Financial Summary for the second quarter Ended September 30, 2010

Highlight	Page No. 1∼2
Consolidated Segment Information	3~5
Consolidated Statements of Income	6
Consolidated Balance Sheets	7~8
Consolidated Statements of Cash Flows	9
Consolidated Sales and Orders by Subsegment	10

Cautionary statements with regard to forward-looking statements

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.

EBARA CORPORATION

Summary of Financial Results for the second quarter

	Billo							
	Net s	sales	Operating Income O		Ordinary	Ordinary Income		come
	Amount	Change Ratio	Amount	Change Ratio	Amount	Change Ratio	Amount	Change Ratio
		%		%		%		9
Six months ended September 30, 2010	173.1	(17.4)	9.6	301.9	7.7	615.3	3.8	-
(Forecast)	190.0		9.0		7.0		3.5	
Six months ended September 30, 2009	209.4	(6.0)	2.3	_	1.0	-	(1.1)	_
Change	(36.3)		7.2		6.6		5.0	
March 31, 2010	485.8	(3.0)	18.9	-	16.7	_	5.4	-

1. Consolidated Financial Highlights

Billions of Yen

Change in accounting policies Applicable

(Application of standards of Asset retirement obligations)

Forecast was issued on August 6, 2010.

2. Dividend

	Cash dividend per share
	YEN
Fiscal year ended September 30, 2010	0.0
(Forecast)	(0.0)
Fiscal year ended September 30, 2009	0.0

Revision of forecast for dividend during this quarter: Not Applicable

3. Consolidated Financial Position

. Consolidated F	Billions of Yen						
	Total Assets	Change ratio	Retained earnings	Change Ratio	Net Assets	Equity ratio	Net assets per share of common stock
		%		%		%	Yen
September 30, 2010	486.0	(9.6)	16.4	175.1	131.7	26.4	304.47
September 30, 2009	537.3	(2.1)	5.9	(67.5)	126.6	23.0	292.86
March 31, 2010	522.5	(7.1)	12.5	71.8	132.6	24.8	307.46

4. Consolidated. Cash Flow

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents					
Six months ended September 30, 2010	34.6	15.5	(2.7)	128.4					
Six months ended September 30, 2009	12.6	(13.2)	1.3	81.8					
March 31, 2010	23.5	(17.1)	(5.4)	81.7					

5. Scope of consolidation

Number of consolidated subsidiaries: 50

Excluded Elliott Foreign Sales Corp.

Number of subsidiaries and affiliates accounted for equity method :

3

Forecast for the year ending March 31, 2011

Consolidated

							Billic	ons of Yen
	Net s	sales	Operating	g Income	Ordinary Income		Net Income	
	Amount	Change Ratio(%)	Amount	Change Ratio(%)	Amount	Change Ratio(%)	Amount	Change Ratio(%)
Fiscal year ending March 31, 2011	405.0	(16.6)	20.0	5.5	17.5	4.5	9.0	65.4
Fiscal year ended March 31, 2010	485.8	(3.0)	18.9	_	16.7	-	5.4	_
Change	(80.8)		1.0		0.7		3.5	

* Expectation of exchange rate US\$ = \$85, EUR = \$120

No decision has been made at last time on the final dividend for the fiscal year.

Consolidated Segment Information

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering,

PM = Precision Machinery

Beginning with the first quarter under review, the "others" business, which was previously included in the "Environmental Engineering" business segment, has been presented in the "Others" business segment, which contains results of activities not included in principal reporting segments.

1. Order received

Billions of Yen

	F	Reportable				
	FMS	EE	PM	Total	Others	Consolidated
Six months ended September 30, 2010	119.6	38.0	29.8	187.4	5.2	192.7
Six months ended September 30, 2009	113.6	70.9	19.9	204.5	3.4	207.9
Change	5.9	(32.8)	9.9	(17.0)	1.8	(15.1)
March 31, 2011 (Forecast)	280.0	65.0	70.0	415.0	10.0	425.0
March 31, 2010	255.5	114.4	48.9	418.9	7.6	426.6

2. Sales

	F	Reportable						
	FMS	EE	PM	Total	Others	Consolidated		
Six months ended September 30, 2010	117.0	18.6	31.7	167.5	5.6	173.1		
Six months ended September 30, 2009	136.3	48.2	21.1	205.7	3.6	209.4		
Change	(19.2)	(29.6)	10.5	(38.2)	1.9	(36.3)		
March 31, 2011 (Forecast)	282.0	48.0	65.0	395.0	10.0	405.0		
March 31, 2010	295.9	130.3	50.5	476.8	9.0	485.8		

		Geographical Segment							
	Japan	North America	Other	E&C	Consolidated				
Six months ended September 30, 2010	132.1	30.0	21.8	(10.9)	173.1				
Six months ended September 30, 2009	155.2	40.5	21.3	(7.6)	209.4				
Change	(23.1)	(10.5)	0.5	(3.2)	(36.3)				
March 31, 2011 (Forecast)									
March 31, 2010	382.3	75.2	45.7	(17.4)	485.8				

