

# **Consolidated Financial Results**

**for the Second Quarter of Fiscal Year 2011 ending March 31, 2012**  
**(April 1, 2011 to September 30, 2011)**

## **Yamatake Corporation**



Note: Segment names are abbreviated as follows.

BA: Building Automation Business  
AA: Advanced Automation Business  
LA: Life Automation Business

\* Figures are rounded off.

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.

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# Summary of business in the 2nd quarter of the cumulative period

## BA

Building Automation Business

- The business environment remained steadily within the range envisioned by the Group.
- Successful participation in market testing\* bidding has led to a substantial increase in the volume of orders (up 25.7% compared to the same period last year) .
- Despite price pressures, customers keenly feel the need to reduce environmental burden (CO<sub>2</sub> emissions) and electricity consumption, leading to a significant increase in the number of inquiries and proactive proposals.

## AA

Advanced Automation Business

- Thanks to a rapid operational recovery following the March 11 disaster and strong export performance, domestic capital investment is showing signs of recovery. But for the immediate future there is an upsurge in uncertainty.
- Demand for control products for the domestic FA market grew more than had been initially expected, thanks in part to customers procuring parts in advance. But demand fell in the 2nd quarter.
- In the 1st quarter, the overseas business environment was robust, but demand for control products started to decline.

## LA

Life Automation Business

- After the March 11 disaster and nuclear power plant accident, operations at some factories were suspended but soon resumed. There was some impact on business performance but less than expected.
- In contrast to the robust demand for town gas meters, demand for LP gas meters declined.
- An improvement can be seen in the selling price for water meters, now compliant with the new JIS standard.

### Note : Market testing

"Market testing" is a government-and-private sector competitive bidding system in Japan. As stipulated by legislation aimed at effecting public service reform through the introduction of competition, this system ensures that contracts for public services hitherto provided solely by the government are to be decided by competitive bidding in which public and private operators participate on an equal footing. The contract is awarded to the operator who offers the best quality for the best price. As a result of this bidding process, orders are placed for large-scale service projects that stretch over several years, and the total value of a contract for that multi-year period is recorded as a lump sum for accounting purposes. The periods covered by contracts won by the azbil Group through such market testing range from 3 to 5 years, and thus the amounts involved are quite considerable; consequently, they account for the bulk of the growth in orders achieved by the BA business in the second quarter of the current cumulative period. As regards sales figures, these are recorded according to the actual services provided during the relevant year.



# FY2011 2nd Quarter Financial Results



# FY2011 2nd Quarter Consolidated Financial Results



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

### Orders received

Thanks mainly to the BA business seizing the opportunity afforded by the market testing initiative to open up contracts for public services to private operators, and also to growth in the AA business, orders increased substantially on the same period last year, reaching 138.5 billion yen (an increase of 12.4%).

### Net sales

Both BA and AA businesses grew, leading to sales of 103.3 billion yen, an increase of 4.0% on the same period last year. Notable was the performance of the AA business: benefitting from a recovery in capital investment, it not only recorded an increase on the previous year, it even grew more than both the initial and revised plans.

### Income

While there were several factors serving to increase expenditures, including social insurance premiums and provision for retirement benefits, sales growth led to a significant increase in income for the AA business. Also, since the impact on the LA business of the March 11 disaster and nuclear power plant accident was less than expected, income exceeded those initially planned and was also higher than the same period last year.

Billions of yen

	FY2010	FY2011								
	1H Actual	1H Actual	Difference		1H Revised plan (July 29, 2011)	Difference		1H Initial plan (May 10, 2011)	Difference	
	(A)	(B)	(B) - (A)	% Change	(C)	(B) - (C)	% Change	(D)	(B) - (D)	% Change
Orders received	123.2	138.5	15.3	12.4%						
Net sales	99.3	103.3	3.9	4.0%	102.0	1.3	1.2%	99.0	4.3	4.3%
Operating income	3.8	4.7	0.9	24.1%	3.5	1.2	34.5%	2.5	2.2	88.2%
Operating margin	3.8%	4.6%	0.7		3.4%	1.1		2.5%	2.0	
Ordinary income	3.7	4.7	1.0	27.5%	3.3	1.4	41.5%	2.4	2.3	94.6%
Net income	1.3	2.4	1.2	90.5%	1.5	0.9	63.2%	0.9	1.5	172.0%

## 《Compared to the same period last year》

- In the absence of any major transient factors, extraordinary loss were 400 million yen, a decrease of 800 million yen compared to the same period last year.

Note: Extraordinary losses for the second quarter of the consolidated cumulative period for fiscal year 2010 include approximately 800 million yen as loss on adjustment for changes of accounting standard for asset retirement obligations and environmental expenses.

Billions of yen

	FY2010 1H Actual (A)	FY2011		
		1H Actual (B)	Difference	
			(B) - (A)	% Change
Operating income	3.8	4.7	0.9	24.1%
<i>Non-operating income</i>	0.6	0.4	(0.2)	(28.6)%
<i>Non-operating expenses</i>	0.7	0.5	(0.3)	(36.1)%
Ordinary income	3.7	4.7	1.0	27.5%
<i>Extraordinary income</i>	0.2	0.3	0.0	14.6%
<i>Extraordinary loss</i>	1.2	0.4	(0.8)	(67.0)%
Income before income taxes and minority interests	2.7	4.5	1.8	66.4%
<i>Income taxes</i>	1.3	1.9	0.6	43.7%
<i>Minority interests in income</i>	0.1	0.2	0.1	60.1%
Net income	1.3	2.4	1.2	90.5%

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

BA

Sales and segment profit of 44.4 billion yen and 2.3 billion yen, respectively, were recorded – both broadly in line with the initial plan. Thanks to winning large-scale multi-year service contracts through participating in market testing bidding, orders were 76.2 billion yen, up 25.7% on the same period last year.

AA

While there were signs of a slowdown in some markets, major causes for concern at the start of the period (a slump in manufacturing output as a result of supply chain disruption, etc.) were greatly mitigated. As a result, domestic capital investment made a good recovery and since overseas markets continued to be robust, sales and profits were up on the same period last year, exceeding the figures in both the initial and revised business plans.

LA

Owing to the temporary suspension of factory operations following the March 11 disaster and nuclear power plant accident, as well as the fall in demand for LP gas meters, both sales and profits were down on the same period last year. However, thanks to efforts to minimize the impact of the suspension of manufacturing, the drop in profits was small.

