



## **Ebara Corporation**

Results Presentation for Nine Months Ended September 30, 2023

November 14, 2023

## Event Summary

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<b>[Company Name]</b>	Ebara Corporation	
<b>[Company ID]</b>	6361-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Results Presentation for Nine Months Ended September 30, 2023	
<b>[Fiscal Period]</b>	FY2023 Q3	
<b>[Date]</b>	November 14, 2023	
<b>[Time]</b>	16:00 – 17:01 (Total: 62 minutes, Presentation: 24 minutes, Q&A: 38 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Number of Speakers]</b>	2	
	Shugo Hosoda	Executive Officer, Division Executive of Corporate Strategic Planning, Finance and Accounting Division & CFO
	Akihiro Osaki	Division Executive of Corporate Strategic Planning Division

## Presentation

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**Osaki:** Thank you for your patience.



# Results Presentation for Nine Months Ended September 30, 2023

## EBARA (6361)

November 14, 2023

Looking ahead,  
going beyond expectations  
*Ahead > Beyond*

EBARA CORPORATION

Thank you very much for taking the time today to participate in the quarterly financial results briefing session for Q3 of the fiscal year ending December 31, 2023, of Ebara Corporation.

The time has arrived, and we will now begin the briefing. At 3:00 PM today, documents related to the financial results were disclosed on the TSE platform and on the Company's website. We hope that you will join us as we look at that as well.

Here are our attendees. Shugo Hosoda, Executive Officer, Division Executive of Corporate Strategic Planning, Finance and Accounting Division & CFO.

**Hosoda:** My name is Hosoda. Thank you.

**Osaki:** I, Osaki, Division Executive of Corporate Strategic Planning Division, will be the moderator. Thank you for your cooperation.

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■ Abbreviations: FY: fiscal year (FY23: fiscal year ending December 31, 2023)/1Q: 1Q figures/1-2Q, 1-3Q, 1-4Q: cumulative total from 1Q to each quarter  
 ■ Figures in this document are based on IFRS

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Mr. Hosoda will give an overview of the financial results and then take questions from the audience. The end time is scheduled for 5:00 PM. Now, Mr. Hosoda will begin the explanation.

## Points of Results



### FY23 1-3Q Results

		YoY*
Orders	¥598.3 B.	¥3.8 B. +0.6% →
Revenue	¥551.2 B.	¥71.1 B. +14.8% ↗
Operating Profit	¥56.9 B.	¥14.2 B. +33.5% ↗
OP Ratio	10.3%	+1.4pts

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

### FY23 Forecast

		YoY*	Change Vs. P.Plan*
Orders	¥790.0 B.	¥-25.2 B. -3.1% →	¥27.0 B. +3.5% →
Revenue	¥747.0 B.	¥66.1 B. +9.7% ↗	- →
Operating Profit	¥71.0 B.	¥0.4 B. +0.6% →	- →
OP Ratio	9.5%	-0.9pts	-

\*Prior Plan

### Topics

#### FY23 1-3Q Results

- Orders, revenue, and operating profit reached record highs for the 3Q
- Demand in the semiconductor-related market remains sluggish, but orders in Precision Machinery have shown signs of a slight recovery in the 3Q
- Energy and Building Service & Industrial maintained strong performance from first half

#### FY23 Forecast

- Revised orders in Energy upward in light of strong progress in orders
- Revenue and operating profit remained unchanged from the previously announced forecasts

#### Other

- To strengthen governance and business foundation, we established a regional headquarters company in China in August
- From this fiscal year, started disclosing business results in new segments based on target market (former Fluid Machinery & Systems was divided into three segments)

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**Hosoda:** I am in charge of investor relations and executive officer. I will begin with the key points in this Q3 financial results. As you can see here, orders received totaled JPY598.3 billion, revenue totaled JPY551.2 billion, and operating profit totaled JPY56.9 billion, all of which are record highs for Q3 of a fiscal year.

I would like to mention some of the unique events in the current financial results. First, in the precision machinery segment, reflecting the global semiconductor market, which is in an adjustment phase, our precision machinery segment is not as strong as it was in the previous fiscal year, and has not shown the same strength as it has to date. On the other hand, other strong segments in our business portfolio, such as the energy segment and the building & industrial segment, are covering the weakness of the precision machinery segment.

In the precision machinery segment, if we look at quarterly orders in Q1, Q2, and Q3, and orders for each of the three months in turn, in Q3, we are beginning to see signs of a slight recovery, or even a bottoming out, in our precision machinery segment.

In China, it is generally said that market conditions are worsening, especially in the construction and real estate markets, but on the other hand, our business in the Chinese domestic industrial and public sector markets, mainly in the building and industrial segment and the energy segment, remained relatively strong.

In the semiconductor market, we are also in a position to benefit from the aggressive legacy investments of some of our Chinese customers. I believe that the Chinese business, which is surprisingly stronger than people have been saying, was a factor supporting our strong performance in Q3.

As I will introduce later as a topic, we established a new regional headquarters company in Beijing in August of this year to strengthen governance and business infrastructure in the Chinese market, which I will introduce later.

The full-year forecast for orders in the energy segment has been revised upward, considering the progress made up to Q3 and the future business environment. Revenue and operating profit remain unchanged from the figures at the beginning of the period.



## **1. FY23 1-3Q Summary of Results**

### 2. FY23 1-3Q Results by Segment

### 3. FY23 Forecast

### 4. Topics

### 5. Appendix

I will continue with a detailed explanation of the financial results.

**Consolidated**

(billions of yen) Announced date (m/d/y)	FY22 1-3Q a	FY23 1-3Q b	Change b-a	Change % (b-a)/a
Orders	594.5	598.3	+3.8	+0.6%
Revenue	480.0	551.2	+71.1	+14.8%
Operating Profit	42.6	56.9	+14.2	+33.5%
OP Ratio	8.9%	10.3%	+1.4pts	
Profit Attributable to Owners of Parent	27.2	34.9	+7.6	+27.9%
<b>Exchange Rate*</b>				
Vs. USD (JPY)	127.99	138.02	+10.03	
Vs. EUR (JPY)	135.90	149.52	+13.62	
Vs. CNY (JPY)	19.38	19.62	+0.24	

\*Exchange rates are simple averages of quarterly average rates

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See page five. Consolidated results for the first nine months of the fiscal year. As you can see on this slide, the figures for each item from orders received to quarterly profit exceeded the levels of the same period last year.

Orders received were at a very high level for Q3 of the previous year as well. This fiscal year, the result was only 0.6% higher than the previous year, but even more than that.

Revenue increased by JPY71.1 billion from the same period of the previous year, due in part to the steady digestion of the order backlog, which was also high at the beginning of the period and at the beginning of this fiscal year.

Operating profit increased by JPY14.2 billion YoY, and the operating profit margin was in the double-digit 10% range as of Q3, so I would say that the results were relatively strong.

