

**CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**  
**[IFRS]**

November 14, 2022

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Scheduled date for submission of quarterly report: November 14, 2022

Scheduled date for dividend payment: —

Preparing supplementary material on financial results: Yes

Holding financial results presentation meeting  
 (for institutional investors and analysts): Yes

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

**1. Consolidated Results for the Nine Months Ended September 30, 2022**

**(1) Consolidated Financial Results**

(% represents percentage change from a comparable previous period)

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit	
Nine Months Ended September 30, 2022	480,054	14.3%	42,659	15.1%	42,549	14.2%	29,135	8.7%
Nine Months Ended September 30, 2021	419,926	13.8%	37,050	68.3%	37,252	88.4%	26,808	96.6%

	Profit Attributable to Owners of Parent		Total Comprehensive Income		Basic Earnings per Share (Yen)	Basic Earnings per Share, Diluted (Yen)
Nine Months Ended September 30, 2022	27,294	11.8%	53,240	60.7%	296.61	295.90
Nine Months Ended September 30, 2021	24,414	98.6%	33,137	199.0%	257.80	257.02

Note: The Company finalized the provisional accounting treatment for business combinations. Financial results for the nine months ended September 30, 2021 reflect the finalization of the provisional accounting treatment.

**(2) Consolidated Financial Position**

Millions of yen

	Total Assets	Total Equity	Total Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of September 30, 2022	808,074	354,156	344,384	42.6
As of December 31, 2021	719,736	321,655	312,310	43.4

## 2. Dividends

	Dividends per Share (Yen)				
	End of 1 <sup>st</sup> Quarter	End of 2 <sup>nd</sup> Quarter	End of 3 <sup>rd</sup> Quarter	Year-End	Annual
Fiscal Year Ended December 31, 2021	—	50.00	—	113.00	163.00
Fiscal Year Ending December 31, 2022	—	85.00			
Fiscal Year Ending December 31, 2022 (Forecast)			—	85.00	170.00

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

## 3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2022

% represents percentage change from the previous fiscal year

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
Fiscal Year Ending December 31, 2022	670,000	11.1%	67,500	10.0%	67,600	12.1%	46,500	6.6%	505.33

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

The forecast of financial results for the fiscal year ending December 31, 2022, previously announced on August 12, 2022 has been revised. For further details, please refer to “Explanation of Forecast of Consolidated Financial Results” on page 10.

## **4. Other Information**

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

Included: — (—)

Excluded: — (—)

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

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

(iii) Changes in accounting estimates: None

- (3) Number of shares outstanding (Common Shares)

(i) Number of common shares (Including treasury shares)	As of September 30, 2022	92,080,415	As of December 31, 2021	95,513,633
(ii) Number of treasury shares	As of September 30, 2022	23,716	As of December 31, 2021	3,536,073
(iii) Average number of common shares	Nine Months Ended September 30, 2022	92,019,647	Nine Months Ended September 30, 2021	94,704,887

**This quarterly financial result is exempt from quarterly review by certified public accountants or accounting firms.**

### **Explanation of the Appropriate Use of Performance Forecast and Other Related Matters**

1. The forecast of performance and other forward-looking statements contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group's performance. Actual performance may differ substantially from these forecast owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecast of performance, please refer to "Explanation of Forecast of Consolidated Financial Results" on page 10. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, the Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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## 1. Qualitative Information Regarding Consolidated Financial Results

The Company finalized the provisional accounting treatment for business combinations. Financial results for the nine months ended September 30, 2021 reflect the finalization of the provisional accounting treatment.

### (1) Explanation of Financial Results

	Millions of yen			
	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Change	Change Ratio (%)
Orders Received	576,821	594,534	17,712	3.1
Revenue	419,926	480,054	60,127	14.3
Operating Profit	37,050	42,659	5,608	15.1
Operating Profit on Revenue Ratio (%)	8.8	8.9	—	—
Profit Attributable to Owners of Parent	24,414	27,294	2,879	11.8
Basic Earnings per Share (Yen)	257.80	296.61	38.81	15.1

During the nine months ended September 30, 2022, the global economy showed signs of recovery due to the normalization of socio-economic activities amid a gradual relaxation of the severe situation caused by COVID-19. In the Japanese economy as well, capital investment showed signs of recovery amidst progress in vaccination against the COVID-19 and relaxation of behavioral restrictions. On the other hand, the outlook for the domestic and overseas economies continued to be uncertain and unstable due to such factors as soaring raw material and semiconductor lack, the impact of the Ukrainian situation on resource prices, and foreign exchange fluctuations caused by monetary tightening.

