

CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2017
[Japanese GAAP]

May 11, 2017

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 Stock exchange listings: Tokyo
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Scheduled date of General Meeting of Shareholders: June 23, 2017
 Scheduled date for dividend payment: June 26, 2017
 Scheduled date of submission of annual securities report: June 26, 2017

Preparing supplementary material on financial results: Yes
 Holding financial results presentation meeting: Yes (for institutional investors and analysts)
 (Monetary amounts are rounded down to the nearest million yen)

1. Results for the Fiscal Year Ended March 31, 2017

(1) Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
Year Ended March 31, 2017	476,104	(2.1)%	29,995	(21.1)%	28,464	(22.0)%	20,587	19.3%
Year Ended March 31, 2016	486,235	0.7%	38,011	10.0%	36,471	0.6%	17,254	(26.8)%

Note: Comprehensive Income: Year ended March 31, 2017; 17,429 million yen 78.0%
 Year ended March 31, 2016; 9,794 million yen (73.2)%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)	Return on Equity	Ordinary Income on Total Assets Ratio	Operating Income on Sales Ratio
Year Ended March 31, 2017	213.71	201.53	8.0%	4.9%	6.3%
Year Ended March 31, 2016	185.58	169.42	7.2%	6.3%	7.8%

Note1: Equity in earnings of affiliates: Year ended March 31, 2017; 796 million yen
 Year ended March 31, 2016; 1,108 million yen

Note2: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Net income per share and net income per share, diluted have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(2) Financial Position

Millions of yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2017	588,457	277,509	46.1%	2,672.19
As of March 31, 2016	579,860	250,444	41.6%	2,590.82

Note1: Shareholders' Equity (Net assets excluding subscription rights to shares and non-controlling interests):
 As of March 31, 2017; 271,356 million yen
 As of March 31, 2016; 241,016 million yen

Note2: During the third quarter ended December 31, 2016, Ebara Corporation finalized a provisional accounting treatment related to the business combination in the third quarter ended December 31, 2015. The impact of the finalization of the provisional accounting treatment has been reflected in the consolidated financial statements for the fiscal year ended March 31, 2016.

Note3: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Net assets per share has been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(3) Cash Flows

Millions of yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2017	33,816	(18,563)	(15,102)	90,683
Year Ended March 31, 2016	21,528	(14,344)	(9,655)	91,185

2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Payout Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual			
Year Ended March 31, 2016	—	6.00	—	6.00	12.00	5,580	32.3%	2.3%
Year Ended March 31, 2017	—	6.00	—	30.00	—	5,837	28.1%	2.3%
Year Ending December 31, 2017 (Forecast)	—	30.00	—	15.00	45.00		57.1%	

Note: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Consequently, the impact of this consolidation of shares is factored into the figures for the fiscal year-end cash dividends per share for the fiscal year ended March 31, 2017, and the total figures for annual cash dividends are omitted. The fiscal year-end cash dividends per share for the fiscal year ended March 31, 2017 without the consolidation of shares factored in would be ¥6.00 and the annual cash dividends per share would be ¥12.00.

3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2017

(% represents percentage change from a comparable previous period)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share (Yen)
Year Ending December 31, 2017	354,000	—%	15,000	—%	14,000	—%	8,000	—%	78.78

Note: Ebara Corporation plans to change its fiscal year end from March 31 to December 31, provided an associated amendment to the Articles of Incorporation is approved at the Company's 152nd general meeting of shareholders to be held on June 23, 2017. In the fiscal year ending December 31, 2017, which is transition period of the fiscal year change, the consolidated financial results will include the results for nine months, from April 1, 2017 to December 31, 2017. The results for twelve months, from January 1 to December 31, 2017, for the consolidated subsidiaries whose fiscal year ends at December 31 will also be included as before. And therefore, the change from the previous fiscal year (%) is not included herein.

(Reference information) percentage changes after adjustment

The percentages below (percentage changes after adjustment) are comparison between the results adjusted to nine months, from April 1, 2016 to December 31, 2016 for the Company and its consolidated companies with a fiscal year end in March, and the results forecast for the next fiscal year.

Millions of yen

Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
354,000	1.1%	15,000	30.9%	14,000	47.2%	8,000	9.1%

4. Other Information

- Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): None
 - Included: — (—)
 - Excluded: — (—)
- Changes in accounting policies, Changes in accounting estimates, and Restatement of prior financial statements after error corrections
 - Changes due to revisions of accounting standards, etc.: None
 - Changes other than (i) above: None
 - Changes in accounting estimates: None
 - Restatement of prior financial statements after error corrections: None

(3) Number of shares outstanding (Common Stocks)

(i) Number of common stocks (Including treasury stocks)	As of March 31, 2017	101,736,053	As of March 31, 2016	93,208,919
(ii) Number of treasury stocks	As of March 31, 2017	187,635	As of March 31, 2016	181,913
(iii) Average number of common stocks	Year Ended March 31, 2017	96,336,251	Year Ended March 31, 2016	92,974,658

Note: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Number of common stocks (including treasury stocks), number of treasury stocks and average number of common stocks have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(Reference information)

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2017

(1) Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
Year Ended March 31, 2017	223,366	5.9%	8,147	49.9%	25,502	0.8%	24,371	20.2%
Year Ended March 31, 2016	210,948	10.5%	5,434	—%	25,293	96.4%	20,277	46.5%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)
Year Ended March 31, 2017	252.98	238.57
Year Ended March 31, 2016	218.10	199.11

Note: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Net income per share and net income per share, diluted have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(2) Financial Position

Millions of yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2017	458,144	251,600	54.6%	2,464.24
As of March 31, 2016	429,910	212,426	49.2%	2,273.25

Note1: Shareholders' Equity (Net assets excluding subscription rights to shares):

As of March 31, 2017; 250,239 million yen

As of March 31, 2016; 211,473 million yen

Note2: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Net income per share and net income per share, diluted have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

This financial report is not subject to the audit procedure.

