RESULTS OF OPERATIONS FOR
THE FIRST QUARTER ENDED JUNE 30, 2010 (CONSOLIDATED)
〔Japanese GAAP〕

August 6 2010

Company name: EBARA CORPORATION
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(Stock code: 6361, Tokyo and Sapporo Stock Exchange in Japan)
（URL http://www.ebara.co.jp）
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Scheduled day of submission of quarterly report: August 10, 2010
Preparing supplementary material on quarterly financial results: No
Holding quarterly financial results presentation meeting (for institutional investors and analysts): No

Note: The amounts are rounded down to the nearest million.

1. Outline of the first quarter results for FY2011 (April 1-June 30, 2010)

(1) Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Through FY2011 1st Quarter	83,180	(11.3)	5,165	-	4,176	-	988	-
Through FY2010 1st Quarter	93,772	(4.3)	(638)	-	(632)	-	(1,982)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Through FY2011 1st quarter	2.34	2.18
Through FY2010 1st quarter	(4.69)	-

Note: % represents percentage change from a comparable previous period

(2) Consolidated Financial Position

Millions of yen, except per share data

	Total assets	Net assets	Equity ratio	Net assets per share of common stock
			%	Yen
Through FY2011 1st quarter	506,096	132,253	25.5	306.13
FY2010	522,540	132,665	24.8	307.46

Note: Shareholder’s Equity (consolidated) FY2011 1st quarter 129,240 million FY2010 129,805 million

2. Dividend

	Cash Dividend per share of common stock				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of the fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2010	-	0.00	-	0.00	0.00
FY2011	-				
FY2011 (Forecast)		0.00	-	-	-

Note: Revision of forecast for dividend during this quarter: Not applicable
No decision has been made at last time on the final dividend for the fiscal year.

3. Forecast of results for the year ending March 31, 2011

Millions of yen

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	Yen
2nd quarter accumulation of FY2011	190,000	(9.3)	9,000	275.2	7,000	545.8	3,500	-	8.29
FY2011	410,000	(15.6)	20,000	5.5	17,500	4.5	9,000	65.4	21.32

Note 1: % represents percentage change from a comparable previous period

Note 2: Revision of the forecast during this quarter: Applicable

4. Others (For further details, please refer to the section of "2. Others" on page 7 of this document.)

(1) Changes in significant subsidiaries: Not applicable

Note: Refers to movements of specified subsidiaries that have resulted from any changes to the range of consolidated entities during the current quarterly accounting period.

(2) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements: Applicable

Note: Refers to whether any special accounting treatment or any simplified accounting treatment was used during the development of the quarterly consolidated financial statements.

(3) Changes in accounting policies and presentation

(i) Changes due to revisions of accounting standards, etc.: Applicable

(ii) Changes other than (i) above: Not applicable

Note: Refers to changes to general rules and procedures, as well as to denotation methods for accounting treatment in relation to the development of current quarter consolidated financial statements as referenced in the section entitled, "Changes to Important Items that Form the Basis of the Development of the Quarterly Consolidated Financial Statements".

(4) Number of shares outstanding (Common Stocks)

(i) Number of common stocks (Including treasury stocks)	FY2011 1st quarter	422,725,658	FY2010	422,725,658
(ii) Number of treasury stocks	FY2011 1st quarter	545,875	FY2010	532,832
(iii) Average number of common stocks (accumulated period)	FY2011 1st quarter	422,182,415	FY2010 1st quarter	422,376,757

Recording of Implementation Conditions regarding Quarterly Review Procedures

This quarterly financial summary does not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial summary, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

Explanation of the Appropriate Use of Performance Forecasts and Other Related Matters

1. The forecasts of performance and other forward-looking statements contained in this document are based on information that was available to Ebara as of the time of the issuance of this document and on certain assumptions about uncertainties that may have an impact on the Company's performance. Actual performance may differ substantially from these forecasts owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecasts of performance, please refer to the section of "(3) Qualitative information on consolidated earnings forecasts," on page 6 of this document.
2. The Group has revised the forecast for performance for the second quarter, ending September 30, 2010 (consolidated), which was issued on May 7, 2010. The forecast for the fiscal year, ending March 31, 2011 (consolidated), however, has not been revised and remains unchanged.
3. No decision has been made at last time on the final dividend for the fiscal year. The Group will consider this matter, based on a determination of the profitability situation going forward. Since profitability is still undetermined, when it becomes possible to disclose this matter, the Group will disclose it promptly.

