

# New Corporate Structure

*On April 1, 2003, the day after the current reporting period ended, the Yamatake group's core businesses were reorganized into Building Systems and Advanced Automation. Strategic businesses were also given a greater weighting within the group.*



## Building Systems Business

Yamatake building systems incorporate unique automation products, technology and know-how to save energy and resources, upgrade security, enhance the comfort of indoor environments, and effectively manage facilities. Yamatake building systems enable customers to raise asset value over the entire lifecycles of their buildings.



## Advanced Automation Business

- Industrial Automation
- Control Products

Yamatake's advanced automation offerings incorporate system engineering and control products, as well as engineering, maintenance and consulting, for the enhancement of manufacturing and other industrial processes. Specialized products include sensors, switches, controllers, field instruments and valves. Yamatake solutions maximize the value of production facilities throughout their lifecycles.



## International Business

Yamatake serves its international customers through a network of 16 bases in 11 countries of Asia, North America and Europe. Valued-added products and services centered on building systems and advanced automation, as well as energy saving, environmental protection and safety, are tailored for customers worldwide.



## New Businesses

- Environment Business
- Care Services
- Home Comfort

Yamatake is strategically expanding into new businesses to better leverage the group's measurement and control technologies and provide a new foundation for long-term growth and profitability. Critical needs are being met in areas such as the environment, new energy, care services for the elderly and residential systems.





# Building Systems Business

(Former Building Automation Business)



## Hiroaki Kobayashi

Executive Director

Managing Executive Officer

and Building Systems Company President

Yamatake Corporation

## Major Markets

- Commercial buildings
- Manufacturing facilities
- Hospitals
- Government and institutional buildings
- Schools
- Hotels
- Department stores

## Message

Yamatake's building automation business has been broadly reorganized in recent years, starting with the consolidation of all related operations, from development to after-sales services, in 1998. Most recently, in the month following the end of fiscal 2002, operations were reorganized under the newly formed Building Systems Company, an "in-house company" (profit center), to optimize the development and delivery of value-added building system solutions.

During fiscal 2002, while preparations were under way to establish the new Building Systems Company, new products were developed and new businesses were launched in the building automation field. Research focused on areas such as advanced control technology for energy saving and next-generation information systems for building automation. Customers relied on Yamatake consulting services to minimize the operational costs and environmental impact of their buildings and related facilities.

Service systems incorporating advanced information technology were developed and marketed. Yamatake's Data Ware Center compiled and analyzed operational data from customer facilities to propose ways to lower operational costs and enhance indoor environments. The Center provided highly effective building automation solutions to a wide range of customers.

Yamatake's advanced information networks enabled customers to realize consolidated management of multiple buildings, freeing them from building automation tasks and costly investments in related infrastructure.

Given the weak prospects for a long-term recovery in new-building construction, value-chain capabilities — ranging from development and installation to after-sales service — were strengthened for the renewal of existing buildings. As a result, the Total Energy Management Service (TEMS) enjoyed significant growth in the field of guaranteed energy conservation (ESCO). Business in critical-environment control got under way with promising opportunities for expansion into new fields of building automation.

Despite weaknesses in investment in plant and equipment and public-sector demand, a number of major urban-renewal projects in the Tokyo area helped to fuel increased business involving new buildings. Yamatake services continued to be recognized for their value in helping customers to lower the lifetime operational costs of their buildings.

Traditional strengths in building automation continue to be enhanced and, at the same time,

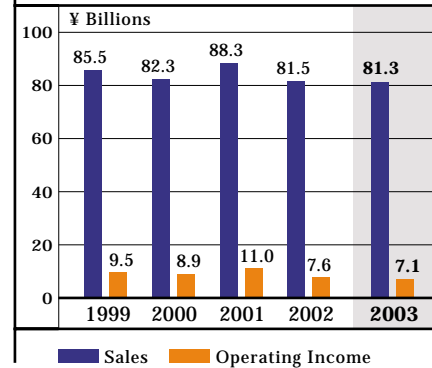


GY 7000 series wireless sensors



Message Browser, paperless software for savic-net

## Sales / Operating Income



resources are being strategically reallocated to new undertakings for increased profitability and long-term growth.

