

**Consolidated Financial Results**  
for Fiscal Year 2006 ended March 31, 2007 and  
**Operating Plan**  
for Fiscal Year 2007 ending March 31, 2008

**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.



# **Operating Results for Fiscal Year 2006 ending March 31, 2007**

***azbil***

# Operating Results



	FY2005 (2006/3)			FY2006 (2007/3)			(Millions of yen)	
	<u>1H</u>	<u>2H</u>	<u>Total year</u>	<u>1H</u>	<u>2H</u>	<u>Total year</u>	Comparison in year	<u>%</u>
<b>Orders</b>	105,311	89,984	195,295	129,110	113,208	242,318	47,022	24.1%
<b>Net Sales</b>	84,534	103,787	188,321	104,273	130,299	234,572	46,251	24.6%
<b>Gross profit</b>	32,681	40,088	72,769	37,596	47,183	84,780	12,011	16.5%
%	38.7	38.6	38.6	36.1	36.2	36.1		
<b>Op. income</b>	4,058	9,457	13,515	5,358	11,955	17,314	3,799	28.1%
%	4.8	9.1	7.2	5.1	9.2	7.4		
<b>Recurring income</b>	4,294	9,644	13,938	5,638	12,219	17,857	3,919	28.1%
<b>Net income</b>	3,877	5,918	9,795	3,299	7,347	10,646	851	8.7%
<b>Total assets</b>			217,882			230,679	12,797	5.9%
<b>Shareholders' equity</b>			110,859			117,880	7,021	6.3%

# Non-operating Income & Expenses and Extraordinary Gain & Loss



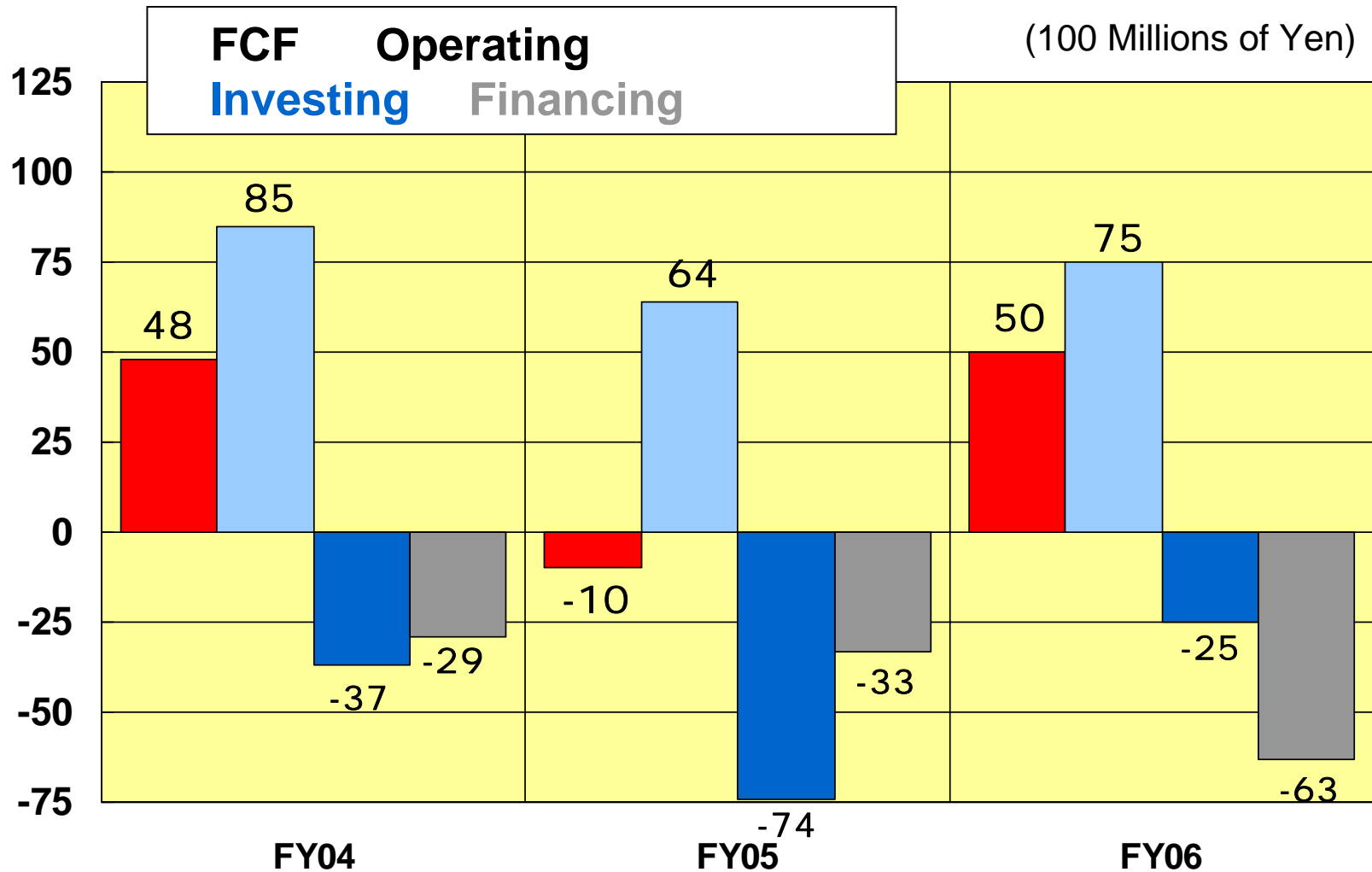
	(Millions of yen)			
	<u>FY2005</u>	<u>FY2006</u>	<u>Dif.</u>	<u>% Change</u>
<b>Operating income</b>	13,515	17,314	3,799	28.1%
<b>Non-op. income</b>	623	1,109	486	78.0%
<b>Non-op. expenses</b>	199	566	367	184.3%
<b>Reccuring income</b>	13,939	17,857	3,918	28.1%
<b>Extra. gain</b>	3,262	630	2,632	80.7%
<b>Extra. loss</b>	1,550	631	919	59.3%
<b>Income before income taxes and minority interest</b>	15,651	17,856	2,205	14.1%
<b>Income taxes and minority interest</b>	5,856	7,210	1,354	23.1%
<b>Net income</b>	9,795	10,646	851	8.7%

