

Consolidated Financial Results for the First Quarter ended June 30, 2005

1. Performance for the First quarter ended Jun. 30, 2005 (from Apr. 1, 2005 to Jun. 30, 2005)

- The Japanese financial accounting standards are applied for this quarterly statement of accounts.
- The first quarter results for both last year and this year are not audited.
- An impairment loss of 400 million yen was incurred by applying the Accounting for the Impairment of Fixed Assets from this first quarter.
- Amounts indicated are rounded down.
- Percentage shows the increase/(decrease) from the 1st quarter of the previous fiscal year.
- Two companies were newly included in the consolidated financial results during current financial term.

(1) Results

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

	Sales		Operating income		Recurring income		Net income	
Three months ended Jun. 30, 2005	31,795	3.2%	(1,566)	-	(1,345)	-	(1,113)	-
Three months ended Jun. 30, 2004	30,810	-	(2,539)	-	(2,433)	-	(3,586)	-
Year ended Mar. 31, 2005	180,762	-	9,352	-	9,495	-	3,709	-

	Net income Per Share (Yen)
Three months ended Jun. 30, 2005	(15.13)
Three months ended Jun. 30, 2004	(48.74)
Year ended Mar. 31, 2005	49.88

During the first quarter of fiscal year 2005 (April 1, 2005 to June 30, 2005), the increase in capital investment and improvement in corporate performance contributed to a gradual recovery in Japan's economy, in spite of a rise in the price of crude oil and inventory adjustment in certain markets. Overseas economies also showed steady performance.

Under this economic climate, consolidated sales for the Yamatake Group were 31,795 million yen, a 3.2 % increase compared with the same period last year. In terms of profit, a consolidated operating loss of 1,566 million yen and recurring loss of 1,345 million yen were recorded. These results are an improvement from the operating loss of 2,539 million yen and recurring loss of 2,433 million yen in the same period last year, owing to improved profitability from cost reductions, etc.

A net loss of 1,113 million yen was recorded, principally due to a decrease in deferred income tax of 399 million yen. This compares with the net loss of 3,586 million yen in the same period last year mainly due to an extraordinary charge of 3,452 million yen incurred by the shift to a Defined Contribution (DC) Pension plan in June 2004.



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. Sales for the first quarter tend to be lower compared with the rest of the fiscal year.

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

Building Systems Business

Under the circumstances of reduced public spending, Yamatake expanded the solutions business while enhancing the building automation business by focusing on office buildings and factories. As a result, orders for Building Systems Business were 32,655 million yen, a 9.6 % increase compared with the same period last year. However, sales were 11,272 million yen, a 4.7 % decrease mainly due to diminishing sales in the market for new buildings. In terms of profit, although efforts were made in cost reduction, it could not compensate for the decrease in sales. Operating loss was 2,025 million yen, compared with the operating loss of 1,959 million yen reported in the same period last year.

Advanced Automation Business

In the business environment surrounding Advanced Automation Business, capital investment has recovered in the manufacturing industry as a whole. In the domestic market, Yamatake succeeded in acquiring orders by pursuing close contact and proposal sales activities, and providing high value-added products and solutions employing proprietary technologies. On the international front, its business developed through cooperation with overseas subsidiaries. Consequently, both the industrial systems and control products businesses have expanded steadily. Sales for Advanced Automation Business were 17,418 million yen, a 6.9 % increase compared with the same period last year. In addition to the sales increase, operating income was 671 million yen, a marked improvement compared with the operating loss of 267 million yen in the same period last year.

New and Other Businesses

In New and Other businesses, there was a slight increase in the sales of the care services business, and also for inspection and measurement equipment.

(For reference)

(Millions of yen)

	1Q/FY2005	2Q/FY2005	3Q/FY2005	4Q/FY2005
Sales	31,795	-	-	-
Op. income (loss)	(1,566)	-	-	-

	1Q/FY2004	2Q/FY2004	3Q/FY2004	4Q/FY2004
Sales	30,810	49,978	34,511	65,462
Op. income (loss)	(2,539)	4,189	(808)	8,511

(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, 2005	163,483	97,366	59.6%	1,323.48
As of Jun. 30, 2004	160,584	91,607	57.0%	1,245.18
As of Mar. 31, 2005	172,586	99,847	57.9%	1,356.65



The Group's financial position for the first quarter of fiscal year 2005 is as follows, compared with the results of the same period last year:

Total assets grew by 2,899 million yen to 163,483 million yen, owing mainly to a 9,776 million yen increase in prepaid expenses and other account assets as well as a 2,144 million yen increase in the market value of investment securities, despite of 5,506 million yen decrease in cash and deposits. One of the reasons for the increase in prepaid expenses and other account assets was the purchase of commercial papers and beneficial interest in trust.

Liabilities decreased by 2,990 million yen owing mainly to efforts made in repayment of the borrowings.

Shareholder's equity grew by 5,759 million yen, mainly due to the net income of 3,709 million yen in the Fiscal year 2004, the decrease in net loss and the increase in net unrealized gain on available-for sale securities. As a result of these factors, shareholder's equity ratio rose by 2.6 % to 59.6 %.

2. Forecast for Fiscal 2005 (April 1, 2005 to March 31, 2006)

(Millions of yen, except for per share figures)

	Sales	Operating income	Recurring income	Net income
Year ending Mar. 31, 2006	188,000	11,500	11,300	7,800

For reference: Estimate of net income per share for the year ending March 31, 2006: 105.48 yen

The forecast for FY2005 ending March 31, 2006, is not revised from the forecast announced previously on May 12, 2005.

