

Consolidated Financial Results

for the Second Quarter of Fiscal Year 2008 ending March 31, 2009
(April 1, 2008 to September 30, 2008)



Creating value on site



Nov 7, 2008

Yamatake Corporation

Contents

1	FY2008 2nd Quarter Operating Results	p.4
2	Business Plan for FY2008	p.14
3	Establishing Foundation of the azbil Group	p.17
4	Return to Shareholders	p.20
5	Supplemental Information	p.23

Current plans, targets, etc. discussed in this document that are not based on historical fact are projections of future performance. They 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 these projections.

* Figures are rounded off.

Core Business Structure

Concentrating on human-centered automation, the azbil Group has three core businesses: **Building Automation (BA)**, which specializes in automation for buildings; **Advanced Automation (AA)**, which focuses on automation for plants and factories; and **Life Automation (LA)**, which applies automation technologies to life and living.

While all three businesses are closely connected with society and the individual, their markets have significantly different characteristics. Nevertheless, combining these businesses and promoting synergies will support the long-term growth of the azbil Group.



■ Building Automation Business (BA)

Yamatake develops and manufactures an extensive range of building automation products; from building automation systems and security systems through to application software, controllers, valves and sensors; thus realizing high functionality and quality. These products and services are provided through an integrated framework, ranging from instrumentation design to sales, engineering, maintenance, energy-saving solutions and facility operation and management. We also apply original environmental technologies to create business and production spaces where people can work efficiently and in comfort, while contributing to reducing the environmental impact.

■ Advanced Automation Business (AA)

Yamatake solves issues in a broad array of industries, ranging from oil refining, chemical, iron and steel, pulp and paper to automobiles, electrical/electronic, semiconductor, and foods and beverages, through the provision of products, solutions, instrumentation/engineering and maintenance service to support optimal operation of the customers' facilities throughout their lifecycle. We develop advanced measurement and control technologies to enable people involved in production to develop their own skills in safety, thus creating new value through collaboration with our customers.

■ Life Automation Business (LA)

Yamatake contributes to "people's active lives" through the use of measurement, control and metering technologies developed over many years in the building and industrial markets and also through our attentive, personal service. These are applied to gas, water and other lifelines, to the residential environment, and to nursing care and health support.



FY2008 2nd Quarter Operating Results

FY2008 2nd Quarter Operating Results

- Despite sudden changes to the business environment, the initial plan for sales and operating income has been mostly achieved.
 - Taking into consideration the fact that this period has coincided with a temporary lull in job completions for the BA business, and market conditions are expected to deteriorate for the AA business, it is projected that sales and profits will fall slightly below figures set forth in the initial plan.*
 - *The plan set sales at 113.5 billion yen (1% lower than the same period last year), and operating income at 6.6 billion yen (8% lower than the same period last year).
 - Compared to the initial plan, sales fell slightly short at 111.5 billion yen (down 2 billion yen or 1.8%), but operating income was 6.7 billion yen (up 0.1 billion yen or 0.8%), achieving the plan.
 - Compared to the same period last year, sales fell by 3.2 billion yen (2.8%), and operating income by 0.5 billion yen (7.6%).

	FY2007 (Mar.31.2008)		FY2008 (Mar.31.2009)				
	1Q-2Q Act. (A) (Nov.8.2007)	1Q-2Q Act. (B) (Nov.7.2008)	Difference		BOY Plan (C) (May.9.2008)	Difference	
			(B)-(A)	%		(B)-(C)	%
Consoli. Sales	114.7 bil.	111.5 bil.	(3.2) bil.	(2.8) %	113.5 bil.	(2.0) bil.	(1.8) %
Operating income	7.2 bil.	6.7 bil.	(0.5) bil.	(7.6) %	6.6 bil.	0.1 bil.	0.8 %
% to Net sales	6.3 %	6.0 %			5.8 %		
Ordinary income	7.4 bil.	6.6 bil.	(0.8) bil.	(10.6) %	6.5 bil.	0.1 bil.	1.9 %
Net income	3.3 bil.	3.3 bil.	0.0 bil.	0.1 %	3.6 bil.	(0.3) bil.	(8.0) %

Sales & Operating Income by Business Segment

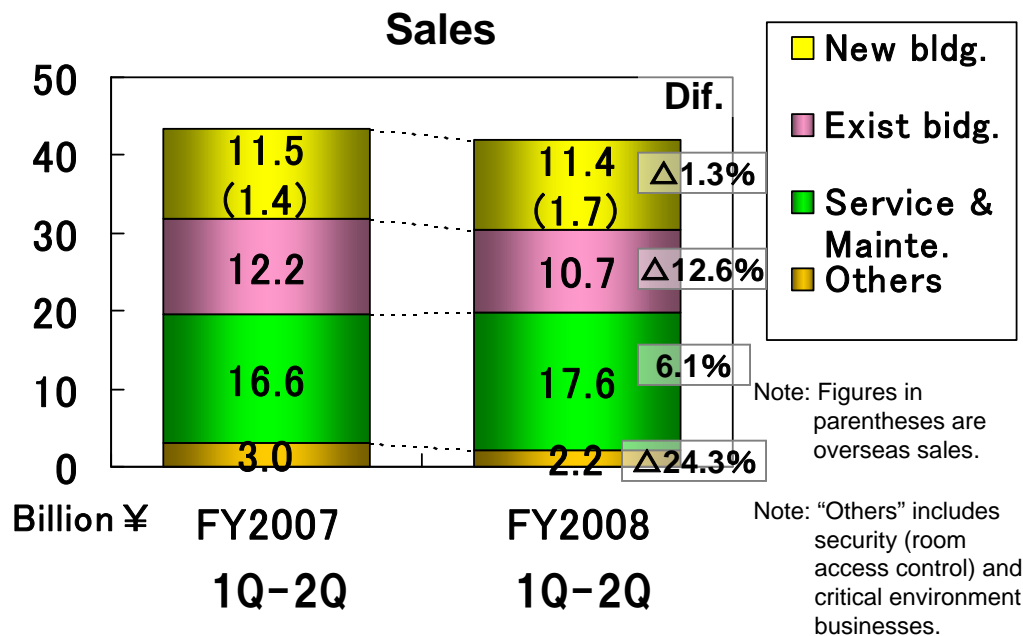
- A temporary lull in job completions contributed to the BA business recording a fall in sales of 1.4 billion yen (3.2%), but operating income rose by 0.2 billion yen (4.8%).
- Due to deteriorating market conditions and the appreciation of the yen, the AA business saw a fall in sales, compared to the same period last year, of 2.1 billion yen (4.3%), with operating income down by 0.7 billion yen (17.3%). However, as a result of further cost-cutting and improvements to profitability, operating income exceeded the plan by 0.2 billion yen (6.5%).
- In the LA business, progress was made with improving Kimmon Manufacturing's profitability and, after absorbing the increased costs associated with goodwill amortization of 0.6 billion yen, profitability of the LA business improved.

