

Consolidated Financial Results for the Third Quarter ended December 31, 2005

1. Performance for the Third quarter ended Dec. 31, 2005 (from Apr. 1, 2005 to Dec. 31, 2005)

- 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, 2005	118,896	3.1%	3,322	294.8%	3,733	282.5%	3,072	-
Nine months ended Dec. 31, 2004	115,300	5.1%	841	-	976	-	(1,849)	-
Year ended Mar. 31, 2005	180,762	-	9,352	-	9,495	-	3,709	-

	Net income Per Share (Yen)
Nine months ended Dec. 31, 2005	41.76
Nine months ended Dec. 31, 2004	(25.14)
Year ended Mar. 31, 2005	49.88

During the third quarter of fiscal year 2005 (April 1, 2005 to December 31, 2005), there was a degree of uncertainty regarding the prospects for Japan's economy owing to the steep rise in crude oil prices. However, capital investment has been increasing, through the improvement in corporate earnings and growth in demand for investments. Consumer spending is also showing signs of recovery. By breaking out from a temporary economic lull, Japan is on course for a gradual recovery. Overseas economies also continue to grow.

Under this economic climate, consolidated sales for the Yamatake Group were 118,896 million yen, an increase of 3.1% on the same period last year. As for profits, a rise in earnings along with efforts in cost and expense reduction enabled Yamatake to post an operating income of 3,322 million yen and a recurring income of 3,733 million yen, an increase of 294.8% and 282.5%, respectively, on the same period last year.

Net income marked 3,072 million yen owing partly to an extraordinary profit of 2,712 million yen in the first half of fiscal year 2005, made on the land sales of part of the site of Yamatake's Industrial Operations Tokyo office. This compares with the net loss of 1,849 million yen over the same period last year, owing mainly to an extraordinary charge of 3,452 million yen by the shift to a defined contribution (DC) pension plan.



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 of the first three quarters (9 months) represented approximately 64% of annual sales in the fiscal year 2004.

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

Building Systems Business

Although the market environment for the Building Systems business continues to be severe, there is gradual improvement, such as new capital investments mainly in urban redevelopment projects and the manufacturing industry. In this environment Yamatake has been enhancing its solutions business and expanding its international business, while in the market for new buildings it has been strengthening its structure of being among the first to provide solutions that meet the immediate needs of customers and markets. As a result, orders were 68,699 million yen, an increase of 12.6% on the same period last year, and sales were 45,728 million yen, a decrease of 6.9% on the same period last year. In spite of efforts to cut costs, the effect of diminishing sales resulted in an operating loss of 915 million yen, compared with a loss of 470 million yen over the same period last year.

Advanced Automation Business

The market for Advanced Automation business has been steadily growing, such as the recovery of capital investments in the manufacturing industry overall driven by the improvement in corporate earnings. As a result Yamatake has expanded its business and boosted sales by strengthening its close-contact and proposal sales activities, and providing customers with optimum products and solutions and high value-added engineering services. On the international front, the sales support structure was fortified through close collaboration with overseas affiliates, resulting in increased sales. Consolidated sales for the Advanced Automation business were 63,299 million yen, an increase of 12.7% on the same period last year. Operating income was 4,629 million yen, an increase of 104.3% on the same period last year.

New and Other Businesses

Sales for inspection and measurement equipment fell, while sales for the care services business grew. As a result consolidated sales for new and other businesses were 10,953 million yen, a decrease of 2.1% on the same period last year. An operating loss of 451 million yen was posted, compared with a 768 million yen loss on the same period last year.

(For reference)

(Millions of yen)

	1Q/FY2005	2Q/FY2005	3Q/FY2005	4Q/FY2005
Sales	31,795	52,738	34,363	-
Op. income (loss)	(1,566)	5,624	(735)	-

	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 Dec. 31, 2005	168,939	103,881	61.5%	1,412.04
As of Dec. 31, 2004	160,504	93,925	58.5%	1,276.82
As of Mar. 31, 2005	172,586	99,847	57.9%	1,356.65



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

Total assets grew by 8,434 million yen to 168,939 million yen, owing mainly to a 5,784 million yen increase in prepaid expenses and other account assets as well as a 15,960 million yen increase in investment securities, despite a 9,837 million yen decrease in cash and deposits. The increase in prepaid expenses and other account assets were mainly due to the purchase of beneficial interest in trust. Meanwhile, the increase in investment securities was mainly caused by the market value of investment securities, as well as the acquisition of Kimmon Manufacturing's Class I and Class II preferred shares. All of the Class I preferred shares were converted to ordinary shares in January 2006 and Yamatake acquired 43.31% of total shareholder voting rights.

Liabilities decreased by 1,660 million yen owing mainly to the decrease in long-term and short-term debt. Shareholder's equity grew by 9,955 million yen, mainly due to the net income incurred in the current consolidated accounting period as well as the fiscal year 2004, and increase in net unrealized gain on available-for-sale securities. As a result of these factors, shareholder's equity ratio rose by 3.0% to 61.5%.

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	12,300	12,000	8,800

For reference: Estimate of net income per share for the year ending March 31, 2006: 119.07 yen

The forecast for fiscal year 2005 is expected as we announced at November 11, 2005.

