



Results Presentation for Three Months Ended March 31, 2019

EBARA (6361)

May 14, 2019

Looking ahead,
going beyond expectations

Ahead  *Beyond*

EBARA CORPORATION

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*1. Fluid Machinery & Systems Business

*2. Environmental Plants Business

*3. Precision Machinery Business

Note: As a [Reference], we disclose 12 months results (non-audited) of the fiscal year ended December 31, 2017 (from January 1, 2017 to December 31, 2017) to compare with the results for the fiscal year ended December 31, 2018 (from January 1, 2018 to December 31, 2018).

Abbreviations

FY: fiscal year (FY2019: fiscal year ending December 31, 2019)

1Q: 1Q figures 1-2Q, 1-3Q, 1-4Q: cumulative total from 1Q to each quarter

1. Summary of Results Companywide

FY19 1Q Results

(in billion yen)	FY18 1Q	FY19 1Q	Change
Orders	158.8	117.0	- 41.7
Net Sales	130.2	130.1	- 0.0
Operating Income	7.9	9.1	+ 1.1
OI Ratio	6.1%	7.0%	+ 0.9pts
Ordinary Income	8.0	10.3	+ 2.2
Net Income Attributable to Owners of Parent	6.1	6.7	+ 0.5

Average Exchange Rate

USD1=JPY108.7 USD1=JPY110.8

Overview

Markets

- ✓ **Oil and gas**
Capex is gradually recovering
- ✓ **Semiconductor**
Sluggish pace due to a decline of memory manufacturers' capital investment

Segment

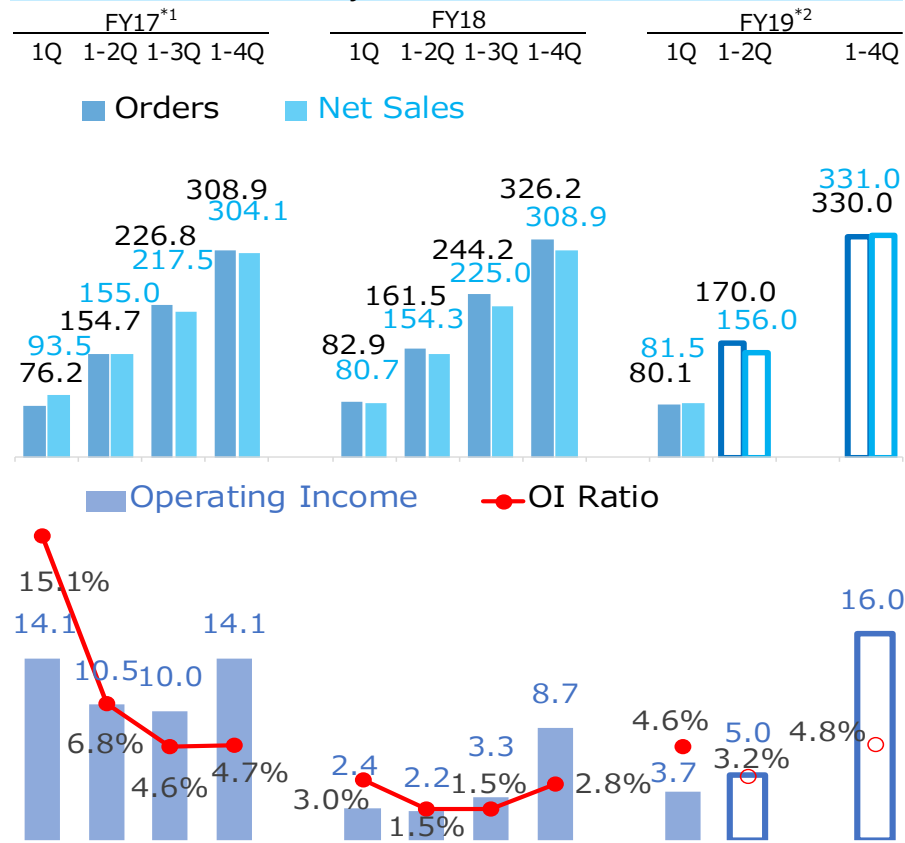
- ✓ **FMS**
Profit increased mainly in this segment
- ✓ **EP**
Secured stable profit despite significant decrease of orders compared to last year
- ✓ **PM**
Orders significantly declined

