

**Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2011
(Six Months Ended September 30, 2010)**

[Japanese GAAP]

Company name:	EBARA-UDYLITE CO., LTD.	Listing:	Tokyo Stock Exchange, First Section
Stock code:	4975	URL:	http://www.jcu-i.com/
Representative:	Yoshimasa Kasuya, President and CEO		
Contact:	Masaaki Kamitani, Senior Managing Director, Senior Managing Executive Officer	Tel:	+81-3-3833-0322
Scheduled date of filing of Quarterly Report:			November 10, 2010
Scheduled date of payment of dividend:			December 6, 2010
Preparation of supplementary materials for quarterly financial results:	Yes		
Holding of quarterly financial results meeting:	Yes		

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2010 (Apr. 1, 2010 – Sep. 30, 2010)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2010	5,809	38.6	672	356.1	660	242.1	319	432.4
Six months ended Sep. 30, 2009	4,191	(27.5)	147	(75.6)	193	(65.8)	59	(83.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2010	87.66	-
Six months ended Sep. 30, 2009	19.38	19.36

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2010	11,775	5,645	47.7	1,543.71
As of Mar. 31, 2010	10,856	5,510	50.6	1,507.69

Reference: Shareholders' equity (million yen): Sep. 30, 2010: 5,620 Mar. 31, 2010: 5,489

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
FY3/10	-	27.00	-	27.00	54.00
FY3/11	-	27.00	-	-	-
FY3/11 (forecasts)	-	-	-	27.00	54.00

Note: Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	12,040	30.9	1,300	146.8	1,260	129.9	700	138.9	192.26

Note: Revision of earnings forecast during the period: Yes

4. Others (Please refer to “Other Information” on page 4 of the attachments for further information)

(1) Changes in significant subsidiaries during the period: None

Newly added: - Excluded: -

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods in the preparation of consolidated quarterly financial statements

(3) Changes in accounting principles, procedures and presentation methods

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures and presentation methods for preparation of consolidated quarterly financial statements described in “Changes in Significant Accounting Policies in the Preparation of Consolidated Quarterly Financial Statements”

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at end of period (including treasury stock):

Sep. 30, 2010:	3,640,900 shares	Mar. 31, 2010:	3,640,900 shares
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2) Number of treasury stock at end of period:

Sep. 30, 2010:	37 shares	Mar. 31, 2010:	37 shares
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3) Average number of shares outstanding during the period:

Six months ended Sep. 30, 2010:	3,640,863 shares	Six months ended Sep. 30, 2009:	3,093,263 shares
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* Indication of quarterly review procedure implementation status

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have not completed the review process for these consolidated statements.

* Cautionary statement with respect to forward-looking statements

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ substantially from these forecasts for a number of reasons.

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1. Qualitative Information on Consolidated Quarterly Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

While the Japanese economy for the first half of the current fiscal year initially showed a sign of picking-up thanks to an increase in export mainly to the emerging economies in Asia, factors such as the rapid appreciation of yen, the falling stock prices and the waning stimulus package by the Japanese government have now caused the economy to tread water. Looking at the global economy, China and other emerging economies continued their steady growth despite the persistent uncertainties over prospects for the U.S. and European situation.

Regarding the automotive industry, which is one of the major customer segments for the Group, much-expressed concern over the adverse effect of the termination of the eco-friendly car subsidy program was overshadowed by relatively strong export and resulting increase in the domestic production. Overseas production by Japanese manufacturers also showed an increase, given the solid economic performance of countries where they invested. In the electronics industry, the production of printed-wiring boards and other electronic components remained strong thanks mainly to an increase in sales of high functionality cellular phones and digital home appliances.

Against this backdrop, the Group sales for the first half of the current fiscal year amounted to 5,809 million yen (up 38.6% year over year) as relatively sluggish sales of machines were more than offset by an increase in sales of the existing surface treatment chemicals and the newly-added chemicals which are part of the business acquired from EBARA DENSAN LTD. Consequently, corresponding operating, ordinary and net income all demonstrated a significant year-over-year improvement with 672 million yen (up 356.1%), 660 million yen (up 242.1%) and 319 million yen (up 432.4%), respectively.

