



## **Consolidated Financial Results**

for the First Half of Fiscal Year 2005 ending March 31, 2006 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.



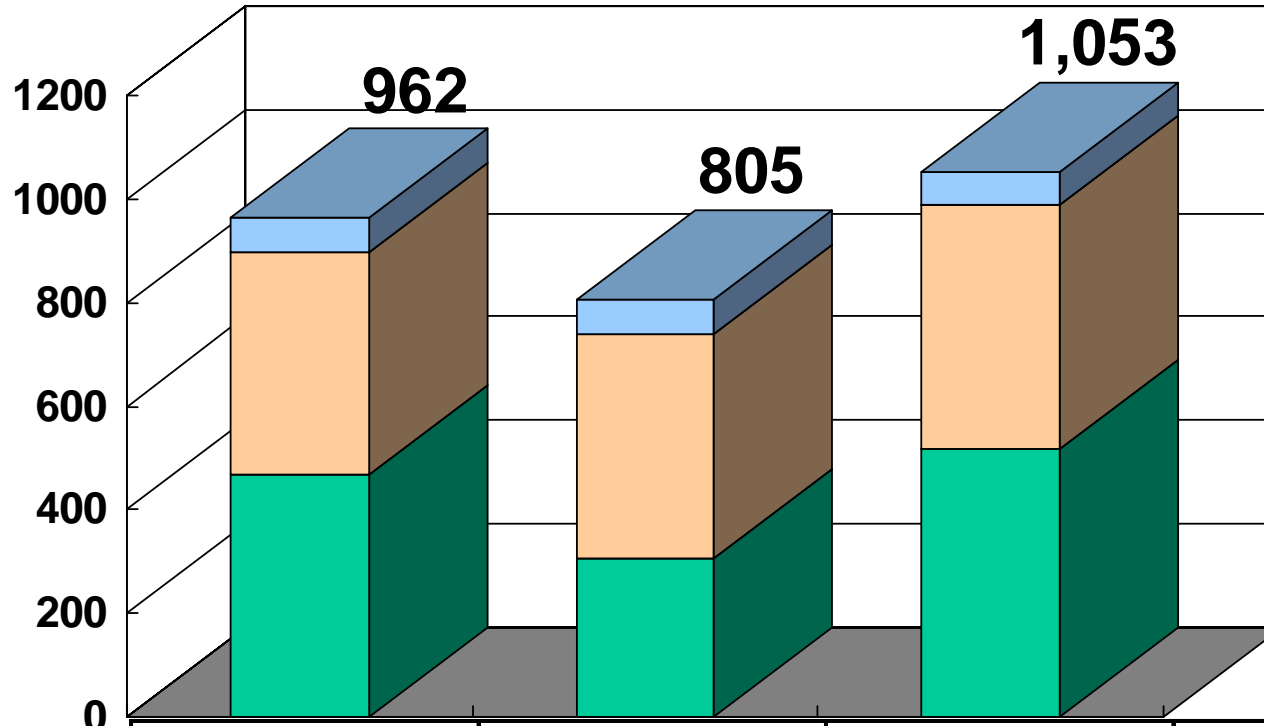
# **Operating Results for 1H of FY2005**

# Operating Results

|                      | (Millions of yen)   |                     |                   |                 |
|----------------------|---------------------|---------------------|-------------------|-----------------|
|                      | <u>1H of FY2004</u> | <u>1H of FY2005</u> | <u>Difference</u> | <u>% Change</u> |
| Orders               | 96,234              | 105,311             | 9,077             | 9.4             |
| Net Sales            | 80,789              | 84,534              | 3,745             | 4.6             |
| Gross profit         | 30,560              | 32,681              | 2,121             | 6.9             |
| % to Net sales       | 37.8                | 38.7                | 0.8               |                 |
| Op. income           | 1,650               | 4,058               | 2,408             | 145.9           |
| % to Net sales       | 2.0                 | 4.8                 | 2.8               |                 |
| Recurring income     | 1,831               | 4,294               | 2,463             | 134.5           |
| Net income           | <b>(1,260)</b>      | 3,877               | 5,137             | —               |
| <hr/>                |                     |                     |                   |                 |
| Total assets         | 159,236             | 167,290             | 8,054             | 5.1             |
| Shareholders' equity | 93,561              | 104,109             | 10,548            | 11.3            |

# Orders

Unit: Hundred millions of yen



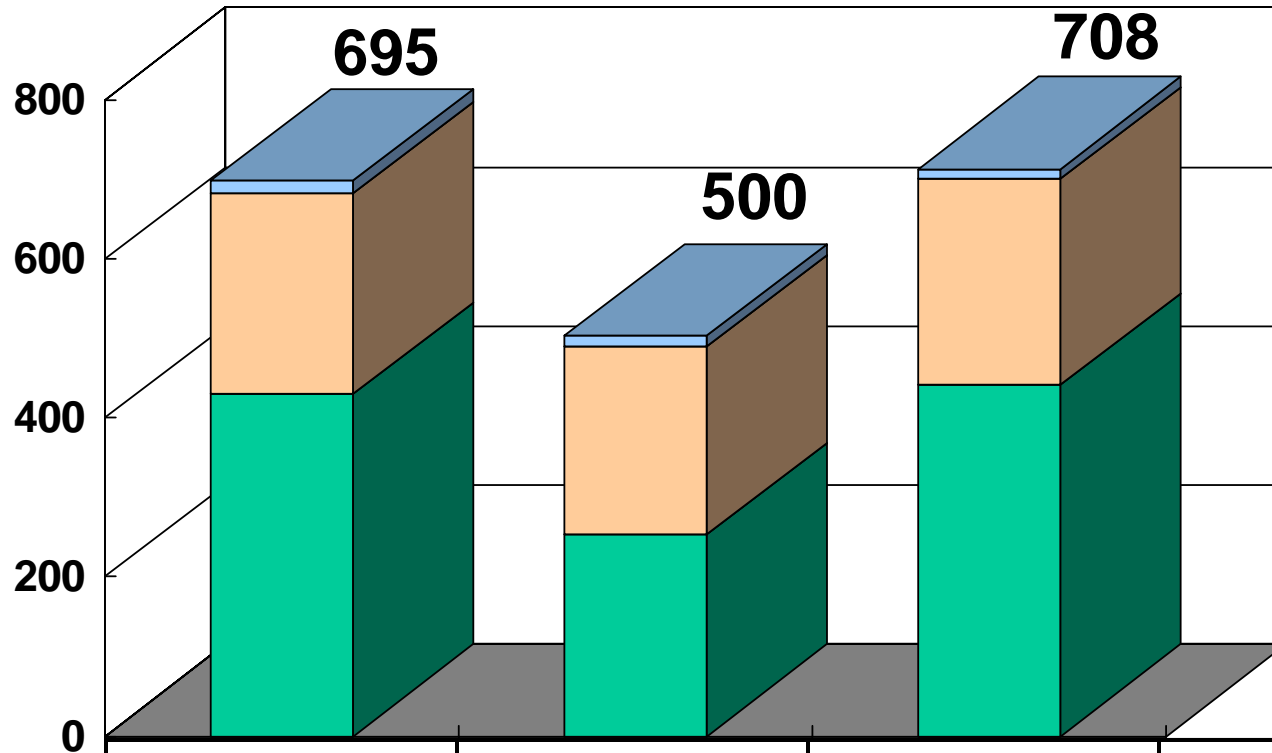
|            | 1H of FY04 (A) | 2H of FY04 | 1H of FY05 (B) | Dif.(B - A) | % Change |
|------------|----------------|------------|----------------|-------------|----------|
| New&Others | 76             | 76         | 72             | (4)         | (6.0)    |
| AA         | 429            | 434        | 471            | 42          | 9.8      |
| BS         | 467            | 305        | 518            | 51          | 10.9     |

\* 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.

