



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

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Looking ahead, going beyond expectations

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Summary of Results – Companywide:

Orders: JPY 117.0 billion (YoY –JPY 41.7 billion)

Net Sales: JPY 130.1 billion (YoY –JPY 0.0 billion)

Operating Income: JPY 9.1 billion (YoY + JPY 1.1 billion), Operating Income Ratio: 7.0%

Net Income Attributable to Owners of Parent: JPY 6.7 billion (YoY + JPY 0.5 billion)

Points

Markets

- For oil and gas, capex has been gradually recovering since last year.
- Semiconductor market saw a sluggish pace of growth due to a decline of memory manufacturers' capital investment.

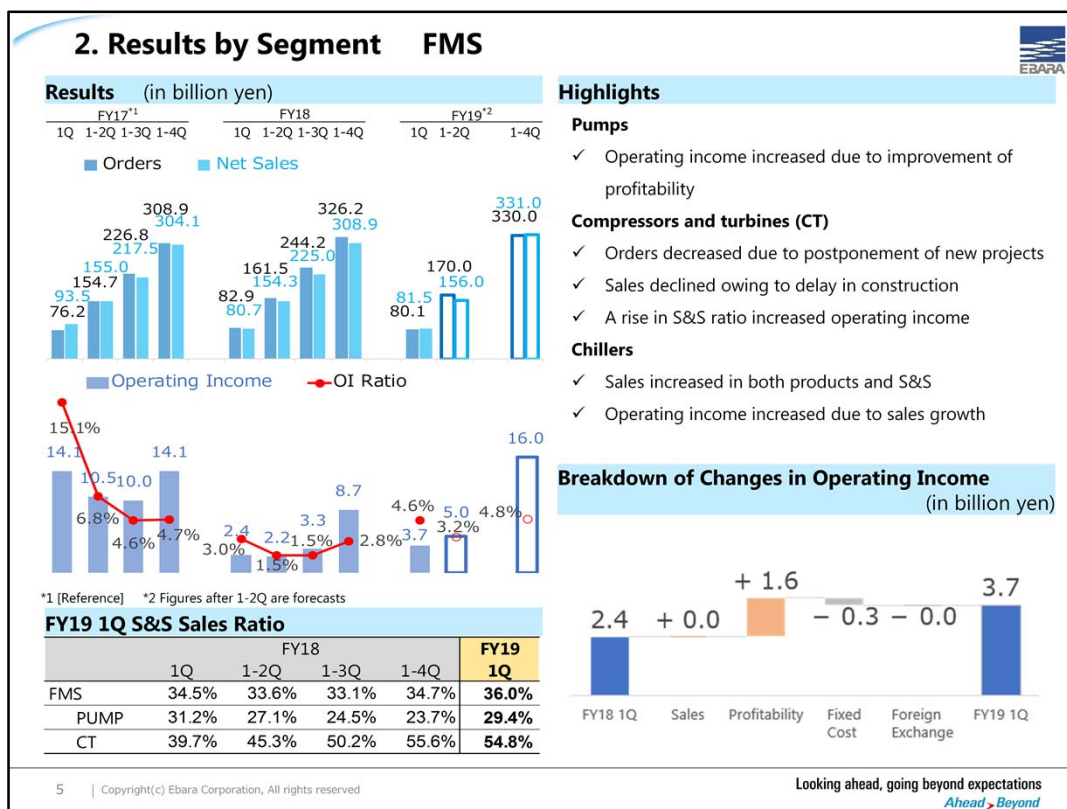
Results

- Orders decreased significantly for the EP and PM Businesses. PM Business decline was significant due to market influence and with EP Business, orders during same period last year were exceptionally high.
- FMS Business continued to drive improvements to profitability as profits increased.

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

Summary of Results – Segment:

- Orders decreased for all three businesses.
- With the semiconductor market slowdown, investments declined and profits declined in the PM Business on decreased sales.
- FMS and EP Businesses both recorded increases in sales and operating income.



