

# Consolidated Financial Results

for the First Half of Fiscal Year 2007 ending March 31, 2008 and

## Operating Plan

for Fiscal Year 2007 ending March 31, 2008

### Yamatake Corporation

Statements made in these documents 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. 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 these documents.

\* Figures are rounded off.

The logo for azbil, featuring the word "azbil" in a bold, red, lowercase sans-serif font with a white outline.

# Operating Results for 1H of FY2007

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# Operating Results



	(Millions of yen)			
	<u>1H of FY2006</u>	<u>1H of FY2007</u>	<u>Difference</u>	<u>% Change</u>
Orders	129,110	136,467	7,358	5.7
Net Sales	104,273	114,678	10,405	10.0
Gross profit	37,596	40,782	3,185	8.5
% to Net sales	36.1	35.6	<b>(0.5)</b>	
Operating income	5,358	7,200	1,841	34.4
% to Net sales	5.1	6.3	1.1	
Recurring income	5,638	7,411	1,773	31.5
Net income	3,299	3,307	8	0.3
<hr/>				
Total assets	207,021	219,490	12,469	6.0
Shareholders' equity	110,819	118,341	7,522	6.8

# Non-operating Income & Expenses and Extraordinary Gain & Loss



(Millions of Yen)

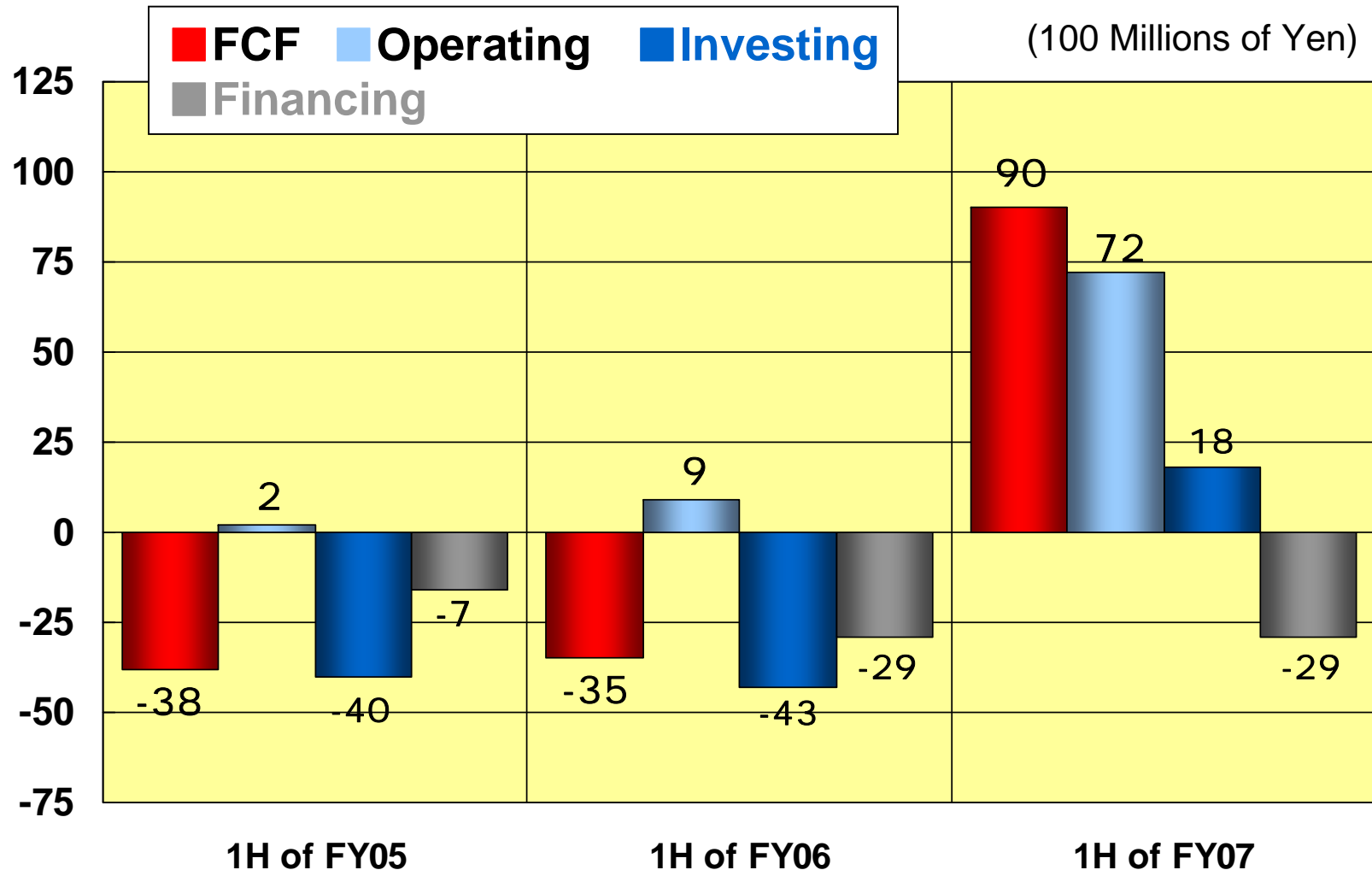
	1H of FY06	1H of FY07	Difference	% Change
<b>Operating income</b>	5,358	7,200	1,841	34.4
Non-op. income	544	541	(2)	(0.5)
Non-op. expenses	264	330	66	24.9
<b>Reccuring income</b>	5,638	7,411	1,773	31.5
Extra. profit	60	3,082	3,022	-
Extra. loss	132	3,058	2,926	-
<b>Income before income taxes and minority interest</b>				
	5,566	7,436	1,869	33.6
Income taxes and minority interests	2,267	4,128	1,861	82.1
<b>Net income</b>	3,299	3,307	8	0.3

