

February 1, 2011

Consolidated Financial Results

for the Third Quarter of Fiscal Year 2010 ending March 31, 2011
(April 1, 2010 to December 31, 2010)

Yamatake Corporation

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.



FY2010 3rd Quarter Executive Summary



FY2010 3rd Quarter Financial Figures

	Figure	Improvement on the same period last year		
Orders received	170.6 billion yen	10.2 billion yen	6.3%	↗
Net sales	151.7 billion yen	13.3 billion yen	9.6%	↗
Operating income	6.2 billion yen	5.0 billion yen	399.2%	↗
Ordinary income	6.1 billion yen	4.7 billion yen	345.9%	↗
Net income	2.5 billion yen	3.0 billion yen	—	↗

* Net loss of 500 million yen was recorded for the same period last year.

Orders received

- The market for existing buildings, which had been sluggish in Q2, picked up in Q3, enabling the BA business to win more orders than in the same period last year. (For the BA business overall, the cumulative results for 9 months still represent a 2.1% drop on the same period last year.)
- Overseas and domestically, the AA business saw a significant growth in orders for FA control products. In contrast, the market for Japan's materials-related industry is still weak. However, the solution-based systems business improved.

Net sales

- Partly aided by the adoption of the percentage-of-completion method, the BA business achieved a considerable growth in sales for both new and existing building markets. In the service field, sales grew steadily.
- In the AA business, despite the fact that some sectors were affected by a temporary dip in demand, overseas and in Japan it was FA control products that led sales.

[Effects of seasonality and percentage-of-completion reporting]

Sales for the azbil Group tend to be concentrated in the second quarter and fourth quarter accounting periods. This means that profits in the first quarter and third quarter accounting periods are typically lower than those in the other two quarters. It must be noted, however, that as regards the reporting standards for sales and income from construction contracts, calculations are now based on the percentage of completion; this applies to contracts on jobs that were started in April 2009 or later. Thus, as far as construction contracts are concerned, this approach has resulted in some evening out of the fluctuations previously seen in quarterly sales and income. This trend is most noticeable in the Building Automation (BA) business, which has a relatively high proportion of construction contract sales.

For historical data on sales and profits for each quarter over the past 3 years, refer to page 13.

FY2010 3rd Quarter Consolidated Financial Results



<Cumulative>

(Billions of yen)

	FY2009	FY2010		
	3Q	3Q	Year on Year	
	(A)	(B)	(B)-(A)	% Change
Orders received	160.5	170.6	10.2	6.3 %
Net sales	138.4	151.7	13.3	9.6 %
Gross profit	48.4	54.3	5.8	12.0 %
Gross profit margin	35.0 %	35.8 %	0.8	
Operating income	1.3	6.2	5.0	399.2 %
OP margin	0.9 %	4.1 %	3.2	
Ordinary income	1.4	6.1	4.7	345.9 %
Income before income taxes and minority interests	0.6	5.1	4.5	777.7 %
Net income	(0.5)	2.5	3.0	-

<Quarterly>

(Billions of yen)

	FY2009				FY2010				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Year on Year	
			(A)				(B)	(B)-(A)	% Change
Orders received	66.5	51.5	42.4	47.5	69.0	54.2	47.4	5.0	11.8 %
Net sales	39.2	54.3	44.9	73.8	44.8	54.5	52.3	7.4	16.5 %
Gross profit	13.0	19.6	15.8	28.0	15.4	20.0	18.8	3.1	19.3 %
Gross profit margin	33.2 %	36.2 %	35.2 %	37.9 %	34.4 %	36.7 %	36.0 %	0.8	
Operating income	(2.6)	4.1	(0.2)	11.1	(0.1)	3.9	2.5	2.7	-
OP margin	(6.6)%	7.5 %	(0.5)%	15.1 %	(0.3)%	7.2 %	4.7 %	5.2	
Ordinary income	(2.5)	3.9	(0.1)	11.3	(0.2)	3.8	2.4	2.5	-
Income before income taxes and minority interests	(2.6)	3.4	(0.2)	10.5	(0.7)	3.5	2.3	2.5	-
Net income	(2.0)	1.8	(0.3)	6.7	(0.6)	1.9	1.2	1.5	-

**FY2010 3rd Quarter
Orders Received , Sales and Segment Profit(Operating Income)**



<Cumulative> (Billions of yen)

