



For Immediate Release

November 7, 2008

Consolidated Financial Results for the Second Quarter Ended September 30, 2008

1. Performance for the Second Quarter Ended Sep. 30, 2008 (from Apr. 1, 2008 to Sep. 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 2nd quarter of the previous fiscal year.

(1) Consolidated operating results for six-month period

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

	Sales		Operating income		Ordinary income		Net income	
Six months ended Sep. 30, 2008	111,491	-	6,653	-	6,624	-	3,312	-
Six months ended Sep. 30, 2007	114,678	10.0%	7,199	34.4%	7,411	31.5%	3,307	0.3%

	Net income per share (Yen)
Six months ended Sep. 30, 2008	44.25
Six months ended Sep. 30, 2007	44.96

(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 Sep. 30, 2008	220,519	126,527	56.7%	1,670.96
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	-	31.00			62.00
Fiscal 2008 (Estimate)			-	31.00	

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

Percentage shows the increase/(decrease) from the previous fiscal year.

	Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2009	245,000	(1.4)	20,200	(1.4)	19,700	(3.5)	10,700	(0.1)	142.94



* 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 income, Ordinary 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 material effect for Gross profit, Operating income, Ordinary 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 income, Ordinary 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 95 million yen, Operating income, Ordinary income and income before income taxes decreased by 106 million yen, respectively. The effects of the change on segment information are described in the relevant sections.



(4) Number of shares issued(common stock)

1. Number of shares outstanding(including treasury stocks)

September 30, 2008	75,116,101 shares
March 31, 2008	73,576,256 shares
2. Treasury stocks at fiscal year end

September 30, 2008	262,100 shares
March 31, 2008	258,935 shares
3. Weighted average number of shares outstanding

September 30, 2008	74,854,172 shares
September 30, 2007	73,567,690 shares

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Notes to Consolidated Financial Results

**All figures in this note are rounded down.*

1. Operating results for the second quarter of FY2008

1) Summary of Consolidated Financial Results

For the second quarter consolidated cumulative period, overall sales of 111,491 million yen was recorded (a decrease of 2.8% on the same period previous year). As for profits, as a result of effort in improving profitability, operating income was 6,653 million yen (a decrease of 7.6 % on the same period previous year), while ordinary income was 6,624 million yen (a decrease of 10.6% on the same period previous year). Net income was 3,312 million yen (an increase of 0.1% on the same period previous year).

In this period Japan's economy experienced some respite in the sharp rise of energy and raw material costs. Nevertheless, they remain at a high level.

Business conditions experienced a further slowdown, reflecting a deterioration in corporate earnings and the growing sense that Japan's exports are flagging owing to the downturn in the US and European economies. As regards business overseas, the economies of China and other Asian countries performed well, but with the US and European economies showing signs of recession, and with the financial crisis stemming from the subprime mortgage problem now starting to impact the global economy, economic uncertainty has been gathering.

Amidst such economic conditions, the three core businesses of the azbil Group have been affected to varying degrees owing to the fact that their respective markets are impacted differently.

For the Building Automation (BA) business, a global credit contraction triggered by the subprime mortgage crisis has resulted in a downturn in real estate in Japan. Although influences of seasonality and changes of projects, the market for the Group business – the redevelopment and energy-saving refurbishment of large-scale commercial buildings – has relatively continued to be robust.

Turning to the Advanced Automation (AA) business, the downward pressure on capital investment seen in domestic manufacturing is now expanding to semiconductor manufacture, electronic components and various other industries. It has thus not been possible for the Group to avoid a negative impact on earnings. Nevertheless, there remains strong sentiment to invest in ensuring safe and stable operations, in adopting environmental and energy-saving measures, and in producing goods with high added value. A solutions-oriented approach to these issues – offering customers the necessary systems, applications and services – has been in demand and helped to buoy AA performance.