Results by Segment - FMS:

Orders: JPY 80.1 billion (YoY –JPY 2.7 billion)

Sales: JPY 81.5 billion (YoY +JPY 0.8 billion)

Operating Income: JPY 3.7 billion (YoY +JPY 1.3 billion)

Pumps business

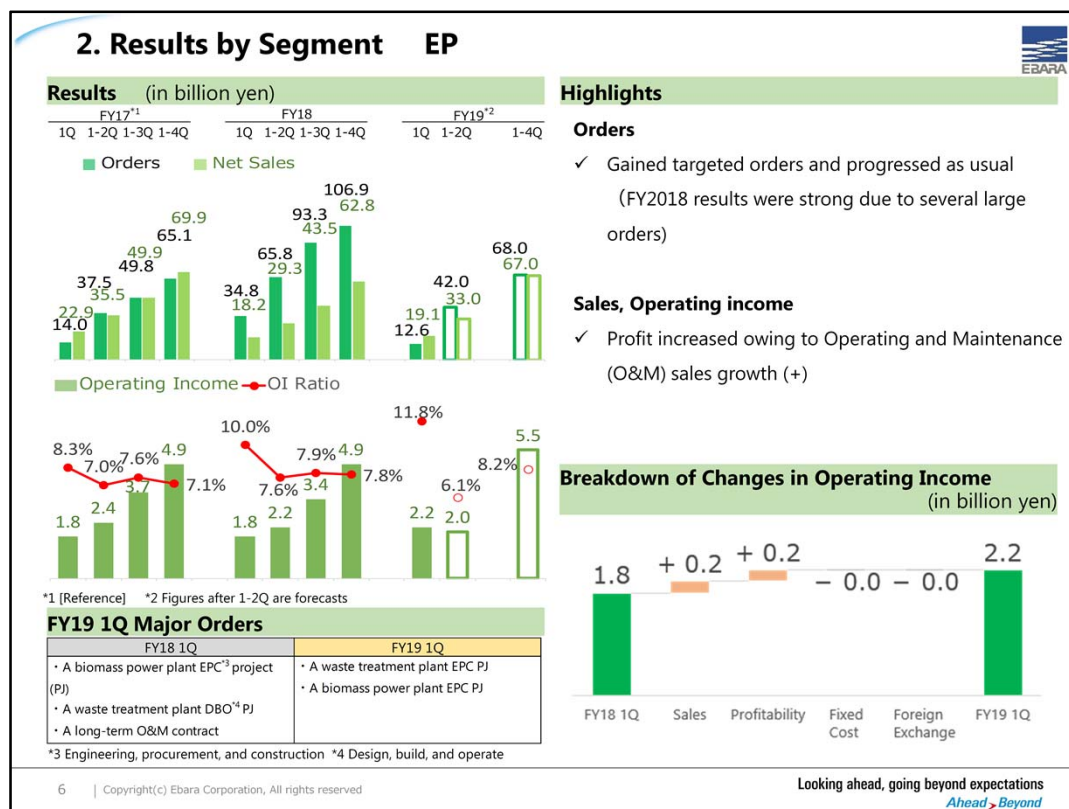
- Profits increased as profitability improved on stronger orders and sales in the oil and gas market.

Compressors & turbines (CT) business

- Orders decreased due to postponement in order timing for new projects.
- Owing to delay in construction, product sales decreased.
- Sales of the highly profitable Service & Support (S&S) were favorable, which drove improved profits.
- CT business 1Q ratio of S&S increased from 39.7% to 54.8% YoY.

Chillers business

- Orders, sales, and operating income all increased YoY on growth in sales of products for the China market and success in capturing facility upgrade demand in Japan.



Results by Segment – EP:

Orders: JPY 12.6 billion (YoY –JPY 22.2 billion)

Sales: JPY 19.1 billion (YoY +JPY 0.9 billion)

