128.2	- 7.4
	Operating Income	18.5	10.3	- 8.1
	OI Ratio	13.7%	8.1%	- 5.6pts
Others, Adjustment	Orders	1.6	1.5	- 0.1
	Net Sales	1.6	1.5	- 0.1
	Operating Income	0.2	0.1	- 0.0
	OI Ratio	15.8%	10.9%	- 4.9pts

1. Summary of Results

Net Sales by Region



(in billion yen)	FY18 1-4Q		FY19 1-4Q		Change
	Results	Composition of Net Sales	Results	Composition of Net Sales	
Total	509.1	100.0%	522.4	100.0%	+ 13.2
In domestic market (Japan)	228.9	45.0%	233.3	44.7%	+ 4.3
In overseas market	280.2	55.0%	289.0	55.3%	+ 8.8
China	74.5	14.6%	80.6	15.4%	+ 6.0
Asia(excl. China)	92.8	18.2%	87.8	16.8%	- 4.9
North America	47.3	9.3%	55.3	10.6%	+ 8.0
Europe	32.0	6.3%	28.3	5.4%	- 3.7
Middle East	19.6	3.9%	24.3	4.7%	+ 4.6
Others	13.7	2.7%	12.5	2.4%	- 1.2

FMS business performed strongly in North America and China, and EP business performed well in Japan

1. Summary of Results

Management Indicators



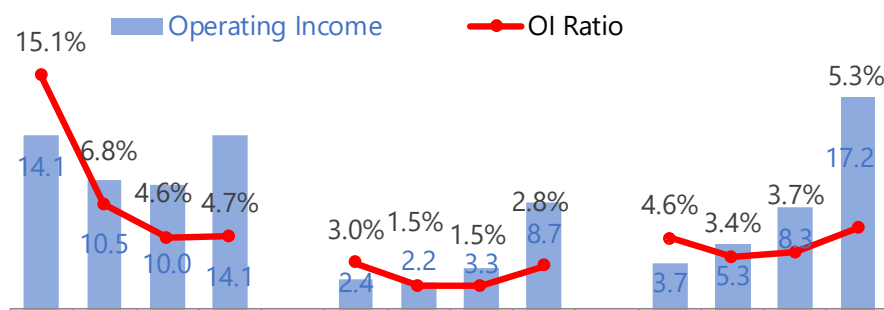
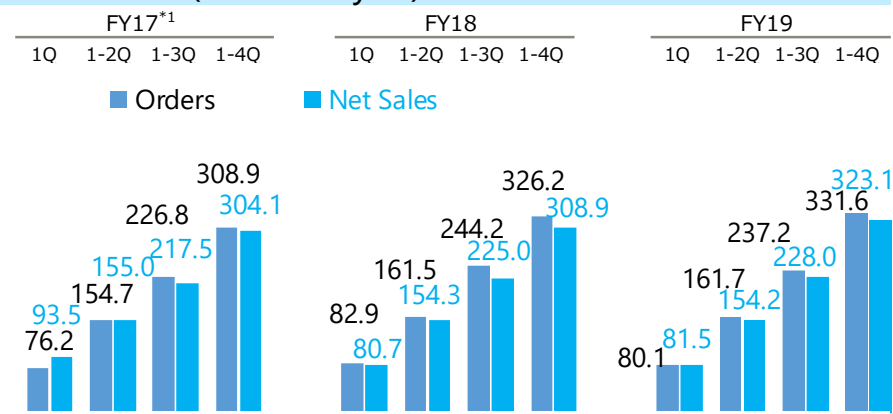
	FY18 1-4Q	FY19 1-4Q
Management Indicators		
ROIC	4.9%	6.5%
ROE	6.6%	8.3%
Debt-to-equity Ratio	0.28	0.29
Working Capital Turnover		
Receivable turnover period	129 days	131 days
Inventory turnover period	83 days	85 days
Shareholder Returns		
Annual dividends per share	60 JPY	60 JPY
Annual dividend	6.0 billion yen	5.7 billion yen
Total repurchased amount	5.0 billion yen	15.0 billion yen
Total return ratio	60.5%	88.8%

2. Results by Segment



FMS Business

Results (in billion yen)



