

May 9, 2011

Financial Summary for the year ended March 31,2011

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Cautionary statements with regard to forward-looking statements

This release contains forward looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.

Ebara undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

EBARA CORPORATION

Financial Summary for the year ended March 31,2011

1. Consolidated Financial Highlights

Billions of Yen

	Net sales		Operating Income		Ordinary Income (Loss)		Net Income (Loss)	
	Amount	Change Ratio	Amount	Change Ratio	Amount	Change Ratio	Amount	Change Ratio
Fiscal year ended March 31, 2011 【Forecast】	401.6 【401.5】	(17.3)	31.5 【31.5】	66.4	28.7 【29.0】	71.7	28.1 【28.5】	418.0
Fiscal year ended March 31, 2010	485.8	(3.0)	18.9	-	16.7	-	5.4	-
Fiscal year ended March 31, 2009	501.1	(11.6)	0.6	(89.4)	-2.3	-	-13.1	-

Change in accounting policies: Applicable
(Application of the Accounting standards for asset retirement obligations)

2. Outline of Dividend

	Cash dividend per share (First Half)	Cash dividend per share (Annual)
	YEN	YEN
Fiscal year ended March 31, 2011 【Forecast】	0.00 【 0.00 】	5.00 【 5.00 】
Fiscal year ended March 31, 2010	0.00	0.00
Fiscal year ended March 31, 2009	0.00	0.00

3. Consolidated Financial Position

Billions of Yen

	Total Assets	Change Ratio	Retained earnings	Change Ratio	Net assets	Equity ratio	Net assets per share of common stock
		%		%		%	Yen
March 31, 2011	507.8	(2.8)	40.7	224.3	154.9	29.9	360.01
March 31, 2010	522.5	(7.1)	12.5	71.8	132.6	24.8	307.46
March 31, 2009	562.4	(7.3)	7.3	(69.8)	124.2	21.6	287.44

4. Consolidated Cash Flow

Billions of Yen

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents
Fiscal year ended March 31, 2011	26.6	10.9	(14.0)	104.0
Fiscal year ended March 31, 2010	23.5	(17.1)	(5.4)	81.7
Fiscal year ended March 31, 2009	17.4	(2.7)	(3.2)	77.1

5. Scope of Consolidation

Number of consolidated subsidiaries: 48

Added	2	Elliott Ebara Turbomachinery India Pvt. Ltd. ELLIOTT GAS Services Saudi Arabia Limited
Excluded	5	Elliott Foreign Sales Corp. Ebara Kailay Environmental Engineering Co., Ltd. Elliott Ebara Company Ltd. Ebara Kyusyu Co., Ltd. Ebara Shinwa Ltd.

Forecast of results for the year ending March 31, 2012

Consolidated

Billions of Yen

	Net sales		Operating Income		Ordinary Income		Net Income	
	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)	Amount	Change Ratio (%)
Second quarter ending September 30, 2012	180.0	4.0	11.0	14.1	9.5	22.5	5.0	28.7
Second quarter ending September 30, 2011	173.1	(17.4)	9.6	301.9	7.7	615.3	3.8	—
Change	6.8		1.3		1.7		1.1	
Fiscal year ending March 31, 2012	405.0	0.8	28.0	(11.2)	25.0	(13.0)	13.0	(53.9)
Fiscal year ending March 31, 2011	401.6	(17.3)	31.5	66.4	28.7	71.7	28.1	418.0
Change	3.3		(3.5)		(3.7)		(15.1)	

* Expectation of exchange rate 1US\$=¥80, 1EUR=¥110, 1RMB=¥12.25

* For the next fiscal year, forecast of annual cash dividend is ¥5.0 per common share.

Consolidated Segment Information

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering,

PM = Precision Machinery

included in the "Environmental Engineering" business segment, has been presented in the "Others" business segment, which contains results of activities not included in principal reporting segments.

