

**CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE THREE MONTHS ENDED March 31, 2018**  
**[Japanese GAAP]**

May 14, 2018

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 Stock exchange listings: Tokyo  
 Code number: 6361  
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Scheduled date for submission of quarterly report: May 15, 2018  
 Scheduled date for dividend payment: —  
 Preparing supplementary material on financial results: Yes  
 Holding financial results presentation meeting (for institutional investors and analysts): Yes

(Monetary amounts are rounded down to the nearest million yen)

**1. Results for the Three Months Ended March 31, 2018**

**(1) Financial Results**

(% represents percentage change from a comparable previous period)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
Three Months Ended March 31, 2018	130,238	—%	7,954	—%	8,075	—%	6,133	—%
Three Months Ended June 30, 2017	102,944	11.8%	669	—%	114	—%	(276)	—%

Note: Comprehensive Income: Three months ended March 31, 2018; 1,742 million yen —%  
 Three months ended March 31, 2018; (420) million yen —%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)
Three Months Ended March 31, 2018	60.36	60.04
Three Months Ended June 30, 2017	(2.72)	—

Note1: Net income per share, diluted for the three months ended June 30, 2017 is not displayed because net income per share was negative although there are potential shares.

Note2: Ebara Corporation has changed its fiscal year-end from March 31 to December 31, effective from the previous fiscal year ended December 31, 2017. Due to this change, the period of the three months ended March 31, 2018 (from January 1, 2018 to March 31, 2018) is different from the previous year (from April 1, 2017 to June 30, 2017) for the comparison. Therefore, the change from a comparable previous period (%) is not displayed.

(Reference Information) Percentage Changes After Adjustment

The percentages represent comparison between the results from the same period of the previous fiscal year (from January 1, 2017 to March 31, 2017) and the results for the three months ended March 31, 2018 (from January 1, 2018 to March 31, 2018).

Millions of yen

Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
130,238	(15.5%)	7,954	(64.1%)	8,075	(64.1%)	6,133	(60.9%)

**(2) Financial Position**

Millions of yen

	Total Assets	Net Assets	Equity Ratio
As of March 31, 2018	622,905	285,181	44.8%
As of December 31, 2017	612,919	284,788	45.3%

Note: Shareholders' Equity (Net assets excluding subscription rights to shares and non-controlling interests):

As of March 31, 2018; 278,802 million yen

As of December 31, 2017; 277,955 million yen

**2. Dividends**

	Dividends per Share (Yen)				
	End of 1 <sup>st</sup> Quarter	End of 2 <sup>nd</sup> Quarter	End of 3 <sup>rd</sup> Quarter	Year-End	Annual
Fiscal Year Ended December 31, 2017	—	30.00	—	15.00	45.00
Fiscal Year Ending December 31, 2018	—				
Fiscal Year Ending December 31, 2018 (Forecast)		30.00	—	30.00	60.00

Note: Revisions to forecast of dividends in this quarter: None

**3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2018**

% on Six Months represent percentage change from a comparable previous period

% on Fiscal Year represent percentage change from the previous fiscal year

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share (Yen)
Six Months Ending June 30, 2018	250,000	—%	12,000	—%	12,000	—%	7,000	—%	68.89
Fiscal Year Ending December 31, 2018	505,000	—%	37,000	—%	36,000	—%	22,000	—%	216.50

Note: Revisions to forecast of financial results in this quarter: None

Due to the change of the fiscal year-end, the fiscal year ended December 31, 2017 refers to the nine months from April 1, 2017 to December 31, 2017. Therefore, the change from the previous fiscal year (%) and from a comparable previous period (%) is not displayed.

(Reference Information) Percentage Changes After Adjustment

The percentages of six months ending June 30, 2018, represent comparison between the results from the same period of the previous fiscal year (from January 1, 2017 to June 30, 2017). Regarding the fiscal year ending December 31, 2018, the percentages represent comparison between the results from the same period of the previous fiscal year (from January 1, 2017 to December 31, 2017).