		FY2007	FY2008					
		(Mar.31.2008)	(Mar.31.2009)					
		1Q-2Q Act. (A)	1Q-2Q Act. (B)	Difference		BOY Plan (C)	Difference	
		(Nov.8.2007)	(Nov.7.2008)	(B)-(A)	%	(May.9.2008)	(B)-(C)	%
BA	Sales	43.3 bil.	41.9 bil.	(1.4) bil.	(3.2) %	42.5 bil.	(0.6) bil.	(1.4) %
	Operating income	3.2 bil.	3.3 bil.	0.2 bil.	4.8 %	3.4 bil.	(0.1) bil.	(2.1) %
	% to Net sales	7.3 %	7.9 %			8.0 %		
AA	Sales	49.5 bil.	47.4 bil.	(2.1) bil.	(4.3) %	49.0 bil.	(1.6) bil.	(3.3) %
	Operating income	4.1 bil.	3.4 bil.	(0.7) bil.	(17.3) %	3.2 bil.	0.2 bil.	6.5 %
	% to Net sales	8.3 %	7.2 %			6.5 %		
LA	Sales	18.5 bil.	18.7 bil.	0.2 bil.	1.0 %	18.8 bil.	(0.1) bil.	(0.8) %
	Operating income	(0.2) bil.	(0.1) bil.	0.1 bil.	—	(0.1) bil.	(0.0) bil.	—
	% to Net sales	(1.2) %	(0.5) %			(0.3) %		
Others	Sales	4.3 bil.	4.2 bil.	(0.1) bil.	(3.3) %	4.2 bil.	(0.0) bil.	(0.9) %
	Operating income	0.1 bil.	(0.0) bil.	(0.1) bil.	—	0.0 bil.	(0.0) bil.	—
	% to Net sales	2.2 %	(0.0) %			0.7 %		

Building Automation Business

	FY2007 (Mar.31.2008)	FY2008 (Mar.31.2009)		
	1Q-2Q Act.(A) (Nov.8.2007)	1Q-2Q Act.(B) (Nov.7.2008)	Difference	
			(B)-(A)	%
Sales	43.3 bil.	41.9 bil.	(1.4) bil.	(3.2) %
Operating income	3.2 bil.	3.3 bil.	0.2 bil.	4.8 %
<i>% to Net sales</i>	7.3 %	7.9 %		
Orders	61.1 bil.	63.5 bil.	2.3 bil.	3.8 %
Order backlog	52.7 bil.	58.1 bil.	5.4 bil.	10.2 %

This period corresponded with a lull in the completion of large-scale projects in the markets for new and existing buildings, so that sales were below the level of the same period last year. However, as a result of measures taken to strengthen the business structure, operating income was 3.3 billion yen, almost reaching the level set by the initial plan, and up 4.8% on the same period last year.



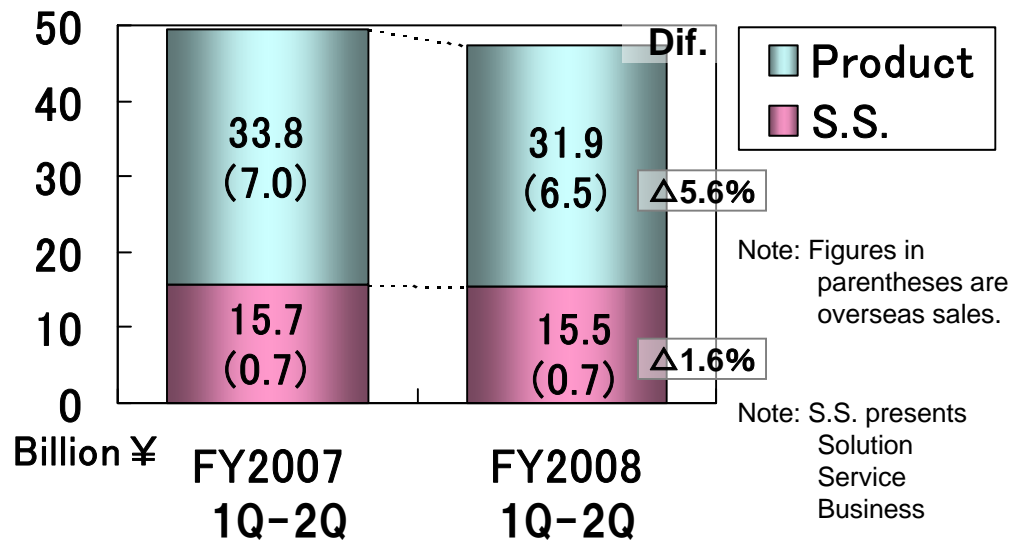
- ◆ New building business (domestic & overseas) remained at the same level.
- ◆ Although there was robust demand for reducing environmental load (CO₂ emissions), reflecting more stringent government regulations, because there was a change in the subsidy system many large-scale ESCO project completions had been brought forward to the same period last year, and this led to a fall in earnings for existing buildings during this period. The service business increased sales steadily.
- ◆ The security (room access control) business included in the Others segment similarly saw a fall in sales because of large-scale projects in the same period last year; however, the business environment remains healthy because of safety and data protection needs.