### Performance

Total sales were down 0.2% to 81.3 billion yen. Sales to new buildings increased by 3% due to several large redevelopment projects in Tokyo, mainly in the Shiodome, Roppongi and Shinagawa areas. Sales of maintenance services also grew 3%, thanks to more small-scale refurbishing projects and building inspections. In the existing buildings sector, sales of ESCO (guaranteed energy conservation) services and critical-environment systems increased significantly. Demand among existing buildings outside of Tokyo declined, however, resulting in a 7% fall in sales overall.

Operating income declined 6.4% to 7.1 billion yen. Selling, general and administrative costs increased, due mainly to pension obligations.

The building automation market suffered from reduced public spending and sluggish private capital investment. Yamatake shifted its focus from new buildings to existing buildings to maximize opportunities for its full range of technological expertise, from system development and installation to after-sales maintenance.

Manufacturing costs were reduced by aggressively adopting centralized purchasing for main products and expanding offshore production of HVAC valves at Dalian Yamatake Control Instruments in China.

### Outlook

Business in building automation is faced with a number of challenges. These include the need to accelerate development of products and services for existing buildings, due to continued sluggishness in new-building construction, as well as the needs to develop overseas markets and enhance competitiveness in Japan, where foreign competition is intensifying.

Nevertheless, new buildings remain a mainstay of Yamatake's building automation business. Accordingly, operational efficiency will be enhanced for greater profitability, thereby enabling Yamatake to continue developing innovative systems for new buildings.

More and more Yamatake building automation systems installed in the past are now requiring refurbishing. This is creating opportunities to offer tailored solutions that enable customers to reduce the operational costs of their buildings while maintaining and even improving the comfort of these structures.

In the field of building automation services, Yamatake is taking a bigger role in the operations of its customers through the use of advanced information technology. At the same time, the reorganization of Yamatake building automation services is facilitating growth in the business of helping customers add value over the lifecycle of their buildings.

Efforts to develop new markets are centered on the Total Energy Management Service (TEMS) and controls for critical environments. Opportunities for building automation applications related to global warming prevention, environmental preservation and energy waste reduction are also being explored.

Yamatake is vigorously internationalizing its building automation business, placing a special focus on China and other markets of East Asia. This is requiring, however, a substantial reduction of operational costs. Yamatake is restructuring its total manufacturing process, including development, to offer products that are more globally competitive both in pricing and quality. Although more production is being moved offshore, quality control is being strictly maintained. This will also enhance earnings and competitiveness in the Japanese market, where foreign enterprises are increasing their presence. As such, these efforts are absolutely essential for Yamatake's future prosperity.

Sales of 82.7 billion yen, up 1.7% and operating income of 6.6 billion yen, down 6.7% are forecast for fiscal 2003.



# Advanced Automation Business

(Former Industrial Automation and Control Products Business)



## Seiji Onoki

Executive Director  
Managing Executive Officer  
and Advanced Automation Company President  
Yamatake Corporation

## Major Markets

- Petrochemical/chemical
- Public utilities
- Refining
- Electric power and gas
- Iron and steel
- Pulp and paper
- Shipping and marine
- Semiconductor/Semiconductor manufacturing
- Electrical/Electronic component
- Industrial machinery
- Automobiles
- Pharmaceutical
- Foods and beverage, Packaging
- Furnace/oven/boiler manufacturing
- Residential/commercial buildings

## Message

Preparations were made throughout the year for a major reorganization of control products and industrial automation businesses. The aims of the reorganization are to develop more competitive solutions and generate more stable earnings. As a result, in April 2003, immediately following the end of the reporting period, the former control products and industrial automation businesses were merged and reorganized under the new core unit of Advanced Automation Company, an “in-house company.”

In the control products field, Yamatake components enable customers — mainly equipment manufacturers — to enhance automation and upgrade competitiveness. In industrial automation, Yamatake solutions support the lifetime operation of facilities in a wide range of fields, from upstream production of raw materials to downstream manufacturing of fine chemicals, pharmaceuticals, foods, electrical/electronic components and automobiles, as well as facilities for water/wastewater treatment and energy supply.

The reorganization substantially fortifies Yamatake Corporation’s competitiveness and business potential in regard to factories and other facilities. With its enhanced solutions capabilities, the corporation is now strategically positioned for expansion into new markets.