1. Order Received

Billions of Yen

	Reportable segments				Others	Total
	FMS	EE	PM	Total		
Fiscal year ended March 31, 2011	262.1	82.5	74.6	419.3	11.6	430.9
Fiscal year ended March 31, 2010	255.5	114.4	48.9	418.9	7.6	426.6
Change	6.5	(31.9)	25.7	0.3	3.9	4.3
March 31, 2012 (Forecast)	290.0	65.0	75.0	430.0	10.0	440.0

2. Sales

Billions of Yen

	Reportable segments				Others	Total
	FMS	EE	PM	Total		
Fiscal year ended March 31, 2011	268.9	51.6	67.9	388.5	13.1	401.6
Fiscal year ended March 31, 2010	295.9	130.3	50.5	476.8	9.0	485.8
Change	(27.0)	(78.6)	17.3	(88.3)	4.1	(84.2)
March 31, 2012 (Forecast)	270.0	50.0	75.0	395.0	10.0	405.0

Billions of Yen

	Geographical Segment			Total
	Japan	North America	Other	
Fiscal year ended March 31, 2011	301.8	56.4	43.4	401.6
Fiscal year ended March 31, 2010	372.3	73.0	40.3	485.8
Change	(70.5)	(16.6)	3.0	(84.2)

3. Operating Income

Billions of Yen

	Reportable segments				Others and adjustment	Total
	FMS	EE	PM	Total		
Fiscal year ended March 31, 2011	21.5	0.9	8.0	30.5	0.9	31.5
Fiscal year ended March 31, 2010	21.8	(1.2)	(2.7)	17.8	1.0	18.9
Change	(0.2)	2.1	10.7	12.6	(0.0)	12.5
March 31, 2012 (Forecast)	15.0	4.0	8.0	27.0	1.0	28.0

Billions of Yen

	Geographical Segment				Total
	Japan	North America	Other	Adjustment	
Fiscal year ended March 31, 2011	17.2	7.8	6.5	(0.0)	31.5
Fiscal year ended March 31, 2010	5.9	8.4	4.9	(0.4)	18.9
Change	11.3	(0.6)	1.5	0.3	12.5

4. Total Assets

Billions of Yen

	Reportable segments				Others and adjustment	Total
	FMS	EE	PM	Total		
March 31, 2011	256.9	55.6	70.9	383.5	124.3	507.8
March 31, 2010	284.4	68.0	67.8	420.3	102.1	522.5
Change	(27.5)	(12.4)	3.1	(36.8)	22.2	(14.6)

5. Employees

	Business Segment			Others	Total	Ebara Only	Japan	Other
	FMS	EE	PM					
Fiscal year ended March 31, 2011	9,761	1,978	1,503	765	14,007	2,707	5,219	6,081
Fiscal year ended March 31, 2010	9,519	2,022	1,440	819	13,800	2,662	5,244	5,894
Change	242	(44)	63	(54)	207	45	(25)	187

6. Research and Development Expenses

Billions of Yen

	Business Segment				Others and adjustment	Total
	FMS	EE	PM	Total		
Fiscal year ended March 31, 2011	3.1	0.0	0.8	4.0	—	4.0
Fiscal year ended March 31, 2010	2.9	1.4	0.6	4.9	—	4.9
March 31, 2012 (Forecast)	3.7	0.3	1.9	5.9	—	5.9

7. Depreciation and Amortization Expenses

Billions of Yen

	Business Segment				Others and adjustment	Total
	FMS	EE	PM	Total		
Fiscal year ended March 31, 2011	8.6	0.3	3.9	12.9	0.5	13.5
Fiscal year ended March 31, 2010	9.0	0.9	5.2	15.3	(0.0)	15.2
March 31, 2012 (Forecast)	9.0	0.5	4.0	13.5	0.5	14.0

8. Capital Expenditures

Billions of Yen

	Business Segment				Others and adjustment	Total
	FMS	EE	PM	Total		
Fiscal year ended March 31, 2011	5.7	0.6	1.2	7.6	0.5	8.1
Fiscal year ended March 31, 2010	15.2	1.6	2.5	19.3	(0.0)	19.4
March 31, 2012 (Forecast)	7.7	0.3	2.0	10.0	3.9	13.9

9. Backlog of Order received

Billions of Yen

	Business Segment				Others	Total
	FMS	EE	PM	Total		
March 31, 2011	157.8	88.8	18.9	265.5	4.7	270.2
March 31, 2010	170.1	58.0	12.8	240.9	4.4	245.3
Change	(12.3)	30.8	6.1	24.6	0.3	24.9
March 31, 2012 (Forecast)	163.9	102.0	20.2	286.1	4.7	290.8

