

Results Presentation for the Second Quarter ended September 30, 2014

EBARA (6361)

November 7, 2014



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 2nd Quarter

(1/2)

(Six months ended September 30, 2013)

(unit : ¥bn)

	2nd Quarter ended September 30, 2013 (Results)	2nd Quarter ended September 30, 2014 (Results)	Change
Orders	286.5	227.2	-59.2
Net Sales	174.8	186.1	+11.2
Operating Income	0.2	-0.6	-0.8
Ordinary Income	-0.0	-0.3	-0.2
Net Income	-1.6	-1.9	-0.3

Exchange Rate
(Average)

1USD = 98.4 JPY

1USD = 105.4 JPY

1. Summary of Results

Segmental Summary of Results through the 2nd Quarter (2/2)

(Six months ended September 30, 2013)

(unit : ¥bn)

	Orders			Net Sales			Operating Income		
	2Q ended Sep. 30, 2013	2Q ended Sep. 30, 2014	Change	2Q ended Sep. 30, 2013	2Q ended Sep. 30, 2014	Change	2Q ended Sep. 30, 2013	2Q ended Sep. 30, 2014	Change
FMS Business	172.5	155.9	-16.5	128.4	131.5	+3.0	-0.8	-3.1	-2.2
EE Business	85.8	38.8	-47.0	17.9	23.2	+5.3	1.3	1.0	-0.2
PM Business	27.2	31.6	+4.3	27.5	30.4	+2.8	-0.5	1.0	+1.6
Others, Adjustment	0.8	0.8	+0.0	0.8	0.8	-0.0	0.3	0.3	-0.0
Total	286.5	227.2	-59.2	174.8	186.1	+11.2	0.2	-0.6	-0.8

FMS Business ... Fluid Machinery & Systems Business

EE Business ... Environmental Engineering Business

PM Business ... Precision Machinery Business

1. Summary of Results

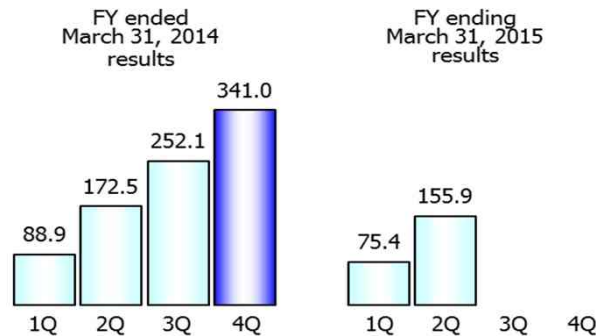
FMS Results through the 2nd Quarter

(Six months ended September 30, 2013)

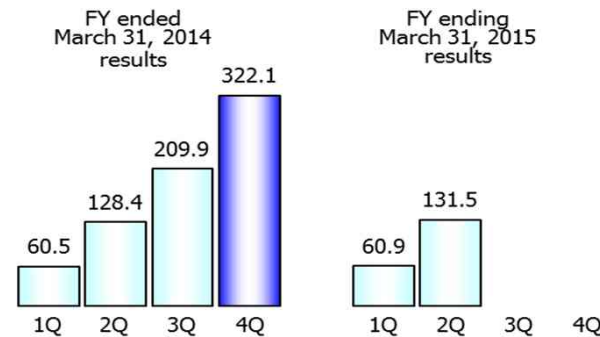
(1/3)

FMS Business ... Fluid Machinery & Systems Business

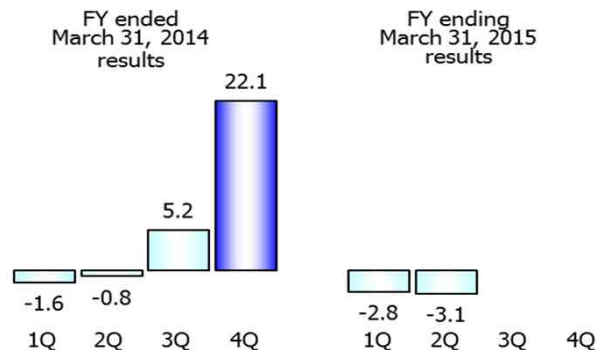
Orders



Sales



Operating Income



[Orders]

- Progress of investment in oil & gas and chemical markets in emerging countries and North America, etc.
- Remarkable large-scale order in the 2nd quarter ended September 30, 2013

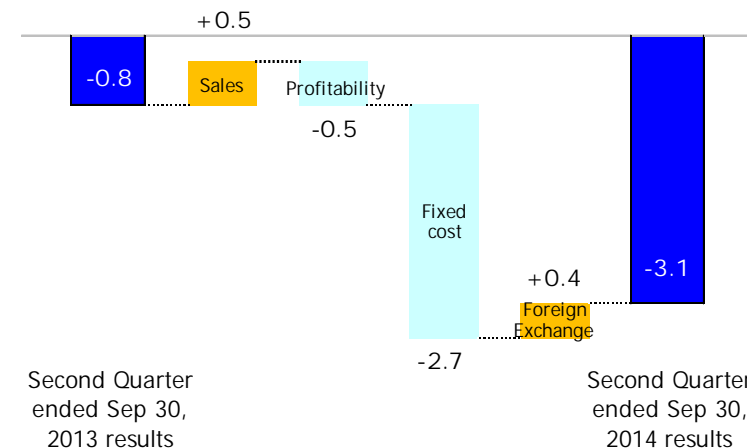
[Sales]

- Steadily increased by progress in orders received

[Operating Income]

- Sales increased
- Fixed costs increased
 - Progress of the growth strategy
 - Effect of changing the cost allocation rules

Breakdown of Changes in Operating Income



1. Summary of Results

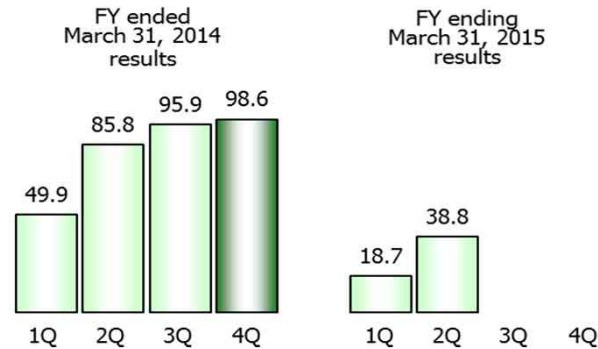
EE Results through the 2nd Quarter

(Six months ended September 30, 2013)