		FY2009	FY2010		
		3Q	3Q	Year on Year	
		(A)	(B)	(B)-(A)	% Change
BA	Orders received	81.1	79.4	(1.7)	(2.1)%
	Net sales	59.6	67.0	7.3	12.3%
	Segment profit	2.7	5.1	2.5	92.2%
	%	4.5%	7.6%	3.2	
AA	Orders received	49.5	63.5	13.9	28.2%
	Net sales	50.9	56.7	5.8	11.4%
	Segment profit	(1.7)	1.0	2.7	-
	%	(3.3)%	1.8%	5.1	
LA	Orders received	26.5	25.1	(1.4)	(5.4)%
	Net sales	25.7	25.0	(0.7)	(2.8)%
	Segment profit	0.3	(0.0)	(0.3)	-
	%	1.3%	(0.0)%	(1.3)	
Others	Orders received	4.3	3.9	(0.4)	(9.0)%
	Net sales	3.1	4.1	0.9	29.2%
	Segment profit	(0.1)	0.1	0.2	-
	%	(1.6)%	2.9%	4.5	
Consolidated	Orders received	160.5	170.6	10.2	6.3%
	Net sales	138.4	151.7	13.3	9.6%
	Operating income	1.3	6.2	5.0	399.2%
	<i>OP margin</i>	0.9%	4.1%	3.2	

* 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).

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

* Each segment amounts include internal transactions between business segments.

FY2010 3rd Quarter Orders Received , Sales and Segment Profit(Operating Income)



<Quarterly>

(Billions of yen)

		FY2009				FY2010				
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	Year on Year	
				(A)				(B)	(B)-(A)	% Change
BA	Orders received	39.9	23.2	18.0	17.8	37.4	23.3	18.8	0.8	4.4%
	Net sales	16.3	23.7	19.6	37.1	18.7	23.5	24.8	5.1	26.2%
	Segment profit	(0.9)	2.9	0.7	8.9	0.2	2.3	2.6	2.0	300.9%
	%	(5.5)%	12.3%	3.3%	23.9%	1.0%	9.9%	10.5%	7.2	
AA	Orders received	15.5	18.2	15.8	20.2	21.7	21.4	20.4	4.5	28.7%
	Net sales	13.7	20.7	16.6	26.0	17.1	20.8	18.8	2.3	13.8%
	Segment profit	(1.7)	1.0	(1.0)	2.2	(0.2)	1.3	(0.1)	0.9	-
	%	(12.4)%	4.7%	(5.9)%	8.6%	(1.3)%	6.4%	(0.4)%	5.5	
LA	Orders received	9.5	9.2	7.8	8.7	8.9	8.6	7.5	(0.3)	(3.5)%
	Net sales	8.4	9.3	8.0	9.0	8.2	8.9	7.9	(0.1)	(1.0)%
	Segment profit	0.1	0.2	0.1	0.0	(0.1)	0.2	(0.1)	(0.2)	-
	%	0.7%	2.4%	0.7%	0.2%	(0.8)%	2.0%	(1.5)%	(2.2)	
Others	Orders received	1.9	1.3	1.1	1.2	1.3	1.5	1.1	0.0	1.4%
	Net sales	1.0	1.1	1.0	2.2	1.2	1.8	1.1	0.1	7.8%
	Segment profit	(0.1)	(0.0)	0.0	0.0	(0.0)	0.1	0.0	0.0	12.9%
	%	(5.1)%	(3.4)%	3.7%	0.4%	(0.6)%	4.6%	3.9%	0.2	
Consolidated	Orders received	66.5	51.5	42.4	47.5	69.0	54.2	47.4	5.0	11.8%
	Net sales	39.2	54.3	44.9	73.8	44.8	54.5	52.3	7.4	16.5%
	Operating income	(2.6)	4.1	(0.2)	11.1	(0.1)	3.9	2.5	2.7	-
	OP margin	(6.6)%	7.5%	(0.5)%	15.1%	(0.3)%	7.2%	4.7%	5.2	

* 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).

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

* Each segment amounts include internal transactions between business segments.

