

Results Presentation for the Second Quarter ended September 30, 2015

EBARA (6361)

November 11, 2015



1. Summary of Results

Executive Officer
Responsible for Finance &
Accounting

Akihiko Nagamine

2. Projection and Management Strategy

President
Representative Executive Officer

Toichi Maeda

1. Summary of Results

Summary of Results through the 2nd Quarter

(1/2)

(Six months ended September 30, 2015)

(unit : ¥bn)

	2nd Quarter ended September 30, 2014 (Results)	2nd Quarter ended September 30, 2015 (Results)	Change
Orders	227.2	242.7	+15.5
Net Sales	186.1	207.0	+20.9
Operating Income	-0.6	4.6	+5.2
Ordinary Income	-0.3	3.8	+4.1
Net Income attributable to owners of parent *	-1.9	1.3	+3.2

* "Net Income" as for 2Q ended June 30, 2014

Exchange Rate
(Average)

1USD = 105.4 JPY

1USD = 120.1 JPY

1. Summary of Results

Segmental Summary of Results through the 2nd Quarter

(2/2)

(unit : ¥bn)

	Orders			Net Sales			Operating Income		
	2Q ended Sep. 30, 2014	2Q ended Sep. 30, 2015	Change	2Q ended Sep. 30, 2014	2Q ended Sep. 30, 2015	Change	2Q ended Sep. 30, 2014	2Q ended Sep. 30, 2015	Change
FMS Business	155.9	157.1	+1.2	131.5	138.7	+7.1	-3.1	-1.8	+1.2
EE Business	38.8	34.8	-3.9	23.2	25.7	+2.4	1.0	1.4	+0.3
PM Business	31.6	49.8	+18.2	30.4	41.7	+11.3	1.0	4.7	+3.6
Others, Adjustment	0.8	0.8	-0.0	0.8	0.8	-0.0	0.3	0.3	-0.0
Total	227.2	242.7	+15.5	186.1	207.0	+20.9	-0.6	4.6	+5.2

FMS Business ... Fluid Machinery & Systems Business

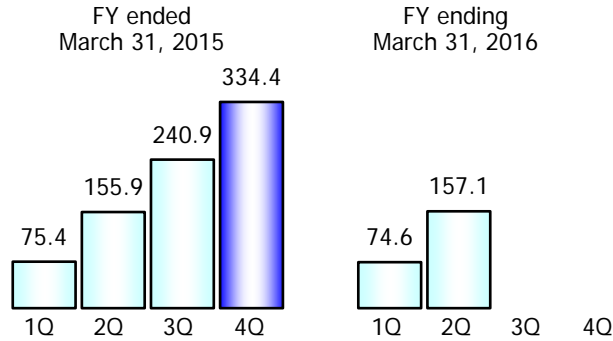
EE Business ... Environmental Engineering Business

PM Business ... Precision Machinery Business

FMS Business ... Fluid Machinery & Systems Business

(unit : ¥bn)

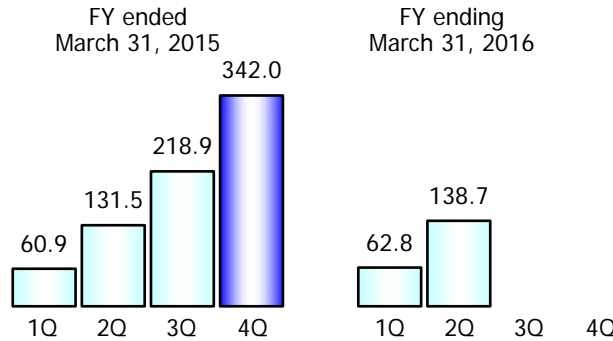
Orders



[Orders]

- ✓ Orders increased in pumps business, mainly in overseas custom pumps.
- ✓ Customers postponed their decision of their capital investment plan in Compressors & Turbines business.

Sales



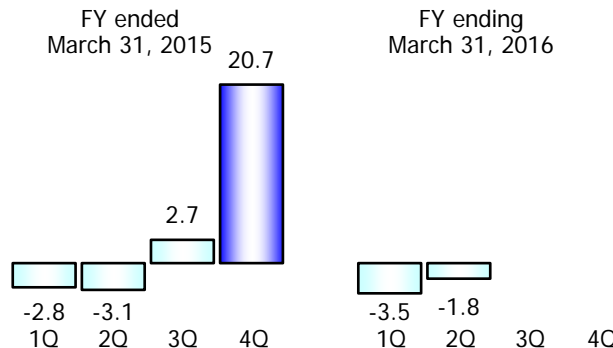
[Sales]

- ✓ Sales in pumps business steadily progressed due to yen's depreciation.
- ✓ Sales tend to occur in the second half of the year in Compressors & Turbines business.

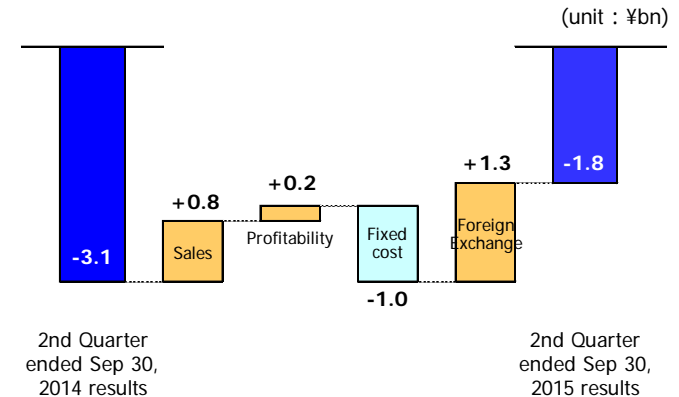
[Operating Income]

- ✓ Sales increased(+)
- ✓ Gain by Yen depreciation(+)
- ✓ Fixed cost increased mainly from pumps business (-)

Operating Income



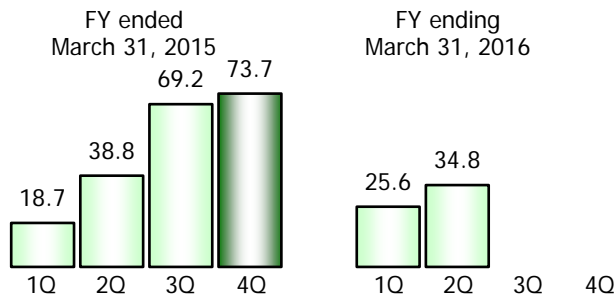
Breakdown of Changes in Operating Income



EE Business ... Environmental Engineering Business

(unit : ¥bn)

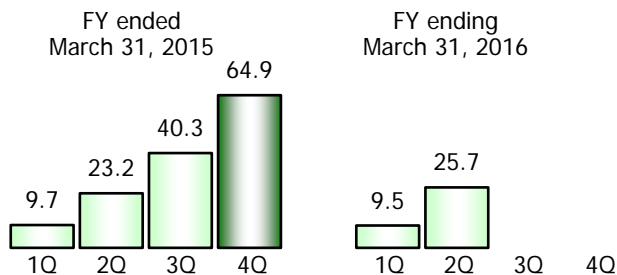
Orders



[Orders]

✓ We received two large-scale orders of EPC, however overall order fell as we couldn't get large-scale maintenance order.