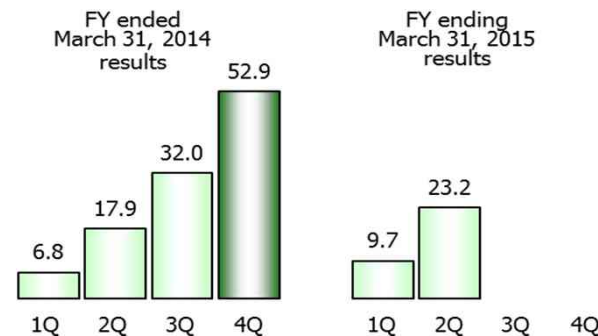
(2/3)

EE Business ... Environmental Engineering Business

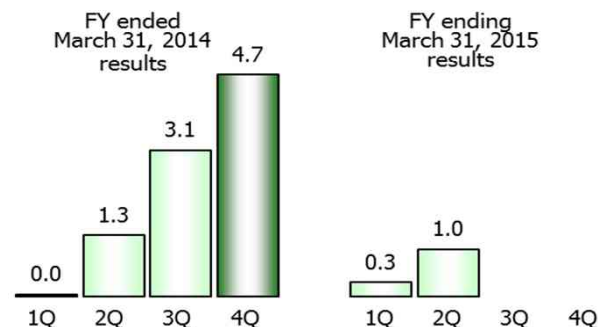
Orders



Sales



Operating Income



[Orders]

- 3 large-scale orders in the fiscal year ended March 31, 2014
- Increased in projects for upgrading core equipment and for Life-term prolongation

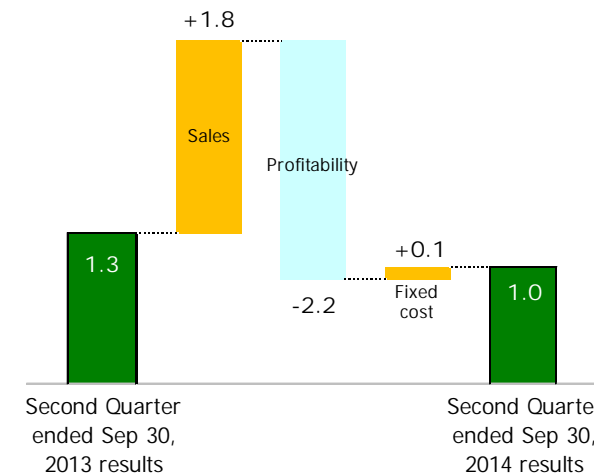
[Sales]

- Primarily increased in EPC

[Operating Income]

- Sales increased
- Composition of EPC Sales and O&M Sales was changed
- Fixed costs decreased
- Effect of changing the cost allocation rules

Breakdown of Changes in Operating Income



1. Summary of Results

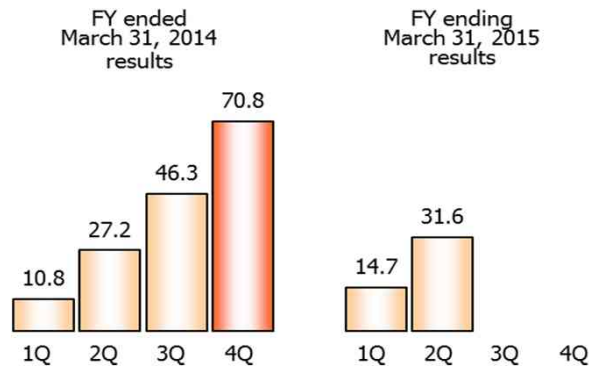
PM Results through the 2nd Quarter

(Six months ended September 30, 2013)

(3/3)

PM Business ... Precision Machinery Business

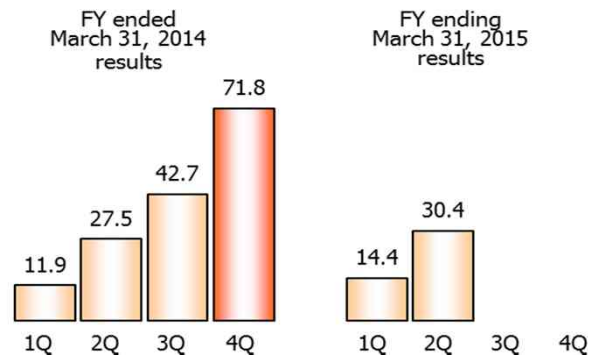
Orders



[Orders, Sales]

- Semiconductor market recovering gradually
- Mainly, major customers increased their capital investment on SPE

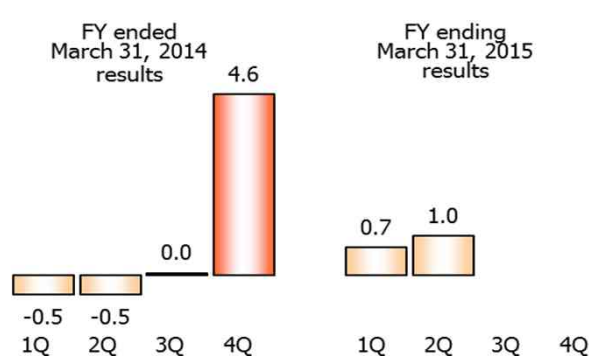
Sales



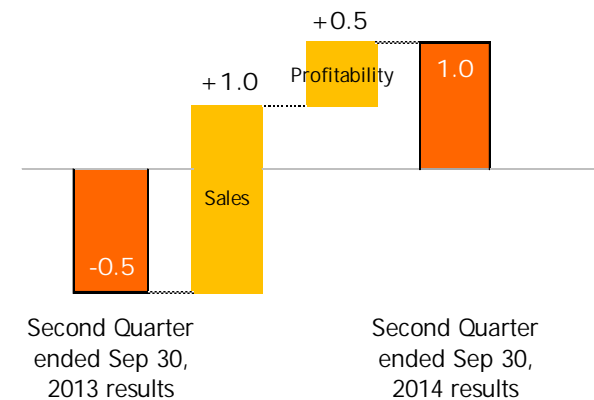
[Operating Income]

- Sales increased (mainly in components business)
- Fixed costs decreased
 - Effect of changing the cost allocation rules

