

**RESULTS OF OPERATIONS FOR
THE SECOND QUARTER ENDED SEPTEMBER 30, 2009 (CONSOLIDATED)**

November 11 2009

Company name: EBARA CORPORATION
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(Stock code: 6361, Tokyo and Sapporo Stock Exchange in Japan)
(URL <http://www.ebara.co.jp>)
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Scheduled day of submission of quarterly report: November 12 2009

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

1. Outline of the second quarter results for FY2010 (April 1- September 30, 2009)

(1) Consolidated Financial Highlights Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Through FY2010 2nd quarter	209,470	(6.0)	2,399	-	1,084	-	(1,143)	-
Through FY2009 2nd quarter	222,877	-	(3,579)	-	(4,302)	-	(2,661)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Through FY2010 2nd quarter	(2.71)	-
Through FY2009 2nd quarter	(6.30)	-

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
Through FY2010 2nd quarter	537,385	126,606	23.0	292.86
FY2009	562,456	124,263	21.6	287.44

Note: Shareholder's Equity (consolidated) FY2010 2nd quarter 123,694 million FY2009 121,411 million

2. Dividend

	Cash Dividend per share of common stock				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of the fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2009	-	0.00	-	0.00	0.00
Through FY2010 2nd quarter	-	0.00			
FY2010 (Forecast)			-	-	-

Note: Revision of forecast for dividend during this quarter: Not applicable

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

3. Forecast of results for the year ending March 31, 2010

Millions of yen

	Net sales	Operating income	Ordinary income	Net income	Net income per share
		%	%	%	Yen
FY2010	500,000	(0.2)	11,000	-	8.29
			8,000	-	

Note 1: % represents percentage change from a comparable previous period

4. Others

- (1) Changes in significant subsidiaries: Not applicable
Note: The details are shown in Clause 4 'Others in page 6.
- (2) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements: Applicable
Note: The details are shown in Clause 4 'Others in page 6.
- (3) Changes in accounting policies and presentation: Applicable
(i) Changes due to revisions of accounting standards, etc.: Yes
(ii) Changes other than (i) above: No
Note: The details are shown in Clause 4 'Others in page 7.
- (4) Number of shares outstanding (Common Stocks)
(i) Number of common stocks (including treasury stocks)
FY2010 2nd quarter 422,725,658 FY2009 422,725,658
(ii) Number of treasury stocks
FY2010 2nd quarter 360,012 FY2009 341,744
(iii) Average number of common stocks (accumulated period)
FY2010 2nd quarter (accumulated period) 422,372,714
FY2009 2nd quarter (accumulated period) 422,441,358

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

1. Certain of the statements contained in these materials that pertain to future performance and other forward-looking statements are based on information available to the Group at the time the statements were prepared and are based on reasonable judgments founded on certain assumptions. It is possible that such statements may differ significantly from actual performance and other actual outcomes for a range of reasons. For the assumptions and other information related to forecasts for performance, please refer to page 5 to 6 of this report, to the section entitled "Qualitative Information, Financial Statements, Etc., 3. Qualitative information on forecasts of results for the year ending March 31, 2010."
2. No decision has been made at last time on the final dividend for the fiscal year. The Group will consider this matter, based on a determination of the profitability situation going forward. Since profitability is still undetermined, when it becomes possible to disclose this matter, the Group will disclose it promptly.

(Reference)

Outline of the second quarter results for FY2010 (July 1 - September 30, 2009)

Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
FY2010 2nd quarter	115,697	(7.3)	3,038	17.2	1,716	(38.6)	838	38.2
FY2009 2nd quarter	124,859	-	2,592	-	2,796	-	606	-

	Net income per share	Net income per share, diluted
	Yen	Yen
FY2010 2nd quarter	1.98	1.87
FY2009 2nd quarter	1.44	1.39

Note: % represents percentage change from a comparable previous period

[Qualitative information, Financial Statements, etc.]

1. Qualitative information on consolidated results of operations

(1) Overview

During the second quarter (three months) included the continuation of support provided by the government economic stimulus policies of various countries as economic conditions moved out of their worst phases. In the United States, signs that the economy had reached bottom emerged, including upward trends in housing sales and manufacturing production. In Europe, in some countries, including France and Germany, personal consumption began to bottom out, and, elsewhere, there were signs of a cessation of declines in consumption. Also, in Asia outside Japan, signs of recovery appeared, including increases in production, especially in China.