Advanced Automation Business

	FY2007 (Mar.31.2008)	FY2008 (Mar.31.2009)		
	1Q-2Q Act.(A) (Nov.8.2007)	1Q-2Q Act.(B) (Nov.7.2008)	Difference	
			(B)-(A)	%
Sales	49.5 bil.	47.4 bil.	(2.1) bil.	(4.3) %
Operating income	4.1 bil.	3.4 bil.	(0.7) bil.	(17.3) %
<i>% to Net sales</i>	8.3 %	7.2 %		
Orders	52.8 bil.	52.6 bil.	(0.2) bil.	(0.4) %
Order backlog	31.5 bil.	30.9 bil.	(0.6) bil.	(1.9) %

Capital investment in Japan's manufacturing industries was generally weak, and both sales and profits were lower than for the same period last year. However, measures to improve profitability were successful in compensating for the drop in sales and the effect of the higher yen, so that an operating income of 3.4 billion yen was recorded, 6.5% (0.2 billion yen) higher than the initial plan.

Sales



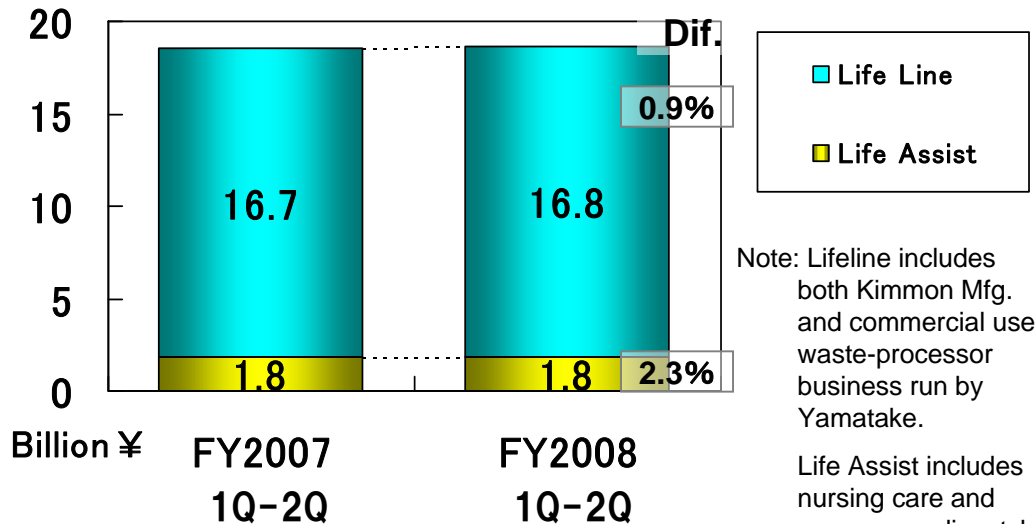
- ◆ In Japan, there has been increasing downward pressure on capital investment, principally in the markets for semiconductors and electronic components, cars, and machine tools. High oil prices and the economic downturn have begun to affect the materials industry.
- ◆ Overseas, China and Southeast Asia markets have remained healthy, but in the US and Europe capital investment is slowing and the strong yen is having an impact.

Life Automation Business

	FY2007 (Mar.31.2008)	FY2008 (Mar.31.2009)		
	1Q-2Q Act.(A) (Nov.8.2007)	1Q-2Q Act.(B) (Nov.7.2008)	Difference	
			(B)-(A)	%
Sales	18.5 bil.	18.7 bil.	0.2 bil.	1.0 %
Operating income % to Net sales	(0.2) bil. (1.2) %	(0.1) bil. (0.5) %	0.1 bil.	—
Orders	19.0 bil.	19.4 bil.	0.4 bil.	2.0 %
Order backlog	1.6 bil.	1.9 bil.	0.3 bil.	19.0 %

In the LA business progress has been made with improvements to the profit structure, particularly that of Kimmon Manufacturing – a company that plays a central role in the Lifeline field. As a result, after absorbing the increased costs associated with goodwill amortization when Kimmon became a wholly owned subsidiary of Yamatake, profitability has recovered to the point of breaking even.

Sales

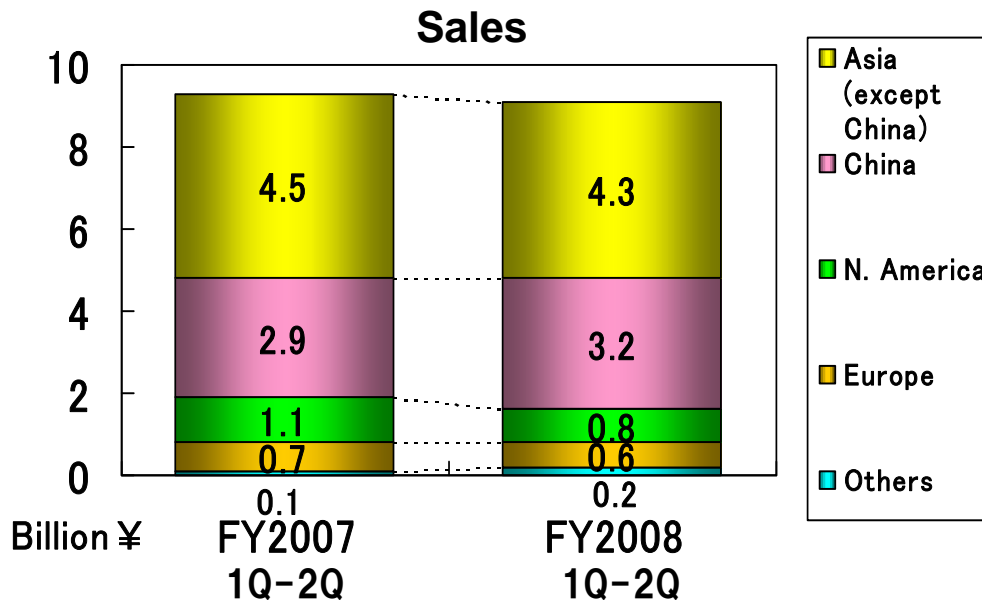


- ◆ Kimmon Manufacturing has benefited from an improvement in market conditions, with increased demand for LP gas meters and regulators for factories. In addition, steady progress has been made with reinforcing the business infrastructure and profit structure since it became a wholly owned subsidiary.
- ◆ As regards the other businesses that are part of the LA segment, profits have improved. This results from an ongoing program of scaling down or shutting down unprofitable businesses.