Operating Income



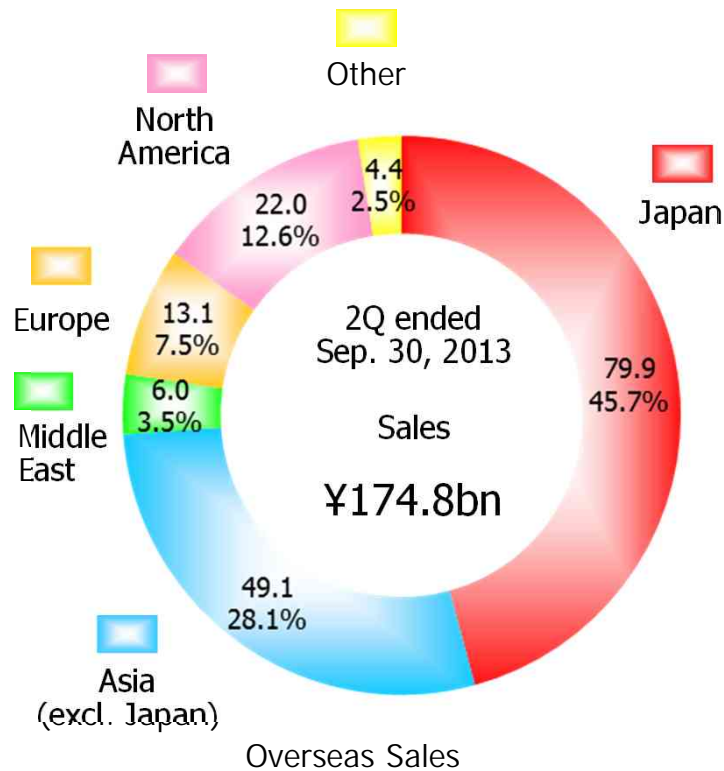
Breakdown of Changes in Operating Income



1. Summary of Results

Sales Composition by Region

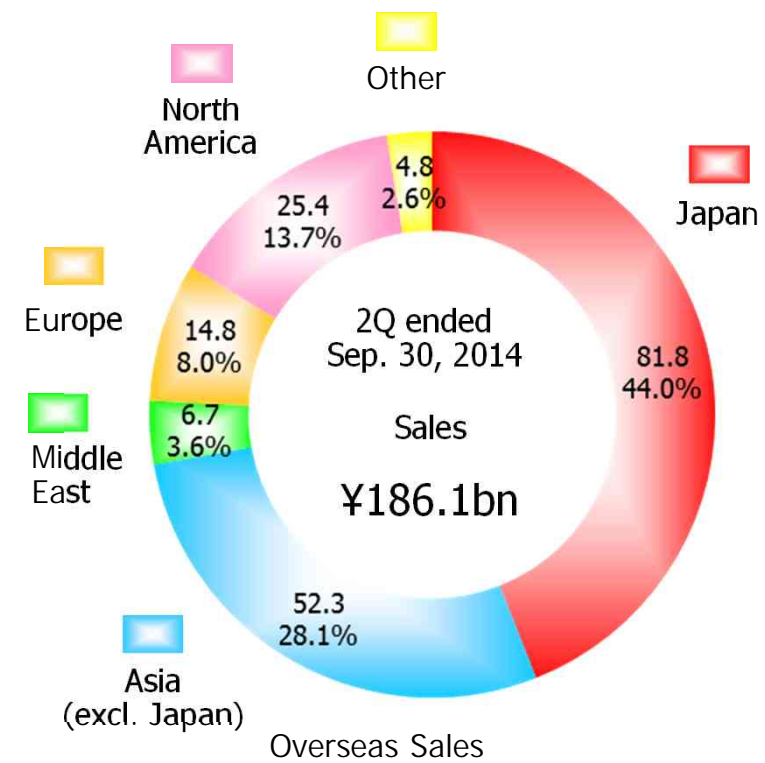
(1/1)



Overseas Sales
¥94.9 bn

Percentage of Overseas Sales to Sales

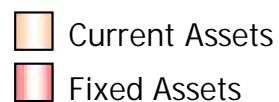
54.3%



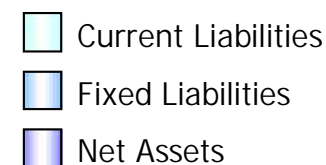
Overseas Sales
¥104.2 bn

Percentage of Overseas Sales to Sales

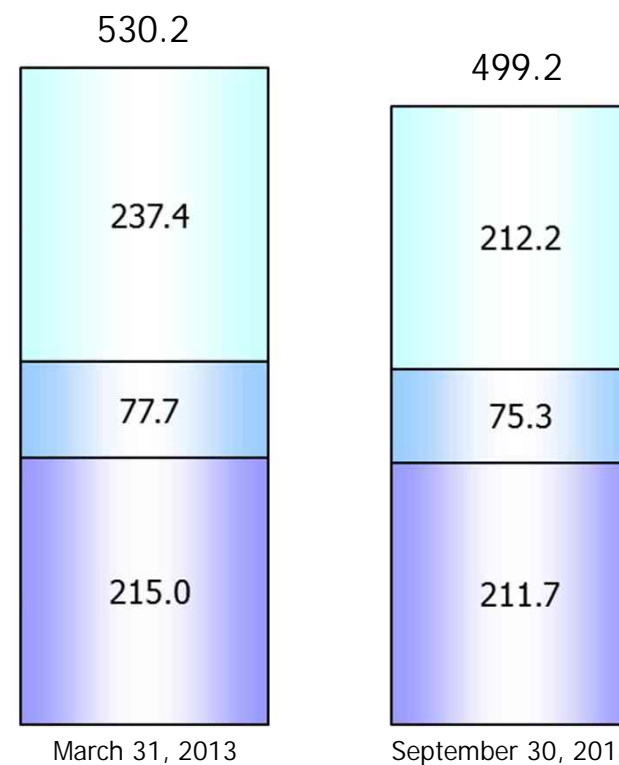
56.0%

Assets

(unit : ¥bn)

Liabilities and Net Assets

(unit : ¥bn)



1. Summary of Results

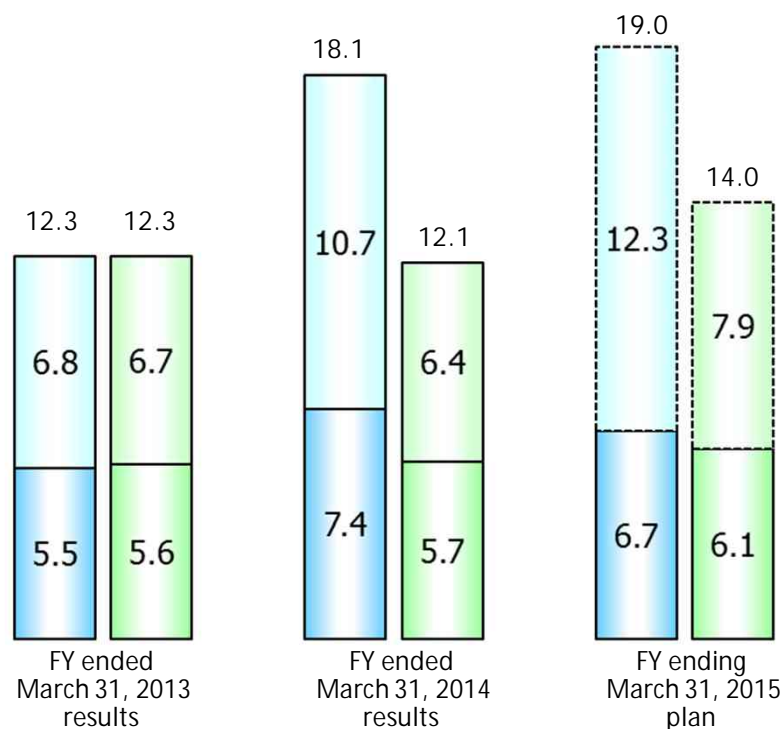
Supplementary information

(1/2)

