

# Results presentation for the year ended March 31, 2006

## EBARA Corporation (6361)

May 18, 2006



**EBARA**

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# Financial Results for FY2005 (ended March 31, 2006)

## Summary of Financial Results for FY2005 (ended March 31, 2006)

(Billions of JPY)	FY2004 (Result)	FY2005 (Planned)	FY2005 (Result)	Change (05/04)	Change (Result/Plan)
Orders	496.1	510.0	530.4	+34.3	+20.4
Sales	478.3	485.0	514.9	+36.6	+29.9
Operating Profits	7.5	11.0	10.9	+3.4	-0.1
Ordinary Income	4.9	8.0	7.7	+2.8	-0.3
Net Income	-19.6	3.0	3.3	+22.9	+0.3

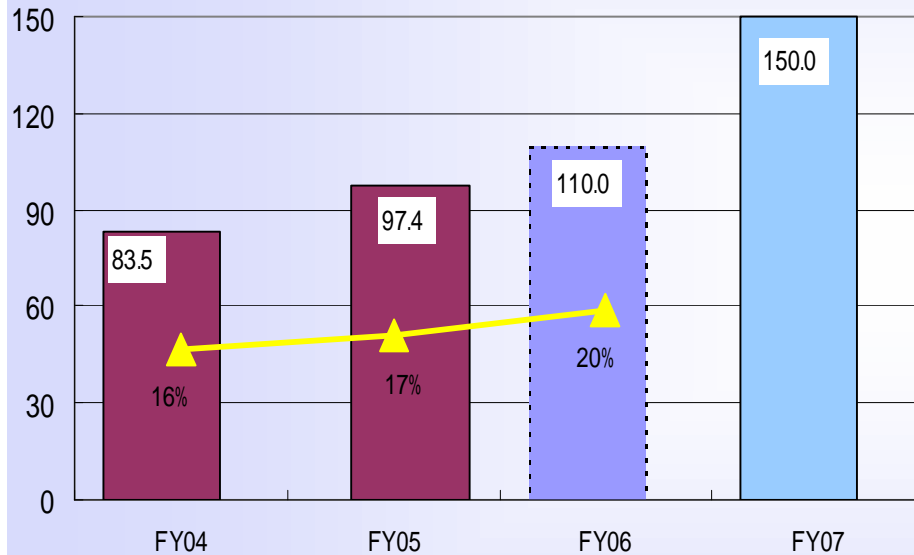
# Summary of Financial Results for FY2005 (ended March 31, 2006)

Quick expansion of new business

Increase the ratio of overseas business

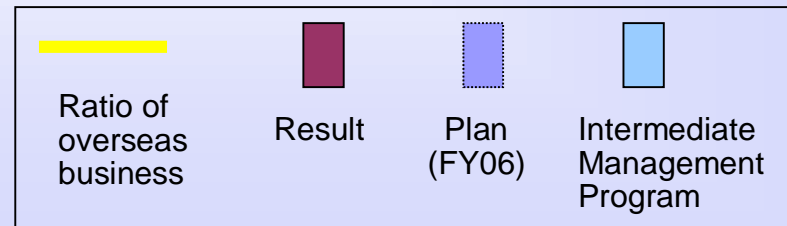
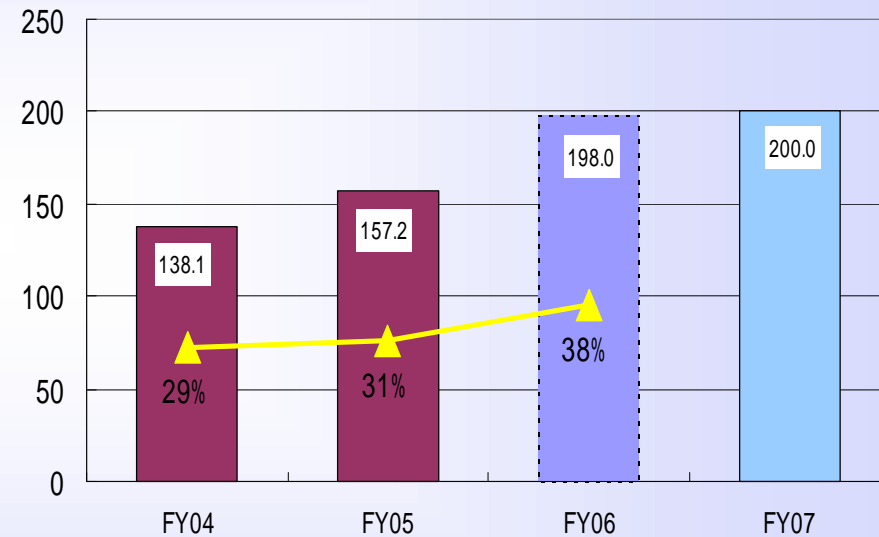
## Sales of new business

