

**RESULTS OF OPERATIONS FOR
THE FIRST QUARTER ENDED JUNE 30, 2009 (CONSOLIDATED)**

August 10 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: August 11 2009

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

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

(1) Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Through FY2010 1st quarter	93,772	(4.3)	(638)	-	(632)	-	(1,982)	-
Through FY2009 1st quarter	98,017	-	(6,171)	-	(7,132)	-	(3,267)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Through FY2010 1st quarter	(4.69)	-
Through FY2009 1st quarter	(7.74)	-

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 1st quarter	544,231	125,629	22.6	290.90
FY2009	562,456	124,263	21.6	287.44

Note: Shareholder's Equity (consolidated) FY2010 1st quarter 122,869 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 1st quarter	-				
FY2010 (Forecast)		0.00	-	-	-

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
2 nd quarter accumulation of FY2010	200,000 (10.3)	0 -	(1,000) -	(1,000) -	(2.37)
FY2010	500,000 (0.2)	10,000 -	7,000 -	3,000 -	7.10

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

Note 2: Revision of the forecast during this quarter: Applicable

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
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: NoNote: The details are shown in Clause 4 'Others in page 6.
- (4) Number of shares outstanding (Common Stocks)
 - (i) Number of common stocks (including treasury stocks)
FY2010 1st quarter 422,725,658 FY2009 422,725,658
 - (ii) Number of treasury stocks
FY2010 1st quarter 352,624 FY2009 341,744
 - (iii) Average number of common stocks
FY2010 1st quarter (accumulated period) 422,376,757
FY2009 1st quarter (accumulated period) 422,454,587

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

1. The Group has revised the forecast for performance for the second quarter, ending September 30, 2009 (consolidated), which was issued on May 13, 2009. The forecast for the fiscal year, ending March 31, 2010 (consolidated), however, has not been revised and remains unchanged.
2. 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 5-6 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."
3. No decision has been made at last time on the final dividend for the fiscal year. When it becomes possible to disclose this matter, the Group will disclose it promptly.

[Qualitative information, Financial Statements, etc.]

1. Qualitative information on consolidated results of operations

(1) Overview

During the first quarter (three months), important developments in the business environment overseas included the continuation of recessionary conditions in the U.S. economy, with some signs, however, of a bottoming out, as evidenced by improvement in corporate views of economic conditions and other developments. In Europe also, the economies of the region remained in recession, but, on the other hand, signs of a bottoming out appeared in the emerging economies, including China, where economic conditions continued to improve as a result of the positive effects of government economic stimulus policies.

In Japan, in the private sector, overall economic conditions were harsh, as corporate profitability dropped sharply, and the drive to make capital investments diminished. However, there were some signs of improvement as consumer spending in some areas bottomed out and demand in the public sector firmed as a result of the positive effects of supplementary budget allocations.

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.

In addition, to strengthen the Group’s corporate base, the Group decided to withdraw from the fuel cell business and to dissolve consolidated subsidiary Ebara Ballard Corporation, which has been engaged in the development of the fuel cell business.

During the quarter under review, new orders in the FMS Group and the PM Group declined compared with the same quarter of the previous year, reflecting market stagnation. Sales of the EE Group rose, but, overall, this increase was insufficient to offset the decline in the sales of the PM Group. Overall operating income(loss) showed a major improvement, despite the adverse impact of the decline in sales of the PM Group on profitability in that business, because of the positive effects of measures to reduce fixed costs throughout the Group, the improvement in profitability in the FMS Group, and the absence of provisions to reserves for losses in the EE Group that were recorded in the previous fiscal year, and other factors.

Consolidated net sales of the Group in the first quarter amounted to ¥ 93,772 million, 4.3% lower than for the same quarter of the previous fiscal year. The operating loss for the first quarter was ¥ 638 million (an improvement of ¥ 5,532 million from the same quarter of the previous year), and ordinary loss for the first quarter was ¥632 million (an improvement of ¥6,500 million from the same quarter of the previous year). And the Group reported extraordinary losses totaling ¥2,057 million due to a Loss on liquidation of subsidiaries and affiliates of ¥1,150 million, and other factors. The net loss amounted to ¥ 1,982 million (an improvement of ¥1,285 million from the same quarter of the prior fiscal year).