Capital Expenditure / Depreciation & Amortization Expenses

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

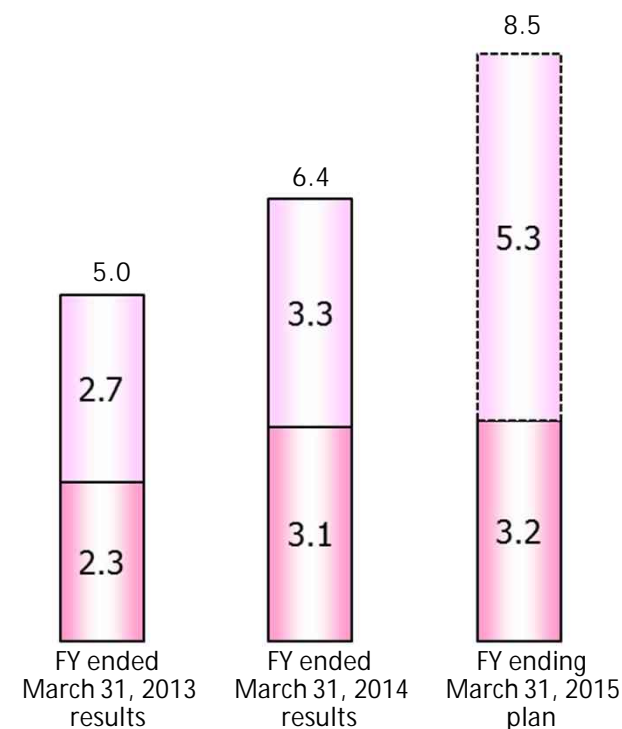
(unit : ¥bn)



Research and Development Expenses

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

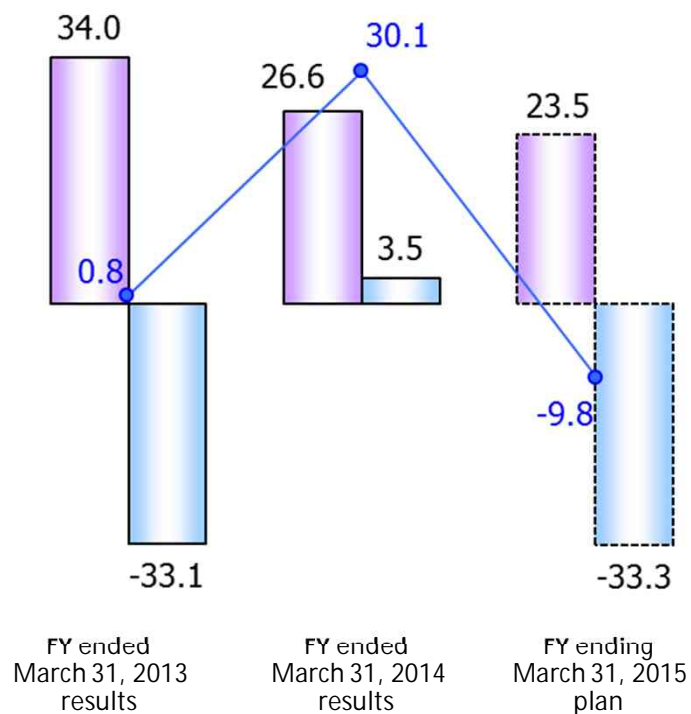
(unit : ¥bn)



Cash Flows

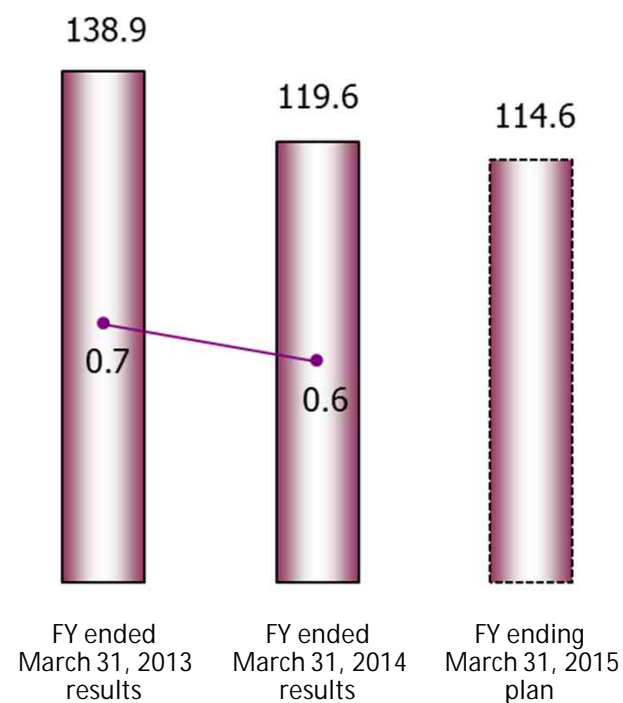
- Cash Flow from operating activities
- Cash Flow from investing activities
- Free Cash Flow

(unit : ¥bn.)

Interest-bearing Debt

- Interest-bearing Debt
- D/E Ratio

(unit : ¥bn.)



