

**RESULTS OF OPERATIONS FOR  
THE SECOND QUARTER ENDED SEPTEMBER 30, 2010 (CONSOLIDATED)  
[Japanese GAAP]**

November 5 2010

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 Tel: 81-3-3743-6111  
 Beginning of payment of second quarter-end dividend: -

Scheduled day of submission of quarterly report: November 9, 2010  
 Preparing supplementary material on quarterly financial results: Yes  
 Holding quarterly financial results presentation meeting (for institutional investors and analysts): Yes

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

1. Outline of the six months ended September 30, 2010

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

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Six months ended September 30, 2010	173,111	(17.4)	9,643	301.9	7,754	615.3	3,885	-
Six months ended September 30, 2009	209,470	(6.0)	2,399	-	1,084	-	(1,143)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Six months ended September 30, 2010	9.20	8.32
Six months ended September 30, 2009	(2.71)	-

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
September 30, 2010	486,058	131,769	26.4	304.47
March 31, 2010	522,540	132,665	24.8	307.46

Note: Shareholder's Equity (consolidated) September 30, 2010: 128,538 million March 31, 2010: 129,805 million

## 2. Dividend

	Cash Dividend per share of common stock				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2011	-	0.00			
Fiscal year ending March 31, 2011 (Forecast)			-	-	-

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

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

## 3. Forecast of results for the year ending March 31, 2011

Millions of yen

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	%	%	%	%	Yen
Fiscal year ending March 31, 2011	405,000 (16.6)	20,000 5.5	17,500 4.5	9,000 65.4	21.32

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

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

## 4. Others (For further details, please refer to the section of “2. Others” on page 8 of this document.)

### (1) Changes in significant subsidiaries: Not applicable

Note: Refers to movements of specified subsidiaries that have resulted from any changes to the range of consolidated entities during the current quarterly accounting period.

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

Note: Refers to whether any special accounting treatment or any simplified accounting treatment was used during the development of the quarterly consolidated financial statements.

### (3) Changes in accounting policies and presentation

#### (i) Changes due to revisions of accounting standards, etc.: Applicable

#### (ii) Changes other than (i) above: Not applicable

Note: Refers to changes to general rules and procedures, as well as to denotation methods for accounting treatment in relation to the development of current quarter consolidated financial statements as referenced in the section entitled, “Changes to Important Items that Form the Basis of the Development of the Quarterly Consolidated Financial Statements”.

### (4) Number of shares outstanding (Common Stocks)

#### (i) Number of common stocks (Including treasury stocks)

September 30, 2010	422,725,658	March 31, 2010	422,725,658
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#### (ii) Number of treasury stocks

September 30, 2010	554,870	March 31, 2010	532,832
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#### (iii) Average number of common stocks (accumulated period)

Six months ended September 30, 2010	422,178,660	Six months ended September 30, 2009	422,372,714
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## Recording of Implementation Conditions regarding Quarterly Review Procedures

This quarterly financial summary does not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial summary, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

### 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 document are based on information that was available to Ebara as of the time of the issuance of this document and on certain assumptions about uncertainties that may have an impact on the Company'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 the section of "(3) Qualitative information on consolidated earnings forecasts," on page 7 of this document.
2. No decision has been made at last time on the final dividend for the fiscal year. The Group will consider this matter, based on a determination of the profitability situation going forward. Since profitability is still undetermined, when it becomes possible to disclose this matter, the Group will disclose it promptly.

(Reference)

Outline of the three months ended September 30, 2010

#### Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
	%		%		%		%	
Three months ended September 30, 2010	89,931	(22.3)	4,477	47.4	3,578	108.5	2,896	245.6
Three months ended September 30, 2009	115,697	(7.3)	3,038	17.2	1,716	(38.6)	838	38.2

	Net income per share	Net income per share, diluted
	Yen	Yen
Three months ended September 30, 2010	6.86	6.14
Three months ended September 30, 2009	1.98	1.87

Note: % represents percentage change from a comparable previous period

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## 1. Qualitative information, Financial Statements, etc.