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 report are based on information that was available to Ebara Corporation as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group'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 entitled "1. Overview of Management Performance and Others (4) Forecast of Performance" on page 8. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, Ebara Corporation assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Overview of Management Performance and Others

(1) Overview of Management Performance

Millions of Yen

	Year Ended March 31, 2016	Year Ended March 31, 2017	Change	Change Ratio
Order received	491,280	477,956	(13,324)	(2.7)%
Net sales	486,235	476,104	(10,130)	(2.1)%
Operating income	38,011	29,995	(8,015)	(21.1)%
Operating income on Sales Ratio (%)	7.8%	6.3%	—	—
Ordinary income	36,471	28,464	(8,007)	(22.0)%
Profit Attributable to Owners of Parent	17,254	20,587	3,333	19.3%
Net income per Share (Yen)	185.58	213.71	28.13	—

During the fiscal year ended March 31, 2017, the economy in the United States continued to be favorable, and improvement was seen also in the rest of Asia. In Japan, public investment is firm and the private capital investment is recovering. Overall, the Japanese economy slowly recovered.

Meanwhile, overall orders received decreased compared to the previous fiscal year. Although orders in the Precision Machinery (“PM”) Company increased along with firm capital investment in the semiconductor market, orders in the Fluid Machinery & Systems (“FMS”) Company decreased against the weak capital investment in the oil & gas market and orders in the Environmental Engineering (“EE”) Company decreased because of a reactionary decline in orders for long-term comprehensive projects, which were favorable in the previous fiscal year. Consolidated net sales and operating income also decreased compared to the previous fiscal year due to a decrease in the FMS Company and the EE Company despite an increase in the PM Company. On the other hand, profit attributable to owners of parent increased compared to the previous fiscal year due to provision for loss on litigation in the previous fiscal year.

Consolidated net sales for the fiscal year amounted to ¥476,104 million (a decrease of 2.1% year on year), operating income amounted to ¥29,995 million (a decrease of 21.1% year on year), ordinary income amounted to ¥28,464 million (a decrease of 22.0% year on year), profit attributable to owners of parent amounted to ¥20,587 million (an increase of 19.3% year on year).

Operating results by business segment

Millions of Yen

Segment	Order Received			Net Sales			Segment Income		
	Year Ended March 31, 2016	Year Ended March 31, 2017	Change Ratio	Year Ended March 31, 2016	Year Ended March 31, 2017	Change Ratio	Year Ended March 31, 2016	Year Ended March 31, 2017	Change Ratio
Fluid Machinery & Systems	307,624	288,532	(6.2)%	320,829	292,246	(8.9)%	19,335	9,476	(51.0)%
Environmental Engineering	80,095	64,605	(19.3)%	70,381	68,064	(3.3)%	6,431	5,760	(10.4)%
Precision Machinery	101,870	123,144	20.9%	93,328	114,120	22.3%	11,697	14,115	20.7%
Segment Total	489,590	476,282	(2.7)%	484,538	474,432	(2.1)%	37,464	29,352	(21.7)%
Others	1,690	1,673	(1.0)%	1,696	1,672	(1.4)%	515	632	22.6%
Adjustment	—	—	—	—	—	—	30	11	—
Total	491,280	477,956	(2.7)%	486,235	476,104	(2.1)%	38,011	29,995	(21.1)%

Outline of business environment and situation by business segment

Segment		Business environment	Business situation and the trend of orders received
Fluid Machinery & Systems	Pumps	<p>(In overseas market)</p> <ul style="list-style-type: none"> ▪Demand for the oil and gas market continued to be stagnant. <p>(In domestic market (Japan))</p> <ul style="list-style-type: none"> ▪Trend toward improvement in the number of building construction starts. ▪Investments for the renewal and maintenance of the social infrastructure were same level as in the previous year. 	<p>(In overseas market)</p> <ul style="list-style-type: none"> ▪Orders received for the oil and gas market were lackluster. ▪Orders received for water infrastructure and electric power remained firm. <p>(In domestic market (Japan))</p> <ul style="list-style-type: none"> ▪The market for building construction-related equipment was same level as in the previous year. ▪Performances in the public sector related businesses were favorable in the first half of the year, rising above the previous year.
	Compressors & Turbines	<ul style="list-style-type: none"> ▪Despite recovery in the price of crude oil, the market has not recovered. ▪Capital investments began to show positive movements in some regions including Asia and the Middle East. 	<ul style="list-style-type: none"> ▪The overall orders were lackluster. ▪Orders were received for medium-to-small oil refinery plants, etc., in Asia.
	Chillers	<ul style="list-style-type: none"> ▪In Japan, the market continued to recover. ▪Chinese economy was stagnant and the competitive environment remained severe. 	<ul style="list-style-type: none"> ▪The overall orders decreased slightly.
Environmental Engineering		<ul style="list-style-type: none"> ▪In the engineering, procurement, and construction (EPC) for municipal waste incinerating facilities field, new orders ran at about the same level as in the previous year. ▪In the operating and maintenance (O&M) for existing facilities, new orders ran at about the same level as in a typical year. ▪Plans for power generation facilities using sources such as biomass in private companies increased. 	<ul style="list-style-type: none"> ▪Below the previous period due to decrease in the number of orders for major projects <p><Orders for major projects></p> <ul style="list-style-type: none"> ▪The engineering, procurement, and construction (EPC) for municipal waste incinerating facilities field (one order) ▪Refurbishment construction on core facilities of existing plants (one order) ▪Long-term comprehensive project for existing facilities (one order) ▪Constructions of wood fiber biomass power generation facilities (two orders) <p><Major projects for which the Company has preferential negotiation rights></p> <ul style="list-style-type: none"> ▪The engineering, procurement, and construction (EPC) for municipal waste incinerating facilities field (one order)
Precision Machinery		<ul style="list-style-type: none"> ▪Capital investment in the semiconductor market continued at a high level. ▪Demand for server storage capacity increased. 	<ul style="list-style-type: none"> ▪Demand for CMP devices and component products used in production of advanced logic devices and 3D NAND flash memory devices was expanded.