In the construction facilities market and the oil and gas market, which is the Group's primary market, demand recovered due to the mitigation of measures for the COVID-19, on the other hand, some investment projects were delayed due to concerns about inflation and the prolonged situation in Ukraine. In the semiconductor market, the demand remained at a high level, despite some customers reviewing their investment plans. In addition, Japan's public investment related to national resilience remained firm.

Under these circumstances, in the Fluid Machinery & Systems (FMS) Business and Precision Machinery (PM) Business, orders received for the nine months ended September 30, 2022 increased from the same period of the previous fiscal year. In the FMS Business, sales grew steadily due to an increase in demand stemming from the relaxation of behavioral restrictions, mainly overseas. In the PM Business, revenues from both products, services and support increased due to demand for semiconductors remaining robust, and customers' plant sale levels remaining high, although there were continuing lacks of materials and delays in shipments.

In each business, local overseas subsidiaries affected by the lockdown in Shanghai in the three months ended June 30, 2022 experienced delays in product shipments due to plant shutdowns and logistics stagnation, but these were improving in the three months ended September 30, 2022. Operating profit increased year on year as a whole. Despite factors such as soaring raw material prices, an increase in fixed costs, mainly personnel costs, and one-time expenses in the Environmental Plant (EP) Business, they were offset by higher sales and improved profitability in the FMS Business and the PM Business, as well as the positive contribution of the yen's depreciation.





As a result, consolidated orders received for the nine months ended September 30, 2022 amounted to ¥594,534 million (an increase of 3.1% year-on-year), revenue amounted to ¥480,054 million (an increase of 14.3% year-on-year), operating profit amounted to ¥42,659 million (an increase of 15.1% year-on-year), and profit attributable to owners of parent amounted to ¥27,294 million (an increase of 11.8% year-on-year). All of them replaced the past highest records.


## Operating Results by Business Segment

Millions of yen

Segment	Orders Received			Revenue			Segment Profit		
	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Change Ratio (%)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Change Ratio (%)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Change Ratio (%)
Fluid Machinery & Systems	258,545	286,673	10.9	237,829	270,247	13.6	15,011	17,658	17.6
Environmental Plants	119,647	76,848	(35.8)	50,002	52,247	4.5	4,101	472	(88.5)
Precision Machinery	197,292	229,952	16.6	130,862	156,487	19.6	18,060	25,581	41.6
Reportable Segment Total	575,484	593,474	3.1	418,694	478,982	14.4	37,174	43,712	17.6
Others	1,336	1,059	(20.7)	1,231	1,072	(13.0)	(96)	(1,062)	—
Adjustment	—	—	—	—	—	—	(26)	9	—
Total	576,821	594,534	3.1	419,926	480,054	14.3	37,050	42,659	15.1

