

Consolidated Financial Results for the 1st Half of Fiscal Year 2004 Ending March 31, 2005

-Yamatake Corporation-

November 11, 2004

Statements made in these documents 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. 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 these documents.

* Figures are rounded off.

YAMATAKE

Summary of the Results for 1H of FY2004

● Sales;

Increased sales were recorded for Yamatake's Building Systems (BS), Advanced Automation (AA), and New and Other businesses. Overall sales were up by 3.1 billion yen (4%) on the same period last year.

- ▶ In BS business, sales increased in the market for new buildings, owing to the completion of redevelopment projects in the Tokyo metropolitan area and the buoyant factory HVAC market. There was also steady growth in the service business.
- ▶ In AA business, there was a recovery in the domestic electrical/electronics, semiconductor, and automobile markets. There was also market growth in China, Taiwan and Thailand.
- ▶ In New and Other businesses, sales grew for Yamatake's care services and also for inspection and measurement equipment business.

● Operating Income;

There was an improvement of 1 billion yen, reflecting increased profits from sales as well as reductions in selling, general and administrative expenses.

● Net Income;

As a result of the shift to a defined contribution pension plan, which incurred an extraordinary charge of 3.5 billion yen, net income posted a 1.3 billion yen loss for the first half.

Note: No new companies were included in the consolidated financial results during this period

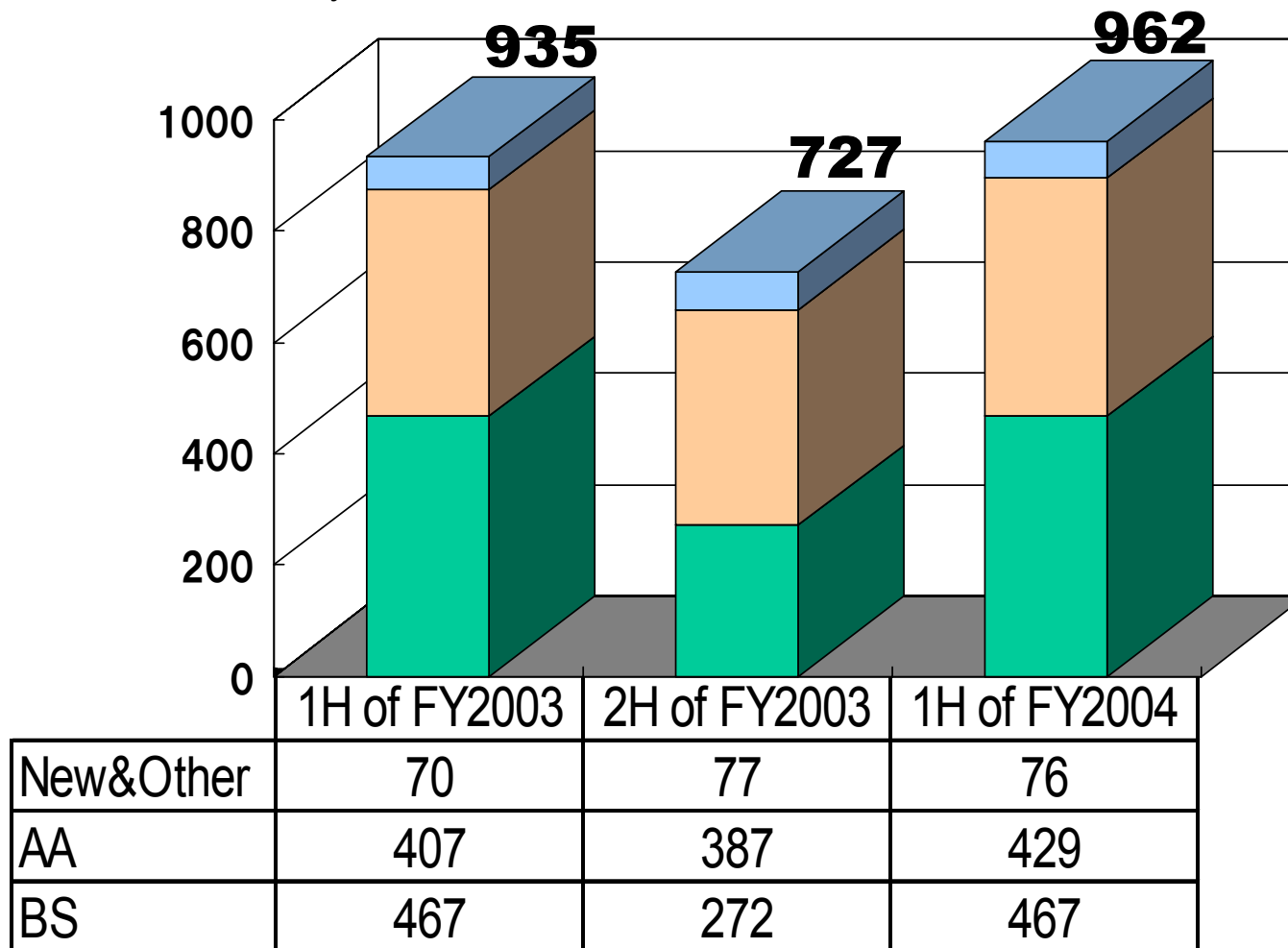
Operating Results

(Millions of yen)

	<u>1H of FY2003</u>	<u>1H of FY2004</u>	<u>Dif.</u>	<u>% Change</u>
Net sales	77,666	80,789	3,123	4.0
Gross profit	29,686	30,560	874	2.9
% to Net sales	38.2	37.8	(0.4)	
Operating. income	658	1,650	993	150.9
% to Net sales	0.8	2.0	1.2	
Recurring income	659	1,831	1,172	177.8
Net income	351	(1,260)	(1,611)	—
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Total assets	156,531	159,236	2,705	1.7
Shareholders' equity	92,514	93,561	1,047	1.1

Orders

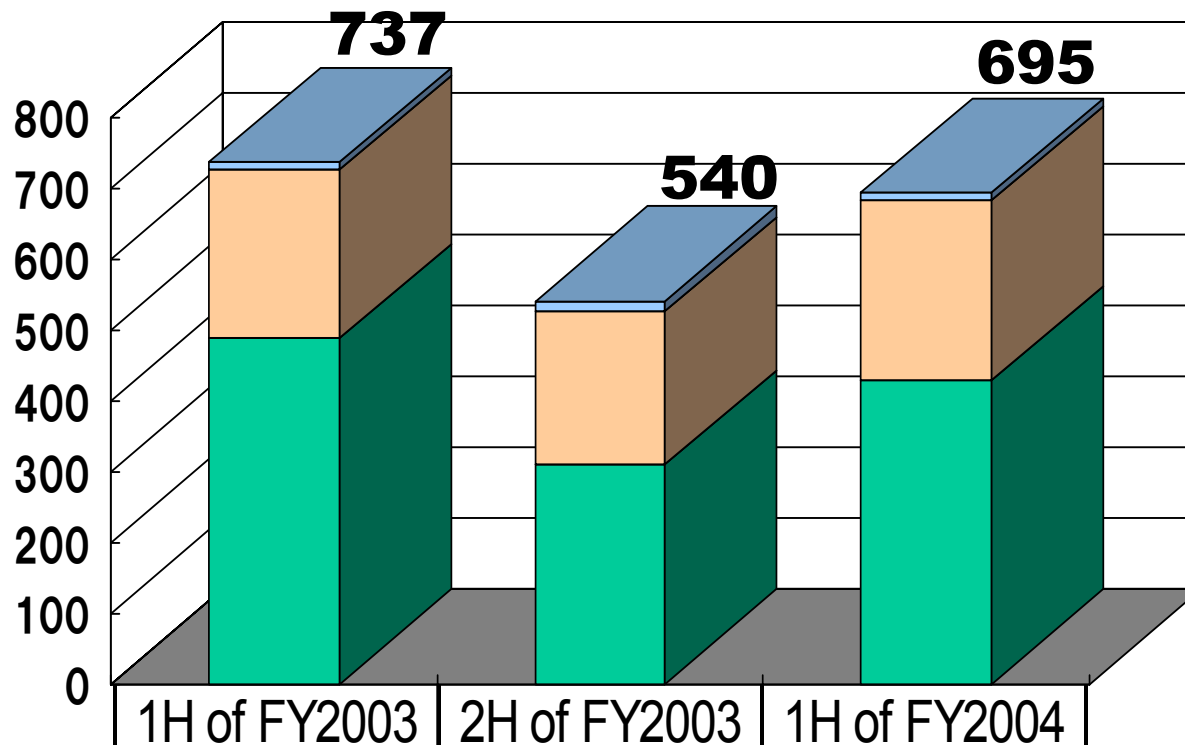
Unit: Hundred millions of yen



- The difference between the total results for all business lines and consolidated orders is from internal transactions, which have been eliminated.