# Balance Sheets



				(Millions of yen)			
	FY2005	FY2006	Dif.		FY2005	FY2006	Dif.
<b>Current assets</b>	<b>145,966</b>	<b>159,721</b>	<b>13,755</b>	<b>Current liabilities</b>	<b>79,903</b>	<b>86,968</b>	<b>7,065</b>
Cash	28,381	24,076	4,305	Notes & accounts payable	38,689	42,201	3,512
Notes & accounts receivable	79,509	89,184	9,675	S.T. Borrowings & Bonds	13,957	14,278	321
Marketable securities	2,500	5,993	3,493	Others	27,257	30,489	3,232
Inventories	21,248	24,703	3,454				
Others	14,329	15,766	1,437				
<b>Fixed assets</b>	<b>71,917</b>	<b>70,959</b>	<b>958</b>	<b>Long-term liabilities</b>	<b>26,439</b>	<b>24,745</b>	<b>1,694</b>
Net P.P.E	31,024	30,677	346	L.T. debt & Bonds	7,913	6,573	1,341
Intangible fixed assets	6,982	6,174	808	Employees' retirement benefits	16,270	15,874	395
Investment & others	33,911	34,107	196	Others	2,256	2,298	42
				<b>Total liabilities</b>	<b>106,341</b>	<b>111,713</b>	<b>5,371</b>
				Minority interests	682	-	-
				Common stock	10,523	-	-
				Capital surplus	12,648	-	-
				Retained earnings	80,472	-	-
				Unrealized gain on securities	7,165	-	-
				Foreign currency transaction adjustments	60	-	-
				Treasury stock	8	-	-
				<b>Total shareholders' equity</b>	<b>110,859</b>	<b>-</b>	<b>-</b>
				Shareholders' equity	-	110,185	-
				- Common stock	-	10,523	-
				- Capital surplus	-	12,648	-
				- Retained earnings	-	87,025	-
				- Treasury stock	-	10	-
				Adjustments for valuation, foreign currency transaction & others	-	7,695	-
				- Unrealized gain on available-for sale-securities	-	7,478	-
				- Loss on deferred hedge	-	1	-
				- Foreign currency transaction adjustments	-	218	-
				Minority interests	-	1,087	-
				<b>Total net assets</b>	<b>-</b>	<b>118,967</b>	<b>-</b>
<b>Total Assets</b>	<b>217,882</b>	<b>230,679</b>	<b>12,797</b>	<b>Total liabilities &amp; Total net assets</b>	<b>217,882</b>	<b>230,679</b>	<b>12,797</b>
Cash & Cash Equivalents	36,303	35,190	1,113				

