



# Results Presentation for Nine Months Ended September 30, 2019

**EBARA (6361)**

November 13, 2019

Looking ahead,  
going beyond expectations

*Ahead*  *Beyond*

EBARA CORPORATION

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<sup>\*1</sup>. Fluid Machinery & Systems Business / <sup>\*2</sup>. Environmental Plants Business / <sup>\*3</sup>. Precision Machinery Business

✓ 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).

✓ "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 (FY19: 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				EBARA	
FY19 1-3Q Results				Overview	
(in billion yen)	FY18 1-3Q Results	FY19 1-3Q Results	Change		
Orders	443.1	379.8	- 63.3	<b>Markets</b>	
Net Sales	368.0	366.4	- 1.5	<ul style="list-style-type: none"> <li>✓ <b>Oil and gas (O&amp;G)</b> In the downstream sector, capex continues to maintain a certain level</li> <li>✓ <b>Semiconductor</b> Though memory manufacturers' capital investment remains stagnant, some customers start to expand capital investment.</li> <li>✓ Concerns about US-China trade dispute and geopolitical risks remain</li> </ul>	
Operating Income	20.4	20.2	- 0.1	<b>Results</b>	
OI Ratio	5.6%	5.5%	- 0.1pts	<ul style="list-style-type: none"> <li>✓ <b>FMS:</b> Sales and profit increased</li> <li>✓ <b>EP:</b> Sales and profit increased</li> <li>✓ <b>PM:</b> Sales and profit decreased</li> </ul>	
Ordinary Income	19.9	20.0	+ 0.0		
Net Income Attributable to Owners of Parent	11.2	11.8	+ 0.6		
Exchange Rate				USD1=JPY111.4    USD1=JPY107.6	
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## 1. Summary of Results – Companywide:

### Markets

- The oil and gas market transitioned at stable investment levels thanks to a recovery in downstream capex, including for petrochemical and petroleum refinery plants.
- Capital expenditures by memory manufacturers in the semiconductor market remained low but we saw trends towards increased investments among certain customers.
- Elongation of the US-China trade friction problem and geopolitical risks have caused concerns of a global economic slowdown as the business environment impacting our business continues to lack certainty.

### Results

Orders: JPY 379.8 billion (YoY –JPY 63.3 billion)

Net Sales: JPY 366.4 billion (YoY –JPY 1.5 billion)

Operating Income: JPY 20.2 billion (YoY –JPY 0.1 billion), Operating Income Ratio: 5.5%

Net Income Attributable to Owners of Parent: JPY 11.8 billion (YoY +JPY 0.6 billion)

Average exchange rate: Yen appreciation against the dollar at 107.6 yen

1. Summary of Results Segment					EBARA	
(in billion yen)		FY18 1-3Q Results	FY19 1-3Q Results	Change		
<b>Total</b>	Orders	443.1	<b>379.8</b>	- 63.3		
	Net Sales	368.0	<b>366.4</b>	- 1.5		
	Operating Income	20.4	<b>20.2</b>	- 0.1		
	OI Ratio	5.6%	<b>5.5%</b>	- 0.1pts		
<b>FMS Business</b>	Orders	244.2	<b>237.2</b>	- 6.9		
	Net Sales	225.0	<b>228.0</b>	+ 3.0		
	Operating Income	3.3	<b>8.3</b>	+ 4.9		
	OI Ratio	1.5%	<b>3.7%</b>	+ 2.2pts		
<b>EP Business</b>	Orders	93.3	<b>52.1</b>	- 41.1		
	Net Sales	43.5	<b>48.4</b>	+ 4.9		
	Operating Income	3.4	<b>5.5</b>	+ 2.0		
	OI Ratio	7.9%	<b>11.4%</b>	+ 3.5pts		
<b>PM Business</b>	Orders	104.3	<b>89.2</b>	- 15.0		
	Net Sales	98.1	<b>88.7</b>	- 9.4		
	Operating Income	13.4	<b>6.2</b>	- 7.1		
	OI Ratio	13.7%	<b>7.1%</b>	- 6.6pts		
<b>Others, Adjustment</b>	Orders	1.2	<b>1.1</b>	- 0.1		
	Net Sales	1.2	<b>1.1</b>	- 0.1		
	Operating Income	0.2	<b>0.1</b>	- 0.0		
	OI Ratio	17.3%	<b>10.4%</b>	- 6.9pts		
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## 1. Summary of Results – Segment:

- Orders decreased year-on-year across all businesses.
- FMS and EP businesses both recorded increased sales and operating income.
- The PM business recorded decreased sales and operating income on a slowdown in capital investments in the semiconductor market.