# Order Backlog

Unit: Hundred millions of yen

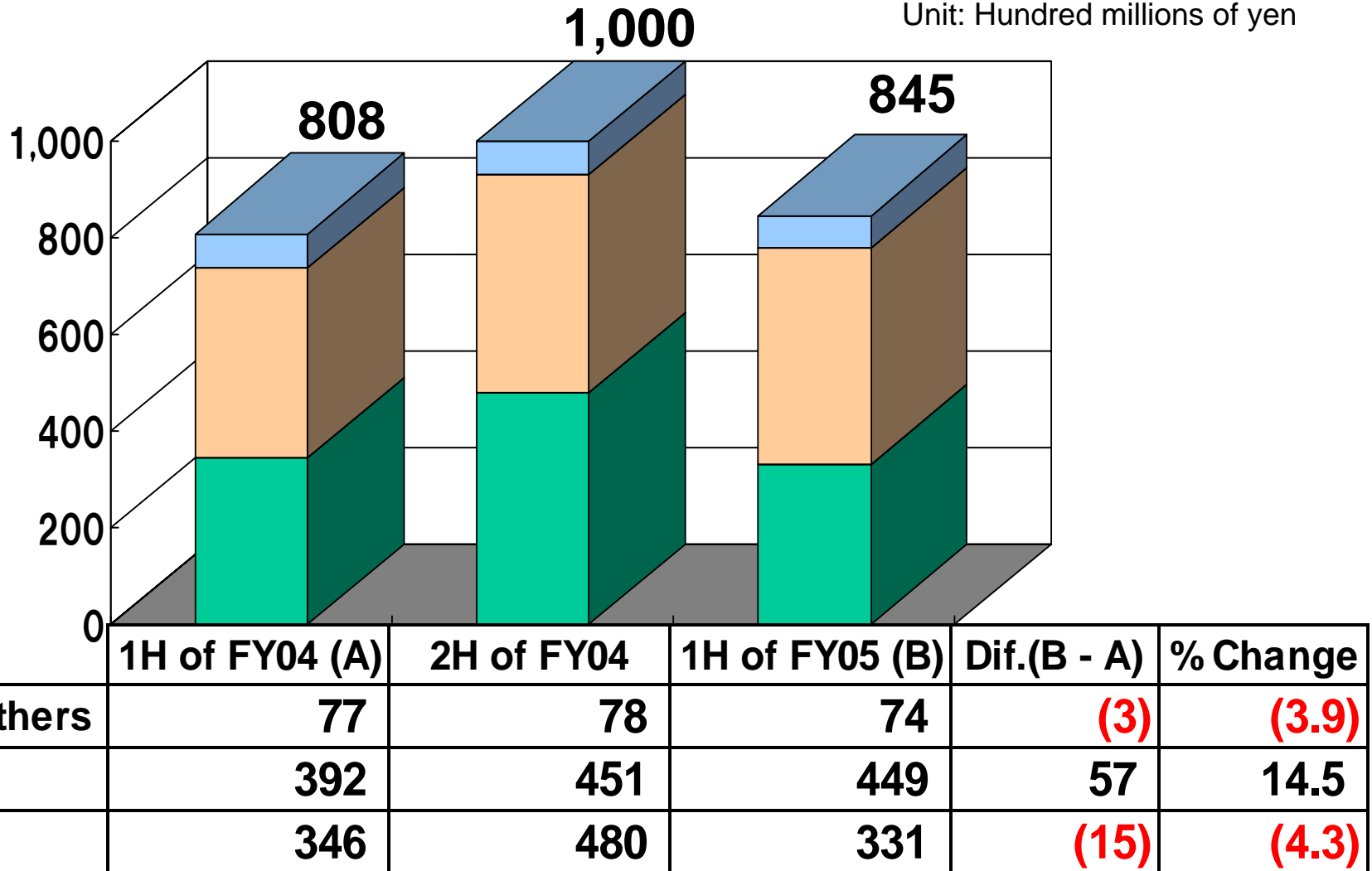


|            | 1H of FY04 (A) | 2H of FY04 | 1H of FY05 (B) | Dif.(B - A) | % Change |
|------------|----------------|------------|----------------|-------------|----------|
| New&Others | 16             | 14         | 13             | (3)         | (18.8)   |
| AA         | 253            | 235        | 258            | 5           | 2.0      |
| BS         | 429            | 254        | 442            | 13          | 3.0      |

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

# Sales

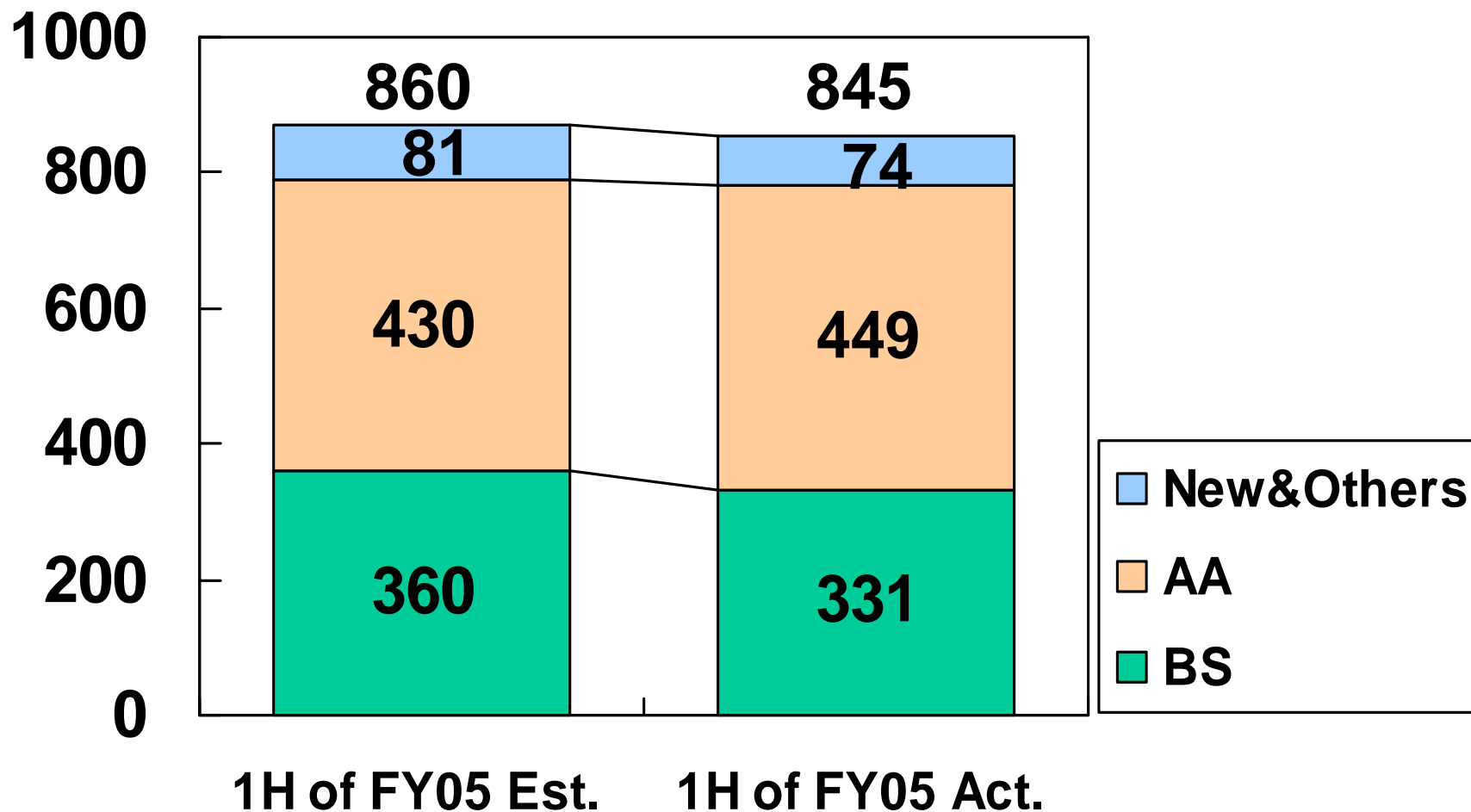
Unit: Hundred millions of yen



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

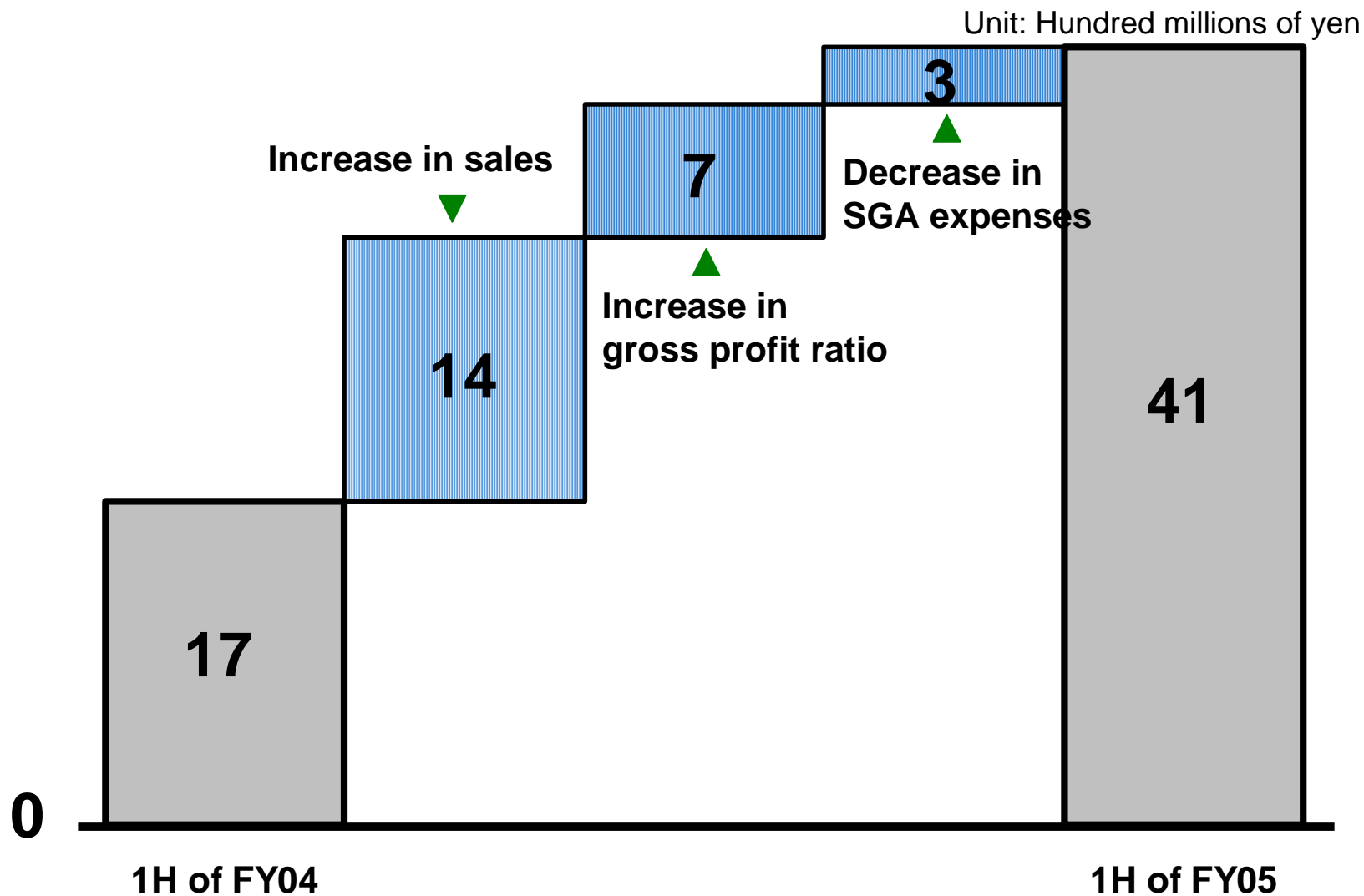
# Comparison of Actual Sales with Estimates