Order Backlog

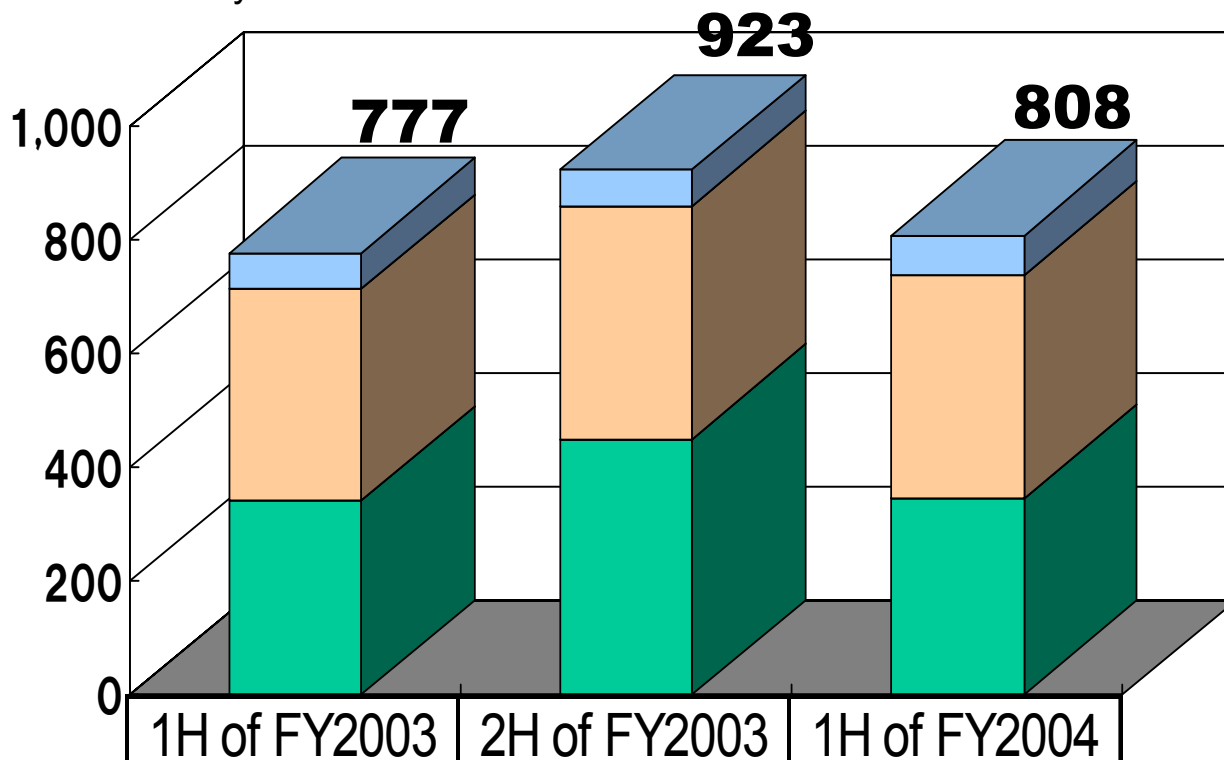
Unit: Hundred millions of yen



* The difference between the total results for all business lines and consolidated order backlog is from internal transactions, which have been eliminated.

Sales

Unit: Hundred millions of yen

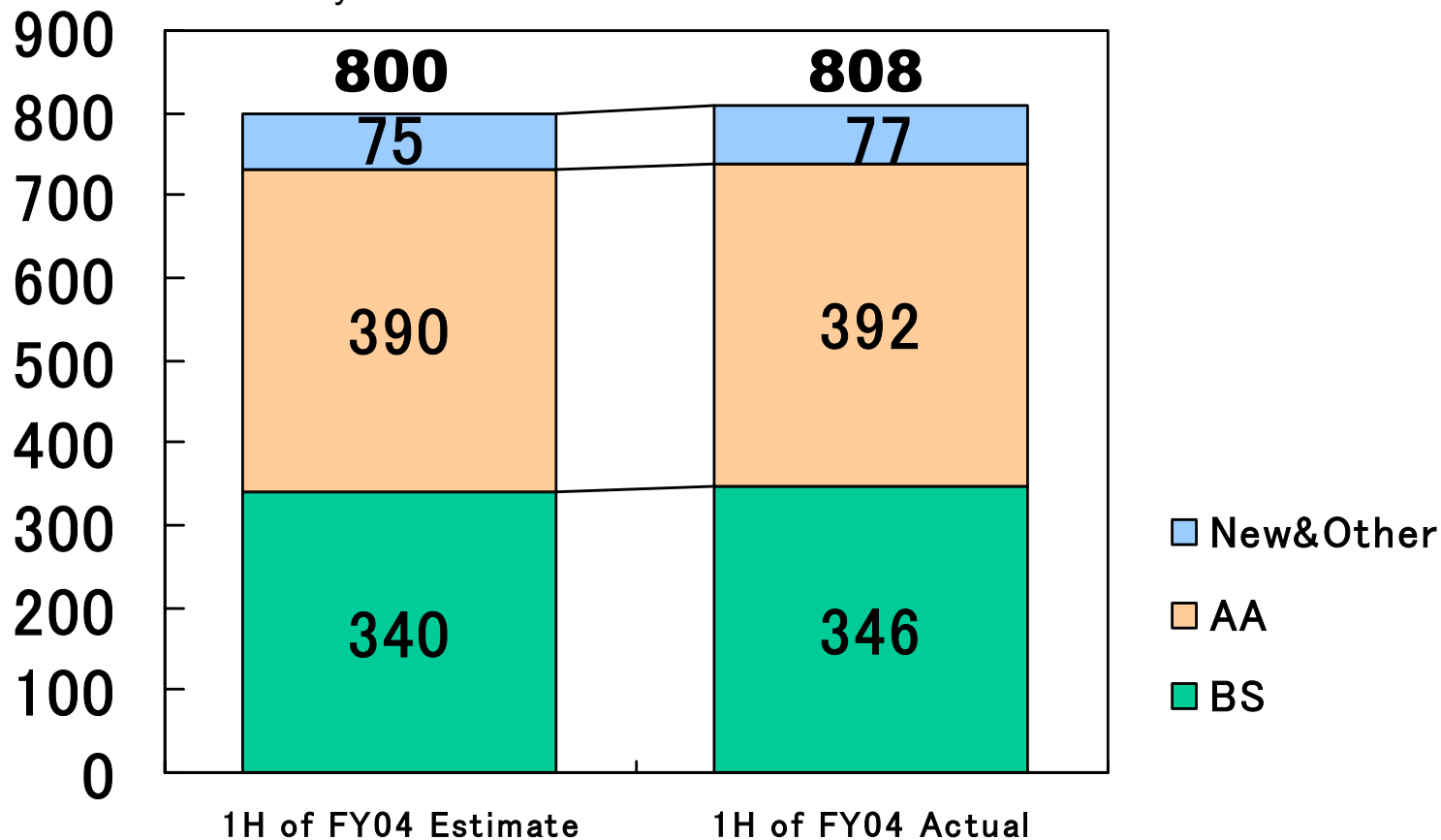


	1H of FY2003	2H of FY2003	1H of FY2004
New&Other	73	73	77
AA	372	410	392
BS	341	450	346

* The difference between the total results for all business lines and consolidated sales is from internal transactions, which have been eliminated.

