



Ebara Corporation

Financial Results Briefing for the Fiscal Year Ended December 2022 and New Medium-Term
Management Plan Briefing

February 14, 2023

Event Summary

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[Time]	17:00 – 19:13	
[Venue]	Webcast	
[Number of Speakers]	9	
	Masao Asami	Director, President, Representative Executive Officer, CEO, and COO
	Shu Nagata	Executive Officer, President of Building Service and Industrial Company
	Hideki Yamada	Executive Officer, President of Environmental Solutions Company, President and Representative Director of Ebara Environmental Plant Co., Ltd., and Director of Swing Corporation
	Teruyuki Ota	Executive Officer, President of Infrastructure Company
	Takanobu Miyaki	Executive Officer, President of Energy Company, CEO of Elliott Company, Chairman of EBARA GREATPUMPS CO., LTD., and Chairman and CEO of Elliott Group Holdings, Inc.
	Atsuo Ohi	Executive Officer, Environmental Solutions Company, and Chairman and Representative Director of EBARA Environmental Plant Co., Ltd.
	Tetsuji Togawa	Executive Officer, President of Precision

Shugo Hosoda	Machinery Company Executive Officer, Division Executive of Corporate Strategic Planning, Finance and Accounting Division, and CFO
Akihiro Osaki	Division Executive of Corporate Strategic Planning Division



Results Presentation for FY2022 Ended December 31, 2022

EBARA (6361)

February 14, 2023

Looking ahead,
going beyond expectations
Ahead Beyond

EBARA CORPORATION

Osaki: Thank you very much for your patience. Thank you for attending the financial results briefing of Ebara Corporation for the fiscal year ended December 31, 2022. We will now begin the meeting.

The documents related to the financial results were disclosed at 15:00 today on the TSE platform and our website. Please refer to those materials.

I would like to introduce the Company representatives.

Masao Asami, Director, President, Representative Executive Officer.

Asami: I am Asami. Thank you.

Osaki: Shu Nagata, former President of the Fluid Machinery and Systems Company, and President of the Building Service and Industrial Company from this term.

Nagata: I am Nagata. Thank you.

Osaki: Takanobu Miyaki, President of the Energy Company from this term.

Miyaki: I am Miyaki. Thank you.

Osaki: Teruyuki Ota, President of the Infrastructure Company from this term.

Ota: I am Ota. Thank you.

Osaki: Atsuo Ohi, President of former Environmental Engineering Company.

Ohi: I am Ohi. Thank you.

Osaki: Hideki Yamada, President of the Environment Solutions Company from this term.

Yamada: I am Yamada. Thank you.

Osaki: Tetsuji Togawa, President of Precision Machinery Company.

Togawa: I am Togawa. Thank you.

Osaki: Shugo Hosoda, Division Executive, Corporate Strategic Planning, Finance and Accounting Division, and Executive Officer in charge of investor relations.

Hosoda: I am Hosoda. Thank you.

Osaki: I am Osaki from Corporate Strategic Planning Division, and will serve as moderator today. Thank you.

Today, Hosoda, Division Executive of Finance and Accounting, will first give an overview of our financial results, and then Asami, our president, will explain the outlook for the current fiscal year and the new medium-term management plan. The business-specific strategies of the new medium-term management plan will be explained by the presidents of each company. Afterwards, we will take your questions. The end time is scheduled to be 7:00 PM.

You can also listen to the content of today's meeting on demand via Zoom. Details will be emailed to you after the meeting.

Hosoda will now begin the explanation.

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*1. Fluid Machinery & Systems Business / *2. Environmental Plants Business / *3. Precision Machinery Business

■ Abbreviations : FY: fiscal year (FY22: fiscal year ending December 31, 2022)/1Q: 1Q figures/1-2Q, 1-3Q, 1-4Q: cumulative total from 1Q to each quarter
■ Figures in this document are based on IFRS

FY22 Results

		YoY*	Change Vs. Plan*
Orders	¥815.2 B.	¥43.7 B. +5.7% ↗	¥31.7 B. +4.0% →
Revenue	¥680.8 B.	¥77.6 B. +12.9% ↗	¥10.8 B. +1.6% →
Operating Profit	¥70.5 B.	¥9.1 B. +15.0% ↗	¥3.0 B. +4.6% →
OP Ratio	10.4%	+0.2pts	+0.3pts

* ↗ +5% change or more ↘ -5% change or more → less than ± 5% change

FY23 Forecast

		YoY*
Orders	¥788.0 B.	¥-27.2 B. -3.3% →
Revenue	¥753.0 B.	¥72.1 B. +10.6% ↗
Operating Profit	¥71.0 B.	¥0.4 B. +0.6% →
OP Ratio	9.4%	-1.0pts

Topics

FY22 Results

- Record high orders, revenue, and OP in Full-year consolidated result

FY23 Forecast

- Although OP margin is expected to decline slightly, both revenue and OP are expected to increase due to the implementation of new measures and organizational change as set forth in the new Medium-term Management plan, and strategic investments for sustainable growth
- Despite a slowdown in capital investment by customers due to the decline in memory prices, PM expects an increase in revenue and OP due to an accumulated backlog of orders at the end of FY22

Other

- Plan Full-year dividend per share increase to ¥193 in FY22 (previous plan ¥170) and ¥195 in FY23
- Released New medium term management plan "E-Plan2025" and new business segmentation from FY23

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Hosoda: I am Hosoda, Executive Officer in charge of IR.

Let me begin by explaining some key points in the financial results.

First, the consolidated financial results for the full year, including orders, revenue, operating profit, and operating profit margin, were all positive compared to the previous year. All these figures are record highs in terms of historical data.

While we were affected by various negative factors, such as a cooling market due to the zero-COVID-19 policy in China and soaring raw material prices, the strong performance of the fluid machinery and systems business and the precision machinery businesses drove our performance, and the impact of exchange rates and the weak yen contributed considerably to offset the negative effects of these factors.

With regard to the full-year forecast and the forecast for FY2023, we plan to make strategic investments in infrastructure, organizational reforms, and growth in each of the markets we serve through the new segment organization introduced this fiscal year. Although the operating profit margin will be slightly lower in FY2023 than in the previous year, in terms of absolute figures, we believe that the plan is for an increase in both revenue and profit.

We are also affected by trends in the semiconductor equipment market, particularly in the precision machinery segment, and as a result, we expect a decrease in orders in the precision machinery segment this fiscal year compared to the previous fiscal year.

On the other hand, we expect an increase in both revenue and profit by steadily digesting the order backlog accumulated from the previous fiscal year.

In terms of returning profits to shareholders, we plan to revise the annual dividend per share for FY2022 and last fiscal year from the previous forecast of JPY170 per share to JPY193 per share per year as an upward revision.

For FY2023, we plan to pay an annual dividend of JPY195 per share, an increase over the previous year.

Concurrently with the closing of accounts, we also announced a new medium-term management plan, E-Plan 2025. I will explain the details of this later today after the closing part.