Chemicals business

The chemicals business segment generated sales of 2,787 million yen thanks to strong demand for the surface treatment chemicals (for the wet process) from the automotive and electronics industries. Consequently, corresponding segment profit amounted to 773 million yen.

Overseas business

The overseas business segment experienced strong performance for the surface treatment chemicals (for the wet process) from customers in China, Taiwan and South Korea with resulting sales of 2,295 million yen. Consequently, corresponding segment profit amounted to 554 million yen.

Machine business

Although spending on machinery and equipment began to recover, the segment reported the relatively disappointing sales of 598 million yen, which was affected by low order backlog. Consequently, the segment incurred loss of 23 million yen.

New businesses

While the new businesses segment reported sales of 199 million yen as a result of successful delivery of four plasma surface treatment systems, the segment incurred a loss of 240 million yen due to a rise in selling, general and administrative expenses through increasing staff in the Sales and the R&D departments.

(2) Qualitative Information Regarding Consolidated Financial Position**Assets, liabilities and net assets**

Total assets at the end of the second quarter of the current fiscal year increased 919 million yen, as compared to that at the end of the previous fiscal year, to 11,775 million yen. This is accounted for mainly by a 143 million yen increase in cash and deposits, a 578 million yen increase in notes and accounts receivable-trade, and a 266 million yen increase in property, plant and equipment.

Total liabilities increased 784 million yen to 6,130 million yen. This is mainly due to a 199 million yen increase in current portion of long-term loans payable, a 492 million yen increase in long-term loans payable, and a 159 million yen increase in asset retirement obligations.

Net assets increased 135 million yen to 5,645 million yen due mainly to a 220 million yen increase in retained earnings.

Cash flows

Cash and cash equivalents for the second quarter of the current fiscal year increased by 137 million yen over the end of the previous fiscal year to 1,945 million yen.

Net cash provided by operating activities amounted to 146 million yen (as contrasted with 224 million yen net payment for the previous fiscal year). This includes income before income taxes and minority interests of 531 million yen, depreciation expense of 174 million yen, and an increase in advances received of 119 million yen as positive factors as well as an increase in trade receivables of 623 million yen and a decrease in trade payables of 149 million yen as negative factors.

Net cash used in investing activities amounted to 196 million yen (up 28.4% year over year). This is accounted for mainly by payments for acquisition of property, plant and equipment of 55 million yen and investment securities of 84 million yen.

Net cash provided by financing activities amounted to 205 million yen (as contrasted with 313 million yen net payment for the previous fiscal year). This result can be explained mainly by proceeds from long-term loans payable of 1,000 million yen as a positive factor as well as a decrease in short-term loans payable of 382 million yen, repayment of long-term loans payable of 307 million yen and cash dividends paid of 97 million yen as negative factors.

(3) Qualitative Information Regarding Consolidated Forecast

For the full-year earnings forecast for the current fiscal year, the Company has reviewed the current performance trends and revised the previously released earnings forecasts of May 7, 2010.

For more details, please refer to “Revisions to Earnings Forecasts for the Fiscal Year Ending March 31, 2011,” which was officially announced today (November 5, 2010).

2. Other Information

(1) Overview of Changes in Significant Subsidiaries

Not applicable.

(2) Overview of Application of Simplified Accounting Methods and Special Accounting Methods

1) Simplified accounting methods

Detailed explanations are omitted due to immateriality of the amount.

2) Special accounting methods in the preparation of consolidated quarterly financial statements

Not applicable.

(3) Overview of Changes in Accounting Principles, Procedures and Presentation Methods

1) Application of “Accounting Standard for Asset Retirement Obligations”

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

The effect of this change was to decrease operating income and ordinary income by 4,396 thousand yen each and income before income taxes and minority interests by 47,703 thousand yen. The application of these standards increased the account balance of asset retirement obligations by 158,090 thousand yen.

2) Application of the “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounting for Using the Equity Method”

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16 issued on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounting for Using the Equity Method” (ASBJ Practical Issue Task Force (PITF) No. 24, March 10, 2008) have been applied.