Overseas Sales

- Impacted by the higher exchange value of the yen and the sub-prime mortgage crisis, overall sales were marginally lower than for the same period last year.

	FY2007 (Mar.31.2008)	FY2008 (Mar.31.2009)		
	1Q-2Q Act.(A) (Nov.8.2007)	1Q-2Q Act.(B) (Nov.7.2008)	Difference	
			(B)-(A)	%
Sales	9.4 bil.	9.1 bil.	(0.3) bil.	(3.3) %



- ◆ Sales figures for overseas affiliates in the Asian region (excepting Korea) were firm; however, owing to the higher value of the yen, sales in Asia decreased.
- ◆ Appreciation of the Japanese yen did impact China, but there was still steady growth.
- ◆ Sales fell in North America and Europe. In addition, marked changes in currency exchange rates resulted in reduced sales.

Note: International business (overseas sales) figures are included within the sales of BA, AA and LA businesses.

Note: Above international business (overseas sales) figures include only the sales of overseas affiliates and direct exports; indirect exports are excluded.

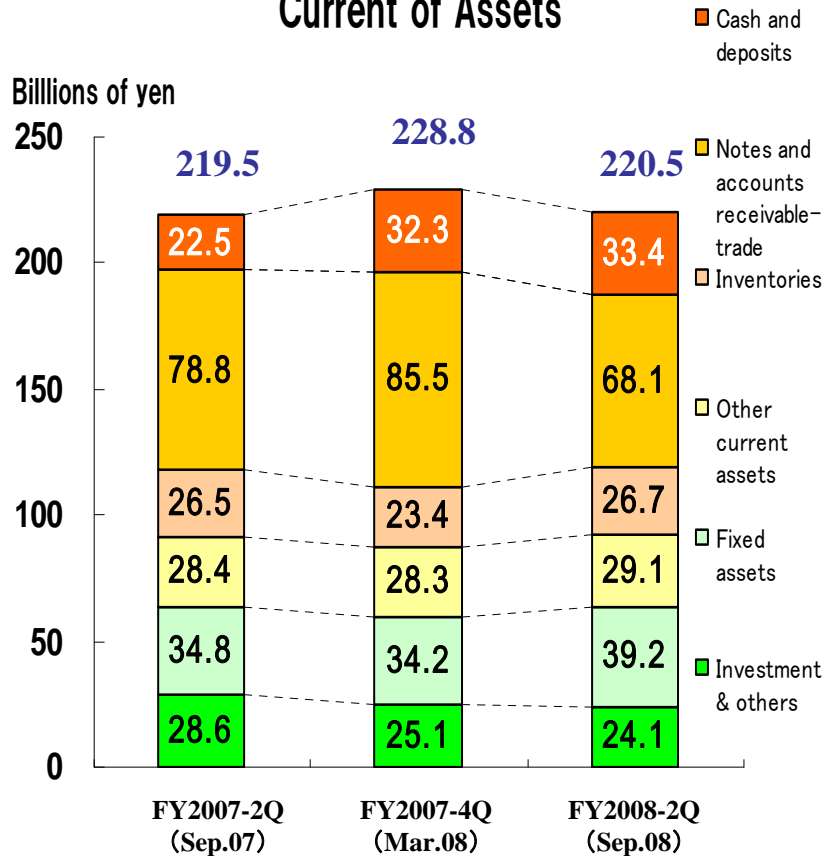
Consolidated Balance sheets

- Total assets were 220.5 billion yen (down 8.3 billion yen or 4%) mainly due to a decrease of trade notes and accounts payable-trade.
- Capital surplus increased by 4.6 billion yen due to the issue of new shares following the share exchange with Kimmon Manufacturing Co.,Ltd.