# Balance Sheets



	2006/09	2007/09	Dif.		2006/09	2007/09	Dif.
(Millions of yen)							
<b>Current assets</b>	<b>136,997</b>	<b>156,113</b>	<b>19,116</b>	<b>Current liabilities</b>	<b>70,589</b>	<b>76,834</b>	<b>6,245</b>
Cash	22,759	22,485	(274)	Notes & accounts payable	34,142	37,922	3,780
Notes & accounts receivable	73,421	78,805	5,383	S.T. Borrowings & Bonds	14,117	14,047	(71)
Marketable securities	2,997	15,996	12,999	Others	22,329	24,865	2,536
Inventories	24,897	26,470	1,574				
Others	12,923	12,357	(566)				
<b>Fixed assets</b>	<b>70,024</b>	<b>63,377</b>	<b>(6,647)</b>	<b>Long-term liabilities</b>	<b>24,920</b>	<b>23,049</b>	<b>(1,872)</b>
Net P.P.E	30,843	29,558	(1,285)	L.T. debt & Bonds	6,987	5,601	(1,386)
Intangible fixed assets	6,528	5,220	(1,308)	Employees' retirement benefits	16,305	14,963	(1,343)
Investment & others	32,653	28,600	(4,054)	Others	1,628	2,485	857
				<b>Total liabilities</b>	<b>95,509</b>	<b>99,883</b>	<b>4,374</b>
				<b>Shareholders' equity</b>	<b>104,679</b>	<b>111,653</b>	<b>6,974</b>
				-Common stock	10,523	10,523	0
				-Capital surplus	12,648	12,648	0
				-Retained earnings	81,518	88,494	6,976
				-Treasury stock	(9)	(11)	(2)
				Adjustments for valuation, foreign currency transaction & others	6,140	6,688	549
				-Unrealized gain on available- for sale-securities	6,089	6,143	54
				-Loss on deferred hedge	(0)	(1)	(1)
				-Foreign currency transaction adjustments	51	546	495
				Minority interests	693	1,266	573
				<b>Total net assets</b>	<b>111,512</b>	<b>119,607</b>	<b>8,095</b>
<b>Total Assets</b>	<b>207,021</b>	<b>219,490</b>	<b>12,469</b>	<b>Total liabilities &amp; Total net assets</b>	<b>207,021</b>	<b>219,490</b>	<b>12,469</b>
<b>Cash &amp; Cash Equivalents</b>	<b>29,926</b>	<b>41,587</b>	<b>11,661</b>				