Contents

1.Qualitative information, Financial Statements, etc.

(1) Qualitative information on consolidated results of operations

(i) Overview

During the first quarter (three months), ended June 30, 2010, developments in the business environment overseas included a trend toward gradual recovery in the United States, despite delays in improvement in employment conditions. In Europe, improvement in the economic environment is continuing, but in certain countries, there are signs of risks related to uncertainties about the financial system accompanying fiscal crises. In addition, in the rest of Asia, principally China and India, exports expanded, and economic conditions recovered.

In Japan, as a result of reductions in the public-sector budget, public works investment is at a low level. However, in the private sector, corporate profitability is recovering, personal consumption is improving, and the number of construction starts is bottoming out. As a consequence, the economy is showing signs of improvement.

Amid these adverse economic conditions, the EBARA Group (the Group) proceeded with the implementation of its “E-Plan2010” Medium-Term Management Plan, and all the Group’s business segments focused their fullest efforts on improving profitability. Under E-Plan2010, which is now in its final year of implementation and will cover the period through the target year of fiscal 2010 (ending March 31, 2011), the Group is concentrating on the basic policies of “strengthening the business base for sustained growth” and “implementing corporate activities that emphasize compliance.” According to these basic policies, the Group is emphasizing selectivity and concentration in the allocation of its management resources, working to establish a business base from a global perspective, and improving cash flow.

During the first quarter, compared with the same quarter of the previous fiscal year, orders on a consolidated basis received by the Fluid Machinery & Systems (FMS) Company and the Precision Machinery (PM) Company increased; however, because of the exclusion of the water treatment plant business of the Environmental Engineering (EE) Company from the scope of consolidation, overall orders decreased compared with the same quarter of the previous fiscal year. Although consolidated sales of the PM Company increased because of improvement in semiconductor market conditions, overall consolidated sales decreased, mainly because of the exclusion of the water treatment plant business of the EE Company from the scope of consolidation. Operating income improved in the FMS Company, EE Company, and PM Company owing to efforts to increase profitability, reduce fixed costs, and other measures.

Consolidated net sales of the Group in the first quarter amounted to ¥ 83,180 million, 11.3% lower than for the same quarter of the previous fiscal year. The operating income for the first quarter was ¥ 5,165 million (an improvement of ¥ 5,804 million from the same quarter of the previous fiscal year), and ordinary income for the first quarter was ¥4,176 million (an improvement of ¥4,808 million from the same quarter of the previous fiscal year). The net income amounted to ¥988 million (an improvement of ¥2,970 million from the same quarter of the previous fiscal year).

(ii) Business segment information

Beginning with the first quarter under review, the “others” business, which was previously included in the EE Company, has been presented in the “Other” business segment, which contains results of activities not included in principal reporting segments. Comparisons of performance with the same quarter of the previous year have been calculated by recombining the performance figures for the previous fiscal year according to the classification after this change.

In the FMS Company, in overseas markets, although the number of projects in overseas markets, principally in the oil and gas industries, showed recovery, the conditions for obtaining orders were difficult because of more-intense price competition, the effects of foreign currency fluctuations, and other factors. Amid these operating conditions, the FMS Company worked to strengthen its global competitiveness through the implementation of production reform measures and moved ahead with efforts to substantially expand its after-sales service business.

On the other hand, in the domestic market, although recovery in capital investment in the private sector has lagged, the number of construction starts has shown signs of bottoming out. Under these circumstances, the FMS Company has launched new, more energy-efficient equipment and strengthened its efforts to capture demand for equipment replacement and renewal. In addition, in the public sector, business has been relatively strong as a result of the FMS Company's efforts to strengthen capabilities for responding to public-sector projects.