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, performance was affected by the worldwide recession, and investments in the oil and gas as well as other industries stagnated, but as a result of the resumption of increases in crude oil prices and other developments, there were factors bringing capital investments in certain sectors. Amid these conditions, the FMS Group worked to strengthen its services bases and systems as well as focused on the energy and water environment related fields, where strong investments are expected in the medium-to-long term.

On the other hand, because of reductions in and postponements of capital investments in the domestic market, the FMS Group worked to introduce new, highly energy-efficient products and promoted renewal projects and after-sales service business closely tailored to customer requirements.

In the first quarter, sales of the FMS Group decreased 1.1%, to ¥ 62,340 million, and operating income increased 85.9%, to ¥ 3,827 million from the previous fiscal year. The FMS Group was able to report an increase in operating income because of activities to reduce costs and including improved profit supervision.

Environmental Engineering (EE)

In the EE Group,

In the EE Group, conditions in the market for public-sector projects were generally harsh, but demand continued to be relatively stable. In the private-sector market, conditions were extremely severe as capital investments were restrained. In the public-sector market, which is the core market for this Group, increases are expected in demand for renewal and lengthening the useful lifetimes of aging facilities as well as for private finance initiative (PFI) and other projects that involve not only the construction of facilities but also providing operating and management services after completion.

To respond to this market environment, the EE Group is realigning and integrating the EPC and O&M services that were formerly included in the water treatment plants business and the environmental (waste treatment) plants businesses into two companies that will be responsible for providing EPC and O&M services, one for the water treatment and the other for the environmental plant markets. (The target date for completing this realignment is October 1, 2009). As a result of this realignment, it will be possible to combine and strengthen the Group's abundant experience and technological capabilities in EPC services as well as its nationwide service network for O&M and move ahead with measures to respond accurately to changes in the market environment and customer needs.

Sales in the EE Group increased 6.5%, to ¥22,631 million, for the fiscal year under review. Because of amounting to losses of ¥5,000 million in connection with the InfraServ project in Germany, and reductions in fixed costs, the operating loss for the EE Group improved ¥6,968 million from the previous fiscal year, to ¥1,457 million during the fiscal year under review.

Precision Machinery (PM)

In the PM Group,

In the PM Group, the business environment continued to be severe because of the impact of the worldwide recession that began in the previous fiscal year. However, trends are emerging toward investments by cutting-edge companies in equipment for further miniaturization and increases in production among customers that are benefiting from the improvement in the Chinese economy.

In addition, in the solar battery industry, which has expanded thus far principally in Europe, R&D activities are now being conducted aggressively in Japan and the United States, and there are signs of possibilities for business expansion. Amid this operating environment, the PM Group is working to secure profitability and is strongly implementing measures begun in the previous fiscal year to reduce fixed expenses and lower manufacturing costs. In addition, the PM Group is working to strengthen its after-sales service business activities by using its global marketing and support network to identify the needs of its customers for increasing productivity.

In the first quarter, sales of the PM Group amounted to ¥8,801 million, 36.0% lower than for the first quarter of the previous fiscal year. Operating loss amounted to ¥3,042 million, which represented a deterioration of ¥3,166 million from the operating income of the previous fiscal year.

2. Qualitative information on consolidated financial position

At the end of the first quarter, the Group's total assets were ¥ 544,231 million, ¥ 18,224 million lower than at the end of the previous fiscal year. Principal changes in asset items included an increase in cash and cash equivalents of ¥ 10,944 million, a decline in trade receivables of ¥ 52,203 million, an increase in inventories of ¥ 6,645 million, and an increase in fixed assets of ¥ 13,230 million.

Total liabilities at the end of the first quarter amounted to ¥418,602 million, ¥ 19,590 million lower than at the end of the same quarter of the previous fiscal year. Principal changes in liability items included a decline of ¥ 22,054 million in trade payables, and a reduction of ¥ 7,645 million in interest-bearing debt.

Net assets at the end of the first quarter amounted to ¥ 125,629 million, increased ¥ 1,365 million from the end of the first quarter of the previous fiscal year. Principal changes affecting net asset items were a net loss for the quarter of ¥ 1,982 million, an increase of net unrealized gains on other securities of ¥ 1,279 million, and an increase of translation adjustments of ¥ 2,354 million.