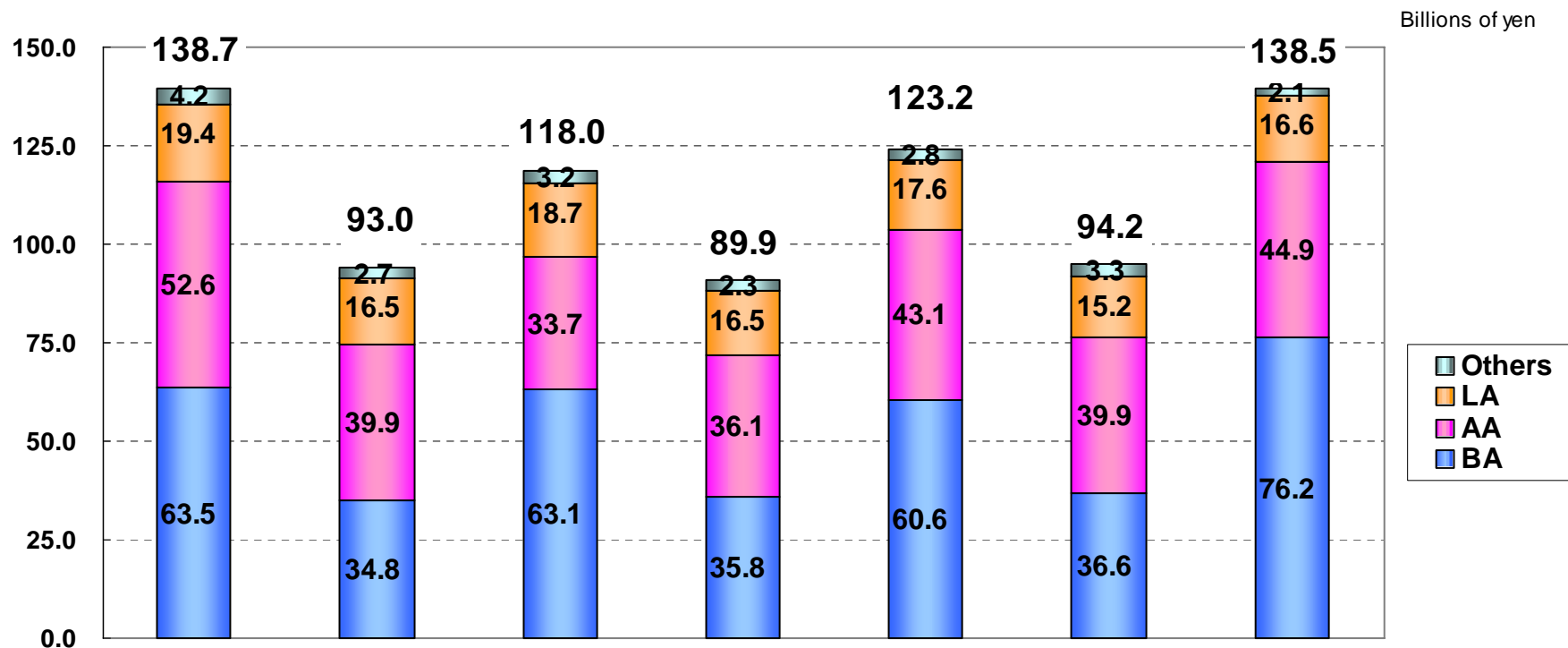
Billions of yen

		FY2010	FY2011								
		1H Actual	1H Actual	Difference		1H Revised plan (July 29, 2011)	Difference		1H Initial plan (May 10, 2011)	Difference	
		(A)	(B)	(B) - (A)	% Change	(C)	(B) - (C)	% Change	(D)	(B) - (D)	% Change
BA	Orders received	60.6	76.2	15.6	25.7%						
	Net sales	42.2	44.4	2.2	5.2%	44.0	0.4	0.9%	44.0	0.4	0.9%
	Segment profit	2.5	2.3	(0.2)	(8.7)%	2.2	0.1	3.9%	2.2	0.1	3.9%
	%	5.9%	5.1%	(0.8)		5.0%	0.1		5.0%	0.1	
AA	Orders received	43.1	44.9	1.8	4.2%						
	Net sales	37.9	41.0	3.1	8.1%	41.0	(0.0)	(0.1)%	39.0	2.0	5.0%
	Segment profit	1.1	2.4	1.3	114.7%	1.7	0.7	40.0%	1.3	1.1	83.0%
	%	2.9%	5.8%	2.9		4.1%	1.7		3.3%	2.5	
LA	Orders received	17.6	16.6	(1.0)	(5.6)%						
	Net sales	17.1	16.2	(0.9)	(5.2)%	16.0	0.2	1.3%	15.0	1.2	8.1%
	Segment profit	0.1	(0.0)	(0.2)	-	(0.3)	0.3	—	(0.9)	0.9	—
	%	0.6%	(0.3)%	(0.9)		(1.9)%	1.6		(6.0)%	5.7	
Others	Orders received	2.8	2.1	(0.8)	(26.8)%						
	Net sales	3.0	2.5	(0.4)	(14.9)%	2.0	0.5	25.6%	2.0	0.5	25.6%
	Segment profit	0.1	0.1	0.0	19.8%	(0.1)	0.2	—	(0.1)	0.2	—
	%	2.5%	3.5%	1.0		(5.0)%	8.5		(5.0)%	8.5	
Consolidated	Orders received	123.2	138.5	15.3	12.4%						
	Net sales	99.3	103.3	3.9	4.0%	102.0	1.3	1.2%	99.0	4.3	4.3%
	Operating income	3.8	4.7	0.9	24.1%	3.5	1.2	34.5%	2.5	2.2	88.2%
	Operating margin	3.8%	4.6%	0.7		3.4%	1.1		2.5%	2.0	

\* Each segment amounts include internal transactions between business segments.

[Reference] FY2008 to FY2011

# Orders Received by Segment



	FY2008 1H	FY2008 2H	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H
BA	63.5	34.8	63.1	35.8	60.6	36.6	76.2
AA	52.6	39.9	33.7	36.1	43.1	39.9	44.9
LA	19.4	16.5	18.7	16.5	17.6	15.2	16.6
Others	4.2	2.7	3.2	2.3	2.8	3.3	2.1
Consolidated	138.7	93.0	118.0	89.9	123.2	94.2	138.5

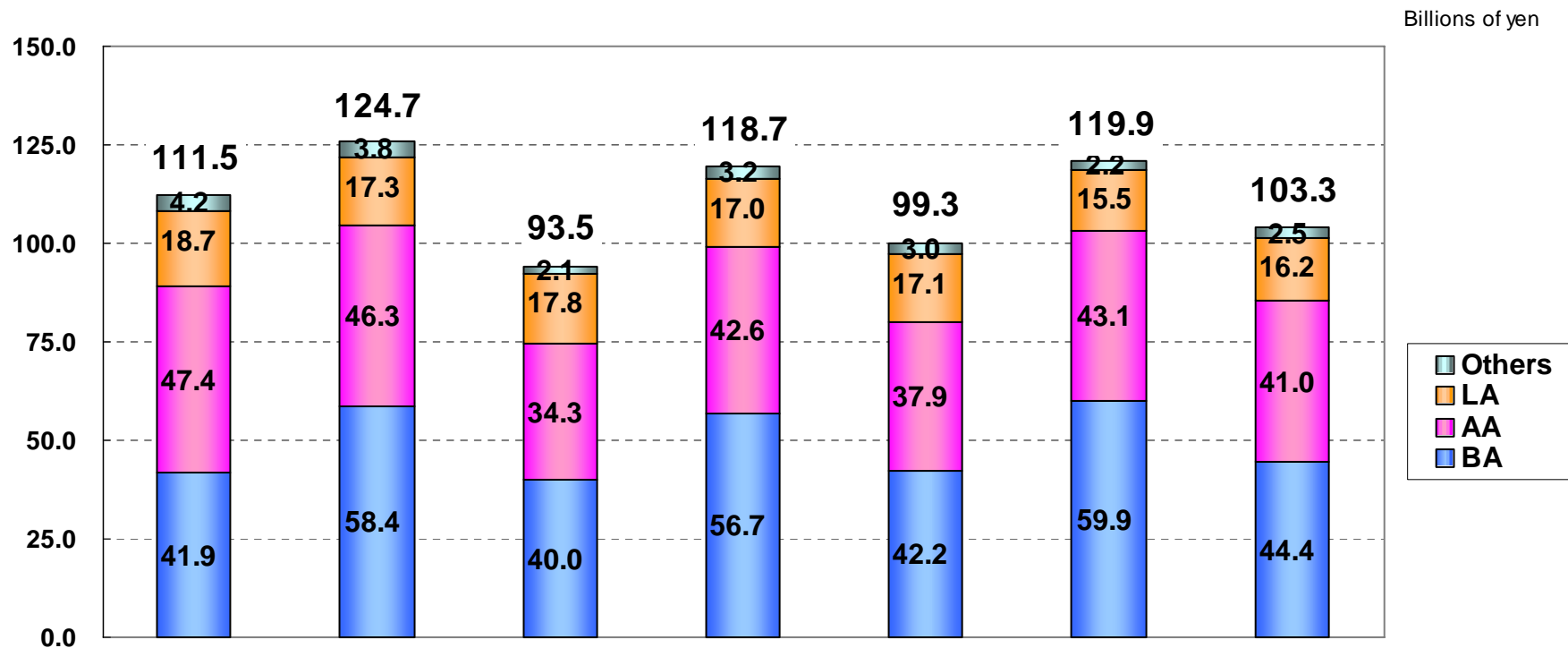
Billions of yen

\* Each segment amounts include internal transactions between business segments.