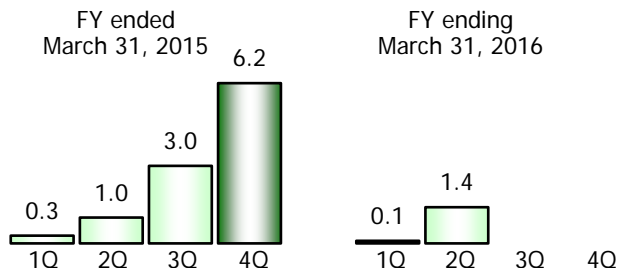
Sales



[Sales]

✓ Sales increased mainly from EPC business.

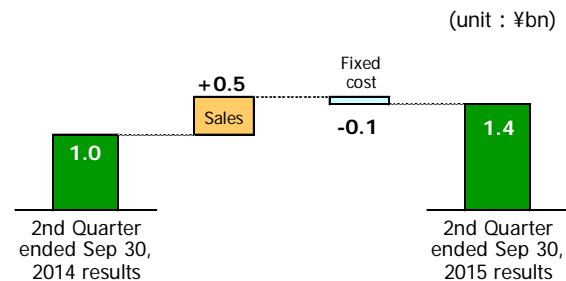
Operating Income



[Operating Income]

✓ Sales increased(+)

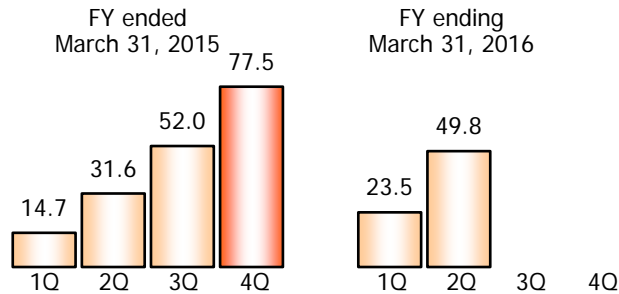
Breakdown of Changes in Operating Income



PM Business ... Precision Machinery Business

(unit : ¥bn)

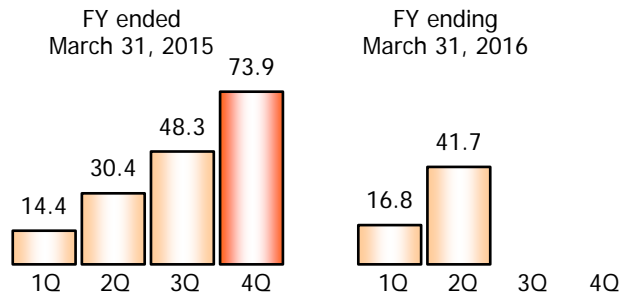
Orders



[Orders, Sales]

- ✓ Orders and sales have changed steadily pulled along by active capital investment especially to CMP.

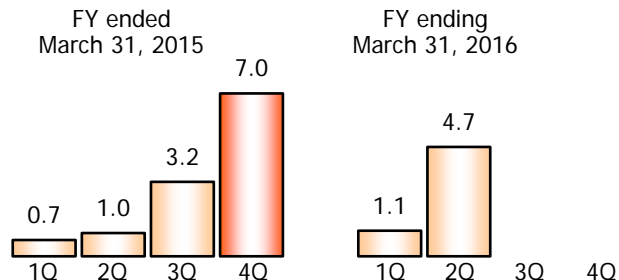
Sales



[Operating Income]

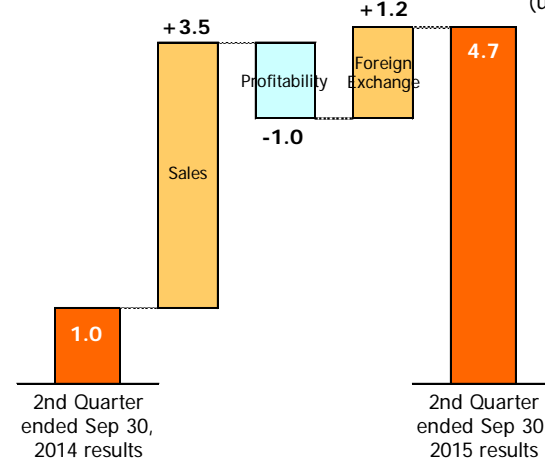
- ✓ Sales increased(+)
- ✓ Gain by Yen depreciation(+)

