

# **Results Presentation for the Second Quarter ended September 30, 2013**

## **EBARA (6361)**

**November 8, 2013**



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# Contents

## 1. Summary of Results

Senior Managing Executive Officer  
Responsible for Finance& Accounting

**Tetsuji Fujimoto**

## 2. Projection and Management Strategy

President and  
Representative Director

**Toichi Maeda**

# 1. Summary of Results

## Summary of Results through the 2<sup>nd</sup> Quarter

(1/2)

(Six months ended September 30, 2013)

(unit : ¥bn)

	2 <sup>nd</sup> Quarter ended September 30, 2012 (Result)	2 <sup>nd</sup> Quarter ended September 30, 2013 (Result)	Change
<b>Orders</b>	<b>188.2</b>	<b>286.5</b>	<b>+98.2</b>
<b>Net Sales</b>	<b>163.6</b>	<b>174.8</b>	<b>+11.1</b>
<b>Operating Income</b>	<b>1.1</b>	<b>0.2</b>	<b>-0.9</b>
<b>Ordinary Income</b>	<b>0.5</b>	<b>-0.0</b>	<b>-0.5</b>
<b>Net Income</b>	<b>-1.0</b>	<b>-1.6</b>	<b>-0.5</b>

Average Exchange Rate

1USD = 79.7JPY

1USD = 98.4JPY

# 1. Summary of Results

## Segmental Summary of Results through the 2<sup>nd</sup> Quarter (2/2)

(Six months ended September 30, 2013)

(unit : ¥bn)

		Orders			Net Sales			Operating Income		
		2Q ended Sep. 30, 2012	2Q ended Sep. 30, 2013	Change	2Q ended Sep. 30, 2012	2Q ended Sep. 30, 2013	Change	2Q ended Sep. 30, 2012	2Q ended Sep. 30, 2013	Change
Reportable Segment	FMS Business	134.6	172.5	+37.9	114.4	128.4	+14.0	-2.0	-0.8	+1.1
	EE Business	25.3	85.8	+60.5	15.5	17.9	+2.3	1.1	1.3	+0.1
	PM Business	28.2	27.2	-0.9	32.7	27.5	-5.2	1.6	-0.5	-2.2
	Others	0.0	0.8	+0.8	0.8	0.8	-0.0	0.3	0.3	-0.0
Total		188.2	286.5	+98.2	163.6	174.8	+11.1	1.1	0.2	-0.9

FMS Business ... Fluid Machinery & Systems Business

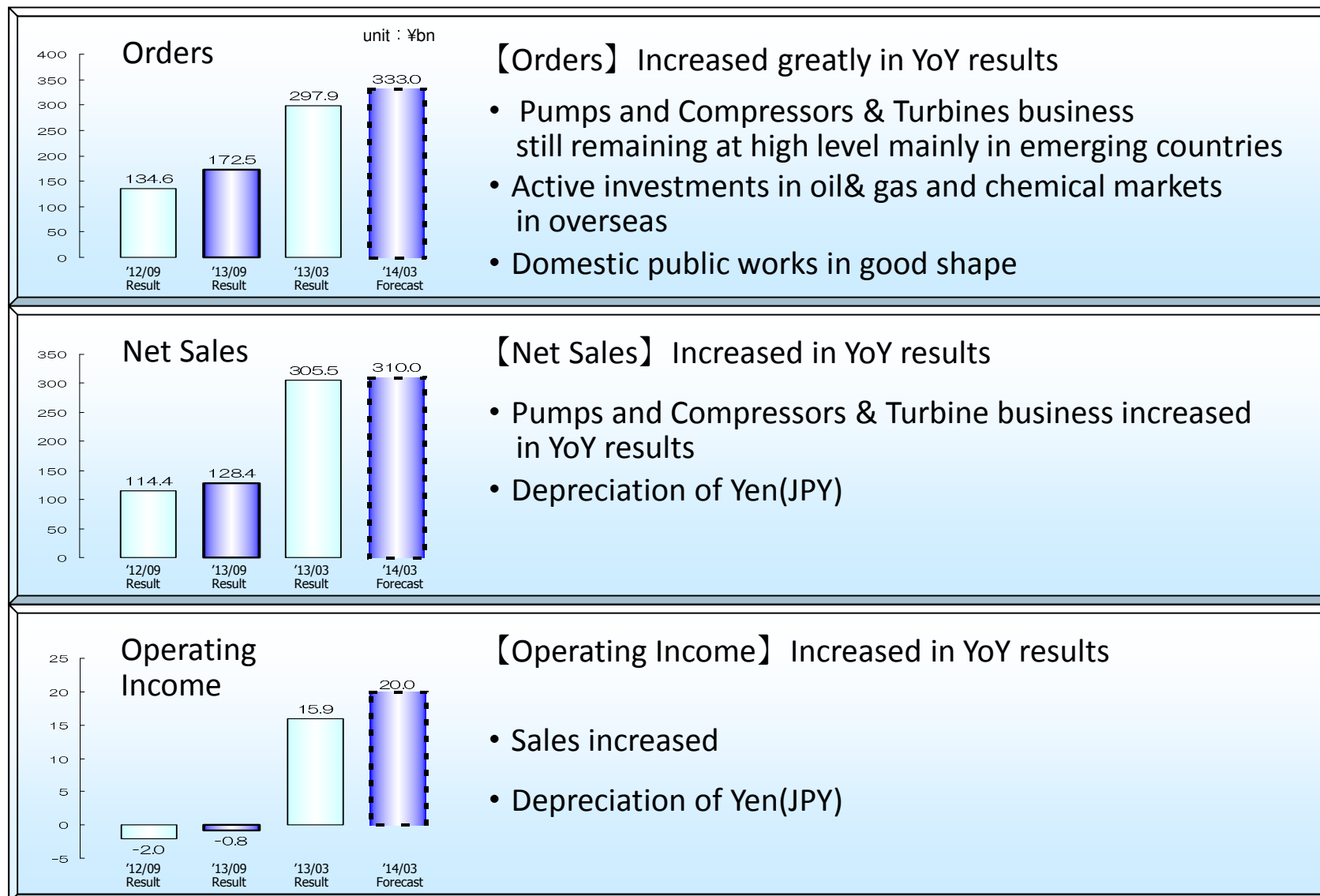
EE Business ... Environmental Engineering Business

PM Business ... Precision Machinery Business

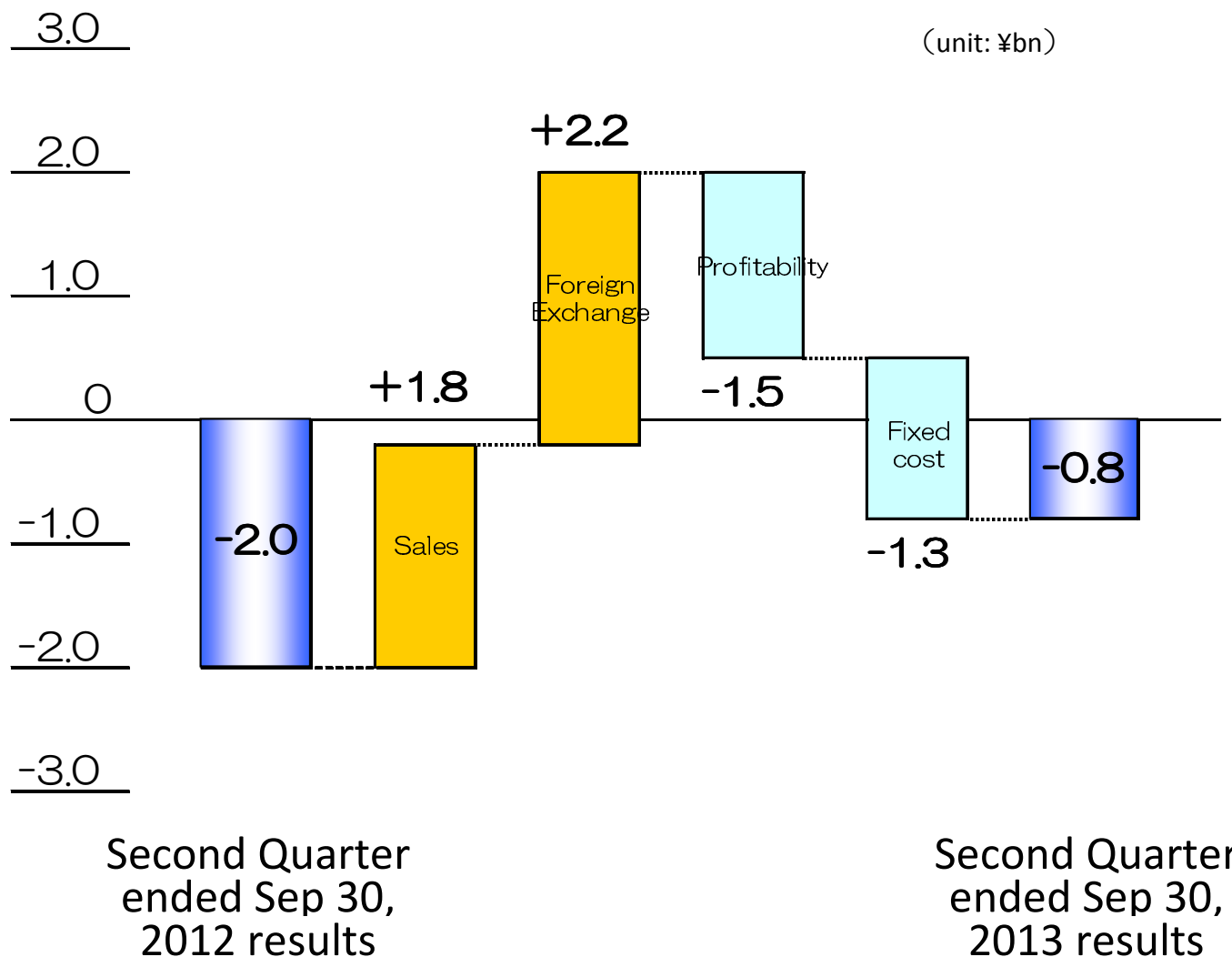
# 1. Summary of Results

## FMS Results through the 2<sup>nd</sup> Quarter

(Six months ended September 30, 2013) (1/6)



