



Results Presentation for Three Months Ended March 31, 2020

EBARA (6361)

May 13, 2020

Looking ahead,
going beyond expectations

Ahead  *Beyond*

EBARA CORPORATION

Table of Contents



	Points of 1Q Results	P.3	4.	COVID-19 Impacts	P.12
1.	FY20 1Q Summary of Results		5.	Appendix : Summary by Segment	
	I. Consolidated	P.4		I. Orders	P.16
	II. Segment	P.5		II. Net Sales	P.17
	III. Net Sales by Region	P.6		III. Operating Income	P.18
2.	FY20 1Q Results by Segment			IV. Backlog of Orders	P.19
	I. FMS Business* ¹	P.7		V. Net Sales by Region	P.20
	II. EP Business* ²	P.8			
	III. PM Business* ³	P.9			
3.	FY20 Forecast				
	I. Consolidated	P.10			
	II. Segment	P.11			

*1. Fluid Machinery & Systems Business / *2. Environmental Plants Business / *3. Precision Machinery Business

✓ "Net Sales by Region" shown in this document indicates sales on the basis of the geographical location where the goods are sold.

Abbreviations

FY: fiscal year (FY20: fiscal year ending December 31, 2020) / 1Q: 1Q figures / 1-2Q, 1-3Q, 1-4Q: cumulative total from 1Q to each quarter

Points of 1Q Results

FY20 1Q Results

		YoY	
■ Orders	123.3 billion yen	(+5.4%)	↑
■ Sales	122.6 billion yen	(-5.8%)	↓
■ Operating Income	7.0 billion yen	(-22.8%)	↓

FY20 Forecast

- 1-2Q and full-year forecast is pending

Results

- In semiconductor market, some foundries have expanded capital investment and PM business saw increased orders.
- In FMS business 1Q operating income surpassed the same period last year, but in PM business profit decreased since sales and profitability declined. Overall profit decreased 22% year-on-year.

COVID-19 Impacts

- In 1Q, the COVID-19 pandemic caused some overseas factory shutdowns and restrictions on sales activities. However, the impact on business performance was minor.
- Regarding 1-2Q and full-year forecast, the business impact is uncertain and reasonable calculation is difficult at the moment. The forecast is currently pending and we are planning to announce a revised forecast when possible.

1. FY20 1Q Summary of Results Consolidated



(in billion yen)	FY19 1Q Results	FY20 1Q Results	Change
Orders	117.0	123.3	+ 6.2
Net Sales	130.1	122.6	- 7.4
Operating Income	9.1	7.0	- 2.0
OI Ratio	7.0%	5.7%	- 1.3pts
Ordinary Income	10.3	6.3	- 3.9
Net Income Attributable to Owners of Parent	6.7	3.7	- 2.9
Exchange Rate (USD)	JPY110.99	JPY108.83	

1. FY20 1Q Summary of Results Segment



(in billion yen)		FY19 1Q Results	FY20 1Q Results	Change
Total	Orders	117.0	123.3	+ 6.2
	Net Sales	130.1	122.6	- 7.4
	Operating Income	9.1	7.0	- 2.0
	OI Ratio	7.0%	5.7%	- 1.3pts
FMS Business	Orders	80.1	78.5	- 1.5
	Net Sales	81.5	78.4	- 3.0
	Operating Income	3.7	5.1	+ 1.3
	OI Ratio	4.6%	6.5%	+ 1.9pts
EP Business	Orders	12.6	4.5	- 8.1
	Net Sales	19.1	17.2	- 1.8
	Operating Income	2.2	2.4	+ 0.2
	OI Ratio	11.8%	14.4%	+ 2.6pts
PM Business	Orders	23.9	39.8	+ 15.9
	Net Sales	29.0	26.4	- 2.5
	Operating Income	3.0	- 0.0	- 3.1
	OI Ratio	10.6%	- 0.2%	- 10.8pts
Others, Adjustment	Orders	0.4	0.4	+ 0.0
	Net Sales	0.4	0.4	+ 0.0
	Operating Income	0.0	- 0.5	- 0.5
	OI Ratio	8.9%	- 115.3%	- 124.2pts

1. FY20 1Q Summary of Results

Net Sales by Region



(in billion yen)