3. Operating Income

Billions of Yen

	F	Reportable				
	FMS	EE	PM	Total	Others	Consolidated
Six months ended September 30, 2010	6.7	(1.1)	3.7	9.4	0.2	9.6
Six months ended September 30, 2009	10.2	(5.0)	(2.9)	2.2	0.1	2.3
Change	(3.5)	3.9	6.7	7.1	0.0	7.2
March 31, 2011 (Forecast)	15.0	_	5.0	20.0	_	20.0
March 31, 2010	21.8	(1.2)	(2.7)	17.8	1.0	18.9

	Geographical Segment								
	Japan	North America	Other	E&C	Consolidated				
Six months ended September 30, 2010	3.5	3.4	3.1	(0.5)	9.6				
Six months ended September 30, 2009	(4.5)	5.0	2.0	(0.1)	2.3				
Change	8.0	(1.5)	1.1	(0.4)	7.2				
March 31, 2011 (Forecast)			\nearrow	\nearrow					
March 31, 2010	5.9	8.4	4.9	(0.4)	18.9				

4. Total Assets

		Reportable	.			
		(eportable	segment	5		
	FMS	EE	PM	Total	Others	Consolidated
September 30, 2010	247.4	43.1	69.3	359.9	126.0	486.0
September 30, 2009	288.6	83.0	65.6	437.2	100.0	537.3
Change	(41.1)	(39.8)	3.7	(77.2)	25.9	(51.3)
March 31, 2010	284.4	68.0	67.8	420.3	102.1	522.5

5. <u>Employees</u>

	Bus	iness Segm	ent		
	FMS	EE	PM	Others	Total
September 30, 2010	9,577	1,987	1,472	773	13,809
September 30, 2009	9,613	5,239	1,442	645	16,939
Change	(36)	(3,252)	30	128	(3,130)
March 31, 2010	9,519	2,210	1,440	631	13,800

6. Research and Development expenses

		Business				
	FMS	EE	PM	Total	Others	Total
Six months ended September 30, 2010	1.2	0.0	0.3	1.6	-	1.6
Six months ended September 30, 2009	1.1	1.0	0.3	2.5	_	2.5
March 31, 2011 (Forecast)	3.0	1.0	2.0	6.0	I	6.0
March 31, 2010	2.9	1.4	0.6	4.9	_	4.9

7. Depreciation and Amortization expenses

		Business				
	FMS	EE	PM	Total	Others	Total
Six months ended September 30, 2010	4.5	0.2	2.0	6.8	(0.0)	6.7
Six months ended September 30, 2009	4.2	0.5	2.5	7.2	0.0	7.3
March 31, 2011 (Forecast)	9.0	0.5	4.0	13.5	-	13.5
March 31, 2010	9.0	0.9	5.2	15.3	(0.0)	15.2

8. Capital Expenditures

		Business				
	FMS	EE	PM	Total	Others	Total
Six months ended September 30, 2010	3.8	0.4	0.4	4.7	0	4.7
Six months ended September 30, 2009	9.3	0.7	1.5	11.6	0.1	11.7
March 31, 2011 (Forecast)	9.0	1.0	2.0	12.0	_	12.0
March 31, 2010	15.2	1.6	2.5	19.3	0	19.4

9. Backlog of Order received

		Business				
	FMS	EE	PM	Total	Others	Total
September 30, 2010	170.8	77.4	10.5	258.7	4.9	263.7
September 30, 2009	190.7	142.5	13.4	346.8	4.8	351.6
Change	(19.9)	(65.1)	(2.8)	(88.0)	0.1	(87.9)
March 31, 2011 (Forecast)	168.1	75.0	17.8	260.9	4.4	265.3
March 31, 2010	170.1	58.0	12.8	240.9	4.4	245.3