Yamatake aims to become a valued partner of each customer, creatively collaborating with them to offer tailored solutions centering on mainstay technologies in measurement, control and information. To this end, the following strategies are being pursued:

- In marketing, bolster sales and service networks to provide comprehensive support to the manufacturers and end-users of industrial equipment.
- In technologies and products, shorten the time-to-market interval by working more closely with customers. Also, strengthen automation solutions by incorporating innovative Yamatake products ranging from sensors, flow meters and control valves to advanced control systems, as well as floor-wide and plant-wide management systems.
- In productivity, make greater use of proprietary Just-in-Time Upgrade Manufacturing Process (JUMPS) technology to enhance cost competitiveness and just-in-time capabilities.

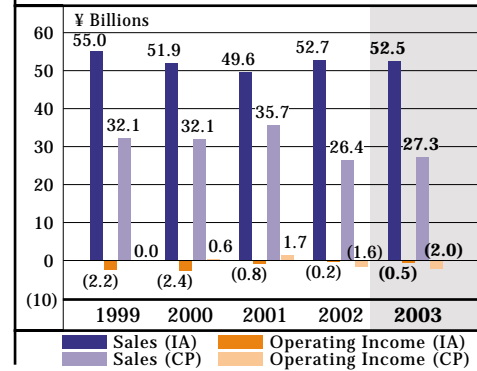


Liquid leak detector, liquid level sensor



Air flowmeter AIRcube

## Sales / Operating Income



## Performance

Industrial automation sales fell slightly by 0.5% to 52.5 billion yen. An operating loss of 478 million yen was incurred. With few exceptions, the industrial automation market remained extremely challenging. As more customers moved production offshore, the market in Japan contracted and price competition intensified. Nevertheless, industrial automation sales in Japan increased slightly, due to aggressive upgrading and optimization of existing systems and shifting emphasis to the company's value-added Manufacturing Execution System for production, quality and equipment management.

Although sales declined in the chemical, steel, gas and electrical power sectors, sales to oil refineries jumped 29%, driven by demand for environmental protection measures and the renewal of oil storage systems. Sharp growth of 31% was achieved in the foods and beverages sector, driven by greater investment in safety-enhancement equipment. Sales to shipbuilders were strong, thanks to increased construction of liquid natural gas carriers. Overseas, however, industrial automation sales slumped 11% due to postponement or cancellation of projects, mainly in the destabilized Middle East.

The addition of foreign subsidiaries in the consolidated account boosted sales of control products by 3.3% to 27.3 billion yen. Second-half sales jumped 10% from the first half due to a partial recovery in capital investment in Japan. An operating loss of 2.0 billion yen was posted for the year due to amortization and devaluation of dead stock and increased pension obligations.

By focusing on key markets and strengthening solution sales, a modest increase was achieved in industrial-market sales. Flow measurement sales remained strong, thanks to differentiated technology for massflow meters and controllers. Overall sales of strategic products increased in tandem with recovery in the semiconductor and electronics industries, and robust activity in the automobile and manufacturing equipment industries.

In the residential market, although sales of radiant floor heating were brisk, weaker sales of air cleaners due to price competition resulted in a fall in sales overall. International sales of control products increased, partly due to the addition of newly consolidated subsidiaries.

## Outlook

Yamatake's main challenge in fiscal 2003 is to establish a sound foundation for sustained profitability. This entails a five-point strategy:

- Improve cost/profit structure by reorganizing product divisions, and production and marketing functions, through measures such as upgrading the sales, engineer staff and introducing other necessary changes throughout all facets of the business.
- Enhance customer-collaboration business models, underpinned by the synergistic application of control product and industrial automation technologies, to offer a more complete range of total services throughout facility lifecycles.
- Develop innovative solutions for the environment and safety, including seismic sensors and broad-area remote monitoring systems for gas-governor stations, quality-control management for the production of pharmaceutical and food products, and new energy products and services.
- Apply proprietary technology more aggressively, such as Yamatake micro-machining technologies for massflow measurement and Yamatake acoustic diagnosis technology for facility maintenance.
- Take greater advantage of Yamatake resources and capabilities — including development, quality assurance, marketing, etc. — to expand international business with foreign customers, as well as Japanese customers operating offshore.

Sales of 80.7 billion yen and operating income of 1.5 billion yen are forecast for fiscal 2003.

# International Business



## Jun Kawachi

Executive Director  
Managing Executive Officer  
Yamatake Corporation

## Message

International business is centered on core strengths in building automation, industrial automation and control products. For the past 30 years, Yamatake has been combining products, control and measurement technologies and services for solutions tailored to specific markets around the world.

