

Consolidated Financial Results

for Fiscal Year 2009 (ended March 31, 2010)



BA

Building Automation



AA

Advanced Automation



LA

Life Automation

May 7, 2010

Yamatake Corporation

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Fiscal Year 2009 Financial Results

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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.



FY2009 Financial Results

Key points of FY2009 financial results

- ◆ Despite signs of recovery in some markets, the AA business suffered the effects of a stagnant business environment, which negatively impacted performance. This was the main reason why consolidated financial results recorded a fall in both sales and income compared to the previous fiscal year.
- ◆ The effect of the economic downturn was, however, relatively mild for the BA business and the LA business, which both turned in a robust performance. The former benefits from demand for the upgrading and maintenance of legacy azbil systems, while the bulk of LA business sales is generated by demand for the periodic replacement of meters, as required by law.

FY2009 Consolidated Financial Results



《Compared to the same period last year and the business plan》

- From the year's outset the economy was stagnant and corporate capital investment was either frozen or cut back; as a result, sales were 212.2 billion yen (down 10.1% from the previous fiscal year).
- In spite of making concerted efforts to reduce expenditure and implement reforms designed to reinforce the revenue base, the fall in sales meant that operating income was 12.4 billion yen (down 30.5% from the previous fiscal year).

(Billions of yen)

	FY2008	FY2009								
	Actual (A)	Actual (B)	Difference		Initial plan (C) (2009.5.8)	Difference		Revised plan (D) (2009.10.30)	Difference	
			(B)-(A)	% Change		(B)-(C)	% Change		(B)-(D)	% Change
Orders received	231.8	208.0	(23.8)	(10.3)%						
Net sales	236.2	212.2	(24.0)	(10.1)%	217.5	(5.3)	(2.4)%	212.0	0.2	0.1%
Gross profit	86.7	76.4	(10.2)	(11.8)%						
<i>Gross profit margin</i>	36.7 %	36.0 %	(0.7)							
Operating income	17.8	12.4	(5.4)	(30.5)%	11.5	0.9	7.7%	10.6	1.8	16.8%
<i>OP margin</i>	7.6 %	5.8 %	(1.7)		5.3 %	0.5		5.0 %	0.8	
Ordinary income	17.2	12.6	(4.5)	(26.3)%	11.3	1.3	11.9%	10.5	2.1	20.4%
Net income	9.5	6.2	(3.3)	(34.5)%	6.0	0.2	4.0%	5.5	0.7	13.5%

Non-operating Income/Expenses and Extraordinary Income/Loss

《Compared to the same period last year》

- Non-operating expenses were 0.8 billion yen, 0.8 billion yen less than the 1.6 billion yen of the previous fiscal year, mainly due to a drop in foreign exchange losses.
- There were an extraordinary charge of 1.5 billion yen, 0.5 billion yen more than the previous fiscal year, owing to losses from the loss on valuation of investment securities, from impairment of goodwill, etc.

(Billions of yen)

	FY2008	FY2009		
	Actual (A)	Actual (B)	Difference	
			(B)-(A)	% Change
Operating income	17.8	12.4	(5.4)	(30.5)%
<i>Non-operating income</i>	1.0	1.1	0.1	10.2%
<i>Non-operating expenses</i>	1.6	0.8	(0.8)	(50.9)%
Ordinary income	17.2	12.6	(4.5)	(26.3)%
<i>Extraordinary income</i>	0.2	0.0	(0.2)	(98.7)%
<i>Extraordinary loss</i>	1.0	1.5	0.5	56.1%
<i>Income taxes</i>	6.9	4.9	(2.0)	(29.3)%
Net income	9.5	6.2	(3.3)	(34.5)%

※ Income before income taxes and minority interests

16.4

11.1

(5.3)

(32.3)%

Orders Received, Sales & Operating Income by Business Segment

《Compared to the same period last year and the business plan》

- As a result of such factors as the completion of several large-scale production facilities in the previous fiscal year, BA business sales were 96.7 billion yen (down 3.7% from the previous fiscal year). Owing to this fall in sales as well as an increase in the workforce (to strengthen service functions in the future) and the impact of a newly acquired consolidated subsidiary, operating income was 11.5 billion yen (down 11.9% from the previous fiscal year).
- For the AA business, despite the fact that there were signs of a steady recovery in some markets, overall the pace of recovery in capital investment was slow. Sales were 76.9 billion yen (down 17.8% on the previous fiscal year), while operating income was 0.6 billion yen (down 88.9% on the previous fiscal year).
- LA business sales were 34.7 billion yen (down 3.3% on the previous fiscal year); however, thanks to improved profits for Kimmon Manufacturing and the Life Assist field, operating income was 0.4 billion yen (an operating loss of 0.2 billion yen was recorded in the previous fiscal year).

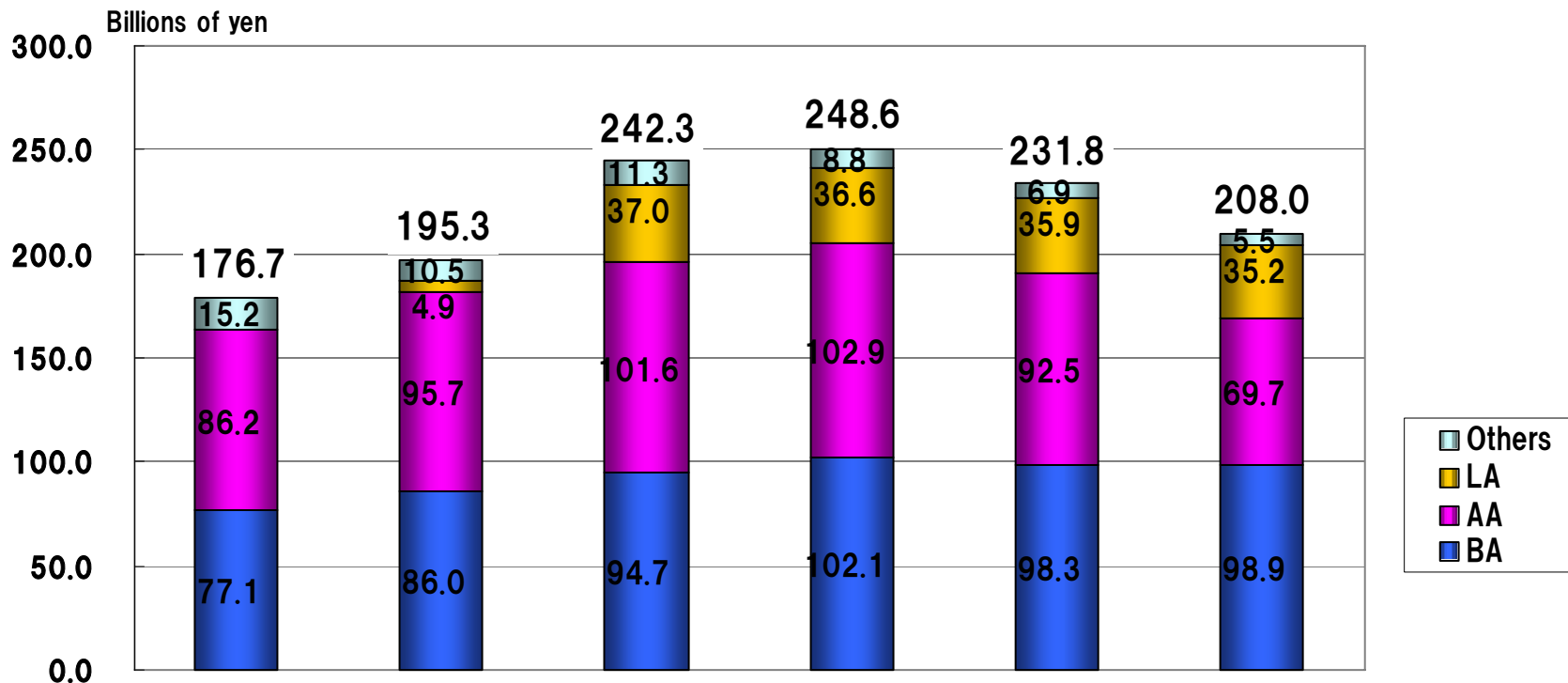
(Billions of yen)