1. FY22 1-4Q Summary of Results

2. FY22 1-4Q Results by Segment

3. FY23 Forecast

4. Shareholder Returns

5. Appendix

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Now let me move on to the explanation of our financial results.

1. FY22 1-4Q Summary of Results

Consolidated



(in billion yen) Announced date(m/d/y)	FY21 1-4Q a	FY22 1-4Q b	Change b-a	Change %	FY22 Plan 22/11/14 c	Change b-c	Change %
Orders	771.4	815.2	+43.7	+5.7%	783.5	+31.7	+4.0%
Revenue	603.2	680.8	+77.6	+12.9%	670.0	+10.8	+1.6%
Operating Profit	61.3	70.5	+9.1	+15.0%	67.5	+3.0	+4.6%
OP Ratio	10.2%	10.4%	+0.2pts		10.1%	+0.3pts	
Profit Attributable to Owners of Parent	43.6	50.4	+6.8	+15.8%	46.5	+3.9	+8.6%
ROIC*	10.7%	11.2%	+0.5pts		10.1%	+1.1pts	
ROE	14.5%	15.0%	+0.5pts				
Exchange Rate							
Vs. USD (JPY)	109.86	131.37	+21.51		125.00	+6.37	
Vs. EUR (JPY)	129.91	137.97	+8.06		135.00	+2.97	
Vs. CNY (JPY)	17.04	19.50	+2.46		19.00	+0.50	

*ROIC: Profit attributable to owners of parent ÷ [Interest-bearing debt (average between beginning and end of period) + Equity attributable to owners of parent (average between beginning and end of period)]

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Please refer to page five. This is the full-year results.

As you can see, orders received increased JPY43.7 billion from the previous year to JPY815.2 billion, revenue increased JPY77.6 billion from the previous year to JPY680.8 billion, operating profit increased JPY9.1 billion

to JPY70.5 billion, and the operating profit ratio was 10.4%. Profit attributable to owners of parent was JPY50.4 billion, an increase of JPY6.8 billion from the last year.

The results for all items in the C column on the right side of the slide compared with the most recently announced plan, and they all exceeded the plan.

1. FY22 1-4Q Summary of Results

Segment



(in billion yen)		FY21 1-4Q	FY22 1-4Q	Change	Change %	FY22 Plan	Change	Change %
Announced date(m/d/y)		a	b	b-a		Nov/14/22	b-c	
Total	Orders	771.4	815.2	+43.7	+5.7%	783.5	+31.7	+4.0%
	Revenue	603.2	680.8	+77.6	+12.9%	670.0	+10.8	+1.6%
	Operating Profit	61.3	70.5	+9.1	+15.0%	67.5	+3.0	+4.6%
	OP Ratio	10.2%	10.4%	+0.2pts		10.1%	+0.3pts	
FMS Business	Orders	354.8	406.4	+51.6	+14.6%	382.0	+24.4	+6.4%
	Revenue	336.9	383.3	+46.4	+13.8%	371.0	+12.3	+3.3%
	Operating Profit	24.7	32.0	+7.2	+29.2%	30.0	+2.0	+6.8%
	OP Ratio	7.4%	8.4%	+1.0pts		8.1%	+0.3pts	
EP Business	Orders	129.4	105.8	-23.6	-18.3%	90.0	+15.8	+17.6%
	Revenue	71.8	73.7	+1.9	+2.7%	71.5	+2.2	+3.1%
	Operating Profit	5.6	3.6	-1.9	-34.9%	3.5	+0.1	+4.8%
	OP Ratio	7.8%	5.0%	-2.8pts		4.9%	+0.1pts	
PM Business	Orders	285.4	301.5	+16.1	+5.7%	310.0	-8.4	-2.7%
	Revenue	192.7	222.2	+29.4	+15.3%	226.0	-3.7	-1.7%
	Operating Profit	28.0	36.1	+8.1	+29.1%	35.0	+1.1	+3.4%
	OP Ratio	14.5%	16.3%	+1.8pts		15.5%	+0.8pts	
Others, Adjustment	Orders	1.7	1.3	-0.4	-22.9%	1.5	-0.1	-8.7%
	Revenue	1.6	1.4	-0.1	-8.6%	1.5	-0.0	-1.4%
	Operating Profit	2.9	-1.3	-4.2	-	-1.0	-0.3	-
	OP Ratio	180.1%	-89.2%	-269.3pts		-66.7%	-22.5pts	

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Please refer to page six. This is a summary by segment.

First, in the fluid machinery and systems business, orders, revenue, and operating profit all exceeded the previous year's results and the most recent deviated plan.

The growth in our overseas markets, excluding China and Asia, mainly in Europe, the Americas, the Middle East, and other regions, was due to strong demand growth in those regions, price revisions and price increases for our products, and an increase in service and support revenue.

In the environmental plant business, orders received decreased from the previous year, partly due to the high level of orders received in the previous fiscal year.

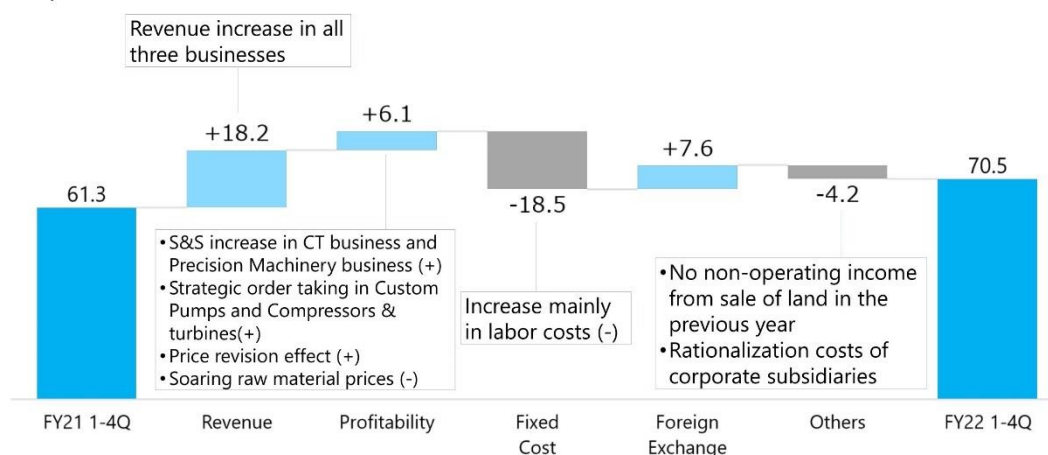
However, the absolute number of orders received in FY2022 was on par with that of previous years, partly due to the receipt of several large orders for waste treatment facilities. The latest planned figures are slightly higher than the latest figures due to additional orders for EPC and long-term comprehensive projects.

Revenue in the environmental plant business exceeded the previous year's level, but operating profit fell below the previous year's level due to the recording of one-time expenses and other factors.

In the precision machinery businesses, orders, revenue, and operating profit all exceeded those of the same period of the previous year due to the continued strong demand for semiconductors.