In Japan, in the private sector, progress was made in inventory adjustments and production levels began to rise. However, conditions remained harsh as construction starts and capital investment continued to be lackluster. On the other hand, although there are uncertainties regarding trends in the public sector owing to the change of government, the economy is viewed as being in a bottoming-out phase, despite continuing overall stagnation, as conditions remained firm along with the implementation of the government's economic stimulus measures and other factors.

Amid these adverse economic conditions, the EBARA Group (the Group) proceeded with the implementation of its "E-Plan2010" Medium-Term Management Plan, and all the Group's business segments focused their fullest efforts on improving profitability. Under E-Plan2010, which is now in its second year of implementation and will cover the period through the target year of fiscal 2010 (ending March 31, 2011), the Group is concentrating on the basic policies of "strengthening the business base for sustained growth" and "implementing corporate activities that emphasize compliance." According to these basic policies, the Group is emphasizing selectivity and concentration in the allocation of its management resources, working to establish a business base from a global perspective, and improving cash flow.

Regarding performance during the period under review, orders received by the EBARA Group overall declined compared with those of the same period of the previous fiscal year. Despite the receipt of virtually the same level of orders as in the same period of the previous year in the EE Group and the PM Group, orders received by the FMS Group decreased because of the postponement of and restraints on private capital investment. Net sales of the EE Group increased, but, overall, this was insufficient to compensate for the decline in sales of the PM Group. Profitwise, although operating income declined in the EE Group, because of additional provisions to loss reserves, operating income on a Companywide basis rose because of the positive impact of measures to reduce fixed costs throughout the Group and an improvement in profitability in the FMS Group.

Consolidated net sales of the Group in the second quarter amounted to ¥115,697 million, 7.3% lower than for the same quarter of the previous fiscal year. The operating income increased 17.2%, to ¥3,038 million, and ordinary income decreased 38.6%, to ¥1,716 million from the same quarter of the previous fiscal year. The net income increased 38.2% from the same quarter of the previous fiscal year to ¥ 838 million.

Please note that, because of the nature of its business operations, the Group's sales are seasonal and tend to be concentrated prior to the closing of accounts at the end of the fiscal year, when a relatively high percentage of construction is completed.

(2) Business segment information

Results by business segment were as follows.

Fluid Machinery & Systems (FMS)

In the FMS Group

In the FMS Group, in overseas markets, the operating environment remained harsh, despite some positive developments, including signs of a bottoming out of the global economy and the beneficial impact of the resumption of increases in crude oil prices on the oil and gas industries, because of the absence of sufficient recovery in capital investment. Amid these conditions, the FMS Group worked to strengthen its service network and systems as well as focused on the energy and water environment fields, where expansion is anticipated in the medium-to-long term.

On the other hand, in the domestic market also, although production is increasing in the manufacturing and other industries, this has not resulted in a recovery in capital investment, and, as a result, no major improvements were in evidence. To prepare for the recovery in capital investment going forward, the FMS Group is developing new products and pursuing carefully tailored and responsive measures in its after-sales service and renewal projects

In the second quarter (three months), sales of the FMS Group decreased 3.1%, to ¥73,978 million, and operating income increased 47.8%, to ¥6,460 million from the same quarter of the previous fiscal year.

Environmental Engineering (EE)

In the EE Group

In the EE Group, conditions in the market for public-sector projects continued to be harsh, but they remained generally stable. In the private-sector market, the operating environment continued to be tough as the recovery in capital investment was too weak to end stagnant conditions. In the domestic infrastructure field, which has reached maturity, demand is rising for the renewal and replacement of aging facilities in both the public and private sectors and for the implementation of projects that cover all stages from construction through maintenance, management, and operation.

Amid these operating conditions, the EE Group is moving ahead to coordinate and combine its strong backlog of experience in engineering, procurement, and construction (EPC) projects and its technological capabilities with its nationwide network of operation and maintenance (O&M) business locations to aggressively obtain and implement orders for projects for lengthening and extending the useful lives of facilities and design, build, and operation (DBO) private-sector projects for revitalization, such as private finance initiative (PFI) undertakings. As a result, orders from the public sector for repair and maintenance related construction, including projects for lengthening the useful lives of facilities, are holding firm.