<div> <div>1. Summary of Results</div> <div>Net Sales by Region</div> </div>					
(in billion yen)	FY18 1-3Q		FY19 1-3Q		Change
	Results	Composition of Net Sales	Results	Composition of Net Sales	
Total	368.0	100.0%	<b>366.4</b>	<b>100.0%</b>	- 1.5
In domestic market (Japan)	164.8	44.8%	<b>170.9</b>	<b>46.7%</b>	+ 6.1
In overseas market	203.1	55.2%	<b>195.4</b>	<b>53.3%</b>	- 7.7
China	54.3	14.8%	<b>54.3</b>	<b>14.8%</b>	+ 0.0
Asia(excl. China)	67.9	18.5%	<b>55.7</b>	<b>15.2%</b>	- 12.2
North America	34.3	9.3%	<b>40.8</b>	<b>11.2%</b>	+ 6.5
Europe	23.1	6.3%	<b>19.2</b>	<b>5.3%</b>	- 3.8
Middle East	12.6	3.4%	<b>16.3</b>	<b>4.5%</b>	+ 3.6
Others	10.7	2.9%	<b>8.8</b>	<b>2.3%</b>	- 1.8

✓ FMS business is strong in North America. In Japan, FMS and EP business are steady.

✓ In Asia excluding China, PM business is sluggish because of the low capex level in the semiconductor industry

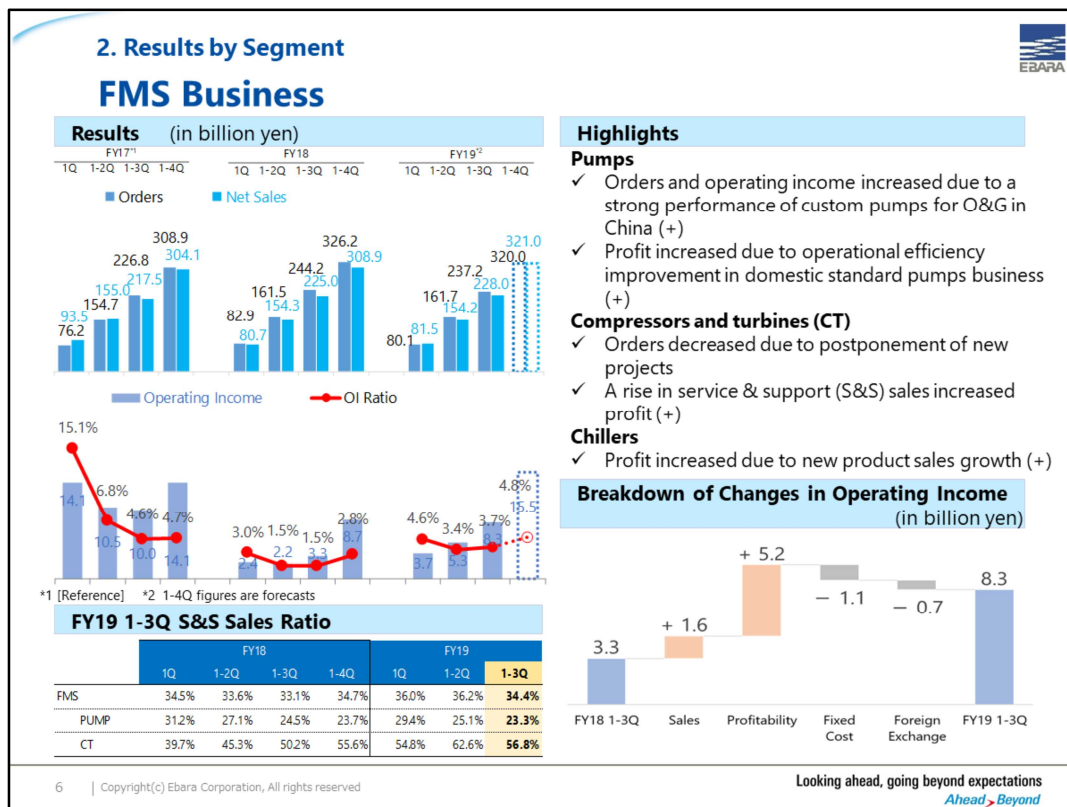
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## 1. Summary of Results – Net Sales by Region:

Overseas sales ratio decreased year on year (55.2%→53.3%)

- North America: Sales increased in the FMS business.
- Asia: The slowdown in capital investments on the semiconductor market continued from the beginning of the year, resulting in decreased sales.
- Japan: FMS and EP businesses increased in sales.



## 2. Results by Segment - FMS:

Orders: JPY 237.2 billion (YoY -JPY 6.9 billion)

Sales: JPY 228.0 billion (YoY +JPY 3.0 billion)

Operating Income: JPY 8.3 billion (YoY +JPY 4.9 billion)

### Pumps business

- In China, custom pumps for the oil and gas market demand was firm.
- Domestic standard pumps business improved income thanks to business optimization.

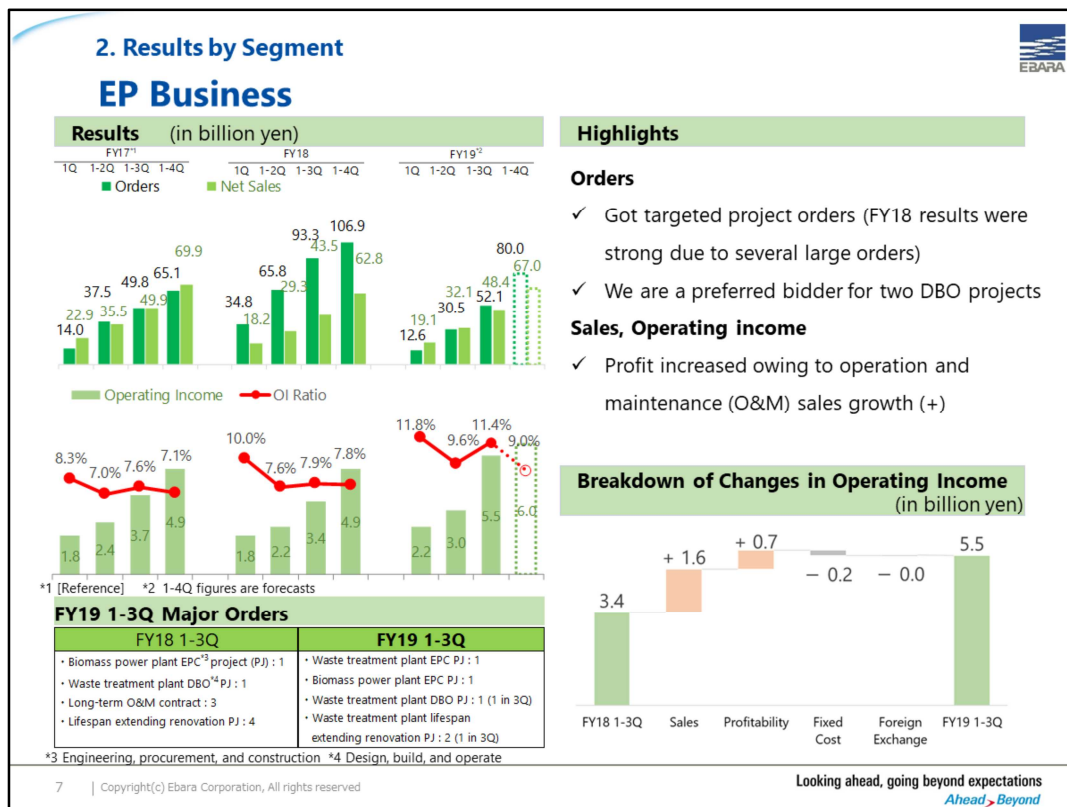
### Compressors & turbines (CT) business

- Capital expenditure in new product markets reached a certain level but orders decreased on postponements in customer investment decisions.
- Owing to delay in construction, product sales decreased.
- Sales of the highly profitable Service & Support (S&S) were favorable, which drove improved profits.

