



Consolidated Financial Results

For the Second Quarter Ended September 30, 2012

(Japan GAAP)

November 1, 2012

Company name : Azbil Corporation
 URL : <http://www.azbil.com/>
 Stock exchange listing : Tokyo Stock Exchange 1st Section (CODE 6845)
 Representative : Hirozumi Sone, President and Chief Executive Officer
 Contact : Daishi Kumata, General Manager of Finance Division
 Telephone : +81-3-6810-1009
 Planned quarterly report filing date : November 9, 2012
 Planned dividend starting date : December 4, 2012
 Preparation of supplementary references regarding quarterly results : Yes
 Holding the briefing of quarterly results : Yes (for institutional investors and analysts)

Notes: 1. The Japanese financial accounting standards are applied for this statement of accounts.
 2. Amounts indicated are rounded down.

1. Results for the Second quarter ended September 30, 2012 (April 1, 2012 to September 30, 2012)

(1) Consolidated financial results (Cumulative)

(Percentage shows the increase (decrease) from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2012	104,761	1.5	3,547	(24.6)	3,307	(29.2)	1,491	(39.1)
Six months ended September 30, 2011	103,253	4.0	4,706	24.1	4,670	27.5	2,447	90.5

Note: Comprehensive income As of September 30, 2012 746 million yen (73.1)%
 As of September 30, 2011 2,778 million yen —%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2012	20.19	—
Six months ended September 30, 2011	33.14	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2012	208,996	133,430	63.1
As of March 31, 2012	223,476	135,076	59.8

Note : Shareholders' equity As of September 30, 2012 131,811 million yen
 As of March 31, 2012 133,564 million yen

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year 2011	—	31.50	—	31.50	63.00
Fiscal year 2012	—	31.50	—	—	—
Fiscal year 2012 (Forecast)	—	—	—	31.50	63.00

Note : Revision of dividends forecast for during this period : No

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2013
(April 1, 2012 to March 31, 2013)**

(Percentage shows the increase (decrease) from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2012	225,000	0.7	13,500	(5.9)	13,100	(10.2)	7,400	(13.1)	100.20

Note : Revision of consolidated financial results forecast for during this period : Yes

***Notes**

**(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries due to changes in the scope of consolidation) : Yes**

New consolidation : None (Company name:)

Exclusion : 1 (Company name : Yamatake Control Products Co., Ltd.)

(Note) In the first quarter of the current consolidated cumulative period, a merger and acquisition was carried out with the company and Yamatake Control Products Co., Ltd. being a merging company and a merged company, respectively. With its dissolution, Yamatake Control Products Co., Ltd. is excluded from the scope of consolidation.

(2) Adoption of accounting methods specific to preparation of the consolidated quarterly financial statements : No

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

1. Changes associated with revision in accounting standards : Yes
2. Other changes : No
3. Changes in accounting estimates : Yes
4. Retrospective restatements : No

(Note) The depreciation method was changed in the first quarter, and it corresponds to the "case in which it is difficult to distinguish the changes in accounting policies from those in accounting estimates." For details, please refer to "2. Matters concerning summary information (notes), (3) Changes to accounting policies, accounting estimates, and retrospective restatements" on page 9 of the appendix.

(4) Number of shares issued (common stock)

1. Number of shares issued (including treasury stock)

As of September 30, 2012	75,116,101 shares
As of March 31, 2012	75,116,101 shares
2. Number of Treasury stock

As of September 30, 2012	1,261,655 shares
As of March 31, 2012	1,261,480 shares
3. Average number of shares (cumulative quarterly period)

Six months ended September 30, 2012	73,854,485 shares
Six months ended September 30, 2011	73,854,727 shares

*** Description of the situation of the procedures for reviewing quarterly results**

This quarterly financial results is not subject to the procedures for reviewing quarterly reports specified in the Financial Instruments and Exchange Act. As of the disclosure of this quarterly financial results, the procedures for reviewing consolidated quarterly financial statements are in progress.