Unit: Hundred millions of yen



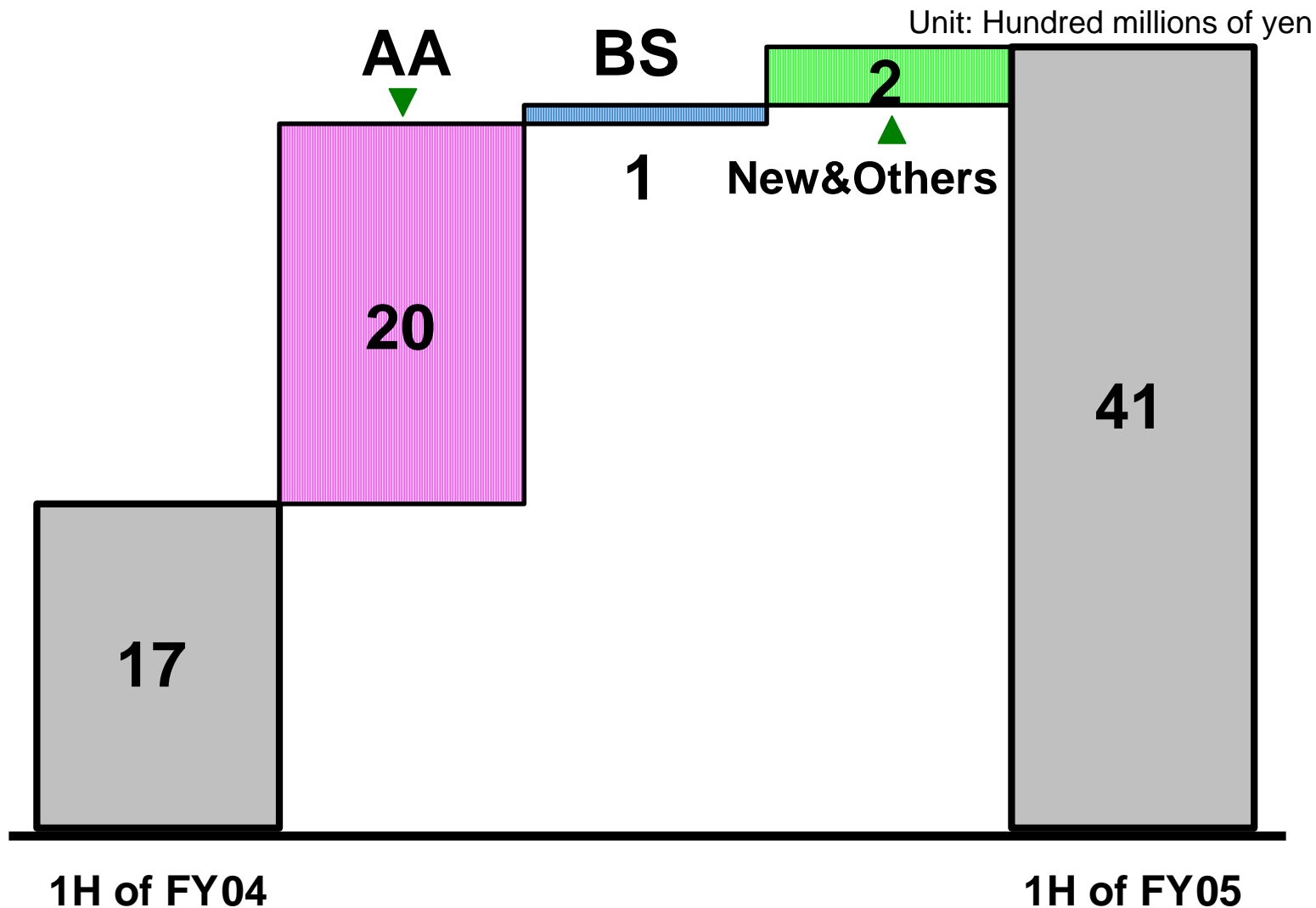
◆ The difference between the total results for all business lines and consolidated sales is from internal transactions, which have been eliminated.

# Change in Operating Income





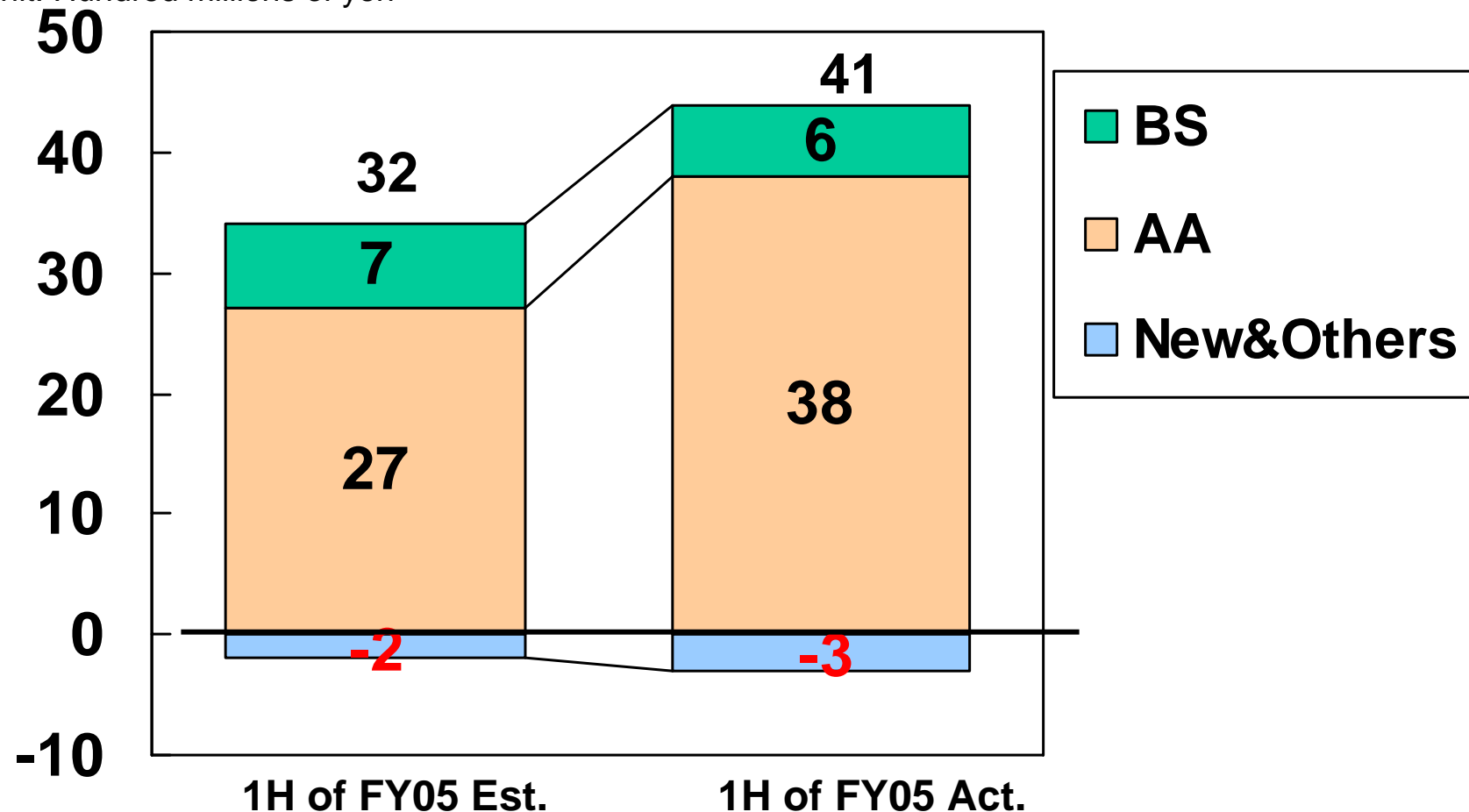
# Change in Operating Income by business segment