In the first quarter, sales of the FMS Company declined 7.2% from the same quarter of the previous fiscal year, to ¥57,849 million, and segment income increased 0.1% from the same quarter of the previous fiscal year, to ¥3,831 million.

In the EE Company, although circumstances in the core domestic public-sector market have continued to be tough, conditions have been stable. On the other hand, in the private sector, conditions have continued to be difficult as a result of restraints on capital investment. In the public sector, there is a growing trend toward drawing on the capabilities of the private sector for projects to extend the useful lives of aging facilities and in the area of develop-build-operate (DBO) projects that include a range of services from construction of facilities through operation and management. In the midst of these conditions, the EE Company is further strengthening its capabilities to respond accurately to changes in the market environment and customer needs by integrating its capabilities for providing new plant construction (engineering, procurement, and construction, EPC) based on its strong record of successful plant deliveries, its technological capabilities, and the capabilities of its domestic network for providing operation and maintenance (O&M) services on a nationwide basis.

In the first quarter, sales in the EE Company declined 59.9% from the same quarter of the previous fiscal year, to ¥8,472 million, as a result of the exclusion of the water treatment plant business from the scope of consolidation. The segment income was ¥561 million (an improvement of ¥2,227 million from the same quarter of the previous fiscal year).

In the PM Company, cutting-edge companies in semiconductor industry, which is the PM Company's main customer segment, located principally in Taiwan and Korea, are continuing to make aggressive capital investments to meet expansion in demand for devices used in high-performance mobile phones and low-cost PCs as well as Net book-type computers. In addition, along with the expansion in the market for 3-D TVs and other developments, the LED industry is emerging rapidly and making aggressive investments, principally in Asia. Amid these operating conditions, the PM Company is concentrating on strengthening profitability as it also reallocates personnel, principally to its production and equipment launch and support departments and implements other measures, including the shortening of lead times, to respond effectively to the sudden emergence and growth of the market.

In the first quarter, sales of the PM Company increased 65.7% from the same quarter of the previous fiscal year, to ¥14,580 million. The segment income was ¥668 million (an improvement of ¥3,710 million from the same quarter of the previous fiscal year).

(2) Qualitative information on consolidated financial position

At the end of the first quarter, the Group's total assets were ¥506,096 million, ¥16,444 million lower than at the end of the previous fiscal year. Principal changes in asset items included a decline in trade receivables of ¥49,831 million, a reduction of ¥2,211 million in inventories , a decrease in investment securities of ¥2,767 million and an increase in securities of ¥39,644 million.

Total liabilities at the end of the first quarter amounted to ¥373,842 million, ¥16,032 million lower than at the end of the same quarter of the previous fiscal year. Principal changes in liability items included a decline of ¥13,369million in trade payables, and a reduction of ¥3,737 million in reserve for construction losses.

Net assets at the end of the first quarter amounted to ¥132,253 million, ¥412 million lower than at the end of the first quarter of the previous fiscal year. Principal changes affecting net asset items were a net income for the quarter of ¥988 million and a decline of net unrealized gains on other securities of ¥1,243 million.

(3) Qualitative information on consolidated earnings forecasts

Regarding the forecast of results for the second quarter, ending September 30, 2010 (consolidated), in consideration of market trends after last announcement dated May 7, 2010, Operating income, Ordinary income and Net income have been revised as follows.

Qualitative information on consolidated performance for the fiscal year ending March 31, 2011, which was issued on May 7, 2010, has not been changed.

Forecast of results for the year ending March 31, 2011 — Millions of yen

	2nd quarter accumulation of FY2011		Fiscal year FY2012	
	Millions of yen		Millions of yen	
Net sales	190,000	(9.3)%	410,000	(15.6)%
Operating income	9,000	275.2%	20,000	5.5%
Ordinary income	7,000	545.8%	17,500	4.5%
Net income	3,500	-%	9,000	65.4%

The outlook for sales and segment income by business segment for the year ending March 31, 2011 is as follows.

% represents composition

	Net Sales		Segment income	
	Millions of yen		Millions of yen	
Fluid Machinery & Systems	290,000	70.7%	150,000	75%
Environmental Engineering	48,000	11.7%	2,000	10%
Precision Machinery	62,000	15.1%	3,000	15%
Others	10,000	2.4%	0	0%
Total	410,000	100%	20,000	100%

Note 1: % represents percentage change from a comparable previous period.