3. Qualitative information on forecast of results for the six months ending September 30, 2009 and the year ending March 31, 2010

Regarding the forecast for performance for the second quarter ending September 30, 2009 (six months accumulated), of the fiscal year ending March 31, 2010, as a result of the positive effects of Groupwide efforts to reduce fixed costs, the improvement in profitability of the FMS Group, and other developments, operating income, ordinary income, and net income are now expected to exceed the levels previously forecast.

Please note that because of the uncertainty regarding economic trends in the second half of the fiscal year ending March 31, 2010, and the impact of these trends on the performance of the Group, the previous forecast for the full fiscal year, announced on May 13, 2009, has not been revised.

Forecast of results for the year ending March 31, 2010

Millions of yen

	Net sales	Operating	Ordinary income	Net income	Net income per share
					Yen
2 nd quarter accumulation of FY2010 (Forecast May 13, 2009)	200,000	(5,000)	(6,000)	(4,000)	(9.47)
2 nd quarter accumulation of FY2010 (Forecast Aug.10, 2009)	200,000	0	(1,000)	(1,000)	(2.37)
Changes	-	5,000	5,000	3,000	-
Change Ratio (%)	-	-	-	-	-
(Reference) the previous fiscal year FY2009	222,877	(3,579)	(4,302)	(2,661)	(6.30)

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

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 exchange rate fluctuations
5. Increases in interest rate payments owing to fluctuations in interest rates
6. Impact of natural disasters and damage to the social infrastructure
7. Changes in possibility of recovery of deferred tax assets
8. Impact of fluctuations in materials prices
9. 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 in the first quarter for accumulated consolidated results through the first 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:

(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 first quarter, if the completion of a portion of the construction work is deemed to be certain by the end of the first 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 first quarter, sales of the PM Group were ¥2,537 million larger and the operating loss, ordinary loss were each ¥444 million lower, and loss before income taxes were ¥732 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.

(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

5. Consolidated financial statements

(1) Consolidated Balance Sheets

	June 30, 2009	March 31, 2009
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and time deposits	86,981	76,037
Trade receivables	134,500	186,703
Securities	3,089	1,156
Merchandise and finished goods	14,230	10,081
Work in process	45,775	41,382
Raw materials and supplies	22,122	24,019
Others	46,683	42,169
Allowance for doubtful receivables	(1,001)	(1,124)
Total current assets	352,382	380,426
Fixed assets		
Tangible fixed assets, net		
Buildings, net	40,875	28,395
Machinery and equipment, net	34,612	29,601
Others	34,714	38,974
Total tangible assets	110,202	96,971
Intangible assets	10,925	10,127
Investments and long-term receivables		
Investment securities	22,219	20,649
Others	52,458	58,341
Allowance for doubtful receivables	(3,939)	(3,955)
Reserve for revaluation of investments	(17)	(103)
Total investments and long-term receivables	70,720	74,931
Total fixed assets	191,848	182,029
Total assets	544,231	562,456

	June 30, 2009	March 31, 2009
	Millions of yen	Millions of yen
Liabilities		
Current liabilities		
Trade payables	109,126	131,181
Short-term bank loans	68,842	81,554
Current portion of bonds	20,000	20,000
Bonus payment reserve	9,489	6,536
Directors' bonus payment reserve	101	117
Reserve for losses on construction completion guarantees	10,071	9,755
Reserve for product warranties	792	863
Reserve for construction losses	16,617	19,230
Reserve for losses on contingent liabilities	42	41
Reserve for legal expenses	222	172
Reserve for expenses related to the sale of land	2,997	2,706
Others	64,139	56,863
Total current liabilities	302,444	329,023
Long-term liabilities		
Bonds with stock acquisition rights	40,000	40,000
Long-term bank loans	43,649	38,555
Accrued severance and pension costs	23,499	22,783
Directors' retirement allowance reserve	332	709
Reserve for expenses related to the sale of land	2,500	2,800
Reserve for losses on contingent liabilities	7	13
Others	6,168	4,306
Total long-term liabilities	116,158	109,168
Total liabilities	418,602	438,192
Net assets		
Shareholders' equity		
Common stock	61,284	61,284
Capital surplus	65,212	65,212
Retained earnings	5,143	7,315
Treasury stock, at cost	(149)	(146)
Total shareholder' equity	131,490	133,665
Net unrealized gain		
Net unrealized gain on investment securities	1,538	259
Profit/Loss deferral hedge accounting	-	0
Translation adjustments	(10,159)	(12,514)
Total net unrealized gain	(8,620)	(12,254)
Minority interests in consolidated subsidiaries	2,759	2,852
Total Net assets	125,629	124,263
Total liabilities and net assets	544,231	562,456

