

Notification of the Posting of an Extraordinary Loss and a Revision to the Performance Forecast

Yamatake Corporation will post an extraordinary loss, as detailed below, in the first half of fiscal year ending March 31, 2008. As a result of this, the forecast for business performance in the first half of this fiscal year that was announced on June 21, 2007, will be revised.

* Amounts indicated are rounded down.

1. Extraordinary loss

(1) Non-consolidated revaluation loss on subsidiary's shares

Owing to a significant fall in the market value of shares in Kimmon Manufacturing Co., Ltd., a Yamatake subsidiary, a revaluation loss of 3,106 million yen will appear in the mid-term financial statement.

(A) Gross revaluation loss on shares of subsidiaries in the mid-term financial statement for the fiscal year ending March 31, 2008	3,106 million yen
(B) Net Assets for the fiscal year ending March 31, 2007 (A/Bx100)	108,373 million yen (2.9%)
(C) Recurring income for the fiscal year ending March 31, 2007 (A/Cx100)	14,786 million yen (21.0%)
(D) Net Income for the fiscal year ending March 31, 2007 (A/Dx100)	9,196 million yen (33.8%)

(2) Consolidated loss on the impairment of assets

As a result of the above non-consolidated revaluation loss, Yamatake will post an asset-impairment loss of 2,043 million yen, equivalent to the loss in market value of goodwill, investments and other assets.

(3) Outlook

As regards the impact on business performance in the first half of the fiscal year ending March 31, 2008, this is indicated in the following revised forecast for business performance. Note that above-mentioned extraordinary loss is a revaluation loss and there is no effect on mid-term cash flow.

2. Revision to the Performance Forecast

(1) Non-consolidated

The first half of fiscal 2007 (from April 1, 2007 to September 30, 2007)

(Millions of yen & % of inc./dec.)

	Sales	Operating income	Recurring income	Net income
Original forecast on Jun 21, 2007	81,500	5,600	5,900	5,100
Revised forecast	83,000	5,700	6,100	2,200
Change	1,500	100	200	(2,900)
%	1.8	1.8	3.4	(56.9)
1H of previous year	75,794	3,901	4,239	2,634



(2) Consolidated

The first half of fiscal 2007 (from April 1, 2007 to September 30, 2007)

(Millions of yen & % of inc./dec.)

	Sales	Operating income	Recurring income	Net income
Original forecast on Jun 21, 2007	112,000	7,000	6,900	5,500
Revised forecast	114,000	7,100	7,300	3,700
Change	2,000	100	400	(1,800)
%	1.8	1.4	5.8	(32.7)
1H of previous year	104,273	5,358	5,638	3,298

(3) Reason for revision

As indicated on the previous page, owing to the significant fall in the market value of the shares of Kimmon Manufacturing Co., Ltd., a Yamatake subsidiary, an extraordinary loss of 2,043 million yen (consolidated) and 3,106 million yen (non-consolidated) will appear in the mid-term financial statement for the fiscal year ending March 31, 2008. Mid-term figures for sales, operating income and recurring income are expected to be slightly higher (consolidated and non-consolidated) than previously forecast. No change is currently envisaged in the FY2007 dividend forecast already announced.

The forecast for Yamatake's business performance for the whole year will be announced at the time of the mid-term financial statement, scheduled for November 2007.

* *These projections are based on management's assumptions, intent and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance.*

Due to various factors, actual results may differ from those discussed in this document. Such factors include, but are not limited to: (i) general economic conditions in Yamatake's markets, particularly levels of capital investments; (ii) exchange rates, particularly between the Japanese yen and US dollar and other currencies in which Yamatake makes significant sales or Yamatake's assets and liabilities are denominated; (iii) continued acceptance of Yamatake's products and services which are offered in highly competitive markets characterized by rapid development of new technologies and the advancement of the global economy.

Any inquiry relating to these statements should be made to:

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