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
Six Months Ending June 30, 2018	250,000	(5.3%)	12,000	(50.1%)	12,000	(49.6%)	7,000	(56.9%)
Fiscal Year Ending December 31, 2018	505,000	(0.6%)	37,000	1.0%	36,000	1.5%	22,000	(3.4%)

#### **4. Other Information**

- (1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

Included: — (—)

Excluded: — (—)

- (2) Adoption of specific accounting methods for preparation of quarterly financial statements: Yes

Note: For further details, please refer to “2. Consolidated Financial Statements and Significant Notes (4) Notes to Consolidated Financial Statements (Adoption of Specific Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)” on page 16.

- (3) Changes in accounting policies, Changes in accounting estimates, and Restatement of prior financial statements after error corrections

(i) Changes in accounting policies due to revisions of accounting standards, etc.: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement of prior financial statements after error corrections: None

- (4) Number of shares outstanding (Common Stocks)

(i) Number of common stocks (Including treasury stocks)	As of March 31, 2018	101,809,653	As of December 31, 2017	101,783,253
(ii) Number of treasury stocks	As of March 31, 2018	189,722	As of December 31, 2017	189,124
(iii) Average number of common stocks	Three Months Ended March 31, 2018	101,614,865	Three Months Ended June 30, 2017	101,550,913

**This quarterly financial result is exempt from quarterly review by certified public accountants or accounting firms.**

#### **Explanation of the Appropriate Use of Performance Forecasts and Other Related Matters**

1. The forecasts of performance and other forward-looking statements contained in this report are based on information that was available to Ebara Corporation as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group's performance. Actual performance may differ substantially from these forecasts owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecasts of performance, please refer to “Explanation of Forecast of Consolidated Financial Results” on page 9. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, Ebara Corporation assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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# 1. Qualitative Information Regarding Consolidated Financial Results

## (1) Explanation of Financial Results

To provide a more timely and appropriate disclosure of the Group's performance and other financial information in the advancing globalization of the Group's business, the Group has unified the fiscal year-end to December 31, effective from the previous fiscal year ended December 31, 2017.

Changes displayed hereinafter are based on the comparison between "the same period of the previous fiscal year" and the actual results. ("The same period of the previous fiscal year" refers to corresponding period of the previous fiscal year, from January 1, 2017 to March 1, 2017.)

	Millions of yen			
	Same Period of the Previous Fiscal Year	Three Months Ended March 31, 2018	Change	Change Ratio (%)
Orders Received	126,085	158,820	32,735	26.0
Net Sales	154,080	130,238	(23,842)	(15.5)
Operating Income	22,137	7,954	(14,183)	(64.1)
Operating Income on Sales Ratio (%)	14.4	6.1	—	—
Ordinary Income	22,502	8,075	(14,427)	(64.1)
Profit Attributable to Owners of Parent	15,690	6,133	(9,556)	(60.9)
Net Income per Share (Yen)	154.52	60.36	(94.16)	—

During the three months ended March 31, 2018, the economy in the United States continued to be favorable, and improvement was seen also in Asia. In Japan, public investment is firm and private capital investment is recovering. Overall, the Japanese economy slowly recovered.

During the three months ended March 31, 2018, orders received increased compared to the same period of the previous fiscal year mainly due to an increase in the Environmental Plants ("EP") Company. Both sales and operating income decreased compared to the same period of the previous fiscal year mainly due to Fluid Machinery & Systems ("FMS") Company.







Consolidated net sales for the three months ended March 31, 2018, amounted to ¥130,238 million (an decrease of 15.5% from the same period of the previous fiscal year), operating income amounted to ¥7,954 million (an decrease of 64.1% from the same period of the previous fiscal year), ordinary income amounted to ¥8,075 million (an decrease of 64.1% from the same period of the previous fiscal year), profit attributable to owners of parent amounted to ¥6,133 million (an decrease of 60.9% from the same period of the previous fiscal year).