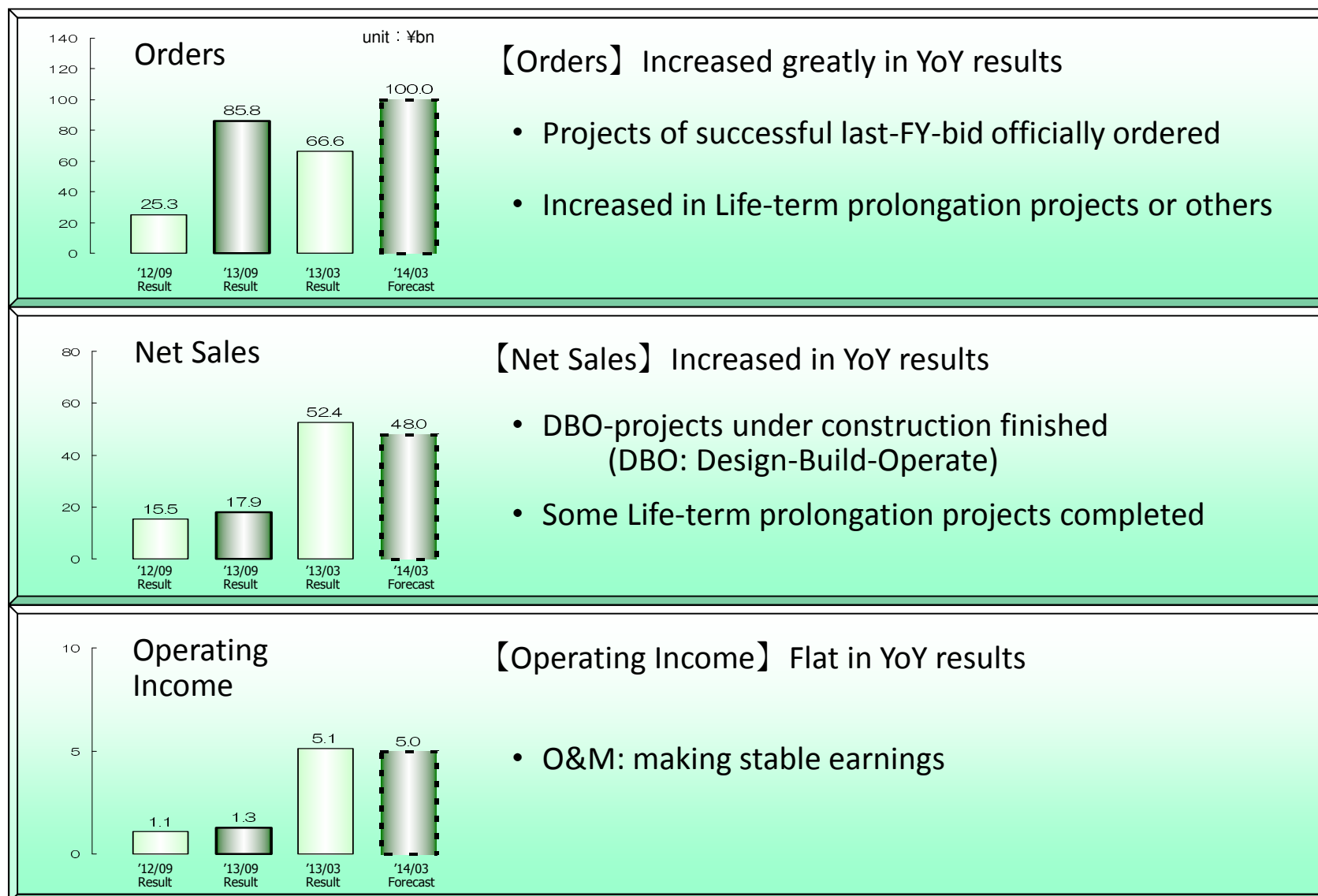
## Breakdown of Changes in Operating Income



## 1. Summary of Results

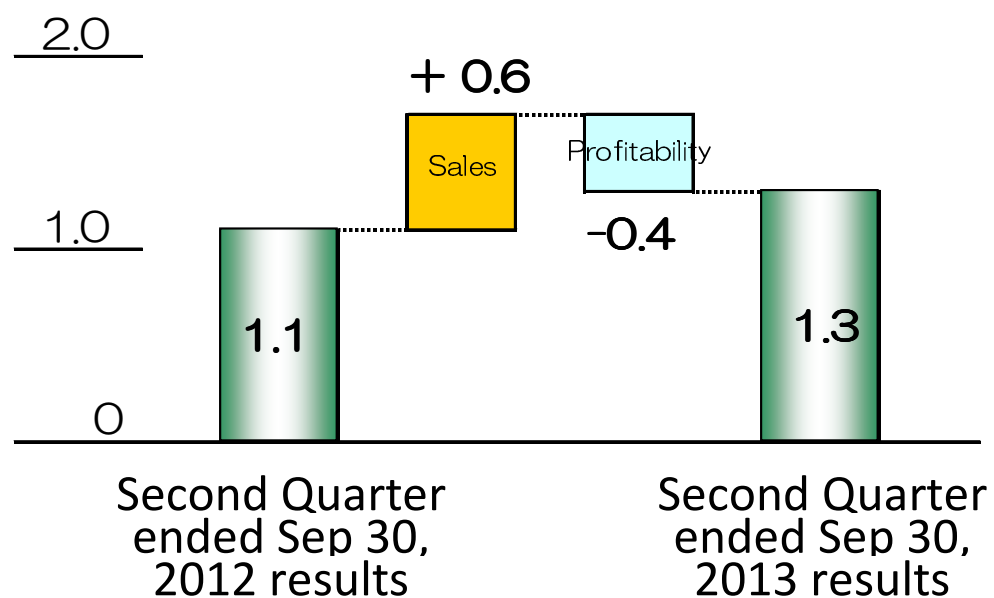
## EE Results through the 2<sup>nd</sup> Quarter

(Six months ended September 30, 2013) (3/6)



## Breakdown of Changes in Operating Income

(unit: ¥bn)

