

Yamatake Corporation

June 8, 2007

2-7-3 Marunouchi, Chiyoda-ku, Tokyo

Notice of the 85th Ordinary General Meeting of Shareholders

Dear Shareholders:

You are cordially invited to attend the Ordinary General Meeting of Shareholders of Yamatake Corporation, which will be held on Thursday, June 28, 2007, at 10:00 a.m. in the Conference Room of the Business Center, 2nd Floor of Shinagawa Seaside South Tower, 4-12-1 Higashi-Shinagawa, Shinagawa-ku, Tokyo.

Yours faithfully,

Seiji Onoki

President and Chief Executive Officer

Meeting Agenda

Items to be Reported

Item 1: Business Reports, Consolidated Financial Documents, and Audit Reports covering Consolidated Financial Documents by the Independent Auditor and the Board of Corporate Auditors for the 85th term from April 1, 2006 to March 31, 2007

Item 2: Non-consolidated Financial Documents for the 85th term from April 1, 2006 to March 31, 2007

Items to be Resolved

Item 1: Appropriation of Retained Earnings

Item 2: Election of Two (2) Directors

Item 3: Election of Five (5) Corporate Auditors

Item 4: Revision of Compensation for Corporate Auditors

Reference Materials for the General Meeting of Shareholders

Item 1: Appropriation of Retained Earnings

The Company regards the distribution of profit to shareholders as one of the most important management issues. Taking comprehensive account of consolidated business results, the level of return on equity and ratio of dividends to shareholders' equity, as well as internal reserves for future business development and the reinforcement of corporate strength, management strives towards improving dividend levels while maintaining stable dividends. Based on this policy, year-end dividends for the 85th term are proposed as follows.

(1) Type of dividend

Cash

(2) Allocation of dividends to shareholders, and total amount

¥25 per share of Company common stock

Total amount: ¥1,839,194,825

As the interim dividend of ¥25 per share was paid in December 2006, the total dividend for full year is ¥50 per share.

(3) Effective date of payments for dividends from retained earnings

June 29, 2007

Item 2: Election of Two (2) Directors

Directors Hisayoshi Mori and Masaaki Iwai will retire from office at the close of this Ordinary General Meeting of Shareholders. Consequently, in order to elect their replacements and with a view to the all-around reinforcement of corporate governance, the election of two Directors including one Outside Director is requested. If this proposal is adopted, in accordance with Article 23 of the Articles of Incorporation, the terms of office for the new Directors will end coincident with those of existing Directors.

The following individuals are candidates for Director.

No.	Name (Date of birth)	Biographies, positions and sections of which they are in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
1	Tadayuki Sasaki (October 29, 1948)	<p>April 1972 Joined The Fuji Bank, Limited</p> <p>May 1987 Sub-manager of the New York Branch</p> <p>May 1994 Manager of the International Sales Division, 3rd Project Finance Department</p> <p>October 1999 Project Finance Department Sales</p> <p>May 2002 Joined the Company (Executive Officer)</p> <p>April 2003 Executive Officer and General Manager of the Accounting & Finance Department</p> <p>April 2006 Managing Executive Officer (Present post)</p> <p>June 2006 Executive Director of Kimmon Manufacturing Co., Ltd. (Present post)</p>	4,700
2	Eugene Lee (December 23, 1941)	<p>September 1970 Professor of International Business and International Law at Sophia University</p> <p>February 1973 President of International Investment Consultants Ltd.</p> <p>January 1982 President of Siemens Medical Systems (Present: Siemens-Asahi Medical Technologies Ltd)</p> <p>December 1990 Vice Chairman of Siemens K.K. (Representative of Siemens Group in Japan)</p>	0

- (Note)
1. There are no vested interests between each candidate and the Company.
 2. Eugene Lee is a candidate for Outside Director under Article 2-15 of the Company Law.
 3. Reasons for recommending him as candidates for Outside Director
 Since Eugene Lee's abundant experience as a manager and profound discernment can be reflected in the Company's management, and from the standpoint of the Company's independence, his appointment as Outside Director is requested for the all-around reinforcement of corporate governance.
 4. Outside Director limited liability contract
 In order to enable functions the Company expects from its Outside Directors, Article 27 of the existing Articles of Incorporation prescribe conclusion of contracts which limits legal liability of Outside Directors under Article 423-1 of the Company Law. Accordingly, Outside Director candidate Eugene Lee is expected to sign a limited liability contract with the Company. Under that contract, the limit of liability shall be set at the minimum level prescribed by the relevant laws and ordinances.

Item 3: Election of Five (5) Corporate Auditors

The terms of office for all four (4) current Corporate Auditors will expire at the close of this Ordinary General Meeting of Shareholders. In order to reinforce corporate governance, the election of five (5) Corporate Auditors including one additional Corporate Auditor is requested. The prior consent of the Board of Corporate Auditors has been obtained for the presentation of this item to the General Meeting of Shareholders.

The following individuals are candidates for Corporate Auditor.

