

# Results presentation for fiscal year ended March 31, 2012

## **EBARA (6361)**

May 11, 2012



# Summary of Results for Fiscal Year Ended March 31, 2012

(Billions of JPY)

	Fiscal year ended March 31, 2011 (Result)	Fiscal year ended March 31, 2012 (Result)	Change
Orders	430.9	394.9	-36.0
Net Sales	401.6	412.0	+10.4
Operating Income	31.5	23.2	-8.2
Ordinary Income	28.7	21.0	-7.6
Net Income	28.1	2.8	-25.3

Average Exchange Rate	1USD = 85.9 JPY	1USD = 79.1 JPY	—
Assumed Exchange Rate	1USD = 85 JPY	(1 <sup>st</sup> Half) 1USD = 80 JPY (2 <sup>nd</sup> Half) 1USD = 75 JPY	—

# Summary of Results for Fiscal Year Ended March 31, 2012

(Billions of JPY)

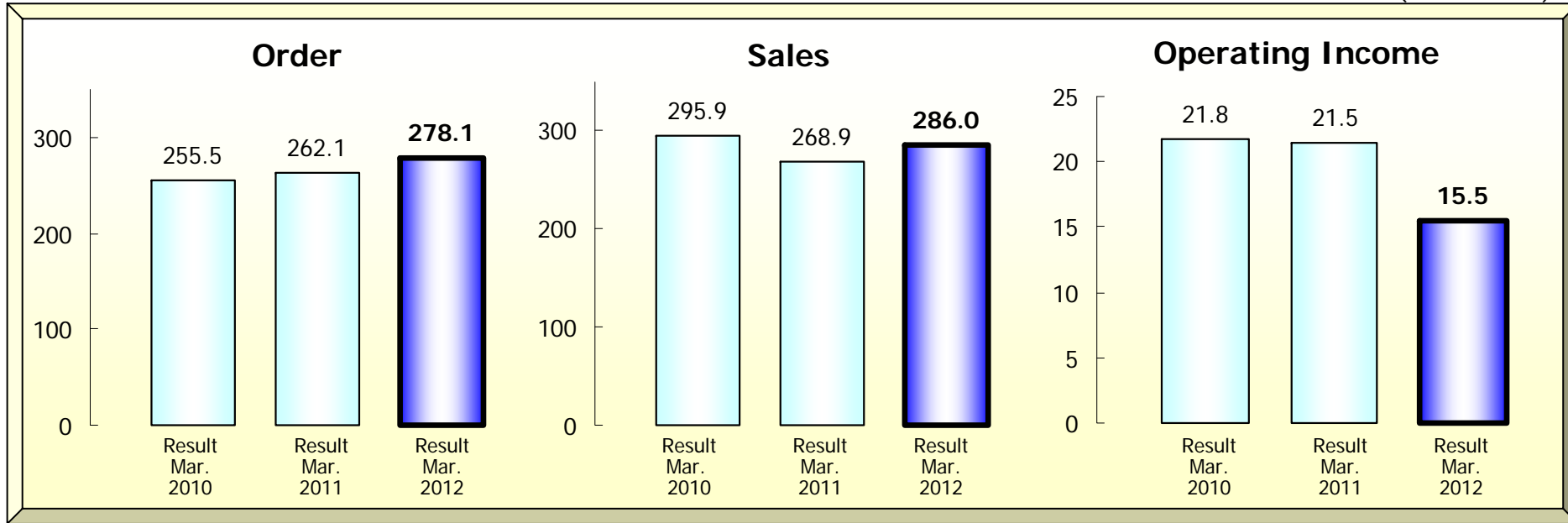
	Sales			Operating Income		
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Change	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Change
<b>Reportable Segment</b>						
FMS business	268.9	286.0	+17.1	21.5	15.5	-6.0
EE business	51.6	50.1	-1.5	0.9	0.3	-0.6
PM business	67.9	68.3	+0.4	8.0	6.5	-1.4
Others	13.1	7.4	-5.6	0.7	0.6	-0.1
Adjustment	—	—	—	0.2	0.1	-0.0
<b>Total</b>	<b>401.6</b>	<b>412.0</b>	<b>+10.4</b>	<b>31.5</b>	<b>23.2</b>	<b>-8.2</b>

# Summary of Results for Fiscal Year Ended March 31, 2012

## FMS business

··· Fluid Machinery & Systems business

(Billions of JPY)



### [Orders]

Orders increased from the previous period due to an increase in the number of projects in the oil and gas industries, mainly in the compressors and turbines business, and effects of a change in the accounting period of a subsidiary.