## Segment



(billions of yen)		FY22 1-3Q	FY23 1-3Q	Change	Change %
Announced date (m/d/y)		a	b	b-a	(b-a)/a
Total	Orders	594.5	598.3	+3.8	+0.6%
	Revenue	480.0	551.2	+71.1	+14.8%
	Operating Profit	42.6	56.9	+14.2	+33.5%
	OP Ratio	8.9%	10.3%	+1.4pts	
Building	Orders	156.6	169.3	+12.7	+8.1%
	Revenue	137.7	161.8	+24.1	+17.5%
Service & Industrial	Operating Profit	7.2	10.4	+3.2	+44.9%
	OP Ratio	5.2%	6.5%	+1.3pts	
Energy	Orders	93.8	173.8	+79.9	+85.2%
	Revenue	98.9	118.8	+19.9	+20.1%
	Operating Profit	8.2	12.6	+4.4	+53.6%
	OP Ratio	8.3%	10.6%	+2.3pts	
Infrastructure	Orders	36.1	43.2	+7.0	+19.6%
	Revenue	33.6	37.9	+4.3	+12.9%
	Operating Profit	3.4	3.3	-0.0	-2.3%
	OP Ratio	10.3%	8.9%	-1.4pts	
Environmental Solutions	Orders	76.8	58.2	-18.5	-24.2%
	Revenue	52.2	47.0	-5.1	-9.9%
	Operating Profit	0.4	3.3	+2.8	+601.0%
	OP Ratio	0.9%	7.0%	+6.1pts	
Precision Machinery	Orders	229.9	152.7	-77.1	-33.6%
	Revenue	156.4	184.5	+28.0	+17.9%
	Operating Profit	25.5	27.1	+1.5	+6.0%
	OP Ratio	16.3%	14.7%	-1.6pts	
Others, Adjustment	Orders	1.0	0.8	-0.1	-15.6%
	Revenue	1.0	0.9	-0.1	-14.6%
	Operating Profit	-2.3	0.0	+2.3	-
	OP Ratio	-216.1%	1.7%	+217.8pts	

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See next page, page six. This is a summary of financial results by segment. With regard to the comparison with the same period of the previous year, orders decreased in both the precision machinery segment, which was affected by the weak semiconductor market, and the environmental solutions segment, which had relatively fewer large projects this fiscal year compared to the previous fiscal year. Orders decreased in both segments.

On the other hand, orders in the energy segment grew strongly, up 85% YoY, along with the building service & industrial and infrastructure segments.

Despite favorable and unfavorable conditions among segments, the overall consolidated order situation thus remains at a high level.

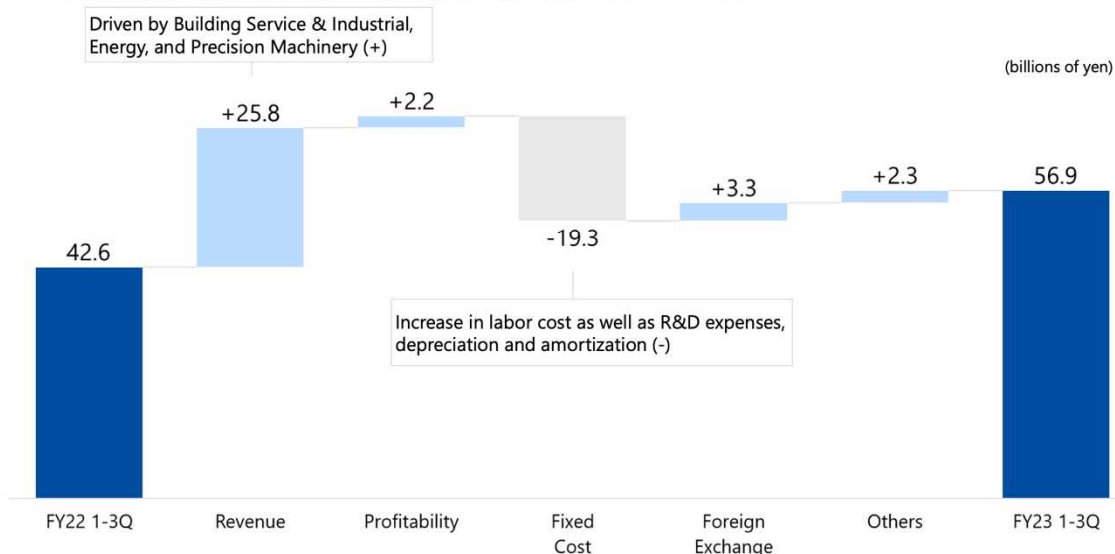
Revenue increased in the other four segments, excluding the environmental solutions segment, resulting in an overall increase of JPY71.1 billion in revenue.

As for operating profit, except for the infrastructure segment, which was almost the same level as the same period last year, all other segments grew, resulting in an overall significant increase in operating profit of JPY14.2 billion compared to the same period last year.

On the next page, we will provide an explanation of the factors that contribute to the increase or decrease in operating profit.

## Breakdown of Changes in Operating Profit

OP increased due to higher revenue, limited impact of yen depreciation in 1-3Q



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Page seven. Operating profit increased JPY14.2 billion from JPY42.6 billion to JPY56.9 billion.

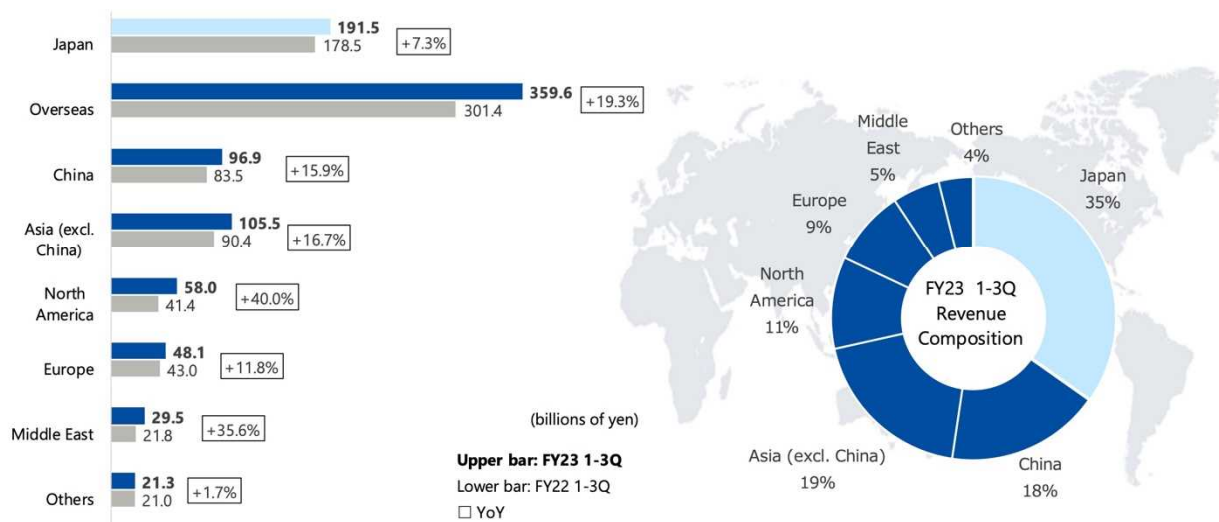
The increase in fixed costs is quite large, but this fiscal year we saw a rise in personnel costs, including those related to performance-linked bonuses. On the other hand, the increase in sales and profits from higher revenues outweighed this increase, resulting in an overall increase in sales and profits.

The overall improvement in profitability was only JPY2.2 billion, due to the project mix by the precision machinery segment and the impact of less profitable projects such as evaluation equipment for the next generation by the same segment, while there was an improvement in profitability in the building & industrial and environmental segments.

Another item of special note, plus JPY2.3 billion in other items, is the liquidation cost of a group company in the Corporate Division, a company called Ebara Agency, which was recorded in the previous fiscal year. We recorded liquidation expenses for that company in the previous fiscal year, but please understand that we do not have that in this fiscal year, and that we are transitioning to a new five-segment segment structure this fiscal year, and that technical figures such as adjustments related to the transition to the new segments are included in the other category.



## Revenue by Region



"Revenue by Region" indicates revenue on the basis of the geographical location where the goods are sold.

Continued on page eight. This is the composition of revenue by region. In the current fiscal year, both domestic and overseas, sales in each region increased compared to the same period of the previous year.

The percentage of overseas revenue is approximately 65%, which is relatively high compared to past levels.

By region, in China, revenue increased over the previous year due to firm investment in the industrial market, public market, petroleum, chemicals, electric power, and the legacy semiconductor field, which are the markets that our businesses are facing.

In North America and the Middle East, the energy segment is performing well, along with product and service support. In addition, in the building service and industrial segment, the consolidation of Hayward Gordon, which was completed last fiscal year, is contributing in an inorganic manner.



