

Yamatake Corporation

- **Business Strategies**
- **Management Financial Targets**

Statements made in this document with regards to Yamatake's plans, targets and strategies and other statements without historical facts are forward-looking statements about the future performance of Yamatake Corporation.

These projections are based on management's assumptions, intent and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance.

Due to various factors, actual results may differ from those discussed in this document. Such factors include, but are not limited to: (i) general economic conditions in Yamatake's markets, particularly levels of capital investments; (ii) exchange rates, particularly between the Japanese yen and US dollar and other currencies in which Yamatake makes significant sales or Yamatake's assets and liabilities are denominated; (iii) continued acceptance of Yamatake's products and services which are offered in highly competitive markets characterized by rapid development of new technologies and the advancement of the global economy.

Business Strategies

Business Environment

Emerging New Business Opportunities

- 1. New markets in environmental protection, energy saving, security and safety**
- 2. Rapid, continuous growth in IT-related, semiconductors, electric/electronic industries**
Expand markets for Yamatake products utilizing unique, proprietary technologies
- 3. Trend in prolonging lifecycle and renovating facilities in building and industrial automation markets**
- 4. Demand for one-stop shopping, one-stop maintenance**

BA Business

- Market**
- Demand for renovations of buildings and energy-saving measures
 - Need for cost reduction of: Total building management
BA systems and related engineering

Core strategies

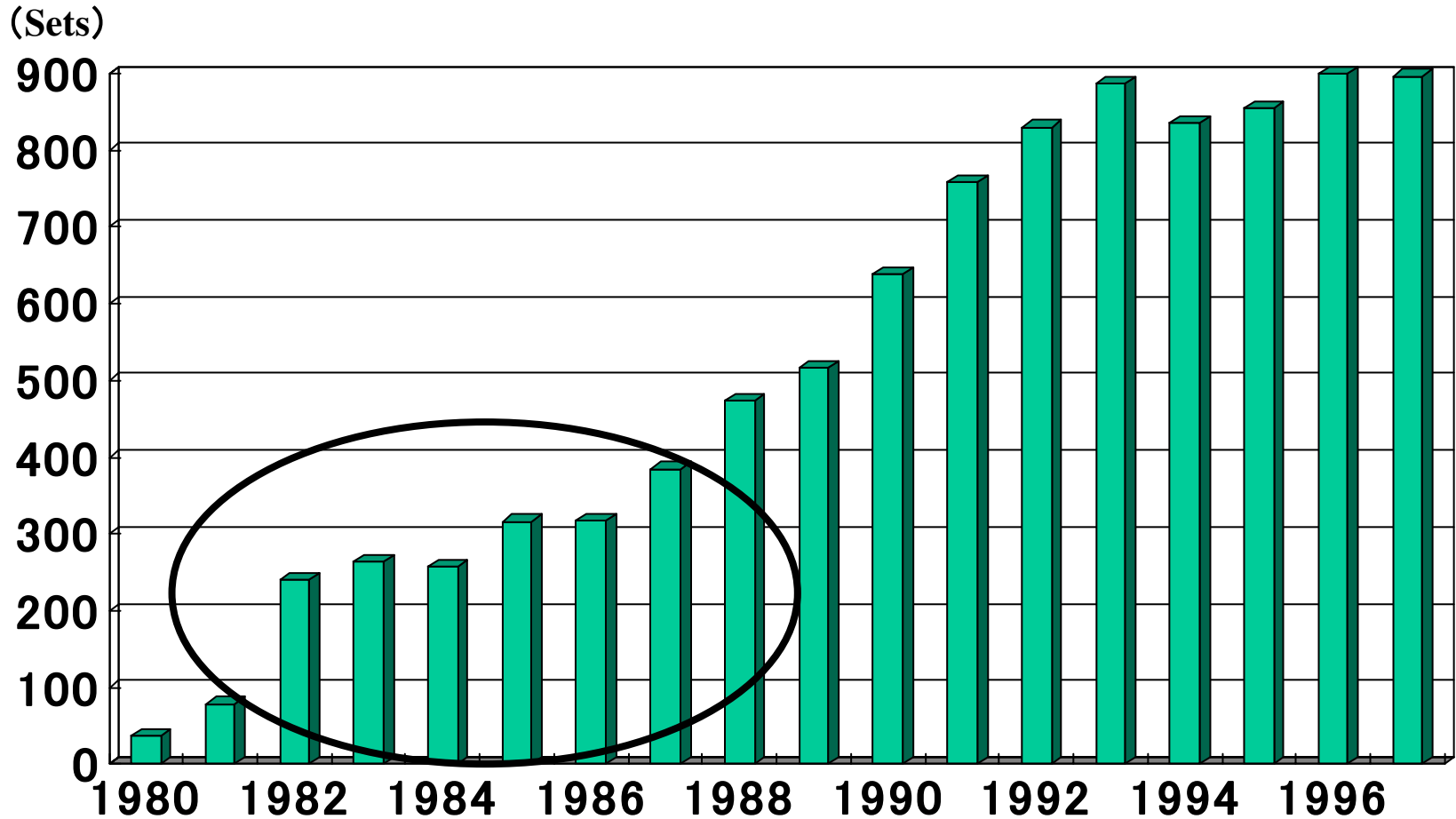
- Strengthen energy-saving and building management businesses by taking advantage of our high market share and existing network of building maintenance services
- Establish new technologies for enhanced energy saving, safety and environmental protection

