

**RESULTS OF OPERATIONS FOR
THE THIRD QUARTER ENDED DECEMBER 31, 2007 (CONSOLIDATED)**

February 12 2008

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Note: The amounts are rounded down to the nearest million.

1. Outline of the third quarter results for FY2008 (April 1- December 31, 2007)

(1) Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
FY2008 3rd quarter	355,109	12.0	(4,873)	-	(7,416)	-	(19,528)	-
FY2007 3rd quarter	317,170	9.6	(12,974)	-	(12,701)	-	(9,200)	-
FY2007	538,097		13,249		10,414		5,446	

	Net income per share	Net income per share, diluted
	Yen	Yen
FY2008 3rd quarter	(46.22)	-
FY2007 3rd quarter	(21.77)	-
FY2007	12.89	12.31

Note % represents percentage change from a comparable previous period

(2) Consolidated Financial Position

Millions of yen, except per share data

	Total assets	Net assets	Equity ratio	Net assets per share of common stock
			%	Yen
FY2008 3rd quarter	610,747	130,658	20.7	299.69
FY2007 3rd quarter	605,221	145,540	23.2	332.73
FY2007	625,032	154,969	24.2	357.97

(3) Consolidated Cash Flow

Millions of yen

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents
	FY2008 3rd quarter	(21,605)	13,142	7,132
FY2007 3rd quarter	4,483	(13,025)	21,830	62,463
FY2007	9,543	(10,549)	17,166	66,086

2. Forecast of results for the year ending March 31, 2008 (Reference information)

Millions of yen

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	Yen
FY2008	570,000	5.9	8,000	(39.6)	4,000	(61.6)	9,500	74.4	22.49

Notes % represents percentage change from a comparable previous period

3. Others

- (1) Changes in significant subsidiaries: Not applicable
- (2) A simplified accounting method in quarterly: Applicable
- (3) Changes in accounting policies: Applicable

Notes The details are shown in Clause 4 'Others' in page 6.

(Reference information)

1. Outline of the results for the third quarter results for FY2008 (April 1- December 31, 2007), Non-consolidated

(1) Non-consolidated Financial Highlights Million of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
FY2008 3rd quarter	161,673	10.6	(5,839)	-	(3,596)	-	(19,268)	-
FY2007 3rd quarter	146,188	6.2	(10,708)	-	(6,936)	-	(3,802)	-
FY2007	251,520		3,427		6,128		3,525	

	Net income per share	Net income per share, diluted
	Yen	Yen
FY2008 3rd quarter	(45.61)	-
FY2007 3rd quarter	(9.00)	-
FY2007	8.34	8.07

Notes % represents percentage change from a comparable previous period

(2) Non-Consolidated Financial Position Millions of yen, except per share data

	Total assets	Net assets	Equity ratio	Net assets per share of common stock
			%	Yen
FY2008 3rd quarter	452,972	123,608	27.3	292.59
FY2007 3rd quarter	449,489	145,402	32.3	344.10
FY2007	457,610	147,874	32.3	349.97

2. Forecast of results for the year ending March 31, 2008

Millions of yen

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
		%		%		%		%		Yen
FY2008	265,000	5.4	(2,000)	-	1,000	(83.7)	7,500	112.7		17.75

Notes % represents percentage change from a comparable previous period

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

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.

[Qualitative information, Financial Statements, etc.]

1. Qualitative information on consolidated results of operations

(1) Overview

During the third quarter of the fiscal year ending March 31 2008, in Japan, business activities in the corporate sector, particularly exports, remained strong, but consumer spending decelerated along with the increases in energy and other prices, while the number of housing and other types of construction starts decreased along with the implementation of revisions in Japan's building code. As a result of these circumstances, the economy showed a more-pronounced trend toward deceleration as overall demand in the private sector weakened. Public works investment continued to be stagnant, and signs of an overall slowdown in the economy emerged. Overseas, the U.S. economy began to show signs of a slowdown because of uncertainties in international credit markets that were triggered by subprime mortgage loan issues, the drop in housing construction, and other factors. The Eurozone economies also showed signs of slower growth. The economies of China, Malaysia, and other Asian countries continued to experience strong economic conditions, but uncertainties about future trends are rising.

