Consolidated Financial Results
for the First Quarter Ended June 30, 2010

July 30, 2010

Company name	:	Yamatake Corporation
URL	:	http://jp.yamatake.com/
Stock exchange listing	:	Tokyo Stock Exchange 1st Section (CODE 6845)
Representative	:	Seiji Onoki, President and Chief Executive Officer
Contact	:	Teruyoshi Yamamoto, Executive Officer, General Manager of Fiscal Control Department
Telephone	:	+81-3-6810-1009
Planned quarterly report filing date	:	August 6, 2010
Planned dividend starting date	:	—
Preparation of supplementary references regarding quarterly results	:	Yes
Holding the briefing of quarterly results	:	No

Notes: 1. The Japanese financial accounting standards are applied for this statement of accounts.
2. Amounts indicated are rounded down.

1. Results for the First quarter ended June 30, 2010 (April 1, 2010 to June 30, 2010)
(1) Consolidated financial results (Cumulative)

(Percentage shows the increase/(decrease) from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2010	44,848	14.4	(129)	—	(169)	—	(569)	—
Three months ended June 30, 2009	39,211	(19.4)	(2,579)	—	(2,466)	—	(1,974)	—

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2010	(7.71)	—
Three months ended June 30, 2009	(26.73)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity to net assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2010	209,603	125,234	59.0	1,673.91
As of March 31, 2010	218,471	129,277	58.4	1,728.64

Note : Shareholders' equity As of June 30, 2010 123,627million yen
As of March 31, 2010 127,668million yen

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year 2009	—	31.00	—	31.00	62.00
Fiscal year 2010	—				
Fiscal year 2010 (Forecast)		31.50		31.50	63.00

Note : Revision of dividends forecast for during this period : No

3. Forecast of consolidated financial results for the fiscal year ending March 31,2011 (April 1, 2010 to March 31, 2011)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2010	100,000	7.0	3,500	135.3	3,400	139.7	1,800	―	24.37
Fiscal year 2010	225,000	6.0	16,000	29.2	15,700	24.1	9,500	52.2	128.63

Note : Revision of consolidated financial results forecast for during this period : No

4. Other

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries due to changes in the scope of consolidation) : No

(2) Adoption of simplified accounting methods and accounting methods specific to preparation of the quarterly consolidated financial statements : No

(3) Changes in accounting principles, procedures and disclosure methods etc., preparing for the quarterly consolidated financial statements (Those to be stated as changes in basis of presenting quarterly consolidated financial statements)

1. Changes associated with revision in accounting standards : Yes
2. Other Changes : No

(4) Number of shares issued (common stock)

1. Number of shares issued (including treasury stock)
   - As of June 30, 2010 75,116,101shares
   - As of March 31, 2010 75,116,101shares
2. Number of Treasury stock
   - As of June 30, 2010 1,260,929shares
   - As of March 31, 2010 1,260,779shares
3. Average number of shares (cumulative quarterly period)
   - Three months ended June 30, 2010 73,855,222shares
   - Three months ended June 30, 2009 73,856,077shares

* Description of the situation of the procedures for reviewing quarterly results

This quarterly financial results is not subject to the procedures for reviewing quarterly reports specified in the Financial Instruments and Exchange Act. As of the disclosure of this quarterly financial results, the procedures for reviewing quarterly consolidated financial statements are in progress.

* Regarding the appropriate use of forecast and other special matters

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.

Accompanying Materials

Contents

1. Qualitative information on quarterly consolidated financial results

(1) Qualitative information on consolidated financial results

In the first quarter of the current consolidated accounting period, despite the fact that there was some uncertainty as a result of such factors as the emerging financial problems in Europe, Japan's economy showed indications that a modest pickup is underway. Evidence of this could be found in the ongoing recovery in manufacturing and exports, and the fact that capital investment has bottomed out following the improvement in corporate earnings. Also, while economies overseas do face such risks as increasing concerns regarding European financial problems, the economic measures implemented in various countries have been having the desired effect. High growth rates were still observed in the Asian region, particularly China, and the US economy is improving although there was some uncertainty, so overall one can say there is continued momentum for a global recovery.

For the azbil Group, the business environment has also been improving steadily, benefiting from the economic recovery in Japan and overseas.