In the second quarter (three months), sales of the EE Group increased 10.5% from the same quarter of the previous fiscal year to ¥29,322 million. The operating loss amounted to ¥3,464 million, which represented a deterioration of ¥1,286 million from the same quarter of the previous fiscal year, although proceed reductions in fixed costs. This is mainly due to losses of ¥4,000 million in connection with the InfraServ project in Germany.

Precision Machinery (PM)

In the PM Group

In the PM Group, the business environment continued to be severe as capital investment in the DRAM and logic chip industries, principally in Asia, remained stagnant, despite movements among certain cutting-edge companies in the semiconductor industry to resume capital investment. In addition, in the LED industry, companies are beginning to make investments in mass-production facilities, but capital investments in the solar panel industry have run their course for the time being. As a result, overall conditions will require careful monitoring going forward.

Amid these conditions, the PM Group will continue to reduce fixed costs and move ahead with the implementation of policies to lower manufacturing costs through reduction in lead times and other measures. In addition, through its global marketing and support network, the PM Group is working to promote after-sales services business, focusing mainly on identifying customer needs for increasing productivity.

In the second quarter (three months), sales of the PM Group decreased 43.5% from the same quarter of the previous fiscal year to ¥12,397 million. Since deterioration has continued since the latter half of the previous year, operating income decreased 82.4% from the same quarter of the previous fiscal year to ¥75 million.

For further information on the Group's consolidated results of operations in the first quarter (April 1 to June 30, 2009) of the fiscal year that will end on March 31, 2010, please refer to "Results of Operations for the First Quarter Ended June 30, 2010 (Consolidated)," which was released on August 10, 2009, and is available on the Group website (www.ebara.co.jp).

2. Qualitative information on consolidated financial position

At the end of the second quarter, the Group's total assets amounted to ¥537,385 million, a decrease of ¥25,070 million from the end of the previous fiscal year. Principal changes in asset items included a decline in trade receivables of ¥43,664 million, an increase of inventories of ¥5,238 million, and an increase in fixed assets of ¥14,298 million.

Total liabilities at the end of the second quarter amounted to ¥410,778 million, a decrease of ¥ 27,413 million from the end of the previous fiscal year. Principal changes in liability items included a decline in trade payables of ¥34,965 million, and an increase of interest-bearing debt of ¥7,645 million.

Net assets at the end of the second quarter amounted to ¥126,606 million, increased ¥2,342 million from the end of the previous fiscal year. Principal changes in net asset items included a net loss for the quarter of ¥1,143 million and an increase of translation adjustments of ¥2,448 million.

3. Qualitative information on forecast of results for the year ending March 31, 2010

Qualitative information on consolidated performance for the fiscal year ending March 31, 2010 has revised as followings.

Forecast of results for the year ending March 31, 2010

Millions of yen

	Net sales	Operating	Ordinary income	Net income	Net income per share
FY2010 (Forecast Aug. 10, 2009)	500,000	10,000	7,000	3,000	Yen 7.10
FY2010 (Forecast Oct. 30, 2009)	500,000	11,000	8,000	3,500	8.29
Changes	-	1,000	1,000	500	-
Change Ratio (%)	-	10.0%	14.3%	16.7%	-
(Reference) the previous fiscal year FY2009	501,149	637	(2,383)	(13,113)	(31.04)

The outlook for sales and operating income by business segment for the year ending March 31, 2010 is as follows.

	Net Sales		Operating income	
	Millions of yen		Millions of yen	% represents composition
Fluid Machinery & Systems	315,000	(63.0%)	14,000	(-%)
Environmental Engineering	140,000	(28.0%)	1,000	(-%)
Precision Machinery	45,000	(9.0%)	(4,000)	(-%)
Total	500,000	(100%)	11,000	(-%)

Factors that may have an influence on the Group's actual performance include those listed below; however, such factors are not limited to those on this list.