10. Ratio of Consolidated to Non-Consolidated

	Sale	Operating Income	Ordinary Income	Net Income
	times	times	times	times
Fiscal year ended March 31, 2011	2.51	6.91	2.15	1.12
Fiscal year ended March 31, 2010	2.89	—	—	—

Consolidated Statements of Income

Billions of Yen

	Current	Previous	Change	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010	Amount	%
Net Sales	401.6	485.8	(84.2)	(17.3)
Cost of sales	301.6	389.4	(87.7)	(22.5)
(Cost of sales ratio)	(75.1)	(80.1)		(Δ0.5)
Gross Profit	100.0	96.4	3.5	3.7
S.G & A expenses	68.4	77.4	(9.0)	(11.6)
Operating Income	31.5	18.9	12.5	66.4
Non-operating income	2.7	3.1	(0.4)	(15.5)
Interest income	0.2	0.3		
Dividend income	0.6	0.4		
Equity in earnings of affiliates	0.7	0.0		
Others	1.0	2.2		
Non-operating expense	5.4	5.4	0.0	1.7
Interest expense	3.0	3.5		
Others	2.4	1.8		
Ordinary Income	28.7	16.7	12.0	71.7
Extraordinary income	2.3	6.7	(4.4)	(65.7)
Gain on sales of fixed assets	1.0	1.1		
Reversal of allowance for doubtful accounts	–	0.4		
Gain on sales of investment securities	1.2	3.4		
Gain on transfer among severance payment plans	0.0	0.2		
Gain on adjustment for changes of accounting standard for construction contracts	–	0.2		
Gain on transfer of business	–	0.6		
Reversal of provision for loss on guarantees	–	0.0		
Gain on forgiveness of debts	–	0.4		
Extraordinary expense	2.5	11.5	(9.0)	(78.2)
Loss on sales and disposal of fixed assets	0.8	1.5		
Loss on valuation of investment securities	0.5	0.4		
Loss on liquidation of subsidiaries and affiliates	–	1.3		
Loss on sales of stocks of subsidiaries and affiliates	–	7.3		
Impairment losses	0.0	0.2		
Loss on valuation of membership	0.0	–		
Special retirement benefit paid	–	0.5		
Loss on adjustment for changes of accounting standard for asset retirement obligations	0.9	–		
Income before income taxes	28.5	11.9	16.5	138.4
Income taxes	9.0	9.5	(0.5)	(5.5)
Income taxes – deferred	(9.3)	(3.6)	(5.7)	158.2
Income before minority interests	28.8	6.0	22.8	376.9
Minority interests	0.6	0.6	0.0	11.4
Net Income	28.1	5.4	22.7	418.0
Comprehensive Income	22.7	9.3		

Consolidated Balance Sheets (Assets)

Billions of Yen

	Current	Previous	Change	
	March 31, 2011	March 31, 2010	Amount	%
Assets				
I Current assets	372.4	373.8	(1.4)	(0.4)
Cash and time deposits	100.6	80.0	20.5	25.7
Securities	3.3	1.6	1.7	105.0
【Cash and cash equivalent】	【104.0】	【81.7】	【22.2】	【27.3】
Trade receivables	161.5	163.8	(2.3)	(1.4)
Inventories	66.8	69.8	(2.9)	(4.2)
Deferred tax assets	24.9	14.6	10.2	70.0
Others	16.5	44.8	(28.3)	(63.1)
Allowance for doubtful receivables	(1.4)	(1.0)	(0.4)	40.8
II Fixed assets	135.4	148.6	(13.1)	(8.9)
(1) Tangible fixed assets	89.7	97.7	(8.0)	(8.2)
Buildings	38.4	40.0	(1.6)	(4.1)
Machinery and equipment	22.7	25.3	(2.5)	(10.1)
Land	21.0	21.5	(0.5)	(2.8)
Construction in progress	2.5	4.3	(1.8)	(42.3)
Others	5.0	6.4	(1.4)	(22.2)
(2) Intangible fixed assets	7.2	8.9	(1.7)	(19.5)
(3) Investment and long-term receivables	38.5	41.9	(3.3)	(8.1)
Investment securities	22.2	23.2	(1.0)	(4.5)
Long-term loans receivables	0.4	0.4	(0.0)	(19.2)
Deferred tax assets	8.4	10.4	(1.9)	(18.8)
Others	10.6	10.8	(0.1)	(1.3)
Allowance for doubtful receivables	(3.2)	(3.0)	(0.1)	5.0
Total assets	507.8	522.5	(14.6)	(2.8)