*Arrows indicate increase/decrease in orders from the previous year:



in the case of +5% or more increase



in the case of -5% or greater decrease



in the case of movement within the -5% and +5% range

(2) Overview of Financial Position

i. Assets

Total assets at the end of the fiscal year ended March 31, 2017 were ¥588,457 million, ¥8,597 million higher than at the end of the previous fiscal year. Principal changes in asset items included a decrease of ¥13,436 million in notes and accounts receivable-trade, an increase of ¥9,405 million in work in process, an increase of ¥5,826 million in other investments and other assets, and an increase of ¥4,650 million in buildings and structures.

ii. Liabilities

Total liabilities at the end of the fiscal year ended March 31, 2017 were ¥310,948 million, ¥18,467 million lower than at the end of the previous fiscal year. Principal changes in liability items included an increase of ¥11,650 million in long-term loans payable, a decrease of ¥19,988 million in bonds with subscription rights to shares mainly due to the exercise of subscription rights to shares and a decrease of ¥14,925 million in short-term loans payable.

iii. Net Assets

Net assets at the end of the fiscal year ended March 31, 2017 amounted to ¥277,509 million, ¥27,064 million higher than at the end of the previous fiscal year. Principal changes affecting net asset items were cash dividends paid of ¥5,582 million, a decrease of ¥5,133 million in translation adjustments, a profit attributable to owners parent of ¥20,587 million, and an increase of ¥10,004 million due to the issuance of new shares accompanying the exercise of subscription rights to shares, in both common stock and capital surplus respectively. And a decrease of ¥1,489 million affected by additional acquisition of capital of subsidiaries and other factors resulted in net increase of ¥8,514 million in capital surplus. Shareholders' equity (Net assets excluding subscription rights to shares and non-controlling interests) amounted to ¥271,356 million, and equity ratio was 46.1%.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to a net inflow of ¥33,816 million, for the fiscal year ended March 31, 2017, compared to a net inflow of ¥21,528 million for the previous fiscal year. This primarily reflected the recovery of notes and accounts receivable-trade.

Net cash used in investing activities amounted to a net outflow of ¥18,563 million for the fiscal year ended March 31, 2017, compared to a net outflow ¥14,344 million for the previous fiscal year. This primarily reflected purchase of fixed assets of ¥21,591 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to a net inflow of ¥15,252 million for the fiscal year ended March 31, 2017, compared to a net inflow of ¥7,184 million for the previous fiscal year.

Net cash used in financing activities amounted to a net outflow of ¥15,102 million for the fiscal year ended March 31, 2017, compared to a net outflow ¥ 9,655 million for the previous fiscal year. This primarily reflected cash dividends paid of ¥5,582 million and a payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation of ¥5,169 million.

As a consequence, cash and cash equivalents at the end of the fiscal year ended March 31, 2017 amounted to ¥90,683 million, ¥501 million lower than at the end of the previous fiscal year.

Recent trends in cash flow indicators are as follows.

	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
Equity ratio	37.0%	39.2%	41.9%	41.6%	46.1%
Equity ratio at market value	36.0%	56.7%	41.3%	37.7%	62.7%
Years to repay debt	4.1 years	4.5 years	10.8 years	5.6 years	2.9 years
Interest coverage ratio	14.2	16.1	8.8	17.0	28.1

Notes:

1. Equity ratio: Shareholders' equity (Net assets excluding subscription rights to shares and non-controlling interests) / Total assets

2. Equity ratio at market value: Stock market capitalization / Total assets

3. Years to repay debt: Interest-bearing debt / Operating cash flow

4. Interest coverage ratio: Operating cash flow / Interest expenses

*All indicators in the table above were computed with consolidated financial data.

*Stock market capitalization was computed by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period (less treasury stock).

*Operating cash flow is "Net cash provided by operating activities" appearing in the Consolidated Statements of Cash Flows. Interest expenses are the amounts appearing in the item "Interest expenses paid" in the Consolidated Statements of Cash Flows.

(4) Forecast of Performance

Forecast for the fiscal year ending December 31, 2017

(% represents percentage change from the previous period after adjustment)*

Millions of yen

	Consolidated Performance	
Order received	404,000	4.8%
Net sales	354,000	1.1%
Operating income	15,000	30.9%
Ordinary income	14,000	47.2%
Profit Attributable to Owners of Parent	8,000	9.1%

*Please refer to the summary information entitled "Forecast of Financial Results for the Fiscal Year Ending December 31, 2017 (Reference information)".

Regarding the overall market environment, uncertainty about future trends is expected to continue due to policy trends in the United States, China, and elsewhere, and geopolitical risks. But principally the United States economy is expected to act as the driver of the global economy and the recovery trend will continue. In this operating environment, the outlook is for the Group's business environment to show moderate improvement.

Amid these conditions, the Group has set the objective of reaching order received of ¥404,000 million, ¥354,000 million in net sales, ¥15,000 million in operating income, ¥14,000 million in ordinary income, and ¥8,000 million in profit attributable to owners of parent in the fiscal year ending December 31, 2017.

Forecast for the fiscal year ending December 31, 2017 by business segment

(% represents composition ratio)

Millions of yen

Segment	Order Received		Net Sales		Operating Income	
Fluid Machinery & Systems	238,000	58.9%	218,000	61.6%	2,000	13.3%
Environmental Engineering	75,000	18.6%	45,000	12.7%	4,000	26.7%
Precision Machinery	90,000	22.3%	90,000	25.4%	9,000	60.0%
Others	1,000	0.2%	1,000	0.3%	0	0.0%
Total	404,000	100.0%	354,000	100.0%	15,000	100.0%

The above information is projected at the expected foreign exchange rate US\$1=¥110, EUR1=¥115, RMB1=¥16. Actual performance may differ substantially from these forecasts owing to factors such as changing market environment.