1. Impact of changes in market conditions
2. Effects of major projects and overseas business operations (including incurring of additional costs, liabilities for completion delays, country risk)
3. Effects of the InfraServe project in Germany (including incurring of additional costs)
4. Effects of business realignments, etc.
5. Effects of exchange rate fluctuations
6. Increases in interest rate payments owing to fluctuations in interest rates
7. Impact of natural disasters and damage to the social infrastructure
8. Changes in possibility of recovery of deferred tax assets
9. Impact of fluctuations in materials prices
10. Effects of litigation risk.
11. Effects of legal control

4. Others

(1) Changes in significant subsidiaries: Not applicable

(2) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements: Applicable

(i) Simplified accounting methods

(Method for calculating income taxes and deferred tax assets and liabilities)

In calculating corporate income tax, etc., to be paid, the Group employs a simplified method that limits the items to be added and subtracted, and items to be deducted from the tax amount, to material items.

In calculating tax expenses for accumulated consolidated results through the second quarter, the Group has applied tax effect accounting using the simplified method, and corporate income taxes, inhabitants' taxes, and enterprise taxes as well as adjustments to corporate income taxes under the single item "Income taxes".

To make judgments regarding the recoverability of deferred tax assets, in cases where it is deemed that there have been no major changes in the management environment since the end of the previous fiscal year and no temporary differences or other circumstances have arisen, the Group uses the outlook for consolidated performance and tax planning employed for the previous accounting year. When it is deemed that major changes have occurred or when temporary differences or other circumstances have arisen, the Group uses the outlook for consolidated performance and tax planning employed for the previous accounting year after making adjustments to take account of such major changes, etc.

(ii) Specified accounting methods for the preparation of quarterly consolidated financial statements

Use of special accounting treatment was not material.

(3) Changes in accounting policies and presentation:

(i) Change in accounting standards applied

The Group has changed its method for recognizing revenues from construction business activities. Previously, the Group applied the percentage-of-completion method for construction contracts of a term of more than one year and a total construction value of ¥100 million. For other construction contracts, the Group applied the completed-contract method.

However, Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007), the percentage-of-completion method has been applied for all construction contracts, including those that existed at the beginning of the second quarter, if the completion of a portion of the construction work is deemed to be certain by the end of the second quarter. (The percentage of completion is estimated based on the percentage of cost incurred compared with the estimated total cost). For other construction work, the completed-contract method has been applied.

As a consequence, for accumulated consolidated results through the second quarter, sales were ¥6,991 million larger and the operating income, ordinary income were each ¥1,260 million larger, and loss before income taxes were ¥1,548 million lower than under the previous method for the recognition of calculation. Please note that the effect of this accounting change by segment is presented in the segment information section.

(ii) Change in the scope of consolidation

The following subsidiaries were newly consolidated in the first quarter:

E-Square Co., Ltd.

Hasaki Wind Farm Co., Ltd.

Ebara Boshan Pumps Co., Ltd.

Ebara Machinery (China)

Hood-EIC,LLC

Ebara Research Co., Ltd. was excluded from consolidation owing to liquidation in the second quarter.

5. Consolidated financial statements

(1) Consolidated Balance Sheets

	September 30, 2009	March 31, 2009
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and time deposits	79,285	76,037
Trade receivables	143,039	186,703
Securities	2,591	1,156
Merchandise and finished goods	12,555	10,081
Work in process	46,598	41,382
Raw materials and supplies	21,567	24,019
Others	58,198	42,169
Allowance for doubtful receivables	(1,001)	(1,124)
Total current assets	362,835	380,426
Fixed assets		
Tangible fixed assets, net		
Buildings	40,190	28,395
Machinery and equipment, net	34,931	29,601
Others, net	36,147	38,974
Total tangible assets	111,269	96,971
Intangible assets	10,386	10,127
Investments and long-term receivables		
Investment securities	22,035	20,649
Others	34,760	58,341
Allowance for doubtful receivables	(3,884)	(3,955)
Reserve for revaluation of investments	(17)	(103)
Total investments and long-term receivables	52,894	74,931
Total fixed assets	174,550	182,029
Total assets	537,385	562,456