*** Regarding the appropriate use of forecast and other special matters**

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.

Accompanying Materials

Contents

1. Qualitative information on consolidated quarterly financial results.....	2
(1) Qualitative information on consolidated financial results.....	2
(2) Qualitative information on consolidated financial position.....	7
(3) Qualitative information on forecast of consolidated financial results.....	8
2. Matters concerning summary information (notes).....	9
(1) Changes in significant subsidiaries during the period.....	9
(2) Adoption of accounting methods specific to preparation of the consolidated quarterly financial statements.....	9
(3) Changes in accounting policies, accounting estimates, and retrospective restatements.....	9
3. Consolidated quarterly financial statements.....	11
(1) Consolidated quarterly balance sheets.....	11
(2) Consolidated quarterly statements of income and Consolidated quarterly statements of comprehensive income Consolidated quarterly statements of income The second quarter of the current consolidated cumulative period.....	12
Consolidated quarterly statements of comprehensive income The second quarter of the current consolidated cumulative period.....	13
(3) Consolidated quarterly statements of cash flows.....	14
(4) Notes regarding assumptions of continuing operations.....	16
(5) Notes if there is a remarkable change in the amount of shareholders' equity.....	16
(6) Segment information.....	16
4. Supplementary information.....	18
Orders received condition.....	18

1. Qualitative information on consolidated quarterly financial results

(1) Qualitative information on consolidated financial results

In the second quarter (April to September, 2012) of the current consolidated cumulative period a modest improvement was observed in certain sectors of Japan's economy, supported by reconstruction demand following the Great East Japan Earthquake. Nevertheless, business conditions continued to be challenging: in addition to the situation in Europe, there has been a slowdown in China and other emerging economies, and in Japan this has depressed exports and export-related manufacturing. As for overseas economies, growth in Europe is at a standstill as a result of concerns regarding the financial crisis and other factors. In China too, slackening exports have served to dampen the pace of expansion, and overall there has been a growing perception that the overseas economies are losing momentum.

Because of these economic conditions in Japan and overseas, a sense of uncertainty regarding the future outlook has been spreading, and this has meant that the recovery in capital investment continued to be lackluster. As for the business environment for the azbil Group, conditions continued to be challenging.

In view of the prevailing business climate, during the second quarter of the current consolidated cumulative period the azbil Group set about to ensure the implementation of measures aimed at business expansion in the medium and long term. At the same time, the Group has been striving to expand sales and improve the business structure to maintain earnings. In the second quarter of the current consolidated cumulative period, orders received were 126,796 million yen, down 8.5% on the same period last year. The main reason for this drop is that in the same period last year certain factors caused a transitory spike in orders for the Building Automation (BA) business.^{Note 1} On the other hand, while sales fell for the Advanced Automation (AA) business – mainly because of the slow recovery in the market for equipment manufacturers – sales grew for the BA business and the Life Automation (LA) business. As a result, overall sales increased by 1.5% on the same period last year, to 104,761 million yen. Profits, however, did not fare so well. The slump in the building market has meant a scaling down of investments, while increased competition has negatively impacted unit prices, and this has hit profits for the BA business. Additionally, the AA business suffered a fall in revenue. Consequently, there was an operating income of 3,547 million yen (down 24.6% on the same period last year); an ordinary income of 3,307 million yen (down 29.2% on the same period last year); and a net income of 1,491 million yen (down 39.1% on the same period last year).

On April 1, 2012, our company changed its name from Yamatake Corporation to Azbil

Corporation, starting the new fiscal year with a fresh management team. At the same time, the other major domestic companies in the azbil Group added “Azbil” to their company names. Thus, the names of Group companies in Japan and overseas are all now identified with “Azbil”. With its unified brand and new management, the Group is currently deploying technology/product-based solutions that will establish azbil’s position as a long-term partner for the individual customer and for society as a whole. We are also implementing global initiatives aimed at expansion into new regions and a qualitative change of focus.