Forecast of business environment by business segment

Segment		Business environment
Fluid Machinery & Systems	Pumps	(In overseas market) <ul style="list-style-type: none"> ▪Capital investment will recover gradually in oil and gas market. ▪Demand for electric power, water infrastructure, and fertilizer is expected to remain firm, especially in North America and Southeast Asia. (In domestic market (Japan)) <ul style="list-style-type: none"> ▪The market for building construction-related equipment will be similar to those in the previous year. ▪Priority in public-sector projects is being given to renewal of aging social infrastructure and demand is expected to remain firm.
	Compressors & Turbines	<ul style="list-style-type: none"> ▪Although there is a movement toward improvement in investments in the oil and gas market, the pace is gradual. ▪Demand for medium-to-small projects is active, and the outlook is for realization of major projects. ▪Continued intense competition with other companies.
	Chillers	<ul style="list-style-type: none"> ▪Domestic demand will continue to be firm, mainly for refurbishment of facilities. ▪No signs of strong recovery in Chinese market, the outlook is for the same level as in the previous year.
Environmental Engineering		<ul style="list-style-type: none"> ▪In the public sector, orders for municipal waste incinerating facilities will run at about the same level as in the typical year. ▪In the private sector, plans for power generation facilities using such as wood fiber biomass will increase.
Precision Machinery		<ul style="list-style-type: none"> ▪Investments in semiconductor manufacturing equipment, mainly in the memory segment of the industry, are expected to slow temporarily. ▪Investments in advanced logic devices will be firm.

(5) Basic Policy for Allocation of Profit and Dividends for the fiscal years ended March 31, 2017 and ending December 31, 2017

The Group regards returning a portion of its income to its shareholders as one of its most-important management policies. Regarding dividends, the Company set a policy of linking dividends to performance and aimed for a consolidated dividend payout ratio of about 25% in the medium-to-long term. Beginning with the current fiscal year (ending December 31, 2017), the Company has changed this policy and set a target of 30% or more consolidated total return ratio.

For the fiscal year under review, the Company paid an interim cash dividend of ¥6.00 per share. The Company is scheduled to pay its year-end dividend for the fiscal year under review by ¥30.00 per share taking into account the consolidation of shares (at a rate of one share for every five shares).

For the current fiscal year (ending December 31, 2017), although the expected consolidated total return ratio will exceed 50%, in consideration of the fact that the current fiscal year results include the results for nine months and that the current fiscal year is transition period of the fiscal year change, the Company is scheduled to pay an annual cash dividend of ¥45.00 per share (including an interim cash dividend of ¥30.00 per share).

2. Basic Approach to Selection of Accounting Standards

As Japanese accounting standards are in the process of converging with the International Financial Reporting Standards (IFRS), the Group has decided to continue to adopt generally accepted accounting principles in Japan in consideration of the need for comparisons of consolidated financial statements among fiscal years. Regarding the adoption of IFRS, the Group will continue to monitor closely developments in this area in Japan and overseas and will continue to survey the impact on management and financial matters and will consider the application of IFRS, and the timing of the application.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2016	As of March 31, 2017
ASSETS		
Current Assets		
Cash and deposits	89,589	90,381
Notes and accounts receivable-trade	216,310	202,874
Electronically recorded monetary claims	727	4,511
Securities	4,599	2,498
Merchandise and finished goods	13,060	12,716
Work in process	47,163	56,569
Raw materials and supplies	28,740	28,041
Deferred tax assets	12,505	11,644
Others	13,994	17,419
Allowance for doubtful accounts	(3,233)	(3,250)
Total current assets	423,458	423,407
Fixed Assets		
Tangible fixed assets		
Buildings and structures, net	41,781	46,431
Machinery and equipment, net	26,823	28,974
Land	21,265	21,153
Construction in progress	7,960	5,207
Others, net	7,341	8,364
Total tangible assets	105,171	110,131
Intangible assets		
Goodwill	2,638	2,279
Software	5,755	8,275
Others	2,806	2,679
Total intangible assets	11,200	13,234
Investments and other assets		
Investment securities	26,662	26,202
Long-term loans receivable	802	263
Defined benefit asset	31	118
Deferred tax assets	5,921	2,660
Others	11,411	17,237
Allowance for doubtful accounts	(4,800)	(4,799)
Total investments and other assets	40,029	41,683
Total fixed assets	156,401	165,049
Total Assets	579,860	588,457

	Millions of yen	
	As of March 31, 2016	As of March 31, 2017
LIABILITIES		
Current Liabilities		
Notes and accounts payable-trade	68,905	64,155
Electronically recorded obligations	47,550	55,922
Short-term loans payable	77,714	62,789
Income taxes payable	4,128	4,598
Deferred tax liabilities	—	3
Bonus payment reserve	9,200	9,172
Directors' bonus payment reserve	311	314
Reserve for losses on construction completion guarantees	3,889	3,836
Reserve for product warranties	3,506	3,481
Reserve for construction losses	7,748	8,666
Reserve for expenses related to the sales of land	254	254
Others	36,391	41,022
Total current liabilities	259,600	254,217
Long-term Liabilities		
Bonds payable	10,000	10,000
Bonds with subscription rights to shares	19,988	—
Long-term loans payable	9,870	21,520
Deferred tax liabilities	745	808
Reserve for directors' retirement benefits	160	153
Provision for loss on litigation	6,457	6,464
Defined benefit liability	16,681	12,556
Asset retirement obligations	1,899	1,969
Others	4,011	3,257
Total long-term liabilities	69,815	56,730
Total Liabilities	329,416	310,948
NET ASSETS		
Shareholders' Equity		
Common stock	68,760	78,764
Capital surplus	72,691	81,205
Retained earnings	102,446	117,883
Treasury stock	(408)	(425)
Total shareholders' equity	243,490	277,428
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities	2,739	2,692
Deferred gains (losses) on hedges	(12)	(1)
Translation adjustments	5,878	745
Remeasurements of defined benefit plans	(11,080)	(9,507)
Total accumulated other comprehensive income	(2,473)	(6,071)
Subscription Rights to Shares	952	1,361
Non-Controlling Interests	8,475	4,791
Total Net Assets	250,444	277,509
Total Liabilities and Net Assets	579,860	588,457