Outline of Business Environment and Situation by Business Segment

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Fluid Machinery & Systems	<p>(Overseas)</p> <ul style="list-style-type: none"> <li>•The oil and gas market is on a recovery trend compared with the same period of the previous fiscal year, and large-scale projects have begun in Saudi Arabia, Qatar, and other countries. Meanwhile, planned projects such as ultra-large petrochemical complexes and the integration and efficiency improvement of an old-fashioned small refinery have been delayed due to CO2 emission adjustments in China.</li> <li>•The water infrastructure market is recovering with movement in China and Southeast Asian projects. Although price competition is severe in North America, renovation projects of aging facilities have resumed.</li> <li>•In the construction equipment market, the trend of curbing investment continues due to rising raw material costs and other factors. China continues to slow down due to the impact of the strengthening of the zero corona policy.</li> </ul> <p>(Japan)</p> <ul style="list-style-type: none"> <li>•In the construction equipment market, the number of construction starts is on a recovery trend.</li> <li>•Investment in social infrastructure upgrades and repairs has been firm.</li> </ul>	<p>(Overseas)</p> <ul style="list-style-type: none"> <li>•Oil-and gas-related orders exceeded those of the same period of the previous fiscal year.</li> <li>•Orders for water infrastructure fell compared to the same period of the previous fiscal year.</li> <li>•Orders for construction equipment exceeded those of the same period of the previous fiscal year.</li> </ul> <p>(Japan)</p> <ul style="list-style-type: none"> <li>•Orders for construction equipment exceeded those of the same period of the previous fiscal year.</li> <li>•Orders from the public sector fell compared to the same period of the previous fiscal year when orders for large-scale projects were received, despite the effects of measures such as the expansion of orders for comprehensive evaluation projects and after-sales services.</li> </ul> 
	<p>(Overseas)</p> <ul style="list-style-type: none"> <li>•In the new product market, some projects are lagging in North America, partly due to the Ukrainian situation and inflation. In China, the trend of slowdown continues due to the heightened uncertainty about the future of the economy. In India and the Middle East, the competitive environment is becoming tougher, as customers are generally cautious about making investment decisions, although there are moves in the petroleum refining and petrochemical markets.</li> <li>•In the service market, many plants are in the period of regular repair, and demand for maintenance, repairs, parts, etc. is firm overall.</li> <li>•The LNG market (cryogenic pump) is recovering as showing movement in some projects.</li> </ul>	<ul style="list-style-type: none"> <li>•Product orders fell compared to the same period of the previous fiscal year due to a review of the timing of orders for some projects.</li> <li>•Orders in the service sector rose compared to the same period of the previous fiscal year due to the ease of mobility restrictions.</li> </ul> 
	<p>(Japan)</p> <ul style="list-style-type: none"> <li>•Domestically, investment is recovering mainly in the industrial market, and equipment renewal projects have resumed. The construction equipment market is also gradually recovering.</li> <li>•In China, capital investment is active in anticipation of carbon decarbonization regulations, but raw material cost hikes are continuing, and there are concerns about electricity shortages and disruptions in logistics.</li> </ul>	<ul style="list-style-type: none"> <li>•Domestic orders increased compared to the same period of the previous fiscal year.</li> <li>•Orders in China increased compared to the same period of the previous fiscal year due to robust orders for products.</li> </ul> 
Environmental Plants (Note 2)	<ul style="list-style-type: none"> <li>•Demand for new construction of waste incineration facilities for the public sector is trending as usual.</li> <li>•Orders for O&amp;M at existing facilities are trending as usual.</li> <li>•Construction of power generation facilities with woody biomass fuel for private companies and industrial waste treatment facilities for treatment of waste plastics and others continues to be in certain demand.</li> </ul>	<ul style="list-style-type: none"> <li>•The Group received orders of 4 large-scale waste treatment facility projects for the public sector. However, it was lower than the same period of the previous fiscal year, when the amount of orders per order was large.</li> </ul> <p>(Overview of large-scale orders received)</p> <ul style="list-style-type: none"> <li>•DBO project of waste incineration facilities for the public sector (1)</li> <li>•Long-term comprehensive agreement for the public sector (2)</li> <li>•Core facility improvement project for the public sector (1)</li> </ul> 

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Precision Machinery	<ul style="list-style-type: none"> <li>Although there are reports that the semiconductor lack caused by the spread of 5G, working from home, and IoT has been resolved in some areas, capital investment by semiconductor manufacturers continues to expand at a high level.</li> </ul>	<ul style="list-style-type: none"> <li>Orders continued to exceed those of the same period of the previous fiscal year on the back of active capital investment by semiconductor manufacturers. </li> <li>Service and support remained firm, and customer plants continue to operate at a high level.</li> </ul>

Note 1: Arrows indicate a year-on-year increase/decrease in orders received:



in the case of +5% or more increase



in the case of -5% or greater decrease



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

Note 2: O&M (Operating & Maintenance) . . . The operation and maintenance of plants

DBO (Design, Build, Operate) . . . The contract for operating and maintenance after construction for a certain period of time, in addition to the engineering, procurement, and construction for plants



## (2) Explanation of Financial Position

### (i) Assets

Total assets as of September 30, 2022 were ¥808,074 million, ¥88,337 million higher than as of December 31, 2021. Principal changes in asset items included a decrease of ¥5,884 million in cash and cash equivalents, an increase of ¥53,623 million in inventories, an increase of ¥21,009 million in goodwill and intangible assets and an increase of ¥7,196 million in tangible assets.

### (ii) Liabilities

Total liabilities as of September 30, 2022 were ¥453,917 million, ¥55,837 million higher than as of December 31, 2021. Principal changes in liability items included an increase of ¥26,573 million in bonds, borrowings and lease liabilities, an increase of ¥12,409 million in trade and other payables and an increase of ¥6,680 million in contract liabilities.

### (iii) Equity

Equity as of September 30, 2022 amounted to ¥354,156 million, ¥32,500 million higher than as of December 31, 2021. Principal changes in equity items included repurchase of treasury shares of ¥19,903 million, dividends paid of ¥18,216 million, profit attributable to owners of parent of ¥27,294 million, and an increase of ¥23,341 million in exchange differences on translation of foreign operations. Total equity attributable to owners of parent amounted to ¥344,384 million, and the ratio of equity attributable to owners of the parent was 42.6%.

### (3) Explanation of Forecast of Consolidated Financial Results

The forecasts for the fiscal year ending December 31, 2022 have been revised, reflecting developments after the previous announcement on August 12, 2022. Orders received is expected to increase in the FMS Business and the PM Business, and revenue is expected to decrease in the PM Business. Operating profit as a whole remains unchanged due to an increase in the FMS Business, despite a decrease mainly in the EP Business and the PM Business. The revised forecast and the revised forecast by business segments are as follows.