*1 [Reference]

FY19 1-4Q S&S Sales Ratio

	FY18				FY19			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
FMS	34.5%	33.6%	33.1%	34.7%	36.0%	36.2%	34.4%	35.5%
PUMP	31.2%	27.1%	24.5%	23.7%	29.4%	25.1%	23.3%	22.8%
CT	39.7%	45.3%	50.2%	55.6%	54.8%	62.6%	56.8%	59.6%

Highlights

Pumps

- ✓ Sales and profit increased due to strong sales of custom pumps for O&G in China (+)
- ✓ Profit increased as a result of improving business efficiency in the domestic standard pumps business (+)

Compressors and turbines (CT)

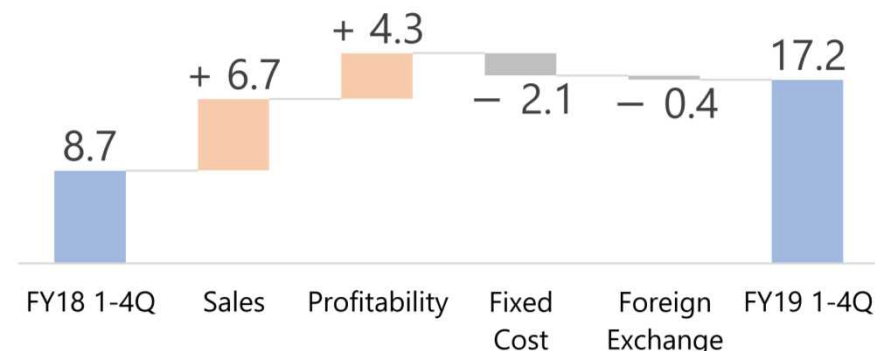
- ✓ Profit increased due to service & support (S&S) sales growth (+)
- ✓ Fixed costs increased due to increased labor costs (-)

Chillers

- ✓ Profit increased due to new product sales growth (+)

Breakdown of Changes in Operating Income

(in billion yen)

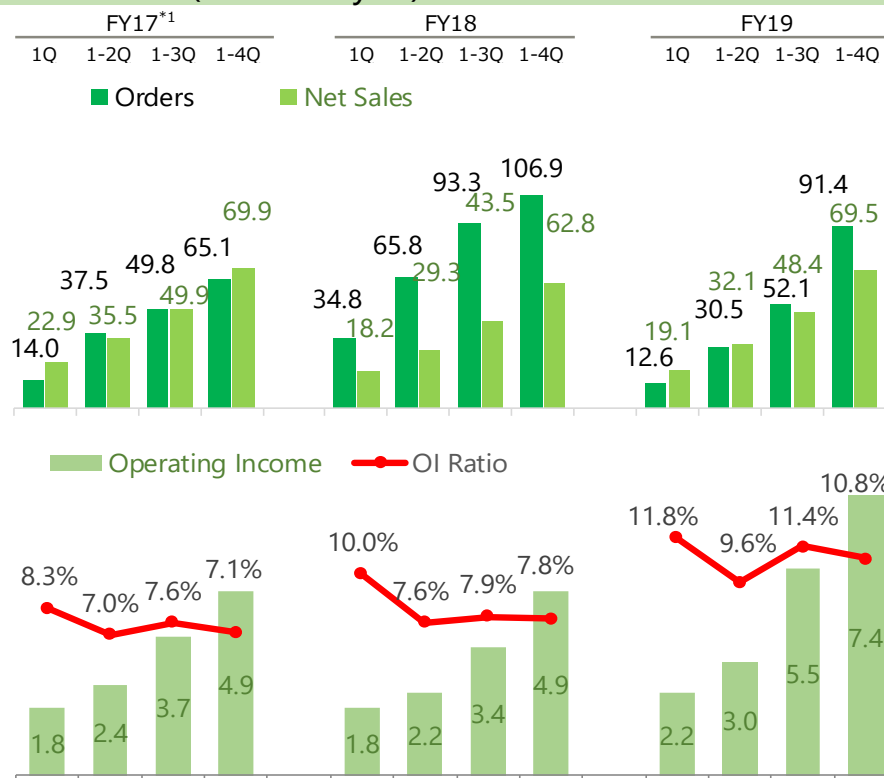


2. Results by Segment



EP Business

Results (in billion yen)