Factors that may have an influence on the Group's actual performance include those listed below; however, such factors are not limited to those on this list.

1. Impact of changes in market conditions
2. Effects of major projects and overseas business operations (including incurring of additional costs, liabilities for completion delays, country risk)
3. Effects of the InfraServe project in Germany（including incurring of additional costs）
4. Effects of business realignments, etc.
5. Effects of exchange rate fluctuations
6. Increases in interest rate payments owing to fluctuations in interest rates
7. Impact of natural disasters and damage to the social infrastructure
8. Changes in possibility of recovery of deferred tax assets
9. Impact of fluctuations in materials prices
10. Effects of litigation risk
11. Effects of legal control

2. Others

(1) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements

(i) Simplified accounting methods

(Method for calculating income taxes and deferred tax assets and liabilities)

In calculating corporate income tax, etc., to be paid, the Group employs a simplified method that limits the items to be added and subtracted, and items to be deducted from the tax amount, to material items.

In calculating tax expenses for accumulated consolidated results through the first quarter, the Group has applied tax effect accounting using the simplified method, and corporate income taxes, inhabitants' taxes, and enterprise taxes as well as adjustments to corporate income taxes under the single item "Income taxes".

To make judgments regarding the recoverability of deferred tax assets, in cases where it is deemed that there have been no major changes in the management environment since the end of the previous fiscal year and no temporary differences or other circumstances have arisen, the Group uses the outlook for consolidated performance and tax planning employed for the previous accounting year. When it is deemed that major changes have occurred or when temporary differences or other circumstances have arisen, the Group uses the outlook for consolidated performance and tax planning employed for the previous accounting year after making adjustments to take account of such major changes, etc.

(ii) Specified accounting methods for the preparation of quarterly consolidated financial statements

Use of special accounting treatment was not material.

(2) Changes in accounting policies and presentation

(Application of the Accounting standards for asset retirement obligations)

From the beginning of the first quarter of the current fiscal year, the Accounting Standard for Asset Retirement Obligations (Accounting Standards Bureau of Japan (ASBJ) Statement No. 18, issued on March 31, 2008) and the Implementation Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008) have been adopted.

As a consequence, for accumulated consolidated results through the first quarter, the operating income and ordinary income were each ¥40 million lower, and income before income taxes were ¥947 million lower than under the previous method for the recognition of calculation. The change in asset retirement obligations by adoption of these standards is ¥1,742 million.

3. Consolidated financial statements

(1) Consolidated Balance Sheets

	June 30, 2010	March 31, 2010
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and time deposits	82,116	80,089
Trade receivables	113,994	163,825
Securities	41,267	1,622
Finished goods	8,822	11,033
Work in process	46,939	40,251
Raw materials	18,850	18,524
Others	50,049	59,545
Allowance for doubtful receivables	(1,216)	(1,028)
Total current assets	360,823	373,864
Fixed assets		
Tangible fixed assets		
Buildings, net	40,876	40,034
Machinery and equipment, net	25,579	25,306
Others	30,240	32,438
Total tangible assets	96,696	97,779
Intangible assets	8,644	8,984
Investments and long-term receivables		
Investment securities	20,485	23,252
Others	22,483	21,737
Allowance for doubtful receivables	(3,037)	(3,078)
Total investments and long-term receivables	39,931	41,911
Total fixed assets	145,272	148,675
Total assets	506,096	522,540