### Chillers business

- Income increased on higher sales of new products for the Japanese and Chinese markets.

In the FMS business, we eliminated temporary expenses recorded across three sub-segments in the previous year.



## 2. Results by Segment – EP:

Orders: JPY 52.1 billion (YoY -JPY 41.1 billion)

Sales: JPY 48.4 billion (YoY +JPY 4.9 billion)

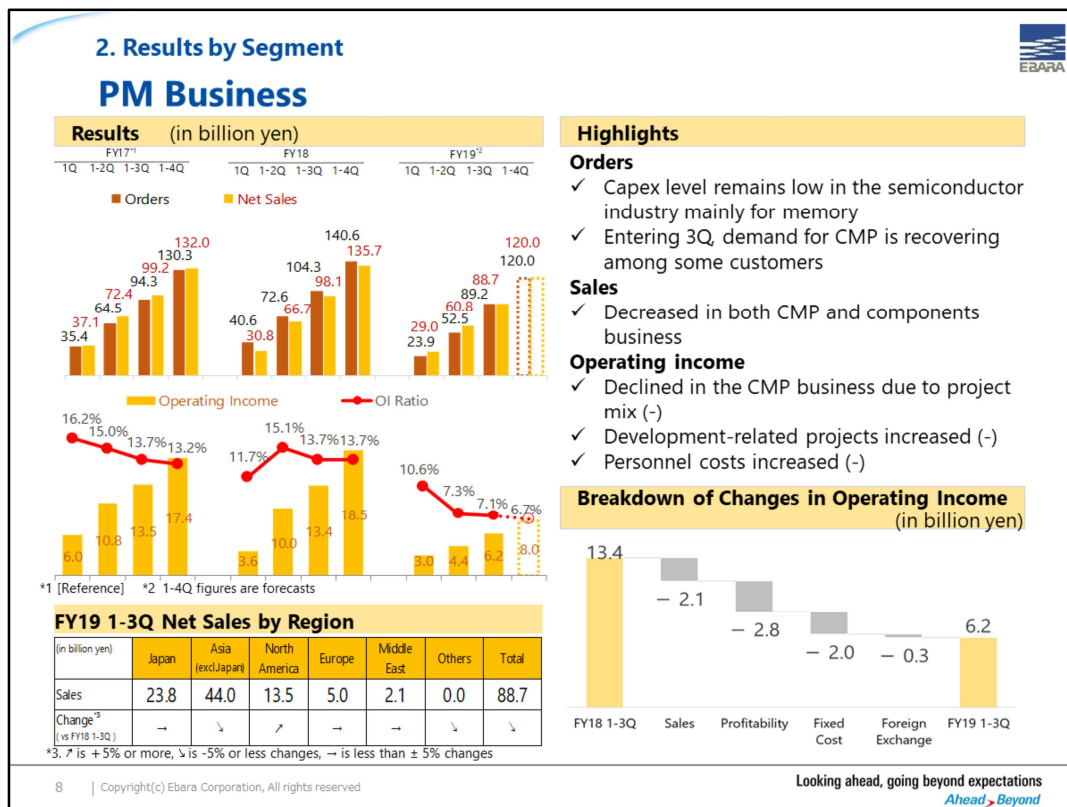
Operating Income: JPY 5.5 billion (YoY +JPY 2.0 billion)

### Orders

- Orders received this year were steady and largely unchanged from previous years.
- 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.
- In 3Q, we received 1 DBO order and 1 life-extension order.

### Sales, Operating Income

- Sales and operating income were higher on increased orders received for O&M projects during the previous fiscal year and the impact of last-minute demand ahead of the consumption tax rate hike.