*1 [Reference]

FY19 1-4Q Major Orders

FY18 1-4Q	FY19 1-4Q
<ul style="list-style-type: none"> • Biomass power plant EPC² project (PJ) : 1 • Waste treatment plant DBO³ PJ : 1 • Long-term O&M contract : 4 • Lifespan extending renovation PJ : 6 	<ul style="list-style-type: none"> • Waste treatment plant EPC PJ : 1 • Biomass power plant EPC PJ : 1 • Waste treatment plant DBO PJ : 3 • Long-term O&M contract : 1 • Waste treatment plant lifespan extending renovation PJ : 2

*2 Engineering, procurement, and construction *3 Design, build, and operate

Highlights

Orders

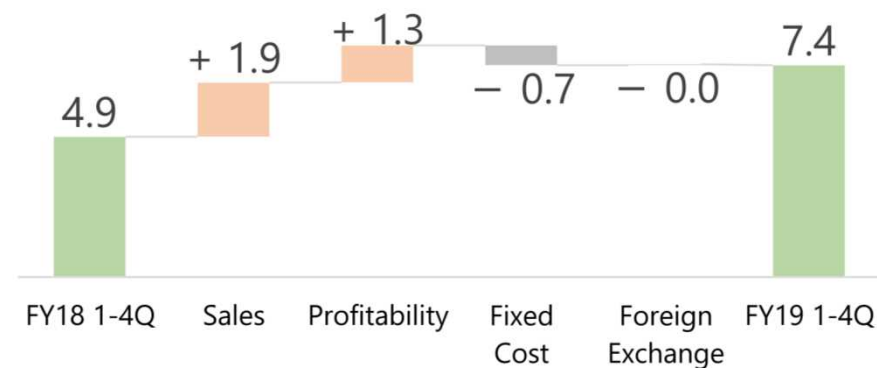
- ✓ Got targeted project orders (FY2018 results were strong due to several large orders)

Sales, Operating income

- ✓ Profit increased owing to operation and maintenance (O&M) sales growth (+)
- ✓ Reductions in cost of EPC²/O&M (+)

Breakdown of Changes in Operating Income

(in billion yen)