(2) Consolidated statements of income

	From April 1, 2008 to June 30, 2008	From April 1, 2009 to June 30, 2009
	Millions of yen	Millions of yen
Net sales	98,017	93,772
Cost of sales	83,218	75,189
Gross profit	14,799	18,583
Selling, general and administrative expenses	20,970	19,222
Operating loss	(6,171)	(638)
Non-operating income		
Interest income	199	90
Dividend income	124	45
Foreign exchange gain	-	718
Others	455	173
Total of non-operating income	778	1,027
Non-operating expenses		
Interest expenses	818	817
Foreign exchange loss	794	-
Loss on equity method	18	13
Others	107	190
Total of non-operating expenses	1,739	1,020
Ordinary loss	(7,132)	(632)
Extraordinary income		
Gain on sales of fixed assets	288	5
Gain on reversal of special retirement benefit paid	806	-
Gain on reversal of allowance for doubtful receivables	-	181
Gain on the prior year construction work	-	287
Others	62	131
Total of extraordinary income	1,156	605
Extraordinary expenses		
Loss on disposal of fixed assets	172	13
Write-down of securities and other investments	209	341
Loss on liquidation of subsidiaries and affiliates	-	1,150
Special retirement benefit paid	-	542
Others	76	9
Total of extraordinary expenses	458	2,057
Loss before income taxes	(6,434)	(2,083)
Income taxes	(2,946)	(202)
Minority interests in consolidated subsidiaries	(219)	100
Net loss	(3,267)	(1,982)

(3) Consolidated statements of cash flows

	From April 1, 2008 to June 30, 2008	From April 1, 2009 to June 30, 2009
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income (loss) before income taxes	(6,434)	(2,083)
Depreciation and amortization	3,887	5,692
Increase (decrease) in allowances	5,788	721
Gain on sales of fixed assets	(288)	4
Interest and dividend income	(323)	(136)
Interest expenses	818	817
Decrease (increase) in trade receivables	65,775	55,362
Decrease (increase) in inventories	(12,994)	(3,407)
Increase (decrease) in trade payables	(20,557)	(24,580)
Others	4,415	3,864
Sub-total	40,087	36,255
Interest and dividend received	461	1,126
Interest expenses paid	(704)	(637)
Income taxes paid	(3,810)	(2,563)
Net cash provided by (used in) operating activities	36,033	34,181
Cash flows from investing activities		
Sales of fixed assets	6,622	7
Purchase of fixed assets	(7,324)	(8,726)
Sales of investment securities	50	1
Purchase of investment securities	(1,167)	(32)
Sales (purchase) of other investments, net	(786)	(45)
Collection of loans receivable	1,407	709
Disbursement of loans receivable	(1,666)	(406)
Net cash provided by (used in) investing activities	(2,863)	(8,493)
Cash flows from financing activities		
Redemption of bonds	(100)	-
Proceeds from short-term banks loans	10,343	9,272
Repayment of short-term bank loans	(10,700)	(25,354)
Proceeds from long-term bank loans	0	-
Repayment of long-term bank loans	(192)	(86)
Capital paid in from minority shareholders	1,172	-
Purchase and sales of treasury stock	(1)	(2)
Dividends paid	(3,168)	-
Dividends paid to minority Shareholders in consolidated subsidiaries	(184)	(696)
Net cash provided by (used in) financing activities	(2,830)	(16,867)
Translation adjustments	(1,152)	919
Increase (decrease) in cash and cash equivalents	29,187	9,739
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	98,347	90,071

(4) Note for the assumption of going concern

Not applicable

(5) Segment information

【Business segment information】

From April 1, 2008 to June 30, 2008

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	63,024	21,252	13,741	98,017	—	98,017
(2) Intersegment sales and transfer	166	1,284	7	1,457	(1,457)	—
Total	63,190	22,536	13,748	99,475	(1,457)	98,017
Operating income (loss)	2,059	(8,425)	124	(6,242)	(70)	(6,171)

Notes: 1 The Groups 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

- 2 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.
- 3 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, sales of the PM Group were ¥6,012 million lower and the operating income of the PM Group were ¥2,439 million lower than under the previous method for the recognition of sales.
- 4 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, operating income of the FMS Group was ¥4 million less than, the PM Group was ¥115 million lower than, operating loss of the EE Group was ¥2 million upper than the previous method of calculation.