### (1) Qualitative information on consolidated results of operations

#### (i) Overview

During the period through the end of the second quarter of fiscal 2011 (April 1 to September 30, 2010), operating conditions in overseas and domestic markets were as follows. In the United States, although exports continue to be firm, the economy decelerated because of a delay in recovery in the employment environment. In Europe also, improvement in economic conditions was weak, as risks of instability in the financial systems remained in certain countries. On the other hand, in Asia outside Japan, economies of the region recovered, especially in China and India, because of growth in domestic demand and exports. In Japan, although private capital investment and the number of construction starts were seen as beginning to bottom out, the impact of the sharp appreciation of the yen and stagnation in equity market conditions continued to create uncertainty about the future direction of the economy. In the public sector, public works investment remained at a low level because of the impact of reductions in government budgets.

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 final 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.

During the second quarter (six months), compared with the same quarter of the previous fiscal year, orders on a consolidated basis received by the Fluid Machinery & Systems (FMS) Company and the Precision Machinery (PM) Company increased; however, because of the exclusion of the water treatment plant business of the Environmental Engineering (EE) Company from the scope of consolidation, overall orders decreased compared with the same quarter of the previous fiscal year. Although consolidated sales of the PM Company increased, overall consolidated sales decreased, mainly because of the sales of the FMS Company decreased and the exclusion of the water treatment plant business of the EE Company from the scope of consolidation. Although operating income decreased in the FMS Company, it increased in the EE Company and the PM Company, thus bringing an overall rise in the Group’s operating income

In the second quarter consolidated net sales of the Group amounted to ¥173,111 million, 17.4% lower than for the same quarter of the previous fiscal year. The operating income was up 301.9% from the same quarter of the previous fiscal year, to ¥9,643 million, and ordinary income rose 615.3% from the same quarter of the previous fiscal year, to ¥7,754 million. The net income amounted to ¥3,885 million (an improvement of ¥5,029 million from the same quarter of the previous fiscal year).

#### (ii) Business segment information

Beginning with the first quarter under review, the “others” business, which was previously included in the EE Company, has been presented in the “Other” business segment, which contains results of activities not included in principal reporting segments. Comparisons of performance with the same quarter of the previous year have been calculated by recombining the performance figures for the previous fiscal year according to the classification after this change.

In the FMS Company, although many projects are expected in the oil and gas as well as the electric power industries overseas, principally in China, India, the Middle East, and elsewhere, the environment for orders continued to be difficult because of more-intense competition, the adverse impact of foreign currency fluctuations, and other factors. On the other hand, in the construction equipment industry, conditions were favorable because of the FMS Company’s initiatives to capture demand that were undertaken in Southeast Asia, South America, and other regions. Amid this operating environment, the FMS Company implemented

measures to reduce procurement costs and undertook proposal sales activities focusing on after-sales services in the Middle East and elsewhere. In the domestic market, the number of construction starts continued to be stagnant, but in the private sector, there were signs of recovery in private capital investment. Under these conditions, the FMS Company pursued collaboration with other Group companies and implemented detailed marketing activities. In addition, in the public sector, conditions were favorable owing to the thoroughgoing management of orders and the FMS Company's aggressive response to the overall evaluation bidding system.

In the second quarter (six months), sales of the FMS Company declined 14.1% from the same quarter of the previous fiscal year, to ¥117,097 million, and segment income decreased 34.2% from the same quarter of the previous fiscal year, to ¥6,766 million.

In the EE Company, although circumstances in the core domestic public-sector market have continued to be tough, conditions have been stable. On the other hand, in the private sector, conditions have continued to be difficult as a result of restraints on capital investment. In the public sector, there is a growing trend toward drawing on the capabilities of the private sector for projects to extend the useful lives of aging facilities and in the area of develop-build-operate (DBO) projects that include a range of services from construction of facilities through operation and management. In the midst of these conditions, the EE Company is further strengthening its capabilities to respond accurately to changes in the market environment and customer needs by integrating its capabilities for providing new plant construction (engineering, procurement, and construction, EPC) based on its technological capabilities, and the capabilities of its domestic network for providing operation and maintenance (O&M) services on a nationwide basis.