Former Segments (~FY22)

(billions of yen)	FY22				FY23		
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q
<b>FMS Business</b>	87.6	179.2	270.2	383.3	109.4	215.2	318.6
Japan	38.5	67.4	93.2	132.2	44.7	76.6	106.2
Asia (excl. Japan)	22.1	51.3	81.1	113.1	26.2	63.3	96.4
North America	6.4	13.1	23.4	34.3	17.4	23.0	37.4
Europe	8.1	19.0	30.2	40.1	7.4	18.9	28.6
Middle East	6.2	13.8	21.1	34.3	7.7	19.6	28.5
Others	6.0	14.2	21.0	29.1	5.8	13.6	21.3
<b>EP Business</b>	21.6	36.4	52.2	73.7	17.8	30.9	47.0
Japan	21.1	34.3	49.9	70.1	17.8	29.8	45.0
Asia (excl. Japan)	0.4	2.0	2.3	3.5	0.0	1.1	2.0
<b>PM Business</b>	43.1	96.0	156.4	222.2	56.4	116.9	184.5
Japan	10.5	21.3	34.3	49.9	10.2	22.3	39.3
Asia (excl. Japan)	22.8	54.8	90.5	130.7	34.0	68.5	103.9
North America	5.1	11.1	18.0	23.3	6.0	12.9	20.6
Europe	4.3	8.2	12.8	16.7	5.4	12.1	19.5
Others	0.2	0.4	0.6	1.5	0.6	0.8	1.0

New Segments

(billions of yen)	FY23		
	1Q	1-2Q	1-3Q
<b>Building Service &amp; Industrial</b>	53.0	106.5	161.8
Japan	23.6	45.2	66.3
Asia (excl. Japan)	13.5	29.0	46.4
North America	3.6	7.8	11.8
Europe	5.9	12.3	17.7
Middle East	2.0	3.2	5.4
Others	4.2	8.7	14.0
<b>Energy</b>	35.9	79.4	118.8
Japan	1.8	4.9	7.0
Asia (excl. Japan)	11.7	31.9	45.6
North America	13.7	14.9	25.2
Europe	1.5	6.6	10.8
Middle East	5.5	16.1	22.8
Others	1.4	4.8	7.2
<b>Infrastructure</b>	20.3	29.2	37.9
Japan	19.1	26.5	32.8
Asia (excl. Japan)	0.9	2.3	4.4
North America	0.0	0.1	0.3
Middle East	0.0	0.1	0.2
Others	0.0	0.0	0.0

\*FY23 1Q FMS figures are for reference as the former segment

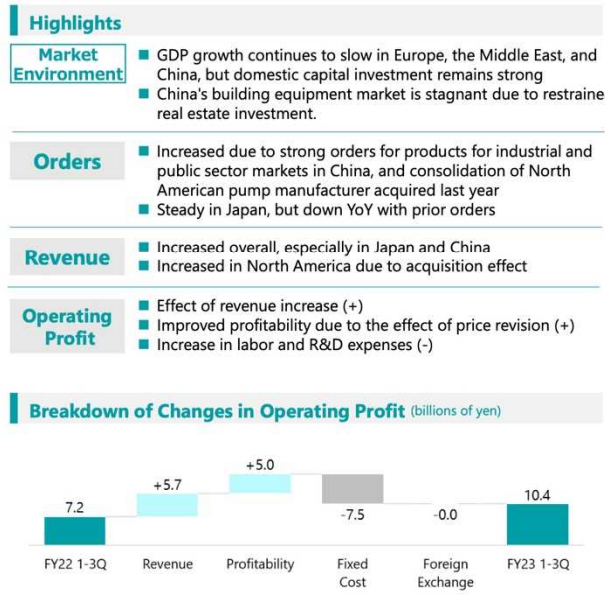
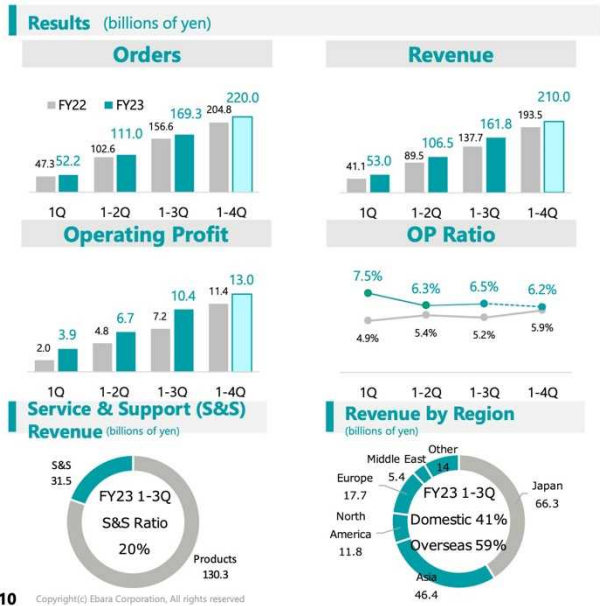
Please also refer to page 26 for time-series trends by geographic segment.



- 1. FY23 1-3Q Summary of Results
- 2. FY23 1-3Q Results by Segment**
- 3. FY23 Forecast
- 4. Topics
- 5. Appendix

We will now move on to a detailed description of the business results by segment.

2. FY23 1-3Q Results by Segment  
**Building Service & Industrial**



Page 10, starting with the building service and industrial segment. Orders, revenue, and operating profit all exceeded those of the same period of the previous year.

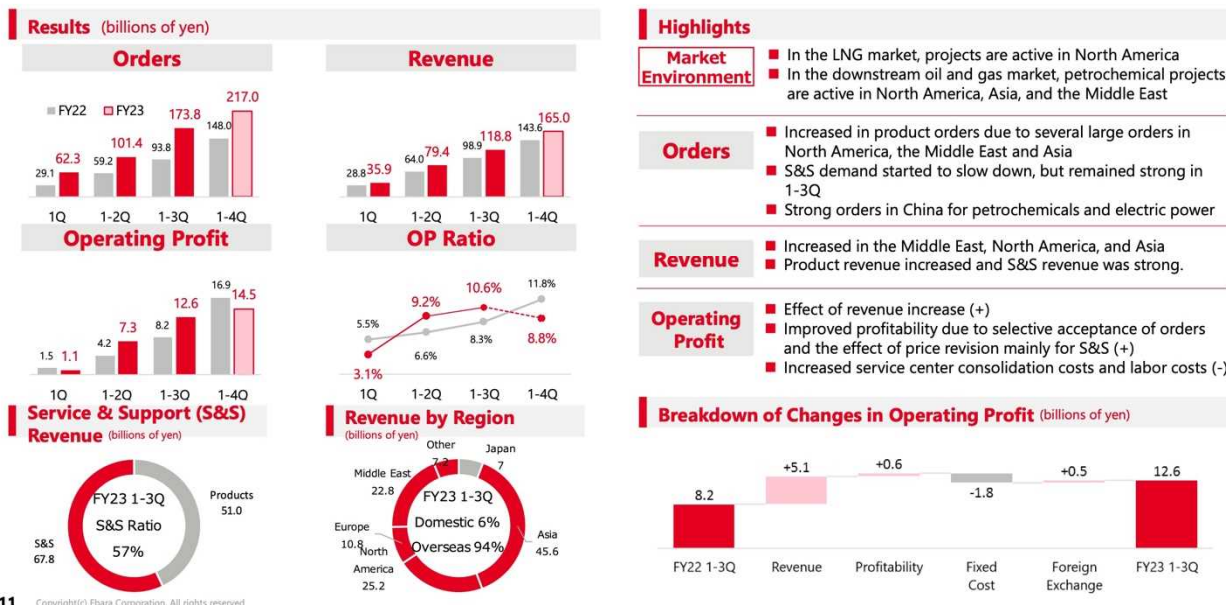
In the building equipment market, while economic growth slowed globally against the backdrop of continued inflation and other factors, there was a pickup in corporate production activity and capital investment in Japan.

