

**RESULTS OF OPERATIONS FOR
THE THIRD QUARTER ENDED DECEMBER 31, 2009 (CONSOLIDATED)**

February 9, 2009

Company name: EBARA CORPORATION
11-1 Haneda Asahi-cho, Ota-ku, Tokyo 144-8510, Japan
(Stock code: 6361, Tokyo and Sapporo Stock Exchange in Japan)
(URL <http://www.ebara.co.jp>)
Representative: Natsunosuke Yago, President
Contact person: Kengo Choki, General Manager, Corporate Accounting Department
Scheduled day of submission of quarterly report: February 10, 2009

Tel: 81-3-3743-6111

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

1. Outline of the third quarter results for FY2010 (April 1- December 31, 2009)

(1) Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Through FY2010 3rd quarter	316,368	(4.8)	6,599	-	5,279	-	(3,933)	-
Through FY2009 3rd quarter	332,215	-	(4,443)	-	(6,240)	-	(11,738)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Through FY2010 3rd quarter	(9.31)	-
Through FY2009 3rd quarter	(27.79)	-

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 3rd quarter	557,391	122,207	21.4	282.19
FY2009	562,456	124,263	21.6	287.44

Note: Shareholder's Equity (consolidated) FY2010 3rd quarter 119,156 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 3rd quarter	-	0.00	-		
FY2010 (Forecast)				0.00	0.00

Note: Revision of forecast for dividend during this quarter: applicable

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	490,000	(2.2)	14,000	-	11,000	-	3,500	-	8.29

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

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

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 3rd quarter 422,725,658 FY2009 422,725,658
(ii) Number of treasury stocks
FY2010 3rd quarter 468,999 FY2009 341,744
(iii) Average number of common stocks (accumulated period)
FY2010 3rd quarter (accumulated period) 422,357,539
FY2009 3rd quarter (accumulated period) 422,430,661

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

- The Group has revised the forecast for performance for the fiscal year, ending March 31, 2010 (consolidated), which was issued on November 11, 2009.
- 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 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."

(Reference)

Outline of the third quarter results for FY2010 (October 1 - December 31, 2009)

Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
FY2010 3rd quarter	106,897	(2.2)	4,200	-	4,195	-	(2,789)	-
FY2009 3rd quarter	109,337	-	(863)	-	(1,937)	-	(9,077)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
FY2010 3rd quarter	(6.61)	-
FY2009 3rd quarter	(21.49)	-

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 third quarter (three months) included, developments in the business environment overseas included signs of a trend toward gradual improvement in economic conditions, due in part to the positive effects of government economic policies adopted by various countries overseas. In the United States, although improvement in the labor environment has been delayed, the manufacturing sector is showing recovery. In European countries, while the unemployment rate remained high, personal consumption rose as a result of the effects of economic policies. In the Asian region, exports to China increased, and the economies of the region showed recovery.

In Japan, industrial production in the private sector rose as a result of increases in exports, but construction starts and capital investment remained lackluster. On the other hand, public-sector demand was firm as a result of the implementation of a supplementary government budget and other factors. Overall, despite harsh conditions, there were signs of a bottoming out and an improvement in the economy.

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 Group overall declined compared with the same period of the previous fiscal year because of weak market conditions in the FMS Group. Net sales increased in the PM Group, but this rise was insufficient to offset the drop in net sales in the FMS Group. Operating income improved substantially in the EE Group, and, because of this and other factors, overall operating income improved markedly as a result of gains in profitability on a Companywide basis.

Note that, as a result of the sale of shares held in a consolidated subsidiary, the Group reported extraordinary expenses of ¥7,470 million.