Within this operating environment, the EBARA Group (the Group) focused its marketing activities in areas where conditions were strong, including the semiconductor manufacturing equipment markets in Japan and the rest of Asia; the oil and gas and electric power industries, especially in the Middle East and Asia (in the case of the Fluid Machinery & Systems (FMS) Group); and the facilities of the private sector in Japan, especially for the steel and certain other industries. As a consequence of these marketing activities, both orders and net sales of the Group held firm. However, conditions in the domestic public-sector market continued to be stagnant, and the Group was unable to escape from the effects of the shrinkage of the market as a whole and the decline in the profitability of individual projects.

The Group continued to reallocate its management resources, including personnel to priority divisions, as part of the Group activities to restructure its organization from the perspective of overall optimization.

In addition, to enhance the efficiency of the FMS Group and reduce the burden of the Group's activities on the natural environment, decisions were made to relocate the Haneda Plant to a new plant to be located in Futtsu-city Chiba-prefecture, and sell the land occupied by the Haneda Plant.

As a result, net sales of Ebara Corporation on a consolidated basis during the third quarter rose 12.0%, to ¥355,109 million. The operating loss was reported for the quarter and amounted to ¥4,873 million, representing an improvement of ¥8,101 million from the loss in the same period of the previous fiscal year, and the ordinary loss was recorded ¥7,416 million, an improvement of ¥5,285 million from a year earlier. The net loss for the quarter was ¥19,528 million, ¥10,327 million larger than for a year earlier; this was because of the recognition of extraordinary losses totaling ¥32,722 million, including losses on suspension of specific projects amounting to ¥10,039 million, provision to the reserve for losses on specific construction work of ¥13,658 million, and losses on completion guarantees for specific projects amounting to ¥5,278 million.

The Group's performance is seasonal, with a high percentage of sales concentrated near the end of the accounting period, because a high percentage of construction work is completed near the end of the fiscal year.

(2) Business segment information

The Group changed the segmentation of wind power generation business and cooling and water supply systems for nuclear power plants from the Environmental Engineering Group to the Fluid Machinery Systems Group at the beginning of the fiscal year ending March 31 2008 to optimize the Group from an overall perspective and restructure its organization. Comparisons with the same period of the previous year were prepared after reclassification under the new segmentation.

Fluid Machinery & Systems (FMS)

In the FMS Group, the overseas oil and gas markets continue to be active, and the FMS Group performance remains firm. In the Middle East, activity appears to have paused, and, going forward, we anticipate that market activity will shift from the Middle East to China, India, and other countries, and that demand will expand in the electric power generation and water infrastructure fields. In the Japanese market, investment in maintenance and renewal as well as expansion of facilities in the private-sector markets, especially in the steel and certain other industries, remain firm. Also, in response to the requirements of Japanese companies expanding their operations overseas, the FMS Group promoted joint marketing with its overseas subsidiaries. Within the challenging environment for domestic public-sector projects, the FMS Group also worked steadily to secure small and medium-sized projects.

Although the implementation of revisions in Japan's building code resulted in delays in construction project and related sales of standard pumps, and common concern for increases in prices of materials, orders for the FMS Group as a whole were strong, principally for large-scale pumps, high-pressure pumps and compressors. .

As a result, net sales of the FMS Group for the third quarter on a consolidated basis rose 13.3% year-on-year, to ¥195,628 million. The operating income for the quarter amounted to ¥838 million, an improvement of ¥4,771 million.