	June 30, 2010	March 31, 2010
	Millions of yen	Millions of yen
Liabilities		
Current liabilities		
Trade payables	86,415	99,785
Short-term bank loans	75,277	74,610
Bonus payment reserve	7,190	5,232
Directors' bonus payment reserve	85	101
Reserve for losses on construction completion guarantees	8,766	9,601
Reserve for product warranties	1,312	1,365
Reserve for construction losses	16,419	20,157
Reserve for losses on contingent liabilities	28	31
Reserve for expenses related to the sale of land	3,814	4,588
Others	45,620	47,200
Total current liabilities	244,929	262,676
Long-term liabilities		
Bonds with stock acquisition rights	40,000	40,000
Long-term bank loans	60,632	61,204
Accrued severance and pension costs	21,247	20,704
Directors' retirement allowance reserve	325	362
Asset retirement obligations	1,749	—
Others	4,957	4,927
Total long-term liabilities	128,912	127,198
Total liabilities	373,842	389,874
Net assets		
Shareholders' equity		
Common stock	61,284	61,284
Capital surplus	65,212	65,212
Retained earnings	13,555	12,567
Treasury stock, at cost	(225)	(219)
Total shareholders' equity	139,826	138,844
Net unrealized gain		
Net unrealized gain on investment securities	332	1,576
Translation adjustments	(10,919)	(10,615)
Total net unrealized gain	(10,586)	(9,039)
Subscription rights to shares	166	104
Minority interests in consolidated subsidiaries	2,846	2,755
Total Net assets	132,253	132,665
Total liabilities and net assets	506,096	522,540

(2) Consolidated statements of income

	From April 1, 2009 to June 30, 2009	From April 1, 2010 to June 30, 2010
	Millions of yen	Millions of yen
Net sales	93,772	83,180
Cost of sales	75,189	60,588
Gross profit	18,583	22,592
Selling, general and administrative expenses	19,222	17,426
Operating income (loss)	(638)	5,165
Non-operating income		
Interest income	90	45
Dividend income	45	136
Foreign exchange gain	718	-
Others	173	435
Total of non-operating income	1,027	617
Non-operating expenses		
Interest expenses	817	830
Foreign exchange loss	-	286
Loss on equity method	13	75
Others	190	414
Total of non-operating expenses	1,020	1,606
Ordinary income (loss)	(632)	4,176
Extraordinary income		
Gain on sales of fixed assets	5	18
Gain on reversal of allowance for doubtful receivables	181	-
Gain on the prior year construction work	287	-
Others	131	-
Total of extraordinary income	605	18
Extraordinary expenses		
Loss on disposal of fixed assets	13	15
Loss on liquidation of subsidiaries and affiliates	1,150	-
Write-down of securities and other investments	341	541
Special retirement benefit paid	542	-
Loss on adjustment for changes of accounting standard for Asset retirement obligations	-	906
Others	9	9
Total of extraordinary expenses	2,057	1,473
Income (loss) before income taxes	(2,083)	2,721
Income taxes	(202)	1,590
Income before minority interests	-	1,131
Minority interests in income	100	143
Net income (loss)	(1,982)	988

(3) Consolidated statements of cash flows

	From April 1, 2009 to June 30, 2009	From April 1, 2010 to June 30, 2010
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income (loss) before income taxes	(2,083)	2,721
Depreciation and amortization	5,692	3,396
Loss on adjustment for changes of accounting standard for Asset retirement obligations	-	906
Increase (decrease) in allowances	721	(2,800)
Loss (gain) on sales of fixed assets	4	(15)
Interest and dividend income	(136)	(181)
Interest expenses	817	830
Decrease (increase) in trade receivables	55,362	49,827
Decrease (increase) in inventories	(3,407)	(4,894)
Increase (decrease) in trade payables	(24,580)	(12,754)
Others	3,864	7,452
Sub-total	36,255	44,488
Interest and dividend received	1,126	279
Interest expenses paid	(637)	(454)
Income taxes paid	(2,563)	(4,288)
Net cash provided by operating activities	34,181	40,025
Cash flows from investing activities		
Purchase of fixed assets	(8,726)	(5,870)
Proceeds from sales of fixed assets	7	22
Purchase of investment securities	(32)	(1)
Proceeds from sales of investment securities	1	1
Payments of loans receivable	(406)	(105)
Collection of loans receivable	709	6,972
Others	(45)	1
Net cash provided by (used in) investing activities	(8,493)	1,020
Cash flows from financing activities		
Increase in short-term bank loans	9,272	-
Decrease in short-term bank loans	(25,354)	-
Net increase (decrease) in short-term bank loans	-	1,694
Proceeds from long-term bank loans	-	6
Repayment of long-term bank loans	(86)	(630)
Purchase and sales of treasury stock	(2)	(5)
Cash dividends paid to minority shareholders	(696)	(437)
Others	-	(198)
Net cash provided by (used in) financing activities	(16,867)	428
Translation adjustments	919	197
Increase (decrease) in cash and cash equivalents	9,739	41,671
Cash and cash equivalents at the beginning of period:	77,194	81,711
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	3,137	-
Cash and cash equivalents at the end of period	90,071	123,383