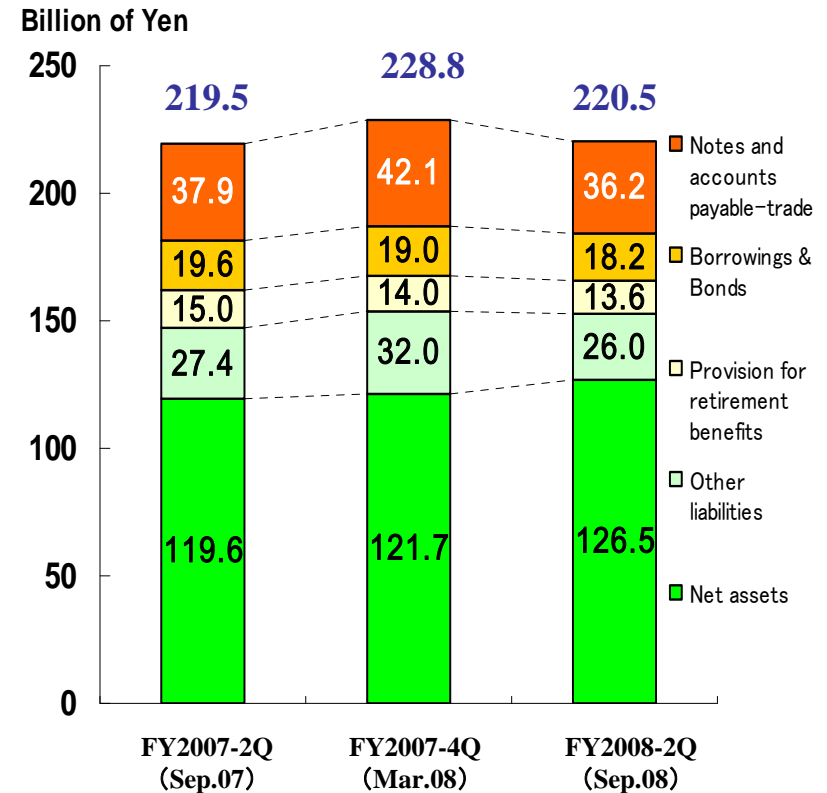
(Billions of yen)									
	FY2007-2Q (Sep.07)	A FY2007-4Q (Mar.08)	B FY2008-2Q (Sep.08)	B-A Dif.		FY2007-2Q (Sep.07)	A FY2007-4Q (Mar.08)	B FY2008-2Q (Sep.08)	B-A Dif.
Current assets	156.1	169.6	157.3	(12.3)	Current liabilities	76.8	87.1	75.4	(11.7)
Cash and deposits	22.5	32.3	33.4	1.1	Notes and accounts payable-trade	37.9	42.1	36.2	(5.9)
Notes and accounts receivable-trade	78.8	85.5	68.1	(17.4)	S.T. loans & Bonds payable	14.0	14.4	14.7	0.3
Inventories	26.5	23.4	26.7	3.3	Others	24.9	30.5	24.4	(6.1)
Others	28.4	28.3	29.1	0.8					
Fixed assets	63.4	59.3	63.2	4.0	Noncurrent liabilities	23.0	20.1	18.6	(1.4)
Net P.P.E	29.6	29.3	30.3	1.0	L.T. loans & Bonds payable	5.6	4.5	3.5	(1.1)
Intangible fixed assets	5.2	4.9	8.9	4.0	Provision for retirement benefits	15.0	14.0	13.6	(0.4)
Investment and others	28.6	25.1	24.1	(1.0)	Others	2.5	1.5	1.6	0.0
					Total liabilities	99.9	107.1	94.0	(13.1)
					Shareholders' equity	111.7	116.2	121.8	5.7
					-Capital stock	10.5	10.5	10.5	(0.0)
					-Capital surplus	12.6	12.6	17.2	4.6
					-Retained earnings	88.5	93.7	94.8	1.1
					-Treasury stock	(0.0)	(0.7)	(0.7)	(0.0)
					Valuation and translation adjustments	6.7	4.2	3.2	(0.9)
					-Valuation difference on available-for-sale securities	6.1	3.9	3.3	(0.6)
					-Deferred gains or losses on hedges	(0.0)	0.0	0.0	(0.0)
					-Foreign currency translation adjustment	0.5	0.3	(0.1)	(0.4)
					Minority interests	1.3	1.4	1.4	0.1
					Total net assets	119.6	121.7	126.5	4.8
Total Assets	219.5	228.8	220.5	(8.3)	Total liabilities and Total net assets	219.5	228.8	220.5	(8.3)