Please note that Group made a further provision, amounting to ¥2,000 million, to cover possible losses on an overseas incinerator project.

In the second quarter (six months), sales of the EE Company declined 61.5% from the same quarter of the previous fiscal year, to ¥18,606 million, as a result of the exclusion of the water treatment plant business from the scope of consolidation. The segment loss was ¥1,124 million (an improvement of ¥3,937 million from the same quarter of the previous fiscal year).

In the PM Company, cutting-edge companies in semiconductor industry, which is the PM Company's main customer segment, located principally in Taiwan and Korea, are continuing to make aggressive capital investments to meet expansion in demand for devices used in high-performance mobile phones and low-cost PCs as well as Net book-type computers. In addition, the LED industry is making aggressive investments, principally in Asia.

Amid, these conditions, the PM Company worked to achieve greater efficiency through the reassignment of personnel, mainly to production and equipment installation divisions, to cope with the sudden improvement in market conditions.

In the second quarter (six months), sales of the PM Company increased 50.0% from the same quarter of the previous fiscal year, to ¥31,796 million. The segment income was ¥3,770 million (an improvement of ¥6,736 million from the same quarter of the previous fiscal year).

## (2) Qualitative information on consolidated financial position

At the end of the second quarter, the Group's total assets were ¥486,058 million, ¥36,481 million lower than at the end of the previous fiscal year. Principal changes in asset items included an increase in cash and time deposits of ¥39,542 million, a decline of ¥51,138 million in trade receivables and a decline of ¥26,443 million in others.

Total liabilities at the end of the second quarter amounted to ¥354,289 million, ¥35,585 million lower than at the end of the same quarter of the previous fiscal year. Principal changes in liability items included a decline of ¥23,385 million in trade payables, ¥3,811 million in interest-bearing debt and ¥3,496 million in reserve for construction losses and an increase of ¥1,755 million in asset retirement obligations.

Net assets at the end of the second quarter amounted to ¥131,769 million, ¥895 million lower than at the end of the same quarter of the previous fiscal year. Principal changes affecting net asset items were a net income for the quarter of ¥3,885 million, a decline of net unrealized gains on other securities of ¥1,634 million and a decline of 3,508 million in foreign currency translation adjustment.

## (3) Qualitative information on consolidated earnings forecasts

Regarding the outlook for consolidated performance, since the previous announcement on August 6, 2010, the Group has changed its forecast for consolidated net sales from ¥410,000 million to ¥405,000 million for the fiscal year ending March 31, 2011.

	Fiscal year ending March 31, 2011	
	Millions of yen	
Net sales	405,000	(16.6)%
Operating income	20,000	5.5%
Ordinary income	17,500	4.5%
Net income	9,000	65.4%

The outlook for sales and segment income by business segment for the year ending March 31, 2011 is as follows.

	Net Sales		Segment income	
	Millions of yen	% represents composition	Millions of yen	% represents composition
Fluid Machinery & Systems	282,000	69.6%	15,000	75%
Environmental Engineering	48,000	11.9%	0	0%
Precision Machinery	65,000	16.0%	5,000	25%
Others	10,000	2.5%	0	0%
Total	405,000	100%	20,000	100%

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 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

## 2. Others

### (1) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements

#### (i) Simplified accounting methods

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

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

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

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

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

Use of special accounting treatment was not material.

### (2) Changes in accounting policies and presentation

#### (Application of the Accounting standards for asset retirement obligations)

From the beginning of the first quarter of the current fiscal year, the Accounting Standard for Asset Retirement Obligations (Accounting Standards Bureau of Japan (ASBJ) Statement No. 18, issued on March 31, 2008) and the Implementation Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008) have been adopted.

As a consequence, for accumulated consolidated results through the second quarter, the operating income and ordinary income were each ¥81 million lower, and income before income taxes were ¥988 million lower than under the previous method for the recognition of calculation. The change in asset retirement obligations by adoption of these standards is ¥1,742 million.



