Results Presentation for the year ended March 31, 2007

（ended March 31, 2007）

EBARA （6361）

May 23, 2007

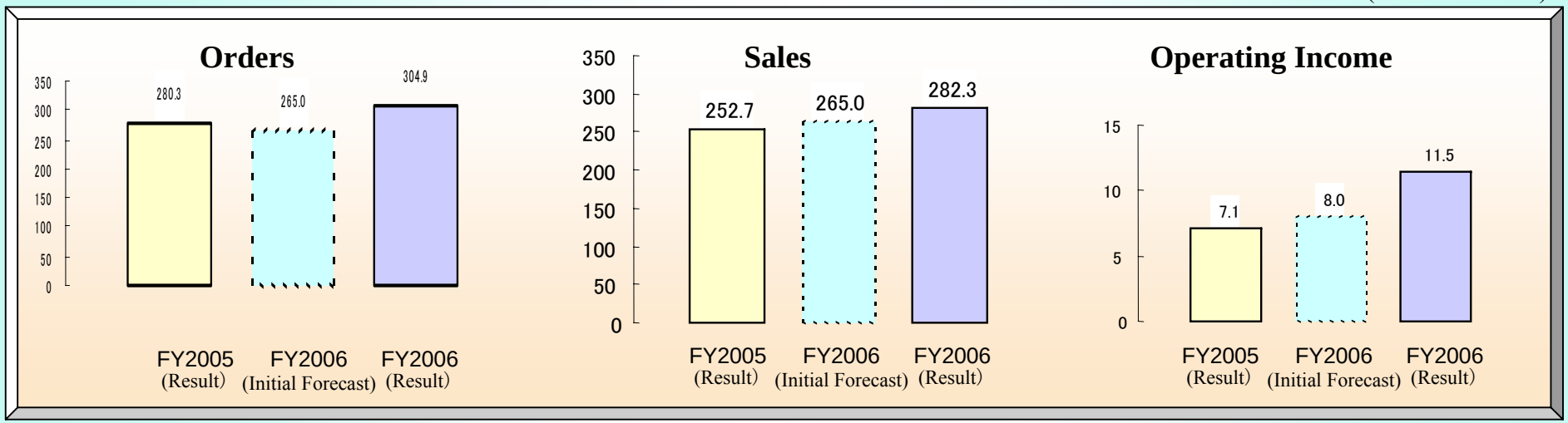
Summary of Financial Results for FY2006 (ended March 31, 2007)

(Billions of JPY)	FY2005 (Result)	FY2006 (Planned at 3rd Quarter)	FY2006 (Result)	Change (06/05)	Change (Result – Planned)
Orders	530.4	560.0	605.7	+75.3	+45.7
Sales	514.9	530.0	538.0	+23.1	+8.0
Operating Income	10.9	14.0	13.2	+2.3	-0.8
Ordinary Income	7.7	11.0	10.4	+2.7	-0.6
Net Income	3.3	4.5	5.4	+2.1	+0.9

Segment Financial Results for FY2006 (ended March 31, 2007)

FMS business ･･･Fluid Machinery & Systems business

(Billions of JPY)



【Orders】

Orders increased owing to growth in orders for pumps, compressors, and other products in the oil and gas markets as well as other industrial infrastructure markets of such regions as the Middle East and China.

【Sales】

Despite a decrease in sales to domestic public-sector customers, growth in overseas business enabled sales results exceeding the initial forecast.