# Summary of Cash Flows



# Sales and Income by Business Segment **azbil**

		(Millions of yen)			
		<u>1H of FY06</u>	<u>1H of FY07</u>	<u>Difference</u>	<u>% Change</u>
BA	Net sales	36,495	43,310	6,814	18.7
	Op. income	1,620	3,177	1,558	96.2
	%	4.4	7.3	2.9	
AA	Net sales	45,004	49,526	4,522	10.0
	Op. income	3,846	4,122	277	7.2
	%	8.5	8.3	(0.2)	
LA	Net sales	18,574	18,461	(113)	(0.6)
	Op. income	(284)	(219)	65	—
	%	(1.5)	(1.2)	0.3	
New&	Net sales	5,306	4,303	(1,003)	(18.9)
Others	Op. income	180	95	(84)	(47.0)
	%	3.4	2.2	(1.2)	
<b>Consoli. Net sales</b>		<b>104,273</b>	<b>114,678</b>	<b>10,405</b>	<b>10.0</b>
	Op. income	5,358	7,200	1,841	34.4
	%	5.1	6.3	1.1	

# Building Automation Business

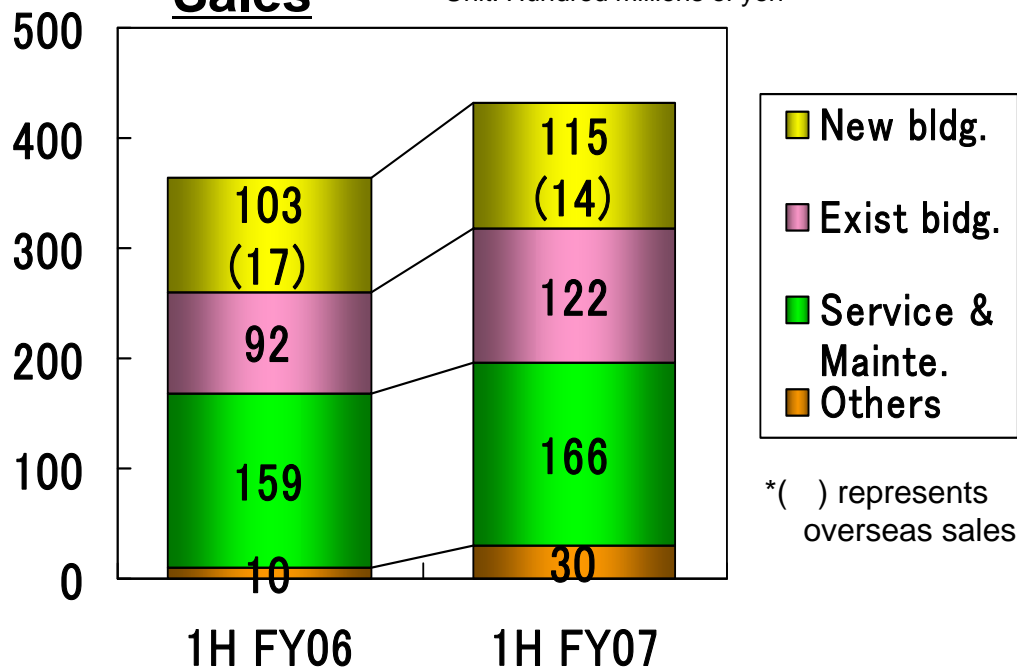


(Millions of yen)