Assumptions regarding foreign currency exchange rates have not been revised since the previous announcement as follows: US\$1= ¥125, EUR1= ¥135, RMB1= ¥19

Actual performance may differ from the forecast owing to factors such as changing market environment.

#### Forecast for the Fiscal Year Ending December 31, 2022

	Orders Received	Revenue	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent
Previous Forecast : A	750.5	684.0	67.5	67.6	46.5
Revised Forecast : B	783.5	670.0	67.5	67.6	46.5
Change (B-A)	33.0	(14.0)	—	—	—
(Reference) Fiscal Year Ended December 31, 2021	771.4	603.2	61.3	60.3	43.6

Billions of yen

#### Forecast for the Fiscal Year Ending December 31, 2022 by Business Segment

Segment		Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Others	Total
Previous Forecast : A	Orders Received	372.0	90.0	287.0	1.5	750.5
	Revenue	371.0	71.5	240.0	1.5	684.0
	Operating Profit	27.0	5.0	36.0	(0.5)	67.5
Revised Forecast : B	Orders Received	382.0	90.0	310.0	1.5	783.5
	Revenue	371.0	71.5	226.0	1.5	670.0
	Operating Profit	30.0	3.5	35.0	(1.0)	67.5
Change (B-A)	Orders Received	10.0	—	23.0	—	33.0
	Revenue	—	—	(14.0)	—	(14.0)
	Operating Profit	3.0	(1.5)	(1.0)	(0.5)	—

Billions of yen

## 2. Condensed Consolidated Financial Statements and Primary Notes

### (1) Condensed Consolidated Statement of Financial Position

Millions of yen

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	136,488	130,603
Trade and other receivables	130,121	130,549
Contract assets	86,887	88,666
Inventories	121,389	175,012
Income taxes receivable	605	2,025
Other financial assets	3,267	3,874
Other current assets	21,173	25,648
Total current assets	499,934	556,382
Non-current assets		
Property, plant and equipment	161,392	168,588
Goodwill and intangible assets	23,204	44,214
Investments accounted for using the equity method	7,153	7,414
Deferred tax assets	12,665	14,565
Other financial assets	6,241	6,918
Other non-current assets	9,144	9,991
Total non-current assets	219,801	251,691
Total assets	719,736	808,074

	Millions of yen	
	As of December 31, 2021	As of September 30, 2022
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	162,558	174,968
Contract liabilities	49,771	56,451
Bonds, borrowings and lease liabilities	56,578	81,098
Income taxes payable	6,337	5,953
Provisions	14,769	15,456
Other financial liabilities	98	735
Other current liabilities	37,243	43,809
<b>Total current liabilities</b>	<b>327,357</b>	<b>378,472</b>
<b>Non-current liabilities</b>		
Bonds, borrowings and lease liabilities	55,467	57,521
Retirement benefit liability	8,413	10,262
Provisions	2,488	2,595
Deferred tax liabilities	402	1,647
Other financial liabilities	123	131
Other non-current liabilities	3,829	3,286
<b>Total non-current liabilities</b>	<b>70,723</b>	<b>75,445</b>
<b>Total liabilities</b>	<b>398,080</b>	<b>453,917</b>
<b>Equity</b>		
Share capital	79,643	79,798
Capital surplus	76,566	76,602
Retained earnings	171,720	160,344
Treasury shares	(20,189)	(291)
Other components of equity	4,569	27,931
<b>Total equity attributable to owners of parent</b>	<b>312,310</b>	<b>344,384</b>
Non-controlling interests	9,345	9,771
<b>Total equity</b>	<b>321,655</b>	<b>354,156</b>
<b>Total liabilities and equity</b>	<b>719,736</b>	<b>808,074</b>

**(2) Condensed Consolidated Statement of Income and Condensed Consolidated Statement of Comprehensive Income**

**Condensed Consolidated Statement of Income**

For the Nine Months Ended September 30, 2021 and 2022

	Millions of yen	
	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022
Revenue	419,926	480,054
Cost of sales	296,989	336,907
Gross profit	122,937	143,147
Selling, general and administrative expenses	86,312	99,451
Other income	820	792
Other expenses	394	1,829
Operating profit	37,050	42,659
Finance income	391	695
Finance costs	1,076	1,765
Share of profit (loss) of investments accounted for using the equity method	888	960
Profit before tax	37,252	42,549
Income tax expense	10,444	13,413
Profit	26,808	29,135
Profit (loss) attributable to		
Owners of parent	24,414	27,294
Non-controlling interests	2,393	1,841
Earnings per share		
Basic earnings per share(Yen)	257.80	296.61
Basic earnings per share, diluted(Yen)	257.02	295.90

