



For Immediate Release

February 6, 2007

Consolidated Financial Results for the Third Quarter ended December 31, 2006

1. Performance for the Third quarter ended Dec. 31, 2006 (from Apr. 1, 2006 to Dec. 31, 2006)

- 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 third quarter of previous fiscal year.

(1) Results

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

	Sales		Operating income		Recurring income		Net income	
Nine months ended Dec. 31, 2006	152,142	28.0%	5,760	73.4%	6,195	65.9%	3,214	4.6%
Nine months ended Dec. 31, 2005	118,896	3.1%	3,322	294.8%	3,733	282.5%	3,072	-
Year ended Mar. 31, 2006	188,320	-	13,514	-	13,938	-	9,795	-

	Net income Per Share (Yen)
Nine months ended Dec. 31, 2006	43.70
Nine months ended Dec. 31, 2005	41.76
Year ended Mar. 31, 2006	132.52

During the third quarter of fiscal year 2006 (April 1, 2006 to December 31, 2006), the Japanese economy has seen an increase in capital investment following improved corporate earnings and growth in demand. Furthermore, an improvement in employment has triggered an upturn in consumer spending, and the business climate has continued on a growth trend. The overseas economy has also expanded steadily.

Under this favorable economic circumstance, the Yamatake Group's consolidated sales in this third quarter were 152,142 million yen, an increase of 28%, over the same period last year. (Sales and profits of Kimmon Manufacturing Co., Ltd. and its 13 subsidiaries were consolidated from this first quarter of fiscal 2006, although its balance sheet was consolidated at the end of fiscal 2005.)

As for profits, Yamatake achieved significant growth with an operating income of 5,760 million yen and recurring income of 6,195 million yen, an increase of 73.4% and 65.9%, respectively, over the same period last year. Net income marked 3,214 million yen, an increase of 4.6% over the same period last year.

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



Building Automation Business

Price competition is still evident in the construction industry; however, the economic recovery has stimulated increased investment in construction – in the factory HVAC market and in urban redevelopment projects mainly in the Tokyo metropolitan area. In the market for new buildings, Yamatake has expanded sales by enhancing its capabilities for rapidly grasping customer needs and introducing products with high added value. In the market for existing buildings, orders for Yamatake's ESCO business have continued to be firm, and its service business has continued to expand. Moreover, aiming to expand its business domain, the company has strengthened its security business, as well as expanded its HVAC and energy-saving solutions for the factory market.

As a result, sales for the Building Automation business were 52,525 million yen, an increase of 14.9% over the same period last year. An operating income of 1,240 billion yen was achieved, a significant improvement compared with the operating loss of 915 million yen reported over the same period last year.

Advanced Automation Business

In the Advanced Automation business, as a result of the continuing growth in capital investment following improved corporate earnings and growth in demand, the market has grown steadily. Yamatake has expanded its business performance through actively expanding sales of products, as well as enhancing its business for finding solutions to issues in manufacturing, such as continuous safety operations, energy conservation and quality control in production sites. Particularly in the international business, Product business has expanded in Europe and the United States, as well as in its main markets of China, Korea, Thailand and Taiwan.

As a result, sales for the Advanced Automation business were 65,287 million yen and operating income was 4,703 million yen, an increase of 3.1% and 1.6% respectively, over the same period last year.

Life Automation Business

The business climate surrounding Kimmon Manufacturing, which is the core of the Lifeline field in Life Automation business, has been severe due to price competition and the rising cost of raw materials. However, improvements of the business structure are being made through mainly collaboration with both the Building Automation business and Advanced Automation business. Also, in the Life Assist field, the business environment continued to be difficult; this is in part due to revisions in the Nursing Care Insurance Law as well as budgetary pressures facing local governments. Nevertheless, sales have increased due to entry into the senior group home business, etc.

As a result, sales for the Life Automation business were 27,559 million yen, and operating loss was 431 million yen.

Other Businesses

As regards the importing and buying-in of inspection and measurement equipment, sales were 8,014 million yen, an increase of 4.5% over the same period last year. Operating income was 252 million yen.