[Reference] FY2008 to FY2011

# Net Sales by Segment



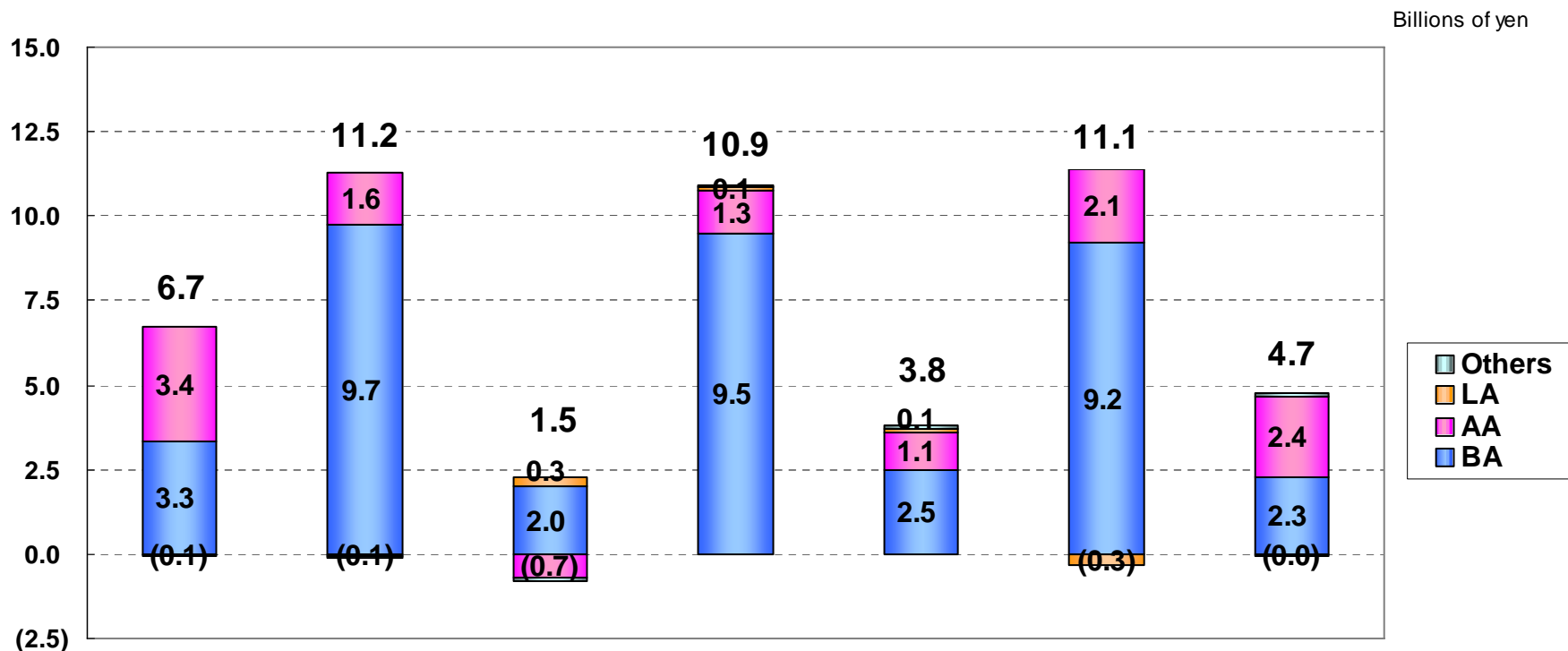
	FY2008 1H	FY2008 2H	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H
BA	41.9	58.4	40.0	56.7	42.2	59.9	44.4
AA	47.4	46.3	34.3	42.6	37.9	43.1	41.0
LA	18.7	17.3	17.8	17.0	17.1	15.5	16.2
Others	4.2	3.8	2.1	3.2	3.0	2.2	2.5
Consolidated	111.5	124.7	93.5	118.7	99.3	119.9	103.3

Billions of yen

\* Each segment amounts include internal transactions between business segments.

[Reference] FY2008 to FY2011

# Segment Profit (Operating Income)



	FY2008 1H	FY2008 2H	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H
BA	3.3	9.7	2.0	9.5	2.5	9.2	2.3
AA	3.4	1.6	(0.7)	1.3	1.1	2.1	2.4
LA	(0.1)	(0.1)	0.3	0.1	0.1	(0.3)	(0.0)
Others	(0.0)	(0.1)	(0.1)	0.0	0.1	0.1	0.1
Consolidated	6.7	11.2	1.5	10.9	3.8	11.1	4.7

Billions of yen

\* Each segment amounts include internal transactions between business segments.

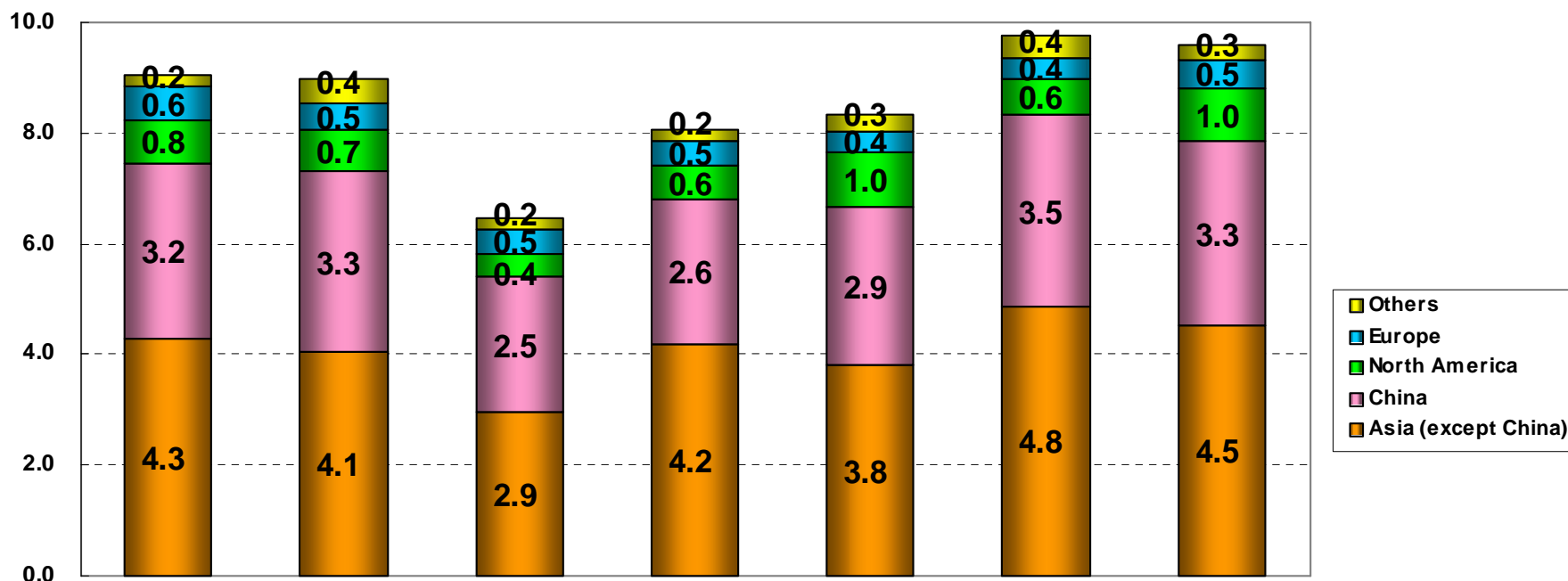
# International Business (Overseas Sales)

- Growth was 15.1% compared to the same period last year, despite the impact of exchange rates and the slowdown in overseas economies.

- 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.

FY2008 1H	FY2008 2H	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H
9.1	9.0	6.5	8.1	8.3	9.8	9.6

Billions of yen



## Reference : Average Exchange Rate

Yen-1USD	104.90	* 103.49	95.60	* 93.65	91.36	* 87.79	82.02
Yen-1Euro	160.61	* 152.65	127.44	* 130.36	121.24	* 116.28	115.05