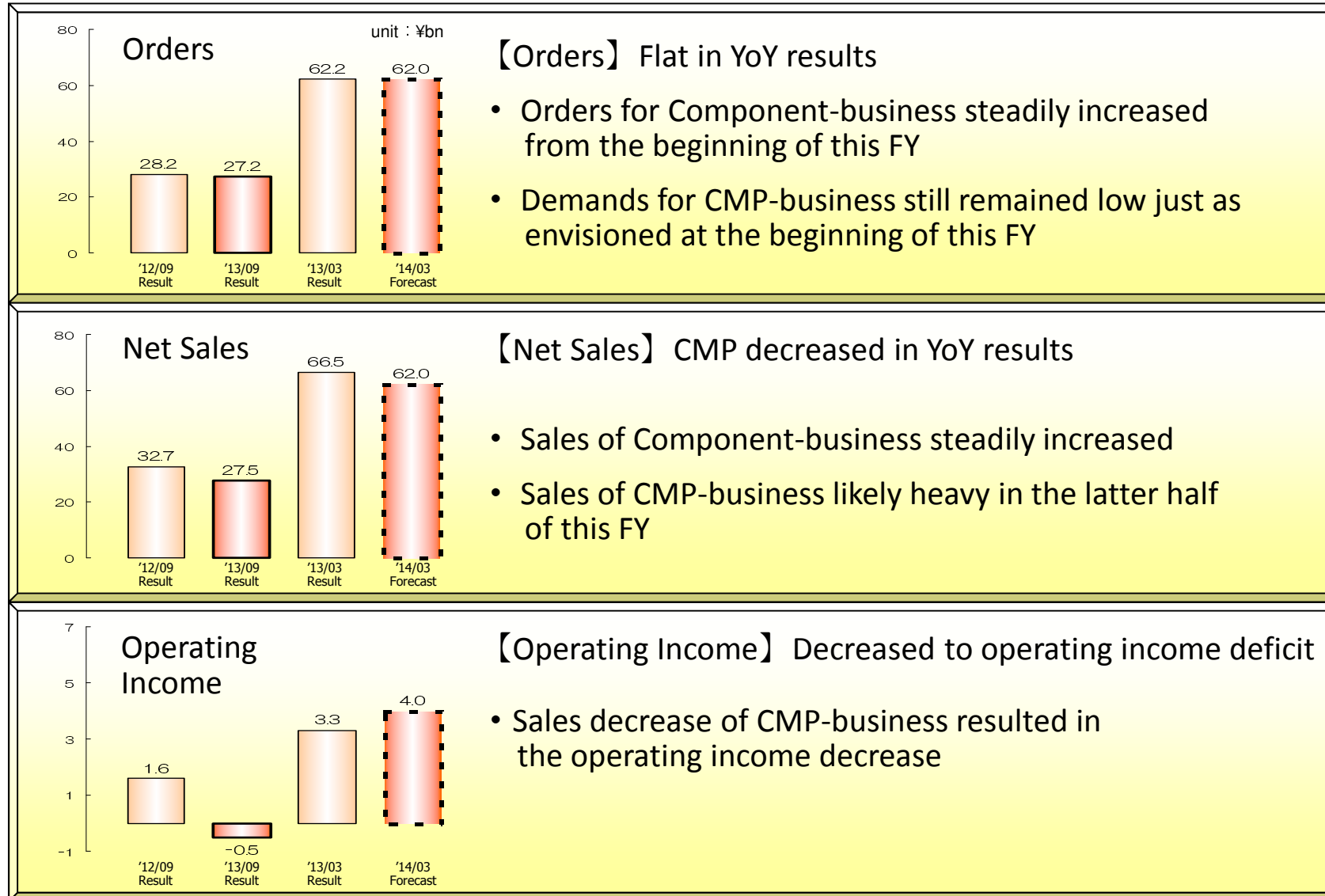




## 1. Summary of Results

## PM Results through the 2<sup>nd</sup> Quarter

(Six months ended September 30, 2013) (5/6)

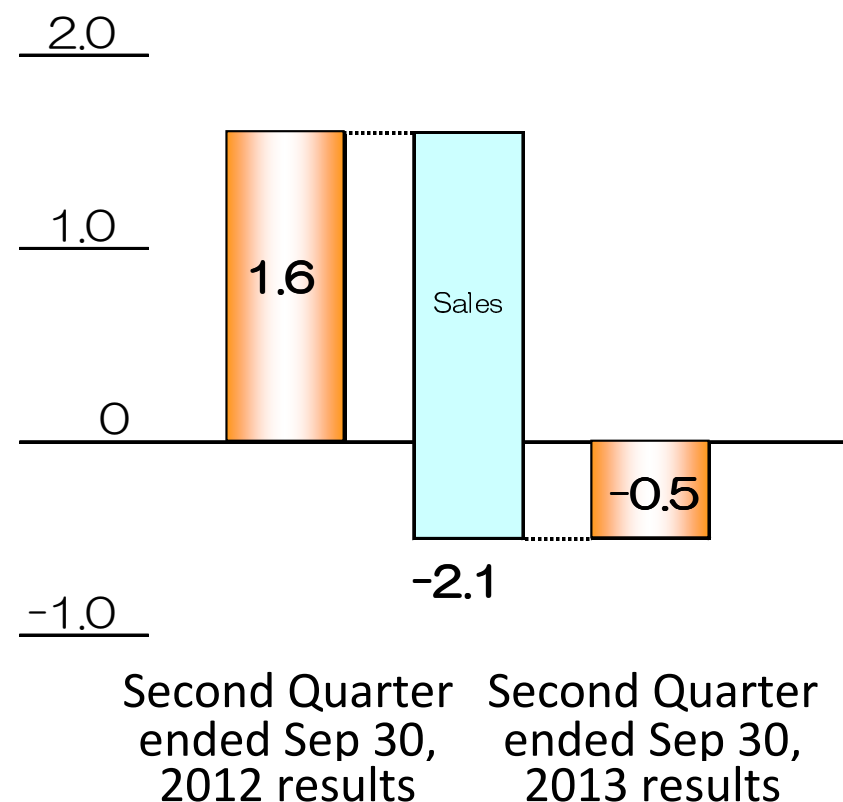


# 1. Summary of Results      PM Results through the 2<sup>nd</sup> Quarter

(Six months ended September 30, 2013) (6/6)

## Breakdown of Changes in Operating Income

(unit: ¥bn)

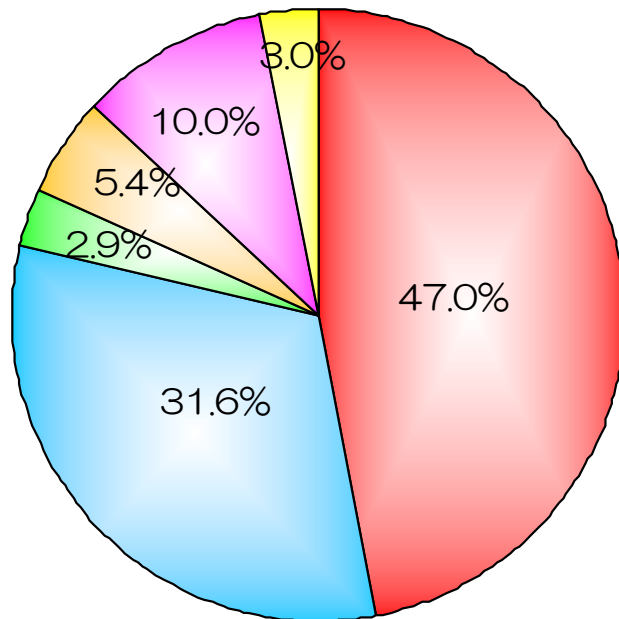


## 1. Summary of Results

### Sales Composition by Region

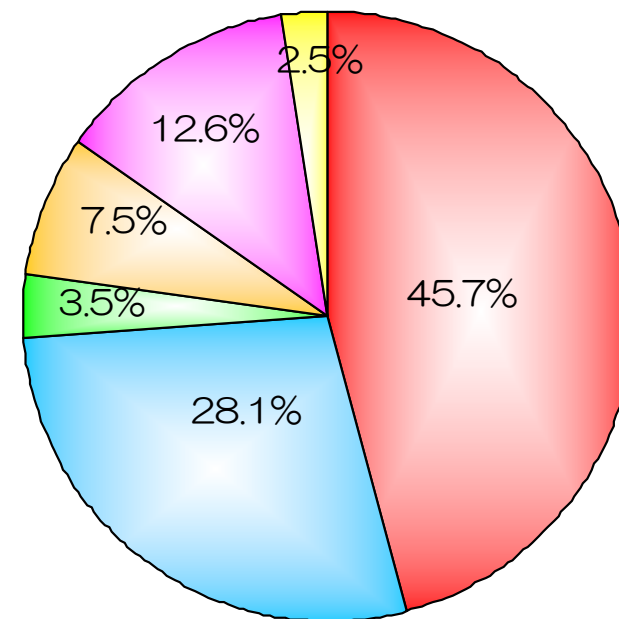
(1/1)