	<u>1H of FY06</u>	<u>1H of FY07</u>	<u>Difference</u>	<u>% Change</u>
BA Net sales	36,495	43,310	6,814	18.7
Op. income	1,620	3,177	1,558	96.2
%	4.4	7.3	2.9	
Orders	55,941	61,117	5,176	9.3
Order backlog	48,680	52,739	4,059	8.3

## Sales

Unit: Hundred millions of yen



- ◆ **New buildings:** The Tokyo metro area's office building market and factory HVAC market continue to be very lively, resulting in sales growth of 1.2 billion yen (12%) compared with the same period last year .
- ◆ **Existing buildings and service:** Market for existing buildings has grown rapidly by 3 billion yen (32%) compared with the same period last year. Service has also recorded steady growth in sales.
- ◆ **Orders** continue to be strong, and the backlog is growing steadily.



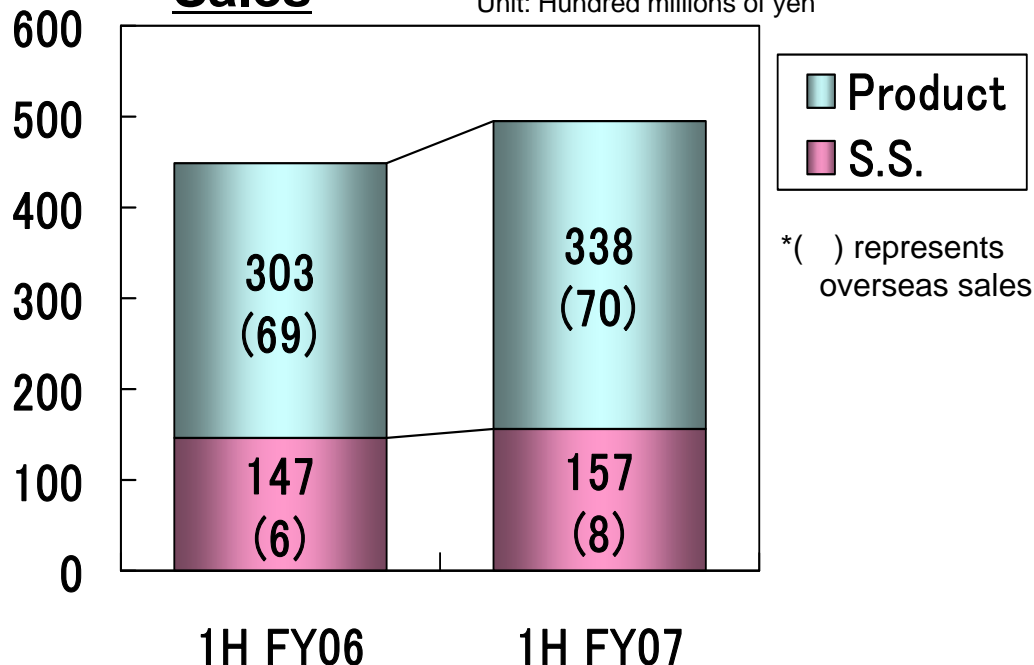
# Advanced Automation Business



	(Millions of yen)			
	<u>1H of FY06</u>	<u>1H of FY07</u>	<u>Difference</u>	<u>% Change</u>
AA Net sales	45,004	49,526	4,522	10.0
Op. income	3,846	4,122	277	7.2
%	8.5	8.3	(0.2)	
Orders	49,421	52,820	3,399	6.9
Order backlog	30,709	31,459	750	2.4

## Sales

Unit: Hundred millions of yen



- ◆ Domestically some weakness has been evident in part of the market, but helped partly by the additional contribution of a sales subsidiary consolidated in FY2006 2H, sales growth has been robust.
- ◆ Despite a significant growth in sales of the overseas affiliates, overall there was a fall resulting from a decrease in domestic direct exports owing to completion of third-party sales and large projects in the previous period.