With the tightening of environment-related regulations, the Building Automation (BA) business has seen robust demand for the upgrading and maintenance of legacy azbil systems, so performance has not deteriorated. Similarly maintaining performance was the Life Automation (LA) business, which handles business fields directly connected with the general public – meeting demand for the periodic replacement of gas and water meters, as required by law, and supplying nursing care and support services – and is thus less susceptible to fluctuations in the economy. At the same time, the Advanced Automation (AA) business achieved a significant improvement in its performance, reflecting the signs of recovery seen in capital investment in the manufacturing industry, both in Japan and overseas.

As a result, sales for the first quarter of the current consolidated accounting period were 44,848 million yen, up 14.4% on the same period last year. Turning to profits, a significant improvement was achieved owing to the successful efforts made in the previous consolidated accounting year to enhance the business structure and also to the resulting increased sales. Nevertheless, because of the inherent seasonal fluctuations in the Group's businesses, there was an operating loss of 129 million yen (an operating loss of 2,579 million yen was recorded for the same period last year). Ordinary loss was 169 million yen (an ordinary loss of 2,466 million yen was recorded for the same period last year). Net loss was 569 million yen (a net loss of 1,974 million yen was recorded for the same period last year), owing to such factors as the influence of application of accounting standards for asset retirement obligations.

Because of the seasonal fluctuations mentioned above, sales for the azbil Group tend to be concentrated in the 2nd and 4th quarters of the accounting period, while fixed costs are generated constantly through the year. This means that in a typical year the profits for the 1st and 3rd quarters of the accounting period tend to be lower than for the other two quarters.

The results for the individual reportable segments are as follows. From the first quarter of this consolidated fiscal year, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008) have been applied.

For details, please see "(5) segment information" on 11 page of the accompanying materials.

Building Automation Business

In the domestic market, commercial office demand, mainly in large cities in Japan, continued to evidence steady progress. With the downturn in market conditions caused by rising vacancy rates, the pace of investment directed at energy saving slowed in the market for existing buildings. Additionally, reflecting the increasingly competitive mood in the market, there have been signs of deeper discounts being offered in some instances. However, despite these concerns, sales volume has been growing steadily in the markets for new buildings, for existing buildings, and for services. Moreover in the current consolidated accounting period, there was strong growth in sales of environmental control systems for research labs, which are one of the priorities in current market expansion measures. Turning overseas, sales rose amidst a recovery in the core Asia markets, and this was helped by measures taken to develop local markets.

As a result, BA business sales for the first quarter of the current consolidated accounting period were 18,659 million yen. A segment profit of 177 million yen was posted.

Advanced Automation Business

In Japan, demand for azbil's factory automation (FA) control products increased – mainly as a result of the sharp recovery in the market for semiconductor/FPD (flat-panel display) manufacturing equipment and machine tools – and this led to strong sales growth. In the materials-related market there is still no significant recovery evident, with the exception of a few specialized industries involved with new energy and high-functioning materials. In overseas markets, as a result of the growth seen in China and other emerging economies, there continues to be increasing demand for FA control products. Even among the materials-related industries, signs point to a thaw in projects that had been frozen or postponed.

Consequently, AA business sales for the first quarter of the current consolidated accounting period were 17,111 million yen. A segment loss of 227 million yen was posted.

Life Automation Business

The LA business supplies lifeline meters as well as products and services related to nursing care and health support – all of which are intimately connected with the daily lives of the general public. Kimmon Manufacturing – a company that plays a central role in the Lifeline field and accounts for the bulk of LA sales – has a business related to the demand generated by the periodic replacement of domestic gas and water meters, as required by law. Although the demand for city gas meters has remained robust, that for LP gas meters is now in the decline phase of its business cycle; as a result there was a slight decline in sales for Kimmon Manufacturing as a whole. The business conditions facing the Life Assist field – with its nursing care and emergency alert response services – continued to be challenging owing to such factors as cutbacks in welfare budgets by local governments. However, aided by the beneficial effect of the revision to nursing-care benefits as well as efforts to grow the business, sales were up.

As a result, LA business sales for the first quarter of the current consolidated accounting period were 8,241 million yen. There was a segment loss of 69 million yen.

