

CONSOLIDATED FINANCIAL RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2017
[Japanese GAAP]

November 13, 2017

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 Stock exchange listings: Tokyo
 Code number: 6361
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Scheduled date for submission of quarterly report: November 14, 2017
 Scheduled date for dividend payment: December 11, 2017
 Preparing supplementary material on financial results: Yes
 Holding financial results presentation meeting
 (for institutional investors and analysts): Yes

(Monetary amounts are rounded down to the nearest million yen)

1. Results for the Six Months Ended September 30, 2017

(1) Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
Six Months Ended September 30, 2017	206,798	7.7%	5,116	92.5%	3,886	—%	3,103	—%
Six Months Ended September 30, 2016	191,950	(7.3)%	2,658	(42.4)%	(251)	—%	(438)	—%

Note: Comprehensive Income: Six months ended September 30, 2017; 2,758 million yen —%
 Six months ended September 30, 2016; (13,985) million yen —%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)
Six Months Ended September 30, 2017	30.55	30.38
Six Months Ended September 30, 2016	(4.71)	—

Note1: Net income per share, diluted for the six months ended September 30, 2016 is not disclosed because net income per share was negative although there are potential shares.

Note2: During the third quarter ended December 31, 2016, Ebara Corporation finalized a provisional accounting treatment related to the business combination. The impact of the finalization of the provisional accounting treatment has been reflected in the consolidated financial statements for the six months ended September 30, 2016.

Note3: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Net income per share has been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(2) Financial Position

Millions of yen

	Total Assets	Net Assets	Equity Ratio
As of September 30, 2017	576,938	277,096	46.9%
As of March 31, 2017	588,457	277,509	46.1%

Note: Shareholders' Equity (Net assets excluding subscription rights to shares and non-controlling interests):

As of September 30, 2017; 270,676 million yen

As of March 31, 2017; 271,356 million yen

2. Dividends

	Dividends per Share (Yen)				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	Year-End	Annual
Fiscal Year Ended March 31, 2017	—	6.00	—	30.00	—
Fiscal Year Ending December 31, 2017	—	30.00			
Fiscal Year Ending December 31, 2017 (Forecast)			—	15.00	45.00

Note: Revisions to forecast of dividends in this quarter: None

Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Consequently, the impact of this consolidation of shares is factored into the figures for the fiscal year-end cash dividends per share for the fiscal year ended March 31, 2017, and the total figures for annual cash dividends are omitted.

3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2017

(% represents percentage change from a comparable previous period)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share (Yen)
		%		%		%		%	
Fiscal Year Ending December 31, 2017	364,000	—%	16,000	—%	14,500	—%	9,000	—%	88.62

Note1: Revisions to forecast of financial results in this quarter: Yes

We revised the forecast of financial results for the fiscal year ending December 31, 2017, previously announced on August 8, 2017. For further details, please refer to “Explanation of Forecast of Consolidated Financial Results” on page 8.

Note2: Ebara Corporation has changed its fiscal year-end from March 31 to December 31, effective from the fiscal year ending December 31, 2017, following the approval of an associated amendment to the Articles of Incorporation at the Company's 152nd general meeting of shareholders which was held on June 23, 2017. In the fiscal year ending December 31, 2017, which is the transition period of the fiscal year change, the consolidated financial results will include the results for nine months, from April 1, 2017 to December 31, 2017. The results for twelve months, from January 1, 2017 to December 31, 2017, for the consolidated subsidiaries whose fiscal year ends at December 31 will also be included as before. And therefore, the change from the previous fiscal year (%) is not included herein.

(Reference information) Percentage changes after adjustment

The percentages below (percentage changes after adjustment) represent comparison between the results for the previous fiscal year adjusted to nine months, from April 1, 2016 to December 31, 2016 for the Company and its consolidated companies whose former fiscal year ended at March 31, and the results forecast for the fiscal year ending December 31, 2017.