### 3. Consolidated financial statements

#### (1) Consolidated Balance Sheets

	September 30, 2010	March 31, 2010
	Millions of yen	Millions of yen
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	119,631	80,089
Trade receivables	112,687	163,825
Securities	8,833	1,622
Finished goods	8,462	11,033
Work in process	45,424	40,251
Raw materials	19,072	18,524
Others	33,101	59,545
Allowance for doubtful receivables	(1,266)	(1,028)
<b>Total current assets</b>	<b>345,946</b>	<b>373,864</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings, net	39,715	40,034
Machinery and equipment, net	24,544	25,306
Others	29,067	32,438
<b>Total tangible assets</b>	<b>93,328</b>	<b>97,779</b>
<b>Intangible assets</b>	<b>8,092</b>	<b>8,984</b>
<b>Investments and long-term receivables</b>		
Investment securities	19,411	23,252
Others	22,229	21,737
Allowance for doubtful receivables	(2,949)	(3,078)
<b>Total investments and long-term receivables</b>	<b>38,691</b>	<b>41,911</b>
<b>Total fixed assets</b>	<b>140,111</b>	<b>148,675</b>
<b>Total assets</b>	<b>486,058</b>	<b>522,540</b>

	September 30, 2010	March 31, 2010
	Millions of yen	Millions of yen
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	76,400	99,785
Short-term bank loans	72,728	74,610
Current portion of bonds with subscription rights to shares	20,000	-
Bonus payment reserve	5,009	5,232
Directors' bonus payment reserve	47	101
Reserve for losses on construction completion guarantees	8,800	9,601
Reserve for product warranties	1,439	1,365
Reserve for construction losses	16,661	20,157
Reserve for losses on contingent liabilities	26	31
Reserve for expenses related to the sale of land	2,954	4,588
Others	44,379	47,200
<b>Total current liabilities</b>	<b>248,447</b>	<b>262,676</b>
<b>Long-term liabilities</b>		
Bonds with stock acquisition rights	20,000	40,000
Long-term bank loans	59,604	61,204
Accrued severance and pension costs	19,442	20,704
Directors' retirement allowance reserve	313	362
Asset retirement obligations	1,755	-
Others	4,724	4,927
<b>Total long-term liabilities</b>	<b>105,841</b>	<b>127,198</b>
<b>Total liabilities</b>	<b>354,289</b>	<b>389,874</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	61,284	61,284
Capital surplus	65,212	65,212
Retained earnings	16,452	12,567
Treasury stock, at cost	(228)	(219)
<b>Total shareholders' equity</b>	<b>142,720</b>	<b>138,844</b>
<b>Net unrealized gain</b>		
Net unrealized gain on investment securities	(58)	1,576
Deferred gains or losses on hedges	(0)	-
Translation adjustments	(14,123)	(10,615)
<b>Total net unrealized gain</b>	<b>(14,182)</b>	<b>(9,039)</b>
Subscription rights to shares	230	104
Minority interests in consolidated subsidiaries	3,000	2,755
<b>Total Net assets</b>	<b>131,769</b>	<b>132,665</b>
<b>Total liabilities and net assets</b>	<b>486,058</b>	<b>522,540</b>