* 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 Jun. 30, 2004		(B) As of Jun. 30, 2005		Difference (B)-(A)	As of Mar. 31, 2005	
Current assets	121,737	75.8	124,045	75.9	2,307	132,372	76.7
Cash	32,510		27,003		(5,506)	38,319	
Notes and accounts receivable	53,009		53,025		16	66,576	
Inventories	23,189		22,739		(449)	16,454	
Deferred tax assets	7,002		5,517		(1,484)	5,327	
Prepaid expenses and other current assets	6,337		16,113		9,776	6,092	
Allowance for doubtful receivable	(310)		(355)		(44)	(398)	
Fixed assets	38,846	24.2	39,438	24.1	591	40,213	23.3
Property, plant and equipment	15,674	9.8	14,664	9.0	(1,010)	15,074	8.7
Intangible fixed assets	1,315	0.8	1,434	0.9	118	1,498	0.9
Investment and other assets	21,856	13.6	23,339	14.2	1,483	23,640	13.7
Investment securities	11,586		13,731		2,144	14,474	
Deferred tax assets	5,024		4,605		(419)	4,161	
Other assets	5,554		5,287		(266)	5,328	
Allowance for doubtful receivable	(309)		(284)		25	(324)	
Total	160,584	100.0	163,483	100.0	2,899	172,586	100.0

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY							
	(A) As of Jun. 30, 2004		(B) As of Jun. 30, 2005		Difference (B)-(A)	As of Mar. 31, 2005	
Current liabilities	54,238	33.8	51,547	31.5	(2,691)	58,078	33.6
Notes and accounts payable	27,706		29,606		1,900	30,594	
Short-term borrowings	5,424		2,322		(3,101)	4,240	
Accrued bonuses	3,206		3,350		143	7,709	
Other current liabilities	17,901		16,268		(1,632)	15,533	
Long-term liabilities	14,336	8.9	14,037	8.6	(299)	14,149	8.2
Long-term debt	2,338		1,572		(765)	1,589	
Liability for employees' retirement benefits	11,569		11,768		198	11,493	
Liability for retirement benefits for directors and corporate auditors	415		56		(359)	457	
Other long term liabilities	13		640		627	609	
Total liabilities	68,574	42.7	65,584	40.1	(2,990)	72,227	41.8
Minority interests	402	0.3	532	0.3	129	510	0.3
Common stock	10,522	6.6	10,522	6.4	-	10,522	6.1
Additional paid-in capital	12,647	7.9	12,647	7.8	-	12,647	7.3
Retained earnings	66,570	41.4	70,960	43.4	4,390	73,130	42.4
Unrealized gain on available-for-sale securities	1,980	1.2	3,289	2.0	1,309	3,638	2.1
Foreign currency translation adjustments	(107)	(0.1)	(46)	(0.0)	60	(84)	(0.0)
Treasury stock	(6)	(0.0)	(7)	(0.0)	(1)	(6)	(0.0)
Total shareholders' equity	91,607	57.0	97,366	59.6	5,759	99,847	57.9
Total	160,584	100.0	163,483	100.0	2,899	172,586	100.0

Consolidated Statements of Operations

(Millions of yen)

	(A) Apr. 1, 2004 to Jun. 30, 2004		(B) Apr. 1, 2005 to Jun. 30, 2005		Difference (B)-(A)	Apr. 1, 2004 to Mar. 31, 2005	
Net sales	30,810	100.0	31,795	100.0	984	180,762	100.0
Cost of sales	18,855	61.2	19,120	60.1	264	113,008	62.5
Gross profit	11,954	38.8	12,675	39.9	720	67,754	37.5
Selling, general and administrative expenses	14,493	47.0	14,241	44.8	(252)	58,401	32.3
Operating income	(2,539)	(8.2)	(1,566)	(4.9)	972	9,352	5.2
Non-operating income	197	0.6	284	0.9	86	475	0.3
Non-operating expenses	91	0.3	63	0.2	(28)	332	0.2
Recurring income	(2,433)	(7.9)	(1,345)	(4.2)	1,088	9,495	5.3
Extraordinary profit	2	0.0	540	1.7	538	105	0.1
Extraordinary loss	3,482	11.3	575	1.8	(2,906)	3,832	2.2
Income before income taxes and minority interest	(5,913)	(19.2)	(1,380)	(4.3)	4,533	5,768	3.2
Income taxes - current	80	0.2	101	0.3	21	2,945	1.6
Income taxes - deferred	(2,427)	(7.9)	(399)	(1.2)	2,027	(989)	(0.6)
Minority interests in net income	19	0.1	31	0.1	11	103	0.1
Net income	(3,586)	(11.6)	(1,113)	(3.5)	2,473	3,709	2.1

Business Segment information

First Quarter of Fiscal 2005 (April 1, 2005 to June 30, 2005)

(Millions of yen)

	BS	AA	Others	Total	Elimi- nation	Consoli- dation
Sales	11,272	17,418	3,297	31,988	(193)	31,795
Operating cost and expenses	13,297	16,747	3,512	33,556	(195)	33,361
Operating income	(2,025)	671	(214)	(1,568)	1	(1,566)

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

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 expenses	13,786	16,561	3,561	33,909	(559)	33,349
Operating income	(1,959)	(267)	(332)	(2,560)	21	(2,539)

Order

(Millions of yen)

	Orders		Backlog	
	Apr. 1, 2005 to Jun. 30, 2005		As of Jun. 30, 2005	
Building Systems	32,655	9.6%	46,805	(4.2%)
Advanced Automation	23,004	6.1%	29,128	7.9%
Others	3,947	1.4%	2,041	(14.5%)
Total	59,606	7.7%	77,975	(0.4%)
Elimination	(421)	-	(596)	-
Consolidation	59,184	8.1%	77,379	(0.8%)

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