# Summary of Cash Flows



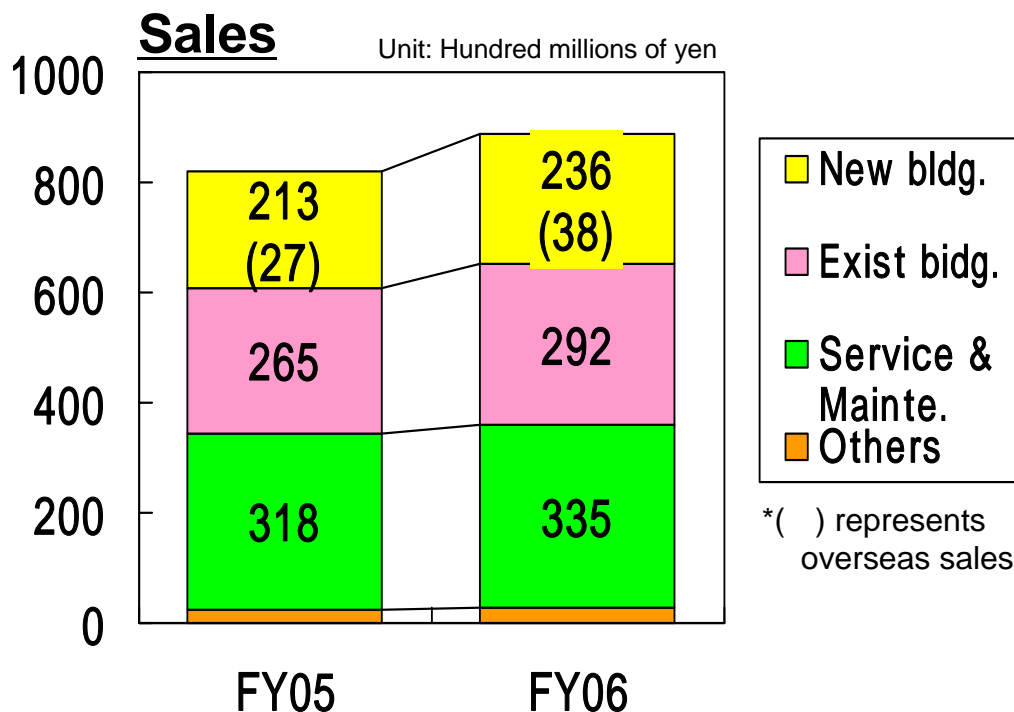
# Sales and Income by Business Segments **azbil**

		FY2005(2006/3)			FY2006(2007/3)			(Millions of yen)	
		<u>1H</u>	<u>2H</u>	<u>Total year</u>	<u>1H</u>	<u>2H</u>	<u>Total year</u>	Comparison in year	<u>%</u>
BA	Net sales	33,096	49,073	82,169	36,495	52,482	88,978	6,809	8.3
	Op. income	560	5,902	6,462	1,620	6,839	8,459	1,997	30.9
	%	1.7	12.0	7.9	4.4	13.0	9.5		
AA	Net sales	44,873	48,113	92,986	45,004	54,746	99,750	6,764	7.3
	Op. income	3,769	3,715	7,484	3,846	5,222	9,068	1,584	21.2
	%	8.4	7.7	8.0	8.5	9.5	9.1		
LA	Net sales	2,183	2,371	4,554	18,574	18,231	36,805	32,250	708.1
	Op. income	399	294	693	284	239	523	170	-
	%	18.3	12.4	15.2	1.5	1.3	1.4		
Others	Net sales	5,179	5,260	10,439	5,306	5,818	11,124	685	6.6
	Op. income	71	140	211	180	173	352	141	67.0
	%	1.4	2.7	2.0	3.4	3.0	3.2		
Consoli.	Net sales	84,534	103,787	188,321	104,273	130,299	234,572	46,252	24.6
	Op. income	4,058	9,457	13,515	5,358	11,955	17,314	3,799	28.1
	%	4.8	9.1	7.2	5.1	9.2	7.4		