	September 30, 2009	March 31, 2009
	Millions of yen	Millions of yen
Liabilities		
Current liabilities		
Trade payables	96,215	131,181
Short-term bank loans	63,774	81,554
Current portion of bonds	20,000	20,000
Bonus payment reserve	6,076	6,536
Directors' bonus payment reserve	75	117
Reserve for losses on construction completion guarantees	9,902	9,755
Reserve for product warranties	912	863
Reserve for construction losses	18,172	19,230
Reserve for losses on contingent liabilities	41	41
Reserve for legal expenses	172	172
Reserve for expenses related to the sale of land	2,998	2,706
Others	54,489	56,863
Total current liabilities	272,830	329,023
Long-term liabilities		
Bonds with stock acquisition rights	40,000	40,000
Long-term bank loans	66,789	38,555
Accrued severance and pension costs	22,024	22,783
Directors' retirement allowance reserve	348	709
Reserve for expenses related to the sale of land	2,427	2,800
Reserve for losses on contingent liabilities	6	13
Others	6,351	4,306
Total long-term liabilities	137,948	109,168
Total liabilities	410,778	438,192
Net assets		
Shareholders' equity		
Common stock	61,284	61,284
Capital surplus	65,212	65,212
Retained earnings	5,981	7,315
Treasury stock, at cost	(151)	(146)
Total shareholder' equity	132,326	133,665
Net unrealized gain		
Net unrealized gain on investment securities	1,434	259
Profit/Loss deferral hedge accounting	-	0
Translation adjustments	(10,066)	(12,514)
Total net unrealized gain	(8,631)	(12,254)
Minority interests in consolidated subsidiaries	2,912	2,852
Total Net assets	126,606	124,263
Total liabilities and net assets	537,385	562,456

(2) Consolidated statements of income (2nd quarter accumulation of FY2010)

	From April 1, 2008 to September 30, 2008	From April 1, 2009 to September 30, 2009
	Millions of yen	Millions of yen
Net sales	222,877	209,470
Cost of sales	183,261	169,322
Gross profit	39,616	40,148
Selling, general and administrative expenses	43,195	37,748
Operating income (loss)	(3,579)	2,399
Non-operating income		
Interest income	434	183
Dividend income	394	153
Insurance income	-	255
Profit in equity method	13	36
Others	767	443
Total of non-operating income	1,610	1,072
Non-operating expenses		
Interest expenses	1,715	1,740
Foreign exchange loss	97	-
Others	521	647
Total of non-operating expenses	2,334	2,387
Ordinary income (loss)	(4,302)	1,084
Extraordinary income		
Gain on sales of fixed assets	319	170
Gain on reversal of special retirement benefit paid	806	-
Gain on reversal of allowance for doubtful receivable	-	208
Gain on transfer among severance payment plans	653	238
Gain on the prior year construction work	-	287
Gain on forgiveness of debts	-	474
Others	113	42
Total of extraordinary income	1,892	1,422
Extraordinary expenses		
Loss on disposal of fixed assets	423	323
Write-down of securities and other investments	1,770	363
Loss on liquidation of subsidiaries and affiliates	296	1,150
Special retirement benefit paid	-	587
Others	73	130
Total of extraordinary expenses	2,564	2,554
Loss before income taxes	(4,974)	(48)
Income taxes	(1,707)	850
Minority interests	(606)	245
Net loss	(2,661)	(1,143)

(3) Consolidated statements of income (2nd quarter of FY2010)

	From July 1, 2008 to September 30, 2008	From July 1, 2009 to September 30, 2009
	Millions of yen	Millions of yen
Net sales	124,859	115,697
Cost of sales	100,042	94,132
Gross profit	24,817	21,564
Selling, general and administrative expenses	22,224	18,526
Operating income	2,592	3,038
Non-operating income		
Interest income	235	92
Dividend income	270	107
Insurance income	-	249
Foreign exchange gain	696	-
Income equity method	32	49
Others	312	254
Total of non-operating income	1,547	754
Non-operating expenses		
Interest expenses	896	923
Foreign exchange loss	-	660
Others	447	492
Total of non-operating expenses	1,343	2,076
Ordinary income	2,796	1,716
Extraordinary income		
Gain on sales of fixed assets	31	164
Gain on transfer among severance payment plans	653	238
Gain on forgiveness of debts	-	474
Others	85	3
Total of extraordinary income	769	881
Extraordinary expenses		
Loss on disposal of fixed assets	250	309
Write-down of securities and other investments	1,560	25
Loss on liquidation of subsidiaries and affiliates	261	-
Others	33	227
Total of extraordinary expenses	2,106	562
Income before income taxes	1,459	2,035
Income taxes	1,239	1,052
Minority interests in income (loss)	(386)	144
Net Income	606	838