Operating results by business segment

Millions of yen

Segment	Order Received			Net Sales			Segment Income		
	Same Period of the Previous Fiscal Year	Three months ended March 31, 2018	Change Ratio (%)	Same Period of the Previous Fiscal Year	Three months ended March 31, 2018	Change Ratio (%)	Same Period of the Previous Fiscal Year	Three months ended March 31, 2018	Change Ratio (%)
Fluid Machinery & Systems	76,211	82,921	8.8	93,571	80,755	(13.7)	14,125	2,457	(82.6)
Environmental Plants	14,024	34,845	148.5	22,951	18,206	(20.7)	1,897	1,821	(4.0)
Precision Machinery	35,409	40,627	14.7	37,116	30,850	(16.9)	6,010	3,619	(39.8)
Segment Total	125,646	158,394	26.1	153,640	129,812	(15.5)	22,032	7,897	(64.2)
Others	439	426	(2.9)	440	425	(3.3)	101	67	(33.6)
Adjustment	—	—	—	—	—	—	3	(10)	—
Total	126,085	158,820	26.0	154,080	130,238	(15.5)	22,137	7,954	(64.1)

Outline of business environment and situation by business segment

Segment		Business environment	Business situation and the trend of orders received (Note1)
Fluid Machinery & Systems	Pumps	<p>(In overseas market)</p> <ul style="list-style-type: none"> <li>▪In oil and gas market, the upward trend in crude oil prices has brought the bottom out and investment plans are increasing.</li> <li>▪Demand for the water infrastructure and electric power were level with the same period of the previous fiscal year.</li> </ul> <p>(In domestic market (Japan) )</p> <ul style="list-style-type: none"> <li>▪The number of building construction was level with the same period of the previous fiscal year.</li> <li>▪Investments for social infrastructure renovation and maintenance were smaller than the same period of the previous fiscal year.</li> </ul>	<p>(In overseas market)</p> <ul style="list-style-type: none"> <li>▪Oil and gas related orders received continued to be stagnant.</li> <li>▪The volume of orders received for the water infrastructure was smaller than the same period of the previous fiscal year.</li> </ul> <p>▪Orders received for electric power were firm. </p> <p>(In domestic market (Japan) )</p> <ul style="list-style-type: none"> <li>▪Orders received for building construction-related equipment were lackluster.</li> <li>▪Orders received for public sectors exceeded those of the same period of the previous fiscal year.</li> </ul>
	Compressors & Turbines	<ul style="list-style-type: none"> <li>▪Although investments for new products have gradually recovered; the market remains stagnant with continuous and intense competition including pricing.</li> <li>▪There was movements of capital investment in the ethylene and oil-refinery field in Asia- Oceania region, mainly in China.</li> <li>▪While the service of repair and inspection intervals have been prolonged, the service of failure handling has increased. Additionally, the orders of remodeling increased gradually.</li> </ul>	<ul style="list-style-type: none"> <li>▪Orders received for new products exceeded those of the same period of the previous fiscal year.</li> <li>▪Major orders were received for petrochemical plants in China and India. </li> <li>▪Service-related orders received were level with the same period of the previous fiscal year.</li> </ul>
	Chillers	<ul style="list-style-type: none"> <li>▪In Japan and China, the markets were level with the same period of the previous fiscal year.</li> </ul>	<ul style="list-style-type: none"> <li>▪In Japan, the orders received were level with the same period of the previous fiscal year. </li> <li>▪In China, the orders received exceeded those of the same period of the previous fiscal year. </li> </ul>
Environmental Plants (Note2)		<ul style="list-style-type: none"> <li>▪New EPC orders placed by the public sector for municipal waste incinerating facilities ran at about the same level as in the same period of the previous fiscal year.</li> <li>▪In the O&amp;M for existing facilities, new orders ran at about the same level as in a typical year.</li> <li>▪Demands continued for the construction of biomass power generation facilities in private companies.</li> </ul>	<ul style="list-style-type: none"> <li>▪Orders received for DBO projects and long-term comprehensive projects, and construction of biomass power generation facilities were firm and exceeded those of the same period of the previous fiscal year. </li> </ul> <p>(Overview of major orders received)</p> <ul style="list-style-type: none"> <li>▪DBO project for municipal waste incinerating facilities in the public sector (1 order)</li> <li>▪Long-term comprehensive project for municipal waste incinerating facilities in the public sector (1 order)</li> <li>▪Biomass power generation facilities (1 order)</li> </ul>
Precision Machinery		<ul style="list-style-type: none"> <li>▪Capital investment in the semiconductor market still continued at a high level.</li> <li>▪Capital investment of memory-related devices was favorable.</li> </ul>	<ul style="list-style-type: none"> <li>▪Orders received for memory-related devices were favorable. </li> </ul>