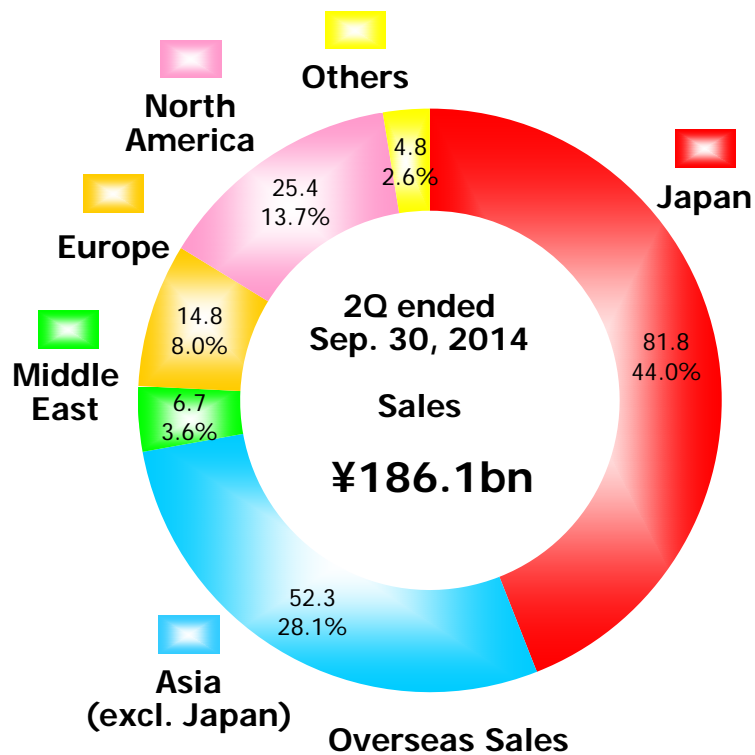
Operating Income



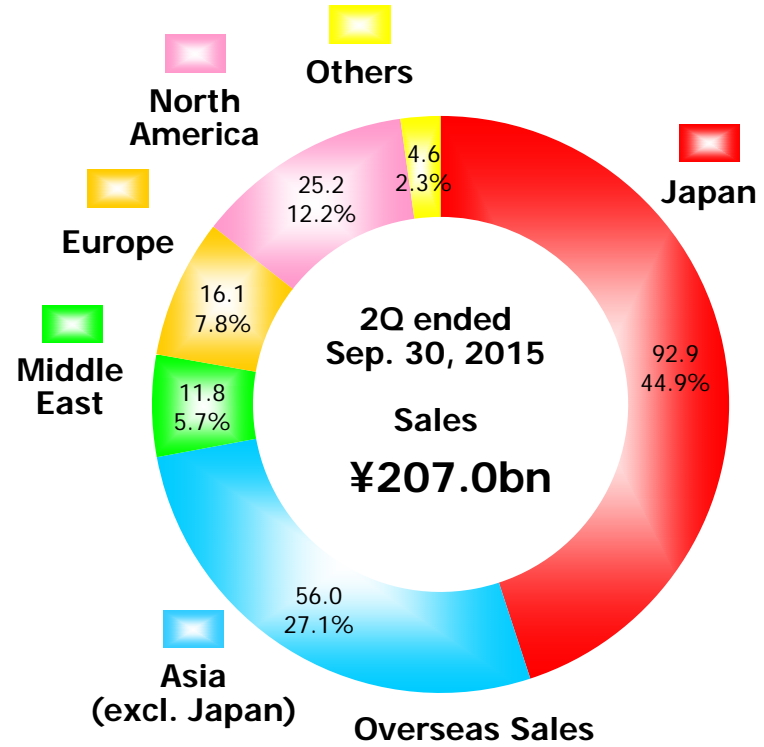
Breakdown of Changes in Operating Income

(unit : ¥bn)





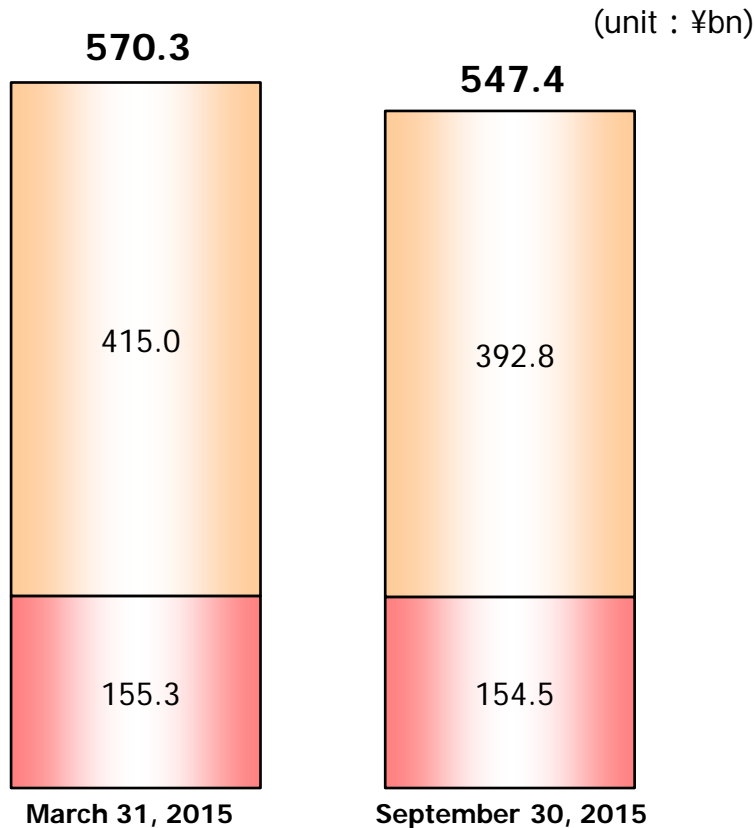
¥104.2bn
 Percentage of Overseas Sales
 to Sales
56.0%



¥114.0bn
 Percentage of Overseas Sales
 to Sales
55.1%

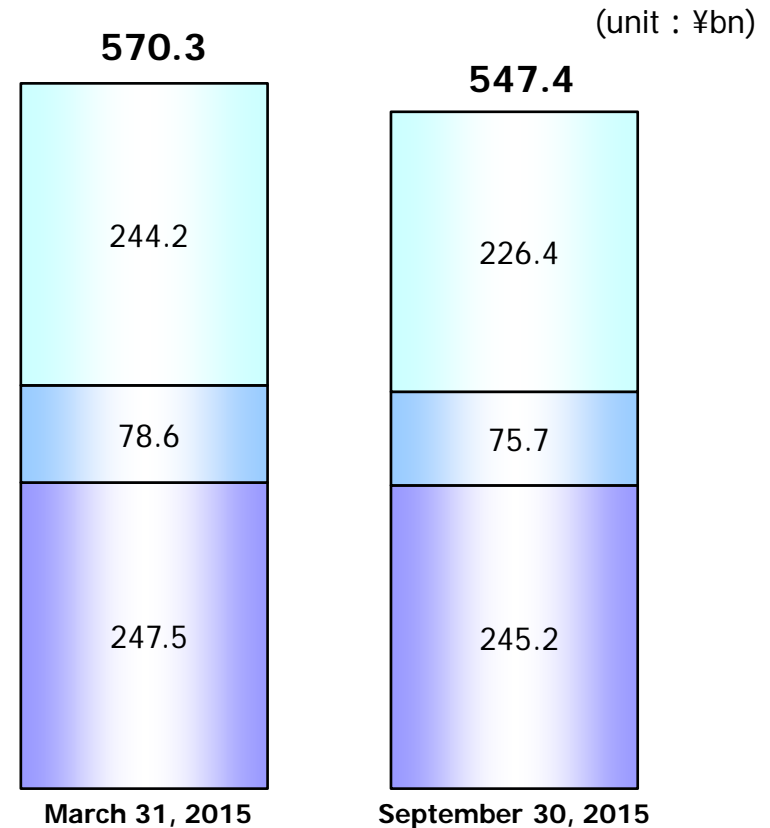
Assets

- Current Assets
- Fixed Assets



Liabilities and Net Assets

- Current Liabilities
- Long-term Liabilities
- Net Assets



Capital Expenditure / Depreciation & Amortization Expenses

Research and Development Expenses

Not revised from the plan

■ Capital Expenditure(1st Half)