-5-

Billions of Yen

Billions of Yen

Billions of Yen

Person

Consolidated Statements of Income

				ions of Ten
	Current	Previous	Cha	nge
	Six months	Six months		<u> </u>
	ended Sep.	ended Sep.		•
	30, 2010	30, 2009	Amount	%
Net Sales	173.1	209.4	(36.3)	(17.4)
Cost of sales	129.6	169.3	(39.6)	(23.4)
(Sales cost ratio)	74.9%	80.8%		(5.9%)
Gross Profit	43.4	40.1	3.2	8.2
S.G & A expenses	33.7	37.7	(3.9)	(10.5)
Operating Income	9.6	2.3	7.2	301.9
Non-operating income	0.9	1.0	(0.1)	(11.1)
Interest income	0.0	0.1		
Dividend income	0.2	0.1		
Insurance income	0.0	0.2		
Profit on equity method	0.0	0.0		
Others	0.5	0.4		
Non-operating expense	2.8	2.3	0.4	19.0
Interest expense	1.6	1.7		
Foreign exchange loss	0.5	—		
Others	0.6	0.6		
Ordinary Income	7.7	1.0	6.6	615.3
Extraordinary income	1.2	1.4	(0.1)	(13.3)
Gain on sales of fixed assets	0.0	0.1		
Gain on reversal of allowance for doubtful receivables	-	0.2		
Gain on sales of investment securities	1.2	0.0		
Gain on transfer among severance payment plans	-	0.2		
Gain on the prior year construction work	-	0.2		
Gain on forgiveness of debts	-	0.4		
Others	-	0.0		
Extraordinary expense	1.7	2.5	(0.7)	(30.3)
Loss on sales and disposal of fixed assets	0.2	0.3		
Loss on valuation of investment securities	0.6	0.3		
Loss on liquidation of subsidiaries and affiliates	-	1.1		
Special retirement benefit paid	-	0.5		
Loss on adjustment for changes of accounting				
standard for Asset retirement obligations	0.9	_		
Others	0.0	0.0		
	7.0	(0 0)	70	
Income (loss) before income taxes	7.2	(0.0)	7.2	-
Income taxes	2.9	0.8	2.0	
Income before minority interests	4.2	-	-	
Minority interests in income	0.3	0.2	0.1	
Net Income(loss)	3.8	(1.1)	5.0	-

					Billions of Ye
	Current	Previous	Cha	inge	Previous
	Sep. 30, 2010	Sep. 30, 2009	Amount	%	Mar. 31,2010
Assets					
I Current assets	345.9	362.8	(16.8)	(4.7)	373.8
Cash and time deposits	119.6	79.2	40.3	50.9	80.0
Securities	8.8	2.5	6.2	240.9	1.0
☆Cash and cash equivalents	128.4	81.8	46.5	56.9	81.
Trade receivables	112.6	143.0	(30.3)	(21.2)	163.
Inventories	72.9	80.7	(7.7)	(9.6)	69.
Deferred tax assets	15.4	13.5	1.9	14.4	14.
Others	17.6	44.6	(27.0)	(60.6)	44.
Allowance for doubtful receivables	(1.2)	(1.0)	(0.2)	26.4	(1.0
I Fixed assets	140.1	174.5	(34.4)	(19.7)	148.
(1) Tangible fixed assets	93.3	111.2	(17.9)	(16.1)	97.
Buildings	39.7	40.1	(0.4)	(1.2)	40.
Machinery and equipment	24.5	34.9	(10.3)	(29.7)	25.
Others	29.0	36.1	(7.0)	(19.6)	32.
(2) Intangible fixed assets	8.0	10.3	(2.2)	(22.1)	8.
(3) Investment and long-term receivables	38.6	52.8	(14.2)	(26.9)	41.
Investment securities	19.4	22.0	(2.6)	(11.9)	23.
Deferred tax assets	11.2	15.2	(4.0)	(26.6)	10.
Others	11.0	19.5	(8.4)	(43.5)	11.
Allowance for doubtful receivables	(2.9)	(3.8)	0.9	(24.1)	(3.0
Reserve for revaluation of investments	-	(0.0)	0.0	(100.0)	
Total assets	486.0	537.3	(51.3)	(9.6)	522.
Ratio of Consolidated to Non-Consolidated	1.3	1.3	-	-	1.

Consolidated Balance Sheets (Assets)

Consolidated Balance Sheets (Liabilities & Net assets)