## (2) Consolidated statements of income

Six months ended September 30, 2010

	From April 1, 2009 to September 30, 2009	From April 1, 2010 to September 30, 2010
	Millions of yen	Millions of yen
Net sales	209,470	173,111
Cost of sales	169,322	129,675
Gross profit	40,148	43,435
Selling, general and administrative expenses	37,748	33,792
Operating income	2,399	9,643
Non-operating income		
Interest income	183	97
Dividend income	153	225
Insurance income	255	10
Profit in equity method	36	24
Others	443	595
Total of non-operating income	1,072	953
Non-operating expenses		
Interest expenses	1,740	1,629
Foreign exchange loss	-	578
Others	647	633
Total of non-operating expenses	2,387	2,841
Ordinary income	1,084	7,754
Extraordinary income		
Gain on sales of fixed assets	170	27
Gain on sales of investment securities	-	1,205
Gain on reversal of allowance for doubtful receivable	208	-
Gain on transfer among severance payment plans	238	-
Gain on the prior year construction work	287	-
Gain on forgiveness of debts	474	-
Others	42	-
Total of extraordinary income	1,422	1,233
Extraordinary expenses		
Loss on disposal of fixed assets	323	45
Loss on valuation of investment securities	363	600
Loss on liquidation of subsidiaries and affiliates	1,150	-
Special retirement benefit paid	587	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	906
Others	130	228
Total of extraordinary expenses	2,554	1,781
Income (loss) before income taxes	(48)	7,206
Income taxes	850	2,933
Income before minority interests	-	4,272
Minority interests in income	245	387
Net income (loss)	(1,143)	3,885

## (2) Consolidated statements of income

Three months ended September 30, 2010

	From July 1, 2009 to September 30, 2009	From July 1, 2010 to September 30, 2010
	Millions of yen	Millions of yen
Net sales	115,697	89,931
Cost of sales	94,132	69,087
Gross profit	21,564	20,843
Selling, general and administrative expenses	18,526	16,365
Operating income	3,038	4,477
Non-operating income		
Interest income	92	52
Dividend income	107	88
Insurance income	249	4
Income equity method	49	100
Others	254	166
Total of non-operating income	754	411
Non-operating expenses		
Interest expenses	923	799
Foreign exchange loss	660	292
Others	492	218
Total of non-operating expenses	2,076	1,310
Ordinary income	1,716	3,578
Extraordinary income		
Gain on sales of fixed assets	164	9
Gain on sales of investment securities	-	1,205
Gain on transfer among severance payment plans	238	-
Gain on forgiveness of debts	474	-
Others	3	-
Total of extraordinary income	881	1,214
Extraordinary expenses		
Loss on sales of fixed assets	-	211
Loss on disposal of fixed assets	309	30
Loss on valuation of investment securities	25	58
Others	227	7
Total of extraordinary expenses	562	308
Income before income taxes	2,035	4,484
Income taxes	1,052	1,343
Income before minority interests	-	3,141
Minority interests in income	144	244
Net income	838	2,896

## (3) Consolidated statements of cash flows

	From April 1, 2009 to September 30, 2009	From April 1, 2010 to September 30, 2010
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income (loss) before income taxes	(48)	7,206
Depreciation and amortization	7,348	6,777
Loss on adjustment for changes of accounting standard for Asset retirement obligations	-	906
Loss (gain) on sales of investment securities	-	(1,205)
Increase (decrease) in allowances	(2,857)	(7,256)
Loss (gain) on sales of fixed assets	(106)	187
Interest and dividend income	(336)	(322)
Interest expenses	1,740	1,629
Decrease (increase) in trade receivables	46,730	49,637
Decrease (increase) in inventories	(2,001)	(4,249)
Increase (decrease) in trade payables	(37,499)	(21,728)
Others	471	8,230
Sub-total	13,441	39,813
Interest and dividend received	1,233	362
Interest expenses paid	(1,640)	(1,564)
Income taxes paid	(390)	(3,947)
Net cash provided by operating activities	12,643	34,664
Cash flows from investing activities		
Purchase of fixed assets	(12,761)	(8,840)
Sales of fixed assets	410	15,877
Purchase of investment securities	(35)	(317)
Proceeds from sales of investment securities	39	1,929
Purchase of investments in subsidiaries	-	(28)
Disbursement of loans receivable	(1,278)	(501)
Collection of loans receivable	141	7,300
Others	219	91
Net cash provided by (used in) investing activities	(13,265)	15,509
Cash flows from financing activities		
Increase in short-term bank loans	11,258	-
Decrease in short-term bank loans	(40,897)	-
Net increase (decrease) in short-term bank loans	-	2,387
Proceeds from long-term bank loans	32,100	4,429
Repayment of long-term bank loans	(410)	(8,766)
Purchase and sales of treasury stock	(5)	(9)
Cash dividends paid to minority shareholders	(696)	(437)
Others	-	(400)
Net cash provided by (used in) financing activities	1,348	(2,796)
Translation adjustments	818	(624)
Increase (decrease) in cash and cash equivalents	1,545	46,751
Cash and cash equivalents at the beginning of period:	77,194	81,711
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	81,877	128,463