◆ 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 Comparison of Actual with Estimate

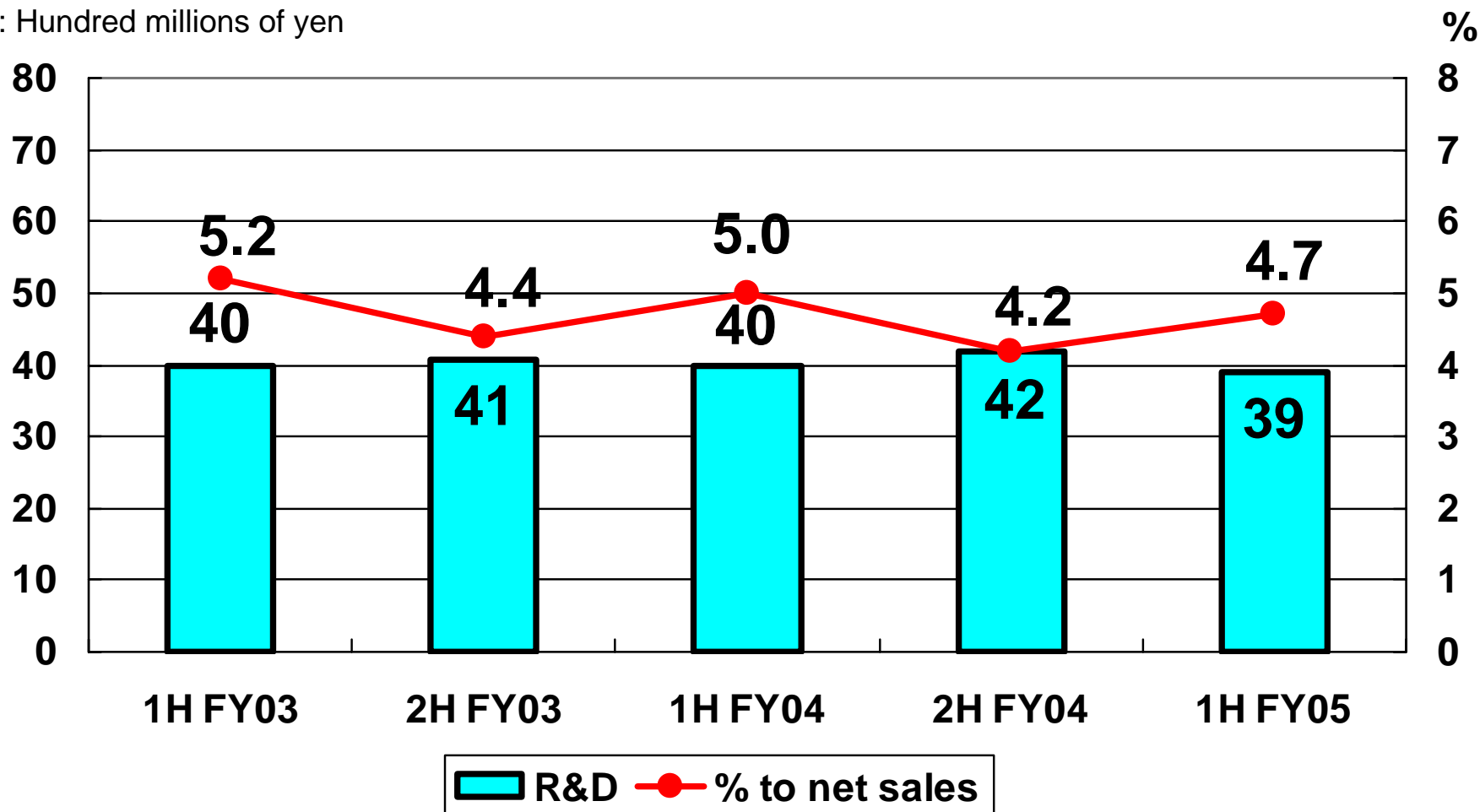
Unit: Hundred millions of yen



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

# Research & Development

Unit: Hundred millions of yen



# Non-operating Income & Expenses

|  | (Millions of Yen) |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | <u>1H of FY04</u> | <u>1H of FY05</u> | <u>Difference</u> | <u>% Change</u> |
| Operating income                                 | 1,650             | 4,058             | 2,408             | 145.9           |
| Non-op. income                                   | 335               | 328               | (7)               | (2.1)           |
| Non-op. expenses                                 | 155               | 92                | (62)              | (40.4)          |
| Recurring income                                 | 1,831             | 4,294             | 2,463             | 134.5           |
| Extra. gain                                      | 91                | 3,228             | 3,137             | 3,435.2         |
| Extra. loss                                      | 3,639             | 962               | (2,677)           | (73.6)          |
| Income before income taxes and minority interest | (1,717)           | 6,560             | 8,277             | —               |
| Income taxes and minority interest               | (457)             | 2,683             | 3,140             | —               |
| Net income                                       | (1,260)           | 3,877             | 5,137             | —               |

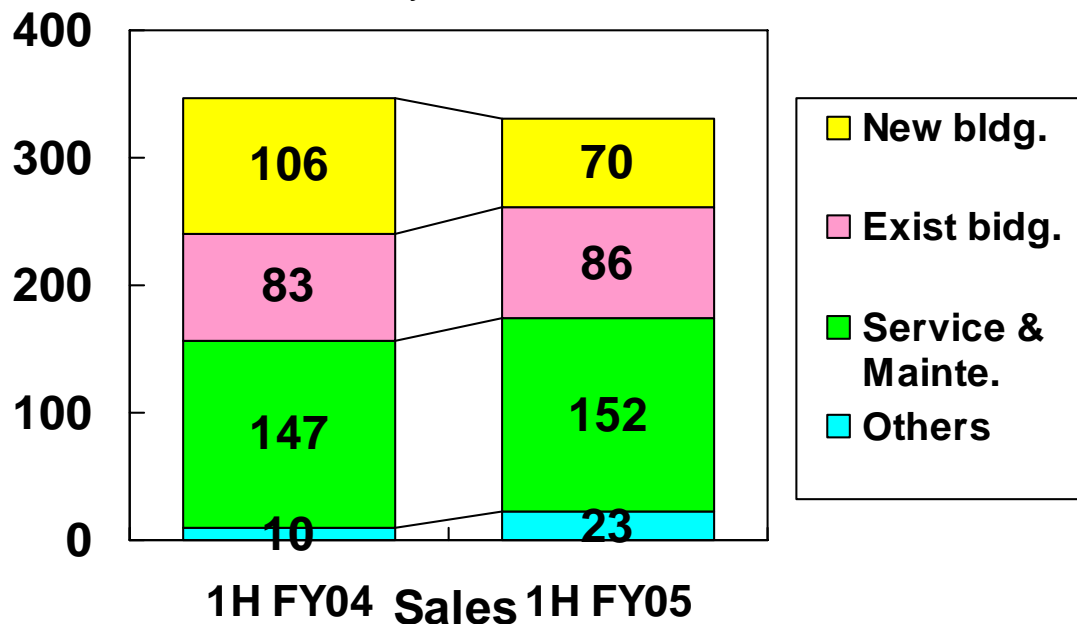
# Sales and Income by Business Segment

|                    |            | (Millions of yen) |                   |                   |                 |
|--------------------|------------|-------------------|-------------------|-------------------|-----------------|
|                    |            | <u>1H of FY04</u> | <u>1H of FY05</u> | <u>Difference</u> | <u>% Change</u> |
| BS                 | Net sales  | 34,606            | 33,096            | (1,510)           | (4.4)           |
|                    | Op. income | 477               | 560               | 83                | 17.4            |
|                    | %          | 1.4               | 1.7               | 0.3               |                 |
| AA                 | Net sales  | 39,180            | 44,873            | 5,693             | 14.5            |
|                    | Op. income | 1,766             | 3,769             | 2,003             | 113.4           |
|                    | %          | 4.5               | 8.4               | 3.9               |                 |
| New&               | Net sales  | 7,750             | 7,362             | (388)             | (5.0)           |
| Others             | Op. income | (490)             | (328)             | 162               | —               |
|                    | %          | (6.3)             | (4.5)             | 1.9               |                 |
| <hr/>              |            |                   |                   |                   |                 |
| Consoli. Net sales |            | 80,789            | 84,534            | 3,745             | 4.6             |
| Op. income         |            | 1,650             | 4,058             | 2,408             | 145.9           |
| %                  |            | 2.0               | 4.8               | 2.8               |                 |

# Building Systems Business

|               | (Millions of yen) |                   |                   |                 |
|---------------|-------------------|-------------------|-------------------|-----------------|
|               | <u>1H of FY04</u> | <u>1H of FY05</u> | <u>Difference</u> | <u>% Change</u> |
| BS Net sales  | 34,606            | 33,096            | (1,510)           | (4.4)           |
| Op. income    | 477               | 560               | 83                | 17.4            |
| %             | 1.4               | 1.7               | 0.3               |                 |
| Orders        | 46,666            | 51,842            | 5,176             | 11.1            |
| Order backlog | 42,942            | 44,168            | 1,226             | 2.9             |