Environmental Engineering (EE)

The Environmental Engineering (EE) Group was successful in obtaining an order in the field of waste processing for a municipal waste incineration plant from the Kawasaki-city. Also, the EE Group is also working aggressively to obtain orders for biomass electric power generation facilities from the private sector, a field that is drawing attention as an approach for preventing global warming. In addition to strengthening its cost-competitiveness, also worked to substantially expand its capabilities for offering proposals based on its differentiated technology. As a consequence, in certain bidding where results were based on comprehensive criteria taking account of the bidder's technological capabilities, the EE Group was successful in winning contracts. In the domestic private-sector water-treatment field, in addition to conventional water-treatment facilities, the EE Group worked to improve profitability by expanding sales of water-treatment units incorporating membrane filtration equipment, water-purification equipment, water-recycling units, and other related types of equipment. The EE Group also offered proposals for the optimization of facilities through the application of engineering, procurement, and construction (EPC) technology and operation and maintenance (O&M) technology. Moreover, the EE Group will strengthen and expand its initiatives, in both the public sector and private sector, in the after-sales service market, which is expected to show expansion going forward. Restructuring of the EE Group is one of Ebara's priority management objectives and, therefore, Ebara is working to make the transition to systems that are appropriate for the current size of the market, and the operational efficiency improvement.

As a result, the EE Group reported sales of ¥74,559 million, 3.5% higher than for the same quarter of the previous fiscal year, and the operating loss for the quarter amounted to ¥14,639 million, an improvement of ¥1,390 million.

Precision Machinery (PM)

Although weakness in semiconductor prices created uncertainty regarding future trends in capital investment in the semiconductor industry, sales of the Precision Machinery (PM) Group remained robust as the PM Group worked to fill its substantial backlog of orders. Sales of core products of the PM Group—which include high-throughput CMP (chemical mechanical polishing) units, dry pumps, and gas treatment systems—thus continued to be strong, especially to manufacturers of flash memories in Japan and other parts of Asia.

As a result, Sales of the PM Group for the quarter were up 17.1%, to ¥84,921 million, and operating income expanded ¥2,010 million, to ¥9,029 million.

2. Qualitative information on consolidated financial position

(1) Financial position

The Group's total assets were ¥610,747 million at the end of the third quarter, ¥14,285 million lower than at the end of the previous fiscal year (March 31 2007). The principal factor influencing this decline was a ¥15,553 million drop in current assets because of a decrease in trade receivables of 58,760 million.

Compared with the previous fiscal year-end, total liabilities increased ¥10,025 million to ¥480,088 million. The principal reasons for this increase are an increase of advance payments received of ¥29,886 million, an increase of trade payables of 27,822 million and an increase of reserve for construction losses of ¥12,768 million.

Net assets at the end of the third quarter were ¥130,658 million, ¥24,311 million lower than at the end of the previous fiscal year. This was due primarily to the payment of cash dividends amounting to ¥3,169 million, the reporting of a net loss of ¥19,528 million, and the decrease of ¥1,837 million in the net unrealized gain on marketable equity securities.

(2) Cash flow

Net cash used by operating activities amounted to a net outflow of ¥21,605 million, owing to an increase in working capital, and other factors.

Net cash provided by investing activities amounted to a net inflow of ¥13,142 million because of mainly sales of fixed assets amounting to ¥17,729 million and the sales of investment securities amounting to ¥4,905 million.

Net cash provided in financing activities amounted to ¥7,132 million as the Group made a net borrowing of ¥9,640 million and paid cash dividends amounting to ¥3,169 million.

As a result of these trends in cash flows, consolidated cash and cash equivalents at the end of the third quarter were ¥64,642 million, ¥1,443 million lower than at the end of the previous fiscal year.

3. Qualitative information on forecast of results for the year ending March 31 2008

Forecast of consolidated and non-consolidated results of the year ending March 31 2008 are not changed from the release dated December 25 2007.

Forecast of consolidated results by segment of the year ending March 31 2008 is not changed from the release dated November 12 2007.

	Segment	Net sales	Ordinary income
		Millions of yen	Millions of yen
Previous outlook (As of November 12 2007)	Fluid Machinery & Systems	320,000	9,500
	Environmental Engineering	145,000	(11,500)
	Precision Machinery	105,000	10,000
	Total	570,000	8,000

4. Others

(1) Changes in significant subsidiaries: Not applicable

(2) A simplified accounting method in quarterly:

Accounting policies for the quarter are consistent with those adopted in the most recent annual consolidated financial statements. Inconsistency with policies adopted in annual consolidated financial statements is a method of tax effect accounting. We adopted a simplified method for calculating tax effect for the quarter.