Millions of yen

Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
364,000	3.9%	16,000	39.6%	14,500	52.4%	9,000	22.7%

4. Other Information

- (1) Changes in significant subsidiaries during the six months under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

Included: — (—)

Excluded: — (—)

- (2) Adoption of specific accounting methods for preparation of quarterly financial statements: Yes

Note: For further details, please refer to “2. Consolidated Financial Statements and Significant Notes (4) Notes to Consolidated Financial Statements (Adoption of Specific Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)” on page 15.

- (3) Changes in accounting policies, Changes in accounting estimates, and Restatement of prior financial statements after error corrections

(i) Changes in accounting policies due to revisions of accounting standards, etc.: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement of prior financial statements after error corrections: None

(4) Number of shares outstanding (Common Stocks)

(i) Number of common stocks (Including treasury stocks)	As of September 30, 2017	101,759,853	As of March 31, 2017	101,736,053
(ii) Number of treasury stocks	As of September 30, 2017	188,358	As of March 31, 2017	187,635
(iii) Average number of common stocks	Six Months Ended September 30, 2017	101,559,282	Six Months Ended September 30, 2016	93,036,693

Note: Ebara Corporation has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2016. Average number of common stocks has been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

This financial report is not subject to the audit procedure.

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

1. The forecasts of performance and other forward-looking statements contained in this report are based on information that was available to Ebara Corporation as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group's performance. Actual performance may differ substantially from these forecasts owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecasts of performance, please refer to "Explanation of Forecast of Consolidated Financial Results" on page 8. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, Ebara Corporation assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Qualitative Information Regarding Consolidated Financial Results

(1) Explanation of Financial Results

Ebara Corporation and the consolidated subsidiaries whose former fiscal year ended at March 31 have changed the fiscal year-end from March 31 to December 31, effective from the fiscal year ending December 31, 2017. As a result of this change, the Group will unify the fiscal year-end of the Company and all the consolidated subsidiaries. The period of consolidation for the second quarter ended September 30, 2017 includes the same six months as before, which is from April 1, 2017 to September 30, 2017 for the Company and the consolidated subsidiaries whose former fiscal year ended at March 31, and from January 1, 2017 to June 30, 2017 for the consolidated subsidiaries whose fiscal year ends at December 31.

Millions of yen

	Six months ended September 30, 2016	Six months ended September 30, 2017	Change	Change Ratio
Order Received	224,153	241,990	17,837	8.0%
Net Sales	191,950	206,798	14,848	7.7%
Operating Income	2,658	5,116	2,457	92.5%
Operating Income on Sales Ratio (%)	1.4	2.5	—	—
Ordinary Income	(251)	3,886	4,138	—
Profit Attributable to Owners of Parent	(438)	3,103	3,541	—
Net Income per Share (Yen)	(4.71)	30.55	35.26	—

Note: Financial results for the six months ended September 30, 2016 reflects the impact of the finalization of the provisional accounting treatment related to the business combination for the third quarter ended December 31, 2016.

During the six months ended September 30, 2017, the economy in the United States continued to be favorable, and improvement was seen also in Asia. In Japan, public investment is firm and private capital investment is recovering. Overall, the Japanese economy slowly recovered.

During the six months ended September 30, 2017, orders received increased compared to the same period of the previous fiscal year mainly due to an increase in the Fluid Machinery & Systems (“FMS”) Company and the Environmental Plants (“EP”) Company. Sales increased from the same period of the previous fiscal year due to an increase in the Precision Machinery (“PM”) Company. An increase in profits for the PM Company contributed to an improvement in operating income on the whole compared to the same period of the previous fiscal year.

Effective from the first quarter ended June 30, 2017, the name of the reportable segment previously known as “Environmental Engineering” has been changed to “Environmental Plants.” Such change is only for the sake of the segment name and has no impact on the segment information.

Consolidated net sales for the six months ended September 30, 2017, amounted to ¥206,798 million (an increase of 7.7% year on year), operating income amounted to ¥5,116 million (an increase of 92.5% year on year), ordinary income amounted to ¥3,886 million (¥4,138 million better year on year) and profit attributable to owners of parent amounted to ¥3,103 million (¥3,541 million better year on year).