■ Capital Expenditure(2nd Half)

■ Depreciation & Amortization Expenses(1st Half)

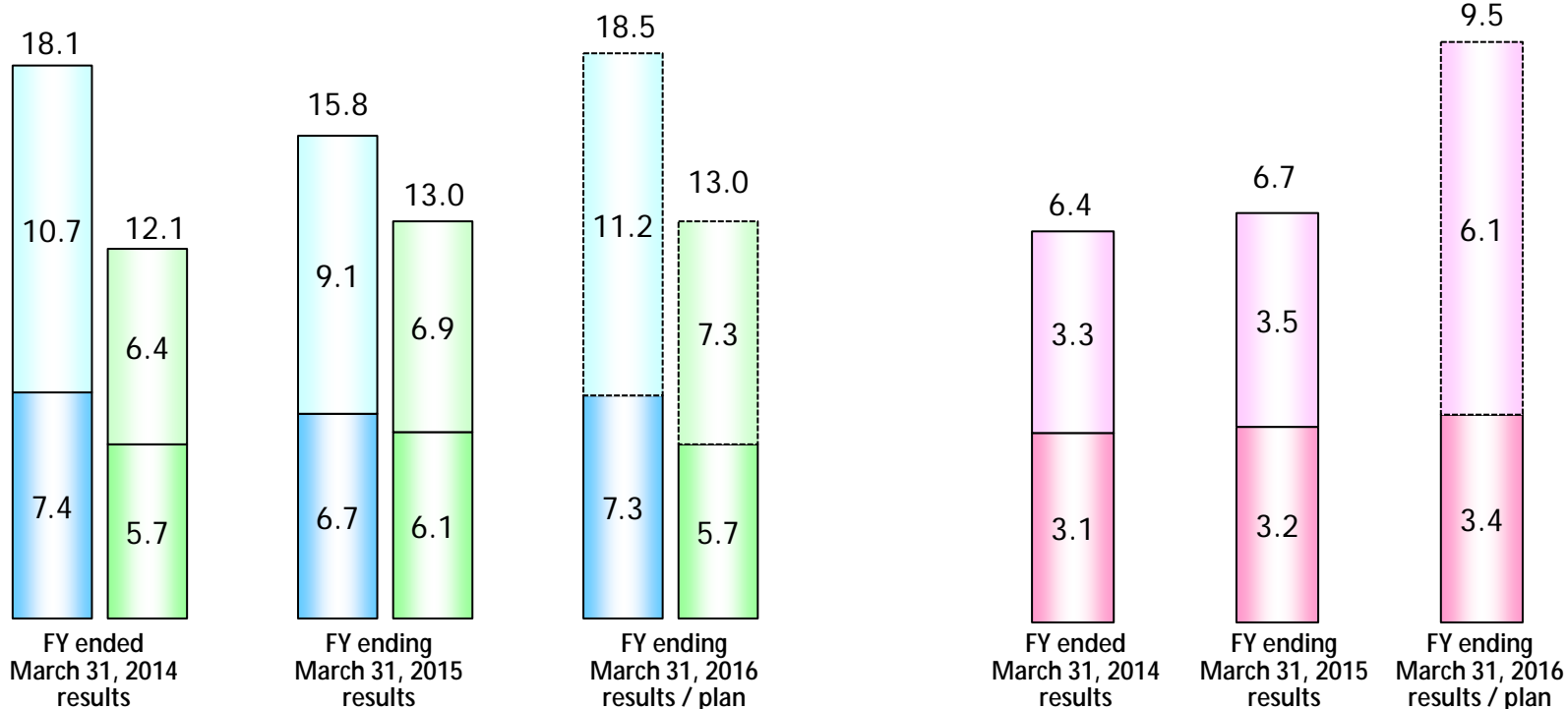
■ Depreciation & Amortization Expenses(2nd Half)

■ R&D(1st Half)

■ R&D(2nd Half)

(unit : ¥bn)

(unit : ¥bn)



Cash Flows

Interest-bearing Debt

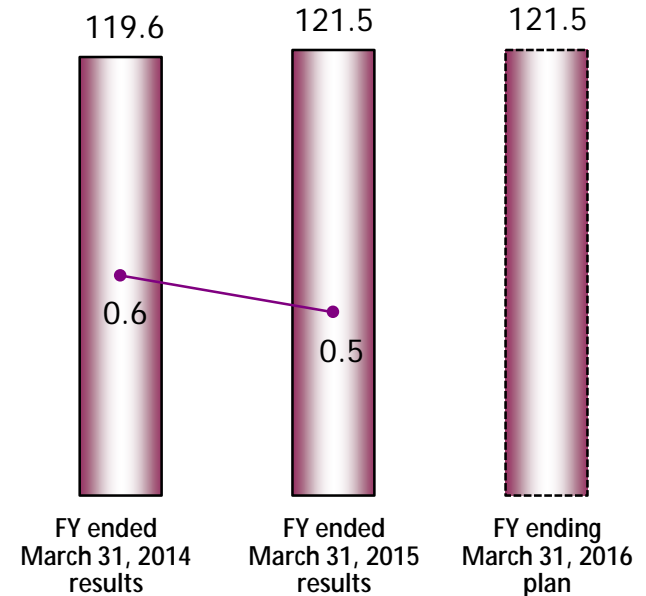
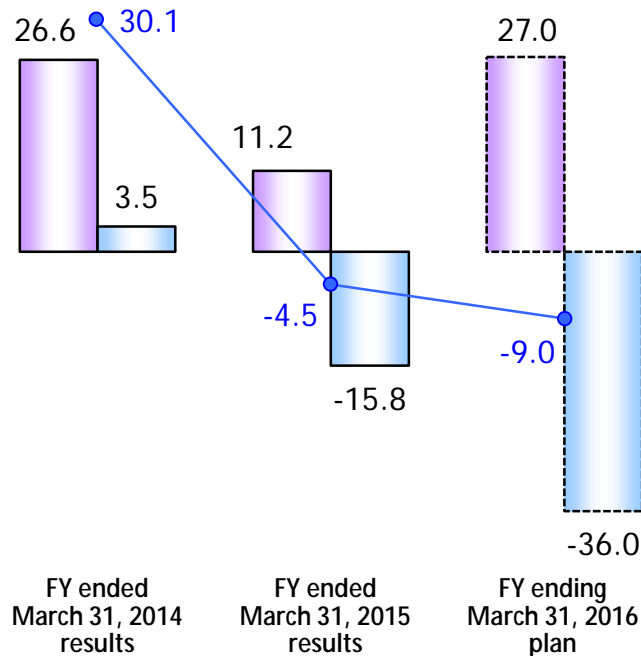
Not revised from the plan