The Life Automation (LA) business has seen an improvement in the business environment. Some markets served by Kimmon Manufacturing, which is responsible for the bulk of LA sales, have now entered a recovery phase. Several new products were launched in the current consolidated accounting period. In the BA business, the ID Smart security system has been upgraded with expanded functions and made compliant with standards; this system is easy to use and enables advanced room access control. In the AA business, new features were added to PREXION, a manufacturing information control system that speeds up decision-making processes. Also, differential pressure and pressure transmitters that offer world-class performance went on sale. Another product launched this year was a sanitary oil-free pressure sensor that enhances safety in the food manufacturings.; it was developed jointly with Tem-Tech Lab., an azbil Group company. The performances for Yamatake's business segments are as follows.

2) Building Automation Business

Overall sales for the BA business for the second quarter consolidated cumulative period were 41,924 million yen (a decrease of 3.2% on the same period previous year). An operating income of 3,328 million yen was recorded (an increase of 4.8% on the same period previous year) due to effort in improving profitability.

The condition of Japan's domestic markets in this accounting period was challenging. Despite the fact that the markets for both new buildings and existing buildings were relatively healthy in the first quarter of this consolidated accounting period, the second quarter of this consolidated accounting period suffered a lull in job completions. As a result, there was a fall in earnings in the domestic markets for both new buildings and existing buildings. Moreover, in the market for existing buildings, the ESCO business saw a rush of projects in the last fiscal year owing to a change in the subsidy system. In addition to this front loading, a reduction in subsidies and worsening business condition served to curtail investment in some projects. The negative impact of these factors could not be offset by the continuing strong demand for upgrading existing buildings to save energy, spurred by the introduction of more stringent government regulations aimed at achieving targets for reductions in carbon dioxide emissions, as laid down in the Kyoto Protocol. On the other hand, the service business – which is responsible for supplying maintenance, principally under fixed-term contracts – steadily increased sales. This was due to growth in the number of contracts, and expanded service offerings for customers wanting to achieve greater energy savings in their operations. Elsewhere, the security business remained fundamentally strong, thanks to underlying demand for building safety and security, data protection and internal controls. In International business, Southeast Asia was firm, but Taiwan, Korea and other countries were affected by subdued investment.

3) Advanced Automation Business

Overall sales for the AA business for the second quarter consolidated cumulative period were 47,380 million yen (a decrease of 4.3% on the same period previous year). Despite improving profitability and effort in expense reduction, operating income was 3,409 million yen (a decrease of 17.3% on the same period previous year).

In the domestic market, capital investment in manufacturing was generally weak. Particularly, in the markets for semiconductors and electronic components, cars,

and machine tools, the downward pressure on capital investment is growing stronger. All of these factors have meant that a decline in sales became unavoidable. However, despite these conditions, there remains strong motivation to invest in existing factories and plants to ensure safe and stable operations, and to improve environmental performance by introducing energy-saving and other measures. Also, there is still robust investment in the manufacture of high-added-value goods, such as high-performance materials, so orders increased, particularly in the markets for oil, chemicals, iron and non-ferrous metals. In International business, China and Southeast Asia remained healthy, but capital investment was slowing in the US and Europe, and performance was also affected by the high value of the yen.

4) Life Automation Business

Overall sales for the LA business for the second quarter consolidated cumulative period were 18,654 million yen (an increase of 1.0% on the same period previous year). An operating loss of 84 million yen was recorded. The LA business is comprised of several fields with differing business environments. This has meant that business recovery has been patchy. That said the business environment for Kimmon Manufacturing – a company that plays a central role in the LA business and accounts for the bulk of sales – has been recovering. Sharp rises in the cost of energy resources and the impact of the economic downturn have served to take some of the steam out of the turnaround, but the demand for product replacement is growing steadily toward recovery. In addition, the Kimmon-Yamatake Jump-up Plan, designed to reinforce the business infrastructure and improve the profit structure of Kimmon Manufacturing, has been successful in improving earnings. On the other hand, the business environment facing the Life Assist field – with its nursing care and emergency dispatch services – continues to be challenging owing to such factors as budgetary cutbacks by local governments and revisions to the Nursing-Care Insurance Law. Despite this, it was possible to ensure a profit by increasing the number of contracts and expanding services.