Sep. 30. 2009 Sep. 30. 2009 Amount 96 Mar. 31.20 Liabilities 2009 Amount 96 Mar. 31.20 I Current liabilities 248.4 272.8 (24.3) (8.9) 2662 Trade payables 76.4 96.2 (19.8) (20.6) 99 Short-term bank loans 72.7 63.7 8.9 14.0 74 Current portion of bonds - 20.0 (20.0) (100.0) - Advance payment received 14.1 13.7 0.4 3.0 100 Bonus payment reserve (including Directors') 5.0 6.1 (1.0) (17.8) 5 Reserve for legal expenses 26.9 28.9 (2.0) (7.2) 31 Reserve for legal expenses 105.8 137.9 (32.1) (23.8) 30 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term bank loans 59.6 66.7 (7.1) (10.8) 60 Retirement allow						Billions of Yer
2010 2009 Amount 96 Mar. 31.20 Liabilities I Current liabilities 248.4 272.8 (24.3) (8.9) 266 Trade payables 76.4 96.2 (19.8) (20.0) 96 Short-term bank loans 72.7 63.7 8.9 14.0 96 Current portion of bonds - 20.0 (20.0) (100.0) - Current portion of bonds with subscription rights to shares 20.0 - 20.0 - - Advance payment received 14.1 13.7 0.4 3.0 100 Bonus payment received 14.1 13.7 0.4 3.0 100 Reserve for caputoin losses 26.9 28.9 (2.0) (7.2) 31 Reserve for expenses related to the sale of land 2.9 2.9 (0.0) (1.4) 42 Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) <t< th=""><th></th><th>Current</th><th>Previous</th><th>Cha</th><th>ange</th><th>Previous</th></t<>		Current	Previous	Cha	ange	Previous
I Current liabilities 248.4 272.8 (24.3) (6.9) 2662 Trade payables 76.4 96.2 (19.8) (20.6) 993 Short-term bank leans 72.7 63.7 8.9 14.0 742 Current portion of bonds - 20.0 (20.0) (100.0) 742 Current portion of bonds with subscription rights 20.0 - 20.0 - Advance payment received 14.1 13.7 0.4 3.0 101 Bonus payment receives 26.9 28.9 (2.0) (7.2) 31 Reserve for legal expenses - 0.1 (10.1) (100.0) 14.0 44.0 Others 30.2 40.8 (10.5) (25.8) 36 I Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (60.0) 44 10.58 137.9 (32.1) (23.3) 127 Convertible bonds 2				Amount	%	Mar. 31,2010
Trade payables 76.4 96.2 (19.8) (20.6) 99 Short-term bank loans 72.7 63.7 8.9 14.0 74 Current portion of bonds - 20.0 (20.0) (100.0) 74 Current portion of bonds with subscription rights 20.0 - 20.0 (20.0) (100.0) Advance payment received 14.1 13.7 0.4 3.0 100 Bonus payment received (including Directors') 5.0 6.1 (1.0) (17.8) 5 Reserve for construction losses 26.9 28.9 (2.0) (7.2) 31 Reserve for legal expenses - 0.1 (0.0) (1.4) 44 Others 30.2 40.8 (10.5) (25.8) 33 I Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 44 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Reserve for expenses related to the sale of land - 2.4	Liabilities					
Short-term bank loans 72.7 63.7 8.9 14.0 74 Current portion of bonds - 20.0 (20.0) (100.0) - Advance payment received 114.1 13.7 0.4 3.0 10 Bonus payment received 114.1 13.7 0.4 3.0 10 Reserve for construction losses 26.9 28.9 (2.0) (7.2) 31 Reserve for expenses related to the sale of land 2.9 2.9 0.00 (1.4) 4.0 Others 30.2 40.8 117.9 (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term labilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term labilities 0.0 1.0 (0.9) (94.5) 0 Convertible bonds 20.1 40.0 (20.0) (50.0) 40	I Current liabilities	248.4	272.8	(24.3)	(8.9)	262.6
Short-term bank loans 72.7 63.7 8.9 14.0 74 Current portion of bonds - 20.0 (20.0) (100.0) - Current portion of bonds with subscription rights to shares 20.0 - 20.0 - - Advance payment received 14.1 13.7 0.4 3.0 100 Bonus payment reserve (including Directors') 5.0 6.1 (1.0) (17.8) 5 Reserve for construction losses 26.9 28.9 (2.0) (7.2) 31 Reserve for expenses related to the sale of land 2.9 2.9 (0.0) (1.4) 4 Others 30.2 40.8 (10.5) (25.8) 36 IL Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 46 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 <td>Trade pavables</td> <td>76.4</td> <td>96.2</td> <td>(19.8)</td> <td>(20.6)</td> <td>99.7</td>	Trade pavables	76.4	96.2	(19.8)	(20.6)	99.7
Current portion of bonds - 20.0 (20.0) (100.0) Current portion of bonds with subscription rights to shares 20.0 - 20.0 - Advance payment received 14.1 13.7 0.4 3.0 100 Bonus payment reserve (including Directors') 5.0 6.1 (1.0) (7.2) 31 Reserve for construction losses 26.9 28.9 (2.00) (7.2) 31 Reserve for expenses related to the sale of land 2.9 2.9 (0.00) (1.4) 4 Others 30.2 40.8 (10.5) (25.6) 36 I Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 27 Deferred tax liabilities 0.0 1.0 (0.9)		72.7	63.7	8.9		74.6
to shares 20.0 - 20.0 - Advance payment received 14.1 13.7 0.4 3.0 10 Bonus payment received 14.1 13.7 0.4 3.0 10 Bonus payment received (including Directors') 5.0 6.1 (1.0) (17.2) 31 Reserve for legal expenses - 0.1 (0.1) (100.0) 440.8 (10.5) (25.8) 36 IL Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term labolance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) 00 Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) 43.8 Reserve for expenses related to the sale of land - 2.4 (2.4) (10.6) (12.4) 44.6 Total l	Current portion of bonds	_	20.0	(20.0)	(100.0)	-
Advance payment received 14.1 13.7 0.4 3.0 10 Bonus payment reserve (including Directors') 5.0 6.1 (1.0) (17.8) 5 Reserve for construction losses 26.9 28.9 (2.0) (7.2) 31 Reserve for expenses related to the sale of land 2.9 (0.0) (1.4) 4 Others 30.2 40.8 (10.5) (23.9) (20.0) (1.4) Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term labilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - - Others 354.2 410.7 (56.4) (13.8) 386 Net assets 1 1.6 5.9 10.4 17		20.0	_	20.0	_	-
