

November 8, 2013

Consolidated Financial Summary for the second quarter ended September 30, 2013

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This release contains forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those projected.

Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.

Ebara Corporation undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

EBARA CORPORATION

Consolidated Financial Summary for the second quarter ended September 30, 2013

1. Summary

Billions of Yen

	Fiscal year ended March 31, 2012		Fiscal year ended March 31, 2013		Fiscal year ending March 31, 2014		2nd quarter ended September 30, 2012		2nd quarter ended September 30, 2013	
	Actual	Change	Actual	Change	forecast	Change	Actual	Change	Actual	Change
Statements of Income		%		%		%		%		%
Net Sales	412.0	2.6	426.3	3.5	422.0	(1.0)	163.6	(7.0)	174.8	6.8
Operating Income	23.2	(26.2)	25.0	7.8	29.0	15.6	1.1	(61.8)	0.2	(81.8)
Ordinary Income	21.0	(26.7)	25.6	21.7	28.0	9.1	0.5	235.5	(0.0)	-
Net Income	2.8	(89.7)	15.3	429.6	15.0	(2.0)	(1.0)	-	(1.6)	-
Statements of Cash Flows										
Cash flows from operating activities	12.5		34.0		30.0		24.1		16.3	
Cash flows from investing activities	(8.8)		(33.1)		(16.0)		(6.6)		11.2	
Cash flows from financing activities	(19.9)		3.2		(26.3)		(18.7)		(27.6)	
Cash and cash equivalents (at the end of period)	87.2		93.7		81.4		86.2		95.8	
Balance Sheets (at the end of period)										
Total assets	488.9	(3.7)	504.5	3.2			439.4	(4.5)	456.3	3.8
Interest-bearing debt	143.6	(10.5)	138.9	(3.3)			127.2	(7.5)	113.7	(10.6)
(Lease liabilities of above)	1.5	16.4	1.5	(2.4)			1.8	18.0	1.4	(21.8)
Shareholder's Equity (*1)	151.0	(0.6)	186.8	23.7			147.3	(1.5)	191.2	29.8
Retained earnings	41.7	2.4	53.8	29.1			38.5	0.2	51.1	32.7
Management Indicator										
Return on Invested Capital (ROIC) (*2)	1.0 %		4.9 %							
Operating Income on Sales Ratio	5.6 %		5.9 %							
Return on Equity (ROE) (*3)	1.9 %		9.1 %							
Debt/Equity Ratio	1.0		0.7							
(at the end of period) (*4)										
Equity Ratio	30.9 %		37.0 %							
Per share data										
Net Income per share	6.85 yen		35.93 yen							
Cash Dividends per share of common stock(Annual)	5.00 yen		5.00 yen							
Net assets per share (at the end of period)	357.79 yen		402.41 yen							

(*1) Shareholder's Equity = Net Assets—Subscription Rights to Shares—Minority Interests

(*2) ROIC = Net Income / (Interest-bearing debt(Average between beginning and end of period) + Shareholder's Equity(Average between beginning and end of period))

(*3) ROE = Net Income / Shareholder's Equity(Average between beginning and end of period)

(*4) Debt/Equity Ratio = Interest-bearing debt(at the end of the period) / Shareholder's Equity(at the end of the period)

2. Area Information

(1) Geographical Segment ··· Compiled on the basis of the geographical location of the company reporting the sales

Billions of Yen

	Fiscal year ended March 31, 2012		Fiscal year ended March 31, 2013		2nd quarter ended September 30, 2012		2nd quarter ended September 30, 2013		
	Actual	Composition	Actual	Composition	Actual	Composition	Actual	Composition	Change
Net Sales		%		%		%		%	
Japan	308.6	74.9	276.2	64.8	110.2	67.3	106.8	61.1	(3.3)
North America	55.9	13.6	86.4	20.3	28.3	17.3	36.6	21.0	8.3
Others	47.4	11.5	63.5	14.9	25.1	15.3	31.2	17.9	6.1
Total	412.0	100.0	426.3	100.0	163.6	100.0	174.8	100.0	11.1
Operating Income									
Japan	11.4	49.2	9.4	37.8	(4.2)	(366.8)	(5.2)	(2,473.8)	(0.9)
North America	5.8	25.1	7.5	30.1	1.3	116.5	1.8	869.4	0.4
Others	6.8	29.3	9.0	36.0	3.6	316.3	3.5	1,653.0	(0.1)
Elimination	(0.8)	(3.6)	(0.9)	(3.9)	0.3	34.0	0.1	51.4	(0.2)
Total	23.2	100.0	25.0	100.0	1.1	100.0	0.2	100.0	(0.9)