Comparison of Sales Estimates with Actual Results for 1H of FY2004

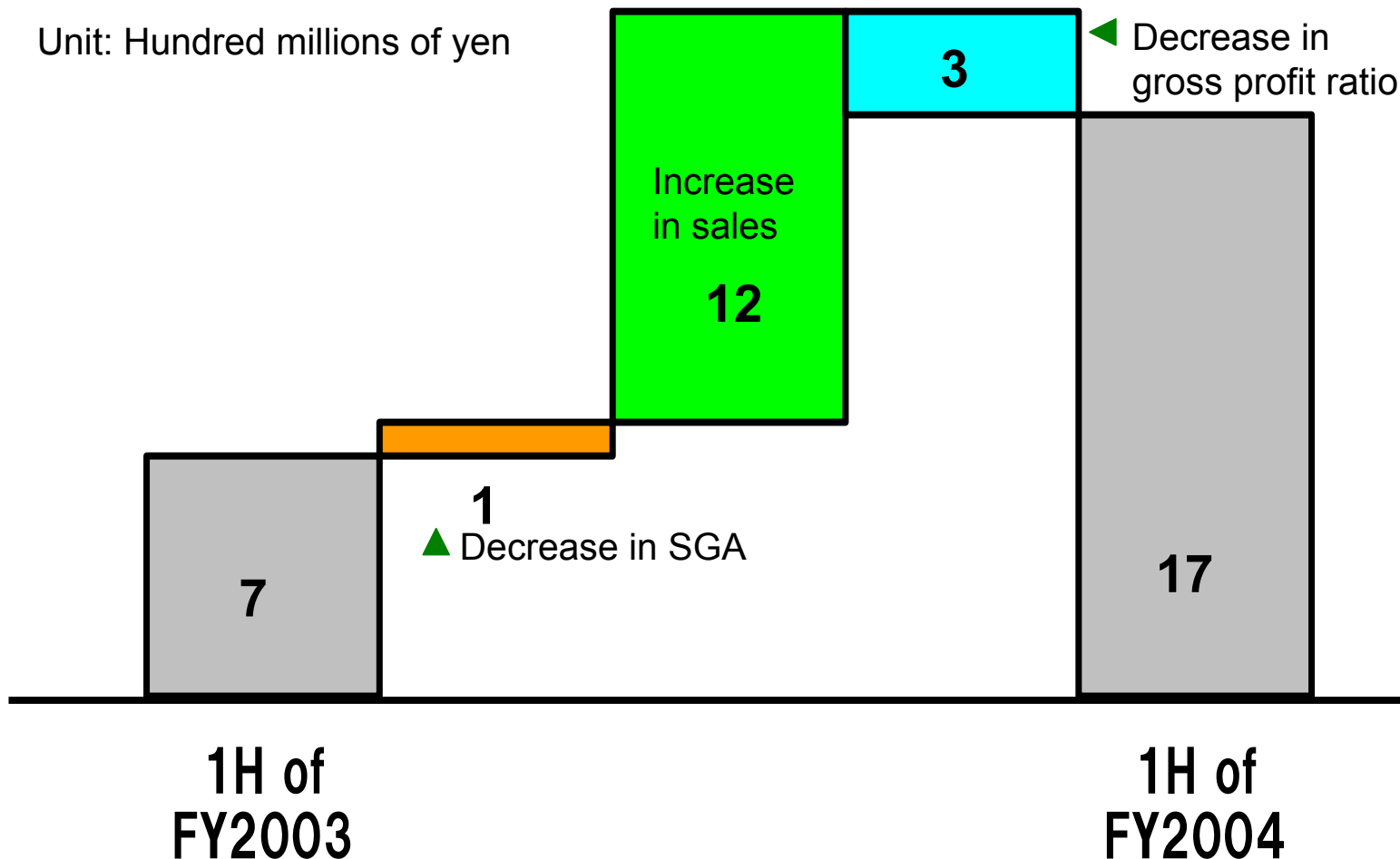
Unit: Hundred millions of yen



* The difference between the total results for all business lines and consolidated sales is from internal transactions, which have been eliminated.

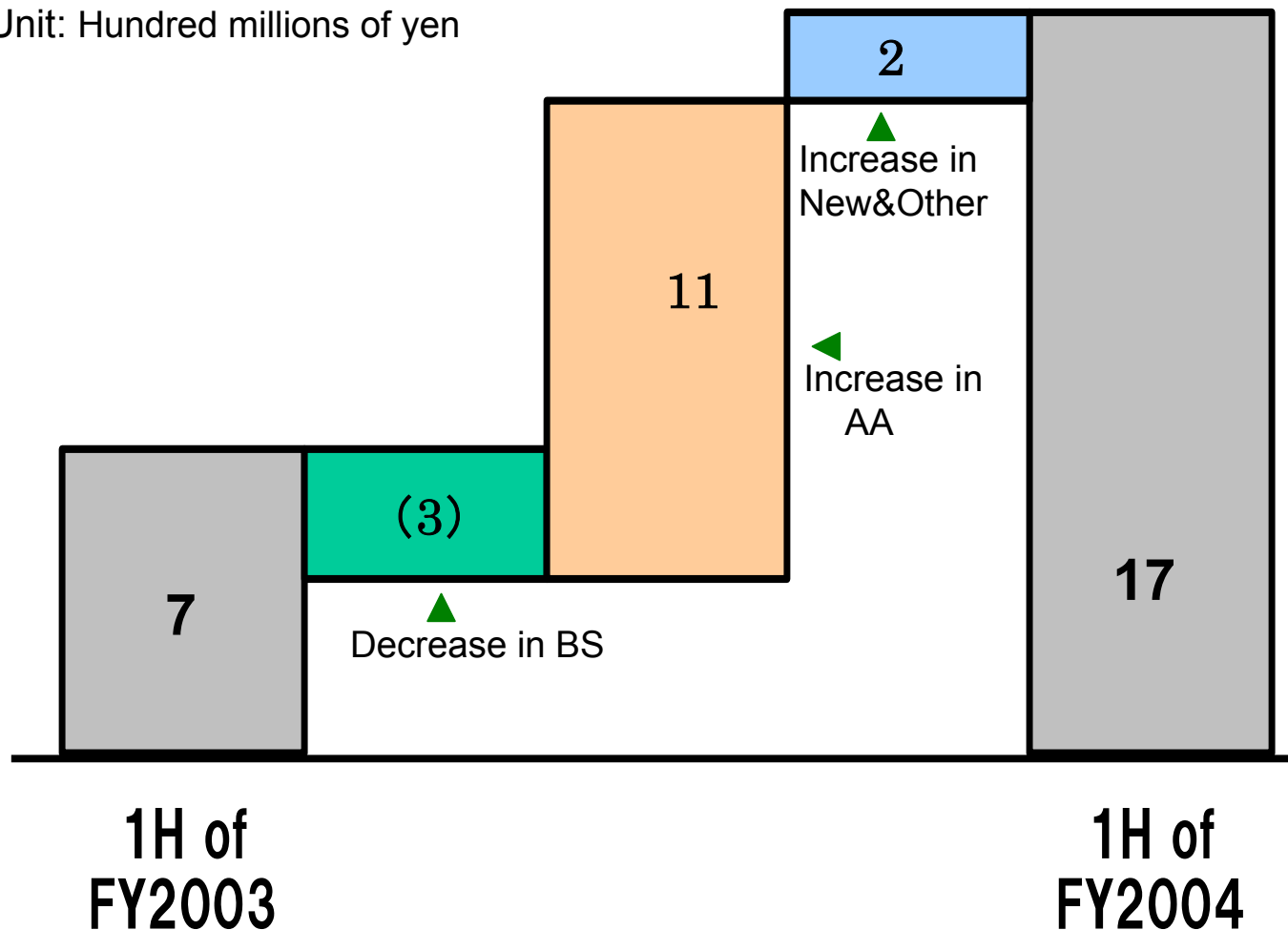
Change in Operating Income from the Previous Year