Consolidated net sales of the Group in the third quarter amounted to ¥106,897 million, 2.2% lower than for the same quarter of the previous fiscal year. The operating income increased ¥5,064 million, to ¥4,200 million, and ordinary income increased ¥6,132 million, to ¥4,195 million from the same quarter of the previous fiscal year. The net loss decreased ¥6,287 million from the same quarter of the previous fiscal year to ¥ 2,789 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 showed signs of a bottoming out in economic conditions. Demand for large-scale projects among major clients in the oil and gas industries began to rise along with the increase in crude oil prices and other factors. However, conditions in the environment for new orders continued to be tough because of the adverse impact of more-intense price competition and the appreciation of the yen. Amid these conditions, the FMS Group worked to increase income by cutting procurement costs, improving productivity, and implementing other measures.

On the other hand, in the domestic market, although output is increasing in the manufacturing sector, production has not returned to the levels prevailing before the economic downturn, and capital investment has not recovered. However, the FMS Group promoted the switchover to energy-saving products among its customers and worked to increase sales from after-sales service business and the renewal business for existing facilities.

In the third quarter (three months), sales of the FMS Group decreased 7.6%, to ¥61,805 million, and operating income decreased 51.9%, to ¥1,646 million from the same quarter of the previous fiscal year.

Environmental Engineering (EE)

In the EE Group

In the EE Group, within the markets for both public-sector and private-sector projects, the demand is rising for work ranging from lengthening the useful lives of, renewing, and replacing aging facilities to maintenance and operating services. However, in the public sector, delays in confirming related budgets have resulted in the postponement of the implementation of equipment replacement and other projects. In addition, in the private sector, market conditions for environment-related investments continue to be harsh.

Within this operating environment, conditions in the public-sector market are relatively stable, especially in the operating and maintenance (O&M) segment, and orders for repair and maintenance work, including projects to lengthen the useful lives of existing facilities, have held firm. In the water treatment and waste treatment businesses, the realignment within the EE Group has been completed. Now, the Group is strengthening its marketing initiatives for projects to extend the useful lives of existing facilities and in the area of develop-build-operate (DBO) projects involving private participation, such as project finance initiative (PFI) undertakings. The Group is also implementing measures to expand sales of key, targeted equipment. In addition, the beneficial results of initiatives taken thus far to improve profitability, such as reductions in manufacturing costs and the lowering of fixed costs, are beginning to emerge.

In the third quarter (three months), sales of the EE Group increased 1.3% from the same quarter of the previous fiscal year to ¥31,724 million. The operating income amounted to ¥2,674 million, ¥5,457 million higher than for the same quarter of the previous fiscal year.

Precision Machinery (PM)

In the PM Group

In the PM Group, utilization rates in the semiconductor industry continued at a high level as the market for low-priced PCs expands, especially in the newly emerging economies. Capital investments are being implemented, mainly among cutting-edge companies in Taiwan and South Korea. Also, in the LED industry, companies continued to increase their capital investments, especially in South Korea.

Amid these conditions, the PM Group continued to reduce fixed costs and move ahead with the implementation of policies to lower manufacturing costs through reduction in lead times and other measures. Also, in the after-sales service business, through its global network, the PM Group provided support to help customers secure stable operating conditions. In addition, the Group took the initiative in providing proposals to customers for services that include revamping their equipment to increase productivity.

In the third quarter (three months), sales of the PM Group increased 20.5%, to ¥13,368 million, and operating loss decreased ¥1,455 million, to ¥96 million. from the same quarter of the previous fiscal year.

For further information on the Group's consolidated results of operations in the first quarter (April 1 to June 30, 2009) and the second quarter (July 1 to September 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, 2009 (Consolidated)," which was released on August 10, 2009, and "Results of Operations for the Second Quarter Ended September 30, 2009 (Consolidated)," which was released on November 11, 2009 are available on the Group website (www.ebara.co.jp).

2. Qualitative information on consolidated financial position

At the end of the third quarter, the Group's total assets amounted to ¥557,391 million, a decrease of ¥5,064 million from the end of the previous fiscal year. Principal changes in asset items included an increase of cash and time deposits of ¥11,858 million, a decline in trade receivables of ¥35,554 million, and an increase in fixed assets of ¥13,121 million.