## 2. Results by Segment – PM:

Orders: JPY 89.2 billion (YoY -JPY 15.0 billion)

Sales: JPY 88.7 billion (YoY -JPY 9.4 billion)

Operating Income: JPY 6.2 billion (YoY -JPY 7.1 billion)

### Orders

- Semiconductor market capital investments remained low and memory demand was particularly low.
- Heading into 3Q, we saw trends towards increased capital investments among certain customers.

### Sales, Operating Income

- In addition to decreased revenues, the CMP business saw a decline in profitability related to its project mix.
- Development projects increased.
- Fixed expenses increased due to increased hiring for overseas S&S bases.



### 3. Forecast

## Companywide



(in billion yen)	FY18 1-4Q Results	FY19 1-4Q Plan		Change	
	a	b	c	c-a	c-b
Announced date(m/d/y)		Aug/9/19	Nov/13/19		
Orders	575.5	512.0	<b>522.0</b>	-53.5	+10.0
Net Sales	509.1	500.0	<b>510.0</b>	+0.8	+10.0
Operating Income	32.4	28.0	<b>29.5</b>	-2.9	+1.5
OI Ratio	6.4%	5.6%	<b>5.8%</b>	- 0.6pts	+ 0.2pts
Ordinary Income	31.2	27.0	<b>28.5</b>	-2.7	+1.5
Net Income Attributable to Owners of Parent	18.2	16.0	<b>17.0</b>	-1.2	+1.0
ROIC	4.9%	4.5%	<b>4.8%</b>	- 0.1pts	+ 0.3pts
ROE	6.6%	5.8%	<b>6.1%</b>	- 0.5pts	+ 0.3pts

### 3. Forecast – Companywide:

In addition to cumulative 3Q earnings, in light of the current market environment, we conducted an upward revision for the full-year earnings projections announced in August.

#### Full-year earnings projections

Orders: JPY 522.0 billion (increase of JPY 10.0 billion from August targets)

Net sales: JPY 510.0 billion (increase of JPY 10.0 billion from August targets)

Operating income: JPY 29.5 billion (increase of JPY 1.5 billion from August targets)

Assumed exchange rate: JPY 105/US \$1 (no change from August targets)

JPY 120/1 Euro (no change from August targets)

### 3. Forecast Segment



(in billion yen)		FY18 1-4Q Results	FY19 1-4Q Plan		Change	
		a	b	c	c-a	c-b
Announced date(m/d/y)			Aug/9/19	Nov/13/19		
<b>Total</b>	Orders	575.5	512.0	<b>522.0</b>	- 53.5	+ 10.0
	Net Sales	509.1	500.0	<b>510.0</b>	+ 0.8	+ 10.0
	Operating Income	32.4	28.0	<b>29.5</b>	- 2.9	+ 1.5
	OI Ratio	6.4%	5.6%	<b>5.8%</b>	- 0.6pts	+ 0.2pts
<b>FMS Business</b>	Orders	326.2	320.0	<b>320.0</b>	- 6.2	-
	Net Sales	308.9	321.0	<b>321.0</b>	+ 12.0	-
	Operating Income	8.7	15.5	<b>15.5</b>	+ 6.7	-
	OI Ratio	2.8%	4.8%	<b>4.8%</b>	+ 2.0pts	-
<b>EP Business</b>	Orders	106.9	80.0	<b>80.0</b>	- 26.9	-
	Net Sales	62.8	67.0	<b>67.0</b>	+ 4.1	-
	Operating Income	4.9	5.5	<b>6.0</b>	+ 1.0	+ 0.5
	OI Ratio	7.8%	8.2%	<b>9.0%</b>	+ 1.2pts	+ 0.8pts
<b>PM Business</b>	Orders	140.6	110.0	<b>120.0</b>	- 20.6	+ 10.0
	Net Sales	135.7	110.0	<b>120.0</b>	- 15.7	+ 10.0
	Operating Income	18.5	7.0	<b>8.0</b>	- 10.5	+ 1.0
	OI Ratio	13.7%	6.4%	<b>6.7%</b>	- 7.0pts	+ 0.3pts
<b>Others, Adjustment</b>	Orders	1.6	2.0	<b>2.0</b>	+ 0.3	-
	Net Sales	1.6	2.0	<b>2.0</b>	+ 0.3	-
	Operating Income	0.2	0.0	<b>0.0</b>	- 0.2	-
	OI Ratio	15.8%	0.0%	<b>0.0%</b>	- 15.8pts	-