Unit: Hundred millions of yen



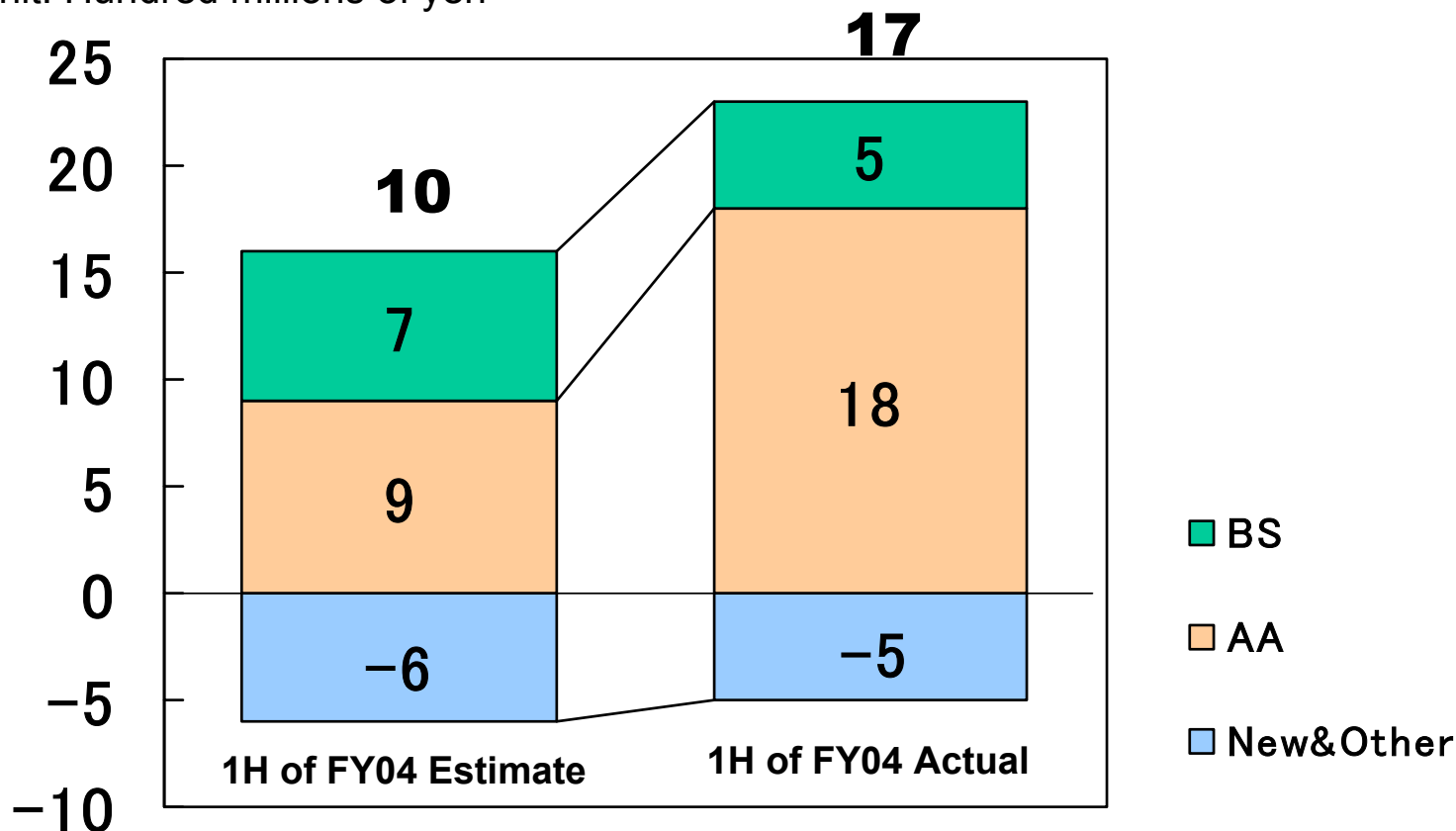
Change in Operating Income by Segment

Unit: Hundred millions of yen



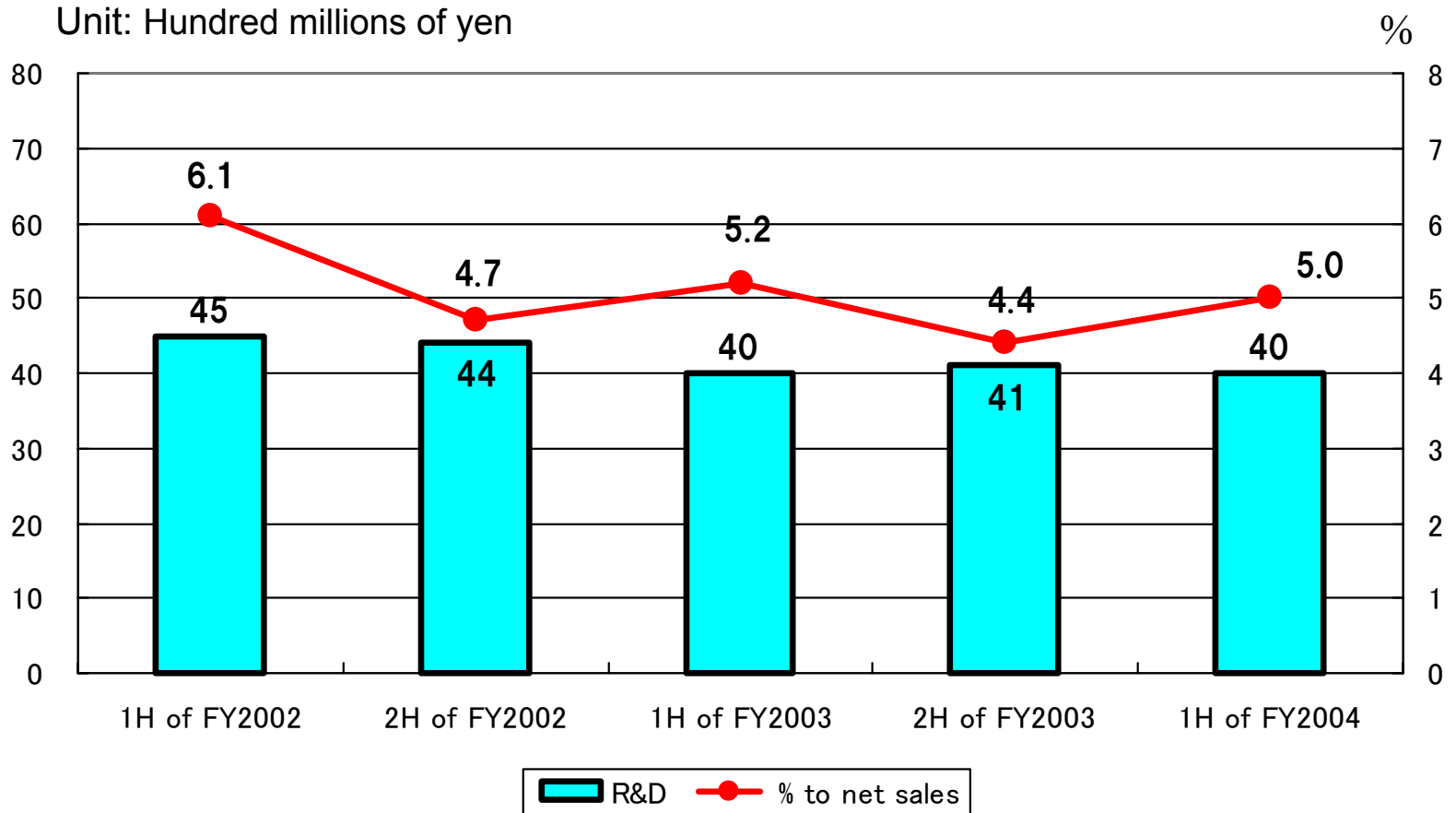
Comparison of Operating Income Estimates with Actual Results for 1H of FY2004

Unit: Hundred millions of yen



* The difference between the actual total results for all business lines and consolidated operating income is from internal transactions, which have been eliminated.