(2) Regional Segment ··· Compiled on the basis of the geographical location where the goods are sold

Billions of Yen

	Fiscal year ended March 31, 2012		Fiscal year ended March 31, 2013		2nd quarter ended September 30, 2012		2nd quarter ended September 30, 2013		
	Actual	Composition	Actual	Composition	Actual	Composition	Actual	Change	Change
Net Sales		%		%		%		%	
Japan	230.8	56.0	210.5	49.4	76.9	47.0	79.9	45.7	3.0
Asia (except Japan)	99.4	24.1	117.1	27.5	51.7	31.6	49.1	28.1	(2.6)
North America	36.0	8.8	45.6	10.7	16.4	10.0	22.0	12.6	5.6
Europe	25.0	6.1	25.2	5.9	8.8	5.4	13.1	7.5	4.2
Middle East	12.1	3.0	14.8	3.5	4.7	2.9	6.0	3.5	1.3
Others	8.4	2.0	12.9	3.0	4.9	3.0	4.4	2.5	(0.4)
Total	412.0	100.0	426.3	100.0	163.6	100.0	174.8	100.0	11.1

3. Segment Information

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering, PM = Precision Machinery

(1) Orders received, Sales, and Operating Income

Billions of Yen

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ending March 31, 2014		2nd quarter ended September 30, 2012	2nd quarter ended September 30, 2013	
			Actual	Forecast		Change	Actual
Orders received							
Reportable segments							
FMS	278.1	297.9	333.0	35.0	134.6	172.5	37.9
EE	51.2	66.6	100.0	33.3	25.3	85.8	60.5
PM	61.7	62.2	62.0	(0.2)	28.2	27.2	(0.9)
Others	3.7	1.6	2.0	0.3	0.0	0.8	0.8
Total	394.9	428.5	497.0	68.4	188.2	286.5	98.2
Sales							
Reportable segments							
FMS	286.0	305.5	310.0	4.4	114.4	128.4	14.0
EE	50.1	52.4	48.0	(4.4)	15.5	17.9	2.3
PM	68.3	66.5	62.0	(4.5)	32.7	27.5	(5.2)
Others	7.4	1.7	2.0	0.2	0.8	0.8	(0.0)
Total	412.0	426.3	422.0	(4.3)	163.6	174.8	11.1
Operating Income							
Reportable segments							
FMS	15.5	15.9	20.0	4.0	(2.0)	(0.8)	1.1
EE	0.3	5.1	5.0	(0.1)	1.1	1.3	0.1
PM	6.5	3.3	4.0	0.6	1.6	(0.5)	(2.2)
Others & adjustment	0.7	0.6	-	(0.6)	0.3	0.3	(0.0)
Total	23.2	25.0	29.0	3.9	1.1	0.2	(0.9)
Backlog of Orders received							
Reportable segments							
FMS	147.1	153.8	176.8	23.0	172.6	202.6	30.0
EE	89.9	104.1	156.1	52.0	99.7	173.4	73.7
PM	12.1	8.2	8.2	-	7.6	8.7	1.1
Others	0.0	-	-	-	0.0	0.0	0.0
Total	249.2	266.2	341.2	75.0	280.0	384.8	104.8

(2) Research and Development expenses, Capital Expenditures and Depreciation and Amortization expenses

Billions of Yen

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ending March 31, 2014		2nd quarter ended September 30, 2012	2nd quarter ended September 30, 2013	
			Actual	Forecast		Change	Actual
Research and Development expenses							
Reportable segments							
FMS	2.7	3.2	3.6	0.3	1.4	1.9	0.4
EE	0.0	0.1	0.2	0.0	0.0	0.0	(0.0)
PM	0.9	1.5	2.7	1.1	0.7	1.1	0.3
Others & adjustment	-	-	-	-	-	-	-
Total	3.8	5.0	6.5	1.4	2.3	3.1	0.8
Capital Expenditures							
Reportable segments							
FMS	7.2	6.8	6.8	(0.0)	3.0	3.5	0.4
EE	0.4	0.3	0.4	0.0	0.2	0.3	0.1
PM	2.9	2.4	3.6	1.1	1.1	1.3	0.2
Others & adjustment	1.6	2.5	8.7	6.1	1.1	2.2	1.1
Total	12.3	12.3	19.5	7.1	5.5	7.4	1.9
Depreciation and Amortization expenses							
Reportable segments							
FMS	8.5	8.2	8.5	0.2	3.7	3.7	0.0
EE	0.3	0.3	0.3	(0.0)	0.1	0.1	0.0
PM	3.2	2.9	3.5	0.5	1.3	1.2	(0.0)
Others & adjustment	0.5	0.8	1.7	0.8	0.3	0.5	0.1
Total	12.7	12.3	14.0	1.6	5.6	5.7	0.0