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(For reference)

(Millions of yen)

	1Q/FY2006	2Q/FY2006	3Q/FY2006	4Q/FY2005
Sales	43,992	60,280	47,868	-
Operating income (loss)	22	5,335	402	-

	1Q/FY2005	2Q/FY2005	3Q/FY2005	4Q/FY2005
Sales	31,795	52,738	34,363	69,423
Operating income (loss)	(1,566)	5,624	(735)	10,192

(2) Financial Position

(Millions of yen, except for per share figures)

	Total Assets	Net Assets	Shareholder's equity to Net Assets (%)	Net assets per Share (Yen)
As of Dec. 31, 2006	211,286	110,464	51.8%	1,487.59
As of Dec. 31, 2005	168,939	103,881	61.5%	1,412.04
As of Mar. 31, 2006	217,882	110,858	50.9%	1,506.25

Notes: Minority interests are not included in Net Assets for Dec. 31, 2005 and Mar. 31, 2006.

This is effect of the change in Accounting Standards for Presentation of Net Assets in Balance sheet.

The Group's financial position for the third quarter of fiscal 2006, compared with the results of the same period last year, is as follows:

Total assets grew by 42,346 million yen, owing mainly to an increase in trade notes and accounts receivable rising in line with higher sales, and the consolidation of Kimmon Manufacturing Co., Ltd. at the end of fiscal 2005. An increase in liabilities of 36,413 million yen was recorded owing mainly to the consolidation of Kimmon Manufacturing Co., Ltd. Net assets grew by 6,582 million yen, owing mainly to the net income reported in fiscal 2005 and the third quarter of fiscal 2006, in spite of 4,046 million yen in dividend payments.

From fiscal 2006, applying Accounting Standards for Presentation of Net Assets in the Balance Sheet, minority interests of 1,025 million yen were recorded into the net assets, which previously was not included in the equity. With the application of the previous accounting standard, net assets increased by 5,557 million yen over the same period last year.

2. Forecast for Fiscal year 2006 (April 1, 2006 to March 31, 2007)

(Millions of yen, except for per share figures)

	Sales	Operating income	Recurring income	Net income
Year ending Mar. 31, 2007	232,000	16,300	16,300	9,900

For reference: Estimate of net income per share for the year ending March 31, 2007: 134.57yen

The forecast for fiscal year 2006 is expected as we announced at November 16, 2006.

* 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.

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Consolidated Balance Sheets

(Millions of yen)

ASSETS							
	(A) As of Dec. 31, 2005		(B) As of Dec. 31, 2006		Difference (B)-(A)	As of Mar. 31, 2006	
Current assets	116,942	69.2	139,569	66.1	22,627	145,965	67.0
Cash	19,817		20,956		1,139	28,380	
Notes and accounts receivable	56,760		67,726		10,966	79,508	
Inventories	25,628		33,170		7,541	21,248	
Deferred tax assets	4,072		3,530		(541)	5,155	
Prepaid expenses and other current assets	11,016		14,671		3,655	12,102	
Allowance for doubtful receivable	(352)		(485)		(133)	(429)	
Fixed assets	51,996	30.8	71,716	33.9	19,719	71,916	33.0
Property, plant and equipment	14,975	8.9	32,057	15.2	17,082	31,023	14.2
Intangible fixed assets	1,610	0.9	6,255	2.9	4,645	6,982	3.2
Investment and other assets	35,411	21.0	33,403	15.8	(2,007)	33,910	15.6
Investment securities	29,544		22,747		(6,796)	23,575	
Deferred tax assets	1,016		1,162		145	964	
Other assets	5,252		10,032		4,780	10,002	
Allowance for doubtful receivable	(403)		(539)		(136)	(631)	
Total	168,939	100.0	211,286	100.0	42,346	217,882	100.0