Major global players in the automation field are presenting a strong challenge in terms of cost competitiveness. Nevertheless, Yamatake has become a formidable competitor in fields such as natural gas, based on its extensive experience and world-class technology in energy efficiency, the environment and safety. A special emphasis is now being placed on global-market solutions underpinned by Yamatake's superior products and unparalleled technology and know-how. With strengths ranging from individual field instruments to comprehensive systems, as well as engineering and maintenance expertise, Yamatake is well positioned to grow its international markets through highly tailored solutions.

Investment in the company's international network has been made from a long-term perspective, knowing that the best way to develop useful solutions is to work directly with customers in their markets. Accordingly, Yamatake has established a comprehensive network of 16 subsidiaries and three factories in 11 countries worldwide, and is now focusing on strengthening the production, sales, services and engineering capabilities of this network.

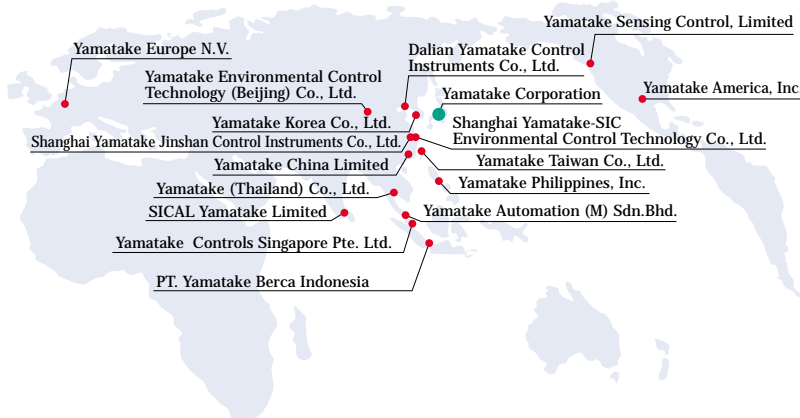
Production, supply and marketing systems are being enhanced for solutions required by global customers. The foundation of these solutions is Yamatake core products for measurement and control, including, for example, highly advanced photoelectric switches, temperature controllers and smart valve positioners. In addition to functionality, quality and cost, environmental friendliness is also constantly upgraded for the development of high-level products for global markets.

Different strategies and customers are pursued in each market. In the United States, the company's newly renamed subsidiary, Yamatake America, Inc., is focusing on field instruments.

In China, operations are now being coordinated through the Shanghai Representative Office. Major activities include the expansion of production capabilities in Dalian and Shenzhen, and reorganization of distribution channels around the country. The establishment of a unified business structure for supplying core products in China's huge and highly promising market is well under way.

Going forward, Yamatake will continue to develop its

## Global Network

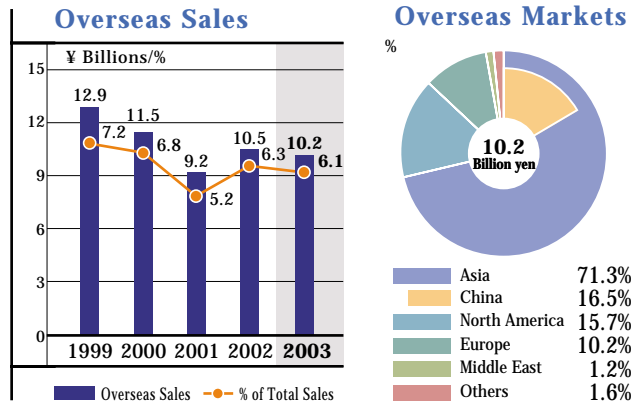




**WGC 2003**  
Yamatake exhibited at 22nd World Gas Conference Tokyo 2003



**Shenzhen Yamatake Factory**  
Yamatake's second production facility in China started full-fledged operation last December.



international business potential by responding to global needs for diverse solutions centered on core products.

### Performance

International sales, including three newly consolidated overseas subsidiaries, fell nearly 3% to 10.2 billion (which is included under Building Systems Company and Advanced Automation Company sales stated elsewhere). Product sales grew steadily, mainly in Asia, but a falloff in system business led to the overall decline in international sales.

Building automation sales were up in the first half. This was due to increased construction and expansion of factories producing electronics and digital display equipment in China and other regions. Sales dropped slightly in the latter half of the year, however, as tension grew in the Middle East and consumption in Japan and the U.S.A. slumped.

