

## Consolidated Financial Results for the First Quarter ended June 30, 2004

### 1. Performance for the First quarter ended Jun. 30, 2004 (from Apr. 1, 2004 to Jun. 30, 2004)

- The Japanese financial accounting standards are applied for this quarterly statement of accounts.
- 1st quarter results for both last year and this year are not audited.
- Amounts indicated are rounded down.
- Percentage shows the increase/(decrease) from the 1st quarter of the previous fiscal year.

#### (1) Results

(Millions of yen & % of inc./dec.)

	Sales		Operating income		Net income	
Three months ended Jun. 30, 2004	30,810	(4.4%)	(2,539)	-	(3,586)	-
Three months ended Jun. 30, 2003	32,223	-	(2,666)	-	(1,525)	-
Year ended Mar. 31, 2004	169,950		6,820		3,240	

	Net income Per Share (Yen)
Three months ended Jun. 30, 2004	(48.74)
Three months ended Jun. 30, 2003	(20.74)
Year ended Mar. 31, 2004	43.51

During the first quarter of this fiscal year, Japan's economy continued to recover, spurring improvements in corporate performance and increases in capital investment. Overseas economies, particularly China, also showed a steady performance.

Under such economic climate, Yamatake has, in its Building Systems business, expanded the Solutions Business, while enhancing the Building Automation business by focusing on factories and department stores in the context of decreasing public investments. Consequently, orders increased by 6.6% or 1.8 billion yen compared to the previous year. In terms of sales, being negatively influenced by the declining number of redevelopment projects in the Tokyo metropolitan area, which was a contributor to the sales in the previous year, sales for the Building Systems business as a whole decreased. As for the Advanced Automation business, along with the improvement in capital investment, performance of both control products and industrial automation products improved steadily, with an increased number of orders and volume of sales. As a consequence, orders received during the quarter increased by 9.3% or 4.6 billion yen on a year on year basis, while sales decreased by 4.4% or 1.4 billion yen. The operating result was a loss of 2.5 billion yen, which is still an improvement of 4.8% or 127 million yen from the loss incurred a year ago, thanks to improved profitability due to effort such as cost-cutting.

In line with the enforcement of the Defined Contribution Pension Law, Yamatake has changed its retirement benefit system from the Qualified Pension Plan to the Defined Contribution Pension Plan since June 2004. Following this, the Corporation has, in compliance with the "Accounting Procedures for Retirement Benefit Scheme Conversion" (No.1 Guide for the Application of Corporate Accounting Standard), carried out accounting procedures to discontinue the Qualified Pension Plan, and reported an extraordinary loss of 3.5 billion yen for the first quarter. This resulted in the current net loss of 3.6 billion yen.



Results for the 1<sup>st</sup> quarter tend to be lower compared with the rest of the fiscal year due to the seasonality of Yamatake's business, such as sales concentrating at the end of the 1<sup>st</sup> half and the fiscal year.

(For reference)	(Millions of yen)			
	1Q/FY2004	2Q/FY2004	3Q/FY2004	4Q/FY2004
Sales	30,810	-	-	-
Op. income (loss)	(2,539)	-	-	-

  

	1Q/FY2003	2Q/FY2003	3Q/FY2003	4Q/FY2003
Sales	32,223	45,442	32,053	60,231
Op. income (loss)	(2,666)	3,324	(2,359)	8,522

## (2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets (A)	Shareholders' Equity (B)	(B)/(A) (%)	Shareholders' Equity per Share (Yen)
As of Jun. 30, 2004	160,584	91,607	57.0%	1,245.18
As of Jun. 30, 2003	155,324	90,289	58.1%	1,227.25
As of Mar. 31, 2004	165,263	95,530	57.8%	1,297.95

The Corporation's financial position for the first quarter is as follows (a comparison with the result as of the end of the first quarter fiscal year 2003):

The total assets increased by 5.3 billion yen to 160.6 billion yen, mainly contributed by the increase in the cash and deposits (2.3 billion yen) as well as the trade receivables (1.9 billion yen). On the other hand, despite of the decrease in the liabilities for retirement benefits associated with the shift from the Qualified Pension Plan to a Defined Contribution Pension Plan, liabilities increased by 4.0 billion yen due to the increase in the amount of trade payables, etc. Shareholder's equity grew by 1.3 billion yen, which is mainly attributable to the increase in the net unrealized gain on available -for-sale securities. As a result of the factors above, the percentage of shareholders' equity was down 1.1 point to 57.0%.

