

Consolidated Financial Results for the Third Quarter ended December 31, 2004

1. Performance for the Third quarter ended Dec. 31, 2004 (from Apr. 1, 2004 to Dec. 31, 2004)

- The Japanese financial accounting standards are applied for this quarterly statement of accounts.
- 3rd quarter results for both last year and this year are not audited.
- Amounts indicated are rounded down.
- Percentage shows the increase/(decrease) from the 3rd quarter of the previous fiscal year.

(1) Results

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

	Sales		Operating income		Recurring income		Net income	
Nine months ended Dec. 31, 2004	115,300	5.1%	841	-	976	-	(1,849)	-
Nine months ended Dec. 31, 2003	109,719	-	(1,701)	-	(1,575)	-	(1,080)	-
Year ended Mar. 31, 2004	169,950		6,820		6,838		3,240	

	Net income Per Share (Yen)
Nine months ended Dec. 31, 2004	(25.14)
Nine months ended Dec. 31, 2003	(14.69)
Year ended Mar. 31, 2004	43.51

During the first 3 quarters of fiscal year 2004 (April 1, 2004 to December 31, 2004), the Japanese economy witnessed an increase in capital investment and steady improvement in corporate performance, in spite of the rising costs of industrial materials and the ongoing appreciation of the yen.

In this economic climate, consolidated sales for the Yamatake Group were 115,300 million yen, a 5.1% increase compared with the same period last year. Consolidated operating income recorded 841 million yen and recurring income was 976 million yen, a significant improvement from the same period last year, thanks to increased sales and cost reductions. This compares with an operating loss of 1,701 million yen and recurring loss of 1,575 million yen in the same period last year.

Although net income reported a loss of 1,849 million yen, this was principally due to an extraordinary charge of 3,452 million yen incurred by the shift to a Defined Contribution (DC) Pension plan in June 2004. This compares with a net loss of 1,080 million yen in the same period last year.

The seasonality of Yamatake's business is such that sales tend to be higher at the end of the first and second halves of the fiscal year. In fiscal year 2003 ending March 31 2004, sales of the first 3 quarters represented approximately 65% of the annual sales.

The financial results for the current consolidated accounting period for Yamatake's business segments are as follows.



Building Systems Business

With the shifting of management resources to the market for existing buildings, Yamatake has been providing proactive solutions and services such as, Total Energy Management Services (TEMS) for optimal energy and cost savings, and its remote maintenance service, that respond to the changing needs of our customers. As a result, sales for Building Systems were 49,094 million yen, a 2.4% increase compared to the same period last year. While efforts were made in cost reduction, etc, it could not compensate for the decrease in income resulting mainly from a fall in prices. This resulted in an operating loss of 470 million yen, compared with a 59 million yen operating loss in the same period last year.

Advanced Automation Business

In the business environment surrounding Advanced Automation, the recovery in domestic capital investment has continued, as has market expansion overseas.

In the domestic market, Yamatake has won orders and successfully attracted new customers with close contact and proposal sales activities.

On the international front, it has been developing its business in the Asian market, focusing on China. These have resulted in steady growth in the industrial systems and control products businesses.

Sales for Advanced Automation were 56,153 million yen, 7.0% increase compared to the same period last year. In addition to increased sales, operating income was 2,265 million yen, a marked improvement compared with an operating loss of 501 million yen in the same period last year.

New and Other Businesses

In New and Other businesses, steady growth was made in the sales of the care services business, and for inspection and measurement equipment.

(For reference)

(Millions of yen)

	1Q/FY2004	2Q/FY2004	3Q/FY2004	4Q/FY2004
Sales	30,810	49,978	34,511	-
Op. income (loss)	(2,539)	4,189	(808)	-

	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 Dec. 31, 2004	160,504	93,925	58.5%	1,276.82
As of Dec. 31, 2003	155,159	90,680	58.4%	1,232.58
As of Mar. 31, 2004	165,263	95,530	57.8%	1,297.95

The corporation's financial position for the first 3 quarters of FY2004 is as follows, compared with the results of the same period last year:

Total assets increased by 5,345 million yen to 160,504 million yen, mainly contributed by a 3,726 million yen increase in cash and deposits as well as a 2,429 million yen increase in account receivables.



Despite of the decrease in liabilities for employee's retirement benefits led by the shift from a Qualified Pension plan to a Defined Contribution (DC) Pension plan, liabilities grew by 2,027 million yen due to the increase in account payables, etc.

Shareholder's equity grew by 3,245 million yen, mainly due to the increase in net unrealized gain on available-for sale securities. As a result of these factors, shareholder's equity ratio rose by 0.1% to 58.5%.

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

(Millions of yen, except for per share figures)

	Sales	Recurring income	Net income
Year ending Mar. 31, 2005	180,000	9,200	2,900

For reference: Estimate of net income per share for the year ending March 31, 2005: 38.89 yen

The forecast for FY2004 ending March 31, 2005, is not revised from the forecast announced previously on November 11, 2004, while each Yamatake business is implementing measures for achieving the forecasted results.