Industrial automation sales fell. Although orders for control valves and field instruments were up slightly in China and Southeast Asia, overall performance was impacted by postponed orders for large systems in these same markets, and as well as instability in the Middle East.

Increased international sales were achieved with control products, including photoelectric switches and temperature controllers. Activity in the electrical/electronics sector was robust, particularly in Taiwan and South Korea. In China's fast-growing electrical/electronics market of the South China region, significant market penetration and sales were achieved with photoelectric switches and temperature controllers.

In the U.S.A., the subsidiary YCV Corporation was renamed Yamatake America, Inc. in September 2002. Increased recognition of the Yamatake brand due to the name change is expected to strengthen sales of products such as field instruments.

### Outlook

In fiscal 2003, international business will benefit from Yamatake's newly reorganized structure and the increasingly effectively integration of group competencies. Development, production and marketing activities will draw on the full range of group resources — including in-

house companies, factories, research units and more — based on strategies devised by the International Business Headquarters and implemented by overseas subsidiaries.

Human resources, information systems and sales activities will continue to be strengthened, particularly in the key markets of China, with its potential for high growth, and North America, with its strong demand for advanced products.

In China, markets are being developed for Yamatake's core businesses. Significant new opportunities exist among major customers in fields ranging from chemicals, glass, rubber, metal and other materials to automotive fields such as parts and components production, painting and assembly.

The U.S. market has become a pillar of the company's international business. Yamatake Sensing Control, Ltd. is developing new markets for control products, including photoelectric switches, temperature controllers and microflow sensors.

In Europe, special expertise will continue to be applied toward the development of businesses mainly for the natural gas field.

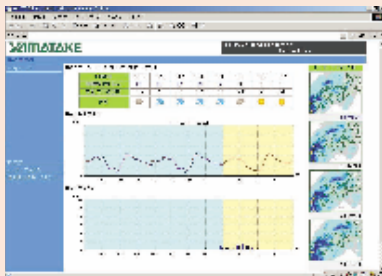
In the East Asian markets of Korea and Taiwan, building automation know-how is being leveraged through alliances with subsidiaries in the construction industry.

Yamatake's subsidiaries in Southeast Asia possess significant sales and engineering capabilities. Capitalizing on these strengths, operations are being strategically allocated within the region for stronger sales and distribution.

Activities in the Middle East are centered on opportunities to renew existing systems and market products, such as control valves and smart valve positioners.

Looking ahead, enhanced collaboration between research and production is expected to facilitate the development of advanced products for the global market, including new valve positioners, electromagnetic flowmeters and microflow sensors. At the same time, Yamatake's unique core products will provide a solid base for globally-oriented environmental and energy solutions.

# New Businesses



**TCBM (Topological Case-Based Modeling)**  
TCBM-based system for forecasting fluctuation in water flowing into sewage treatment plants



**Call center at Safety Service Center, Inc.**  
Safety Service Center, Inc. offers emergency dispatch services and health consultation



**Care Services**  
Yamatake Care-Net Co., Ltd. provides assisted care services to elderly and bedridden persons living at home.

## *Environment Business*

Yamatake is growing its environment business by developing business models with applications in multiple fields, and by achieving greater synergy among Group technologies.

Yamatake's Net-TCBM (topological case-based modeling) system for sewage inflow prediction, officially certified by the Japan Institute of Wastewater Engineering Technology in March 2003, is a key technology for the prevention of urban disasters. Yamatake was commissioned to monitor effluents at two points along the Sagami River, west of Yokohama, bringing the number of Net-TCBM systems to eight locations. To date, significant results have been achieved in controlling overflows from combined (sewage, rainwater, etc.) sewer systems, as well as tracking inflow and infiltration of rainwater in separate (sewage only) sanitary sewer systems, thereby helping to prevent the pollution of public waters. Eventually, it is hoped that this proven Yamatake technology will be adopted for all of Japan's 1,900 sewage plants nationwide.

During the year, a pilot test was conducted with a system for tracking fresh produce as it moves through distribution channels. The test was commissioned by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and carried out in collaboration with a private-sector association promoting fresh-produce traceability. A commercial version of the system was launched under the trade name "Trace Navi," making Yamatake the first company in Japan to offer a system for monitoring and tracking fresh produce from farm gate to kitchen table under new MAFF guidelines. This unique Yamatake technology will become more widely known with field installation subsidized by the Japanese government in fiscal 2003.