(3) Changes in accounting policies:

(Depreciation of tangible assets)

Accompanying the revision of Japan's Corporate Tax Law, beginning with the current fiscal year, tangible fixed assets acquired on April 1 2007 or later are depreciated according to methods stipulated in the revised corporate tax regulations, and the Group have adopted the following method for the calculation of tangible fixed assets that were purchased on or before March 31 2007, and have been fully depreciated to the limit prescribed in previous corporate tax provisions.

Beginning with the year following depreciation to the limit of 5% of the original value, the difference between the remaining value of such assets and a hypothetical reminder value will be depreciated in equal amounts over a five-year period.

As a result of these adoptions, operating loss, ordinary loss and loss before income taxes was ¥704 million larger than this loss would have been under the previous method of calculation.

5. Consolidated financial statements

(1) Consolidated balance sheets

	December 31, 2006		December 31, 2007		Changes	March 31, 2007	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Assets							
I Current assets							
1 Cash and time deposits	62,463		62,479		16	66,085	
2 Trade receivables	158,226		166,244		8,017	225,004	
3 Securities	0		2,163		2,162	0	
4 Inventories	128,618		129,532		914	96,589	
5 Deferred tax assets	17,833		29,530		11,696	14,765	
6 Others	31,905		28,869		(3,036)	31,227	
7 Allowance for doubtful receivables	(1,759)		(2,703)		(944)	(2,004)	
Total current assets	397,288	65.6	416,115	68.1	18,826	413,669	69.1
II Fixed assets							
(1) Tangible fixed assets							
1 Buildings	32,225		32,046		(178)	31,847	
2 Machinery and equipment	35,701		36,532		830	36,990	
3 Others	29,571		32,511		2,940	29,437	
Total tangible assets	97,497	16.1	101,090	16.6	3,592	98,276	15.7
(2) Intangible assets	14,161	2.3	13,078	2.1	(1,082)	14,264	2.3
(3) Investments and long-term receivables							
1 Investment securities	51,359		30,868		(20,491)	37,583	
2 Deferred tax assets	28,394		30,760		2,365	25,128	
3 Others	19,908		28,805		8,897	20,831	
4 Allowance for doubtful receivables	(1,126)		(9,847)		(8,721)	(1,096)	
5 Reserve for revaluation of investments	(2,263)		(125)		2,137	(1,624)	
Total investments and long-term receivables	96,273	15.9	80,461	13.2	(15,811)	80,821	12.9
Total fixed assets	207,932	34.4	194,631	31.9	(13,301)	193,363	30.9
Total assets	605,221	100.0	610,747	100.0	5,525	625,032	100.0

	December 31, 2006		December 31, 2007		Changes	March 31, 2007	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Liabilities							
I Current liabilities							
1 Trade payables	147,956		140,058		(7,898)	167,880	
2 Short-term bank loans	72,551		82,098		9,546	69,035	
3 Commercial paper	15,000		9,000		(6,000)	15,000	
4 Current portion of bonds	10,000		14,200		4,200	14,000	
5 Bonus payment reserve	3,981		3,941		(39)	7,274	
6 Directors' bonus payment reserve	124		116		(7)	159	
7 Reserve for losses on construction completion guarantees	2,731		3,147		416	3,321	
8 Reserve for construction losses	1,000		13,438		12,438	669	
9 Reserve for legal expenses	802		-		(802)	-	
10 Reserve for losses arising from violation of the Antimonopoly Act	910		1,176		265	920	
11 Others	51,152		74,340		23,188	43,772	
Total current liabilities	306,210	50.6	341,517	55.9	35,307	322,035	51.5
II Long-term liabilities							
1 Bonds	34,380		20,050		(14,330)	30,300	
2 Bonds with stock acquisition rights	40,000		40,000		-	40,000	
3 Long-term bank loans	45,979		48,710		2,731	45,013	
4 Accrued severance and	30,574		26,625		(3,949)	29,145	
5 Directors' retirement allowance reserve	903		662		(240)	969	
6 Reserve for losses on contingent liabilities	72		10		(62)	71	
7 Others	1,560		2,511		951	2,527	
Total long-term liabilities	153,470	25.4	138,571	22.7	(14,899)	148,027	23.7
Total liabilities	459,681	76.0	480,088	78.6	20,407	470,063	75.2