Breakdown of Changes in Operating Profit

OP increase due to higher revenue and improved profitability more than offsetting higher fixed costs, as well as contribution of yen's depreciation



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Please refer to page seven. The following is an analysis of the change in consolidated operating profit from the previous year, 2021, to 2022.

Operating profit increased by JPY9.1 billion in 2022 compared to 2021.

As for the factors related to revenue and revenue in this increase, revenue increased along with the three business segments, which contributed JPY18.2 billion to the positive effect.

On the other hand, profitability improved by JPY6.1 billion due to improved profitability in the fluid machinery and systems business and the precision machinery businesses, etc.

On the other hand, fixed costs are increasing, and the increase in personnel expenses as a fixed cost factor is a negative factor of JPY18.5 billion, which is a negative factor for operating profit.

The rest was influenced by the depreciation of yen against the US dollar and other currencies, resulting in a positive contribution of JPY7.6 billion.

Other negative factors amounted to JPY4.2 billion, resulting in a final operating profit of JPY70.5 billion for the period.

Response to Changes in Business Environment

- Minimize the impact on business performance by responding to risks caused by changes in the business environment
- Impact on full-year OP improved due to the success of price revisions and other measures compared to the forecast

Risks	Businesses	Measures	Impact on operating profit (Vs. previous fiscal year)	
			Full year Forecast Nov/14/22	Full year Actual
Raw material price hikes	All	Sales <ul style="list-style-type: none"> ■ Price revision ■ Reflection on estimates 	¥ -5.0 B. ~ ¥ -6.0 B.	¥ -2.6 B.
Difficulty in procurement of parts and materials	Pumps, CT, PM	Procurement <ul style="list-style-type: none"> ■ Bulk purchasing ■ Global procurement enhancement ■ Increase in procurement personnel ■ Design change 		
COVID-19 lockdown in China	Pumps, Chillers, PM	<ul style="list-style-type: none"> ■ Recovery through increased production 		¥ -1.5 B.
Foreign exchange	All	<ul style="list-style-type: none"> ■ Assumed exchange rate USD: 125JPY, EUR: 135JPY, CNY: 19JPY ■ Average Exchange rate (Actual) USD: 131.37JPY, EUR: 137.97JPY, CNY: 19.5JPY 	¥ +6.0 B.	¥ +7.6 B.

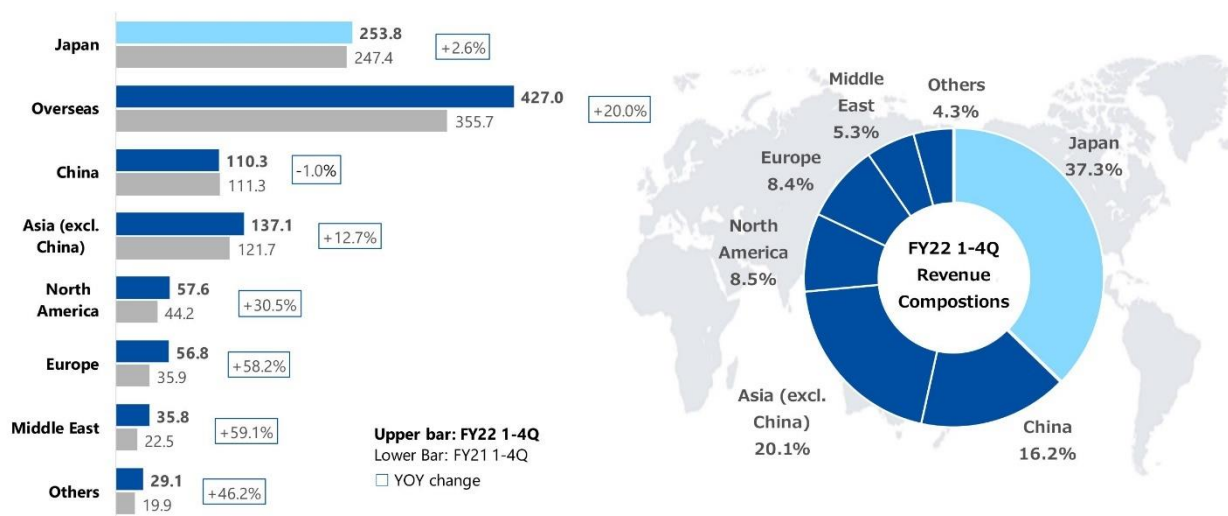
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Please refer to page eight. This slide shows the risks that were incorporated in the business forecast announced last November in response to changes in the business environment in FY2022, as well as the impact on operating profit.

Although the effects of soaring raw material prices and difficulties in procurement of parts and materials are still continuing, the negative impact has been controlled to a lesser extent than expected due to the effect of the revision of selling prices of our products and procurement efforts, while the yen has weakened more than expected in terms of exchange rates, resulting in a positive impact on operating profit.

As a result, operating profit is expected to exceed the latest forecast.

Revenue by Region



"Revenue by Region" indicates revenue on the basis of the geographical location where the goods are sold.

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Please refer to page nine. This is the composition of revenue by region. The bar graph shows the comparison between 2021 and 2022.

At the top of the list, the level in Japan is almost unchanged. Overseas revenue grew in all regions except China.

In the China region, the market remained sluggish amid a change in direction from a zero-COVID-19 to a with-COVID-19 policy, and within this context, business conditions varied from business to business, depending on each of our businesses.

In the Asian region outside of China, revenue grew mainly in the Precision Machinery businesses.

Other overseas regions such as North America, Europe, the Middle East, and Latin America are experiencing growth, particularly in the fluid machinery and systems business.

Revenue by region by segment are also shown on page 25, so please refer to that as well.

