



Consolidated Financial Results

for the Third Quarter ended December 31, 2003
–Yamatake Corporation–

February 2, 2004

- The figures given for this quarter are not audited.
- The figures for the previous year are estimates provided for reference purposes only.
- Figures are rounded off.

Summary of the results for the 3rd quarter of the fiscal year ending March 31, 2004

- Sales increased by 0.9% (978 million yen).
 - **BS business:** 781 million yen (1.6%) fall in sales. Income increased in our solutions business for the market in existing buildings, but fell in the market for new buildings.
 - **AA business:** 528 million yen (1.0%) fall in sales. Expansion in the control products business and higher sales in overseas markets led to increased income, but sales in the domestic industrial systems market fell.
 - **New & others businesses:** 2 billion yen (24.7%) growth in sales. Increases were achieved through expansion in our care services business, industrial equipment sales and commissioned manufacturing of components .
- Operating profits improved by 1.3 billion yen (3 billion yen loss in FY2002 ⇒ 1.7 billion yen loss in FY2003) owing to improvements in the cost-to-sales ratio, cost-cutting measures and growth in sales.
- Net income fell by 3.6 billion yen from the same period last year with the extraordinary gain of 11 billion yen from the transfer of the substitutional portion of employees' pension funds to public pension funds.
- Two subsidiaries, one domestic (care services business) and the other overseas, were newly consolidated, leading to a 0.7 billion yen increase in sales and a 25 million yen decrease in operating profits.
- Yamatake merged and reorganized its Industrial Automation and Control Products businesses into the Advanced Automation business.

Note: The seasonality of Yamatake's business is such that sales tend to concentrate at the end of the first and second halves of the fiscal year. Thus, in FY2002 sales for the nine months up to the end of the third quarter amounted to approximately 65% of the total sales for the year.

Operating Results (quarter)

	FY02 3Q (Oct.-Dec.,2002)	FY03 3Q (Oct.-Dec.,2003)	(Millions of yen)	
			<u>Dif.</u>	<u>% Change</u>
Net sales	35,475	32,053	(3,422)	(9.6)
Gross profit	12,729	12,387	(342)	(2.7)
%to Net sales	35.9	38.6	2.8	
Op. income	(1,604)	(2,360)	(756)	-
%to Net sales	(4.5)	(7.4)	(2.8)	
Recurring income	(1,220)	(2,235)	(1,015)	-
Net income	5,433	(1,431)	(6,865)	-