- Cash Flow from operating activities
- Cash Flow from investing activities
- Free Cash Flow

- Interest-bearing Debt
- D/E Ratio

(unit : ¥bn)

(unit : ¥bn)

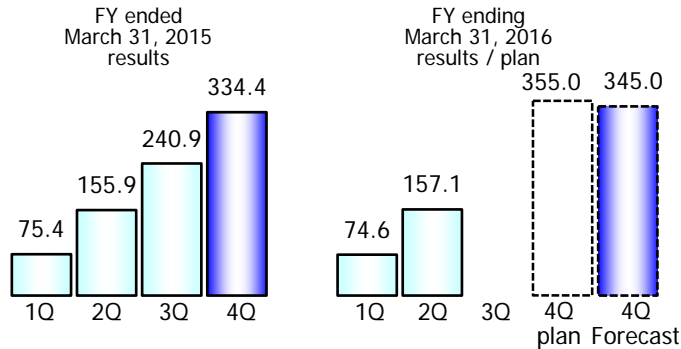


FMS Business

Revised Projection : [Orders]

(unit : ¥bn)

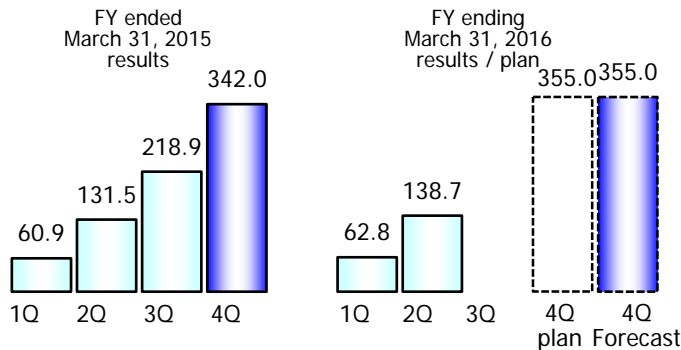
Orders



[Orders]

- ✓ Orders in Pumps business are expected to be steady the same as the first half.
- ✓ In Compressors and Turbines business, we have made downward revisions to the order forecast for the full-year due to delay of customers' Final Investment Decision.

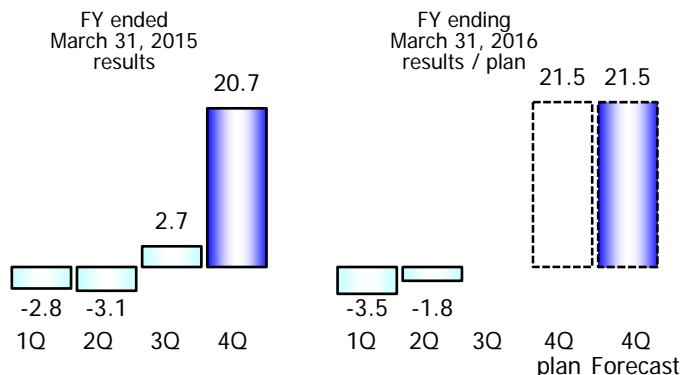
Sales



[Sales]

- ✓ Able to achieve the initial plan.

Operating Income



[Operating Income]

- ✓ In Compressors and Turbines business, its performance is stable as about a half of sales come from Service & Support business which is profitable.

2. Projection and Strategy

EE Projection for Fiscal Year Ending March 31, 2016

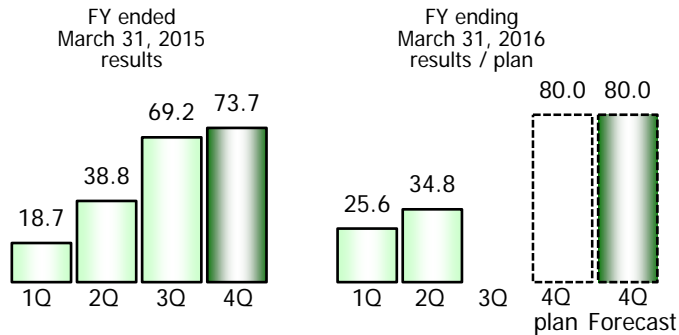
(2/3)

EE Business

Not revised from the plan

(unit : ¥bn)

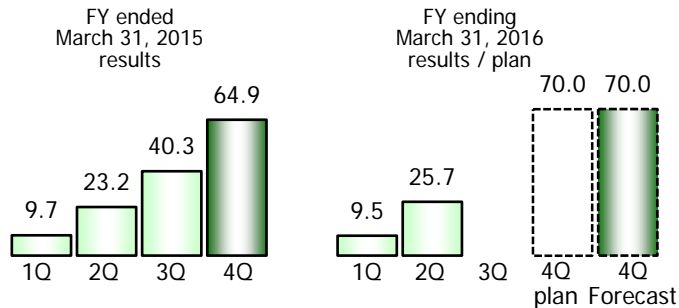
Orders



[Orders]

- ✓ Secure EPC orders in which our competitiveness is effective, and orders for long-term comprehensive contracts of O&M

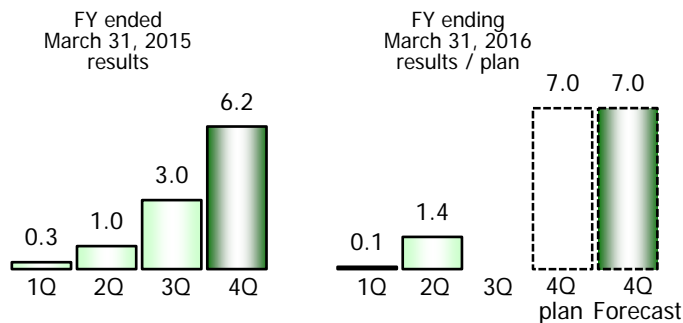
Sales



[Sales]

- ✓ Sales to steadily increase from an expending backlog.
- ✓ Sound progress in the EPC construction works

Operating Income



[Operating Income]

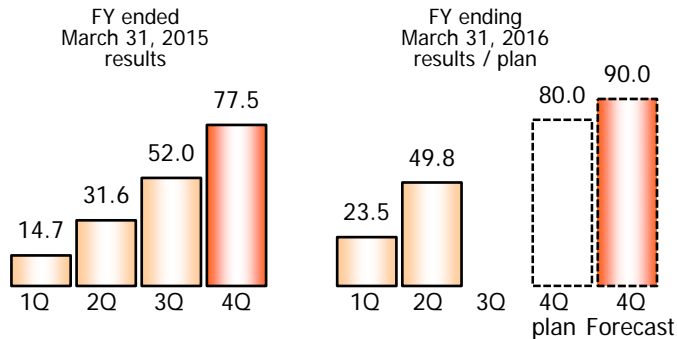
- ✓ O&M business makes stable income.