Note1: Arrows indicate increase/decrease in orders received from the same period of the previous fiscal year:



in the case of +5% or more increase



in the case of -5% or greater decrease



in the case of movement within the -5% and +5% range

Note2: EPC ..... The engineering, procurement, and construction for plants  
O&M ..... The operation and maintenance for plants  
DBO (Design, Build and Operate) ... The contract for operation and maintenance after construction for a certain period of time, in addition to the engineering, procurement, and construction for plants

## **(2) Explanation of Financial Position**

### **i. Assets**

Total assets as of March 31, 2018 were ¥622,905 million, ¥9,986 million higher than as of December 31, 2017. Principal changes in asset items included an increase of ¥9,958 million in notes and accounts receivable-trade.

### **ii. Liabilities**

Total liabilities as of March 31, 2018 were ¥337,724 million, ¥9,592 million higher than as of December 31, 2017. Principal changes in liability items included an increase of ¥6,468 million in notes and accounts payable-trade.

### **iii. Net Assets**

Net assets as of March 21, 2018 amounted to ¥285,181 million, ¥393 million higher than as of December 31, 2017. Principal changes affecting net asset items were profit attributable to owners of parent of ¥6,133 million, cash dividends paid of ¥1,523 million, and the decrease of ¥4,481 million in translation adjustments. Shareholders' equity (Net assets excluding subscription rights to shares and non-controlling interests) amounted to ¥278,802 million, and equity ratio was 44.8%.



### (3) Explanation of Forecast of Consolidated Financial Results

The forecasts below (net sales, operating income, ordinary income, profit attributable to owners of parent) and the assumptions made in the preparation of the forecast have not been revised since the previous announcement on February 14, 2018.

On the other hand, the forecast for the fiscal ending December 31, 2018, orders received in Precision Machinery was revised and amounted to ¥140,000 million (an increase of ¥10,000 million from the previous announcement) because the capital investment in the semiconductor market still continues at a high level.

Actual performance may differ from these forecasts owing to factors such as changing market environment.

Forecast for the fiscal year ending December 31, 2018

Millions of yen

	Six Months Ending June 30, 2018	Fiscal Year Ending December 31, 2018
Order Received	290,000	545,000
Net Sales	250,000	505,000
Operating Income	12,000	37,000
Ordinary Income	12,000	36,000
Profit Attributable to Owners of Parent	7,000	22,000

Forecast for the six months ending June 30, 2018 by business segment

Millions of yen

Segment	Orders Received	Net Sales	Operating Income
Fluid Machinery & Systems	159,500	152,500	1,000
Environmental Plants	60,000	31,000	2,500
Precision Machinery	70,000	66,000	8,500
Others	500	500	0
Total	290,000	250,000	12,000

Forecast for the fiscal year ending December 31, 2018 by business segment

Millions of yen

Segment	Orders Received	Net Sales	Operating Income
Fluid Machinery & Systems	314,000	314,000	13,500
Environmental Plants	90,000	60,000	6,000
Precision Machinery	140,000	130,000	17,000
Others	1,000	1,000	500
Total	545,000	505,000	37,000