In the second quarter of the current consolidated cumulative period, as one example of solution deployment, we have developed and started marketing an energy management system suited to BEMS aggregators ^{Note 2} for installation in small- and medium-scale buildings/factories. And for large-scale buildings, we have developed and launched a next-generation BEMS capable of deriving baseline energy consumption. As for our global business and business infrastructure, in order to develop a local building market in China, we entered into an equity participation agreement for a Chinese engineering company. Furthermore, in Saudi Arabia we are involved in setting up a joint company aimed at expanding our control valve business in the Middle Eastern region, and in India we have established a supply chain in partnership with a locally capitalized company.

It should be noted that the azbil Group has established sales subsidiaries and manufacturing bases in China as part of its ongoing business development in that country, and that despite the recent diplomatic problem affecting Sino-Japanese relations normal business activities have continued up to the present time.

Note 1: Reason for the atypical growth in orders received

The principal factor behind the increase in orders received is that, in the Building Automation (BA) business, orders were received for large-scale service contracts that cover a period of several years as a result of “market testing”. Market testing is a government-and-private sector competitive bidding system in Japan. As required by the Act on Reform of Public Services by Introduction of Competitive Bidding, this system ensures that contracts for public services hitherto provided by the government are to be decided by competitive bidding in which public and private operators participate on an equal footing. The contract is awarded to the operator offering the best quality for the best price. As a result of this bidding process, orders were placed for large-scale service projects that stretch over several years, and the total value of a contract for that multi-year period was recorded as a lump sum for accounting purposes. The periods covered by contracts won through such market testing range from 3 to 5 years, and thus the sums involved were quite considerable. Consequently, they account for the bulk of the growth in orders for the BA business in the same period last year. Note, however, that the revenue from services rendered in any year is recorded in the sales figures for that fiscal year.

Note 2: BEMS aggregator

An aggregator is someone who consolidates and organizes information, and a BEMS aggregator is an entity or consortium registered with the SII (Sustainable open Innovation Initiative) as a provider of energy management support services to businesses. It installs a BEMS (Building Energy Management System) in small- and medium-sized buildings, and sets up a BEMS centralized control system using Cloud and other resources.

The results for the individual reportable segments are as follows.

Note that from the first quarter of the current consolidated cumulative period changes have been made to the division of the reportable segments. As regards the comparisons made with the same quarter of the previous year that appear in the following financial result summaries for each segment, the figures for the previous year have been reclassified to take account of the new segment divisions so as to enable direct comparison.

Building Automation Business

In the domestic market, although the business environment continued to be challenging with its lackluster performance, in each of the three BA fields – new buildings, existing buildings, and service – there was some modest growth in income compared to the same period last year. As regards new buildings, the sales results include large-scale projects that were ordered before last year. In the field for existing buildings, while there was still a tendency for investments to be postponed, reflecting a sense of uncertainty over the future economic outlook, sales grew as a result of proactive energy-saving proposals that leverage our strengths in extensive historical data and our on-site engineering expertise. Additionally, thanks to an expanding track record the service business also recorded steady growth.

Abroad, azbil has established a track record for supplying factory HVAC systems and other equipment to Japanese manufacturers. Emphasis is now being placed on developing the market for local, non-Japanese projects, so as to make this a cornerstone of the business alongside those building projects being undertaken for Japanese companies. This has borne fruit and progress has been made in winning orders for local buildings in some large-scale regional development projects. Sales grew in Singapore and other markets. Furthermore, in Thailand reconstruction demand following the severe flooding of 2011 has led to a growth in revenue.

Accordingly, BA business sales for the second quarter of the current consolidated cumulative period were 45,335 million yen, up 2.2% on the same period last year. However, segment profit (operating income) fell by 24.0% compared to the same period last year, to 1,736 million yen. Efforts were made to achieve on-site cost

improvement and curb expenditure, but these were not enough to offset effects of the scaling down of investments caused by the slump in the building market and the negative impact of increased competition on unit prices.

