



Consolidated Financial Results

for Fiscal Year 2004 ended March 31, 2005 and

Operating Plan

for Fiscal Year 2005 ending March 31, 2006

Yamatake Corporation

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.



Operating Results for FY2004

Operating Results

(Millions of yen)

| | <u>FY2002</u> 2003/3 | <u>FY2003</u> 2004/3 | <u>FY2004</u> 2005/3 | Dif. (FY03-04) | <u>% Change</u> |
|----------------------|-------------------------|-------------------------|-------------------------|-------------------|-----------------|
| Net Sales | 167,969 | 169,951 | 180,763 | 10,812 | 6.4 |
| Gross profit | 64,377 | 65,130 | 67,754 | 2,624 | 4.0 |
| % to Net sales | 38.3 | 38.3 | 37.5 | (0.8) | |
| R&D expenses | 8,881 | 8,099 | 8,170 | 71 | 0.9 |
| SG&A expenses | 52,221 | 50,210 | 50,231 | 21 | 0.0 |
| Op. income | 3,275 | 6,820 | 9,353 | 2,532 | 37.1 |
| % to Net sales | 1.9 | 4.0 | 5.2 | 1.2 | |
| Recurring income | 3,339 | 6,838 | 9,496 | 2,658 | 38.9 |
| Net income | 5,308 | 3,241 | 3,709 | 468 | 14.4 |
| Total assets | 162,919 | 165,264 | 172,586 | 7,322 | 4.4 |
| Shareholders' | | | | | |
| equity | 91,779 | 95,530 | 99,848 | 4,318 | 4.5 |
| ROE (%) | 5.6 | 3.5 | 3.8 | 0.3 | |

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



Operating Results (Semiannual)

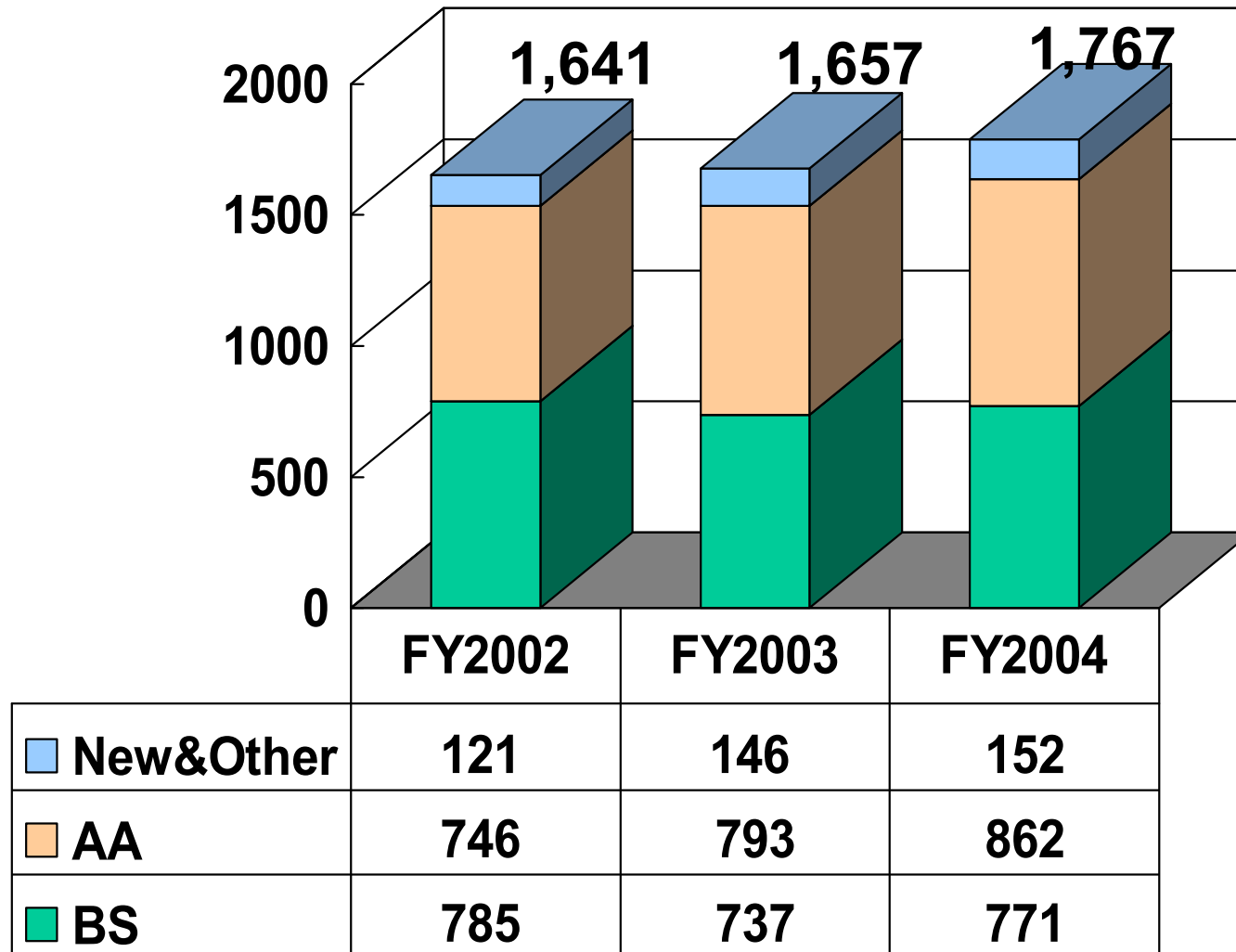
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(Millions of yen)

| | FY2003 (2004/3) | | FY2004 (2005/3) | | Difference | | | |
|----------------------|-----------------|-----------|-----------------|-----------|------------|----------|-----------|----------|
| | <u>1H</u> | <u>2H</u> | <u>1H</u> | <u>2H</u> | <u>1H</u> | <u>%</u> | <u>2H</u> | <u>%</u> |
| Net Sales | 77,666 | 92,285 | 80,789 | 99,974 | 3,123 | 4.0 | 7,689 | 8.3 |
| Gross profit | 29,686 | 35,444 | 30,560 | 37,194 | 874 | 2.9 | 1,750 | 4.9 |
| %to Net sales | 38.2 | 38.4 | 37.8 | 37.2 | (0.4) | | (1.2) | |
| Op. income | 658 | 6,162 | 1,650 | 7,702 | 993 | 150.9 | 1,540 | 25.0 |
| %to Net sales | 0.8 | 6.7 | 2.0 | 7.7 | 1.2 | | 1.0 | |
| Recurring income | 659 | 6,179 | 1,831 | 7,665 | 1,172 | 177.9 | 1,486 | 24.0 |
| Net income | 351 | 2,890 | (1,260) | 4,968 | (1,611) | — | 2,078 | 71.9 |
| <hr/> | | | | | | | | |
| Total assets | 156,531 | 165,264 | 159,236 | 172,586 | 2,704 | 1.7 | 7,322 | 4.4 |
| Shareholders' equity | 92,514 | 95,530 | 93,561 | 99,848 | 1,047 | 1.1 | 4,318 | 4.5 |