For the Three Months Ended September 30, 2021 and 2022

Millions of yen

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2022
Revenue	145,772	167,635
Cost of sales	104,679	117,228
Gross profit	41,092	50,406
Selling, general and administrative expenses	28,830	34,196
Other income	175	373
Other expenses	73	1,107
Operating profit	12,363	15,475
Finance income	(148)	(198)
Finance costs	475	859
Share of profit (loss) of investments accounted for using the equity method	10	(45)
Profit before tax	11,750	14,371
Income tax expense	3,428	4,494
Profit	8,322	9,876
Profit attributable to		
Owners of parent	7,625	9,228
Non-controlling interests	696	647
Earnings per share		
Basic earnings per share	81.43	100.27
Basic earnings per share, diluted	81.21	100.03

## Condensed Consolidated Statement of Comprehensive Income

For the Nine Months Ended September 30, 2021 and 2022

Millions of yen

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022
Profit	26,808	29,135
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair value through other comprehensive income	(27)	0
Share of other comprehensive income of investments accounted for using the equity method	15	5
Total of items that will not be reclassified to profit or loss	(12)	5
Items that may be reclassified to profit or loss		
Cash flow hedges	76	3
Exchange differences on translation of foreign operations	6,265	24,095
Total of items that may be reclassified to profit or loss	6,341	24,098
Total other comprehensive income, net of tax	6,329	24,104
Total comprehensive income	33,137	53,240
Comprehensive income attributable to		
Owners of parent	30,323	50,644
Non-controlling interests	2,814	2,595

For the Three Months Ended September 30, 2021 and 2022

Millions of yen

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2022
Profit	8,322	9,876
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	(22)	(22)
Share of other comprehensive income of investments accounted for using the equity method	30	8
Total of items that will not be reclassified to profit or loss	7	(13)
Items that may be reclassified to profit or loss		
Cash flow hedges	11	1
Exchange differences on translation of foreign operations	479	1,636
Total of items that may be reclassified to profit or loss	491	1,637
Total other comprehensive income, net of tax	498	1,623
Total comprehensive income	8,820	11,500
Comprehensive income attributable to		
Owners of parent	8,053	10,886
Non-controlling interests	767	613



**(3) Condensed Consolidated Statement of Changes in Equity**  
**For the Nine Months Ended September 30, 2021**

Millions of yen

	Equity attributable to owners of parent								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Other components of equity			
						Net change in financial assets measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans	
As of January 1, 2021	79,451	75,987	136,629	(178)	(1,746)	(520)	(56)	—	
Changes during the period									
Comprehensive income									
Profit	—	—	24,414	—	—	—	—	—	
Other comprehensive income	—	—	—	—	5,843	(12)	76	—	
Total comprehensive income	—	—	24,414	—	5,843	(12)	76	—	
Transactions with owners									
Dividends	—	—	(10,455)	—	—	—	—	—	
Purchase of treasury shares	—	—	(8)	(12,406)	—	—	—	—	
Disposal of treasury shares	—	0	—	0	—	—	—	—	
Share-based payment transactions	186	158	—	—	—	—	—	—	
Change in scope of consolidation	—	—	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	(16)	—	—	16	—	—	
Total transactions with owners	186	158	(10,480)	(12,406)	—	16	—	—	
As of September 30, 2021	79,637	76,145	150,563	(12,585)	4,096	(516)	19	—	

Millions of yen

	Equity attributable to owners of parent		Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Equity attributable to owners of parent	Total other components of equity			
As of January 1, 2021		(2,324)	289,564	7,312	296,877
Changes during the period					
Comprehensive income					
Profit		—	24,414	2,393	26,808
Other comprehensive income		5,908	5,908	421	6,329
Total comprehensive income		5,908	30,323	2,814	33,137
Transactions with owners					
Dividends		—	(10,455)	(1,326)	(11,781)
Purchase of treasury shares		—	(12,415)	—	(12,415)
Disposal of treasury shares		—	0	—	0
Share-based payment transactions		—	344	—	344
Change in scope of consolidation		—	—	0	0
Transfer from other components of equity to retained earnings		16	—	—	—
Total transactions with owners		16	(22,526)	(1,325)	(23,851)
As of September 30, 2021		3,599	297,361	8,801	306,163