# Building Automation Business



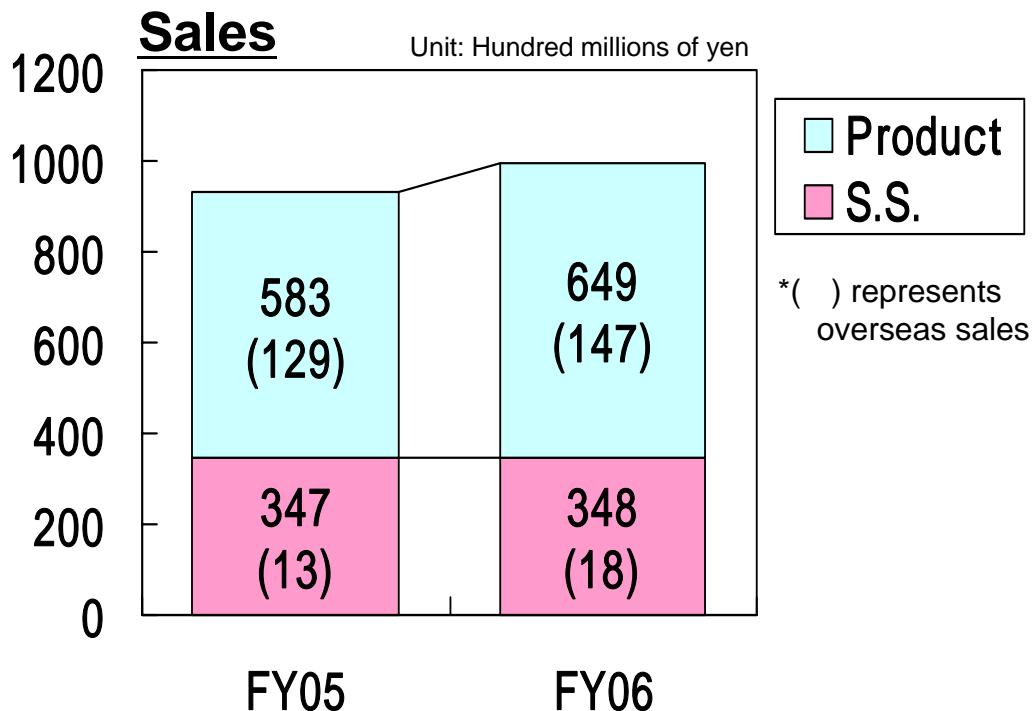
	<u>FY2005</u>	<u>FY2006</u>	<b>(Millions of yen)</b>	
			<u>Dif.</u>	<u>% Change</u>
<b>BA Net sales</b>	82,169	88,978	6,809	8.3
<b>Op. income</b>	6,462	8,459	1,997	30.9
<b>%</b>	7.9	9.5		
<b>Orders</b>	85,980	94,676	8,696	10.1
<b>Order backlog</b>	29,234	34,933	5,699	19.5



- ◆ New buildings: Sales grew by 2.4bil.(11%) owing to urban redevelopment projects in the Tokyo metropolitan area and brisk performance in the factory HVAC market, in addition to growth in overseas business.
- ◆ Existing buildings and service: With growing concern for energy-saving needs, business continued to expand. Sales to the market for existing buildings increased by 27bil(10%) and sales for the service business increased by 1.7 bil(5%).
- ◆ Orders increased, and backlog also built up mainly in the market for new buildings.