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

Millions of yen

	Year Ended March 31, 2016	Year Ended March 31, 2017
Net Sales	486,235	476,104
Cost of Sales	353,344	350,032
Gross Profit	132,891	126,072
Sales commission	3,954	3,578
Packing and transportation	5,904	5,554
Sales promotion	1,827	1,781
Provision of allowance for doubtful accounts	2,147	447
Personnel expenses	40,929	40,584
Bonus payment reserve expenses	3,499	3,572
Directors' bonus payment reserve expenses	291	280
Retirement benefit expenses	1,146	1,380
Provision for directors' retirement benefits	40	30
Traveling and transportation expenses	3,881	3,671
Taxes and dues	2,183	3,011
Depreciation and amortization	3,819	4,188
Amortization of goodwill	351	587
Research and development expenses	7,632	8,758
Others	17,271	18,646
Selling, General and Administrative Expenses	94,879	96,076
Operating Income	38,011	29,995
Non-operating Income		
Interest income	223	216
Dividends income	489	559
Equity in earnings of affiliates	1,108	796
Others	535	509
Total non-operating income	2,357	2,082
Non-operating Expenses		
Interest expenses	1,205	1,184
Foreign exchange losses	1,845	1,070
Others	846	1,358
Total non-operating expenses	3,897	3,613
Ordinary Income	36,471	28,464

	Millions of yen	
	Year Ended March 31, 2016	Year Ended March 31, 2017
Extraordinary Income		
Gain on sales of fixed assets	77	409
Gain on sales of investment securities	380	1,978
Gain on sales of investments in capital	—	289
Reversal of reserve for expenses related to the sales of land	1,589	—
Others	1	—
Total extraordinary income	<u>2,049</u>	<u>2,677</u>
Extraordinary Loss		
Loss on sales of fixed assets	15	25
Loss on retirement of fixed assets	99	126
Impairment loss	260	—
Loss on sales of investment securities	—	56
Loss on valuation of investment securities	1	435
Provision for loss on litigation	6,457	—
Others	1	0
Total extraordinary loss	<u>6,834</u>	<u>645</u>
Income before Income Taxes	<u>31,686</u>	<u>30,497</u>
Income Taxes-current	9,581	5,546
Income Taxes-deferred	3,207	3,299
Total Income Taxes	<u>12,789</u>	<u>8,845</u>
Profit	<u>18,896</u>	<u>21,651</u>
Profit Attributable to Non-Controlling Interests	1,642	1,063
Profit Attributable to Owners of Parent	<u>17,254</u>	<u>20,587</u>

Consolidated Statements of Comprehensive Income

Millions of yen

	Year Ended March 31, 2016	Year Ended March 31, 2017
Profit	18,896	21,651
Other Comprehensive Income:		
Net unrealized gains (losses) on investment securities	(2,579)	(10)
Deferred gains (losses) on hedges	(86)	10
Translation adjustment	(5,113)	(5,752)
Remeasurements of defined benefit plans, net of tax	(1,281)	1,565
Share of other comprehensive income of associates accounted for using equity method	(41)	(34)
Total other comprehensive income	(9,102)	(4,221)
Comprehensive Income	9,794	17,429
Comprehensive income attributable to:		
Owners of parent	8,463	16,989
Non-controlling interests	1,330	439

(3) Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2016

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2015	68,697	72,627	91,815	(397)	232,742
Changes of items during period					
Issuance of new shares (exercise of subscription rights to shares)	63	63			126
Cash dividends			(6,623)		(6,623)
Profit attributable to owners of parent			17,254		17,254
Change of scope of consolidation					—
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes during the period	63	63	10,630	(10)	10,747
Balance at March 31, 2016	68,760	72,691	102,446	(408)	243,490

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on investment securities	Deferred gains (losses) on hedges	Translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income			
Balance at April 1, 2015	5,324	73	10,742	(9,824)	6,316	730	7,764	247,553
Changes of items during period								
Issuance of new shares (exercise of subscription rights to shares)								126
Cash dividends								(6,623)
Profit attributable to owners of parent								17,254
Change of scope of consolidation								—
Purchase of treasury stock								(10)
Disposal of treasury stock								0
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes of items other than shareholders' equity	(2,584)	(86)	(4,863)	(1,255)	(8,790)	222	711	(7,856)
Total changes during the period	(2,584)	(86)	(4,863)	(1,255)	(8,790)	222	711	2,891
Balance at March 31, 2016	2,739	(12)	5,878	(11,080)	(2,473)	952	8,475	250,444

Year Ended March 31, 2017

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2016	68,760	72,691	102,446	(408)	243,490
Changes of items during period					
Issuance of new shares (exercise of subscription rights to shares)	10,004	10,004			20,008
Cash dividends			(5,582)		(5,582)
Profit Attributable to Owners of Parent			20,587		20,587
Change of scope of consolidation			431		431
Purchase of treasury stock				(17)	(17)
Disposal of treasury stock		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(1,489)			(1,489)
Net changes of items other than shareholders' equity					
Total changes during the period	10,004	8,514	15,437	(17)	33,938
Balance at March 31, 2017	78,764	81,205	117,883	(425)	277,428

	Accumulated other comprehensive income					Subscription rights to shares	Non-Controlling Interests	Total net assets
	Net unrealized gains (losses) on investment securities	Deferred gains (losses) on hedges	Translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income			
Balance at April 1, 2016	2,739	(12)	5,878	(11,080)	(2,473)	952	8,475	250,444
Changes of items during period								
Issuance of new shares (exercise of subscription rights to shares)								20,008
Cash dividends								(5,582)
Profit Attributable to Owners of Parent								20,587
Change of scope of consolidation								431
Purchase of treasury stock								(17)
Disposal of treasury stock								0
Change in ownership interest of parent due to transactions with non-controlling interests								(1,489)
Net changes of items other than shareholders' equity	(47)	10	(5,133)	1,572	(3,597)	408	(3,684)	(6,873)
Total changes during the period	(47)	10	(5,133)	1,572	(3,597)	408	(3,684)	27,064
Balance at March 31, 2017	2,692	(1)	745	(9,507)	(6,071)	1,361	4,791	277,509