Advanced Automation Business

In the domestic market, owing to the high value of the yen and uncertainties concerning the future economic outlook in Japan and abroad, demand was lackluster in the market for electrical/electronic, semiconductor and related equipment manufacturers, and this meant it was difficult to achieve sales growth for the various control products marketed by azbil. On the other hand, despite there being only weak signs of recovery in capital investment, in the functional materials-related markets, where Japanese manufacturers enjoys a competitive edge internationally, capital investment has been robust and sales increased for such field instruments as transmitters as well as for control valves and system products. However, this was not sufficient to offset the fall in sales of control products, and thus overall revenue fell compared to the same period last year.

In overseas markets too there was a fall in revenue for control products for equipment manufacturers, mainly in China, Europe and the US. Overall, sales declined.

Consequently, AA business sales for the second quarter of the current consolidated cumulative period were 42,605 million yen, down 1.8% on the same period last year. As a result of decreased revenue, segment profit (operating income) was down 21.2% on the same period last year, at 1,944 million yen.

Life Automation Business

As regards the production and sales of gas and water meters, products that account for the bulk of LA business sales, in the same period last year, as a result of the Fukushima Daiichi nuclear power plant accident, operations at some production facilities in that area had to be temporarily suspended, leading to problems with manufacturing output and restrictions being placed on the volume of meter shipments. However, in the second quarter of the current consolidated cumulative period, priority has been given to implementing vigorous sales activities, and this approach has led to increased sales of gas meters and water meters.

Turning to the health and welfare and nursing care field, it is true that the market is growing as Japan's population ages; however, with cutbacks in welfare budgets by local governments, etc., the business environment is challenging. In response to this

situation, at the start of this fiscal year the azbil Group carried out a business merger between two of its subsidiaries in the health and welfare and nursing care field.^{Note 3} Additionally, various measures have been adopted, such as increasing the number of care centers and expanding the scope of services offered, and this approach has succeeded in increasing sales.

Sales of residential central air conditioning systems remained at approximately the same level. Nevertheless, aiming to expand the business, we continue to enhance our sales capabilities, adopting an aggressive strategy targeting both house builders and individual owners.

As a result, LA business sales in the second quarter of the current consolidated cumulative period were 17,524 million yen, up 8.1% on the same period last year. As regards profits, however, owing principally to the increased expenditure for promoting sales of residential central air conditioning systems, there was a segment loss (operating loss) of 144 million yen (a loss of 46 million yen was recorded for the same period last year).

Note 3: Merger of two companies in the health and welfare and nursing care field

Within the azbil Group, as of April 1, 2012, a merger was effected between Safety Service Center Co., Ltd., which operates an emergency alert response service, and Yamatake Care-Net Co., Ltd., which runs a nursing care support business. The new company name is Azbil Care & Support Co., Ltd. By pooling and thus making maximum use of the two companies' combined technologies and knowhow for emergency alert response and nursing care, the azbil Group can now offer a unique service to customers.

Other

In the other segment, sales in the second quarter of the current consolidated cumulative period were 46 million yen (compared with 54 million yen for the same period last year). Segment profit (operating income) was 11 million yen (compared with 5 million yen for the same period last year).

(2) Qualitative information on consolidated financial position

(Assets)

At the end of the second quarter of fiscal year 2012, total assets were 208,996 million yen, a decrease of 14,479 million yen from the end of the previous fiscal year. This is mainly due to the decrease in notes and accounts receivable-trade of 12,630 million yen and the decrease of 1,904 million yen in investment securities.

(Liabilities)

At the end of the second quarter of fiscal year 2012, total liabilities were 75,565 million yen, a decrease of 12,833 million yen from the end of the previous fiscal year. This is mainly due to the decrease of 5,126 million yen in notes and accounts payable-trade and the decrease of 4,523 million yen in income taxes payable due to the payment of income taxes.