Unit: Hundred millions of yen



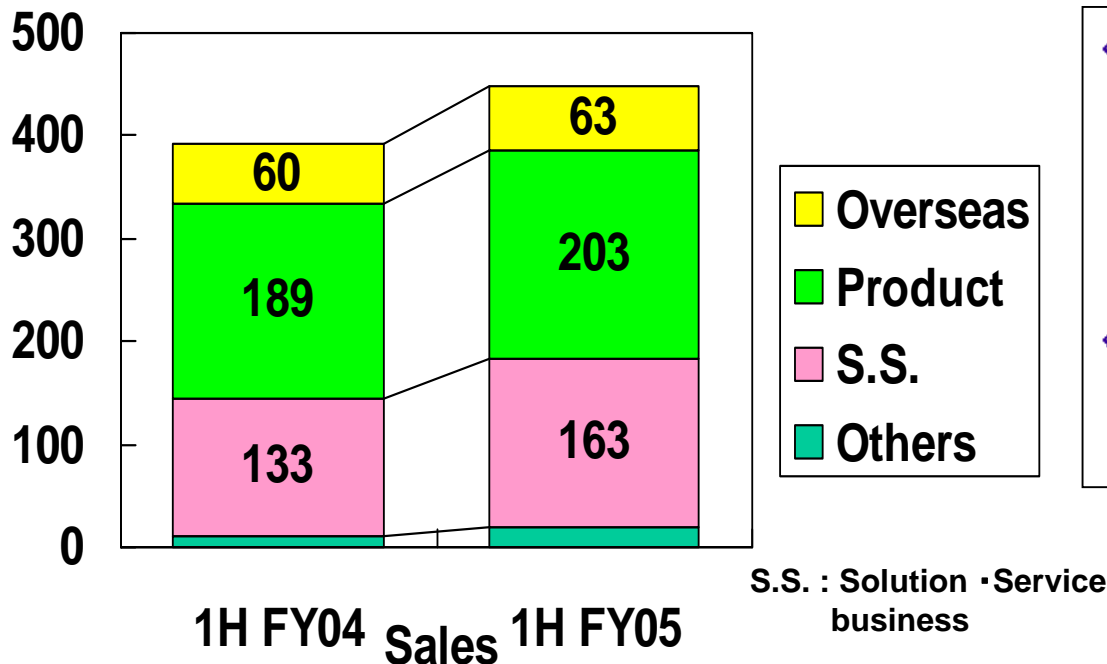
- ◆ Sales to the market for new buildings fell owing to a temporary lull in urban redevelopment projects.
- ◆ Sales to the market for existing buildings expanded as a result of proposal sales activities, including refurbishments and ESCO(tems).
- ◆ Continuous growth was seen in the service market.

# Advanced Automation Business

(Millions of yen)

|                      | <u>1H of FY04</u> | <u>1H of FY05</u> | <u>Difference</u> | <u>% Change</u> |
|----------------------|-------------------|-------------------|-------------------|-----------------|
| <b>AA Net sales</b>  | 39,180            | 44,873            | 5,693             | 14.5            |
| <b>Op. income</b>    | 1,766             | 3,769             | 2,003             | 113.4           |
| <b>%</b>             | 4.5               | 8.4               | 3.9               |                 |
| <b>Orders</b>        | 42,857            | 47,140            | 4,283             | 10.0            |
| <b>Order backlog</b> | 25,307            | 25,810            | 503               | 2.0             |

Unit: Hundred millions of yen

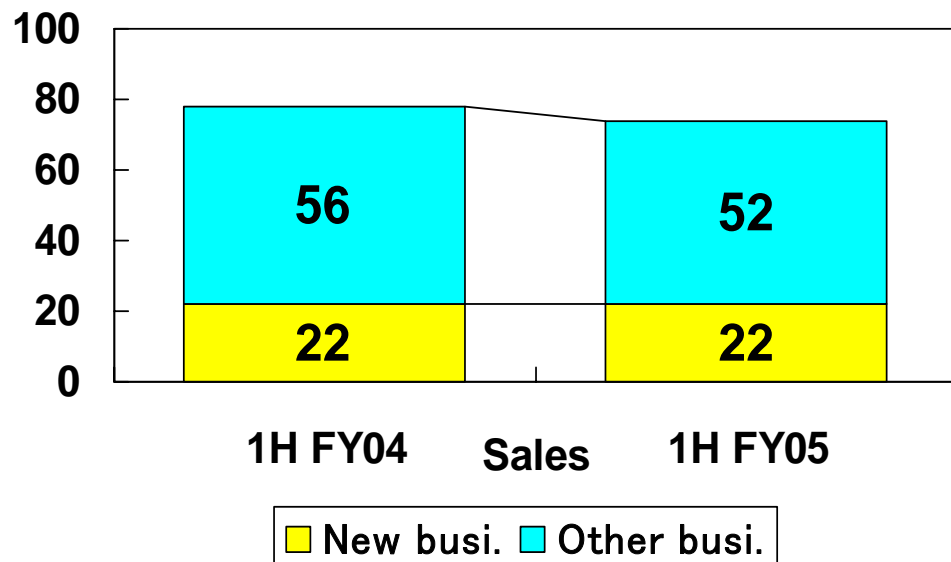


- ◆ Domestic sales increased thorough the recovery in capital investment in the manufacturing sector, especially in food & beverages, chemicals and automobile markets.
- ◆ Overseas sales expanded steadily in China and other Asian regions.

# New & Other businesses

|              |               | (Millions of yen) |                   |                   |                 |
|--------------|---------------|-------------------|-------------------|-------------------|-----------------|
|              |               | <u>1H of FY04</u> | <u>1H of FY05</u> | <u>Difference</u> | <u>% Change</u> |
| New & Others | Net sales     | 7,750             | 7,362             | (388)             | (5.0)           |
|              | Op. income    | (490)             | (328)             | 162               | —               |
|              | %             | (6.3)             | (4.5)             | 1.9               |                 |
|              | Orders        | 7,595             | 7,235             | (360)             | (4.7)           |
|              | Order backlog | 1,567             | 1,265             | (302)             | (19.3)          |

Unit: Hundred millions of yen



- ◆ Sales of inspection and measurement equipment fell mainly owing to a slump of inspection equipment led by the slow recovery in the semiconductor market, and carry-over of delivery for measurement equipment.
- ◆ Sales for the care services business increased by ¥ 0.1 bill. (5.3%) to ¥1.7bill. compared with the same period last year.



# Overseas Sales

(Hundred millions of yen)

1H of FY04

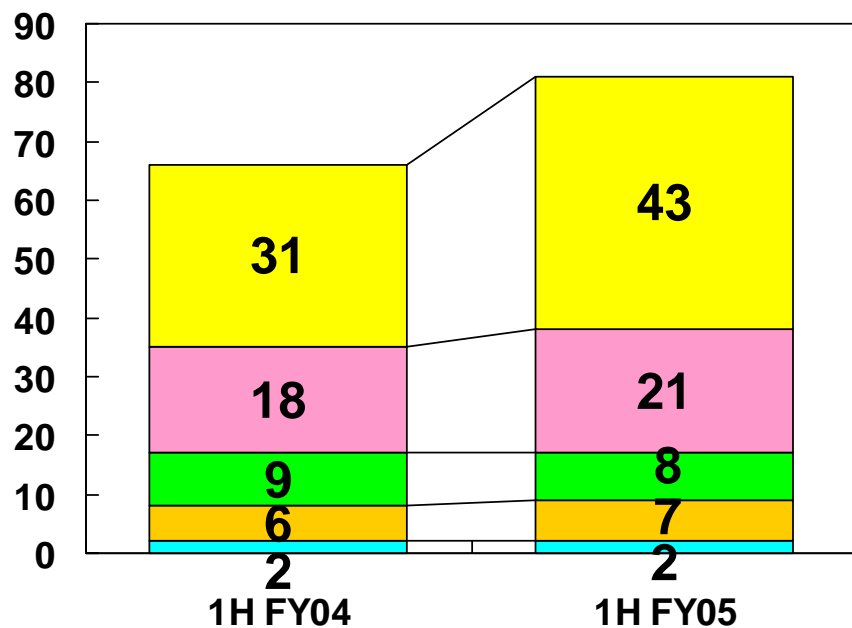
1H of FY05

**Net sales**

**67**

**81**

Unit: Hundred millions of yen



◆ Sales expanded mainly for such products as control valves and electromagnetic flow meters, as well as for factory HVAC, in China and other Asian regions.