2Q ended  
Sep.30,2012      Net Sales ¥163.6bn

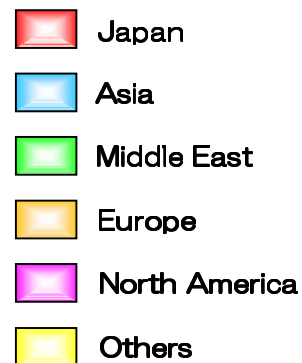


Percentage of  
Overseas Sales  
To Net Sales  
53.0%

2Q ended  
Sep.30,2013      Net Sales ¥174.8bn



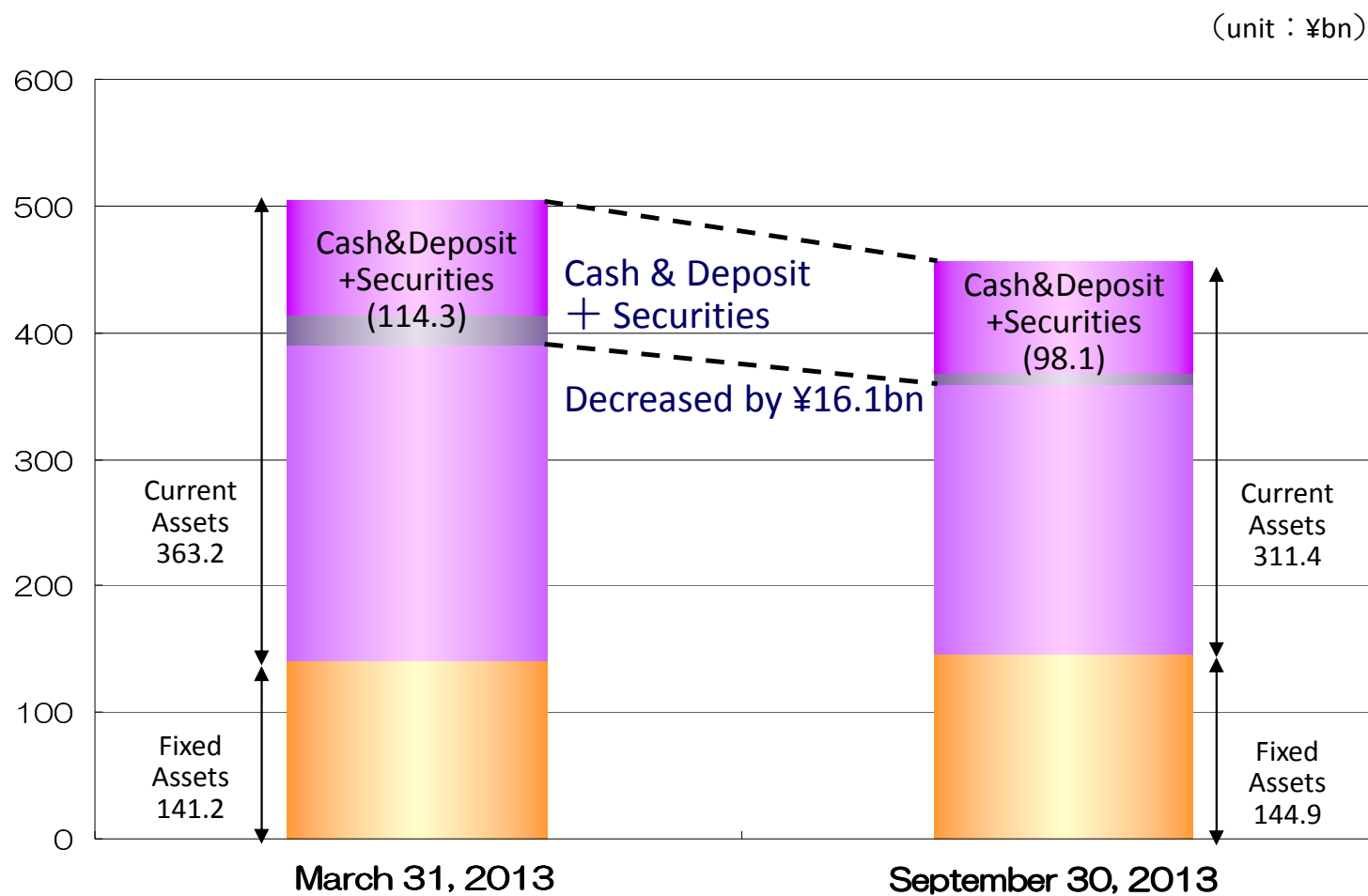
Percentage of  
Overseas Sales  
To Net Sales  
54.3%



## 1. Summary of Results

### Balance Sheet for Fiscal Year Ended March 31, 2013

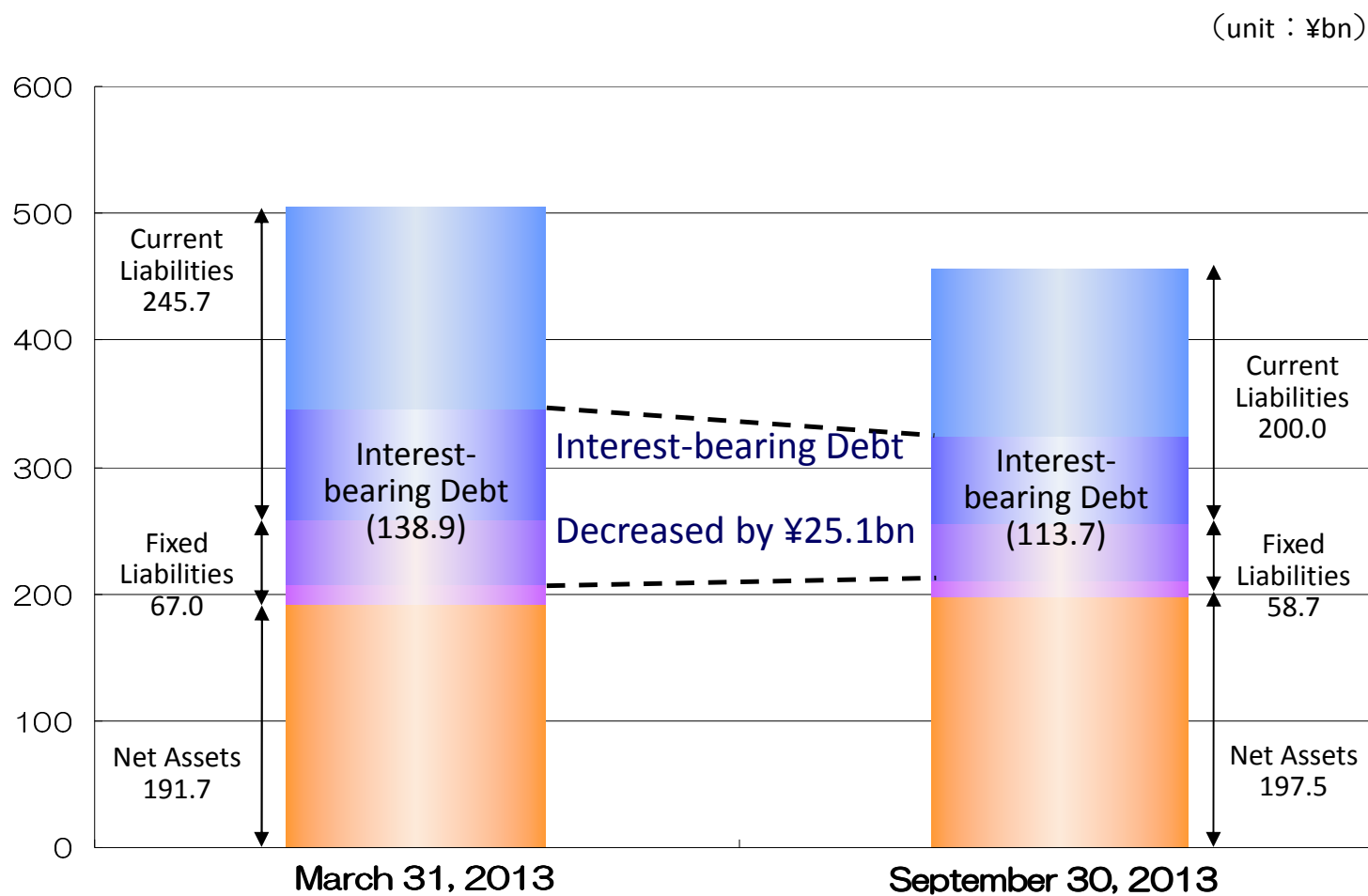
(1/2)



## 1. Summary of Results

### Balance Sheet for Fiscal Year Ended March 31, 2013

(2/2)



## 1. Summary of Results

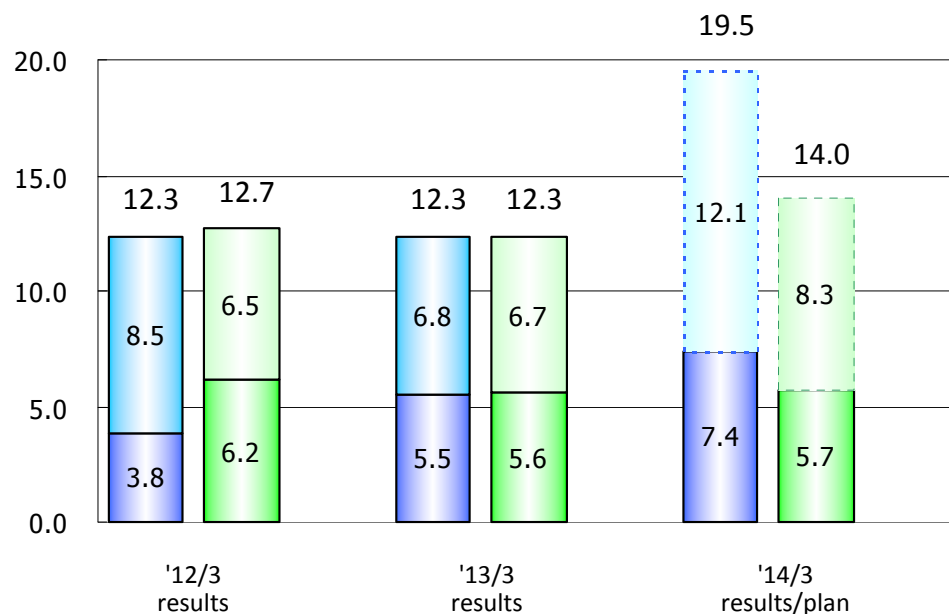
### Supplementary information

(1/2)

#### Capital Expenditure / Depreciation & Amortization Expenses

- Capital Expenditure (1st Half)
- Capital Expenditure (2nd Half)
- Depreciation & Amortization (1st Half)
- Depreciation & Amortization (2nd Half)