(4) Note for the assumption of going concern

Not applicable

(5) Segment information

【Business segment information】

From April 1, 2009 to June 30, 2009

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	62,340	22,631	8,801	93,772	-	93,772
(2) Intersegment sales and transfer	258	980	0	1,238	(1,238)	-
Total	62,598	23,611	8,801	95,011	(1,238)	93,772
Operating income (loss)	3,827	(1,457)	(3,042)	(672)	(33)	(638)

Notes: 1 The Group's operate in three business segments as follows:

Business segment	Products
Fluid Machinery & Systems	Pumps, Browers, Turbo-compressors, Gas and steam turbines, Chillers, Machinery plant and Pumping system engineering, Cooling and water supply systems for nuclear power plants, Energy supply
Environmental Engineering	Environmental restoration equipment, Incinerators, Industrial water/wastewater treatment plants, Environmental system engineering, Chemicals and others
Precision Machinery	Dry vacuum pumps, CMP systems and other equipment for semiconductor industries

2 Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007).

As a consequence, for accumulated consolidated results through the first quarter, sales of the FMS Company were ¥1,807 million and the EE Company were ¥729 million upper and the operating income (loss) of the FMS Company were ¥367 million, and the EE Company were ¥76 million improve than the previous method of calculation.

【Geographical segment information】

From April 1, 2009 to June 30, 2009

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	66,633	18,846	8,293	93,772	-	93,772
(2) Intersegment sales and transfer	1,833	775	1,645	4,254	(4,254)	-
Total	68,467	19,621	9,938	98,027	(4,254)	93,772
Operating income (loss)	(3,445)	2,311	721	(412)	226	(638)

Notes: 1 Countries and areas are classified according to the geographical proximity.

2 Countries and areas included in the above classification are as follows:

(1) North America: USA

(2) Other areas: Italy, Germany, China, Philippines, Taiwan, Singapore, Brazil, Korea and Malaysia

3 Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007).

As a result, sales in Japan were ¥2,537 million larger, and the operating loss were ¥444 million lower than under the previous method of calculation.

【Overseas sales】

From April 1, 2009 to June 30, 2009

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	13,106	11,047	10,434	7,392	41,981
II Consolidated net sales					93,772
III Percentage of overseas sales to net sales (%)	14.0	11.8	11.1	7.9	44.8

Notes: 1Countries and areas are classified according to the geographical proximity.

2 Countries and areas included in the above classification are as follows:

(1) Asia: Taiwan, China and Korea

(2) North America: USA

(3) Europe: Italy, Germany and UK

(4) Other areas: Saudi Arabia and Qatar

3 Overseas sales are net sales of the Company and its subsidiaries other than in Japan.4 Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007).

As a result, sales of overseas in Asia were ¥736 million larger, and in other areas were ¥852 million larger than under the previous method of calculation.

【Segment information】

1. Overview of reportable segments

The reportable segments are constituent units of the EBARA Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

The EBARA Group is conducting its business operations through three in-house companies: the FMS Company, EE Company, and PM Company. Therefore, the EBARA Group is composed of product and service segments based along the lines of the in-house companies, and its three reporting segments are Fluid Machinery & Systems, Environmental Engineering, and Precision Machinery.