1. Summary of Results Segment

(in billion yen)□	FY18 1Q	FY19 1Q	Change
Total			
Orders	158.8	117.0	- 41.7
Net Sales	130.2	130.1	- 0.0
Operating Income	7.9	9.1	+ 1.1
OI Ratio	6.1%	7.0%	+ 0.9pts
FMS			
Orders	82.9	80.1	- 2.7
Net Sales	80.7	81.5	+ 0.8
Operating Income	2.4	3.7	+ 1.3
OI Ratio	3.0%	4.6%	+ 1.6pts
EP Business			
Orders	34.8	12.6	- 22.2
Net Sales	18.2	19.1	+ 0.9
Operating Income	1.8	2.2	+ 0.4
OI Ratio	10.0%	11.8%	+ 1.8pts
PM Business			
Orders	40.6	23.9	- 16.7
Net Sales	30.8	29.0	- 1.7
Operating Income	3.6	3.0	- 0.5
OI Ratio	11.7%	10.6%	- 1.1pts
Others, Adjustment			
Orders	0.4	0.4	- 0.0
Net Sales	0.4	0.4	- 0.0
Operating Income	0.0	0.0	- 0.0
OI Ratio	15.8%	6.3%	- 9.5pts

2. Results by Segment FMS

Results (in billion yen)



*1 [Reference] *2 Figures after 1-2Q are forecasts

FY19 1Q S&S Sales Ratio

	FY18				FY19 1Q
	1Q	1-2Q	1-3Q	1-4Q	
FMS	34.5%	33.6%	33.1%	34.7%	36.0%
PUMP	31.2%	27.1%	24.5%	23.7%	29.4%
CT	39.7%	45.3%	50.2%	55.6%	54.8%

Highlights

Pumps

- ✓ Operating income increased due to improvement of profitability

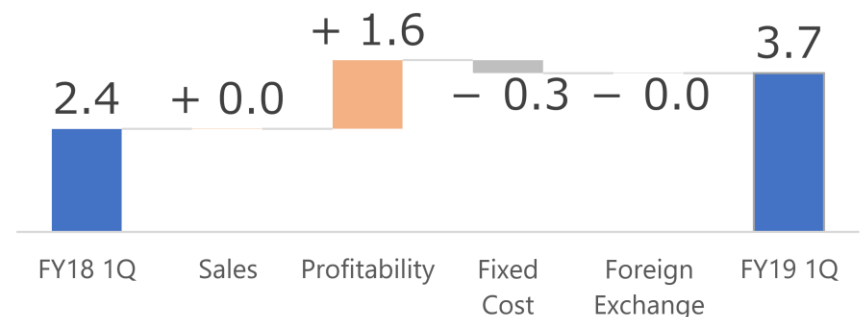
Compressors and turbines (CT)

- ✓ Orders decreased due to postponement of new projects
- ✓ Sales declined owing to delay in construction
- ✓ A rise in S&S ratio increased operating income

