



For Immediate Release

August 5, 2008

Consolidated Financial Results for the First Quarter Ended June 30, 2008

1. Performance for the First Quarter Ended Jun. 30, 2008 (from Apr. 1, 2008 to Jun. 30, 2008)

- The Japanese financial accounting standards are applied for this quarterly statement of accounts.
- Amounts indicated are rounded down.
- Percentage shows the increase/(decrease) from the 1st quarter of the previous fiscal year.

(1) Results

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

	Sales		Operating income (loss)		Recurring income (loss)		Net income (loss)	
Three months ended Jun. 30, 2008	48,648	-	(79)	-	157	-	(244)	-
Three months ended Jun. 30, 2007	45,612	3.7%	(419)	-	(118)	-	1,294	-

	Net income (loss) per share (Yen)
Three months ended Jun. 30, 2008	(3.27)
Three months ended Jun. 30, 2007	17.60

(2) Financial Position

(Millions of yen, except for per share figures)

	Total assets	Net assets	Shareholders' equity to net assets (%)	Net assets per share (Yen)
As of Jun. 30, 2008	220,587	124,018	55.6%	1,639.02
As of Mar. 31, 2008	228,843	121,721	52.6%	1,641.73

2. Dividends per Share

	Dividends per share (Yen)				
	1Q	2Q	3Q	4Q	Fiscal year
Fiscal 2007	-	30.00	-	30.00	60.00
Fiscal 2008	-	-	-	-	-
Fiscal 2008 (Estimate)	-	31.00	-	31.00	62.00

3. Forecast for Fiscal 2008 (April 1, 2008 to March 31, 2009)

The forecasts for the six months ending September 30, 2008 and the fiscal year ending March 31, 2009 remain the same as the forecast announced on May 9, 2008.

* 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.

4. Other

(1) Change in scope of consolidation: None

(2) Simplified accounting method or special method for preparing quarterly consolidated financial statements adopted: (Special accounting treatment for preparing quarterly consolidated financial statements)
Income taxes for some consolidated companies are calculated based on their income before income taxes multiplied by the reasonably estimated effective tax rate for the current fiscal year including the quarter.

(3) Changes in accounting principles and procedures:

1. Effective from the fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting".
2. Previously, a cost method mainly based on the specific identification method was adopted for measuring inventories held for sale in the ordinary course of business. However, effective from the first quarter ended June 30, 2008, the "Accounting Standard for Measurement of Inventories"(ASBJ Statement No. 9) has been applied, and these inventories are measured by means of the cost method mainly based on specific identification method, which evaluates the amount of the inventories shown on the balance sheet by writing them down based on their decrease in profitability. There is no effect for Gross profit, Operating loss, Recurring income and Income before income taxes.
3. Effective from the first quarter ended June 30, 2008, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"(ASBJ PITF No. 18) has been applied, and accordingly some revisions are made to the consolidated accounts as necessary. There is no effect for Gross profit, Operating loss, Recurring income and Income before income taxes.
4. Previously finance leases that do not deem to transfer ownership of the leased property to the lessee were treated as rental transaction. From the fiscal year beginning April 1, 2008, however, companies are able to apply "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued March 30, 2007), and "Guidance on Accounting Standard for Lease Transactions," (ASBJ Guidance No.16, issued March 30, 2007). From this quarter, the Company has applied this standard, treating such leases as common sales transactions. In addition, lease assets that do not deem to transfer ownership of the leased property to the lessee are depreciated using the straight-line method over the period of the lease, with zero residual value. There is no material effect for Gross profit, Operating loss, Recurring income and Income before income taxes.

(Supplementary information)

From this first quarter, accompanying revisions in Japan's income tax law in fiscal 2008, the Company and its domestic consolidated subsidiaries have reviewed the useful lives of their machinery and equipment. As a result, the useful lives of machinery and equipment included among property, plant and equipment have been changed. As a result Gross profit decreased by 49 million yen, Operating loss increased 53 million yen, and Recurring income and income before income decreased 53 million yen, respectively. The effects of the change on segment information are described in the relevant sections.