(4) Consolidated statements of cash flows

	From April 1, 2008 to September 30, 2008	From April 1, 2009 to September 30, 2009
	Millions of yen	Millions of yen
Cash flows from operating activities		
Loss before income taxes	(4,974)	(48)
Depreciation and amortization	7,621	7,348
Increase (decrease) in allowances	(655)	(2,857)
Gain on sales of fixed assets	(286)	(106)
Interest and dividend income	(828)	(336)
Interest expenses	1,715	1,740
Decrease (increase) in trade receivables	64,302	46,730
Decrease (increase) in inventories	(15,053)	(2,001)
Increase (decrease) in trade payables	(36,825)	(37,499)
Others	6,276	471
Sub-total	21,291	13,441
Interest and dividend received	890	1,233
Interest expenses paid	(1,844)	(1,640)
Income taxes paid	(6,161)	(390)
Net cash provided by (used in) operating activities	14,176	12,643
Cash flows from investing activities		
Sales of fixed assets	6,694	410
Purchase of fixed assets	(13,650)	(12,761)
Purchase of investment securities	(1,170)	(35)
Sales (purchase) of other investments, net	(112)	219
Sales of securities and investment securities	9,146	39
Withdrawal of time deposits	1,100	-
Collection of loans receivable	2,074	141
Disbursement of loans receivable	(3,271)	(1,278)
Net cash provided by (used in) investing activities	810	(13,265)
Cash flows from financing activities		
Redemption of bonds	(10,180)	-
Proceeds from short-term banks loans	14,971	11,258
Repayment of short-term bank loans	(16,763)	(40,897)
Proceeds of long-term bank loans	-	32,100
Repayment of long-term bank loans	(196)	(410)
Capital paid in from minority shareholders	1,172	-
Purchase and sales of treasury stock	(7)	(5)
Dividends paid	(3,168)	-
Dividends paid to minority Shareholders in consolidated subsidiaries	(449)	(696)
Net cash provided by (used in) financing activities	(14,620)	1,348
Translation adjustments	(846)	818
Increase (decrease) in cash and cash equivalents	(479)	1,545
Cash and cash equivalents at the beginning of period:	69,160	77,194
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	3,137
Cash and cash equivalents at the end of period	68,681	81,877

(5) Note for the assumption of going concern

Not applicable

(6) Segment information

【Business segment information】

From July 1, 2008 to September 30, 2008

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	76,374	26,541	21,943	124,859	-	124,859
(2) Intersegment sales and transfer	310	1,122	3	1,435	(1,435)	-
Total	76,684	27,663	21,946	126,295	(1,435)	124,859
Operating income (loss)	4,369	(2,178)	432	2,623	(31)	2,592

From July 1, 2009 to September 30, 2009

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	73,978	29,322	12,397	115,697	-	115,697
(2) Intersegment sales and transfer	255	1,074	7	1,337	(1,337)	-
Total	74,233	30,396	12,404	117,034	(1,337)	115,697
Operating income (loss)	6,460	(3,464)	75	3,071	(33)	3,038

From April 1, 2008 to September 30, 2008

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	139,399	47,794	35,684	222,877	-	222,877
(2) Intersegment sales and transfer	476	2,406	10	2,893	(2,893)	-
Total	139,875	50,200	35,695	225,770	(2,893)	222,877
Operating income (loss)	6,429	(10,604)	556	(3,618)	39	(3,579)

From April 1, 2009 to September 30, 2009

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	136,318	51,953	21,198	209,470	-	209,470
(2) Intersegment sales and transfer	514	2,054	7	2,575	(2,575)	-
Total	136,832	54,007	21,205	212,046	(2,575)	209,470
Operating income (loss)	10,288	(4,922)	(2,966)	2,399	(0)	2,399

Notes: 1 The Group's 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, Energy supply
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

2 Change in accounting standards applied

(1) From April 1, 2008 to September 30, 2008

(Application of Practical Solution for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

Beginning with the first quarter of the current fiscal year, the Group has applied "Practical Solution for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No. 18, issued by ASBJ on May 17, 2006). As a result, the effect was not material.

