

**RESULTS OF OPERATIONS FOR  
THE THIRD QUARTER ENDED DECEMBER 31, 2010 (CONSOLIDATED)  
[Japanese GAAP]**

February 4, 2011

Company name: EBARA CORPORATION  
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(Stock code: 6361, Tokyo and Sapporo Stock Exchange in Japan)  
(URL <http://www.ebara.co.jp>)  
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Beginning of payment of third quarter-end dividend: -  
Scheduled day of submission of quarterly report: February 8, 2011  
Preparing supplementary material on quarterly financial results: No  
Holding quarterly financial results presentation meeting (for institutional investors and analysts): No

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

1. Outline of the nine months ended December 31, 2010

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

	Net sales		Operating income		Ordinary income		Net income	
	%		%		%		%	
Nine months ended December 31, 2010	265,990	(15.9)	20,425	209.5	17,359	228.8	10,236	-
Nine months ended December 31, 2009	316,368	(4.8)	6,599	-	5,279	-	(3,933)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Nine months ended December 31, 2010	24.25	21.65
Nine months ended December 31, 2009	(9.31)	-

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
December 31, 2010	485,406	137,714	27.7	318.32
March 31, 2010	522,540	132,665	24.8	307.46

Note: Shareholder's Equity (consolidated) December 31, 2010: 134,364 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)			-	5.00	5.00

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

## 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)	26,000 37.2	23,000 37.3	11,000 102.1	26.06

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)

December 31, 2010	422,725,658	March 31, 2010	422,725,658
December 31, 2010	620,248	March 31, 2010	532,832
Nine months ended December 31, 2010	422,167,831	Nine months ended December 31, 2009	422,357,539

#### (ii) Number of treasury stocks

#### (iii) Average number of common stocks (accumulated period)

## 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 Group has revised the forecast of results and cash dividends for the year ending March 31, 2011 (consolidated), which was issued on November 5, 2010.
2. 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.

(Reference)

Outline of the three months ended December 31, 2010

#### Consolidated Financial Highlights

Millions of yen, except per share data

	Net sales		Operating income		Ordinary income		Net income	
	%		%		%		%	
Three months ended December 31, 2010	92,879	(13.1)	10,782	156.7	9,604	128.9	6,351	-
Three months ended December 31, 2009	106,897	(2.2)	4,200	-	4,195	-	(2,789)	-

	Net income per share	Net income per share, diluted
	Yen	Yen
Three months ended December 31, 2010	15.05	13.32
Three months ended December 31, 2009	(6.61)	-

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 third quarter of fiscal 2011 (April 1 to December 31, 2010), operating conditions in overseas and domestic markets were as follows. In the United States, although recovery in the labor environment is lagging, signs of gradual recovery emerged, including improvement in personal consumption, 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, domestic demand grew, mainly in China, India, and certain other countries, and the economies of the region as a whole showed moderate expansion. In Japan, in the private sector, although there were signs of improvement in personal consumption and recovery in private capital investment, future directions continued to be uncertain as a consequence of the effects of the sharp appreciation of the yen. 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 third quarter (nine months), compared with the same quarter of the previous fiscal year, orders on a consolidated basis received by the Precision Machinery (PM) Company increased; however, because of the Fluid Machinery & Systems (FMS) Company decreased and 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. Operating income increased in the FMS Company, it improved in the EE Company and the PM Company, thus bringing an overall rise in the Group's operating income.

In the third quarter consolidated net sales of the Group amounted to ¥265,990 million, 15.9% lower than for the same quarter of the previous fiscal year. The operating income was up 209.5% from the same quarter of the previous fiscal year, to ¥20,425 million, and ordinary income rose 228.8% from the same quarter of the previous fiscal year, to ¥17,359 million. The net income amounted to ¥10,236 million (an improvement of ¥14,170 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 projects are on a rising trend, mainly those for overseas water infrastructure, electric power generation, and oil and gas, 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 in China, Southeast Asia, South America, and other

emerging countries. Amid this operating environment, the FMS Company worked to strengthen its after-sales service systems in the Middle East and other priority regions and promoted reductions in procurement costs. In the domestic market, the number of construction starts in the private sector continued to be at low level, but there are emerging signs of recovery in capital investment. Under these conditions, the FMS Company stepped up its initiatives to win orders for replacing and upgrading existing facilities, while also launching new products that help customers to reduce energy consumption. In addition, in the public-sector market, where the declining trend in budgets is continuing, the FMS Company was able to obtain major orders owing to the thoroughgoing management of orders and its aggressive response to the overall evaluation bidding system.