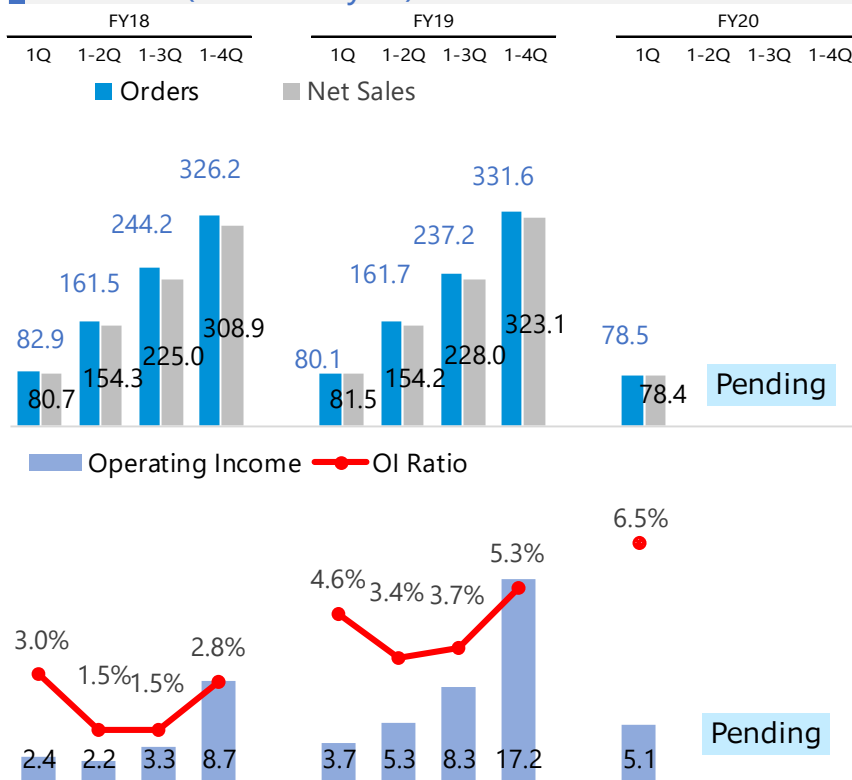
	FY19 1Q		FY20 1Q		Change
	Results	Composition of Net Sales	Results	Composition of Net Sales	
Total	130.1	100.0%	122.6	100.0%	- 7.4
In domestic market (Japan)	68.1	52.3%	66.6	54.3%	- 1.4
In overseas market	62.0	47.7%	56.0	45.7%	- 6.0
China	16.6	12.8%	10.3	8.4%	- 6.2
Asia(excl. China)	18.9	14.6%	19.7	16.1%	+ 0.7
North America	12.0	9.3%	12.6	10.3%	+ 0.5
Europe	6.5	5.1%	6.2	5.1%	- 0.3
Middle East	5.0	3.9%	4.8	4.0%	- 0.1
Others	2.8	2.2%	2.2	1.8%	- 0.5

2. FY20 1Q Results by Segment



FMS Business

Results (in billion yen)



FY20 1Q S&S Sales Ratio

	FY19				FY20
	1Q	1-2Q	1-3Q	1-4Q	1Q
FMS	36.0%	36.2%	34.4%	35.5%	41.3%
PUMP	29.4%	25.1%	23.3%	22.8%	34.6%
CT	54.8%	62.6%	56.8%	59.6%	55.1%

Highlights

Pumps and Chillers

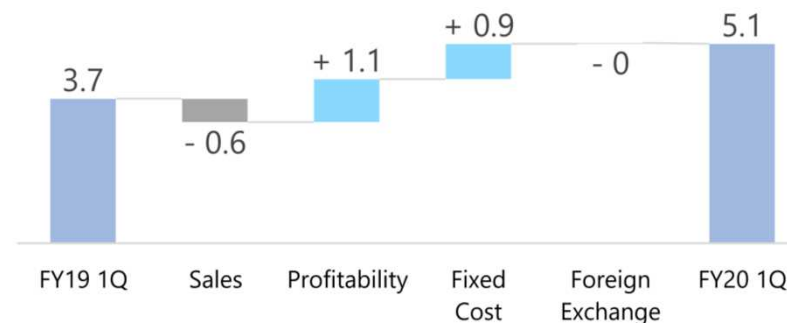
- COVID-19 pandemic caused factory shutdowns and restrictions on sales activities
- Orders and sales declined mainly in China
- Despite decrease in sales, operating income was flat in pumps business and increased in chillers business, as a result of decreased expenses due to restriction of business activities (+)