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### 3. Forecast – Segment:

#### FMS Business

Orders: JPY 320.0 billion (no change from August targets)

Sales: JPY 321.0 billion (no change from August targets)

Operating Income: JPY 15.5 billion (no change from August targets)

#### EP Business

Orders: JPY 80.0 billion (no change from August targets)

Sales: JPY 67.0 billion (no change from August targets)

Operating Income: JPY 6.0 billion (increase of JPY 0.5 billion from August targets)

➤ Improved profitability thanks to cost reduction efforts

#### PM Business

Orders: JPY 120.0 billion (increase of JPY 10.0 billion from August targets)

Sales: JPY 120.0 billion (increase of JPY 10.0 billion from August targets)

Operating Income: JPY 8.0 billion (increase of JPY 1.0 billion from August targets)

➤ Reflects impact of trend towards increasing capital expenditures among certain customers

#### 4. Appendix: Summary by Segment



### Orders

(in billion yen)	1-3Q			1-4Q				
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan		Change	
	a	b	b-a	c	d	e	e-c	e-d
Announced date(m/d/y)					Aug/9/19	Nov/13/19		
<b>Total</b>	443.1	<b>379.8</b>	- 63.3	575.5	512.0	<b>522.0</b>	- 53.5	+ 10.0
<b>FMS Business</b>	244.2	<b>237.2</b>	- 6.9	326.2	320.0	<b>320.0</b>	- 6.2	-
Pumps	126.1	<b>128.6</b>	+ 2.4	171.0	175.0	<b>175.0</b>	+ 3.9	-
CT	77.7	<b>67.5</b>	- 10.1	102.7	100.0	<b>100.0</b>	- 2.7	-
Chillers	29.3	<b>30.1</b>	+ 0.7	37.5	33.0	<b>33.0</b>	- 4.5	-
Others	11.0	<b>10.9</b>	- 0.1	14.9	12.0	<b>12.0</b>	- 2.9	-
<b>EP Business</b>	93.3	<b>52.1</b>	- 41.1	106.9	80.0	<b>80.0</b>	- 26.9	-
<b>PM Business</b>	104.3	<b>89.2</b>	- 15.0	140.6	110.0	<b>120.0</b>	- 20.6	+ 10.0
Components	45.8	<b>39.4</b>	- 6.4	62.8	50.0	<b>55.0</b>	- 7.8	+ 5.0
CMP Systems	54.3	<b>45.5</b>	- 8.7	72.0	55.0	<b>60.0</b>	- 12.0	+ 5.0
Others	4.1	<b>4.2</b>	+ 0.0	5.7	5.0	<b>5.0</b>	- 0.7	-
<b>Others</b>	1.2	<b>1.1</b>	- 0.1	1.6	2.0	<b>2.0</b>	+ 0.3	-

#### 4. Appendix: Summary by Segment



### Net Sales

(in billion yen)	1-3Q			1-4Q				
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan	Change		
	a	b	b-a	c	d	e	e-c	e-d
Announced date(m/d/y)					Aug/9/19	Nov/13/19		
<b>Total</b>	368.0	<b>366.4</b>	- 1.5	509.1	500.0	<b>510.0</b>	+ 0.8	+ 10.0
<b>FMS Business</b>	225.0	<b>228.0</b>	+ 3.0	308.9	321.0	<b>321.0</b>	+ 12.0	-
Pumps	128.5	<b>126.7</b>	- 1.8	172.0	176.0	<b>176.0</b>	+ 3.9	-
CT	62.8	<b>64.0</b>	+ 1.1	87.6	100.0	<b>100.0</b>	+ 12.3	-
Chillers	24.0	<b>26.6</b>	+ 2.6	35.8	33.0	<b>33.0</b>	- 2.8	-
Others	9.5	<b>10.6</b>	+ 1.0	13.4	12.0	<b>12.0</b>	- 1.4	-
<b>EP Business</b>	43.5	<b>48.4</b>	+ 4.9	62.8	67.0	<b>67.0</b>	+ 4.1	-
<b>PM Business</b>	98.1	<b>88.7</b>	- 9.4	135.7	110.0	<b>120.0</b>	- 15.7	+ 10.0
Components	44.7	<b>43.3</b>	- 1.3	59.3	50.0	<b>55.0</b>	- 4.3	+ 5.0
CMP Systems	48.6	<b>39.9</b>	- 8.6	69.8	55.0	<b>60.0</b>	- 9.8	+ 5.0
Others	4.7	<b>5.3</b>	+ 0.6	6.5	5.0	<b>5.0</b>	- 1.5	-
<b>Others</b>	1.2	<b>1.1</b>	- 0.1	1.6	2.0	<b>2.0</b>	+ 0.3	-