Chillers

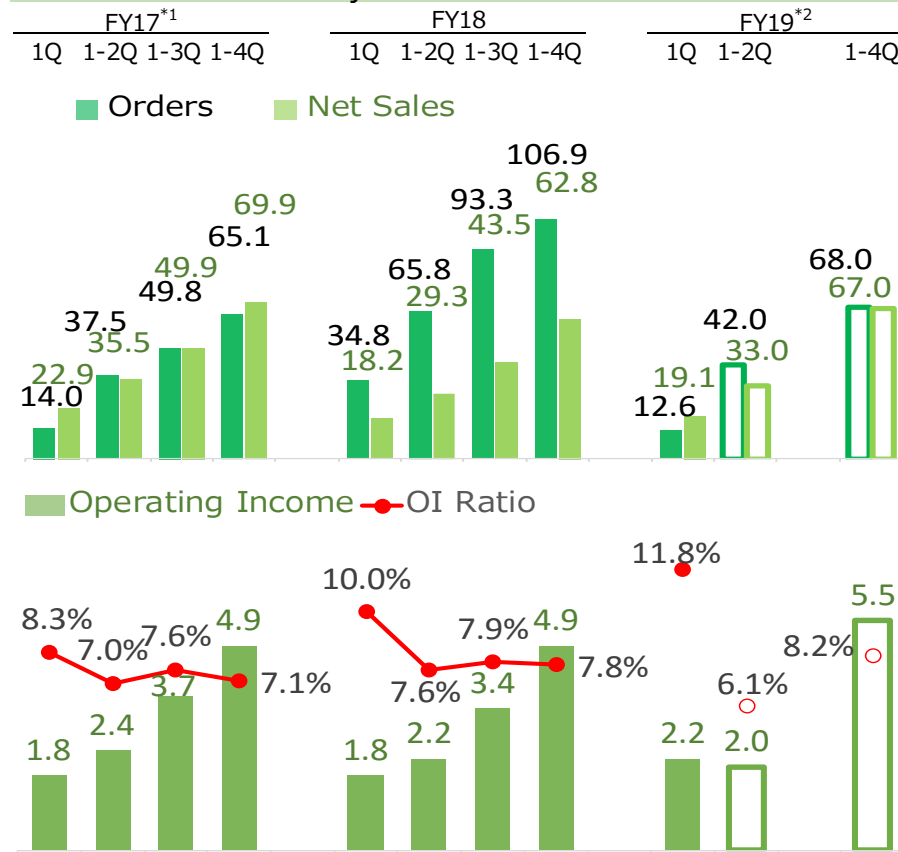
- ✓ Sales increased in both products and S&S
- ✓ Operating income increased due to sales growth

Breakdown of Changes in Operating Income (in billion yen)



2. Results by Segment EP

Results (in billion yen)



*1 [Reference] *2 Figures after 1-2Q are forecasts

FY19 1Q Major Orders

FY18 1Q	FY19 1Q
<ul style="list-style-type: none"> A biomass power plant EPC*3 project (PJ) A waste treatment plant DBO*4 PJ A long-term O&M contract 	<ul style="list-style-type: none"> A waste treatment plant EPC PJ A biomass power plant EPC PJ

*3 Engineering, procurement, and construction *4 Design, build, and operate

Highlights

Orders

- ✓ Gained targeted orders and progressed as usual (FY2018 results were strong due to several large orders)