(Change in standard for recording sales)

Sales of chemical mechanical polishing (CMP) equipment and plating equipment in the PM Group were formerly recognized at the time of shipment but, beginning with the quarter under review, are now accounted for when the installation of such equipment is completed. This change was implemented (1) because of the trend toward the lengthening of the period between shipment of such equipment and the completion of installation and (2) because it has become possible to obtain data on the time of completion of installation as a result of the review of the related business processes. This change results in reporting that is more in line with the realities of the sales process. As a consequence, for accumulated consolidated results through the second quarter, sales of the PM Group were ¥2,486 million lower and the operating income of the PM Group were ¥1,010 million lower than under the previous method for the recognition of sales.

(2) From April 1, 2009 to September 30, 2009

(Change in standard for cost of completed work and construction revenue)

Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007).

As a result, sales in the FMS Group were ¥4,832 million and the EE Group were 2,158 million larger, and the operating loss in the FMS Group were ¥794 million and EE Group were 465 million improve than the previous method of calculation.

3 Additional information

(1) From April 1, 2008 to September 30, 2008

(Change in useful lives of tangible fixed assets)

Accompanying the revision of Japan's Corporation Tax Law, the Group have reviewed the conditions of use of their assets, and, beginning with the first quarter of the current fiscal year, has changed the useful lives of certain of its tangible fixed assets. As a result, for accumulated consolidated results through the second quarter, operating income of the FMS group was ¥21 million less than, the PM group was ¥182 million less than, operating loss of the EE group was ¥18 million larger than the previous method of calculation.

【Geographical segment information】

From July 1, 2008 to September 30, 2008

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	92,084	19,480	13,294	124,859	—	124,859
(2) Intersegment sales and transfer	3,964	1,115	1,540	6,620	(6,620)	—
Total	96,049	20,595	14,834	131,479	(6,620)	124,859
Operating income (loss)	(102)	2,066	1,649	3,614	(1,021)	2,592

From July 1, 2009 to September 30, 2009

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	85,131	20,504	10,061	115,697	—	115,697
(2) Intersegment sales and transfer	1,687	406	1,312	3,405	(3,405)	—
Total	86,818	20,911	11,373	119,103	(3,405)	115,697
Operating income (loss)	(1,113)	2,748	1,292	2,927	111	3,038

From April 1, 2008 to September 30, 2008

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	166,436	33,475	22,965	222,877	-	222,877
(2) Intersegment sales and transfer	6,326	2,454	2,862	11,643	(11,643)	-
Total	172,763	35,930	25,827	234,521	(11,643)	222,877
Operating income (loss)	(10,369)	3,414	2,653	(4,302)	723	(3,579)

From April 1, 2009 to September 30, 2009

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	151,764	39,350	18,355	209,470	—	209,470
(2) Intersegment sales and transfer	3,521	1,181	2,957	7,660	(7,660)	—
Total	155,285	40,532	21,312	217,130	(7,660)	209,470
Operating income (loss)	(4,558)	5,059	2,013	2,514	(114)	2,399

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

2 Countries and areas included in the above classification are as follows:

(1) North America: USA

(2) Other areas: Italy, Germany, China, Philippines, Taiwan, Singapore, Brazil, Korea and Malaysia

3 Change in accounting standards applied

(1) From April 1, 2008 to September 30, 2008

(Application of Practical Solution for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

Beginning with the first quarter of the current fiscal year, the Group has applied “Practical Solution for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force No. 18, issued by ASBJ on May 17, 2006). As a result, the effect was not material.

(Change in standard for recording sales)

Sales of chemical mechanical polishing (CMP) equipment and plating equipment in the PM Group were formerly recognized at the time of shipment but, beginning with the quarter under review, are now accounted for when the installation of such equipment is completed. This change was implemented (1) because of the trend toward the lengthening of the period between shipment of such equipment and the completion of installation and (2) because it has become possible to obtain data on the time of completion of installation as a result of the review of the related business processes. This change results in reporting that is more in line with the realities of the sales process. As a consequence, for accumulated consolidated results through the second quarter, sales in Japan were ¥2,486 million lower and the operating loss in Japan was ¥1,010 million larger than under the previous method for the recognition of sales.

(2) From April 1, 2009 to September 30, 2009

(Change in standard for cost of completed work and construction revenue)

Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007).