(Billions of JPY)



## Sales of overseas business

(Billions of JPY)



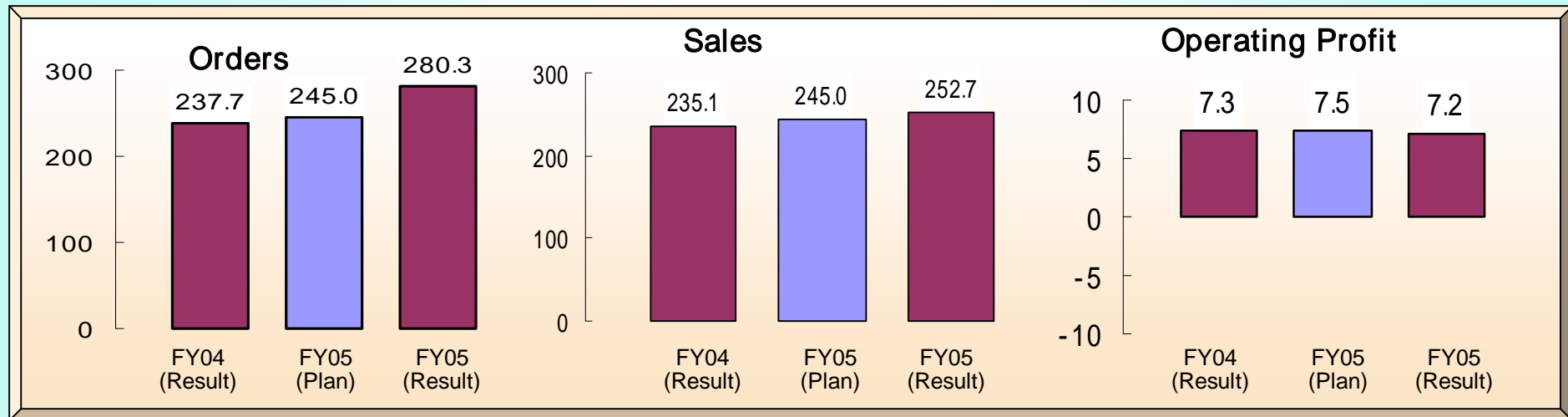
Note) The inter-company transactions are not eliminated in the above figures.

# Segment Financial Results for FY2005 (ended March 31, 2006)

## FMS business

...Fluid machinery & Systems business

(Billions of JPY)



### [Orders]

Orders increased exceeding the original projection, mostly in Oil & Gas and infrastructure market in Middle-East and China.

### [Sales]

Sales increased exceeding the original projection. Growth in domestic private sector and overseas was larger than decrease in domestic public sector