	December 31, 2006		December 31, 2007		Changes	March 31, 2007	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Net assets							
I Shareholders' equity							
Common stock	61,284	10.1	61,284	10.0	-	61,284	9.8
Capital surplus	65,212	10.8	65,212	10.7	0	65,212	10.4
Retained earnings	4,808	0.8	(2,879)	(0.5)	(7,687)	19,455	3.1
Treasury stock, at cost	(82)	(0.0)	(135)	(0.0)	(52)	(92)	(0.0)
Total shareholders' equity	131,221	21.7	123,481	20.2	(7,740)	145,858	23.3
II Valuation, transition adjustment and others							
Net unrealized gain on marketable equity securities	11,606	1.9	4,928	0.8	(6,678)	6,766	1.1
Deferred hedge gain(loss)	(1)	(0.0)	13	0.0	14	13	0.0
Translation adjustments	(2,232)	(0.4)	(1,814)	(0.3)	417	(1,383)	(0.2)
Total valuation, transition adjustment and others	9,372	1.5	3,127	0.5	(6,245)	5,396	0.9
III Minority interests in consolidated subsidiaries							
	4,945	0.8	4,049	0.7	(896)	3,714	0.6
Total net assets	145,540	24.0	130,658	21.4	(14,882)	154,969	24.8
Total liabilities and net assets	605,221	100.0	610,747	100.0	5,525	625,032	100.0

(2) Consolidated statements of income

	From April 1, 2006 to December 31, 2006		From April 1, 2007 to December 31, 2007		Changes	From April 1, 2006 to March 31, 2007					
	Millions of yen	%	Millions of yen	%		Millions of yen	Millions of yen	%			
I Net sales		317,170	100.0		355,109	100.0	37,938		538,097	100.0	
II Cost of sales		263,347	83.0		294,261	82.9	30,913		434,934	80.8	
Gross profit		53,823	17.0		60,848	17.1	7,024		103,163	19.2	
III Selling, general and administrative expenses		66,798	21.1		65,721	18.5	(1,076)		89,914	16.7	
Operating income (loss)		(12,974)	(4.1)		(4,873)	(1.4)	8,101		13,249	2.5	
IV Non-operating income											
1 Interest income		310			415				492		
2 Dividend income		2,860			608				3,208		
3 Insurance income		174			97				202		
4 Foreign exchange gain		143			9				-		
5 Profit on equity method		-			68				-		
6 Others		618	4,106	1.3	1,257	2,457	0.7	(1,649)	1,088	4,992	0.9
V Non-operating expenses											
1 Interest expenses		2,777			3,047				3,738		
2 Loss on equity method		426			-				1,131		
3 Foreign exchange loss		-			-				50		
4 Loss on allowance for doubtful receivables		-			885				274		
5 Others		630	3,833	1.2	1,067	5,000	1.4	1,166	2,631	7,827	1.5
Ordinary income (loss)		(12,701)	(4.0)		(7,416)	(2.1)	5,285		10,414	1.9	
VI Extraordinary income											
1 Gain on sales of fixed assets		14			1,999				647		
2 Gain on sales of investment securities		350			1,705				7,246		
3 Gain on reversal of allowance for doubtful receivables		-			-				44		
4 Gain on reversal of reserve for revaluation of investments		-			149				-		
5 Gain on reversal of reserve for losses on contingent liabilities		210			61				212		
6 Profit from recovery of bad debts		-	575	0.2	230	4,146	1.2	3,570	-	8,150	1.5