* 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, 2004		(B) As of Dec. 31, 2005		Difference (B)-(A)	As of Mar. 31, 2005	
Current assets	120,535	75.1	116,942	69.2	(3,592)	132,372	76.7
Cash	29,654		19,817		(9,837)	38,319	
Notes and accounts receivable	53,966		56,760		2,794	66,576	
Inventories	26,598		25,628		(969)	16,454	
Deferred tax assets	5,366		4,072		(1,294)	5,327	
Prepaid expenses and other current assets	5,232		11,016		5,784	6,092	
Allowance for doubtful receivable	(282)		(352)		(70)	(398)	
Fixed assets	39,969	24.9	51,996	30.8	12,027	40,213	23.3
Property, plant and equipment	15,462	9.6	14,975	8.8	(487)	15,074	8.7
Intangible fixed assets	1,172	0.7	1,610	1.0	437	1,498	0.9
Investment and other assets	23,333	14.6	35,411	21.0	12,077	23,640	13.7
Investment securities	13,584		29,544		15,960	14,474	
Deferred tax assets	4,637		1,016		(3,620)	4,161	
Other assets	5,434		5,252		(181)	5,328	
Allowance for doubtful receivable	(322)		(403)		(80)	(324)	
Total	160,504	100.0	168,939	100.0	8,434	172,586	100.0

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY							
	(A) As of Dec. 31, 2004		(B) As of Dec. 31, 2005		Difference (B)-(A)	As of Mar. 31, 2005	
Current liabilities	51,387	32.1	50,796	30.1	(591)	58,078	33.6
Notes and accounts payable	27,222		27,318		95	30,594	
Short-term borrowings	3,990		3,786		(203)	4,240	
Accrued bonuses	3,633		3,420		(212)	7,709	
Other current liabilities	16,540		16,270		(270)	15,533	
Long-term liabilities	14,681	9.1	13,611	8.0	(1,069)	14,149	8.2
Long-term debt	2,053		1,176		(876)	1,589	
Liability for employees' retirement benefits	11,556		11,617		60	11,493	
Liability for retirement benefits for directors and corporate auditors	434		133		(300)	457	
Other long term liabilities	636		684		47	609	
Total liabilities	66,068	41.2	64,408	38.1	(1,660)	72,227	41.8
Minority interests	510	0.3	650	0.4	139	510	0.3
Common stock	10,522	6.6	10,522	6.2	-	10,522	6.1
Additional paid-in capital	12,647	7.9	12,647	7.5	-	12,647	7.3
Retained earnings	67,571	42.0	73,748	43.6	6,177	73,130	42.4
Unrealized gain on available-for-sale securities	3,161	2.0	7,025	4.2	3,864	3,638	2.1
Foreign currency translation adjustments	29	0.0	(55)	(0.0)	(84)	(84)	(0.0)
Treasury stock	(6)	(0.0)	(8)	(0.0)	(1)	(6)	(0.0)
Total shareholders' equity	93,925	58.5	103,881	61.5	9,955	99,847	57.9
Total	160,504	100.0	168,939	100.0	8,434	172,586	100.0

Consolidated Statements of Operations

(Millions of yen)

	(A) Apr. 1, 2004 to Dec. 31, 2004		(B) Apr. 1, 2005 to Dec. 31, 2005		Difference (B)-(A)	Apr. 1, 2004 to Mar. 31, 2005	
Net sales	115,300	100.0	118,896	100.0	3,596	180,762	100.0
Cost of sales	71,217	61.8	72,563	61.0	1,345	113,008	62.5
Gross profit	44,082	38.2	46,333	39.0	2,251	67,754	37.5
Selling, general and administrative expenses	43,241	37.5	43,011	36.2	(229)	58,401	32.3
Operating income	841	0.7	3,322	2.8	2,480	9,352	5.2
Non-operating income	389	0.3	557	0.5	167	475	0.3
Non-operating expenses	254	0.2	145	0.1	(109)	332	0.2
Recurring income	976	0.8	3,733	3.2	2,757	9,495	5.3
Extraordinary profit	127	0.1	3,228	2.7	3,100	105	0.1
Extraordinary loss	3,740	3.2	1,246	1.1	(2,494)	3,832	2.2
Income before income taxes and minority interest	(2,636)	(2.3)	5,715	4.8	8,352	5,768	3.2
Income taxes - current	306	0.2	409	0.3	103	2,945	1.6
Income taxes - deferred	(1,184)	(1.0)	2,102	1.8	3,286	(989)	(0.6)
Minority interests in net income	91	0.1	131	0.1	40	103	0.1
Net income	(1,849)	(1.6)	3,072	2.6	4,921	3,709	2.1

Business Segment information

Third Quarter of Fiscal 2005 (April 1, 2005 to December 31, 2005)

(Millions of yen)

	BS	AA	Others	Total	Elimi- nation	Consoli- dation
Sales	45,728	63,299	10,953	119,981	(1,084)	118,896
Operating cost and expenses	46,643	58,670	11,404	116,718	(1,144)	115,574
Operating income	(915)	4,629	(451)	3,262	59	3,322

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

Third Quarter of Fiscal 2004 (April 1, 2004 to December 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

Order

(Millions of yen)

	Orders		Backlog	
	Apr. 1, 2005 to Dec. 31, 2005		As of Dec. 31, 2005	
Building Systems	68,699	12.6%	48,393	13.0%
Advanced Automation	70,050	9.2%	30,294	2.3%
Others	11,257	(2.2%)	1,695	(17.2%)
Total	150,007	9.8%	80,383	8.0%
Elimination	(1,246)	-	(529)	-
Consolidation	148,760	9.9%	79,853	7.8%

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