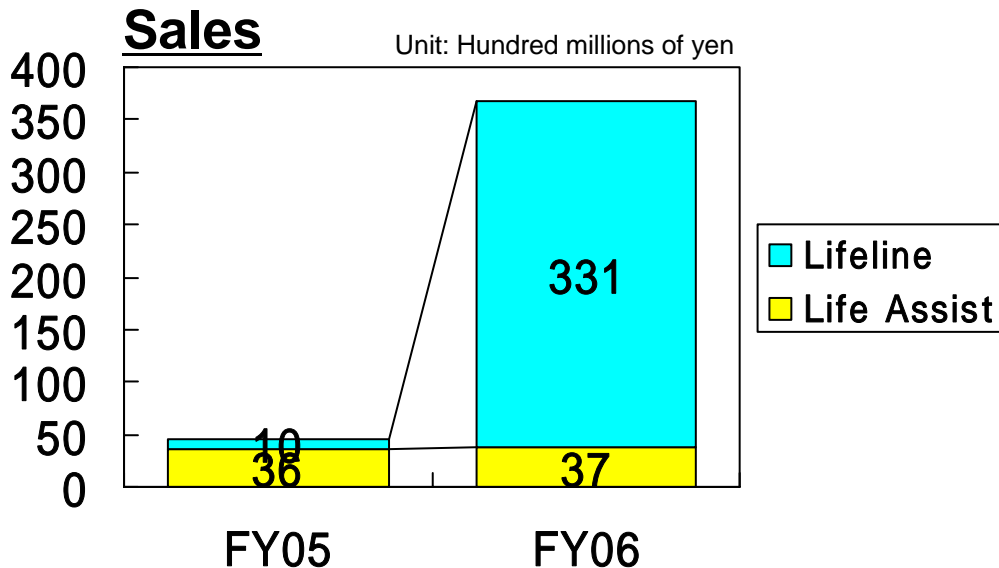


	<u>FY2005</u>	<u>FY2006</u>	<b>(Millions of yen)</b>	
			<u>Dif.</u>	<u>% Change</u>
<b>A A Net sales</b>	92,986	99,750	6,764	7.3
<b>Op. income</b>	7,484	9,068	1,584	21.2
<b>%</b>	8.0	9.1		
<b>Orders</b>	95,735	101,623	5,888	6.2
<b>Order backlog</b>	26,292	28,165	1,873	7.1



- ◆ Product business: Sales in both domestic and overseas recorded steady, double-digit growth. Growth in domestic sales to the process market was outstanding.
- ◆ Solution Service business: Sales reached the same level as that of FY05 in spite of the lack of large-scale projects that bolstered sales in FY05.
- ◆ Orders continued to grow to over 100bil.

	<u>FY2005</u>	<u>FY2006</u>	<b>(Millions of yen)</b>	
			<u>Dif.</u>	<u>% Change</u>
<b>Net sales</b>	4,554	36,805	32,251	708.2
<b>Op. income</b>	693	523	170	-
<b>%</b>	15.2	1.4		
<b>Orders</b>	4,909	37,042	32,133	654.6
<b>Order backlog</b>	851	1,087	237	27.8



◆ Sales increased by 32.3bil. due to expansion of the Lifeline field by consolidating Kimmon Mfg\*.

\* Sales for Kimmon Mfg. was 32.2bil and operating income was 0.8bil. Operating income was posted in spite of the effect of the amortization of goodwill.

# Overseas Sales



(Hundred millions of yen)

