



Ebara Corporation

Results Presentation for Six Months Ended June 30, 2024

August 14, 2024

Event Summary

[Company Name]	EBARA CORPORATION	
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[Date]	August 14, 2024	
[Time]	16:00 – 17:06 (Total: 66 minutes, Presentation: 25 minutes, Q&A: 41 minutes)	
[Venue]	Webcast	
[Number of Speakers]	8	
	Masao Asami (Asami)	Director, President, Representative Executive Officer, CEO & COO; President of Precision Machinery Company
	Shu Nagata (Nagata)	Executive Officer, President of Building Service & Industrial Company
	Takanobu Miyaki (Miyaki)	Executive Officer, President of Energy Company
	Teruyuki Ota (Ota)	Executive Officer, President of Infrastructure Company
	Hideki Yamada (Yamada)	Executive Officer, President of Environmental Solutions Company
	Isao Nambu (Nambu)	Executive Officer, Co-COO of Precision Machinery Company
	Shugo Hosoda (Hosoda)	Executive Officer, CFO
	Akihiro Osaki (Osaki)	Division Executive of Group Public Relations and Finance Division

Presentation

Osaki: Thank you very much for taking the time today to participate in the financial results briefing for Q2 of the fiscal year ending December 31, 2024, of Ebara Corporation.



Results Presentation for Six Months Ended June 30, 2024

EBARA (6361)

August 14, 2024

Looking ahead,
going beyond expectations
Ahead > Beyond

EBARA CORPORATION

Osaki: We will now begin the presentation. We have disclosed the materials related to the financial results at 15:00 today on the TSE platform and our website, so please refer to them as necessary.

Here are the attendees from our company. Masao Asami, Director, President, and Representative Executive Officer.

Asami: My name is Asami. Thank you for your time.

Osaki: Shu Nagata, President of Building Service & Industrial Company.

Nagata: I am Nagata. Thank you for coming.

Osaki: Takanobu Miyaki, President of Energy Company.

Miyaki: My name is Miyaki. Thank you very much for your time today.

Osaki: Teruyuki Ota, President of Infrastructure Company.

Ota: My name is Ota. Thank you for coming.

Osaki: Hideki Yamada, President of Environmental Solutions Company.

Yamada: My name is Yamada. Thank you for your cooperation today.

Osaki: Isao Nambu, Co-COO of Precision Machinery Company.

Nambu: My name is Nambu. Thank you very much for your cooperation today.

Osaki: Shugo Hosoda, CFO, Executive Officer in charge of Investor Relations.

Hosoda: My name is Hosoda. Thank you.

Osaki: I, Osaki, from the Group Public Relations and Finance Division, will be the moderator for this session. Thank you very much for your cooperation.

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■ Abbreviations: FY (Fiscal year, e.g., FY24: fiscal year ending December 31, 2024)/1Q: first quarter figures/1-2Q, 1-3Q, 1-4Q: cumulative total of each quarter indicated
■ Figures in this document are based on IFRS

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Osaki: Today, CFO Hosoda will first give an overview of the financial results, followed by President Asami, who will discuss the outlook for the current fiscal year.

We will then take your questions. The entire briefing is scheduled to end at 17:30.

Mr. Hosoda will now begin.

Hosoda: Hello everyone. I am Hosoda, CFO and Executive Officer in charge of IR.

Thank you very much for coming to our financial results meeting today.

Points of Results



FY24 1-2Q Results

	Results	YoY	Change Vs. Plan*
Orders	¥399.6 B.	¥32.0 B. +8.7%	¥4.6 B. +1.2%
Revenue	¥394.5 B.	¥30.7 B. +8.4%	¥-5.4 B. -1.4%
Operating Profit	¥39.9 B.	¥6.1 B. +18.3%	¥-0.0 B. -0.1%
OP Ratio	10.1%	+0.8pts	+0.1pts

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

FY24 Forecast

	Current Plan	YoY	Change vs. Prior Plan*
Orders	¥845.0 B.	¥24.4 B. +3.0%	¥11.0 B. +1.3%
Revenue	¥827.0 B.	¥67.6 B. +8.9%	-
Operating Profit	¥87.0 B.	¥0.9 B. +1.1%	-
OP Ratio	10.5%	-0.8pts	-

* Plan disclosed May/14/24

Topics

FY24 1-2Q Results

- Record 2Q results for Orders, Revenue, and Operating Profit
- Orders in Precision Machinery increased YoY, highlighting recovery trend in the semiconductor market
- Operating Profit increased 18% YoY driven by improved profitability in Precision Machinery and Building Service & Industrial

FY24 Forecast

- ¥11.0 B. upward revision for full-year Orders forecast, considering increased Orders in Infrastructure and Environmental Solutions in 1H and projections for 2H
- Forecast for Revenue and Operating Profit remain unchanged

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On page three, we have gathered the key points of our financial results. We would like to communicate three main points concerning Q2 financial results.

First, regarding the consolidated results, although there were some differences by segment, overall, I believe we can say that we made satisfactory progress compared to the plan. The deviation from the disclosed plan was small, with relatively few surprises, and the results were generally within the expected range.

The second point is YoY, orders, revenue, operating profit, and even profits below operating profit through to net profit were all higher than the same period last year.

Historically, it means we have achieved record high Q2 results. In particular, operating profit was up 18% from the same period last year and net profit was up 41%. We consider this an indication of the continuation of our strong performance from last year, including our ability to generate profit.

The third point is about individual segments. In the semiconductor market, which I'm sure is of particular interest to everyone in attendance, the basic situation is that the market, which had been temporarily stagnant, has bottomed out and is now on the road to recovery. In addition, the fab utilization rates of some customers have been improving, and orders in the Precision Machinery Segment, including after-sales service, have increased significantly YoY.

In light of the above, we have not changed our full year forecast significantly but have slightly adjusted our consolidated plans for orders based on current conditions in the Infrastructure and Environmental Solutions Segments and trends in H2 of the year upward from JPY834 billion to JPY845 billion, an increase of JPY11 billion. Revenue and operating profit have not been revised from the previous forecast.

That concludes the overview.

1. FY24 1-2Q Summary of Results

2. FY24 1-2Q Results by Segment

3. FY24 Forecast

4. Topics

5. Appendix

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I would now like to go into detail.

1. FY24 1-2Q Summary of Results

Consolidated

(billions of yen)	FY23 1-2Q Results a	FY24 1-2Q Results b	YoY		FY24 1-2Q Plan May/14/24 c	Results vs. Plan	
			Change b-a	Change % (b-a)/a		Deviation b-c	Deviation % (b-c)/c
Orders	367.6	399.6	+32.0	+8.7%	395.0	+4.6	+1.2%
Revenue	363.8	394.5	+30.7	+8.4%	400.0	-5.4	-1.4%
Operating Profit	33.7	39.9	+6.1	+18.3%	40.0	-0.0	-0.1%
OP Ratio	9.3%	10.1%	+0.8pts		10.0%	+0.1pts	
Profit Attributable to Owners of Parent	20.5	29.2	+8.6	+41.9%	26.5	+2.7	+10.3%
EPS (yen)*1	44.67	63.28	+18.60	+41.6%	57.4	+5.9	+10.2%
Exchange Rate*2							
Vs. USD (JPY)	134.79	151.97	+17.18		140.00	+11.97	
Vs. EUR (JPY)	145.66	164.30	+18.64		150.00	+14.30	
Vs. CNY (JPY)	19.46	21.07	+1.61		19.50	+1.57	

*1 Figures reflect the 5-for-1 stock split executed July 1, 2024.

*2 Exchange rates are simple averages of the average rates for each quarter.

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Page five shows consolidated results for the consolidated Q2.

Orders increased by JPY32 billion to JPY399.6 billion, revenue increased by JPY30.7 billion to JPY394.5 billion, operating profit increased by JPY6.1 billion to JPY39.9 billion and profit attributable to owners of parent increased by JPY8.6 billion to JPY29.2 billion.

EPS also increased YoY to JPY63.28. The average exchange rate during 1H of the year was a weaker yen compared to the same period last year in each major currency, and we estimate that the impact of exchange

rate fluctuations on operating profit was about JPY2.5 billion positive compared to the same period last year. Therefore, JPY2.5 billion of the JPY6.1 billion increase in operating profit is attributed to the impact of foreign exchange rates.