As a result, sales in Japan were ¥6,991 million larger, and the operating loss were ¥1,260 million lower than the previous method of calculation.

4 Additional information

(1) From April 1, 2008 to September 30, 2008

(Change in useful lives of tangible fixed assets)

Accompanying the revision of Japan's Corporation Tax Law, the Group have reviewed the conditions of use of their assets, and, beginning with the first quarter of the current fiscal year, has changed the useful lives of certain of its tangible fixed assets. As a result, for accumulated consolidated results through the second quarter, operating loss in Japan was ¥222 million larger than the previous method of calculation.

【Overseas sales】

From July 1, 2008 to September 30, 2008

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	21,071	10,919	12,528	11,868	56,388
II Consolidated net sales					124,859
III Percentage of overseas sales to net sales (%)	16.9	8.7	10.0	9.5	45.2

From July 1, 2009 to September 30, 2009

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	20,519	13,761	10,400	9,456	54,138
II Consolidated net sales					115,697
III Percentage of overseas sales to net sales (%)	17.7	11.9	9.0	8.2	46.8

From April 1, 2008 to September 30, 2008

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	35,729	19,912	24,591	20,702	100,935
II Consolidated net sales					222,877
III Percentage of overseas sales to net sales (%)	16.0	8.9	11.0	9.3	45.3

From April 1, 2009 to September 30, 2009

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	33,625	24,809	20,835	16,849	96,119
II Consolidated net sales					209,470
III Percentage of overseas sales to net sales (%)	16.1	11.8	9.9	8.0	45.9

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

2 Countries and areas included in the above classification are as follows:

(1) From April 1, 2008 to September 30, 2008

- (i) Asia: Taiwan, China and Korea
- (ii) North America: USA
- (iii) Europe: Italy, Germany, UK
- (iv) Other areas: Saudi Arabia and Qatar

(2) From April 1, 2009 to September 30, 2009

- (i) Asia: Taiwan, China and Korea
- (ii) North America: USA
- (iii) Europe: Italy, Germany, UK and Russia
- (iv) Other areas: Saudi Arabia and Qatar

3 Overseas sales are net sales of the Company and its subsidiaries other than in Japan.

4 Change in accounting standards applied

(1) From April 1, 2009 to September 30, 2009

(Change in basis for Cost of Completed work and Construction Revenue)

Beginning with the first quarter of the current fiscal year, accompanying the application of the Accounting Standard for Construction Contracts (Accounting Standards Bureau of Japan (ASBJ) Statement No. 15, issued December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued December 27, 2007).

As a result, sales of overseas in Asia were ¥1,455 million larger, and in other areas were ¥2.639 million larger than under the previous method of calculation.

(7) Note for significant changes in the amount of shareholders' equity

Not applicable

6. Other informations

Order received and sales

(1) Order received

(Millions of yen)

Business segment	From April 1, 2008 to September 30, 2008	From April 1, 2009 to September 30, 2009	From April 1, 2008 to March 31, 2009
Fluid Machinery & Systems	158,216	113,689	307,150
Environmental Engineering	72,633	74,320	138,210
Precision Machinery	23,843	19,915	36,038
Total	254,694	207,926	481,398

(2) Sales

(Millions of yen)

Business segment	From April 1, 2008 to September 30, 2008	From April 1, 2009 to September 30, 2009	From April 1, 2008 to March 31, 2009
Fluid Machinery & Systems	139,399	136,318	302,343
Environmental Engineering	47,794	51,953	146,045
Precision Machinery	35,684	21,198	52,760
Total	222,877	209,470	501,149

(3) Backlog of order received

(Millions of yen)

Business segment	September 30, 2008	September 30, 2009	March 31, 2009
Fluid Machinery & Systems	225,188	190,790	204,627
Environmental Engineering	156,428	147,428	124,065
Precision Machinery	20,473	13,446	14,331
Total	402,090	351,666	343,025

Notes: 1 The above figures don't include consumptive taxes and are eliminated intersegment sales and transfer.

2 Please note that, because of the nature of its business operations, the FMS Group and the EE Group sales are seasonal and tend to be concentrated prior to the closing of accounts at the end of the fiscal year, when a relatively high percentage of construction is completed.