## 2. Consolidated Financial Statements and Significant Notes

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of December 31, 2017	As of March 31, 2018
<b>ASSETS</b>		
Current Assets		
Cash and deposits	138,475	142,598
Notes and accounts receivable-trade	169,298	179,257
Electronically recorded monetary claims	6,021	6,817
Securities	2,411	4,011
Merchandise and finished goods	15,191	16,853
Work in process	60,993	56,755
Raw materials and supplies	33,353	34,353
Others	25,439	22,147
Allowance for doubtful accounts	(3,694)	(3,286)
Total current assets	447,491	459,508
Fixed Assets		
Tangible fixed assets		
Buildings and structures, net	47,005	47,263
Machinery and equipment, net	28,632	28,186
Others, net	34,589	33,940
Total tangible assets	110,227	109,389
Intangible assets	12,080	11,950
Investments and other assets		
Investment securities	25,226	25,066
Others	22,297	21,687
Allowance for doubtful accounts	(4,403)	(4,696)
Total investments and other assets	43,120	42,056
Total fixed assets	165,428	163,397
Total Assets	612,919	622,905

	Millions of yen	
	As of December 31, 2017	As of March 31, 2018
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Notes and accounts payable-trade	61,756	68,225
Electronically recorded obligations	57,869	62,599
Short-term loans payable	70,470	66,308
Current portion of bonds	10,000	10,000
Bonus payment reserve	5,460	8,228
Directors' bonus payment reserve	250	86
Reserve for losses on construction completion guarantees	3,279	3,225
Reserve for product warranties	4,086	4,171
Reserve for construction losses	10,038	9,625
Reserve for expenses related to the sales of land	254	254
Others	47,227	49,578
Total current liabilities	270,691	282,303
<b>Long-term Liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	22,161	22,019
Reserve for directors' retirement benefits	122	115
Provision for loss on litigation	6,464	6,464
Defined benefit liability	11,841	10,862
Asset retirement obligations	2,214	2,229
Others	4,633	3,728
Total long-term liabilities	57,439	55,420
<b>Total Liabilities</b>	328,131	337,724
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b>		
Common stock	78,815	78,838
Capital surplus	81,256	81,279
Retained earnings	121,321	126,639
Treasury stock	(431)	(433)
Total shareholders' equity	280,962	286,322
<b>Accumulated Other Comprehensive Income</b>		
Net unrealized gains (losses) on investment securities	2,564	1,867
Deferred gains (losses) on hedges	10	(72)
Translation adjustments	2,628	(1,853)
Remeasurements of defined benefit plans	(8,210)	(7,462)
Total accumulated other comprehensive income	(3,007)	(7,520)
Subscription Rights to Shares	1,163	1,144
Non-Controlling Interests	5,668	5,234
<b>Total Net Assets</b>	284,788	285,181
<b>Total Liabilities and Net Assets</b>	612,919	622,905

**(2) Consolidated Statements of Income and Comprehensive Income**  
**Consolidated Statements of Income**

Millions of yen

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2018
Net Sales	102,944	130,238
Cost of Sales	78,541	98,199
Gross Profit	24,403	32,038
Selling, General and Administrative Expenses	23,734	24,084
Operating Income	669	7,954
Non-operating Income		
Interest income	61	65
Dividends income	46	259
Share of profit of entities accounted for using equity method	—	1,002
Others	79	161
Total non-operating income	187	1,489
Non-operating Expenses		
Interest expenses	291	323
Share of loss of entities accounted for using equity method	217	—
Foreign exchange losses	121	701
Others	112	343
Total non-operating expenses	742	1,369
Ordinary Income	114	8,075
Extraordinary Income		
Gain on sales of fixed assets	19	6
Gain on sales of investment securities	93	390
Total extraordinary income	112	397
Extraordinary Loss		
Loss on sales of fixed assets	1	11
Loss on retirement of fixed assets	37	42
Others	2	0
Total extraordinary loss	40	53
Income before Income Taxes	186	8,419
Income Taxes	218	2,062
Profit (Loss)	(32)	6,357
Profit Attributable to Non-Controlling Interests	243	223
Profit (Loss) Attributable to Owners of Parent	(276)	6,133