Orders

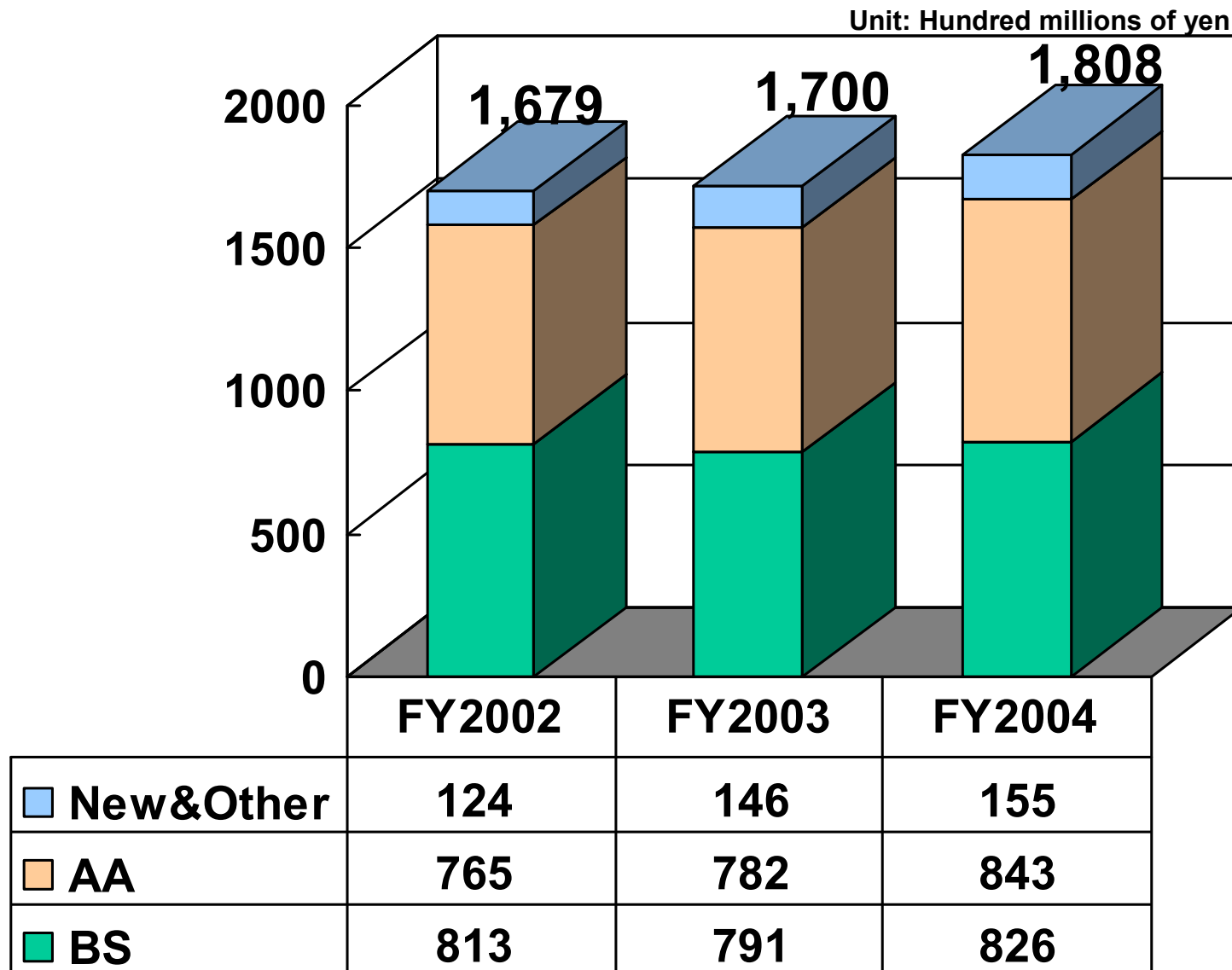
Unit: Hundred millions of yen



* AA: Advanced automation business BS: Building systems business

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

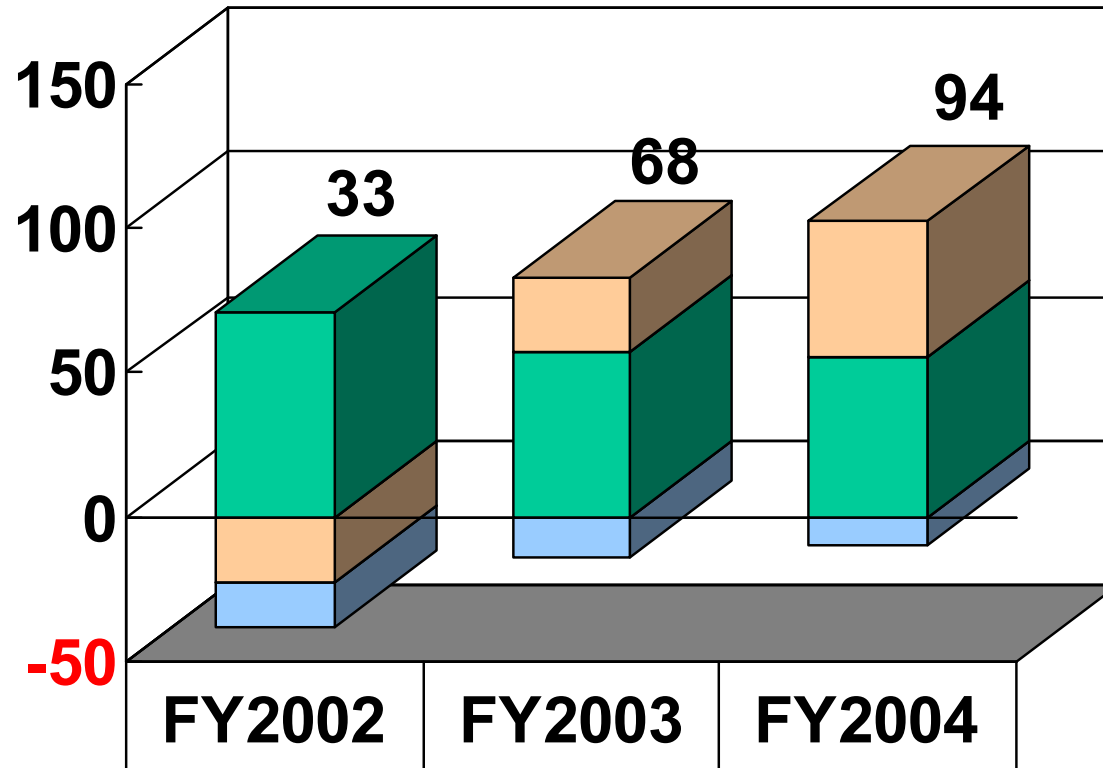
Sales



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

Operating Income

Unit: Hundred millions of yen

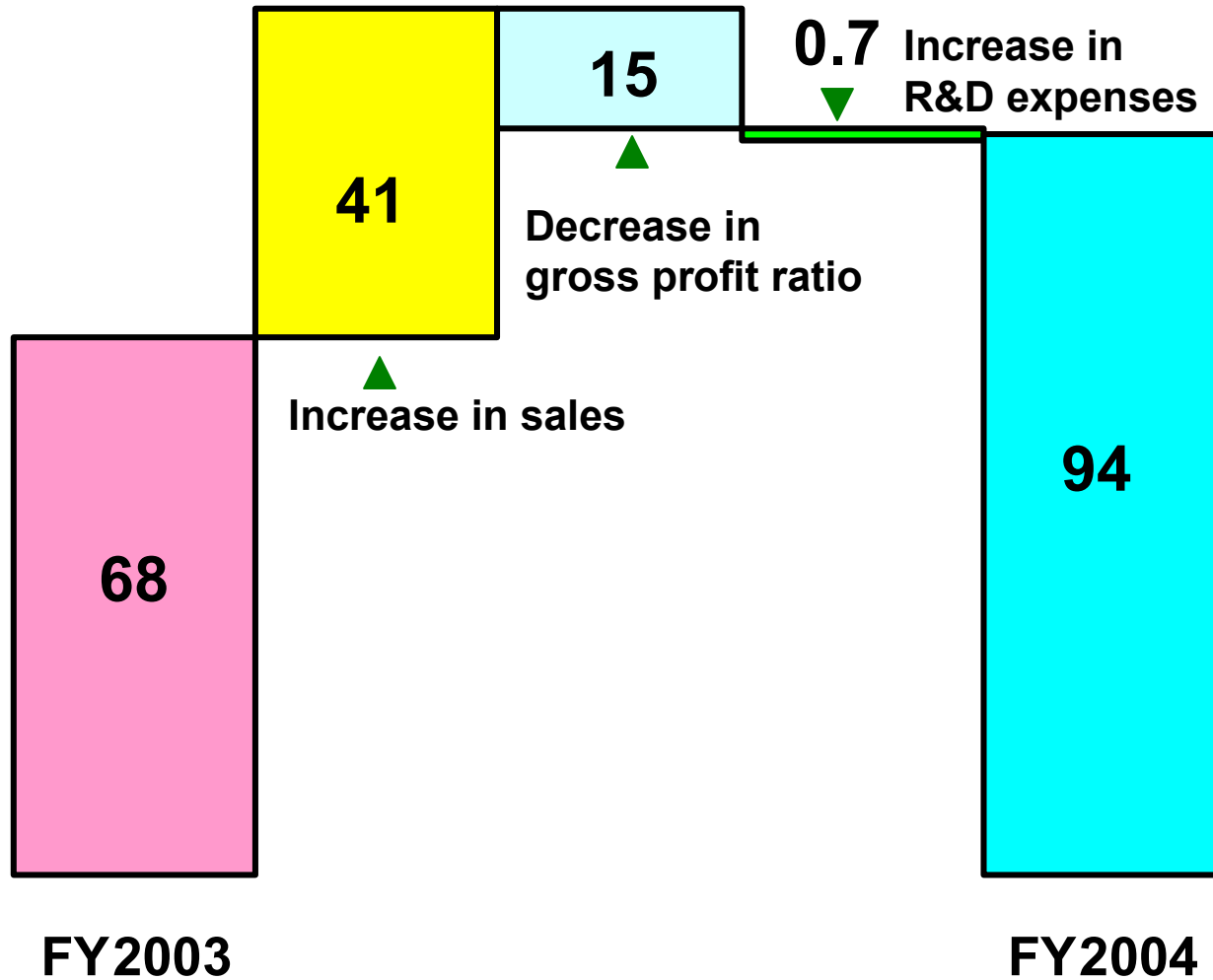


| | FY2002 | FY2003 | FY2004 |
|----------------------|------------|------------|-----------|
| New&Other | -15 | -14 | -9 |
| AA | -23 | 26 | 47 |
| BS | 71 | 57 | 55 |

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

Change in Operating Income

Unit: Hundred millions of yen



Non-operating Income & Expenses

(Millions of yen)

| | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | Dif. | |
|--|---------------|---------------|---------------|------------------|-----------------|
| | | | | <u>(FY03-04)</u> | <u>% Change</u> |
| Operating income | 3,275 | 6,820 | 9,353 | 2,532 | 37.1 |
| Non-op. income | 681 | 646 | 476 | (170) | (26.4) |
| Non-op. expenses | 617 | 628 | 333 | (295) | (47.0) |
| Reccuring income | 3,339 | 6,838 | 9,496 | 2,657 | 38.9 |
| Extra. gain | 11,588 | 195 | 105 | (89) | (45.9) |