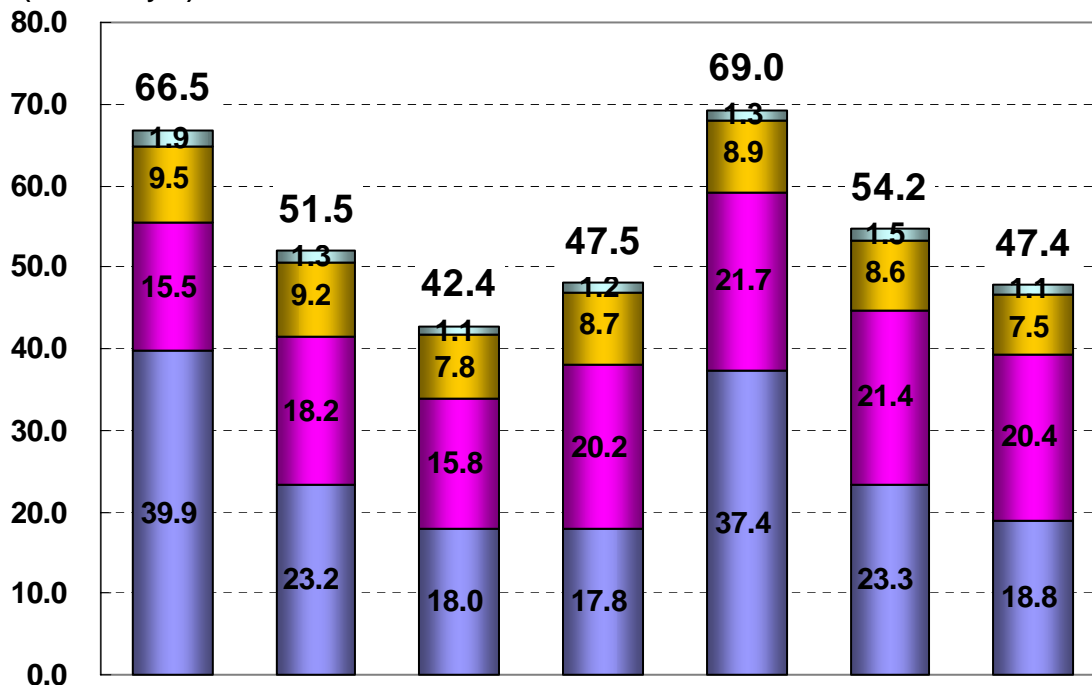
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[Reference] FY2009 to 2010 Orders Received by Segment



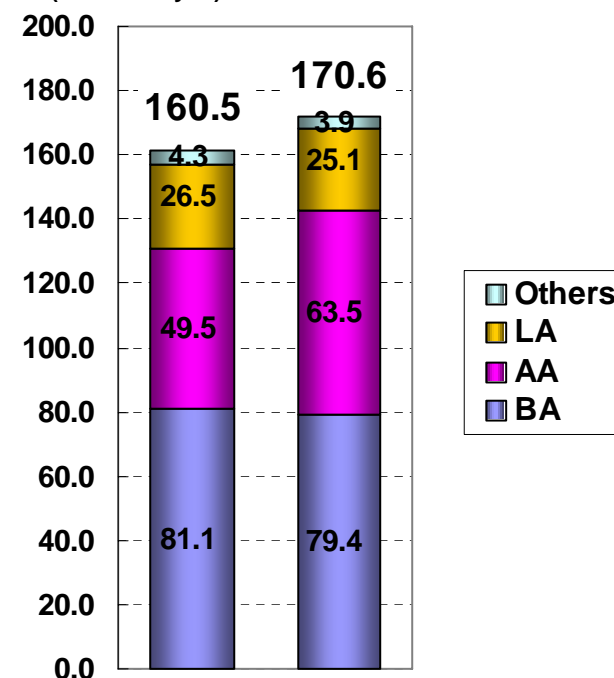
<Quarterly>

(Billions of yen)



<Cumulative>

(Billions of yen)



(Billions of yen)

	FY2009 1Q	FY2009 2Q	FY2009 3Q	FY2009 4Q	FY2010 1Q	FY2010 2Q	FY2010 3Q
BA	39.9	23.2	18.0	17.8	37.4	23.3	18.8
AA	15.5	18.2	15.8	20.2	21.7	21.4	20.4
LA	9.5	9.2	7.8	8.7	8.9	8.6	7.5
Others	1.9	1.3	1.1	1.2	1.3	1.5	1.1
Consolidated	66.5	51.5	42.4	47.5	69.0	54.2	47.4

(Billions of yen)

	FY2009 3Q (A)	FY2010 3Q (B)	Year on Year	
			(B)-(A)	% Change
BA	81.1	79.4	(1.7)	(2.1)%
AA	49.5	63.5	13.9	28.2%
LA	26.5	25.1	(1.4)	(5.4)%
Others	4.3	3.9	(0.4)	(9.0)%
Consolidated	160.5	170.6	10.2	6.3%

