



For Immediate Release

February 5, 2008

Consolidated Financial Results for the Third Quarter ended December 31, 2007

1. Performance for the third quarter ended Dec. 31, 2007 (from Apr. 1, 2007 to Dec. 31, 2007)

- 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 3rd quarter of the previous fiscal year.

(1) Results

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

	Sales		Operating income		Recurring income		Net income	
Nine months ended Dec. 31, 2007	166,691	9.6%	8,441	46.5%	8,721	40.8%	3,779	17.6%
Nine months ended Dec. 31, 2006	152,142	28.0%	5,760	73.4%	6,195	65.9%	3,214	4.6%
Year ended Mar. 31, 2007	234,572	-	17,313	-	17,857	-	10,646	-

	Net income per share (Yen)
Nine months ended Dec. 31, 2007	51.38
Nine months ended Dec. 31, 2006	43.70
Year ended Mar. 31, 2007	144.71

The domestic economy in the third quarter (April-December 2007) saw robust capital investment. This was despite the presence of factors threatening a downturn in the business climate, such as a steep rise in the prices of raw materials and crude oil, the US subprime mortgage loan problem, and the resulting appreciation of the yen and fall in stock prices. There has also been continued economic growth overseas – in Southeast Asia, Europe, and especially China.

Against this economic background, the Group posted sales of 166.6 billion yen (up 9.6% on the same period last year). Turning to profit and loss, operating income increased substantially to 8.4 billion yen (up 46.5% on the same period last year), as did recurring income, which was 8.7 billion yen (up 40.8% on the same period last year). Net income for the quarter was 3.7 billion yen (up 17.6% on the same period last year).

Summarized below is the performance for each of Yamatake's business segments in the third quarter.

Building Automation Business

In the domestic building industry, there have been serious concerns about the impact of changes made to Japan's Building Standards Law. However, investment in construction for urban redevelopment projects – particularly in the Tokyo metropolitan area – and also for manufacturing and commercial facilities has continued to grow. This has meant an increase in the new building business. Moreover, in the market for existing buildings Yamatake's ESCO (Energy Service Company) business is growing as a result of more



stringent government regulations and a sharp increase in demand for upgrading facilities to save energy, reflecting the fact that in the coming year Japan will start implementing its international commitment to reduce carbon dioxide emissions, as laid down in the Kyoto Protocol. Furthermore, Yamatake's security (room access control) business – which offers enhanced building safety, security, and protection against data compromise – has been growing steadily. As a result, sales for the Building Automation business stood at 63.5 billion yen (up 20.9% on the same period last year), and operating income increased significantly to 3.8 billion yen (up 208.2 % on the same period last year).

Advanced Automation Business

Domestically, customer demand for safety operations and environmental measures such as energy savings remains undiminished. Moreover, there has been firm capital investment directed at functional materials and other products with high added value, as well as robust investment in upgrading ageing facilities. Meanwhile, some weakness in capital investment has been evident in part of the market, such as the semiconductor market, and orders show signs of leveling off. As for the international business, amidst continued expansion of global markets there has been sustained, steady expansion in China, Korea, and Southeast Asia –priority regions for Yamatake. It has also been possible to achieve business expansion in the US and European markets. As a result, sales for the Advanced Automation business were 71.1 billion yen (up 9.0% on the same period last year). Owing to a cost rate increase, operating income was 4.8 billion yen (up 3.6% on the same period last year).

Life Automation Business

In the Lifeline field, the business environment surrounding Kimmon Manufacturing continues to be severe with steep rises in the cost of raw materials and stiff price competition with rival companies. In the Life Assist field, here too the business environment continues to be severe; this is in part due to revisions in Japan's Nursing Care Insurance Law. Nevertheless, measures have been taken to improve profitability by strengthening the business structure. As a result, sales for the Life Automation business were 27.2 billion yen, with an operating loss of 0.3 billion yen.

Other Business

The business of importing/buying-in sales of inspection and measurement equipment posted sales of 6.2 billion yen, with an operating income of 77 million yen.