	FY2008	FY2009									
		Actual (A)	Actual (B)	Difference		Initial plan (C) (2009.5.8)	Difference		Revised plan (D) (2009.10.30)	Difference	
				(B)-(A)	% Change		(B)-(C)	% Change		(B)-(D)	% Change
BA											
Orders received	98.3	98.9	0.7	0.7%							
Net sales	100.4	96.7	(3.7)	(3.7)%	97.0	(0.3)	(0.3)%	97.5	(0.8)	(0.9)%	
Operating income	13.1	11.5	(1.6)	(11.9)%	11.0	0.5	4.7%	10.5	1.0	9.7%	
OP margin	13.0%	11.9%	(1.1)		11.3%	0.6		10.8%	1.1		
AA											
Orders received	92.5	69.7	(22.7)	(24.6)%							
Net sales	93.6	76.9	(16.7)	(17.8)%	83.0	(6.1)	(7.3)%	77.0	(0.1)	(0.1)%	
Operating income	5.0	0.6	(4.4)	(88.9)%	0.3	0.3	84.0%	(0.2)	0.8	—	
OP margin	5.3%	0.7%	(4.6)		0.4%	0.4		(0.3)%	1.0		
LA											
Orders received	35.9	35.2	(0.7)	(2.0)%							
Net sales	35.9	34.7	(1.2)	(3.3)%	35.0	(0.3)	(0.8)%	34.0	0.7	2.1%	
Operating income	(0.2)	0.4	0.5	—	0.3	0.1	17.7%	0.3	0.1	17.7%	
OP margin	(0.4)%	1.0%	1.5		0.9%	0.2		0.9%	0.1		
Others											
Orders received	6.9	5.5	(1.4)	(20.3)%							
Net sales	7.9	5.3	(2.6)	(32.7)%	4.5	0.8	18.4%	5.0	0.3	6.6%	
Operating income	(0.1)	(0.0)	0.0	—	0.0	(0.0)	—	0.0	(0.0)	—	
OP margin	(0.7)%	(0.8)%	(0.1)		0.0%	(0.8)		0.0%	(0.8)		

[Reference] FY2004 to 2009



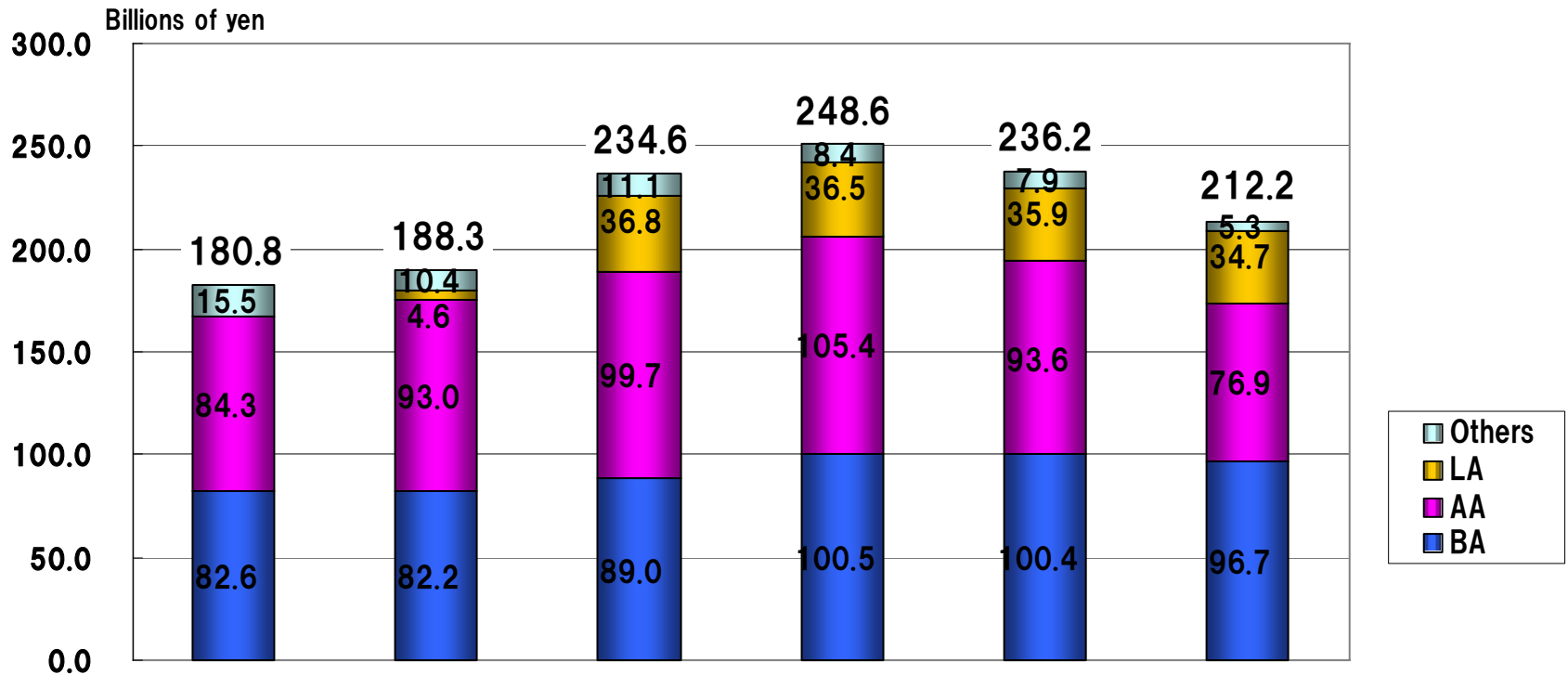
Orders Received by Business Segment



	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	(Billions of yen)
BA	77.1	86.0	94.7	102.1	98.3	98.9	
AA	86.2	95.7	101.6	102.9	92.5	69.7	
LA	0.0	4.9	37.0	36.6	35.9	35.2	
Others	15.2	10.5	11.3	8.8	6.9	5.5	
Total	176.7	195.3	242.3	248.6	231.8	208.0	

※ Each segment amounts include internal transactions between business segments.