	From April 1, 2006 to December 31, 2006			From April 1, 2007 to December 31, 2007		Changes	From April 1, 2006 to March 31, 2007			
	Millions of yen		%	Millions of yen	%	Millions of yen	Millions of yen		%	
VII Extraordinary expenses										
1 Loss on sales of fixed assets	92			15			146			
2 Loss on disposal of fixed assets	266			871			283			
3 Loss on liquidation of subsidiaries and affiliates	-			1,871			1,443			
4 Loss on sales of investment securities	-			22			0			
5 Write-down of securities and other investments	30			636			44			
6 Reserve for revaluation of investments	20			-			197			
7 Impairment losses	-			66			341			
8 Surcharge expenses	381			-			-			
9 Losses arising from violation of the Antimonopoly Act	-			5			1,927			
10 Reserve for losses arising from violation of the Antimonopoly Act	910			256			920			
11 Losses on completion guarantees for specific projects	-			5,278			-			
12 Losses on suspension of specific projects	-			10,039			-			
13 Provision to the reserve for losses on specific construction work	-			13,658			-			
14 Losses on the prior year adjustments	-			-			1,183			
15 Reserve for legal expenses	802			-			-			
16 Legal expenses	-	2,503	0.8	-	32,722	9.2	30,218	959	7,447	1.4
Income (loss) before income taxes		(14,629)	(4.6)		(35,992)	(10.1)	(21,362)	11,117	2.1	
Income taxes		(4,860)	(1.5)		(15,913)	(4.5)	(11,052)	6,697	1.2	
Minority interests in consolidated subsidiaries		567	0.2		550	0.2	(17)	1,026	0.2	
Net income (loss)		(9,200)	(2.9)		(19,528)	(5.5)	(10,327)	5,446	1.0	

(3) Consolidated statements of cash flows

	From April 1, 2006 to December 31, 2006	From April 1, 2007 to December 31, 2007	From April 1, 2006 to March 31, 2007
	Millions of yen	Millions of yen	Millions of yen
I Cash flows from operating activities:			
1 Income (loss) before income taxes	(14,629)	(35,992)	11,117
2 Depreciation and amortization	9,590	11,310	12,842
3 Impairment losses	-	66	341
4 Gain on sales of securities	(350)	(1,682)	(7,246)
5 Loss on violation of Antimonopoly Act	-	261	2,847
6 Legal expenses	-	-	959
7 Increase (decrease) in allowances	(2,666)	15,170	(2,567)
8 Loss (gain) on sales of fixed assets	78	(1,983)	(500)
9 Other noncash expenses	1,441	3,841	3,753
10 Interest and dividend income	(3,170)	(1,024)	(3,701)
11 Interest expenses	2,777	3,047	3,738
12 Decrease (increase) in trade receivables	69,162	47,835	2,068
13 Decrease (increase) in inventories	(43,896)	(37,453)	(11,867)
14 Increase (decrease) in trade payables	(12,223)	(23,987)	6,783
15 Others	1,385	4,895	(3,077)
Sub-total	7,496	(15,696)	15,491
16 Interest and dividend received	3,588	1,270	3,816
17 Interest expenses paid	(2,552)	(3,002)	(3,451)
18 Loss on violation of Antimonopoly Act and Legal expenses paid	-	(578)	(1,998)
19 Income taxes paid	(4,048)	(3,598)	(4,314)
Net cash provided by (used in) operating activities	4,483	(21,605)	9,543
II Cash flows from investing activities			
1 Sales of fixed assets	38	17,729	2,606
2 Purchase of fixed assets	(9,323)	(11,316)	(17,489)
3 Sales of investment securities	481	4,905	10,179
4 Purchase of investment securities	(2,338)	(370)	(2,703)
5 Sales (purchase) of other investments, net	864	641	764
6 Collection of loans receivable	3,154	3,028	4,107
7 Disbursement of loans receivable	(4,086)	(2,356)	(6,200)
8 Acquisition of stock in subsidiaries with a change of basis of consolidation	(1,620)	-	(1,620)
9 Sale of stock in subsidiaries with a change of basis of consolidation	(194)	881	(194)
Net cash provided by (used in) investing activities	(13,025)	13,142	(10,549)