**For the Nine Months Ended September 30, 2022**

Millions of yen

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
					Exchange differences on translation of foreign operations	Net change in financial assets measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans
As of January 1, 2022	79,643	76,566	171,720	(20,189)	4,179	351	38	—
Hyperinflation adjustment	—	—	(539)	—	—	—	—	—
Adjusted beginning balance	79,643	76,566	171,180	(20,189)	4,179	351	38	—
Changes during the period								
Comprehensive income								
Profit	—	—	27,294	—	—	—	—	—
Other comprehensive income	—	—	—	—	23,341	5	3	—
Total comprehensive income	—	—	27,294	—	23,341	5	3	—
Transactions with owners								
Dividends	—	—	(18,216)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(5)	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—
Cancellation of treasury shares	—	(0)	(19,902)	19,903	—	—	—	—
Share-based payment transactions	154	41	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Acquisition of non-controlling interests	—	(4)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(11)	—	—	11	—	—
Total transactions with owners	154	36	(38,130)	19,897	—	11	—	—
As of September 30, 2022	79,798	76,602	160,344	(291)	27,520	369	41	—

Millions of yen

	Equity attributable to owners of parent	Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Total other components of equity			
As of January 1, 2022	4,569	312,310	9,345	321,655
Hyperinflation adjustment	—	(539)	—	(539)
Adjusted beginning balance	4,569	311,770	9,345	321,116
Changes during the period				
Comprehensive income				
Profit	—	27,294	1,841	29,135
Other comprehensive income	23,350	23,350	754	24,104
Total comprehensive income	23,350	50,644	2,595	53,240
Transactions with owners				
Dividends	—	(18,216)	(2,167)	(20,383)
Purchase of treasury shares	—	(5)	—	(5)
Disposal of treasury shares	—	0	—	0
Cancellation of treasury shares	—	—	—	—
Share-based payment transactions	—	196	—	196
Change in scope of consolidation	—	—	0	0
Acquisition of non-controlling interests	—	(4)	(2)	(7)
Transfer from other components of equity to retained earnings	11	—	—	—
Total transactions with owners	11	(18,030)	(2,169)	(20,199)
As of September 30, 2022	27,931	344,384	9,771	354,156

#### (4) Condensed Consolidated Statement of Cash Flows

Millions of yen

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022
Cash flows from operating activities		
Profit before tax	37,252	42,549
Depreciation and amortization	16,024	17,352
Impairment loss	85	351
Interest and dividend income	(266)	(370)
Interest expenses	919	1,541
Foreign exchange loss (gain)	1,632	3,949
Share of loss (profit) of investments accounted for using the equity method	(888)	(960)
Loss (gain) on sales of fixed assets	(43)	(65)
Decrease (increase) in trade and other receivables	18,435	7,450
Decrease (increase) in contract assets	6,351	3,458
Decrease (increase) in inventories	(19,317)	(45,744)
Increase (decrease) in trade and other payables	5,205	3,976
Increase (decrease) in contract liabilities	9,748	3,511
Increase (decrease) in provisions	374	538
Increase / decrease in retirement benefit assets and liabilities	(643)	917
Other	(639)	760
Subtotal	74,232	39,217
Interest received	254	363
Dividend received	1,122	713
Interest paid	(834)	(1,205)
Income taxes paid	(9,657)	(15,783)
Net cash provided by operating activities	65,117	23,305
Cash flows from investing activities		
Payments into time deposits	(3,853)	(5,222)
Proceeds from withdrawal of time deposits	3,955	5,059
Purchase of investment securities	(20)	(325)
Proceeds from sales and redemption of investment securities	12	193
Purchase of property, plant and equipment, and intangible assets	(20,839)	(17,641)
Proceeds from sale of property, plant and equipment	127	227
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(10,375)	(14,526)
Other	(2,201)	12
Net cash used in investing activities	(33,194)	(32,221)

Millions of yen

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	9,607	21,138
Proceeds from long-term borrowings	4,222	858
Repayments of long-term borrowings	(4,780)	(4,789)
Repayments of lease liabilities	(2,954)	(2,982)
Proceeds from issuance of common shares	0	0
Purchase of treasury shares	(12,415)	(5)
Dividends paid	(10,455)	(18,216)
Dividends paid to non-controlling interests	(1,326)	(2,167)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(7)
Other	0	1
Net cash used in financing activities	(18,102)	(6,170)
Effect of exchange rate changes on cash and cash equivalents	2,783	9,242
Hyperinflation adjustment	—	(40)
Net increase (decrease) in cash and cash equivalents	16,604	(5,884)
Cash and cash equivalents at beginning of period	120,544	136,488
Cash and cash equivalents at end of period	137,148	130,603

## (5) Notes to Condensed Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Segment Information)

The Company finalized the provisional accounting treatment for business combinations. Financial results for the nine months ended September 30, 2021 reflect the finalization of the provisional accounting treatment.