[Reference] FY2004 to 2009
Sales by Business Segment

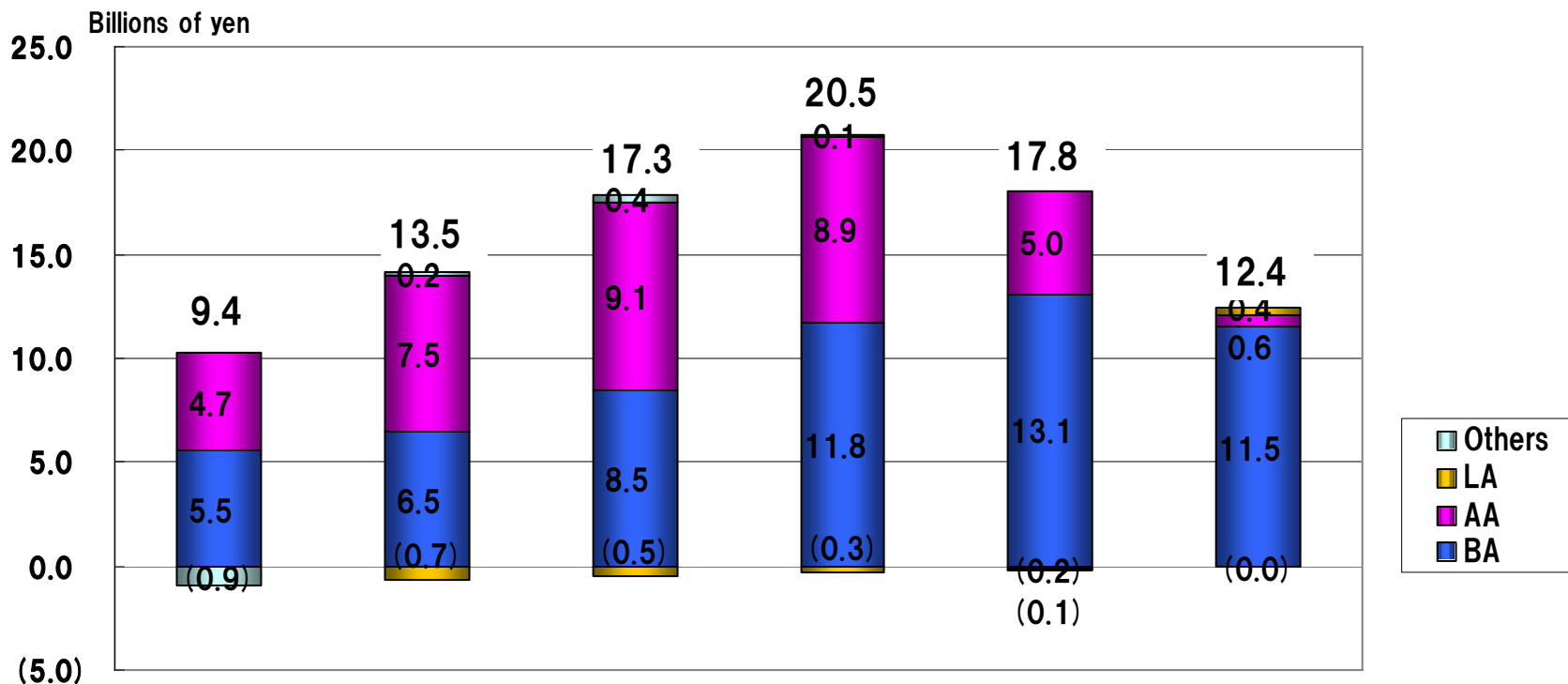


	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	(Billions of yen)
BA	82.6	82.2	89.0	100.5	100.4	96.7	
AA	84.3	93.0	99.7	105.4	93.6	76.9	
LA	0.0	4.6	36.8	36.5	35.9	34.7	
Others	15.5	10.4	11.1	8.4	7.9	5.3	
Total	180.8	188.3	234.6	248.6	236.2	212.2	

※ Each segment amounts include internal transactions between business segments.

[Reference] FY2004 to 2009

Operating Income by Business Segment



	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	(Billions of yen)
BA	5.5	6.5	8.5	11.8	13.1	11.5	
AA	4.7	7.5	9.1	8.9	5.0	0.6	
LA	0.0	(0.7)	(0.5)	(0.3)	(0.2)	0.4	
Others	(0.9)	0.2	0.4	0.1	(0.1)	(0.0)	
Total	9.4	13.5	17.3	20.5	17.8	12.4	

※ Each segment amounts include internal transactions between business segments.

International Business(Overseas Sales)

《Compared to the same period last year》

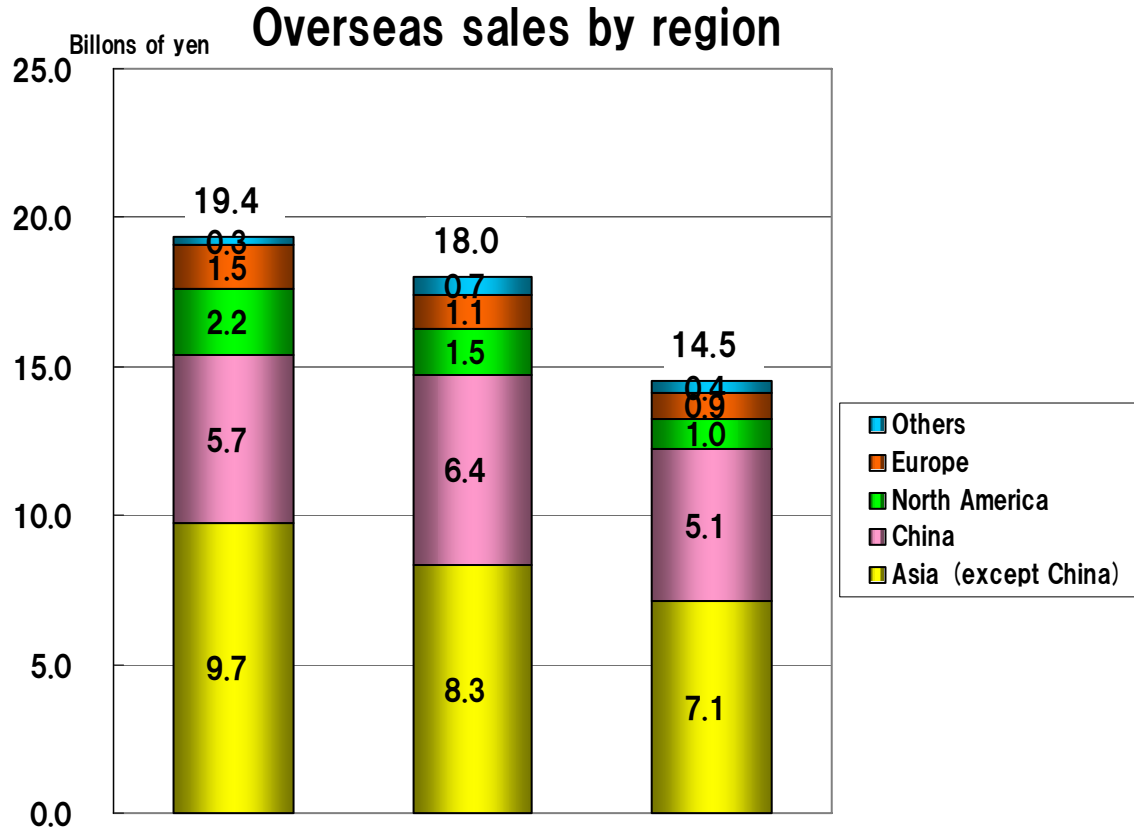
- Following indications of a pickup in the global economy, there were signs of a steady recovery in overseas sales from the second half of the fiscal year; however, cumulative sales came to 14.5 billion yen (down 19.3% from the previous fiscal year).

(Billions of yen)

	FY2008	FY2009		
	Actual (A)	Actual (B)	Difference	
			(B)-(A)	% Change
Asia (except China)	8.3	7.1	(1.2)	(14.4)%
China	6.4	5.1	(1.3)	(20.6)%
North America	1.5	1.0	(0.5)	(34.5)%
Europe	1.1	0.9	(0.2)	(16.9)%
Others	0.7	0.4	(0.2)	(37.6)%
Total	18.0	14.5	(3.5)	(19.3)%

※ International business (overseas sales) figures include only the sales of overseas affiliates and direct exports; indirect exports are excluded.

International Business (Overseas Sales)



Reference : Average Exchange Rate

	FY2007	FY2008	FY2009
Yen-1USD	117.86	103.49	93.65
Yen-1Euro	161.31	152.65	130.36

※ International business (overseas sales) figures include only the sales of overseas affiliates and direct exports; indirect exports are excluded.