Compressors and turbines (CT)

- COVID-19 impact is minor
- Profit increased as a result of products (cryogenic pumps) and service and support (S&S) sales increase (+)

Breakdown of Changes in Operating Income

(in billion yen)

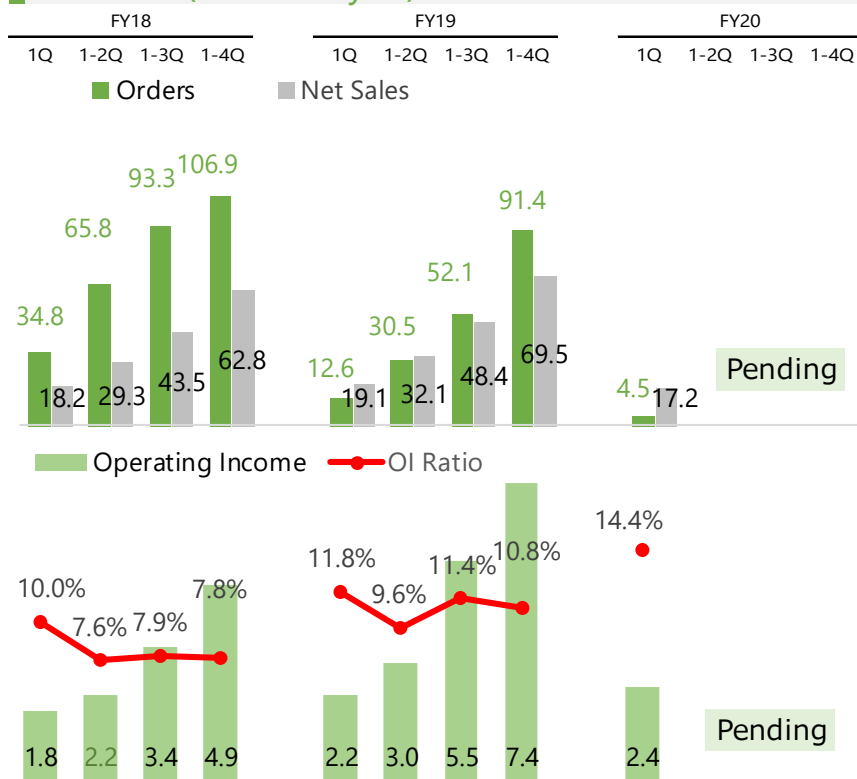


2. FY20 1Q Results by Segment



EP Business

Results (in billion yen)



FY20 1Q Major Orders

FY19 1Q	FY20 1Q
<ul style="list-style-type: none"> Waste treatment plant EPC* project (PJ): 1 Biomass power plant EPC PJ: 1 	No large orders

* Engineering, procurement, and construction

Highlights

Orders

- Decreased year-on-year due to lack of large EPC orders, but as planned

Sales, Operating income

- COVID-19 impact is minor
- EPC* sales decreased
- Profit increased as a result of good progress of operation and maintenance (O&M) (+)

Breakdown of Changes in Operating Income

(in billion yen)