### [Sales]

Sales increased from the previous period due to an increase in sales to the oil and gas industries and effects of a change in the accounting period of an affiliate in the compressors and turbines business.

### [Operating Income]

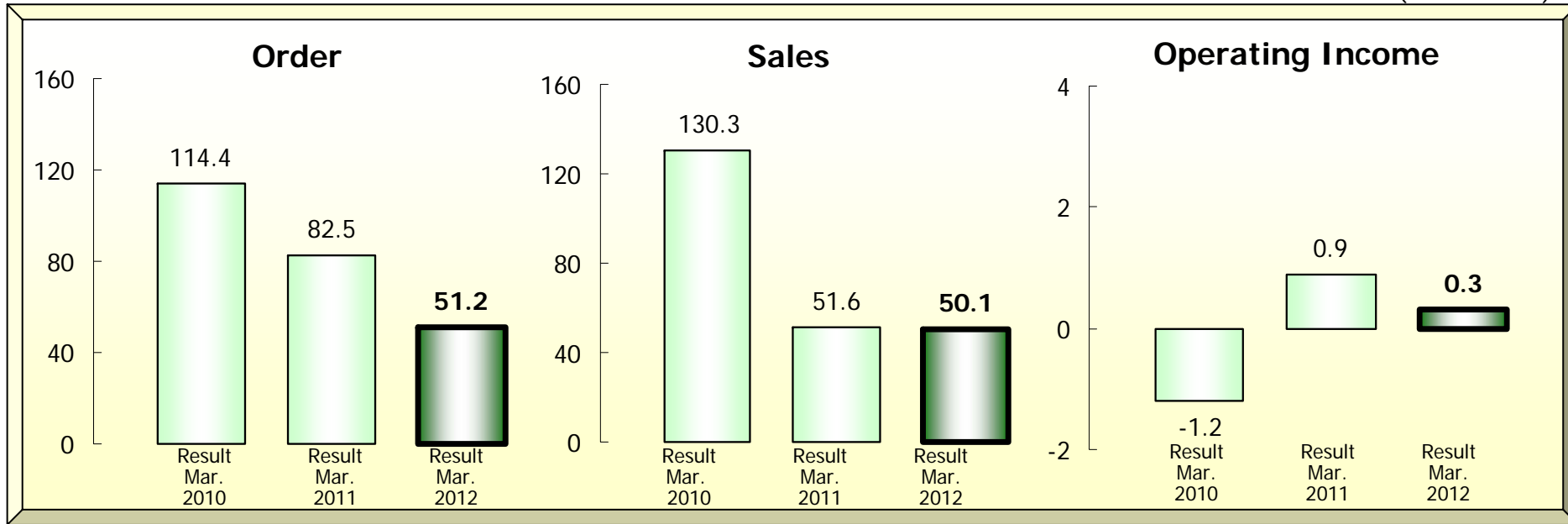
Operating income decreased compared with the good results of the previous year due to lower profitability as a result of sales in less-profitable projects, exchange loss and increase in fixed expenses.

# Summary of Results for Fiscal Year Ended March 31, 2012

## EE business

... Environmental Engineering business

(Billions of JPY)



### [Orders]

Amid severe competition, no new construction projects were received in the EPC business. But orders for O&M business were steady, with long-term and full-service agreements received.

### [Sales]

Sales decreased from the previous period due to a drop in sales of EPC.