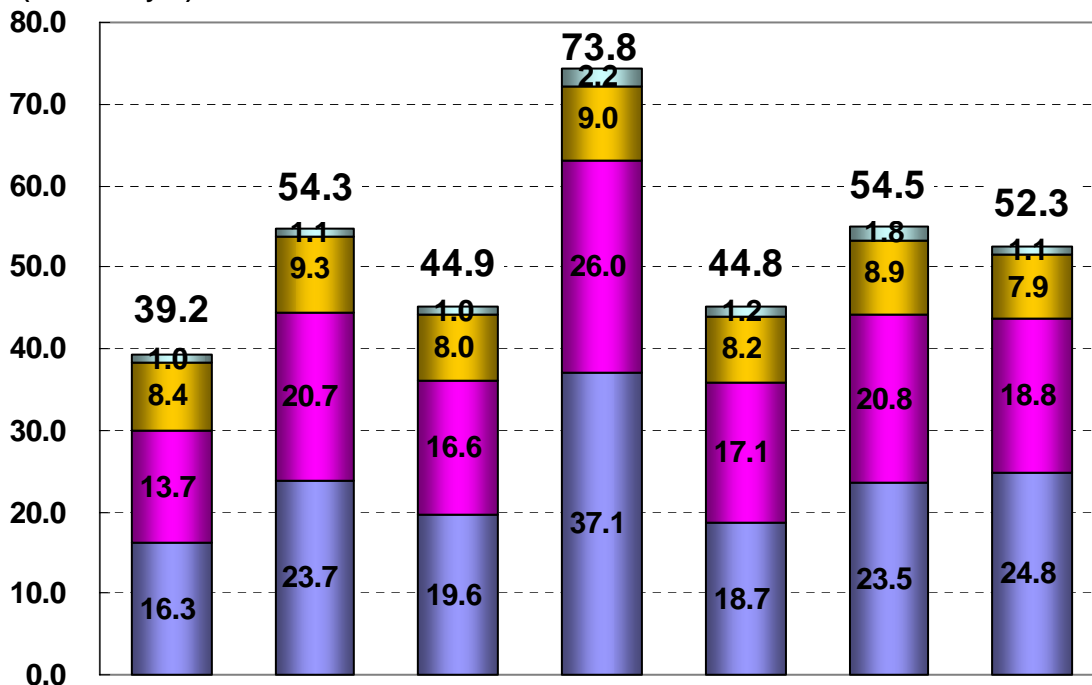
* Each segment amounts include internal transactions between business segments.

[Reference] FY2009 to 2010 Sales by Segment



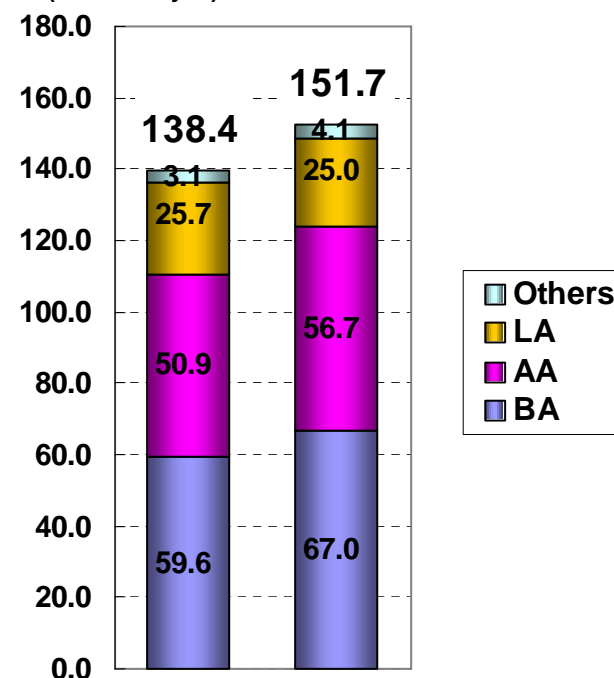
<Quarterly>

(Billions of yen)



<Cumulative>

(Billions of yen)



(Billions of yen)

	FY2009 1Q	FY2009 2Q	FY2009 3Q	FY2009 4Q	FY2010 1Q	FY2010 2Q	FY2010 3Q
BA	16.3	23.7	19.6	37.1	18.7	23.5	24.8
AA	13.7	20.7	16.6	26.0	17.1	20.8	18.8
LA	8.4	9.3	8.0	9.0	8.2	8.9	7.9
Others	1.0	1.1	1.0	2.2	1.2	1.8	1.1
Consolidated	39.2	54.3	44.9	73.8	44.8	54.5	52.3

(Billions of yen)

	FY2009 3Q (A)	FY2010 3Q (B)	Year on Year	
			(B)-(A)	% Change
BA	59.6	67.0	7.3	12.3%
AA	50.9	56.7	5.8	11.4%
LA	25.7	25.0	(0.7)	(2.8)%
Others	3.1	4.1	0.9	29.2%
Consolidated	138.4	151.7	13.3	9.6%