[Recent developments]

- ESCO business for guaranteed energy savings in buildings
- savic-net 20EV integrated building automation systems (compatible with BACnet, Lonworks)
- CAN PLAZA's "eco-monitoring" services strengthened
- SmartScreen Network
- FriendTouch
- Critical Volume Controller
- Construction of Environmental Technology Center

Shipment of BA Systems

Demand in refurbishment of buildings is expected to grow



IA Business

- Market**
- Huge capital investments in markets related to IT and environmental protection
 - Demand for enhanced quality and productivity utilizing advanced control technologies
 - Need to provide preventative maintenance and safety measures for manufacture facilities at low cost

Core strategies

- Apply advanced control technologies of process/continuous markets to the growing hybrid/discrete markets
- Expand Total Facility Management business utilizing broad service network
- Prepare for growing customer needs for one-stop shopping

[Recent developments]

- DCS Platform -- Harmonas, DEO
- Power generation control system -- Euprexa
- Optimum water treatment simulation and control system for water supply
- Semiconductor production management system – ORCHARD Light
- Optimum control application software -- Profit Controller, Knowledge Power I&II
- Fieldbus compliant Field instruments, Electromagnetic Flowmeters, Electro-pneumatic Positioners
- Phosphorus/Nitrogen Analyzers, Ultrasonic Vortex Flowmeters

CP Business

- Market**
- Growing market activity in IT, telecommunications and game industries
 - Demand for higher productivity in manufacturing and product development
 - Need for lower prices of commodity products

Core strategies

- Work closely with customers to propose optimum solutions
- Enhance “packaged” sales in such markets as semiconductor, electric/electronic machine tools, etc.
- Develop and market differentiated products applying unique technologies

[Recent developments]

- For semiconductor industry -- mass flowmeters, smart vision sensors, earthquake sensors, highly accurate temperature controllers with (MDC10)
- Earthquake sensors
- Multiple fiber photoelectric sensors
- Positioning-image sensors and smart vision sensors utilizing POC* technology
 - *POC : Phase-only Correlation
- Gas remote monitoring system

International Business

Our position

- New entrant, new brand

Core strategies

- Focus on frequent overseas customers and Japanese transplants
- Increase sales of customized control systems and differentiated products for growing markets, such as IT-related, semiconductors, electric/electronic industries
- Prepare for growing customer needs for one-stop shopping
- Utilize alliances and M&A