1. FY22 1-4Q Summary of Results

2. FY22 1-4Q Results by Segment

3. FY23 Forecast

4. Shareholder Returns

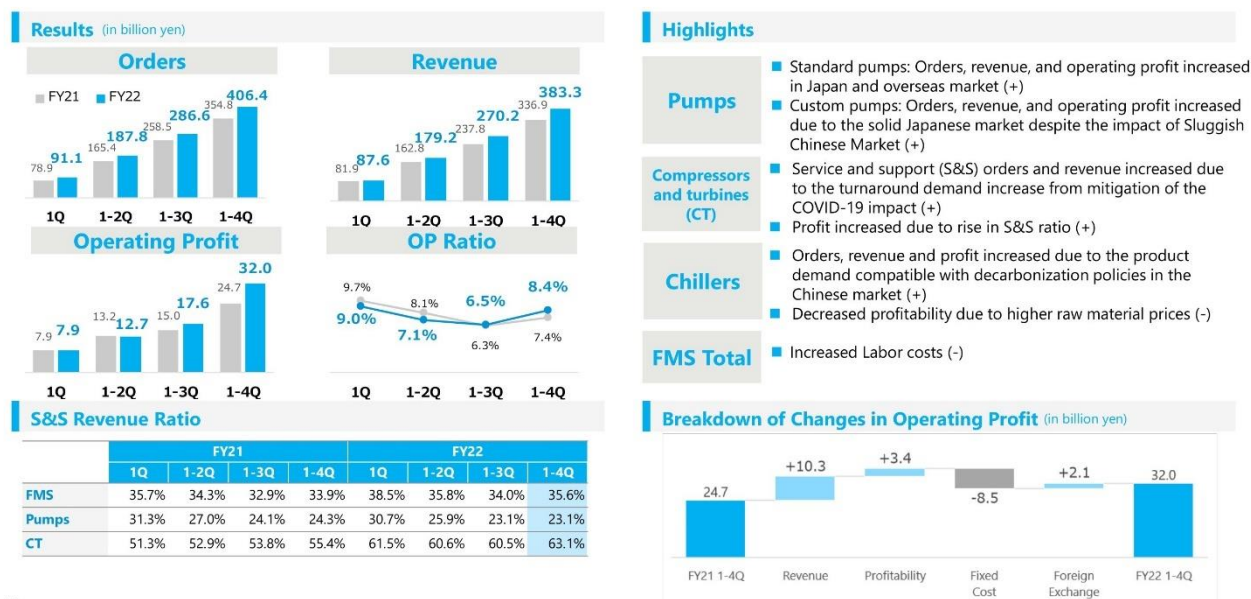
5. Appendix

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I will continue with the explanation by segment.

2. FY22 1-4Q Results by Segment

FMS Business



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On page 11, we start with the fluid machinery and systems business.

Orders received increased JPY51.6 billion from the previous year to JPY406.4 billion, revenue increased JPY46.4 billion from the previous year to JPY383.3 billion, and operating profit increased JPY7.2 billion from the previous year to JPY32 billion.

By sub-segment of the fluid machinery and systems business, the pumps business results in higher revenue and profits compared to the previous year. In the pump business, the standard pump field was relatively strong, with orders, revenue, and operating profit exceeding the previous year's levels both overseas and in Japan, due in part to the positive effects of price revisions and the weak yen.

In terms of top-line growth, in addition to organic growth mainly overseas, inorganic growth from the contribution of companies incorporated into the consolidated group through M&A in 2021 and 2022 will also contribute to top-line growth.

On the other hand, the custom pump business in the sub-segment of pump business, which is largely focused on China, have been affected by the weak Chinese market, resulting in sluggish sales, especially to the oil and gas market.

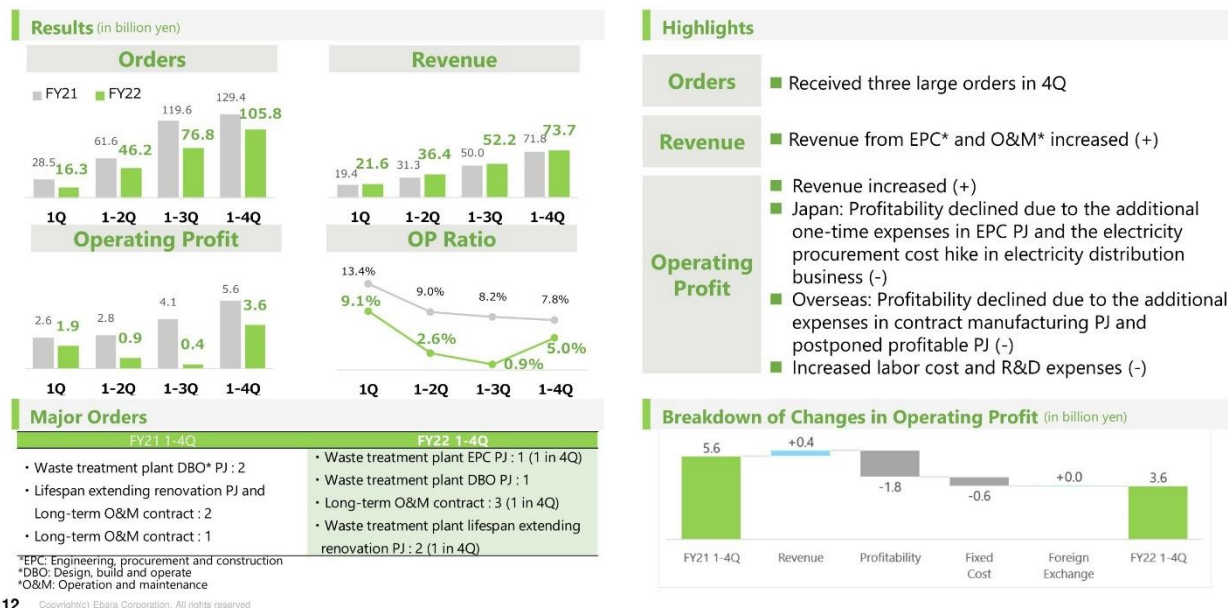
This is the pumps business.

Next is the compressor and turbine business. In the compressor and turbine business, customers continued to be very cautious in their investment decisions during the year amid a climate of uncertainty in the new product market due to inflation and the prolonged situation in the Ukraine.

On the other hand, in terms of service and support, the compressor and turbine business as a whole saw YoY increases in both revenue and profits due to an increase in demand from customers for maintenance and repair work, which resulted in relatively short lead times and a large number of relatively profitable sales.

In the chillers business, revenue increased due to relatively strong demand in the Chinese market. However, profits have landed at almost the same level as a result. Other increases in fixed costs in the fluid machinery and systems business in general, [were] due to higher personnel costs and increased business activity expenses resulting from increased business volumes.

As for profit and loss by sub-segment, please refer to the figures on page 21 and later of this document.



Next is the environmental plant business.

Orders received decreased by JPY23.6 billion from the previous period to JPY105.8 billion. Revenue increased JPY1.9 billion from the previous year to JPY73.7 billion, while operating profit decreased JPY1.9 billion from the previous year to JPY3.6 billion.

Orders received are shown in the major orders received section on the lower left of the slide, and we also received three orders in Q4 from October to December, for a total of seven orders for the full year.

As a result, the number of orders received increased compared to the previous year, but due to the difference in the size of each order, the number of orders received decreased during the year.

Revenue increased YoY due to progress in EPC construction projects.