| Extra. loss | 3,692 | 540 | 3,832 | 3,292 | 609.6 |
| Income before income taxes and minority interest | 11,235 | 6,493 | 5,769 | (724) | (11.2) |
| Income taxes and minority interest | 5,927 | 3,252 | 2,060 | (1,192) | (36.7) |
| Net income | 5,308 | 3,241 | 3,709 | 468 | 14.4 |

Sales and Income by Business Segments

(Millions of yen)

| | | <u>FY2002</u> | <u>FY2003</u> | <u>FY2004</u> | <u>Dif. (FY03-04)</u> | <u>% Change</u> |
|---------------|------------|---------------|---------------|---------------|-----------------------|-----------------|
| BS | Net sales | 81,332 | 79,078 | 82,598 | 3,520 | 4.5 |
| | Op. income | 7,072 | 5,695 | 5,536 | (159) | (2.8) |
| | % | 8.7 | 7.2 | 6.7 | (0.5) | |
| AA | Net sales | 76,536 | 78,160 | 84,317 | 6,157 | 7.9 |
| | Op. income | (2,285) | 2,606 | 4,724 | 2,118 | 81.3 |
| | % | (3.0) | 3.3 | 5.6 | 2.3 | |
| New& Other | Net sales | 12,450 | 14,610 | 15,524 | 914 | 6.3 |
| | Op. income | (1,525) | (1,408) | (934) | 474 | - |
| | % | (12.2) | (9.6) | (6.0) | 3.6 | |
| Consoli. | Net sales | 167,969 | 169,951 | 180,763 | 10,812 | 6.4 |
| | Op. income | 3,275 | 6,820 | 9,353 | 2,532 | 37.1 |
| | % | 1.9 | 4.0 | 5.2 | 1.2 | |