Sales, Operating income

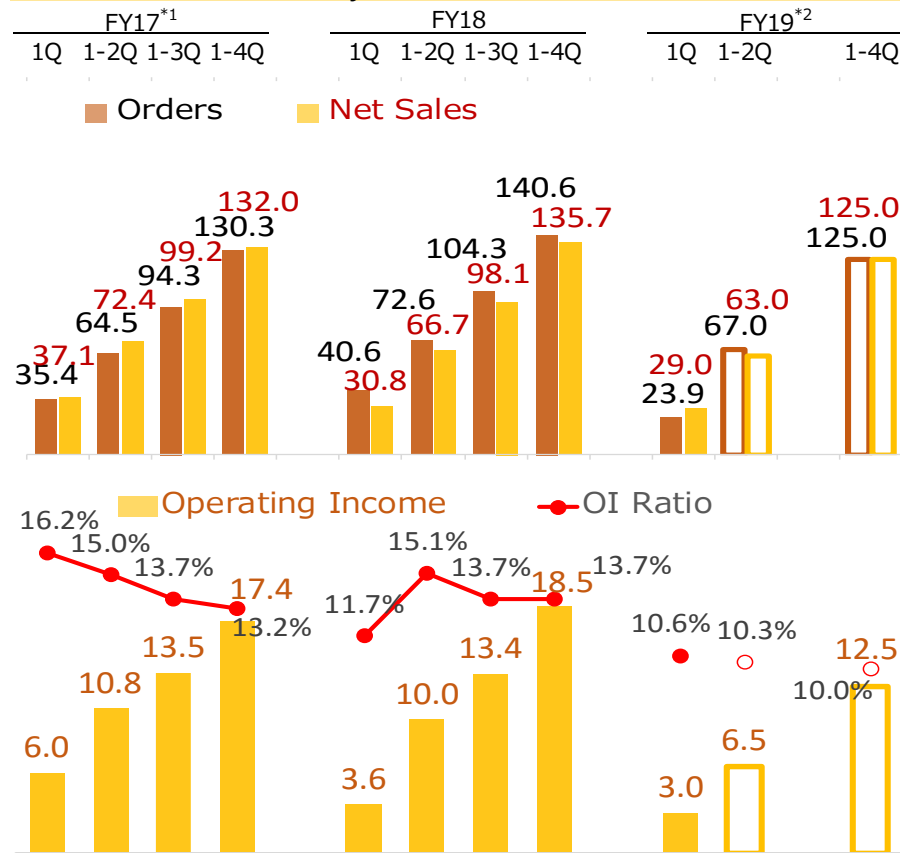
- ✓ Profit increased owing to Operating and Maintenance (O&M) sales growth (+)

Breakdown of Changes in Operating Income (in billion yen)



2. Results by Segment PM

Results (in billion yen)



*1 [Reference] *2 Figures after 1-2Q are forecasts

FY19 1Q Sales by Region

(in billion yen)	Japan	Asia (excl.Japan)	North America	Europe	Middle East	Others	Total
Sales	5.6	15.2	5.7	1.8	0.4	0.0	29.0
Change*3 (vs FY18 1Q)	↘	↘	↗	↗	↘	↗	↘

*3. ↗ is +5% or more, ↘ is -5% or more changes

Highlights

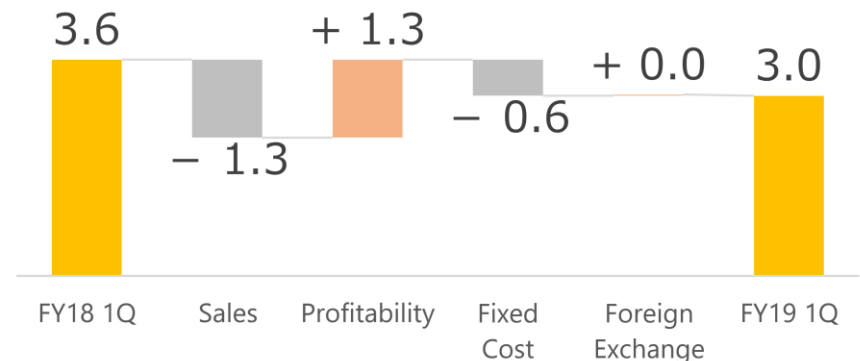
Orders, Sales

- ✓ Capex level was low in the semiconductor industry mainly for memory
- ✓ Decreased in both CMP and components business

Operating income

- ✓ Profitability improved due to highly profitable projects (+)
- ✓ Sales decreased (-)
- ✓ Personnel costs and R&D costs increased (-)

Breakdown of Changes in Operating Income (in billion yen)