The right side of the slide shows a comparison of actual results with the May 14th plan for 1H of the fiscal year, indicating that results were almost in line with the plan.

1. FY24 1-2Q Summary of Results



Segment

(billions of yen)		FY23 1-2Q Results	FY24 1-2Q Results	YoY		FY24 1-2Q Plan May/14/24	Results vs. Plan	
				Change b-a	Change % (b-a)/a		Deviation b-c	Deviation % (b-c)/c
		a	b			c		
Total	Orders	367.6	399.6	+32.0	+8.7%	395.0	+4.6	+1.2%
	Revenue	363.8	394.5	+30.7	+8.4%	400.0	-5.4	-1.4%
	Operating Profit	33.7	39.9	+6.1	+18.3%	40.0	-0.0	-0.1%
	OP Ratio	9.3%	10.1%	+0.8pts		10.0%	+0.1pts	
Building Service & Industrial	Orders	111.0	123.6	+12.5	+11.3%	117.0	+6.6	+5.7%
	Revenue	106.5	114.7	+8.2	+7.8%	113.0	+1.7	+1.6%
	Operating Profit	6.7	7.8	+1.0	+15.9%	7.5	+0.3	+4.1%
	OP Ratio	6.3%	6.8%	+0.5pts		6.6%	+0.2pts	
Energy	Orders	101.4	95.5	-5.9	-5.8%	100.0	-4.4	-4.4%
	Revenue	79.4	92.6	+13.1	+16.6%	96.5	-3.8	-4.0%
	Operating Profit	7.3	7.5	+0.1	+2.5%	9.0	-1.4	-16.6%
	OP Ratio	9.2%	8.1%	-1.1pts		9.3%	-1.2pts	
Infrastructure	Orders	25.2	28.7	+3.4	+13.7%	27.5	+1.2	+4.5%
	Revenue	29.2	25.8	-3.4	-11.8%	28.0	-2.1	-7.7%
	Operating Profit	4.4	3.0	-1.3	-30.0%	3.5	-0.4	-11.9%
	OP Ratio	15.0%	11.9%	-3.1pts		12.5%	-0.6pts	
Environmental Solutions	Orders	49.2	35.2	-14.0	-28.5%	30.0	+5.2	+17.4%
	Revenue	30.9	38.3	+7.4	+23.9%	38.5	-0.1	-0.3%
	Operating Profit	2.6	3.6	+0.9	+37.1%	3.5	+0.1	+3.1%
	OP Ratio	8.5%	9.4%	+0.9pts		9.1%	+0.3pts	
Precision Machinery	Orders	79.9	115.9	+35.9	+45.0%	120.0	-4.0	-3.4%
	Revenue	116.9	122.2	+5.3	+4.6%	123.5	-1.2	-1.0%
	Operating Profit	12.6	19.2	+6.6	+52.9%	17.0	+2.2	+13.5%
	OP Ratio	10.8%	15.8%	+5.0pts		13.8%	+2.0pts	
Others, Adjustment	Orders	0.5	0.5	-0.0		0.5	+0.0	
	Operating Profit	0.0	-1.3	-1.4		-0.5	-0.8	
	OP Ratio	9.1%	-227.6%	-236.7pts		-100.0%	-127.6pts	

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Page six shows results by segment.

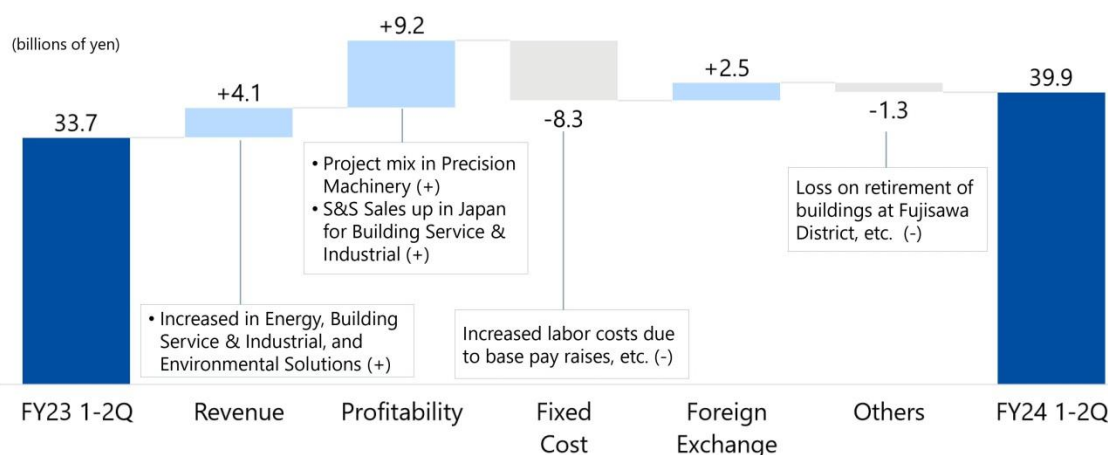
Large YoY increase of orders in the Precision Machinery Segment, increased orders in the Building Service & Industrial Segment due to steady sales both in Japan and overseas, and several orders for remote monitoring projects for drainage pump stations in the Infrastructure Segment pushed consolidated orders up by JPY32 billion.

However, despite no major changes in the market environment, the timing of large project orders has led to a slight decrease in orders received in 1H YoY for the Environmental Solutions and Energy Segments.

Consolidated revenue increased by JPY30.7 billion YoY as a result of solid performance in the four segments, besides Infrastructure. Operating profit increased by JPY6.1 billion YoY, driven by the Precision Machinery Segment.

Breakdown of Changes in Operating Profit

Operating Profit increased as improvements to profitability and revenue growth outpaced increase in fixed cost



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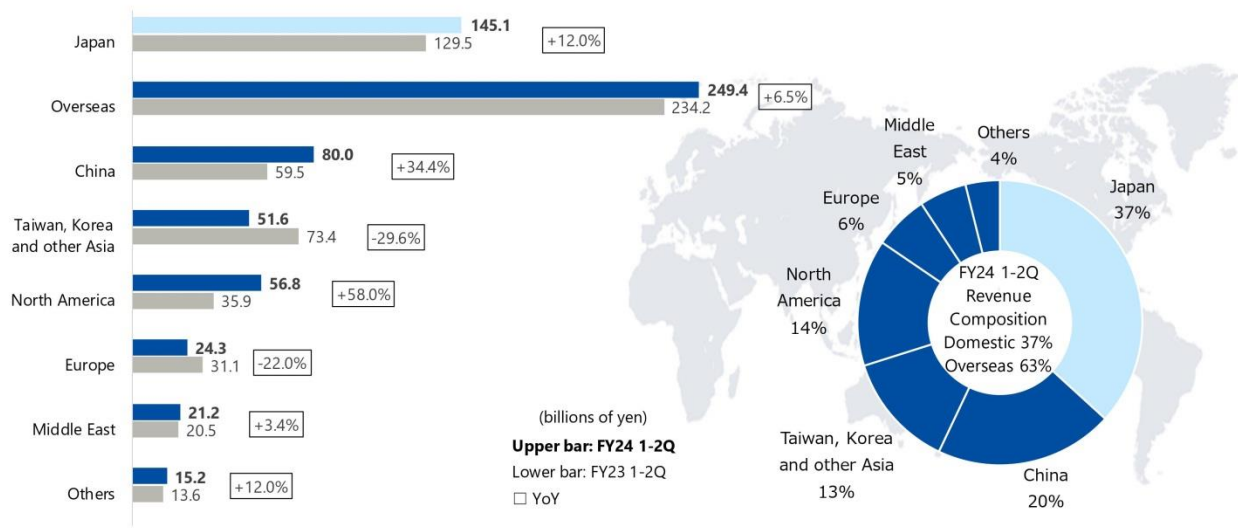
The next page is an analysis of changes in operating profit from the same period last year.

As for the breakdown of the factors contributing to the JPY6.1 billion increase, our analysis shows that increased revenue in the Energy, Building Service & Industrial, and Environmental Solutions Segments had a positive JPY4.1 billion effect to operating profit.

