

News Release Dated August 7, 2009

Company name: EBARA-UDYLITE CO., LTD.
Representative: Yoshimasa Kasuya, President
Stock code: 4975
Contact: Masaaki Kamitani, Managing Director,
Managing Executive Officer
Tel: +81-(0) 3-3833-0321

Revisions to Earnings Forecasts for the First Half of the Fiscal Year Ending March 31, 2010

EBARA-UDYLITE CO., LTD. has reviewed the current performance trends and revised the previously released earnings forecasts of May 7, 2009 as follows.

Revision to Consolidated Forecasts for the First Half of the Fiscal Year Ending March 31, 2010 (April 1, 2009 – September 30, 2009)

	Sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	4,465	(154)	(170)	(119)	(38.47)
Revised forecast (B)	4,176	91	119	47	15.47
Increase/(decrease) (B – A)	(289)	245	289	166	
Percentage change (%)	(6.5)	-	-	-	
(Reference) Previous first-half results (First half of FY3/08)	5,783	605	564	355	110.51

Reasons for Revisions

There are signs of a recovery in demand the automotive and electronics industries, which are major customer groups for the Group. However, monthly capacity utilization rates in these industries remain below previous-year levels.

In response to this challenging operating environment, all group companies have been lowering travel and overtime expenses by operating more efficiently, holding down capital expenditures, and taking other steps to cut costs. The benefits of these actions are starting to emerge.

Furthermore, inventory reductions that were impacting all industries have come to an end. As a result, the cost rate has declined due to an increase in the volume of chemical products manufactured. Consequently, the Company expects that earnings in the first half of the fiscal year ending March 31, 2010 will exceed the forecast that was announced on May 7, 2009 and has made the above revisions.

No revisions have been made to the forecast for the full fiscal year because the economic outlook remains uncertain. An announcement will be made promptly if any further forecast revisions are required in accordance with trends in operating results during the remainder of the fiscal year.