## **Exhibition**

Yamatake exhibited at the 3rd World Water Forum in Osaka in March 2003

Yamatake was commissioned by the New Energy Foundation to develop a remote management system for evaluating the performance of residential fuel cells. A commercial version of the system attracted orders from fuel cell manufacturers in fiscal 2002, and more than 100 major contracts for systems are anticipated in fiscal 2003. Sales of Yamatake remote monitoring systems for isolated electrical-power generation facilities continued to grow, numbering about 30 new sites during the year. Demand for new-energy facilities in factories will also create new opportunities to provide consultation on saving energy.

Yamatake is deeply involved in recycling, having developed and verified the performance of biodegrading garbage process at the company's Fujisawa and Shonan factories. Equipment will be manufactured on a trial basis and field-tested at the Isehara factory in June 2003, with commercialization targeted at October.

Consulting services were provided for the design and construction of environmental management systems. Customers were also consulted on energy conservation, new energy and recycling activities to help them raise productivity and reduce environmental loads.

Yamatake also undertook various activities in keeping with its strong support of the sustainable management concept. Working in cooperation with the Sustainable Management Forum of Japan and the Japan Science and Technology Corporation, and drawing on past experience with European firms specializing in advanced environmental consulting, Yamatake helped to create the Japan Environmental Policy Index (JEPIX). The Company also participated in a project to rank the environmental programs of 100 leading companies in Japan.

**Trace Navi**  
PC-based data tracking and management system



**Dokodemo Data**  
Remote monitoring system for on-site distributed electrical-power generation facilities

## Care Services

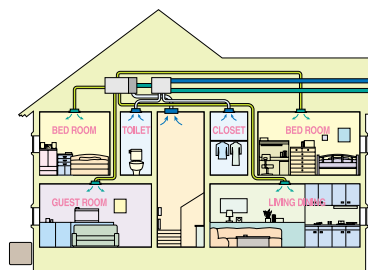
Yamatake care services incorporate measurement and control sensor technologies and IT know-how to enhance the safety and well-being of elderly persons. Group business in this sector is centered on Safety Service Center, Inc., which offers medical emergency dispatch services for seniors living at home, and Yamatake Care-Net Co., Ltd., a provider of in-home care services.

Offices were added in selected regions of Japan for stronger sales and services in these local markets. Safety Service Center, Inc. established sales offices in Osaka and Hiroshima, and Yamatake Care-Net Co., Ltd. opened seven outlets in Tokyo and neighboring Kanagawa Prefecture, bringing the total to 16. The two firms joined forces to explore new business opportunities in the field of in-home services for seniors. In addition, the center tied up with a site management organization to develop support services for clinical pharmacology.

## Home Comfort

Yamatake has branched out into residential systems, based on its extensive experience with building air-conditioning systems. During the year, Yamatake's "Kikubari" central air-conditioning system enjoyed growing popularity as a cost-efficient, all-season system for upscale residences. The Kikubari brand name is now synonymous with indoor comfort and reduced energy consumption. Moreover, the system's superior performance and proven track record have attracted spec-in collaboration with leading homebuilders.

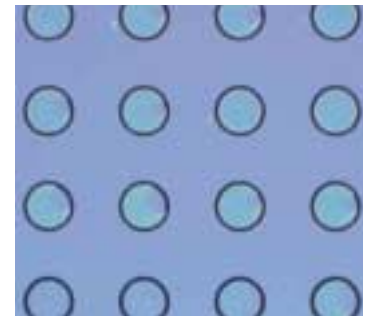
Advanced, highly versatile Yamatake home comfort products and services have earned high praise in the marketplace. In addition to boasting fully integrated design, installation and maintenance, Yamatake home comfort systems are supported with a 24-hour customer hotline, an informative website and announcements via email. Yamatake also markets negative-ion air conditioning systems for healthier indoor environments.



**Central air-conditioning system**



# Research & Development



DNA chip with micro wells for automated in situ on-chip synthesis of oligo-DNA probes

Research and development within the Yamatake group encompasses Yamatake Corporation's R&D Headquarters — the group's core R&D unit — plus product development departments in each business section and the Technology Committee, which directs group-wide research and development strategies. The group's research and development activities are also underpinned by the R&D Headquarters' close collaboration with the Micro Device Center and Speed Production Engineering Department.