	From April 1, 2006 to December 31, 2006	From April 1, 2007 to December 31, 2007	From April 1, 2006 to March 31, 2007
	Millions of yen	Millions of yen	Millions of yen
III Cash flows from financing activities:			
1 Issuance of bonds	39,924	-	39,924
2 Redemption of bonds	(20,038)	(10,050)	(20,118)
3 Proceeds from short-term banks loans and commercial paper	53,266	108,874	56,490
4 Repayment of short-term bank loan and commercial paper	(50,906)	(103,722)	(58,748)
5 Proceeds from long-term bank loans	2,664	15,066	2,668
6 Repayment of long-term bank loans	(648)	(528)	(608)
7 Capital paid in from minority shareholders	919	1,007	919
8 Purchase and sales of treasury stock	(28)	(42)	(38)
9 Dividends paid	(3,169)	(3,169)	(3,169)
10 Dividends paid to minority Shareholders in consolidated subsidiaries	(153)	(304)	(153)
Net cash provided by (used in) financing activities	21,830	7,132	17,166
IV Translation adjustments	941	(287)	1,691
V Increase (decrease) in cash and cash equivalents	14,229	(1,618)	17,852
VI Cash and cash equivalents at the beginning of period:	47,510	66,086	47,510
VII Net effect of deconsolidation and consolidation of subsidiaries	723	174	723
VIII Cash and cash equivalents at the end of period	62,463	64,642	66,086

(4) Segment information

【Business segment information】

The Group changed the segmentation of wind power generation business and cooling and water supply systems for nuclear power plants from the EE Group to the FMS Group at the beginning of the fiscal year ending March 31 2008 to optimize the Group from an overall perspective and restructure its organization.

The figures of the previous quarter period and the previous fiscal year above are reclassified according to the new segmentation for convenience of comparison.

From April 1, 2006 to December 31, 2006

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	172,591	72,030	72,549	317,170	-	317,170
(2) Intersegment sales and transfer	1,398	3,645	210	5,254	(5,254)	-
Total	173,989	75,675	72,759	322,425	(5,254)	317,170
Operating costs and expenses	177,923	91,706	65,740	335,369	(5,223)	330,145
Operating income (loss)	(3,933)	(16,030)	7,019	(12,944)	(30)	(12,974)

From April 1, 2007 to December 31, 2007

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	195,628	74,559	84,921	355,109	-	355,109
(2) Intersegment sales and transfer	1,268	4,064	159	5,491	(5,491)	-
Total	196,896	78,624	85,080	360,601	(5,491)	355,109
Operating costs and expenses	196,058	93,264	76,051	365,373	(5,390)	359,982
Operating income (loss)	838	(14,639)	9,029	(4,772)	(101)	(4,873)

From April 1, 2006 to March 31, 2007

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	290,099	140,298	107,700	538,097	—	538,097
(2) Intersegment sales and transfer	2,889	4,829	692	8,411	(8,411)	—
Total	292,988	145,127	108,392	546,508	(8,411)	538,097
Operating costs and expenses	282,396	152,572	98,308	533,277	(8,428)	524,848
Operating income (loss)	10,592	(7,444)	10,083	13,231	17	13,249

Notes The companies operate in three business segments as follows:

Business segment	Products
Fluid Machinery & Systems	Pumps, Browsers, Turbo-compressors, Gas and steam turbines, Chillers, Machinery plant and Pumping system engineering, Cooling and water supply systems for nuclear power plants
Environmental Engineering	Environmental restoration equipment, Incinerators, Industrial water/wastewater treatment plants, Environmental system engineering, Chemicals and others
Precision Machinery	Dry vacuum pumps, CMP systems and other equipment for semiconductor industries