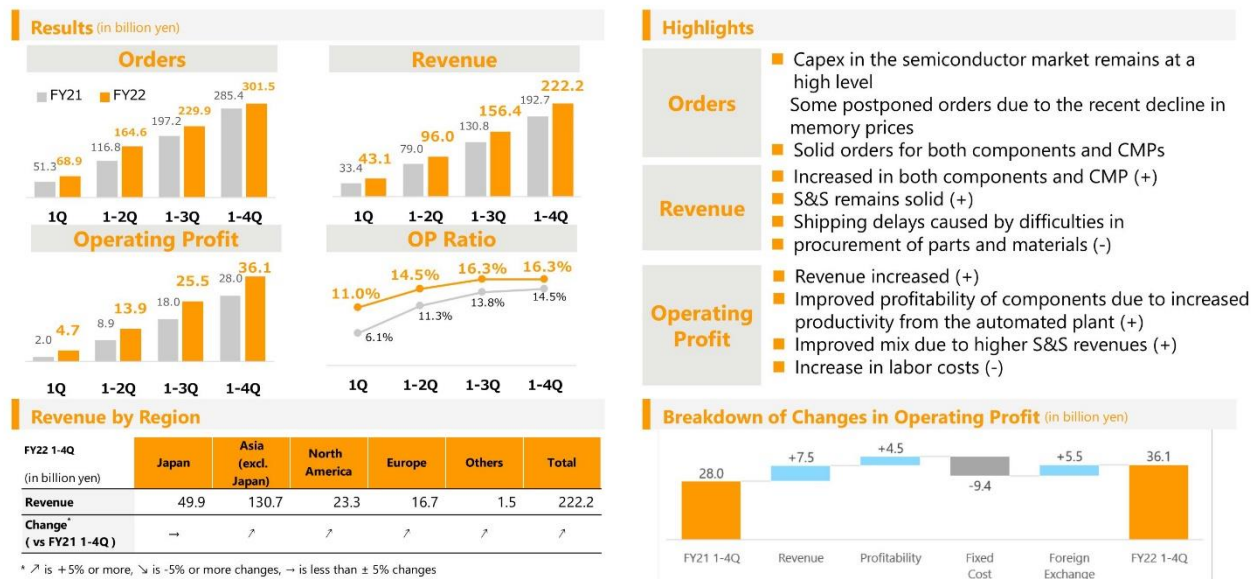
The decline in operating profit was due to a one-time additional cost incurred for EPC projects in Japan and an increase in market procurement costs in the power distribution business, which is based on power generation at waste treatment facilities.

Overseas, on the other hand, profitability declined due to additional costs incurred in the contract manufacturing of equipment at a Chinese subsidiary and the carry-over of revenue of overseas projects.

The domestic EPC projects that incurred additional costs have already been completed after the problems were resolved, and we are also working to revise contracts to shift procurement costs in the electricity distribution business to the sales price, and are taking thorough preventive measures to ensure that these additional costs were a one-time occurrence and will not recur in subsequent fiscal years.

2. FY22 1-4Q Results by Segment

PM Business



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Please refer to page 13. The precision machinery business.

Orders received increased JPY16.1 billion from the previous period to JPY301.5 billion. Revenue increased JPY29.4 billion to JPY222.2 billion and operating profit increased JPY8.1 billion to JPY36.1 billion.

These orders, revenue, and operating profit have reached record highs for this business segment and the precision machinery businesses segment.

Although some customers are reviewing their capital investment plans or adjusting their factory operations in response to the recent decline in memory prices and other factors, we believe that the last fiscal year was a year in which customers' capital investment remained at a high level throughout the year.

Although there are still some effects of delayed shipments of our products caused by material shortages, orders, and revenue for both components and CMPs were strong and exceeded the previous year's levels.

Operating profit is largely attributable to the increase in revenue.

On the other hand, from the profitability point of view, productivity improvement through the automated dry vacuum pump factory and increased service and support also contributed to the improvement in profitability. The increase in fixed costs was mainly due to higher personnel expenses resulting from business expansion.

This is the end of the explanation of the full-year results.

1. FY22 1-4Q Summary of Results

2. FY22 1-4Q Results by Segment

3. FY23 Forecast

4. Shareholder Returns

5. Appendix

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Asami: Now, I would like to explain our business forecast for 2023.

3. FY23 Forecast

Consolidated

(in billion yen) Announced date(m/d/y)	1-2Q				1-4Q			
	FY22 Results	FY23 Plan Feb/14/23	Change	Change %	FY22 Results	FY23 Plan Feb/14/23	Change	Change %
	a	b	b-a		c	d	d-c	
Orders	399.4	405.5	+6.0	+1.5%	815.2	788.0	-27.2	-3.3%
Revenue	312.4	383.5	+71.0	+22.8%	680.8	753.0	+72.1	+10.6%
Operating Profit	27.1	37.2	+10.0	+36.8%	70.5	71.0	+0.4	+0.6%
OP Ratio	8.7%	9.7%	+1.0pts	-	10.4%	9.4%	-1.0pts	-
Profit Attributable to Owners of Parent	18.0	25.4	+7.3	+40.6%	50.4	52.3	+1.8	+3.6%
ROIC*					11.2%	10.4%	-0.8pts	
ROE					15.0%	13.9%	-1.1pts	
Annual Dividend per share					193	195	+2	
Exchange Rate								
Vs. USD (JPY)	122.89	130.00	+7.11		131.37	130.00	-1.37	
Vs. EUR (JPY)	134.22	137.00	+2.78		137.97	137.00	-0.97	
Vs. CNY (JPY)	18.97	19.50	+0.53		19.50	19.50	-	

*ROIC: (Until FY22) Profit attributable to owners of parent ÷ [(Interest-bearing debt (average between beginning and end of period) + Equity attributable to owners of parent (average between beginning and end of period)) (from FY23) NOPLAT (Net Operating Profit Less Adjusted Taxes) ÷ (Interest-bearing debt (average amount of the beginning and end of fiscal year) + Equity attributable to owners of parent (average amount of the beginning and end of fiscal year))

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Please refer to page 15.

As for our perception of the business environment in 2023, there are still uncertainties such as the delayed recovery of the Chinese economy and the prolonged situation in Ukraine, and we continue to watch for their impact on our face-to-face market as well.

In addition, capital investment in semiconductors, which was active last year, is slowing down, and we expect this to have an impact on our business.

On the other hand, we continue to see strong appetite among semiconductor customers for investment in cutting-edge technologies, and we intend to respond promptly to customer demand despite the blocky demand.

Against this backdrop, our forecast for 2023 is JPY788 billion in orders, down JPY27.2 billion from the previous year, JPY753 billion in revenue, up JPY72.1 billion, and JPY71 billion in operating profit, up JPY0.4 billion.

We forecast an operating margin of 9.4%, ROIC of 10.4%, ROE of 13.9%, and a dividend per share of JPY19.5 billion, up JPY2 from the previous year.

The exchange rates below are as stated.