5) Other Businesses

Overall sales for other businesses, including importing, buying-in and marketing of inspection and measurement equipment, for the second quarter consolidated cumulative period were 4,162 million yen (a decrease of 3.3% on the same period previous year). Operating loss was 2 million yen.

2. Consolidated financial position: Six months ended September 30, 2008

(Assets)

At the end of the second quarter of the current consolidated accounting period, assets declined by 8,324 million yen compared with the end of the previous consolidated accounting period. Total assets stood at 220,519 million yen. The main factors affecting assets are as follows.

Notes and accounts receivable-trade: a decrease of 17,449 million yen mainly connected to the calling-in of notes and accounts receivable-trade.

Marketable securities: an increase of 3,958 million yen mainly due to the purchase of short-term marketable securities.

Goodwill: an increase of 3,972 million yen as a result of the share exchange with Kimmon Manufacturing Co., Ltd.

(Liabilities)

Total liabilities at the end of the second quarter of the current consolidated accounting period fell by 13,129 million yen compared with the end of the previous consolidated accounting period. Total liabilities stood at 93,992 million yen. The main factors affecting liabilities are as follows.

Notes and accounts payable-trade: a decrease of 5,924 million yen as a result of defraying trade notes and accounts payable-trade.

Income tax payable: a decrease of 4,317 million yen as a result of paying income tax.

Provision bonuses: a decrease of 2,043 million yen as a result of bonus payments.

(Net assets)

Total net assets at the end of the second quarter of the current consolidated accounting period stood at 126,527 million yen, an increase of 4,805 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.

As a consequence, Yamatake's shareholders' equity to net assets grew from 52.6% at the end of the previous consolidated accounting period to 56.7%. Net assets per share grew from 1,641.73 yen to 1,670.96 yen.

(Cash flow)**(1) Cash flow from operating activities**

Net cash provided by operating activities in the second quarter of the current consolidated accounting period was 10,699 million yen. The main factors involved are as follows.

Increase: inflows from a decrease (of 17,451 million yen) in accounts receivable and records (of 6,291 million yen) in income before income taxes.

Decrease: outflows from a decrease (of 5,888 million yen) in accounts payable, payment for corporate taxes (of 5,372 million yen) and an increase (of 3,288 million yen) in inventory.

(2) Cash flow from investment activities

Net cash used in investment activities in the second quarter of the current consolidated accounting period was 10,171 million yen. The main factor behind this is as follows.

Decrease: outlay for the purchase of short-term marketable securities (of 7,736 million yen) and the purchase of property, plant and equipment (of 3,518 million yen).

(3) Cash flow from financing activities

Net cash used in financing activities in the second quarter of the current consolidated accounting period was 3,042 million yen. The main factor behind this is as follows.

Decrease: payment (of 2,197 million yen) in dividends and repayment (of 933 million yen) in long-term loans payable.

As a result of the above, cash and cash equivalents at the end of the second quarter of the current consolidated accounting period stood at 46,455 million yen, a decrease of 2,800 million yen compared with the end of the previous consolidated accounting period.

3. Outlook for FY2008 ending March 31, 2009

(Hundred millions of yen)

		FY2007 (Mar.2008)	FY2008 (Mar.2009)	Difference	%
Building Automation	Sales	1,005	1,009	3	0.4
	Operating income	117	125	7	6.4
Advanced Automation	Sales	1,054	1,004	(50)	(4.8)
	Operating income	89	76	(13)	(14.8)
Life Automation	Sales	364	371	6	1.8
	Operating income	(2)	1	3	-
Others	Sales	84	82	(2)	(2.5)
	Operating income	0	0	(0)	-
Consolidated	Sales	2,485	2,450	(35)	(1.4)
	Operating income	204	202	(2)	(1.4)
	Ordinary income	204	197	(7)	(3.5)
	Net income	107	107	(0)	(0.1)