Trend of Balance sheets

Current of Assets

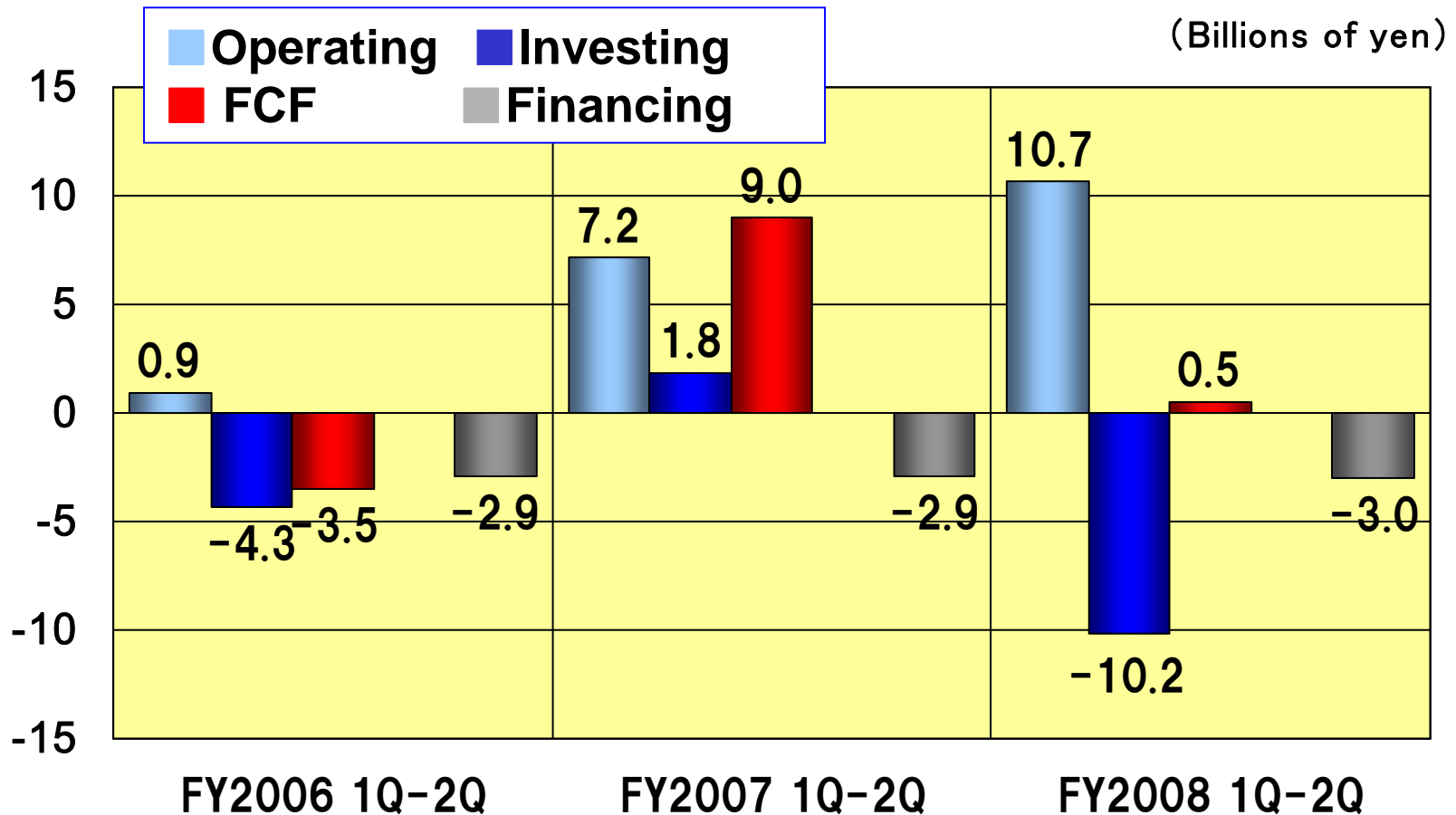


Current of liabilities & Net assets



Consolidated Cash Flow

- Cash flow from operating activities increased significantly as a result of a decrease in accounts receivable-trade.
- Cash flow from investment activities shows a minus figure due to the purchase of property, plant and equipment and short-term marketable securities.



2 Business Plan for FY2008

FY2008 Consolidated Operating Plan

● Ensuring operating income of at least 20 billion yen with further strengthening of the business infrastructure.

It is expected that the business environment will grow even more challenging as a result of reduced domestic capital investment, the deterioration in national economies brought about by the global financial crisis, and the appreciation of the yen. Nevertheless, steady progress will be made with the azbil Group's current three-year medium-term plan designated as the period of "firmly establishing the foundation". Consequently, operating income will be at least 20 billion yen.

	FY2007	FY2008					
	(Mar.31.2008)	(Mar.31.2009)					
	Actual (A)	Forecast (B)	Difference		BOY Plan (C)	Difference	
	(May.9.2008)	(Nov.7.2008)	(B)-(A)	%	(May.9.2008)	(B)-(C)	%
Consoli. Sales	248.6 bil.	245.0 bil.	(3.6) bil.	(1.4) %	253.0 bil.	(8.0) bil.	(3.2) %
Operating income	20.5 bil.	20.2 bil.	(0.3) bil.	(1.4) %	21.1 bil.	(0.9) bil.	(4.3) %
% to Net sales	8.2 %	8.2 %			8.3 %		
Ordinary income	20.4 bil.	19.7 bil.	(0.7) bil.	(3.4) %	20.8 bil.	(1.1) bil.	(5.3) %
Net income	10.7 bil.	10.7 bil.	(0.0) bil.	(0.1) %	12.2 bil.	(1.5) bil.	(12.3) %

FY2008 Operating Plan by Segment

- BA business results will fall slightly short of the initial plan owing to the effect of the economic downturn on the market for existing buildings. However, it is planned for sales to exceed 100 billion yen and profits to increase by 6.4% over the previous year.
- The AA business is expected to face an increasingly difficult business environment owing to such factors as the slowing of domestic capital investment and the strong yen. However, sales will remain above 100 billion yen. This will be achieved by an initiative designed to substantially enhance the business framework, as well as such business reforms as strengthening the capability to offer solutions to customers needing to invest in safe and stable operations, in environmental measures, and in advanced control.
- In the LA business, an improvement in profits of Kimmon Manufacturing is expected as a result of a recovery in the market and thoroughgoing efforts to reinforce the business infrastructure and profit structure of Kimmon Manufacturing, now a wholly owned subsidiary of Yamatake. Other parts of this segment will also benefit from infrastructure reinforcement and, overall, the LA business is expected to improve profitability.

		FY2007 (Mar.31.2008)		FY2008 (Mar.31.2009)				
		Actual (A) (May.9.2008)	Forecast (B) (Nov.7.2008)	Difference		BOY Plan (C) (May.9.2008)	Difference	
				(B)-(A)	%		(B)-(C)	%
BA	Sales	100.5 bil.	100.9 bil.	0.4 bil.	0.4 %	103.0 bil.	(2.1) bil.	(2.0) %
	Operating income	11.8 bil.	12.5 bil.	0.7 bil.	6.4 %	12.7 bil.	(0.2) bil.	(1.6) %
	% to Net sales	11.7 %	12.4 %			12.3 %		
AA	Sales	105.4 bil.	100.4 bil.	(5.0) bil.	(4.8) %	106.0 bil.	(5.6) bil.	(5.3) %
	Operating income	8.9 bil.	7.6 bil.	(1.3) bil.	(14.8) %	8.2 bil.	(0.6) bil.	(7.3) %
	% to Net sales	8.5 %	7.6 %			7.7 %		
LA	Sales	36.5 bil.	37.1 bil.	0.6 bil.	1.7 %	37.7 bil.	(0.6) bil.	(1.6) %
	Operating income	(0.3) bil.	0.1 bil.	0.4 bil.	—	0.1 bil.	0.1 bil.	100.0 %
	% to Net sales	(0.8) %	0.3 %			0.1 %		
Others	Sales	8.4 bil.	8.2 bil.	(0.2) bil.	(2.5) %	8.5 bil.	(0.3) bil.	(3.5) %
	Operating income	0.1 bil.	0.0 bil.	(0.1) bil.	—	0.1 bil.	(0.1) bil.	—
	% to Net sales	1.0 %	0.0 %			1.1 %		

*In FY2008, the cost associated with amortization of goodwill was about 1.3 billion yen when Kimmon Mfg became a wholly owned subsidiary of Yamatake.



Establishing Foundation of the azbil Group

To "firmly establishing the foundation"
Improve efficiency and generating synergy through centralization and distribution

■ Groupwide relocation & integration of sales offices

Following the 2005 integration of head office functions and the consolidation of sales functions in the Tokyo area, the azbil Group sales offices throughout Japan will be integrated within each region.

- ▶ Improving operational efficiency and synergy promotion through resource concentration within the azbil Group
- ▶ Improving cost efficiency through consolidation of offices

Phased relocation and integration of azbil Group sales offices.

Phase 1: Consolidation of Group head office functions and Tokyo area sales offices



Otsuka Asami Bldg.
(Toshima-ku)

Yamatake & Co.,Ltd.

Kimmon Mfg. Co.,Ltd.