PM Business

Revised Projection : [Orders]

(unit : ¥bn)

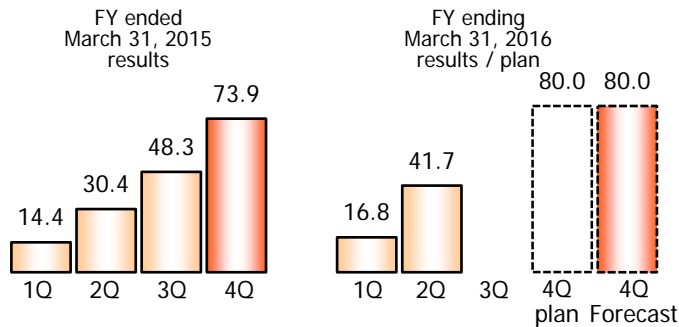
Orders



[Orders]

- ✓ In the semiconductor industry, capital investments are likely to remain restrained.
- ✓ There will be a temporary drop in the amount of orders.
- ✓ Taking the higher first half results of CMP into account, we have raised our full year plan.

Sales



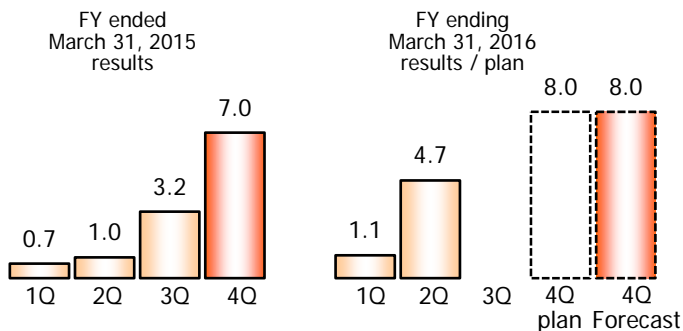
[Sales]

- ✓ Able to achieve the initial plan.

[Operating Income]

- ✓ Able to achieve the initial plan if we can achieve the sales plan.

Operating Income



2. Projection and Strategy

Summary of Projection for Fiscal Year Ending March 31, 2016

(1/2)

(unit : ¥bn)

	Fiscal Year Ended March 31, 2015 (Results) (A)	Fiscal Year Ending March 31, 2016 (Plan) (B)	Fiscal Year Ending March 31, 2016 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	487.5	517.0	517.0	—	+29.4
Net Sales	482.6	507.0	507.0	—	+24.3
Operating Income	34.5	37.0	37.0	—	+2.4
Ordinary Income	36.2	37.0	37.0	—	+0.7
Net Income attributable to owners of parent *	23.5	24.0	24.0	—	+0.4

* "Net Income" as for fiscal year ended March 31, 2015

Exchange Rate	Average 1USD = 117.1JPY	Assumed 1USD = 115JPY	Assumed 1USD = 115JPY
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2. Projection and Strategy

Summary of Projection for Fiscal Year Ending March 31, 2016

(2/2)

(unit : ¥bn)

		Fiscal Year Ended March 31, 2015 (Results) (A)	Fiscal Year Ending March 31, 2016 (Plan) (B)	Fiscal Year Ending March 31, 2016 (Forecast) (C)	Change (C-B)	Change (C-A)
FMS Business	Orders	334.4	355.0	345.0	-10.0	+10.5
	Net Sales	342.0	355.0	355.0	—	+12.9
	Operating Income	20.7	21.5	21.5	—	+0.7
EE Business	Orders	73.7	80.0	80.0	—	+6.2
	Net Sales	64.9	70.0	70.0	—	+5.0
	Operating Income	6.2	7.0	7.0	—	+0.7
PM Business	Orders	77.5	80.0	90.0	+10.0	+12.4
	Net Sales	73.9	80.0	80.0	—	+6.0
	Operating Income	7.0	8.0	8.0	—	+0.9
Others, Adjustment	Orders	1.7	2.0	2.0	—	+0.2
	Net Sales	1.7	2.0	2.0	—	+0.2
	Operating Income	0.5	0.5	0.5	—	-0.0
Total	Orders	487.5	517.0	517.0	—	+29.4
	Net Sales	482.6	507.0	507.0	—	+24.3
	Operating Income	34.5	37.0	37.0	—	+2.4

Enhancing pumps business

Enhancing overseas pumps business

Strengthening of Service & Support(S&S) of custom pumps and expanding sales for standard pumps.

Progress in enhancing local functions

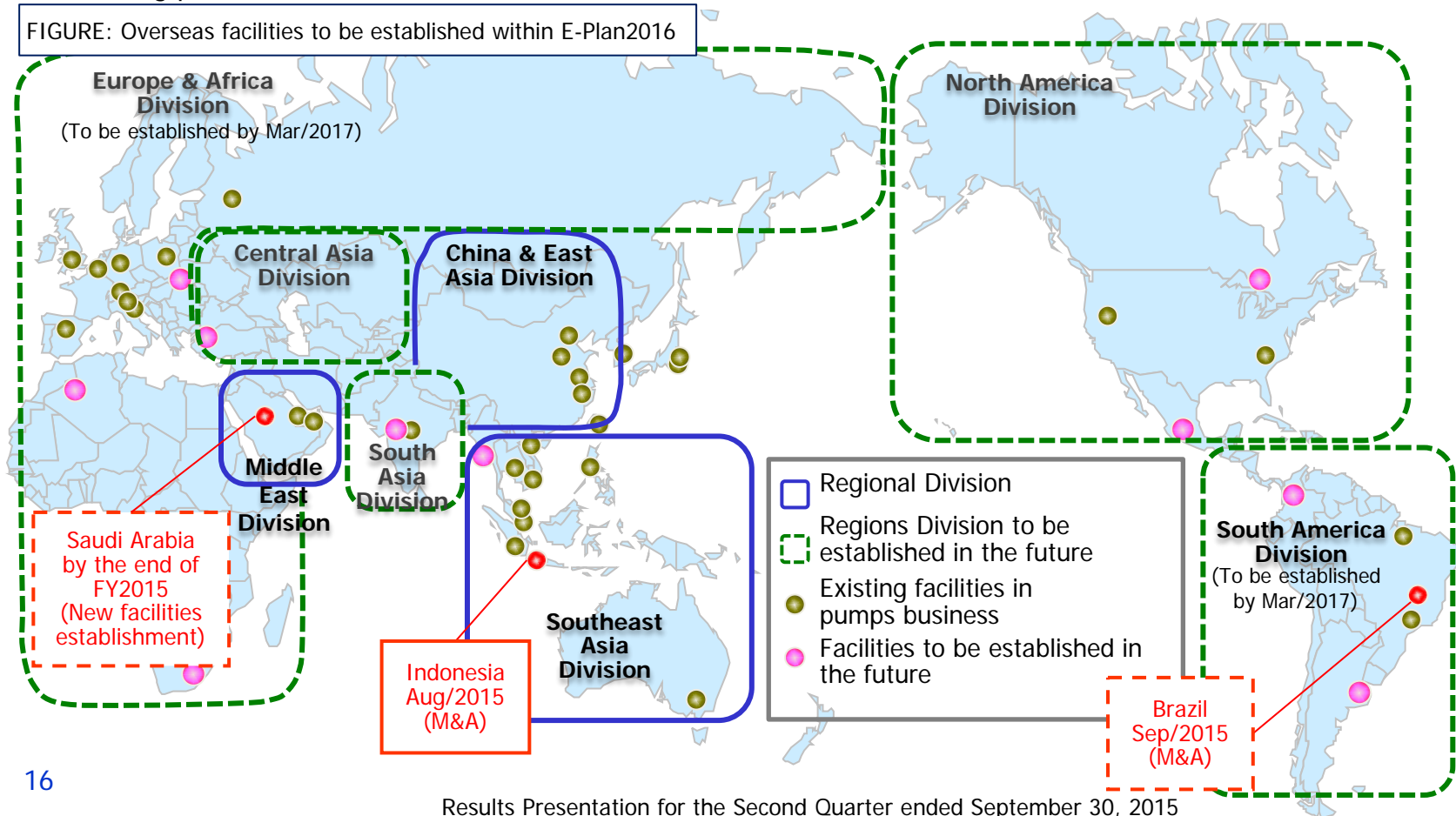
We will carry out set up of new facilities and enhancements to existing facilities by the following means.