In the third quarter (nine months), sales of the FMS Company declined 8.8% from the same quarter of the previous fiscal year, to ¥180,722 million, and segment income increased 15.9% from the same quarter of the previous fiscal year, to ¥13,830 million.

In the EE Company, although circumstances in the core domestic public-sector market have continued to be tough, conditions have been stable. In particular, orders for upgrading core facilities are expanding, including work to extend the useful lives of aging facilities and make the transition to a low-carbon society. In addition, in the case of the construction of new facilities, there is a growing trend toward drawing on the capabilities of the private sector in the area of develop-build-operate (DBO) projects that include a range of services from construction through operation and management, and, for existing facilities, a trend toward signing long-term contracts for comprehensive management services. On the other hand, in the private sector, conditions have continued to be difficult as a result of restraints on capital investment. 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.

In the third quarter (nine months), sales of the EE Company declined 59.2% from the same quarter of the previous fiscal year, to ¥31,811 million, as a result of the exclusion of the water treatment plant business from the scope of consolidation. The segment income was ¥1,024 million (an improvement of ¥4,024 million from the same quarter of the previous fiscal year).

In the PM Company, where semiconductor manufacturers are the core customer group, demand for flash memories is rising along with the sudden expansion in the market for tablet-type mobile terminals, and demand in the “foundry” sector (companies that produce semiconductors on a subcontracting basis) is active. As a result, companies in Taiwan and South Korea, in particular, are continuing to make aggressive capital investments. Also, demand in the LED industry continued to be favorable, and the compact touch panel market is expanding. 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 third quarter (nine months), sales of the PM Company increased 33.1% from the same quarter of the previous fiscal year, to ¥46,020 million. The segment income was ¥5,593 million (an improvement of ¥8,656 million from the same quarter of the previous fiscal year).

## (2) Qualitative information on consolidated financial position

At the end of the third quarter, the Group's total assets were ¥485,406 million, ¥37,133 million lower than at the end of the previous fiscal year. Principal changes in asset items included an increase in securities of ¥42,591 million and a decline of ¥14,604 million in cash and time deposits, ¥36,020 million in trade receivables and ¥28,601 million in others.

Total liabilities at the end of the third quarter amounted to ¥347,691 million, ¥42,183 million lower than at the end of the same quarter of the previous fiscal year. Principal changes in liability items included a decline of ¥13,453 million in trade payables, ¥11,961 million in interest-bearing debt, ¥6,423 million in reserve for construction losses, ¥4,344 million in asset retirement obligations and ¥3,174 million in others.

Net assets at the end of the third quarter amounted to ¥137,714 million, ¥5,049 million higher 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 ¥10,236 million and a decline of 4,836 million in foreign currency translation adjustment.

## (3) Qualitative information on consolidated earnings forecasts

Regarding the forecast of results for the year ending March 2011, since the previous announcement on November 5, 2010 have been revised as follows.

Forecast of results for the year ending March 31, 2011 Millions of yen

	Fiscal year ending March 31, 2011	
	Millions of yen	
Net sales	405,000	(16.6)%
Operating income	26,000	37.2%
Ordinary income	23,000	37.3%
Net income	11,000	102.1%

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

	% represents composition			
	Net Sales		Segment income	
	Millions of yen		Millions of yen	
Fluid Machinery & Systems	280,000	69.1%	19,000	73.1%
Environmental Engineering	48,000	11.9%	0	0%
Precision Machinery	67,000	16.5%	7,000	26.9%
Others	10,000	2.5%	0	0%
Total	405,000	100%	26,000	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 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.

### (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 third quarter, the operating income and ordinary income were each ¥122 million lower, and income before income taxes were ¥1,029 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.