One of the reasons for the increase in orders received is that in the Chinese market. There is growing demand for energy-efficient, energy-saving products in China and progress in national policy investments such as public infrastructure investment, etc. In the Chinese market, orders for our business are increasing.

Furthermore, revenue increased from the same period of the previous year due to an increase in orders and the effect of price revisions.

Operating profit also increased due to the effect of increased revenue, as well as improved profitability of products, also due to product price revisions.

To reiterate, the consolidation of Hayward Gordon in North America, acquired last year, contributed to orders, revenue, and operating profit, respectively.



Page 11 is the energy segment. Orders, revenue, and operating profit all exceeded those of the same period of the previous year.

LNG projects continue to be active, particularly in North America, and demand for petrochemical projects is also strong in North America, Asia, and the Middle East.

Orders were strong in North America, the Middle East and Asia. In Q3, we continued to receive orders for large LNG projects, as well as steady orders for petrochemistry in China, petrochemicals, and pumps for power generation.

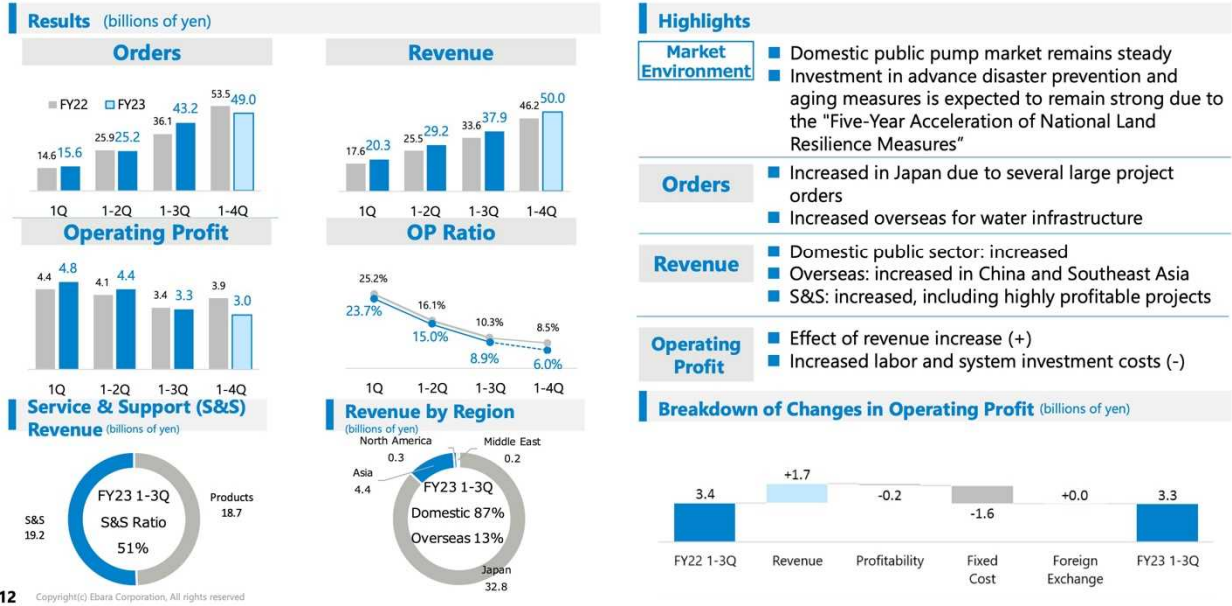
Orders for service and support have slightly declined in H2 of the fiscal year, with a slight decrease in inquiries for periodic repairs and other services. We had assumed from the beginning of this fiscal year that service & support would be slightly down compared to the previous year, but it has remained steady through Q3.

However, in H2, we are beginning to see a slight decrease in inquiries for periodic repairs and other services.

Revenue increased due to strong product orders and their impact in the Middle East, North America, and Asia, including China, while service & support sales remained strong.

The current status of the energy business is that operating profit has increased due to the effect of increased sales, improved product profitability, and the effect of price revisions in parts sales and other areas.

2. FY23 1-3Q Results by Segment  
**Infrastructure**

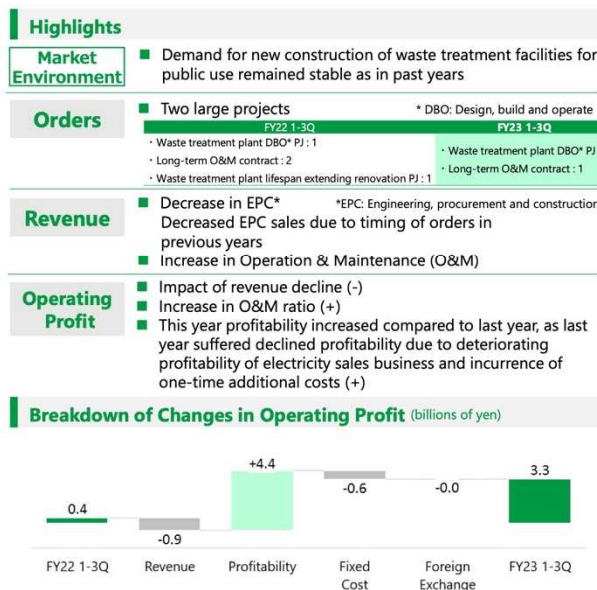
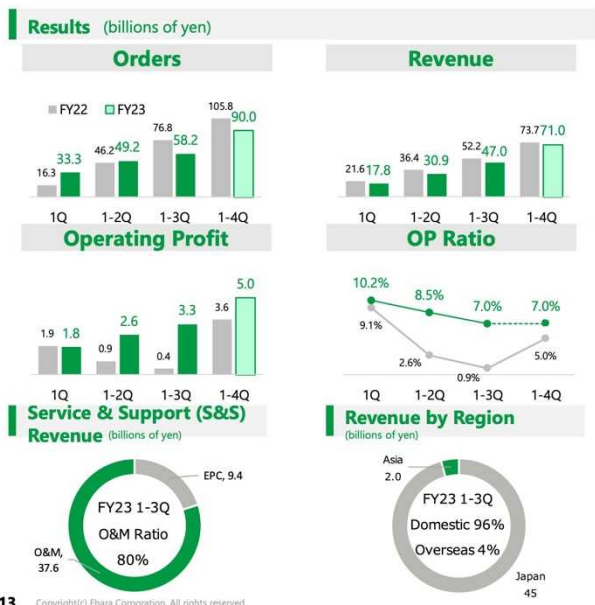


Infrastructure segment. Page 12. Orders received were higher than in the same period of the previous year, while operating profit was at the same level as in the same period of the previous year.

In Japan, demand for renewal of pump facilities and for compensation was strong, and orders received exceeded those of the same period of the previous year, partly due to the receipt of several large projects in Q3.

Meanwhile, overseas, orders are also increasing for the water infrastructure market, a situation that is increasing from last year.

While sales both in Japan and overseas also increased, labor costs and other expenses also increased, resulting in operating profit that was same level compared to the same period last year.



Environmental solutions segment. Orders are down significantly from the same period last year, but sales are also down, resulting in a decrease in revenue and an increase in profit compared to the same period last year.

Orders received are due to the timing of orders for large projects. By Q3 of last fiscal year, we had received four orders for large projects, but compared to that, this quarter we have received only two, so in that sense, the numbers have decreased slightly.