- New facilities establishment
- M&A
- Additional investment on existing facilities
- Enhancing alliance with local company

Strengthening product lineup

We will strive to do rapid development of new products, quick time-to-market and strengthening the competitiveness of existing products.

FIGURE: Overseas facilities to be established within E-Plan2016



Enhancing pumps business

Our pumps business in the Southeast Asian region

In pumps market of Southeast Asia, high growth is expected and we have high share.

Progress of enhancing functions in overseas bases

- ✓ "Southeast Asia regional office" integrates business activities of subsidiaries in this region.
- ✓ Several ways to enhance overseas bases
 - Establishing a new base for sales by green field investment (in southern Vietnam)
 - Establishing a new base for S&S via M&A deals (in Indonesia)
 - Establishing a new plant (in northern Vietnam)
 - Additional capital expenditures at an existing plant (in Philippines)
 - Enhancing alliances with local distributors and service providers (mainly in Philippines and Thailand)

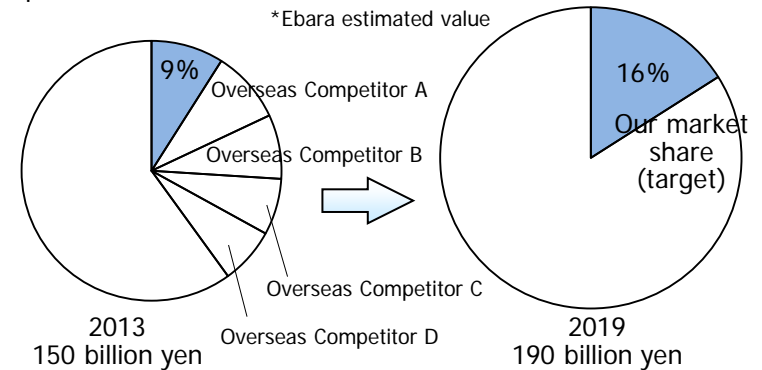
The company we bought in Indonesia will be an important base in the strategy of S&S in the future.

Progress of strengthening product lineup

- ✓ Launching new products
 - We plan to launch EVMS, new model of standard pump, by the end of this FY.

Advantages in price and lead time.
Lunching new products continuously

Pumps market scale in the Southeast Asia and our market share



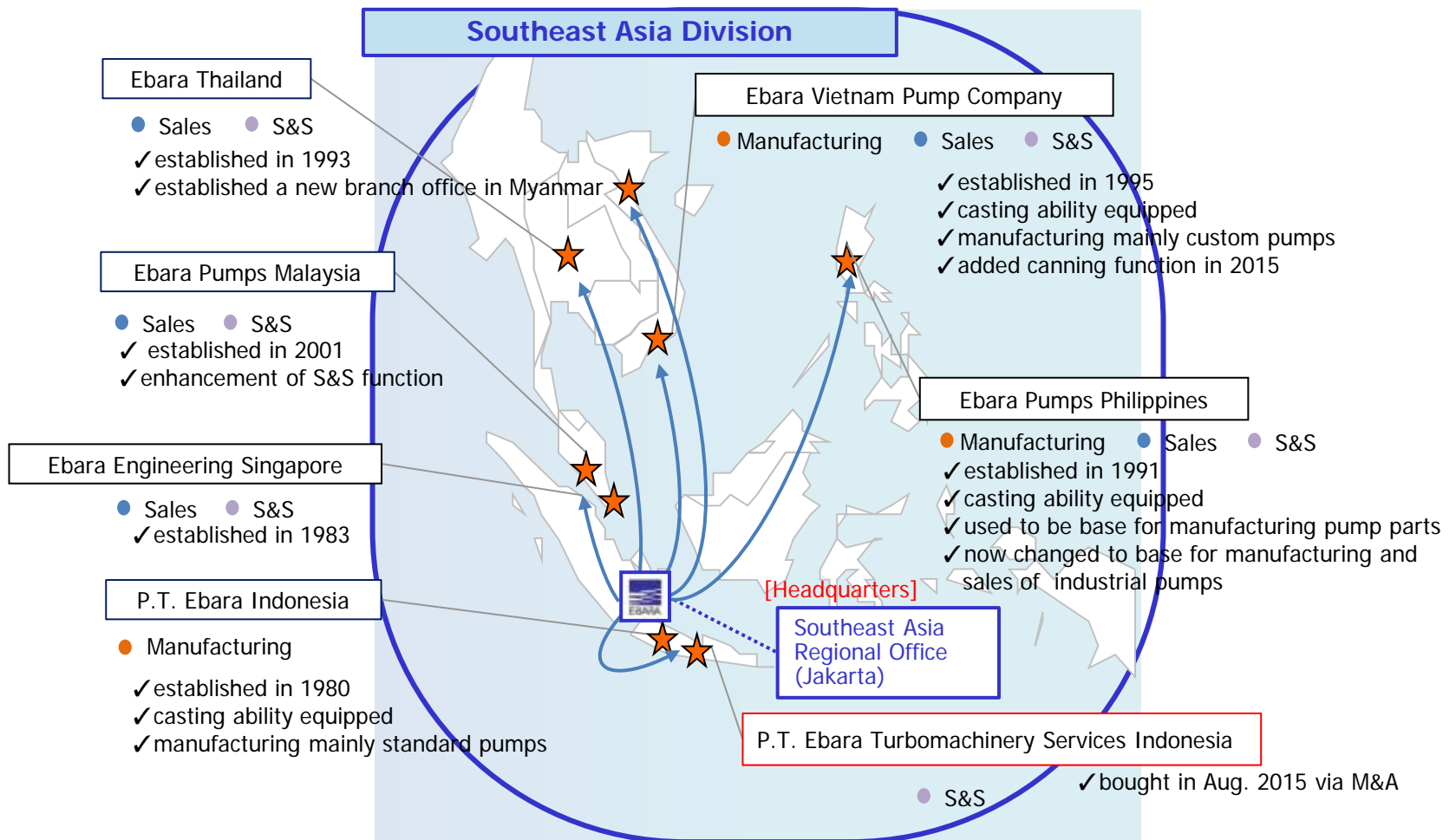
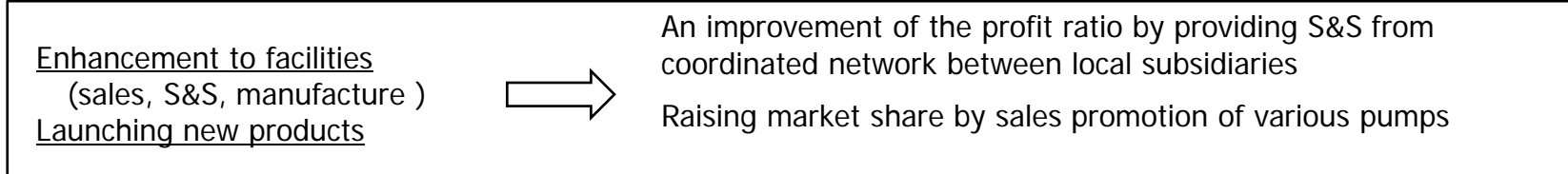
Stainless steel vertical multistage pump C (EVMS)