In terms of profitability, improvements mainly in the Precision Machinery Segment and the Building Service & Industrial Segment had a positive effect of JPY9.2 billion. Meanwhile, fixed cost increased due to higher personnel expenses resulting from base pay raises and other factors, resulting in a negative factor of JPY8.3 billion compared to the same period last year.

As mentioned earlier, after considering the positive impact of JPY2.5 billion from foreign exchange factors, as well as other negative factors such as a JPY1.3 billion loss on retirement of buildings at the Fujisawa District, operating profit for H1 as a whole was JPY39.9 billion.

1. FY24 1-2Q Summary of Results
Revenue by Region



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

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Page eight shows the composition of revenue by region. Figures are cumulative through Q2.

As shown in the pie chart on the right, the percentage of overseas sales exceeds 60%.

In the bar chart on the left, the top row shows revenue through Q2 of 2024 and the bottom row shows revenue through Q2 of 2023. As you can see, in Q2 of 2024, both domestic and overseas revenue increased from the previous year.

The increase in domestic sales was mainly due to higher revenue in the Building Service & Industrial Segment. Looking at overseas by region, the largest YoY increases were in North America and Mainland China, while the largest decreases were in Taiwan, Korea, and other Asia.

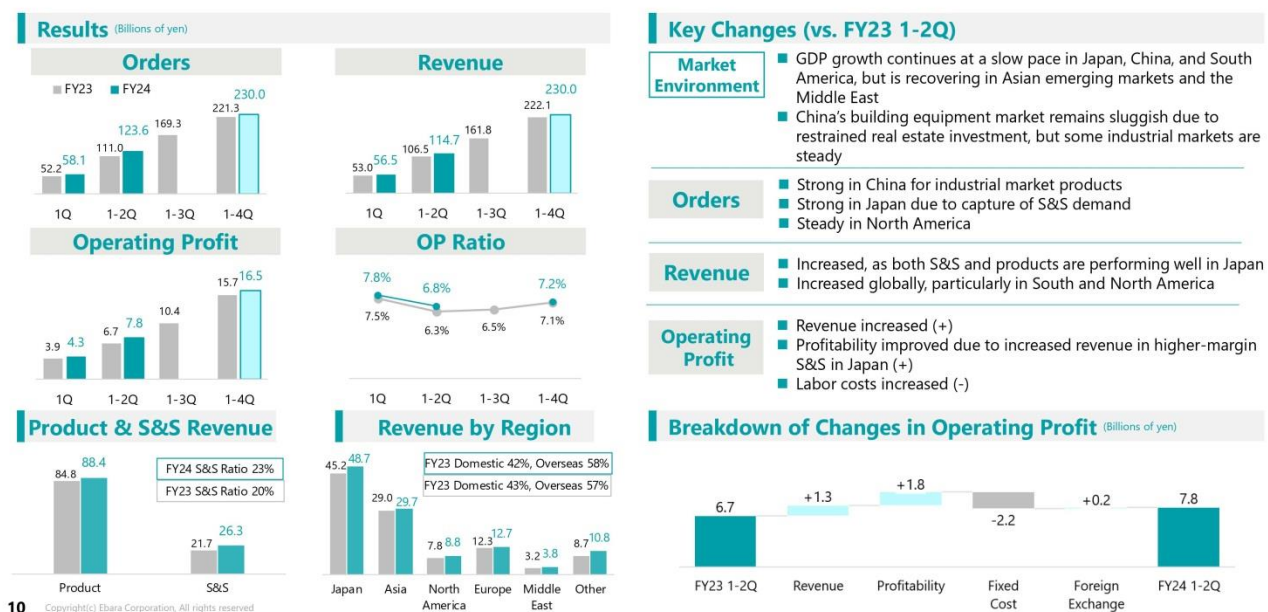
In North America, the analysis shows that this was the result of revenue trends in the Energy Segment, and in Mainland China and other Asian countries, the Precision Machinery Segment.

1. FY24 1-2Q Summary of Results
- 2. FY24 1-2Q Results by Segment**
3. FY24 Forecast
4. Topics
5. Appendix

I will now explain our performance by segment.

2. FY24 1-2Q Results by Segment

Building Service & Industrial



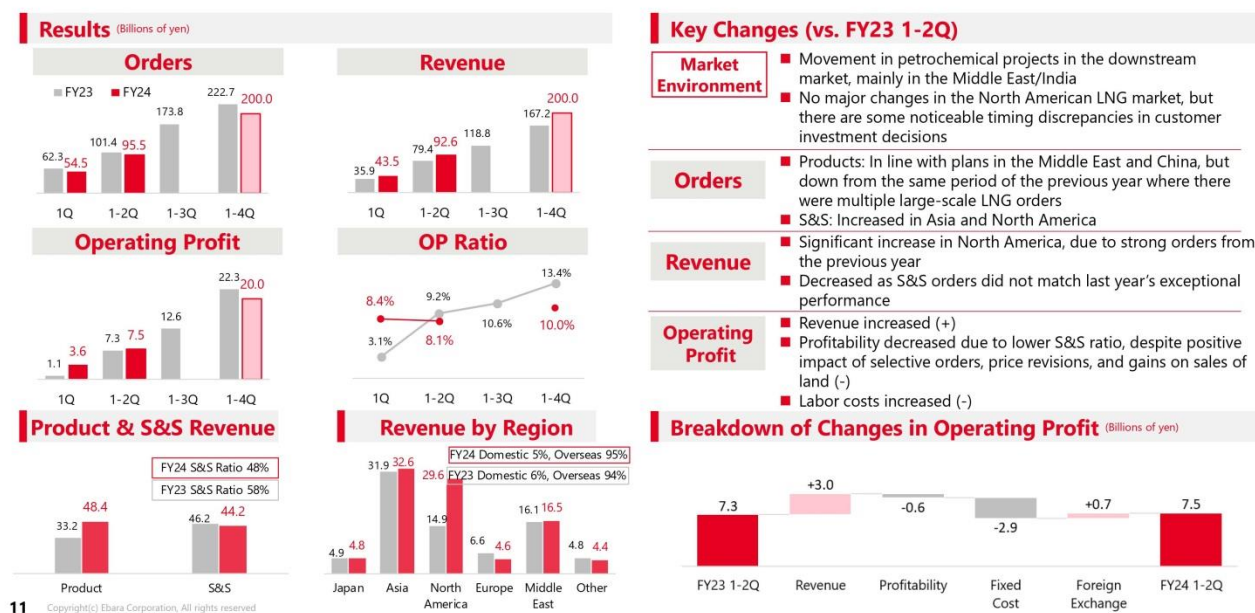
See page 10. First is the Building Service & Industrial Segment.

Orders, revenue, and operating profit were all higher than in the same period of the previous year. Regarding the market environment, GDP growth is slowing in China and South America, but GDP growth is recovering in emerging Asian countries and the Middle East. Against this backdrop, our orders increased due to continued strong sales in China, partly because of the growing demand for energy-saving products in some industrial markets. On the other hand, in Japan, our efforts in the service & support business with pumps and chiller products have been successful, and both orders and revenue increased.

Operating profit also increased due to profitability factors, which were attributable to an increase in revenue as well as an increase in the proportion of profitable services & support, despite higher fixed costs such as personnel expenses.

2. FY24 1-2Q Results by Segment

Energy



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The next page shows the Energy Segment.