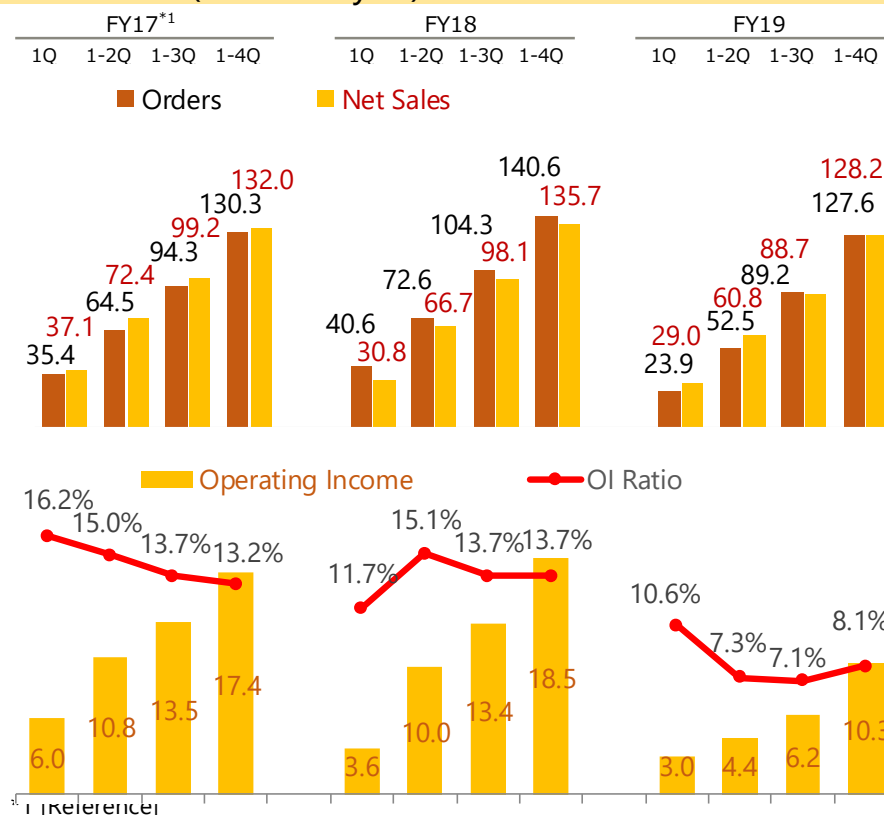


2. Results by Segment



PM Business

Results (in billion yen)



FY19 1-4Q Sales by Region

(in billion yen)	Japan	Asia (excl. Japan)	North America	Europe	Middle East	Others	Total
Sales	31.0	70.3	17.8	6.5	2.5	0.0	128.2
Change*2 (vs FY18 1-4Q)	↘	↘	→	↘	→	↘	↘

*2. ↗ is +5% or more, ↘ is -5% or more changes, → is less than ± 5% changes

Highlights

Orders

- ✓ Though capital investment in the semiconductor market had partially resumed, CAPEX level was low mainly for memory industry

Sales

- ✓ Decreased in the CMP business

Operating income

- ✓ Declined in the CMP business due to project mix (-)
- ✓ Development-related projects increased (-)
- ✓ Personnel costs increased (-)

Breakdown of Changes in Operating Income

(in billion yen)



3. Forecast

Companywide



(in billion yen)	FY19 1-2Q	FY20 1-2Q	Change	FY19 1-4Q	FY20 1-4Q	Change
	Results	Plan		Results	Plan	
	a	b	b-a	c	d	d-c
Announced date(m/d/y)		Feb/26/20			Feb/26/20	
Orders	245.6	275.0	+29.3	552.2	550.0	-2.2
Net Sales	248.0	265.0	+16.9	522.4	526.0	+3.5
Operating Income	12.9	13.1	+0.1	35.2	30.6	-4.6
OI Ratio	5.2%	4.9%	-0.3%	6.8%	5.8%	- 1.0pts
Ordinary Income	13.3	13.1	-0.2	35.5	29.1	-6.4
Net Income Attributable to Owners of Parent	8.0	8.0	- 0.0	23.3	18.5	-4.8
ROIC	-	-	-	6.5%	5.0%	- 1.5pts

FY20 assumed exchange rate 1USD = JPY105

3. Forecast

Companywide



(in billion yen)		FY19 1-2Q	FY19 1-2Q	Change	FY19 1-4Q	FY20 1-4Q	Change
		Results	Plan		Results	Plan	
		a	b	b-a	c	d	d-c
Announced date(m/d/y)			Feb/26/20			Feb/26/20	
Total	Orders	245.6	275.0	+ 29.3	552.2	550.0	- 2.2
	Net Sales	248.0	265.0	+ 16.9	522.4	526.0	+ 3.5
	Operating Income	12.9	13.1	+ 0.1	35.2	30.6	- 4.6
	OI Ratio	5.2%	4.9%	- 0.3pts	6.8%	5.8%	- 1.0pts
FMS Business	Orders	161.7	163.0	+ 1.2	331.6	324.0	- 7.6
	Net Sales	154.2	163.0	+ 8.7	323.1	318.0	- 5.1
	Operating Income	5.3	6.5	+ 1.1	17.2	15.0	- 2.2
	OI Ratio	3.4%	4.0%	+ 0.6pts	5.3%	4.7%	- 0.6pts
EP Business	Orders	30.5	42.0	+ 11.4	91.4	84.0	- 7.4
	Net Sales	32.1	30.0	- 2.1	69.5	67.0	- 2.5
	Operating Income	3.0	2.0	- 1.0	7.4	5.5	- 1.9
	OI Ratio	9.6%	6.7%	- 2.9pts	10.8%	8.2%	- 2.6pts
PM Business	Orders	52.5	69.0	+ 16.4	127.6	140.0	+ 12.3
	Net Sales	60.8	71.0	+ 10.1	128.2	139.0	+ 10.7
	Operating Income	4.4	5.0	+ 0.5	10.3	10.5	+ 0.1
	OI Ratio	7.3%	7.0%	- 0.3pts	8.1%	7.6%	- 0.5pts
Others, Adjustment	Orders	0.7	1.0	+ 0.2	1.5	2.0	+ 0.4
	Net Sales	0.7	1.0	+ 0.2	1.5	2.0	+ 0.4
	Operating Income	0.1	-0.4	- 0.5	0.1	-0.4	- 0.5
	OI Ratio	13.5%	-40.0%	- 53.5pts	10.9%	-20.0%	- 30.9pts