### [Operating Income]

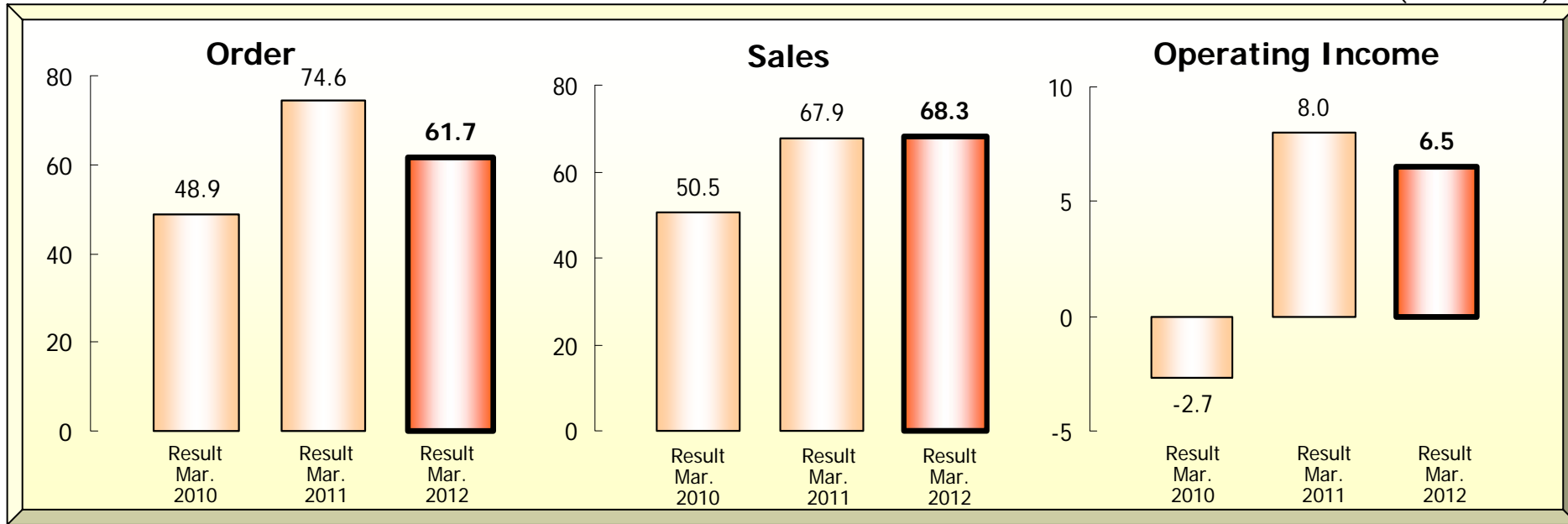
Operating income was lower than in the previous period. The provision set aside for overseas construction in the fiscal year was less than in the previous, but there was no reversal of provision for domestic construction.

# Summary of Results for Fiscal Year Ended March 31, 2012

## PM business

... Precision Machinery business

(Billions of JPY)



### [Orders]

Orders decreased from the previous period due to the effects of hold in capital investment by customers in the middle of the fiscal year.

### [Sales]

The same level of sales as in the previous period was achieved in spite of effects of hold in capital investment by customers.