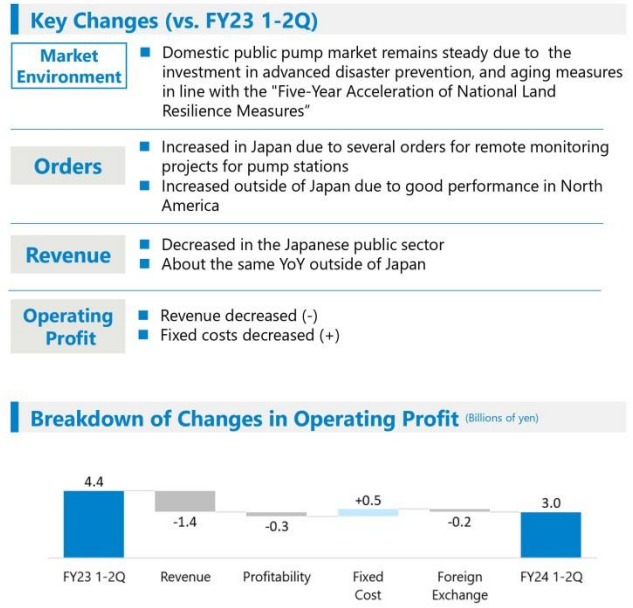
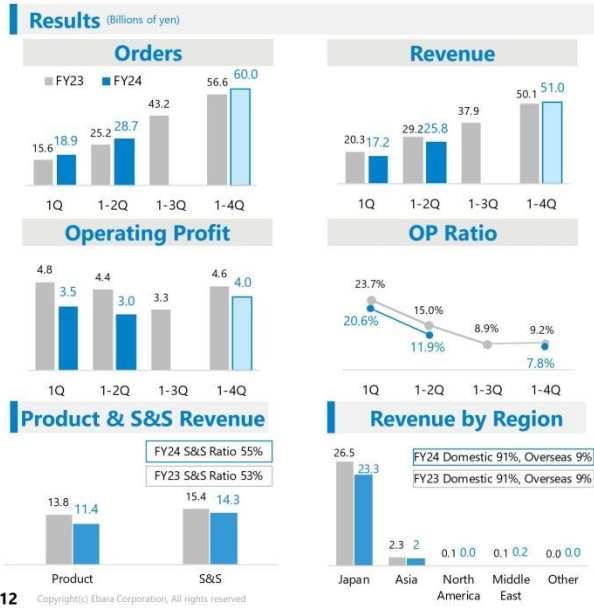
Orders declined YoY, but revenue and operating profit increased.

As for the market environment, we are continuing to see activity in the Middle East and even India, as we did last year, in petrochemical projects in the downstream oil and gas market. On the other hand, while there has been no significant change in market conditions in the North American LNG market, which was strong last year, there has been a shift in timing in customers' investment decisions.

Orders decreased YoY due to the absence of orders for large projects for LNG, although we received several large projects in the Middle East and China as planned. Revenue has been steadily progressing through this Q2 on the back of strong product orders received last year, and revenue of such products have increased significantly, mainly in North America. On the other hand, in service & support, revenue declined compared to the previous year.

Operating profit increased only slightly overall, despite the effect of higher revenue, as the increase in product revenue conversely led to a decline in the service & support ratio, which was a factor in lower profitability, as well as an increase in fixed cost.

2. FY24 1-2Q Results by Segment
Infrastructure



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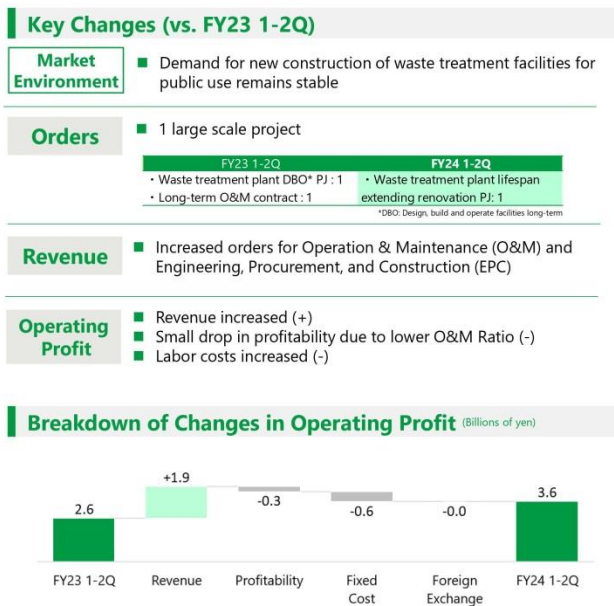
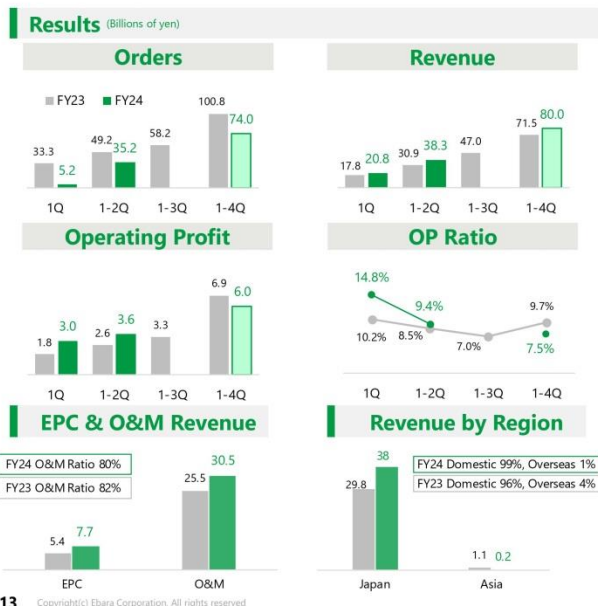
Next is the Infrastructure Segment.

Orders increased YoY, but revenue and operating profit decreased. In Japan, demand for the renewal and safeguarding of pump facilities has been very strong, partly because we have entered the fourth year of the Five-Year Acceleration of National Land Resilience Measures.

Orders were slightly higher YoY due to our winning of projects in North America, as well as domestically for remote monitoring projects for pumping/drainage pump stations, a focus of the five-year acceleration plan.

Revenue was lower than in the same period of the previous year due to delays in ongoing projects, and operating profit declined YoY as a result.

2. FY24 1-2Q Results by Segment Environmental Solutions

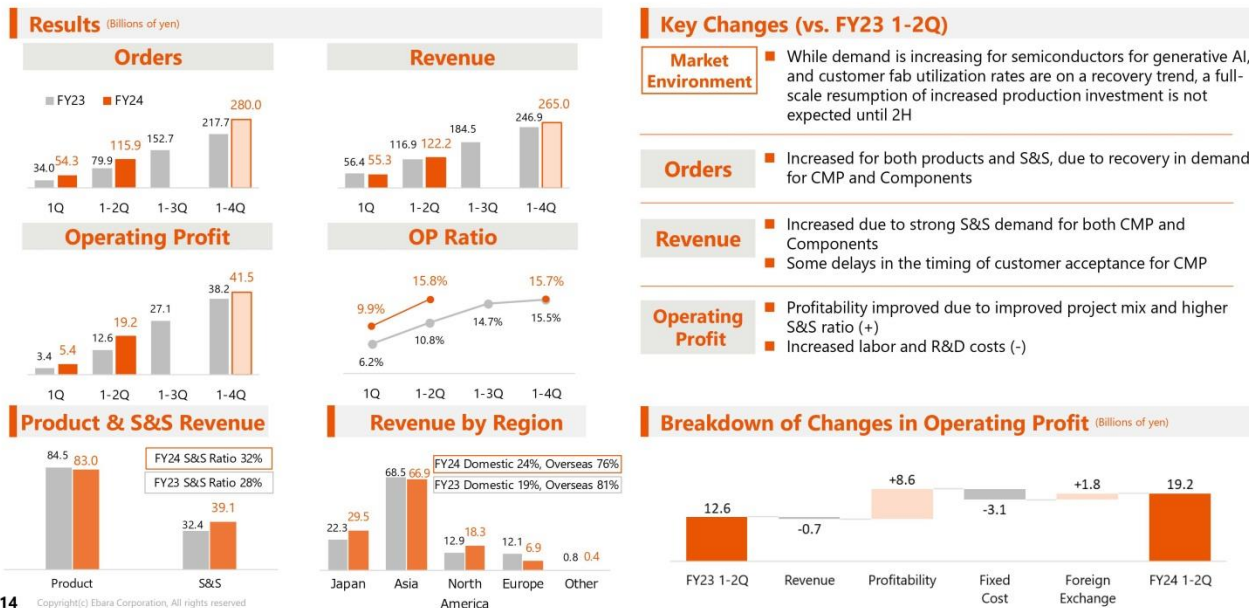


Regarding the Environmental Solutions Segment, orders in Q2 decreased from the same period of the previous year, while revenue and operating profit increased.

Due to the trough in EPC orders this fiscal year, we originally planned for a significant decrease in annual orders compared to last year. In Q2, the Company received one large order, but orders decreased compared with the same period of the previous fiscal year.

Operating profit also increased due to higher revenue in both EPC and O&M, reflecting the backlog of orders from last year.