### [Operating profit]

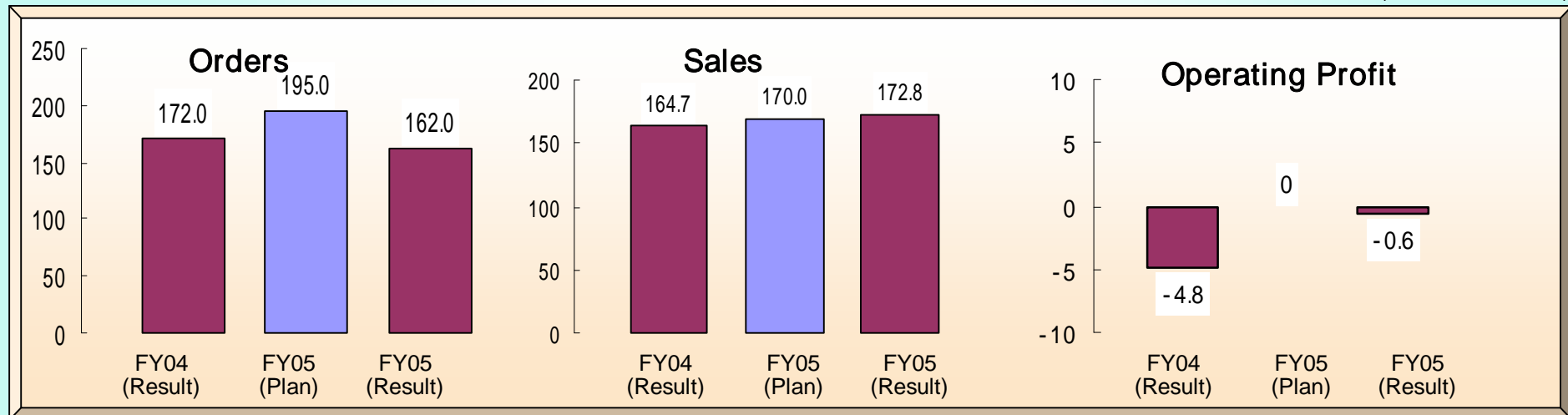
Resulted ¥7.2 Bill., due to reduction of margin in group subsidiary.

# Segment Financial Results for FY2005 (ended March 31, 2006)

## EE business

...Environmental Engineering

(Billions of JPY)



### [ Orders ]

Orders resulted below projection due to non-accomplishment of overseas incineration project.

### [Sales]

Sales increased exceeding the original projection, mostly because of increase in environmental plants business.

### [Operating profit]

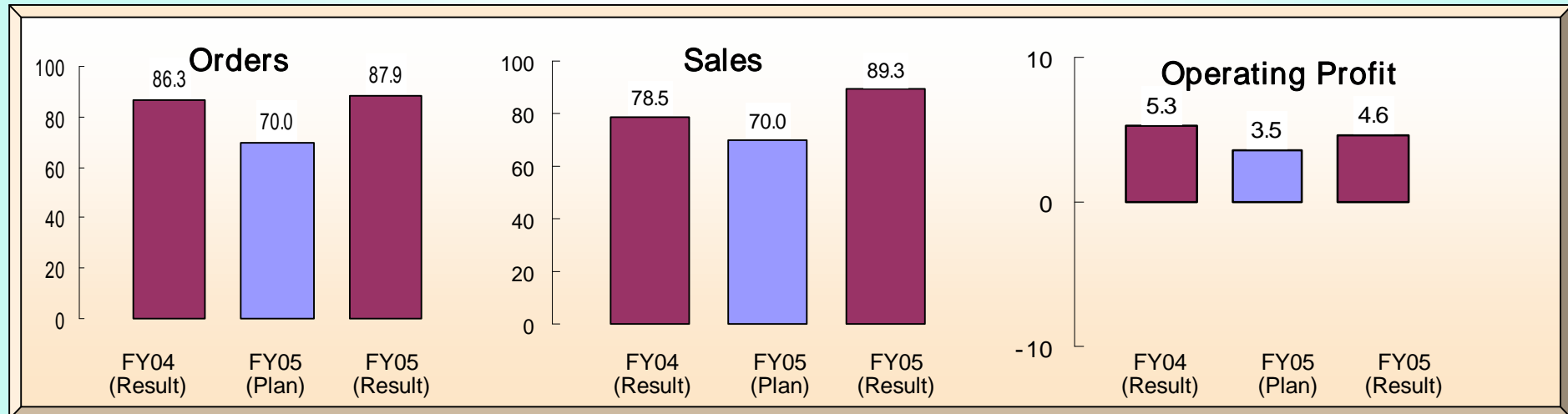
OP improved, due to increase of sales, reduction of fixed cost, improving project profitability.

# Segment Financial Results for FY2005 (ended March 31, 2006)

## PM business

...Precision Machinery business

(Billions of JPY)



### [Orders]

Orders increased due to strong demand specially in the first half and 4Q.

### [Sales]

Sales exceeded due to increase of orders.

### [Operating profit]

OP resulted ¥4.6 Bill., due to increase of cost for launching new equipments into market and trouble shooting cost of special equipment.