\* Yearly

\* Yearly

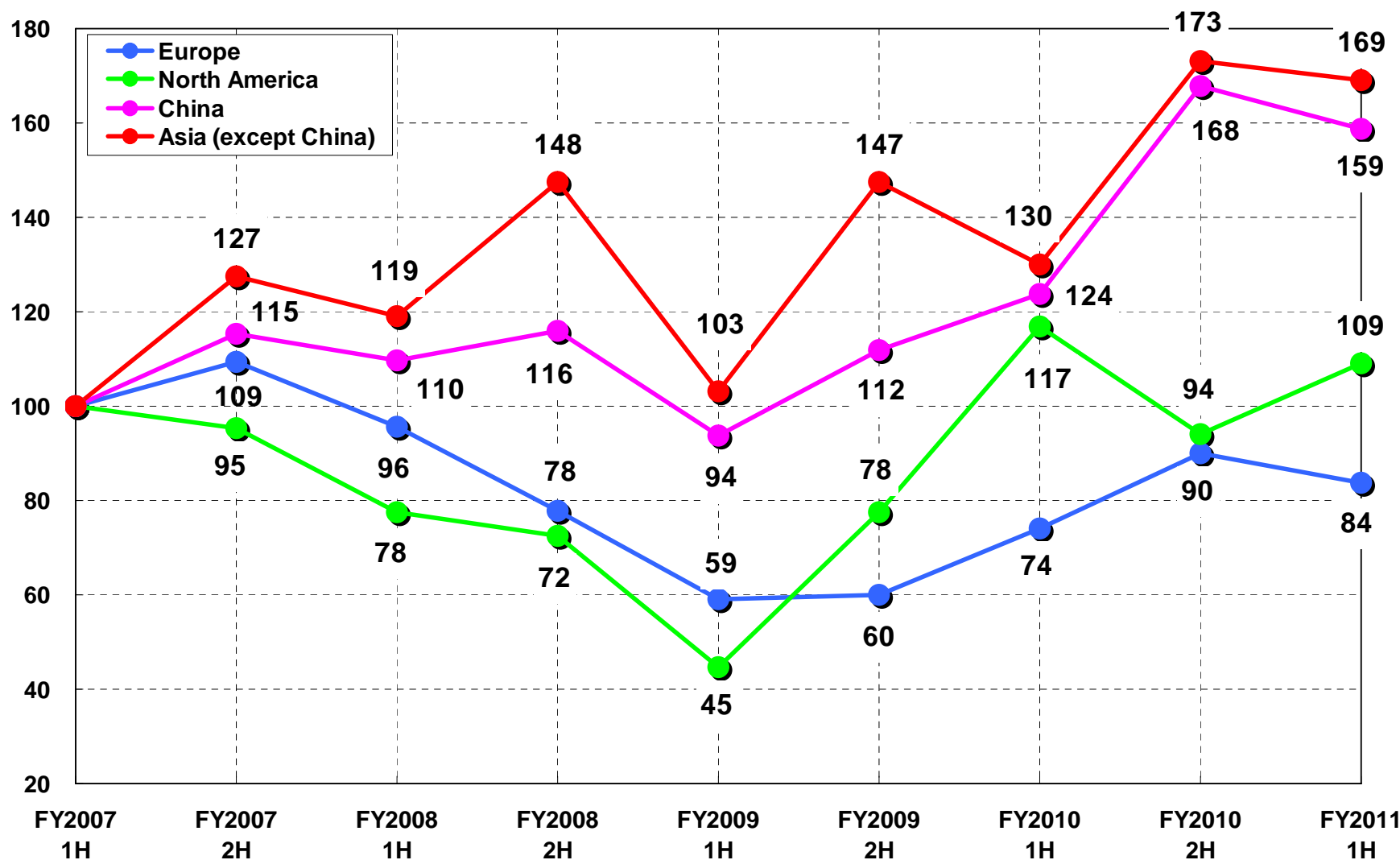
\* Yearly

- It is assumed that the exchange rate in the second half of fiscal year 2011 was 75 yen = 1 US dollar.

[Reference] FY2007 to FY2011

# Changes of Sales of Overseas Subsidiaries

(on local currency basis)



- The percentage changes of sales from fiscal year 2007 are shown in each local currency. In Asian regions, there are several currencies. In order to remove the effects of exchange rates, we multiplied the amount in the local currency in each fiscal year by the average rate in fiscal year 2007, for convenience.
- The percentage was calculated based on only the sales of overseas subsidiaries; direct exports and indirect exports are not included.
- The accounting year used by overseas affiliates ends on December 31.

# FY2011 2nd Quarter

## Consolidated Balance Sheets



- Total assets were 209.1 billion yen, a fall of 8.4 billion yen from the end of the previous fiscal year, mainly due to a decrease in accounts receivable.

Billions of yen

	FY2010		FY2011	Difference	
	1H (A)	2H (B)	1H (C)	(C)-(A)	(C)-(B)
<b>Current assets</b>	<b>152.5</b>	<b>164.4</b>	<b>157.4</b>	<b>4.8</b>	<b>(7.0)</b>
Cash & deposits	50.7	48.6	46.7	(4.0)	(1.9)
Notes & accounts receivable - trade	60.6	76.0	69.2	8.6 *1	(6.9)
Inventories	17.8	13.8	16.4	(1.4) *2	2.6
Others	23.4	26.0	25.1	1.7 *3	(0.9)
<b>Noncurrent assets</b>	<b>53.9</b>	<b>53.1</b>	<b>51.8</b>	<b>(2.1)</b>	<b>(1.3)</b>
Property, plant & equipment	26.8	25.7	25.0	(1.8)	(0.7)
Intangible assets	6.1	5.8	5.1	(1.0)	(0.7)
Investments & other assets	21.0	21.6	21.7	0.7	0.1
<b>Total assets</b>	<b>206.4</b>	<b>217.5</b>	<b>209.1</b>	<b>2.7</b>	<b>(8.4)</b>

	FY2010		FY2011	Difference	
	1H (A)	2H (B)	1H (C)	(C)-(A)	(C)-(B)
<b>Liabilities</b>	<b>79.6</b>	<b>86.1</b>	<b>77.4</b>	<b>(2.2)</b>	<b>(8.7)</b>
<b>Current liabilities</b>	<b>64.1</b>	<b>65.5</b>	<b>57.2</b>	<b>(6.9)</b>	<b>(8.2)</b>
Notes & accounts payable - trade	29.6	33.9	32.4	2.8	(1.5)
Short-term loans & Bonds	13.5	5.7	5.4	(8.2) *1	(0.3)
Others	21.0	25.9	19.5	(1.5)	(6.4)
<b>Noncurrent liabilities</b>	<b>15.5</b>	<b>20.6</b>	<b>20.2</b>	<b>4.7</b>	<b>(0.5)</b>
Long-term loans & Bonds	0.6	6.2	5.4	4.8 *1	(0.7)
Others	14.9	14.5	14.8	(0.1)	0.3
<b>Net assets</b>	<b>126.8</b>	<b>131.4</b>	<b>131.7</b>	<b>4.9</b>	<b>0.4</b>
<b>Shareholders' equity</b>	<b>124.4</b>	<b>128.8</b>	<b>128.9</b>	<b>4.4</b>	<b>0.1</b>
Capital stock	10.5	10.5	10.5	—	—
Capital surplus	17.2	17.2	17.2	(0.0)	(0.0)
Retained earnings	99.4	103.7	103.8	4.4	0.1
Treasury stock	(2.6)	(2.6)	(2.6)	(0.0)	0.0
Total accumulated other comprehensive income	0.7	0.8	1.0	0.3	0.1
Subscription rights to shares & Minority interests	1.6	1.8	1.8	0.2	0.1
<b>Total liabilities &amp; net assets</b>	<b>206.4</b>	<b>217.5</b>	<b>209.1</b>	<b>2.7</b>	<b>(8.4)</b>

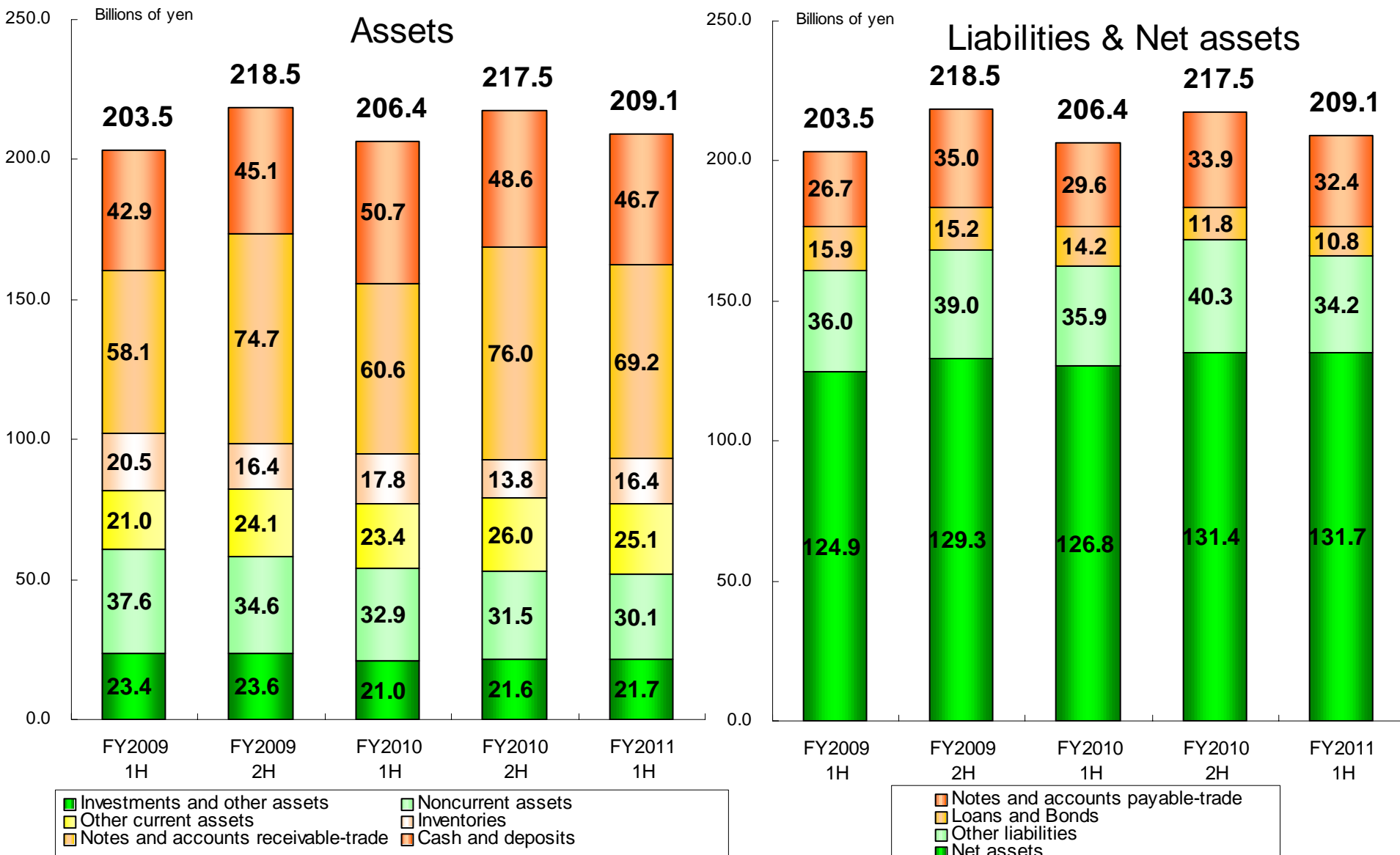
\*1 Cash and deposits/loans payable: It decreased from the same period of the previous year, due to the repayment of debts, debt reduction, and refinancing, etc. at Kimmon Manufacturing, etc.