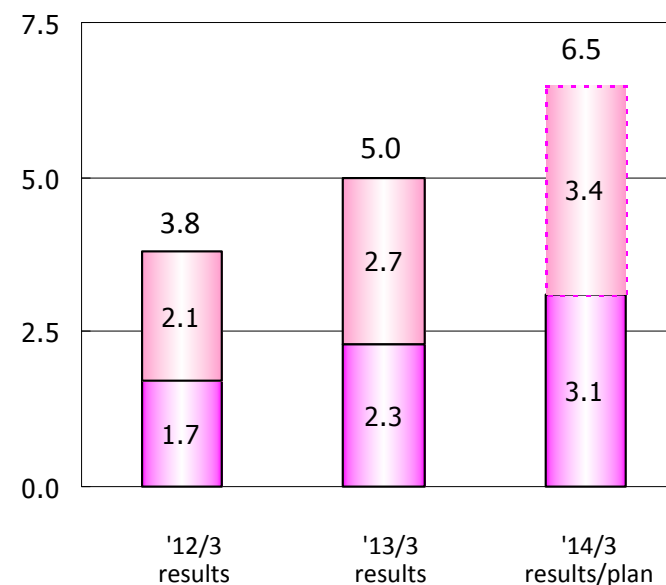
(unit : ¥bn)



#### Research and Development Expenses

- R&D Investment (1st Half)
- R&D Investment (2nd Half)

(unit : ¥bn)



# 1. Summary of Results

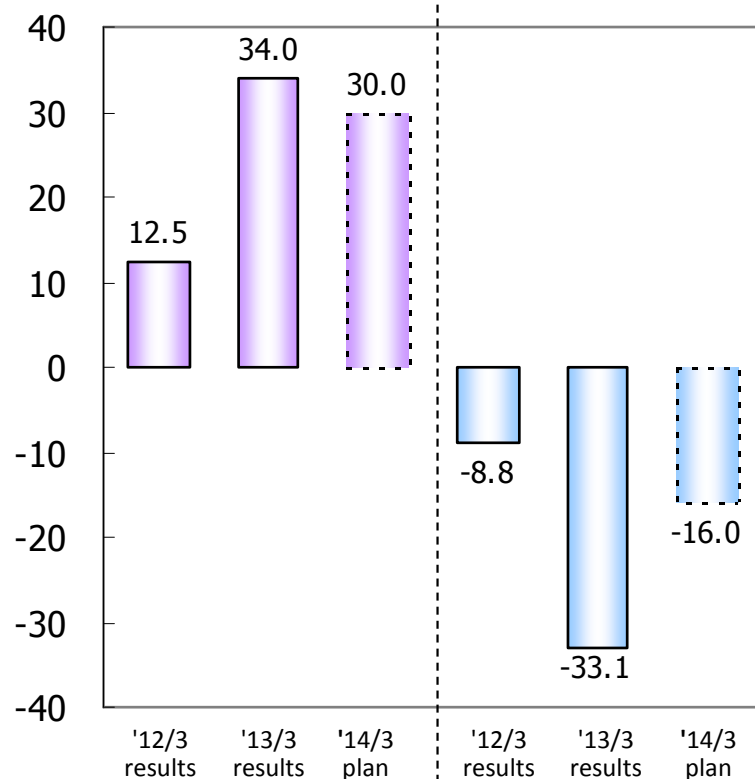
## Supplementary information

(2/2)

### Cash Flows

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

(unit : ¥bn)

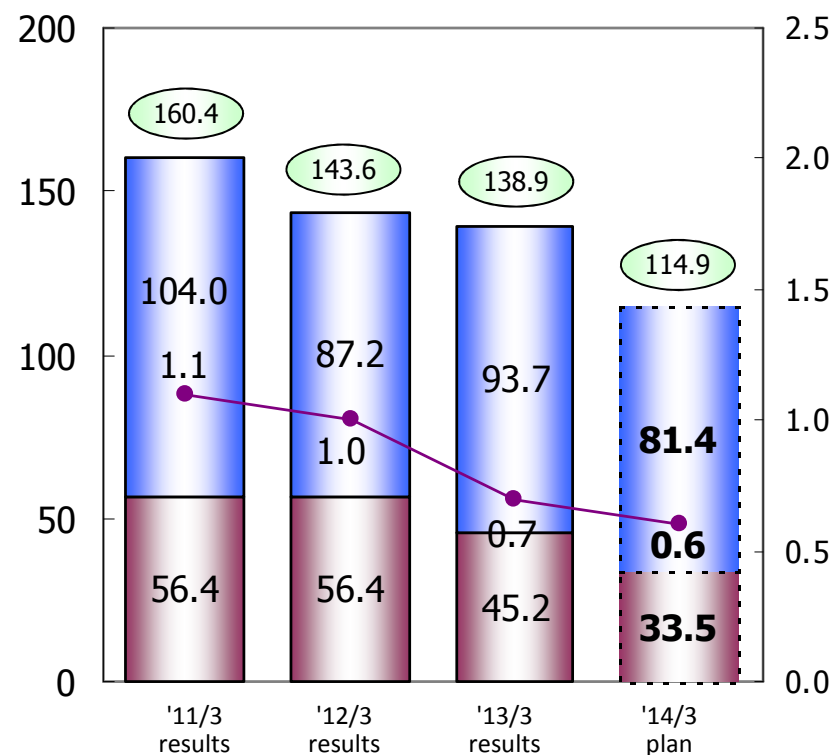


### Interest-bearing Debt

- Interest-bearing Debt
- Cash and cash equivalents
- Net Interest-bearing Debt
- D/E-Ratio

(unit : ¥bn)

(unit : fold)



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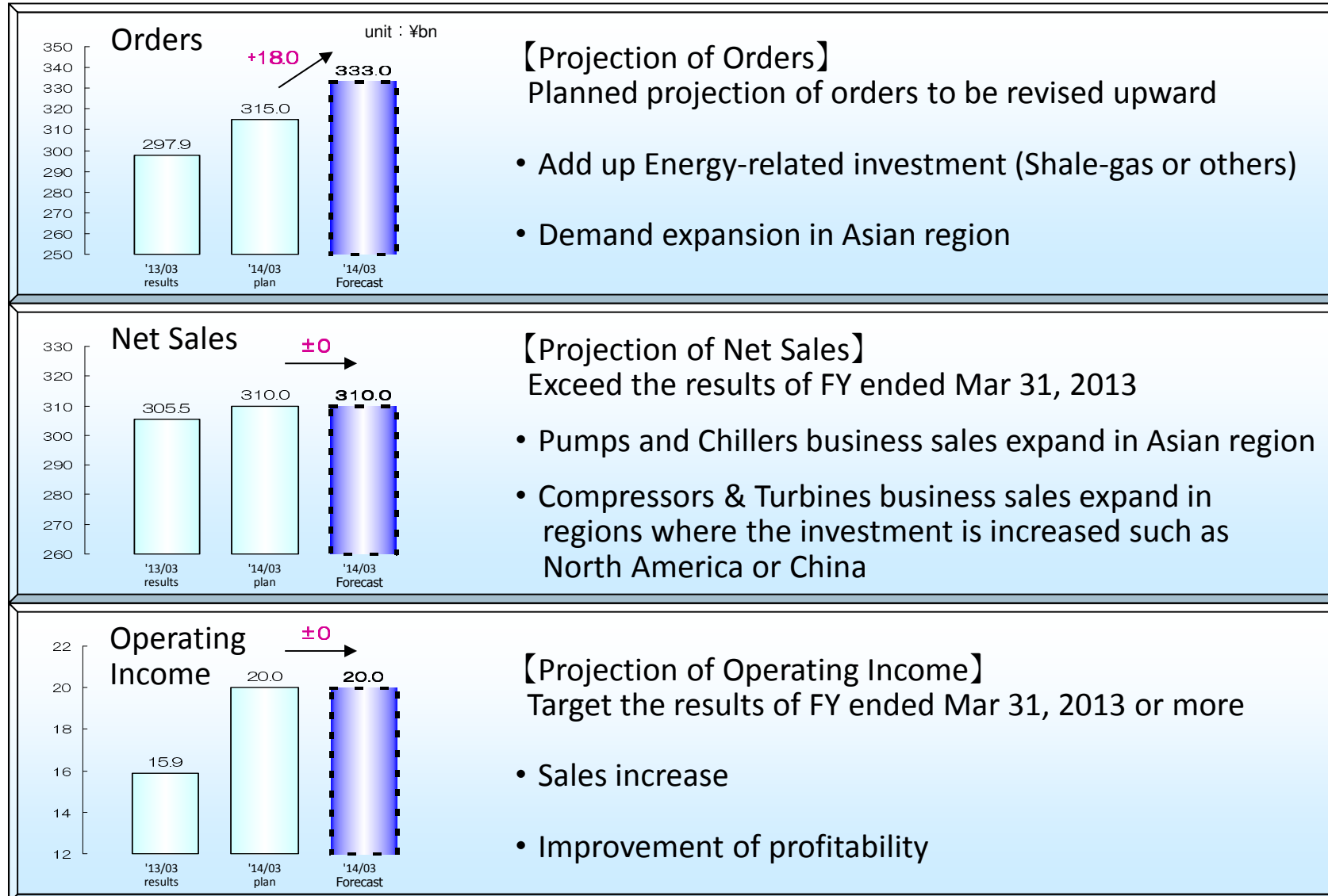
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## 2. Projection and Strategy

### FMS Projection for Fiscal Year Ending March 31, 2014

(1/4)