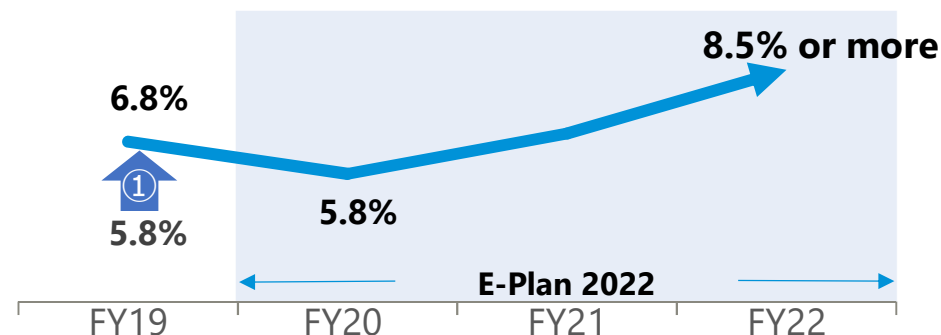
4. Changes in Operating Income

Breakdown of Changes in Operating Income

(compare with FY19 plan, as of November 13)

Changes in Operating Income Ratio

(in billion yen)	FY19 Plan	FY19 Results	Change
Operating Income	29.5	35.2	+5.7
OI Ratio	5.8%	6.8%	+1.0pts



① Factors for Profit Increased in FY19

Business	Increased custom pump sales for O&G market	Custom pumps	
	S&S sales increase	About +4.0 billion yen	CT
	Advanced O&M sales and procurement cost reduction, etc.		EP
	Faster sales at customer reasons, etc.		PM
Transient	Return of the allowance for doubtful receivables in the previous FY		EP
	Life-span extension construction at customer facility progressed faster than expected	About +0.7 billion yen	EP
External	Exchange: assumed rate 105 JPY → actual rate 108.5 JPY	About +1.0 billion yen	Whole Group

4. Changes in Operating Income

Factors for Profit Decrease in FY20

→ Profit Increase in FY21

(in billion yen)	FY19 Results	FY20 Plan	Change
Operating Income	35.2	30.6	-4.6
OI Ratio	6.8%	5.8%	-1.0pts

Changes in Operating Income Ratio



	② Factors for Profit Decrease in FY20	③ Factors for Profit Increase in FY21
E-Plan Measures	① Automated plant depreciation expenses increased ② Investment in information systems (Company-wide ERP introduction) ③ Loss costs due to low-margin projects	Cost reduction effect from automated plant operation Structural reform (optimized production and S&S systems, etc.) Loss cost improvement effect through being more selective with orders
Other	Exchange: FY19 108.5 JPY → FY20 105 JPY Changes in revenue recognition standard Donations to the Ebara Hatakeyama Memorial Foundation	Sales increase due to semiconductor market recovery The impact of the revenue recognition standard is minor
External	Subtraction from other increases About -2.7 billion yen (①②③ total) Standard pumps PM Whole Group Custom pumps	Standard pumps PM Custom pumps CT Custom pumps CT
Others	About -1.0 billion yen Whole Group About -0.5 billion yen EP PM About -0.4 billion yen Whole Group	PM and others EP PM