Blank

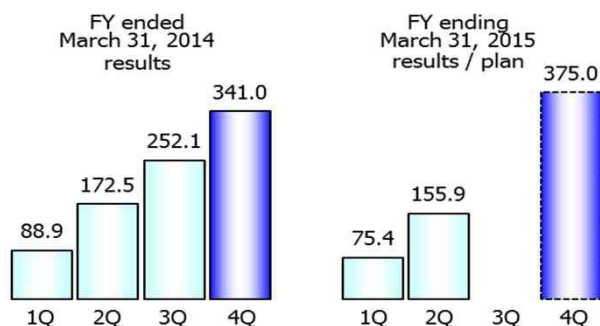
2. Projection and Strategy

FMS Projection for Fiscal Year Ending March 31, 2015

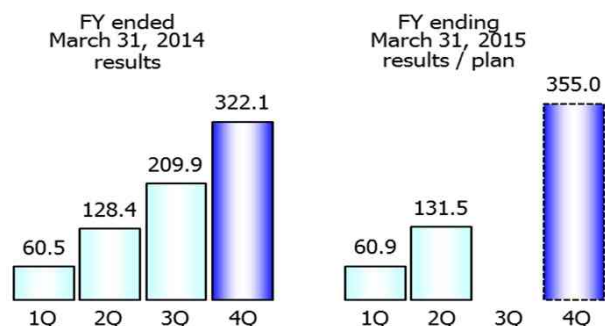
(1/4)

FMS Business

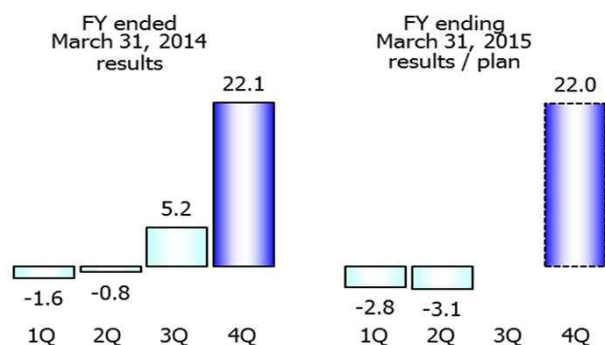
Orders



Sales



Operating Income



[Orders]

- Active global investment in oil & gas and chemical markets
- Especially Compressors & Turbines Business to raise orders received up
- Perspective of large-scale orders

[Sales]

- Sales to largely increase by steady progress in projects of which orders were received in FY ended March 31, 2014
- Delay of posting sales from received orders seen to dissolve by the end of FY ending March 31, 2015
- Sales increase mainly attributable to product sales rather than S&S sales

[Operating Income]

- Sound sales progress in line with our initial plan at the beginning of FY ending March 31, 2015
- Steady progress of investment for growth based on the plan
- Fixed costs to increase
 - Effect of changing the cost allocation rules

2. Projection and Strategy

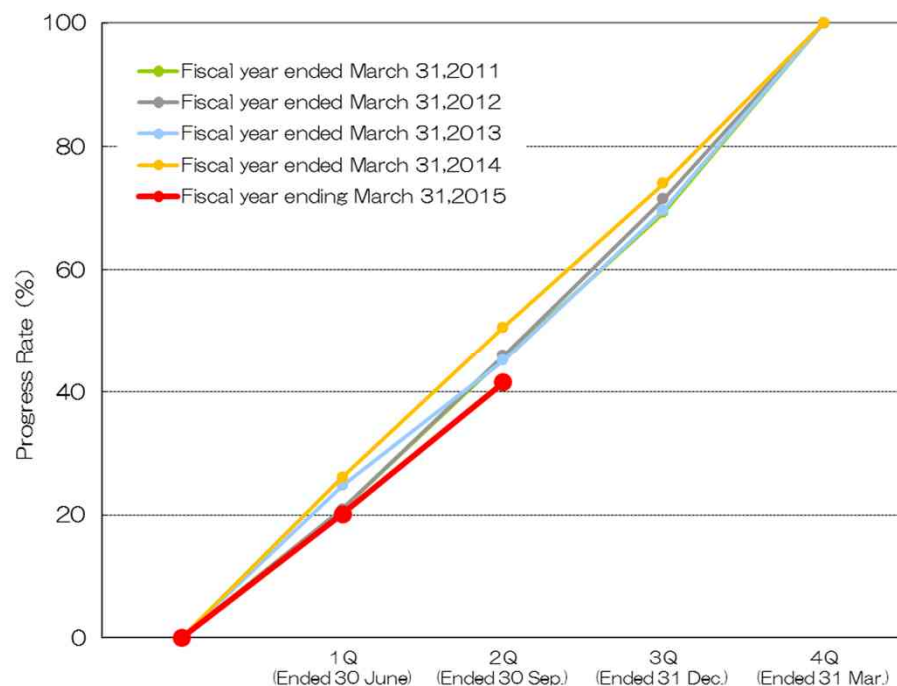
FMS Projection for Fiscal Year Ending March 31, 2015

(2/4)

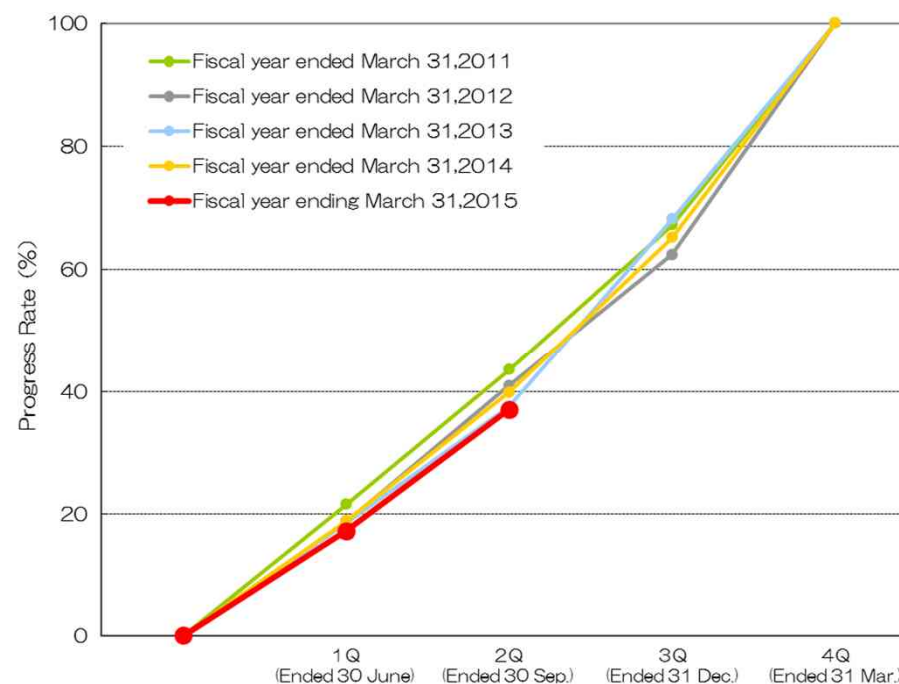
Orders received and Sales in the 1st half of this fiscal year reached respectively about 42 percent and 37 percent of the plan.

LHS Progress rate of orders received in the 1st half to full year's total is heavily concentrating in the 2nd half especially this fiscal year.