New product to be brought to market in the future

Enhancing pumps business

Business structure in Southeast Asia



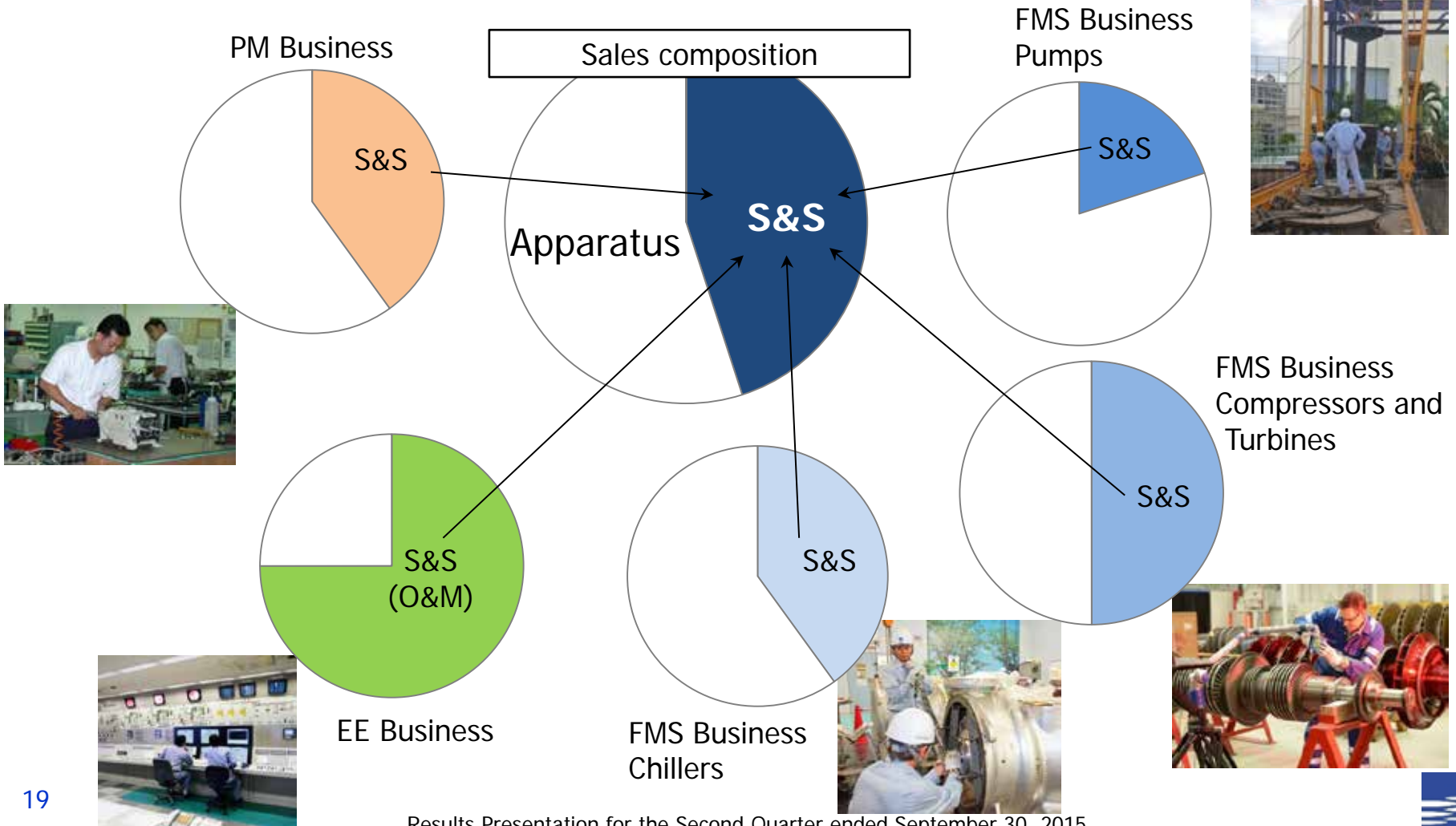
2. Projection and Strategy Income structure of our business less subject to change in business environment

(1/1)

Sales from S&S accounting for as much as about 40% of net sales (FY ended March 31, 2015)

As long as equipment and plants that we delivered continue to be worked, we can expect stable S&S demand.

As more than 40% of our sales come from S&S business, the influence of cutbacks in capital investment resulting from the decline of economy is not likely to have a big impact to our earnings.



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.

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