From April 1, 2009 to June 30, 2009

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	62,340	22,631	8,801	93,772	-	93,772
(2) Intersegment sales and transfer	258	980	0	1,238	(1,238)	-
Total	62,598	23,611	8,801	95,011	(1,238)	93,772
Operating income (loss)	3,827	(1,457)	(3,042)	(672)	(33)	(638)

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 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 consequence, for accumulated consolidated results through the first quarter, sales of the FMS Group were ¥1,807 million and the EE Group were ¥729 million upper and the operating income (loss) of the FMS Group were ¥367 million, and the EE Group were ¥76 million improve than the previous method of calculation.

【Geographical segment information】

From April 1, 2008 to June 30, 2008

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	74,351	13,995	9,670	98,017	—	98,017
(2) Intersegment sales and transfer	2,362	1,339	1,322	5,023	(5,023)	—
Total	76,714	15,334	10,992	103,041	(5,023)	98,017
Operating income (loss)	(10,267)	1,347	1,004	(7,916)	(1,744)	(6,171)

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 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.

4 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, sales in Japan were ¥6,012 million lower and the operating loss in Japan was ¥2,439 million larger than under the previous method for the recognition of sales.

5 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, operating loss in Japan was ¥122 million larger than under the previous method of calculation.

From April 1, 2009 to June 30, 2009

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	66,633	18,846	8,293	93,772	-	93,772
(2) Intersegment sales and transfer	1,833	775	1,645	4,254	(4,254)	-
Total	68,467	19,621	9,938	98,027	(4,254)	93,772
Operating income (loss)	(3,445)	2,311	721	(412)	226	(638)

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 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 ¥2,537 million larger, and the operating loss were ¥444 million lower than under the previous method of calculation.

【Overseas sales】

From April 1, 2008 to June 30, 2008

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	14,657	8,992	12,063	8,833	44,547
II Consolidated net sales					98,017
III Percentage of overseas sales to net sales (%)	15.0	9.1	12.3	9.0	45.4

From April 1, 2009 to June 30, 2009

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	13,106	11,047	10,434	7,392	41,981
II Consolidated net sales					93,772
III Percentage of overseas sales to net sales (%)	14.0	11.8	11.1	7.9	44.8

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

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

(1) Asia: Taiwan, China and Korea

(2) North America: USA

(3) Europe: Italy, Germany and UK

(4) Other areas: Saudi Arabia and Qatar

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

- 4 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 ¥736 million larger, and in other areas were ¥852 million larger than under the previous method of calculation.

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

Not applicable

Order received and sales

(1) Order received

(Millions of yen)

Business segment	From April 1, 2008 to June 30, 2008	From April 1, 2009 to June 30, 2009	From April 1, 2008 to March 31, 2009
Fluid Machinery & Systems	62,567	50,072	307,150
Environmental Engineering	46,226	48,064	138,210
Precision Machinery	11,083	6,842	36,038
Total	119,877	104,979	481,398

(2) Sales

(Millions of yen)

Business segment	From April 1, 2008 to June 30, 2008	From April 1, 2009 to June 30, 2009	From April 1, 2008 to March 31, 2009
Fluid Machinery & Systems	63,024	62,340	302,343
Environmental Engineering	21,252	22,631	146,045
Precision Machinery	13,741	8,801	52,760
Total	98,017	93,772	501,149

(3) Backlog of order received

(Millions of yen)

Business segment	June 30, 2008	June 30, 2009	March 31, 2009
Fluid Machinery & Systems	203,200	202,492	204,627
Environmental Engineering	156,018	149,991	124,065
Precision Machinery	29,167	12,908	14,331
Total	388,385	365,393	343,025

Note 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.