Others

In others (the importing, buying-in and marketing of inspection and measurement equipment), sales for the first quarter of the current consolidated accounting period were 1,166 million yen, resulting in a segment loss of 7 million yen.

(2) Qualitative information on consolidated financial position

(Assets)

At the end of the first quarter of fiscal year 2010, assets fell by 8,868 million yen compared with the end of the previous fiscal year. Total assets stood at 209,603 million yen. The main factor is the decrease in notes and accounts receivable-trade of 13,729 million yen.

(Liabilities)

At the end of the first quarter of fiscal year 2010, liabilities fell by 4,825 million yen compared with the end of the previous fiscal year. Total liabilities stood at 84,368 million yen. The main factors are the decrease in income taxes payable of 3,296 million yen as a result of income taxes paid, as well as the decrease in the provision for bonuses of 4,700 million yen as a result of bonuses paid.

(Net assets)

At the end of the first quarter of fiscal year 2010, net assets decreased by 4,042 million yen. Net assets stood at 125,234 million yen. This principally reflects the fall in retained earnings due to dividends paid and the decrease in valuation difference on available-for-sale securities.

As a result, shareholders' equity to net assets was 59.0% compared with 58.4% at the end of previous fiscal year. Net assets per share declined to 1,673.91 yen compared with 1,728.64 yen at the end of previous fiscal year.

(Cash Flow)

1) Cash flow from operating activities

Net cash provided by operating activities in the first quarter of the current consolidated accounting period increased 7,141 million yen, resulting in an increase of 4,337 million yen compared with the same period last year. The main factors are the decrease in loss before income taxes and minority interests and the decrease in income taxes paid.

2) Cash flow from investing activities

Net cash provided by investing activities in the first quarter of the current consolidated accounting period increased 365 million yen, resulting in a decrease of 910 million yen compared with the same period last year. The main factor is the decrease in proceeds from sales of short-term investment securities despite proceeds from sales of investment securities.

3) Cash flow from financing activities

Net cash used in financing activities in the first quarter of the current consolidated accounting period increased 2,318 million yen, resulting in a decrease of 495 million yen compared with the same period last year. The main factor is the impact of a decrease in outlays resulting from the repayment of loans payable.

As a result, cash and cash equivalents at the end of the first quarter of the current consolidated accounting period stood at 60,534 million yen, an increase of 5,171 million yen compared with the end of the previous fiscal year.

(3) Qualitative information on forecast of consolidated financial results

Although conditions are not the same for all industries, overall the business environment for the azbil Group is on the path to recovery and performance in the first quarter of the current consolidated accounting period was within initial estimates. As a result, forecasts for the second quarter of the consolidated cumulative accounting period and also for the whole fiscal year are unchanged; they are as previously announced (May 7, 2010).

The azbil Group designated the 3 years from FY2007 to FY2009 as the “period of firmly establishing the foundation” for attaining the Group’s mission. It has therefore implemented business structural reforms and business operation reforms designed to reinforce the revenue base and expand the scope of its business. The Group is now engaged in a new Medium-Term Plan – the Period of Growth (FY2010~2013) – which aims to use the achievements of the “period of firmly establishing the foundation” as a springboard to make a leap ahead into future prosperity.

The azbil Group is developing businesses that make the most of its unique solution-providing capabilities. One of these businesses is a “solution business for the environment and energy conservation” that helps customers make reductions in CO2 emissions, making good use of the business opportunities offered by the tightening of environment-related regulations, including the revised Rationalization in Energy Use Law. Another is an “international solution business” designed to enable Group companies to benefit from capital investment demand in emerging economies that are growing rapidly; the key to this approach is focusing on demand for the upgrading and maintenance of legacy azbil systems. In these ways, the azbil Group is striving to expand its businesses and increase profits, and therefore the whole Group is firmly united in its determination to meet the forecasts for business performance.

2.Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No

(2) Adoption of simplified accounting methods and accounting methods: No

(3) Changes in accounting principles, procedures and disclosure methods etc.,

・Change in accounting standards

Application of the accounting standards regarding Asset Retirement Obligations.
Effective from the first quarter ended June 30, 2010, the company has applied “Accounting Standards for Asset Retirement Obligations” (ASBJ statement No. 18, March 31, 2008) and “Application Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008). Then, operating loss and ordinary loss increased 6 million yen, respectively, and quarterly loss before income taxes and minority interests increased 272 million yen. Change in amount of asset retirement obligations after applying this accounting standard is 149 million yen.