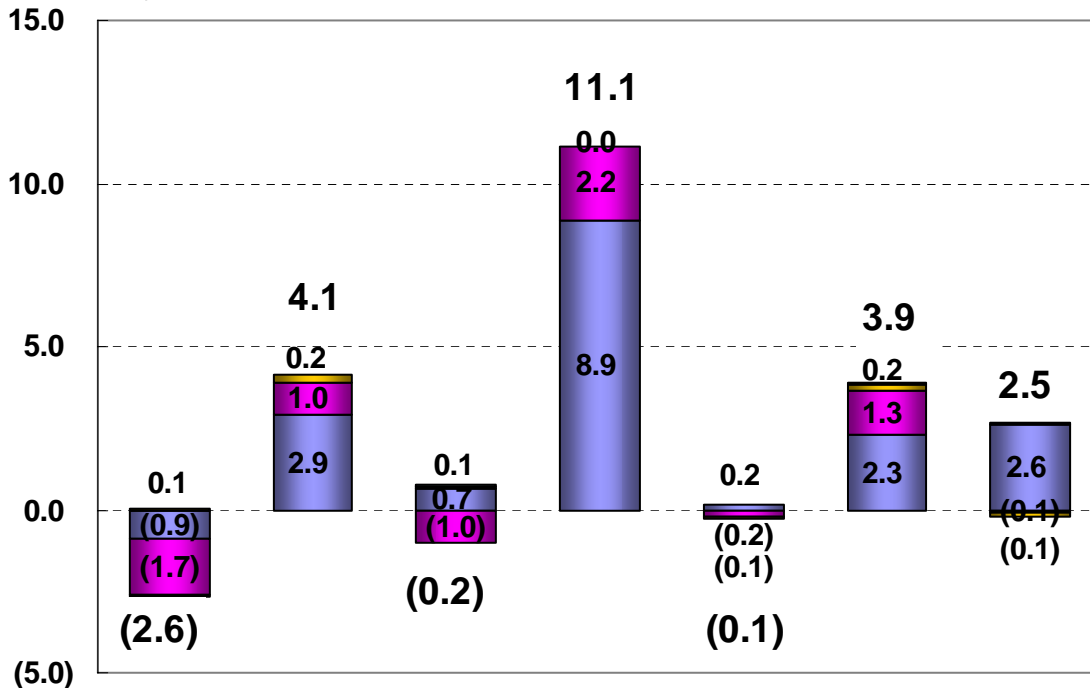
* Each segment amounts include internal transactions between business segments.

[Reference] FY2009 to 2010 Segment Profit (Operating Income)



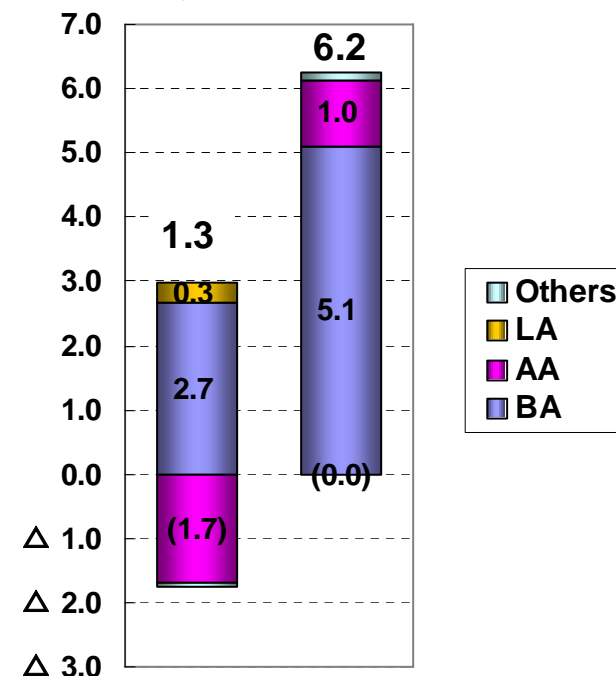
<Quarterly>

(Billions of yen)



<Cumulative>

(Billions of yen)



	(Billions of yen)						
	FY2009 1Q	FY2009 2Q	FY2009 3Q	FY2009 4Q	FY2010 1Q	FY2010 2Q	FY2010 3Q
BA	(0.9)	2.9	0.7	8.9	0.2	2.3	2.6
AA	(1.7)	1.0	(1.0)	2.2	(0.2)	1.3	(0.1)
LA	0.1	0.2	0.1	0.0	(0.1)	0.2	(0.1)
Others	(0.1)	(0.0)	0.0	0.0	(0.0)	0.1	0.0
Consolidated	(2.6)	4.1	(0.2)	11.1	(0.1)	3.9	2.5

	(Billions of yen)			
	FY2009 3Q (A)	FY2010 3Q (B)	Year on Year	
			(B)-(A)	% Change
BA	2.7	5.1	2.5	92.2%
AA	(1.7)	1.0	2.7	—
LA	0.3	(0.0)	(0.3)	—
Others	(0.1)	0.1	0.2	—
Consolidated	1.3	6.2	5.0	399.2%