Nine Months Ended September 30, 2021

Millions of yen

	Reportable Segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Revenue								
Customers	237,829	50,002	130,862	418,694	1,231	419,926	—	419,926
Intersegment and Transfers	448	37	3	489	1,737	2,226	(2,226)	—
Total	238,278	50,040	130,865	419,183	2,969	422,152	(2,226)	419,926
Segment Profit (Loss)	15,011	4,101	18,060	37,174	(96)	37,077	(26)	37,050
Finance Income								391
Finance Costs								1,076
Share of Profit (Loss) of Investments Accounted for Using the Equity Method								888
Profit before Tax								37,252

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

Note 2: The “Adjustment” item for segment profit (loss) shows eliminations of intersegment transactions.

Note 3: Segment profit (loss) has been adjusted with operating profit in the condensed consolidated statement of income.

Nine Months Ended September 30, 2022

Millions of yen

	Reportable Segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Revenue								
Customers	270,247	52,247	156,487	478,982	1,072	480,054	—	480,054
Intersegment and Transfers	447	68	0	516	1,662	2,178	(2,178)	—
Total	270,694	52,315	156,487	479,498	2,734	482,232	(2,178)	480,054
Segment Profit (Loss)	17,658	472	25,581	43,712	(1,062)	42,650	9	42,659
Finance Income								695
Finance Costs								1,765
Share of Profit (Loss) of Investments Accounted for Using the Equity Method								960
Profit before tax								42,549

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

Note 2: The “Adjustment” item for segment profit (loss) shows eliminations of intersegment transactions.

Note 3: Segment profit (loss) has been adjusted with operating profit in the condensed consolidated statement of income.

(Additional Information)

The spread of COVID-19 continues worldwide. It is still a major threat, and the situation remains unpredictable. On the other hand, the trend toward the coexistence of infectious prevention and economic activities, called “with Corona”, is becoming more active, and demand for social and industrial infrastructures is recovering.

In the previous fiscal year, our accounting estimates were based on the assumption that the business environment maintains its stability with limited impact of COVID-19 to the Group's business. There are no major changes to this assumption.

However, if the impact of the spread of COVID-19 diverges from this assumption, the Group's financial position and financial results may be affected.

(Significant Subsequent Events)

(Issuance of bonds)

The Company has issued the 11th and 12th series of unsecured bonds on October 14, 2022 as follows based on a resolution at the Board of Directors meeting held on September 14, 2022.

1. EBARA CORPORATION 11th Unsecured Bond (with limited inter-bond pari passu clause)

- (1) Total issue amount: ¥5,000 million
- (2) Issue price: ¥100 per amount of ¥100 of each bond
- (3) Coupon rate: 0.240% per annum
- (4) Closing date: October 14, 2022
- (5) Maturity date: October 14, 2025
- (6) Maturity method: bullet repayment on the maturity date
- (7) Use of proceeds: to be used for redemption of 9th unsecured bonds, and capital investment

2. EBARA CORPORATION 12th Unsecured Bond (with limited inter-bond pari passu clause)

- (1) Total issue amount: ¥15,000 million
- (2) Issue price: ¥100 per amount of ¥100 of each bond
- (3) Coupon rate: 0.435% per annum
- (4) Closing date: October 14, 2022
- (5) Maturity date: October 14, 2027
- (6) Maturity method: bullet repayment on the maturity date
- (7) Use of proceeds: to be used for redemption of 9th unsecured bonds, and capital investment

### 3. Others

#### (1) Litigation and Others

(Progress of Dispute Regarding Fire Accident at Bulky Waste Treatment Facility at the Gifu City Eastern Clean Center)

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

Regarding this incident, while the Company had been discussing with Gifu City the compensation for related damages, a lawsuit against EEP was filed by Gifu City at the Gifu District Court on January 31, 2019 claiming compensation for damages of ¥4,362 million and late charges for such compensation. Afterwards, Gifu City amended its amount of the compensation claim for damages to ¥4,474 million and late charges for such compensation on July 22, 2019 (received on July 25, 2019).

On July 17, 2020, the amount of the compensation claim for damages was amended to ¥4,582 million and late charges for such compensation (received on July 20, 2020), and on August 10, 2021, the compensation claim for damages was amended to ¥4,692 million and late charges for such compensation (received on August 25, 2021).

At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated financial results.



## (2) Segment Information

The Company finalized the provisional accounting treatment for business combinations. Financial results for the nine months ended September 30, 2021 reflect the finalization of the provisional accounting treatment.