## (4) Note for the assumption of going concern

Not applicable

## (5) Segment information

## 【Business segment information】

From July 1, 2009 to September 30, 2009

(Millions of yen)

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

From April 1, 2009 to September 30, 2009

(Millions of yen)

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

Notes: 1 The Group's operate in three business segments as follows:

Business segment	Products
Fluid Machinery & Systems	Pumps, Browsers, Turbo-compressors, Gas and steam turbines, Chillers, Machinery plant and Pumping system engineering, Cooling and water supply systems for nuclear power plants, Energy supply
Environmental Engineering	Environmental restoration equipment, Incinerators, Industrial water/wastewater treatment plants, Environmental system engineering, Chemicals and others
Precision Machinery	Dry vacuum pumps, CMP systems and other equipment for semiconductor industries

## 2 Change in accounting standards applied

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

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

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

**【Geographical segment information】**

From July 1, 2009 to September 30, 2009

(Millions of yen)

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

From April 1, 2009 to September 30, 2009

(Millions of yen)

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

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

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

(1) North America: USA

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

3 Change in accounting standards applied

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

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

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

**【Overseas sales】**

From July 1, 2009 to September 30, 2009

(Millions of yen)

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

From April 1, 2009 to September 30, 2009

(Millions of yen)

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

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

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

- (1) Asia: Taiwan, China and Korea
- (2) North America: USA
- (3) Europe: Italy, Germany, UK and Russia
- (4) Other areas: Saudi Arabia and Qatar

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

4 Change in accounting standards applied

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

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

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

## 【Segment information】

### 1. Overview of reportable segments

From April 1, 2010 to September 30, 2010 and From July 1, 2010 to September 30, 2010

The reportable segments are constituent units of the EBARA Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

The EBARA Group is conducting its business operations through three in-house companies: the FMS Company, EE Company, and PM Company. Therefore, the EBARA Group is composed of product and service segments based along the lines of the in-house companies, and its three reporting segments are Fluid Machinery & Systems, Environmental Engineering, and Precision Machinery.

The Group's operate in three business segments as follows:

Segment	Principal Products	Contents
Fluid Machinery & Systems	Pumps, blowers, turbo-compressors, turbines, freezer chillers and others	Manufacture, sale, operation and maintenance (O&M) services and others
Environmental Engineering	Municipal waste processing plants, industrial waste incineration plants and others	Engineering, construction, O&M services and others
Precision Machinery	Dry vacuum pumps, CMP equipment, planting systems and other machinery and equipment used in the semiconductor manufacturing industry	Manufacture, sale and maintenance



## 2. Information about sales and profit or loss by reportable segments

From April 1, 2010 to September 30, 2010

(Millions of yen)

	Reportable segments				Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated (Notes 3)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales								
(1) Sales to third parties	117,097	18,606	31,796	167,500	5,610	173,111	-	173,111
(2) Intersegment sales and transfer	327	50	5	383	2,265	2,648	(2,648)	-
Total	117,424	18,656	31,802	167,884	7,875	175,760	(2,648)	173,111
Segment income (loss)	6,766	(1,124)	3,770	9,412	54	9,467	176	9,643

From July 1, 2010 to September 30, 2010

(Millions of yen)

	Reportable segments				Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated (Notes 3)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales								
(1) Sales to third parties	59,248	10,133	17,215	86,597	3,333	89,931	-	89,931
(2) Intersegment sales and transfer	209	33	0	243	1,102	1,346	(1,346)	-
Total	59,457	10,167	17,216	86,841	4,435	91,277	(1,346)	89,931
Segment income (loss)	2,935	(1,686)	3,101	4,350	67	4,418	59	4,477

Notes: 1 The "Others" item in the table above is the business segment for operations that are not included among reporting 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 quarterly consolidated statements of income.