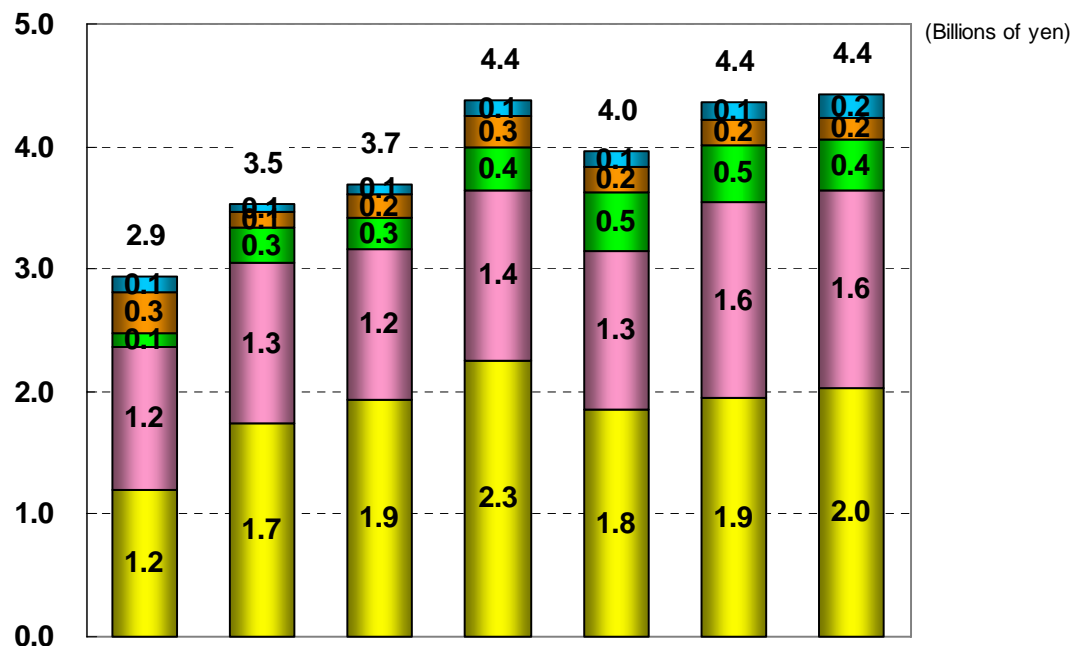
* Each segment amounts include internal transactions between business segments.

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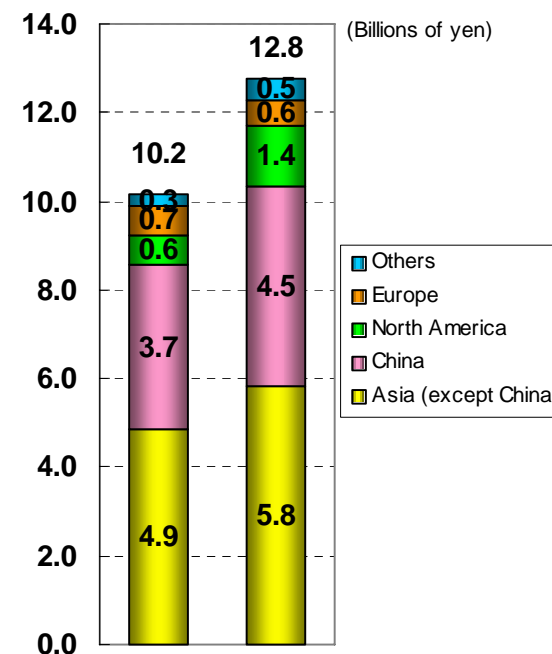
FY2010 3rd Quarter International Business (Overseas Sales)



<Quarterly>



<Cumulative>



(Billions of yen)

(Billions of yen)

	FY2009				FY2010				Year on Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	(B)-(A)	% Change	
	(A)				(B)					
Asia (except China)	1.2	1.7	1.9	2.3	1.8	1.9	2.0	0.1	5.7%	
China	1.2	1.3	1.2	1.4	1.3	1.6	1.6	0.4	30.3%	
North America	0.1	0.3	0.3	0.4	0.5	0.5	0.4	0.2	61.7%	
Europe	0.3	0.1	0.2	0.3	0.2	0.2	0.2	(0.0)	(13.3)%	
Others	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	147.8%	
Total	2.9	3.5	3.7	4.4	4.0	4.4	4.4	0.7	19.8%	

FY2009	FY2010			
	3Q	3Q	Year on Year	
	(A)	(B)	(B)-(A)	% Change
4.9	5.8	1.0	19.6%	
3.7	4.5	0.8	21.3%	
0.6	1.4	0.7	114.1%	
0.7	0.6	(0.1)	(14.0)%	
0.3	0.5	0.2	70.2%	
10.2	12.8	2.6	25.4%	

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

* The accounting year used by overseas affiliates ends on December 31.