Operating results by business segment

Millions of yen

Segment	Order Received			Net Sales			Segment Income		
	Six months ended September 30, 2016	Six months ended September 30, 2017	Change Ratio	Six months ended September 30, 2016	Six months ended September 30, 2017	Change Ratio	Six months ended September 30, 2016	Six months ended September 30, 2017	Change Ratio
Fluid Machinery & Systems	131,979	148,214	12.3%	117,423	118,974	1.3%	(4,942)	(5,011)	—%
Environmental Plants	33,323	35,149	5.5%	27,017	26,725	(1.1)%	1,791	2,017	12.6%
Precision Machinery	58,005	57,803	(0.3)%	46,668	60,282	29.2%	5,445	7,923	45.5%
Reportable Segment Total	223,308	241,167	8.0%	191,109	205,981	7.8%	2,294	4,929	114.8%
Others	845	823	(2.6)%	840	816	(2.9)%	357	178	(50.0)%
Adjustment	—	—	—	—	—	—	6	8	—
Total	224,153	241,990	8.0%	191,950	206,798	7.7%	2,658	5,116	92.5%

Note: Segment information for the six months ended September 30, 2016 reflects the impact of the finalization of the provisional accounting treatment related to the business combination for the third quarter ended December 31, 2016.

Outline of business environment and situation by business segment

Segment		Business environment	Business situation and the trend of orders received (Note1)
Fluid Machinery & Systems	Pumps	<p>(In overseas market)</p> <ul style="list-style-type: none"> • Demand for the oil and gas market continued to be stagnant. • Demand for water infrastructure and electric power were level with the same period of the previous fiscal year. <p>(In domestic market (Japan))</p> <ul style="list-style-type: none"> • New building construction starts were level with the same period of the previous fiscal year. • Investments for social infrastructure renovation and maintenance were those of a typical year. However, as there were a large number of orders placed in the first half of the previous fiscal year, the amount was relatively smaller than the same period of the previous fiscal year. 	<p>(In overseas market)</p> <ul style="list-style-type: none"> • Oil and gas related orders received were lackluster. • The volume of orders received for the water infrastructure was greater than the same period of the previous fiscal year. <p>Orders received for electric power were lackluster.</p> <p>(In domestic market (Japan))</p> <ul style="list-style-type: none"> • Orders received for building construction-related equipment slightly exceeded those of the same period of the previous fiscal year. • Orders received for public sectors exceeded those of the same period of the previous fiscal year.
	Compressors & Turbines	<ul style="list-style-type: none"> • Capital investments in customer companies appear to have bottomed out, and have yet to make a significant recovery. • Some order placements remain postponed, however, there was a gradual increase in orders which were placed as expected in the beginning of the current fiscal year. • There was movement in the ethylene and oil-refinery field mainly in Korea and China, and multiple orders were placed in North America likewise. 	<ul style="list-style-type: none"> • Orders received for new products remained lackluster. • Orders were received for petroleum chemical and refinery plants etc., in Asia and the Middle East. • Service-related orders received recovered mainly in Asia.
	Chillers	<ul style="list-style-type: none"> • In Japan and China, the markets were level with the same period of the previous fiscal year. 	<ul style="list-style-type: none"> • In Japan, domestic orders received remained firm. • In China, the orders received exceeded those of the same period of the previous fiscal year.
Environmental Plants (Note2)	<ul style="list-style-type: none"> • New EPC orders placed by the public sector for municipal waste incinerating facilities ran at about the same level as in the same period of the previous fiscal year. • In the O&M for existing facilities, new orders ran at about the same level as in a typical year. • Demands continued for the construction of biomass power generation facilities in private companies. 	<ul style="list-style-type: none"> • Orders received for long-term comprehensive projects were firm and exceeded those of the same period of the previous fiscal year. <p>(Overview of major orders received)</p> <ul style="list-style-type: none"> • DBO project for municipal waste incinerating facilities in the public sector (1 order, 1st quarter) • Long-term comprehensive project for municipal waste incinerating facilities in the public sector (1 order, 2nd quarter) 	
Precision Machinery	<ul style="list-style-type: none"> • Capital investment in the semiconductor market still continued at a high level. • Capital investment of memory-related devices was favorable. 	<ul style="list-style-type: none"> • Investments in memory-related devices and advanced logic devices were both favorable. However, due to major orders received for logic devices in the previous fiscal year, orders received decreased compared to the same period of the previous fiscal year. 	