(For reference)

(Millions of yen)

	1Q/FY2007	2Q/FY2007	3Q/FY2007	4Q/FY2007
Sales	45,612	69,065	52,013	-
Operating income (loss)	(419)	7,619	1,241	-

	1Q/FY2006	2Q/FY2006	3Q/FY2006	4Q/FY2006
Sales	43,992	60,280	47,868	82,430
Operating income (loss)	22	5,335	402	11,553



(2) Financial position

(Millions of yen, except for per share figures)

	Total assets	Net assets	Shareholder's equity to total assets (%)	Net assets per share (Yen)
As of Dec. 31, 2007	215,240	117,018	53.8%	1,573.04
As of Dec. 31, 2006	211,286	110,464	51.8%	1,487.59
As of Mar. 31, 2007	230,679	118,966	51.1%	1,602.33

Total assets at the end of the third quarter were 215.2 billion yen, representing an increase of 3.9 billion yen compared to the end of the third quarter last year. Net assets increased by 6.5 billion yen; net worth ratio stands at 54.4%.

2. Forecast for fiscal 2007 (April 1, 2007 to March 31, 2008)

The forecast for the fiscal year ending March 31, 2008 remains the same as the forecast announced on November 8, 2007.

3. Other

(1) Change in scope of consolidation: None

(2) Adoption of simplified accounting treatment: None

(3) Change in accounting principles and procedures

Previously, all income and expenses of consolidated foreign subsidiaries were translated into Japanese yen at the period-end rates. However, in view of the increasing importance of these foreign subsidiaries in consolidated financial statements, the method of translation for the statements of income of the consolidated foreign subsidiaries was changed from the year ending March 31, 2008. Now all income and expenses of consolidated foreign subsidiaries are translated into Japanese yen at the average rate during the period. The effects of this change in accounting policy are immaterial.

* 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)

	(A) As of Dec. 31, 2006		(B) As of Dec. 31, 2007		Difference		As of Mar. 31, 2007	
					(B)-(A)	(%)		
	Current assets	139,569	66.1	153,289	71.2	13,719	9.8	159,720
Cash	20,956		23,411		2,455	11.7	24,075	
Notes and accounts receivable	67,726		72,863		5,136	7.6	89,183	
Inventories	33,170		31,602		(1,567)	(4.7)	24,702	
Deferred tax assets	3,530		3,090		(439)	(12.5)	5,716	
Prepaid expenses and other current assets	14,671		22,636		7,965	54.3	16,398	
Allowance for doubtful receivable	(485)		(315)		170	-	(356)	
Fixed assets	71,716	33.9	61,950	28.8	(9,765)	(13.6)	70,958	30.8
Property, plant and equipment	32,057	15.2	29,256	13.6	(2,800)	(8.7)	30,677	13.3
Intangible fixed assets	6,255	3.0	5,028	2.3	(1,226)	(19.6)	6,174	2.7
Investment and other assets	33,403	15.8	27,665	12.9	(5,738)	(17.2)	34,106	14.8
Investment securities	22,747		19,583		(3,164)	(13.9)	24,368	
Deferred tax assets	1,162		249		(912)	(78.5)	244	
Other assets	10,032		8,432		(1,600)	(15.9)	9,976	
Allowance for doubtful receivable	(539)		(600)		(60)	-	(482)	
Total assets	211,286	100.0	215,240	100.0	3,953	1.9	230,679	100.0
Current liabilities	75,162	35.6	76,091	35.3	929	1.2	86,967	37.7
Notes and accounts payable	37,269		38,877		1,608	4.3	42,200	
Short-term borrowings	14,529		14,466		(63)	(0.4)	14,017	
Accrued bonuses	3,734		4,109		375	10.0	8,754	
Other current liabilities	19,629		18,639		(990)	(5.0)	21,995	
Long-term liabilities	25,659	12.1	22,129	10.3	(3,530)	(13.8)	24,744	10.7
Long-term debt	7,010		5,092		(1,917)	(27.4)	6,152	
Liability for employees' retirement benefits	16,220		14,476		(1,744)	(10.8)	15,874	
Liability for retirement benefits for directors and corporate auditors	163		178		15	9.5	173	
Other long term liabilities	2,265		2,381		116	5.1	2,544	
Total liabilities	100,821	47.7	98,221	45.6	(2,600)	(2.6)	111,712	48.4
Shareholders' equity	102,745	48.6	109,917	51.1	7,172	7.0	110,185	47.8
Common stock	10,522	5.0	10,522	4.9	-	-	10,522	4.6
Additional paid-in capital	12,647	6.0	12,647	5.9	0	0.0	12,647	5.5
Retained earnings	79,594	37.6	86,759	40.3	7,164	9.0	87,025	37.7
Treasury stock	(19)	(0.0)	(11)	(0.0)	7	-	(10)	(0.0)
Evaluation and translation adjustments	6,693	3.2	5,807	2.7	(886)	(13.2)	7,694	3.3
Variances on securities valuations	6,561	3.1	5,601	2.6	(960)	(14.6)	7,477	3.2
Loss on deferred hedge	0	0.0	0	0.0	0	-	(1)	(0.0)
Foreign currency translation adjustments	131	0.1	205	0.1	73	55.8	218	0.1
Minority interests	1,025	0.5	1,293	0.6	268	26.2	1,086	0.5
Total net assets	110,464	52.3	117,018	54.4	6,554	5.9	118,966	51.6
Total liabilities and net assets	211,286	100.0	215,240	100.0	3,953	1.9	230,679	100.0