\*2 Notes and accounts receivable-trade: It increased from the same period of the previous year due to the increase in sales and the effects of sales on a percentage-of-completion basis that was adopted in fiscal year 2009 (after adoption, sales on a completed-contract basis gradually decreased), and other factors.

\*3 Inventories: It decreased from the same period of the previous year due to the effects of sales on a percentage-of-completion basis that was adopted in fiscal year 2009(after adoption, sales on a completed-contract basis gradually decreased), and other factors.

[Reference] FY2009 to FY2011

# Consolidated Balance Sheets



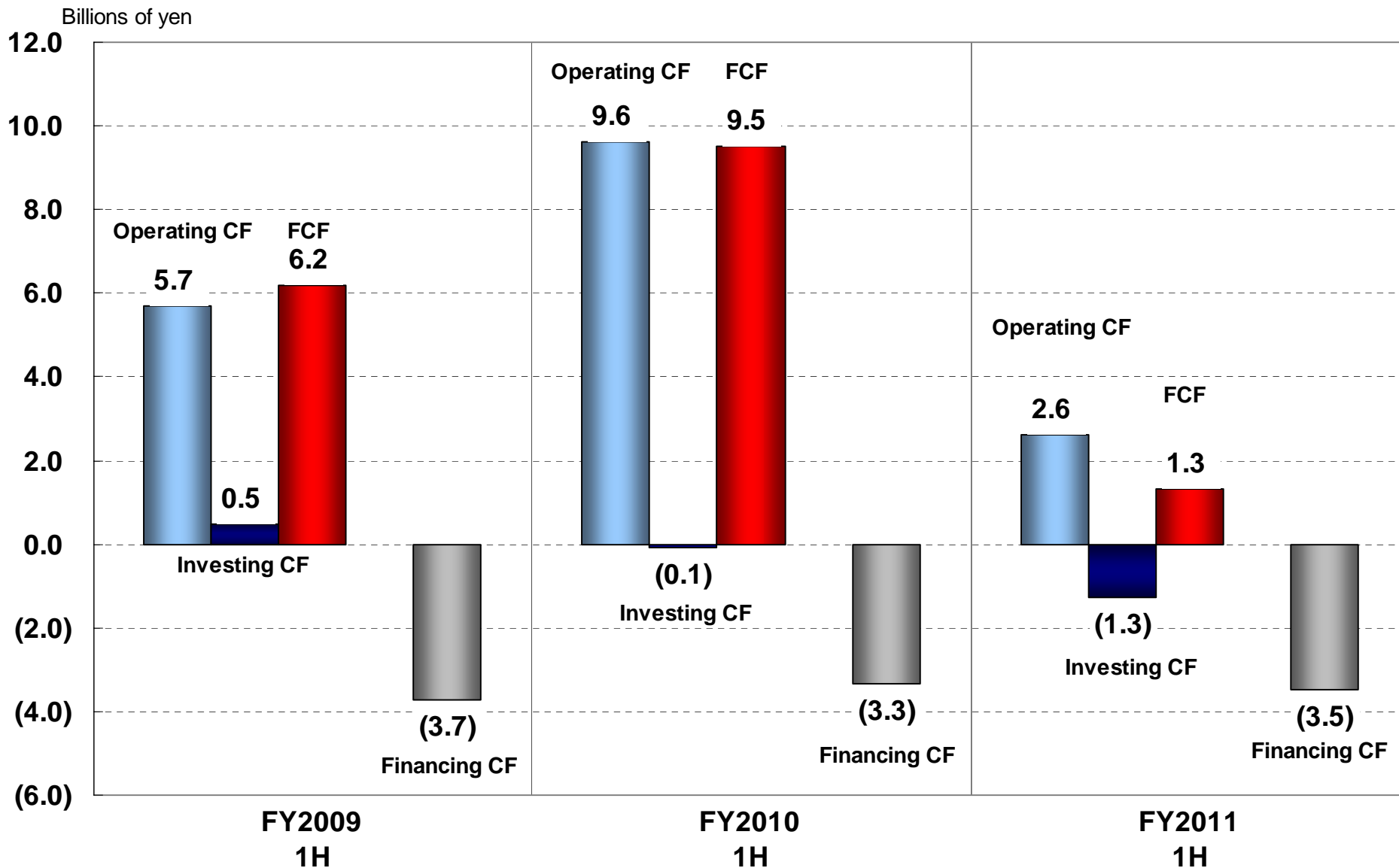
# Consolidated Cash Flows

- While income increased compared to the same period last year, net cash provided by operating activities were 2.6 billion yen (down 7 billion yen from the same period last year). This resulted from such factors as the increase in operating capital (accounts receivable less account payable) that derived from the increase in sales, and also the higher income tax at the end of the period.
- Net cash used in investing activities were 1.3 billion yen (up 1.2 billion yen from the same period last year) owing to the fall in proceeds from sales of investment securities.
- Net cash used in financing activities remained at almost the same level: 3.5 billion yen.

	Billions of yen				[Reference]
	FY2010	FY2011			FY2010
	1H Actual (A)	1H Actual (B)	Difference		Full year
			(B) - (A)	% Change	
Cash flows from operating activities	9.6	2.6	(7.0)	(72.8)%	15.2
Cash flows from investing activities	(0.1)	(1.3)	(1.2)	—	(2.3)
Free cash flows	9.5	1.3	(8.2)	(86.1)%	12.9
Cash flows from financing activities	(3.3)	(3.5)	(0.1)	—	(8.0)
Effect of exchange rate change on cash and cash equivalents	(0.3)	(0.0)	0.3	—	(0.5)
Net increase (decrease) in cash and cash equivalents	5.9	(2.2)	(8.1)	—	4.5
Cash and cash equivalents at end of period	61.3	57.7	(3.6)	(5.9)%	59.8

[ Reference] FY2009 to FY2011

# Consolidated Cash Flows





## **2 Business Plan for FY2011**



# Business Plan for Consolidated Financial Results **azbil**

Consolidated performance targets for the fiscal year have been revised thus: sales to be 222.0 billion yen, an increase of 2 billion yen (0.9%) from the initial plan; and operating income to be 14.0 billion yen, an increase of 1.0 billion yen (7.7%) .

- Business was brisk in the 2nd quarter of the cumulative period, with performance better than initially planned.
- Owing to the economic uncertainty created by the European debt crisis, the slowing of economic growth in the emerging economies, and the impact of the excessively high yen exchange rate on Japan's export industries, from the 3rd quarter onwards there has been a sudden upsurge in uncertainty surrounding the business environment. Consequently, individual segment targets will be adjusted as required in the light of changing circumstances.
- While striving to achieve the targets laid out in the revised business plan, the Group will continue to engage in "Creating new businesses (business structural reform)." Every effort will be made to reform business structure aiming to create the sort of enterprise that can respond rapidly to changes in the business environment and grow.

Billions of yen

	FY2010	FY2011					
	Full year Actual	Full year Revised plan (Oct 28, 2011)	Difference		Full year Initial plan (May 10, 2011)	Difference	
	(A)	(B)	(B) - (A)	% Change	(C)	(B) - (C)	% Change
Net sales	219.2	222.0	2.8	1.3 %	220.0	2.0	0.9 %
Operating income	14.9	14.0	(0.9)	(6.0)%	13.0	1.0	7.7 %
<i>Operating margin</i>	6.8 %	6.3 %	(0.5)		5.9 %	0.4	
Ordinary income	14.9	13.8	(1.1)	(7.3)%	13.0	0.8	6.2 %
Net income	7.9	7.8	(0.1)	(1.6)%	7.3	0.5	6.8 %

# Business Plan for FY2011 by Segment



**BA**

In general, the business environment has been as envisioned in the business plan. As a result, sales for the fiscal year are expected to be 104.0 billion yen, and segment profit is expected to be 10.6 billion yen, both figures unchanged from the initial plan.