Research & Development



Non-operating Income & Expenses

	(Millions of yen)			
	<u>1H of FY2003</u>	<u>1H of FY2004</u>	<u>Dif.</u>	<u>% Change</u>
Operating income	658	1,650	993	150.9
Non-op. income	347	335	(12)	(3.3)
Non-op. expenses	346	155	(191)	(55.3)
Recurring profit	659	1,831	1,172	177.9
Extra. profit	83	91	8	10.0
Extra. loss	232	3,639	3,407	1,471.1
Income before income taxes and minority interest	510	(1,717)	(2,227)	—
Income taxes and minority interest	159	(457)	(616)	—
Net income	351	(1,260)	(1,611)	—

Sales and Income by Business Segments

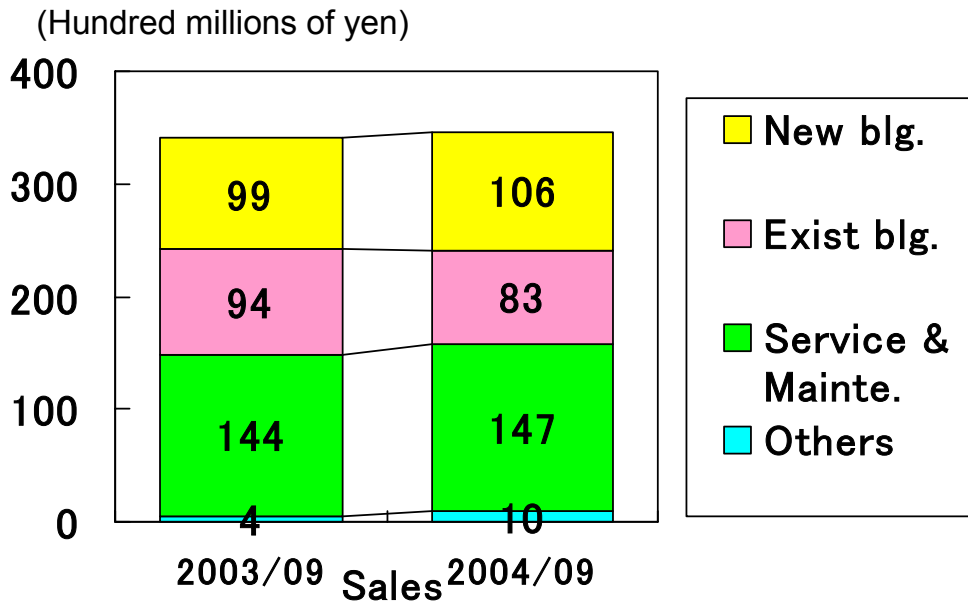
(Millions of yen)

		<u>1H of FY2003</u>	<u>1H of FY2004</u>	<u>Dif.</u>	<u>% Change</u>
BS	Net sales	34,064	34,606	542	1.6
	Op. income	788	477	(311)	(39.4)
	%	2.3	1.4	(0.9)	
AA	Net sales	37,192	39,180	1,987	5.3
	Op. income	624	1,766	1,142	183.0
	%	1.7	4.5	2.8	
New& Others	Net sales	7,263	7,750	487	6.7
	Op. income	(743)	(490)	253	—
	%	(10.2)	(6.3)	3.9	
Total	Net sales	77,666	80,789	3,123	4.0
	Op. income	658	1,650	993	150.9
	%	0.8	2.0	1.2	

% shows the ratio to Net sales

BS Business

	1H of FY2003	1H of FY2004	(Millions of yen)	
			Dif.	% Change
Net sales	34,064	34,606	542	1.6
Op. income	788	477	(311)	(39.4)
%	2.3	1.4	(0.9)	
Orders	46,711	46,666	(45)	(0.1)
Order backlog	48,742	42,942	(5,799)	(11.9)



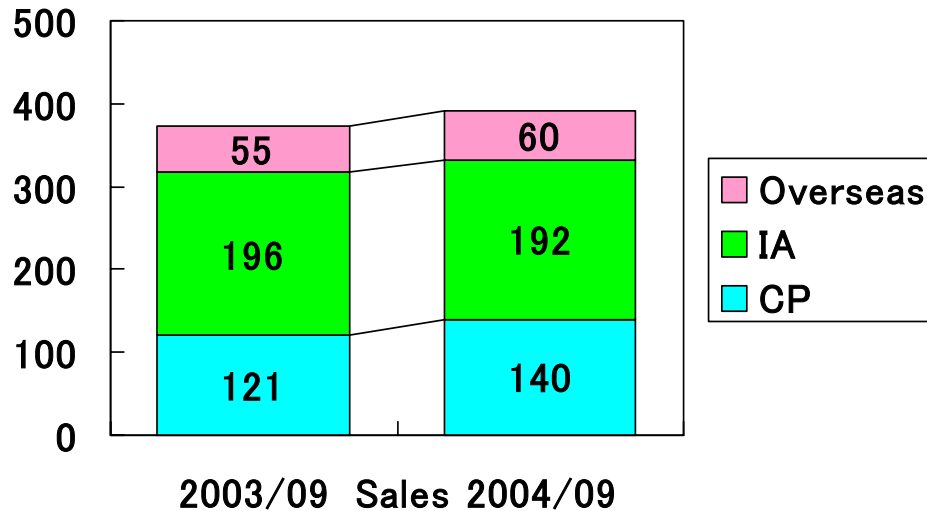
- ◆ Sales to the market for new buildings increased due to the completion of redevelopment projects in Tokyo metropolitan area and favorable conditions in the factory HVAC market.
- ◆ As a result of proposal sales activities, demands for refurbishments and ESCO (TEMS) for existing buildings are expanding. However, sales fell due to the timing of project completion dates.
- ◆ Steady growth was evident in the service market.

AA Business

(Millions of yen)

	<u>1H of FY2003</u>	<u>1H of FY2004</u>	<u>Dif.</u>	<u>% Change</u>
Net sales	37,192	39,180	1,987	5.3
Op. income	624	1,766	1,142	183.0
%	1.7	4.5	2.8	
Orders	40,740	42,857	2,117	5.2
Order backlog	23,896	25,307	1,411	5.9

(Hundred millions of yen)

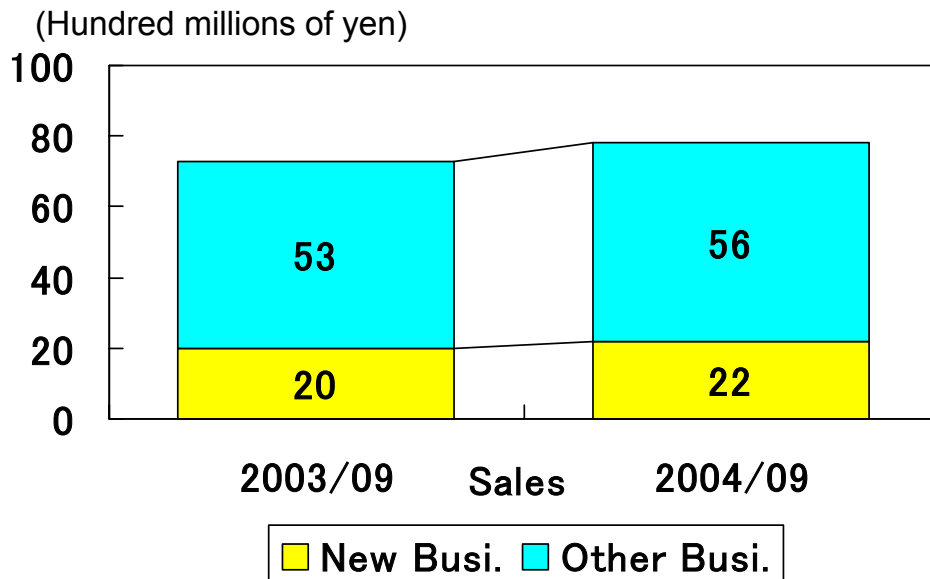


- ◆ Both IA products and CP businesses grew following the recovery in domestic capital investment.
- ◆ Overseas, sales increased in China, a priority market, and in Taiwan etc.
- ◆ Profitability improved as a result of such activities as the upgrade of product lines.

* IA: Industrial Automation * CP: Control Products

New & Other Businesses

	<u>1H of FY2003</u>	<u>1H of FY2004</u>	(Millions of yen)	
			<u>Dif.</u>	<u>% Change</u>
Net sales	7,263	7,750	487	6.7
Op. income	(743)	(490)	253	—
%	(10.2)	(6.3)	3.9	
Orders	6,984	7,595	611	8.7
Order backlog	1,331	1,567	236	17.7



- ◆ Sales of inspection and measurement equipment for the automobile and machine tool markets increased.
- ◆ New businesses expanded, particularly in the care services business. Sales of care services increased to 1.7 bil. in 1H of FY2004 from 1.5 bil. in the same term last year.
- ◆ There was growth in sales of the fresh-produce traceability system.