#### 4. Appendix: Summary by Segment



### Operating Income

(in billion yen)	1-3Q			1-4Q				
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan	Change		
	a	b	b-a	c	d	e	e-c	e-d
	Announced date(m/d/y)				Aug/9/19	Nov/13/19		
Total	20.4	20.2	- 0.1	32.4	28.0	29.5	- 2.9	+ 1.5
FMS Business	3.3	8.3	+ 4.9	8.7	15.5	15.5	+ 6.7	-
Pumps	5.4	7.3	+ 1.9	5.9	10.0	10.0	+ 4.0	-
CT	- 2.8	0.9	+ 3.7	1.9	3.0	3.0	+ 1.0	-
Chillers	- 0.0	0.8	+ 0.8	0.4	2.0	2.0	+ 1.5	-
Others	0.7	- 0.8	- 1.5	0.4	0.5	0.5	+ 0.0	-
EP Business	3.4	5.5	+ 2.0	4.9	5.5	6.0	+ 1.0	+ 0.5
PM Business	13.4	6.2	- 7.1	18.5	7.0	8.0	- 10.5	+ 1.0
Others, Adjustment	0.2	0.1	- 0.0	0.2	-	-	- 0.2	

#### 4. Appendix: Summary by Segment



### Backlog of Orders

(in billion yen)	3Q			4Q		
	FY18 Results	FY19 Results	Change	FY18 Results	FY19 Plan	Change
	a	b	b-a	c	d	d-c
Announced date(m/d/y)					Nov/13/19	
<b>Total</b>	469.8	<b>468.3</b>	- 1.4	459.0	<b>471.0</b>	+ 12.0
<b>FMS Business</b>	212.8	<b>215.2</b>	+ 2.4	209.3	<b>208.3</b>	- 1.0
<b>Pumps</b>	99.0	<b>97.6</b>	- 1.4	100.1	<b>99.1</b>	- 1.0
<b>CT</b>	85.1	<b>89.3</b>	+ 4.1	84.3	<b>84.3</b>	-
<b>Chillers</b>	20.4	<b>19.6</b>	- 0.8	16.7	<b>16.7</b>	-
<b>Others</b>	8.1	<b>8.6</b>	+ 0.5	8.1	<b>8.1</b>	-
<b>EP Business</b>	219.9	<b>217.6</b>	- 2.3	214.3	<b>227.3</b>	+ 13.0
<b>PM Business</b>	37.0	<b>35.4</b>	- 1.5	35.3	<b>35.3</b>	-
<b>Others</b>	0.0	<b>0.0</b>	- 0.0	0.0	<b>0.0</b>	-

#### 4. Appendix: Summary by Segment



### Net Sales by Region

(in billion yen)	FY19 1-3Q Results				
	FMS Business	EP Business	PM Business	Others	Total
Total	228.0	48.4	88.7	1.1	366.4
Japan	100.4	46.4	23.8	0.1	170.9
Asia (excl. Japan)	63.3	2.0	44.0	0.6	110.1
North America	27.0	-	13.5	0.2	40.8
Europe	14.1	-	5.0	0.0	19.2
Middle East	14.1	-	2.1	0.0	16.3
Others	8.8	-	0.0	0.0	8.8

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