Total liabilities at the end of the third quarter amounted to ¥435,183 million, a decrease of ¥ 3,008 million from the end of the previous fiscal year. Principal changes in liability items included a decline in trade payables of ¥27,040 million, a decline in bonus payment reserve of ¥2,902 million, and an increase of interest-bearing debt of ¥26,277 million.

Net assets at the end of the third quarter amounted to ¥122,207 million, decreased ¥2,056 million from the end of the previous fiscal year. Principal changes in net asset items included a net loss for the quarter of ¥3,933 million and an increase of translation adjustments of ¥1,128 million.

The principal factor resulting in the previously mentioned changes in consolidated financial position was the seasonal nature of the Group's business activities, which leads to a concentration of sales in the fourth quarter of the fiscal year.

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

Regarding the forecast of results for the year ending March 2010, in consideration of market trends after last announcement dated November 11, 2009, Net sales, Operating income and Ordinary income have been revised as follows.

Forecast of consolidated results for the year ending March 31, 2010

% represents percentage change from a comparable previous period

	FY2010 (Forecast)	
	Millions of yen	
Net Sales	490,000	(2.2)%
Operating income	14,000	-%
Ordinary income	11,000	-%
Net income	3,500	-%

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 third 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 third quarter, if the completion of a portion of the construction work is deemed to be certain by the end of the third 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 third quarter, sales were ¥9,735 million larger and the operating income, ordinary income were each ¥1,771 million larger, and loss before income taxes were ¥2,059 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.

Ebara Ballard Co., Ltd. was excluded from consolidation owing to liquidation in the third quarter.

5. Consolidated financial statements

(1) Consolidated Balance Sheets

	December 31, 2009	March 31, 2009
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and time deposits	87,896	76,037
Trade receivables	151,148	186,703
Securities	2,291	1,156
Merchandise and finished goods	9,362	10,081
Work in process	55,299	41,382
Raw materials and supplies	19,571	24,019
Others	60,481	42,169
Allowance for doubtful receivables	(954)	(1,124)
Total current assets	385,096	380,426
Fixed assets		
Tangible fixed assets		
Buildings, net	40,693	28,395
Machinery and equipment, net	33,728	29,601
Others, net	35,671	38,974
Total tangible assets	110,093	96,971
Intangible assets	9,714	10,127
Investments and long-term receivables		
Investment securities	21,226	20,649
Others	34,796	58,341
Allowance for doubtful receivables	(3,529)	(3,955)
Reserve for revaluation of investments	(7)	(103)
Total investments and long-term receivables	52,486	74,931
Total fixed assets	172,294	182,029
Total assets	557,391	562,456

	December 31, 2009	March 31, 2009
	Millions of yen	Millions of yen
Liabilities		
Current liabilities		
Trade payables	104,140	131,181
Short-term bank loans	69,834	81,554
Current portion of bonds	20,000	20,000
Bonus payment reserve	3,633	6,536
Directors' bonus payment reserve	76	117
Reserve for losses on construction completion guarantees	9,919	9,755
Reserve for product warranties	810	863
Reserve for construction losses	16,450	19,230
Reserve for losses on contingent liabilities	40	41
Reserve for legal expenses	172	172
Reserve for expenses related to the sale of land	5,307	2,706
Others	59,539	56,863
Total current liabilities	289,923	329,023
Long-term liabilities		
Bonds with stock acquisition rights	40,000	40,000
Long-term bank loans	75,712	38,555
Accrued severance and pension costs	22,822	22,783
Directors' retirement allowance reserve	381	709
Reserve for expenses related to the sale of land	-	2,800
Reserve for losses on contingent liabilities	5	13
Others	6,337	4,306
Total long-term liabilities	145,259	109,168
Total liabilities	435,183	438,192
Net assets		
Shareholders' equity		
Common stock	61,284	61,284
Capital surplus	65,212	65,212
Retained earnings	3,191	7,315
Treasury stock, at cost	(192)	(146)
Total shareholder' equity	129,495	133,665
Net unrealized gain		
Net unrealized gain on investment securities	1,046	259
Profit/Loss deferral hedge accounting	-	0
Translation adjustments	(11,385)	(12,514)
Total net unrealized gain	(10,339)	(12,254)
Subscription rights to shares	41	-
Minority interests in consolidated subsidiaries	3,009	2,852
Total Net assets	122,207	124,263
Total liabilities and net assets	557,391	562,456