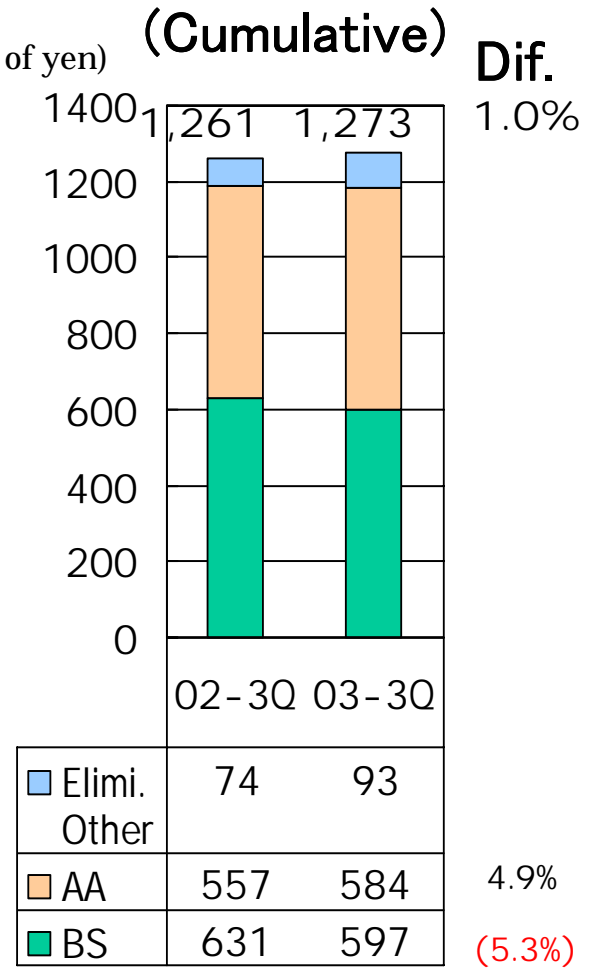
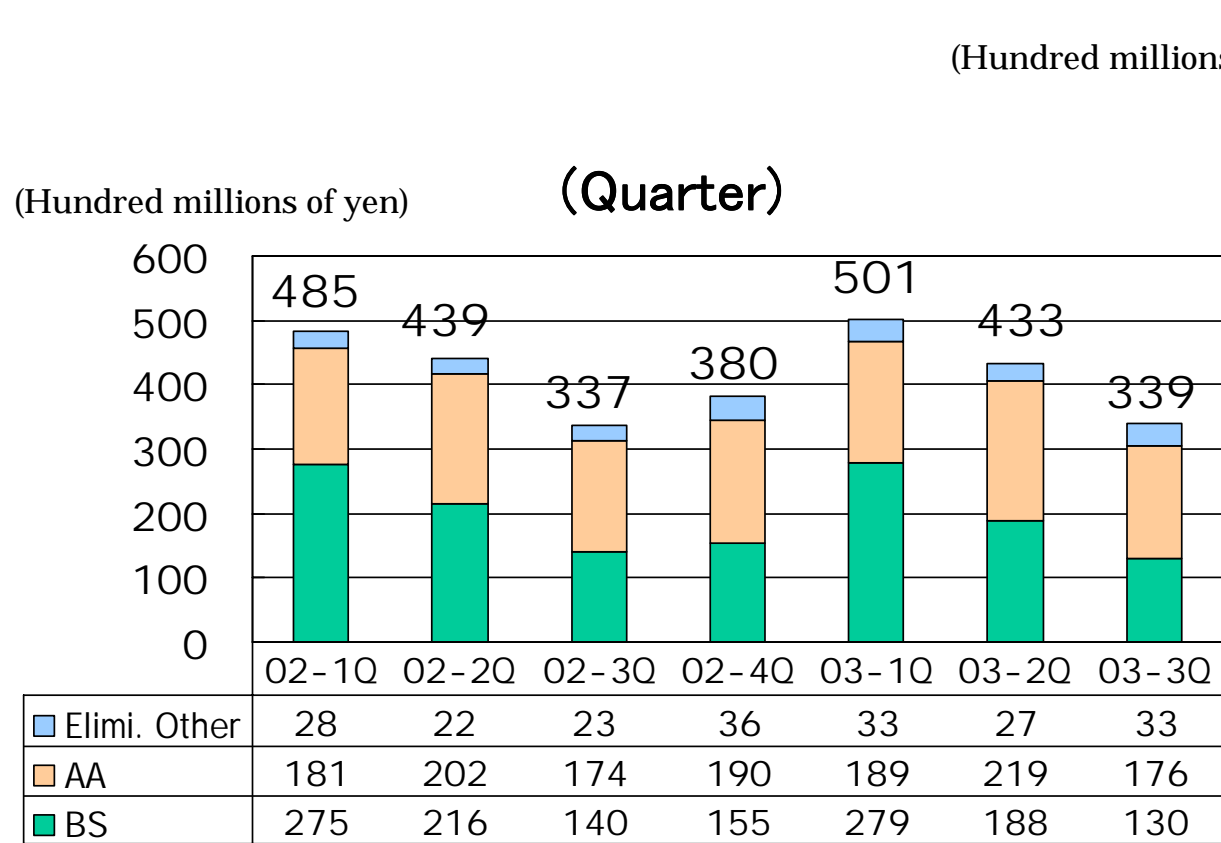
Note: A reason for the high level of extraordinary profits in the 3rd quarter of FY2002 was the 11 billion yen gained from the transfer of the substitutional portion of employees' pension funds to public pension funds.

Operating Results (cumulative)

	FY02 3Q <u>(Apr.-Dec.,2002)</u>	FY03 3Q <u>(Apr.-Dec.,2003)</u>	(Millions of yen)	
			<u>Dif.</u>	<u>% Change</u>
Net sales	108,741	109,719	978	0.9
Gross profit	41,292	42,074	782	1.9
%to Net sales	38.0	38.3	0.4	
Op. income	(3,020)	(1,702)	1,318	-
%to Net sales	(2.8)	(1.6)	1.2	
Recurring income	(2,864)	(1,576)	1,288	-
Net income	2,571	(1,080)	(3,651)	-