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# Forecast for FY2006 (ended March 31, 2007)

## Segment forecast for FY2006 (ended March 31, 2007)

### FMS business

...Fluid machinery & Systems business

(Billions of JPY)	FY2005 (Result)	FY2006 (Forecast)	Change
Orders	280.3	265.0	-15.3
Sales	252.7	265.0	+12.3
Operating profit	7.2	8.0	+0.8

- ◆ Projection of orders / sales
  - Overseas market such as Oil & Gas and infrastructure will continuously be strong, and Domestic public sector will decrease.
- ◆ Projection of OP
  - Plus factor: Subsidiary recovers in profit.
  - Minus factor: Sales decrease in domestic public sector.

# Segment forecast for FY2006 (ended March 31, 2007)

## FMS business

### ... Status of major action plan

Major Action Plan	Status
<u>Expanding overseas business</u>	Expanding low cost production center · 2 plants in China (one is in operation and one is under construction.)
	Expansion of standard pump business globally · Manufacturing / sales activity has started from April '06.
	Expanding overseas fluid related plants business · Shifting personnel from public sector
<u>Expanding strategic business</u>	Expanding domestic private fluid related plants business and after market
<u>Strengthen core business</u>	Enhancing compressor business · Improve production efficiency by optimum work scope in US and Japan
	Reorganization of pump business · Acquired pump business from IHI and Yoshikura Pump

# Segment forecast for FY2006 (ended March 31, 2007)

## EE business

...Environmental Engineering

(Billions of JPY)	FY2005 (Result)	FY2006 (Forecast)	Change
Orders	162.0	165.0	+3.0
Sales	172.8	165.0	-7.8
Operating profit	-0.6	-1.0	-0.4

◆ Projection of orders / sales

· Decreased sales figure (against FY05) is forecasted, due to continuous sluggish market condition in domestic public sector.

◆ Projection of OP

· Plus factor - Proceeding cost down action  
 Minus factor – Sales decreases in domestic public sector.

# Segment forecast for FY2006 (ended March 31, 2007)

## EE business

### ... Status of major action plan

Major Action Plan	Status
<u>Expanding overseas business</u>	Focusing more in overseas project · Sales promotion of component for Environmental plant · Centralization of overseas business into EEC *1)
<u>Expanding new business</u>	Promoting hybrid business · EPC + OM business, service provider, PFI project · Applying competitive hard product
	Utilization of Unused Resources and Energy · Power generation (from sewage sludge), Global development of biomass business
	Proceed to expand fuel cell business · Verification model for kerosene will be introduced from this year in addition to town gas model.
<u>Improving profitability</u>	Continuing present activity of risk management and reducing project additional cost
	Low cost engineering and procurement · Overseas outsourcing of detail engineering, expanding overseas procurement
<u>Short-term Action</u>	Reduce fixed cost · 60 employee shifted (total 100 are planned to be shifted )

# Segment forecast for FY2006 (ended March 31, 2007)

## PM business

...Precision Machinery business

(Billions of JPY)	FY2005 (Result)	FY2006 (Forecast)	Change
Orders	87.9	90.0	+2.1
Sales	89.3	90.0	+0.7
Operating profit	4.6	8.0	+3.4

◆ Projection of orders / sales

· Semiconductor market will be slightly weak in 1Q, and will switch to recover strongly from second half, and will also grow in FY2007.

◆ Projection of OP

· Plus factor :

- Reduction of cost by shortening the lead time of CMP
- Penetrating new Integrated model of components into market.

# Segment forecast for FY2006 (ended March 31, 2007)

## PM business

### ... Status of major action plan

Major Action Plan	Status
<u>Enhancing competitiveness of core product</u> +Keeping technical advantage +Reducing cost	CMP, Wafer plating, Bevel polishing: applying up-grade model(Mark ) ·Improve process performance, usability and replying for client  Expand models of exhaust gas and waste water treatment considering new application ·Improving efficiency of gas exhausting ·Treatment and recycle of PFC gas
<u>Strengthen group company</u>	Improve synergy among group companies ·Reinforcement of production in Kyusyu plant ·Strengthening capability of after support (Japan, Taiwan, Korea)
<u>Development of new equipment for next generation</u>	Action for next generation market (65 nm, 45 nm...) ·CU plating, CAP plating equipment  Action for yield support related requirements ·Electron beam inspection equipment