Note1: Arrows indicate increase/decrease in orders received from the same period of the previous fiscal year:



in the case of +5% or more increase



in the case of -5% or greater decrease



in the case of movement within the -5% and +5% range

Note2: EPC The engineering, procurement, and construction for plants

O&M The operation and maintenance for plants

DBO (Design, Build and Operate) ... The limited contract for operation and maintenance after construction, in addition to the engineering, procurement, and construction for plants.

(2) Explanation of Financial Position

i. Assets

Total assets as of September 30, 2017 were ¥576,938 million, ¥11,519 million lower than as of March 31, 2017. Principal changes in asset items included an increase of ¥38,837 million in cash and deposits and a decrease of ¥57,191 million in notes and accounts receivable-trade.

ii. Liabilities

Total liabilities as of September 30, 2017 were ¥299,841 million, ¥11,106 million lower than as of March 31, 2017. Principal changes in liability items included an increase of ¥9,155 million in short-term loans payable, a decrease of ¥9,047 million in notes and accounts payable-trade and a decrease of ¥5,174 million in electronically recorded obligations.

iii. Net Assets

Net assets as of September 30, 2017 amounted to ¥277,096 million, ¥412 million lower than as of March 31, 2017. Principal changes affecting net asset items were profit attributable to owners of parent for the quarter of ¥3,103 million, cash dividends paid of ¥3,046 million, and a decrease of net unrealized gains (losses) on investment securities of ¥588 million. Shareholders' equity (Net assets excluding subscription rights to shares and non-controlling interests) amounted to ¥270,676 million, and equity ratio was 46.9%.

(3) Explanation of Forecast of Consolidated Financial Results

We revised the forecast of financial results for the fiscal year ending December 31, 2017, reflecting the results after the previous announcement on August 8, 2017. The revised forecast of net sales, operating income, ordinary income and profit attributable to owners of parent is as follows. In addition, the revised forecast of orders received, net sales and operating income by business segment is as follows.

Assumptions regarding foreign currency exchange rates for the second and subsequent quarters are as follows: US \$1=¥110, EUR1=¥130, and RMB1=¥16. (Assumptions in the previous forecast were US\$1=¥110, EUR1=¥115, and RMB1=¥16.)

Actual performance may differ from these forecasts owing to factors such as changing market environment.

Forecast for the fiscal year ending December 31, 2017

Millions of yen

	Consolidated Performance
Order Received	404,000
Net Sales	364,000
Operating Income	16,000
Ordinary Income	14,500
Profit Attributable to Owners of Parent	9,000

Forecast for the fiscal year ending December 31, 2017 by business segment

Millions of yen

Segment	Order Received	Net Sales	Operating Income
Fluid Machinery & Systems	243,000	218,000	2,000
Environmental Plants	50,000	45,000	3,000
Precision Machinery	110,000	100,000	11,000
Others	1,000	1,000	0
Total	404,000	364,000	16,000