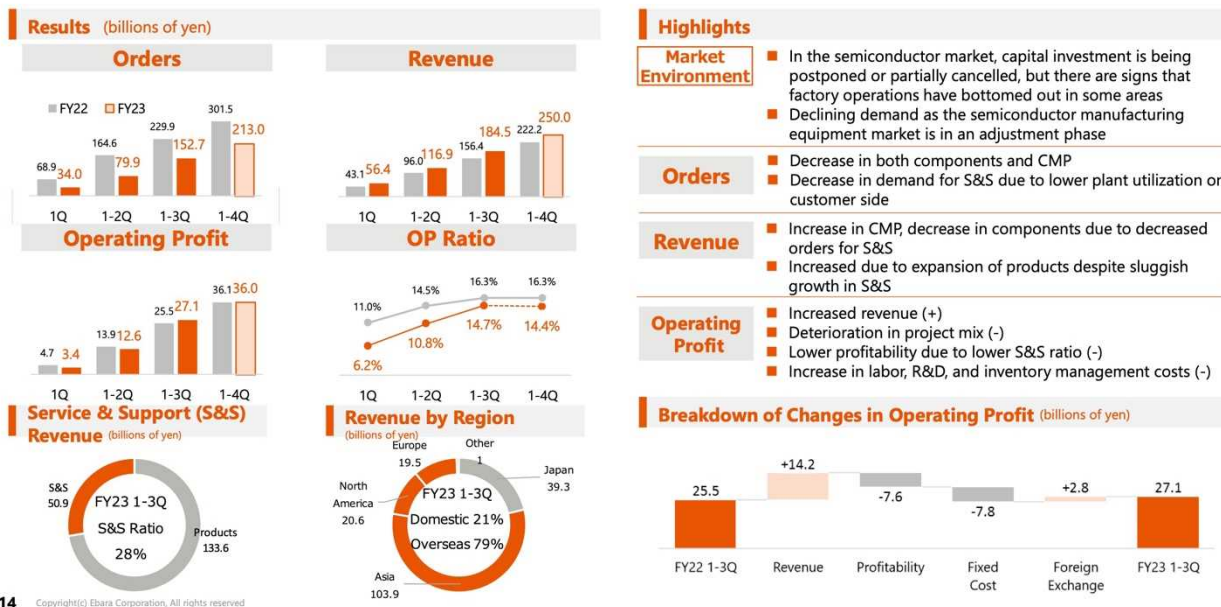
Revenue for the current fiscal year are lower, mainly for EPC, due to the impact of fewer EPC projects in previous years and orders for EPC projects that were awarded in the past.

Meanwhile, operations & maintenance has recorded stable revenue.

Operating profit improved due to an increase in the mix of EPC projects, operation, and maintenance, or rather the ratio of operation and maintenance revenue, and profitability improved due to an improved mix. In addition, one-time costs incurred in the previous fiscal year have been eliminated in the current fiscal year, and the one-time costs in the electricity sales business, which were also incurred in the previous fiscal year, have been eliminated, resulting in improved profit.

Against this backdrop, the operating profit margin, which was low last fiscal year, has recovered to the level of a normal year this fiscal year.

## Precision Machinery



Page 14 is the precision machinery segment. Orders received were lower than in the same period of the previous year, but revenue and profits increased.

In the semiconductor market, there were signs of improvement in factory operations at some of our customers, but there is still a global trend of postponing or partially canceling capital investment in general, and we recognize that we have yet to see a full-fledged recovery.

Orders received showed signs of bottoming out if we only look at quarterly order figures due to aggressive investments by some customers, such as legacy investments in China, but overall demand remained low and decreased by JPY77.1 billion from the same period last year.

As for revenue, although customers continued to adjust their factory operations, revenue increased due to the steady progress in the digestion of the backlog of orders received at the beginning of the fiscal year. Operating profit is also decreasing in profitability due to a poor product mix and lower service and support sales, while fixed costs are increasing due to higher personnel, R&D, and inventory management costs. On the other hand, the contribution from increased revenues was significant, and although profits declined YoY in Q1 and Q2, they have turned to YoY growth in profits in Q3.

1. FY23 1-3Q Summary of Results
2. FY23 1-3Q Results by Segment
- 3. FY23 Forecast**
4. Topics
5. Appendix

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Next, I would like to discuss the forecast for the full fiscal year.

### 3. FY23 Forecast Consolidated

(billions of yen) Announced date (m/d/y)	FY22 Results a	FY23 P.Plan Aug/14/23 b	FY23 Plan Nov/14/23 c	1-4Q			
				YoY Change		Change from previous plan	
				Change c-a	Change % (c-a)/a	Change c-b	Change % (c-b)/b
Orders	815.2	763.0	790.0	-25.2	-3.1%	+27.0	+3.5%
Revenue	680.8	747.0	747.0	+66.1	+9.7%	-	-
Operating Profit	70.5	71.0	71.0	+0.4	+0.6%	-	-
OP Ratio	10.4%	9.5%	9.5%	-0.9pts	-	-	-
Profit Attributable to Owners of Parent	50.4	52.3	52.3	+1.8	+3.6%	-	-
ROIC <sup>1</sup>	11.6%	10.4%	10.4%	-1.2pts	-	-	-
ROE	15.0%	13.9%	13.9%	-1.1pts	-	-	-
Annual Dividend per share	193	195	195	+2	-	-	-
<b>Exchange Rate<sup>2</sup></b>							
Vs. USD (JPY)	131.37	130.00	130.00	-	-	-	-
Vs. EUR (JPY)	137.97	137.00	137.00	-	-	-	-
Vs. CNY (JPY)	19.50	19.50	19.50	-	-	-	-

<sup>1</sup> ROIC: As of FY23, the numerator in the ROIC calculation formula has been changed from "income attributable to owners of the parent" to "NOPLAT (Net Operating Profit Less Adjusted Taxes)" as follows.  
FY22 11.2% in former ROIC calculation  
(Formula)NOPLAT (Net Operating Profit Less Adjusted Taxes)/(interest-bearing debt (average between beginning and end of period)+equity attributable to owners of the parent (average between beginning and end of period))

<sup>2</sup> Exchange Rate: FY22 exchange rates are simple averages of quarterly average rates; FY23 rates are assumed exchange rates for 3 months in the 4Q period.

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See page 16. This is the business environment for the current fiscal year. Although there are shades of gray depending on the market and region in each of the markets that our group is facing, for the full-year forecast for the entire company for 2023, compared and contrasted with the forecast disclosed in August, we are raising orders in the energy segment by JPY27 billion to JPY790 billion for the entire company.



The forecast for revenue and operating profit remains unchanged at JPY747 billion and JPY71 billion, respectively, except for orders received.

In the oil and gas market, which the energy segment is facing, we expect to remain active in the LNG and petrochemical projects, as overseas demand for energy is expected to increase. In addition, we expect that demand in new areas in the carbon neutral field will also increase, and we have revised our orders upward against this background.

Other management indicators, such as dividends and assumed exchange rates, remain unchanged.