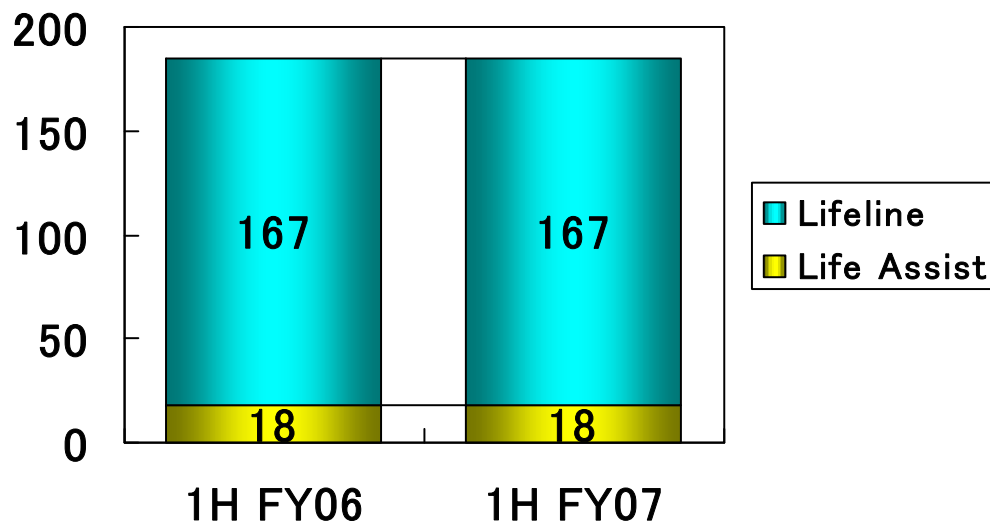
# Life Automation Business



	(Millions of yen)			
	<u>1H of FY06</u>	<u>1H of FY07</u>	<u>Difference</u>	<u>% Change</u>
LA Net sales	18,574	18,461	(113)	(0.6)
Op. income	(284)	(219)	65	—
%	(1.5)	(1.2)	0.3	
Orders	19,258	19,009	(249)	(1.3)
Order backlog	1,535	1,632	97	6.3

## Sales

Unit: Hundred millions of yen



- ◆ **Lifeline field:** Kimmon Manufacturing, the core company of the Lifeline field, saw growth in its LP gas equipment business, but sales fell from 16.4 billion yen in FY2006 1H to 16.3 billion yen in FY2007 1H as a result of the cyclical drop off fall in demand for town gas meters.
- ◆ **Life Assist field:** Despite the severe business climate, efforts to expand the scope of business have meant that sales were maintained at the previous level.

# Overseas Sales



(Hundred millions of yen)