・Change in disclosure method

Items regarding quarterly consolidated statement of income
Pursuant to the “Cabinet Office regulations for amending part of the regulations regarding the terms, forms, and production methods of financial statements, etc.” (Cabinet Office Edict 5; March 24, 2009) based on “Accounting Standards for Consolidated Financial Statements” (Corporate Accounting Standards No. 22, December 26, 2008), the items of “quarterly net income before minority interests” are described in the consolidated statement of income for the first quarter of the consolidated cumulative period.

3. Quarterly consolidated financial statements

(1)Quarterly consolidated balance sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	49,802	45,067
Notes and accounts receivable-trade	60,921	74,651
Short-term investment securities	12,495	11,895
Merchandise and finished goods	3,708	3,263
Work in process	9,865	8,251
Raw materials	5,407	4,919
Other	12,680	12,510
Allowance for doubtful accounts	(229)	(313)
Total current assets	154,652	160,245
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	15,168	15,422
Other, net	11,746	12,026
Total property, plant and equipment	26,914	27,448
Intangible assets		
Goodwill	5,038	5,369
Other	1,666	1,764
Total intangible assets	6,705	7,134
Investments and other assets		
Investment securities	12,108	15,213
Other	9,725	8,955
Allowance for doubtful accounts	(502)	(526)
Total investments and other assets	21,330	23,642
Total noncurrent assets	54,950	58,226
Total assets	209,603	218,471
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,123	34,984
Short-term loans payable	14,396	14,391
Income taxes payable	345	3,641
Provision for bonuses	3,122	7,823
Provision for directors' bonuses	46	85
Provision for product warranties	514	586
Provision for loss on order received	405	316
Other	16,713	12,125
Total current liabilities	68,668	73,954

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
Noncurrent liabilities		
Bonds payable	35	60
Long-term loans payable	652	688
Provision for retirement benefits	12,781	12,921
Provision for directors' retirement benefits	204	194
Other	2,026	1,375
Total noncurrent liabilities	15,700	15,239
Total liabilities	84,368	89,193
Net assets		
Shareholders' equity		
Capital stock	10,522	10,522
Capital surplus	17,197	17,197
Retained earnings	97,506	100,362
Treasury stock	(2,642)	(2,641)
Total shareholders' equity	122,584	125,441
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,794	3,148
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	(751)	(923)
Total valuation and translation adjustments	1,042	2,227
Subscription rights to shares	1	1
Minority interests	1,606	1,607
Total net assets	125,234	129,277
Total liabilities and net assets	209,603	218,471

(2)Quarterly consolidated statements of income
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2009 April 1, 2009 to June 30, 2009	Three months ended June 30, 2010 April 1, 2010 to June 30, 2010
Net sales	39,211	44,848
Cost of sales	26,189	29,413
Gross profit	13,021	15,435
Selling, general and administrative expenses	15,600	15,564
Operating loss	(2,579)	(129)
Non-operating income		
Interest income	34	28
Dividends income	181	178
Real estate rent	21	13
Other	127	186
Total non-operating income	365	406
Non-operating expenses		
Interest expenses	59	43
Foreign exchange losses	15	272
Commitment fee	12	9
Rent expenses on real estates	29	20
Office transfer expenses	93	14
Other	42	86
Total non-operating expenses	253	446
Ordinary loss	(2,466)	(169)
Extraordinary income		
Gain on sales of noncurrent assets	0	33
Gain on sales of investment securities	—	169
Reversal of allowance for doubtful accounts	—	88
Total extraordinary income	0	291
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	20	11
Impairment loss	27	27
Environmental expenses	—	527
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	265
Loss on valuation of investment securities	3	15
Loss on sales of investment securities	—	11
Provision of allowance for doubtful accounts	122	—
Total extraordinary losses	173	858
Loss before income taxes and minority interests	(2,639)	(737)
Income taxes-current	129	227
Income taxes-deferred	(797)	(443)
Total income taxes	(667)	(215)
Loss before minority interests	—	(521)
Minority interests in income	2	48
Net loss	(1,974)	(569)