R&D resources were strategically reallocated during the year to strengthen activities in four key areas: core technologies, strategic technologies for new businesses, advanced technologies and micro devices. Core technology R&D centered on the development of next-generation products within each business section, supported by collaboration with the R&D Headquarters. Strategic technologies R&D focused on applications for health care, the environment and energy. Advanced technologies R&D concentrated on bio-engineering projects carried out in partnership with universities and research institutes, both at home and abroad.

## Performance

Yamatake embarked on a joint effort with CEA-Leti (under the French Institute for Nuclear Sciences) to develop next-generation in situ synthesized biochips (microsystems for biology). Also, a prototype Bio-MEMS (micro electro-mechanical systems) chip was developed.

In the field of micro devices, Yamatake researched and developed microflow sensors for liquid and corrosive gas flows, and sapphire pressure sensors featuring high resistance to corrosion and heat. The MEMS Foundry Service was launched to provide MEMS technology for micro devices.

Ongoing R&D in factory automation included real-time three-dimensional measurement of objects under one millimeter in size with binocular range image sensors and Moire 3-D sensors.

Proprietary topological case-based modeling (TCBM) technology was enhanced for measurement-data analysis, such as sewage inflow prediction systems. TCMB technology offers promising applications in the fields of environment, public infrastructure and disaster prevention.

Network security solutions were developed for the prevention of unauthorized access and malicious interception of data. These solutions are marketed under the 'Security Friday' brand name.

In health care, Yamatake continued to research and develop air mattress sensors that detect slight changes in mattress air pressure to monitor breathing, pulse and

other vital signs. The technology is particularly useful for monitoring people with sleep disorders. Also studied were services that monitor and analyze vital signs to provide advice on how to maintain healthy lifestyles.

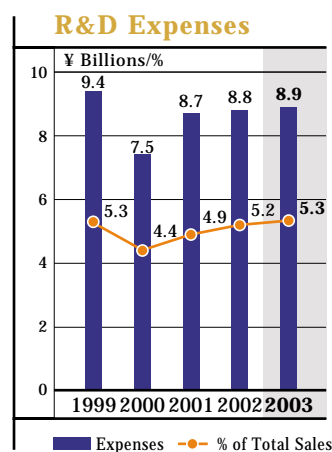
Research in environmental measurement, cleansing and management technologies, as well as fuel cell measurement technology, was carried out.

## Outlook

Going forward, R&D will continue to focus on core technologies and will be strengthened for strategic and advanced technologies. Core technologies R&D will include the development of measurement, control and sensor products for medium- to long-term applications. Strategic technologies R&D will target new business fields such as the environment, energy and health care, while advanced technologies R&D will concentrate on areas of high growth potential, including network security and biotechnology.

In addition to in-house research, for selected technologies Yamatake will continue to collaborate with research institutes and universities, both domestic and foreign, as well as participate in government-sponsored research projects. The advantages of such efforts include faster and higher-quality research.

The reorganization will raise the productivity of research operations and thereby strengthen Yamatake's ability to keep pace with technological progress and customers' fast-changing needs. Further developments are expected in areas such as proprietary microflow and MEMS technologies, leading to new products that meet a broad range of customer needs. Applied R&D will support the introduction of new technologies for precision measurement and control in building systems and advanced automation, as well as care services and other new businesses.





# Environmental Responsibility

## Environmental Responsibility

Yamatake takes environmental accountability very seriously, fulfilling this essential social responsibility in two basic ways.

First, the environmental impact of all Yamatake business activities is minimized to the full extent possible. The Yamatake group Environmental Charter, introduced in April 2001, embodies a firm commitment to the realization of an environmentally sustainable society. The Kyoto Protocol principles are reflected in Yamatake operations, including efforts to reduce CO<sub>2</sub> emissions, eliminate toxic emissions, reduce the use of chemical substances, develop environmentally-friendly products and services, conduct green procurements and environmental accounting, and more.

Second, Yamatake provides customers with tailored solutions to help them reduce the environmental impact of their operations. With abundant experience in measurement and control technology, as well as extensive product lineup, Yamatake is well positioned to support customers in their environmentally-oriented endeavors. In fact, this is becoming a key business for Yamatake. At the same time, the company will continue to pursue technologies that contribute to environmentally sustainable societies.