(2) Consolidated statements of income (3rd quarter accumulation of FY2010)

	From April 1, 2008 to December 31, 2008	From April 1, 2009 to December 31, 2009
	Millions of yen	Millions of yen
Net sales	332,215	316,368
Cost of sales	274,046	254,435
Gross profit	58,169	61,932
Selling, general and administrative expenses	62,612	55,332
Operating income (loss)	(4,443)	6,599
Non-operating income		
Interest income	572	277
Dividend income	361	218
Profit in equity method	31	73
Insurance income	-	576
Others	1,029	888
Total of non-operating income	1,995	2,034
Non-operating expenses		
Interest expenses	2,488	2,652
Foreign exchange loss	52	52
Others	1,250	649
Total of non-operating expenses	3,792	3,354
Ordinary income (loss)	(6,240)	5,279
Extraordinary income		
Gain on sales of fixed assets	348	196
Gain on reversal of special retirement benefit paid	806	-
Gain on reversal of allowance for doubtful receivable	-	500
Gain on transfer among severance payment plans	653	238
Gain on the prior year construction work	-	287
Gain on forgiveness of debts	-	474
Others	114	38
Total of extraordinary income	1,922	1,737
Extraordinary expenses		
Loss on disposal of fixed assets	479	454
Write-down of securities and other investments	3,198	367
Loss on liquidation of subsidiaries and affiliates	308	8,620
Special retirement benefit paid	-	587
Others	130	190
Total of extraordinary expenses	4,117	10,220
Loss before income taxes	(8,434)	(3,203)
Income taxes	3,986	265
Minority interests in income (loss)	(682)	464
Net loss	(11,738)	(3,933)

(3) Consolidated statements of income (3rd quarter of FY2010)

	From October 1, 2008 to December 31, 2008	From October 1, 2009 to December 31, 2009
	Millions of yen	Millions of yen
Net sales	109,337	106,897
Cost of sales	90,784	85,113
Gross profit	18,553	21,784
Selling, general and administrative expenses	19,417	17,584
Operating income (loss)	(863)	4,200
Non-operating income		
Interest income	138	94
Dividend income	18	65
Income equity method	17	36
Foreign exchange gain	44	-
Insurance income	-	576
Others	210	261
Total of non-operating income	429	1,034
Non-operating expenses		
Interest expenses	773	911
Others	729	127
Total of non-operating expenses	1,502	1,039
Ordinary income (loss)	(1,937)	4,195
Extraordinary income		
Gain on sales of fixed assets	29	26
Reversal of allowance for doubtful receivables	-	292
Others	0	1
Total of extraordinary income	30	320
Extraordinary expenses		
Loss on disposal of fixed assets	56	131
Write-down of securities and other investments	1,428	3
Loss on liquidation of subsidiaries and affiliates	12	7,470
Others	56	65
Total of extraordinary expenses	1,553	7,670
Loss before income taxes	(3,460)	(3,154)
Income taxes	5,693	(584)
Minority interests in income (loss)	(76)	219
Net loss	(9,077)	(2,789)