Precision Machinery



The final segment is the Precision Machinery Segment.

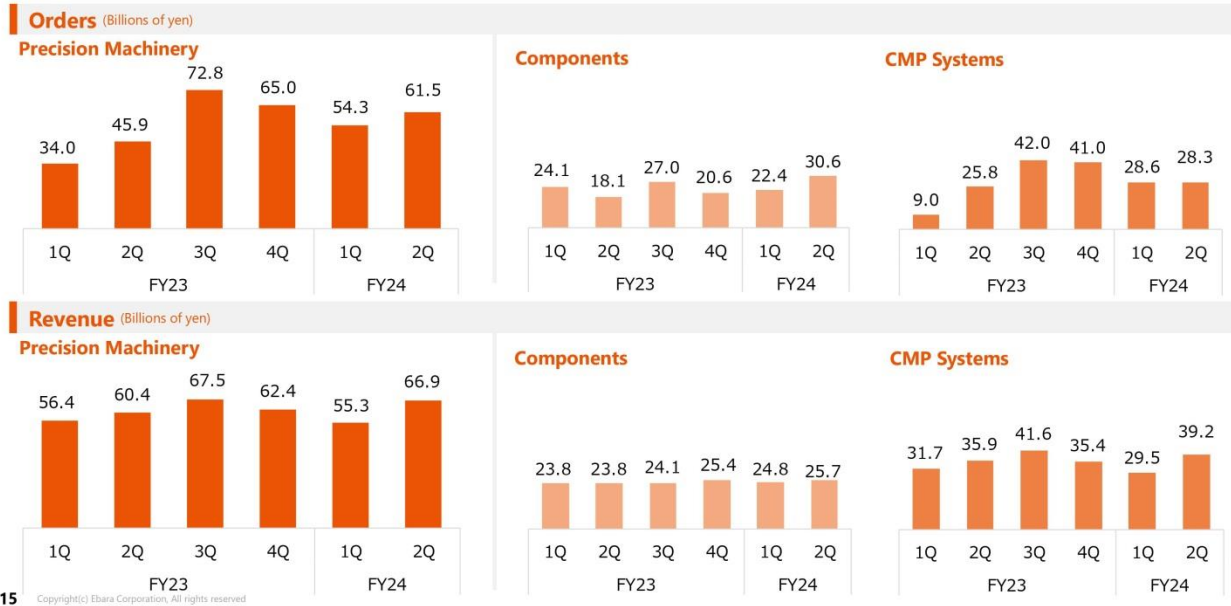
Orders increased significantly compared to the same period last year, while revenue and operating profit also increased.

With regard to the semiconductor market, some major global customers have seen an improvement in fab utilization rates, and the overall market is on a gradual recovery trend with full-fledged recovery in investment expected in H2 of the fiscal year. As a result, our orders have increased in both product and service & support compared to the same period last year due to the recovery of demand in both the CMP and component markets.

Revenue increased for both CMPs and components due to strong demand for service & support. On the other hand, CMP has experienced a slight delay in recording sales due to a delay in the timing of acceptance inspection on the part of the customer for products that have already been shipped.

Operating profit increased as profitability improved due to an improved project mix and a higher service & support ratio, which offset the increase in fixed cost.

Precision Machinery Quarterly Trends



Please turn to page 15.

Quarterly performance trends in the Precision Machinery Segment have been added to this report. Quarterly trends in orders and revenue are shown for the Segment as a whole, as well as for components and CMP Systems.

Both orders and revenue bottom out in Q1 and begin to recover in Q2. Orders are expected to recover further in H2 of the year. As for revenue, we expect to see steady demand for service & support, such as overhaul of dry vacuum pumps and parts replacement for CMP Systems, as customers' fab utilization rates improve.

This ends the explanation of Q2 results.

- 1. FY24 1-2Q Summary of Results
- 2. FY24 1-2Q Results by Segment
- 3. FY24 Forecast**
- 4. Topics
- 5. Appendix

Asami: Hello, everyone. This is Asami. Thank you for attending today's financial results briefing. I would like to explain our forecast for 2024.

3. FY24 Forecast

Consolidated

Upward revision of ¥11.0 billion for full-year Orders, considering the increased orders in Infrastructure and Environmental Solutions in 1H and projections for 2H

(billions of yen) Announced date (m/d/y)	FY23 Results a	FY24 P.Plan Feb/14/24 b	FY24 Plan Aug/14/24 c	1-4Q		Change vs. Prior Plan	
				YoY Change		Change c-b	Change % (c-b)/b
				Change c-a	Change % (c-a)/a		
Orders	820.5	834.0	845.0	+24.4	+3.0%	+11.0	+1.3%
Revenue	759.3	827.0	827.0	+67.6	+8.9%	-	-
Operating Profit	86.0	87.0	87.0	+0.9	+1.1%	-	-
OP Ratio	11.3%	10.5%	10.5%	-0.8pts	-	-	-
Profit Attributable to Owners of Parent	60.2	60.8	60.8	+0.5	+0.9%	-	-
ROIC	12.2%	11.0%	11.0%	-1.2pts			
ROE	15.7%	14.2%	14.2%	-1.5pts			
EPS (yen)* ¹	130.72	131.70	131.68	+0.96	+0.7%		
Annual Dividend per share (yen)* ¹	45.8	46.0	46.0	+0.2			
Exchange Rate* ²							
Vs. USD (JPY)	140.50	140.00	140.00			-	
Vs. EUR (JPY)	151.90	150.00	150.00			-	
Vs. CNY (JPY)	19.83	19.50	19.50			-	

*¹ Figures reflect the 5-for-1 stock split executed July 1, 2024.

*² Exchange Rate: FY23 exchange rates are simple averages of quarterly average rates; FY24 rates are assumed exchange rates for the year

See page 17.

Regarding the business environment for the current fiscal year, global inflation and high-interest rate levels in the US and Europe are continuing. There is also a downside risk of a slowdown in the Chinese economy. However, we believe that the global economy as a whole is on a recovery trend.

At the same time, we believe that we need to keep a close watch on geopolitical risks such as the tightening of semiconductor export control regulations due to tension between the US and China, and the situation in Ukraine and the Middle East. The semiconductor market is on a gradual recovery path, and further recovery is expected in H2 of the year.

In the Energy Segment, in addition to the downstream oil and gas markets, the LNG market has remained strong. In the Building Service & Industrial Segment, we expect the market for some industries in China to remain firm.

Based on this business environment, the progress of Q2 results, and the outlook for H2 of the year, we have raised our full year forecast for 2024 by JPY11 billion from our initial forecast for orders to JPY845 billion. The initial forecasts for revenue of JPY827 billion and operating profit of JPY87 billion remain unchanged.

Forecasts for other management indicators, dividends, and assumed exchange rates are also unchanged.

3. FY24 Forecast Segment



(billions of yen) Announced date (m/d/yy)		FY23 Results a	FY24 Plan Feb/14/24 b	FY24 Plan Aug/14/24 c	1-4Q		Change vs. Prior Plan	
					Change c-a	Change % (c-a)/a	Change c-b	Change % (c-b)/b
Total	Orders	820.5	834.0	845.0	+24.4	+3.0%	+11.0	+1.3%
	Revenue	759.3	827.0	827.0	+67.6	+8.9%	-	-
	Operating Profit	86.0	87.0	87.0	+0.9	+1.1%	-	-
	OP Ratio	11.3%	10.5%	10.5%	-0.8pts	-	-	-
Building Service & Industrial	Orders	221.3	230.0	230.0	+8.6	+3.9%	-	-
	Revenue	222.1	230.0	230.0	+7.8	+3.5%	-	-
	Operating Profit	15.7	16.5	16.5	+0.7	+4.8%	-	-
	OP Ratio	7.1%	7.2%	7.2%	+0.1pts	-	-	-
Energy	Orders	222.7	200.0	200.0	-22.7	-10.2%	-	-
	Revenue	167.2	200.0	200.0	+32.7	+19.6%	-	-
	Operating Profit	22.3	20.0	20.0	-2.3	-10.5%	-	-
	OP Ratio	13.4%	10.0%	10.0%	-3.4pts	-	-	-
Infrastructure	Orders	56.6	55.0	60.0	+3.3	+5.9%	+5.0	+9.1%
	Revenue	50.1	51.0	51.0	+0.8	+1.6%	-	-
	Operating Profit	4.6	4.0	4.0	-0.6	-13.1%	-	-
	OP Ratio	9.2%	7.8%	7.8%	-1.4pts	-	-	-
Environmental Solutions	Orders	100.8	68.0	74.0	-26.8	-26.6%	+6.0	+8.8%
	Revenue	71.5	80.0	80.0	+8.4	+11.8%	-	-
	Operating Profit	6.9	6.0	6.0	-0.9	-13.5%	-	-
	OP Ratio	9.7%	7.5%	7.5%	-2.2pts	-	-	-
Precision Machinery	Orders	217.7	280.0	280.0	+62.2	+28.6%	-	-
	Revenue	246.9	265.0	265.0	+18.0	+7.3%	-	-
	Operating Profit	38.2	41.5	41.5	+3.2	+8.4%	-	-
	OP Ratio	15.5%	15.7%	15.7%	+0.2pts	-	-	-
Others, Adjustment	Orders	1.1	1.0	1.0	-0.1	-	-	-
	Revenue	1.1	1.0	1.0	-0.1	-	-	-
	Operating Profit	-1.8	-1.0	-1.0	+0.8	-	-	-
	OP Ratio	-156.9%	-100.0%	-100.0%	+56.9pts	-	-	-