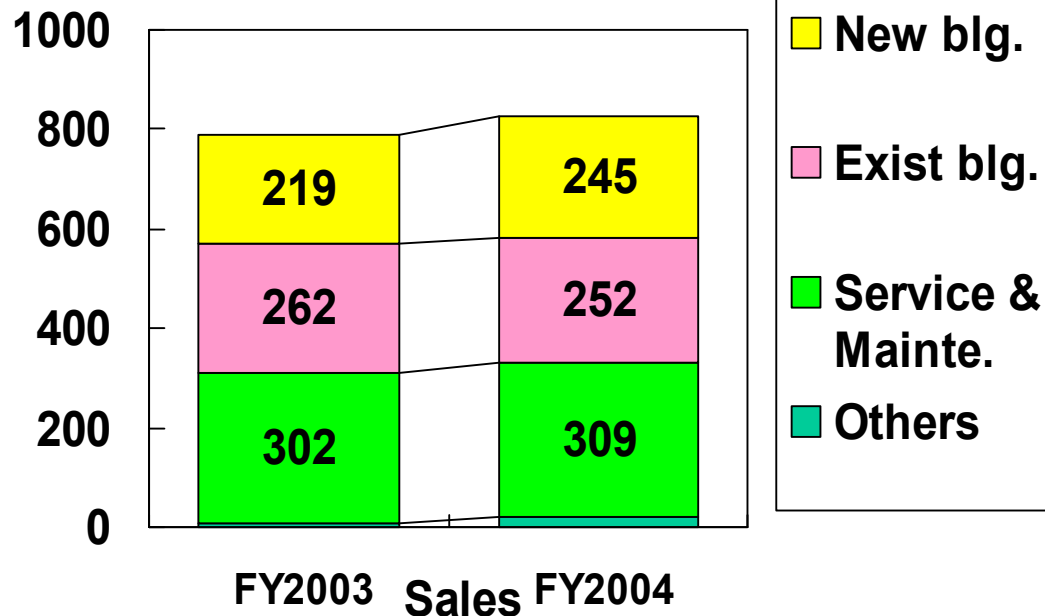
Sales and Income by Business Segments (Semiannual)

| | | FY2003 | | FY2004 | | (Millions of yen) | | | |
|---------------|------------|-----------|-----------|-----------|-----------|-------------------|----------|-----------|----------|
| | | | | | | Difference | | | |
| | | <u>1H</u> | <u>2H</u> | <u>1H</u> | <u>2H</u> | <u>1H</u> | <u>%</u> | <u>2H</u> | <u>%</u> |
| BS | Net sales | 34,064 | 45,014 | 34,606 | 47,992 | 542 | 1.6 | 2,978 | 6.6 |
| | Op. income | 788 | 4,908 | 420 | 5,117 | (368) | (46.7) | 209 | 4.3 |
| | % | 2.3 | 10.9 | 1.2 | 10.7 | (1.1) | | (0.2) | |
| AA | Net sales | 37,192 | 40,967 | 39,180 | 45,137 | 1,987 | 5.3 | 4,170 | 10.2 |
| | Op. income | 624 | 1,982 | 1,705 | 3,019 | 1,081 | 173.2 | 1,037 | 52.3 |
| | % | 1.7 | 4.8 | 4.4 | 6.7 | 2.7 | | 1.9 | |
| New& Other | Net sales | 7,263 | 7,347 | 7,750 | 7,774 | 487 | 6.7 | 427 | 5.8 |
| | Op. income | (743) | (666) | (490) | (444) | 252 | — | 222 | — |
| | % | (10.2) | (9.1) | (6.3) | (5.7) | 3.9 | | 3.4 | |
| Consoli. | Net sales | 77,666 | 92,285 | 80,789 | 99,974 | 3,123 | 4.0 | 7,689 | 8.3 |
| | Op. income | 658 | 6,162 | 1,650 | 7,702 | 993 | — | 1,540 | 25.0 |
| | % | 0.8 | 6.7 | 2.0 | 7.7 | 1.2 | | 1.0 | |

Building Systems Business

| | | | (Millions of yen) | |
|---------------|---------------|---------------|-------------------|-----------------|
| | <u>FY2003</u> | <u>FY2004</u> | <u>Dif.</u> | <u>% Change</u> |
| BS Net sales | 79,078 | 82,598 | 3,520 | 4.5 |
| Op. income | 5,695 | 5,536 | (159) | (2.8) |
| % | 7.2 | 6.7 | (0.5) | |
| Orders | 73,684 | 77,138 | 3,454 | 4.7 |
| Order backlog | 30,882 | 25,422 | (5,460) | (17.7) |

Unit: Hundred millions of yen

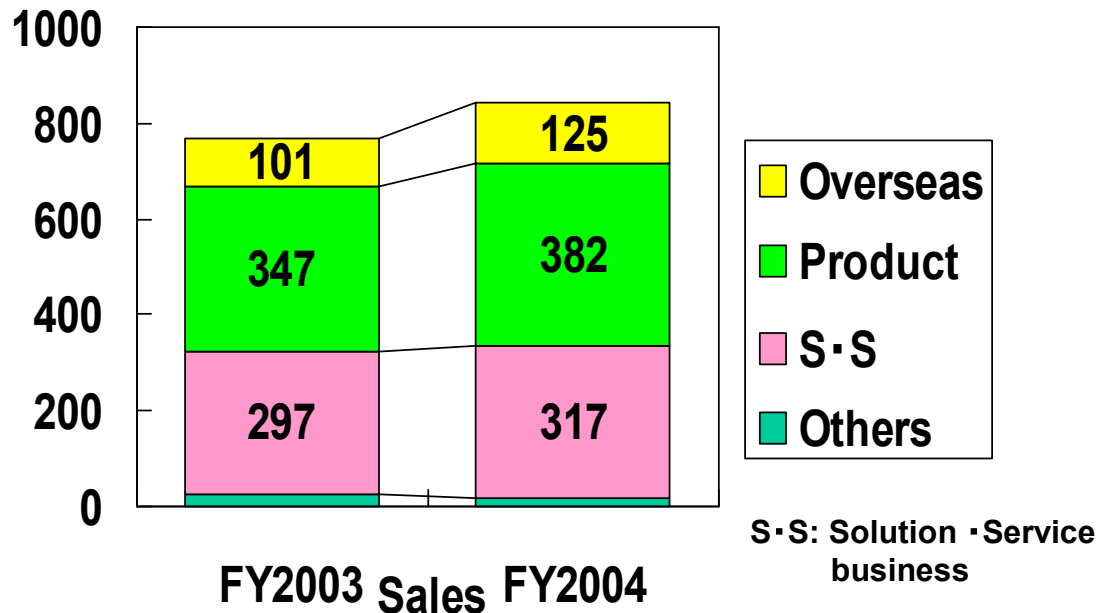


- ◆ Sales to the market for new buildings rose by 2.6 bil. yen mainly owing to favorable conditions in the market for factory.
- ◆ Sales to the market for existing buildings fell temporarily despite ESCO business grew steadily.
- ◆ Steady growth was evident in the service market.