**Net sales**

**1H of FY06**

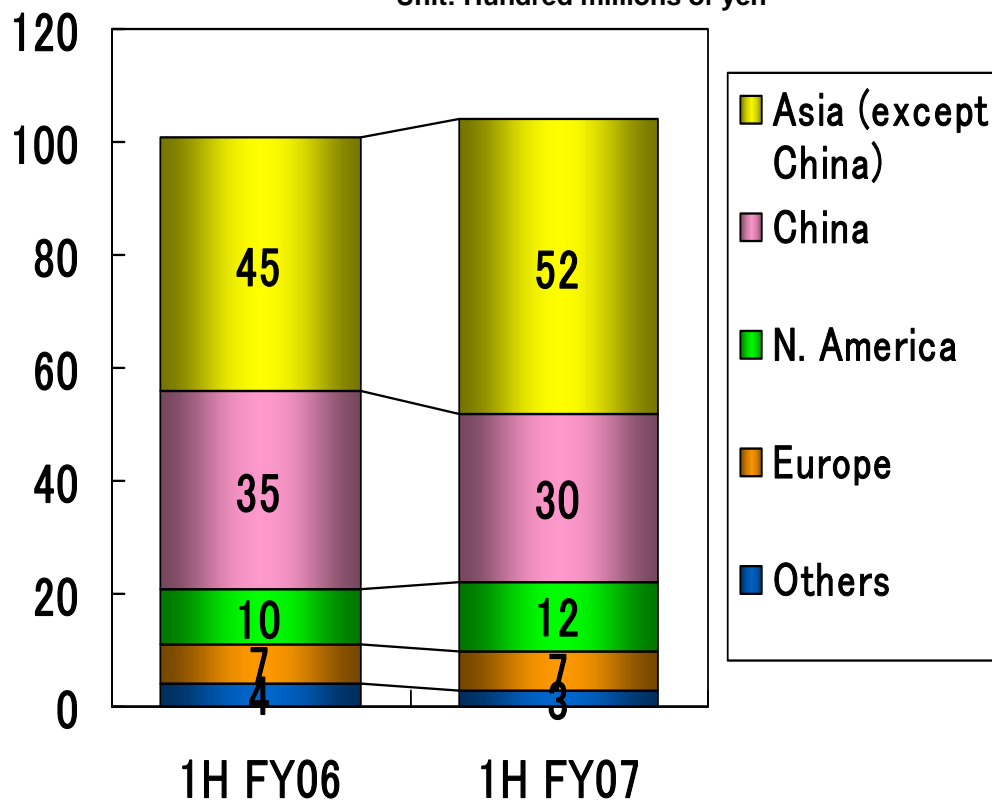
**1H of FY07**

**98**

**103**

## Sales

Unit: Hundred millions of yen



- ◆ **BA business:** Sales fell compared to the previous period because manufacturers reassessed their production bases in the SE Asian region and postponed capital investment to the following accounting period or later.
- ◆ **AA business:** Sales of overseas affiliates grew sharply. Growth has been especially strong in China, a priority market, and in other Asian countries .

# Operating Plan for Fiscal Year 2007 ending March 31, 2008

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# Operating Plan for FY2007



(Millions of yen)

	FY2006		FY2007		Dif.(FY07 - FY06)	%
	<u>Act.</u>	<u>1H Act.</u>	<u>2H Plan</u>	<u>Total year</u>		
Net sales	234,572	114,678	133,822	248,500	13,928	5.9
Op. income	17,314	7,200	13,100	20,300	2,986	17.2
%	7.4	6.3	9.8	8.2	0.8	
Recurring income	17,857	7,411	12,889	20,300	2,443	13.7
Net income	10,646	3,307	8,093	11,400	754	7.1
Total assets	230,679	219,490	245,000	245,000	14,321	6.2
Shareholders' equity	117,880	118,341	124,200	124,200	6,320	5.4

## Summary of the Operating Plan for FY2007 (ending March 31, 2008)

As a result of growth in the BA and AA businesses, sales for the fiscal year are forecast to increase by 13.9 billion yen (5.9%). Income has been affected by a severe business environment, but profit structure improvements and efficient management of selling, general and administrative expenses are expected to result in operating income rising by 2.9 billion yen (17.2%).

- **BA business:** Growth in sales and income is forecast as a result of significant business expansion in both the new building and existing building markets.
- **AA business:** Despite weak capital investment seen in part of the domestic market, sales growth is expected as a result of expansion both in Japan and overseas .
- **LA business:** In a difficult business environment a fall in sales has been unavoidable, but with continued efforts directed at developing the business foundation, the profit structure will be improved .