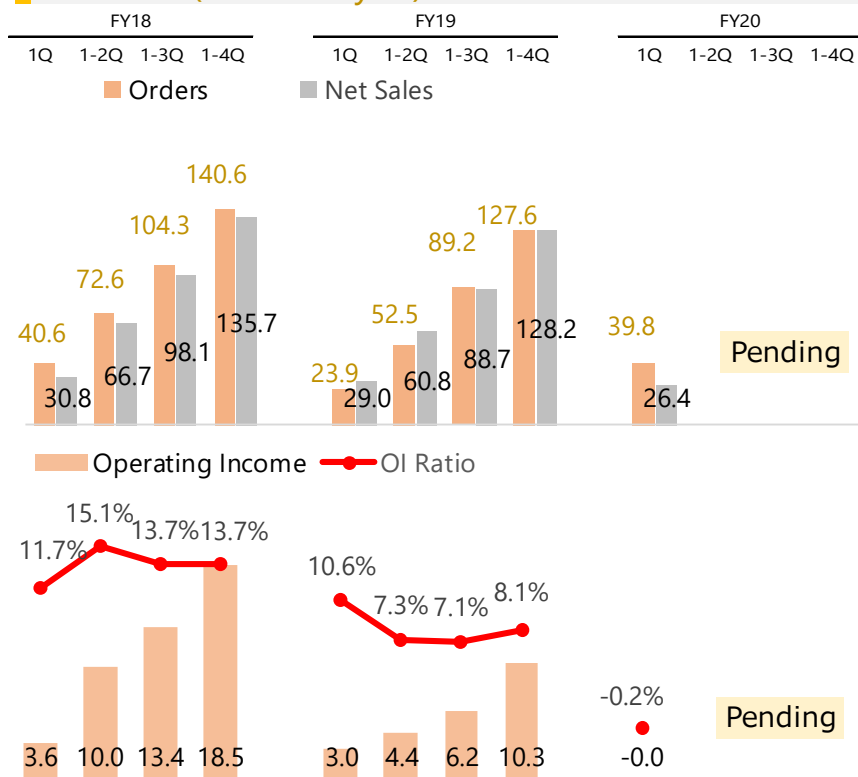


2. FY20 1Q Results by Segment



PM Business

Results (in billion yen)



FY20 1Q Sales by Region

(in billion yen)	Japan	Asia (excl. Japan)	North America	Europe	Middle East	Others	Total
Sales	7.2	13.9	3.6	1.2	0.4	0.0	26.4
Change* (vs FY19 1Q)	↗	↘	↘	↘	↘	↘	↘

* ↗ is +5% or more, ↘ is -5% or more changes, → is less than ± 5% changes

Highlights

Orders

- Steady orders as a result of active capital investment in the semiconductor market
- COVID-19 impact is minor

Sales

- Delayed CMP sales due to postponements of customer acceptance inspections and malfunctions with some customers' projects

Operating income

- Sales decreased (-)
- Project mix deteriorated in both components and CMP (-)
- Fixed costs related to automated plant increased (-)

Breakdown of Changes in Operating Income

(in billion yen)



3. FY20 Forecast



Consolidated

(in billion yen)

Announced date(m/d/y)	FY19 1-2Q Results	FY20 1-2Q Plan Feb/26/20	FY20 1-2Q Plan May/13/20	FY19 1-4Q Results	FY20 1-4Q Plan Feb/26/20	FY20 1-4Q Plan May/13/20
Orders	245.6	275.0	-	552.2	550.0	-
Net Sales	248.0	265.0	-	522.4	526.0	-
Operating Income	12.9	13.1	-	35.2	30.6	-
OI Ratio	5.2%	4.9%	-	6.8%	5.8%	-
Ordinary Income	13.3	13.1	-	35.5	29.1	-
Net Income Attributable to Owners of Parent	8.0	8.0	-	23.3	18.5	-
ROIC	-	-	-	6.5%	5.0%	-

3. FY20 Forecast



Segment

(in billion yen)

Announced date(m/d/y)		FY19 1-2Q	FY20 1-2Q	FY20 1-2Q	FY19 1-4Q	FY20 1-4Q	FY20 1-4Q
		Results	Plan	Plan	Results	Plan	Plan
			Feb/26/20	May/13/20		Feb/26/20	May/13/20
Total	Orders	245.6	275.0	-	552.2	550.0	-
	Net Sales	248.0	265.0	-	522.4	526.0	-
	Operating Income	12.9	13.1	-	35.2	30.6	-
	OI Ratio	5.2%	4.9%	-	6.8%	5.8%	-
FMS Business	Orders	161.7	163.0	-	331.6	324.0	-
	Net Sales	154.2	163.0	-	323.1	318.0	-
	Operating Income	5.3	6.5	-	17.2	15.0	-
	OI Ratio	3.4%	4.0%	-	5.3%	4.7%	-
EP Business	Orders	30.5	42.0	-	91.4	84.0	-
	Net Sales	32.1	30.0	-	69.5	67.0	-
	Operating Income	3.0	2.0	-	7.4	5.5	-
	OI Ratio	9.6%	6.7%	-	10.8%	8.2%	-
PM Business	Orders	52.5	69.0	-	127.6	140.0	-
	Net Sales	60.8	71.0	-	128.2	139.0	-
	Operating Income	4.4	5.0	-	10.3	10.5	-
	OI Ratio	7.3%	7.0%	-	8.1%	7.6%	-
Others, Adjustment	Orders	0.7	1.0	-	1.5	2.0	-
	Net Sales	0.7	1.0	-	1.5	2.0	-
	Operating Income	0.1	- 0.4	-	0.1	- 0.4	-
	OI Ratio	13.5%	- 40.0%	-	10.9%	- 20.0%	-

4. COVID-19 Impacts



Business Operations

- In 1Q, factory operations and sales activities were restricted in some regions in accordance with local government orders. This also caused some disruption in supply chains and distribution. Some impact on business results of the Chillers business, minor impact on all other business segments.
- All but one factory has resumed regular operations. The remaining closed factory in the Philippines is scheduled to return to operations on May 15.
- From 2Q onward, we are anticipating continued restrictions on business activities and disruptions to the supply chain. We will be watching trends in customer capital investment especially carefully going forward.