FY2009

Consolidated Balance Sheets

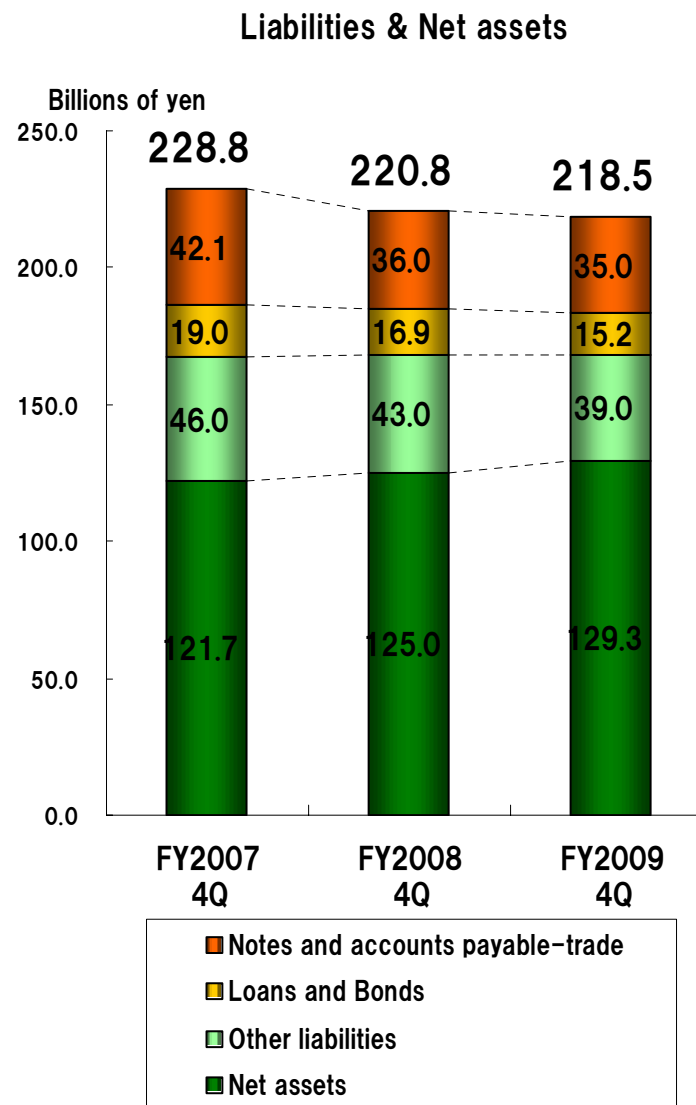
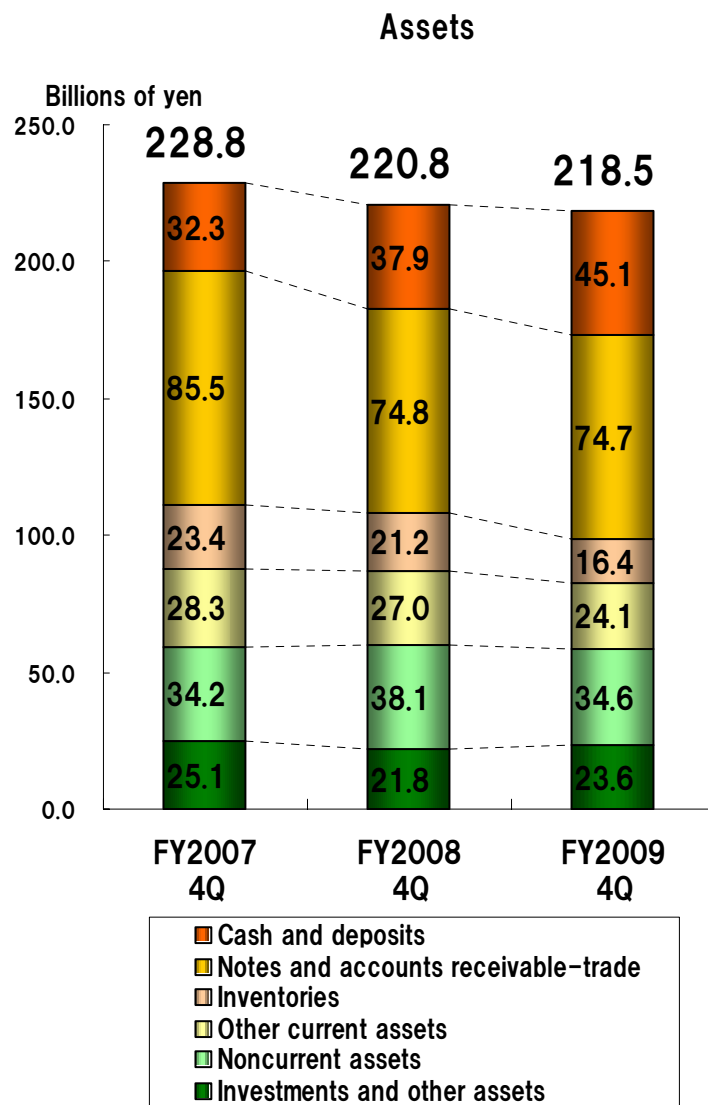


- Owing mainly to the fall in operating capital, total assets stood at 218.5 billion yen, down 1.1% compared to the end of the previous fiscal year.

(Billions of yen)

	FY2007	FY2008	FY2009	Difference (B)-(A)		FY2007	FY2008	FY2009	Difference (B)-(A)
	4Q Mar.08	4Q Mar.09 (A)	4Q Mar.10 (B)			4Q Mar.08	4Q Mar.09 (A)	4Q Mar.10 (B)	
Current assets	169.6	161.0	160.2	(0.7)	Liabilities	107.1	95.9	89.2	(6.7)
Cash & deposits	32.3	37.9	45.1	7.2	Current liabilities	87.1	78.7	74.0	(4.8)
Notes & accounts receivable - trade	85.5	74.8	74.7	(0.2)	Notes & accounts payable - trade	42.1	36.0	35.0	(1.0)
Inventories	23.4	21.2	16.4	(4.8)	Short-term loans & Bonds	14.4	14.7	14.4	(0.2)
Others	28.3	27.0	24.1	(2.9)	Others	30.5	28.1	24.5	(3.6)
Noncurrent assets	59.3	59.9	58.2	(1.7)	Noncurrent liabilities	20.1	17.1	15.2	(1.9)
Property, plant & equipment	29.3	29.8	27.4	(2.4)	Long-term loans & Bonds	4.5	2.2	0.7	(1.5)
Intangible assets	4.9	8.3	7.1	(1.1)	Others	15.5	14.9	14.5	(0.4)
Investments & other assets	25.1	21.8	23.6	1.9					
					Net assets	121.7	125.0	129.3	4.3
					Shareholders' equity	116.2	123.8	125.4	1.7
					Capital stock	10.5	10.5	10.5	-
					Capital surplus	12.6	17.2	17.2	-
					Retained earnings	93.7	98.7	100.4	1.7
					Treasury stock	(0.7)	(2.6)	(2.6)	(0.0)
					Valuation & translation adjustments	4.2	(0.2)	2.2	2.4
					Minority interests	1.4	1.4	1.6	0.2
Total assets	228.8	220.8	218.5	(2.4)	Total liabilities & net assets	228.8	220.8	218.5	(2.4)