## 2. Projection and Strategy

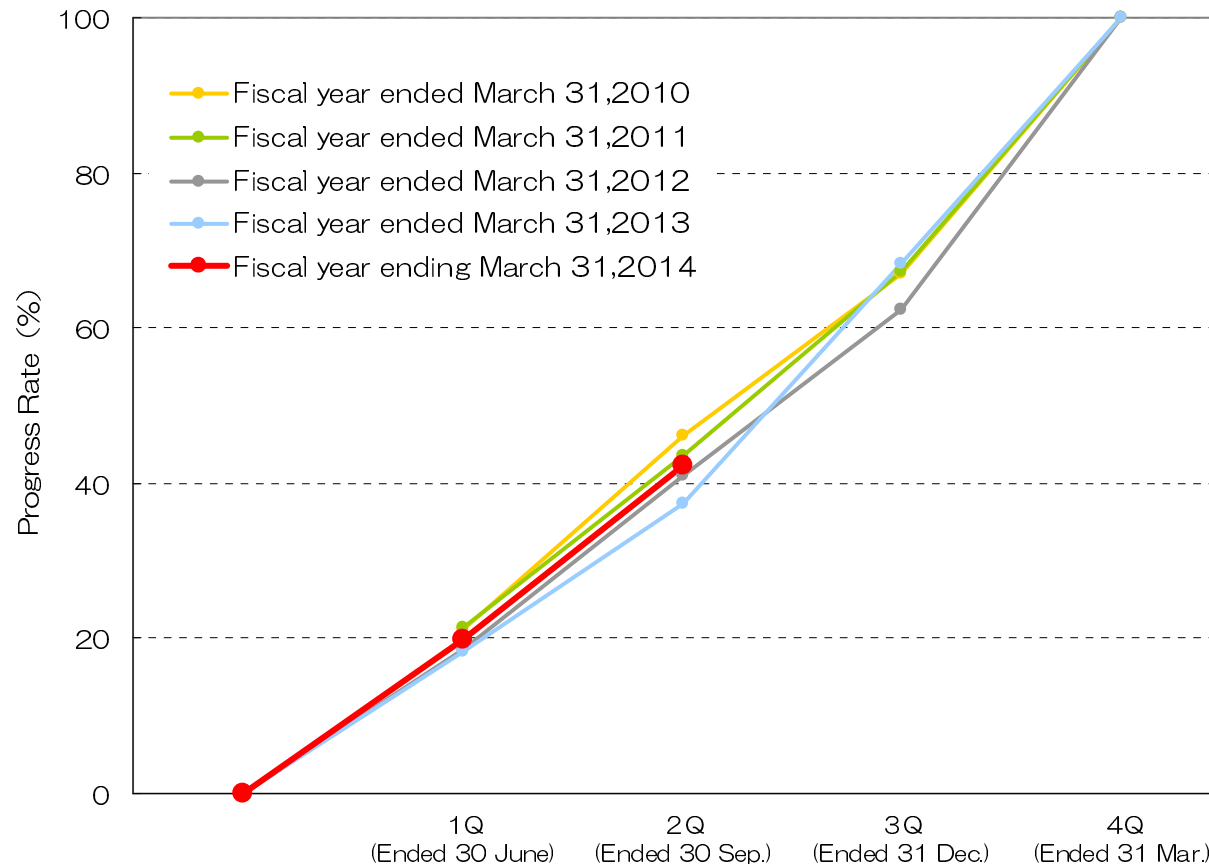
### FMS Projection for Fiscal Year Ending March 31, 2014

(2/4)

Sales in the second quarter of this fiscal year reached about 41 percent of the plan.

- The first half to the second half ratio in sales has been unchanged for years.
- We foresee that sales will be concentrated in the second half of this fiscal year, and operating income will also be.

(Table : Quarterly progress against full year's sales results in the FMS business)