Advance Automation Business

| | | | (Millions of yen) | |
|---------------|---------------|---------------|-------------------|-----------------|
| | <u>FY2003</u> | <u>FY2004</u> | <u>Dif.</u> | <u>% Change</u> |
| Net sales | 78,160 | 84,317 | 6,157 | 7.9 |
| Op. income | 2,606 | 4,724 | 2,118 | 81.3 |
| % | 3.3 | 5.6 | 2.3 | |
| Orders | 79,289 | 86,230 | 6,941 | 8.8 |
| Order backlog | 21,629 | 23,543 | 1,914 | 8.8 |

Unit: Hundred millions of yen

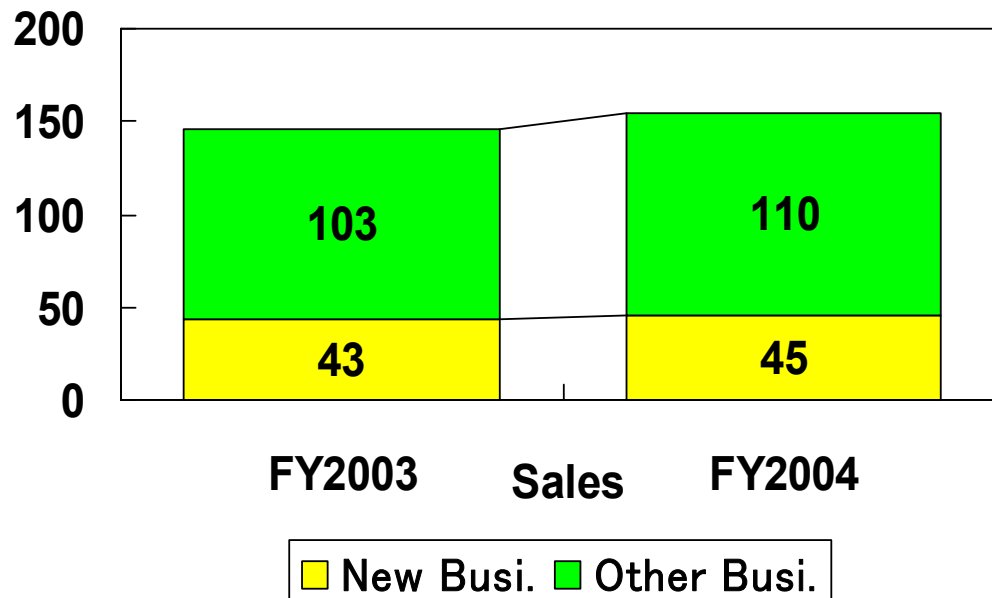


- ◆ Domestic sales expanded in the overall manufacturing industry, driven by investment in semiconductor, electrical, electronic and automotive markets.
- ◆ Overseas sales increased in China and other areas in Asian. Sales for control products and field instruments expanded greatly.
- ◆ Sales for new products and in domains peripheral to AA business grew steadily.

New & Other businesses

| | <u>FY2003</u> | <u>FY2004</u> | (Millions of yen) | |
|------------|---------------|---------------|--------------------------|-----------------|
| | | | <u>Dif.</u> | <u>% Change</u> |
| Net sales | 14,610 | 15,524 | 914 | 6.3 |
| Op. income | (1,408) | (934) | 474 | — |
| % | (9.6) | (6.0) | 3.6 | |
| Orders | 14,642 | 15,195 | 553 | 3.8 |

Unit: Hundred millions of yen



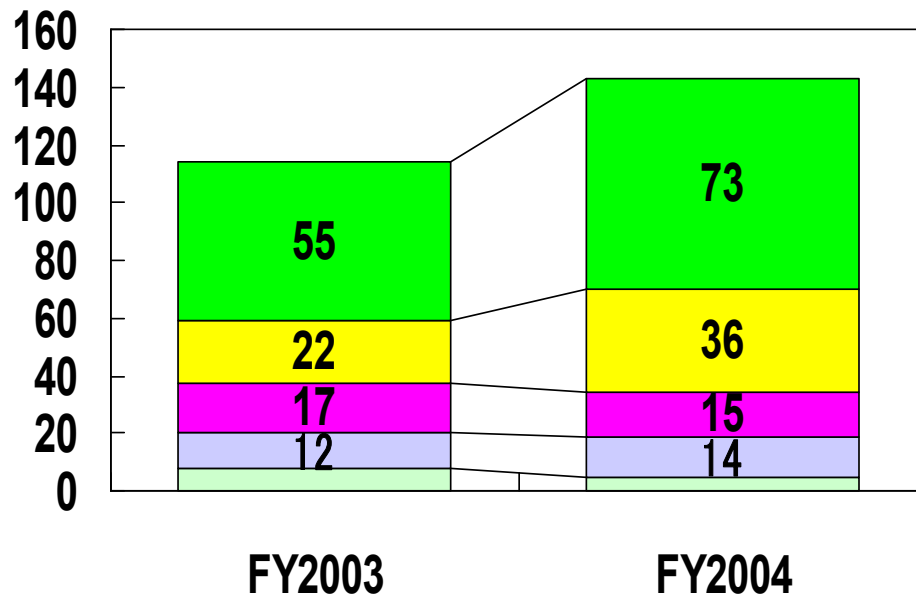
- ◆ Sales for care services was 3.4 bil. yen, an increase of 0.4 bil. yen, or 12%, compared the last fiscal year.
- ◆ Sales for inspection/measurement and industrial equipments increased 0.7 bil. yen following economic recovery and an favorable conditions in automotive markets.

Overseas Sales

(Hundred millions of yen)

| | <u>FY2003</u> | <u>YF2004</u> |
|------------------|---------------|---------------|
| Net sales | 113 | 143 |

Unit: Hundred millions of yen



◆ Sales grew for such products as transmitter, control valves, and electromagnetic flowmeters, particularly in China and other areas in Asia.

Sales in China increased 64%.

Sales in other areas in Asia increased 33%.