(Net Assets)

At the end of the second quarter of fiscal year 2012, net assets were 133,430 million yen, a decrease of 1,646 million yen from the end of the previous fiscal year. This is mainly due to the decrease in retained earnings due to dividends paid and the decrease in the valuation difference on available-for-sale securities.

As a result, shareholders' equity ratio was 63.1% compared with 59.8% at the end of the previous fiscal year.

(Cash Flows)

1) Cash flows from operating activities

Cash and cash equivalents (hereinafter referred to as "cash") provided by operating activities in the second quarter of the current consolidated cumulative period were 7,371 million yen, resulting in an increase of 4,761 million yen compared with the same period last year. The main factor is the decrease in notes and accounts receivable-trade, in spite of the decrease in quarterly income before income taxes and minority interests.

2) Cash flows from investing activities

Net cash used in investing activities in the second quarter of the current consolidated cumulative period was 1,999 million yen, an increase of 713 million yen compared with the same period last year. The main factor is the purchase of investments in subsidiary.

3) Cash flows from financing activities

Net cash used in financing activities in the second quarter of the current consolidated

cumulative period was 3,457 million yen, almost equal to the amount of 3,474 million yen in the same period last year.

As a result, cash and cash equivalents at the end of the second quarter of the current consolidated cumulative period were 57,340 million yen, an increase of 1,985 million yen compared with the end of the previous consolidated fiscal year.

(3) Qualitative information on forecast of consolidated financial results

Based on the consolidated financial results for the second quarter of the current consolidated cumulative period, and on other information currently available regarding business environment trends, the forecasts previously published (May 8, 2012) for consolidated financial results for the year ending March 31, 2013, have been adjusted downwards as follows. Net sales are expected to be 225,000 million yen, down 5,000 million yen (2.2%) on the initial forecast. As regards profits, operating income will be 13,500 million yen, down 1,500 million yen (10.0 %) on the initial forecast, ordinary income will be 13,100 million yen, down 1,700 million yen (11.5%) on the initial forecast, and net income for the year will be 7,400 million yen, down 1,600 million yen (17.8%) on the initial forecast.

The faltering economic situation in Europe has led to a slowing of growth and capital investment in such emerging economies as China. As the perception of an economic slowdown spreads worldwide, Japan's domestic economy cannot rely on export demand to drive it forward, and there are concerns about the impact that the continuing high value of the yen is having on Japan's manufacturing industry.

Faced with such a business environment, the azbil Group is committed to thorough implementation of measures already adopted to enhance the business structure, and also to development in Japan and abroad of a forward-looking lifecycle solution business. These measures can be expected to bear fruit in the second half; however, few anticipate a pickup in demand, either domestically or overseas, which is why the previous forecasts for financial results, which were predicated on a recovery in demand and growth in the second half, have now been revised. The new forecasts for consolidated financial results for the year ending March 31, 2013, are as stated above, and the adjusted figures for each segment are as indicated in the table below.

(Hundred millions of yen)

		Revised forecast (November 1, 2012)	Initial forecast (May 8, 2012)	Difference	%	(Reference) FY2011
Building Automation	Sales	1,050	1,070	(20)	(1.9)	1,038
	Operating income	98	105	(7)	(6.7)	103
Advanced Automation	Sales	880	920	(40)	(4.3)	888
	Operating income	42	50	(8)	(16.0)	41
Life Automation	Sales	335	330	5	1.5	325
	Operating income	(5)	(5)	-	-	(1)
Other	Sales	1	1	-	-	0
	Operating income	0	0	-	-	(0)
Consolidated	Net sales	2,250	2,300	(50)	(2.2)	2,234
	Operating income	135	150	(15)	(10.0)	143
	Ordinary income	131	148	(17)	(11.5)	145
	Net income	74	90	(16)	(17.8)	85

(Notes)

- 1 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.
- 2 (Reference) FY2011, the "importing, buying-in and marketing of inspection and measurement equipment", which was used to be categorized in "Other", belongs to "Advanced Automation Business". The disclosed segment information for the previous fiscal year is reclassified based on the new segmentation.