	1Q Impacts	Anticipated Risks
Market-wide	<ul style="list-style-type: none"> ■ Factory operations and sales activities were restricted in China, Europe, the United States, Southeast Asia, etc., in accordance with local government orders ■ Disruption to supply chains and distribution capabilities in all business segments. Also negative impacts due to restrictions on movement of people ■ Decline in building equipment market 	<ul style="list-style-type: none"> ■ Continued restrictions on business activities in Europe, North America, and Southeast Asia, despite recovery in other areas such as China ■ Disruption to supply chains and distribution, cost increases and delivery delays due to restrictions on movement of people ■ Revision of capital investment plans by some customers
EBARA	<ul style="list-style-type: none"> ■ Temporary factory stoppages in China, Italy, and the Philippines ■ Restricted sales activities globally 	<ul style="list-style-type: none"> ■ Some degree of negative impact on orders, sales, and operating income are expected in all businesses. The impact is currently being assessed.
Measures taken for	<ul style="list-style-type: none"> ■ Customers: Increased non-face-to-face (teleconferencing, etc.) sales activities to negotiate delivery dates and communicate progress on projects ■ Restriction on movement: Secured local resources, hired third-party product quality inspection agencies for witness testing, and negotiated quality inspection exceptions ■ Supply chain disruptions: Strengthened supply chain/process management. Increased purchasing of duplicate parts, local procurement, partially stockpiled important parts, and directly delivered outsourced products ■ Distribution: Secured logistics companies and cargo space by strengthening cooperation ■ Other: Implemented thorough infection-prevention measures, made appropriate adjustments to factory operation, reviewed capital investment 	

4. COVID-19 Impacts

Segment-specific



■ : Anticipated additional risks in 2Q

	1Q		Anticipated Risks		
	Market	EBARA	Market	EBARA	Impact
Pumps	<ul style="list-style-type: none"> ■ Requests to postpone projects/shipments in the Chinese building equipment market, oil and gas market, etc. 	<ul style="list-style-type: none"> ■ Decrease in orders and sales ■ Production bases in China recovered 80-90% by early March 	<ul style="list-style-type: none"> ■ Decline in building equipment market globally (including Japan) 	<ul style="list-style-type: none"> ■ Decrease in standard pump product sales 	Medium
	<ul style="list-style-type: none"> ■ Declarations of State of Emergency in Europe, USA, Southeast Asia 	<ul style="list-style-type: none"> ■ Factories in the Philippines and Italy ceased operations in Mid-March 	<ul style="list-style-type: none"> ■ Postponement of projects in oil and gas market 	<ul style="list-style-type: none"> ■ Decrease in custom pump product sales ■ Decrease in S&S 	
CT	<ul style="list-style-type: none"> ■ No major changes in capital investment in the downstream oil and gas market, however there were some delays 	<ul style="list-style-type: none"> ■ Minor impact on business performance 	<ul style="list-style-type: none"> ■ Delays in orders for projects, suspension of projects that have already received orders in the downstream oil and gas market 	<ul style="list-style-type: none"> ■ Decrease in product sales ■ Decrease in S&S 	Medium
	<ul style="list-style-type: none"> ■ Restricted movement of people globally 	<ul style="list-style-type: none"> ■ Restrictions on product witness testing and supervisor dispatch 			
Chillers	<ul style="list-style-type: none"> ■ Increased delays in orders for the Chinese building equipment market 	<ul style="list-style-type: none"> ■ Decrease in orders and sales ■ Production bases in China recovered 95% by mid-March 	<ul style="list-style-type: none"> ■ Decline in building equipment market in China and Southeast Asia 	<ul style="list-style-type: none"> ■ Decrease in product sales 	Medium