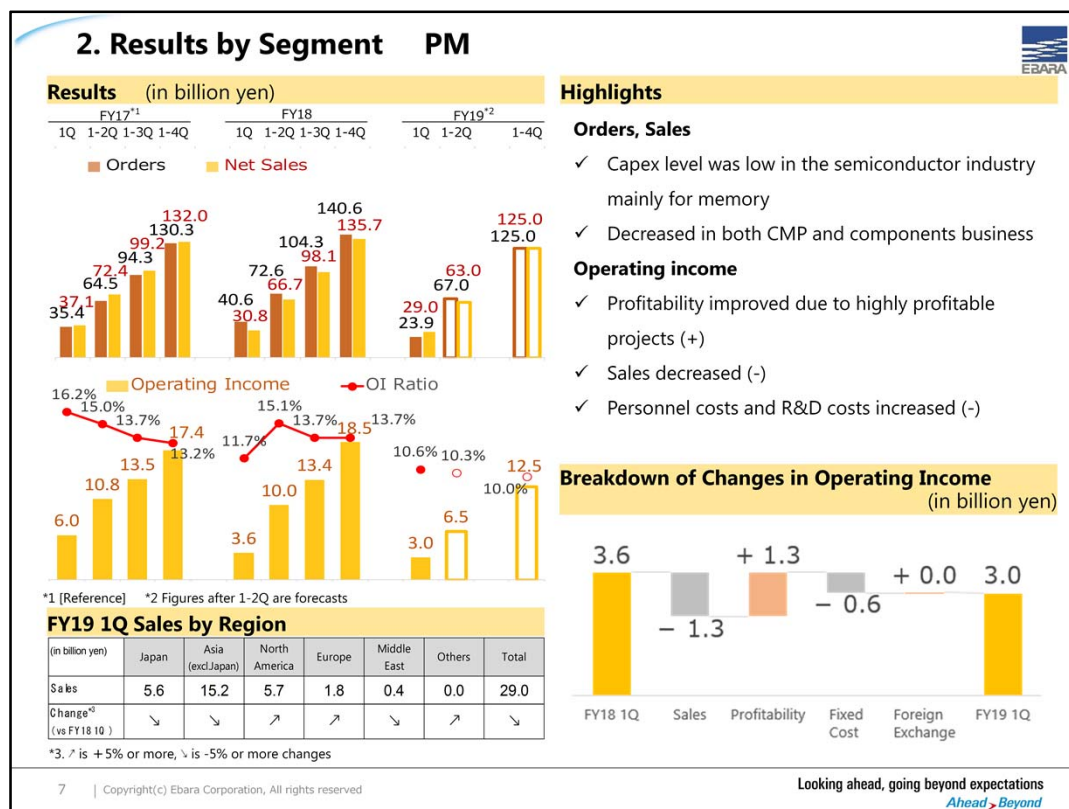
Operating Income: JPY 2.2 billion (YoY +JPY 0.4 billion)

Orders

- Multiple large-scale orders including DBO project and a long-term O&M contract in the same period last year resulted in higher orders compared to previous years.
- 1Q orders on par with plans and resulted in orders received largely unchanged from previous years.
- Main orders received include two EPC projects from private companies.

Sales, Operating Income

- Profits grew steadily on increased O&M sales.



Results by Segment – PM:

Orders: JPY 23.9 billion (YoY –JPY 16.7 billion)

Sales: JPY 29.0 billion (YoY –JPY 1.7 billion)

Operating Income: JPY 3.0 billion (YoY –JPY 0.5 billion)

Orders

- Semiconductor market capital investments decreased for both memory and logic.
- Customers continue to hold off on investments, particularly in memory-related sectors.

Sales, Operating Income

- Sales of highly profitable projects resulted in some improvements to profitability.
- In addition to the impact of decreased revenues, labor costs and R&D expenses increased, resulting in decreased profits.

3. Forecast



(in billion yen)	1-2Q					1-4Q		
	FY18 Results	FY19 Plan		Change		FY18 Results	FY19 Plan	Change
	a	b	c	c-b	c-a	d	e	e-d
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

Summary of Projection:

Changes relative to the Summary of Projection for FY2019 released in February are as follows.

Revisions to first-half plan figures for orders

- Downward revision of compressors and turbines business first-half plan value from JPY 70.0 billion to JPY 63.0 billion (decrease of JPY 7.0 billion from initial plan).
- Upward revision of EP Business first-half plan value from JPY 35.0 billion to JPY 42.0 billion (increase of JPY 7.0 billion from initial plan).

Revisions to first-half plan figures for sales

- Downward revision of PM Business first-half plan value from JPY 35.0 billion to JPY 30.0 billion (decrease of JPY 5.0 billion from initial plan).

No change to full-year earnings projections for orders, net sales, operating income.

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



Management Policy :

EBARA Group's Mission

"Technology. Passion. Support our Globe."

Background

- We believe the future will enable more people around the world to live enriched lifestyles through the use of technological innovations such as IoT connecting all types of things, cloud technology to support IoT, artificial intelligence, autonomous driving, and 5G.
- Our mission at Ebara is to help achieve and sustain such a world.

We continue striving to exist as a company encourages employees follow their dreams and we sustain positive relations with all our stakeholders.

Technology. Passion. Support our Globe.

Develop E-Vision 2030 Reform FMS Business

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

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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