Ratio of Consolidated to Non-Consolidated	1.3	1.3
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Consolidated Balance Sheets (Liabilities & Net assets)

Billions of Yen

	Current	Previous	Change	
	March 31, 2011	March 31, 2010	Amount	%
Liabilities				
I Current liabilities	260.0	262.6	(2.5)	(1.0)
Trade payables	98.9	99.7	(0.8)	(0.9)
Short-term bank loans	68.3	74.6	(6.2)	(8.3)
Current portion of bonds with subscription rights to shares	20.0	–	20.0	–
Accrued income taxes	4.7	4.0	0.7	18.3
Bonus payment reserve (including Directors')	6.5	5.3	1.1	21.9
Reserve for construction relations	25.8	31.1	(5.2)	(17.0)
Others	35.6	47.7	(12.1)	(25.4)
II Long-term liabilities	92.8	127.1	(34.3)	(27.0)
Bonds with subscription rights to shares	20.0	40.0	(20.0)	(50.0)
Long-term bank loans	50.6	61.2	(10.5)	(17.2)
Provision for retirement benefits	16.0	21.0	(5.0)	(23.9)
Others	6.1	4.9	1.2	25.5
Total of liabilities	352.9	389.8	(36.9)	(9.5)
Net assets				
I Common stock	61.2	61.2	–	–
II Capital surplus	65.2	65.2	0	0.0
III Retained Earnings	40.7	12.5	28.1	224.3
IV Treasury stock, at cost	(0.2)	(0.2)	(0.0)	21.4
V Accumulated Other Comprehensive Income	(15.0)	(9.0)	(6.0)	66.4
VI Subscription rights to shares	0.3	0.1	0.2	248.3
VII Minority interest in consolidated subsidiaries	2.6	2.7	(0.1)	(4.7)
Total net assets	154.9	132.6	22.2	16.8
Total liabilities and net assets	507.8	522.5	(14.6)	(2.8)

Interest bearing debt	160.4	177.8	(17.4)	(9.8)
Loans guaranteed as contingent liabilities	4.6	3.0	1.5	
(Loans guaranteed ; non-consolidated)	29.8	38.4	(8.6)	

Consolidate Statements of Cash Flows

Billions of Yen

	Previous	Current	Next	Total of 3 periods
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	
Cash flows from operating activities				
Income before income taxes	11.9	28.5	23.0	63.4
Adjustment of cash flow item :				
Depreciation and amortization	15.2	13.5	14.0	42.7
Loss (gain) on sales of fixed assets	(1.0)	(0.6)		(1.6)
Loss (gain) on sales of securities and investment securities	3.9	(1.2)		2.7
Increase(decrease) in allowance and other	3.7	(9.8)	(5.0)	(11.1)
Increase/decrease of operating assets and liabilities				
Trade receivables	(3.1)	(0.2)	} 3.8	} (4.7)
Inventories	7.2	1.2		
Trade payable	(14.8)	1.2		
Income taxes paid	(5.3)	(7.2)	(9.8)	(22.3)
Others	5.8	1.3	1.2	8.3
Net cash provided by (used for) operating activities	23.5	26.6	27.2	77.3
Cash flows from investing activities				
Purchase of fixed assets	(19.3)	(14.6)	(13.9)	(47.8)
Proceeds from sales of fixed assets	0.5	17.5	-	} 25.8
Other Investments	1.7	8.1	(2.0)	
Net cash provided by (used for) investing activities	(17.1)	10.9	(15.9)	(22.0)
Free Cash Flows	6.4	37.6	11.3	55.3
Cash flows from financing activities				
Redemption of (convertible)bonds	(20.0)	-	} (20.0)	} (37.9)
Proceeds from bank loans and commercial paper	66.6	23.4		
Repayment of bank loans and commercial paper	(50.0)	(37.9)		
Dividends paid	-	-	(2.1)	(2.1)
Dividends paid to minority shareholders' in consolidated subsidiaries	(1.0)	(0.4)	-	(1.4)
Purchase and sales of treasury stock	(0.0)	(0.0)	-	
Others	(0.9)	0.7	-	(0.2)
Net cash provided by (used for) financing activities	(5.4)	(14.0)	(22.1)	(41.6)
Translation adjustments	0.3	(1.2)	-	(0.9)
Total CF	1.3	22.2	(10.8)	12.8
Cash and cash equivalents				
At beginning of period	77.1	81.7	104.0	
Net effect of deconsolidation and consolidation of subsidiaries	3.1	-	-	
At end of period	81.7	104.0	93.2	