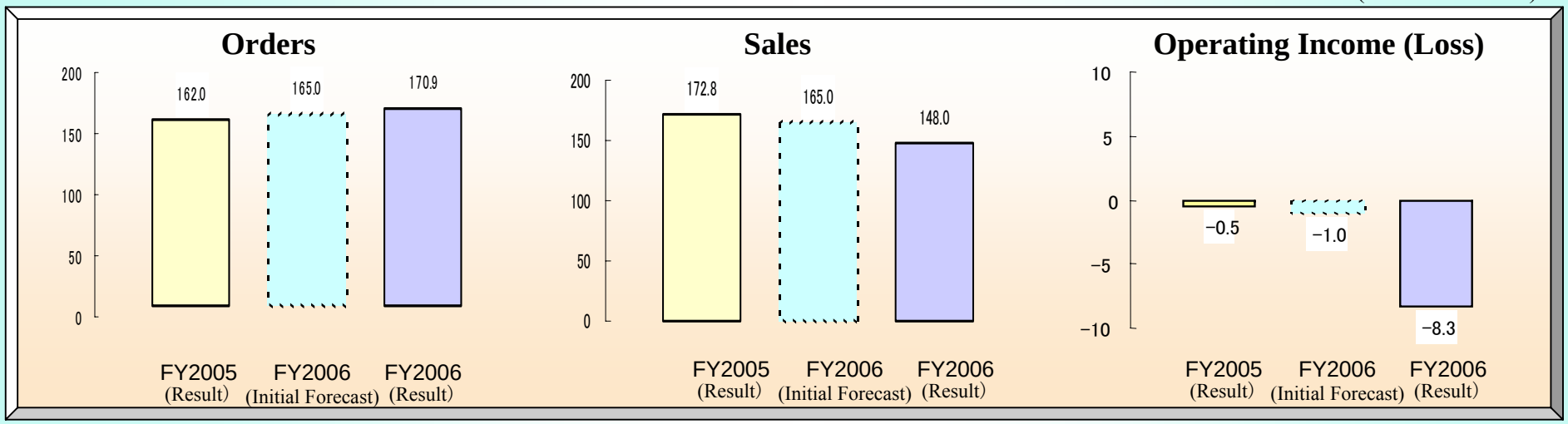
【Operating income】

Although profitability in domestic public-sector business deteriorated more than projected, improved profitability in Elliott business operations and in overseas and domestic private-sector pump business supported a year-on-year rise in the operating profit ratio.

Segment Financial Results for FY2006 (ended March 31, 2007)

EE business ・・・Environmental Engineering business

(Billions of JPY)



【Orders】

Conditions for domestic public-sector business continued to be severe due to such factors as the Company's disqualification for certain types of bidding processes, but orders associated with large-scale overseas projects boost the overall orders to above the initial forecast level.

【Sales】

Such factors as the Company's disqualification for certain types of domestic public-sector bidding processes had an impact on performance greater than initially projected, and sales slumped considerably.

【Operating income】

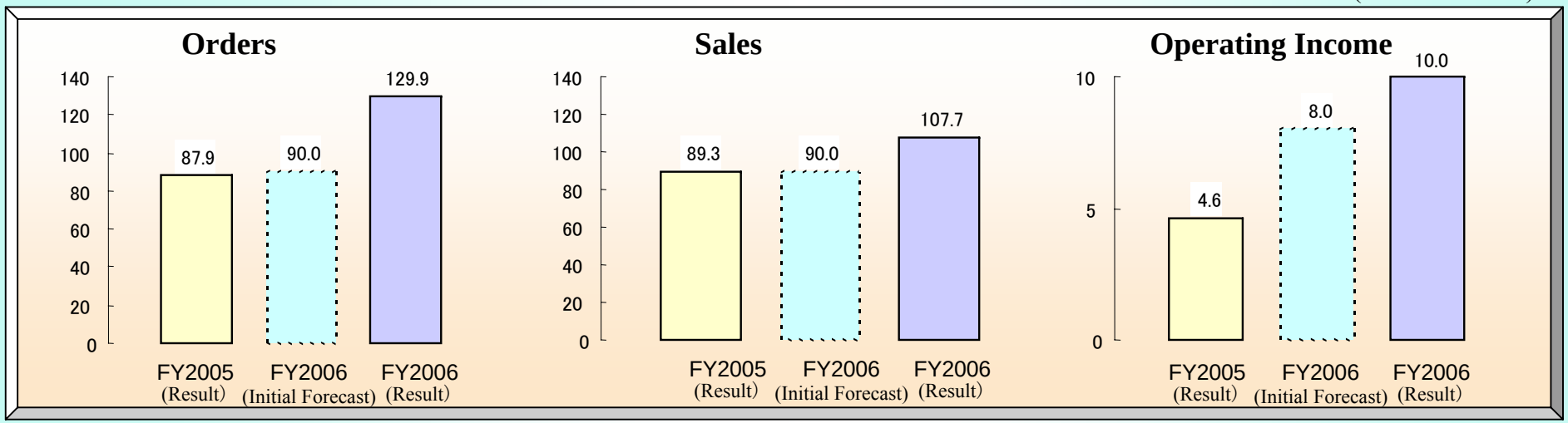
The decrease in sales and in market prices reduced profitability. This, together with the burden of development expense in fuel cell business, caused a considerable drop in operating income.