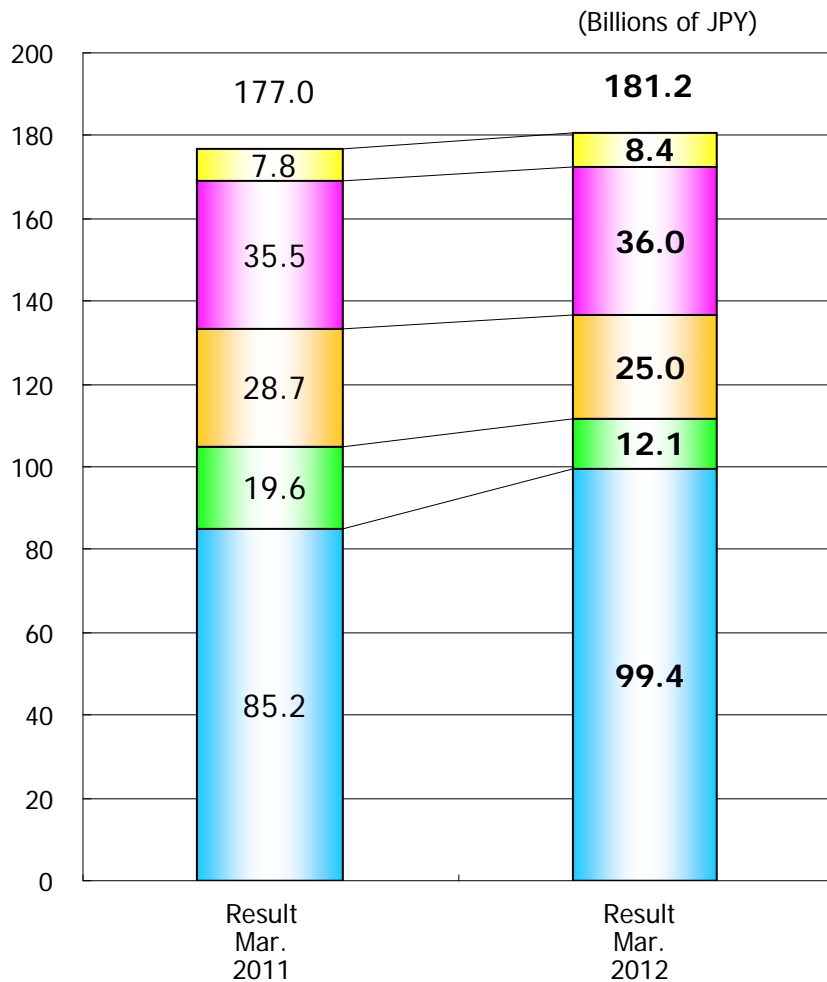
### [Operating Income]

Operating income was lower than in the previous period. Effects of an increase in fixed expenses were not covered by efforts to return to profitability.

<u>Items</u>	<u>Amount</u>
<b><u>Extraordinary Income</u></b>	¥ <b><u>0.7 Billion</u></b>
Principal extraordinary income	
• Gain on sales of subsidiaries and affiliates' stocks	¥ <b>0.4 Billion</b>
<b><u>Extraordinary expenses</u></b>	¥ <b><u>10.9 Billion</u></b>
Principal extraordinary expenses	
• Loss on business withdrawal	¥ <b>10.2 Billion</b>

# Sales by Region for Fiscal Year Ended March 31, 2012

## Sales by Region (excluding Japan)

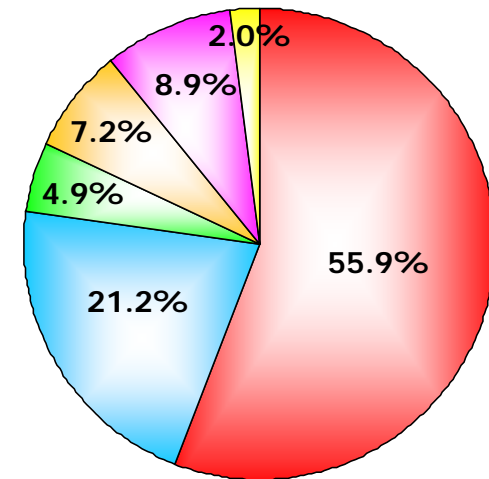


## Sales Composition by Region

Mar. 2011

Percentage of overseas sales to net sales

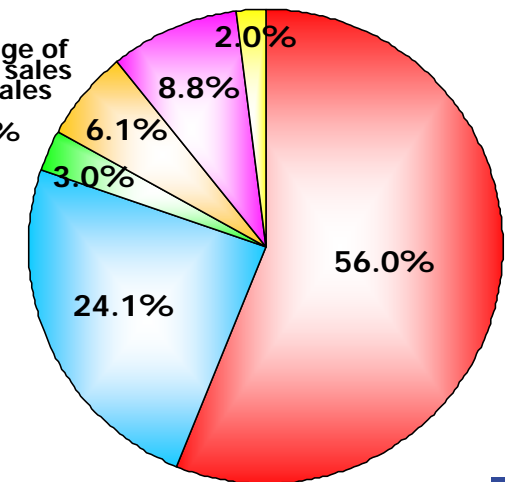
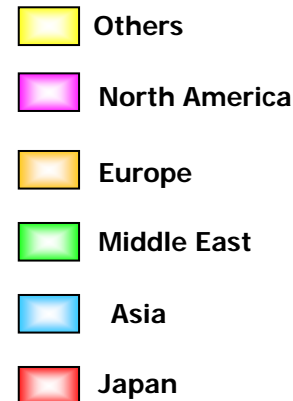
44.1%