(4) Consolidated Statements of Cash Flows

Millions of yen

	Year Ended March 31, 2016	Year Ended March 31, 2017
Cash Flows from Operating Activities:		
Income before income taxes	31,686	30,497
Depreciation and amortization	11,610	13,739
Impairment loss	260	—
Loss (gain) on sales of securities and investment securities	(380)	(1,922)
Loss (gain) on sales of investments in capital	—	(289)
Increase (decrease) in reserve	8,516	744
Increase (decrease) in net defined benefit liability	(3,594)	(2,242)
Loss (gain) on sales of fixed assets	(61)	(384)
Interest and dividends income	(713)	(775)
Interest expenses	1,205	1,184
Decrease (increase) in notes and accounts receivable-trade	(9,858)	7,344
Decrease (increase) in inventories	(10,071)	(9,136)
Increase (decrease) in notes and accounts payable-trade	6,126	3,430
Increase /decrease in other assets / liabilities	(5,951)	(3,784)
Other loss (gain)	(1,010)	771
Sub-total	27,763	39,175
Interest and dividends received	716	1,181
Interest expenses paid	(1,264)	(1,202)
Income taxes paid	(5,686)	(5,338)
Net cash provided by operating activities	21,528	33,816
Cash Flows from Investing Activities:		
Purchase of fixed assets	(12,498)	(21,591)
Proceeds from sales of fixed assets	109	550
Purchase of securities and investment securities	(10,846)	(8,797)
Proceeds from sales and redemption of securities and investment securities	11,166	12,086
Payments into time deposits	(1,048)	(2,637)
Proceeds from withdrawal of time deposits	1,047	1,839
Payments of loans receivable	(317)	(117)
Collection of loans receivable	459	762
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,130)	—
Others	(285)	(661)
Net cash used in investing activities	(14,344)	(18,563)

	Millions of yen	
	Year Ended March 31, 2016	Year Ended March 31, 2017
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term loans payable	(1,349)	2,501
Proceeds from long-term loans payable	4,678	14,079
Repayment of long-term loans payable	(5,110)	(19,615)
Redemption of bonds	—	(22)
Proceeds from issuance of common stock	0	0
Proceeds from disposal of treasury shares	0	0
Purchase of treasury shares	(10)	(17)
Cash dividends paid	(6,623)	(5,582)
Cash dividends paid to non-controlling interests	(465)	(458)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(5,169)
Others	(775)	(817)
Net cash used in financing activities	(9,655)	(15,102)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,948)	(1,187)
Increase (Decrease) in Cash and Cash Equivalents	(4,419)	(1,037)
Cash and Cash Equivalents at Beginning of Period	95,604	91,185
Increase (Decrease) in Cash and Cash Equivalents Resulting from change of scope of consolidation	—	536
Cash and Cash Equivalents at End of Period	91,185	90,683

(5) Notes to Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Additional Information)

(Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from April 1, 2016, the Group has applied “Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, issued on March 28, 2016).

(Progress about Fire Accident)

On October 23, 2015, a fire broke out at the waste processing facility for bulky refuse at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, as Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. Please note that EEP is responsible for the operation and management of a refuse incinerating facility that is located next to the bulky refuse processing plant where the fire occurred. Regarding this incident, the Company is discussing with Gifu City the construction work required to make the damaged facility operational again and compensation for related damages.

At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated statements of income.

(Segment Information)

1. Overview of reportable segments

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

The Group’s operations in three business segments are as follows:

Segment	Principal Products	Contents
Fluid Machinery & Systems	Pumps, compressors, turbines, freezer chillers, blowers, fans and others	Manufacture, sales, O&M services and others
Environmental Engineering	Municipal waste processing plants, industrial waste incineration plants, water treatments plants and others	Engineering, construction, O&M services and others
Precision Machinery	Dry vacuum pumps, CMP equipment, plating equipment, exhaust-gas treatment equipment and others	Manufacture, sales and maintenance

2. Calculation method used for sales, income, assets and liabilities and other items for each reportable segment

The accounting method used for reportable business segments is the same as the method based on the accounting principles used to prepare the consolidated financial statements. Income from reportable segments are figures based on operating income. Intersegment sales and transfers are recorded at the same prices used in transactions with customers.

3. Information about sales, income, assets and liabilities, and other items for each reportable segment

Year Ended March 31, 2016

Millions of yen

	Reportable segments				Others (Notes 1)	Total	Adjustments (Notes 2, 3)	Consolidated (Notes 4)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales								
Customers	320,829	70,381	93,328	484,538	1,696	486,235	—	486,235
Intersegment and transfers	785	11	—	797	3,370	4,167	(4,167)	—
Total	321,614	70,393	93,328	485,335	5,067	490,402	(4,167)	486,235
Segment income	19,335	6,431	11,697	37,464	515	37,980	30	38,011
Segment assets	330,388	62,277	85,431	478,097	26,461	504,559	75,300	579,860
Others								
Depreciation and amortization	7,441	381	2,180	10,003	1,626	11,630	(19)	11,610
Amortization of Goodwill	351	—	—	351	—	351	—	351
Investment for companies applied equity method	1,786	5,663	—	7,450	—	7,450	—	7,450
Increase in tangible and intangible assets	9,754	518	3,331	13,604	2,143	15,747	(17)	15,729

Notes: 1.The “Others” item in the table above is the business segment for operations that are not included among reportable segments.

It contains business support services and other activities.

2.The “Adjustments” item is as follows:

(1) Segment income shows eliminations among intersegment sales and transfers.

(2) The total value of the adjustment of segment assets for the Company was total assets of the Group amounted to ¥77,483 million, and intersegment eliminations amounted to ¥(2,182) million. The main total assets of the Group are Cash and deposits, a part of investment securities, deferred tax assets and others.

3.The adjustment in the increase in “Others” items under depreciation, fixed assets, and intangible assets is due to the elimination of intersegment transactions.

4.Segment income has been adjusted with operating income in the consolidated statements of income.

Year Ended March 31, 2017

Millions of yen

	Reportable segments				Others (Notes 1)	Total	Adjustments (Notes 2, 3)	Consolidated (Notes 4)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales								
Customers	292,246	68,064	114,120	474,432	1,672	476,104	—	476,104
Intersegment and transfers	333	0	—	333	3,319	3,653	(3,653)	—
Total	292,579	68,065	114,120	474,766	4,992	479,758	(3,653)	476,104
Segment income	9,476	5,760	14,115	29,352	632	29,984	11	29,995
Segment assets	318,666	60,659	99,750	479,076	33,994	513,071	75,386	588,457
Others								
Depreciation and amortization	8,528	489	2,900	11,918	1,835	13,754	(14)	13,739
Amortization of Goodwill	587	—	—	587	—	587	—	587
Investment for companies applied equity method	—	6,012	—	6,012	—	6,012	—	6,012
Increase in tangible and intangible assets	11,831	1,107	7,432	20,371	2,311	22,683	(7)	22,675

Notes: 1.The “Others” item in the table above is the business segment for operations that are not included among reportable segments.

