

# IA

## Industrial Automation Business

### MESSAGE

We continue to attract increasing attention with our New Automation Navigator concept, a new field of business that we have steadily transformed in the two and a half years since the company was consolidated and reorganized. Under this concept, we identify key needs in production sites and then develop solutions in cooperation with our customers through an approach we call "Creative Collaboration."

Using our Automation Asset Management (AAM) know-how for the optimized operation of automation and production facilities throughout their lifecycles, we are expanding our capabilities to develop solutions for environmental protection, shrinking workforces and international standardization. Customers are showing substantial interest in our total-solution products and services, enabling us to steadily expand sales of products and system solutions, primarily for factory automation.

Although corporate capital investment in Japan remains depressed, we intend to strengthen our business base and overall profitability. We will do this by, firstly, improving the profitability of our process automation business and expanding our factory automation business and, secondly, aggressively developing new business in growth sectors such as AAM, where customers require value-added products and services.



### Seiji Onoki

Executive Director,  
Yamatake Corporation  
President of Yamatake Industrial  
Systems Co., Ltd.

### Major Markets

- Refining
- Petrochemical/chemical
- Pulp and paper
- Shipping and marine
- Public utilities
- Iron and steel
- Food and beverage
- Pharmaceutical
- Electric power and gas
- Semiconductors
- Automobiles
- Electric/Electronic components



Automation Asset Management

Diagnosis and preventative maintenance of plant and factory equipment for optimum operations

**PERFORMANCE**

Industrial automation sales fell 4.4% to ¥ 49,609 million, but a substantial improvement was realized in our operating loss, which shrank from ¥ 2,351 million in the previous year to ¥ 817 million this year, thanks to streamlined administrative and staff operations and reduced costs of production.

Although brisk activity in the IT sector enabled corporations in the semiconductor market to perform favorably, business on the whole was weak. Capital investment, which had been recovering, began to decrease in the second half of the business year.

Performance varied by industry. Sales to oil refinery and energy customers fell substantially. Although the foods and pharmaceuticals industries accounted for favorable increases in orders, this did not translate into large contributions to sales during the fiscal year. Sales grew, however, in markets including semiconductors, automotive, chemicals and pulp & paper.

Sales in Japan declined 2.9% as a whole. Overseas, exports dropped steeply by 28%, due largely to the sluggish recovery of the Southeast Asian economy.

**OUTLOOK**

Demand has declined sharply in oil and steel, our core industries, where new corporate alliances and facility

consolidations have led to a falloff in automation-related investment. Demand is expected to rise in other areas, however, such as plant diagnostics solutions and total-management services related to extending the lives of facilities, systems and related services for environmental and safety management, and facility renewals.

In downstream industries including chemicals, pharmaceuticals, food, electrical appliances, and machinery, investment in automation is steadily rising for purposes such as energy conservation, quality control, process control and maintenance, and other investment related to the environment. Growing needs for increased productivity and environmental and safety control services will help to drive demand for inspections and total management of facilities.

We are strengthening engineering services under our New Automation Navigator and Creative Collaboration strategies. This involves making full use of our expertise in facility lifecycles, including control and information systems, sensors, valves and maintenance, as well as applications and solutions-oriented consultation.

Our products business will remain focused on the measurement field, where we offer customers full technical support. In systems business, we will continue to provide comprehensive, solutions-oriented services ranging from on-site assessment to operational consulting.



MagneW3000 Flex  
Electromagnetic Flowmeter (Sanitary Use)