**AA**

Business performance in the 2nd quarter of the cumulative period was better than initially planned; however, from the 3rd quarter onwards there is much uncertainty surrounding the outlook for capital investment by manufacturing industries in Japan and overseas. Consequently, sales for the fiscal year are expected to be 83.0 billion yen, the same as in the initial plan, but segment profit is expected to be 3.6 billion yen, up 200 million yen.

**LA**

Since it was possible to limit the drop in sales and profits in the 2nd quarter of the cumulative period, sales for the fiscal year are expected to be 32.5 billion yen, up 1.5 billion yen on the initial plan. Segment loss is expected to be 300 million yen, representing an improvement of 600 million yen.

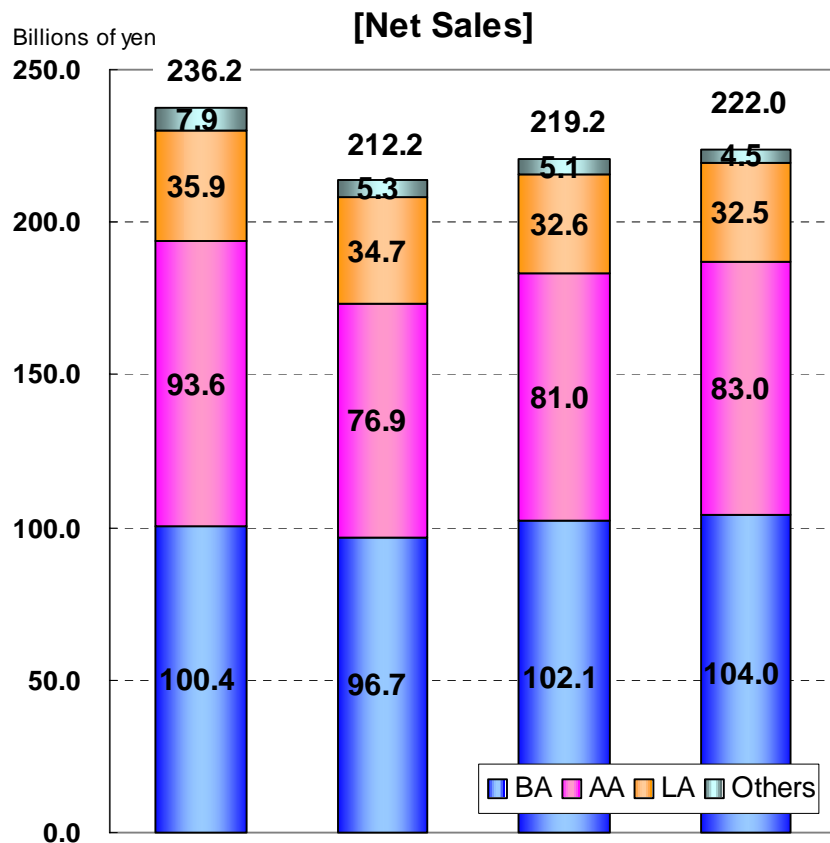
Billions of yen

		FY2010	FY2011					
		Full year Actual	Full year Revised plan (Oct 28, 2011)	Difference		Full year Initial plan (May 10, 2011)	Difference	
		(A)	(B)	(B) - (A)	% Change	(B) - (C)	(B) - (C)	% Change
BA	Net sales	102.1	104.0	1.9	1.8%	104.0	—	—
	Segment profit	11.7	10.6	(1.1)	(9.8)%	10.6	—	—
	%	11.5%	10.2%	(1.3)		10.2%	—	
AA	Net sales	81.0	83.0	2.0	2.5%	83.0	—	—
	Segment profit	3.2	3.6	0.4	11.3%	3.4	0.2	5.9%
	%	4.0%	4.3%	0.3		4.1%	0.2	
LA	Net sales	32.6	32.5	(0.1)	(0.4)%	31.0	1.5	4.8%
	Segment profit	(0.2)	(0.3)	(0.1)	—	(0.9)	0.6	—
	%	(0.7)%	(0.9)%	(0.2)		(2.9)%	2.0	
Others	Net sales	5.1	4.5	(0.6)	(12.2)%	4.0	0.5	12.5%
	Segment profit	0.1	0.1	(0.0)	(31.0)%	(0.1)	0.2	—
	%	2.8%	2.2%	(0.6)		(2.5)%	4.7	
Consolidated	Net sales	219.2	222.0	2.8	1.3%	220.0	2.0	0.9%
	Operating income	14.9	14.0	(0.9)	(6.0)%	13.0	1.0	7.7%
	Operating margin	6.8%	6.3%	(0.5)		5.9%	0.4	

\* Each segment amounts include internal transactions between business segments.

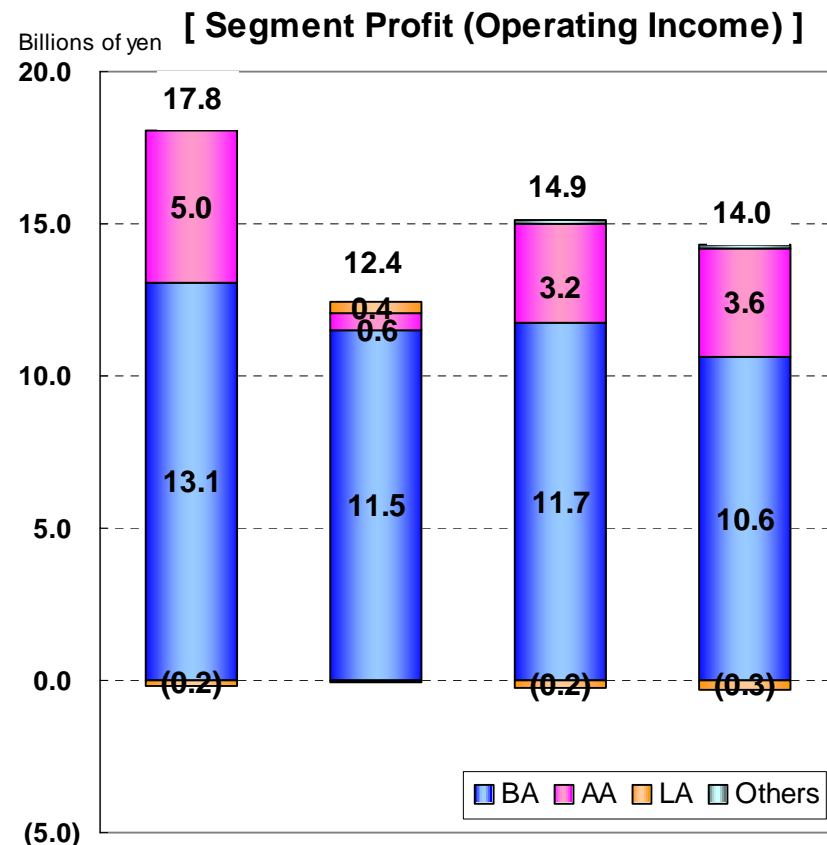
[Reference] FY2008 to FY2011

# Results and Business Plan for FY2011 by Segment



Billions of yen

	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Revised plan
BA	100.4	96.7	102.1	104.0
AA	93.6	76.9	81.0	83.0
LA	35.9	34.7	32.6	32.5
Others	7.9	5.3	5.1	4.5
<b>Total</b>	<b>236.2</b>	<b>212.2</b>	<b>219.2</b>	<b>222.0</b>



Billions of yen

	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Revised plan
BA	13.1	11.5	11.7	10.6
AA	5.0	0.6	3.2	3.6
LA	(0.2)	0.4	(0.2)	(0.3)
Others	(0.1)	(0.0)	0.1	0.1
<b>Total</b>	<b>17.8</b>	<b>12.4</b>	<b>14.9</b>	<b>14.0</b>

\* Each segment amounts include internal transactions between business segments.

– Products and on-site solutions –

Distinctively azbil:

3

- Results of the 1H “Creating new businesses” initiative
- Examples of “Creating new businesses” overseas



# Period of Growth: Distinctively azbil approach to “Creating new businesses”



“Creating new business (business structural reform)”: steady progress will be made in accordance with the basic policy of the Period of Growth (FY2010–FY2013).

[Basic policy for the "Period of Growth"]

## Creating new businesses

(business structural reform)

**BA**

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

**AA**

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.