4. COVID-19 Impacts

Segment-specific



■ : Anticipated additional risks in 2Q

	1Q Impacts		Anticipated Risks		
	Market	EBARA	Market	EBARA	Impact
EP	<ul style="list-style-type: none"> No impact on domestic public infrastructure market 	<ul style="list-style-type: none"> Orders were as planned Minimal impact on subsidiary in China Production bases in China recovered 90% by early March 	<ul style="list-style-type: none"> No impact on waste treatment facilities 	<ul style="list-style-type: none"> None 	Small
PM	<ul style="list-style-type: none"> No impact on capital investment plans of semiconductor manufacturers 	<ul style="list-style-type: none"> Orders were steady Impact on business performance was minor, due to local staff acting in place of Japanese staff restricted from overseas travel for equipment startup, etc. 	<ul style="list-style-type: none"> Delays in customer capital investment due to global economic stagnation Prolongation of restrictions on movement of people 	<ul style="list-style-type: none"> Temporary decrease in demand for semiconductor manufacturing equipment Delays in equipment startup and overhauls 	Medium

4. COVID-19 Impacts

Financial Status



- In 1Q, we ensured sufficient liquidity, and in terms of finance we did not see any effect on business activities as a result of the COVID-19 pandemic.
- We have sufficient funds on hand and financing capability to withstand impacts of the COVID-19 pandemic, even if the pandemic lasts until the end of the year.
- We will strive to maintain financial health by working to minimize financial risks.

	1Q Preparation	Future Outlook
Liquidity at Hand	<ul style="list-style-type: none"> ■ Held at least 3 months of sales on hand ■ Allowed for cash financing ahead of schedule for overseas subsidiaries, depending on their cash position 	<ul style="list-style-type: none"> ■ Hold more cash on hand during emergencies than the normally held 2 months of sales ■ Accumulation of cash on hand from April to June, due to collection of trade receivables for public infrastructure projects
Financing Capabilities	<ul style="list-style-type: none"> ■ Secured a variety of financing in case of emergencies. There is no outstanding balance. <ul style="list-style-type: none"> • Commitment line: 45.0 billion yen • Overdraft line: 5.0 billion yen • Commercial paper line: 40.0 billion yen 	<ul style="list-style-type: none"> ■ Maintain sufficient financing capabilities
Financial Health	<ul style="list-style-type: none"> ■ Maintained indicators at stable level <ul style="list-style-type: none"> • Equity ratio: 44.5% • Debt-to-equity ratio: 0.38 times • R&I credit rating: A (single A flat) 	<ul style="list-style-type: none"> ■ Maintain indicators and good credit rating at stable level <ul style="list-style-type: none"> • Equity ratio: Attain above 40% • Debt-to-equity ratio: Keep in 0.3-0.5 times range • R&I credit rating: Keep at A

5. Appendix : Summary by Segment



Orders

(in billion yen)

Announced date(m/d/y)	1Q			1-2Q			1-4Q		
	FY19 Results	FY20 Results	Change	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20
Total	117.0	123.3	+ 6.2	245.6	275.0	-	552.2	550.0	-
FMS Business	80.1	78.5	- 1.5	161.7	163.0	-	331.6	324.0	-
Pumps	43.9	43.1	- 0.7	88.6	86.0	-	176.3	181.0	-
CT	23.9	23.5	- 0.4	45.6	51.0	-	102.0	93.0	-
Chillers	8.9	7.2	- 1.6	20.3	21.0	-	38.1	38.0	-
Others	3.3	4.5	+ 1.2	7.0	5.0	-	15.1	12.0	-
EP Business	12.6	4.5	- 8.1	30.5	42.0	-	91.4	84.0	-
PM Business	23.9	39.8	+ 15.9	52.5	69.0	-	127.6	140.0	-
Components	12.7	16.0	+ 3.3	25.2	29.0	-	53.5	58.0	-
CMP Systems	9.7	21.9	+ 12.1	24.8	37.0	-	67.7	75.0	-
Others	1.3	1.8	+ 0.4	2.4	3.0	-	6.3	7.0	-
Others	0.4	0.4	+ 0.0	0.7	1.0	-	1.5	2.0	-

5. Appendix : Summary by Segment



Net Sales

(in billion yen)