Bonus payment reserve (including Directors') 5.0 6.1 (1.0) (17.8) 5.5 Reserve for construction losses 26.9 28.9 (2.0) (7.2) 31 Reserve for expenses related to the sale of land 2.9 2.9 (0.0) (1.4) 4 Others 30.2 40.8 (10.5) (25.8) 36 II Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 46 Long-term liabilities 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) (0.6) (12.4) Asset retirement obligations 1.7 - 1.7 - - 61 I Common stock 61.2 61.2 - - 61 1.64 5.9 10.4 175.1	Advance payment received		13.7	0.4	3.0	10.4
Reserve for construction losses 26.9 28.9 (2.0) (7.2) 31 Reserve for legal expenses - 0.1 (0.1) (100.0) Reserve for expenses related to the sale of land 2.9 2.9 (0.0) (1.4) Others 30.2 40.8 (10.5) (25.8) 33 I Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 440 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) 0 Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - - 61.2 65.2 - - 65.2 I Common stock 61.2 61.2 - - 65.2 - - 65.2 <		5.0	6.1	(1.0)		5.3
Reserve for expenses related to the sale of land 2.9 2.9 (0.0) (1.4) 4 Others 30.2 40.8 (10.5) (25.8) 36 II Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors) 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) 0 Reserve for expenses related to the sale of land - 2.4 (2.4) (10.0) Asset retirement obligations 1.7 - 1.7 - - Others 354.2 410.7 (56.4) (13.8) 386 Net assets 1 6 - - 61 - - 61 I Common stock 61.2 61.2 - -	Reserve for construction losses	26.9	28.9	(2.0)	(7.2)	31.1
Others 30.2 40.8 (10.5) (25.8) 36 II Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 440 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) (0.0) Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 44 Total liabilities 354.2 410.7 (56.4) (13.8) 385 Net assets 1 Common stock 61.2 61.2 - - 61 I Capital surplus 65.2 65.2 - - 65 65	Reserve for legal expenses	-	0.1	(0.1)	(100.0)	-
II Long-term liabilities 105.8 137.9 (32.1) (23.3) 127 Convertible bonds 20.0 40.0 (20.0) (50.0) 40 Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) 0 Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 385 Net assets I Common stock 61.2 - - 65 II Capital surplus 65.2 65.2 - - 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Translation adjustments (14.1) (10.0) 50.5 (0.0) <	Reserve for expenses related to the sale of land	2.9	2.9	(0.0)	(1.4)	4.5
Convertible bonds 20.0 40.0 (20.0) (50.0) 440 Long-term bank loans 59.6 66.7 (7.1) (10.8) 661 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 221 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) (0.0) Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 388 Net assets 61.2 61.2 - - 661 I Common stock 61.2 65.2 65.2 - - 652 II Retained Earnings 16.4 5.9 10.4 175.1 122 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (0.0)	Others	30.2	40.8	(10.5)	(25.8)	36.8
Long-term bank loans 59.6 66.7 (7.1) (10.8) 61 Retirement allowance reserve (including Directors') 19.7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) (0.0) Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 385 Net assets - - 651.2 - - 651 II Common stock 61.2 61.2 - - 651 65.2 - - 655 III Retained Earnings 16.4 5.9 10.4 175.1 112 175.1 112 IV Treasury stock, at cost (0.00) 1.4 (1.4) (104.1) 11 11 VI Translation adjustments	I Long-term liabilities	105.8	137.9	(32.1)	(23.3)	127.1
Retirement allowance reserve (including Directors') 19,7 22.3 (2.6) (11.7) 21 Deferred tax liabilities 0.0 1.0 (0.9) (94.5) (0.0) Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 385 Net assets 65.2 65.2 - - 651 II Common stock 61.2 61.2 - - 651 II Retained Earnings 16.4 5.9 10.4 175.1 112 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (00) V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 11 VI Translation adjustments 0.2 - 0.2 - 0.2 VII Subscription rights to shares 0.2 - 0.2 - 0.2 <t< td=""><td>Convertible bonds</td><td>20.0</td><td>40.0</td><td>(20.0)</td><td>(50.0)</td><td>40.0</td></t<>	Convertible bonds	20.0	40.0	(20.0)	(50.0)	40.0
Deferred tax liabilities 0.0 1.0 (0.9) (94.5) 0.0 Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 389 Net assets 61.2 61.2 - - 61 I Common stock 61.2 61.2 - - 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (0.0) V Net unrealized gain (loss) (14.1) (10.0) (4.0) 40.3 (11.0) VI Translation adjustments 0.2 - 0.2 - 0.2 VII Subscription rights to shares 0.2 - 0.2 - 0.2 Total net assets 131.7	Long-term bank loans	59.6	66.7	(7.1)	(10.8)	61.2
Reserve for expenses related to the sale of land - 2.4 (2.4) (100.0) Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 388 Net assets - - - 61 I Common stock 61.2 61.2 - - 61 I Common stock 65.2 65.2 - - 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (00 V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0.2 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 53	Retirement allowance reserve (including Directors')	19.7	22.3	(2.6)	(11.7)	21.0
Asset retirement obligations 1.7 - 1.7 - Others 4.6 5.3 (0.6) (12.4) 4 Total liabilities 354.2 410.7 (56.4) (13.8) 385 Net assets 61.2 61.2 - - 61 I Common stock 65.2 65.2 - - 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (00 V Net unrealized gain (loss) (0.0) 1.4 (1.4.1) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0.2 Total net assets 131.7 126.6 5.1 4.1 132 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt	Deferred tax liabilities	0.0	1.0	(0.9)	(94.5)	0.0