**LA**

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

## 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)

# Results of the 1H “Creating new businesses” initiative **azbil**

**BA**

## **Supplying on-site solutions throughout the property life cycle**

(Contributing through building management to maintaining and improving the value of the customer's assets.)

### *Winning large-scale orders through market testing bidding*

- ✓ Achieve business expansion by seizing the opportunity afforded by the initiative to open up public service contracts to private operators.
- ✓ In addition to conventional equipment maintenance, offer customers a comprehensive building management service throughout the life cycle of the property.



## **Helping to solve issues facing today's cities, including environment & energy problems**

### *Participating in the Smart City Project*

- ✓ Participating in the Smart City Project, which brings together leading companies to create a next-generation sustainable eco-city, the most advanced of its kind in the world – a Smart City.
- ✓ Harnessing its experience and expertise in energy-saving and energy management systems (BEMS) for individual buildings, azbil is aiming to acquire advanced technology and knowhow for realizing optimum energy control for entire districts and sustainable eco-cities.

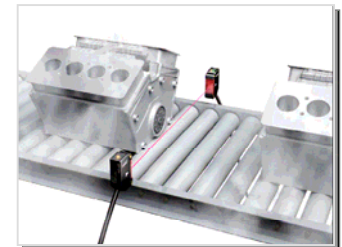
**AA**

## **Developing new products that answer customer needs**

(Responding to customer needs at the production site for greater added value and enhanced quality, and expanding the scope of business into new growth areas)

### *New photoelectric sensor answers multiple on-site needs*

- ✓ New product answers new on-site needs, such as preventing malfunctions with LED illumination.
- ✓ Groupwide system for technology development enables rapid commercialization and marketing of products (setting up new production lines).



Enhancing convenience on the production line with General-Purpose Self-Contained Photoelectric Sensors HP7 series





# Results of the 1H “Creating new businesses” initiative **azbil**

**LA**

## Enhancing product power utilizing on-site service expertise

(Reinforcing product power through tie-ups with other companies; enhancing safety and peace of mind)

### *Enhancing the emergency alert response service with a mobile device*

- ✓ Developed in cooperation with SoftBank Mobile Corp., the new emergency alert response service Nurse Phone - Security Pendant is now being marketed to local governments.
- ✓ Access to an advanced service boasting 64,000 users\* and offering the top level of safety and peace of mind among private providers is, for the first time, no longer limited to users with landline phones.

\*As of March 2011

Mobile Emergency Alert Response Service  
Nurse Phone - Security Pendant



Mimamori-phone  
SOFTBANK 005Z

To further enhance and supply services that are distinctively azbil,

### **two Group companies involved with emergency alert response and assisted care will merge.**

On April 1, 2012, a new company - Azbil Care & Support Co., Ltd. - will be created through a business merger between Safety Service Center Co., Ltd., and Yamatake Care-Net Co., Ltd. The goal of this merger is to combine the skills and knowhow for emergency alert response and nursing/assisted care, and to make maximum use of these capabilities to provide services that are distinctly azbil.

\* Mimamori-phone is a trademark of SOFTBANK MOBILE Corp.

## Developing new products to satisfy the increasing demand for a healthy living environment

*(Central air-conditioning systems for homes)*

### *Reinforcing the Kikubari business structure to coincide with the launch of new products*

- ✓ Developing new products aimed at the average-size detached house (100 to 115 square meters), and providing a healthy living environment - free from heat shock, house dust, and pollen - to as many clients as possible.
- ✓ Strengthening sales and technical development structures.
- ✓ To advertise the benefits of central air-conditioning, a showroom - Platz Kikubari - has been set up inside Japan's largest permanent housing exhibition (August 2011).



Showroom - Platz Kikubari -



## **Overseas** *Steady growth in provision of solution-type products and services*

### **Enhancing product power by focusing on local needs - overseas production of Kimmon Manufacturing gas meters, etc.**

- Local production and marketing of intelligent gas meters in Taiwan to benefit from the opportunity afforded by new legislation.
- Enhancing the design center functions of the local affiliate in the US. Expanding business through the supply of turnkey unit instrumentation to advanced equipment manufacturers in the US.
- Flowmeter calibration facility set up in China to facilitate local flowmeter business expansion.



Azbil Kimmon Technology Corporation

### **Business expansion through BA/AA business cooperation**

- Thanks to the high reputation for azbil's long track record in Japan and the capabilities of its overseas affiliate, it was possible to win contracts for approx. 70% of DCS (district cooling) plants in Singapore in the face of stiff competition.
- Building on successes achieved in Singapore, proactive proposals will be made to customers, and the business will be steadily expanded in other locations (Tianjin Eco-City, etc.).

### **Expanding the life-cycle support business**

- Expanding AEP (azbil Global Evolution Program) to ensure the functional maintenance of existing facilities.
- Expanding the control valve maintenance business in Asia and reinforcing the maintenance structure.



CV Maintenance Center  
(Thailand)



CV Maintenance Center  
(Singapore)



## Return to Shareholders

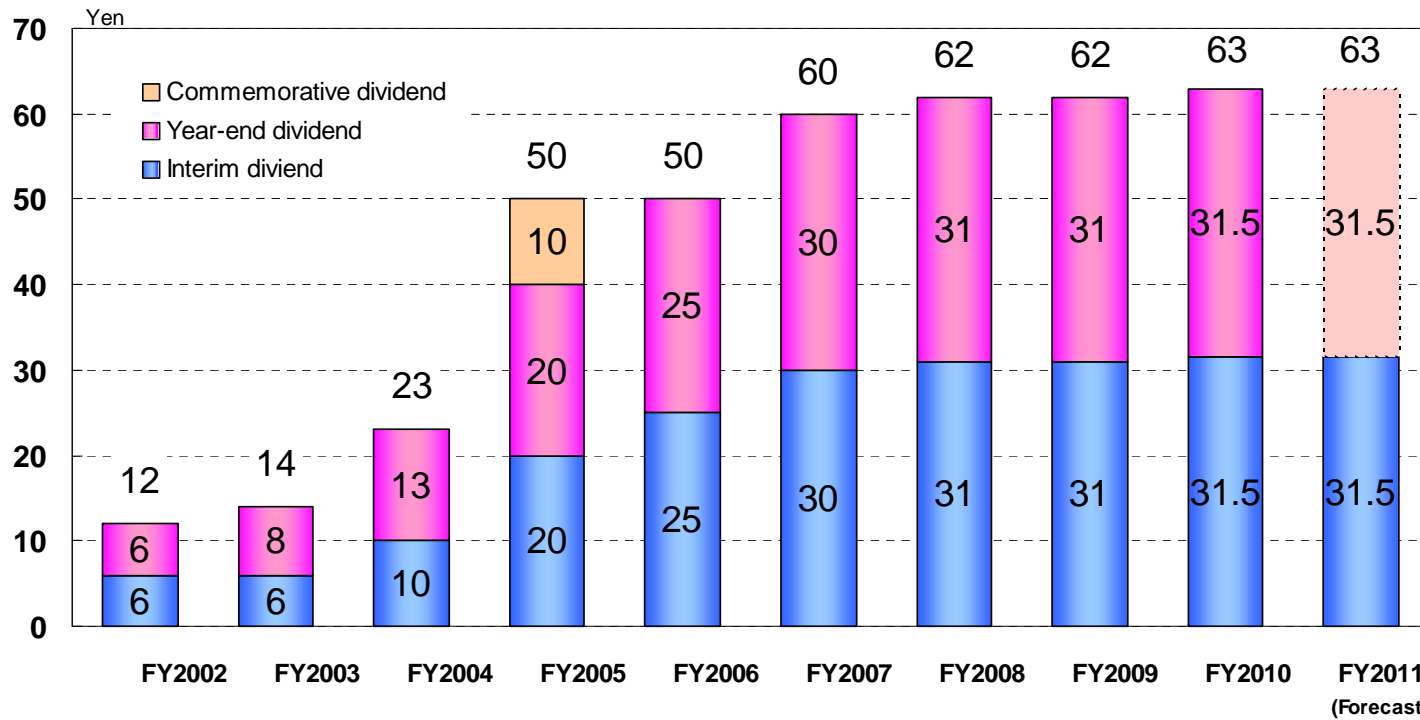


# FY2011 Interim and Year-end Dividends Forecast *azbil*

- As announced, in FY2011 interim and year-end dividends are 31.5 yen per share. Annual dividends per share will be 63 yen.