2. Matters concerning summary information (notes)

(1) Changes in significant subsidiaries during the period:

From the first quarter of the current consolidated cumulative period, Beijing YTYH Intelli-Technology Co., Ltd is included in the scope of consolidation as a result of new acquisition of their stocks. Azbil Kimmon Technology Co., and Azbil India Pvt. Ltd. are also included due to their growing weight.

In the first quarter of the current consolidated cumulative, a merger and acquisition was carried out, with the company and Yamatake Control Products Co., Ltd. being a merging company and a merged company, respectively. With its dissolution, Yamatake Control Products Co., Ltd. is excluded from the scope of consolidation.

(2) Adoption of accounting methods specific to preparation of the consolidated quarterly financial statements:

No

(3) Changes in accounting policies, accounting estimates, and retrospective restatements:

Changes in accounting policies that are difficult to distinguish from those in accounting estimates

(Change to depreciation method)

From the first quarter of the current consolidated cumulative period, the company and its

consolidated subsidiaries in Japan, upon the revision of the Corporation Tax Act, have adopted the new depreciation method compatible with the revised Corporation Tax Act for the property, plant and equipment acquired after April 1, 2012.

The impact of this change on gross profit, operating income, ordinary income, and income before income taxes and minority interests is not significant.

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
Assets		
Current assets		
Cash and deposits	45,061	47,002
Notes and accounts receivable-trade	85,546	72,915
Short-term investment securities	12,400	12,400
Merchandise and finished goods	4,126	4,107
Work in process	5,525	5,682
Raw materials	6,482	6,102
Other	14,139	12,271
Allowance for doubtful accounts	(295)	(279)
Total current assets	172,986	160,203
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,450	13,135
Other, net	10,696	10,582
Total property, plant and equipment	24,146	23,718
Intangible assets		
Goodwill	2,604	2,759
Other	1,800	1,870
Total intangible assets	4,405	4,630
Investments and other assets		
Investment securities	12,872	10,967
Other	9,582	10,062
Allowance for doubtful accounts	(517)	(585)
Total investments and other assets	21,937	20,444
Total noncurrent assets	50,489	48,792
Total assets	223,476	208,996
Liabilities		
Current liabilities		
Notes and accounts payable-trade	37,185	32,058
Short-term loans payable	5,543	5,357
Income taxes payable	5,104	580
Provision for bonuses	8,097	6,112
Provision for directors' bonuses	115	74
Provision for product warranties	397	380
Provision for loss on order received	774	740
Other	12,071	11,988
Total current liabilities	69,290	57,294
Noncurrent liabilities		
Long-term loans payable	4,686	3,962
Provision for retirement benefits	12,392	12,391
Provision for directors' retirement benefits	189	154
Other	1,840	1,763
Total noncurrent liabilities	19,109	18,271
Total liabilities	88,399	75,565
Net assets		
Shareholders' equity		
Capital stock	10,522	10,522
Capital surplus	17,197	17,197
Retained earnings	107,538	106,648
Treasury stock	(2,643)	(2,643)
Total shareholders' equity	132,615	131,725
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,451	1,338
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	(1,501)	(1,252)
Total accumulated other comprehensive income	948	86
Subscription rights to shares	2	2
Minority interests	1,509	1,616
Total net assets	135,076	133,430
Total liabilities and net assets	223,476	208,996

(2) Consolidated quarterly statements of income and Consolidated quarterly statements of comprehensive income
(Consolidated quarterly statements of income)
(The second quarter of the current consolidated cumulative period)