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

Millions of yen

	As of March 31, 2017	As of September 30, 2017
ASSETS		
Current Assets		
Cash and deposits	90,381	129,218
Notes and accounts receivable-trade	202,874	145,683
Electronically recorded monetary claims	4,511	5,257
Securities	2,498	4,987
Merchandise and finished goods	12,716	14,859
Work in process	56,569	58,536
Raw materials and supplies	28,041	31,068
Others	29,064	27,303
Allowance for doubtful accounts	(3,250)	(3,406)
Total current assets	423,407	413,508
Fixed Assets		
Tangible fixed assets		
Buildings and structures, net	46,431	46,680
Machinery and equipment, net	28,974	28,797
Others, net	34,725	33,912
Total tangible assets	110,131	109,390
Intangible assets	13,234	12,381
Investments and other assets		
Investment securities	26,202	24,428
Others	20,280	21,931
Allowance for doubtful accounts	(4,799)	(4,702)
Total investments and other assets	41,683	41,657
Total fixed assets	165,049	163,429
Total Assets	588,457	576,938

	Millions of yen	
	As of March 31, 2017	As of September 30, 2017
LIABILITIES		
Current Liabilities		
Notes and accounts payable-trade	64,155	55,108
Electronically recorded obligations	55,922	50,747
Short-term loans payable	62,789	71,945
Bonus payment reserve	9,172	7,180
Directors' bonus payment reserve	314	155
Reserve for losses on construction completion guarantees	3,836	3,050
Reserve for product warranties	3,481	3,613
Reserve for construction losses	8,666	9,217
Reserve for expenses related to the sales of land	254	254
Others	45,624	43,509
Total current liabilities	254,217	244,782
Long-term Liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	21,520	20,910
Reserve for directors' retirement benefits	153	113
Provision for loss on litigation	6,464	6,464
Defined benefit liability	12,556	12,194
Asset retirement obligations	1,969	2,001
Others	4,066	3,373
Total long-term liabilities	56,730	55,058
Total Liabilities	310,948	299,841
NET ASSETS		
Shareholders' Equity		
Common stock	78,764	78,790
Capital surplus	81,205	81,231
Retained earnings	117,883	117,940
Treasury stock	(425)	(428)
Total shareholders' equity	277,428	277,533
Accumulated Other Comprehensive Income		
Net unrealized gains (losses) on investment securities	2,692	2,103
Deferred gains (losses) on hedges	(1)	14
Translation adjustments	745	317
Remeasurements of defined benefit plans	(9,507)	(9,293)
Total accumulated other comprehensive income	(6,071)	(6,857)
Subscription Rights to Shares	1,361	1,189
Non-Controlling Interests	4,791	5,230
Total Net Assets	277,509	277,096
Total Liabilities and Net Assets	588,457	576,938

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

Millions of yen

	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
Net Sales	191,950	206,798
Cost of Sales	144,640	155,678
Gross Profit	47,309	51,120
Selling, General and Administrative Expenses	44,651	46,004
Operating Income	2,658	5,116
Non-operating Income		
Interest income	81	108
Dividends income	214	168
Others	220	244
Total non-operating income	517	521
Non-operating Expenses		
Interest expenses	572	647
Equity in losses of affiliates	409	301
Foreign exchange losses	2,228	84
Others	215	717
Total non-operating expenses	3,426	1,750
Ordinary Income (Loss)	(251)	3,886
Extraordinary Income		
Gain on sales of fixed assets	115	41
Gain on sales of investment securities	567	1,266
Total extraordinary income	682	1,308
Extraordinary Loss		
Loss on sales of fixed assets	2	2
Loss on retirement of fixed assets	58	66
Loss on sales of investment securities	56	33
Others	0	2
Total extraordinary loss	117	105
Income before Income Taxes	313	5,089
Income Taxes	274	1,530
Profit	39	3,559
Profit Attributable to Non-Controlling Interests	477	456
Profit (Loss) Attributable to Owners of Parent	(438)	3,103

Consolidated Statements of Comprehensive Income

Millions of yen

	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
Profit	39	3,559
Other Comprehensive Income:		
Net unrealized gains (losses) on investment securities	(613)	(617)
Deferred gains (losses) on hedges	9	16
Translation adjustment	(14,934)	(443)
Remeasurements of defined benefit plans, net of tax	1,535	215
Share of other comprehensive income of associates accounted for using equity method	(21)	28
Total other comprehensive income	(14,024)	(801)
Comprehensive Income	(13,985)	2,758
Comprehensive income attributable to:		
Owners of parent	(13,376)	2,317
Non-controlling interests	(609)	440