### 3. FY23 Forecast Segment

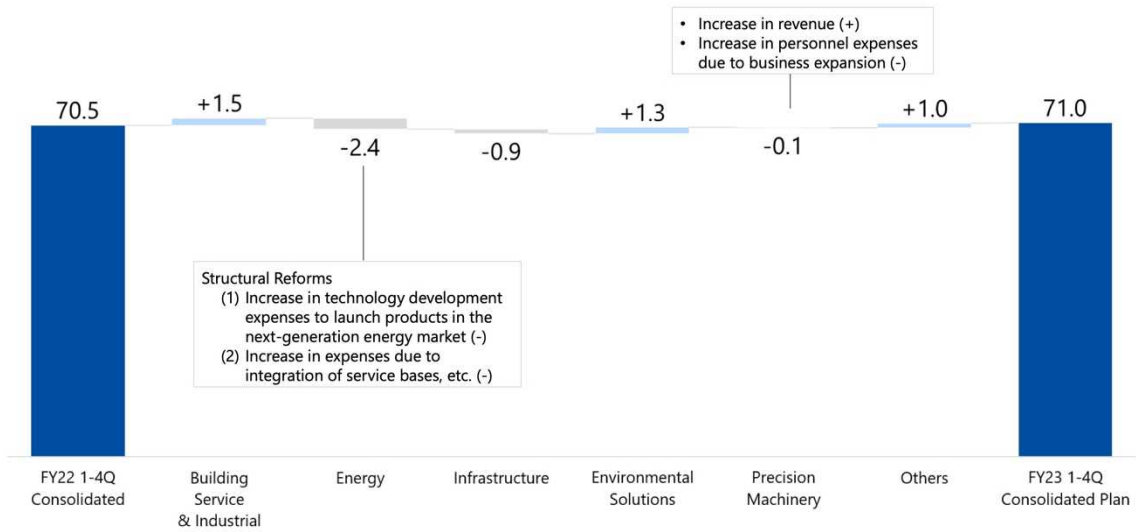


(billions of yen) Announced date (m/d/y)		FY22 実績 a	FY23 P.Plan Aug/14/23 b	FY23 Plan Nov/14/23 c	1-4Q		Change from previous plan	
					YoY Change		Change c-b	Change % (c-b)/b
				Change c-a	Change % (c-a)/a			
Total	Orders	815.2	763.0	790.0	-25.2	-3.1%	+27.0	+3.5%
	Revenue	680.8	747.0	747.0	+66.1	+9.7%	-	-
	Operating Profit	70.5	71.0	71.0	+0.4	+0.6%	-	-
	OP Ratio	10.4%	9.5%	9.5%	-0.9pts	-	-	-
Building Service & Industrial	Orders	204.8	220.0	220.0	+15.1	+7.4%	-	-
	Revenue	193.5	210.0	210.0	+16.4	+8.5%	-	-
	Operating Profit	11.4	13.0	13.0	+1.5	+14.0%	-	-
	OP Ratio	5.9%	6.2%	6.2%	+0.3pts	-	-	-
Energy	Orders	148.0	190.0	217.0	+68.9	+46.6%	+27.0	+14.2%
	Revenue	143.6	165.0	165.0	+21.3	+14.9%	-	-
	Operating Profit	16.9	14.5	14.5	-2.4	-14.4%	-	-
	OP Ratio	11.8%	8.8%	8.8%	-3.0pts	-	-	-
Infrastructure	Orders	53.5	49.0	49.0	-4.5	-8.6%	-	-
	Revenue	46.2	50.0	50.0	+3.7	+8.1%	-	-
	Operating Profit	3.9	3.0	3.0	-0.9	-23.6%	-	-
	OP Ratio	8.5%	6.0%	6.0%	-2.5pts	-	-	-
Environmental Solutions	Orders	105.8	90.0	90.0	-15.8	-14.9%	-	-
	Revenue	73.7	71.0	71.0	-2.7	-3.7%	-	-
	Operating Profit	3.6	5.0	5.0	+1.3	+36.3%	-	-
	OP Ratio	5.0%	7.0%	7.0%	+2.0pts	-	-	-
Precision Machinery	Orders	301.5	213.0	213.0	-88.5	-29.4%	-	-
	Revenue	222.2	250.0	250.0	+27.7	+12.5%	-	-
	Operating Profit	36.1	36.0	36.0	-0.1	-0.5%	-	-
	OP Ratio	16.3%	14.4%	14.4%	-1.9pts	-	-	-
Others, Adjustment	Orders	1.3	1.0	1.0	-0.3	-27.0%	-	-
	Revenue	1.4	1.0	1.0	-0.4	-32.4%	-	-
	Operating Profit	-1.5	-0.5	-0.5	+1.0	-	-	-
	OP Ratio	-104.3%	-50.0%	-50.0%	+54.3pts	-	-	-

Page 17 shows the forecast for each segment. As I mentioned earlier, the upward revision to orders in the energy business is due to an increase in the number of orders planned for North America and other regions in Q3, as well as the anticipated receipt of unplanned orders in Q4.

## Breakdown of Changes in Operating Profit

The company-wide operating profit forecast remains at 71.0 billion yen



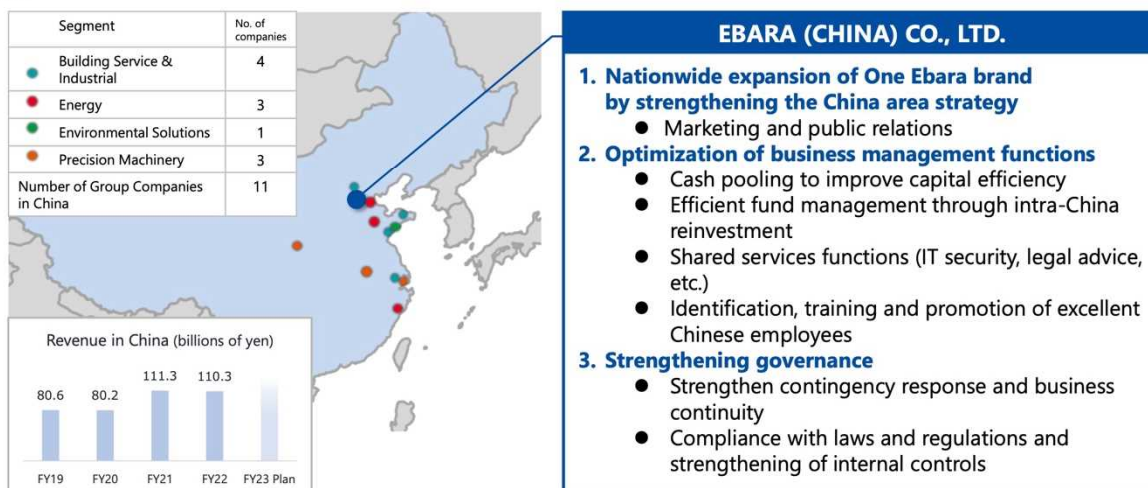
The following is an analysis of the profit increase/decrease from the previous year's JPY70.5 billion for the JPY71 billion operating income forecast. Since no changes have been made since the last time, we will omit a detailed explanation.

These are the explanations for the financial results.

- 1. FY23 1-3Q Summary of Results
- 2. FY23 1-3Q Results by Segment
- 3. FY23 Forecast
- 4. Topics**
- 5. Appendix

Finally, here are the topics in the current financial results.

As part of efforts to promote global expansion as stated in the basic policy of the E-Plan 2025, we established a regional headquarters company in China in August 2023. It will support sustainable business growth within China.



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I would like to explain the events that took place during the past three months, as we established a China regional headquarters company in Beijing, China in August of this year.

As shown in the figure, our current group companies in China consist of 11 companies from each of the four segments, each of which has been established in various regions of the China region.

Within the same country, there are 11 companies in China, which is the largest region in our group, not to mention in other countries outside of Japan.

Since the establishment of our first base in the 1980s, we have steadily developed our business in the Chinese market, and the scale of our group sales in China now accounts for more than 15% of our total sales in China, a situation that is becoming increasingly important.

In the increasingly important Chinese market, each company, which is organized by face-to-face market, will continue to be responsible for decision-making related to the business. On the other hand, the newly established regional headquarters will play the role of optimizing local corporate functions, consolidating, and standardizing functions from the perspective of developing cross-business regional strategies within the China region, responding to country risks unique to China, and strengthening group governance.

For example, we will support each company and business by pooling financial cash and reinvesting it within China to achieve efficient fund management, and by recruiting highly specialized human resources through the controlling company to support each company and business in China.

We believe that this structure will enable us to achieve sustainable business expansion in the Chinese market.

This is the end of my explanation at the financial results briefing.