#### (Application of the Accounting standards for Business Combinations and Related Matters)

From the beginning of the third quarter of the current fiscal year, the Accounting Standard for Business Combinations (ASBJ Guidance No. 21, issued on December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Guidance No. 22, issued on December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Guidance No. 23, issued on December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Guidance No. 7, issued on December 26, 2008), Revised Accounting Standard for Equity method of Accounting for Investments (ASBJ Guidance No. 16, issued on December 26, 2008) and Revised Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, issued on December 26, 2008) have been adopted.



### 3. Consolidated financial statements

#### (1) Consolidated Balance Sheets

	December 31, 2010	March 31, 2010
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and time deposits	65,484	80,089
Trade receivables	127,805	163,825
Securities	44,214	1,622
Finished goods	7,800	11,033
Work in process	53,088	40,251
Raw materials	19,296	18,524
Others	30,943	59,545
Allowance for doubtful receivables	(1,387)	(1,028)
Total current assets	347,247	373,864
Fixed assets		
Tangible fixed assets		
Buildings, net	39,321	40,034
Machinery and equipment, net	23,614	25,306
Others	28,223	32,438
Total tangible assets	91,160	97,779
Intangible assets	7,445	8,984
Investments and long-term receivables		
Investment securities	21,475	23,252
Others	21,016	21,737
Allowance for doubtful receivables	(2,937)	(3,078)
Total investments and long-term receivables	39,553	41,911
Total fixed assets	138,158	148,675
Total assets	485,406	522,540

	December 31, 2010	March 31, 2010
	Millions of yen	Millions of yen
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	86,332	99,785
Short-term bank loans	65,173	74,610
Current portion of bonds with subscription rights to shares	20,000	-
Bonus payment reserve	2,977	5,232
Directors' bonus payment reserve	59	101
Reserve for losses on construction completion guarantees	8,665	9,601
Reserve for product warranties	1,661	1,365
Reserve for construction losses	13,733	20,157
Reserve for losses on contingent liabilities	30	31
Reserve for expenses related to the sale of land	2,904	4,588
Others	44,025	47,200
<b>Total current liabilities</b>	<b>245,565</b>	<b>262,676</b>
<b>Long-term liabilities</b>		
Bonds with stock acquisition rights	20,000	40,000
Long-term bank loans	59,161	61,204
Accrued severance and pension costs	16,359	20,704
Directors' retirement allowance reserve	302	362
Asset retirement obligations	1,762	-
Others	4,539	4,927
<b>Total long-term liabilities</b>	<b>102,125</b>	<b>127,198</b>
<b>Total liabilities</b>	<b>347,691</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	22,803	12,567
Treasury stock, at cost	(253)	(219)
<b>Total shareholders' equity</b>	<b>149,047</b>	<b>138,844</b>
<b>Net unrealized gain</b>		
Net unrealized gain on investment securities	771	1,576
Deferred gains or losses on hedges	(1)	-
Translation adjustments	(15,451)	(10,615)
<b>Total net unrealized gain</b>	<b>(14,682)</b>	<b>(9,039)</b>
Subscription rights to shares	296	104
Minority interests in consolidated subsidiaries	3,053	2,755
<b>Total Net assets</b>	<b>137,714</b>	<b>132,665</b>
<b>Total liabilities and net assets</b>	<b>485,406</b>	<b>522,540</b>