Segment Financial Results for FY2006 (ended March 31, 2007)

PM business

・・・Precision Machinery business

(Billions of JPY)



【Orders】
The receipt of a high level of domestic and overseas orders throughout the year led to a level of orders considerably higher than originally projected.

【Sales】
The rise in orders boosted sales, which were substantially higher than in the previous fiscal year.

【Operating income】
The increases in sales and in profit margins supported a ¥5.4 billion surge in operating income.

Segment Forecast for FY2007 (ending March 31, 2008)

FMS business

・・・**Fluid Machinery & Systems business**

(Billions of JPY)	FY2006 (Result)	FY2007 (Forecast)	Change
Orders	304.9	310.0	+5.1
External Sales	282.3	300.0	+17.7
Operating Income	11.5	11.5	+0

- **Projection of Orders/Sales**

  Overseas oil and gas business and other business in industrial infrastructure markets are expected to continue to be brisk, and a rise in orders for pumps and other products is projected.

- **Projection of Operating Income**

  While foreign exchange gains contributed to profitability in fiscal 2006,such gains are not anticipated during fiscal 2007. Operating income is expected to remain unchanged from the fiscal 2006 level due to this and to the impact of shifting business from EE business which is at loss.

Segment Forecast for FY2007 (ending March 31, 2008)

FMS business

・・・Strategic measures by business segment

Major Action Plan	Status
Expanding Business and Boosting Profitability in Overseas Markets	Expanding custom pump business ・Unifying the marketing organization and strengthening overseas marketing capabilities ・Strengthening overseas bases
	Accelerating global development of standard pump business ・Strengthening marketing networks in Europe and Asia/Starting operations at manufacturing bases in China ・Strengthening product power through technology development
Strengthening Core Business	Expanding compressor business ・Integrating and strengthening management of the Elliott Group
	Strengthening cryogenic pump business ・Further enhancing profitability and optimizing the division of tasks between units in Japan and the United States
Reorganizing Operations	Social infrastructure system business ・Reevaluating domestic marketing systems for public- and private-sector customers and general-use products
	Energy-related business ・Implementing diverse measures to enhance profitability

Segment Forecast for FY2007 (ending March 31, 2008)

EE business

・・・**Environmental Engineering business**

(Billions of JPY)	FY2006 (Result)	FY2007 (Forecast)	Change
Orders	170.9	140.0	-30.9
External Sales	148.0	145.0	-3.0
Operating Income	-8.3	-6.5	+1.8

- **Projection of Orders/Sales**

  Severe conditions for domestic public-sector business are expected to continue. Progress in overseas projects and other business is projected to generate roughly the same level of sales as in fiscal 2006.

- **Projection of Operating Income**

  Plans call for improving profitability through the resolute implementation of such measures as those to reduce fixed costs and other costs.

Segment Forecast for FY2007 (ending March 31, 2008)

EE business

・・・Strategic measures by business segment

Major Action Plan	Status
Restructuring operations in core business fields (aiming to bolster the profit base rather than seeking to expand business scale)	
Increasing cost-competitiveness and profitability	Increasing business efficiency by converting fundamental technologies into standard packages Building efficiency-boosting models for operational administration systems Continuing low-cost engineering procurement Reducing fixed costs ・Reducing personnel (200-person reduction in FY2007) and adjusting and consolidating domestic and overseas bases
Promoting selection and concentration	Reevaluating affiliated companies based on their synergies with core operations
Strengthening and expanding after-service business	Promoting the integrated management of engineering business and operation & maintenance (O&M) companies ・Strengthening capabilities, extending useable life spans, and promoting multi-year contracts and comprehensive contracts
Steadily making sustained progress in strengthening and expanding overseas operations	Revamping regional strategies and strengthening capabilities for evaluating and managing risks associated with large-scale projects
Accelerating the selection of new business fields	Quickly launching multiple businesses related to biomass utilization

Segment Forecast for FY2007 (ending March 31, 2008)

PM business

・・・**Precision Machinery business**

(Billions of JPY)	FY2006 (Result)	FY2007 (Forecast)	Change
Orders	129.9	120.0	-9.9
External Sales	107.7	115.0	+7.3
Operating Income	10.0	11.0	+1.0

- **Projection of Orders/Sales**

  Conditions in semiconductor markets are expected to be roughly the same as in fiscal 2006. Orders are projected to decline due to a decrease in orders obtained by subsidiaries, while sales are expected to rise on the strength of a previous rise in orders.