These changes have no impact on profit/loss.

(4) Overview of Important Information about Going Concern Assumption

Not applicable.

** This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Thousands of yen)	
	Second quarter of FY3/11 (As of Sept. 30, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	2,215,607	2,071,624
Notes and accounts receivable -trade	3,421,451	2,843,309
Merchandise and finished goods	489,187	483,492
Work in process	23,695	93,299
Raw materials and supplies	210,864	207,024
Deferred tax assets -current	206,985	175,987
Other current assets	291,281	290,835
Allowance for doubtful accounts	(29,161)	(27,956)
Total current assets	6,829,911	6,137,616
Fixed assets		
Property, plant and equipment		
Buildings and structures	1,777,898	1,630,129
Machinery, equipment and vehicles	331,163	294,143
Tools, furniture and fixtures	245,374	196,718
Land	522,824	522,824
Lease assets	159,604	167,006
Construction in progress	42,642	2,488
Total property, plant and equipment	3,079,507	2,813,310
Intangible fixed assets		
Goodwill	334,573	372,922
Other intangible fixed assets	49,510	43,503
Total intangible fixed assets	384,084	416,425
Investments and other assets		
Investment securities	857,710	881,222
Deferred tax assets -non-current	306,017	282,779
Other investments	356,915	340,065
Allowance for doubtful accounts	(38,219)	(14,969)
Total investments and other assets	1,482,424	1,489,097
Total fixed assets	4,946,016	4,718,834
Total assets	11,775,928	10,856,450

	(Thousands of yen)	
	Second quarter of FY3/11 (As of Sept. 30, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable -trade	1,797,500	1,742,731
Short-term loans payable	162,629	551,205
Current portion of long-term loans payable	747,972	548,004
Lease obligations -current	13,243	12,572
Accrued income taxes	233,312	138,031
Reserve for bonuses	226,298	179,410
Advances received	133,419	14,490
Other current liabilities	359,192	352,512
Total current liabilities	3,673,567	3,538,957
Long-term liabilities		
Long-term loans payable	1,510,360	1,017,658
Lease obligations -non-current	172,123	179,612
Reserve for retirement benefits	522,902	502,208
Asset retirement obligations	159,829	—
Other long-term liabilities	91,357	107,639
Total long-term liabilities	2,456,572	1,807,118
Total liabilities	6,130,140	5,346,076
Net assets		
Shareholders' equity		
Capital stock	1,176,255	1,176,255
Capital surplus	1,128,904	1,128,904
Retained earnings	3,738,057	3,517,191
Treasury stock	(81)	(81)
Total shareholders' equity	6,043,136	5,822,269
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(107,269)	(82,001)
Foreign currency translation adjustments	(315,420)	(250,971)
Total valuation and translation adjustments	(422,690)	(332,973)
Minority interests	25,341	21,077
Total net assets	5,645,787	5,510,374
Total liabilities and net assets	11,775,928	10,856,450

(2) Consolidated Statements of Income

(Thousands of yen)