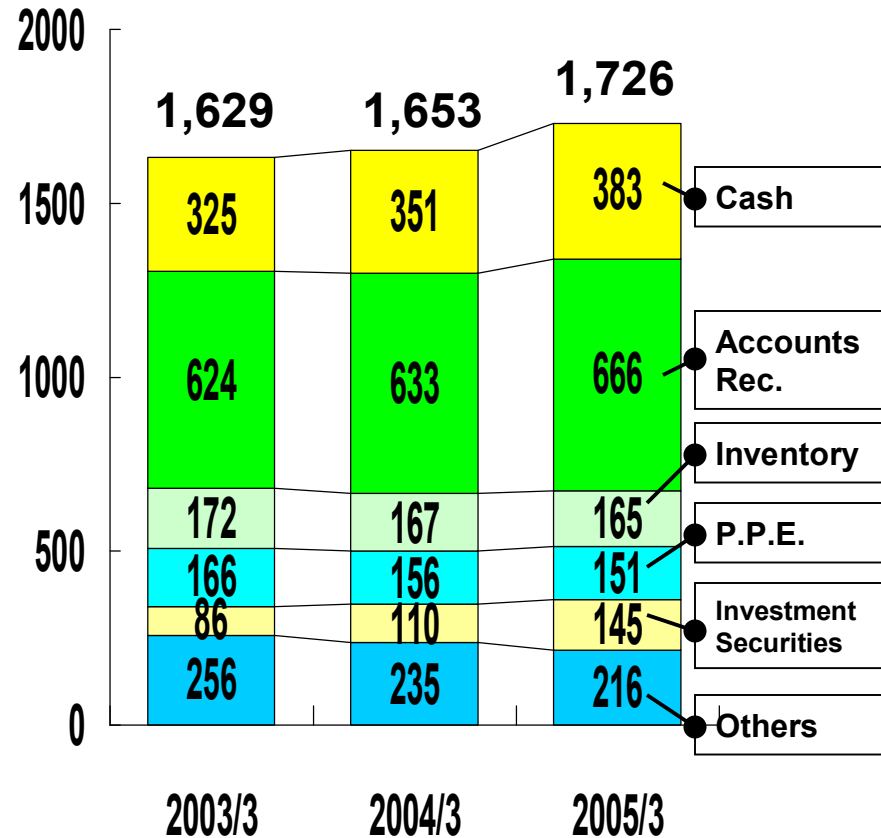
Balance Sheets

(Millions of yen)

| | <u>2003/3</u> | <u>2004/3</u> | <u>2005/3</u> | Dif. (FY03-04) | <u>% Change</u> |
|---|----------------|----------------|----------------|-------------------|-----------------|
| Cash | 32,479 | 35,118 | 38,319 | 3,201 | 9.1 |
| Accounts receivable | 62,421 | 63,313 | 66,577 | 3,264 | 5.2 |
| Inventories | 17,247 | 16,662 | 16,455 | (207) | (1.2) |
| Net P.P.E. | 16,597 | 15,619 | 15,075 | (544) | (3.5) |
| Investment securities | 8,558 | 11,039 | 14,475 | 3,436 | 31.1 |
| Others | 25,617 | 23,513 | 21,685 | (1,828) | (7.8) |
| Total Assets | 162,919 | 165,264 | 172,586 | 7,322 | 4.4 |
| Accounts pay. -trade | 27,286 | 28,915 | 30,595 | 1,680 | 5.8 |
| S.T. borrowings and L.T. debt | 7,219 | 7,577 | 5,830 | (1,747) | (23.1) |
| Liability for employees' retirement benefits | 12,301 | 14,308 | 11,493 | (2,815) | (19.7) |
| Others | 23,938 | 18,543 | 24,310 | 5,767 | 31.1 |
| Total liabilities | 70,745 | 69,343 | 72,228 | 2,885 | 4.2 |
| Minority interest | 395 | 391 | 510 | 120 | 30.6 |
| Shareholders' equity | 91,779 | 95,530 | 99,848 | 4,318 | 4.5 |