RHS Progress rate of sales in the 1st half to the full year's total has been unchanged for years.



(Fig. Quarterly progress to full year's orders received)



(Fig. Quarterly progress to full year's sales)

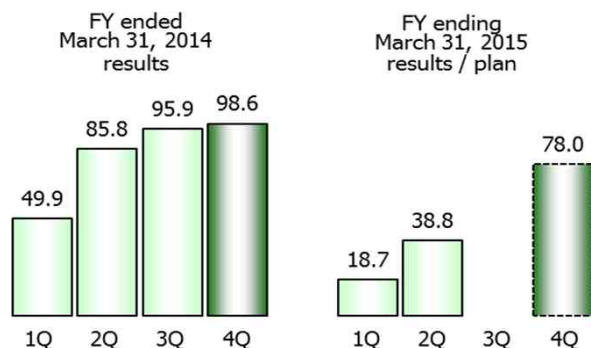
2. Projection and Strategy

EE Projection for Fiscal Year Ending March 31, 2015

(3/4)

EE Business

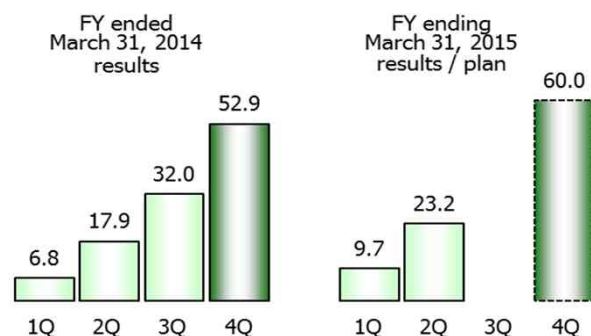
Orders



[Orders]

- Secure EPC orders in which our competitiveness is effective, and orders for upgrading core equipment
- Receive large-scale orders steadily in the 2nd half

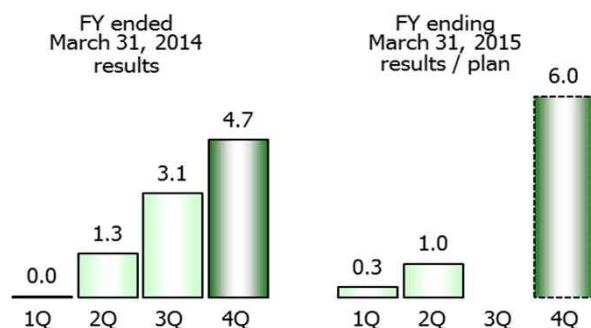
Sales



[Sales]

- Sound progress in the EPC construction works
- Sales increase in O&M

Operating Income



[Operating Income]

- O&M to make stable earnings as usual
- Fixed costs to decrease
 - Effect of changing the cost allocation rules

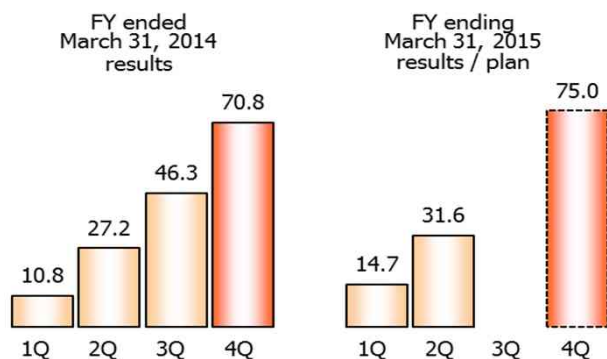
2. Projection and Strategy

PM Projection for Fiscal Year Ending March 31, 2015

(4/4)

PM Business

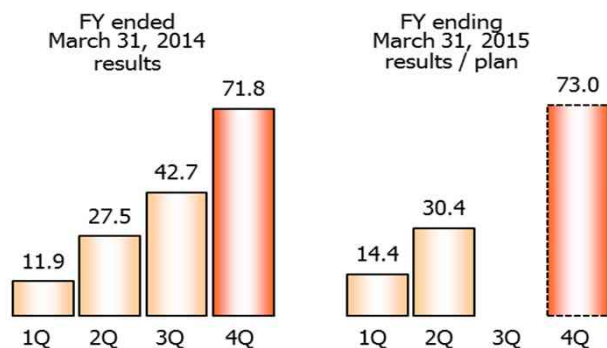
Orders



[Orders]

- Semiconductor market to continue recovering
- However orders to receive highly dependent on progress in capital investment plans of major customers

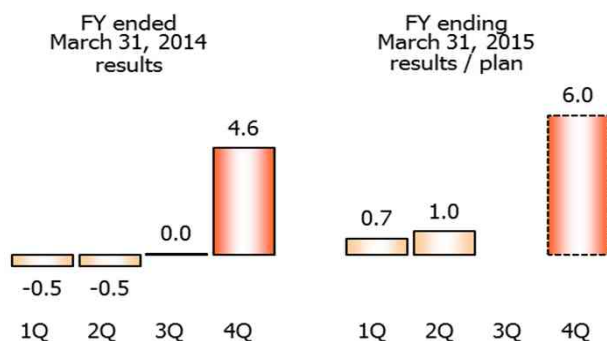
Sales



[Sales]

- Sales to heavily concentrate in the 2nd half, especially in the 4th quarter as seen in the fiscal year ended March 31, 2014 (particularly in CMP business)

Operating Income



[Operating Income]

- Tough price pressure from customers to be seen
- Fixed costs to decrease
- Effect of changing the cost allocation rules

2. Projection and Strategy

Summary of Projection for Fiscal Year Ending March 31, 2015 (1/2)

(unit : ¥bn)

	Fiscal Year Ended March 31, 2014 (Results) (A)	Fiscal Year Ending March 31, 2015 (Plan) (B)	Fiscal Year Ending March 31, 2015 (Forecast) (C)	Change (C-B)	Change (C-A)
Orders	512.2	530.0	530.0	—	+17.7
Net Sales	448.6	490.0	490.0	—	+41.3
Operating Income	32.1	34.0	34.0	—	+1.8
Ordinary Income	31.3	34.0	34.0	—	+2.6
Net Income	18.9	20.0	20.0	—	+1.0

Exchange Rate	Average	Assumed	Assumed 2 nd Half
	1USD = 99.7JPY	1USD = 100JPY	1USD = 100JPY

2. Projection and Strategy

Summary of Projection for Fiscal Year Ending March 31, 2015 (2/2)

(unit : ¥bn)