* 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:

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Consolidated Balance Sheets

(Millions of yen)

ASSETS							
	(A) As of Dec. 31, 2003		(B) As of Dec. 31, 2004		Difference (B)-(A)	As of Mar. 31, 2004	
Current assets	115,689	74.6	120,535	75.1	4,845	125,490	75.9
Cash and deposits	25,927		29,654		3,726	35,118	
Notes and accounts receivable	51,536		53,966		2,429	63,313	
Inventories	24,193		26,598		2,405	16,661	
Deferred tax assets	7,174		5,366		(1,807)	3,414	
Prepaid expenses and other current assets	7,198		5,232		(1,966)	7,325	
Allowance for doubtful receivable	(340)		(282)		58	(342)	
Fixed assets	39,469	25.4	39,969	24.9	500	39,772	24.1
Property, plant and equipment	15,838	10.2	15,462	9.6	(375)	15,618	9.5
Intangible fixed assets	1,427	0.9	1,172	0.7	(254)	1,393	0.8
Investment and other assets	22,202	14.3	23,333	14.6	1,130	22,760	13.8
Investment securities	10,101		13,584		3,482	11,038	
Deferred tax assets	6,562		4,637		(1,925)	6,418	
Other assets	5,834		5,434		(399)	5,661	
Allowance for doubtful receivable	(296)		(322)		(26)	(358)	
Total	155,159	100.0	160,504	100.0	5,345	165,263	100.0

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY							
	(A) As of Dec. 31, 2003		(B) As of Dec. 31, 2004		Difference (B)-(A)	As of Mar. 31, 2004	
Current liabilities	47,199	30.4	51,387	32.1	4,187	52,129	31.6
Notes and accounts payable	24,703		27,222		2,518	28,915	
Short-term borrowings	4,321		3,990		(331)	5,172	
Accrued bonuses	3,306		3,633		326	5,815	
Other current liabilities	14,867		16,540		1,673	12,226	
Long-term liabilities	16,841	10.9	14,681	9.1	(2,160)	17,213	10.4
Long-term debt	2,514		2,053		(461)	2,404	
Liability for employees' retirement benefits	13,824		11,556		(2,267)	14,307	
Liability for retirement benefits for directors and corporate auditors	475		434		(41)	465	
Other long term liabilities	26		636		610	35	
Total liabilities	64,040	41.3	66,068	41.2	2,027	69,343	42.0
Minority interests	437	0.3	510	0.3	73	390	0.2
Common stock	10,522	6.8	10,522	6.6	-	10,522	6.4
Additional paid-in capital	12,647	8.2	12,647	7.9	-	12,647	7.7
Retained earnings	77,110	49.7	67,571	42.0	(9,539)	70,782	42.8
Unrealized gain on available-for-sale securities	1,042	0.6	3,161	2.0	2,119	1,632	1.0
Foreign currency translation adjustments	12	0.0	29	0.0	16	(49)	(0.0)
Treasury stock	(10,655)	(6.9)	(6)	(0.0)	10,648	(6)	(0.0)
Total shareholders' equity	90,680	58.4	93,925	58.5	3,245	95,530	57.8
Total	155,159	100.0	160,504	100.0	5,345	165,263	100.0

Consolidated Statements of Operations

(Millions of yen)

	(A) Apr. 1, 2003 to Dec. 31, 2003		(B) Apr. 1, 2004 to Dec. 31, 2004		Difference (B)-(A)	Apr. 1, 2003 to Mar. 31, 2004	
Net sales	109,719	100.0	115,300	100.0	5,581	169,950	100.0
Cost of sales	67,645	61.7	71,217	61.8	3,571	104,821	61.7
Gross profit	42,073	38.3	44,082	38.2	2,009	65,129	38.3
Selling, general and administrative expenses	43,775	39.9	43,241	37.5	(534)	58,309	34.3
Operating income	(1,701)	(1.6)	841	0.7	2,543	6,820	4.0
Non-operating income	578	0.6	389	0.3	(189)	645	0.4
Non-operating expenses	452	0.4	254	0.2	(197)	628	0.4
Recurring income	(1,575)	(1.4)	976	0.8	2,551	6,838	4.0
Extraordinary profit	114	0.1	127	0.1	13	194	0.1
Extraordinary loss	277	0.3	3,740	3.2	3,462	540	0.3
Income before income taxes and minority interest	(1,738)	(1.6)	(2,636)	(2.3)	(897)	6,492	3.8
Income taxes - current	411	0.3	306	0.2	(105)	808	0.5
Income taxes - deferred	(1,129)	(1.0)	(1,184)	(1.0)	(54)	2,371	1.4
Minority interests in net income	59	0.1	91	0.1	31	72	0.0
Net income	(1,080)	(1.0)	(1,849)	(1.6)	(769)	3,240	1.9

Business Segment information

Third Quarter of Fiscal 2004 (April 1, 2004 to Dec 31, 2004)

(Millions of yen)

	BS	AA	Others	Total	Elimi- nation	Consoli- dation
Sales	49,094	56,153	11,183	116,431	(1,130)	115,300
Operating cost and expenses	49,564	53,888	11,951	115,404	(945)	114,458
Operating income	(470)	2,265	(768)	1,026	(185)	841

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

Third Quarter of Fiscal 2003 (April 1, 2003 to Dec 31, 2003)

(Millions of yen)

	BS	AA	Others	Total	Elimi- nation	Consoli- dation
Sales	47,963	52,494	10,514	110,972	(1,253)	109,719
Operating cost and expenses	48,023	52,996	11,640	112,660	(1,239)	111,421
Operating income	(59)	(501)	(1,126)	(1,687)	(14)	(1,701)

Orders & Backlog

(Millions of yen)

	Orders		Backlog	
	Apr. 1, 2004 to Dec. 31, 2004		As of Dec. 31, 2004	
Building Systems	61,023	2.2%	42,811	(10.5%)
Advanced Automation	64,127	9.9%	29,603	12.9%
Others	11,509	7.2%	2,047	12.0%
Total	136,660	6.1%	74,461	(1.9%)
Elimination	(1,313)	-	(369)	-
Consolidation	135,347	6.3%	74,092	(1.8%)

Notes: Percentage shows the increase/(decrease) from the 3rd quarter of the previous fiscal year.