(3)Quarterly consolidated statements of cash flows
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2009 April 1, 2009 to June 30, 2009	Three months ended June 30, 2010 April 1, 2010 to June 30, 2010
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(2,639)	(737)
Depreciation and amortization	1,093	1,040
Amortization of goodwill	368	331
Increase (decrease) in allowance for doubtful accounts	141	(109)
Increase (decrease) in provision for retirement benefits	(13)	(141)
Increase (decrease) in provision for bonuses	(5,136)	(4,702)
Increase (decrease) in provision for directors' bonuses	(41)	(38)
Interest and dividends income	(216)	(206)
Interest expenses	59	43
Foreign exchange losses (gains)	6	199
Loss (gain) on sales and retirement of property, plant and equipment	19	(22)
Loss (gain) on sales and valuation of investment securities	3	(143)
Impairment loss	27	27
Environmental expenses	—	527
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	265
Decrease (increase) in notes and accounts receivable-trade	19,823	13,788
Decrease (increase) in inventories	(3,169)	(2,512)
Increase (decrease) in notes and accounts payable-trade	(7,084)	(1,909)
Decrease (increase) in other assets	149	561
Increase (decrease) in other liabilities	3,807	4,079
Subtotal	7,198	10,343
Interest and dividends income received	231	202
Interest expenses paid	(25)	(19)
Income taxes paid	(4,601)	(3,385)
Net cash provided by (used in) operating activities	2,803	7,141
Net cash provided by (used in) investing activities		
Payments into time deposits	(458)	(807)
Proceeds from withdrawal of time deposits	456	647
Purchase of short-term investment securities	(4,348)	—
Proceeds from sales of short-term investment securities	6,469	—
Purchase of trust beneficiary right	(2,473)	(3,519)
Proceeds from sales of trust beneficiary right	3,069	3,338
Purchase of property, plant and equipment	(714)	(489)
Proceeds from sales of property, plant and equipment	4	158
Purchase of intangible assets	(44)	(41)
Purchase of investment securities	(7)	(7)
Proceeds from sales of investment securities	—	1,087
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(682)	—
Other, net	5	(1)
Net cash provided by (used in) investing activities	1,276	365
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	60	278
Decrease in short-term loans payable	(166)	(238)
Proceeds from long-term loans payable	50	—
Repayment of long-term loans payable	(480)	(41)
Redemption of bonds	(45)	(25)
Cash dividends paid	(2,209)	(2,220)
Repayments of lease obligations	(15)	(18)
Cash dividends paid to minority shareholders	(7)	(52)
Purchase of treasury stock	(0)	(0)
Net cash provided by (used in) financing activities	(2,813)	(2,318)
Effect of exchange rate change on cash and cash equivalents	305	(16)
Net increase (decrease) in cash and cash equivalents	1,570	5,171
Cash and cash equivalents at beginning of period	44,321	55,363
Increase in cash and cash equivalents from newly consolidated subsidiary	58	—
Cash and cash equivalents at end of period	45,949	60,534

(4) Notes regarding assumptions of continuing operations: Non applicable

(5) Segment information

[Business segment information]

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009) (Millions of yen)

	Building Automation	Advanced Automation	Life Automation	Others	Total	Elimination/ Corporate	Consoli-dated
Sales							
(1)Customers	16,220	13,587	8,403	999	39,211	—	39,211
(2)Inter-segment	43	82	32	8	168	(168)	—
Total	16,263	13,670	8,436	1,008	39,379	(168)	39,211
Operating income(loss)	(901)	(1,690)	56	(51)	(2,586)	7	(2,579)

Note:

1. Classification method of business segments

The business segments have been classified, based on the classifications of the azbil Group used for internal control purposes and by taking into account the product lines and similarities of markets and other factors. The business segments are the Building Automation business, which primarily deals with building automation; the Advanced Automation business, which focuses on process automation, factory automation and the sales of control products; the Life Automation business, which utilizes automation technologies in areas closely related to everyday life and social infrastructure; and Others, which includes all other businesses.