No.	Name (Date of Birth)	Biographies, positions and sections of which he is in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
1	Yukihiko Tsuruta (March 3, 1946)	<p>August 1973 Joined the Company September 1997 General Manager, Fiscal Control & Finance Headquarters April 2001 General Manager, Accounting & Finance Department June 2002 Executive Officer and General Manager, Accounting & Finance Department April 2003 Vice Executive Officer June 2003 Standing Corporate Auditor (Present post)</p>	2,900
2	Tomonori Kobayashi (April 23, 1949)	<p>April 1973 Joined The Fuji Bank, Limited July 1990 Counselor Securities Planning Division May 1995 General Manager, American Division July 1998 General Manager, Asia Division May 1999 General Manager, Joint Planning Office, Global Planning Division May 2000 General Manager of the Hong Kong Branch April 2002 Executive Officer and General Manager of the Hong Kong Branch of Mizuho Corporate Bank, Ltd. April 2003 Executive Officer June 2003 Standing Corporate Auditor of the Company (Present post)</p>	1,400
3	Kozo Edanami (June 2, 1946)	<p>April 1971 Joined the Company October 1992 General Manager, Industrial System Division, 2nd Part Quality Control Department October 1998 Transferred to the Quality Control Department of Yamatake Industrial Systems Co., Ltd. (Present: The Company's Advanced Automation Company) as the General Manager June 2000 Executive Director of the above April 2003 Vice Executive Officer of the Company and Tokyo Branch General Manager of The Company's Advanced Automation Company April 2006 President of Safety Service Center. Co., Ltd. (Present post)</p>	2,100

No.	Name (Date of Birth)	Biographies, positions and sections of which he is in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
4	Kinya Fujimoto (October 1, 1946)	<p>April 1969 Joined Toyo Precision Engineering Co., Ltd. (Present: Seisa Gear Co., Ltd.)</p> <p>March 1972 Resigned Toyo Precision Engineering Co., Ltd</p> <p>April 1972 Joined Shibata Certified Public Accountants Office</p> <p>March 1979 Resigned Shibata Certified Public Accountants Office</p> <p>March 1979 Established Fujimoto Certified Public Accountants Office (Present post)</p> <p>June 2006 Corporate Auditor of the Company (Present post)</p>	200
5	Katsuhiko Tanabe (August 14, 1942)	<p>April 1973 Registered as a Lawyer</p> <p>September 1979 Established Tanabe Law Firm (Present post)</p> <p>April 1995 Deputy Chairman of Dai-ichi Tokyo Bar Association</p> <p>April 1997 Vice-Chairman of Kanto Bar Association</p> <p>April 1998 Managing Director of Japan Federation of Bar Associations</p> <p>June 2000 Outside Auditor of SANWA SHUTTER CORPORATION (Present post)</p>	0

- (Notes)
1. There are no vested interests between each candidate and the Company.
 2. Messrs. Kozo Edanami and Katsuhiko Tanabe are new candidates.
 3. Messrs. Tomonori Kobayashi, Kinya Fujimoto and Katsuhiko Tanabe are Outside Corporate Auditors under Article 2-16 of the Company Law.
 4. Reason for recommending them as candidates for Outside Corporate Auditor
 - (1) Since Mr. Kobayashi's abundant overseas experience and profound expertise can be reflected in the Company's auditing, his election as Outside Corporate Auditor is requested.
 - (2) Since Mr. Fujimoto's professional knowledge and wide discernment as a Certified Public Accountant can be reflected in the Company's auditing, his election as Outside Corporate Auditor is requested.
 - (3) Since Mr. Tanabe's professional knowledge and profound discernment as an attorney can be reflected in the Company's auditing, his election as Outside Auditor is requested.
 5. Reasons the Company has judged that even candidates who have not contributed to the Company's management can appropriately perform functions as Outside Corporate Auditors.
 - (1) Mr. Kinya Fujimoto as a Certified Public Accountant possessing professional knowledge of finance and accounting, and high discernment related to management, can be adjudged capable of appropriately executing functions as an Outside Corporate Auditor.
 - (2) Mr. Katsuhiko Tanabe as an attorney possessing professional views on Company Laws, and wide-ranging expertise related to management, can be adjudged capable of appropriately executing functions as an Outside Auditor.
 6. Term of office for Outside Corporate Auditor candidate as Outside Corporate Auditor
 - (1) Mr. Kobayashi's term of office as Outside Corporate Auditor is four (4) years from the close of this Ordinary General Meeting of Shareholders.
 - (2) Mr. Fujimoto's term of office as Outside Corporate Auditor is one (1) year from the close of this Ordinary General Meeting of Shareholders.
 7. Limited liability contracts with Outside Corporate Auditors

In order to enable functions the Company expects from its Outside Corporate Auditors, Article 37 of

the existing Articles of Incorporation provides for the conclusion of contracts that limit legal liability of Outside Corporate Auditors under Article 423-1 of the Company Law. Accordingly, Outside Corporate Auditor candidates Messrs. Tomonori Kobayashi and Kinya Fujimoto have signed limited liability contracts with the Company. Under those contracts, the limit of liability is set at the minimum level prescribed by the relevant laws and ordinances. An Outside Corporate Auditor candidate Mr.Katsuhiko Tanabe is also expected to sign the limited liability contract with the Company. Under that contract, the limit of liability shall be set at the minimum level prescribed by the relevant laws and ordinances.

Item 4: Revision of Compensation for Corporate Auditors

Compensation for Corporate Auditors was determined to be more than ¥80,000,000 per year during the 81st Ordinary General Meeting of Shareholders held on June 27 2003. Going forward, however, in the interest of further reinforcing corporate governance and the audit system, the number of Auditors will be increased. Thus, we propose to increase the ceiling of compensation paid to Corporate Auditors to ¥120,000,000 per year. At present there are four Corporate Auditors. If Item 3 is approved as stated, the number of Corporate Auditors will increase to five (5).

*Note: This English translation is an abridged version of the original notice in Japanese.
In the event of discrepancies, the Japanese version shall prevail.*