3. Forecast

(in billion yen)		1-2Q				1-4Q			
		FY18 Results	FY19 Plan		Change		FY18 Results	FY19 Plan	Change
			a	b	c	c-b			
	Announced date(m/d/y)		Feb/13/19	May/14/19				Feb/13/19	
Orders		300.8	280.0	280.0	-	- 20.8	575.5	525.0	- 50.5
Net Sales		251.2	258.0	253.0	- 5.0	+ 1.7	509.1	525.0	+ 15.8
Operating Income		14.7	13.5	13.5	-	- 1.2	32.4	34.0	+ 1.5
OI Ratio		5.9%	5.2%	5.3%	+ 0.1pts	- 0.5pts	6.4%	6.5%	+ 0.1pts
Ordinary Income		14.1	13.0	13.0	-	- 1.1	31.2	33.0	+ 1.7
Net Income Attributable to Owners of Parent		7.4	8.0	8.0	-	+ 0.5	18.2	20.0	+ 1.7
ROIC		-	-	-	-	-	4.9%	5.6%	+ 0.7pts
ROE		-	-	-	-	-	6.6%	7.2%	+ 0.6pts
Debt Equity ratio		-	-	-	-	-	0.28	0.28	-

- ✓ Revised down the first half plan of net sales to 253 billion yen from 258 billion yen (decreased 5 billion yen)
- ✓ No change in the full year plan

4. Appendix : Segmental Summary

Orders

(in billion yen)	1Q			1-2Q					1-4Q		
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan		Change		FY18 Results	FY19 Plan	Change
	a	b	b-a	c	d	e	e-d	e-c	f	g	h-f
	Announced date(m/d/y)				Feb/13/19	May/14/19				Feb/13/19	
Total	158.8	117.0	- 41.7	300.8	280.0	280.0	-	- 20.8	575.5	525.0	- 50.5
FMS Business	82.9	80.1	- 2.7	161.5	177.0	170.0	- 7.0	+ 8.4	326.2	330.0	+ 3.7
Pumps	44.1	43.9	- 0.2	84.9	85.0	85.0	-	+ 0.0	171.0	175.0	+ 3.9
CT	26.7	23.9	- 2.7	50.7	70.0	63.0	- 7.0	+ 12.2	102.7	110.0	+ 7.2
Chillers	8.5	8.9	+ 0.3	19.4	16.0	16.0	-	- 3.4	37.5	33.0	- 4.5
Others	3.4	3.3	- 0.1	6.2	6.0	6.0	-	- 0.2	14.9	12.0	- 2.9
EP Business	34.8	12.6	- 22.2	65.8	35.0	42.0	+ 7.0	- 23.8	106.9	68.0	- 38.9
PM Business	40.6	23.9	- 16.7	72.6	67.0	67.0	-	- 5.6	140.6	125.0	- 15.6
Components	17.1	12.7	- 4.3	30.7	29.0	29.0	-	- 1.7	62.8	57.0	- 5.8
CMP Systems	22.1	9.7	- 12.3	38.7	35.0	35.0	-	- 3.7	72.0	62.0	- 10.0
Others	1.4	1.3	- 0.0	3.1	3.0	3.0	-	- 0.1	5.7	6.0	+ 0.2
Others, Adjustment	0.4	0.4	- 0.0	0.8	1.0	1.0	-	+ 0.1	1.6	2.0	+ 0.3

- ✓ Revised down the first half plan of CT business to 63 billion yen from 70 billion yen (decreased 7 billion yen)
- ✓ Revised up the first half plan of EP business to 42 billion yen from 35 billion yen (increased 7 billion yen)