- **Projection of Operating Income**

  Operating income is forecast to increase due to the sales rise and a profitability enhancement.

Segment Forecast for FY2007 (ending March 31, 2008)

PM business

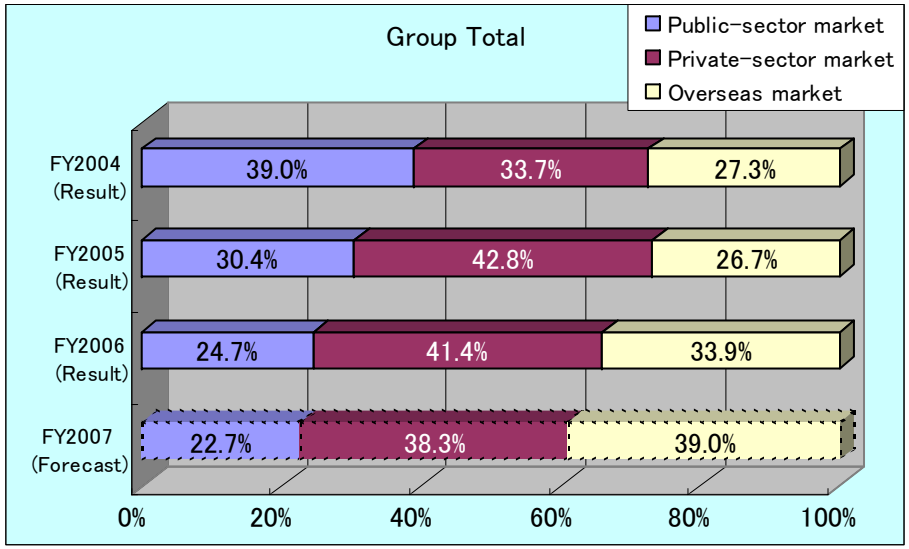
・・・Strategic measures by business segment

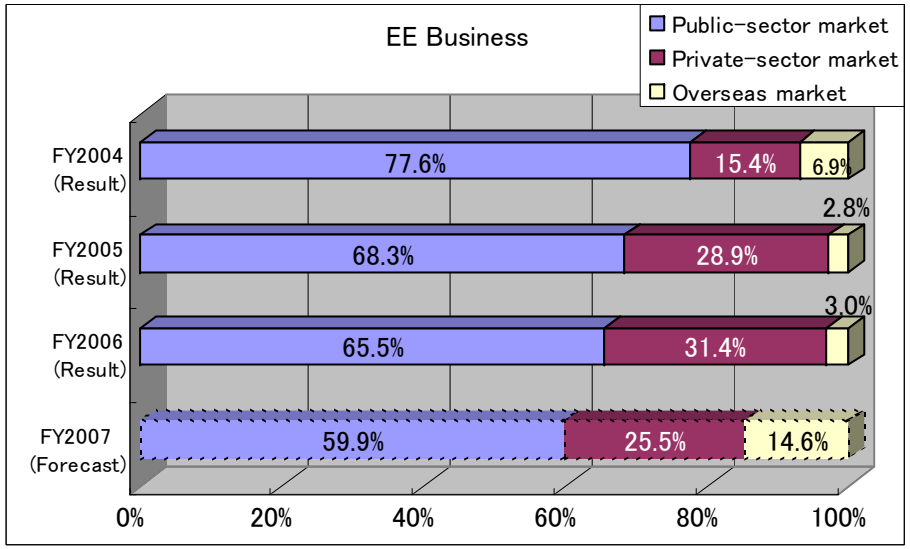
Major Action Plan	Status
Strengthening the competitiveness of core products	Augmenting CMP manufacturing capabilities and enhancing profitability ・Continuing to create and expand shipment capabilities at the Kyushu and Fujisawa plants (up 20% in FY2006)
	Augmenting Component product manufacturing and repair capabilities and enhancing profitability ・Launching new products → Creating hybrid versions of exhaust gas system component products ・Boosting repair capabilities in Taiwan and Korea 50% and sustaining a program to enhance product quality
Improving cash flow	Creating unit module of CMP and thereby reducing development lead times
	Shrinking equipment setup times and working to accelerate acceptance inspections
Developing next-generation products	Responding to next-generation manufacturing processes ・Increasing market share by providing Cu-CMP equipment to the semiconductor industry's memory segment ・Utilizing copper-coating technologies to develop business in the three-dimensional equipment field
	Launching environment-related products that facilitate global warming countermeasures ・Greatly reducing the volume of PFC gas released into the atmosphere in connection with semiconductor manufacturing processes ・Recovering and reusing large volumes of hydrofluoric acid generated in the course of cleaning processes