*Information on interest-bearing debt

Short term	75.3	88.8	78.6
Long term	102.4	71.5	61.8
Total interest-bearing debt	177.8	160.4	140.4

Consolidated Sales and Orders of Subsegment

1. Order received

Billions of Yen

	Current		Previous		Change		Forecast	
	Mar. 31, 2011	*1	Mar. 31, 2010	*1	*2		Mar. 31, 2012	*2
FMS Business		%		%		%		%
Custom Pumps	46.1	10.7	44.1	10.3	2.0	4.6	56.0	21.3
Compressors & Fans	70.1	16.3	77.8	18.2	(7.7)	(9.9)	91.0	29.8
Fluid related plants	40.6	9.4	41.5	9.7	(0.8)	(2.0)	34.0	(16.4)
Standard pumps	72.1	16.7	69.1	16.2	2.9	4.3	77.0	6.7
Chillers	33.0	7.7	22.8	5.4	10.1	44.3	32.0	(3.1)
Total of FMS	262.1	60.8	255.5	59.9	6.5	2.6	290.0	10.6
EE Business								
Water treatment plants	1.9	0.5	69.6	16.3	(67.7)	(97.2)	–	(100.0)
Environmental plants	80.6	18.7	32.9	7.7	47.6	144.9	65.0	(19.4)
Others	–	–	11.9	2.8	(11.9)	(100.0)	–	–
Total of EE	82.5	19.2	114.4	26.8	(31.9)	(27.9)	65.0	(21.3)
PM Business								
Components	27.6	6.4	16.8	4.0	10.7	63.9	27.0	(2.5)
CMPsystems	44.1	10.3	28.3	6.6	15.8	55.8	45.0	1.8
Others	2.7	0.6	3.6	0.9	(0.9)	(24.7)	3.0	9.0
Total of PM	74.6	17.3	48.9	11.5	25.7	52.6	75.0	0.5
	11.6	2.7	7.6	1.8	3.9	51.9	10.0	(14.3)
Total	430.9	100.0	426.6	100.0	4.3	1.0	440.0	2.1

2. Sales

Billions of Yen

	Current		Previous		Change		Forecast	
	Mar. 31, 2011	*1	Mar. 31, 2010	*1	*2		Mar. 31, 2012	*2
FMS Business		%		%		%		%
Custom Pumps	50.7	12.6	67.2	13.8	(16.4)	(24.5)	51.0	0.4
Compressors & Fans	76.0	18.9	85.1	17.5	(9.1)	(10.7)	77.0	1.3
Fluid related plants	40.3	10.0	42.1	8.7	(1.7)	(4.2)	35.0	(13.3)
Standard pumps	70.6	17.6	69.8	14.4	0.8	1.2	76.0	7.6
Chillers	31.1	7.8	31.5	6.5	(0.4)	(1.4)	31.0	(0.5)
Total of FMS	268.9	67.0	295.9	60.9	(27.0)	(9.1)	270.0	0.4
EE Business								
Water treatment plants	3.6	0.9	61.9	12.8	(58.2)	(94.0)	–	(100.0)
Environmental plants	47.9	11.9	55.7	11.5	(7.7)	(13.9)	50.0	4.2
Others	–	–	12.6	2.6	(12.6)	(100.0)	–	–
Total of EE	51.6	12.9	130.3	26.8	(78.6)	(60.4)	50.0	(3.2)
PM Business								
Components	26.0	6.5	16.4	3.4	9.5	58.1	27.0	3.6
CMPsystems	37.9	9.5	26.7	5.5	11.2	41.9	45.0	18.5
Others	3.8	1.0	7.2	1.5	(3.4)	(46.9)	3.0	(22.4)
Total of PM	67.9	16.9	50.5	10.4	17.3	34.4	75.0	10.5
	13.1	3.3	9.0	1.9	4.1	45.5	10.0	(24.1)
Total	401.6	100.0	485.8	100.0	(84.2)	(17.3)	405.0	0.8

*1 shows the composition ratio

*2 shows the increase and decrease ratio