Overseas Sales

(Hundred millions of yen)

Sales

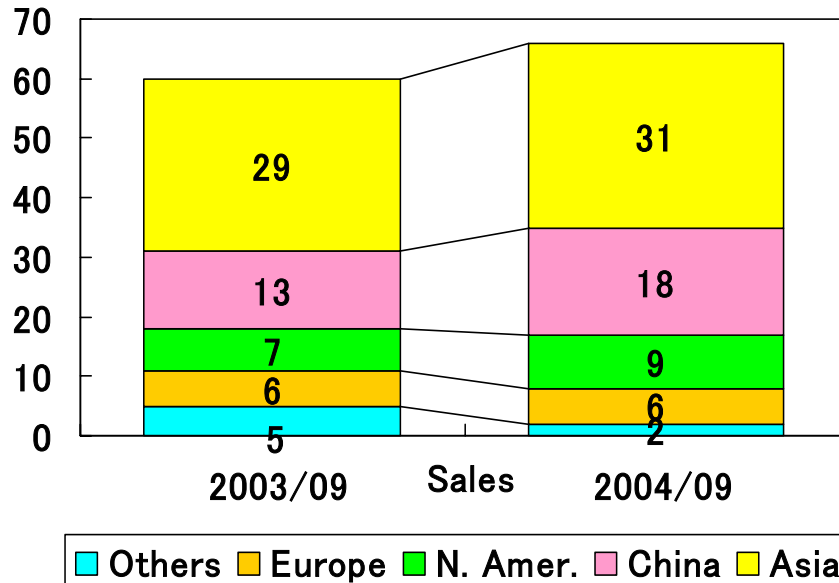
1H of FY2003

61

1H of FY2004

67

(Hundred millions of yen)



- ◆ Sales grew for such products as control valves, valve positioners and electromagnetic flowmeters, mainly in the petrochemical and semiconductor markets.
- ◆ From a regional perspective, IA sales increased in Taiwan, Thailand and especially China, while CP sales rose mainly in Europe and North America.

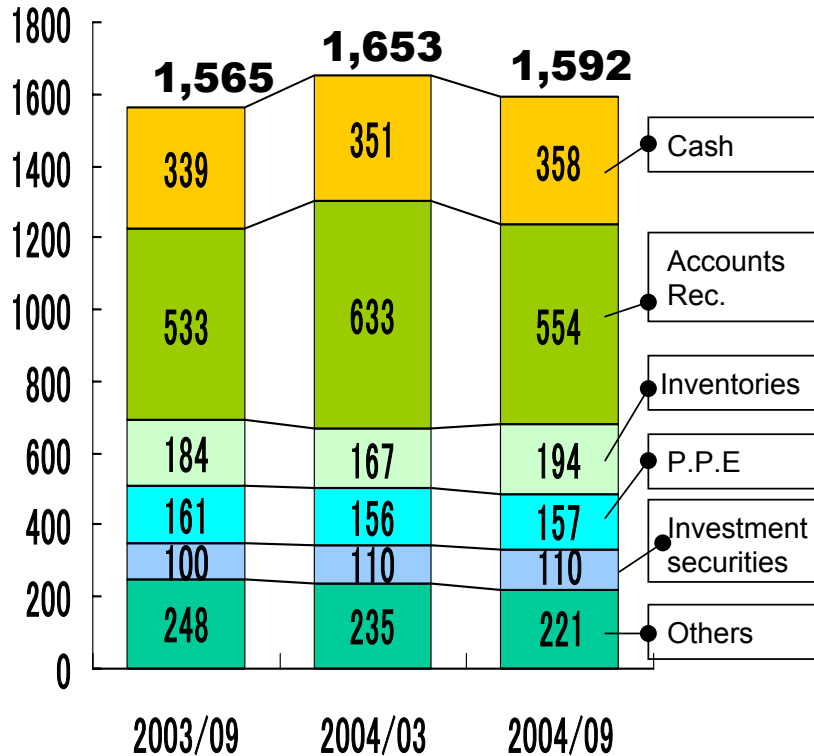
*IA: Industrial Automation *CP: Control Products

Balance Sheets

	(Millions of yen)			
	<u>1H of FY2003</u>	<u>1H of FY2004</u>	<u>Dif.</u>	<u>% Change</u>
Cash	33,929	35,773	1,844	5.4
Accounts Rec. -trade	53,309	55,386	2,076	3.9
Inventories	18,416	19,360	944	5.1
Net P.P.E	16,113	15,652	(461)	(2.9)
Investment securities	9,980	10,959	979	9.8
Others	24,784	22,106	(2,678)	(10.8)
Total Assets	156,531	159,236	2,704	1.7
Accounts Pay. -trade	23,758	25,625	1,867	7.9
S.T. borrowings and L.T. debt	6,864	7,397	533	7.8
Liability for employees' retirement benefits	13,299	11,413	(1,886)	(14.2)
Others	19,666	20,800	1,135	5.8
Total liabilities	63,587	65,236	1,649	2.6
Minority interest	431	439	8	1.9
Shareholders' equity	92,514	93,561	1,047	1.1
Total liabilities and Shareholders' equity	156,531	159,236	2,704	1.7

Major Accounts on Balance Sheets

Hundred millions of yen



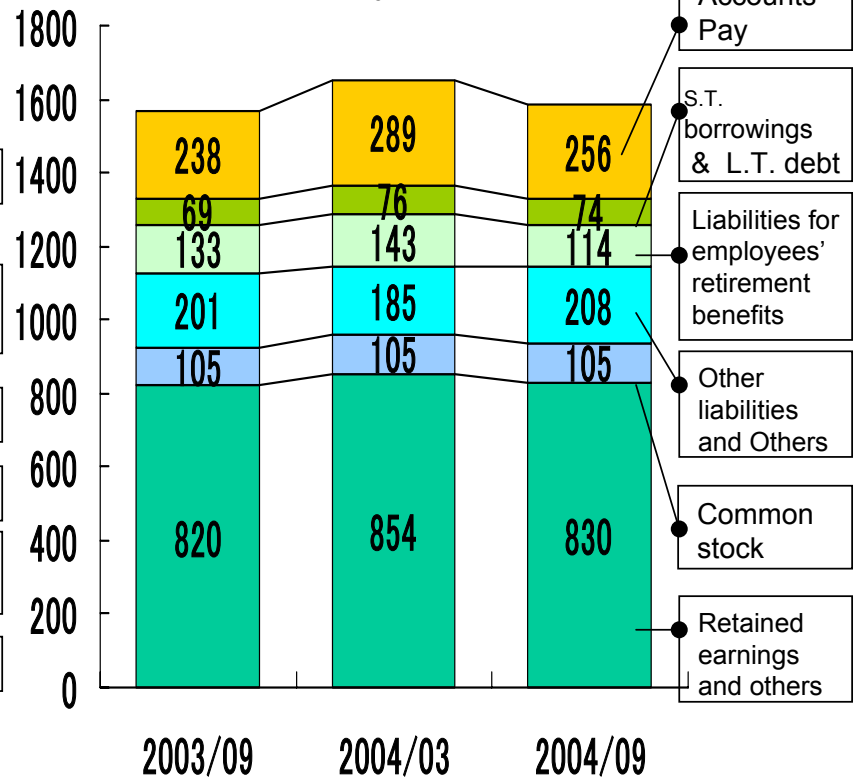
ATO(Half of FY)

0.486 0.574 0.498

Fixed ratio

42.8 41.6 41.2

Hundred millions of yen



DER

6.9 7.3 7.3

Shareholders equity to total assets

59.1 57.8 58.8



Summary of Cash Flows

(Millions of yen)