The business environment during this accounting period is suffering from growing uncertainty regarding the economic outlook. The financial unrest that began with the subprime mortgage crisis is starting to impact the global economy, the economies of the US and Europe are losing momentum, the costs of raw materials remain high, and furthermore the yen has appreciated. In some Asian and domestic markets, there is robust demand in such areas as environmental consciousness, energy saving, and stable operations; however, a general deterioration in capital investment is predicted. The azbil Group's current three-year medium-term plan started in FY2007 ended March 31, 2008 is positioned as the period of "firmly establishing the foundation". In FY 2008 ending March 31, 2009 corresponding to the second year of the plan the Group is implementing a further strengthening of the business infrastructure and framework for its business segments, overseas as well as in Japan. While taking into account the expected downturn in the business environment, the Group will further develop the infrastructure of its business and framework,

strengthening the three core businesses. As a result the outlook for this accounting period is as follows: sales of 245,000 million yen (a decrease of 1.4% on the previous year), operating income of 20,200 million yen (a decrease of 1.4% on the previous year), and recurring income of 19,700 million yen (a decrease of 3.5% on the previous year) are forecast. Net income is expected to be 10,700 million yen (a decrease of 0.1% on the previous year).

In the BA business, sales are expected to maintain its high level, supported by the completion of projects for large-scale production facilities. In the market for existing buildings, while there is concern about deteriorating business condition holding back investment, strong energy-saving refurbishment demand is expected because of moves to strengthen government regulations related to reducing environmental load (CO2 emissions). With organizational resources dedicated to supplying a wide range of solutions to satisfy such demand, the BA business is ready to firmly grasp this opportunity, translating it into increased sales. In the service market, steady growth in sales is forecast; this is based on an increase in the number of contracts and firm demand from customers wanting to save energy in their operations. The International business will continue to make progress with bolstering local operations by reinforcing operating bases and promoting business collaboration. Taking into consideration the business environment and these measures, overall sales of 100,900 million yen are forecast. As regards profit, although stiff price competition is expected to continue, operating income of 12,500 million yen is forecast as a result of steadily implementing cost-cutting measures and reinforcing the business structure.

The AA business is expected to face what is overall a very challenging business environment. Capital investment is expected to continue to cool in the markets for semiconductors, electronic components, cars and machine tools. In addition, concerns about a global economic recession triggered by the financial crisis that started in the US are expected to add momentum to the downturn in capital investment in domestic manufacturing industries. Moreover, there is increasing uncertainty overseas – not only in the US and European markets, but also in China and other areas in Asia. Despite these conditions, robust investment is

expected among customers wanting to ensure safe and stable operations at existing factories and plants, as well as those needing production facilities – for high-performance materials, etc. – requiring advanced control. The Group will derive maximum benefit from these business opportunities by reinforcing the sales structure to offer customers solutions that combine products and services that are unique to Yamatake, and by enhancing capabilities for providing on-site solutions. Overseas, while further enhancing the sales structure, business will be grown by offering solutions to customer issues. Taking into consideration the business environment and these measures, overall sales of 100,400 million yen are forecast. As for profit, by reassessing the business structure and making an effort to reduce fixed costs, operating income of 7,600 million yen is expected to be achieved.

Turning to the LA business, progress will be made by improving the earning capabilities of Kimmon Manufacturing in particular, but in other business fields as well. There are also plans to expand into peripheral business domains.

Kimmon Manufacturing will benefit from increased demand for LP gas meters as well as for roots gas meters and regulators for factories. Now that Kimmon Manufacturing is a wholly owned subsidiary of Yamatake, its profit structure will be strengthened as a result of management being integrated with the parent company. Additionally, rapid progress will be made with expanding its business fields and developing the business infrastructure. This will result in increased sales and profits. In the field of emergency dispatch and nursing care services, following Health Insurance Law revisions and moves to reform Japan's health service, it is planned to expand these business fields as well. Taking these plans into consideration, sales of 37,100 million yen are forecast. And despite the increased costs associated with goodwill depreciation when Kimmon Manufacturing became a wholly owned subsidiary of Yamatake in April, LA business profitability will be restored, with operating income of 100 million yen forecast.