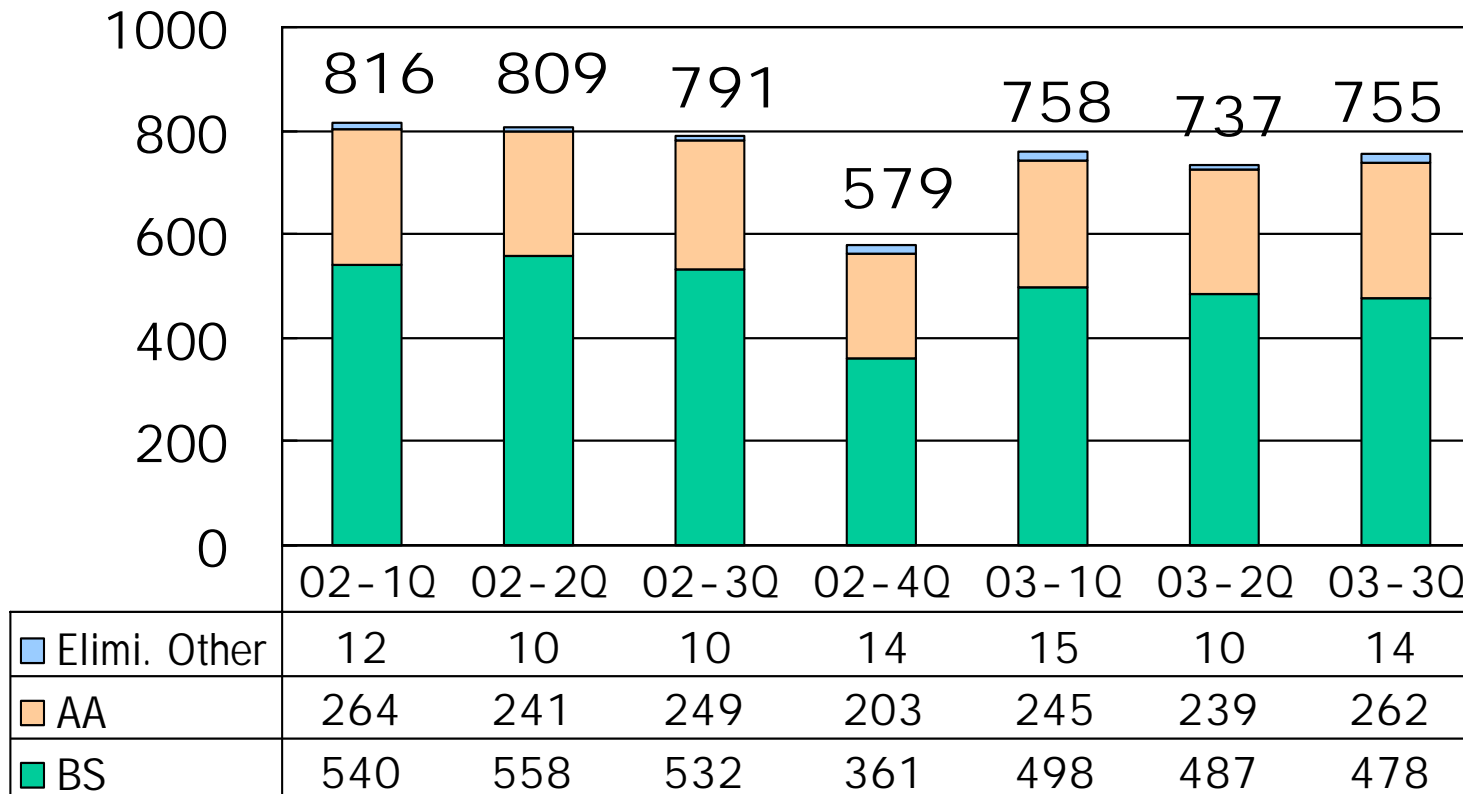
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Orders

