

**Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011
(Nine Months Ended December 31, 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:			February 10, 2011
Scheduled date of payment of dividend:			-
Preparation of supplementary materials for quarterly financial results:	None		
Holding of quarterly financial results meeting:	None		

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2010 (Apr. 1, 2010 – Dec. 31, 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	%
Nine months ended Dec. 31, 2010	9,083	42.2	1,209	217.7	1,178	194.0	642	276.2
Nine months ended Dec. 31, 2009	6,387	(24.9)	380	(52.9)	400	(43.7)	170	(50.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2010	177.31	-
Nine months ended Dec. 31, 2009	55.25	55.20

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2010	12,122	5,696	46.7	1,605.63
As of Mar. 31, 2010	10,856	5,510	50.6	1,507.69

Reference: Shareholders' equity (million yen): Dec. 31, 2010: 5,663 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)				30.00	57.00

Note: Revision of dividend forecast during the period: Yes

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	12,300	33.7	1,400	165.8	1,370	150.0	715	144.1	202.70

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):

Dec. 31, 2010:	3,527,400 shares	Mar. 31, 2010:	3,640,900 shares
----------------	------------------	----------------	------------------

2) Number of treasury stock at end of period:

Dec. 31, 2010:	104 shares	Mar. 31, 2010:	37 shares
----------------	------------	----------------	-----------

3) Average number of shares outstanding during the period:

Nine months ended Dec. 31, 2010:	3,625,584 shares	Nine months ended Dec. 31, 2009:	3,093,263 shares
----------------------------------	------------------	----------------------------------	------------------

* 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.

Contents of Attachments

1. Qualitative Information on Consolidated Quarterly Financial Performance	2
(1) Qualitative Information Regarding Consolidated Results of Operations	2
(2) Qualitative Information Regarding Consolidated Financial Position	3
(3) Qualitative Information Regarding Consolidated Forecast	3
2. Other Information	3
(1) Overview of Changes in Significant Subsidiaries	3
(2) Overview of Application of Simplified Accounting Methods and Special Accounting Methods	3
(3) Overview of Changes in Accounting Principles, Procedures and Presentation Methods	3
(4) Overview of Important Information about Going Concern Assumption	3
3. Consolidated Quarterly Financial Statements	4
(1) Consolidated Quarterly Balance Sheets	4
(2) Consolidated Quarterly Statements of Income	6
(3) Consolidated Quarterly Statements of Cash Flow	7

1. Qualitative Information on Consolidated Quarterly Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy as a whole showed a modest recovery for the first nine months of the current fiscal year thanks to growing exports primarily to the emerging economies in Asia as well as on the back of domestic demand triggered by the government stimulus package. However, given the prolonged appreciation of the yen and the grim employment landscape, uncertainty over the economic outlook has not been resolved. Looking at the global economy, China and other emerging economies continued their steady growth with the US and European economies beginning to show a moderate recovery.

Regarding the automotive industry, which is one of the major customer segments for the Group, domestic sales, which once recovered due to the effects of the eco-friendly car subsidy program, has turned and begun to fall due to its termination. However, the number of domestic cars produced showed a year-over-year increase as exports were relatively strong. The overseas production by Japanese manufacturers remains solid, and as a result they became even more dependent on the overseas market. In the electronics industry, the production of printed-wiring boards and other electronic components remained firm thanks mainly to growing demand for the products such as smartphones, tablet PCs and flat-panel TVs.

Against this backdrop, the Group sales for the first nine months of the current fiscal year amounted to 9,083 million yen (up 42.2% year over year) as a result of an increase in sales of the existing plating chemicals, solid sales of the etching chemicals in the business acquired from EBARA DENSAN LTD. and a recovery in sales of machines. Consequently, operating, ordinary and net income all posted a significant year-over-year improvement to 1,209 million yen (up 217.7%), 1,178 million yen (up 194.0%) and 642 million yen (up 276.2%), respectively.

Chemicals business

The chemicals business segment generated sales of 4,140 million yen thanks to strong demand for the surface treatment chemicals (for the wet process) from the automotive and electronics industries. Consequently, segment profit amounted to 1,128 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 in total segment sales of 3,439 million yen. Consequently, segment profit amounted to 876 million yen.

Machine business

The machine business segment, which was favored by the ongoing recovery in capital investment, reported segment sales of 1,198 million yen and segment profit of 110 million yen.

New businesses

While new businesses segment reported sales of 353 million yen as a result of delivery of the plasma surface treatment machines used for pretreatment for PWB plating and the sputtering equipment for coloring use, it incurred segment loss of 332 million yen. Although the R&D departments and the sales departments made efforts to cut expenses, reduction achieved in selling, general and administrative expenses was not much enough to compensate for the sluggish sales performance.