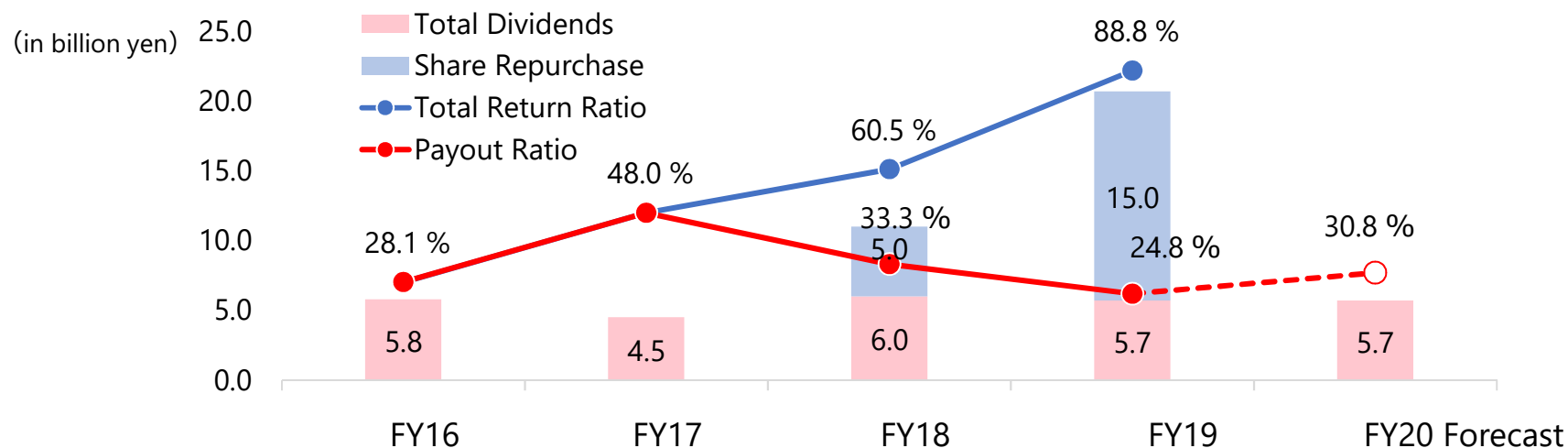
In 2020, OI ratio is expected to drop temporarily because of upfront investment for E-Plan 2022, but after 2021, profit level is expected to exceed 2019 due to the effects of measures and increased sales

5. Shareholder Returns



Outlook for Shareholder Returns

The annual dividends per share in FY2020 is expected to be 60 JPY
(interim dividend: 30 JPY)



	FY16	FY17	FY18	FY19	FY20 Forecast
Annual Dividend	60 JPY	45 JPY	60 JPY	60 JPY	60 JPY
Total Dividends	5.8 billion yen	4.5 billion yen	6.0 billion yen	5.7 billion yen	5.7 billion yen
Payout Ratio	28.1%	48.0%	33.3%	24.8%	30.8%
Share Repurchase	-	-	5.0 billion yen	15.0 billion yen	-
Total Return Ratio	28.1%	48.0%	60.5%	88.8%	-

6. Appendix : Summary

Orders



(in billion yen)	1-2Q			1-4Q				
	FY19 Results	FY20 Plan	Change	FY18 Results	FY19 Results	Change	FY20 Plan	Change
	a	b	b-a	c	d	d-c	e	e-d
Announced date(m/d/y)		Feb/26/20					Feb/26/20	
Total	245.6	275.0	+ 29.3	575.5	552.2	- 23.3	550.0	- 2.2
FMS Business	161.7	163.0	+ 1.2	326.2	331.6	+ 5.3	324.0	- 7.6
Pumps	88.6	86.0	- 2.6	171.0	176.3	+ 5.2	181.0	+ 4.6
CT	45.6	51.0	+ 5.3	102.7	102.0	- 0.7	93.0	- 9.0
Chillers	20.3	21.0	+ 0.6	37.5	38.1	+ 0.5	38.0	- 0.1
Others	7.0	5.0	- 2.0	14.9	15.1	+ 0.2	12.0	- 3.1
EP Business	30.5	42.0	+ 11.4	106.9	91.4	- 15.5	84.0	- 7.4
PM Business	52.5	69.0	+ 16.4	140.6	127.6	- 13.0	140.0	+ 12.3
Components	25.2	29.0	+ 3.7	62.8	53.5	- 9.2	58.0	+ 4.4
CMP Systems	24.8	37.0	+ 12.1	72.0	67.7	- 4.2	75.0	+ 7.2
Others	2.4	3.0	+ 0.5	5.7	6.3	+ 0.5	7.0	+ 0.6
Others	0.7	1.0	+ 0.2	1.6	1.5	- 0.1	2.0	+ 0.4