	(Millions of yen)	
	Six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)
Net sales	103,253	104,761
Cost of sales	66,266	69,664
Gross profit	36,986	35,096
Selling, general and administrative expenses	32,280	31,549
Operating income	4,706	3,547
Non-operating income		
Interest income	45	64
Dividends income	167	167
Real estate rent	28	26
Reversal of allowance for doubtful accounts	26	-
Other	170	68
Total non-operating income	438	326
Non-operating expenses		
Interest expenses	53	47
Foreign exchange losses	305	298
Commitment fee	13	13
Rent expenses on real estates	47	46
Office transfer expenses	13	19
Provision of allowance for doubtful accounts	-	121
Other	41	20
Total non-operating expenses	474	567
Ordinary income	4,670	3,307
Extraordinary income		
Gain on sales of noncurrent assets	67	2
Gain on sales of investment securities	1	0
Gain on transfer of business	184	-
Total extraordinary income	253	2
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	32	22
Impairment loss	42	58
Loss on valuation of investment securities	11	63
Loss on disaster	215	-
Environmental expenses	79	-
Total extraordinary losses	381	143
Income before income taxes and minority interests	4,542	3,165
Income taxes-current	765	449
Income taxes-deferred	1,151	1,107
Total income taxes	1,916	1,557
Income before minority interests	2,625	1,608
Minority interests in income	177	117
Net income	2,447	1,491

(Consolidated quarterly statements of comprehensive income)
(The second quarter of the current consolidated cumulative period)

	(Millions of yen)	
	Six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)
Income before minority interests	2,625	1,608
Other comprehensive income		
Valuation difference on available-for-sale securities	(121)	(1,112)
Deferred gains or losses on hedges	3	0
Foreign currency translation adjustment	269	249
Total other comprehensive income	152	(861)
Comprehensive income	2,778	746
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,595	628
Comprehensive income attributable to minority interests	182	117

(3) Consolidated quarterly statements of cash flows
Six months ended September 30

	(Millions of yen)	
	Six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,542	3,165
Depreciation and amortization	1,917	1,720
Amortization of goodwill	637	637
Increase (decrease) in allowance for doubtful accounts	(77)	83
Increase (decrease) in provision for retirement benefits	152	(1)
Increase (decrease) in provision for bonuses	(1,689)	(1,988)
Increase (decrease) in provision for directors' bonuses	(16)	(40)
Interest and dividends income	(213)	(231)
Interest expenses	53	47
Foreign exchange losses (gains)	198	176
Loss (gain) on sales and retirement of property, plant and equipment	(34)	19
Loss (gain) on sales and valuation of investment securities	9	63
Impairment loss	42	58
Environmental expenses	79	-
Loss on disaster	215	-
Loss (gain) on transfer of business	(184)	-
Decrease (increase) in notes and accounts receivable-trade	6,973	13,011
Decrease (increase) in inventories	(2,587)	560
Increase (decrease) in notes and accounts payable-trade	(1,581)	(5,419)
Decrease (increase) in other assets	(198)	585
Increase (decrease) in other liabilities	(16)	(582)
Subtotal	<u>8,221</u>	<u>11,864</u>
Interest and dividends income received	212	232
Interest expenses paid	(55)	(46)
Payments for loss on disaster	(152)	(22)
Proceeds from compensation	-	268
Income taxes paid	(5,614)	(4,923)
Net cash provided by (used in) operating activities	<u>2,610</u>	<u>7,371</u>
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,065)	(1,851)
Proceeds from withdrawal of time deposits	814	1,877
Purchase of trust beneficiary right	(7,254)	(6,791)
Proceeds from sales of trust beneficiary right	7,286	7,271
Purchase of property, plant and equipment	(1,175)	(1,283)
Proceeds from sales of property, plant and equipment	99	11
Purchase of intangible assets	(115)	(281)
Purchase of investment securities	(130)	(19)
Proceeds from sales of investment securities	2	0
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(836)
Payments for investments in capital of subsidiaries and affiliates	(91)	-
Purchase of stocks of subsidiaries and affiliates	(28)	-
Proceeds from transfer of business	235	-
Other, net	138	(97)
Net cash provided by (used in) investing activities	<u>(1,285)</u>	<u>(1,999)</u>