The Group’s operate in three business segments as follows:

Segment	Principal Products	Contents
Fluid Machinery & Systems	Pumps, browers, turbo-compressors, turbines, freezer chillers and others	Manufacture, sale, operation and maintenance (O&M) services and others
Environmental Engineering	Municipal waste processing plants, industrial waste incineration plants and others	Engineering, construction, O&M services and others
Precision Machinery	Dry vacuum pumps, CMP equipment, planting systems and other machinery and equipment used in the semiconductor manufacturing industry	Manufacture, sale and maintenance

2. Information about sales and profit or loss by reportable segments

From April 1, 2010 to June 30, 2010

	Reportable segments				Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated (Notes 3)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales (1) Sales to third parties	57,849	8,472	14,580	80,903	2,277	83,180	-	83,180
(2) Intersegment sales and transfer	117	16	5	140	1,162	1,302	(1,302)	-
Total	57,967	8,489	14,586	81,043	3,439	84,483	(1,302)	83,180
Segment income (loss)	3,831	561	668	5,061	(13)	5,048	117	5,165

Notes: 1 The “Others” item in the table above is the business segment for operations that are not included among reporting segments. It contains business support services and other activities.

2 The “Adjustment” item for segment income (loss) shows eliminations among intersegment sales and transfers.

3 Segment income (loss) has been adjusted with operating income in the quarterly consolidated statements of income.

3. Information about impairment loss of fixed assets, goodwill and negative goodwill by reportable segment

(Material impairment loss of fixed assets)

Not applicable

(Material change in goodwill amount)

Since the total amount of goodwill is not material, it has been omitted.

(Material negative goodwill arisen)

Not applicable

(Additional information)

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

(Reference information)

Beginning with the first quarter under review, the “others” business, which was previously included in the EE Company, has been presented in the “Other” business segment, which contains results of activities not included in principal reporting segments. The consolidated amounts for the first quarter of the previous fiscal year, according to the reporting segment classification after changes, are shown in the table below.

From April 1, 2009 to June 30, 2009

	Reportable segments				Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated (Notes 3)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales (1) Sales to third parties	62,340	21,125	8,801	92,266	1,506	93,772	-	93,772
(2) Intersegment sales and transfer	258	96	0	354	1,341	1,696	(1,696)	-
Total	62,598	21,221	8,801	92,621	2,847	95,469	(1,696)	93,772
Segment income (loss)	3,827	(1,665)	(3,042)	(880)	38	(842)	203	(638)

Notes: 1 The “Others” item in the table above is the business segment for operations that are not included among reporting segments. It contains business support services and other activities.

2 The “Adjustment” item for segment income (loss) shows eliminations among intersegment sales and transfers.

3 Segment income (loss) has been adjusted with operating income in the quarterly consolidated statements of income.

(6) Note for significant changes in the amount of shareholders’ equity

Not applicable

4.Additional Information

Order received and sales

(i) Order received

(Millions of yen)

Name of Segment	From April 1, 2009 to June 30, 2009	From April 1, 2010 to June 30, 2010	From April 1, 2009 to March 31, 2010
Fluid Machinery & Systems	50,072	54,912	255,555
Environmental Engineering	46,294	29,002	114,479
Precision Machinery	6,842	15,703	48,906
Reportable segments	103,209	99,618	418,942
Other	1,769	3,386	7,679
Total	104,979	103,004	426,622

(ii) Sales

(Millions of yen)

Name of Segment	From April 1, 2009 to June 30, 2009	From April 1, 2010 to June 30, 2010	From April 1, 2009 to March 31, 2010
Fluid Machinery & Systems	62,340	57,849	295,967
Environmental Engineering	21,125	8,472	130,333
Precision Machinery	8,801	14,580	50,534
Reportable segments	92,266	80,903	476,835
Other	1,506	2,277	9,054
Total	93,772	83,180	485,889

(iii) Backlog of order received

(Millions of yen)

Name of Segment	June 30, 2009	June 30, 2010	March 31, 2010
Fluid Machinery & Systems	202,492	167,803	170,113
Environmental Engineering	144,893	78,548	58,010
Precision Machinery	12,908	13,937	12,803
Reportable segments	360,294	260,289	240,927
Other	5,098	5,516	4,407
Total	365,393	265,805	245,335

Notes: 1. The above figures don’t include consumptive taxes and are eliminated intersegment sales and transfer.

2. Beginning with the first quarter under review, the “others” business, which was previously included in the EE Company, has been presented in the “Other” business segment, which contains results of activities not included in principal reporting segments. The figures shown above are those for the reporting segment classification after classification changes.