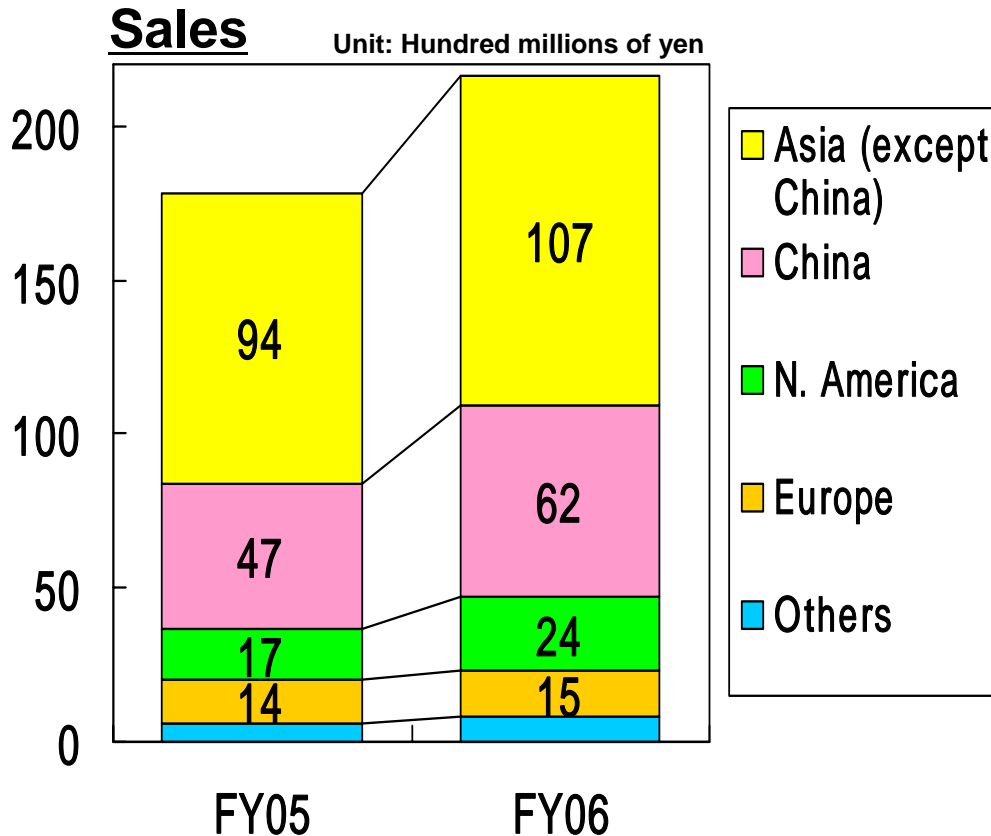
Overseas Sales

FY2005

179

FY2006

215



- ◆ Sales increased by 3.6bil.(20%) in Asia mainly in China. Sales in China grew by 1.5bil(32%) while sales in other areas in Asia grew by 1.3bil(14%).
- ◆ Sales for both AA product business and BA business continued to grow.

# **Operating Plan for Fiscal Year 2007 ending March 31, 2008**

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# Operating Plan for FY2007



	FY2006		FY2007		(Millions of yen) Comparison in year	
	<u>Act.</u>	<u>1H est.</u>	<u>2H est.</u>	<u>Total year</u>	<u>Dif.</u>	<u>%</u>
<b>Net sales</b>	234,572	112,000	132,000	244,000	9,428	4.0
<b>Op. income</b>	17,314	7,000	13,000	20,000	2,686	15.5
%	7.4	6.3	9.8	8.2		
<b>Recurring income</b>	17,857	6,900	12,700	19,600	1,743	9.8
<b>Net income</b>	10,646	3,900	8,100	12,000	1,354	12.7
<b>Total assets</b>	230,679			233,000	2,321	1.0
<b>Shareholders' equity</b>	117,880			125,800	7,920	6.7

## Summary of Plan for FY2007

Net sales are forecasted to be 244.0 bil. (an increase of 9.4bil, 4%). Operating income is forecasted to be 20.0bil.(an increase of 2.7bil, 16%) owing to increased sales and improvement in the cost of sales, despite the increase in SG&A expenses.

- BA business: Sales and profits are forecasted to increase owing to growth in security and international businesses, as well as continued brisk performance in the market for new buildings, mainly in urban redevelopment projects in the Tokyo metropolitan area.
- AA business: Sales and profits are forecasted to increase owing to growth in product business. Growth in international business will be accelerated.
- LA business: Sales for Kimmon Mgf. are forecasted to decrease owing to the fall in demand of town gas meters due to the change in regulations affecting the equipment replacement-cycle, etc. Strenuous efforts will be made to enhance profitability across LA business, although the fall in LA sales is unavoidable.

# Plan for Non-operating Income & Expenses and Extraordinary Gain & Loss



(Millions of yen)

	<u>FY2006</u>	<u>FY2007</u>	<u>Dif.</u>	<u>% Change</u>
<b>Operating income</b>	17,314	20,000	2,686	15.5%
<b>Non-op. income</b>	1,109	600	509	45.9%
<b>Non-op. expense</b>	566	1,000	434	76.8%
<b>Reccuring income</b>	17,857	19,600	1,743	9.8%
<b>Extra. gain</b>	630	0	630	100.0%
<b>Extra. loss</b>	631	300	331	52.5%
<b>Income before income taxes and minority interest</b>	17,856	19,300	1,444	8.1%
<b>Income taxes and minority interest</b>	7,210	7,300	90	1.3%
<b>Net income</b>	10,646	12,000	1354	12.7%