		Fiscal Year Ended March 31, 2014 (Results) (A)	Fiscal Year Ending March 31, 2015 (Plan) (B)	Fiscal Year Ending March 31, 2015 (Forecast) (C)	Change (C-B)	Change (C-A)
FMS Business	Orders	341.0	375.0	375.0	—	+33.9
	Net Sales	322.1	355.0	355.0	—	+32.8
	Operating Income	22.1	22.0	22.0	—	-0.1
EE Business	Orders	98.6	78.0	78.0	—	-20.6
	Net Sales	52.9	60.0	60.0	—	+7.0
	Operating Income	4.7	6.0	6.0	—	+1.2
PM Business	Orders	70.8	75.0	75.0	—	+4.1
	Net Sales	71.8	73.0	73.0	—	+1.1
	Operating Income	4.6	6.0	6.0	—	+1.3
Others	Orders	1.6	2.0	2.0	—	+0.3
	Net Sales	1.6	2.0	2.0	—	+0.3
	Operating Income	0.6	0.0	0.0	—	-0.6
Total	Orders	512.2	530.0	530.0	—	+17.7
	Net Sales	448.6	490.0	490.0	—	+41.3
	Operating Income	32.1	34.0	34.0	—	+1.8

2. Projection and Strategy

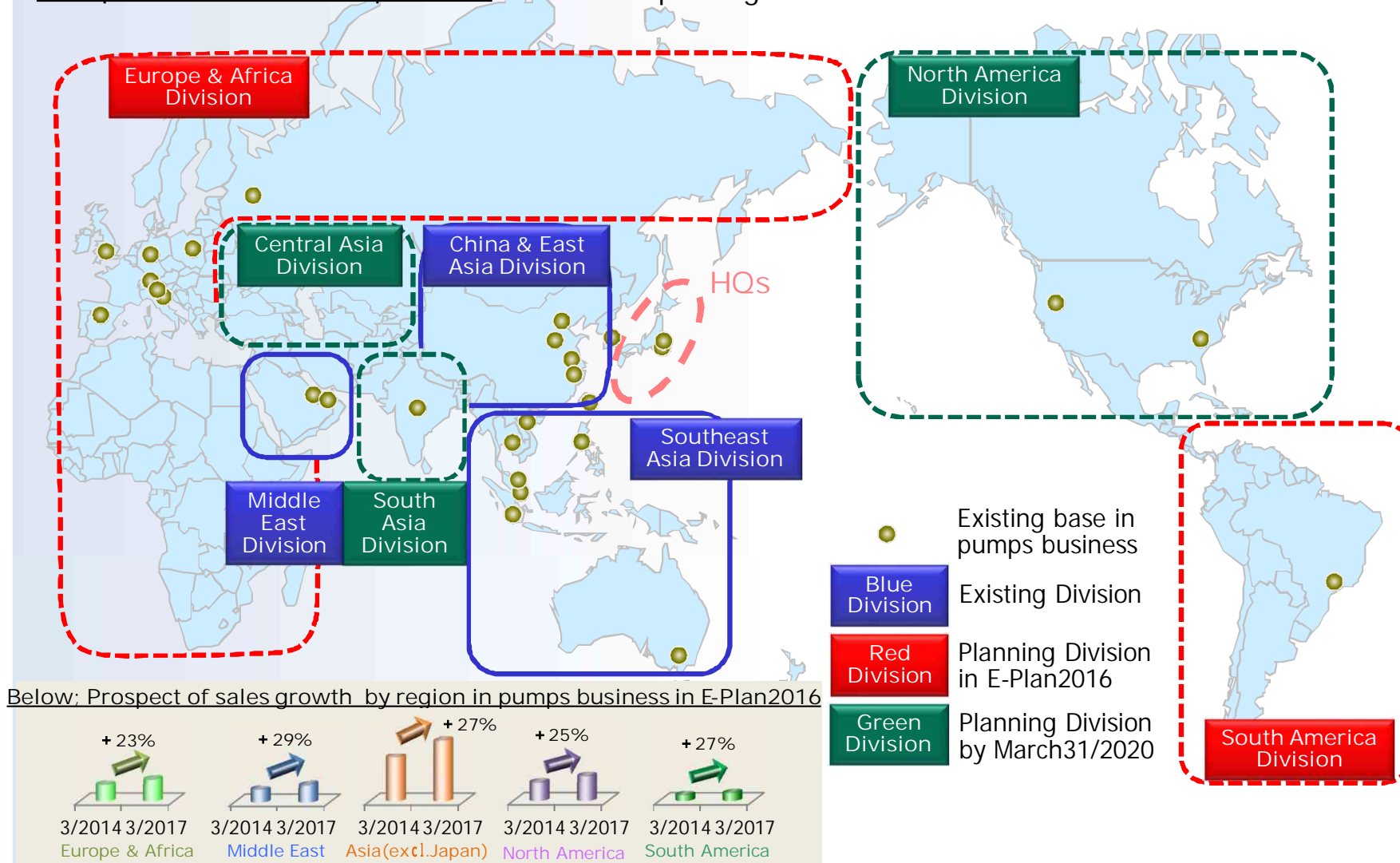
Strengthening overseas pumps business

(1/3)