3. FY23 Forecast Segment



(in billion yen) Announced date(m/d/y)		1-2Q				1-4Q			
		FY22	FY23 Plan Feb/14/23	Change	Change %	FY22	FY23 Plan Feb/14/23	Change	Change %
		a	b	b-a		c	d	d-c	
Total	Orders	399.4	405.5	+6.0	+1.5%	815.2	788.0	-27.2	-3.3%
	Revenue	312.4	383.5	+71.0	+22.8%	680.8	753.0	+72.1	+10.6%
	Operating Profit	27.1	37.2	+10.0	+36.8%	70.5	71.0	+0.4	+0.6%
	OP Ratio	8.7%	9.7%	+1.0pts		10.4%	9.4%	-1.0pts	
Building Service & Industrial	Orders	103.4	105.0	+1.5	+1.5%	206.4	220.0	+13.5	+6.5%
	Revenue	90.6	97.0	+6.3	+7.0%	195.1	206.0	+10.8	+5.6%
	Operating Profit	5.0	5.5	+0.4	+8.8%	11.9	11.8	-0.1	-1.3%
	OP Ratio	5.6%	5.7%	+0.1pts		6.1%	5.7%	-0.4pts	
Energy	Orders	59.2	83.0	+23.7	+40.2%	148.0	150.0	+1.9	+1.3%
	Revenue	64.0	73.0	+8.9	+13.9%	143.6	155.0	+11.3	+7.9%
	Operating Profit	4.1	3.3	-0.8	-20.7%	16.5	11.5	-5.0	-30.7%
	OP Ratio	6.5%	4.5%	-2.0pts		11.6%	7.4%	-4.2pts	
Infrastructure	Orders	25.1	24.0	-1.1	-4.7%	51.9	49.0	-2.9	-5.7%
	Revenue	24.4	33.0	+8.5	+34.8%	44.6	50.0	+5.3	+12.0%
	Operating Profit	3.5	4.3	+0.7	+22.0%	3.4	3.0	-0.4	-13.8%
	OP Ratio	14.4%	13.0%	-1.4pts		7.8%	6.0%	-1.8pts	
Environmental Solutions	Orders	46.2	48.0	+1.7	+3.8%	105.8	90.0	-15.8	-14.9%
	Revenue	36.4	32.5	-3.9	-10.9%	73.7	71.0	-2.7	-3.7%
	Operating Profit	0.9	2.0	+1.0	+110.4%	3.6	5.0	+1.3	+36.3%
	OP Ratio	2.6%	6.2%	+3.6pts		5.0%	7.0%	+2.0pts	
Precision Machinery	Orders	164.6	145.0	-19.6	-11.9%	301.5	278.0	-23.5	-7.8%
	Revenue	96.0	147.5	+51.4	+53.6%	222.2	270.0	+47.7	+21.5%
	Operating Profit	13.9	22.5	+8.5	+61.6%	36.1	40.5	+4.3	+11.9%
	OP Ratio	14.5%	15.3%	+0.8pts		16.3%	15.0%	-1.3pts	
Others, Adjustment	Orders	0.7	0.5	-0.2	-32.0%	1.3	1.0	-0.3	-27.0%
	Revenue	0.6	0.5	-0.1	-28.5%	1.4	1.0	-0.4	-32.4%
	Operating Profit	-0.4	-0.4	+0.0	-	-1.3	-0.8	+0.5	-
	OP Ratio	-61.9%	-80.0%	-18.1pts		-89.2%	-80.0%	+9.2pts	

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Next, please refer to page 16. The forecast for each segment is shown here.

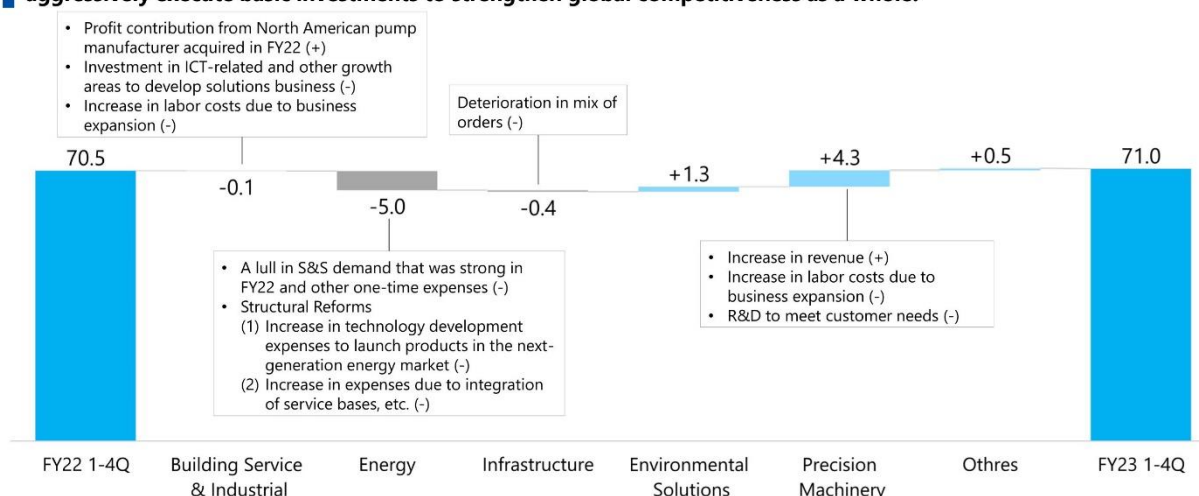
In August of last year, we announced a change in our segmentation, and since 2023 we have shifted to a face-to-face market-based organization.

We have reorganized into three segments, fluid, fluid, wind, and we will be explaining our performance in five business segments from 2023 onward.

In addition, as a comparison with the previous year, we have included the FY2022 estimated actual results in the new segment, so please take a look at them.

Breakdown of Changes in Operating Profit

Expect increased revenue in Precision Machinery and continuous profitability improvement from FY22. Meantime, in addition to up-front growth investments in each business to realize strategies by face-to-face market, we will aggressively execute basic investments to strengthen global competitiveness as a whole.



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Next, please refer to page 17.

Regarding operating profit of JPY71 billion for 2023, I would like to explain the factors behind the increase or decrease in profit from the previous year's JPY70.5 billion.

In the current fiscal year, the precision machinery businesses will contribute significantly to profits due to increased revenue, and other businesses will continue the profitability improvement measures that have been implemented so far.

At the same time, in order to implement our strategy for each face-to-face market, we would like to execute not only upfront growth investments, but also fundamental investments that will strengthen our competitiveness on a global basis as a whole.

Among them, we expect a JPY5 billion decrease in profit this fiscal year, especially in the energy business, where the former custom pump and compressor and turbine businesses were merged.

The reasons for this are that demand for service and support, which was strong in the previous year, will run its course, and other one-time expenses will be incurred. In addition, as part of the structural reform, we will invest in product technology development costs to accelerate the launch of products in the next-generation energy market, and we expect to incur costs from the consolidation and elimination of service bases and other facilities.

Please also see the slide for the main factors of increase/decrease in other businesses.

1. FY22 1-4Q Summary of Results

2. FY22 1-4Q Results by Segment

3. FY23 Forecast

4. Shareholder Returns

5. Appendix

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4. Shareholder Returns

Forecast of Shareholder Returns

Dividend Policy	■ Aiming for a consolidated dividend payout ratio of 35% or higher in line with business results for the fiscal year
FY22 Dividend	■ Plan to increase the year-end dividend from 85 yen to 108 yen and the annual dividend from 170 yen to 193 yen (+30 yen year-on-year)
FY23 Dividend	■ Annual dividend forecast is 195 yen (+2 yen year-on-year)



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Next, please refer to page 19. Finally, I would like to explain our outlook for shareholder returns.