Mar. 2012

Percentage of overseas sales to net sales

44.0%





# Segment Forecast for Fiscal Year Ending March 31, 2013

## FMS business

··· Fluid Machinery & Systems business

(Billions of JPY)

	Fiscal year ended March 31, 2012	Fiscal year ending March 31, 2013 (Plan)	Change
Order	278.1	290.0	+11.8
Sales	286.0	285.0	-1.0
Operating Income	15.5	16.0	+0.4

- ◆ Projection of orders

The markets of the oil and gas industries are expected to expand as a result of higher energy demand in overseas.
- ◆ Projection of sales

Performance is expected to match that of the previous period. The backlog of orders carried over from the previous period mainly in the compressor and turbine business will decrease. But an increase in capital investment by customers in the oil and gas industries and expansion of global service & support business are expected.
- ◆ Projection of OP

The same level of operating income as in the previous period is expected in spite of an increase in fixed expenses.

# Segment Forecast for Fiscal Year Ending March 31, 2013

## FMS business

... *Status of major action plan*

### Major Action Plan

### Status

Expand global business through further localization

#### Pumps business

##### Overseas

- Reinforce the business under regional control systems of China, SE Asia and the Middle East
- Construct global sales network
- Improve and expand service & support by expanding the line of proposals

##### Japan

- Reinforce service & support business by reallocating operating resources and utilizing customer service plants

Promote production innovation

- launch products that customer really wants with carefully selected

#### Technology and production

- Develop products in an expeditious way and enhance competitiveness of products in terms of price and delivery period
- Promote production innovation activities in Japan and expand the activities to overseas

Focus on growing fields

#### Compressors and Turbines business

- Improve and expand sales and service bases which globally conduct activities (in South America, etc.)
- Improve and expand the line-up of products for the energy market
- Actively take part in projects related to shale gas in North America

Reinforce service and support businesses

#### Chillers business

- Expand bases in China for business in the exploding heat pump market and the steady chillers market
- Improve and expand domestic service business and expand sales & service in SE Asia

# Segment Forecast for Fiscal Year Ending March 31, 2013

## EE business

... Environmental Engineering business

(Billions of JPY)

	Fiscal year ended March 31, 2012	Fiscal year ending March 31, 2013 (Plan)	Change
Order	51.2	65.0	+13.7
Sales	50.1	48.0	-2.1
Operating Income	0.3	4.0	+3.6

- ◆ Projection of orders

We expect to achieve the medium-term management plan as a result of order receipt in new EPC projects and steady development of O&M projects.
- ◆ Projection of sales

A decrease in sales is projected due to effects of slumping order receipt in new EPC projects up to the previous period.
- ◆ Projection of OP

We expect to achieve the medium-term management plan by making sure we manage profits in each project mainly in the O&M business.

# Segment Forecast for Fiscal Year Ending March 31, 2013

## EE business

... Status of major action plan

### Major Action Plan

### Status

Establish solid business infrastructure



Reinforce profitability in the O&M business

- Secure orders in relation to core equipment improvement work for existing facilities, utilizing EPC design know-how
- Promote multiyear and long-term full-service contracts for maintenance to improve profitability

Constantly secure business stock



Secure orders from demand for reconstruction

- Identify reconstruction projects early by using the nationwide service network
- Propose DBO and EPC projects integrating the know-how of EPC and O&M

Enhance competitiveness of products



Promote technical standardization and development by the Incinerator Technology Center

- Further promote standardization and packaging by dedicated organizations
- Develop energy-saving technology and highly efficient power-generating technology

# Segment Forecast for Fiscal Year Ending March 31, 2013

## PM business

... Precision Machinery business

(Billions of JPY)

	Fiscal year ended March 31, 2012	Fiscal year ending March 31, 2013	Change
Order	61.7	65.0	+3.2
Sales	68.3	65.0	-3.3
Operating Income	6.5	6.5	-0.0

- ◆ Projection of orders

Orders exceeding those in the previous fiscal year are expected. Orders have been on a recovery trend mainly in the foundry business since the latter half of the previous fiscal year.