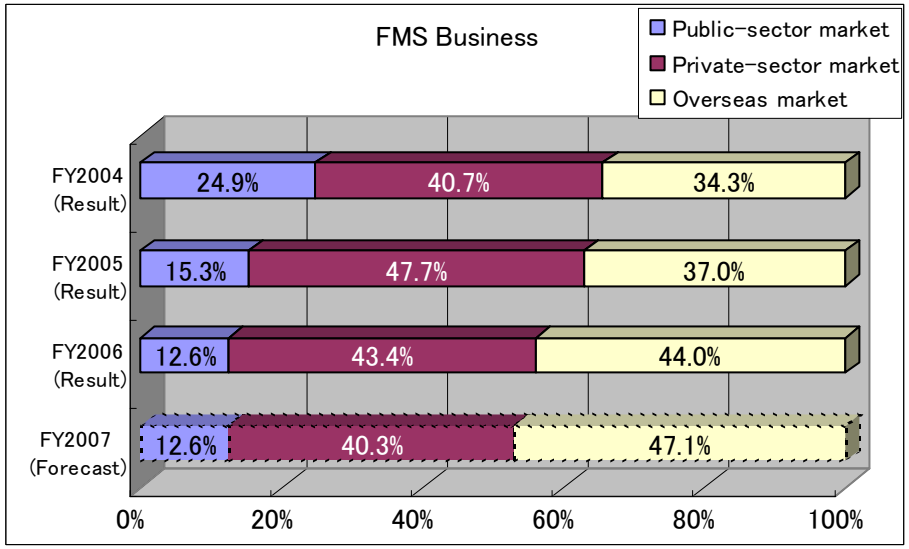
Summary of Forecast for FY2007 (ending March 31, 2008)

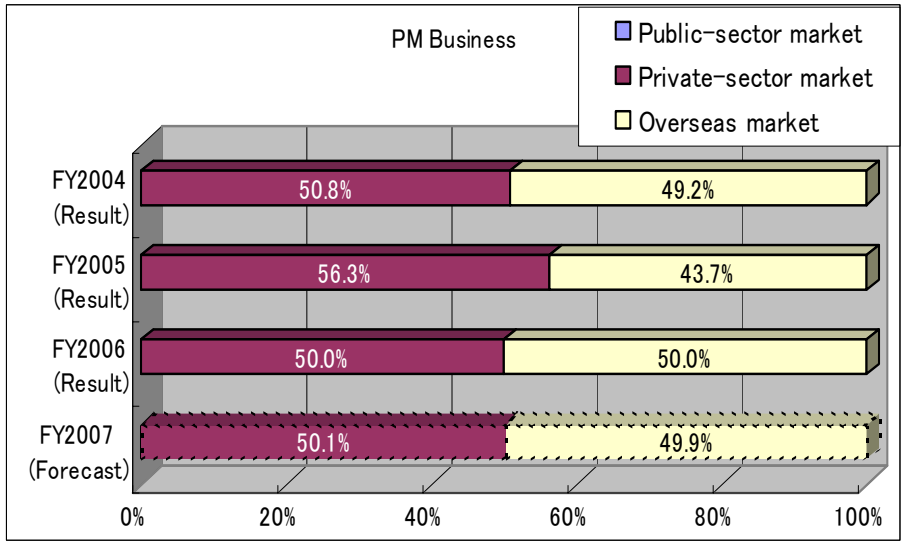
(Billions of JPY)	FY2006 (Result)	FY2007 (Forecast)	Change
Orders	605.7	570.0	-35.7
Sales	538.0	560.0	+22.0
Operating Income	13.2	16.0	+2.8
Ordinary Income	10.4	12.0	+1.6
Net Income	5.4	6.0	+0.6

Trends in Sales Structure by Market Type (FY04 through FY07)