Announced date(m/d/y)	1Q			1-2Q			1-4Q		
	FY19 Results	FY20 Results	Change	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20
Total	130.1	122.6	- 7.4	248.0	265.0	-	522.4	526.0	-
FMS Business	81.5	78.4	- 3.0	154.2	163.0	-	323.1	318.0	-
Pumps	51.0	46.0	- 4.9	88.4	91.0	-	174.9	177.0	-
CT	17.2	21.6	+ 4.3	39.3	46.0	-	95.2	91.0	-
Chillers	8.8	7.1	- 1.6	19.0	20.0	-	37.7	37.0	-
Others	4.4	3.6	- 0.7	7.4	6.0	-	15.2	13.0	-
EP Business	19.1	17.2	- 1.8	32.1	30.0	-	69.5	67.0	-
PM Business	29.0	26.4	- 2.5	60.8	71.0	-	128.2	139.0	-
Components	14.6	13.6	- 1.0	29.6	28.0	-	58.9	57.0	-
CMP Systems	13.0	11.4	- 1.6	28.3	41.0	-	62.6	77.0	-
Others	1.3	1.4	+ 0.1	2.8	2.0	-	6.6	5.0	-
Others	0.4	0.4	+ 0.0	0.7	1.0	-	1.5	2.0	-

5. Appendix : Summary by Segment



Operating Income

(in billion yen)

Announced date(m/d/y)	1Q			1-2Q			1-4Q		
	FY19 Results	FY20 Results	Change	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20	FY19 Results	FY20 Plan Feb/26/20	FY19 Plan May/13/20
Total	9.1	7.0	- 2.0	12.9	13.1	-	35.2	30.6	-
FMS Business	3.7	5.1	+ 1.3	5.3	6.5	-	17.2	15.0	-
Pumps	5.1	5.0	- 0.1	5.6	4.0	-	11.0	8.5	-
CT	- 1.2	- 0.4	+ 0.8	- 0.1	1.0	-	4.8	4.5	-
Chillers	0.2	0.5	+ 0.2	0.8	1.0	-	1.8	1.5	-
Others	- 0.2	0.0	+ 0.3	- 0.9	0.5	-	- 0.4	0.5	-
EP Business	2.2	2.4	+ 0.2	3.0	2.0	-	7.4	5.5	-
PM Business	3.0	- 0.0	- 3.1	4.4	5.0	-	10.3	10.5	-
Others, Adjustment	0.0	- 0.5	- 0.5	0.1	- 0.4	-	0.1	- 0.4	-

5. Appendix : Summary by Segment



Backlog of Orders

(in billion yen)

Announced date(m/d/y)	1Q			1-2Q			1-4Q		
	FY19 Results	FY20 Results	Change	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20	FY19 Results	FY20 Plan Feb/26/20	FY20 Plan May/13/20
Total	447.0	483.6	+ 36.5	453.9	497.4	-	487.4	511.4	-
FMS Business	209.0	211.1	+ 2.1	214.7	216.7	-	216.7	222.7	-
Pumps	90.4	91.3	+ 0.8	96.7	93.0	-	98.0	102.0	-
CT	94.1	94.0	- 0.1	92.1	98.3	-	93.3	95.3	-
Chillers	17.1	16.5	- 0.5	17.8	17.8	-	16.8	17.8	-
Others	7.3	9.2	+ 1.9	8.0	7.3	-	8.3	7.3	-
EP Business	207.8	218.8	+ 10.9	212.5	248.1	-	236.1	253.1	-
PM Business	30.1	53.6	+ 23.4	26.5	32.5	-	34.5	35.5	-
Others	0.0	0.0	+ 0.0	0.0	0.0	-	0.0	0.0	-

5. Appendix : Summary by Segment

Net Sales by Region



(in billion yen)	1Q		Change
	FY19 Results	FY20 Results	
FMS Business	81.5	78.4	- 3.0
Japan	43.6	41.9	- 1.7
Asia (excl. Japan)	19.5	15.8	- 3.7
North America	6.2	9.0	+ 2.7
Europe	4.6	5.0	+ 0.3
Middle East	4.5	4.4	- 0.1
Others	2.8	2.2	- 0.5
EP Business	19.1	17.2	- 1.8
Japan	18.6	17.0	- 1.6
Asia (excl. Japan)	0.5	0.2	- 0.2
PM Business	29.0	26.4	- 2.5
Japan	5.6	7.2	+ 1.6
Asia (excl. Japan)	15.2	13.9	- 1.3
North America	5.7	3.6	- 2.1
Europe	1.8	1.2	- 0.6
Middle East	0.4	0.4	- 0.0
Others	0.0	0.0	- 0.0

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.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.