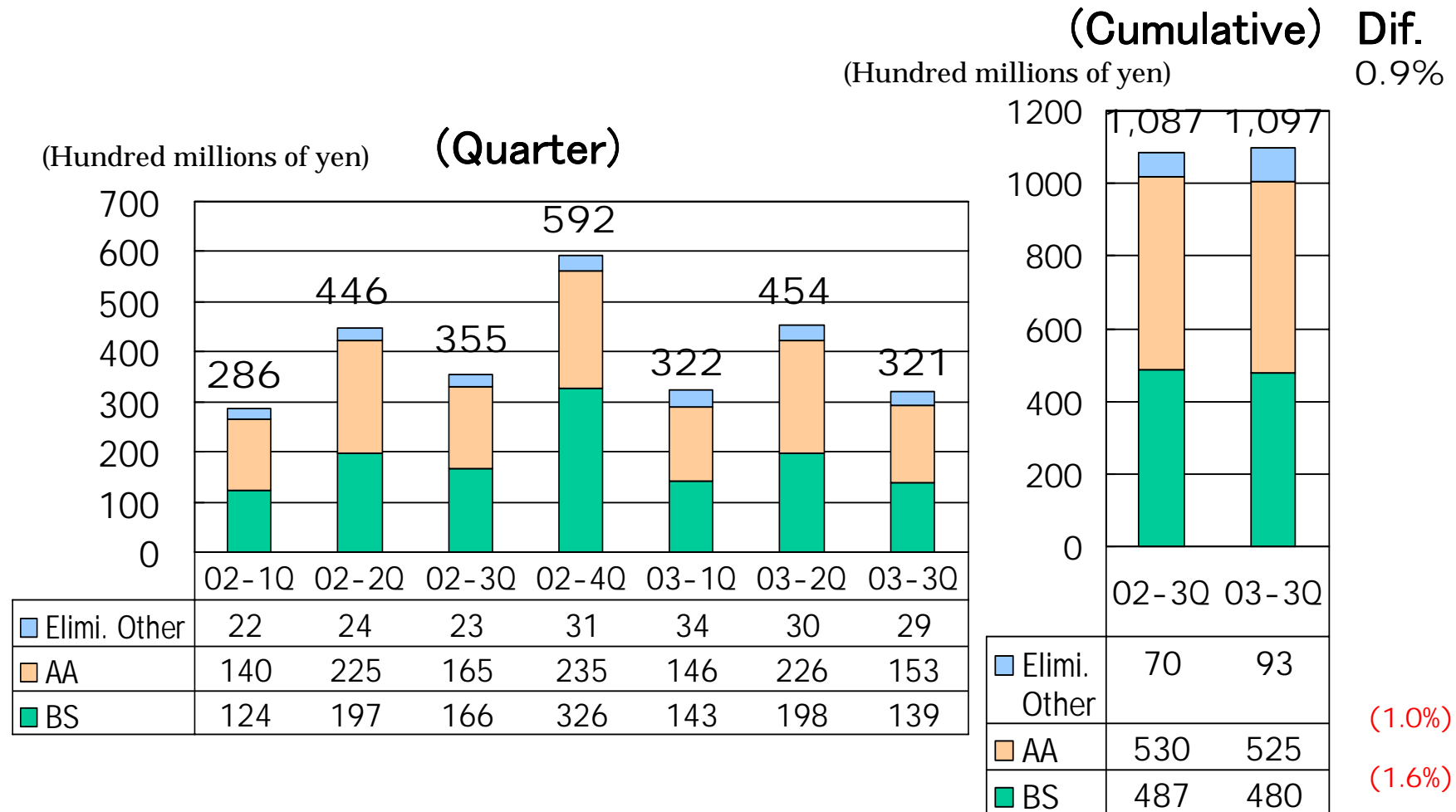


Orders Backlog

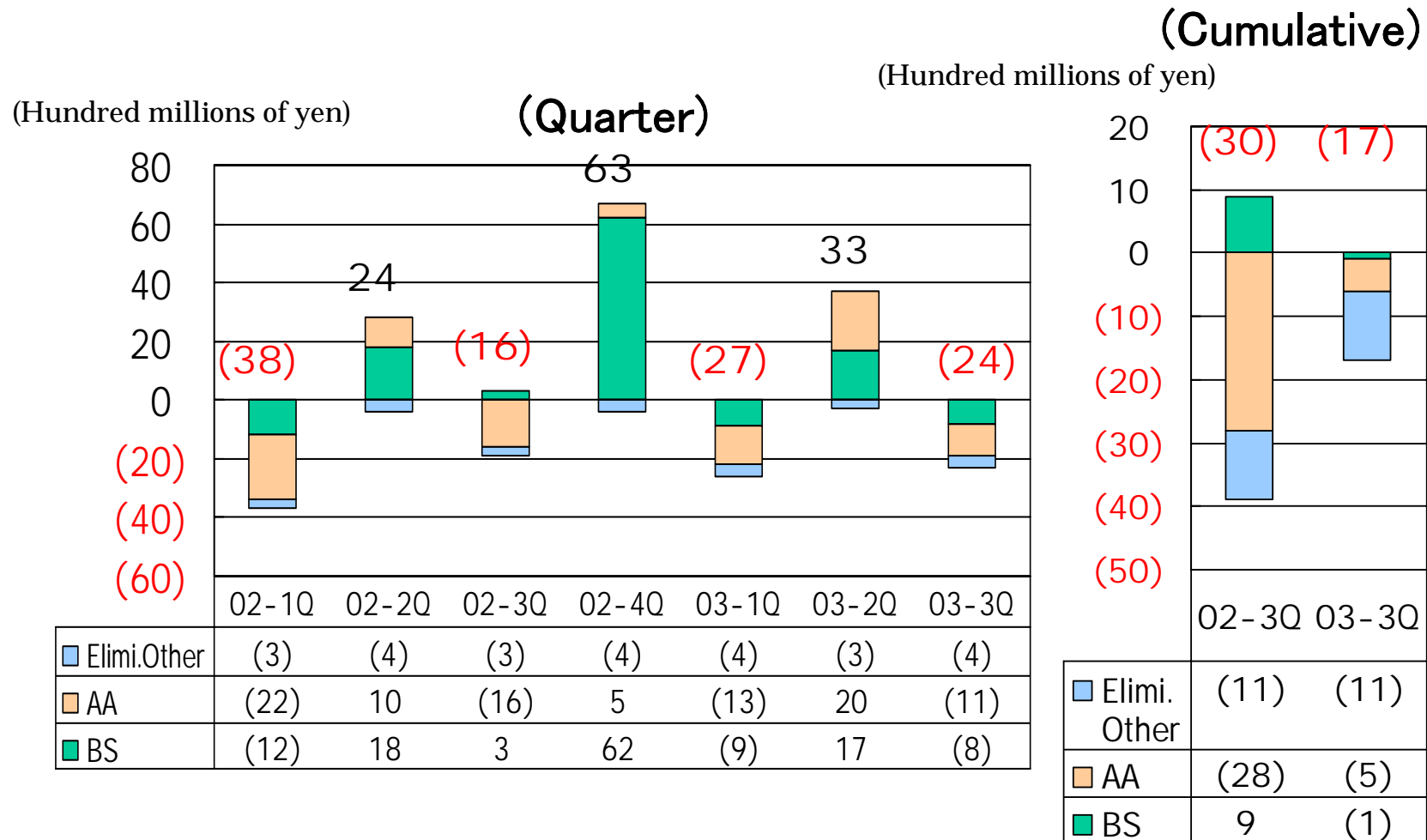
(Hundred millions of yen)