[Reference] FY2007 to 2009
 Consolidated Balance Sheets



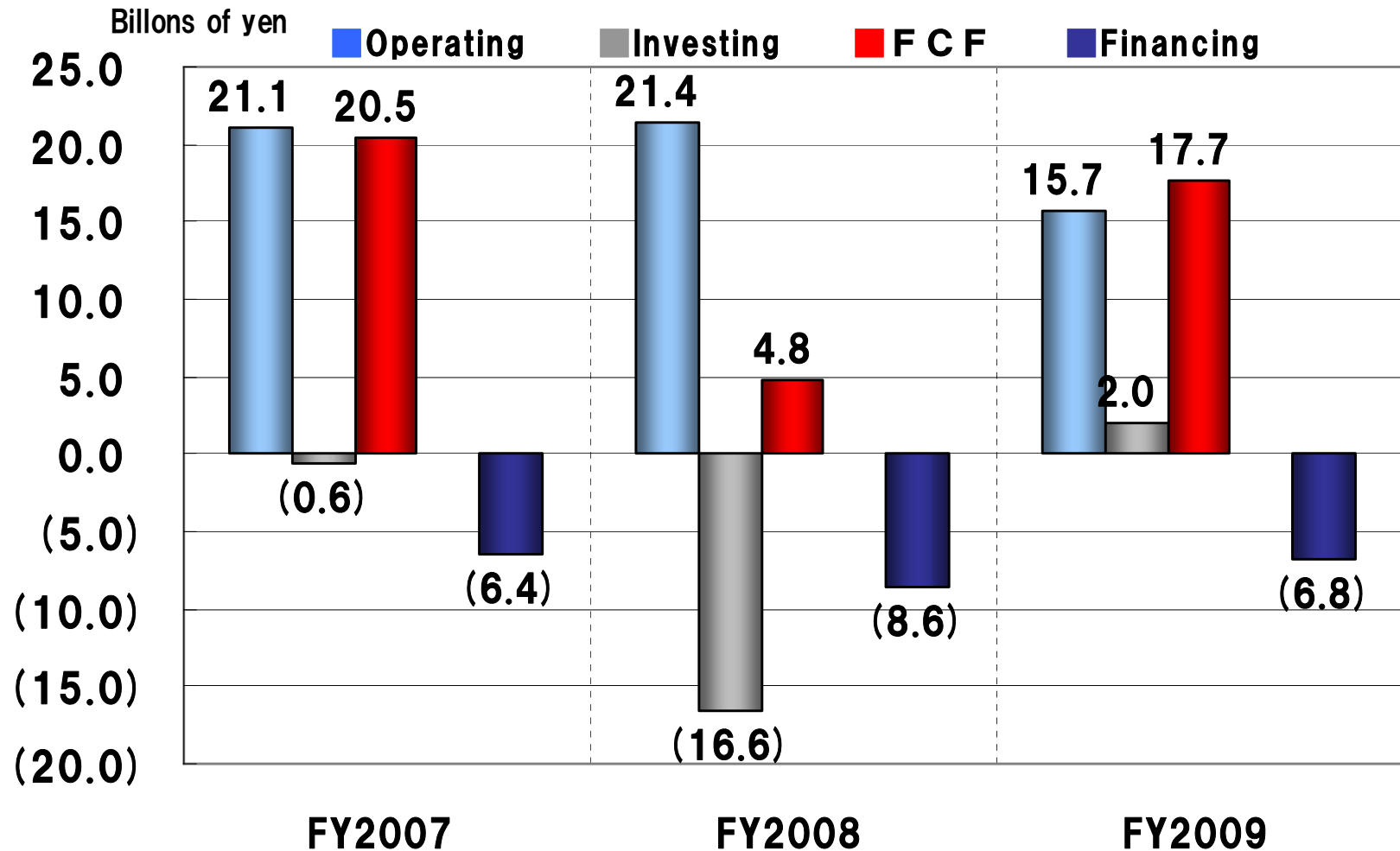
Consolidated Cash Flows

- Net cash provided by operating activities was 15.7 billion yen.
- Net cash provided by investment activities was 2.0 billion yen due to the increase in proceeds from the sales of short-term investment securities, etc.
- Net cash used for financing activities in the current fiscal year was 6.8 billion yen as a result of dividend payments and the repayment of long-term loans payable.

(Billions of yen)

	FY2008	FY2009		
	Actual (A)	Actual (B)	Difference	
			(B)-(A)	% Change
Cash flows from operating activities	21.4	15.7	(5.7)	(26.5)%
Cash flows from investing activities	(16.6)	2.0	18.6	—
Free cash flows	4.8	17.7	12.9	270.9 %
Cash flows from financing activities	(8.6)	(6.8)	1.8	—
Net increase (decrease) in cash and cash equivalents	(4.9)	11.0	16.0	—
Cash and cash equivalents at end of period	44.3	55.4	11.0	24.9 %

[Reference] FY2007 to 2009
 Consolidated Cash Flows



2

**Medium-Term Plan
for “the Period of Growth”
(FY2010 to 2013)**

To realize safety, comfort and fulfillment in people's lives and contribute to global environmental preservation through "human-centered automation."

To achieve our philosophy,

- We create value together with customers at their site.
- We pursue our unique value based on the idea of "human-centered."
- We think toward the future and act progressively.

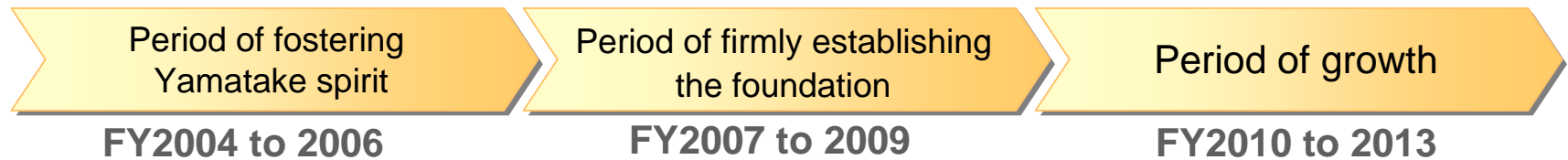
Long-term Goals and Reform Activities



【Long-term Goal】

By focusing on the human, and realizing a world of automation created by human ingenuity and technology, we will become a top-class global corporate group that enhances the safety and security of its customers, helps to improve their corporate value, and contributes to solving global environmental issues.

The decade from 2004 has been divided into 3 phases of activity.



Reasons behind changes
in the business environment

Reform activities

Business fluctuations
in a maturing market

Concentrating on azbil's core competence in automation, emphasis will be placed on the three main businesses – BA, AA, LA – which operate within differing market structures.

Structural changes to markets

Environmental issues; falling birth rate and ageing population; growing influence of emerging economies.
Improvements to safety, security and quality; new technologies and higher added value

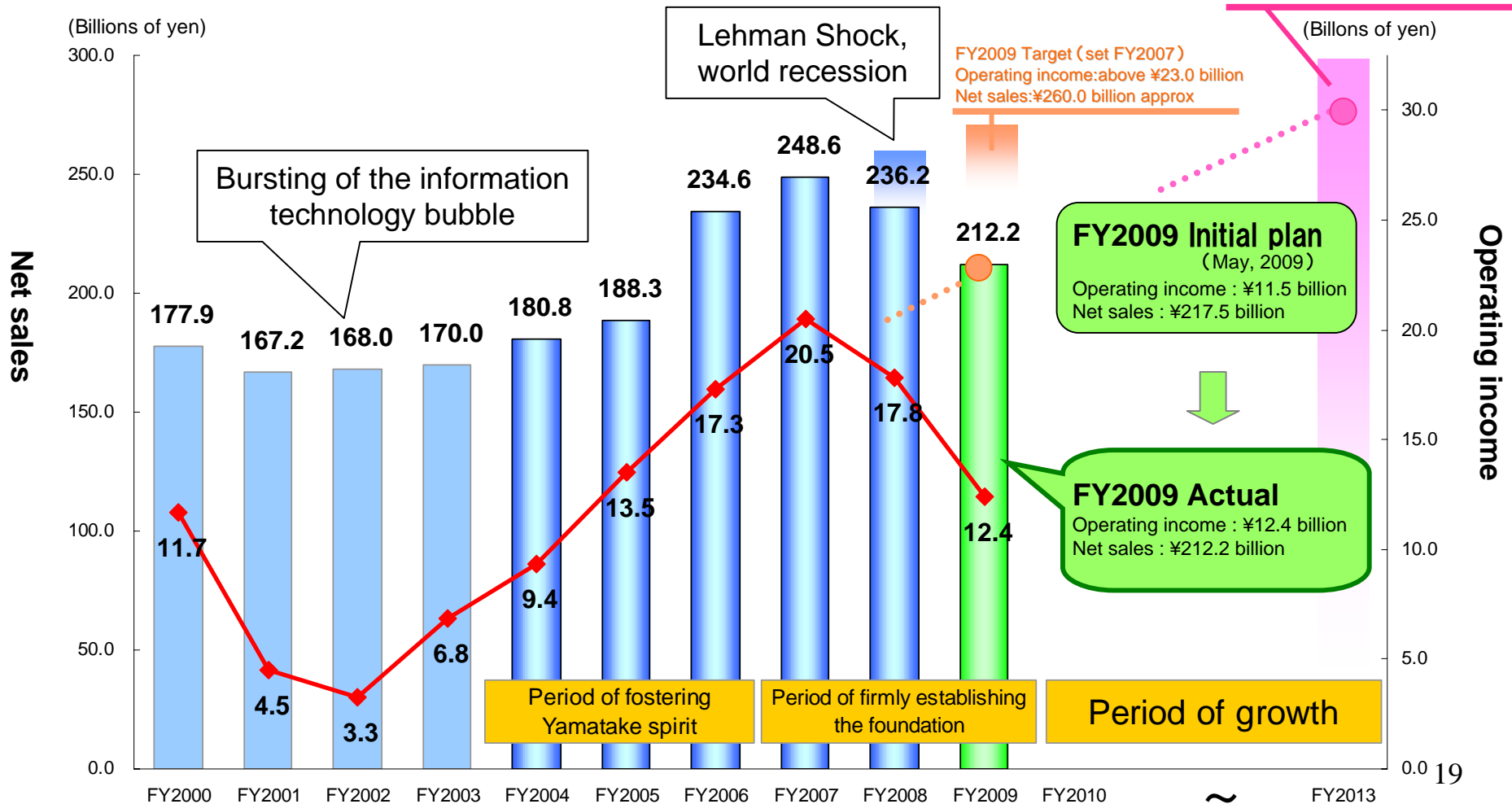
Implementing a paradigm shift, from simple “control” to employing the concept of “human-centered automation” to shape the course of azbil's business.