	First two quarters of FY3/10 (Apr. 1, 2009 – Sept. 30, 2009)	First two quarters of FY3/11 (Apr. 1, 2010 – Sept 30, 2010)
Sales	4,191,109	5,809,424
Cost of sales	2,301,269	2,849,550
Gross profit on sales	1,889,840	2,959,873
Selling, general and administrative expenses		
Salaries and wages	555,904	687,586
Bonuses	142,524	212,309
Retirement benefit expenses	73,233	50,859
Depreciation expense	127,421	127,071
Provision of allowance for doubtful accounts	3,922	26,149
Other expenses	839,424	1,183,494
Total selling, general and administrative expenses	1,742,430	2,287,470
Operating income	147,409	672,402
Non-operating income		
Interest income	6,990	4,704
Dividend income	11,561	9,611
Foreign exchange gain	31,890	—
Equity in earnings of affiliates	101	—
Subsidy income	16,495	—
Insurance income	—	20,036
Other non-operating income	7,015	6,269
Total non-operating income	74,055	40,621
Non-operating expenses		
Interest expenses	26,819	23,238
Foreign exchange loss	—	26,475
Equity in losses of affiliates	—	47
Other non-operating expenses	1,601	2,891
Total non-operating expenses	28,421	52,653
Ordinary income	193,044	660,371
Extraordinary gains		
Gain on sales of fixed assets	—	1,461
Gain on sales of investment securities	—	828
Total extraordinary gains	—	2,290
Extraordinary losses		
Loss on sales of fixed assets	366	2,744
Loss on removal of fixed assets	7,281	7,089
Loss on sales of investment securities	28,748	—
Loss on valuation of investment securities	—	59,447
Impairment losses	57,973	18,641
Loss on application of ARO accounting standard	—	43,307
Other extraordinary losses	8,173	—
Total extraordinary losses	102,543	131,231
Income before income taxes and minority interests	90,500	531,430
Income taxes -current	51,342	244,358
Income taxes -deferred	(25,964)	(37,268)

Total income taxes	25,378	207,090
Income before minority interests	—	324,339
Minority interests	5,172	5,170
Net income	59,950	319,169

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First two quarters of FY3/10 (Apr. 1, 2009 – Sept. 30, 2009)	First two quarters of FY3/11 (Apr. 1, 2010 – Sept. 30, 2010)
Cash flows from operating activities		
Income before income taxes and minority interests	90,500	531,430
Depreciation expense	164,899	174,832
Impairment losses	57,973	18,641
Amortization of goodwill	1,760	38,348
Increase (decrease) in allowance for doubtful accounts	3,922	25,305
Increase (decrease) in reserve for bonuses	1,377	46,888
Increase (decrease) in reserve for retirement benefits	53,159	21,203
Interest and dividend income	(18,552)	(14,316)
Interest expenses	26,819	23,238
Foreign exchange loss (gain)	(506)	7,051
Equity in losses (earnings) of affiliates	(101)	47
Loss (gain) on sales of fixed assets	366	1,282
Loss on removal of fixed assets	7,281	7,089
Loss (gain) on sales of investment securities	28,748	(828)
Loss (gain) on valuation of investment securities	—	59,447
Loss on application of ARO accounting standard	—	43,307
Decrease (increase) in trade receivables	363,393	(623,261)
Increase (decrease) in advances received	(684,995)	119,916
Decrease (increase) in inventories	489,868	38,718
Increase (decrease) in trade payables	(835,000)	(149,169)
Decrease (increase) in advance payments	(12,007)	(14,400)
Other	16,449	(55,255)
Subtotal	(244,644)	299,518
Interests and dividends received	21,711	14,208
Interests paid	(26,611)	(23,790)
Income taxes paid	(59,017)	(143,649)
Income taxes received	84,081	—
Net cash provided by operating activities	(224,481)	146,287
Cash flows from investing activities		
Decrease (increase) in time deposits	(14,881)	(23,730)
Payment for acquisition of property, plant and equipment	(149,254)	(55,503)
Proceeds from sales of property, plant and equipment	5,542	209
Payment for acquisition of intangible fixed assets	(7,013)	(12,376)
Payment for acquisition of investment securities	(372)	(84,376)
Proceeds from sales of investment securities	16,167	6,365
Payment for acquisition of golf club membership	—	(28,171)
Other	(3,020)	1,313

Net cash used in investing activities	(152,834)	(196,268)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	49,790	(382,638)
Income from long-term loans payable	—	1,000,000
Repayment of long-term loans payable	(274,002)	(307,330)
Repayment of finance lease obligations	(5,327)	(7,308)
Cash dividends paid	(83,383)	(97,614)
Payment of dividends for minority shareholders	(805)	—
Net cash provided by financing activities	(313,729)	205,109
Effect of exchange rate changes on cash and cash equivalents	21,322	(17,634)
Increase (decrease) in cash and cash equivalents	(669,722)	137,493
Cash and cash equivalents at beginning of period	2,496,748	1,808,164
Cash and cash equivalents at end of period	1,827,026	1,945,657