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Here is an explanation of the forecast for each segment.

We have revised orders upward in the Infrastructure and Environmental Solutions Segments.

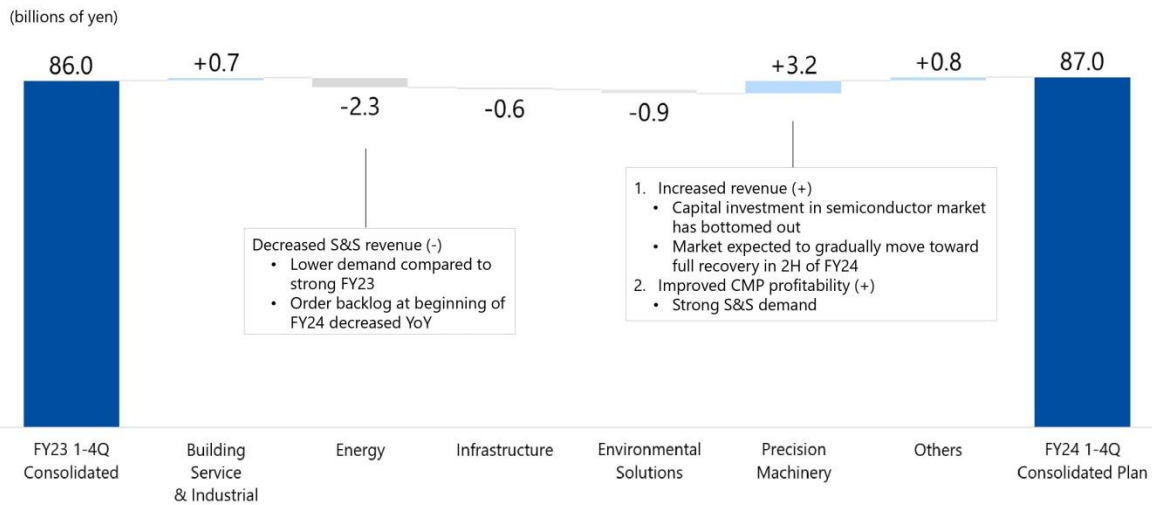
The Infrastructure Segment orders forecast was revised upward by JPY5 billion, due to the receipt of project orders in North America and in the domestic public sector in H1 of the year.

For the Environmental Solutions Segment, the orders forecast was revised upward by JPY6 billion, mainly due to an increase in orders for operation and maintenance projects.

The forecasts for other segments remain unchanged from the beginning of the fiscal year.

Breakdown of Changes in Operating Profit

We expect to achieve profit levels higher than FY23, while investing in growth and infrastructure



I will now explain the factors behind the YoY change in operating profit from the previous year's JPY86 billion to JPY87 billion in 2024. In 2024, the Precision Machinery Segment is expected to make a larger contribution to operating profit due to increased sales and improved profitability of CMP Systems, which will offset the decrease in operating profit of the Energy Segment, where demand for service & support is expected to settle down, resulting in a plan to increase total operating profit compared to the previous year. In this regard, there is no change from the forecast announced at the beginning of the period.

1. FY24 1-2Q Summary of Results

2. FY24 1-2Q Results by Segment

3. FY24 Forecast

4. Topics

5. Appendix

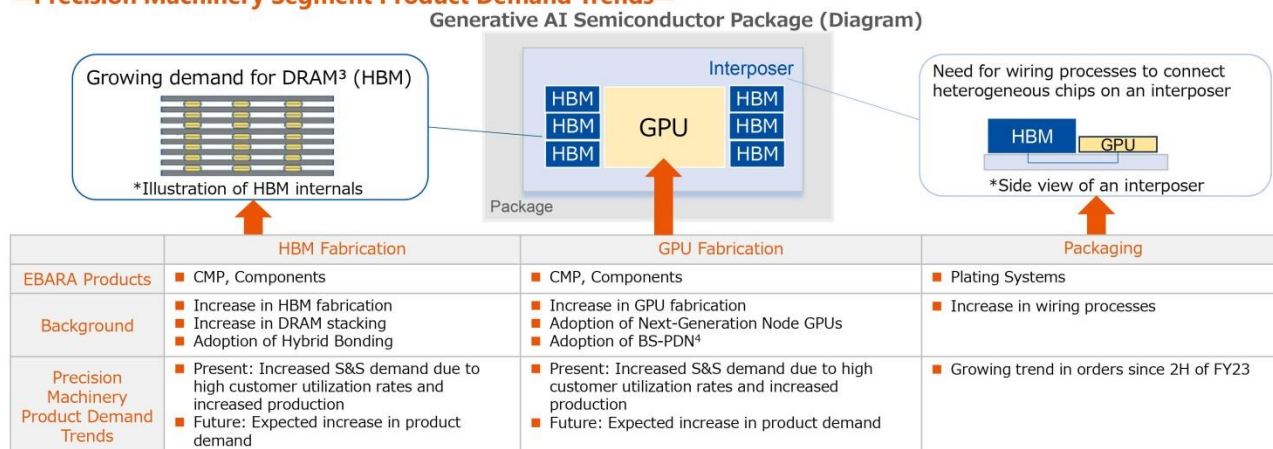
Next, I will explain the topic.

4. Topics

Semiconductors for Generative AI & Product Demand for Precision Machinery

- GPUs¹ and HBM² are essential for generative AI semiconductors, as is the wiring process on the interposer that connects them
- Our product lineup contributes to these key areas, and we expect our business to continue to expand

—Precision Machinery Segment Product Demand Trends—



REFERENCE: EBARA IR Day 2023 https://www.ebara.co.jp/en/ir/library/business-briefing/_icsFiles/fieldfile/2024/01/12/20231204_IRDAY_Day1-2_e.pdf

21 Copyright(c) Ebara Corporation, All rights reserved. ¹ GPU: Graphics Processing Unit ² HBM: High Bandwidth Memory ³ DRAM: Dynamic Random Access Memory ⁴ BS-PDN: Backside Power Delivery Network

I would like to explain about product demand in the Precision Machinery Segment, including semiconductors for generative AI, which is attracting attention, and other areas that we have not explained before.

With the evolution and growing popularity of generative AI, investment in the semiconductor technology that underlies it is increasing, and the semiconductor market is expected to see significant growth over the next several years. We believe that this growth will spur the creation of new business models and applications, creating demand beyond what exists today.

As shown in the figure, the key to semiconductors for generative AI is the graphic processing unit (GPU), high bandwidth memory (HBM), and the wiring process to connect them on the interposer. Our product line can contribute to the manufacturing of GPUs and HBMs, as well as the wiring processes that connect them, and we expect our business to expand as demand for semiconductors for generative AI increases.

I will explain each of them. The first is demand for GPU manufacturing. For GPUs, in addition to the increase in production, the adoption of further advanced node GPUs is expected to increase the demand for our products. In the future, we expect that the adoption of backside PDNs, or power delivery networks, in GPUs will increase demand for backside polishing and lead to further order opportunities for CMP products.