**FY2011**

(Interim)	(Year-end)	(Annual)
<b>31.5yen</b>	<b>+ 31.5yen</b>	<b>= 63 yen</b>



	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011 (Forecast)
Annual dividends (Yen)	12	14	23	50	50	60	62	62	63	63
Dividends on equity (%)	0.9	1.1	1.7	3.5	3.2	3.7	3.7	3.6	3.6	* 3.5
Payout ratio (%)	16.6	31.8	45.6	37.6	34.6	41.2	48.5	73.4	58.7	* 59.7

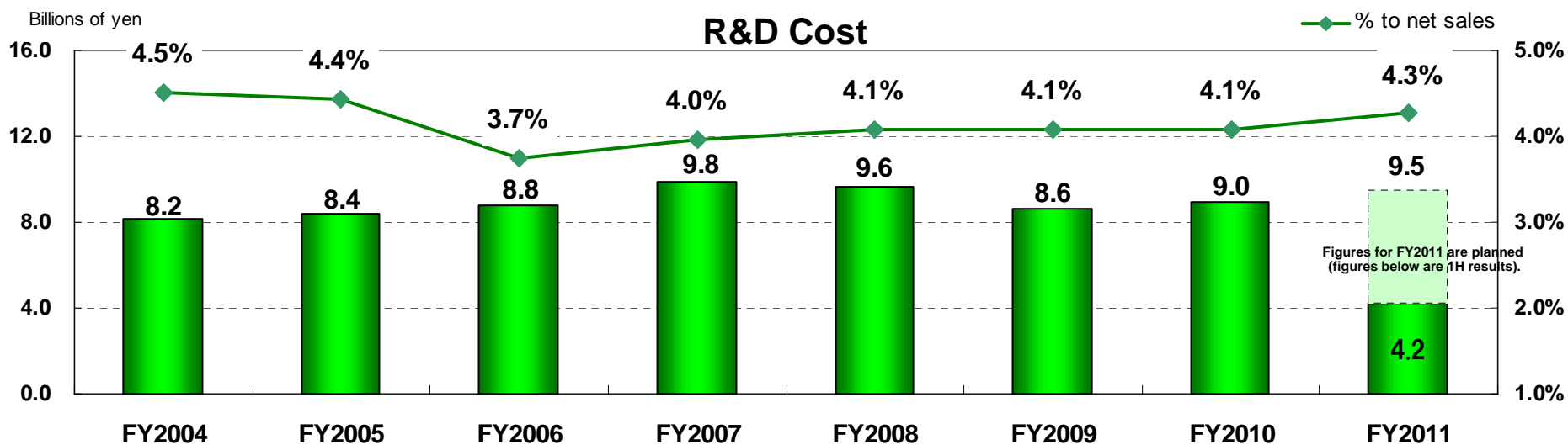
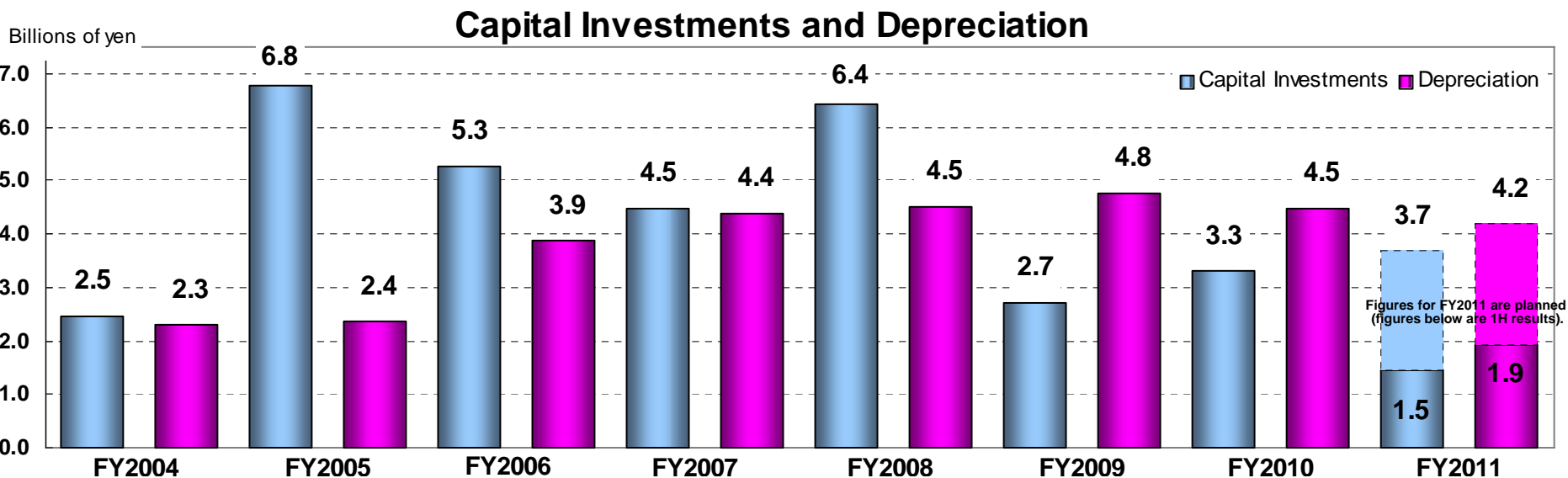
\* Reference



## Supplementary Matters



# Capital Investments, Depreciation and R&D Cost



# From “Yamatake” to “Azbil”



On the 105<sup>th</sup> anniversary of the company’s founding, and the 5<sup>th</sup> anniversary of the debut of “azbil,” Yamatake Corporation will change its name.

**April 1, 2012**

**Azbil Corporation**

Simultaneously the other main Group companies in Japan will add “Azbil” to their company names.

(April 1, 2012)

# Group companies subject to name change and new company names



<u>Current company name</u>	<u>New company name</u>
Yamatake Corporation	Azbil Corporation
Yamatake & Co., Ltd.	Azbil Trading Co., Ltd.
Yamatake Control Products Co., Ltd.	Azbil Products Co., Ltd.
Yamatake Friendly Co., Ltd.	Azbil Friendly Co., Ltd.
Yamatake Care-Net Co., Ltd.	Azbil Care & Support Co., Ltd. *
Safety Service Center Co., Ltd.	
SecurityFriday Co., Ltd.	Azbil SecurityFriday Co., Ltd.
Kimmon Manufacturing Co., Ltd.	Azbil Kimmon Co., Ltd.
Aomori Manufacturing Co., Ltd.	Azbil Kimmon Aomori Co., Ltd.
Wakayama Seiki Co., Ltd.	Azbil Kimmon Wakayama Co., Ltd.
Shirakawa Seiki Co., Ltd.	Azbil Kimmon Shirakawa Co., Ltd.
Kimmon Shirasawa Co., Ltd.	Azbil Kimmon Shirasawa Co., Ltd.
Kimmon Aizu Co., Ltd.	Azbil Kimmon Aizu Co., Ltd.
Kimmon Haramachi Co., Ltd.	Azbil Kimmon Haramachi Co., Ltd.
Kimmon Karatsu Co., Ltd.	Azbil Kimmon Karatsu Co., Ltd.
Yamatake Mizuho Co., Ltd.	Azbil Kyoto Co., Ltd.
Royal Controls Co., Ltd.	Azbil RoyalControls Co., Ltd.
Taishin Co., Ltd.	Azbil Taishin Co., Ltd.

\* On April 1, 2012, a new company will be created, Azbil Care & Support Co., Ltd. This company will be formed through a business merger between Safety Service Center Co., Ltd., (offering emergency alert response services) and Yamatake Care-Net Co., Ltd. (offering assisted care services).

# azbil Group's Global Network



Azbil Korea Co., Ltd

Azbil Taiwan Co., Ltd.

Azbil Kimmon Technology Corporation

Azbil Vietnam Co., Ltd.

Azbil India Pvt. Ltd.

Azbil (Thailand) Co., Ltd.

Azbil Philippines Corporation

Azbil Malaysia Sdn.Bhd.

Azbil Singapore Pte. Ltd.

PT. Azbil Berca Indonesia

Azbil Control Instruments (Dalian) Co.,Ltd.

Azbil Information Technology Center (Dalian) Co., Ltd.

Azbil Control Solutions (Shanghai) Co.,Ltd.

Shanghai Azbil Automation Co., Ltd.

Azbil Hong Kong Limited

Azbil North America, Inc.

Azbil BioVigilant Inc. \*


Azbil Brazil Ltd.

Azbil Europe NV

\* On January 1, 2012, BioVigilant Systems, Inc. will be renamed Azbil BioVigilant Inc..

Beginning in January 2009, overseas subsidiaries have already changed its names. They have been already providing BA/AA/LA service under the unified azbil brand.



A background image of a globe showing the Earth's surface, primarily in shades of blue and green, is positioned on the left side of the slide.

**To realize safety, comfort and fulfillment  
in people's lives, and contribute to  
global environmental preservation  
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.