Consolidated quarterly balance sheets

	(Millions of yen)	
	Current Second Quarter As of Sep.30,2008	Prior Fiscal Year As of Mar.31,2008
Assets		
Current assets		
Cash and deposits	33,409	32,347
Notes and accounts receivable-trade	68,077	85,526
Short-term investment securities	17,348	13,390
Merchandise	1,687	1,626
Finished goods	3,164	2,941
Raw materials	6,116	6,326
Work in process	7,058	5,956
Costs on uncompleted construction contracts	8,692	6,579
Other	12,046	15,281
Allowance for doubtful accounts	(320)	(394)
Total current assets	157,280	169,582
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	14,763	15,341
Other, net	15,545	14,004
Total property, plant and equipment	30,308	29,345
Intangible assets		
Goodwill	6,995	3,023
Other	1,879	1,829
Total intangible assets	8,874	4,852
Investments and other assets		
Investment securities	15,642	16,597
Other	9,051	9,026
Allowance for doubtful accounts	(638)	(560)
Total investments and other assets	24,055	25,063
Total noncurrent assets	63,239	59,261
Total assets	220,519	228,843
Liabilities		
Current liabilities		
Notes and accounts payable-trade	36,205	42,130
Short-term loans payable	14,517	14,332
Income taxes payable	1,446	5,763
Provision for bonuses	6,906	8,950
Provision for directors' bonuses	58	80
Provision for product warranties	492	397
Provision for loss on order received	166	162
Other	15,561	15,245
Total current liabilities	75,355	87,063

	(Millions of yen)	
	Current Second Quarter As of Sep.30,2008	Prior Fiscal Year As of Mar.31,2008
Noncurrent liabilities		
Bonds payable	155	310
Long-term loans payable	3,298	4,217
Provision for retirement benefits	13,631	13,994
Provision for directors' retirement benefits	165	186
Other	1,387	1,351
Total noncurrent liabilities	<u>18,637</u>	<u>20,059</u>
Total liabilities	<u>93,992</u>	<u>107,122</u>
Net assets		
Shareholders' equity		
Capital stock	10,522	10,522
Deposit for subscriptions to shares		
Capital surplus	17,197	12,647
Retained earnings	94,800	93,688
Treasury stock	(677)	(667)
Total shareholders' equity	<u>121,844</u>	<u>116,190</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,296	3,857
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(63)	317
Total valuation and translation adjustments	<u>3,233</u>	<u>4,175</u>
Minority interests	<u>1,449</u>	<u>1,354</u>
Total net assets	<u>126,527</u>	<u>121,721</u>
Total liabilities and net assets	<u>220,519</u>	<u>228,843</u>

Consolidated quarterly statements of income
The six-month period ended September 30

(Millions of yen)
Six Months Ended September 30,
Apr.1,2008 to
Sep.30,2008

Net sales	111,491
Cost of sales	70,709
Gross profit	40,781
Selling, general and administrative expenses	34,127
Operating income	6,653
Non-operating income	
Interest income	117
Dividends income	209
Real estate rent	61
Other	162
Total non-operating income	550
Non-operating expenses	
Interest expenses	129
Foreign exchange losses	151
Commitment fee	25
Rent expenses on real estates	56
Office transfer expenses	145
Other	71
Total non-operating expenses	579
Ordinary income	6,624
Extraordinary income	
Gain on sales of noncurrent assets	3
Total extraordinary income	3
Extraordinary loss	
Loss on sales and retirement of noncurrent assets	113
Impairment loss	85
Provision of allowance for doubtful accounts	25
Special extra retirement payments	57
Loss on valuation of investment securities	54
Total extraordinary losses	336
Income before income taxes and minority interests	6,291
Income taxes-current	1,235
Income taxes-deferred	1,598
Total income taxes	2,834
Minority interests in income	145
Net income	3,312