	<u>1H of FY2003</u>	<u>1H of FY2004</u>	<u>Difference</u>
Operating activities	3,330	1,907	(1,424)
Investing activities	(972)	(2,444)	(1,473)
Financing activities	(706)	(731)	(25)
Net increase in cash & cash equivalents	1,737	(1,266)	(3,003)
Cash & cash equivalents, beginning of year	33,671	38,401	4,731
Newly consolidated subsidiaries, beginning of year	156	—	(156)
Cash & cash equivalents, end of year	35,563	37,135	1,572

**Forecasts for Fiscal Year 2004
Ending March 31, 2005**

Forecasts for FY 2004

(Millions of yen)

	FY2003	FY2004		<u>Total year</u>	<u>Dif.</u>	<u>% Change</u>
	<u>Act.</u>	<u>1H(Act.)</u>	<u>2H(Est.)</u>			
Net sales	169,951	80,789	99,211	180,000	10,049	5.9
Op. income	6,820	1,650	7,450	9,100	2,280	33.4
% to Net sales	4.0	2.0	7.5	5.1	1.0	
Recurring income	6,838	1,831	7,369	9,200	2,362	34.5
Net income	3,241	(1,260)	4,160	2,900	(341)	(10.5)
Total assets	165,264	159,236		169,000		
Shareholders' equity	95,530	93,561		97,000		

Summary

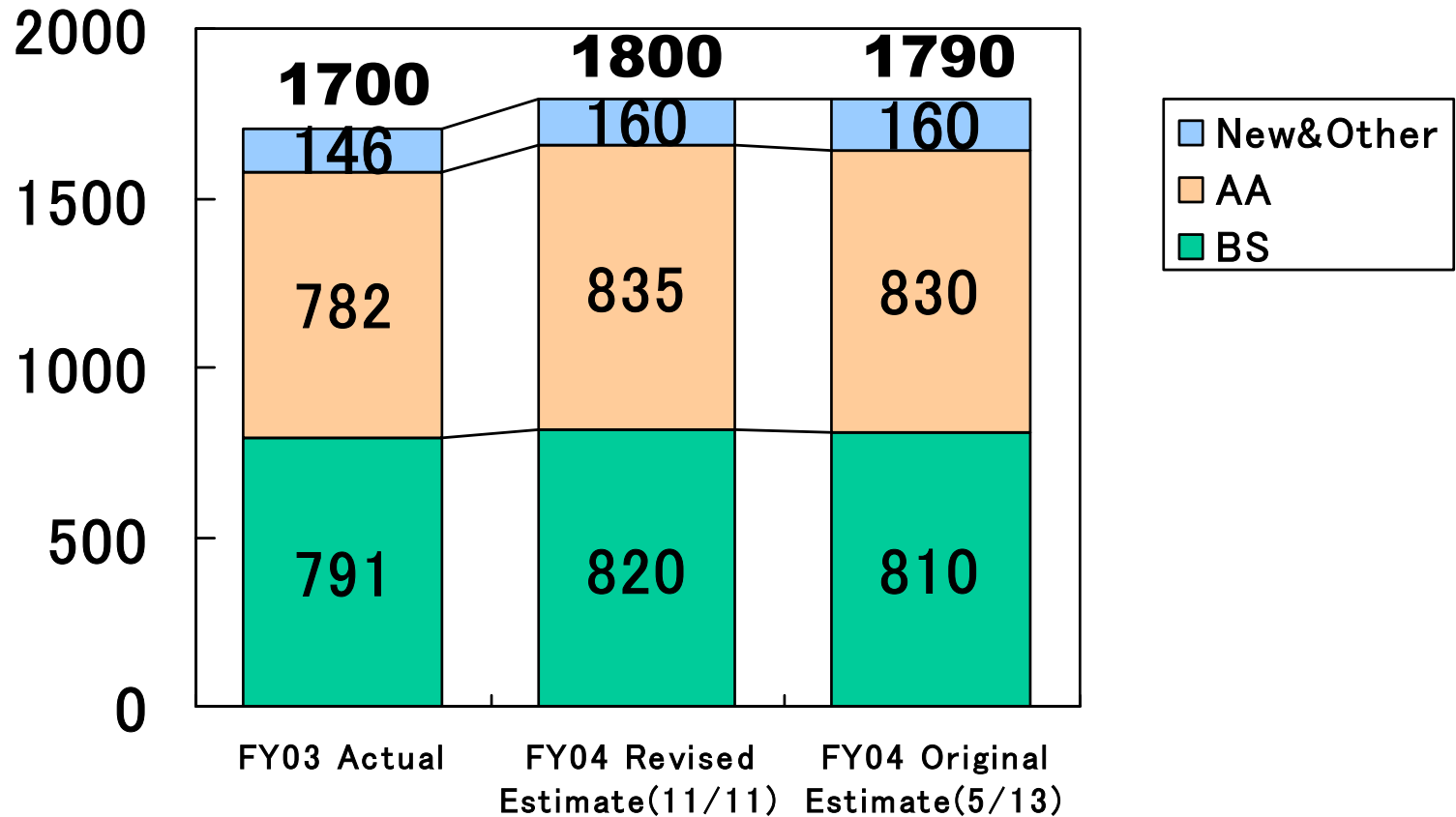
- Sales are expected to increase in all segments and 33% growth is forecasted in operating profits, principally due to increased sales.
- BS Business: Both sales and income are expected to increase through expansion of its solutions business, including TEMS.
- AA Business: Both sales and income are expected to increase through domestic sales growth in the CP and IA businesses, and expansion of its international business.
- Net income is expected to fall owing to the extraordinary charge incurred in the first half by the shift to a defined contribution pension plan.

Revised dividend forecast

The annual dividend per share for FY2004, which was estimated at 20 yen (1H: ¥10; 2H: ¥10) at the start of the fiscal year, is expected to increase to 23 yen (1H: ¥10; 2H: ¥13).