The second is demand for HBM manufacturing. In addition to an increase in HBM production, an increase in the number of DRAMs stacked per HBM is expected to increase demand for our products. Already for CMP Systems, the demand for service & support appears to be increasing due to customers' higher fab utilization rates and increased production. In addition, the adoption of hybrid bonding in future HBM manufacturing processes is expected to increase demand, especially for CMP Systems.

The third is demand for advanced packaging. In semiconductor packaging for generative AI, a new wiring process is required to connect different types of chips, such as GPUs and HBMs, on the interposer. Our plating equipment is being used there, and orders have already been increasing since H2 of 2023. As described above, we expect that the demand for our products will increase in conjunction with the increase in demand for semiconductors for generative AI.

That concludes the presentation today. Thank you for your attention.

1. FY24 1-2Q Summary of Results
2. FY24 1-2Q Results by Segment
3. FY24 Forecast
4. Topics
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5. Appendix

Consolidated Forecast (FY24 3-4Q)

(billions of yen) Announced date (m/d/y)		3-4Q				1-2Q	3-4Q	Change e-d
		FY23 Results a	FY24 Plan Aug/14/24 b	Change b-a	Change % (b-a)/a	FY24 Results d	FY24 Plan Aug/14/24 e	
Total	Orders	452.9	445.3	-7.6	-1.7%	399.6	445.3	+45.7
	Revenue	395.5	432.4	+36.9	+9.3%	394.5	432.4	+37.9
	Operating Profit	52.3	47.0	-5.3	-10.1%	39.9	47.0	+7.1
	OP Ratio	13.2%	10.9%	-2.4pts		10.1%	10.9%	+0.8pts
Building Service & Industrial	Orders	110.3	106.3	-4.0	-3.6%	123.6	106.3	-17.3
	Revenue	115.6	115.2	-0.4	-0.3%	114.7	115.2	+0.5
	Operating Profit	9.0	8.6	-0.4	-4.4%	7.8	8.6	+0.8
	OP Ratio	7.8%	7.5%	-0.3pts		6.8%	7.5%	+0.7pts
Energy	Orders	121.3	104.4	-16.9	-13.9%	95.5	104.4	+8.9
	Revenue	87.8	107.3	+19.5	+22.2%	92.6	107.3	+14.7
	Operating Profit	15.0	12.4	-2.6	-17.3%	7.5	12.4	+4.9
	OP Ratio	17.1%	11.6%	-5.5pts		8.1%	11.6%	+3.5pts
Infrastructure	Orders	31.4	31.2	-0.2	-0.6%	28.7	31.2	+2.5
	Revenue	20.9	25.1	+4.2	+20.1%	25.8	25.1	-0.7
	Operating Profit	0.2	0.9	+0.7	+350.0%	3.0	0.9	-2.1
	OP Ratio	1.0%	3.6%	+2.6pts		11.9%	3.6%	-8.3pts
Environmental Solutions	Orders	51.6	38.7	-12.9	-25.0%	35.2	38.7	+3.5
	Revenue	40.6	41.6	+1.0	+2.5%	38.3	41.6	+3.3
	Operating Profit	4.3	2.3	-2.0	-46.5%	3.6	2.3	-1.3
	OP Ratio	10.6%	5.5%	-5.1pts		9.4%	5.5%	-3.9pts
Precision Machinery	Orders	137.8	164.0	+26.2	+19.0%	115.9	164.0	+48.1
	Revenue	130.0	142.7	+12.7	+9.8%	122.2	142.7	+20.5
	Operating Profit	25.6	22.2	-3.4	-13.3%	19.2	22.2	+3.0
	OP Ratio	19.7%	15.6%	-4.1pts		15.8%	15.6%	-0.2pts
Others, Adjustment	Orders	0.6	0.4	-0.2		0.5	0.4	-0.1
	Revenue	0.5	0.4	-0.1		0.5	0.4	-0.1
	Operating Profit	-1.8	0.3	+2.1		-1.3	0.3	+1.6
	OP Ratio	-360.2%	75.0%	+285.2pts		-227.6%	75.0%	+152.6pts

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5. Appendix Orders



(billions of yen) Announced date (m/d/y)	FY23				FY24			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	3-4Q Plan Aug/14/24	1-4Q Plan Aug/14/24
Total	197.9	367.6	598.3	820.5	191.6	399.6	445.3	845.0
Building Service & Industrial	52.2	111.0	169.3	221.3	58.1	123.6	106.3	230.0
Energy	62.3	101.4	173.8	222.7	54.5	95.5	104.4	200.0
Infrastructure	15.6	25.2	43.2	56.6	18.9	28.7	31.2	60.0
Environmental Solutions	33.3	49.2	58.2	100.8	5.2	35.2	38.7	74.0
Precision Machinery	34.0	79.9	152.7	217.7	54.3	115.9	164.0	280.0
Components	24.1	42.3	69.3	89.9	22.4	53.1	47.8	101.0
CMP Systems	9.0	34.9	76.9	117.9	28.6	56.9	112.0	169.0
Others	0.7	2.6	6.4	9.8	3.3	5.8	4.1	10.0
Others	0.2	0.5	0.8	1.1	0.2	0.5	0.4	1.0

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5. Appendix Revenue



(billions of yen) Announced date (m/d/y)	FY23				FY24			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	3-4Q Plan Aug/14/24	1-4Q Plan Aug/14/24
Total	184.0	363.8	551.2	759.3	193.8	394.5	432.4	827.0
Building Service & Industrial	53.0	106.5	161.8	222.1	56.5	114.7	115.2	230.0
Energy	35.9	79.4	118.8	167.2	43.5	92.6	107.3	200.0
Infrastructure	20.3	29.2	37.9	50.1	17.2	25.8	25.1	51.0
Environmental Solutions	17.8	30.9	47.0	71.5	20.8	38.3	41.6	80.0
Precision Machinery	56.4	116.9	184.5	246.9	55.3	122.2	142.7	265.0
Components	23.8	47.7	71.9	97.4	24.8	50.6	50.3	101.0
CMP Systems	31.7	67.6	109.3	144.7	29.5	68.8	85.1	154.0
Others	0.8	1.5	3.2	4.7	0.8	2.8	7.1	10.0
Others	0.3	0.6	0.9	1.1	0.2	0.5	0.4	1.0

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5. Appendix Operating Profit



(billions of yen) Announced date (m/d/y)	FY23				FY24			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	3-4Q Plan Aug/14/24	1-4Q Plan Aug/14/24
Total	15.2	33.7	56.9	86.0	19.2	39.9	47.0	87.0
Building Service & Industrial	3.9	6.7	10.4	15.7	4.3	7.8	8.6	16.5
Energy	1.1	7.3	12.6	22.3	3.6	7.5	12.4	20.0
Infrastructure	4.8	4.4	3.3	4.6	3.5	3.0	0.9	4.0
Environmental Solutions	1.8	2.6	3.3	6.9	3.0	3.6	2.3	6.0
Precision Machinery	3.4	12.6	27.1	38.2	5.4	19.2	22.2	41.5
Others, Adjustment	0.0	0.0	0.0	-1.8	-0.8	-1.3	0.3	-1.0

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5. Appendix Backlog of Orders



(billions of yen) Announced date (m/d/y)	FY23				FY24		
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-4Q Plan Aug/14/24
Total	827.2	836.8	892.5	890.7	909.1	938.0	908.7
Building Service & Industrial	61.7	74.6	70.1	60.6	65.0	73.2	60.6
Energy	173.6	182.0	220.4	210.1	232.9	235.3	210.1
Infrastructure	51.3	52.5	67.3	67.4	69.6	70.8	76.4
Environmental Solutions	332.9	329.1	330.6	346.9	332.1	357.2	340.9
Precision Machinery	207.5	198.4	203.9	205.4	209.4	201.3	220.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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5. Appendix