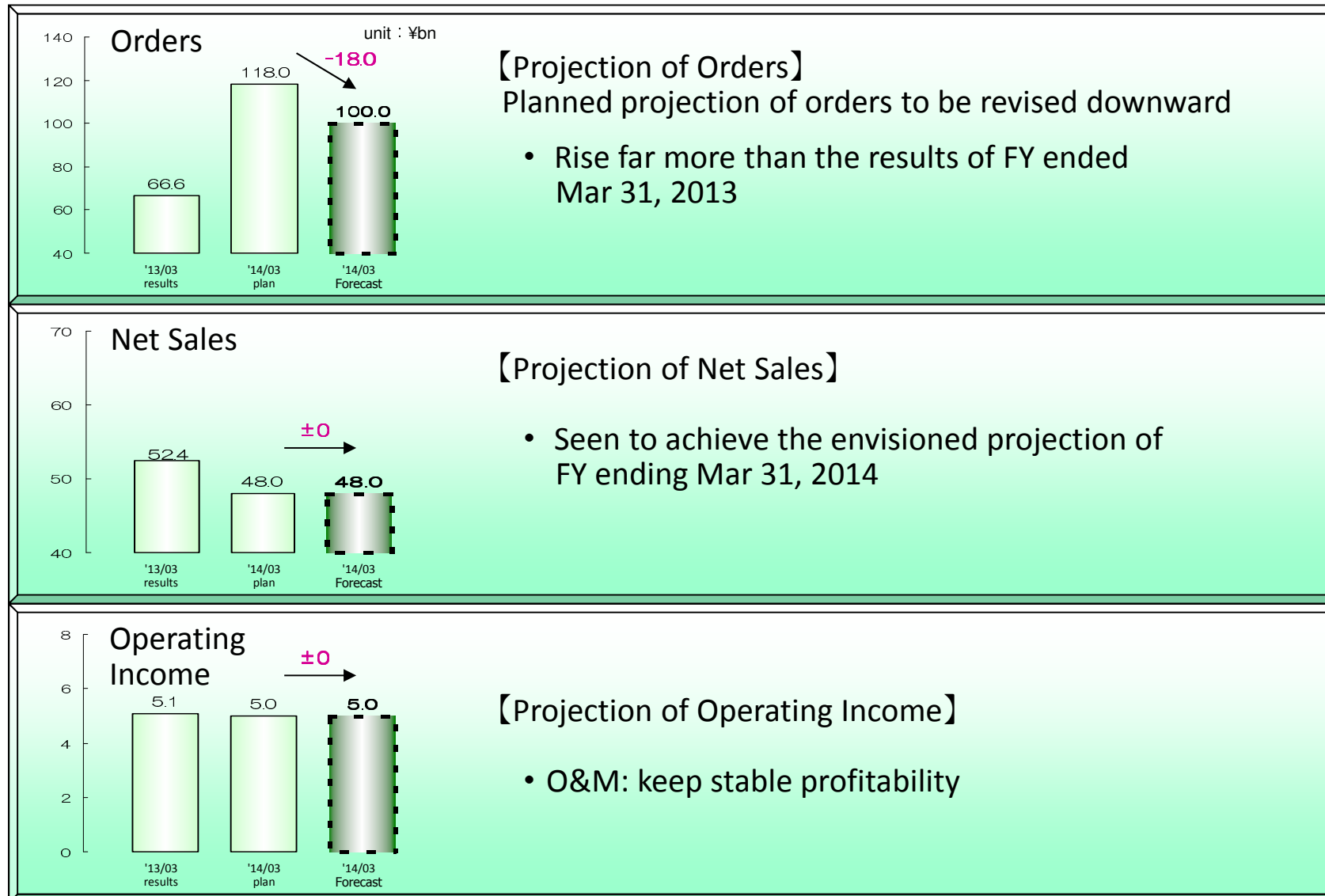


Results Presentation for Second Quarter ended September 30, 2013

## 2. Projection and Strategy

### EE Projection for Fiscal Year Ending March 31, 2014

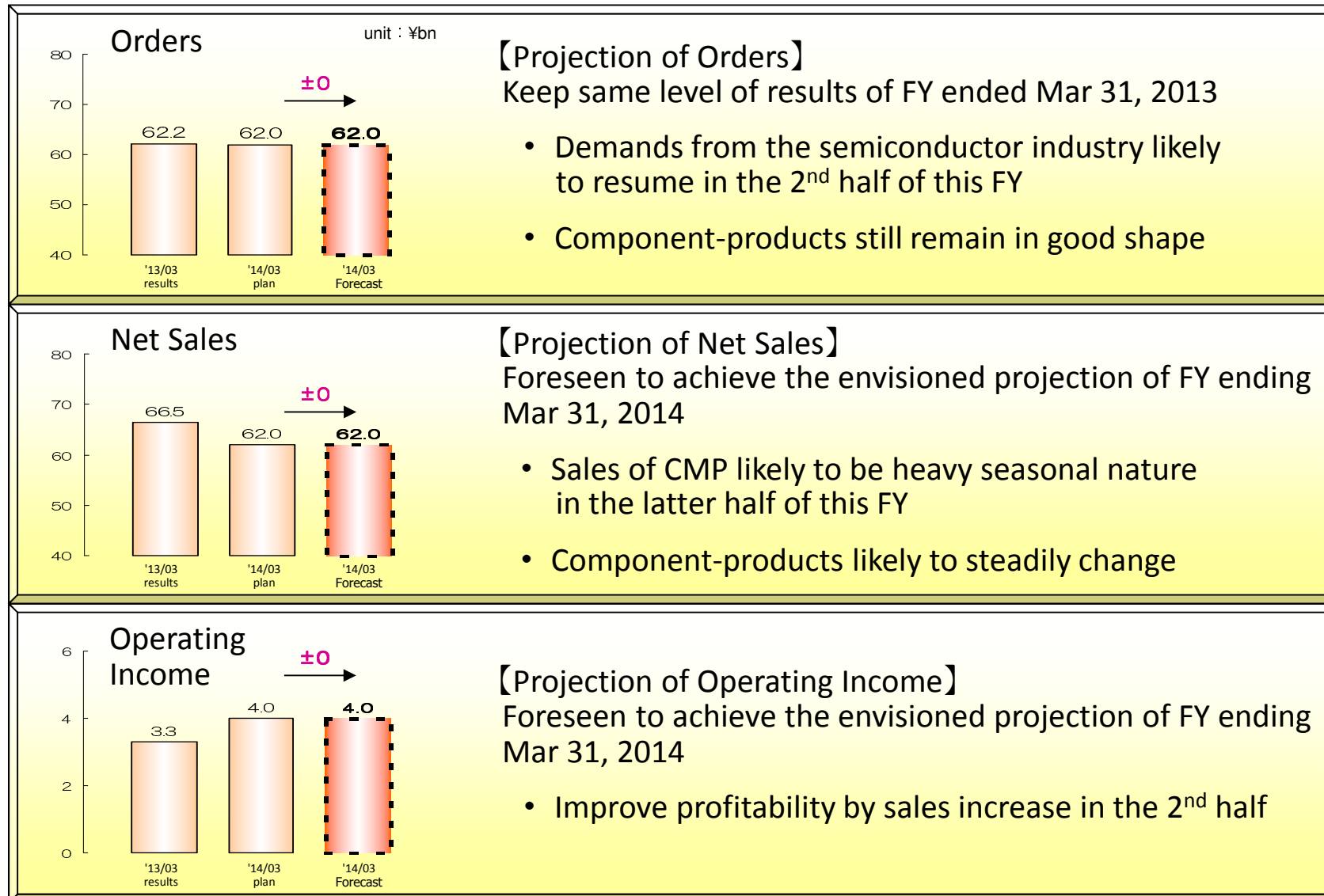
(3/4)



## 2. Projection and Strategy

### PM Projection for Fiscal Year Ending March 31, 2014

(4/4)



## 2. Projection and Strategy

### Summary of Projection for Fiscal Year Ending March 31, 2014 (1/2)

(unit : ¥bn)

	Fiscal Year Ended March 31, 2013 (Result) (A)	Fiscal Year Ending March 31, 2014 (Plan) (B)	Fiscal Year Ending March 31, 2014 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	428.5	497.0	497.0	—	+ 68.4
Net Sales	426.3	422.0	422.0	—	- 4.3
Operating Income	25.0	29.0	29.0	—	+ 3.9
Ordinary Income	25.6	28.0	28.0	—	+ 2.3
Net Income	15.3	15.0	15.0	—	- 0.3

	Average	Assumed	Assumed
Exchange Rate			2 <sup>nd</sup> Half
	1USD = 84.4JPY	1USD = 90JPY	1USD = 95JPY

## 2. Projection and Strategy

### Segmental Projection for Fiscal Year Ending March 31, 2014 (2/2)

(unit : ¥bn)

		Fiscal Year Ended March 31, 2013 (Result) (A)	Fiscal Year Ending March 31, 2014 (Plan) (B)	Fiscal Year Ending March 31, 2014 (Forecast) (C)	Change (C-B)	Change (C-A)
FMS Business	Orders	297.9	315.0	333.0	+ 18.0	+ 35.0
	Net Sales	305.5	310.0	310.0	—	+ 4.4
	Operating Income	15.9	20.0	20.0	—	+ 4.0
EE Business	Orders	66.6	118.0	100.0	- 18.0	+ 33.3
	Net Sales	52.4	48.0	48.0	—	- 4.4
	Operating Income	5.1	5.0	5.0	—	- 0.1
PM Business	Orders	62.2	62.0	62.0	—	- 0.2
	Net Sales	66.5	62.0	62.0	—	- 4.5
	Operating Income	3.3	4.0	4.0	—	+ 0.6
Others	Orders	1.6	2.0	2.0	—	+ 0.3
	Net Sales	1.7	2.0	2.0	—	+ 0.2
	Operating Income	0.6	0.0	0.0	—	- 0.6
Total	Orders	428.5	497.0	497.0	—	+ 68.4
	Net Sales	426.3	422.0	422.0	—	- 4.3
	Operating Income	25.0	29.0	29.0	—	+ 3.9

～ Cited from “Results Presentation for Fiscal Year Ended March 31, 2013” ～

#### Plan of strategic investment in the pumps business

##### **Ebara to reinforce Service and Support business swiftly by;**

- Allocating appropriate areas for the service & support bases
  - Assign the areas with many delivery records as priority
- Enforcing high technology and capability of facility that can provide customers with optimum solutions for improvement, optimization or upgrade of performance required
  - “Rerate Project” (means optimization by revamping) to be a target model
- Offers including Service & Support in Products Sales
  - Introduce a new business mechanism in conjunction with the needs of customers
  - etc.

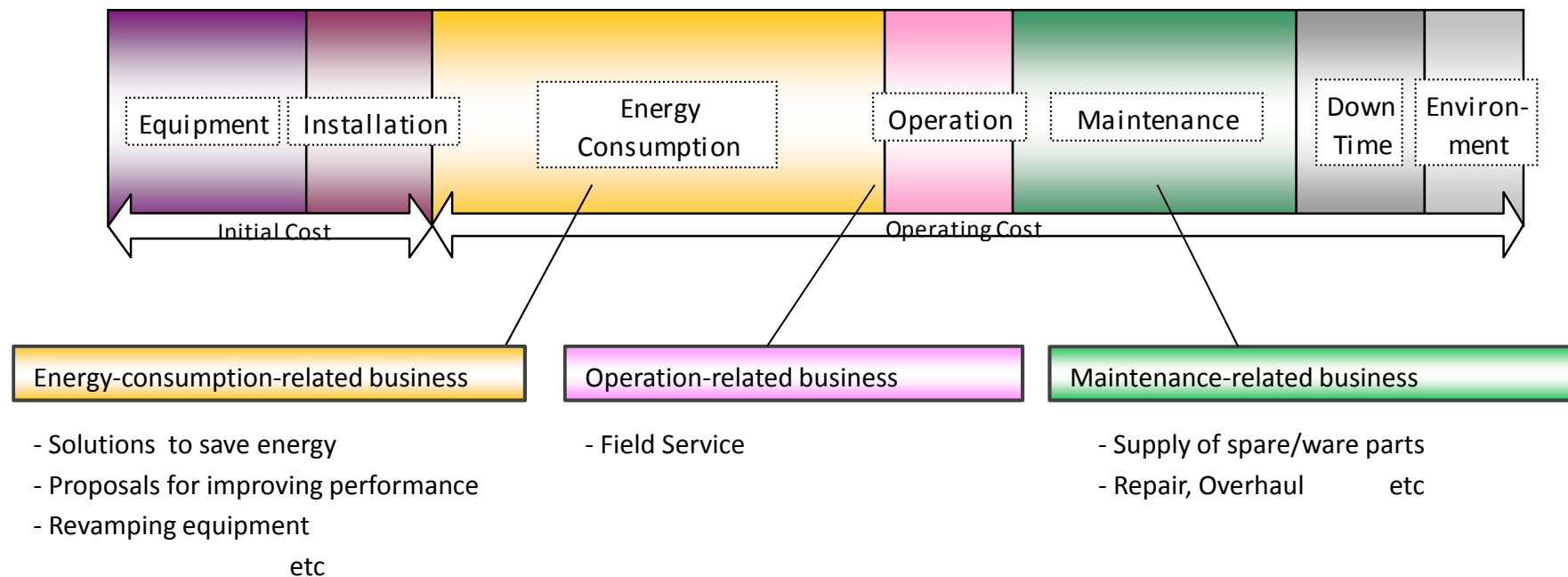
## 2. Projection and Strategy

### Strategy for strengthening overseas pumps business

(2/5)

#### Visualization of Life-Cycle-Cost of Pumps

- ⇒ Customers need to pay much more service-related cost after starting operation
- ⇒ Focus on demands for solutions optimizing service & support (operating cost by customers), as well as sales of production (initial cost by customers)



“Life Cycle Cost” . . .

Cost required during whole “Life”, defined as period from design up to decommissioning, through installation, operation and maintenance service until its durability is expired.