It contains business support services and other activities.

2.The “Adjustments” item is as follows:

(1) Segment income shows eliminations among intersegment sales and transfers.

(2) The total value of the adjustment of segment assets for the Company was total assets of the Group amounted to ¥77,298 million, and intersegment eliminations amounted to ¥(1,912) million. The main total assets of the Group are Cash and deposits, a part of investment securities, deferred tax assets and others.

3.The adjustment in the increase in “Others” items under depreciation, fixed assets, and intangible assets is due to the elimination of intersegment transactions.

4.Segment income has been adjusted with operating income in the consolidated statements of income.

5.Segment information for the fiscal year ended March 31, 2016 reflects the impact of the finalization of the provisional accounting treatment related to the business combination in the third quarter ended December 31, 2015.

(Per Share Data of Common Stock)

	Year Ended March 31, 2016	Year Ended March 31, 2017
Net assets per share (Yen)	2,590.82	2,672.19
Net income per share (Yen)	185.58	213.71
Diluted net income per share (Yen)	169.42	201.53

1. Basic information for computation of net assets per share

	As of March 31, 2016	As of March 31, 2017
Total net assets (Millions of yen)	250,444	277,509
Amount excluded from total net assets (Millions of yen)	9,428	6,152
(Subscription rights to shares (Millions of yen))	(952)	(1,361)
(Non-controlling interests (Millions of yen))	(8,475)	(4,791)
Net assets attributable to common stock at the end of the period (Millions of yen)	241,016	271,356
Number of common stocks outstanding at the end of the period calculated under "Net assets per share"	93,027,006	101,548,418

2. Basic information for computation of net income per share

	Year Ended March 31, 2016	Year Ended March 31, 2017
Net income per share		
Profit attributable to owners of parent (Millions of yen)	17,254	20,587
Amount not allocated to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent attributable to common stocks (Millions of yen)	17,254	20,587
Average shares of common stocks (Number)	92,974,658	96,336,251
Diluted net income per share		
Adjustment of profit attributable to owners of parent (Millions of yen)	—	—
Increase in common stocks (Number)	8,866,382	5,818,309
(Bonds with subscription rights to shares (Number))	(8,348,485)	(5,175,416)
(Subscription rights to shares (Number))	(517,897)	(642,893)
Potential shares excluded from computation of diluted net income per share which don't have a dilutive effect	—	—

3. Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Net assets per share, net income per share, and diluted net income per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(Significant Subsequent Events)

None

4. Others

(1) Segment Information

Business segment

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

Order received, Sales, Operating Income and Backlog of Order received

Billions of Yen

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017			Fiscal year ending December 31, 2017	
	Actual		Actual	Change	Change Ratio	Forecast	Change Ratio
Order received					(%)		(%)
Reportable segments							
FMS	307.6		288.5	(19.0)	(6.2)	238.0	-
EE	80.0		64.6	(15.4)	(19.3)	75.0	-
PM	101.8		123.1	21.2	20.9	90.0	-
Others	1.6		1.6	(0.0)	(1.0)	1.0	-
Total	491.2		477.9	(13.3)	(2.7)	404.0	-
Sales							
Reportable segments							
FMS	320.8		292.2	(28.5)	(8.9)	218.0	-
EE	70.3		68.0	(2.3)	(3.3)	45.0	-
PM	93.3		114.1	20.7	22.3	90.0	-
Others	1.6		1.6	(0.0)	(1.4)	1.0	-
Total	486.2		476.1	(10.1)	(2.1)	354.0	-
Operating Income							
Reportable segments							
FMS	19.3		9.4	(9.8)	(51.0)	2.0	-
EE	6.4		5.7	(0.6)	(10.4)	4.0	-
PM	11.6		14.1	2.4	20.7	9.0	-
Others & adjustment	0.5		0.6	0.0	17.8	0.0	-
Total	38.0		29.9	(8.0)	(21.1)	15.0	-
Backlog of Order received							
Reportable segments							
FMS	174.7		167.5	(7.2)	(4.1)		
EE	170.2		166.3	(3.9)	(2.3)		
PM	20.5		29.2	8.7	42.7		
Others	0.0		0.0	0.0	98.4		
Total	365.5		363.1	(2.3)	(0.6)		

[Reference]

The actual adjusted to nine months, from April 1, 2016 to December 31, 2016 for the Company and its consolidated companies with a fiscal year end in March, and the percentages changes from the actual after adjustment and the forecast are as follows.

	Actual After Adjustment		Forecast	Change Ratio After Adjustment
Order received				(%)
Reportable segments				
FMS	231.5		238.0	2.8
EE	50.9		75.0	47.1
PM	101.6		90.0	(11.5)
Others	1.2		1.0	(19.0)
Total	385.4		404.0	4.8
Sales				
Reportable segments				
FMS	213.8		218.0	1.9
EE	45.7		45.0	(1.5)
PM	89.4		90.0	0.6
Others	1.2		1.0	(18.9)
Total	350.2		354.0	1.1
Operating Income				
Reportable segments				
FMS	(3.4)		2.0	-
EE	3.9		4.0	1.1
PM	10.3		9.0	(13.1)
Others & adjustment	0.5		0.0	-
Total	11.4		15.0	30.9