FY2007 to 2009

General overview of the “period of firmly establishing the foundation”



- The business environment rapidly deteriorated as a result of the global economic recession, and initial targets (May, 2007) were not achieved.
- Aided by the tripartite nature of the business portfolio (BA, AA, LA), an operating income of 12.4 billion yen was achieved even for FY2009.
- Steady progress was made in strengthening the business foundation and structure.



Measures to strengthen the business structure in the “period of firmly establishing the foundation”

Creating new businesses

(business structural reform)



- Expanded BA system upgrading/service for existing buildings, which represents a stable, profitable business.
- Developed and expanded businesses with growth potential –security, overseas, etc.
- Developed and launched advanced, profitable products.



- Shifted to high value-added businesses.
- In addition to the products business, expanded the solution business overseas.
- Improved labor productivity, especially for the solution service business.



- Strengthened business structure and improved profitability for Kimmon Manufacturing in the Lifeline field.
- Strengthened business structures and expanded the scope of business in the Life Assist field.
- Concentrated on business fields with growth potential (withdrawing from unprofitable businesses)

Creating new work styles

(business operation reform)

- Improved structuring and transparency of workflows.
- Adopted network management, combining the in-house company system with Groupwide functions.

Strengthened the system for cooperative sales, while also optimizing production systems, enhancing product development capabilities, and strengthening service systems.

Foster Yamatake spirit
(Creation of a new corporate culture)

Strengthen CSR management

Reform business structure <Creating new businesses>



The BA business will evolve into a next-generation environmental control business that contributes to safety, comfort and the global environment.



Making use of its strengths in providing high added-value solutions and field products, the AA business will offer value globally – value that contributes to strengthening customers’ business competences.



The LA business will develop enhanced cost competitiveness in its current business fields and contribute to ensuring a comforting lifestyle.

【Key words for the “Period of growth”】

- International solution business
- Solution business for the environment and energy saving
(Based on visualizing energy management data and analyzing data base of accumulated facility management cases.)
- Object oriented solutions
- Evolution of products, systems and services
- Field-based solutions

■ Management policy

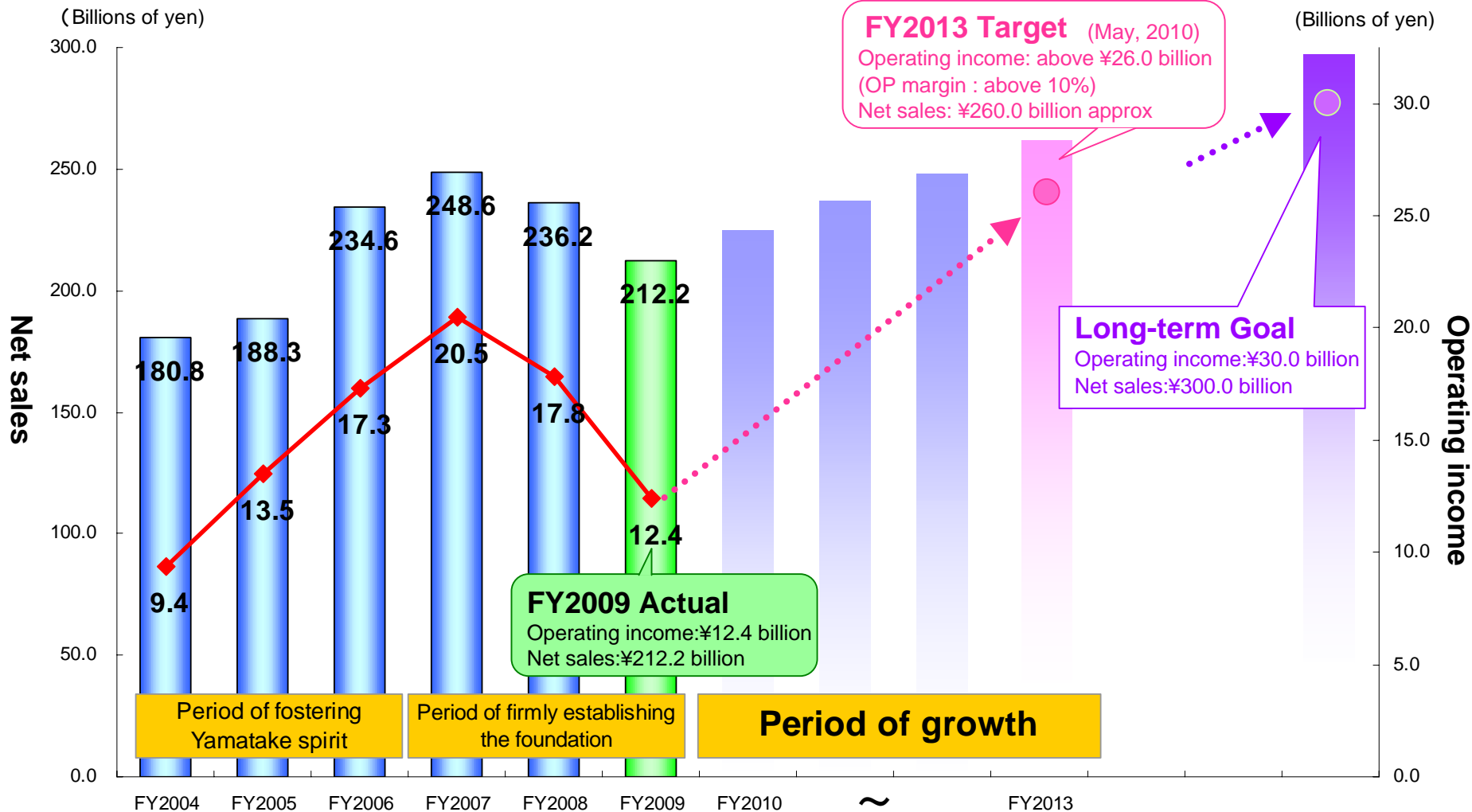
- ROE: over 10%
- CSR management that prioritizes people
- Environmental load reduction target: Reduce CO₂ emissions by over 10% compared to FY2006 levels.

FY2010 to 2013

The “Period of Growth” Performance Targets



- Continue to aim at achieving operating income in excess of 30.0 billion yen and sales of the order of 300.0 billion yen, previously set out as long-term goals.
- However, in view of the business environment, the performance targets for FY2013 will be as follows: operating income in excess of 26.0 billion yen, and sales of the order of 260.0 billion yen.



3 Business Plan for FY2010

- ◆ In this first year of the new Medium-Term Plan – the period of growth (FY2010 to 2013) – both sales and income are forecast to increase as a result of improvements made to the business structure and also an expected pickup in the business environment.