## Consolidated Statements of Comprehensive Income

Millions of yen

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2018
Profit (Loss)	(32)	6,357
Other Comprehensive Income:		
Net unrealized gains (losses) on investment securities	563	(707)
Deferred gains (losses) on hedges	9	(83)
Translation adjustment	(1,126)	(4,585)
Remeasurements of defined benefit plans, net of tax	151	699
Share of other comprehensive income of entities accounted for using equity method	12	62
Total other comprehensive income	(388)	(4,614)
Comprehensive Income	(420)	1,742
Comprehensive income attributable to:		
Owners of parent	(617)	1,607
Non-controlling interests	197	134

### (3) Consolidated Statements of Cash Flows

Millions of yen

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2018
Cash Flows from Operating Activities:		
Income before income taxes	186	8,419
Depreciation and amortization	3,685	3,907
Loss (gain) on sales of securities and investment securities	(93)	(390)
Increase (decrease) in reserve	2,708	2,057
Increase (decrease) in defined benefit liability	(345)	(1,245)
Loss (gain) on sales of fixed assets	(18)	4
Interest and dividends income	(107)	(325)
Interest expenses	291	323
Decrease (increase) in notes and accounts receivable-trade	53,593	(11,921)
Decrease (increase) in inventories	(3,060)	245
Increase (decrease) in notes and accounts payable-trade	(9,069)	11,103
Others	4,201	3,776
Sub-total	51,970	15,955
Interest and dividends income received	776	78
Interest expenses paid	(269)	(294)
Income taxes paid	(2,988)	(747)
Net cash provided by operating activities	49,489	14,991
Cash Flows from Investing Activities:		
Purchase of fixed assets	(4,331)	(3,664)
Proceeds from sales of fixed assets	33	49
Purchase of securities and investment securities	(31)	(611)
Proceeds from sales and redemption of securities and investment securities	720	446
Payments into time deposits	(310)	(540)
Proceeds from withdrawal of time deposits	334	508
Payments of loans receivable	(8)	(9)
Collection of loans receivable	93	20
Others	120	(56)
Net cash used in investing activities	(3,378)	(3,858)

Millions of yen

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2018
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term loans payable	3,402	(2,305)
Proceeds from long-term loans payable	100	—
Repayment of long-term loans payable	(762)	(301)
Purchase of treasury shares	(0)	(2)
Proceeds from disposal of treasury shares	0	—
Cash dividends paid	(3,046)	(1,523)
Cash dividends paid to non-controlling interests	(4)	(400)
Others	(211)	(195)
Net cash used in financing activities	(522)	(4,730)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(254)	(1,679)
Increase (Decrease) in Cash and Cash Equivalents	45,334	4,723
Cash and Cash Equivalents at Beginning of Period	90,683	139,102
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	—	507
Cash and Cash Equivalents at End of Period	136,018	144,334

#### (4) Notes to Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Note for Significant Changes in the Amount of Shareholders' Equity)

None

(Adoption of Specific Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses on income before income taxes for the three months under review are calculated by multiplying income before income taxes for the three months under review by the reasonably estimated annual effective tax rate for the entire fiscal year with application of tax effect accounting.

(Segment Information)

#### Three Months Ended June 30, 2017

##### 1. Information Regarding Sales and Income (loss) by Reportable Segment

Millions of yen

	Reportable Segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Sales								
Customers	56,725	12,239	33,570	102,535	408	102,944	—	102,944
Intersegment and transfers	89	—	—	89	745	835	(835)	—
Total	56,815	12,239	33,570	102,625	1,154	103,780	(835)	102,944
Segment Income (Loss)	(4,171)	462	4,337	628	36	665	3	669

Notes: 1.The "Others" item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2.The "Adjustment" item for Segment Income (Loss) shows eliminations among intersegment sales and transfers.