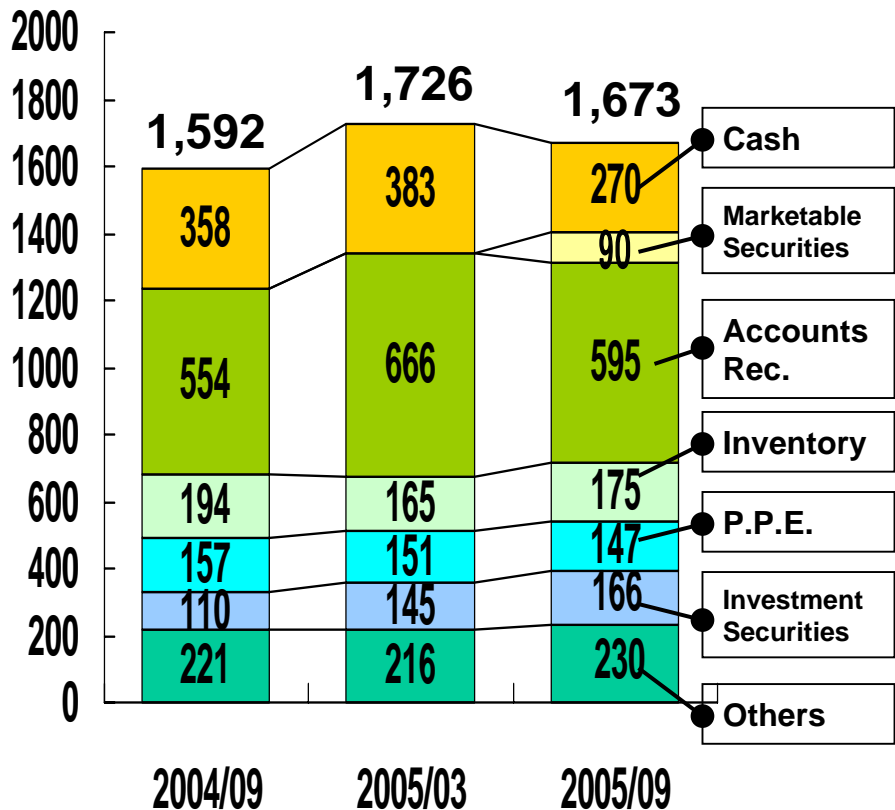
# Balance Sheets

(Millions of yen)

|   | <u>2004/09</u> | <u>2005/09</u> | <u>Difference</u> | <u>% Change</u> |
|---|----------------|----------------|-------------------|-----------------|
| Cash  | 35,773         | 27,031         | (8,742)           | (24.4)          |
| Accounts receivable                             | 55,386         | 59,529         | 4,143             | 7.5             |
| Marketable securities                           | 0              | 8,998          | 8,998             | -               |
| Inventories                                     | 19,360         | 17,478         | (1,882)           | (9.7)           |
| Net P.P.E.                                      | 15,652         | 14,642         | (1,010)           | (6.5)           |
| Investment securities                           | 10,959         | 16,638         | 5,678             | 51.8            |
| Others  | 22,106         | 22,973         | 867               | 3.9             |
| <b>Total Assets</b>                             | <b>159,236</b> | <b>167,290</b> | <b>8,054</b>      | <b>5.1</b>      |
| Accounts pay. -trade                            | 25,625         | 25,658         | 32                | 0.1             |
| S.T. borrowings and<br>L.T. debt                | 7,397          | 5,200          | (2,197)           | (29.7)          |
| Liability for employees'<br>retirement benefits | 11,413         | 11,445         | 32                | 0.3             |
| Others  | 20,800         | 20,282         | (519)             | (2.5)           |
| <b>Total liabilities</b>                        | <b>65,236</b>  | <b>62,585</b>  | <b>(2,651)</b>    | <b>(4.1)</b>    |
| Minority interest                               | 439            | 596            | 156               | 35.6            |
| Shareholders' equity                            | 93,561         | 104,109        | 10,548            | 11.3            |
| <b>Total liabilities &amp;<br/>equity</b>       | <b>159,236</b> | <b>167,290</b> | <b>8,054</b>      | <b>5.1</b>      |

# Major Accounts on Balance Sheets

Unit: Hundred millions of yen



ATO(Half of FY)

0.498

0.592

0.518

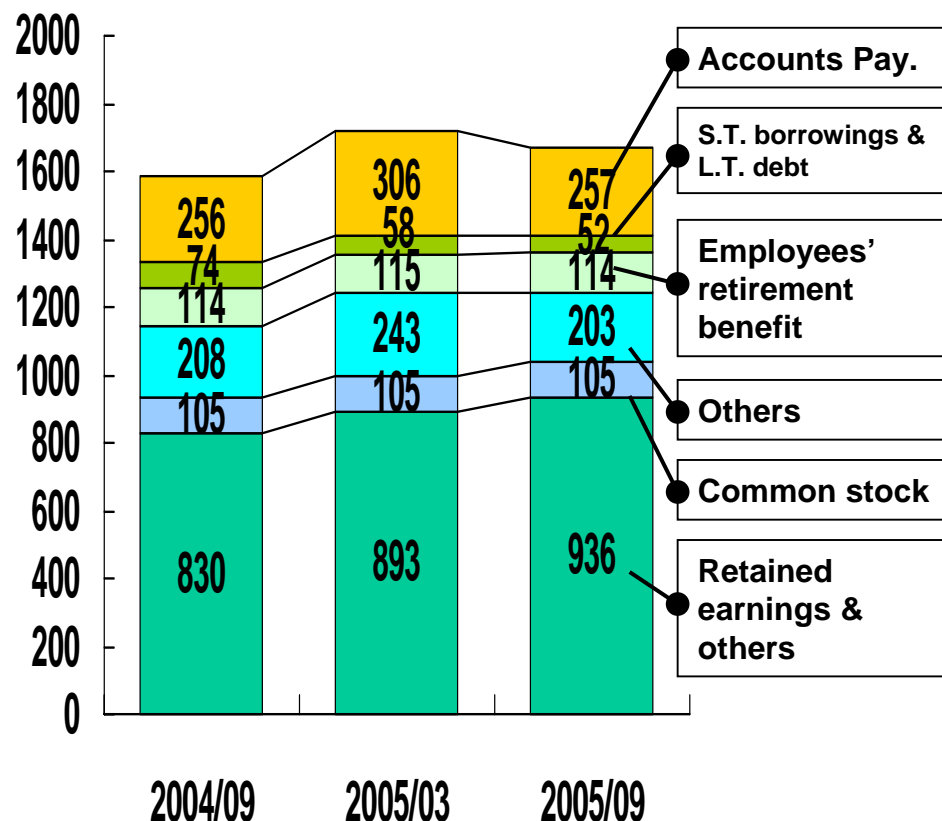
Fixed ratio

41.2

40.3

39.2

Unit: Hundred millions of yen



DER

7.3

5.5

4.8

Shareholders' equity to total assets

58.8

57.9

62.2

# Summary of Cash Flows

|  | (Millions of yen) |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | <u>1H of FY04</u> | <u>1H of FY05</u> | <u>Difference</u> |
| Operating activities                                   | 1,907             | 187               | (1,720)           |
| Investing activities                                   | (2,444)           | (4,018)           | (1,574)           |
| Financing activities                                   | (731)             | (1,578)           | (847)             |
| Net increase in cash & cash equivalents                | (1,266)           | (5,329)           | (4,063)           |
| Cash & cash equivalents, beginning of year             | 38,401            | 40,250            | 1,849             |
| Newly consolidated subsidiaries, beginning of the year | -                 | 191               | 191               |
| Cash & cash equivalents, end of year                   | 37,135            | 35,111            | (2,024)           |