4. Appendix : Segmental Summary

Sales

(in billion yen)	1Q			1-2Q					1-4Q		
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan		Change		FY18 Results	FY19 Plan	Change
	a	b	b-a	c	d	e	e-d	e-c	f	g	g-f
	Announced date(m/d/y)				Feb/13/19	May/14/19				Feb/13/19	
Total	130.2	130.1	- 0.0	251.2	258.0	253.0	- 5.0	+ 1.7	509.1	525.0	+ 15.8
FMS Business	80.7	81.5	+ 0.8	154.3	156.0	156.0	-	+ 1.6	308.9	331.0	+ 22.0
Pumps	50.9	51.0	+ 0.0	90.5	90.0	90.0	-	- 0.5	172.0	176.0	+ 3.9
CT	18.5	17.2	- 1.2	40.6	45.0	45.0	-	+ 4.3	87.6	110.0	+ 22.3
Chillers	7.5	8.8	+ 1.3	16.7	15.0	15.0	-	- 1.7	35.8	33.0	- 2.8
Others	3.7	4.4	+ 0.6	6.3	6.0	6.0	-	- 0.3	13.4	12.0	- 1.4
EP Business	18.2	19.1	+ 0.9	29.3	33.0	33.0	-	+ 3.6	62.8	67.0	+ 4.1
PM Business	30.8	29.0	- 1.7	66.7	68.0	63.0	- 5.0	- 3.7	135.7	125.0	- 10.7
Components	14.9	14.6	- 0.2	30.6	30.0	30.0	-	- 0.6	59.3	57.0	- 2.3
CMP Systems	14.6	13.0	- 1.6	32.1	35.0	30.0	- 5.0	- 2.1	69.8	62.0	- 7.8
Others	1.1	1.3	+ 0.1	3.8	3.0	3.0	-	- 0.8	6.5	6.0	- 0.5
Others, Adjustment	0.4	0.4	- 0.0	0.8	1.0	1.0	-	+ 0.1	1.6	2.0	+ 0.3

- ✓ Revised down the first half plan of CMP business to 30 billion yen from 35 billion yen (decreased 5 billion yen)

4. Appendix : Segmental Summary

Operating Income

(in billion yen)	1Q			1-2Q			1-4Q		
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan	Change	FY18 Results	FY19 Plan	Change
	a	b	b-a	c	d	d-c	e	Plan	f-e
Announced date(m/d/y)					Feb/13/19			Feb/13/19	
Total	7.9	9.1	+ 1.1	14.7	13.5	- 1.2	32.4	34.0	+ 1.5
FMS Business	2.4	3.7	+ 1.3	2.2	5.0	+ 2.7	8.7	16.0	+ 7.2
Pumps	4.3	5.1	+ 0.7	5.2	4.5	- 0.7	5.9	10.0	+ 4.0
CT	-2.8	-1.2	+ 1.5	-4.1	0.0	+ 4.1	1.9	3.5	+ 1.5
Chillers	-0.2	0.2	+ 0.4	0.1	0.5	+ 0.3	0.4	2.0	+ 1.5
Others	1.1	-0.2	- 1.4	1.0	0.0	- 1.0	0.4	0.5	+ 0.0
EP Business	1.8	2.2	+ 0.4	2.2	2.0	- 0.2	4.9	5.5	+ 0.5
PM Business	3.6	3.0	- 0.5	10.0	6.5	- 3.5	18.5	12.5	- 6.0
Others, Adjustment	0.0	0.0	- 0.0	0.1	0.0	- 0.1	0.2	0.0	- 0.2

✓ No change

4. Appendix : Segmental Summary

Backlog of Orders

(in billion yen)□	1Q			2Q					4Q		
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan		Change		FY18 Results	FY19 Plan	Change
	a	b	b-a	c	d	e	e-d	e-c	f	g	g-f
	Announced date(m/d/y)				Feb/13/19	May/14/19				Feb/13/19	
Total	420.2	447.0	+ 26.7	442.7	481.0	486.0	+ 5.0	+ 43.3	459.0	459.0	-
FMS Business	193.5	209.0	+ 15.4	199.7	230.3	223.3	- 7.0	+ 23.6	209.3	208.3	- 1.0
Pumps	95.1	90.4	- 4.7	96.0	95.1	95.1	-	- 0.8	100.1	99.1	- 1.0
CT	75.6	94.1	+ 18.4	79.1	109.3	102.3	- 7.0	+ 23.1	84.3	84.3	-
Chillers	16.4	17.1	+ 0.6	17.9	17.7	17.7	-	- 0.2	16.7	16.7	-
Others	6.3	7.3	+ 1.0	6.5	8.1	8.1	-	+ 1.6	8.1	8.1	-
EP Business	186.9	207.8	+ 20.9	206.7	216.3	223.3	+ 7.0	+ 16.6	214.3	215.3	+ 1.0
PM Business	39.7	30.1	- 9.5	36.2	34.3	39.3	+ 5.0	+ 3.0	35.3	35.3	-
Others, Adjustment	0.0	0.0	+ 0.0	0.0	0.0	0.0	-	- 0.0	0.0	0.0	-