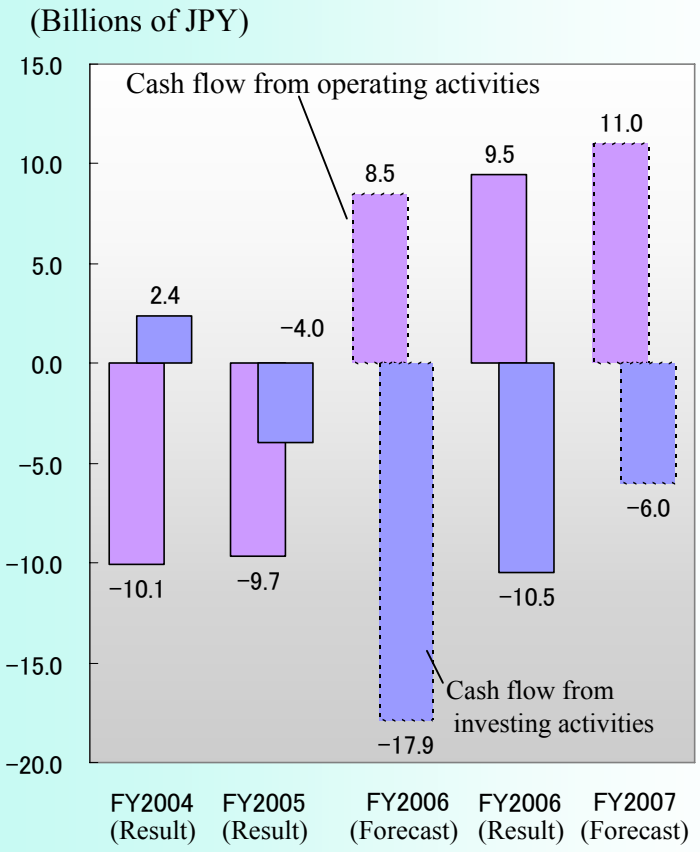




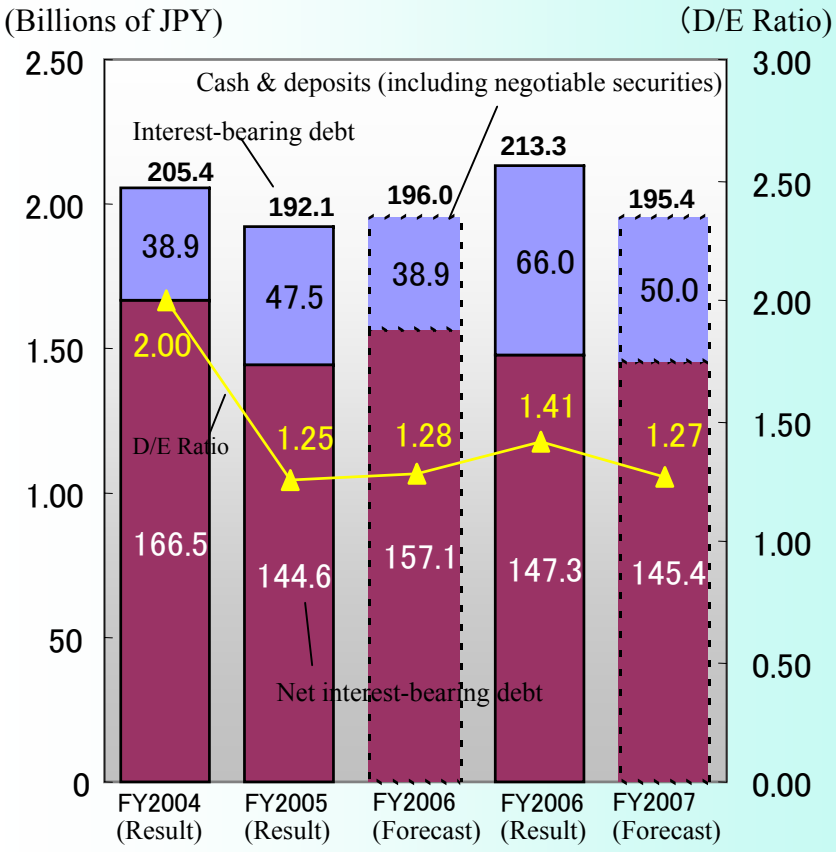
Note)Expected values are included

Summary of Forecast for FY2007 (ending March 31, 2008)

Cash Flow



Interest-Bearing Debt



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