Royal Controls Co., Ltd
Head Quarter

Yamatake Corporation

Jyohoku sales office, Jyosai sales office, Tokyo engineering center

■ Relocation of production functions including Kimmon Manufacturing (Kimmon-Yamatake Jump-up Plan)

Following the 2006 relocation of Yamatake's production functions, Phase 2 of production restructuring included Kimmon Manufacturing.

- **Production of electromagnetic flowmeters at Kyoto factory**
All production of electromagnetic flowmeters at Yamatake's Shonan factory was transferred to Kimmon Manufacturing's Kyoto factory.
- **Restructuring of Kimmon Manufacturing's production sites**
 - 3 water meter factories (Aomori, Sendai, Kyoto) have been consolidated into 1 (Aomori).
 - 2 LP meter factories (Iwase, Shirakawa) have been consolidated into 1 (Shirakawa).



Kyoto factory boasts the one of the largest flowmeter calibration facilities in Asia.

To “firmly establishing the foundation”

Expand international business by reinforcing and enhancing the business structure

■ Integrate subsidiaries in N. America and China (January, 2009)

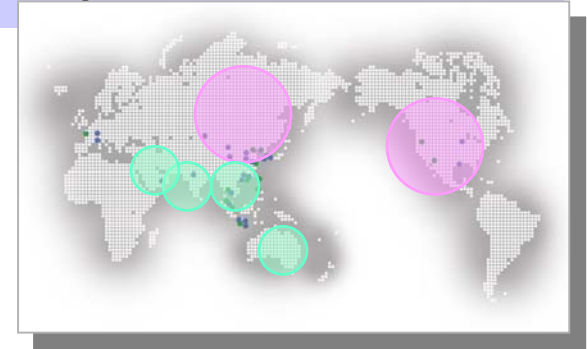
Enhance operational efficiency through sharing resources while strengthening sales activities and customer satisfaction.

- **Azbil North America, Inc.**

- Merge 2 subsidiaries in N. America.

- **Azbil Control Solution (Shanghai) Co., Ltd.**

- Integrate sales operations of wholly owned 3 subsidiaries in China.



■ Expand into new business areas

- Yamatake Vietnam Co., Ltd (Hanoi, June, 2008).
- Yamatake India Representative Office (New Delhi, June, 2008).
- Yamatake Middle East Branch (Dubai, September, 2008).
- Distribution agreement with Environmental Automation (Australia, September, 2008).

■ Add “azbil” to overseas subsidiary names and establish the azbil brand in the global market

Add “azbil” to all overseas subsidiary names step by step.



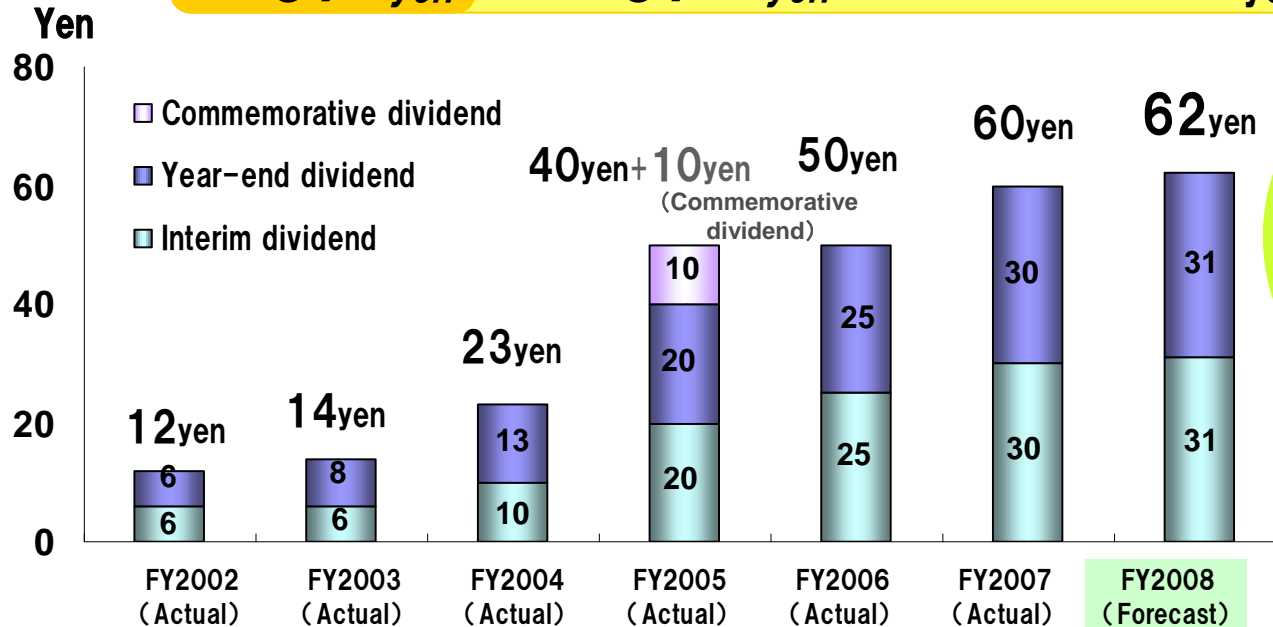
Return to Shareholder

FY2008 Interim and Year-end Dividend Forecast

- As currently planned, in FY2008 interim and year-end dividends are 31 yen per share. Annual dividend per share will be 62 yen.