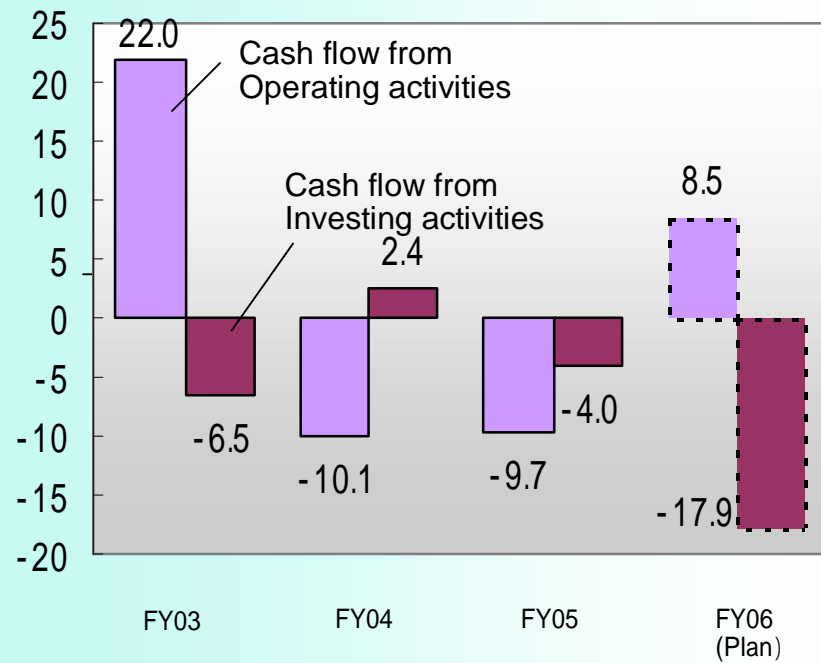
## Summary of forecast for FY2006 (ended March 31, 2007)

Billions of JPY	FY2005 (Result)	FY2006 (Forecast)	Change
Orders	530.4	520.0	-10.4
Sales	514.9	520.0	+5.1
Operating Profit	10.9	15.0	+4.1
Ordinary income	7.7	12.0	+4.3
Net Income	3.3	5.0	+1.7

# Summary of forecast for FY2006 (ended March 31, 2007)

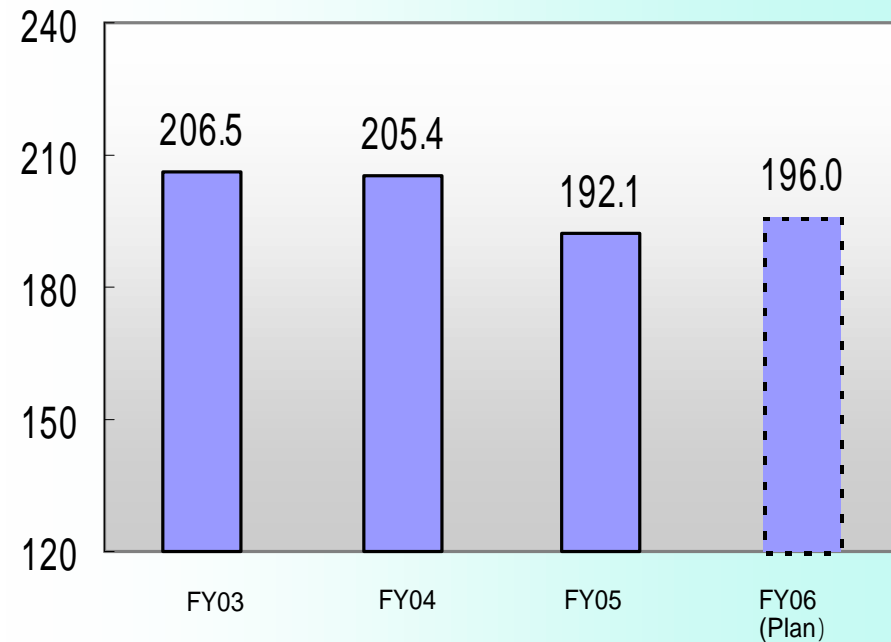
## Cash flow

(Billions of JPY)



## Interest-Bearing Dept

(Billions of JPY)



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