【Geographical segment information】

From April 1, 2006 to December 31, 2006

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	251,317	42,111	23,741	317,170	-	317,170
(2) Intersegment sales and transfer	13,871	1,009	4,419	19,301	(19,301)	-
Total	265,189	43,121	28,161	336,472	(19,301)	317,170
Operating costs and expenses	280,291	41,790	25,997	348,079	(17,934)	330,145
Operating income (loss)	(15,101)	1,330	2,163	(11,607)	(1,367)	(12,974)

From April 1, 2007 to December 31, 2007

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	278,081	44,601	32,427	355,109	-	355,109
(2) Intersegment sales and transfer	13,438	4,308	4,415	22,162	(22,162)	-
Total	291,519	48,909	36,843	377,272	(22,162)	355,109
Operating costs and expenses	302,699	45,502	33,246	381,448	(21,465)	359,982
Operating income (loss)	(11,179)	3,406	3,596	(4,176)	(697)	(4,873)

From April 1, 2006 to March 31, 2007

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	440,575	61,956	35,565	538,097	—	538,097
(2) Intersegment sales and transfer	20,172	4,820	6,041	31,034	(31,034)	—
Total	460,748	66,776	41,607	569,132	(31,034)	538,097
Operating costs and expenses	452,077	64,173	38,615	554,867	(30,018)	524,848
Operating income	8,670	2,602	2,991	14,264	(1,015)	13,249

【Overseas sales】

From April 1, 2006 to December 31, 2006

(Millions of yen)

	Asia	North America	Other areas	Total
I Overseas sales	37,843	30,079	39,213	107,136
II Consolidated net sales				317,170
III Percentage of overseas sales to net sales (%)	11.9	9.5	12.4	33.8

From April 1, 2007 to December 31, 2007

(Millions of yen)

	Asia	North America	Other areas	Total
I Overseas sales	57,037	26,482	60,233	143,752
II Consolidated net sales				355,109
III Percentage of overseas sales to net sales (%)	16.1	7.5	17.0	40.5

From April 1, 2006 to March 31, 2007

(Millions of yen)

	Asia	North America	Other areas	Total
I Overseas sales	63,949	38,588	64,523	167,061
II Consolidated net sales				538,097
III Percentage of overseas sales to net sales (%)	11.9	7.2	12.0	31.0

Notes 1 Countries and areas are classified according to the geographical proximity.

2 Overseas sales is net sales of the Company and its subsidiaries other than in Japan.

6. Order received and sales

The Group changed the segmentation of wind power generation business and cooling and water supply systems for nuclear power plants from the EE Group to the FMS Group at the beginning of the fiscal year ending March 31 2008 to optimize the Group from an overall perspective and restructure its organization.

The figures of the previous quarter period and the previous fiscal year above are reclassified according to the new segmentation for convenience of comparison.

(1) Order received

(Millions of yen)

Business segment	From April 1, 2006 to December 31, 2006	From April 1, 2007 to December 31, 2007	From April 1, 2006 to March 31, 2007
Fluid Machinery & Systems	222,987	249,780	312,281
Environmental Engineering	104,088	117,926	163,575
Precision Machinery	98,966	78,419	129,921
Total	426,043	446,125	605,778

(2) Sales

(Millions of yen)

Business segment	From April 1, 2006 to December 31, 2006	From April 1, 2007 to December 31, 2007	From April 1, 2006 to March 31, 2007
Fluid Machinery & Systems	172,591	195,628	290,099
Environmental Engineering	72,030	74,559	140,298
Precision Machinery	72,549	84,921	107,700
Total	317,170	355,109	538,097

(3) Backlog of order received

(Millions of yen)

Business segment	From April 1, 2006 to December 31, 2006	From April 1, 2007 to December 31, 2007	From April 1, 2006 to March 31, 2007
Fluid Machinery & Systems	206,261	232,149	178,173
Environmental Engineering	127,544	164,077	119,475
Precision Machinery	57,477	34,593	53,340
Total	391,283	430,820	350,989

Note The above figures don't include consumptive taxes and are eliminated intersegment sales and transfer.