FY2010 3rd Quarter Consolidated Balance Sheets



(Billions of yen)

	FY2009	FY2010		Difference (B)-(A)		FY2009	FY2010		Difference (B)-(A)
	(A) 4Q Mar.2010	2Q Sep.2010	(B) 3Q Dec.2010			(A) 4Q Mar.2010	2Q Sep.2010	(B) 3Q Dec.2010	
Current assets	160.2	152.5	152.5	(7.8)	Liabilities	89.2	79.6	80.5	(8.7)
Cash & deposits	45.1	50.7	43.2	(1.8)	Current liabilities	74.0	64.1	65.2	(8.7)
Notes & accounts receivable - trade	74.7	60.6	67.1	(7.6)	Notes & accounts payable - trade	35.0	29.6	30.7	(4.2)
Inventories	16.4	17.8	18.9	2.4	Short-term loans & Bonds	14.4	13.5	13.6	(0.9)
Others	24.1	23.4	23.3	(0.8)	Others	24.5	21.0	20.9	(3.6)
Noncurrent assets	58.2	53.9	54.2	(4.0)	Noncurrent liabilities	15.2	15.5	15.2	0.0
Property, plant & equipment	27.4	26.8	26.2	(1.2)	Long-term loans & Bonds	0.7	0.6	0.6	(0.2)
Intangible assets	7.1	6.1	6.1	(1.0)	Others	14.5	14.9	14.7	0.2
Investments & other assets	23.6	21.0	21.8	(1.8)					
					Net assets	129.3	126.8	126.2	(3.1)
					Shareholders' equity	125.4	124.4	123.3	(2.1)
					Capital stock	10.5	10.5	10.5	—
					Capital surplus	17.2	17.2	17.2	0.0
					Retained earnings	100.4	99.4	98.2	(2.1)
					Treasury stock	(2.6)	(2.6)	(2.6)	(0.0)
					Valuation & translation adjustments	2.2	0.7	1.2	(1.0)
					Minority interests	1.6	1.6	1.7	0.1
Total assets	218.5	206.4	206.7	(11.8)	Total liabilities & net assets	218.5	206.4	206.7	(11.8)

FY2010 3rd Quarter Consolidated Cash Flows



<Cumulative>

(Billions of yen)

[Reference]

	FY2009	FY2010		FY2009
	3Q	3Q	Year on Year	Full year
	(A)	(B)	(B)-(A)	
Cash flows from operating activities	4.7	5.8	1.2	15.7
Cash flows from investing activities	(1.3)	(1.2)	0.1	2.0
Free cash flows	3.4	4.7	1.3	17.7
Cash flows from financing activities	(6.1)	(5.7)	0.4	(6.8)
Effect of exchange rate on cash and cash equivalents	(0.0)	(0.4)	(0.3)	0.1
Net increase (decrease) in cash and cash equivalents	(2.7)	(1.4)	1.3	11.0
Cash and cash equivalents at end of period	41.6	54.0	12.4	55.4

Business Plan for Consolidated Financial Results **azbil**

The forecast for consolidated financial results is as announced on October 29, 2010

- While there was some sluggishness in certain segments, results are more or less as envisioned in the performance forecast.
- For construction contracts started in April 2009 onwards, the percentage-of-completion method has been applied. As far as construction contracts are concerned, this has resulted in some leveling out of the fluctuations previously seen in quarterly sales and income. This trend has been particularly evident in the BA business, which has a relatively high proportion of construction contract sales.

FY2009

(Billions of yen)