Major Accounts on Balance Sheets

Unit: Hundred millions of yen



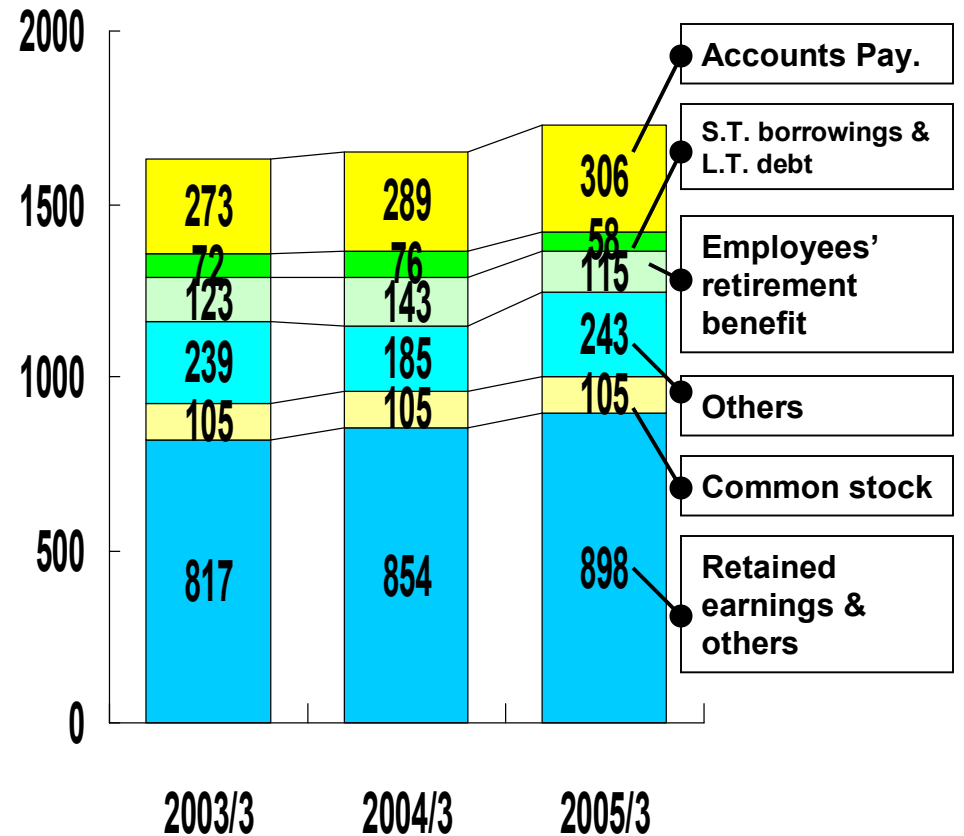
ATO

0.98 1.04 1.07

Fixed ratio

43.6 41.6 40.3

Unit: Hundred millions of yen



DER

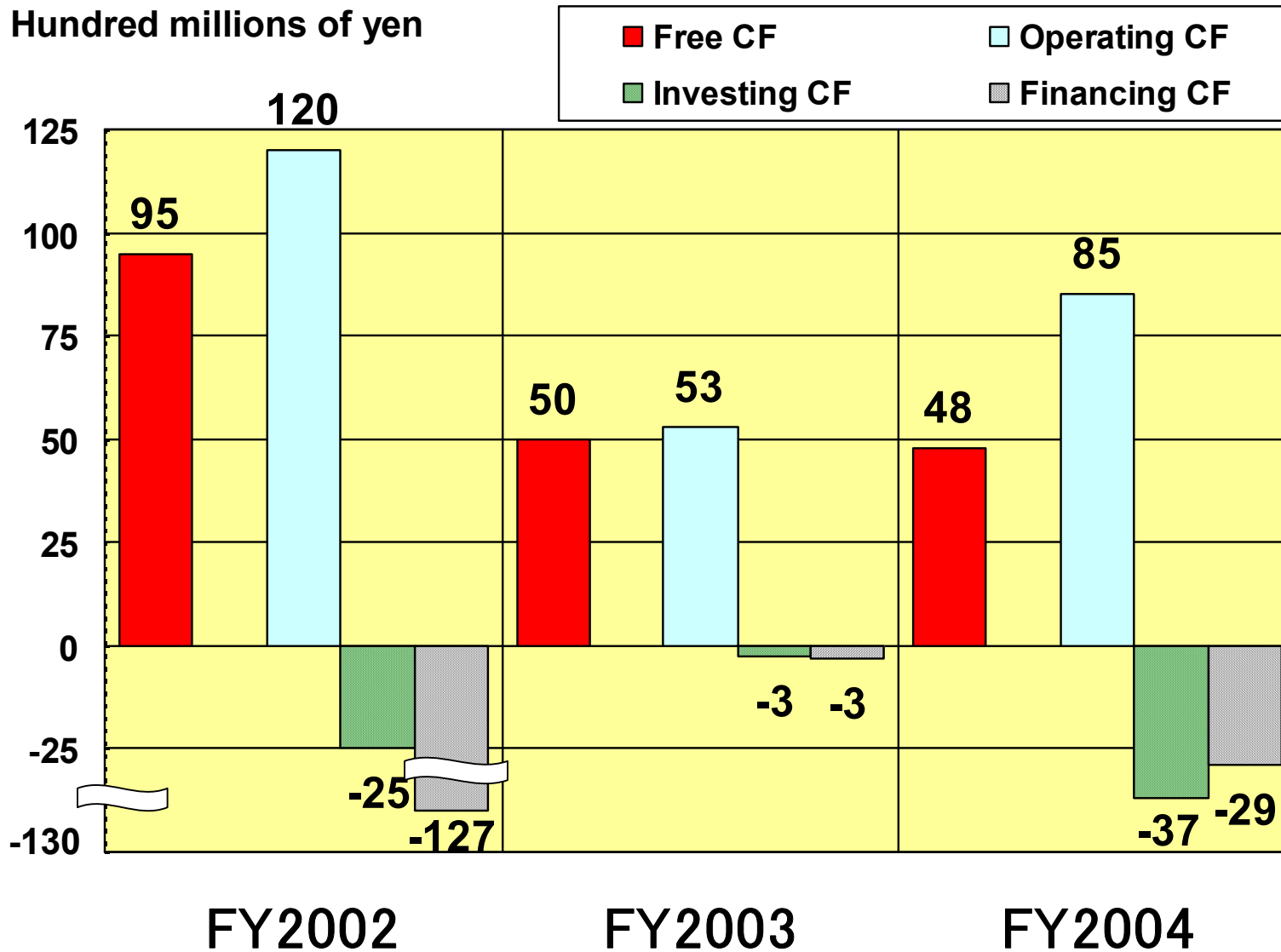
7.3 7.3 5.5

Shareholders' equity to total sales

56.3 57.8 57.9

Summary of Cash Flows

Unit: Hundred millions of yen





**Operating Plan for Fiscal Year 2005
Ending March 31, 2006**

Operating Plan for FY2005

(Millions of yen)

| | FY2004 | FY2005 | | <u>Total year</u> | Comparison in year | |
|----------------------|-------------|----------------|----------------|-------------------|--------------------|----------|
| | <u>Act.</u> | <u>1H est.</u> | <u>2H est.</u> | | <u>Dif.</u> | <u>%</u> |
| Net sales | 180,763 | 86,000 | 102,000 | 188,000 | 7,237 | 4.0 |
| Op. income | 9,353 | 3,200 | 8,300 | 11,500 | 2,147 | 23.0 |
| % | 5.2 | 3.7 | 8.1 | 6.1 | 0.9 | |
| Recurring income | 9,496 | 3,200 | 8,100 | 11,300 | 1,804 | 19.0 |
| Net income | 3,709 | 2,400 | 5,400 | 7,800 | 4,091 | 110.3 |
| Total assets | 172,586 | | | 180,000 | | |
| Shareholders' equity | 99,848 | | | 105,192 | | |
| ROE | 3.8 | | | Over 7% | | |

Outlook for FY2005

- Sales are expected to increase in all business segments, particularly AA business.
Operating income is forecasted to grow 23%, due mainly to increased sales and improvement of cost to sales.
- BS business: Despite a drop in sales for office buildings in the market for new buildings, sales and income are expected to grow with the strengthening of sales in the markets for factories, existing buildings, services, security and overseas.
- AA business: Operating income is forecasted to increase by over 20% due to ongoing growth in the Products business, both domestic and international, as well as an increase in the Solution Service business.