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1. Consolidated financial results: qualitative information

In the first quarter of the current consolidated accounting period, the circumstances of the Japanese economy appear to have faltered owing to such factors as the deterioration in corporate earnings resulting from the steep rise in the price of oil and raw materials, and also the decline in exports, reflecting the slowdown in the US economy.

Overseas, economic expansion has continued in China and other parts of Asia, yet there is a deepening sense of uncertainty regarding the international business outlook due to the slowing US economy and signs of an impending slowdown in Europe as well.

Despite this challenging environment, the Yamatake Group has recorded sales for the first-quarter of the current consolidated accounting period of 48,648 million yen, an increase of 3,036 million yen over the same period last year. This was partly the result of favorable business conditions in the markets where the Yamatake Group operates, and partly the result of various measures implemented to secure increased sales and income – for example, by spreading throughout the year sales that would otherwise tend to concentrate at the end of the financial period.

Turning to income and loss, although selling, general and administrative expenses grew by 496 million yen, the Group's operating loss was reduced by 340 million yen to 79 million yen owing to such factors as an increase in sales. Note that operating loss for the same period last year was 419 million yen. Recurring income was 157 million yen compared with a recurring loss of 118 million yen in the same period last year.

A net loss of 244 million yen was recorded for the quarter, while in the same period last year there was a quarterly net income of 1,294 million yen, attributable to a gain on the sale of property, plant and equipment.

It should be noted that the seasonality of Yamatake's business is such that sales tend to be higher at the end of the second and fourth quarter of the financial year. Sales for the first-quarter tend to be lower compared with the rest of the fiscal year.

The first-quarter financial results for Yamatake's business segments are as follows:

Building Automation Business

Looking at the operating environment in the domestic market, the first half of the current consolidated accounting period coincides with the temporary, cyclical lull in large projects in the market for new buildings. However, in the first quarter of the current consolidated accounting period it was possible to achieve an increase in sales and income, as detailed below.

The job completion situation in the market for new buildings was more favorable than in the same period last year. Additionally, in the market for existing buildings there have been conspicuous moves to tighten government regulations in order to meet Japan's targets for reducing CO2 emissions, as laid down in the Kyoto Protocol. There has thus been an increasing demand for energy-saving upgrades to existing facilities and also for a range of energy-saving services; consequently, sales in the existing building and services business have remained robust.

The security (room access control) business expanded, benefiting from a firm tone in the market – reflecting strong customer demand for building safety and security, protection against data compromise, and internal control measures. In contrast, international business has been impacted by a cooling in investment in Taiwan and Korea.

As a result, Building Automation business sales were 17,311 million yen, an increase of 1,646 million yen over the same period last year, and operating loss was reduced by 189 million yen to 141 million yen, in comparison with an operating loss for the same period last year of 331 million yen.

Advanced Automation Business

In the domestic market, operating conditions varied considerably from industry to industry, but overall capital investment weakened and uncertainty increased. As a result, it is expected that conditions will continue to be difficult. Nevertheless, demand has been as high as ever among customers wanting safe and stable operation of existing factories and plants, as well as energy-saving and other environmental measures. Moreover, there has been continued, steady investment in the production of high-performance materials and other high value-added products. Yamatake was able to seize these business opportunities. As a result, sales increased, aided also by the completion of large-scale projects in some markets.



In the international business, while an increase in earnings was achieved by sales subsidiaries in China – a priority region for Yamatake – this was offset by a fall in sales such as of the US subsidiary, as well as by the negative impact of the appreciating yen, resulting in an unavoidable fall in sales.

In summary, Advanced Automation business sales were 20,611 million yen, an increase of 1,109 million yen over the same period last year, and operating income grew by 50 million yen to 149 million yen, in comparison with an operating income for the same period last year of 98 million yen.