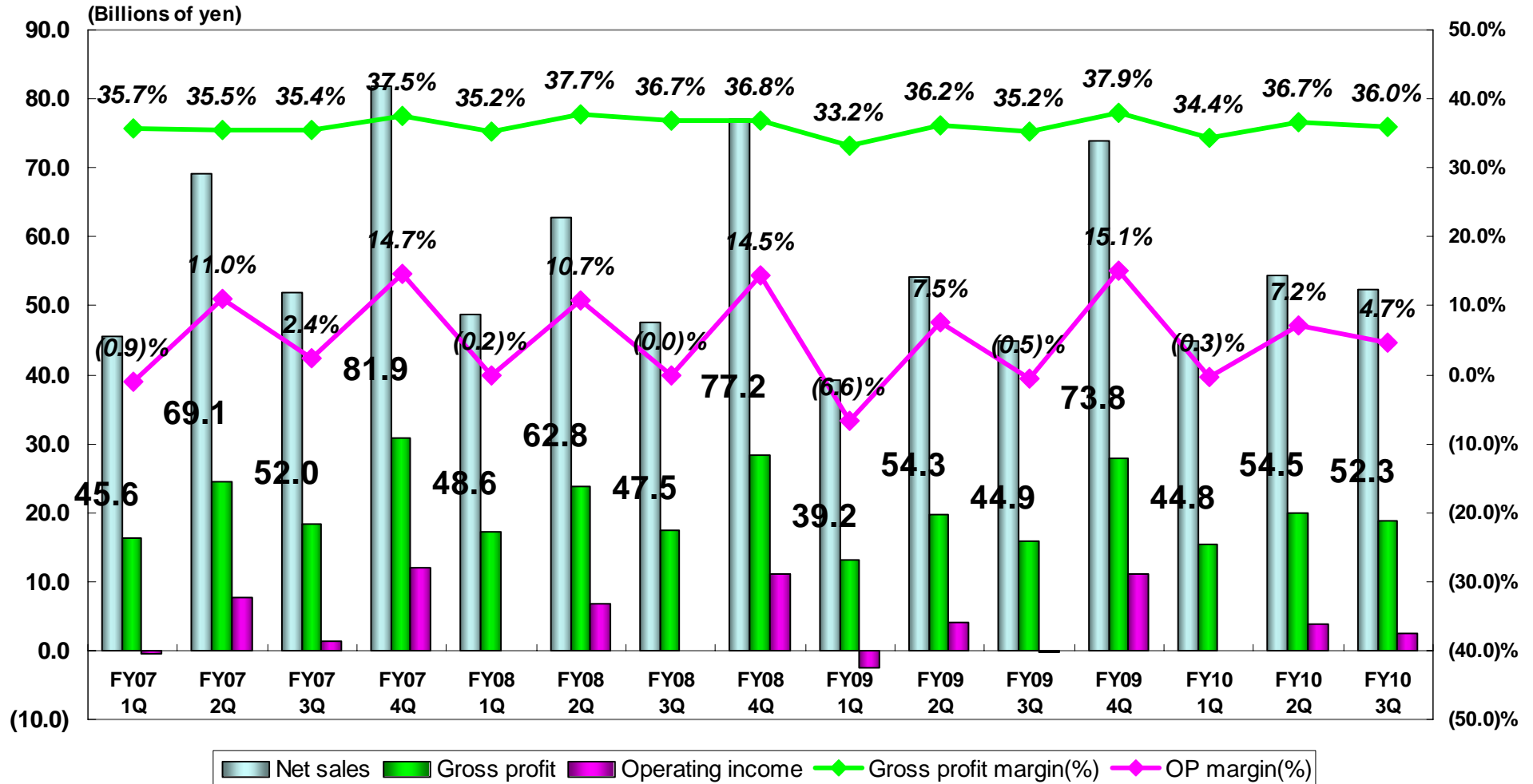
	1Q Actual	2Q Actual	1H Actual	3Q Actual	4Q Actual	2H Actual	Full year Actual
Net sales	39.2	54.3	93.5	44.9	73.8	118.7	212.2
Operating income	(2.6)	4.1	1.5	(0.2)	11.1	10.9	12.4
Ordinary income	(2.5)	3.9	1.4	(0.1)	11.3	11.2	12.6
Net income	(2.0)	1.8	(0.2)	(0.3)	6.7	6.5	6.2

FY2010

(Billions of yen)

	1Q Actual	2Q Actual	1H Actual	3Q Actual	4Q	2H Forecast (Oct/29/2010)	Full year Forecast (Oct/29/2010)
Net sales	44.8	54.5	99.3	52.3		125.7	225.0
Operating income	(0.1)	3.9	3.8	2.5		12.2	16.0
Ordinary income	(0.2)	3.8	3.7	2.4		11.8	15.5
Net income	(0.6)	1.9	1.3	1.2		6.9	8.2

[Reference]
Sales, Profit and Profit Margin [Quarterly]



* Sales for the azbil Group tend to be concentrated in the second quarter and fourth quarter accounting periods, while fixed costs continue throughout the year. This means that profits in the first quarter and third quarter accounting periods are typically lower than those in the other two quarters.

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



These 3 characters appear in azbil corporate advertising. From the left: Billy, Ippei and Lisa. Their initials represent the 3 core businesses of the azbil Group: B for Building, I for Industrial, and L for Life. As the azbil Group grows, so too will they grow.