Global business expansion centering Regional Division

Perspective of Base expansion

Develop 7 Regional Divisions in total to cover the whole world



Results Presentation for the Second Quarter ended September 30, 2014

2. Projection and Strategy

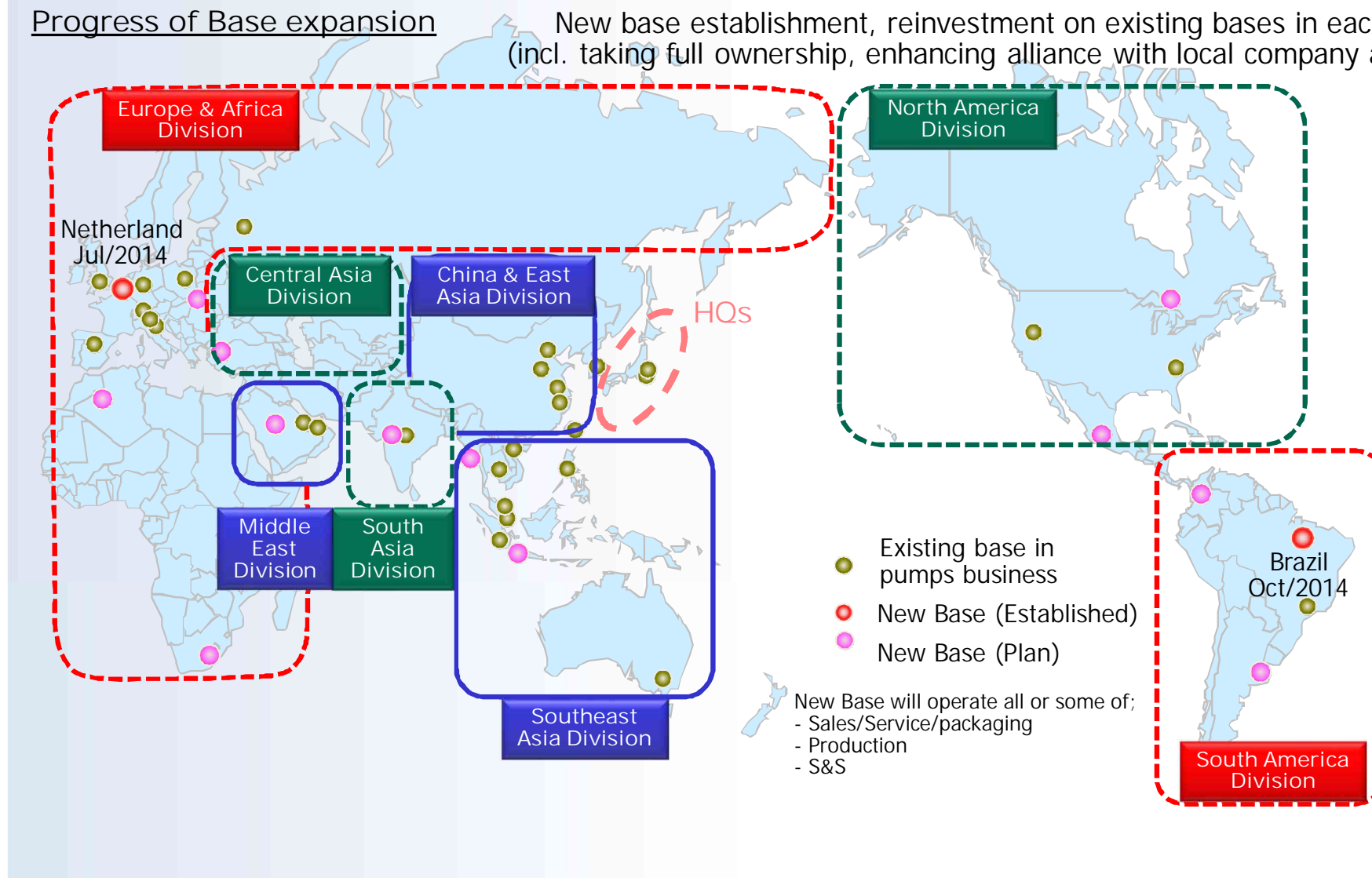
Strengthening overseas pumps business

(2/3)

Global business expansion centering Regional Division

Progress of Base expansion

New base establishment, reinvestment on existing bases in each region (incl. taking full ownership, enhancing alliance with local company and M&A)

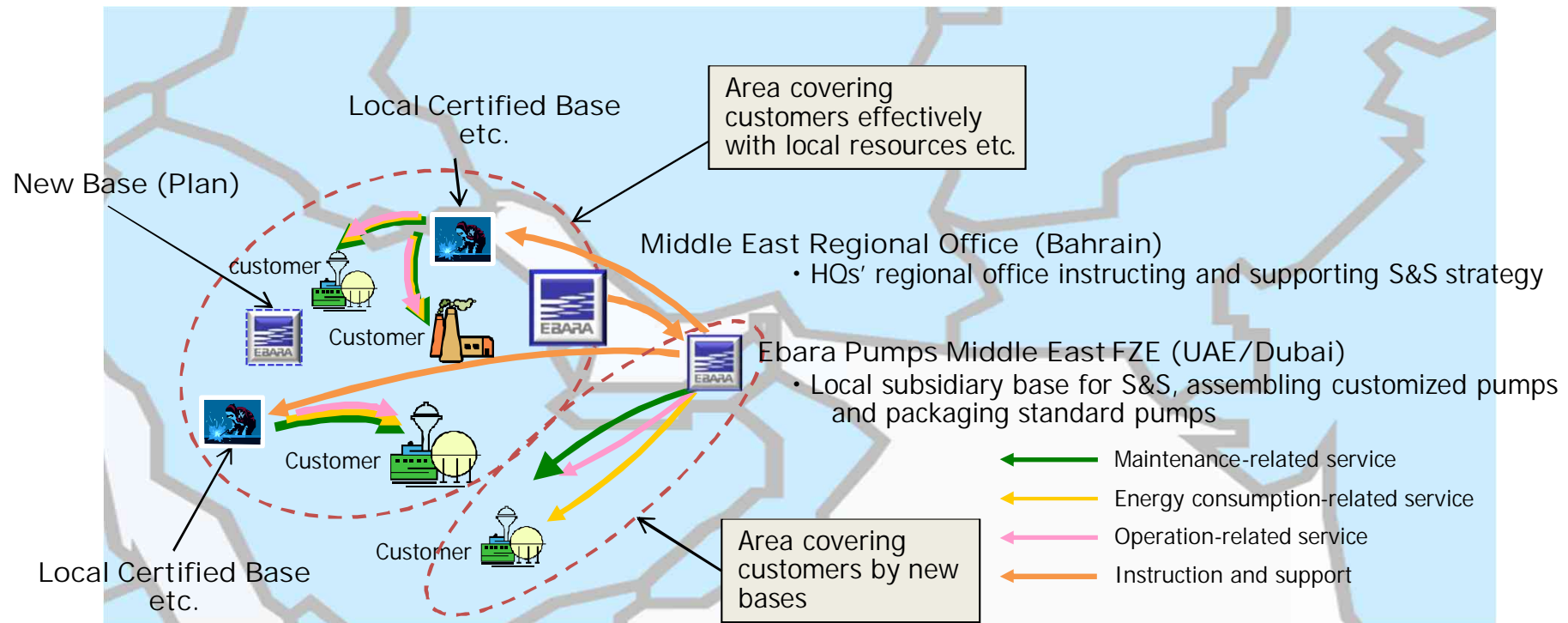


2. Projection and Strategy

Strengthening overseas pumps business

(3/3)

Example of progress : Campaign in Middle-East area



- Campaign for finding demands thoroughly over the area
- Promoting stronger access to customers and equipment that Ebara has installed
- Launching new bases near customers

- Establishment of Bahrain office in 2009 helped increase orders in this region by approx.20% compared to previous
- Number of inquiries for S&S until 2nd quarter has reached approx.90% of the total number of inquiries in the last fiscal year
- We provide customers with products and S&S that meet demands in the area

Develop the campaign in Middle-East furthermore, in the area where we have many existing customers such as in Asia, and where many plant constructions are envisaged

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.