Life Automation Business

Kimmon Manufacturing – which plays a key role in the Lifeline field – continues to face an overall challenging business environment, aggravated by steep rises in the cost of raw materials and a fall in sales prices. However, some bright signs emerged in the first quarter of the current consolidated accounting period: from last year cyclical demand for LP gas meters has once again started to grow, and in the city gas equipment business demand is growing for Roots meters and regulators, products that are profitable. In addition, steady progress is being made with implementing the Kimmon-Yamatake Jump-up Plan – designed to improve Kimmon Manufacturing's operating structure and strengthen its business foundation – as evidenced by the company's development of private demand for water meters. It has thus been possible to achieve increased sales and income. In the Life Assist field, which includes nursing care and emergency dispatch services, owing to cutbacks in welfare-related budgets by local governments and also revisions to Japan's Nursing Care Insurance Law, the business environment continues to be very difficult. However, efforts to expand the number of contracts and provide a wider range of services have been rewarded with increased income.

As a result, Life Automation business sales were 9,198 million yen, an increase of 429 million yen over the same period last year, and operating loss improved by 166 million yen to 38 million yen, in comparison with an operating loss for the same period last year of 204 million yen.

Other Businesses

In the importing, buying-in and marketing of inspection and measurement equipment, sales of 1,815 million yen were posted, 132 million yen less than for the same period last year. There was an operating loss of 70 million yen, 67 million yen worse than the same period last year when an operating loss of 2 million yen was recorded.

2. Consolidated financial position: qualitative information

(Assets)

At the end of the first quarter of the current consolidated accounting period, assets declined by 8,256 million yen compared with the end of the previous consolidated accounting period. Total assets stood at 220,587 million yen. The main factors affecting assets were as follows.

Notes and accounts receivable: a decrease of 17,075 million yen mainly connected to the calling-in of accounts receivable.

Inventories: an increase of 3,859 million yen mainly connected to an increase in the order backlog.

Goodwill: an increase of 4,286 million yen as a result of the share exchange with Kimmon Manufacturing Co., Ltd.

(Liabilities)

Total liabilities at the end of the first quarter of the current consolidated accounting period fell by 10,553 million yen compared with the end of the previous consolidated accounting period. Total liabilities stood at 96,569 million yen. The main factors affecting liabilities were as follows.

Notes and accounts payable: a decrease of 3,118 million yen as a result of defraying trade notes and accounts payable.

Income tax payable: a decrease of 5,426 million yen as a result of paying corporate tax.

Accrued bonuses: a decrease of 5,027 million yen as a result of bonus payments.

(Net assets)



Total net assets at the end of this first quarter of the consolidated accounting period stood at 124,018 million yen, an increase of 2,297 million yen compared with the end of the previous consolidated accounting period.

This principally reflects an increase in capital surplus by 4,550 million yen following the share exchange with Kimmon Manufacturing Co., Ltd. although retained earning decrease by 2,199 million yen resulting from the distribution of surplus in the form of a dividend.

As a consequence, Yamatake's shareholders' equity relative to net assets grew from 52.6% at the end of the previous consolidated accounting period to 55.6%. Net assets per share fell from 1,641.73 yen to 1,639.02 yen.

(Cash flow)

(1) Cash flow from operating activities

Net cash provided by operating activities in the first quarter of the current consolidated accounting period was 4,824 million yen. The main factors involved are as follows.

Increase: inflows (of 17,075 million yen) from a decrease in accounts receivable.

Decrease: outflows (of 5,400 million yen) from an increase in income taxes; and a decrease (of 5,027million yen) in the accrued bonuses.

(2) Cash flow from investment activities

Net cash used in investment activities in the first quarter of the current consolidated accounting period was 2,019 million yen. The main factor behind this is as follows.

Decrease: outlay (of 1,838 million yen) for the purchase of property, plant and equipment.

(3) Cash flow from financing activities

Net cash used in financing activities in the first quarter of the current consolidated accounting period was 2,268 million yen. The main factor behind this is as follows.

Decrease: payment (of 2,147million yen) in dividends.

As a result of the above, cash & cash equivalents at the end of the first quarter of the current consolidated accounting period stood at 49,215 million yen, a fall of 40 million yen compared with the same period last year.