3.Segment Income (Loss) has been adjusted with operating income in the consolidated statements of income.

##### 2. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Negative Goodwill by Reportable Segment

(Material impairment loss of fixed assets)

None

(Material change in goodwill amount)

None

(Material negative goodwill arisen)

None



## Three Months Ended March 31, 2018

### 1. Information Regarding Sales and Income by Reportable Segment

Millions of yen

	Reportable Segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Sales								
Customers	80,755	18,206	30,850	129,812	425	130,238	—	130,238
Intersegment and transfers	197	—	3	200	677	878	(878)	—
Total	80,952	18,206	30,853	130,013	1,103	131,116	(878)	130,238
Segment Income	2,457	1,821	3,619	7,897	67	7,965	(10)	7,954

Notes: 1.The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2.The “Adjustment” item for Segment Income shows eliminations among intersegment sales and transfers.

3.Segment Income has been adjusted with operating income in the consolidated statements of income.

### 2. Information Regarding Impairment Loss of Fixed Assets, Goodwill and Negative Goodwill by Reportable Segment

(Material impairment loss of fixed assets)

None

(Material change in goodwill amount)

None

(Material negative goodwill arisen)

None

(Additional Information)

On October 23, 2015, a fire broke out at the waste processing facility for bulky refuse at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, as Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. Please note that EEP is responsible for the operation and management of a refuse incinerating facility that is located next to the bulky refuse processing plant where the fire occurred.

Regarding this incident, the Company is discussing with Gifu City the compensation for related damages. At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated performance.

### 3. Others

#### (1) Segment Information

Business Segment

FMS = Fluid Machinery & Systems, EP = Environmental Plants, PM = Precision Machinery

Orders Received, Sales, Operating Income and Backlog of Orders Received

Billions of yen

	Same Period of the Previous Fiscal Year	Three Months Ended March 31, 2018			Six Months Ending June 30, 2018	Fiscal Year Ending December 31, 2018
	Actual	Actual	Change	Change Ratio	Forecast	Forecast
Orders Received				(%)		
FMS	76.2	82.9	6.7	8.8	159.5	314.0
EP	14.0	34.8	20.8	148.5	60.0	90.0
PM	35.4	40.6	5.2	14.7	70.0	140.0
Others	0.4	0.4	(0.0)	(2.9)	0.5	1.0
Total	126.0	158.8	32.7	26.0	290.0	545.0
Sales						
FMS	93.5	80.7	(12.8)	(13.7)	152.5	314.0
EP	22.9	18.2	(4.7)	(20.7)	31.0	60.0
PM	37.1	30.8	(6.2)	(16.9)	66.0	130.0
Others	0.4	0.4	(0.0)	(3.3)	0.5	1.0
Total	154.0	130.2	(23.8)	(15.5)	250.0	505.0
Operating Income						
FMS	14.1	2.4	(11.6)	(82.6)	1.0	13.5
EP	1.8	1.8	(0.0)	(4.0)	2.5	6.0
PM	6.0	3.6	(2.3)	(39.8)	8.5	17.0
Others & Adjustment	0.1	0.0	(0.0)	(45.9)	0	0.5
Total	22.1	7.9	(14.1)	(64.1)	12.0	37.0
Backlog of Orders Received						
FMS		193.5				
EP		186.9				
PM		39.7				
Others		0.0				
Total		420.2				