(2) Sales and Orders by Subsegment

(i) Order received

Billions of Yen

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017			Fiscal year ending December 31, 2017	
	Actual	Actual	Change	Change Ratio	Forecast	Change Ratio
FMS				(%)		(%)
Pumps	176.8	176.6	(0.2)	(0.1)	150.0	-
Compressors & Turbines	75.9	59.0	(16.9)	(22.3)	50.0	-
Chillers	33.3	32.9	(0.4)	(1.2)	25.0	-
Others	21.4	19.9	(1.5)	(7.3)	13.0	-
Total of FMS	307.6	288.5	(19.0)	(6.2)	238.0	-
EE						
Environmental plants	80.0	64.6	(15.4)	(19.3)	75.0	-
Total of EE	80.0	64.6	(15.4)	(19.3)	75.0	-
PM						
Components	40.1	45.8	5.7	14.3	34.0	-
CMP systems	47.7	72.7	25.0	52.5	49.5	-
Others	14.0	4.5	(9.4)	(67.7)	6.5	-
Total of PM	101.8	123.1	21.2	20.9	90.0	-
Others	1.6	1.6	(0.0)	(1.0)	1.0	-
Total of Others	1.6	1.6	(0.0)	(1.0)	1.0	-
Total	491.2	477.9	(13.3)	(2.7)	404.0	-

[Reference]

The actual adjusted to nine months, from April 1, 2016 to December 31, 2016 for the Company and its consolidated companies with a fiscal year end in March, and the percentages changes from the actual after adjustment and the forecast are as follows.

	Actual	Forecast	Change Ratio
	After Adjustment		
FMS			(%)
Pumps	145.6	150.0	3.0
Compressors & Turbines	44.5	50.0	12.3
Chillers	27.5	25.0	(9.3)
Others	13.8	13.0	(6.0)
Total of FMS	231.5	238.0	2.8
EE			
Environmental plants	50.9	75.0	47.1
Total of EE	50.9	75.0	47.1
PM			
Components	39.9	34.0	(15.0)
CMP systems	57.9	49.5	(14.6)
Others	3.7	6.5	74.3
Total of PM	101.6	90.0	(11.5)
Others	1.2	1.0	(19.0)
Total of Others	1.2	1.0	(19.0)
Total	385.4	404.0	4.8

(ii) Sales

Billions of Yen

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017			Fiscal year ending December 31, 2017	
	Actual	Actual	Change	Change Ratio	Forecast	Change Ratio
FMS				(%)		(%)
Pumps	178.6	171.5	(7.0)	(4.0)	130.0	-
Compressors & Turbines	90.2	68.5	(21.7)	(24.1)	50.0	-
Chillers	31.3	31.6	0.2	0.9	25.0	-
Others	20.5	20.5	(0.0)	(0.1)	13.0	-
Total of FMS	320.8	292.2	(28.5)	(8.9)	218.0	-
EE						
Environmental plants	70.3	68.0	(2.3)	(3.3)	45.0	-
Total of EE	70.3	68.0	(2.3)	(3.3)	45.0	-
PM						
Components	38.5	43.2	4.6	12.1	34.0	-
CMP systems	42.4	64.5	22.1	52.2	49.5	-
Others	12.3	6.3	(6.0)	(48.9)	6.5	-
Total of PM	93.3	114.1	20.7	22.3	90.0	-
Others	1.6	1.6	(0.0)	(1.4)	1.0	-
Total of Others	1.6	1.6	(0.0)	(1.4)	1.0	-
Total	486.2	476.1	(10.1)	(2.1)	354.0	-

[Reference]

The actual adjusted to nine months, from April 1, 2016 to December 31, 2016 for the Company and its consolidated companies with a fiscal year end in March, and the percentages changes from the actual after adjustment and the forecast are as follows.

	Actual After Adjustment	Forecast	Change Ratio After Adjustment
FMS			(%)
Pumps	126.9	130.0	2.4
Compressors & Turbines	48.0	50.0	4.1
Chillers	25.0	25.0	(0.0)
Others	13.9	13.0	(6.7)
Total of FMS	213.8	218.0	1.9
EE			
Environmental plants	45.7	45.0	(1.5)
Total of EE	45.7	45.0	(1.5)
PM			
Components	37.9	34.0	(10.5)
CMP systems	45.8	49.5	8.0
Others	5.6	6.5	14.8
Total of PM	89.4	90.0	0.6
Others	1.2	1.0	(18.9)
Total of Others	1.2	1.0	(18.9)
Total	350.2	354.0	1.1

(3) Area Information

(i) Geographical Segment ··· Compiled on the basis of the geographical location of the company reporting the sales

Billions of Yen

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017		
	Actual	Composition (%)	Actual	Composition (%)	Change
Net Sales					
Japan	312.3	64.2	305.3	64.1	(6.9)
North America	91.0	18.7	75.5	15.9	(15.4)
Asia (except Japan)	62.4	12.8	70.2	14.8	7.8
Others	20.4	4.3	24.9	5.2	4.4
Total	486.2	100.0	476.1	100.0	(10.1)
Operating Income					
Japan	14.7	38.7	15.6	52.1	0.9
North America	13.1	34.6	4.1	13.7	(9.0)
Asia (except Japan)	8.1	21.3	9.7	32.7	1.6
Others	2.0	5.5	0.9	3.3	(1.0)
Adjustment	(0.0)	(0.1)	(0.5)	(1.8)	(0.4)
Total	38.0	100.0	29.9	100.0	(8.0)

(ii) Regional Segment ··· Compiled on the basis of the geographical location where the goods are sold

Billions of Yen

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2017		
	Actual	Composition (%)	Actual	Composition (%)	Change
Net Sales					
Japan	232.6	47.8	224.9	47.3	(7.6)
Asia (except Japan)	130.9	26.9	145.9	30.7	14.9
North America	53.0	10.9	39.1	8.2	(13.9)
Europe	34.5	7.1	32.1	6.8	(2.3)
Middle East	25.3	5.2	20.1	4.2	(5.1)
Others	9.7	2.1	13.7	2.8	4.0
Total	486.2	100.0	476.1	100.0	(10.1)

(4) Employees

		As of March 31, 2016	As of March 31, 2017	
		Numbers	Numbers	Change
Employees				
Reportable segments	FMS	11,125	11,150	25
	EE	2,699	2,645	(54)
	PM	1,794	1,885	91
Others & Corporate		652	637	(15)
Total		16,270	16,317	47
Ebara Corporation		4,022	4,014	(8)
Domestic consolidated subsidiaries		3,810	3,984	174
Overseas consolidated subsidiaries		8,438	8,319	(119)