Guided by the "Savemation" philosophy of saving through automation, as well as the goal of realizing world that is easier both on people and the environment, Yamatake remains committed to developing innovative technologies and automation solutions in close partnership with customers and society at large.

## Accomplishments in 2002

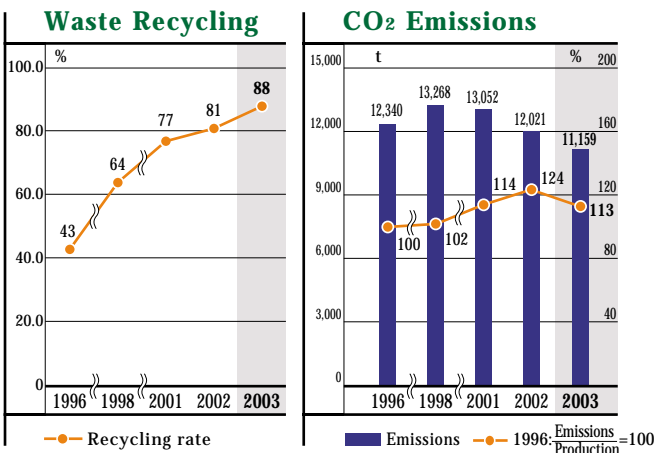
- Environmental Management
  - ISO14001 certification of Yamatake Industrial Systems Co., Ltd.
  - ISO14001 certification of Fujisawa Delivery Center
- Environmental Performance
  - Reduced CO<sub>2</sub> emissions at production facilities by 7.2%
  - Increased waste recycling at production facilities by 7.0%
- Environmental Products
  - Sales of environmentally labeled products being 24.4% of total sales
  - Number of environmentally labeled product developments being 65.4% of total number of products developments
  - Examples of environmentally labeled products
    - Electromagnetic flowmeter WaterMAG
    - Industrial-DEO Process Controller DOPC II
    - Actival compact 3-way valve
  - Conducting out Life Cycle Assessment
    - Recording paper
- Environmental Business
  - Exhibited Fujisawa Factory as a model for energy conservation (894 visitors from 236 companies)

## Objectives for 2003

- Strengthen environmental management (prepare to integrate certifications of 6 organizations)
- Use more lead-free soldering and fewer toxic chemicals
- Establish Shonan and Isehara factories as showcase energy-conservation models

## Targets for 2005

- Finish certification of domestic non-manufacturing facilities and offshore manufacturing facilities
- Achieve lead-free soldering in all production processes
- Reduce CO<sub>2</sub> emissions at production facilities in Japan by 4.5%
- Raise waste recycling rate at production facilities in Japan to 98%
- Raise environmental labeling conformity to 70% of new products



# Board of Directors and Corporate Auditors

As of July 1, 2003



(Seated from left) Nobuyuki Takai, Yoshiharu Sato, Hiroshi Shima  
(Standing from left) Hiroaki Kobayashi, Jun Kawachi, Masaaki Togo, Seiji Onoki

**Yoshiharu Sato**  
President  
and Chief Executive Officer

**Nobuyuki Takai**  
Executive Vice President  
and Chief Financial Officer

**Hiroshi Shima**  
Executive Vice President  
and Chief Technology Officer

**Masaaki Togo**  
Executive Director  
Managing Executive Officer  
and Chief Information Officer

**Jun Kawachi**  
Executive Director  
Managing Executive Officer

**Seiji Onoki**  
Executive Director  
Managing Executive Officer  
and Advanced Automation Company  
President

**Hiroaki Kobayashi**  
Executive Director  
Managing Executive Officer  
and Building Systems Company President

**Yukihiko Tsuruta**  
Corporate Auditor

**Shosaku Maeda**  
Corporate Auditor

**Tomonori Kobayashi**  
Corporate Auditor

**Makoto Yasuda**  
Corporate Auditor

**Masaaki Iwai**  
Executive Officer

**Makoto Iwakura**  
Executive Officer

**Sadachika Ogawa**  
Executive Officer

**Kouichi Kamisawa**  
Executive Officer

**Ikuya Kitta**  
Executive Officer

**Kiyofumi Saito**  
Executive Officer

**Tadayuki Sasaki**  
Executive Officer

**Kazuo Shimizu**  
Executive Officer

**Toshio Hiraoka**  
Executive Officer

**Tadashi Hirooka**  
Executive Officer

**Takuzo Furuki**  
Executive Officer

**Hisayoshi Mori**  
Executive Officer