Regarding the coloring services on a contract basis, which applies the sputtering technology as the coloring treatment technology, a decline in coloring fee per unit forced us to revise its business plan and consequently resulted in an impairment loss of 83 million yen on some of the assets held at our R&D Center. We will nevertheless continue this operation based on a revised plan that focuses on development of the flaw repair coating technology for higher competitiveness in this field.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets, liabilities and net assets

Total assets at the end of the third quarter of the current fiscal year increased 1,265 million yen from the end of the previous fiscal year to 12,122 million yen. This is accounted for mainly by a 691 million yen increase in cash and deposits, a 539 million yen increase in notes and accounts receivable-trade, and a 134 million yen increase in property, plant and equipment.

Total liabilities increased 1,079 million yen to 6,425 million yen. This is mainly due to a 530 million yen increase in notes and accounts payable-trade, a 104 million yen in advances received, a 311 million yen increase in long-term loans payable, and a 160 million yen increase in asset retirement obligations.

Net assets increased 186 million yen to 5,696 million yen mainly due to a 268 million yen increase in retained earnings.

Cash flows

Cash and cash equivalents for the first nine months of the current fiscal year increased 616 million yen over the end of the previous fiscal year to 2,424 million yen.

Net cash provided by operating activities amounted to 1,109 million yen, from 55 million yen for the same period in the previous fiscal year. This includes income before income taxes and minority interests of 1,029 million yen, depreciation expense of 278 million yen, impairment losses of 108 million yen, an increase in advances received of 107 million yen, and an increase in trade payables of 345 million yen as positive factors. Meanwhile, an increase in trade receivables of 622 million yen and income taxes paid of 228 million yen are negative factors.

Net cash used in investing activities amounted to 209 million yen (up 154.3% year over year). This was accounted for by cash outflows including an 89 million yen increase in time deposits, a 99 million yen payment for acquisition of property, plant and equipment and an 84 million yen payment for acquisition of investment securities. Major cash inflows include 111 million yen as proceeds from sales of investment securities.

Net cash used in financing activities amounted to 253 million yen (down 54.4% year over year). While there was a positive factor of 1,000 million yen as proceeds from long-term loans payable, negative factors were a decrease in short-term loans payable of 387 million yen, repayment of long-term loans payable of 488 million yen, payment for acquisition of treasury stock of 177 million yen, and cash dividends paid of 196 million yen.

(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 November 5, 2010.

For more details, please refer to “Revisions to Earnings Forecasts for the Fiscal Year Ending March 31, 2011,” which was officially announced today (February 4, 2011).

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 6,594 thousand yen each and income before income taxes and minority interests by 49,902 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)	
	Third quarter of FY3/11 (As of Dec. 31, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	2,763,132	2,071,624
Notes and accounts receivable -trade	3,383,126	2,843,309
Merchandise and finished goods	500,912	483,492
Work in process	70,433	93,299
Raw materials and supplies	268,328	207,024
Deferred tax assets -current	145,853	175,987
Other current assets	282,945	290,835
Allowance for doubtful accounts	(24,829)	(27,956)
Total current assets	7,389,904	6,137,616
Fixed assets		
Property, plant and equipment		
Buildings and structures	1,754,718	1,630,129
Machinery, equipment and vehicles	251,490	294,143
Tools, furniture and fixtures	229,206	196,718
Land	522,824	522,824
Lease assets	155,902	167,006
Construction in progress	33,808	2,488
Total property, plant and equipment	2,947,950	2,813,310
Intangible fixed assets		
Goodwill	315,399	372,922
Other intangible fixed assets	53,879	43,503
Total intangible fixed assets	369,279	416,425
Investments and other assets		
Investment securities	834,759	881,222
Deferred tax assets -non-current	258,361	282,779
Other investments	360,399	340,065
Allowance for doubtful accounts	(38,327)	(14,969)
Total investments and other assets	1,415,192	1,489,097
Total fixed assets	4,732,422	4,718,834
Total assets	12,122,327	10,856,450

(Thousands of yen)

	Third quarter of FY3/11 (As of Dec. 31, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable -trade	2,272,764	1,742,731
Short-term loans payable	151,285	551,205
Current portion of long-term loans payable	747,972	548,004
Lease obligations -current	13,361	12,572
Accrued income taxes	227,011	138,031
Reserve for bonuses	112,834	179,410
Advances received	119,382	14,490
Other current liabilities	494,557	352,512
Total current liabilities	4,139,169	3,538,957
Long-term liabilities		
Long-term loans payable	1,329,367	1,017,658
Lease obligations -non-current	168,738	179,612
Reserve for retirement benefits	536,654	502,208
Asset retirement obligations	160,698	—
Other long-term liabilities	91,187	107,639
Total long-term liabilities	2,286,645	1,807,118
Total liabilities	6,425,815	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	3,785,673	3,517,191
Treasury stock	(162)	(81)
Total shareholders' equity	6,090,669	5,822,269
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(80,991)	(82,001)
Foreign currency translation adjustments	(346,159)	(250,971)
Total valuation and translation adjustments	(427,151)	(332,973)
Minority interests	32,993	21,077
Total net assets	5,696,511	5,510,374
Total liabilities and net assets	12,122,327	10,856,450