Others 4.6 5.3 (0.6) (12.4) 4.6 Total liabilities 354.2 410.7 (56.4) (13.8) 389 Net assets 61.2 61.2 - - 61 I Common stock 61.2 61.2 - - 61 II Capital surplus 65.2 65.2 - - 65 III Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (00 V Net unrealized gain (loss) (0.0) 1.4 (1.4.1) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0.2 - 0.2 VIII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 22 Total net assets 131.7 126.6 5.1 4.1 132	Reserve for expenses related to the sale of land	-	2.4	(2.4)	(100.0)	-
Total liabilities 354.2 410.7 (56.4) (13.8) 389 Net assets I Common stock 61.2 61.2 - - 61 II Capital surplus 65.2 65.2 - - 65 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (00 V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0.2 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 2 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8	Asset retirement obligations	1.7	-	1.7	-	
Net assets 61.2 61.2 - - 61 II Common stock 65.2 65.2 - - 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (0 V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0 2 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 2 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177	Others	4.6	5.3	(0.6)	(12.4)	4.8
I Common stock 61.2 61.2 - - 61 II Capital surplus 65.2 65.2 - - 65 II Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (0 V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0.2 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 2 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177 Loans guaranteed as contingent liabilities 7.4 4.2 3.1 74.9 3	Total liabilities	354.2	410.7	(56.4)	(13.8)	389.8
II Capital surplus 65.2 65.2 - - 65.2 III Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (00 V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (110 VII Subscription rights to shares 0.2 - 0.2 - 0.2 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 22 Total net assets 131.7 126.6 5.1 4.1 132 Total net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177	Net assets					
III Retained Earnings 16.4 5.9 10.4 175.1 12 IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (0 V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 2 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177	I Common stock			-	-	61.2
IV Treasury stock, at cost (0.2) (0.1) (0.0) 50.5 (0.1) V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10.0) VII Subscription rights to shares 0.2 - 0.2 - 0.2 VII Subscription rights to shares 0.2 - 0.2 - 0.2 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 2.2 Total net assets 131.7 126.6 5.1 4.1 132.2 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522.2 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177.2	I Capital surplus		65.2	-	-	65.2
V Net unrealized gain (loss) (0.0) 1.4 (1.4) (104.1) 1 VI Translation adjustments (14.1) (10.0) (4.0) 40.3 (10 VII Subscription rights to shares 0.2 - 0.2 - 0 VII Minority interests in consolidated subsidiaries 3.0 2.9 0.0 3.0 2 Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177	III Retained Earnings				175.1	12.5
VI Translation adjustments(14.1)(10.0)(4.0)40.3(10.0)VII Subscription rights to shares0.2-0.2-0.0VII Minority interests in consolidated subsidiaries3.02.90.03.02.2Total net assets131.7126.65.14.1132.2Total liabilities and net assets486.0537.3(51.3)(9.6)522.2Interest bearing debt174.0192.8(18.8)(9.8)177.2Loans guaranteed as contingent liabilities7.44.23.174.93.2	${f IV}$ Treasury stock, at cost				50.5	(0.2
VII Subscription rights to shares0.2-0.2-0.2VII Minority interests in consolidated subsidiaries3.02.90.03.02Total net assets131.7126.65.14.1132Total liabilities and net assets486.0537.3(51.3)(9.6)522Interest bearing debt174.0192.8(18.8)(9.8)177Loans guaranteed as contingent liabilities7.44.23.174.93	V Net unrealized gain (loss)				(104.1)	1.5
VII Minority interests in consolidated subsidiaries3.02.90.03.02Total net assets131.7126.65.14.1132Total liabilities and net assets486.0537.3(51.3)(9.6)522Interest bearing debt174.0192.8(18.8)(9.8)177Loans guaranteed as contingent liabilities7.44.23.174.93	VI Translation adjustments		(10.0)		40.3	(10.6
Total net assets 131.7 126.6 5.1 4.1 132 Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177 Loans guaranteed as contingent liabilities 7.4 4.2 3.1 74.9 3	VII Subscription rights to shares		-		-	0.1
Total liabilities and net assets 486.0 537.3 (51.3) (9.6) 522 Interest bearing debt 174.0 192.8 (18.8) (9.8) 177 Loans guaranteed as contingent liabilities 7.4 4.2 3.1 74.9 3	WI Minority interests in consolidated subsidiaries				3.0	2.7
Interest bearing debt 174.0 192.8 (18.8) (9.8) 177 Loans guaranteed as contingent liabilities 7.4 4.2 3.1 74.9 3					4.1	132.6
Loans guaranteed as contingent liabilities 7.4 4.2 3.1 74.9 3.1	Total liabilities and net assets	486.0	537.3	(51.3)	(9.6)	522.5
	Interest bearing debt	174.0	192.8	(18.8)	(9.8)	177.8
(Loans guaranteed ; non-consolidated) 35.0 50.0 (14.9) 38	Loans guaranteed as contingent liabilities	7.4	4.2	3.1	74.9	3.0
	(Loans guaranteed ; non-consolidated)	35.0	50.0	(14.9)		38.4

Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows				Bi	llions of Yen
	March 31,2009	March 31,2010	Six months ended September 30, 2009	Six months ended September 30, 2010	March 31,2011
	Results	Results	Results	Results	Forecast
Cash flows from operating activities					
Income(loss) before income taxes	(7.3)	11.9	(0.0)	7.2	16.5
Adjustment of cash flow item :					
Depreciation and amortization	15.1	15.2	7.3	6.7	13.5
Loss (gain) on sales of fixed assets	(0.2)	(1.0)	(0.1)	0.1	-
Loss (gain) on sales of securities	(0.5)	3.9	(0.0)	(1.2)	-
Increase(decrease) in allowance and others	14.0	3.7	(1.2)	(7.1)	(8.5)
Increase/decrease of operating assets and liabilities					
Trade receivables	24.6	(3.1)	46.7	49.6	
Inventories	2.9	7.2	(2.0)	(4.2)	(3.0)
Trade payables	(16.2)	(14.8)	(37.4)	(21.7)	J
Income taxes paid	(9.8)	(5.3)	(0.3)	(3.9)	(5.0)
Loss on violation of Antimonopoly Act					
and Legal expenses paid	(0.9)	-	-	-	-
Others	(4.1)	5.8	(0.1)	9.1	-
Net cash provided by (used in) operating activities	17.4	23.5	12.6	34.6	13.5
Cash flows from investing activities					
Purchase of fixed assets	(23.7)	(19.3)	(12.7)	(8.8)	(12.0)
Sales of fixed assets	6.3	0.5	0.4	15.8	12.0
Others	(5.3)	1.7	(0.9)	8.4	7.0
Withdrawal of time deposits	20.0	-	-	-	-
Net cash provided by (used in) investing activities	(2.7)	(17.1)	(13.2)	15.5	7.0
Free Cash Flows	14.7	6.4	(0.6)	50.1	20.5
Cash flows from financing activities					
Redemption of (convertible) bonds	(10.2)	(20.0)	_	_)
Proceeds from bank loans and commercial paper	38.4	66.6	43.3	17.1	(15.0)
Repayment of bank loans and commercial paper	(29.0)	(50.0)	(41.3)	(19.1)	
Capital paid in from minority shareholders	1.1	-	-	-	J _
Dividends paid	(3.1)	_	_	_	_
Dividends paid to minority shareholders' in	(0.1)				
consolidated subsidiaries	(0.4)	(1.0)	(0.6)	(0.4)	(0.5)
Purchase and sales of treasury stock	(0.0)	(0.0)	(0.0)	(0.0)	-
Others	-	(0.9)	-	(0.4)	-
Net cash provided by (used in) financing activities	(3.2)	(5.4)	1.3	(2.7)	(15.5)
Translation adjustments	(3.3)	0.3	0.8	(0.6)	-
Total Cash Flows	8.0	1.3	1.5	46.7	5.0
Cash and cash equivalents					
At beginning of period	69.1	77.1	77.1	81.7	81.7
Net effect of deconsolidation and consolidation of subsidiaries	_	3.1	3.1	_	_
At end of period	77.1	81.7	81.8	128.4	86.7
*Information on interest-bearing debt					
Short term debt	101.9	75.3	84.5	93.3	92.7
Long term debt	79.6	102.4	108.3	80.7	70.1
Total interest-bearing debt	181.5	177.8	192.8	174.0	162.8