2. Main products by business segment

Segment	Main products
Building Automation	Network Building Management System, wide area management system, HVAC system for each type of buildings, Critical Environment System, application package for energy management, security access control system, HVAC controller, plant controller, HVAC control device, wireless sensor, temperature/humidity sensor, energy saving and environment monitoring sensor, Instantaneous Microbial Detection™, HVAC control valve and actuator, building energy management system, maintenance service, consulting service.etc.
Advanced Automation	Distributed control systems, Market-specific solution packages, Energy management systems, Facility diagnosis equipment, Differential pressure transmitters, Electromagnetic flowmeters, Analyzers, Control valves, Controllers, Recorders, Indicators, Converters, Combustion control equipment, Earthquake sensors, Micro Flow™ sensors, Photoelectric sensors, Proximity sensors, Limit switches, Microswitches, Mechanical switches, Electronic air cleaners, Maintenance services, Consulting services.etc.
Life Automation	city gas meters, LP gas meters, water meters, emergency dispatch service, Nursing care service, Commercial-use food waste processing and recycling, Residential central air-conditioning system.etc.
Others	Precision Machine Tools, Dedicated Assembly Machines, Processing Machines, Measuring Instruments, Various Control Products.etc.

3. Changes in accounting principles and procedures

(Three months ended June 30, 2009)

As stated on (3) Changes in accounting principles, procedures and disclosure methods etc., preparing for the quarterly consolidated financial statements of 4. Other of qualitative Information and financial statements, the company have applied the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). And in terms of construction contracts commenced during the first quarter of the current consolidated fiscal year, the percentage of completion method to contracts in progress (percentage of completion shall be estimated based on the cost-to-cost method) is applied to contracts for which the outcome of the construction is deemed certain during the period to the end of the first quarter of the current consolidated fiscal year and the completed-contract method for all other construction contracts.

As a result of this change, net sales increased by 151 million yen, 4 million yen for BA and AA, respectively. And operating loss decreased by 39 million yen and 1 million yen for BA and AA

[Geographic segment information]

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Since domestic sales account for the more than 90% of the total sales of all segments, the notation of geographic segment information has been omitted.

[Overseas sales]

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Since overseas sales account for less than 10% of consolidated sales, the notation of overseas sales has been omitted.

[Segment information]

1. The summary of the reportable segment

The reportable segments of the azbil Group – identifiable operating segments of the Group's business structure for which financial information is made separately available – are subject to periodic review by the Board of Directors in order to make decisions on the distribution of management resources and to assess performance.

The azbil Group identifies its operating segments using such criteria as business organization, product lines, service content, and markets. This approach results in three separate reportable segments: the Building Automation business, the Advanced Automation business, and the Life Automation business.

The Building Automation business supplies commercial buildings and production facilities with automatic HVAC control and security systems, including products, engineering and related services. The Advanced Automation business supplies automation control systems, switches and sensors, engineering and maintenance services to industrial plants and factories. The Life Automation business supplies lifeline meters as well as products and services related to nursing care/health support and emergency alert response services – all of which are intimately connected with the daily lives of the general public.

2. Sales and profit (loss) information every segment

Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010) (Millions of yen)

	Reportable segment				Others (*)	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Net sales						
(1) Customers	18,617	16,997	8,085	43,700	1,148	44,848
(2) Inter-segment	42	114	156	312	18	330
Total	18,659	17,111	8,241	44,012	1,166	45,179
Segment profit (loss)	177	(227)	(69)	(119)	(7)	(126)

* "Others" includes the importing, buying-in and marketing of inspection and measurement equipment.

3. The main contents of the difference between reportable segment profit (loss) and operating income (loss).

(Millions of yen)

Loss	Amount
Total of reportable segment	(119)
Loss in Others	(7)
Elimination	(2)
Operating loss	(129)

(Additional Information)

Effective from the first quarter ended June 30, 2010, the company has applied "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

(6) Notes if there is a remarkable change in the amount of shareholders' equity

Non applicable

4. Supplementary information

Orders received condition

(Millions of yen)

Reportable segment	Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)	
	Order received	Backlog
Building Automation	37,372	55,405
Advanced Automation	21,687	21,865
Life Automation	8,944	2,381
Total of reportable segment	68,005	79,652
Others	1,289	833
Elimination	(270)	(193)
Consolidated	69,024	80,292

Note : The method of classification of reportable segments is as stated in the Note to (5) 【Segment information】1.The summary of the reportable segment of 3.quarterly consolidated financial statements.