## 2. Projection and Strategy

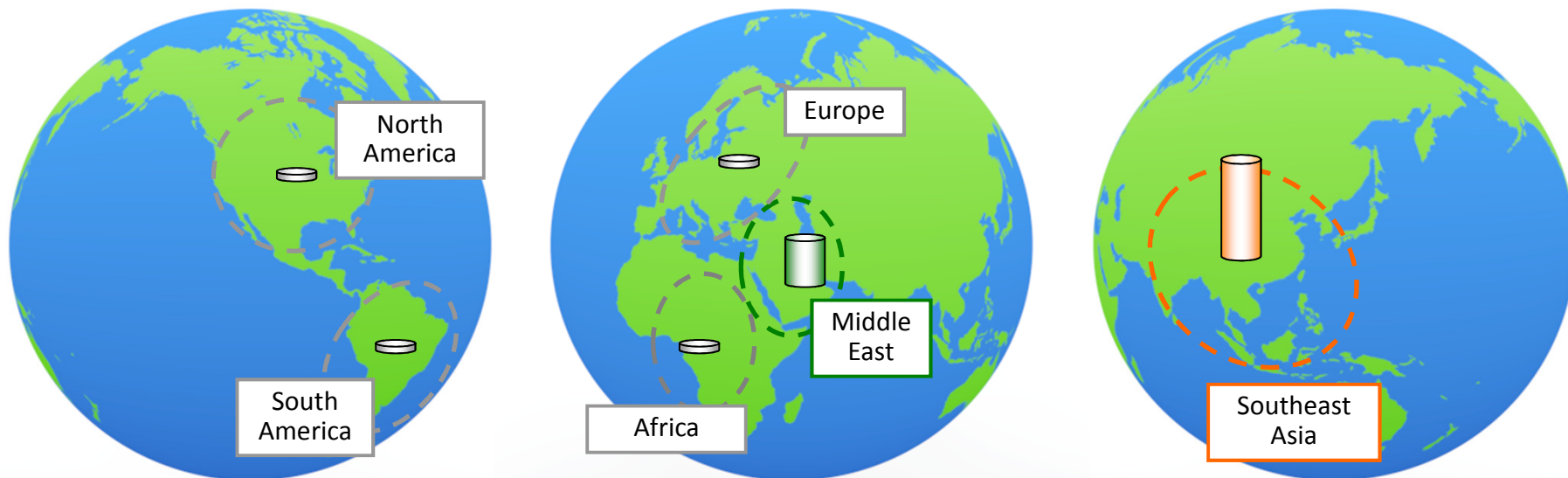
### Strategy for strengthening overseas pumps business

(3/5)

#### Many track records in overseas market

- ⇒ Having delivered about 60 thousands units of customized pumps since 40 years before
- ⇒ Main region : Southeast Asia and the Middle East

#### Ebara's Track Records by region



#### Ebara's Typical Customized Pumps



Boiler Feed Pump for power plants



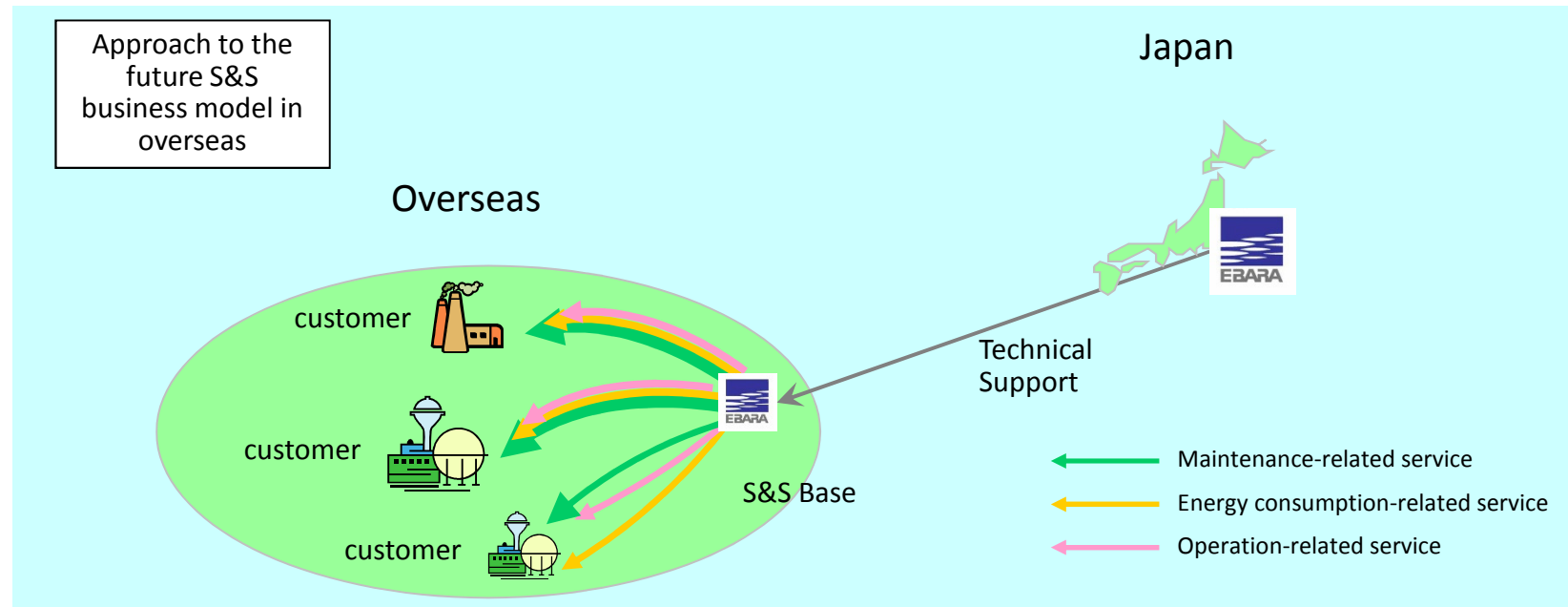
Standard API pump for oil industry

## 2. Projection and Strategy

### Strategy for strengthening overseas pumps business

(4/5)

#### Service & Support (S&S) Business in overseas



- Responding swiftly with human & material resources by launching S&S base near customers' bases
- Proposing improvement by properly capturing needs of customers
- Quick discovering or obtaining information of new investment for pumps in order to connect an end of life-cycle to the next beginning

## 2. Projection and Strategy

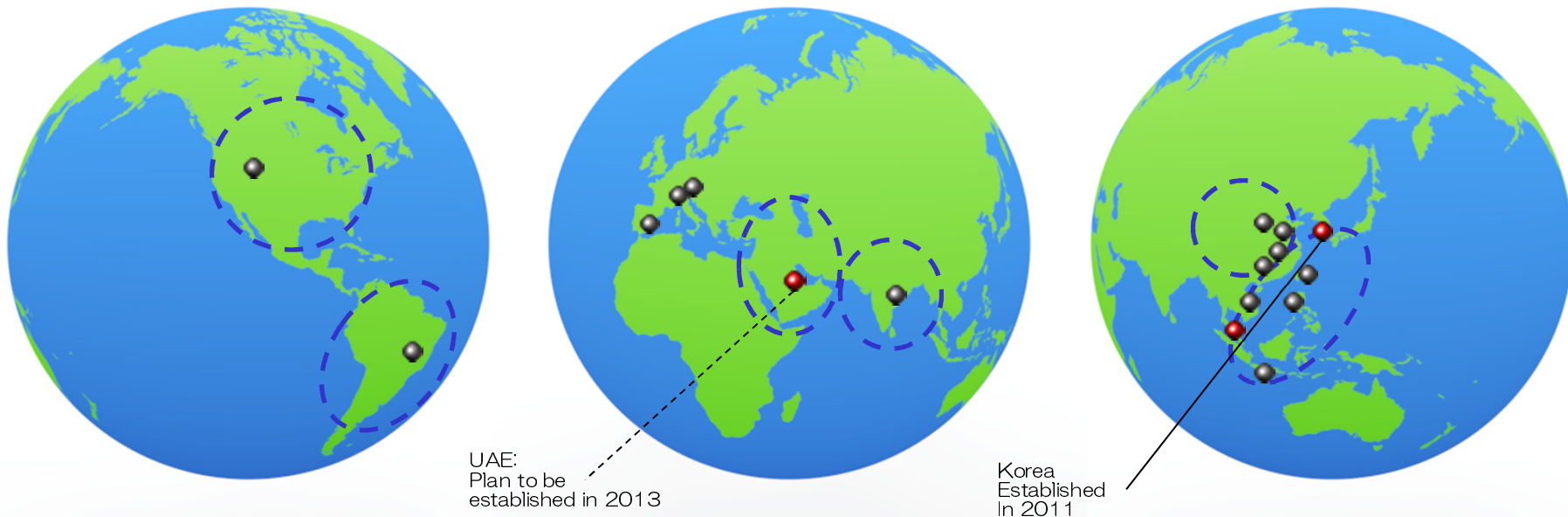
### Strategy for strengthening overseas pumps business

(5/5)

#### Strengthening plan on S&S bases to progress steadily;

- ⇒ By positive approach to regions where we have many track records, especially the Middle East and Southeast Asia  
By means of new base launch, capital injection to existing bases for solely owned, strengthening alliance with regional affiliates, or M&A
- ⇒ By expanding sales bases in each region

- Production Base
- Service & Support Base
- ⋯ Strategic Priority Areas



**Expanding overseas pumps business and Capturing S&S demands  
for realization of further growth**

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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.