Consolidated quarterly statements of income
The three-month period ended September 30

(Millions of yen)
Current Second Quarter
Jul.1,2008 to
Sep.30,2008

Net sales	62,842
Cost of sales	39,168
Gross profit	23,674
Selling, general and administrative expenses	16,941
Operating income	6,733
Non-operating income	
Interest income	58
Dividends income	16
Real estate rent	32
Other	64
Total non-operating income	171
Non-operating expenses	
Interest expenses	63
Foreign exchange losses	163
Commitment fee	13
Rent expenses on real estates	32
Office transfer expenses	141
Other	17
Total non-operating expenses	433
Ordinary income	6,471
Extraordinary income	
Gain on sales of noncurrent assets	2
Total extraordinary income	2
Extraordinary loss	
Loss on sales and retirement of noncurrent assets	94
Impairment loss	85
Provision of allowance for doubtful accounts	36
Loss on valuation of investment securities	42
Total extraordinary losses	259
Income before income taxes and minority interests	6,215
Income taxes-current	1,069
Income taxes-deferred	1,513
Total income taxes	2,582
Minority interests in income	75
Net income	3,556

Consolidated quarterly statements of cash flows

(Millions of yen)
Six Months Ended
September 30, 2008
Apr.1,2008 to
Sep.30,2008

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	6,291
Depreciation and amortization	2,142
Amortization of goodwill	625
Increase (decrease) in allowance for doubtful accounts	18
Increase (decrease) in provision for retirement benefits	(363)
Increase (decrease) in provision for bonuses	(2,043)
Increase (decrease) in provision for directors' bonuses	(21)
Interest and dividends income	(326)
Interest expenses	129
Foreign exchange losses (gains)	(20)
Loss (gain) on sales and retirement of property, plant and equipment	104
Loss (gain) on sales and valuation of investment securities	54
Impairment loss	85
Decrease (increase) in notes and accounts receivable-trade	17,451
Decrease (increase) in inventories	(3,288)
Increase (decrease) in notes and accounts payable-trade	(5,888)
Decrease (increase) in other assets	316
Increase (decrease) in other liabilities	607
Subtotal	15,874
Interest and dividends income received	326
Interest expenses paid	(129)
Income taxes paid	(5,372)
Net cash provided by (used in) operating activities	10,699
Net cash provided by (used in) investment activities	
Payments into time deposits	(1,047)
Proceeds from withdrawal of time deposits	1,002
Purchase of short-term investment securities	(7,736)
Proceeds from sales of short-term investment securities	1,455
Purchase of property, plant and equipment	(3,518)
Purchase of intangible assets	(250)
Purchase of investment securities	(18)
Proceeds from sales of investment securities	2
Purchase of investments in capital of subsidiaries	(95)
Other, net	34
Net cash provided by (used in) investment activities	(10,171)
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	1,081
Decrease in short-term loans payable	(860)
Repayment of long-term loans payable	(933)
Redemption of bonds	(55)
Cash dividends paid	(2,197)
Repayments of lease obligations	(14)
Cash dividends paid to minority shareholders	(54)
Purchase of treasury stock	(7)
Net cash provided by (used in) financing activities	(3,042)
Effect of exchange rate change on cash and cash equivalents	(285)
Net increase (decrease) in cash and cash equivalents	(2,800)
Cash and cash equivalents at beginning of period	49,256
Cash and cash equivalents at end of period	46,455

Business Segment Information

Current Second Quarter (From July 1, 2008 To September 30, 2008)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimination/ Corporate	Consoli- dation
Sales to outside customers	24,525	26,598	9,396	2,322	62,842	-	62,842
Inter-segment sales	87	170	59	24	341	(341)	-
Total	24,613	26,769	9,455	2,347	63,184	(341)	62,842
Operating income(loss)	3,470	3,259	(46)	68	6,752	(19)	6,733