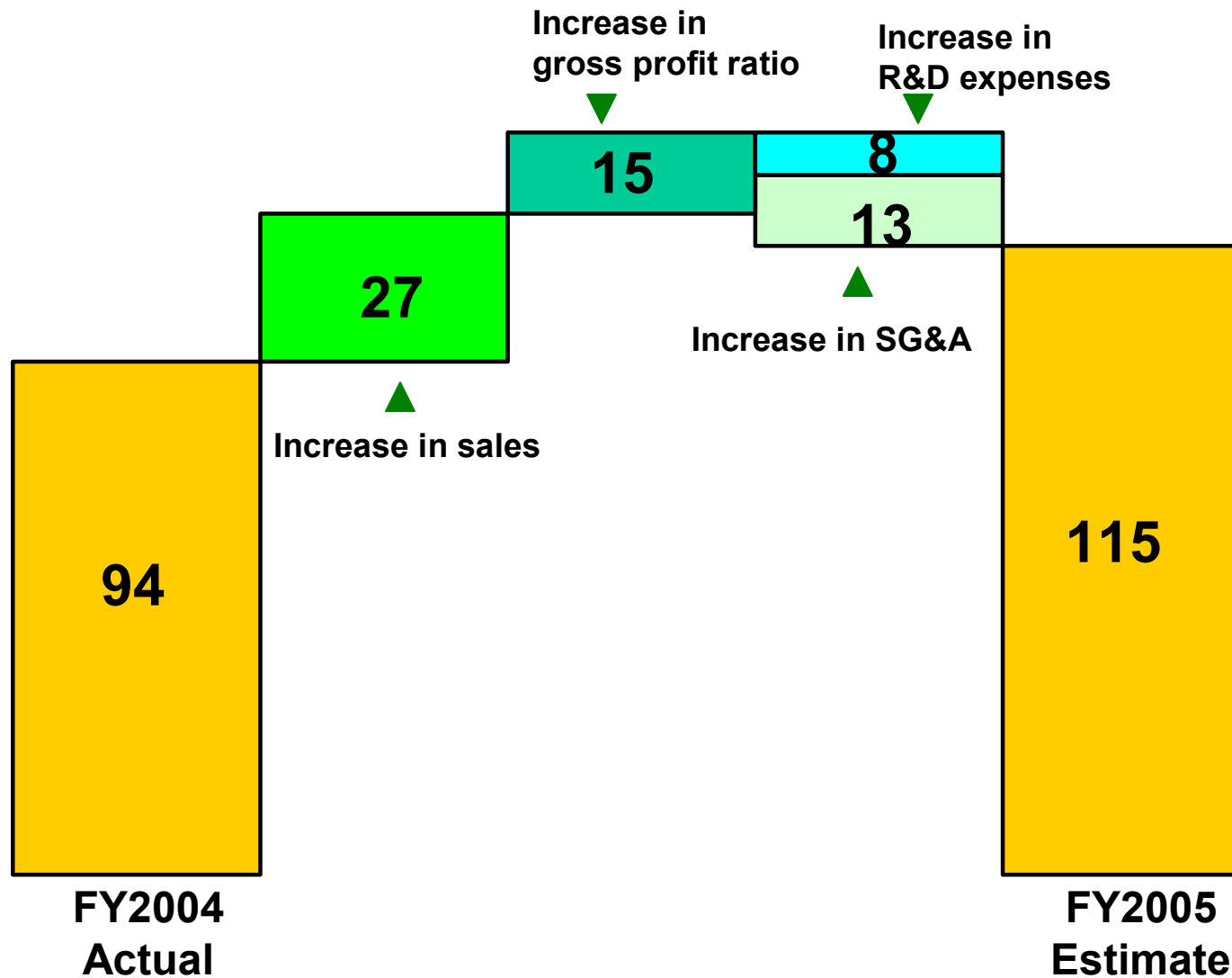
Forecasts by Segments

(Millions of yen)

| | | FY2004 | FY2005 | | Comparison in year | | |
|---------------|------------|-------------|----------------|----------------|--------------------|-------------|-----------------|
| | | <u>Act.</u> | <u>1H est.</u> | <u>2H est.</u> | <u>Total year</u> | <u>Dif.</u> | <u>% Change</u> |
| BS | Net sales | 82,598 | 36,000 | 49,000 | 85,000 | 2,402 | 2.9 |
| | Op. income | 5,536 | 700 | 5,300 | 6,000 | 464 | 8.4 |
| | % | 6.7 | 1.9 | 10.8 | 7.1 | 0.4 | |
| AA | Net sales | 84,317 | 43,000 | 45,000 | 88,000 | 3,683 | 4.4 |
| | Op. income | 4,724 | 2,700 | 3,100 | 5,800 | 1,076 | 22.8 |
| | % | 5.6 | 6.3 | 6.9 | 6.6 | 1.0 | |
| New& Other | Net sales | 15,524 | 8,100 | 8,900 | 17,000 | 1,476 | 9.5 |
| | Op. income | (934) | (200) | (100) | (300) | 634 | — |
| | % | (6.0) | (2.5) | (1.1) | (1.8) | 4.3 | |
| Consoli. | Net sales | 180,763 | 86,000 | 102,000 | 188,000 | 7,237 | 4.0 |
| | Op. income | 9,353 | 3,200 | 8,300 | 11,500 | 2,147 | 23.0 |
| | % | 5.2 | 3.7 | 8.1 | 6.1 | 0.9 | |

Forecasts of Operating Income

Unit: Hundred millions of yen



Estimate for Non-operating Income & Expenses

| | <u>FY2004</u> | <u>FY2005</u> | <u>(Millions of yen)</u> | |
|--|---------------|---------------|--------------------------|-----------------|
| | | | <u>Dif.</u> | <u>% Change</u> |
| Operating income | 9,353 | 11,500 | 2,147 | 23.0 |
| Non-op. income | 476 | 200 | (276) | (58.0) |
| Non-op. expenses | 333 | 400 | 67 | 20.2 |
| Recurring income | 9,496 | 11,300 | 1,804 | 19.0 |
| Extra. gain | 105 | 3,200 | 3,095 | 2,933.7 |
| Extra. loss | 3,832 | 1,400 | (2,432) | (63.5) |
| Income before income taxes and minority interest | 5,769 | 13,100 | 7,331 | 127.1 |
| Income taxes and minority interest | 2,060 | 5,300 | 3,240 | 157.3 |
| Net income | 3,709 | 7,800 | 4,091 | 110.3 |

The logo for Yamatake, featuring the word "YAMATAKE" in a bold, green, sans-serif font. The letter "Y" is stylized with a diagonal cut.

Reference Data

Order & Backlog

(Millions of yen)

| | FY2002 <u>Act.</u> | FY2003 <u>Act.</u> | FY2004 <u>Act.</u> | Dif. <u>(FY03-04)</u> | <u>%</u> | FY2005 <u>Est.</u> |
|------------------------|-----------------------|-----------------------|-----------------------|--------------------------|----------|-----------------------|
| BS | | | | | | |
| Order | 78,549 | 73,684 | 77,138 | 3,454 | 4.7 | 86,500 |
| Backlog | 36,095 | 30,882 | 25,422 | (5,460) | (17.7) | 27,000 |
| AA | | | | | | |
| Order | 74,606 | 79,289 | 86,230 | 6,941 | 8.8 | 91,000 |
| Backlog | 20,348 | 21,629 | 23,543 | 1,914 | 8.8 | 26,500 |
| New & Other | | | | | | |
| Order | 13,117 | 14,642 | 15,195 | 553 | 3.8 | 17,500 |
| Backlog | 1,610 | 1,721 | 1,392 | (329) | (19.1) | 1,900 |
| Consoli. | | | | | | |
| Order | 164,103 | 165,698 | 176,707 | 11,009 | 6.6 | 193,000 |
| Backlog | 57,879 | 54,046 | 50,000 | (4,046) | (7.5) | 55,000 |

Other Reference Data

| | FY2002 | FY2003 | FY2004 | Dif. | (Millions of yen) | FY2005 |
|--|--------------|--------------|----------------|---------------|-------------------|--------------|
| | Act. | Act. | Act. (FY03-04) | | % | Est. |
| ● Capital investments | | | | | | |
| Yamatake | 1,803 | 1,695 | 2,018 | 323 | 19.0 | 5,000 |
| Consoli. Sub. | 262 | 371 | 443 | 72 | 19.3 | 500 |
| Total | 2,065 | 2,066 | 2,460 | 394 | 19.1 | 5,500 |
| ● Depreciation | | | | | | |
| Yamatake | 2,326 | 2,029 | 1,946 | (83) | (4.1) | 2,300 |
| Consoli. Sub. | 329 | 357 | 345 | (12) | (3.3) | 400 |
| Total | 2,655 | 2,386 | 2,291 | (95) | (4.0) | 2,700 |
| ● Research & development cost | | | | | | |
| | 8,881 | 8,099 | 8,170 | 71 | 0.9 | 9,000 |
| Ratio to Net sales | 5.3% | 4.8% | 4.5% | (0.3%) | | 4.8% |
| ● Employees | | | | | | |
| Yamatake | 6,179 | 6,128 | 6,126 | (2) | | |
| Domest. Consoli. Sub. | 1,035 | 1,184 | 1,172 | (12) | | |
| Total | 7,214 | 7,312 | 7,298 | (14) | | 7,200 |
| | * (7,370) | (7,312) | (7,298) | (-58) | | |

◆ Yamatake Care-Net was newly consolidated in FY2003, which increased the number of employees by 156.

* () shows adjusted number of employees including Yamatake Care-Net for comparison purposes only.