# Plan for Non-operating Income & Expenses and Extraordinary Gain & Loss



(Millions of yen)

	<u>FY2006 Act.</u>	<u>FY2007 Plan</u>	<u>Difference</u>	<u>% Change</u>
Operating income	17,314	20,300	2,986	17.2
Non-op. income	1,109	798	(311)	(28.0)
Non-op. expenses	566	798	232	41.0
Reccuring income	17,857	20,300	2,443	13.7
Extra. profit	630	3,271	2,641	-
Extra. loss	631	3,203	2,572	-
Income before income taxes and minority interest	17,856	20,368	2,512	14.1
Income taxes and minority interests	7,210	8,968	1,758	24.4
Net income	10,646	11,400	754	7.1

# Operating Plan by Segment



(Millions of yen)

		FY2006		FY2007			
		<u>Act.</u>	<u>1H Act.</u>	<u>2H Plan</u>	<u>Total year</u>	<u>Dif.(FY07 - FY06)</u>	<u>%</u>
BA	Net sales	88,978	43,310	56,490	99,800	10,822	12.2
	Op. income	8,459	3,177	7,523	10,700	2,241	26.5
	%	9.5	7.3	13.3	10.7	1.2	
AA	Net sales	99,750	49,526	55,974	105,500	5,750	5.8
	Op. income	9,068	4,122	5,478	9,600	532	5.9
	%	9.1	8.3	9.8	9.1	0.0	
LA	Net sales	36,805	18,461	17,339	35,800	(1,005)	(2.7)
	Op. income	(523)	(219)	19	(200)	323	—
	%	(1.4)	(1.2)	0.1	(0.6)	0.9	
New& Others	Net sales	11,124	4,303	4,497	8,800	(2,324)	(20.9)
	Op. income	352	95	105	200	(152)	(43.2)
	%	3.2	2.2	2.3	2.3	(0.9)	
Consoli.	Net sales	234,572	114,678	133,822	248,500	13,928	5.9
	Op. income	17,314	7,200	13,100	20,300	2,986	17.2
	%	7.4	6.3	9.8	8.2	0.8	

# Reference Data

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# Order & Backlog



(Millions of yen)

	FY2006			FY2007	
	<u>Act.</u>	<u>1H Act.</u>	<u>2H Plan</u>	<u>Total year</u>	Difference
<b>BA</b>					
Order	94,676	61,117	39,983	101,100	6,424
Backlog	34,933	52,739	36,232	36,232	1,299
<b>AA</b>					
Order	101,623	52,820	53,980	106,800	5,177
Backlog	28,165	31,459	29,465	29,465	1,300
<b>LA</b>					
Order	37,042	19,009	17,491	36,500	(542)
Backlog	1,087	1,632	1,787	1,787	700
<b>New&amp;Others</b>					
Order	11,316	4,359	4,741	9,100	(2,216)
Backlog	1,106	1,162	1,406	1,406	300
<b>Consoli.</b>					
Order	242,318	136,467	115,533	252,000	9,682
Backlog	64,710	86,499	68,210	68,210	3,500

# Other Reference Data



	FY2006		FY2007		Dif.(FY07 - FY06)	%
	Act.	1H Act.	2H Plan	Total year		
<b>● Capital investments</b>						
Yamatake	4,324	1,285	3,215	4,500	176	
Consoli. Sub.	949	387	613	1,000	51	
<b>Total</b>	<b>5,273</b>	<b>1,672</b>	<b>3,828</b>	<b>5,500</b>	<b>227</b>	<b>4.3</b>
<b>● Depreciation</b>						
Yamatake	2,268	1,311	1,689	3,000	732	
Consoli. Sub.	1,622	774	926	1,700	78	
<b>Total</b>	<b>3,891</b>	<b>2,085</b>	<b>2,615</b>	<b>4,700</b>	<b>809</b>	<b>20.8</b>
<b>● Research &amp; development cost</b>						
	8,776	4,610	5,090	9,700	924	10.5
<b>% to net sales</b>	<b>3.7%</b>	<b>4.0%</b>	<b>3.8%</b>	<b>3.9%</b>		
<b>● Employees</b>						
Yamatake	6,193	6,322	6,328	6,328	135	2.2
Domest.						
Consoli. Sub.	2,766	2,728	2,736	2,736	(30)	(1.1)
<b>Total</b>	<b>8,959</b>	<b>9,050</b>	<b>9,064</b>	<b>9,064</b>	<b>105</b>	<b>1.2</b>