## 3. Information about impairment loss of fixed assets, goodwill and negative goodwill by reportable segment

From July 1, 2010 to September 30, 2010

(Material impairment loss of fixed assets)

Not applicable

(Material change in goodwill amount)

Not applicable

(Material negative goodwill arisen)

Not applicable

(Additional information)

From the beginning of the first quarter of the current fiscal year, the group has adopted the Accounting Standards for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Bureau of Japan (ASBJ) Statement No. 17, issued on March 27, 2009) and the Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, issued on March 21, 2008).

(Reference information)

Beginning with the first quarter under review, the “others” business, which was previously included in the “Environmental Engineering” business segment, has been presented in the “Other” business segment, which contains results of activities not included in principal reporting segments. The consolidated amounts for the second quarter of the previous fiscal year, according to the reporting segment classification after changes, are shown in the table below.

From April 1, 2009 to September 30, 2009

(Millions of yen)

	Reportable segments				Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated (Notes 3)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales								
(1) Sales to third parties	136,318	48,265	21,198	205,782	3,687	209,470	-	209,470
(2) Intersegment sales and transfer	514	173	7	695	2,823	3,518	(3,518)	-
Total	136,832	48,439	21,205	206,478	6,511	212,989	(3,518)	209,470
Segment income (loss)	10,288	(5,062)	(2,966)	2,259	92	2,352	47	2,399

From July 1, 2009 to September 30, 2009

(Millions of yen)

	Reportable segments				Others (Notes 1)	Total	Adjustment (Notes 2)	Consolidated (Notes 3)
	Fluid Machinery & Systems	Environmental Engineering	Precision Machinery	Total				
Sales								
(1) Sales to third parties	73,978	27,140	12,397	113,515	2,181	115,697	-	115,697
(2) Intersegment sales and transfer	255	77	7	340	1,481	1,822	(1,822)	-
Total	74,233	27,218	12,404	113,856	3,663	117,519	(1,822)	115,697
Segment income (loss)	6,460	(3,396)	75	3,139	54	3,194	(155)	3,038

Notes: 1 The “Others” item in the table above is the business segment for operations that are not included among reporting 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 quarterly consolidated statements of income.

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

Not applicable

#### 4. Additional Information

##### Order received and sales

##### (i) Order received

(Millions of yen)

Name of Segment	From April 1, 2009 to September 30, 2009	From April 1, 2010 to September 30, 2010	From April 1, 2009 to March 31, 2010
Fluid Machinery & Systems	113,689	119,630	255,555
Environmental Engineering	70,918	38,030	114,479
Precision Machinery	19,915	29,826	48,906
Reportable segments	204,523	187,487	418,942
Other	3,402	5,241	7,679
Total	207,926	192,728	426,622

##### (ii) Sales

(Millions of yen)

Name of Segment	From April 1, 2009 to September 30, 2009	From April 1, 2010 to September 30, 2010	From April 1, 2009 to March 31, 2010
Fluid Machinery & Systems	136,318	117,097	295,967
Environmental Engineering	48,265	18,606	130,333
Precision Machinery	21,198	31,796	50,534
Reportable segments	205,782	167,500	476,835
Other	3,687	5,610	9,054
Total	209,469	173,111	485,889

##### (iii) Backlog of order received

(Millions of yen)

Name of Segment	September 30, 2009	September 30, 2010	March 31, 2010
Fluid Machinery & Systems	190,790	170,822	170,113
Environmental Engineering	142,572	77,423	58,010
Precision Machinery	13,446	10,547	12,803
Reportable segments	346,810	258,792	240,927
Other	4,856	4,963	4,407
Total	351,666	263,756	245,335

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

2. Beginning with the first quarter under review, the "others" business, which was previously included in the EE Company, has been presented in the "Other" business segment, which contains results of activities not included in principal reporting segments. The figures shown above are those for the reporting segment classification after classification changes.