6. Appendix : Summary



Net Sales

(in billion yen)	1-2Q			1-4Q				
	FY19 Results	FY20 Plan	Change	FY18 Results	FY19 Results	Change	FY20 Plan	Change
	a	b	b-a	c	d	d-c	e	e-d
Announced date(m/d/y)		Feb/26/20					Feb/26/20	
Total	248.0	265.0	+ 16.9	509.1	522.4	+ 13.2	526.0	+ 3.5
FMS Business	154.2	163.0	+ 8.7	308.9	323.1	+ 14.1	318.0	- 5.1
Pumps	88.4	91.0	+ 2.5	172.0	174.9	+ 2.8	177.0	+ 2.0
CT	39.3	46.0	+ 6.6	87.6	95.2	+ 7.5	91.0	- 4.2
Chillers	19.0	20.0	+ 0.9	35.8	37.7	+ 1.9	37.0	- 0.7
Others	7.4	6.0	- 1.4	13.4	15.2	+ 1.8	13.0	- 2.2
EP Business	32.1	30.0	- 2.1	62.8	69.5	+ 6.6	67.0	- 2.5
PM Business	60.8	71.0	+ 10.1	135.7	128.2	- 7.4	139.0	+ 10.7
Components	29.6	28.0	- 1.6	59.3	58.9	- 0.3	57.0	- 1.9
CMP Systems	28.3	41.0	+ 12.6	69.8	62.6	- 7.2	77.0	+ 14.3
Others	2.8	2.0	- 0.8	6.5	6.6	+ 0.1	5.0	- 1.6
Others	0.7	1.0	+ 0.2	1.6	1.5	- 0.1	2.0	+ 0.4

6. Appendix : Summary



Operating Income

(in billion yen)	1-2Q			1-4Q				
	FY19 Results	FY20 Plan	Change	FY18 Results	FY19 Results	Change	FY20 Plan	Change
	a	b	b-a	c	d	d-c	e	e-d
	Announced date(m/d/y)	Feb/26/20					Feb/26/20	
Total	12.9	13.1	+ 0.1	32.4	35.2	+ 2.8	30.6	- 4.6
FMS Business	5.3	6.5	+ 1.1	8.7	17.2	+ 8.5	15.0	- 2.2
Pumps	5.6	4.0	- 1.6	5.9	11.0	+ 5.0	8.5	- 2.5
CT	- 0.1	1.0	+ 1.1	1.9	4.8	+ 2.8	4.5	- 0.3
Chillers	0.8	1.0	+ 0.1	0.4	1.8	+ 1.4	1.5	- 0.3
Others	- 0.9	0.5	+ 1.4	0.4	- 0.4	- 0.8	0.5	+ 0.9
EP Business	3.0	2.0	- 1.0	4.9	7.4	+ 2.5	5.5	- 1.9
PM Business	4.4	5.0	+ 0.5	18.5	10.3	- 8.1	10.5	+ 0.1
Others, Adjustment	0.1	- 0.4	- 0.5	0.2	0.1	- 0.0	- 0.4	- 0.5

6. Appendix : Summary



Backlog of Orders

(in billion yen)	1-2Q			1-4Q				
	FY19 Results	FY20 Plan	Change	FY18 Results	FY19 Results	Change	FY20 Plan	Change
	a	b	b-a	c	d	d-c	e	e-d
	Announced date(m/d/y)	Feb/26/20					Feb/26/20	
Total	453.9	497.4	+ 43.5	459.0	487.4	+ 28.3	511.4	+ 23.9
FMS Business	214.7	216.7	+ 1.9	209.3	216.7	+ 7.3	222.7	+ 5.9
Pumps	96.7	93.0	- 3.6	100.1	98.0	- 2.1	102.0	+ 3.9
CT	92.1	98.3	+ 6.2	84.3	93.3	+ 9.0	95.3	+ 1.9
Chillers	17.8	17.8	+ 0.0	16.7	16.8	+ 0.1	17.8	+ 0.9
Others	8.0	7.3	- 0.6	8.1	8.3	+ 0.1	7.3	- 1.0
EP Business	212.5	248.1	+ 35.5	214.3	236.1	+ 21.8	253.1	+ 16.9
PM Business	26.5	32.5	+ 6.0	35.3	34.5	- 0.7	35.5	+ 0.9
Others	0.0	0.0	+ 0.0	0.0	0.0	+ 0.0	0.0	- 0.0