Consolidated Statements of Operations

(Millions of yen)

	(A) Apr. 1, 2006 to Dec. 31, 2006		(B) Apr. 1, 2007 to Dec. 31, 2007		Difference		Apr. 1, 2006 to Mar. 31, 2007	
					(B)-(A)	(%)		
Net sales	152,142	100.0	166,691	100.0	14,549	9.6	234,572	100.0
Cost of sales	96,997	63.8	107,473	64.5	10,475	10.8	149,792	63.9
Gross profit	55,144	36.2	59,218	35.5	4,073	7.4	84,779	36.1
Selling, general and administrative expenses	49,383	32.4	50,776	30.4	1,393	2.8	67,466	28.7
Operating income	5,760	3.8	8,441	5.1	2,680	46.5	17,313	7.4
Non-operating income	829	0.6	801	0.4	(27)	(3.4)	1,109	0.4
Non-operating expenses	393	0.3	521	0.3	127	32.3	565	0.2
Recurring income	6,195	4.1	8,721	5.2	2,525	40.8	17,857	7.6
Extraordinary profit	117	0.1	3,096	1.9	2,978	-	629	0.3
Extraordinary loss	248	0.2	3,174	1.9	2,926	-	631	0.3
Income before income taxes and minority interest	6,065	4.0	8,643	5.2	2,578	42.5	17,855	7.6
Income taxes - current	588	0.4	851	0.5	262	44.6	5,970	2.6
Income taxes - deferred	2,104	1.4	3,763	2.3	1,658	78.8	1,027	0.4
Minority interests in net income	157	0.1	249	0.1	92	58.6	211	0.1
Net income	3,214	2.1	3,779	2.3	564	17.6	10,646	4.5

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(loss)	1,240	4,703	(431)	252	5,764	(3)	5,760

Third Quarter of Fiscal 2007 (Apr. 1, 2007 to Dec. 31, 2007)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimi- nation	Consoli- dation
Sales	63,521	71,158	27,204	6,241	168,126	(1,434)	166,691
Operating cost and expenses	59,697	66,287	27,552	6,163	159,701	(1,451)	158,250
Operating income(loss)	3,824	4,870	(347)	77	8,424	16	8,441

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

Order

(Millions of yen)

	Orders		Backlog	
	Apr. 1, 2007 to Dec. 31, 2007		As of Dec. 31, 2007	
Building Automation	83,871	10.0%	55,283	4.4%
Advanced Automation	76,563	3.6%	33,569	(3.9%)
Life Automation	27,784	(0.9%)	1,667	25.5%
Others	6,289	(25.3%)	1,154	(12.2%)
Total	194,509	4.2%	91,674	1.3%
Elimination	(1,423)	-	(569)	-
Consolidation	193,086	4.4%	91,104	1.5%