FY2010 Consolidated Operating Plan



- Based on the results of the “period of firmly establishing the foundation”, the policy of “creating new businesses (business structural reform)” will be advanced, aiming for business expansion through realizing and embedding “human-centered automation.”
- In FY2010, which is the first year of the “period of growth,” sales of 225.0 billion yen (up 6.0% on the previous fiscal year) and operating income of 16.0 billion yen (up 29.2% on the previous fiscal year) are forecast, taking into consideration the expected pickup in the business environment.

(Billions of yen)

	FY2009	FY2010				
	Full year Actual (A)	1 H	2 H	Full year Initial plan (B)	Difference	
					(B)-(A)	% Change
Net sales	212.2	100.0	125.0	225.0	12.8	6.0 %
Operating income	12.4	3.5	12.5	16.0	3.6	29.2 %
<i>OP margin</i>	5.8 %	3.5 %	10.0 %	7.1 %	1.3	
Ordinary income	12.6	3.4	12.3	15.7	3.1	24.1 %
Net income	6.2	1.8	7.7	9.5	3.3	52.2 %

FY2010 Operating Plan by Segment



- **BA business:** Robust performance is forecast. This is partly because recovery is expected in the market for new buildings, but also because the business for existing buildings and the service business are expected to achieve a solid performance. An important factor in this forecast is the start of the period when the enforcement of CO₂ reductions comes into effect, which is stipulated by the revised Rationalization in Energy Use Law and the Tokyo Municipal Environmental Protection Ordinance. Consequently, sales of 105.0 billion yen (up 8.6% on the previous fiscal year) and operating income of 13.0 billion yen (up 12.9% on the previous fiscal year) are forecast.
- **AA business:** Although it is expected that the reluctance to make capital investments among the materials-related industries will continue for the time being, a steady recovery is forecast in the demand for products intended for processing/assembly industries – for semiconductor manufacturing equipment, etc. Thus, the plan calls for sales of 83.0 billion yen (up 7.9% on the previous fiscal year) and operating income of 2.5 billion yen (up 352.5% on the previous fiscal year).
- **LA business:** It will continue to make concerted efforts to implement a variety of measures aimed at improving profitability. Sales of 35.0 billion yen (up 0.8% on the previous fiscal year) and operating income of 0.5 billion yen (up 41.7% on the previous fiscal year) are forecast.

(Billions of yen)

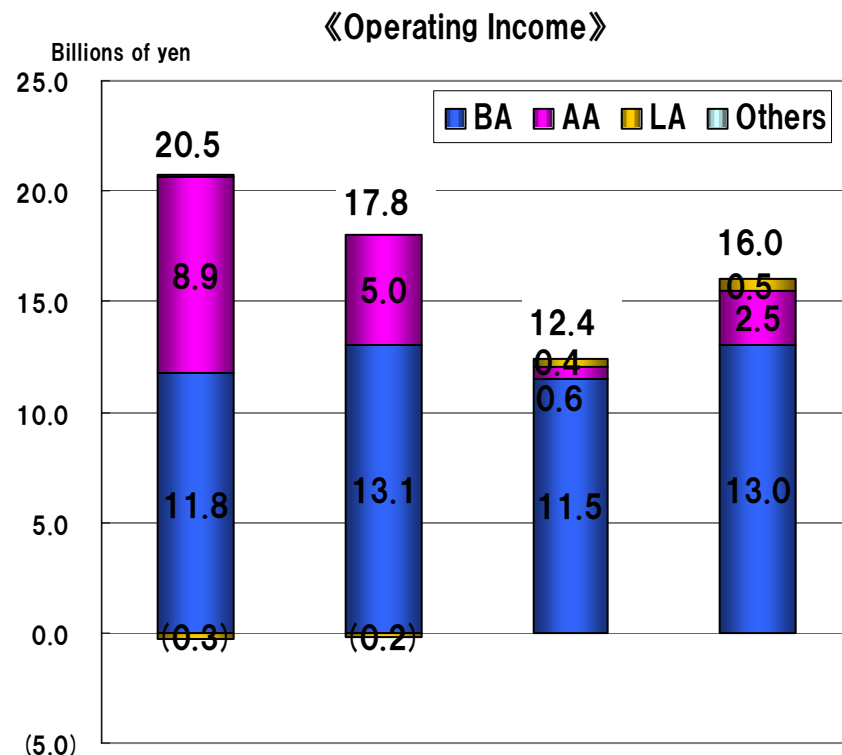
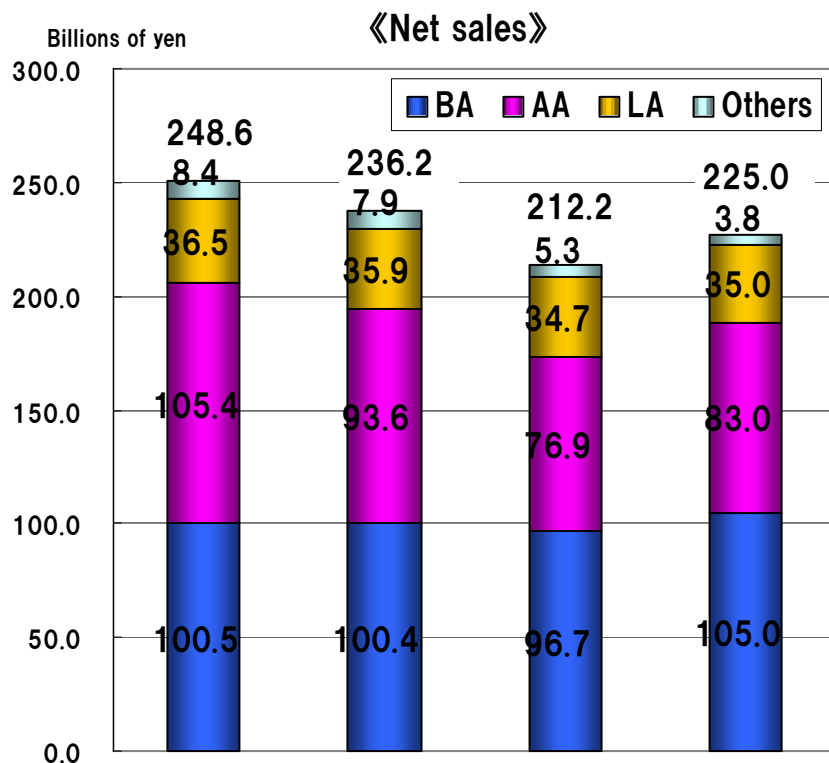
	FY2009	FY2010				
	Full year Actual (A)	1 H	2 H	Full year Initial plan (B)	Difference	
					(B)-(A)	% Change
B A						
Net sales	96.7	44.0	61.0	105.0	8.3	8.6%
Operating income	11.5	2.8	10.2	13.0	1.5	12.9%
OP margin	11.9%	6.4%	16.7%	12.4%	0.5	
A A						
Net sales	76.9	37.0	46.0	83.0	6.1	7.9%
Operating income	0.6	0.4	2.1	2.5	1.9	352.5%
OP margin	0.7%	1.1%	4.6%	3.0%	2.3	
L A						
Net sales	34.7	18.0	17.0	35.0	0.3	0.8%
Operating income	0.4	0.3	0.2	0.5	0.1	41.7%
OP margin	1.0%	1.7%	1.2%	1.4%	0.4	
Others						
Net sales	5.3	1.9	1.9	3.8	(1.5)	(28.7)%
Operating income	(0.0)	0.0	0.0	0.0	0.0	—
OP margin	(0.8)%	0.0%	0.0%	0.0%	0.8	

※ Each segment amounts include internal transactions between business segments.