Sales



Operating Income

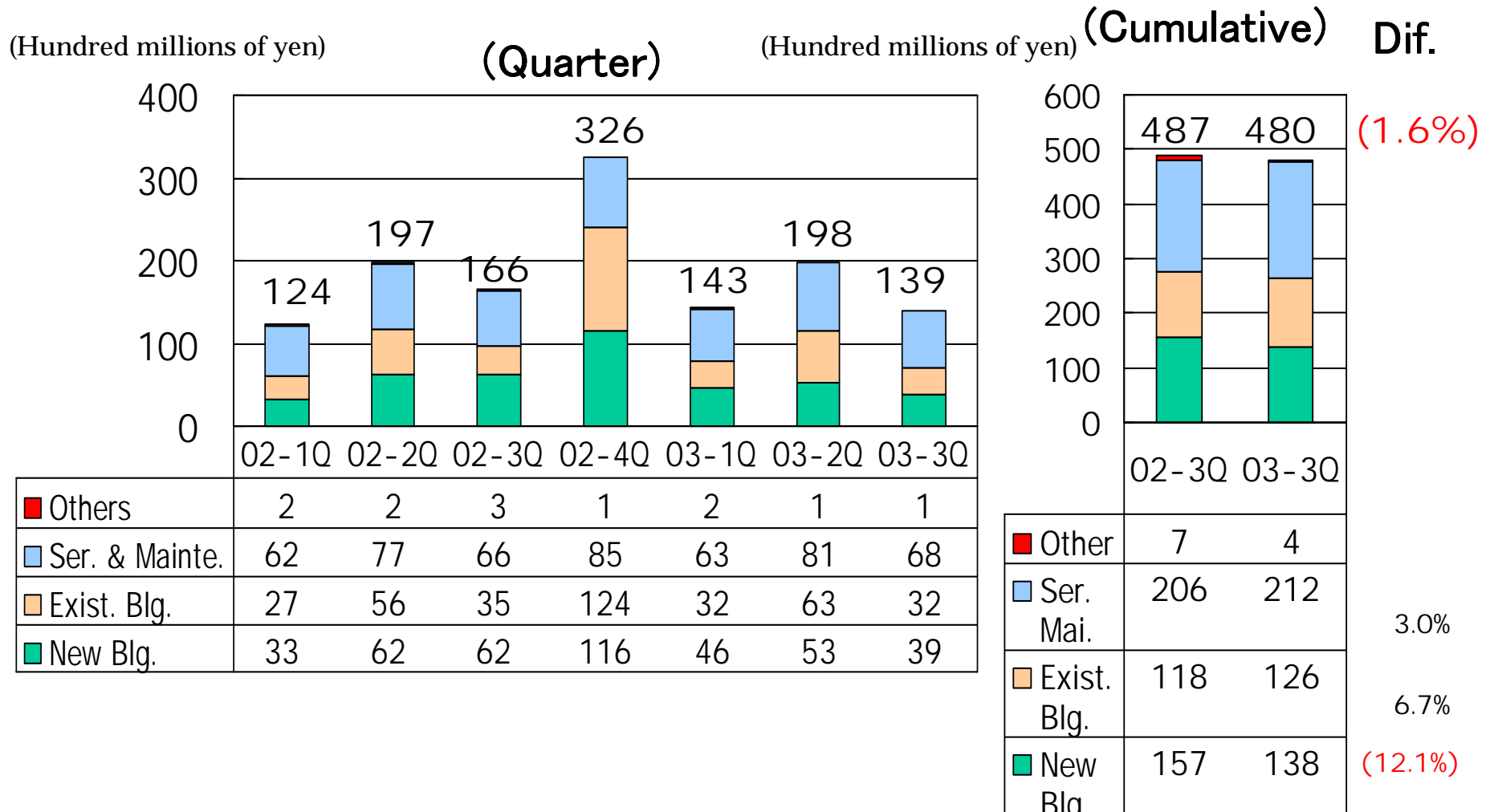


Change in Operating Income (Cumulative)