(3) Employees

Numbers

	As of	As of		As of	As of
	March 31, 2012	March 31, 2013	Change		
	Numbers	Numbers	Change	Numbers	Change
Employees					
Reportable segments					
FMS	10,334	10,571	237	10,478	10,224
EE	2,066	2,238	172	2,142	2,569
PM	1,642	1,665	23	1,662	1,677
Others & Corporate	653	696	43	694	682
Total	14,695	15,170	475	14,976	15,152
Ebara Corporation	2,713	4,109	1,396	4,140	4,032
Domestic consolidated subsidiaries	5,166	3,797	(1,369)	3,752	3,828
Overseas consolidated subsidiaries	6,816	7,264	448	7,084	7,292

*While the number of employees of Ebara Corporation increased, that of domestic consolidated subsidiaries decreased between March 31, 2012 and March 31, 2013. This is mainly because Ebara Corporation absorbed Ebara Techno-serve Co. Ltd., Ebara Yoshikura Hydro-tech Co. Ltd. and Ebara Environmental Technologies Hokkaido Co. Ltd., which were consolidated subsidiaries, as of April 1, 2012.

4. Statements of Cash Flows

Billions of Yen

	Fiscal year ended	Fiscal year ended	Fiscal year ending	2nd quarter ended	2nd quarter ended
	March 31, 2012	March 31, 2013	March 31, 2014	September 30, 2012	September 30, 2013
	Actual	Actual	Forecast	Actual	Actual
Cash flows from operating activities					
Income before income taxes	10.8	23.8	27.0	0.0	(0.2)
Depreciation and amortization	12.7	12.3	14.0	5.6	5.7
Loss (gain) on sales of fixed assets	(0.0)	0.1	-	0.1	(0.0)
Loss (gain) on sales of securities and investment securities	(0.5)	(0.0)	-	0.0	(0.0)
Increase (decrease) in provision and others	(3.7)	(13.5)	-	(2.7)	(0.3)
Increase/decrease of operating assets and liabilities					
Trade receivables	(2.8)	8.6	}	52.5	48.1
Inventories	(3.3)	5.9		(5.8)	(4.6)
Trade payables	8.6	(11.4)		(25.8)	(26.2)
Income taxes paid	(6.4)	(5.8)	(7.0)	(2.3)	(3.1)
Others	(2.6)	13.8	(4.0)	2.4	(2.8)
Net cash provided by (used in) operating activities	12.5	34.0	30.0	24.1	16.3
Cash flows from investing activities					
Purchase of fixed assets	(10.1)	(11.8)	(19.5)	(5.1)	(7.2)
Proceeds from sales of fixed assets	0.2	0.0	-	0.0	0.0
Other Investments	1.0	(21.3)	3.5	(1.4)	18.4
Net cash provided by (used in) investing activities	(8.8)	(33.1)	(16.0)	(6.6)	11.2
Free Cash Flows	3.7	0.8	14.0	17.4	27.6
Cash flows from financing activities					
Proceeds from bank loans	23.5	8.8	}	3.2	2.9
Repayment of bank loans	(20.4)	(35.5)		(19.5)	(8.8)
Proceeds from issuance of bonds	-	20.0	-	-	-
Redemption of bonds	(20.0)	-	(20.0)	-	(20.0)
Proceeds from issuance of common stock	0.0	14.5	-	0.0	0.0
Dividends paid	(2.1)	(3.1)	(2.3)	(2.1)	(1.1)
Dividends paid to minority shareholders' in consolidated subsidiaries	(0.6)	(0.7)	-	(0.0)	(0.0)
Purchase and disposal of treasury stock	(0.0)	(0.0)	-	(0.0)	(0.0)
Others	(0.3)	(0.6)	-	(0.3)	(0.3)
Net cash provided by (used in) financing activities	(19.9)	3.2	(26.3)	(18.7)	(27.6)
Translation adjustments	(0.7)	2.3	-	0.2	2.0
Total Cash Flows	(17.0)	6.4	(12.3)	(1.0)	2.0
Cash and cash equivalents					
At the beginning of the period	104.0	87.2	93.7	87.2	93.7
Increase (decrease) resulting from change of scope of consolidation	0.3	-	-	-	0.0
At the end of the period	87.2	93.7	81.4	86.2	95.8
*Information on Interest-bearing debt					
Short term debt	80.0	86.6	60.8	89.3	67.8
Long term debt	63.5	52.2	54.1	37.8	45.8
Total Interest-bearing debt	143.6	138.9	114.9	127.2	113.7