- ◆ Projection of sales

Sales are projected to fall below the level in the previous fiscal year due to a small backlog of orders at the end of the previous period, although orders are expected to recover.

- ◆ Projection of OP

An operating margin ratio of 10% should be achieved through promoting production innovation activities.

# Segment Forecast for Fiscal Year Ending March 31, 2013

## PM business

... Status of major action plan

Major Action Plan	Status
<u>Build a business structure that is robust against market conditions</u>	<p><b>Components</b></p> <ul style="list-style-type: none"> <li>• Further increase market share of devices for semiconductor and non-semiconductor segments</li> <li>• Bring products for the general vacuum industry to markets</li> </ul>
	<p><b>CMP Equipment</b></p> <ul style="list-style-type: none"> <li>• Mature the major model 300S II and continuously reduce costs</li> <li>• Develop equipment satisfying the needs for miniaturization, large-diameter products and 3-D integration</li> </ul>
<u>Secure high profits</u>	<p><b>Propose new businesses (plating equipment, bevel polishing equipment, etc.)</b></p> <ul style="list-style-type: none"> <li>• Bring products aiming at 3-D integration to markets</li> <li>• Apply wafer yield improvement technology to bevel polishing equipment</li> </ul>
<u>Optimize staffing</u>	<p><b>Monozukuri Process (Manufacturing)</b></p> <ul style="list-style-type: none"> <li>• Establish innovative production and have it take root to improve productivity</li> <li>• Increase overseas production ratio and overseas procurement ratio</li> </ul>
	<p><b>Service and support businesses</b></p> <ul style="list-style-type: none"> <li>• Strengthen service and support business through finely tuned responses</li> <li>• Establish a centralized system for global management of inventories</li> </ul>

# Segment Forecast for Fiscal Year Ending March 31, 2013





(Billions of JPY)

	Fiscal year ended March 31, 2012 (Result)	Fiscal year ending March 31, 2013 (Plan)	Change
Orders	394.9	422.0	+27.0
Net Sales	412.0	400.0	-12.0
Operating Income	23.2	27.0	+3.7
Ordinary Income	21.0	25.0	+3.9
Net Income	2.8	13.0	+10.1

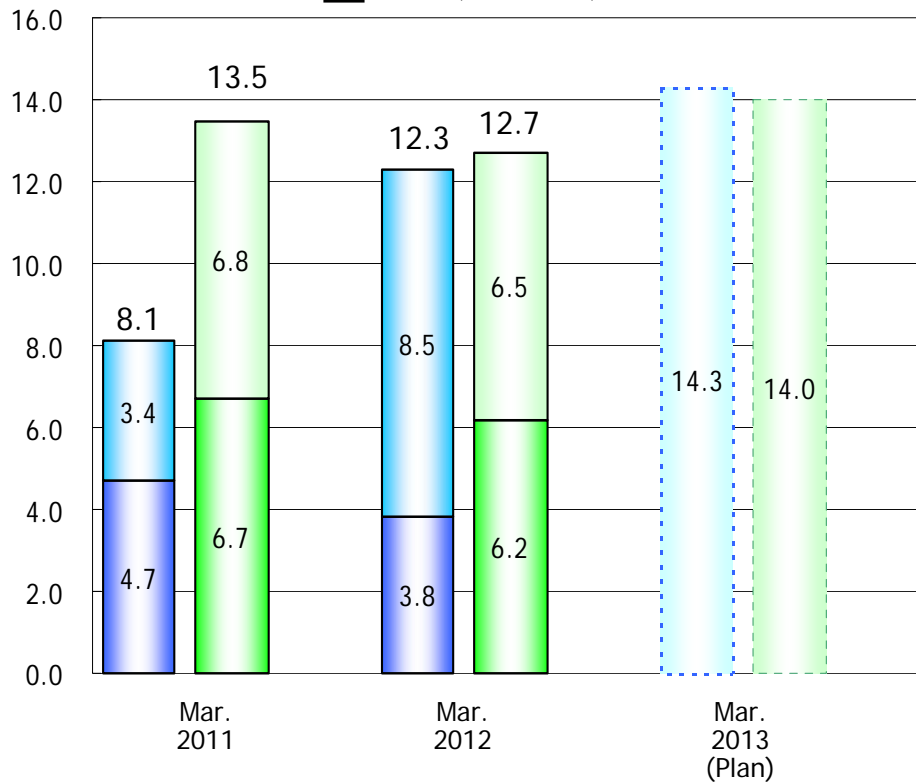
Average Exchange Rate	1USD = 79.1 JPY	—	—
Assumed Exchange Rate	(1 <sup>st</sup> Half) 1USD = 80 JPY (2 <sup>nd</sup> Half) 1USD = 75 JPY	1USD = 75 JPY	—