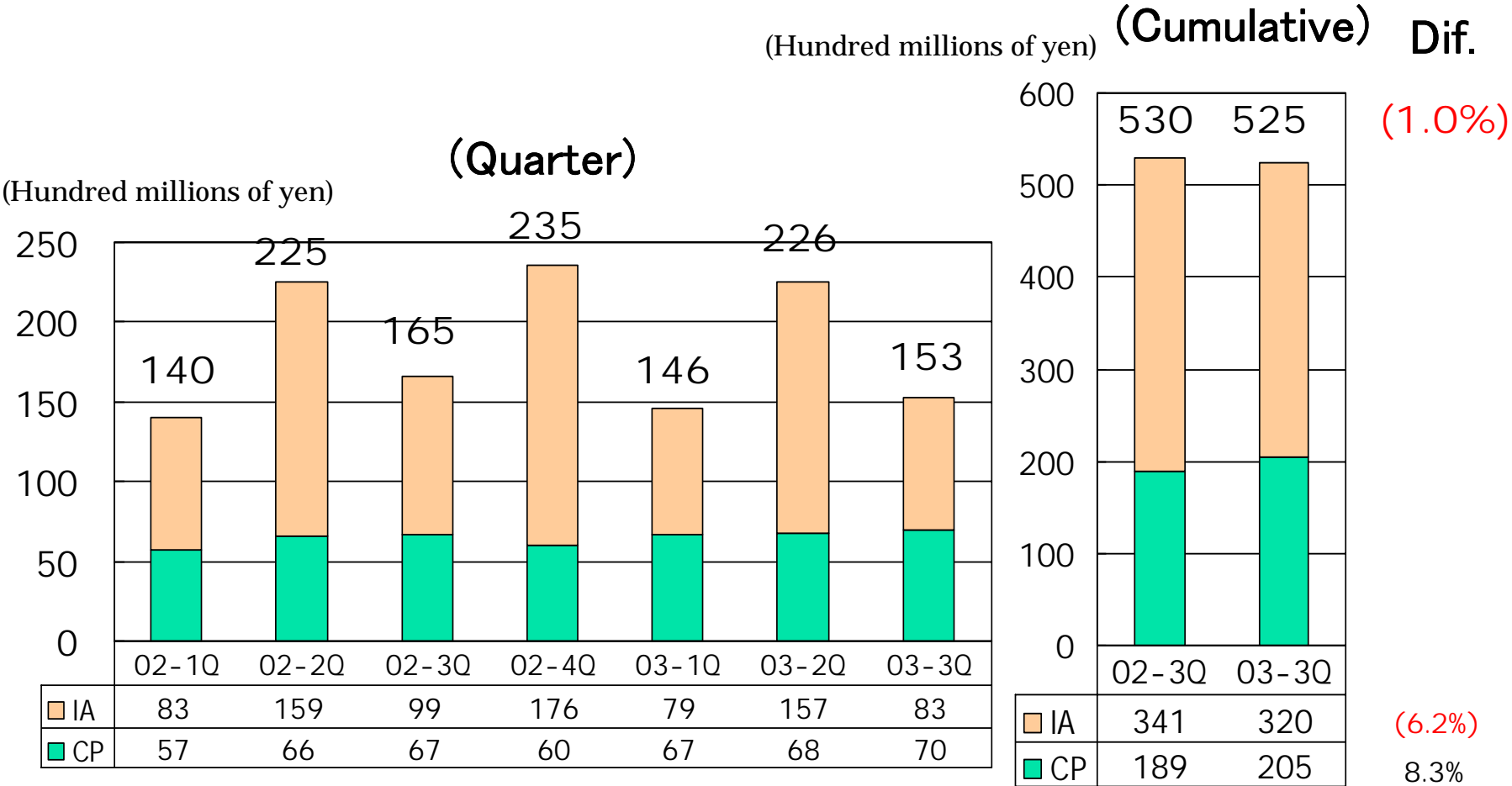
Billions of yen



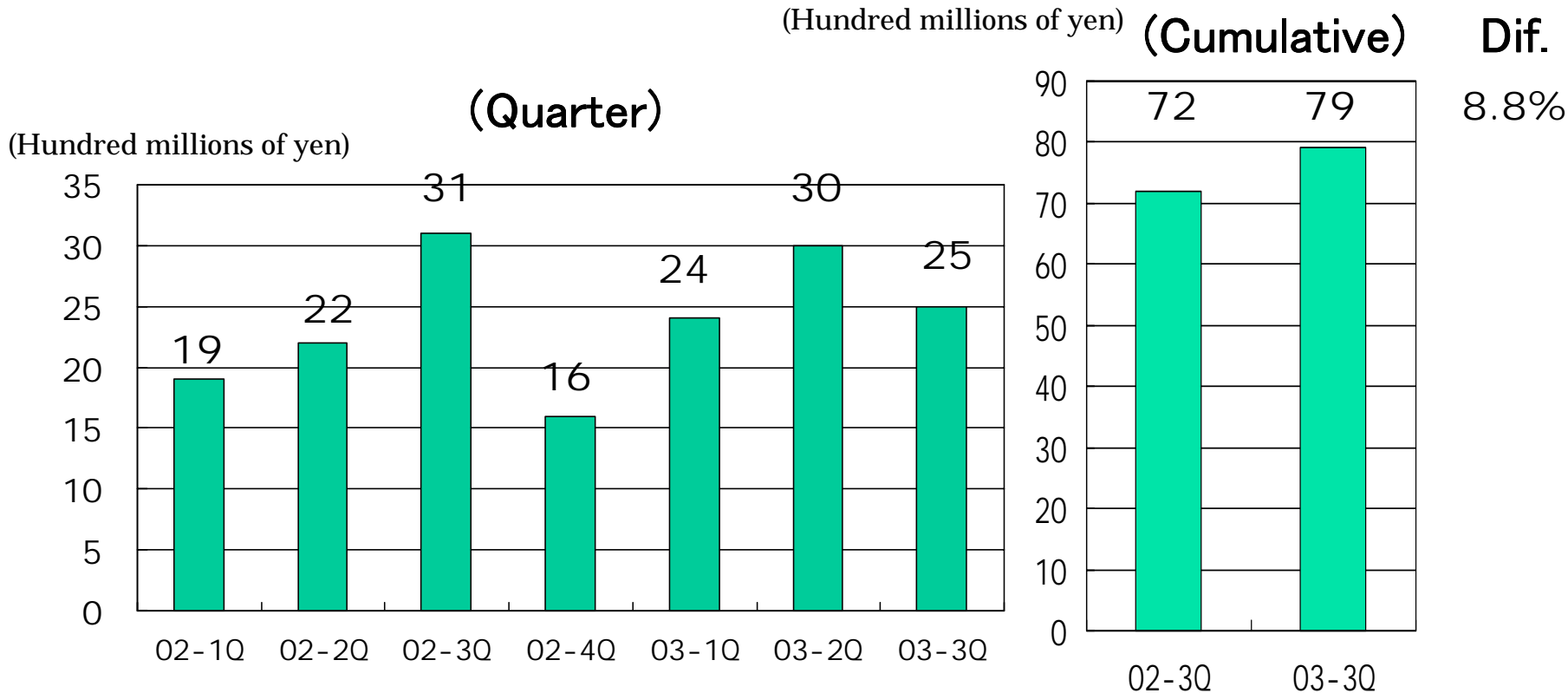
Sales: Building Systems Business



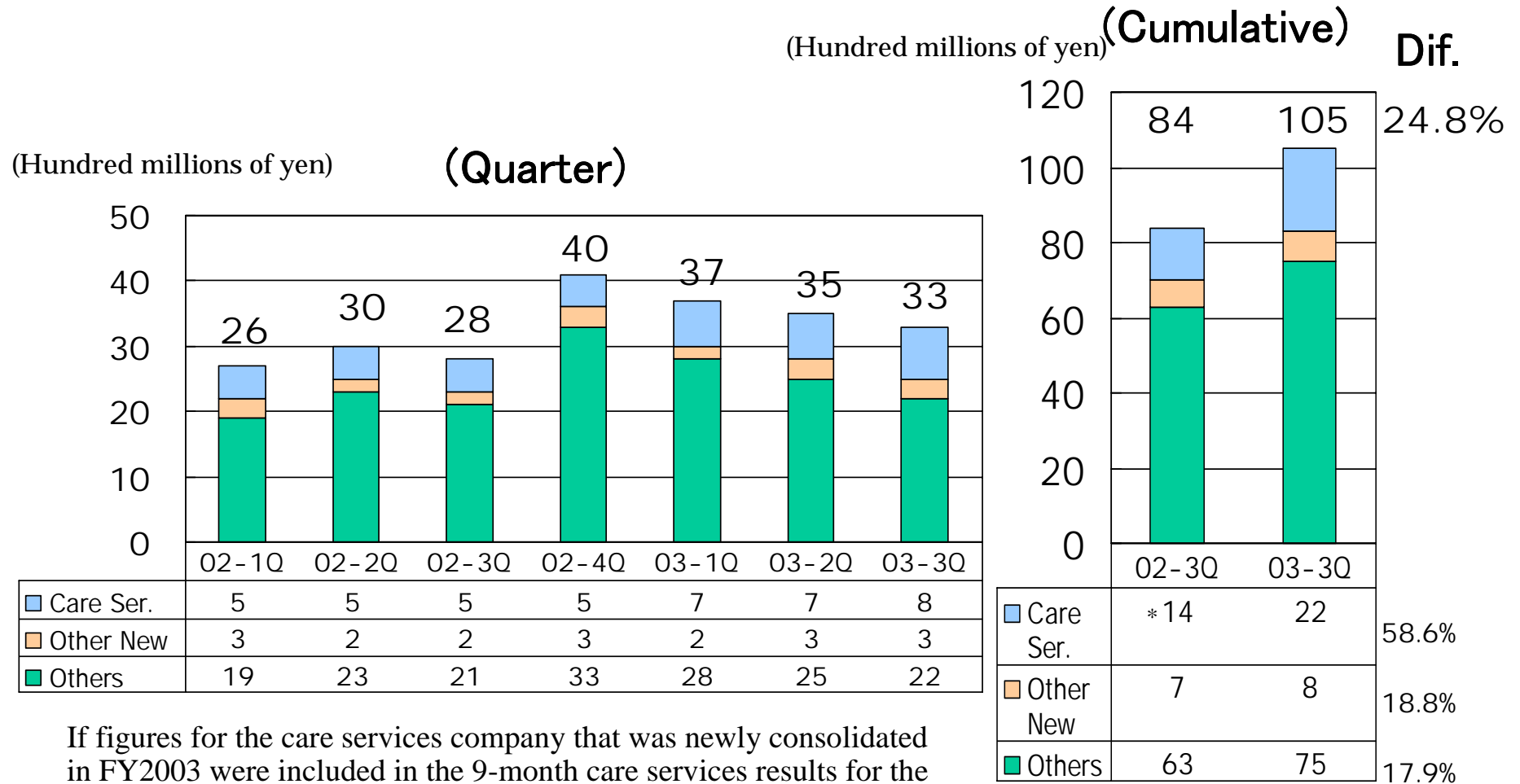
Sales: Advanced Automation Business



Sales: International Business



Sales: New & Others Businesses



If figures for the care services company that was newly consolidated in FY2003 were included in the 9-month care services results for the previous year, the sales figure would be 1.8 billion yen.