## 2. Forecast for Fiscal 2004 (April 1, 2004 to March 31, 2005)

(Millions of yen, except for per share figures)

	Sales	Operating income	Net income (loss)
Six months ending Sep. 30, 2004	80,000	1,000	(1,700)
Year ending Mar. 31, 2005	179,000	8,300	2,000

For reference: Estimate of net income per share for the year ending March 31, 2005: 26.64 yen

The forecast for this fiscal year ending March 31, 2005 is not revised from its earlier forecast announced on May 13, 2004.

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

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



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

Any inquiry relating to these statements should be made to:

Tadayuki Sasaki, Executive Officer and General Manager of Finance Division  
(Inquiries) Tel: +81-3-3486-2021; Fax: +81-3-3409-7388

## Consolidated Balance Sheets

(Millions of yen)

ASSETS							
	(A) As of Jun. 30, 2003		(B) As of Jun. 30, 2004		Difference (B)-(A)	As of Mar. 31, 2004	
<b>Current assets</b>	115,601	74.4	121,737	75.8	6,136	125,490	75.9
Cash	30,197		32,510		2,312	35,118	
Notes and accounts receivable	51,065		53,009		1,943	63,313	
Inventories	22,170		23,189		1,019	16,661	
Deferred tax assets	7,595		7,002		(593)	3,414	
Prepaid expenses and other current assets	4,916		6,337		1,421	7,325	
Allowance for doubtful receivable	(343)		(310)		32	(342)	
<b>Fixed assets</b>	39,723	25.6	38,846	24.2	(876)	39,772	24.1
Property, plant and equipment	16,540	10.6	15,674	9.8	(865)	15,618	9.5
Intangible fixed assets	1,552	1.0	1,315	0.8	(236)	1,393	0.8
Investment and other assets	21,630	14.0	21,856	13.6	225	22,760	13.8
Investment securities	9,151		11,586		2,435	11,038	
Deferred tax assets	6,764		5,024		(1,740)	6,418	
Other assets	6,025		5,554		(471)	5,661	
Allowance for doubtful receivable	(311)		(309)		2	(358)	
<b>Total</b>	155,324	100.0	160,584	100.0	5,259	165,263	100.0

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY							
	(A) As of Jun. 30, 2003		(B) As of Jun. 30, 2004		Difference (B)-(A)	As of Mar. 31, 2004	
<b>Current liabilities</b>	46,358	29.8	54,238	33.8	7,879	52,129	31.6
Notes and accounts payable	25,504		27,706		2,201	28,915	
Short-term borrowings	2,578		5,424		2,845	5,172	
Accrued bonuses	3,305		3,206		(98)	5,815	
Other current liabilities	14,970		17,901		2,930	12,226	
<b>Long-term liabilities</b>	18,263	11.8	14,336	8.9	(3,927)	17,213	10.4
Long-term debt	4,575		2,338		(2,237)	2,404	
Liability for employees' retirement benefits	12,831		11,569		(1,261)	14,307	
Liability for retirement benefits for directors and corporate auditors	430		415		(14)	465	
Other long term liabilities	426		13		(413)	35	
<b>Total liabilities</b>	64,622	41.6	68,574	42.7	3,952	69,343	42.0
<b>Minority interests</b>	412	0.3	402	0.3	(10)	390	0.2
Common stock	10,522	6.8	10,522	6.6	-	10,522	6.4
Additional paid-in capital	12,647	8.1	12,647	7.9	-	12,647	7.7
Retained earnings	77,401	49.8	66,570	41.5	(10,831)	70,782	42.8
Unrealized gain on available-for-sale securities	368	0.3	1,980	1.2	1,611	1,632	1.0
Foreign currency translation adjustments	4	0.0	(107)	(0.1)	(111)	(49)	(0.0)
Treasury stock	(10,654)	(6.9)	(6)	(0.0)	10,648	(6)	(0.0)
<b>Total shareholders' equity</b>	90,289	58.1	91,607	57.0	1,317	95,530	57.8
<b>Total</b>	155,324	100.0	160,584	100.0	5,259	165,263	100.0