With a target consolidated payout ratio of 35% or more, we have revised the year-end dividend for FY2022 to JPY108 per share, up JPY23 from JPY85 per share, for an annual dividend of JPY193 per share.

This is an increase of JPY30 over the previous year, and the consolidated dividend payout ratio is expected to be 35.2%.

For FY2023, the Company plans to raise the dividend to JPY195 per share.

1. FY22 1-4Q Summary of Results
2. FY22 1-4Q Results by Segment
3. FY23 Forecast
4. Shareholder Returns
- 5. Appendix**

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5. Appendix Orders

Former Segment (~FY22)									New Segment				
(in billion yen) Announced date(m/d/yy)	FY21				FY22					FY22		FY23	
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q		1-2Q	1-4Q	1-2Q Plan Feb/14/23	1-4Q Plan Feb/14/23
Total	159.4	344.9	576.8	771.4	177.0	399.4	594.5	815.2	Total	399.4	815.2	405.5	788.0
FMS Business	78.9	165.4	258.5	354.8	91.1	187.8	286.6	406.4	Building Service & Industrial	103.4	206.4	105.0	220.0
Pumps	48.8	96.3	149.8	197.7	57.8	115.6	172.6	227.4	Energy	59.2	148.0	83.0	150.0
CT	17.5	40.4	67.6	104.7	19.3	41.2	65.2	111.0	Infrastructure	25.1	51.9	24.0	49.0
Chillers	9.5	22.1	31.7	40.2	10.5	24.6	38.2	48.5	Environmental Solutions	46.2	105.8	48.0	90.0
Others	3.0	6.4	9.3	12.1	3.4	6.2	10.4	19.3	Precision Machinery	164.6	301.5	145.0	278.0
EP Business	28.5	61.6	119.6	129.4	16.3	46.2	76.8	105.8	Components	63.1	116.2	50.0	100.0
PM Business	51.3	116.8	197.2	285.4	68.9	164.6	229.9	301.5	CMP Systems	97.7	179.2	90.0	170.0
Components	20.3	44.5	73.8	101.7	31.2	63.1	92.0	116.2	Others	3.7	6.0	5.0	8.0
CMP Systems	28.0	68.0	118.2	176.7	35.7	97.7	133.0	179.2	Others	0.7	1.3	0.5	1.0
Others	3.0	4.2	5.2	6.9	2.0	3.7	4.8	6.0					
Others	0.5	0.9	1.3	1.7	0.4	0.7	1.0	1.3					

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5. Appendix Revenue



Former Segment (~FY22)

(in billion yen) Announced date(m/d/y)	FY21				FY22			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
Total	135.2	274.1	419.9	603.2	152.8	312.4	480.0	680.8
FMS Business	81.9	162.8	237.8	336.9	87.6	179.2	270.2	383.3
Pumps	52.4	96.2	137.0	191.5	51.6	97.4	147.2	209.0
CT	16.6	40.5	62.2	91.2	22.4	50.6	77.0	111.7
Chillers	8.6	19.0	28.4	40.7	10.1	24.7	36.5	48.6
Others	4.1	7.1	10.0	13.5	3.4	6.3	9.3	13.9
EP Business	19.4	31.3	50.0	71.8	21.6	36.4	52.2	73.7
PM Business	33.4	79.0	130.8	192.7	43.1	96.0	156.4	222.2
Components	18.4	37.5	57.2	82.4	21.9	45.8	73.1	101.4
CMP Systems	13.8	38.8	69.1	103.6	19.5	47.0	79.0	115.7
Others	1.1	2.6	4.4	6.6	1.6	3.0	4.2	5.0
Others	0.4	0.8	1.2	1.6	0.3	0.6	1.0	1.4

New Segment

	FY22		FY23	
	1-2Q	1-4Q	1-2Q Plan Feb/14/23	1-4Q Plan Feb/14/23
Total	312.4	680.8	383.5	753.0
Building Service & Industrial	90.6	195.1	97.0	206.0
Energy	64.0	143.6	73.0	155.0
Infrastructure	24.4	44.6	33.0	50.0
Environmental Solutions	36.4	73.7	32.5	71.0
Precision Machinery	96.0	222.2	147.5	270.0
Components	45.8	101.4	55.0	105.0
CMP Systems	47.0	115.7	90.0	160.0
Others	3.0	5.0	2.5	5.0
Others	0.6	1.4	0.5	1.0

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5. Appendix Operating Profit



Former Segment (~FY22)

(in billion yen) Announced date(m/d/y)	FY21				FY22			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
Total	12.2	24.6	37.0	61.3	14.1	27.1	42.6	70.5
FMS Business	7.9	13.2	15.0	24.7	7.9	12.7	17.6	32.0
Pumps	7.6	10.0	10.5	14.1	6.5	8.4	11.8	16.0
CT	-0.6	1.7	3.1	8.8	0.4	2.1	5.0	13.2
Chillers	0.3	0.8	0.9	1.6	0.2	1.1	1.0	1.6
Others	0.7	0.5	0.3	0.1	0.6	0.9	-0.2	1.0
EP Business	2.6	2.8	4.1	5.6	1.9	0.9	0.4	3.6
PM Business	2.0	8.9	18.0	28.0	4.7	13.9	25.5	36.1
Others, Adjustment	-0.3	-0.2	-0.1	2.9	-0.4	-0.4	-1.0	-1.3

New Segment

	FY22		FY23	
	1-2Q	1-4Q	1-2Q Plan Feb/14/23	1-4Q Plan Feb/14/23
Total	27.1	70.5	37.2	71.0
Building Service & Industrial	5.0	11.9	5.5	11.8
Energy	4.1	16.5	3.3	11.5
Infrastructure	3.5	3.4	4.3	3.0
Environmental Solutions	0.9	3.6	2.0	5.0
Precision Machinery	13.9	36.1	22.5	40.5
Others, Adjustment	-0.4	-1.3	-0.4	-0.8

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5. Appendix

Backlog of Orders



Former Segment (~FY22)

(in billion yen) Announced date(m/d/y)	FY21				FY22			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
Total	498.4	546.1	633.7	651.5	689.5	774.9	813.2	818.1
FMS Business	196.6	203.2	222.2	224.3	238.7	258.1	274.4	269.7
Pumps	89.1	94.3	107.0	101.4	112.7	128.0	140.2	130.1
CT	85.0	83.4	89.4	101.2	103.1	107.4	108.9	112.0
Chillers	14.2	16.8	17.1	13.7	14.9	14.8	16.2	14.2
Others	8.1	8.5	8.5	7.8	7.8	7.7	9.0	13.2
EP Business	236.2	257.4	296.9	285.2	279.8	296.0	310.4	317.4
PM Business	65.4	85.3	114.4	141.7	170.6	220.5	228.1	230.8
Others	0.0	0.0	0.1	0.1	0.2	0.2	0.1	0.0