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

# Operating Plan for FY2005

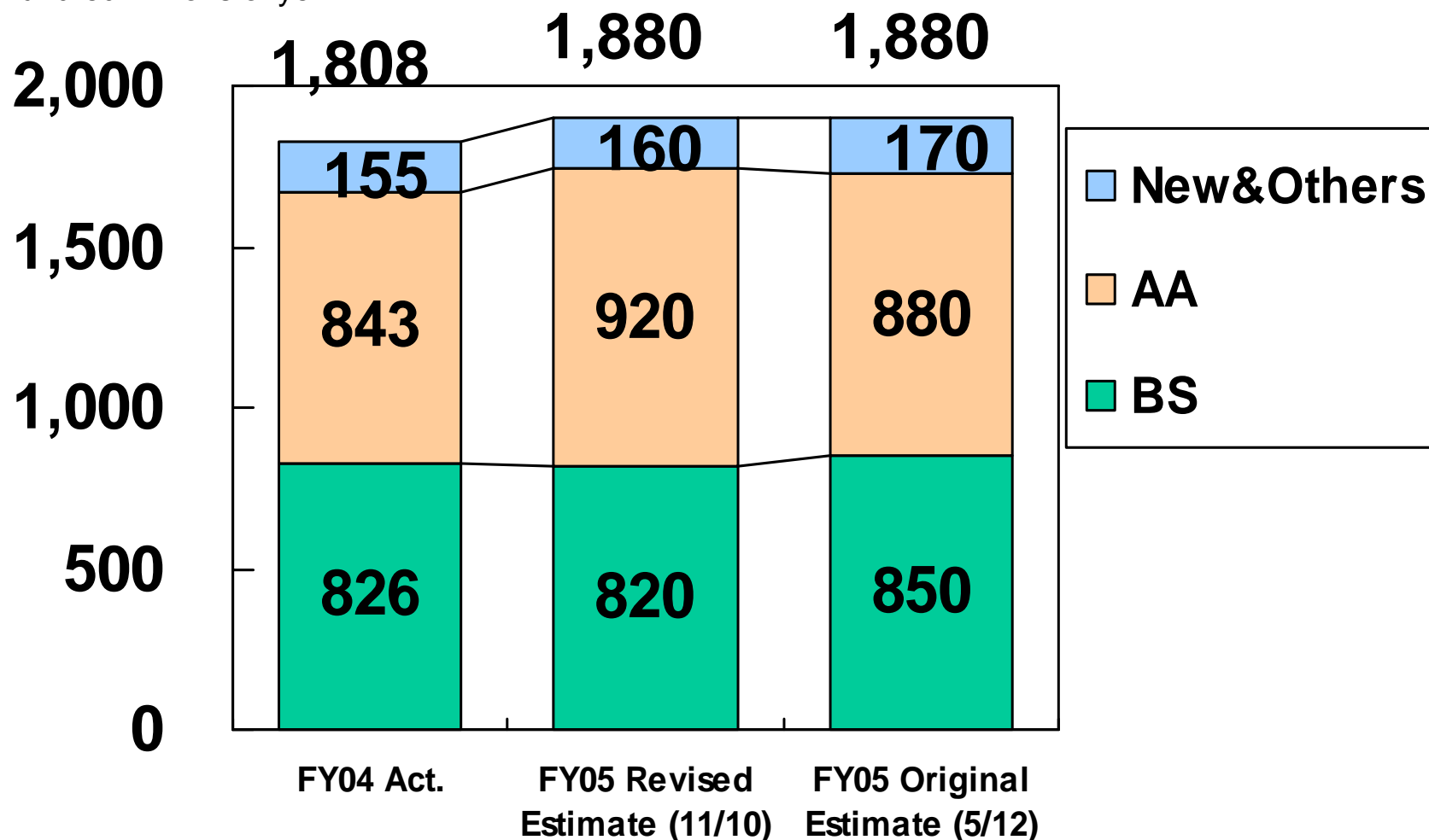
|                             | FY2004         |                | FY2005         |                   | (Millions of yen) |          |
|-----------------------------|----------------|----------------|----------------|-------------------|-------------------|----------|
|                             | <u>Act.</u>    | <u>1H Act.</u> | <u>2H est.</u> | <u>Total year</u> | Dif.(FY05 - FY04) | <u>%</u> |
| Net sales                   | 180,763        | 84,534         | 103,466        | 188,000           | 7,237             | 4.0      |
| Op. income                  | 9,353          | 4,058          | 8,242          | 12,300            | 2,947             | 31.5     |
| %                           | 5.2            | 4.8            | 8.0            | 6.5               | 1.4               |          |
| Recurring income            | 9,548          | 4,294          | 7,706          | 12,000            | 2,452             | 25.7     |
| Net income                  | 3,708          | 3,877          | 4,923          | 8,800             | 5,092             | 137.3    |
| <b>Total assets</b>         | <b>172,586</b> | <b>167,290</b> |                | <b>169,000</b>    |                   |          |
| <b>Shareholders' equity</b> | <b>99,847</b>  | <b>104,109</b> |                | <b>107,560</b>    |                   |          |

## Outlook for FY2005

- Sales are expected to increase by ¥7.2 bill. owing to significant growth in AA sales, in spite of the slight fall in BS sales.
- BS business: Operating income is expected to increase owing to improved gross profit, although sales decreased owing to the slump in the market for new buildings in 1H of FY2005.
- AA business: Both sales and income are expected to grow over the same period last year, owing to a brisk performance throughout the manufacturing sector in Japan and the expansion of its international business.
- Operating income is expected to rise by ¥2.9 bill. owing to an increase in sales and gross profit ratio.
- In addition to the rise in operating income, net income is expected to increase by ¥5.1 bill. from the previous year, owing to an extraordinary profit of ¥2.7 bill. on the land sale of Yamatake's Industrial Operations Tokyo office, as well as the selling of investment securities. (In FY 2004 an extraordinary charge of ¥3.5 bill. was incurred by the shift to a DC pension plan.)