Six Months Ended September 30, 2008 (From April 1, 2008 To September 30, 2008)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimination/ Corporate	Consoli- dation
Sales to outside customers	41,773	47,067	18,558	4,092	111,491	-	111,491
Inter-segment sales	151	312	95	70	630	(630)	-
Total	41,924	47,380	18,654	4,162	112,121	(630)	111,491
Operating income(loss)	3,328	3,409	(84)	(2)	6,651	2	6,653

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 8 million yen, 81 million yen, 13 million yen and 3 million yen for BA, AA, LA and Others, respectively. And operating income decreased by the same amount for AA, BA and Others, respectively operating loss increased by the same amounts for LA.

Order

Current Second Quarter

(From July 1, 2008 To September 30, 2008)

(Millions of yen)

Business segment	Orders	Backlog
	July 1, 2008 to Sep. 30, 2008	As of Sep. 30.2008
BA	24,191	58,103
AA	27,763	30,874
LA	9,313	1,946
Others	2,034	1,583
Total	63,303	92,507
Elimination	(604)	(494)
Consolidation	62,699	92,013

Six Months Ended September 30, 2008

(From April 1, 2008 To September 30, 2008)

(Millions of yen)

Business segment	Orders	Backlog
	April 1, 2008 to Sep. 30, 2008	As of Sep. 30.2008
BA	63,462	58,103
AA	52,622	30,874
LA	19,391	1,946
Others	4,239	1,583
Total	139,716	92,507
Elimination	(971)	(494)
Consolidation	138,745	92,013

(Reference)

Consolidated Statements of Operations

(Millions of yen)

	Apr. 1, 2007 to Sep. 30, 2007	
Net sales	114,678	100.0
Cost of sales	73,896	64.4
Gross profit	40,781	35.6
Selling, general and administrative expenses	33,581	29.3
Operating income	7,199	6.3
Non-operating income	541	0.5
Interest income	111	
Dividend income	222	
Exchange gain	21	
Others	185	
Non-operating expenses	329	0.3
Interest expense	136	
Commitment fee	24	
Others	168	
Recurring profit	7,411	6.5
Extraordinary profit	3,081	2.7
Gain on sales of investment securities	250	
Gain on sales of property, plant and equipment	2,831	
Extraordinary loss	3,057	2.7
Loss on sales or disposals of property, plant and equipment	185	
Loss on impairment of investment securities	3	
Factory relocation expenses	144	
Impairment loss	2,464	
Others	261	
Income before income taxes and minority interests	7,435	6.5
Income taxes - current	1,547	1.4
Income taxes - deferred	2,401	2.1
Minority interests in net income	179	0.1
Net income	3,307	2.9

Business Segment Information

Fiscal 2007 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	BA	AA	LA	Others	Total	Elimination/ Corporate	Consolidation
Sales							
1.Customers	42,814	49,226	18,410	4,227	114,678	-	114,678
2.Inter-segment	494	299	50	76	920	(920)	-
Total	43,309	49,525	18,460	4,303	115,599	(920)	114,678
Operating cost and expenses	40,132	45,403	18,680	4,208	108,423	(945)	107,478
Operating income	3,177	4,122	(219)	95	7,175	24	7,199

Quarterly Operation Results

(Millions of yen)

	1Q/FY2007	2Q/FY2007	3Q/FY2007	4Q/FY2007
Sales	45,612	69,065		
Gross profit	16,270	24,511		
Operating income(loss)	(419)	7,619		
Recurring income(loss)	(118)	7,529		
Income before income taxes	2,666	4,769		
Net income	1,294	2,012		
Net income per share (yen)	17.60	27.36		
Total assets	220,703	219,490		
Net assets	118,181	119,607		
Net assets per share (yen)	1,590.77	1,608.60		