New Segment

	FY22		FY23	
	1-2Q	1-4Q	1-2Q Plan Feb/14/23	1-4Q Plan Feb/14/23
Total	774.9	818.1	840.1	853.1
Building Service & Industrial		63.9	71.9	77.9
Energy		147.5	157.5	142.5
Infrastructure		58.3	49.3	57.3
Environmental Solutions	296.0	317.4	332.9	336.4
Precision Machinery	220.5	230.8	228.3	238.8
Others	0.2	0.0	0.0	0.0

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5. Appendix

Revenue by Region



(in billion yen)	FY21				FY22			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
FMS Business	81.9	162.8	237.8	336.9	87.6	179.2	270.2	383.3
Japan	41.6	67.1	93.2	126.6	38.5	67.4	93.2	132.2
Asia (excl. Japan)	23.1	49.5	80.3	116.4	22.1	51.3	81.1	113.1
North America	5.4	14.0	19.2	26.2	6.4	13.1	23.4	34.3
Europe	5.3	14.6	18.7	26.2	8.1	19.0	30.2	40.1
Middle East	3.3	9.7	12.9	21.4	6.2	13.8	21.1	34.3
Others	3.0	7.8	13.2	19.9	6.0	14.2	21.0	29.1
EP Business	19.4	31.3	50.0	71.8	21.6	36.4	52.2	73.7
Japan	19.1	30.4	46.9	67.3	21.1	34.3	49.9	70.1
Asia (excl. Japan)	0.2	0.9	3.0	4.5	0.4	2.0	2.3	3.5
PM Business	33.4	79.0	130.8	192.7	43.1	96.0	156.4	222.2
Japan	9.1	23.6	37.8	51.8	10.5	21.3	34.3	49.9
Asia (excl. Japan)	18.4	43.1	73.7	112.1	22.8	54.8	90.5	130.7
North America	4.0	8.1	12.2	18.0	5.1	11.1	18.0	23.3
Europe	1.3	3.5	6.0	9.6	4.3	8.2	12.8	16.7
Others	0.3	0.5	0.9	1.1	0.2	0.4	0.6	1.5

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5. Appendix

Balance Sheet



(in billion yen)	FY21 4Q a	FY22 4Q b	Change b-a
Total Assets	719.7	828.0	+108.3
Current Assets	499.9	580.6	+80.7
Cash and cash equivalents	136.4	116.1	-20.3
Trade receivables	218.4	253.0	+34.5
Inventories	121.3	181.3	+59.9
Other Current Assets	23.6	30.2	+6.5
Non-current Assets	219.8	247.3	+27.5
Total Liabilities	398.0	458.3	+60.2
Trade payables	148.7	174.6	+25.8
Interest-bearing Debt	112.0	119.3	+7.2
Other Liabilities	137.2	164.3	+27.0
Total Equity	321.6	369.7	+48.0
Total equity attributable to owners of parent	312.3	359.9	+47.6
Other Equity	9.3	9.7	+0.4
Equity Ratio	43.4%	43.5%	+0.1pts
Debt-to-Equity Ratio	0.36	0.33	-0.03

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5. Appendix

Cash Flows



(in billion yen)	1-4Q				
Announced date(m/d/y)	FY21 a	FY22 b	Change b-a	FY23 Plan Feb/14/23 c	YoY Change c-b
CF from operating activities	72.8	37.0	-35.7	50.0	+12.9
CF from investing activities	-31.3	-38.3	-6.9	-57.0	-18.6
FCF	41.4	-1.2	-42.7	-7.0	-5.7
CF from financing activities	-29.4	-23.7	+5.7	20.0	+43.7

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5. Appendix

CAPEX, Depreciation and Amortization, R&D Expenses



(in billion yen)						
Announced date(m/d/y)	1-4Q				1-4Q	
	FY21	FY22	Change		FY23 Plan Feb/14/23	Change
	a	b	b-a		c	c-b
CAPEX	22.7	27.5	+4.8	CAPEX	56.0	28.4
FMS Business	9.9	10.9	+1.0	Building Service & Industrial	9.0	
EP Business	0.7	2.0	+1.2	Energy	8.0	
PM Business	5.6	6.3	+0.7	Infrastructure	2.0	
Others, Adjustment	6.4	8.2	+1.8	Environmental Solutions	3.0	0.9
				Precision Machinery	26.0	19.6
				Others	8.0	-0.2
D&A	21.4	24.0	+2.6	D&A	26.5	2.4
FMS Business	10.9	11.9	+1.0	Building Service & Industrial	6.0	
EP Business	0.8	0.8	+0.0	Energy	4.0	
PM Business	6.9	7.3	+0.4	Infrastructure	1.0	
Others, Adjustment	2.7	3.8	+1.1	Environmental Solutions	1.0	0.1
				Precision Machinery	8.0	0.6
				Others	6.5	2.6
R&D	13.5	15.2	+1.6	R&D	21.0	5.7
FMS Business	6.2	7.4	+1.1	Building Service & Industrial	5.0	
EP Business	0.9	1.1	+0.2	Energy	3.0	
PM Business	6.3	6.6	+0.2	Infrastructure	1.0	
				Environmental Solutions	10.0	-1.0
				Precision Machinery	110.0	43.0

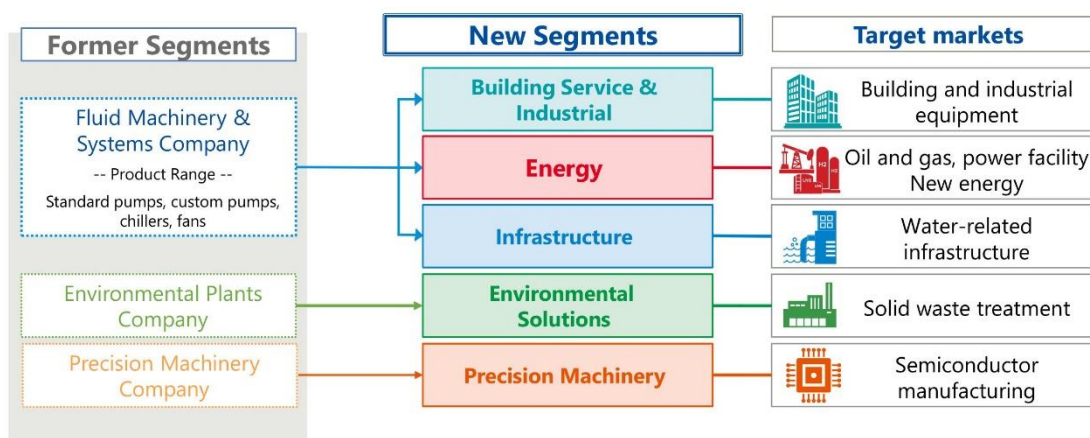
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5. Appendix

Change in Business Segments



- Effective January 1, 2023, business segmentation is changed from product axis segment to face-to-face market axis segment



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