(3) Consolidated Statements of Cash Flows

Millions of yen

	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
Cash Flows from Operating Activities:		
Income before income taxes	313	5,089
Depreciation and amortization	6,182	7,356
Loss (gain) on sales of securities and investment securities	(510)	(1,232)
Increase (decrease) in reserve	(2,477)	(2,234)
Increase (decrease) in defined benefit liability	(2,641)	(1,157)
Loss (gain) on sales of fixed assets	(112)	(39)
Interest and dividends income	(296)	(277)
Interest expenses	572	647
Decrease (increase) in notes and accounts receivable-trade	59,674	56,373
Decrease (increase) in inventories	(12,741)	(7,376)
Increase (decrease) in notes and accounts payable-trade	(16,792)	(13,794)
Others	(1,734)	1,937
Sub-total	29,436	45,293
Interest and dividends income received	859	847
Interest expenses paid	(553)	(620)
Income taxes paid	(3,511)	(3,659)
Net cash provided by operating activities	26,231	41,860
Cash Flows from Investing Activities:		
Purchase of fixed assets	(10,836)	(7,639)
Proceeds from sales of fixed assets	136	69
Purchase of securities and investment securities	(4,527)	(1,712)
Proceeds from sales and redemption of securities and investment securities	6,670	2,038
Payments into time deposits	(1,200)	(651)
Proceeds from withdrawal of time deposits	558	660
Payments of loans receivable	(18)	(11)
Collection of loans receivable	483	97
Others	(524)	540
Net cash used in investing activities	(9,259)	(6,608)

	Millions of yen	
	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term loans payable	4,549	9,577
Proceeds from long-term loans payable	571	100
Repayment of long-term loans payable	(2,173)	(1,068)
Purchase of treasury shares	(2)	(2)
Proceeds from disposal of treasury shares	0	0
Cash dividends paid	(2,790)	(3,046)
Cash dividends paid to non-controlling interests	(68)	(4)
Others	(398)	(541)
Net cash provided by (used in) financing activities	(312)	5,013
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,460)	(63)
Increase (Decrease) in Cash and Cash Equivalents	12,197	40,201
Cash and Cash Equivalents at Beginning of Period	91,185	90,683
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	536	—
Cash and Cash Equivalents at End of Period	103,919	130,885

(4) Notes to Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Note for Significant Changes in the Amount of Shareholders' Equity)

None

(Adoption of Specific Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses on income before income taxes for the six months under review are calculated by multiplying income before income taxes for the six months under review by the reasonably estimated annual effective tax rate for the entire fiscal year with application of tax effect accounting.

(Segment Information)

Six Months Ended September 30, 2016

1. Information regarding sales and income (loss) by reportable segment

Millions of yen

	Reportable Segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Sales								
Customers	117,423	27,017	46,668	191,109	840	191,950	—	191,950
Intersegment and transfers	121	0	—	121	1,649	1,771	(1,771)	—
Total	117,544	27,017	46,668	191,230	2,490	193,721	(1,771)	191,950
Segment Income (Loss)	(4,942)	1,791	5,445	2,294	357	2,652	6	2,658

Notes: 1.The "Others" item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2.The "Adjustment" item for Segment Income (Loss) shows eliminations among intersegment sales and transfers.

3.Segment Income (Loss) has been adjusted with operating income in the consolidated statements of income.

2. Information regarding impairment loss of fixed assets, goodwill and negative goodwill by reportable segment

(Material impairment loss of fixed assets)

None

(Material change in goodwill amount)

None

(Material negative goodwill arisen)

None

Six Months Ended September 30, 2017

1. Information regarding sales and income (loss) by reportable segment

Millions of yen

	Reportable Segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Sales								
Customers	118,974	26,725	60,282	205,981	816	206,798	—	206,798
Intersegment and transfers	174	—	—	174	1,445	1,619	(1,619)	—
Total	119,148	26,725	60,282	206,156	2,262	208,418	(1,619)	206,798
Segment Income (Loss)	(5,011)	2,017	7,923	4,929	178	5,107	8	5,116

Notes: 1.The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2.The “Adjustment” item for Segment Income (Loss) shows eliminations among intersegment sales and transfers.