Revenue by Region



(billions of yen)		FY23				FY24	
		1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
Building Service & Industrial		53.0	106.5	161.8	222.1	56.5	114.7
	Japan	23.6	45.2	66.3	94.0	26.1	48.7
	Asia (excl. Japan)	13.5	29.0	46.4	62.0	12.8	29.7
	North America	3.6	7.8	11.8	15.5	4.0	8.8
	Europe	5.9	12.3	17.7	23.2	6.0	12.7
	Middle East	2.0	3.2	5.4	6.6	2.3	3.8
Others	4.2	8.7	14.0	20.6	5.2	10.8	
Energy		35.9	79.4	118.8	167.2	43.5	92.6
	Japan	1.8	4.9	7.0	10.6	2.3	4.8
	Asia (excl. Japan)	11.7	31.9	45.6	63.0	14.4	32.6
	North America	13.7	14.9	25.2	35.7	12.3	29.6
	Europe	1.5	6.6	10.8	15.3	2.3	4.6
	Middle East	5.5	16.1	22.8	31.2	10.3	16.5
Others	1.4	4.8	7.2	11.0	1.8	4.4	
Infrastructure		20.3	29.2	37.9	50.1	17.2	25.8
	Japan	19.1	26.5	32.8	43.5	16.2	23.3
	Asia (excl. Japan)	0.9	2.3	4.4	5.5	0.7	2.0
	North America	0.0	0.1	0.3	0.5	0.0	0.0
	Middle East	0.0	0.1	0.2	0.4	0.1	0.2
	Others	0.0	0.0	0.0	0.0	-	-
Environmental Solutions		17.8	30.9	47.0	71.5	20.8	38.3
	Japan	17.8	29.8	45.0	67.1	20.8	38.0
	Asia (excl. Japan)	0.0	1.1	2.0	4.3	0.0	0.2
Precision Machinery		56.4	116.9	184.5	246.9	55.3	122.2
	Japan	10.2	22.3	39.3	54.6	14.0	29.5
	Asia (excl. Japan)	34.0	68.5	103.9	136.4	29.1	66.9
	North America	6.0	12.9	20.6	29.2	8.3	18.3
	Europe	5.4	12.1	19.5	25.3	3.4	6.9
	Others	0.6	0.8	1.0	1.3	0.2	0.4

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5. Appendix

Service & Support (S&S) Revenue



(billions of yen)		FY23				FY24	
		1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
Building Service & Industrial	S&S Revenue	10.8	21.7	31.5	49.9	14.0	26.3
	S&S Ratio	21%	20%	20%	23%	25%	23%
Energy	S&S Revenue	21.4	46.2	67.8	96.4	22.1	44.2
	S&S Ratio	60%	58%	57%	58%	51%	48%
Infrastructure	S&S Revenue	11.6	15.4	19.2	24.4	10.0	14.3
	S&S Ratio	57%	53%	51%	49%	58%	55%
Environmental Solutions	O&M Revenue	15.0	25.5	37.6	56.6	17.2	30.5
	O&M Ratio	84%	82%	80%	79%	83%	80%
Precision Machinery	S&S Revenue	15.6	32.4	50.9	71.1	17.7	39.1
	S&S Ratio	28%	28%	28%	29%	32%	32%

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5. Appendix Balance Sheet



(billions of yen)	FY23 2Q a	FY23 4Q b	FY24 2Q c	Change c-a	Change c-b
Total Assets	852.7	913.9	968.8	+116.1	+54.9
Current Assets	594.1	648.3	677.2	+83.0	+28.8
Cash and cash equivalents	143.6	148.0	178.4	+34.8	+30.4
Trade receivables	228.6	263.2	246.8	+18.1	-16.4
Inventories	195.9	200.6	216.2	+20.3	+15.6
Other Current Assets	25.9	36.3	35.6	+9.6	-0.7
Non-current Assets	258.5	265.5	291.6	+33.1	+26.1
Total Liabilities	459.9	492.3	508.1	+48.1	+15.8
Trade payables	150.5	153.2	136.4	-14.0	-16.7
Interest-bearing debt	125.7	145.2	144.1	+18.4	-1.0
Other Liabilities	183.6	193.8	227.5	+43.8	+33.6
Total Equity	392.7	421.5	460.7	+67.9	+39.1
Total equity attributable to owners of parent	382.3	409.8	449.3	+67.0	+39.4
Other Equity	10.3	11.6	11.3	+0.9	-0.3
Equity Ratio	44.8%	44.8%	46.4%	+1.6pts	+1.6pts
Debt-to-Equity Ratio	0.33	0.35	0.32	-0.01	-0.03

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5. Appendix Cash Flows



(billions of yen)	1-2Q			1-4Q		
	FY23 a	FY24 b	Change b-a	FY23 c	FY24 Plan Feb/14/24 d	Change d-c
Announced date (m/d/y)						
CF from operating activities	52.1	64.2	+12.0	70.0	70.0	-0.0
CF from investing activities	-15.9	-16.8	-0.8	-35.6	-73.0	-37.3
FCF	36.2	47.4	+11.1	34.3	-3.0	-37.3
CF from financing activities	-11.6	-23.6	-11.9	-4.6	-8.0	-3.3

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5. Appendix

CAPEX, Depreciation and Amortization, R&D Expenses



	1-2Q			1-4Q		
	FY23	FY24	Change	FY23	FY24 Plan Feb/14/24	Change
	a	b	b-a	c	d	d-c
CAPEX	16.0	27.4	+11.4	40.6	72.0	+31.3
Building Service & Industrial	3.4	3.5	+0.0	9.5	14.0	+4.4
Energy	2.2	4.0	+1.7	6.5	17.0	+10.4
Infrastructure	0.2	0.8	+0.6	0.5	2.0	+1.4
Environmental Solutions	0.3	1.6	+1.2	2.7	3.0	+0.2
Precision Machinery	5.1	10.5	+5.4	12.2	26.0	+13.7
Others	4.5	6.8	+2.2	9.1	10.0	+0.8
D&A	12.9	14.8	+1.8	26.5	29.0	+2.4
Building Service & Industrial	3.2	3.9	+0.7	6.7	7.0	+0.2
Energy	2.4	2.6	+0.1	4.9	5.0	+0.0
Infrastructure	0.4	0.4	-0.0	0.9	1.0	+0.0
Environmental Solutions	0.3	0.4	+0.0	0.7	1.0	+0.2
Precision Machinery	3.8	4.1	+0.3	7.6	8.0	+0.3
Others	2.5	3.2	+0.6	5.5	7.0	+1.4
R&D	8.8	9.2	+0.4	18.2	24.0	+5.7
Building Service & Industrial	2.1	2.3	+0.2	4.5	5.0	+0.4
Energy	1.7	1.1	-0.6	3.4	4.0	+0.5
Infrastructure	0.3	0.3	+0.0	0.6	1.0	+0.3
Environmental Solutions	0.7	0.8	+0.0	1.4	2.0	+0.5
Precision Machinery	3.8	4.5	+0.7	8.0	12.0	+3.9

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5. Appendix

ESG Topics



I Integrated Report	<p>Integrated Report 2024 Release (Japanese Language) 2024/6 News release (Japanese language only) – English coming soon! <Key Points> - Value creation story showcasing our strengths – Visualization of conglomerate premium – Progress in ROIC management, including Innovative Production ROIC and Intellectual Property ROIC – Activities of the Board of Directors and Conversation between the Market and Independent Directors</p>
E Environment	<p>First Exhibition at the World’s Largest Hydrogen Event, World Hydrogen 2024 Summit & Exhibition 2024/5 News release</p> <p>Selected as an Asia-Pacific Climate Change Leader for the First Time 2024/7 News release</p> <p>Agreement with Tokuyama Corporation Concerning Pilot Test of Hydrogen-Powered Absorption Chiller-Heater 2024/7 News release</p> <p>Successful Operation of Canned Motor Pump for Liquid Ammonia 2024/7 News release</p> <p>Planned Issuance of Sustainability-Linked Bond</p>
S Social	<p>Holds short-term summer vacation school project “EBARA LAND” Providing Support for Balancing Childcare and Career! 2024/7 News release (Japanese language only)</p> <p>Receives National Commendation for Invention from the Japan Institute of Invention and Innovation 2024/7 News release (Japanese language only)</p>
External Evaluations	<p>First-Time Receipt of the Encouragement Award at the 13th Japan HR Challenge Awards 2024/6 News release (Japanese language only)</p> <p>Continued Selection in ESG Indices 2024/7 News release</p>

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