## (2) Consolidated statements of income

Nine months ended December 31, 2010

	From April 1, 2009 to December 31, 2009	From April 1, 2010 to December 31, 2010
	Millions of yen	Millions of yen
Net sales	316,368	265,990
Cost of sales	254,435	195,275
Gross profit	61,932	70,715
Selling, general and administrative expenses	55,332	50,289
Operating income	6,599	20,425
Non-operating income		
Interest income	277	194
Dividend income	218	281
Equity in earnings of affiliates	73	205
Compensation income	576	-
Others	888	877
Total of non-operating income	2,034	1,559
Non-operating expenses		
Interest expenses	2,652	2,427
Foreign exchange loss	52	1,471
Others	649	725
Total of non-operating expenses	3,354	4,625
Ordinary income	5,279	17,359
Extraordinary income		
Gain on sales of fixed assets	196	1,007
Gain on sales of investment securities	-	1,218
Gain on reversal of allowance for doubtful receivable	500	-
Gain on transfer among severance payment plans	238	-
Gain on adjustment for changes of accounting standard for construction contracts	287	-
Gain on forgiveness of debts	474	-
Others	38	-
Total of extraordinary income	1,737	2,226
Extraordinary expenses		
Loss on sales of fixed assets	-	361
Loss on disposal of fixed assets	454	199
Loss on valuation of investment securities	367	176
Loss on liquidation of subsidiaries and affiliates	8,620	-
Special retirement benefit paid	587	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	906
Others	190	36
Total of extraordinary expenses	10,220	1,682
Income (loss) before income taxes	(3,203)	17,903
Income taxes	265	7,159
Income before minority interests	-	10,744
Minority interests in income	464	507
Net income (loss)	(3,933)	10,236

## (2) Consolidated statements of income

Three months ended December 31, 2010

	From October 1, 2009 to December 31, 2009	From October 1, 2010 to December 31, 2010
	Millions of yen	Millions of yen
Net sales	106,897	92,879
Cost of sales	85,113	65,599
Gross profit	21,784	27,279
Selling, general and administrative expenses	17,584	16,497
Operating income	4,200	10,782
Non-operating income		
Interest income	94	96
Dividend income	65	56
Equity in earnings of affiliates	36	180
Compensation income	576	-
Others	261	271
Total of non-operating income	1,034	605
Non-operating expenses		
Interest expenses	911	797
Foreign exchange loss	-	893
Others	127	92
Total of non-operating expenses	1,039	1,783
Ordinary income	4,195	9,604
Extraordinary income		
Gain on sales of fixed assets	26	979
Gain on sales of investment securities	-	600
Gain on reversal of allowance for doubtful receivables	292	-
Others	1	13
Total of extraordinary income	320	1,593
Extraordinary expenses		
Loss on sales of fixed assets	-	146
Loss on disposal of fixed assets	131	153
Loss on valuation of investment securities	3	176
Loss on liquidation of subsidiaries and affiliates	7,470	-
Others	65	23
Total of extraordinary expenses	7,670	500
Income (loss) before income taxes	(3,154)	10,697
Income taxes	(584)	4,225
Income before minority interests	-	6,471
Minority interests in income	219	120
Net income (loss)	(2,789)	6,351

(3) Consolidated statements of cash flows

	From April 1, 2009 to December 31, 2009	From April 1, 2010 to December 31, 2010
	Millions of yen	Millions of yen
Cash flows from operating activities		
Income (loss) before income taxes	(3,203)	17,903
Depreciation and amortization	11,177	10,008
Loss on adjustment for changes of accounting standard for Asset retirement obligations	-	906
Loss (gain) on sales of investment securities	-	(1,218)
Increase (decrease) in allowances	(6,783)	(15,069)
Loss (gain) on sales of fixed assets	(85)	(645)
Interest and dividend income	(495)	(476)
Interest expenses	2,652	2,427
Decrease (increase) in trade receivables	37,473	34,013
Decrease (increase) in inventories	(6,304)	(11,702)
Increase (decrease) in trade payables	(29,963)	(11,594)
Others	9,038	8,150
Sub-total	13,504	32,703
Interest and dividend received	1,299	707
Interest expenses paid	(2,155)	(2,216)
Income taxes paid	(3,413)	(6,608)
Net cash provided by operating activities	9,234	24,585
Cash flows from investing activities		
Purchase of fixed assets	(16,334)	(10,285)
Proceeds from sales of fixed assets	511	16,909
Purchase of investment securities	(36)	(382)
Proceeds from sales and redemption of investment securities	100	1,951
Purchase of investments in subsidiaries	-	(28)
Payments of loans receivable	(2,840)	(947)
Collection of loans receivable	1,800	7,621
Others	277	160
Net cash provided by (used in) investing activities	(16,521)	14,998
Cash flows from financing activities		
Increase in short-term bank loans	19,233	-
Decrease in short-term bank loan	(43,034)	-
Net increase (decrease) in short-term bank loans	-	(4,699)
Proceeds from long-term bank loans	42,100	4,429
Repayment of long-term bank loans	(410)	(9,281)
Purchase and sales of treasury stock	(46)	(33)
Cash dividends paid to minority shareholders	(696)	(437)
Others	-	(609)
Net cash provided by (used in) financing activities	17,145	(10,632)
Translation adjustments	(2)	(965)
Increase (decrease) in cash and cash equivalents	9,855	27,986
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	90,187	109,698