3.Segment Income (Loss) has been adjusted with operating income in the consolidated statements of income.

4.Segment information for the six months ended September 30, 2016 reflects the impact of the finalization of the provisional accounting treatment related to the business combination for the third quarter ended December 31, 2016.

2. Information regarding impairment loss of fixed assets, goodwill and negative goodwill by reportable segment

(Material impairment loss of fixed assets)

None

(Material change in goodwill amount)

None

(Material negative goodwill arisen)

None

3. Changes in reportable segments, etc.

(Changes in name of reportable segments)

Effective from the first quarter ended June 30, 2017, the name of the reportable segment previously known as “Environmental Engineering” has been changed to “Environmental Plants.” Such change is only for the sake of the segment name and has no impact on the segment information. In the segment information for the six months ended September 30, 2016, the name of the reportable segment after the change is used.

(Additional Information)

On October 23, 2015, a fire broke out at the waste processing facility for bulky refuse at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, as Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. Please note that EEP is responsible for the operation and management of a refuse incinerating facility that is located next to the bulky refuse processing plant where the fire occurred.

Regarding this incident, the Company is discussing with Gifu City the construction work required to make the damaged facility operational again and compensation for related damages. At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated performance.

3. Others

(1) Segment Information

Business Segment

FMS = Fluid Machinery & Systems, EP = Environmental Plants, PM = Precision Machinery

Order Received, Sales, Operating Income and Backlog of Order Received

Billions of yen

		2nd quarter ended September 30, 2016	2nd quarter ended September 30, 2017			Fiscal year ending December 31, 2017
		Actual	Actual	Change	Change Ratio	Forecast
Order Received					(%)	
Reportable segments	FMS	131.9	148.2	16.2	12.3	243.0
	EP	33.3	35.1	1.8	5.5	50.0
	PM	58.0	57.8	(0.2)	(0.3)	110.0
Others		0.8	0.8	(0.0)	(2.6)	1.0
Total		224.1	241.9	17.8	8.0	404.0
Sales						
Reportable segments	FMS	117.4	118.9	1.5	1.3	218.0
	EP	27.0	26.7	(0.2)	(1.1)	45.0
	PM	46.6	60.2	13.6	29.2	100.0
Others		0.8	0.8	(0.0)	(2.9)	1.0
Total		191.9	206.7	14.8	7.7	364.0
Operating Income						
Reportable segments	FMS	(4.9)	(5.0)	(0.0)	—	2.0
	EP	1.7	2.0	0.2	12.6	3.0
	PM	5.4	7.9	2.4	45.5	11.0
Others & adjustment		0.3	0.1	(0.1)	(48.6)	0.0
Total		2.6	5.1	2.4	92.5	16.0
Backlog of Order Received						
Reportable segments	FMS	178.1	195.4	17.3	9.7	
	EP	175.7	174.6	(1.1)	(0.6)	
	PM	30.9	26.6	(4.2)	(13.7)	
Others		0.0	0.0	0.0	63.5	
Total		384.8	396.8	12.0	3.1	

Note: Segment information for the 2nd quarter ended September 30, 2016 reflects the impact of the finalization of the provisional accounting treatment related to the business combination for the 3rd quarter ended December 31, 2016.