Business Segment

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

(i) Actual Results and Forecast of Orders Received, Revenue, Operating Profit, and Backlog of Orders Received by Business Segment

Billions of yen

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022			Fiscal Year Ending December 31, 2022
	Actual	Actual	Change	Change Ratio (%)	Forecast
Orders Received					
Pumps	149.8	172.6	22.8	15.2	220.0
Compressors & Turbines	67.6	65.2	(2.4)	(3.5)	100.0
Chillers	31.7	38.2	6.5	20.7	45.0
Others	9.3	10.4	1.1	12.4	17.0
Total of FMS	258.5	286.6	28.1	10.9	382.0
EP	119.6	76.8	(42.7)	(35.8)	90.0
PM	197.2	229.9	32.6	16.6	310.0
Others	1.3	1.0	(0.2)	(20.7)	1.5
Total	576.8	594.5	17.7	3.1	783.5
Revenue					
Pumps	137.0	147.2	10.2	7.5	210.0
Compressors & Turbines	62.2	77.0	14.7	23.7	105.0
Chillers	28.4	36.5	8.1	28.5	45.0
Others	10.0	9.3	(0.6)	(6.5)	11.0
Total of FMS	237.8	270.2	32.4	13.6	371.0
EP	50.0	52.2	2.2	4.5	71.5
PM	130.8	156.4	25.6	19.6	226.0
Others	1.2	1.0	(0.1)	(13.0)	1.5
Total	419.9	480.0	60.1	14.3	670.0
Operating Profit					
Pumps	10.5	11.8	1.2	11.8	15.0
Compressors & Turbines	3.1	5.0	1.8	60.0	12.0
Chillers	0.9	1.0	0.1	12.4	2.1
Others & Adjustment	0.3	(0.2)	(0.6)	—	0.9
Total of FMS	15.0	17.6	2.6	17.6	30.0
EP	4.1	0.4	(3.6)	(88.5)	3.5
PM	18.0	25.5	7.5	41.6	35.0
Others & Adjustment	(0.1)	(1.0)	(0.9)	—	(1.0)
Total	37.0	42.6	5.6	15.1	67.5
Backlog of Orders Received					
Pumps	107.0	140.2	33.1	31.0	111.4
Compressors & Turbines	89.4	108.9	19.4	21.7	96.2
Chillers	17.1	16.2	(0.8)	(5.2)	13.7
Others	8.5	9.0	0.4	5.8	13.8
Total of FMS	222.2	274.4	52.2	23.5	235.3
EP	296.9	310.4	13.5	4.6	303.7
PM	114.4	228.1	113.6	99.3	225.7
Others	0.1	0.1	0.0	33.5	0.1
Total	633.7	813.2	179.4	28.3	765.0

(ii) Actual Results and Forecast of Orders Received and Revenue in the Precision Machinery Business Segment

Billions of yen

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2022			Fiscal Year Ending December 31, 2022
	Actual	Actual	Change	Change Ratio (%)	Forecast
Orders Received					
Components	73.8	92.0	18.2	24.7	120.0
CMP Systems	118.2	133.0	14.8	12.6	183.0
Others	5.2	4.8	(0.3)	(7.4)	7.0
Total of PM	197.2	229.9	32.6	16.6	310.0
Revenue					
Components	57.2	73.1	15.8	27.7	107.0
CMP Systems	69.1	79.0	9.9	14.3	113.0
Others	4.4	4.2	(0.1)	(4.1)	6.0
Total of PM	130.8	156.4	25.6	19.6	226.0

### (3) Area Information

(i) Geographical Segment . . . Compiled on the basis of the geographical location of the Company reporting the revenue

Billions of yen

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2022		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	230.2	54.8	237.7	49.5	7.4
North America	59.9	14.3	84.7	17.6	24.8
Asia (except Japan)	98.7	23.5	115.8	24.1	17.0
Others	30.9	7.4	41.7	8.7	10.8
Total	419.9	100.0	480.0	100.0	60.1
Operating Profit					
Japan	13.7		18.5		4.8
North America	6.0		8.1		2.0
Asia (except Japan)	14.2		13.5		(0.7)
Others	3.3		5.5		2.2
Adjustment	(0.3)		(3.0)		(2.7)
Total	37.0		42.6		5.6

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

Billions of yen

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2022		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	179.2	42.7	178.5	37.2	(0.6)
China	78.8	18.8	83.5	17.4	4.7
Other Asia	78.3	18.7	90.4	18.9	12.1
North America	31.5	7.5	41.4	8.6	9.9
Europe	24.7	5.9	43.0	9.0	18.2
Middle East	13.9	3.3	21.8	4.5	7.8
Others	13.2	3.2	21.0	4.4	7.7
Total	419.9	100.0	480.0	100.0	60.1