1. FY23 1-3Q Summary of Results
2. FY23 1-3Q Results by Segment
3. FY23 Forecast
4. Topics
- 5. Appendix**

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## 5. Appendix Orders

### Former Segments (~FY22)

(billions of yen) Announced date (m/d/y)	FY22			
	1Q	1-2Q	1-3Q	1-4Q
Total	177.0	399.4	594.5	815.2
FMS Business	91.1	187.8	286.6	406.4
Pumps	57.8	115.6	172.6	227.4
CT	19.3	41.2	65.2	111.0
Chillers	10.5	24.6	38.2	48.5
Others	3.4	6.2	10.4	19.3
EP Business	16.3	46.2	76.8	105.8
PM Business	68.9	164.6	229.9	301.5
Components	31.2	63.1	92.0	116.2
CMP Systems	35.7	97.7	133.0	179.2
Others	2.0	3.7	4.8	6.0
Others	0.4	0.7	1.0	1.3

### New Segments

(billions of yen) Announced date (m/d/y)	FY22				FY23				
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q Plan Aug/14/23	1-4Q Plan Nov/14/23
Total	177.0	399.4	594.5	815.2	197.9	367.6	598.3	763.0	790.0
Building Service & Industrial	47.3	102.6	156.6	204.8	52.2	111.0	169.3	220.0	220.0
Energy	29.1	59.2	93.8	148.0	62.3	101.4	173.8	190.0	217.0
Infrastructure	14.6	25.9	36.1	53.5	15.6	25.2	43.2	49.0	49.0
Environmental Solutions	16.3	46.2	76.8	105.8	33.3	49.2	58.2	90.0	90.0
Precision Machinery	68.9	164.6	229.9	301.5	34.0	79.9	152.7	213.0	213.0
Components	31.2	63.1	92.0	116.2	24.1	42.3	69.3	85.0	85.0
CMP Systems	35.7	97.7	133.0	179.2	9.0	34.9	76.9	117.0	117.0
Others	2.0	3.7	4.8	6.0	0.7	2.6	6.4	11.0	11.0
Others	0.4	0.7	1.0	1.3	0.2	0.5	0.8	1.0	1.0

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5. Appendix  
Revenue



Former Segments (~FY22)

(billions of yen) Announced date (m/d/y)	FY22			
	1Q	1-2Q	1-3Q	1-4Q
Total	152.8	312.4	480.0	680.8
FMS Business	87.6	179.2	270.2	383.3
Pumps	51.6	97.4	147.2	209.0
CT	22.4	50.6	77.0	111.7
Chillers	10.1	24.7	36.5	48.6
Others	3.4	6.3	9.3	13.9
EP Business	21.6	36.4	52.2	73.7
PM Business	43.1	96.0	156.4	222.2
Components	21.9	45.8	73.1	101.4
CMP Systems	19.5	47.0	79.0	115.7
Others	1.6	3.0	4.2	5.0
Others	0.3	0.6	1.0	1.4

New Segments

(billions of yen) Announced date (m/d/y)	FY22				FY23				
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q Plan Aug/14/23	1-4Q Plan Nov/14/23
Total	152.8	312.4	480.0	680.8	184.0	363.8	551.2	747.0	747.0
Building Service & Industrial	41.1	89.5	137.7	193.5	53.0	106.5	161.8	210.0	210.0
Energy	28.8	64.0	98.9	143.6	35.9	79.4	118.8	165.0	165.0
Infrastructure	17.6	25.5	33.6	46.2	20.3	29.2	37.9	50.0	50.0
Environmental Solutions	21.6	36.4	52.2	73.7	17.8	30.9	47.0	71.0	71.0
Precision Machinery	43.1	96.0	156.4	222.2	56.4	116.9	184.5	250.0	250.0
Components	21.9	45.8	73.1	101.4	23.8	47.7	71.9	96.0	96.0
CMP Systems	19.5	47.0	79.0	115.7	31.7	67.6	109.3	150.0	150.0
Others	1.6	3.0	4.2	5.0	0.8	1.5	3.2	4.0	4.0
Others	0.3	0.6	1.0	1.4	0.3	0.6	0.9	1.0	1.0

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5. Appendix  
Operating Profit



Former Segments (~FY22)

(billions of yen) Announced date (m/d/y)	FY22			
	1Q	1-2Q	1-3Q	1-4Q
Total	14.1	27.1	42.6	70.5
FMS Business	7.9	12.7	17.6	32.0
Pumps	6.5	8.4	11.8	16.0
CT	0.4	2.1	5.0	13.2
Chillers	0.2	1.1	1.0	1.6
Others	0.6	0.9	-0.2	1.0
EP Business	1.9	0.9	0.4	3.6
PM Business	4.7	13.9	25.5	36.1
Others, Adjustment	-0.6	-0.8	-2.3	-1.5

New Segments

(billions of yen) Announced date (m/d/y)	FY22				FY23				
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q Plan Aug/14/23	1-4Q Plan Nov/14/23
Total	14.1	27.1	42.6	70.5	15.2	33.7	56.9	71.0	71.0
Building Service & Industrial	2.0	4.8	7.2	11.4	3.9	6.7	10.4	13.0	13.0
Energy	1.5	4.2	8.2	16.9	1.1	7.3	12.6	14.5	14.5
Infrastructure	4.4	4.1	3.4	3.9	4.8	4.4	3.3	3.0	3.0
Environmental Solutions	1.9	0.9	0.4	3.6	1.8	2.6	3.3	5.0	5.0
Precision Machinery	4.7	13.9	25.5	36.1	3.4	12.6	27.1	36.0	36.0
Others, Adjustment	-0.6	-0.8	-2.3	-1.5	0.0	0.0	0.0	-0.5	-0.5

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5. Appendix

Backlog of Orders



Former Segments (~FY22)

(billions of yen) Announced date (m/d/y)	FY22			
	1Q	1-2Q	1-3Q	1-4Q
Total	689.5	774.9	813.2	818.1
FMS Business	238.7	258.1	274.4	269.7
Pumps	112.7	128.0	140.2	130.1
CT	103.1	107.4	108.9	112.0
Chillers	14.9	14.8	16.2	14.2
Others	7.8	7.7	9.0	13.2
EP Business	279.8	296.0	310.4	317.4
PM Business	170.6	220.5	228.1	230.8
Others	0.2	0.2	0.1	0.0

New Segments

(billions of yen) Announced date (m/d/y)	FY22				FY23					
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q Plan Aug/14/23	1-4Q Plan Nov/14/23	
Total	689.5	774.9	813.2	818.1	827.2	836.8	892.5	834.1	861.1	
Building Service & Industrial	53.6	62.9	72.5	62.7	61.7	74.6	70.1	72.7	72.7	
Energy	136.6	144.0	147.7	147.5	173.6	182.0	220.4	172.5	199.5	
Infrastructure	48.3	51.1	54.1	59.5	51.3	52.5	67.3	58.5	58.5	
Environmental Solutions	279.8	296.0	310.4	317.4	332.9	329.1	330.6	336.4	336.4	
Precision Machinery	170.6	220.5	228.1	230.8	207.5	198.4	203.9	193.8	193.8	
Others	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	

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5. Appendix

Service & Support (S&S) Revenue



Former Segments (~FY22)

(billions of yen)		FY22				FY23		
		1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q
FMS Business	S&S Revenue	33.7	64.0	91.8	136.4	43.9	83.4	118.6
	S&S Ratio	39%	36%	34%	36%	40%	39%	37%
Pumps	S&S Revenue	15.8	25.2	33.9	48.2			
	S&S Ratio	31%	26%	23%	23%			
C&T	S&S Revenue	13.7	30.6	46.6	70.5			
	S&S Ratio	62%	61%	61%	63%			
Chillers	S&S Revenue	3.5	7.1	9.8	15.4			
	S&S Ratio	35%	29%	27%	32%			
EP Business	O&M Revenue	15.4	24.7	35.5	50.9	15.0	25.5	37.6
	O&M Ratio	71%	68%	68%	69%	84%	82%	80%
PM Business	S&S Revenue	17.0	34.9	55.6	75.2	15.6	32.4	50.9
	S&S Ratio	39%	36%	36%	34%	28%	28%	28%