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY/LIABILITIES AND NET ASSETS							
	(A) As of Dec. 31, 2005		(B) As of Dec. 31, 2006		Difference (B)-(A)	As of Mar. 31, 2006	
Current liabilities	50,796	30.1	75,162	35.6	24,365	79,902	36.7
Notes and accounts payable	27,318		37,269		9,951	38,688	
Short-term borrowings	3,786		14,529		10,742	13,956	
Accrued bonuses	3,420		3,734		313	8,011	
Other current liabilities	16,270		19,629		3,358	19,245	
Long-term liabilities	13,611	8.0	25,659	12.1	12,047	26,438	12.1
Long-term debt	1,176		7,010		5,833	7,913	
Liability for employees' retirement benefits	11,617		16,220		4,603	16,269	
Liability for retirement benefits for directors and corporate auditors	133		163		29	141	
Other long term liabilities	684		2,265		1,581	2,114	
Total liabilities	64,408	38.1	100,821	47.7	36,413	106,341	48.8
Minority interests	650	0.4	-	-	-	682	0.3
Common stock	10,522	6.2	-	-	-	10,522	4.8
Capital surplus	12,647	7.5	-	-	-	12,647	5.8
Retained earnings	73,748	43.6	-	-	-	80,471	37.0
Unrealized gain on available-for-sale securities	7,025	4.2	-	-	-	7,164	3.3
Foreign currency translation adjustments	(55)	(0.0)	-	-	-	59	0.0
Treasury stock	(8)	(0.0)	-	-	-	(8)	(0.0)
Total shareholders' equity	103,881	61.5	-	-	-	110,858	50.9
Total liabilities and shareholders' equity	168,939	100.0	-	-	-	217,882	100.0
Shareholders' equity	-	-	102,745	48.6	-	-	-
Common stock	-	-	10,522	5.0	-	-	-
Capital surplus	-	-	12,647	6.0	-	-	-
Retain earnings	-	-	79,594	37.6	-	-	-
Treasury stock	-	-	(19)	(0.0)	-	-	-
Evaluation and translation adjustments	-	-	6,693	3.2	-	-	-
variances on securities valuations	-	-	6,561	3.1	-	-	-
Foreign currency translation adjustments	-	-	131	0.1	-	-	-
Minority interests	-	-	1,025	0.5	-	-	-
Total net assets	-	-	110,464	52.3	-	-	-
Total liabilities and net assets	-	-	211,286	100.0	-	-	-

Consolidated Statements of Operations

(Millions of yen)

	(A) Apr. 1, 2005 to Dec. 31, 2005		(B) Apr. 1, 2006 to Dec. 30, 2006		Difference (B)-(A)	Apr. 1, 2005 to Mar. 31, 2006	
Net sales	118,896	100.0	152,142	100.0	33,245	188,320	100.0
Cost of sales	72,563	61.0	96,997	63.8	24,434	115,551	61.4
Gross profit	46,333	39.0	55,144	36.2	8,810	72,769	38.6
Selling, general and administrative expenses	43,011	36.2	49,383	32.4	6,372	59,254	31.4
Operating income	3,322	2.8	5,760	3.8	2,438	13,514	7.2
Non-operating income	557	0.5	829	0.6	272	623	0.3
Non-operating expenses	145	0.1	393	0.3	248	199	0.1
Recurring income	3,733	3.2	6,195	4.1	2,462	13,938	7.4
Extraordinary profit	3,228	2.7	117	0.1	(3,110)	3,262	1.7
Extraordinary loss	1,246	1.1	248	0.2	(997)	1,550	0.8
Income before income taxes and minority interest	5,715	4.8	6,065	4.0	349	15,650	8.3
Income taxes - current	409	0.3	588	0.4	178	4,735	2.5
Income taxes - deferred	2,102	1.8	2,104	1.4	2	969	0.5
Minority interests in net income	131	0.1	157	0.1	25	149	0.1
Net income	3,072	2.6	3,214	2.1	142	9,795	5.2

Business Segment information

Third Quarter of Fiscal 2006 (Apr. 1, 2006 to Dec. 31, 2006)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimi- nation	Consoli- dation
Sales	52,525	65,287	27,559	8,014	153,387	(1,245)	152,142
Operating cost and expenses	51,284	60,584	27,991	7,762	147,623	(1,241)	146,381
Operating income	1,240	4,703	(431)	252	5,764	(3)	5,760

Notes: BA/Building Automation Business, AA/Advanced Automation Business, LA/Life Automation Business

Third Quarter of Fiscal 2005 (Apr. 1, 2005 to Dec. 31, 2005)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimi- nation	Consoli- dation
Sales	45,728	63,299	3,283	7,671	119,982	(1,085)	118,896
Operating cost and expenses	46,643	58,670	3,849	7,556	116,719	(1,145)	115,574
Operating income	(915)	4,629	(565)	114	3,262	59	3,322

Orders

(Millions of yen)

	Orders		Backlog	
	Apr. 1, 2006 to Dec. 31, 2006		As of Dec. 31, 2006	
Building Automation	76,231	11.0%	52,940	9.4%
Advanced Automation	73,920	5.5%	34,924	15.3%
Life Automation	28,037	792.5%	1,328	275.6%
Others	8,415	3.7%	1,314	(2.0%)
Total	186,604	24.4%	90,507	12.6%
Elimination	(1,646)	-	(726)	-
Consolidation	184,958	24.3%	89,781	12.4%