Consolidated Balance Sheets

(Millions of yen)

ASSETS		
	As of Jun. 30, 2008	As of Mar. 31, 2008
Current assets	156,054	169,582
Cash	32,210	32,347
Notes and accounts receivable	68,450	85,526
Marketable securities	14,868	13,390
Merchandise	1,566	1,626
Finished goods	3,235	2,941
Materials	6,455	6,326
Work in process	7,804	5,956
Construction in process	8,229	6,579
Other current assets	13,564	15,281
Allowance for doubtful receivable	(329)	(394)
Fixed assets	64,532	59,261
Property, plant and equipment	29,215	29,345
Buildings and structures	15,033	15,341
Other	14,181	14,004
Intangible fixed assets	9,074	4,852
Goodwill	7,309	3,023
Other	1,765	1,829
Investment and other assets	26,242	25,063
Investment securities	18,247	16,597
Other assets	8,581	9,026
Allowance for doubtful receivable	(586)	(560)
Total assets	220,587	228,843

(Millions of yen)

LIABILITIES AND NET ASSETS		
	As of Jun. 30, 2008	As of Mar. 31, 2008
Current liabilities	76,332	87,063
Notes and accounts payable	39,012	42,130
Short-term loans payable	14,360	14,332
Income taxes payable	337	5,763
Accrued bonuses	3,923	8,950
Accrued directors' bonuses	28	80
Provision for product warranties	439	397
Provision for loss on construction contracts	164	162
Other current liabilities	18,066	15,245
Long-term liabilities	20,236	20,059
Bonds	265	310
Long-term loans payable	4,172	4,217
Liability for employees' retirement benefits	13,830	13,994
Liability for retirement benefits for directors and corporate auditors	220	186
Other long term liabilities	1,747	1,351
Total liabilities	96,569	107,122
Shareholders' equity	118,286	116,190
Common stock	10,522	10,522
Capital surplus	17,198	12,647
Retained earnings	91,244	93,688
Treasury stock	(678)	(667)
Adjustments for valuation, foreign currency translation and others	4,400	4,175
Unrealized gain on available-for-sale securities	4,848	3,857
Gain on deferred hedge	0	0
Foreign currency translation adjustments	(448)	317
Minority interests	1,331	1,354
Total net assets	124,018	121,721
Total liabilities & total net assets	220,587	228,843

Consolidated Statements of Income

(Millions of yen)

	Apr. 1, 2008 to Jun. 30, 2008
Net sales	48,648
Cost of sales	31,541
Gross profit	17,106
Selling, general and administrative expenses	17,186
Operating income(loss)	(79)
Non-operating income	395
Interest income	59
Dividend income	192
Exchange gain	12
Rents received	28
Others	102
Non-operating expenses	158
Interest expense	66
Commitment fee	11
Rents	24
Others	57
Recurring income	157
Extraordinary profit	12
Gain on sales of property, plant and equipment	0
Reversal of allowance for doubtful notes and receivable	11
Extraordinary loss	92
Loss on sales or disposals of property, plant and equipment	18
Special extra retirement payments	62
Loss on impairment of investment securities	11
Income before income taxes	76
Income taxes - current	166
Income taxes - deferred	85
Total income taxes	251
Minority interests in net income	69
Net income(loss)	(244)

Consolidated Statements of Cash Flows

(Millions of yen)