(2) Consolidated Statements of Income

	(Thousands of yen)	
	First three quarters of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)	First three quarters of FY3/11 (Apr. 1, 2010 – Dec. 30, 2010)
Sales	6,387,337	9,083,423
Cost of sales	3,347,154	4,447,743
Gross profit on sales	3,040,183	4,635,680
Selling, general and administrative expenses		
Salaries and wages	856,619	1,031,251
Bonuses	217,249	325,661
Retirement benefit expenses	86,167	63,830
Depreciation expense	196,816	199,242
Provision of allowance for doubtful accounts	3,771	22,371
Other expenses	1,298,824	1,783,676
Total selling, general and administrative expenses	2,659,449	3,426,034
Operating income	380,733	1,209,645
Non-operating income		
Interest income	9,490	7,368
Dividend income	17,710	16,408
Foreign exchange gain	11,861	—
Equity in earnings of affiliates	240	—
Insurance income	16,207	20,036
Subsidy income	16,495	—
Other non-operating income	9,766	12,128
Total non-operating income	81,773	55,941
Non-operating expenses		
Interest expenses	39,291	34,326
Foreign exchange loss	—	44,450
Equity in losses of affiliates	—	4,447
Compensation expenses	20,236	—
Other non-operating expenses	2,237	4,321
Total non-operating expenses	61,765	87,546
Ordinary income	400,741	1,178,039
Extraordinary gains		
Gain on sales of fixed assets	309	1,461
Gain on sales of investment securities	—	71,388
Total extraordinary gains	309	72,850
Extraordinary losses		
Loss on sales of fixed assets	2,051	2,744
Loss on removal of fixed assets	7,739	7,351
Loss on sales of investment securities	28,748	—
Loss on valuation of investment securities	—	59,447
Impairment losses	57,973	108,372
Loss on application of ARO accounting standard	—	43,307
Other extraordinary losses	8,203	—
Total extraordinary losses	104,715	221,224
Income before income taxes and minority interests	296,335	1,029,666
Income taxes -current	78,127	326,693

Income taxes -deferred	39,015	53,633
Total income taxes	117,142	380,327
Income before minority interests	—	649,339
Minority interests	8,291	6,486
Net income	170,901	642,852

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First three quarters of FY3/10 (Apr. 1, 2009 – Dec. 30, 2009)	First three quarters of FY3/11 (Apr. 1, 2010 – Dec. 30, 2010)
Cash flows from operating activities		
Income before income taxes and minority interests	296,335	1,029,666
Depreciation expense	251,999	278,512
Impairment losses	57,973	108,372
Amortization of goodwill	2,640	57,522
Increase (decrease) in allowance for doubtful accounts	3,771	21,542
Increase (decrease) in reserve for bonuses	(82,286)	(66,576)
Increase (decrease) in reserve for retirement benefits	65,400	35,127
Interest and dividend income	(27,200)	(23,776)
Interest expenses	39,291	34,326
Foreign exchange loss (gain)	(4,484)	8,169
Equity in losses (earnings) of affiliates	(240)	4,447
Loss (gain) on sales of fixed assets	1,741	1,282
Loss on removal of fixed assets	7,739	7,351
Loss (gain) on sales of investment securities	28,748	(71,388)
Loss (gain) on valuation of investment securities	—	59,447
Loss on application of ARO accounting standard	—	43,307
Decrease (increase) in trade receivables	(56,936)	(622,589)
Increase (decrease) in advances received	(654,209)	107,943
Decrease (increase) in inventories	446,968	(86,171)
Increase (decrease) in trade payables	(355,784)	345,439
Decrease (increase) in advance payments	(37,099)	(34,139)
Other	83,801	112,392
Subtotal	68,170	1,350,210
Interests and dividends received	29,846	23,000
Interests paid	(38,831)	(34,791)
Income taxes paid	(87,712)	(228,947)
Income taxes received	84,081	—
Net cash provided by operating activities	55,555	1,109,472
Cash flows from investing activities		
Decrease (increase) in time deposits	(26,368)	(89,671)
Payment for acquisition of property, plant and equipment	(169,353)	(99,180)
Proceeds from sales of property, plant and equipment	107,143	10,520
Payment for acquisition of intangible fixed assets	(7,114)	(23,933)
Payment for acquisition of investment securities	(598)	(84,606)
Proceeds from sales of investment securities	16,167	111,365
Payment for acquisition of golf club membership	—	(31,171)

Other	(2,339)	(3,056)
Net cash used in investing activities	(82,464)	(209,734)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	25,230	(387,078)
Income from long-term loans payable	—	1,000,000
Repayment of long-term loans payable	(405,003)	(488,323)
Repayment of finance lease obligations	(8,105)	(11,277)
Proceeds from issuance of new stock	—	6,900
Payment for acquisition of treasury stock	—	(177,846)
Cash dividends paid	(167,442)	(196,128)
Payment of dividends for minority shareholders	(796)	—
Net cash provided by financing activities	(556,117)	(253,753)
Effect of exchange rate changes on cash and cash equivalents	17,237	(29,630)
Increase (decrease) in cash and cash equivalents	(565,788)	616,352
Cash and cash equivalents at beginning of period	2,496,748	1,808,164
Cash and cash equivalents at end of period	1,930,959	2,424,517