Consolidated Sales and Orders of Subsegment

1. Order received

										3 01 1 611
			2nd qu	larter				Ann	nual	
	Six month Sep. 30		Six month Sep. 30		Cha	nge		1, 2011 ecast)	Mar. 31, 2010	Change
		*1		*1		*2	Year-end	2nd half	2010	*2
FMS Business		%		%		%				%
Custom Pumps	20.0	10.4	22.5	10.8	(2.5)	(11.1)	55.0	35.0	44.1	24.7
Compressors & Fans	31.1	16.1	27.8	13.4	3.3	11.9	85.0	53.9	77.8	9.3
Fluid related plants	17.7	9.2	17.8	8.6	(0.1)	(0.6)	40.0	22.3	41.5	(3.6)
Standard pumps	33.3	17.3	32.3	15.5	1.0	3.1	70.0	36.7	69.1	1.3
Chillers	17.2	8.9	13.1	6.3	4.1	31.3	30.0	12.8	22.8	31.6
Total of FMS	119.6	62.1	113.6	54.6	6.0	5.3	280.0	160.4	255.5	9.6
EE Business										
Water treatment plants	-	0.0	38.9	18.7	(38.9)	(100.0)	-	0.0	69.6	(100.0)
Environmental plants	38.0	19.7	26.2	12.6	11.8	45.0	65.0	27.0	32.9	97.6
Others	—	0.0	5.7	2.7	(5.7)	(100.0)	_	0.0	11.9	(100.0)
Total of EE	38.0	19.7	70.9	34.1	(32.9)	(46.4)	65.0	27.0	114.4	(43.2)
PM Business										
Components	13.0	6.7	6.6	3.2	6.4	97.0	25.0	12.0	16.8	48.8
CMPsystems	15.1	7.8	11.7	5.6	3.4	29.1	42.0	26.9	28.3	48.4
Others	1.5	0.8	1.4	0.7	0.1	7.1	3.0	1.5	3.6	(16.7)
Total of PM	29.8	15.5	19.9	9.6	9.9	49.7	70.0	40.2	48.9	43.1
Others	5.2	2.7	3.4	1.6	1.8	52.9	10.0	4.8	7.6	31.6
Total of Others	5.2	2.7	3.4	1.6	1.8	52.9	10.0	4.8	7.6	31.6
Total	192.7	100.0	207.9	100.0	(15.2)	(7.3)	425.0	232.3	426.6	(0.4)

2. Sales

Billions of Yen

			2nd qu	uarter			Annual			
	Six month Sep. 30		Six month Sep. 30		Cha	inge	Mar. 3 ⁻ (Fore	1, 2011 cast)	Mar. 31, 2010	Change
		*1		*1		*2	Year-end	2nd half	2010	*2
FMS Business		%		%		%				%
Custom Pumps	24.0	13.9	33.0	15.8	(9.0)	(27.3)	58.0	34.0	67.2	(13.7)
Compressors & Fans	38.1	22.0	44.2	21.1	(6.1)	(13.8)	81.0	42.9	85.1	(4.8)
Fluid related plants	10.9	6.3	14.6	7.0	(3.7)	(25.3)	42.0	31.1	42.1	(0.2)
Standard pumps	31.9	18.4	32.3	15.4	(0.4)	(1.2)	70.0	38.1	69.8	0.3
Chillers	12.0	6.9	12.0	5.7	0.0	0.0	31.0	19.0	31.5	(1.6)
Total of FMS	117.0	67.6	136.3	65.1	(19.3)	(14.2)	282.0	165.0	295.9	(4.7)
EE Business										
Water treatment plants	_	0.0	20.0	9.6	(20.0)	(100.0)	—	0.0	61.9	(100.0)
Environmental plants	18.6	10.7	22.0	10.5	(3.4)	(15.5)	48.0	29.4	55.7	(13.8)
Others	_	0.0	6.1	2.9	(6.1)	(100.0)	—	0.0	12.6	(100.0)
Total of EE	18.6	10.7	48.2	23.0	(29.6)	(61.4)	48.0	29.4	130.3	(63.2)
PM Business										
Components	11.7	6.8	6.2	3.0	5.5	88.7	24.0	12.3	16.4	46.3
CMPsystems	19.0	11.0	10.6	5.1	8.4	79.2	37.0	18.0	26.7	38.6
Others	1.0	0.6	4.2	2.0	(3.2)	(76.2)	4.0	3.0	7.2	(44.4)
Total of PM	31.7	18.3	21.1	10.1	10.6	50.2	65.0	33.3	50.5	28.7
Others	5.6	3.2	3.6	1.7	2.0	55.6	10.0	4.4	9.0	11.1
Total of Others	5.6	3.2	3.6	1.7	2.0	55.6	10.0	4.4	9.0	11.1
Total	173.1	100.0	209.4	100.0	(36.3)	(17.3)	405.0	231.9	485.8	(16.6)

*1 shows the composition ratio

*2 shows the rate of change