	Apr. 1, 2008 to Jun. 30, 2008
Operating activities	
Income before income taxes	76
Depreciation and amortization	1,051
Amortization of excess of acquired net equity over cost	311
Provision for doubtful receivables	(8)
Increase(decrease) in liabilities for retirement benefits	(164)
Increase(decrease) in accrued bonuses	(5,027)
Increase(decrease) in accrued directors' bonuses	(51)
Interest and dividend income	(251)
Interest expenses	66
Foreign exchange loss(gain)	(30)
Loss on sale or disposal of property, plant and equipment	17
Loss on sales and valuation of investment securities	11
Decrease(increase) in accounts receivable	17,075
Decrease(increase) in inventories	(3,859)
Increase(decrease) in notes and accounts payable	(3,132)
Decrease(increase) of other current assets	283
Increase(decrease) of other current liabilities	3,630
Sub Total	9,998
Receipt of interest and dividend income	254
Payment for interest expenses	(27)
Income taxes - paid	(5,400)
Net cash provided by operating activities	4,824
Investing activities	
Purchase of time deposits	(358)
Proceeds of time deposits	297
Purchase of marketable securities	(1,532)
Proceeds from sales of marketable securities	1,555
Purchase of property, plant and equipment	(1,838)
Purchase of intangible fixed assets	(51)
Purchase of investment securities	(8)
Purchase of investments in capital of subsidiaries	(95)
Other - net	10
Net cash used in investing activities	(2,019)
Financing activities	
Increase in short-term loans payable	390
Repayment of short-term loans payable	(357)
Repayment of long-term loans payable	(47)
Redemption of bond	(45)
Dividends paid	(2,147)
Repayment of lease obligations	(4)
Dividends paid for minority in consolidated subsidiaries	(47)
Purchase of treasury stock	(8)
Net cash used in financing activities	(2,268)
Net cash used in translation of cash & cash equivalents	(577)
Net increase(decrease) in cash & cash equivalents	(40)
Cash & cash equivalents, beginning of the year	49,256
Cash & cash equivalents, end of the quarter	49,215

Business Segment Information

First Quarter of Fiscal 2008 (Apr 1, 2008 to Jun. 30, 2008)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimination/ Corporate	Consoli- dation
Sales to outside customers	17,247	20,468	9,162	1,769	48,648	-	48,648
Inter-segment sales	63	142	36	45	288	(288)	-
Total	17,311	20,611	9,198	1,815	48,936	(288)	48,648
Operating income(loss)	(141)	149	(38)	(70)	(100)	21	(79)

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

(Supplementary information)

Because of the change of useful lives of machinery and equipment, operating expense increased by 3 million yen, 37 million yen, 10 million yen and 1 million yen for BA, AA, LA and Others, respectively. And operating income decreased by the same amount for AA and operating loss increased by the same amounts for BA, LA and Others, respectively.

Order

(Millions of yen)

Business segment	Orders	Backlog
	April 1, 2008 to Jun. 30, 2008	As of Jun. 30.2008
BA	39,270	58,524
AA	24,859	29,879
LA	10,078	2,088
Others	2,205	1,895
Total	76,413	92,388
Elimination	(366)	(231)
Consolidation	76,046	92,156

(Reference)

Consolidated Statements of Income

(Millions of yen)

	Apr. 1, 2007 to Jun. 30, 2007	
		%
Net sales	45,612	100.0
Cost of sales	29,342	64.3
Gross profit	16,270	35.7
Selling, general and administrative expenses	16,689	36.6
Operating income(loss)	(419)	(0.9)
Non-operating income	465	1.0
Non-operating expenses	164	0.4
Recurring income(loss)	(118)	(0.3)
Extraordinary profit	2,833	6.3
Extraordinary loss	48	0.1
Income before income taxes	2,666	5.9
Income taxes - current	242	0.6
Income taxes - deferred	1,047	2.3
Minority interests in net income	81	0.2
Net income	1,294	2.8

Business Segment Information

First Quarter of Fiscal 2007 (Apr 1, 2007 to Jun. 30, 2007)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimination/ Corporate	Consoli- dation
Sales	15,664	19,501	8,769	1,948	45,883	(271)	45,612
Operating cost and expenses	15,996	19,403	8,973	1,950	46,323	(291)	46,031
Operating income(loss)	(331)	98	(204)	(2)	(439)	20	(419)

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

Quarterly Operation Results

(Millions of yen)

	1Q/FY2007	2Q/FY2007	3Q/FY2007	4Q/FY2007
Sales	45,612			
Gross profit	16,270			
Operating income(loss)	(419)			
Recurring income(loss)	(118)			
Income before income taxes	2,666			
Net income	1,294			
Net income per share (yen)	17.60			
Total assets	220,703			
Net assets	118,181			
Net assets per share (yen)	1,590.77			