# Operating Plan by Segments



						(Millions of yen)	
		FY2006	FY2007		Comparison in year		
		<u>Act.</u>	<u>1H est.</u>	<u>2H est.</u>	<u>Total year</u>	<u>Dif.</u>	<u>% Change</u>
<b>BA</b>	<b>Net sales</b>	88,978	41,500	53,500	95,000	6,022	6.8
	<b>Op. income</b>	8,459	2,700	7,300	10,000	1,541	18.2
	<b>%</b>	9.5%	6.5%	13.6%	10.5%		
<b>AA</b>	<b>Net sales</b>	99,750	49,500	57,000	106,500	6,750	6.8
	<b>Op. income</b>	9,068	4,200	5,800	10,000	932	10.3
	<b>%</b>	9.1%	8.5%	10.2%	9.4%		
<b>LA</b>	<b>Net sales</b>	36,805	18,700	17,800	36,500	305	0.8
	<b>Op. income</b>	523	80	20	100	423	-
	<b>%</b>	1.4%	0.4%	0.1%	0.3%		
<b>Others</b>	<b>Net sales</b>	11,124	4,500	4,600	9,100	2,024	18.2
	<b>Op. income</b>	352	50	90	140	212	60.3
	<b>%</b>	3.2%	1.1%	2.0%	1.5%		
<b>Consoli.</b>	<b>Net sales</b>	234,572	112,000	132,000	244,000	9,428	4.0
	<b>Op. income</b>	17,314	7,000	13,000	20,000	2,686	15.5
	<b>%</b>	7.4%	6.3%	9.8%	8.2%		

# Reference Data

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# Order & Backlog



(Millions of yen)

	FY2005	FY2006			FY2007
	<u>Act.</u>	<u>Act.</u>	<u>Dif.</u>	<u>%</u>	<u>Est.</u>
<b>BA</b>					
<b>Order</b>	85,980	94,676	8,696	10.1%	96,000
<b>Backlog</b>	29,234	34,933	5,699	19.5%	35,932
<b>AA</b>					
<b>Order</b>	95,735	101,623	5,888	6.2%	111,000
<b>Backlog</b>	26,292	28,165	1,873	7.1%	32,665
<b>LA</b>					
<b>Order</b>	4,909	37,042	32,133	654.6%	36,800
<b>Backlog</b>	851	1,087	236	27.8%	1,387
<b>Others</b>					
<b>Order</b>	10,457	11,316	859	8.2%	9,700
<b>Backlog</b>	914	1,106	192	21.0%	1,634
<b>Consoli.</b>					
<b>Order</b>	195,295	242,318	47,022	24.1%	250,000
<b>Backlog</b>	56,965	64,710	7,745	13.6%	70,710

# Other Reference Data



	(Millions of yen)				
	FY2005 Act.	FY2006 Act.	Dif.	%	FY2007 Est.
<b>Capital investments</b>					
Yamatake	5,960	4,324	1,636	27.5%	5,000
Consoli. Sub.	830	949	119	14.3%	1,000
<b>Total</b>	<b>6,790</b>	<b>5,273</b>	<b>1,517</b>	<b>22.3%</b>	<b>6,000</b>
<b>Depreciation</b>					
Yamatake	1,985	2,268	283	14.3%	3,000
Consoli. Sub.	367	1,622	1,256	342.6%	1,500
<b>Total</b>	<b>2,352</b>	<b>3,891</b>	<b>1,539</b>	<b>65.4%</b>	<b>4,500</b>
<b>Research &amp; development cost</b>					
	8,360	8,776	416	5.0%	9,500
<b>Ratio to Net Sales</b>	<b>4.4%</b>	<b>3.7%</b>			<b>3.9%</b>
<b>Employees</b>					
Yamatake	6,074	6,193	119	2.0%	6,200
Domest. Consoli. Sub.	1,170	2,766	1,596	136.4%	2,800
<b>Total</b>	<b>7,244</b>	<b>8,959</b>	<b>1,715</b>	<b>23.7%</b>	<b>9,000</b>