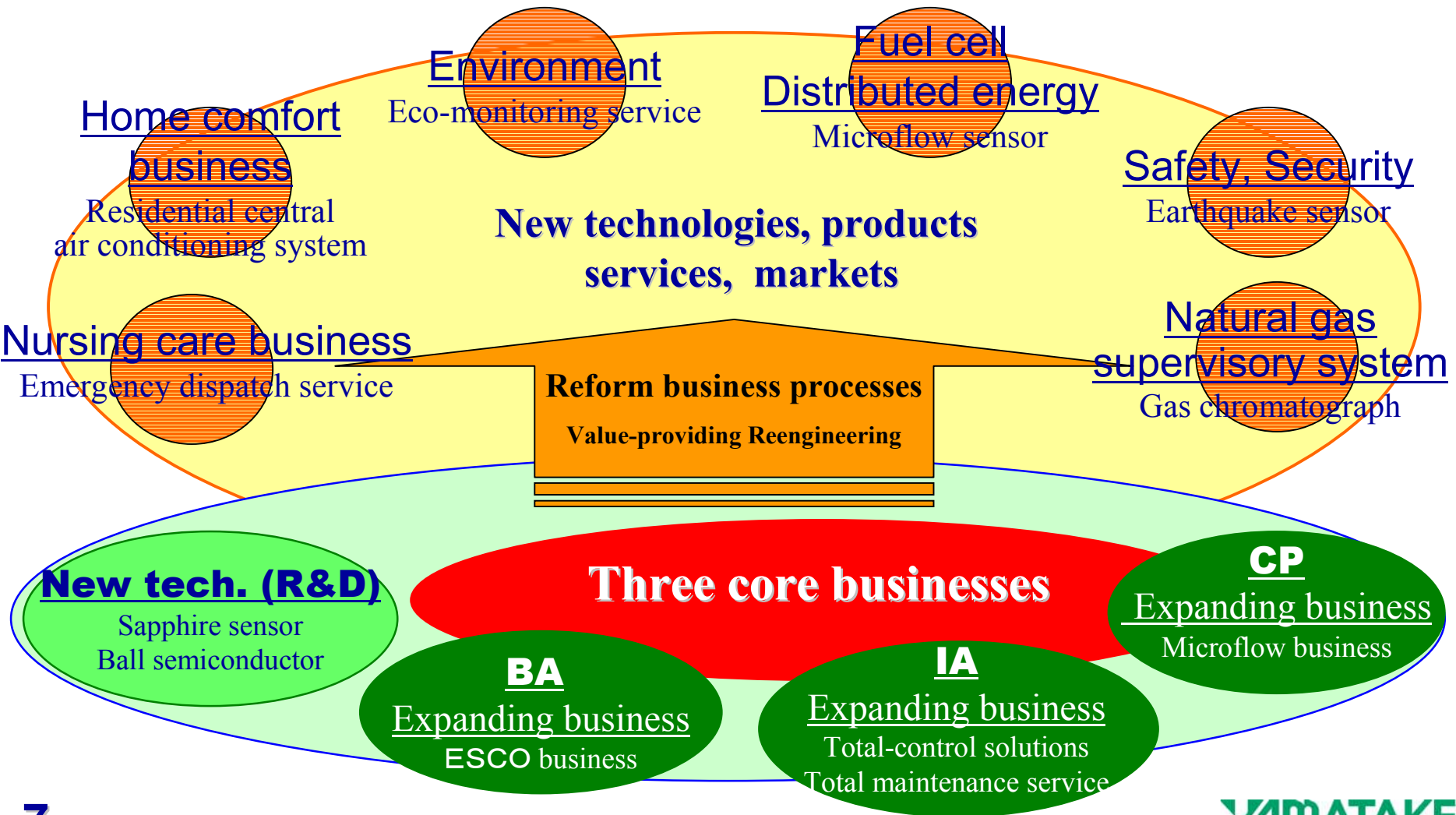
[Recent developments]

- Management/control systems for natural gas stations
- Smartline field instruments and CP's differentiated products
- Globe-valve and ball-valve manufacture

- * Subsidiaries in Malaysia, Taiwan, China
- * Joint venture in India (SICAL Yamatake)
- * Brussels representative office upgraded to branch office status

New Businesses

Establish new business platforms based on
“Energy saving, Environment, Safety, Security and Health”



New businesses built on core technologies

Energy saving, Environment, Safety, Security and Health

Nursing care business

Fuel cell / Distributed energy monitoring & control

"Eco-Monitor"

Natural gas supervisory system

New sensors & systems

Residential central air-conditioning systems

BA

IA

CP

IT

Humidity polymer sensor

Sapphire sensor

Microflow sensor

Gas chromatograph

Earthquake sensor

Ball semiconductor

"Measurement & Control"

Yamatake's Goal

**Yamatake
aims to be the strongest
value-providing company
in the 21st century,
utilizing service and
communication networks
based on
“Measurement & Control.”**

Management Financial Targets

Financial Performance

Unit : ¥ Million

	2000/3 Actual	2001/3 Original Plan	2001/3 Revised Plan	2003/3 Target
Net Sales	169,633	178,000	176,000	205,500
Operating Income <i>(% to Net Sales)</i>	7,198 <i>(4.2%)</i>	9,000 <i>(5.1%)</i>	9,000 <i>(5.1%)</i>	15,500 <i>(7.5%)</i>
Net Income <i>(% to Net Sales)</i>	3,413 <i>(2.0%)</i>	-7,300 <i>(- %)</i>	-6,900 <i>(- %)</i>	8,400 <i>(4.1%)</i>

※ **ROE 8.0%** (Mar. 2005 Midterm Target)

Due to changes in Japanese accounting standards, approximately 20,400 million yen will be posted as lump sum employees pension fund cost in the fiscal year 2000 ending March 31, 2001.