New Segments

(billions of yen)		FY23		
		1Q	1-2Q	1-3Q
Building Service & Industrial	S&S Revenue	10.8	21.7	31.5
	S&S Ratio	21%	20%	20%
Energy	S&S Revenue	21.4	46.2	67.8
	S&S Ratio	60%	58%	57%
Infrastructure	S&S Revenue	11.6	15.4	19.2
	S&S Ratio	57%	53%	51%

\*FY23 1Q FMS figures are for reference as the former segment

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## 5. Appendix Balance Sheet



(billions of yen)	FY22 3Q a	FY22 4Q b	FY23 3Q c	Change c-a	Change c-b
Total Assets	809.3	828.0	884.4	+75.0	+56.3
Current Assets	556.3	580.6	617.2	+60.8	+36.5
Cash and cash equivalents	130.6	116.1	142.1	+11.5	+26.0
Trade receivables	220.4	253.0	243.6	+23.1	-9.3
Inventories	175.0	181.3	201.9	+26.9	+20.6
Other Current Assets	30.3	30.2	29.4	-0.8	-0.7
Non-current Assets	252.9	247.3	267.1	+14.2	+19.8
Total Liabilities	455.1	458.3	479.7	+24.6	+21.4
Trade payables	156.4	174.6	144.5	-11.8	-30.1
Interest-bearing Debt	138.6	119.3	147.5	+8.9	+28.1
Other Liabilities	160.1	164.3	187.6	+27.5	+23.3
Total Equity	354.1	369.7	404.6	+50.4	+34.9
Total equity attributable to owners of parent	344.3	359.9	393.1	+48.7	+33.1
Other Equity	9.7	9.7	11.4	+1.7	+1.7
Equity Ratio	42.6%	43.5%	44.5%	+1.9pts	+1.0pts
Debt-to-Equity Ratio	0.40	0.33	0.38	-0.02	+0.05

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## 5. Appendix Cash Flows



(billions of yen)	1-3Q			1-4Q				
	FY22 a	FY23 b	Change b-a	FY22 c	FY23 Plan Aug/14/23 d	FY23 Plan Nov/14/23 e	YoY Change e-c	Change e-d
CF from operating activities	23.3	48.2	24.9	37.0	55.0	55.0	+17.9	-
CF from investing activities	-32.2	-24.3	7.9	-38.3	-47.0	-40.0	-1.6	+7.0
FCF	-8.9	23.9	32.9	-1.2	8.0	15.0	+16.2	+7.0
CF from financing activities	-6.1	-1.5	4.6	-23.7	0.0	10.0	+33.7	+10.0

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5. Appendix

CAPEX, Depreciation and Amortization, R&D Expenses



(billions of yen)	1-3Q	1-4Q
Announced date (m/d/y)	FY22	FY22
	a	b
CAPEX	19.2	27.5
FMS Business	7.6	10.9
EP Business	1.6	2.0
PM Business	4.3	6.3
Others, Adjustment	5.4	8.1

D&A	17.3	24.0
FMS Business	8.4	11.9
EP Business	0.6	0.8
PM Business	5.5	7.3
Others, Adjustment	2.6	3.8

R&D	10.6	15.2
FMS Business	5.4	7.4
EP Business	0.7	1.1
PM Business	4.4	6.6

(billions of yen)	1-3Q		1-4Q			
Announced date (m/d/y)	FY23	Change	FY23 Plan	FY23 Plan	Change	Change
	c	c-a	Aug/14/23	Nov/14/23	e-b	e-d
CAPEX	24.8	+5.6	46.0	40.0	+12.4	-6.0
Building Service & Industrial	6.5		9.0	9.0		-
Energy	3.6		8.0	6.0		-2.0
Infrastructure	0.3		2.0	2.0		-
Environmental Solutions	0.6	-1.0	3.0	3.0	+0.9	-
Precision Machinery	7.3	+3.0	16.0	12.0	+5.6	-4.0
Others	6.3	+0.8	8.0	8.0	-0.1	-
D&A	19.7	+2.3	26.5	26.5	+2.4	-
Building Service & Industrial	4.9		6.0	6.0		-
Energy	3.7		4.0	4.0		-
Infrastructure	0.7		1.0	1.0		-
Environmental Solutions	0.6	-0.0	1.0	1.0	+0.1	-
Precision Machinery	5.7	+0.1	8.0	8.0	+0.6	-
Others	3.9	+1.3	6.5	6.5	+2.6	-
R&D	13.3	+2.7	21.0	21.0	+5.7	-
Building Service & Industrial	3.2		5.0	5.0		-
Energy	2.6		3.0	3.0		-
Infrastructure	0.4		1.0	1.0		-
Environmental Solutions	1.1	+0.3	1.0	1.0	-0.1	-
Precision Machinery	5.8	+1.4	11.0	11.0	+4.3	-

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5. Appendix

ESG Topics



**E** Environment

Entered into an Agreement with Mizuho Bank, Ltd. for Mizuho Eco Finance

**S** Social

Publication of Multi-stakeholder Policy

**G** Governance

Declaration of Acceptance of the Japanese Stewardship Code as an Asset Owner of a Corporate Pension Plan

Hiroshi Oeda, the Chairman of Board of Directors Speaks at ICGN-NBIM Company and Investor Engagement Meeting

2023/9 News release: [https://www.ebara.co.jp/en/corporate/newsroom/release/company/detail/1212903\\_10220.html](https://www.ebara.co.jp/en/corporate/newsroom/release/company/detail/1212903_10220.html)

Updated Corporate Governance Report\*

\* Currently Japanese only, English soon

External Evaluations

Won the Gold Class for the First Time in the Overall Category of the "SUSTAINA ESG AWARDS 2023"

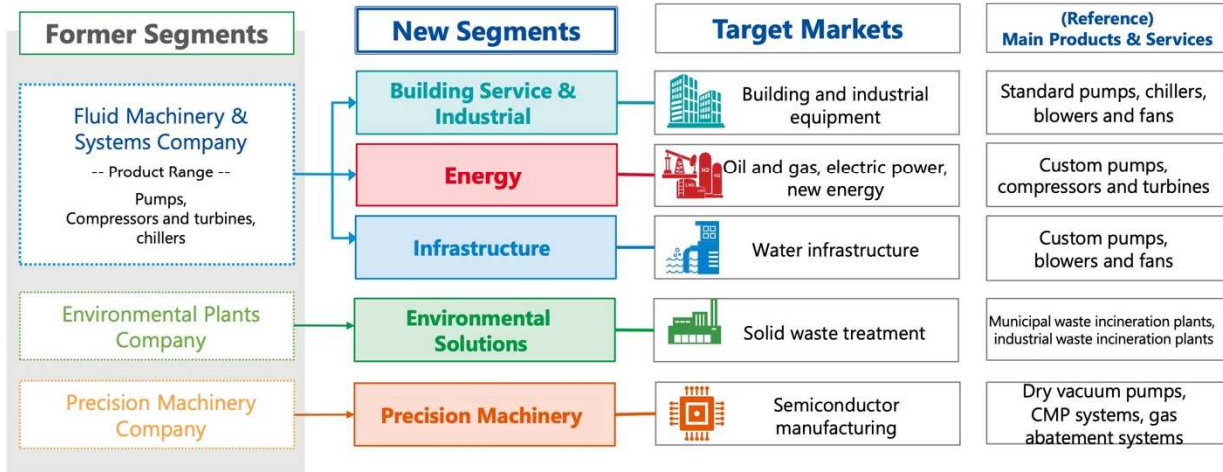


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- Effective January 1, 2023, we have reorganized our business segments from conventional product-based segments to segments based around target markets.



## Disclaimer

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