(2) Sales and Orders by Subsegment

(i) Order Received

Billions of yen

	2nd quarter ended September 30, 2016	2nd quarter ended September 30, 2017			Fiscal year ending December 31, 2017
	Actual	Actual	Change	Change Ratio	Forecast
FMS				(%)	
Pumps	83.0	91.8	8.8	10.6	150.0
Compressors & Turbines	23.8	33.2	9.4	39.5	55.0
Chillers	15.9	17.3	1.4	8.8	25.0
Others	9.1	5.6	(3.4)	(37.5)	13.0
Total of FMS	131.9	148.2	16.2	12.3	243.0
EP					
Environmental Plants	33.3	35.1	1.8	5.5	50.0
Total of EP	33.3	35.1	1.8	5.5	50.0
PM					
Components	19.6	28.1	8.5	43.3	49.0
CMP Systems	36.1	25.6	(10.4)	(29.1)	54.5
Others	2.2	4.0	1.7	79.9	6.5
Total of PM	58.0	57.8	(0.2)	(0.3)	110.0
Others	0.8	0.8	(0.0)	(2.6)	1.0
Total of Others	0.8	0.8	(0.0)	(2.6)	1.0
Total	224.1	241.9	17.8	8.0	404.0

(ii) Sales

Billions of yen

	2nd quarter ended September 30, 2016	2nd quarter ended September 30, 2017			Fiscal year ending December 31, 2017
	Actual	Actual	Change	Change Ratio	Forecast
FMS				(%)	
Pumps	68.0	70.7	2.7	4.0	130.0
Compressors & Turbines	27.2	29.7	2.4	8.9	50.0
Chillers	12.4	13.3	0.9	7.5	25.0
Others	9.6	5.1	(4.5)	(46.7)	13.0
Total of FMS	117.4	118.9	1.5	1.3	218.0
EP					
Environmental Plants	27.0	26.7	(0.2)	(1.1)	45.0
Total of EP	27.0	26.7	(0.2)	(1.1)	45.0
PM					
Components	19.1	27.6	8.5	44.8	44.0
CMP Systems	23.7	29.3	5.6	23.9	49.5
Others	3.8	3.2	(0.6)	(16.2)	6.5
Total of PM	46.6	60.2	13.6	29.2	100.0
Others	0.8	0.8	(0.0)	(2.9)	1.0
Total of Others	0.8	0.8	(0.0)	(2.9)	1.0
Total	191.9	206.7	14.8	7.7	364.0

(3) Area Information

(i) Geographical Segment ••• Compiled on the basis of the geographical location of the company reporting the sales

Billions of yen

	2nd quarter ended September 30, 2016		2nd quarter ended September 30, 2017		
	Actual	Composition	Actual	Composition	Change
Net Sales		(%)		(%)	
Japan	123.3	64.3	122.7	59.4	(0.6)
North America	31.1	16.2	34.8	16.8	3.6
Asia (except Japan)	25.7	13.4	35.5	17.2	9.7
Others	11.5	6.1	13.6	6.6	2.0
Total	191.9	100.0	206.7	100.0	14.8
Operating Income		(%)		(%)	
Japan	(1.8)	—	(2.7)	—	(0.8)
North America	0.9	—	0.5	—	(0.4)
Asia (except Japan)	3.1	—	5.8	—	2.6
Others	0.8	—	1.0	—	0.2
Adjustment	(0.3)	—	0.4	—	0.8
Total	2.6	—	5.1	—	2.4

Note: Area information for the 2nd quarter ended September 30, 2016 reflects the impact of the finalization of the provisional accounting treatment related to the business combination for the 3rd quarter ended December 31, 2016.

(ii) Regional Segment ••• Compiled on the basis of the geographical location where the goods are sold

Billions of yen

	2nd quarter ended September 30, 2016		2nd quarter ended September 30, 2017		
	Actual	Composition	Actual	Composition	Change
Net Sales		(%)		(%)	
Japan	90.3	47.1	90.6	43.8	0.3
Asia (except Japan)	56.5	29.4	68.7	33.2	12.2
North America	16.2	8.4	17.7	8.6	1.5
Europe	14.5	7.6	15.0	7.3	0.4
Middle East	7.6	4.0	9.1	4.4	1.4
Others	6.6	3.5	5.4	2.7	(1.1)
Total	191.9	100.0	206.7	100.0	14.8