Without posting the above cost, net income would be 5,600 million yen.

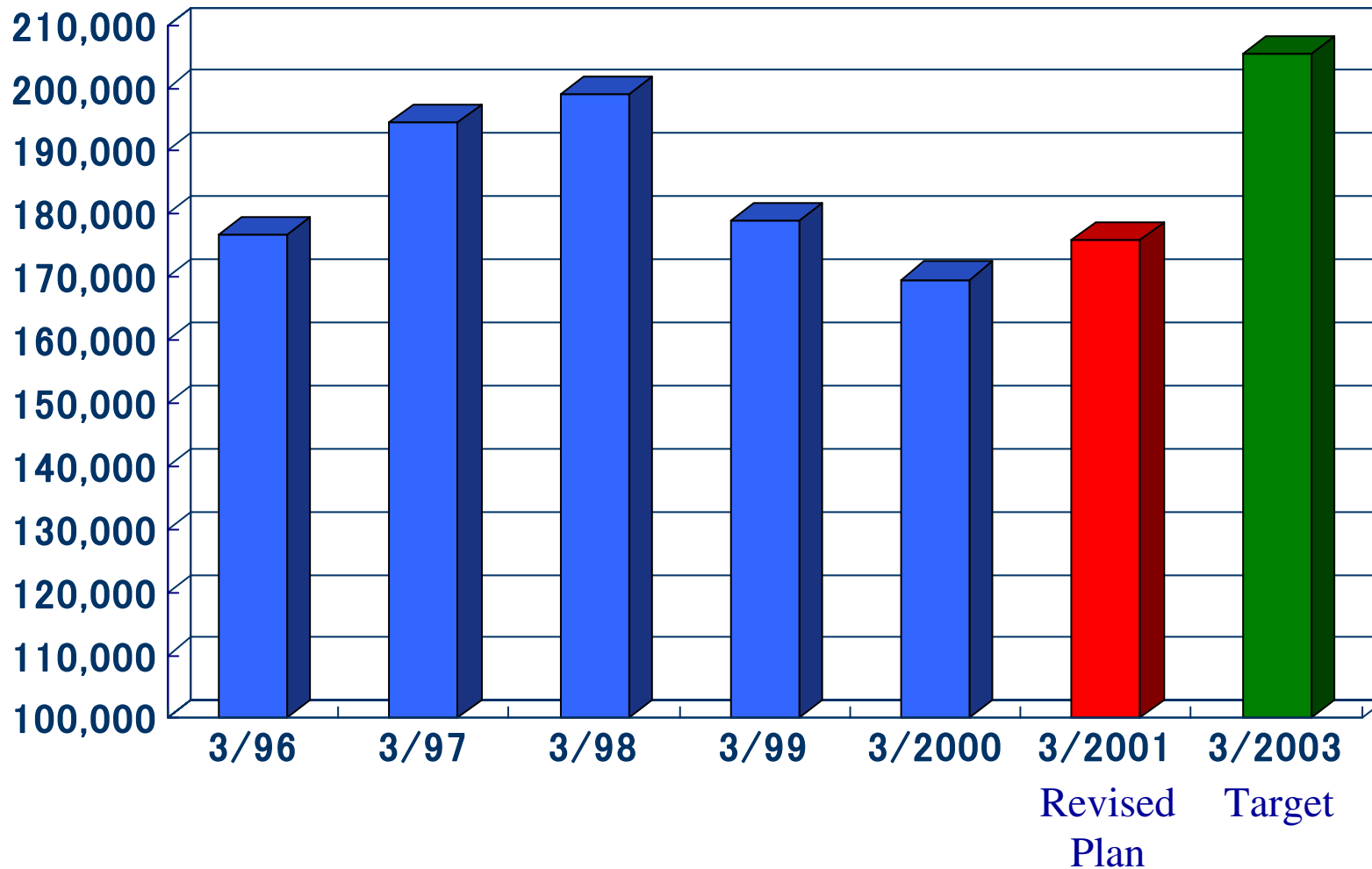
Sales Target by Segment

Unit : ¥ Million

	2000/3 Actual	2001/3 Original Plan	2001/3 Revised Plan	2003/3 Target	SGR 00—
B A	82,335	84,700	84,700	96,000	5.3%
I A	51,917	52,000	51,000	59,000	4.4%
C P	32,104	33,500	34,500	39,000	6.7%
Others	8,499	11,800	11,300	16,000	23.5%
Consol	169,633	178,000	176,000	205,500	6.6%
✕International Business	11,493	11,500	10,000	15,000	9.3%