	(Millions of yen)	
	Six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	186	210
Decrease in short-term loans payable	(413)	(420)
Repayment of long-term loans payable	(766)	(726)
Redemption of bonds	(25)	-
Cash dividends paid	(2,325)	(2,323)
Repayments of lease obligations	(35)	(38)
Cash dividends paid to minority shareholders	(94)	(157)
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	0	0
Net cash provided by (used in) financing activities	<u>(3,474)</u>	<u>(3,457)</u>
Effect of exchange rate change on cash and cash equivalents	(21)	20
Net increase (decrease) in cash and cash equivalents	<u>(2,171)</u>	<u>1,935</u>
Cash and cash equivalents at beginning of period	59,843	55,355
Increase in cash and cash equivalents from newly consolidated subsidiary	-	49
Cash and cash equivalents at end of period	<u>57,672</u>	<u>57,340</u>

(4) Notes regarding assumptions of continuing operations:

Non applicable

(5) Notes if there is a remarkable change in the amount of shareholders' equity:

Non applicable

(6) Segment information**(Segment information)**

Six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)

1. Sales and profit (loss) information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	44,201	42,958	16,053	103,213	39	103,253
Inter-segment	175	434	161	772	14	786
Total	44,377	43,393	16,215	103,985	54	104,039
Segment Profit (loss)	2,285	2,466	(46)	4,705	5	4,710

* "Other" includes insurance agent business.

2. The main contents of the difference between reportable segment profit (loss) and operating income

(Millions of yen)

Income	Amount
Total of reportable segment	4,705
Profit in Other	5
Elimination	(4)
Operating Income	4,706

Six months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

1.Sales and profit (loss) information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	45,195	42,079	17,448	104,723	38	104,761
Inter-segment	140	526	76	742	8	751
Total	45,335	42,605	17,524	105,465	46	105,512
Segment Profit(loss)	1,736	1,944	(144)	3,536	11	3,547

* "Other" includes insurance agent business.

2.The main contents of the difference between reportable segment profit (loss) and operating income

(Millions of yen)

Income	Amount
Total of reportable segment	3,536
Profit in Other	11
Elimination	(0)
Operating Income	3,547

3.Notice on the changes of the reportable segments

Concerning the segments, as a result of the our group corporations' restructuring, organizational reform and management changes, the "importing, buying-in and marketing of inspection and measurement equipment", which was used to be categorized in "Other", belongs to "Advanced Automation Business" from the first quarter of the current consolidated accounting period.

The disclosed segment information for the second quarter of the previous consolidated cumulative period is reclassified based on the new segmentation of the second quarter of the current consolidated cumulative period.

4. Supplementary information

Orders received condition

(Millions of yen)

Reportable segment	Six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)	Six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)	Change	
	Orders received	Orders received	Orders received	
			Amount	Ratio(%)
Building Automation	76,177	63,917	(12,260)	(16.1)
Advanced Automation	46,812	45,256	(1,555)	(3.3)
Life Automation	16,576	18,317	1,741	10.5
Total of reportable segments	139,567	127,492	(12,074)	(8.7)
Other	54	46	(8)	(14.8)
Elimination	(1,082)	(741)	340	—
Consolidated	138,539	126,796	(11,742)	(8.5)

(Note) From the first quarter of the current consolidated accounting period, the reportable segments have been changed. For the comparison of figures with the corresponding period of previous year, the previous year's figures have been reclassified based on the new segments.

For details, please refer to 3. Consolidated quarterly financial statements, (6) Segment information (Segment information), 3. Notice on the changes of the reportable segments.