(4) Consolidated statements of cash flows

	From April 1, 2008 to December 31, 2008	From April 1, 2009 to December 31, 2009
	Millions of yen	Millions of yen
Cash flows from operating activities		
Loss before income taxes	(8,434)	(3,203)
Loss on violation of Antimonopoly Act	3	-
Depreciation and amortization	11,295	11,177
Increase (decrease) in allowances	(3,365)	(6,783)
Gain on sales of fixed assets	(265)	(85)
Interest and dividend income	(934)	(495)
Interest expenses	2,488	2,652
Decrease (increase) in trade receivables	70,203	37,473
Decrease (increase) in inventories	(25,087)	(6,304)
Increase (decrease) in trade payables	(30,413)	(29,963)
Others	8,117	9,038
Sub-total	23,608	13,504
Loss on violation of Antimonopoly Act and Legal expenses paid	(362)	-
Interest and dividend received	1,141	1,299
Interest expenses paid	(2,416)	(2,155)
Income taxes paid	(9,060)	(3,413)
Net cash provided by (used in) operating activities	12,910	9,234
Cash flows from investing activities		
Sales of fixed assets	6,741	511
Purchase of fixed assets	(17,511)	(16,334)
Purchase of investment securities	(2,763)	(36)
Sales (purchase) of other investments, net	80	277
Sales of securities and investment securities	18,103	100
Withdrawal of time deposits	2,200	-
Collection of loans receivable	2,814	1,800
Disbursement of loans receivable	(5,079)	(2,840)
Net cash provided by (used in) investing activities	4,585	(16,521)
Cash flows from financing activities		
Redemption of bonds	(10,180)	-
Proceeds from short-term banks loans	34,953	19,233
Repayment of short-term bank loans	(37,621)	(43,034)
Proceeds of long-term bank loans	-	42,100
Repayment of long-term bank loans	(44)	(410)
Capital paid in from minority shareholders	1,173	-
Purchase and sales of treasury stock	(5)	(46)
Dividends paid	(3,168)	-
Dividends paid to minority Shareholders in consolidated subsidiaries	(453)	(696)
Net cash provided by (used in) financing activities	(15,345)	17,145
Translation adjustments	(1,598)	(2)
Increase in cash and cash equivalents	552	9,855
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	69,712	90,187

(5) Note for the assumption of going concern

Not applicable

(6) Segment information

【Business segment information】

From October 1, 2008 to December 31, 2008

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	66,924	31,323	11,089	109,337	-	109,337
(2) Intersegment sales and transfer	589	984	0	1,574	(1,574)	-
Total	67,513	32,308	11,090	110,912	(1,574)	109,337
Operating income (loss)	3,426	(2,782)	(1,552)	(908)	45	(863)

From October 1, 2009 to December 31, 2009

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	61,805	31,724	13,368	106,897	-	106,897
(2) Intersegment sales and transfer	565	1,042	2	1,609	(1,609)	-
Total	62,370	32,766	13,370	108,507	(1,609)	106,897
Operating income (loss)	1,646	2,674	(96)	4,224	(24)	4,200

From April 1, 2008 to December 31, 2008

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	206,323	79,117	46,774	332,215	-	332,215
(2) Intersegment sales and transfer	1,065	3,390	11	4,467	(4,467)	-
Total	207,388	82,508	46,785	336,683	(4,467)	332,215
Operating income (loss)	9,855	(13,386)	(995)	(4,527)	84	(4,443)

From April 1, 2009 to December 31, 2009

(Millions of yen)

	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	198,123	83,677	34,566	316,368	-	316,368
(2) Intersegment sales and transfer	1,079	3,096	9	4,185	(4,185)	-
Total	199,203	86,774	34,576	320,553	(4,185)	316,368
Operating income (loss)	11,934	(2,247)	(3,062)	6,623	(24)	6,599

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 December 31, 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 third quarter, sales of the PM Group were ¥3,916million lower and the operating loss of the PM Group were ¥1,651million larger than under the previous method for the recognition of sales.

(2) From April 1, 2009 to December 31, 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 ¥4,393 million and the EE Group were 5,342 million larger, and the operating profit and loss in the FMS Group were ¥678 million and EE Group were ¥1,093 million improve than the previous method of calculation.

3 Additional information

(1) From April 1, 2008 to December 31, 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 third quarter, operating income of the FMS group was ¥34 million less than, operating loss of the EE group was ¥27 million lager than, the PM group was ¥274 million larger than, the previous method of calculation.