Forecasts of Sales by Segment

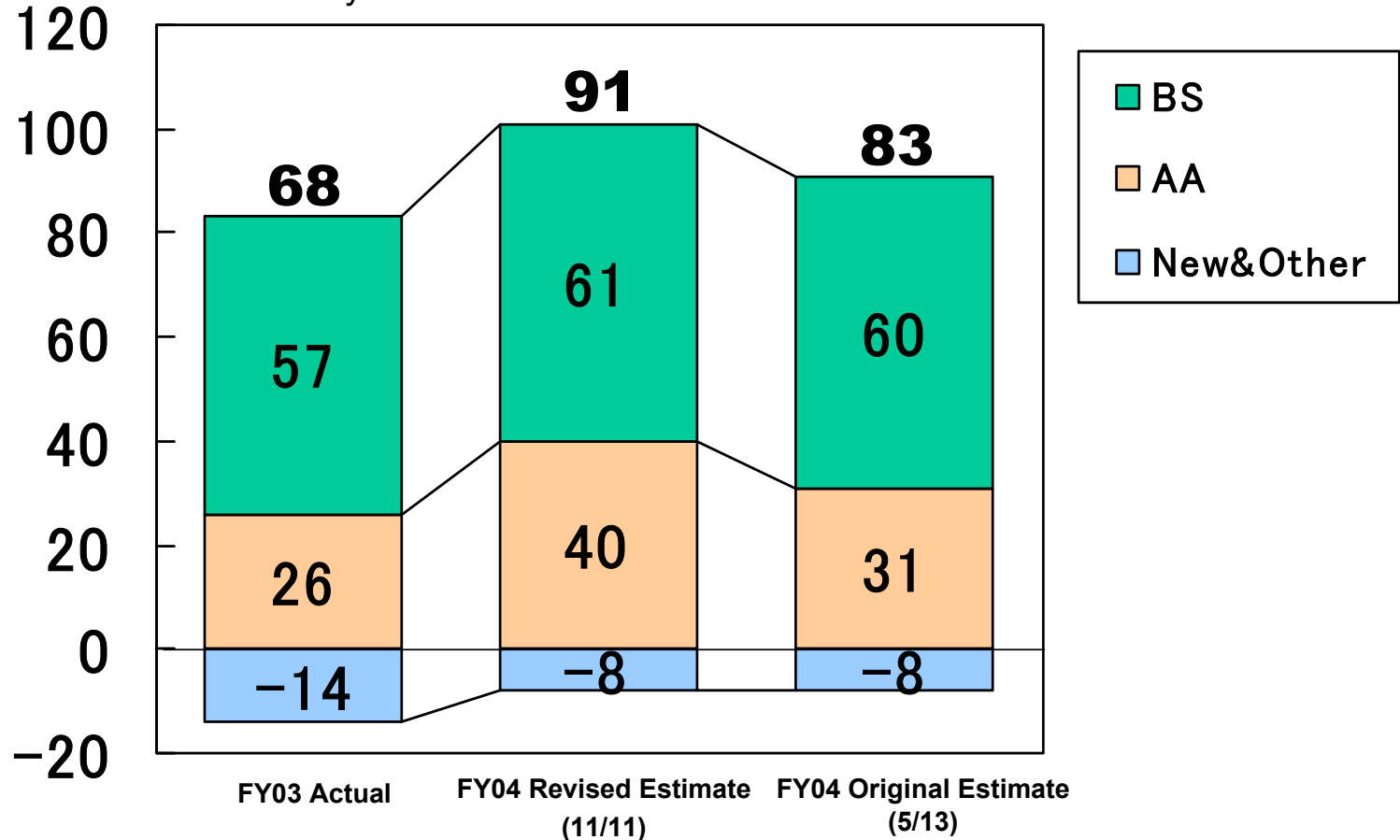
Unit: Hundred millions of yen



* The difference between the total results for all business lines and consolidated sales is from internal transactions, which have been eliminated.

Forecasts of Operating Income by Segment

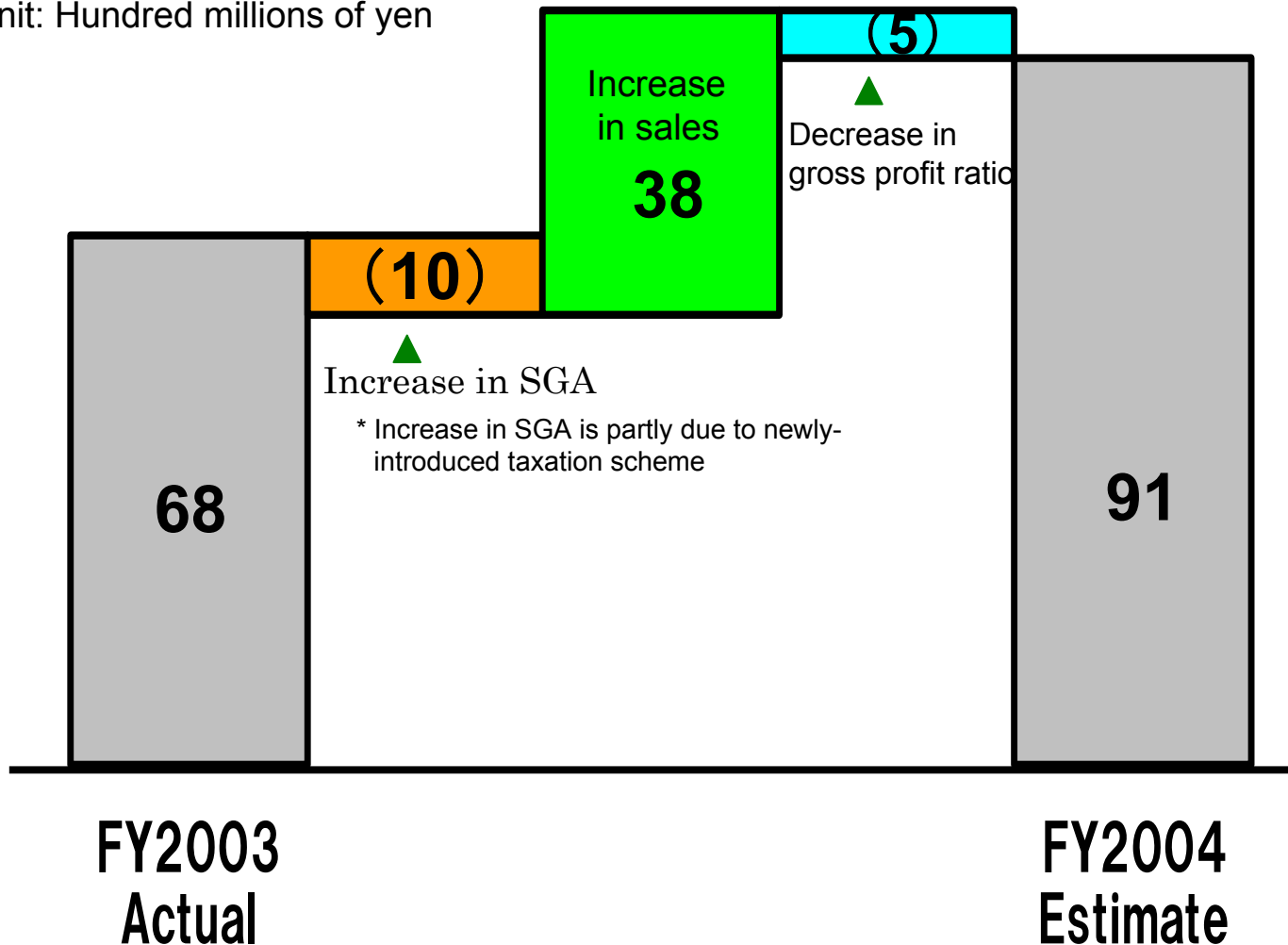
Unit: Hundred millions of yen



* The difference between the total results for all business lines and consolidated operating income is from internal transactions, which have been eliminated.

Forecasts of Operating Income

Unit: Hundred millions of yen



Forecasts by Segment

(Millions of yen)

		FY2003		FY2004		Dif.	% Change
		<u>Act.</u>	<u>1H(Act.)</u>	<u>2H(Est.)</u>	<u>Total year</u>		
BS	Net sales	79,079	34,606	47,394	82,000	2,921	3.7
	Op. income	5,695	477	5,623	6,100	405	7.1
	% to Net sales	7.2	1.4	11.9	7.4	0.2	
AA	Net sales	78,160	39,180	44,320	83,500	5,340	6.8
	Op. income	2,606	1,766	2,234	4,000	1,394	53.5
	% to Net sales	3.3	4.5	5.0	4.8	1.5	
Others	Net sales	14,610	7,750	8,250	16,000	1,390	9.5
	Op. income	(1,408)	(490)	(310)	(800)	608	—
	% to Net sales	(9.6)	(6.3)	(3.8)	(5.0)	4.6	
Total	Net sales	169,951	80,789	99,211	180,000	10,049	5.9
	Op. income	6,820	1,650	7,450	9,100	2,280	33.4
	% to Net sales	4.0	2.0	7.5	5.1	1.0	

Reference Data

Orders

(Millions of yen)

	FY2003 <u>Act.</u>	<u>1H(Act.)</u>	FY2004 <u>2H(Est.)</u>	<u>Total year</u>	<u>Dif.</u>	<u>% Change</u>
BS	73,865	46,666	36,334	83,000	9,135	12.4
AA	79,441	42,857	43,143	86,000	6,559	8.3
Others	14,722	7,595	8,405	16,000	1,278	8.7
Total	166,118	96,233	86,767	183,000	16,882	10.2

Other Reference Data

(Millions of yen)

	FY2003		FY2004		<u>Dif.</u>	<u>% Change</u>
	<u>Act.</u>	<u>1H(Act.)</u>	<u>2H(Est.)</u>	<u>Total year</u>		
Capital investments						
Yamatake	1,695	928				
Consoli. Subsidi.	371	240				
Total	2,066	1,168	1,632	2,800	734	35.5
Depreciation						
Yamatake	2,029	926				
Consoli. Subsidi.	317	166				
Total	2,346	1,092	1,708	2,800	454	19.4
Research & development cost						
	8,099	4,013	4,787	8,800	701	8.7
Ratio to Net sales	4.8%	5.0%		4.9%	0.2%	
Employees						
Yamatake	6,128	6,191	6,075	6,075	(53)	(0.9)
Domest. Consoli. Subsidi.	1,184	1,162	1,144	1,144	(40)	(3.4)
Total	7,312	7,353	7,219	7,219	(93)	(1.3)