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

Not applicable

## (5) Segment information

## 【 Business segment information 】

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, 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

(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.

**【 Geographical segment information 】**

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, 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

(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 ¥1,771million larger than the previous method of calculation.

**【 Overseas sales 】**

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, 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) Asia: Taiwan, China and Korea
- (2) North America: USA
- (3) Europe: Italy, Germany, UK, Russia and Switzerland
- (4) 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

(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.

## 【Segment information】

### 1. Overview of reportable segments

From April 1, 2010 to December 31, 2010 and From October 1, 2010 to December 31, 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 December 31, 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	180,722	31,811	46,020	258,554	7,436	265,990	-	265,990
(2) Intersegment sales and transfer	744	64	7	816	3,478	4,294	(4,294)	-
Total	181,466	31,875	46,028	259,370	10,915	270,285	(4,294)	265,990
Segment income (loss)	13,830	1,024	5,593	20,448	(158)	20,289	135	20,425

From October 1, 2010 to December 31, 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	63,624	13,204	14,223	91,053	1,826	92,879	-	92,879
(2) Intersegment sales and transfer	416	14	1	432	1,213	1,646	(1,646)	-
Total	64,041	13,218	14,225	91,486	3,039	94,525	(1,646)	92,879
Segment income (loss)	7,063	2,149	1,823	11,036	(213)	10,822	(40)	10,782

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 October 1, 2010 to December 31, 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 third 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 December 31, 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	198,123	78,022	34,566	310,713	5,654	316,368	-	316,368
(2) Intersegment sales and transfer	1,079	258	9	1,347	4,290	5,638	(5,638)	-
Total	199,203	78,281	34,576	312,060	9,945	322,006	(5,638)	316,368
Segment income (loss)	11,934	(2,999)	(3,062)	5,871	557	6,429	170	6,599

From October 1, 2009 to December 31, 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	61,805	29,756	13,368	104,930	1,967	106,897	-	106,897
(2) Intersegment sales and transfer	565	84	2	651	1,467	2,119	(2,119)	-
Total	62,370	29,841	13,370	105,582	3,434	109,016	(2,119)	106,897
Segment income (loss)	1,646	2,062	(96)	3,612	465	4,077	122	4,200

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 December 31, 2009	From April 1, 2010 to December 31, 2010	From April 1, 2009 to March 31, 2010
Fluid Machinery & Systems	186,907	181,493	255,555
Environmental Engineering	94,468	44,105	114,479
Precision Machinery	32,487	52,034	48,906
Reportable segments	313,862	277,633	418,942
Other	5,035	8,012	7,679
Total	318,898	285,645	426,622

###### (ii) Sales

(Millions of yen)

Name of Segment	From April 1, 2009 to December 31, 2009	From April 1, 2010 to December 31, 2010	From April 1, 2009 to March 31, 2010
Fluid Machinery & Systems	198,123	180,722	295,967
Environmental Engineering	78,022	31,811	130,333
Precision Machinery	34,566	46,020	50,534
Reportable segments	310,713	258,554	476,835
Other	5,654	7,436	9,054
Total	316,368	265,990	485,889

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

(Millions of yen)

Name of Segment	December 31, 2009	December 31, 2010	March 31, 2010
Fluid Machinery & Systems	198,163	172,158	170,113
Environmental Engineering	136,141	69,943	58,010
Precision Machinery	12,206	18,368	12,803
Reportable segments	346,512	260,470	240,927
Other	4,870	6,688	4,407
Total	351,382	267,158	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.