【Geographical segment information】

From October 1, 2008 to December 31, 2008

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	84,000	16,559	8,778	109,337	-	109,337
(2) Intersegment sales and transfer	1,932	1,505	1,035	4,474	(4,474)	-
Total	85,932	18,064	9,814	113,812	(4,474)	109,337
Operating income (loss)	(3,864)	1,627	1,000	(1,235)	371	(863)

From October 1, 2009 to December 31, 2009

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	80,652	16,370	9,875	106,897	-	106,897
(2) Intersegment sales and transfer	3,285	351	843	4,480	(4,480)	-
Total	83,937	16,721	10,718	111,378	(4,480)	106,897
Operating income	828	2,285	1,229	4,343	(142)	4,200

From April 1, 2008 to December 31, 2008

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	250,436	50,034	31,743	332,215	-	332,215
(2) Intersegment sales and transfer	8,259	3,960	3,898	16,118	(16,118)	-
Total	258,696	53,995	35,641	348,333	(16,118)	332,215
Operating income (loss)	(14,234)	5,041	3,654	(5,538)	1,095	(4,443)

From April 1, 2009 to December 31, 2009

(Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales to third parties	232,417	55,720	28,230	316,368	-	316,368
(2) Intersegment sales and transfer	6,806	1,533	3,801	12,140	(12,140)	-
Total	239,223	57,253	32,031	328,508	(12,140)	316,368
Operating income (loss)	(3,730)	7,345	3,243	6,857	(257)	6,599

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 December 31, 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 third quarter, sales in Japan were ¥3,916 million lower and the operating loss in Japan was ¥1,651 million larger than under the previous method for the recognition of sales.

(2) From April 1, 2009 to December 31, 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 ¥9,735 million larger, and the operating income were ¥1,771 million larger than the previous method of calculation.

4 Additional information

(1) From April 1, 2008 to December 31, 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 third quarter, operating loss in Japan was ¥336 million larger than the previous method of calculation.

【Overseas sales】

From October 1, 2008 to December 31, 2008

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	14,359	10,295	9,564	10,228	44,448
II Consolidated net sales					109,337
III Percentage of overseas sales to net sales (%)	13.1	9.4	8.7	9.4	40.7

From October 1, 2009 to December 31, 2009

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	18,646	10,126	8,253	5,325	42,351
II Consolidated net sales					106,897
III Percentage of overseas sales to net sales (%)	17.4	9.5	7.7	5.0	39.6

From April 1, 2008 to December 31, 2008

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	50,089	30,207	34,156	30,931	145,384
II Consolidated net sales					332,215
III Percentage of overseas sales to net sales (%)	15.1	9.1	10.3	9.3	43.8

From April 1, 2009 to December 31, 2009

(Millions of yen)

	Asia	North America	Europe	Other areas	Total
I Overseas sales	52,272	34,935	29,088	22,174	138,471
II Consolidated net sales					316,368
III Percentage of overseas sales to net sales (%)	16.5	11.0	9.2	7.0	43.8

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 December 31, 2008

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

(2) From April 1, 2009 to December 31, 2009

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

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 December 31, 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 ¥1,078 million larger, and in other areas were ¥1,858 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 December 31, 2008	From April 1, 2009 to December 31, 2009	From April 1, 2008 to March 31, 2009
Fluid Machinery & Systems	237,227	186,907	307,150
Environmental Engineering	97,181	99,504	138,210
Precision Machinery	33,327	32,487	36,038
Total	367,735	318,898	481,398

(2) Sales

(Millions of yen)

Business segment	From April 1, 2008 to December 31, 2008	From April 1, 2009 to December 31, 2009	From April 1, 2008 to March 31, 2009
Fluid Machinery & Systems	206,323	198,123	302,343
Environmental Engineering	79,117	83,677	146,045
Precision Machinery	46,774	34,566	52,760
Total	332,215	316,368	501,149

(3) Backlog of order received

(Millions of yen)

Business segment	December 31, 2008	December 31, 2009	March 31, 2009
Fluid Machinery & Systems	235,965	198,163	204,627
Environmental Engineering	149,841	141,012	124,065
Precision Machinery	18,588	12,206	14,331
Total	404,395	351,382	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.