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[Reference] FY2007 to 2009

Results and Business Plan for FY2010 by Segment



(Billions of yen)

	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Plan
BA	100.5	100.4	96.7	105.0
AA	105.4	93.6	76.9	83.0
LA	36.5	35.9	34.7	35.0
Others	8.4	7.9	5.3	3.8
Total	248.6	236.2	212.2	225.0

(Billions of yen)

	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Plan
BA	11.8	13.1	11.5	13.0
AA	8.9	5.0	0.6	2.5
LA	(0.3)	(0.2)	0.4	0.5
Others	0.1	(0.1)	(0.0)	0.0
Total	20.5	17.8	12.4	16.0

※ Each segment amounts include internal transactions between business segments.



Return to Shareholders

FY2009 (ended March 31, 2010) Dividends

FY2010 (ending March 31, 2011) Dividends Forecast

- Placing great importance on the profit sharing with shareholders, Yamatake is planning to issue dividends of 62 yen per share, as announced at the beginning of May, 2009.

FY2009

(Interim)

Paid on
December, 2009

31 yen +

(Year-end)

Planned to pay
on June, 2010

31 yen =

(Annual)

62 yen

FY2010 Dividends Forecast

- Despite the fact that uncertainty exists in the business environment, Yamatake is planning to increase the ordinary dividend by 1 yen to issue an annual dividend of 63 yen per share, aiming to improve the dividend level continuously.

FY2010

(Interim)

(Year-end)

(Annual)

December, 2010
Forecast

June, 2011
Forecast

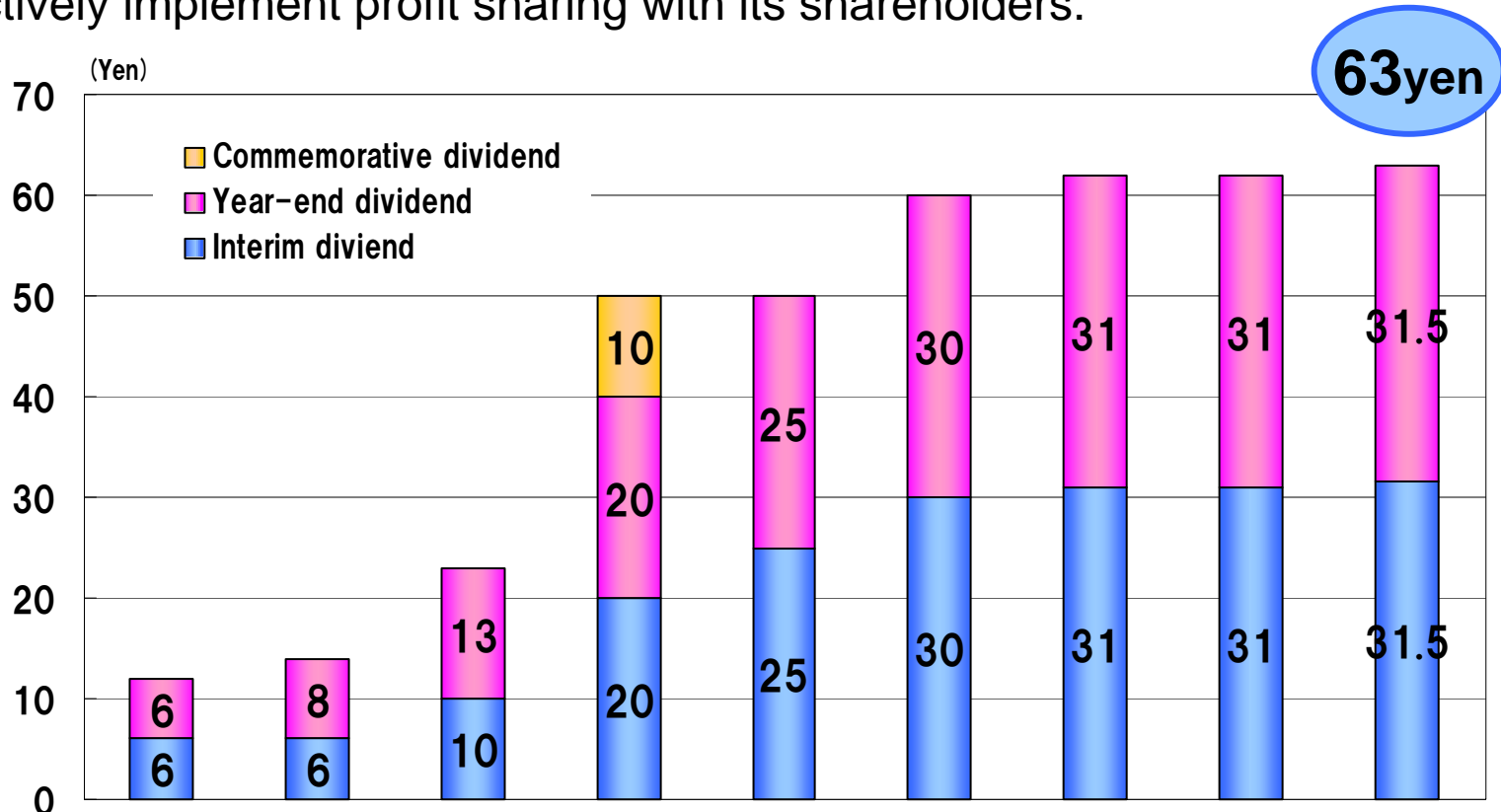
$$31.5 \text{ yen} + 31.5 \text{ yen} = 63 \text{ yen}$$

- This would result in an expected DOE* of 3.6% and payout ratio of 49.0 %.

* DOE: Dividends on equity ratio

Dividends per Share

- Since FY2003 the Group has continuously striven to raise the dividend level and actively implement profit sharing with its shareholders.



	FY2002 (Actual)	FY2003 (Actual)	FY2004 (Actual)	FY2005 (Actual)	FY2006 (Actual)	FY2007 (Actual)	FY2008 (Actual)	FY2009 (Planned)	FY2010 (Forecast)
Annual dividends (Yen)	12	14	23	50	50	60	62	62	63
Dividends on equity (consl.)	0.9	1.1	1.7	3.5	3.2	3.7	3.7	3.6	3.6
Payout ratio (consl.)	16.6	31.8	45.6	37.6	34.6	41.2	48.5	73.4	49.0

5 Supplementary Matters

[Reference]

Capital Investments, Depreciation and R&D Cost



(Billions of yen)

	FY2009	FY2010		
	Actual (A)	Initial plan (B)	Difference	
			(B)-(A)	% Change
● Capital investments				
Yamatake	1.8	3.0	1.2	64.4 %
Consolidated subsidiaries	0.9	1.0	0.1	14.8 %
Total	2.7	4.0	1.3	48.4 %
● Depreciation				
Yamatake	3.5	3.6	0.1	4.1 %
Consolidated subsidiaries	1.3	1.4	0.1	7.7 %
Total	4.8	5.0	0.2	5.1 %
● Research & development cost	8.6	9.0	0.4	4.2 %
<i>% to net sales</i>	4.1 %	4.0 %	(0.1)	

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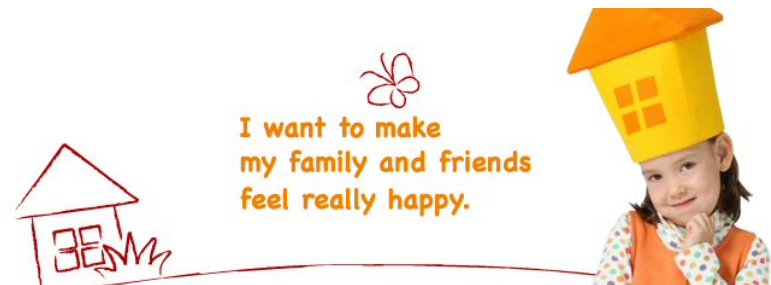


I want to make buildings
that are more comfortable
and also kind to the environment.

**To realize safety, comfort and fulfillment
in people's lives, and contribute to global
environmental preservation through
"human-centered automation."**



I want to build factories
that are safe and enable workers to
work energetically and enthusiastically.



I want to make
my family and friends
feel really happy.

Yamatake Corporation