# Segment Forecast for Fiscal Year Ending March 31, 2013



## Capital Expenditures Depreciation & Amortization

-  CAPEX (1st Half)
-  CAPEX (2nd Half)
-  D&A (1st Half)
-  D&A (2nd Half)

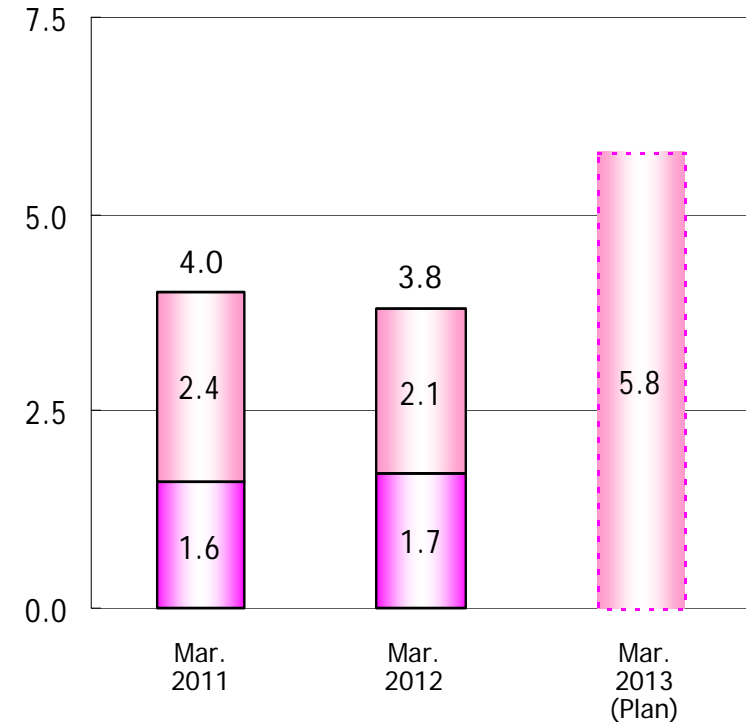
(Billions of JPY)



## R&D Expenses

-  R&D (1st Half)
-  R&D (2nd Half)

(Billions of JPY)