6. Appendix : Summary



Net Sales by Region

(in billion yen)	FY19 1-4Q Results				
	FMS Business	EP Business	PM Business	Others	Total
Total	323.1	69.5	128.2	1.5	522.4
Japan	135.8	66.2	29.7	1.5	233.3
Asia (excl. Japan)	94.0	3.2	71.1	0.0	168.5
North America	37.1	-	18.2	-	55.3
Europe	21.8	-	6.5	0.0	28.3
Middle East	21.8	-	2.5	0.0	24.3
Others	12.5	-	0.0	-	12.5

6. Appendix : Summary Balance Sheets



(in billion yen)	FY18 4Q Results	FY19 4Q Results	Change
	a	b	b-a
Total Assets	591.5	595.2	+ 3.6
Current Assets	430.2	421.9	- 8.3
Cash and deposits, Securities	112.2	95.1	- 17.1
Notes and Accounts Receivable-trade	183.8	192.1	+ 8.2
Inventories	122.6	121.1	- 1.5
Other Current Assets	11.4	13.5	+ 2.1
Fixed Assets	161.3	173.3	+ 11.9
Total Liabilities	304.8	303.4	- 1.3
Notes and Accounts Payable-trade	126.1	120.4	- 5.7
Interest-bearing Debt	79.1	80.9	+ 1.8
Other Liabilities	99.4	101.9	+ 2.5
Total Net Assets	286.7	291.8	+ 5.0
Shareholders' Equity	279.6	283.6	+ 4.0
Other Net Assets	7.1	8.1	+ 1.0
Equity Ratio	47.3%	47.7%	+ 0.4pts

6. Appendix : Summary

Cash Flows



(in billion yen)	1-4Q				
	FY18 Results	FY19 Results	Change	FY20 Plan	Change
	a	b	b-a	c	c-b
Announced date(m/d/y)				Feb/26/20	
CF from operating activities	34.6	26.7	- 7.8	33.0	+ 6.2
CF from investing activities	- 15.9	- 24.0	- 8.1	- 37.8	- 13.7
FCF	18.6	2.6	- 16.0	- 4.8	- 7.4
CF from financing activities	- 46.4	- 20.1	+ 26.2	- 8.4	+ 11.7

6. Appendix : Summary

Capital Expenditures, Depreciation and Amortization, R&D Expenses



(in billion yen)	1-4Q				
	FY18 Results	FY19 Results	Change	FY20 Plan	Change
	a	b	b-a	c	c-b
Announced date(m/d/y)				Feb/26/20	
CAPEX	19.3	34.3	+ 15.0	26.0	- 8.3
FMS	10.6	10.9	+ 0.2	11.0	+ 0.0
EP	0.7	0.9	+ 0.2	1.0	+ 0.0
PM	6.7	21.8	+ 15.0	7.0	- 14.8
Others, Adjustment	1.1	0.6	- 0.5	7.0	+ 6.3
D&A	15.2	15.1	- 0.1	18.0	+ 2.8
FMS	8.4	8.3	- 0.1	7.5	- 0.8
EP	0.5	0.5	- 0.0	0.5	- 0.0
PM	4.0	4.5	+ 0.5	7.5	+ 2.9
Others, Adjustment	2.1	1.6	- 0.5	2.5	+ 0.8
R&D	10.6	11.5	+ 0.8	14.0	+ 2.4
FMS	5.0	5.2	+ 0.2	6.0	+ 0.7
EP	0.4	0.7	+ 0.2	1.0	+ 0.2
PM	5.1	5.5	+ 0.3	7.0	+ 1.4

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