## Consolidated Statements of Operations

(Millions of yen)

	(A) Apr. 1, 2003 to Jun. 30, 2003		(B) Apr. 1, 2004 to Jun. 30, 2004		Difference (B)-(A)	Apr. 1, 2003 to Mar. 31, 2004	
<b>Net sales</b>	32,223	100.0	30,810	100.0	(1,413)	169,950	100.0
Cost of sales	20,256	62.9	18,855	61.2	(1,401)	104,821	61.7
<b>Gross profit</b>	11,966	37.1	11,954	38.8	(12)	65,129	38.3
Selling, general and administrative expenses	14,633	45.4	14,493	47.0	(140)	58,309	34.3
<b>Operating income</b>	(2,666)	(8.3)	(2,539)	(8.2)	127	6,820	4.0
<b>Non-operating income</b>	145	0.5	197	0.6	51	645	0.4
<b>Non-operating expenses</b>	127	0.4	91	0.3	(35)	628	0.4
<b>Recurring profit</b>	(2,649)	(8.2)	(2,433)	(7.9)	215	6,838	4.0
<b>Extraordinary profit</b>	-	-	2	0.0	2	194	0.1
<b>Extraordinary loss</b>	15	0.1	3,482	11.3	3,466	540	0.3
<b>Income before income taxes and minority interest</b>	(2,664)	(8.3)	(5,913)	(19.2)	(3,248)	6,492	3.8
Income taxes - current	103	0.3	80	0.2	(22)	808	0.5
Income taxes - deferred	(1,260)	(3.9)	(2,427)	(7.9)	(1,167)	2,371	1.4
Minority interests in net income	18	0.0	19	0.1	1	72	0.0
<b>Net income</b>	(1,525)	(4.7)	(3,586)	(11.6)	(2,060)	3,240	1.9

## Business Segment information

### First Quarter of Fiscal 2004 (April 1, 2004 to June 30, 2004)

(Millions of yen)

	BS	AA	Others	Total	Elimi- nation	Consoli- dation
Sales	11,826	16,293	3,228	31,348	(538)	30,810
Operating cost and expens	13,786	16,561	3,561	33,909	(559)	33,349
Operating income	(1,959)	(267)	(332)	(2,560)	21	(2,539)

Notes: BS/Building Systems Business, AA/Advanced Automation Business

### First Quarter of Fiscal 2003 (April 1, 2003 to June 30, 2003)

(Millions of yen)

	BS	AA	Others	Total	Elimi- nation	Consoli- dation
Sales	14,266	14,568	3,720	32,555	(331)	32,223
Operating cost and expens	15,181	15,910	4,071	35,163	(272)	34,890
Operating income	(915)	(1,341)	(350)	(2,608)	(58)	(2,666)

## Orders & Backlog

(Millions of yen)

	Orders		Backlog	
	Apr. 1, 2004 to Jun. 30, 2004		As of Jun. 30, 2004	
Building Systems	29,787	6.6%	48,859	(1.8%)
Advanced Automation	21,685	14.9%	27,005	10.1%
Others	3,894	6.4%	2,386	47.6%
Total	55,367	9.7%	78,251	3.1%
Elimination	(602)	-	(251)	-
Consolidation	54,764	9.3%	77,999	2.9%

Notes: Percentage shows the increase/(decrease) from the 1st quarter of the previous fiscal year.