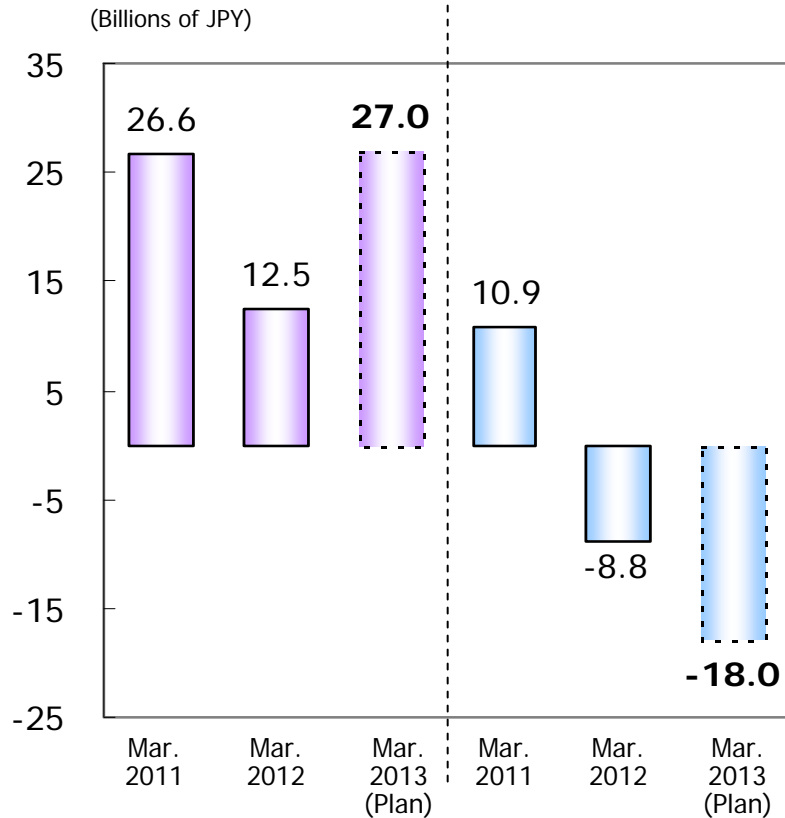




# Cash Flow for Fiscal Year Ending March 31, 2013

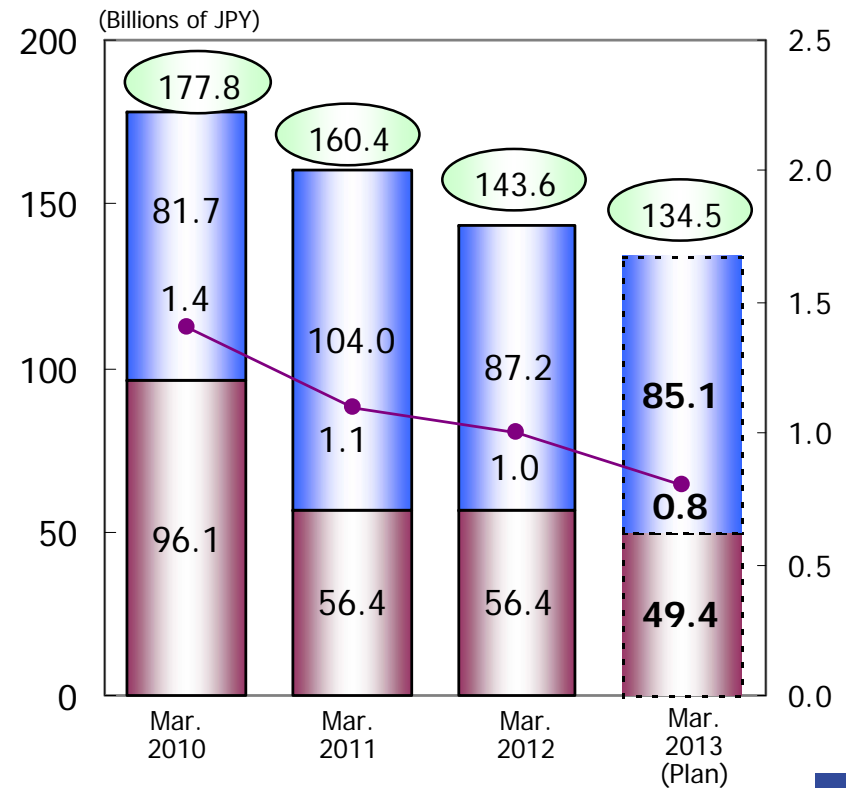
## Cash Flow

- Cash flow from operating activities
- Cash flow from investing activities



## Interest-Bearing Dept

- Interest bearing dept
- Cash and cash equivalents
- Interest-bearing dept(Net)
- D/E ratio



This release contains forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof. EBARA undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.