5. Sales and Orders by Subsegment

Business segment

FMS = Fluid Machinery & Systems, EE = Environmental Engineering, PM = Precision Machinery

(1) Orders received

Billions of Yen

	Fiscal year ended	Fiscal year ending			2nd quarter ended	2nd quarter ended		
	March 31, 2013	March 31, 2014			September 30, 2012	September 30, 2013		
	Actual	Forecast	Change	Change Ratio	Actual	Actual	Change	Change Ratio
FMS				(%)				(%)
Pumps	150.9	160.0	9.0	6.0	71.9	84.8	12.8	17.9
Compressors & Turbines	91.2	118.0	26.7	29.3	37.0	59.1	22.1	59.7
The amount except the effect of the change in the closing date*	81.3	-	-	-	-	-	-	-
Chillers	35.3	35.0	(0.3)	(1.1)	16.8	18.1	1.3	7.8
Others	20.3	20.0	(0.3)	(1.7)	8.7	10.3	1.5	18.0
Total of FMS	297.9	333.0	35.0	11.7	134.6	172.5	37.9	28.2
The amount except the effect of the change in the closing date*	288.0	-	-	-	-	-	-	-
EE								
Environmental plants	66.6	100.0	33.3	50.1	25.3	85.8	60.5	238.8
Total of EE	66.6	100.0	33.3	50.1	25.3	85.8	60.5	238.8
PM								
Components	23.5	27.0	3.4	14.6	11.0	13.9	2.8	25.9
CMP systems	34.2	31.0	(3.2)	(9.5)	15.5	10.5	(4.9)	(32.0)
Others	4.4	4.0	(0.4)	(9.3)	1.5	2.6	1.1	74.6
Total of PM	62.2	62.0	(0.2)	(0.3)	28.2	27.2	(0.9)	(3.5)
Others	1.6	2.0	0.3	17.8	0.0	0.8	0.8	1,424.7
Total of Others	1.6	2.0	0.3	17.8	0.0	0.8	0.8	1,424.7
Total	428.5	497.0	68.4	16.0	188.2	286.5	98.2	52.2
The amount except the effect of the change in the closing date*	418.6	-	-	-	-	-	-	-

(2) Sales

Billions of Yen

	Fiscal year ended	Fiscal year ending			2nd quarter ended	2nd quarter ended		
	March 31, 2013	March 31, 2014			September 30, 2012	September 30, 2013		
	Actual	Forecast	Change	Change ratio	Actual	Actual	Change	Change Ratio
FMS				(%)				(%)
Pumps	149.6	155.0	5.3	3.6	59.3	62.7	3.4	5.8
Compressors & Turbines	102.1	100.0	(2.1)	(2.1)	33.3	42.8	9.5	28.5
The amount except the effect of the change in the closing date*	89.6	-	-	-	-	-	-	-
Chillers	33.7	35.0	1.2	3.8	13.9	13.7	(0.2)	(1.9)
Others	20.0	20.0	(0.0)	(0.4)	7.8	9.1	1.3	17.1
Total of FMS	305.5	310.0	4.4	1.4	114.4	128.4	14.0	12.2
The amount except the effect of the change in the closing date*	293.0	-	-	-	-	-	-	-
EE								
Environmental plants	52.4	48.0	(4.4)	(8.6)	15.5	17.9	2.3	15.4
Total of EE	52.4	48.0	(4.4)	(8.6)	15.5	17.9	2.3	15.4
PM								
Components	23.7	26.0	2.2	9.3	11.0	12.7	1.7	15.7
CMP systems	36.9	31.0	(5.9)	(16.1)	19.2	10.9	(8.3)	(43.2)
Others	5.7	5.0	(0.7)	(13.4)	2.4	3.8	1.3	55.6
Total of PM	66.5	62.0	(4.5)	(6.8)	32.7	27.5	(5.2)	(16.0)
Others	1.7	2.0	0.2	16.5	0.8	0.8	(0.0)	(1.9)
Total of Others	1.7	2.0	0.2	16.5	0.8	0.8	(0.0)	(1.9)
Total	426.3	422.0	(4.3)	(1.0)	163.6	174.8	11.1	6.8
The amount except the effect of the change in the closing date*	413.7	-	-	-	-	-	-	-

*Previously, the account closing date of Elliott company and its 11 subsidiaries, Ebara-Elliott Service (Taiwan) Co., Ltd., Elliott Ebara Singapore Pte. Ltd. and Elliott Ebara Turbomachinery India Pvt. Ltd. was December 31. As a result of the change in the account closing date of these companies to March 31, the financial statements consolidated with EBARA's accounts for the fiscal year ended March 31, 2013 cover the 15-month period from January 1, 2012, through March 31, 2013.