- ✓ Revised down the first half plan of CT business to 102.3 billion yen from 109.3 billion yen (decreased 7 billion yen)
- ✓ Revised up the first half plan of EP business to 223.3 billion yen from 216.3 billion yen (increased 7 billion yen)
- ✓ Revised up the first half plan of PM business to 39.3 billion yen from 34.3 billion yen (increased 5 billion yen)

4. Appendix : Segmental Summary

Net sales by region*

(in billion yen)	FY19 1Q				
	FMS Business	EP Business	PM Business	Others, Adjustment	Total
Total	81.5	19.1	29.0	0.4	130.1
Japan	43.6	18.6	5.6	0.1	68.1
Asia(excl.Japan)	19.5	0.5	15.2	0.1	35.5
North America	6.2	-	5.7	0.0	12.0
Europe	4.6	-	1.8	0.0	6.5
Middle East	4.5	-	0.4	0.0	5.0
Others	2.8	-	0.0	0.0	2.8

* Compiled on the basis of the geographical location where the goods are sold

EBARA's Mission

Technology. Passion. Support our Globe.

Supporting the world with technology and passion.

Technology. Passion. Support our Globe.

Develop E-Vision 2030

Looking ahead to the future,
develop management policy and
business strategy

Reform FMS Business

Improve profitability and become
an infrastructure provider
supporting society, industry, and life
at five continents

Advance ESG Management (continued)

E : Conduct business activities harmonizing with the global environment

S : Accelerate transformation to a corporate culture that encourages
competition and embraces challenge

G : Perform a supervision function in a transparent and impartial manner

Technology. Passion. Support our Globe.

Develop E-Vision 2030

Business environment is drastically changing, including technological innovation and a business model. Looking ahead to the future of market environment and social issues, we must develop a long-term management vision.

⇒ **Develop a vision of what we want to become in 2030 as “E-Vision 2030,” along with formulation of a new medium-term management plan “E-Plan 2022” for the period from FY2020 to FY2022**

- Refine our technological capabilities
- Develop human resources and an organization who can create a solution that anticipate customers’ needs and external trends
- A keyword is “intelligence”

Technology. **Passion.** Support our **Globe.**

Reform FMS Business



Improve profitability

An urgent task is to improve profitability of custom pumps business and compressors and turbines business ⇒ take measures quickly and tenaciously



Digitalization

Promote digitalization and improve business efficiency
⇒ from development to S&S, utilize AI and IT with the automated plant at the core



Globalization

Aiming to become a leading global manufacturer, accelerate our business expansion around the world ⇒ enhance overseas bases of pumps business

**Have our products used by people all over the world,
at five continents and become an infrastructure provider
supporting society, industry, and life**

Advance ESG Management (continued)

E

Promote environmental management

- Provide earth-friendly social infrastructure including more efficient waste power generation and energy-saving products
- Build low environmental impact production system by automation

Conduct business activities harmonizing with the global environment

S

Transform a corporate culture

- Make our workplace more pleasant and fulfilling for every employee
⇒ Introduced performance-oriented human resources system, promote diversity and work style reforms
- Reform business process by digitalization including ERP

Accelerate transformation to a corporate culture that encourages competition and embraces challenge

G

Strengthen governance

- Reduced Directors concurrently serving as Executive Officers from 3 to 1
⇒ 7 out of 11 Directors are Independent Directors
- Independent Director acts as Chairman of the Board of Directors

The Board of Directors performs a supervision function in a transparent and impartial manner

This release contains forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof. EBARA undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

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