FY2008

(Interim) **31 yen** + (Year-end) **31 yen** = (Annual) **62 yen**



Normal dividend to be increased for 6th consecutive year

Annual dividend	12 yen	14 yen	23 yen	50 yen	50 yen	60 yen	62 yen
Dividend on equity ratio	0.9 %	1.1 %	1.7 %	3.5 %	3.2 %	3.7 %	3.7 %
Pay out ratio	16.6 %	31.8 %	45.6 %	37.6 %	34.6 %	41.2 %	43.4 %

- **Enhance the return profits to shareholders and facilitate flexible capital strategy in response to change in corporate environment**

November 7, 2008 The Board of Directors' decision to repurchase the Company's own shares

1. Type of shares to be repurchased: Common stock of Yamatake
2. Number of shares to be repurchased: Up to 1 million
(Ratio to number of shares outstanding (excluding treasury stock): 1.3%)
3. Total cost of shares to be repurchased: Up to 2 billion yen.
4. Method of repurchase: Purchase in the market through a trust bank
5. Repurchase period: From November 10, 2008 to December 9, 2008



Supplemental Information

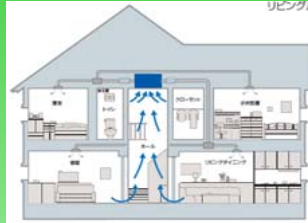
Products launched in April through September 2008 Reinforcing Product Power with Original Technologies and New Products



Leaping Ahead from Yamatake's 100 Years
Human-centered Automation

Products targeting new business domains

- Reasonable central air purification system for residential offering high cleaning effectiveness



- Bacteria sensor optimized for control airborne micro organisms in bio-clean rooms

- Lighting ballast for use in existing high-rise office buildings



"Synergy products" developed with Kimmon Mfg.

Products supporting key industries

- 2-point detection explosion-proof limit switch for installation in severe environments



- Digital Massflow Controller can process minute flows with rapid, accurate control, which contributes to improved quality.



- New differential pressure and pressure transmitters that offer world-class performance.



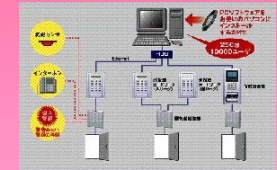
- Sanitary oil-free pressure sensor that enhances safety in the food industry



"Synergy products" developed with Tem-Tech Lab.

Systems for creating safe & secure office/production environment

- "IDSMART" security system that offers easy and advanced room access control.



- Security system that complies with industry standards (SSFC).



- PREXION manufacturing information control system that speeds up decision-making processes.



- Cool Biz assessment system that reveals actual energy savings resulting from Cool Biz measures.

Capital Investments, Depreciation and R&D cost

	FY2007 (Mar.31.2008)		FY2008 (Mar.31.2009)		Dif.(B)-(A)	%
	<u>Act.(A)</u>	<u>1Q-2Q Act.</u>	<u>3Q-4Q est.</u>	<u>Forecast(B)</u>		
● Capital investments						
Yamatake	3.7 bil.	2.9 bil.	3.1 bil.	6.0 bil.	2.3 bil.	62.4 %
Consoli. Sub.	0.8 bil.	0.5 bil.	0.7 bil.	1.2 bil.	0.4 bil.	51.1 %
Total	4.5 bil.	3.4 bil.	3.8 bil.	7.2 bil.	2.7 bil.	60.4 %
● Depreciation						
Yamatake	2.8 bil.	1.5 bil.	1.6 bil.	3.1 bil.	0.3 bil.	10.8 %
Consoli. Sub.	1.6 bil.	0.7 bil.	0.8 bil.	1.5 bil.	(0.1) bil.	(6.1) %
Total	4.4 bil.	2.1 bil.	2.5 bil.	4.6 bil.	0.2 bil.	4.6 %
● R&D cost	9.8 bil.	4.6 bil.	5.4 bil.	10.0 bil.	0.2 bil.	1.6 %
<i>% to net sales</i>	4.0 %	4.2 %	4.0 %	4.1 %		

As the azbil Group, we meet the variety of expectations of society and our customers

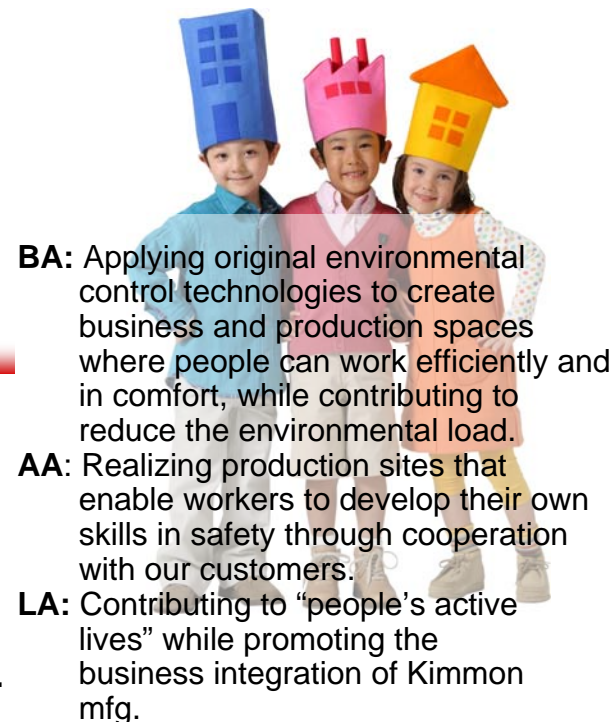


Leaping Ahead from Yamatake's 100 Years
Human-centered Automation

On October 1, 2008 the Yamatake Group became the azbil Group

- 1906** Yamatake was founded. Management aim was "Free people from drudgery".
- 1953** Yamatake formed an equity-based alliance with U.S. Honeywell International Inc. Shared catchphrase of both companies was "First in Control".
- 1998** Yamatake-Honeywell was renamed Yamatake Corporation.
- 2006** Yamatake's 100th anniversary. For new growth in its 2nd century, Yamatake introduced a new Group philosophy of "human-centered automation" and Group symbol "azbil".
- 2008** The Yamatake Group became "the azbil Group".

As the azbil Group, we will meet a variety of expectations of society and our customers through our products, technologies and services based on "human-centered automation," and further focus our energies on realizing safety, comfort and fulfillment in people's lives and contribute to the global environment.



- BA:** Applying original environmental control technologies to create business and production spaces where people can work efficiently and in comfort, while contributing to reduce the environmental load.
- AA:** Realizing production sites that enable workers to develop their own skills in safety through cooperation with our customers.
- LA:** Contributing to "people's active lives" while promoting the business integration of Kimmon mfg.