# Forecasts of Sales by Segment

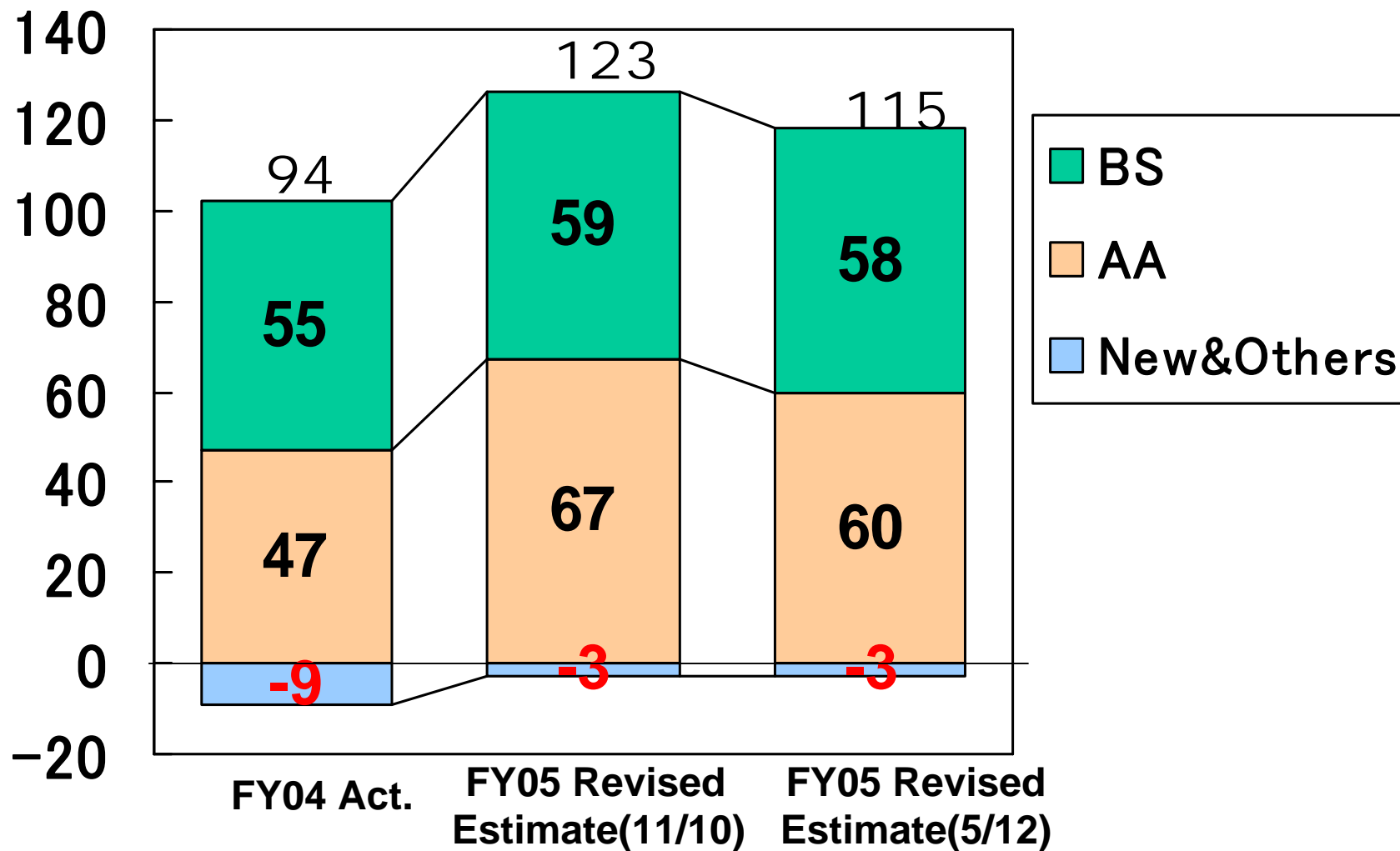
Unit: Hundred millions of yen



◆ 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

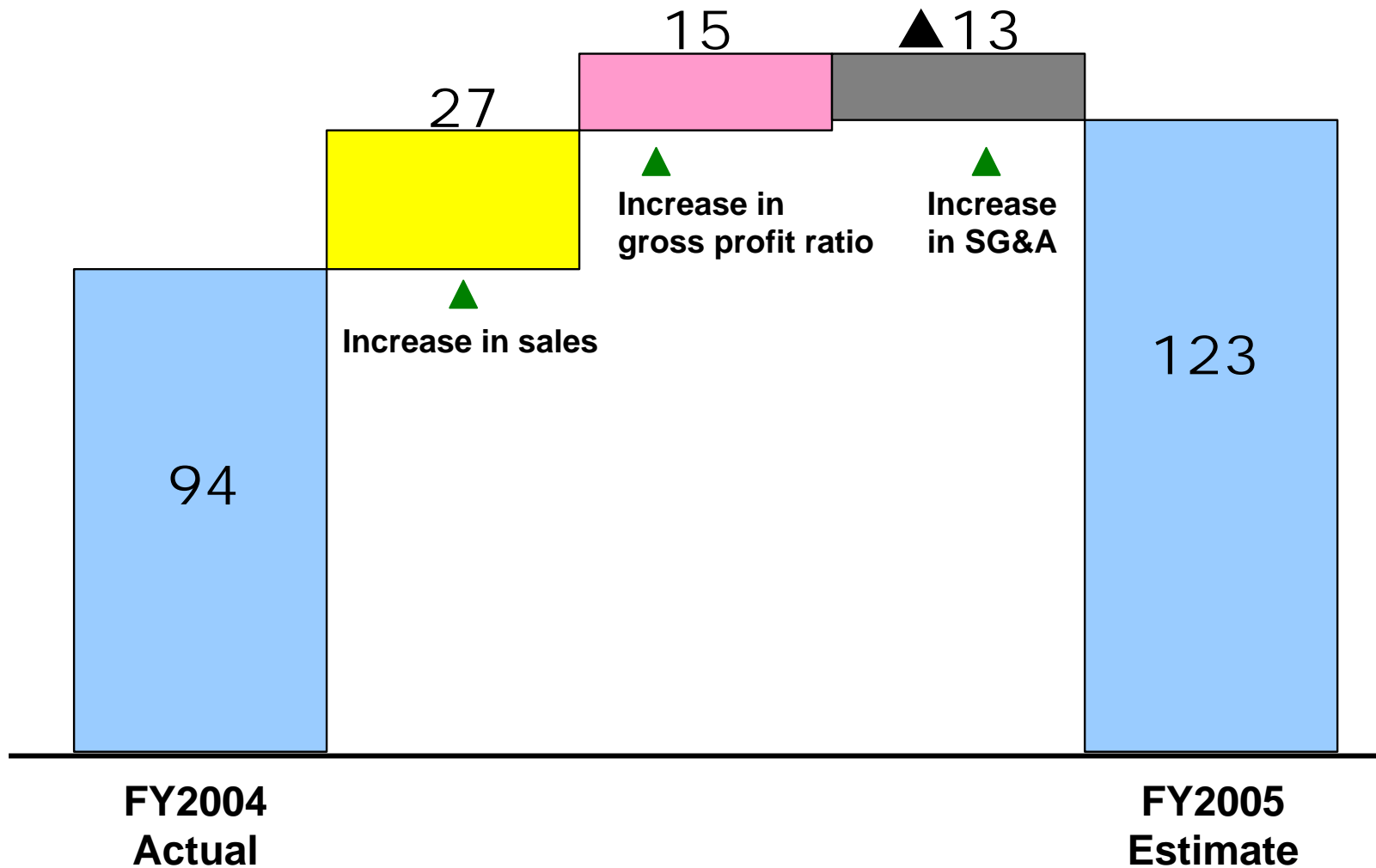


◆ The difference between the total results for all business lines and consolidated operating income is from internal transactions, which have been eliminated.



# Forecasts of Operating Income

Unit: Hundred millions of yen



# Forecasts by Segment

|                           | FY2004         |                | FY2005         |                   | (Millions of yen) |             |
|---------------------------|----------------|----------------|----------------|-------------------|-------------------|-------------|
|                           | <u>Act.</u>    | <u>1H Act.</u> | <u>2H est.</u> | <u>Total year</u> | Dif.(FY05 - FY04) | <u>%</u>    |
| BS Net sales              | 82,598         | 33,096         | 48,904         | 82,000            | (598)             | (0.7)       |
| Op. income                | 5,536          | 560            | 5,340          | 5,900             | 364               | 6.6         |
| %                         | 6.7            | 1.7            | 10.9           | 7.2               | 0.5               |             |
| AA Net sales              | 84,317         | 44,873         | 47,127         | 92,000            | 7,683             | 9.1         |
| Op. income                | 4,724          | 3,769          | 2,931          | 6,700             | 1,976             | 41.8        |
| %                         | 5.6            | 8.4            | 6.2            | 7.3               | 1.7               |             |
| New& Net sales            | 15,524         | 7,362          | 8,638          | 16,000            | 476               | 3.1         |
| Others Op. income         | (934)          | (328)          | 28             | (300)             | 634               | —           |
| %                         | (6.0)          | (4.5)          | 0.3            | (1.9)             | 4.1               |             |
| <b>Consoli. Net sales</b> | <b>180,763</b> | <b>84,534</b>  | <b>103,466</b> | <b>188,000</b>    | <b>7,237</b>      | <b>4.0</b>  |
| <b>Op. income</b>         | <b>9,353</b>   | <b>4,058</b>   | <b>8,242</b>   | <b>12,300</b>     | <b>2,947</b>      | <b>31.5</b> |
| <b>%</b>                  | <b>5.2</b>     | <b>4.8</b>     | <b>8.0</b>     | <b>6.5</b>        | <b>1.4</b>        |             |



## Reference Data

# Estimate for Non-operating Income & Expenses

(Millions of yen)

|   | <u>FY2004 Act.</u> | <u>FY2005 Est.</u> | <u>Difference</u> | <u>% Change</u> |
|---|--------------------|--------------------|-------------------|-----------------|
| Operating income                                    | 9,353              | 12,300             | 2,947             | 24.0            |
| Non-op. income                                      | 461                | 200                | (261)             | (130.3)         |
| Non-op. expenses                                    | 272                | 500                | 228               | 45.6            |
| Reccuring income                                    | 9,541              | 12,000             | 2,459             | 20.5            |
| Extra. gain   | 138                | 3,300              | 3,162             | 95.8            |
| Extra. loss   | 3,912              | 1,500              | (2,412)           | (160.8)         |
| Income before income taxes<br>and minority interest | 5,768              | 13,800             | 8,032             | 58.2            |
| Income taxes and<br>minority interest               | 2,060              | 5,000              | 2,940             | 58.8            |
| Net income  | 3,708              | 8,800              | 5,092             | 57.9            |

# Order & Backlog

|                       |  |             |             |                |                |                   | (Millions of yen) |
|-----------------------|--|-------------|-------------|----------------|----------------|-------------------|-------------------|
|                       |  | FY2003      | FY2004      | FY2005         |                |                   | Difference        |
|                       |  | <u>Act.</u> | <u>Act.</u> | <u>1H Act.</u> | <u>2H Est.</u> | <u>Total year</u> |                   |
| <b>BS</b>             |  |             |             |                |                |                   |                   |
| Order                 |  | 73,684      | 77,138      | 51,842         | 34,658         | 86,500            | 9,362             |
| Backlog               |  | 30,882      | 25,422      | 44,168         | 29,922         | 29,922            | 4,500             |
| <b>AA</b>             |  |             |             |                |                |                   |                   |
| Order                 |  | 79,289      | 86,230      | 47,140         | 45,860         | 93,000            | 6,770             |
| Backlog               |  | 21,629      | 23,543      | 25,810         | 24,543         | 24,543            | 1,000             |
| <b>New&amp;Others</b> |  |             |             |                |                |                   |                   |
| Order                 |  | 14,642      | 15,195      | 7,325          | 8,675          | 16,000            | 805               |
| Backlog               |  | 1,721       | 1,392       | 1,265          | 1,392          | 1,392             | 0                 |
| <b>Consoli.</b>       |  |             |             |                |                |                   |                   |
| Order                 |  | 165,698     | 176,707     | 105,311        | 88,689         | 194,000           | 17,293            |
| Backlog               |  | 54,046      | 50,000      | 70,767         | 55,500         | 55,500            | 5,500             |

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

# Other Reference Data

(Millions of yen)

|  | FY2004       |              | FY2005       |              | Dif.(FY05 - FY04) |              |
|--|--------------|--------------|--------------|--------------|-------------------|--------------|
|  | Act.         | 1H Act.      | 2H est.      | Total year   |                   | %            |
| <b>● Capital investments</b>             |              |              |              |              |                   |              |
| Yamatake                                 | 2,018        | 1,169        | 3,831        | 5,000        | 2,982             |              |
| Consoli. Sub.                            | 443          | 175          | 325          | 500          | 57                |              |
| <b>Total</b>                             | <b>2,461</b> | <b>1,344</b> | <b>4,156</b> | <b>5,500</b> | <b>3,039</b>      | <b>123.5</b> |
| <b>● Depreciation</b>                    |              |              |              |              |                   |              |
| Yamatake                                 | 1,946        | 916          | 1,384        | 2,300        |                   |              |
| Consoli. Sub.                            | 345          | 166          | 184          | 350          |                   |              |
| <b>Total</b>                             | <b>2,291</b> | <b>1,082</b> | <b>1,568</b> | <b>2,800</b> | <b>509</b>        | <b>22.2</b>  |
| <b>● Research &amp; development cost</b> |              |              |              |              |                   |              |
|  | 8,170        | 3,937        | 4,563        | 8,500        | 330               | 4.0          |
| <b>% to net sales</b>                    | <b>4.5%</b>  | <b>4.7%</b>  | <b>4.4%</b>  | <b>4.5%</b>  | <b>0.2%</b>       |              |
| <b>● Employees</b>                       |              |              |              |              |                   |              |
| Yamatake                                 | 6,126        | 6,095        | 6,085        | 6,085        | (41)              | (0.7)        |
| Domest.                                  |              |              |              |              |                   |              |
| Consoli. Sub.                            | 1,172        | 1,190        | 1,211        | 1,211        | 39                | 3.3          |
| <b>Total</b>                             | <b>7,298</b> | <b>7,285</b> | <b>7,296</b> | <b>7,296</b> | <b>(2)</b>        | <b>(0.0)</b> |