Balance Sheets

(Millions of yen)

	<u>2003</u> <u>March 31</u>	<u>2003</u> <u>Sep. 30</u>	<u>2003</u> <u>Dec. 31</u>	<u>Dif.</u> <u>(Dec.-Sep.)</u>	<u>% Change</u>
Cash	32,479	33,929	25,928	(8,001)	(23.6)
Accounts Rec. -trade	62,421	53,309	51,536	(1,773)	(3.3)
Inventories	17,247	18,416	24,193	5,777	31.4
Net P.P.E	16,597	16,113	15,839	(274)	(1.7)
Investment securities	8,558	9,980	10,102	122	1.2
Others	25,617	24,784	27,560	2,776	11.2
Total Assets	162,919	156,531	155,159	(1,372)	(0.9)
Accounts Pay. -trade	27,286	23,758	24,704	945	4.0
S.T. borrowings and L.T. debt	7,219	6,864	6,836	(27)	(0.4)
Liability for employees' retirement benefits	12,301	13,299	13,824	526	4.0
Others	23,938	19,666	18,676	(990)	(5.0)
Total liabilities	70,745	63,587	64,041	454	0.7
Minority interest	395	431	438	6	1.5
Shareholders' equity	91,779	92,514	90,681	(1,833)	(2.0)