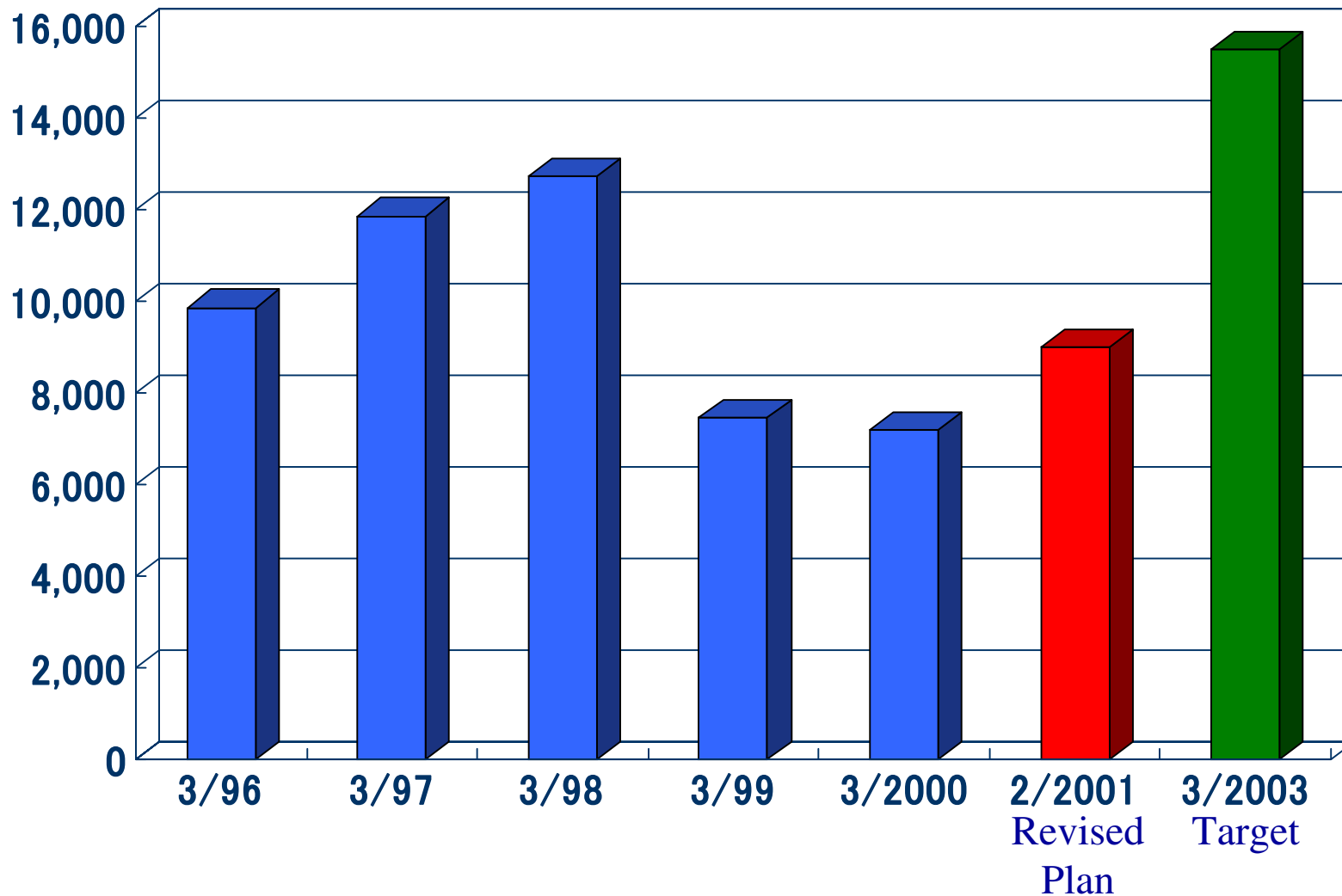
Net Sales Trend

Unit : ¥ Million



Operating Income Trend

Unit : ¥ Million



ROE

(Consolidated)