## (2) Sales and Orders by Subsegment

### (i) Order Received

Billions of yen

	Same Period of the Previous Fiscal Year	Three Months Ended March 31, 2018			Six Months Ending June 30, 2018	Fiscal Year Ending December 31, 2018
	Actual	Actual	Change	Change Ratio	Forecast	Forecast
FMS				(%)		
Pumps	46.3	44.1	(2.1)	(4.6)	86.0	178.0
Compressors & Turbines	16.7	26.7	9.9	59.6	50.0	85.0
Chillers	7.0	8.5	1.4	21.1	17.5	37.0
Others	6.0	3.4	(2.6)	(43.7)	6.0	14.0
Total of FMS	76.2	82.9	6.7	8.8	159.5	314.0
EP						
Environmental Plants	14.0	34.8	20.8	148.5	60.0	90.0
Total of EP	14.0	34.8	20.8	148.5	60.0	90.0
PM						
Components	15.2	17.1	1.9	12.5	32.0	65.0
CMP Systems	18.8	22.1	3.2	17.2	36.0	71.0
Others	1.3	1.4	0.0	5.0	2.0	4.0
Total of PM	35.4	40.6	5.2	14.7	70.0	140.0
Others	0.4	0.4	(0.0)	(2.9)	0.5	1.0
Total of Others	0.4	0.4	(0.0)	(2.9)	0.5	1.0
Total	126.0	158.8	32.7	26.0	290.0	545.0

### (ii) Sales

Billions of yen

	Same Period of the Previous Fiscal Year	Three Months Ended March 31, 2018			Six Months Ending June 30, 2018	Fiscal Year Ending December 31, 2018
	Actual	Actual	Change	Change Ratio	Forecast	Forecast
FMS				(%)		
Pumps	55.0	50.9	(4.1)	(7.5)	89.0	178.0
Compressors & Turbines	22.6	18.5	(4.1)	(18.2)	41.0	85.0
Chillers	9.2	7.5	(1.7)	(18.7)	16.0	37.0
Others	6.6	3.7	(2.8)	(43.2)	6.5	14.0
Total of FMS	93.5	80.7	(12.8)	(13.7)	152.5	314.0
EP						
Environmental Plants	22.9	18.2	(4.7)	(20.7)	31.0	60.0
Total of EP	22.9	18.2	(4.7)	(20.7)	31.0	60.0
PM						
Components	13.9	14.9	0.9	7.1	29.0	58.0
CMP Systems	22.0	14.6	(7.3)	(33.3)	35.0	69.0
Others	1.1	1.1	0.0	4.7	2.0	3.0
Total of PM	37.1	30.8	(6.2)	(16.9)	66.0	130.0
Others	0.4	0.4	(0.0)	(3.3)	0.5	1.0
Total of Others	0.4	0.4	(0.0)	(3.3)	0.5	1.0
Total	154.0	130.2	(23.8)	(15.5)	250.0	505.0

Note: Effective from the three months ended March 31, 2018, cryogenic pumps (pumps for transporting LNG (liquefied natural gas)) is included in Compressors & Turbines. Additionally, the amount of orders received and sales for the same period of the previous fiscal year in cryogenic pumps have been restated in order to reflect this reclassification.

### (3) Area Information

(i) Geographical Segment ••• Compiled on the basis of the geographical location of the company reporting the sales

Billions of yen

	Three Months Ended March 31, 2018	
	Actual	Composition
Net Sales		(%)
Japan	90.3	69.4
North America	15.3	11.8
Asia (except Japan)	17.9	13.7
Others	6.6	5.1
Total	130.2	100.0
Operating Income		(%)
Japan	6.2	—
North America	(0.6)	—
Asia (except Japan)	1.5	—
Others	0.2	—
Adjustment	0.5	—
Total	7.9	—

(ii) Regional Segment ••• Compiled on the basis of the geographical location where the goods are sold

Billions of yen

	Three Months Ended March 31, 2018	
	Actual	Composition
Net Sales		(%)
Japan	71.2	54.7
Asia (except Japan)	34.3	26.4
North America	6.6	5.1
Europe	8.9	6.9
Middle East	3.5	2.7
Others	5.5	4.2
Total	130.2	100.0