



Summary Interim Financial Statements (Consolidated) for Year Ending March 31, 2008

November 6, 2007

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Scheduled date of start of dividend payments: December 4, 2007

(Amounts in millions have been rounded down to the nearest million)

1. Business results for the first half ended September 30, 2007 (April 1, 2007 to September 30, 2007)

(1) Operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
Half ended September 30, 2007	45,307	9.5	5,020	6.8	5,419	15.3	3,145	17.3
Half ended September 30, 2006	41,393	4.0	4,699	(15.0)	4,702	(16.5)	2,682	(24.1)
Year ended March 31, 2007	85,769	-	10,143	-	10,205	-	5,961	-

	Net income per share	Diluted net income per share
	Yen	Yen
Half ended September 30, 2007	39.15	39.14
Half ended September 30, 2006	33.45	33.43
Year ended March 31, 2007	74.29	74.24

Reference: Equity in earnings of affiliates Half ended September 30, 2007: – Half ended September 30, 2006: – Year ended March 31, 2007: –

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At September 30, 2007	115,107	86,050	74.2	1,062.09
At September 30, 2006	107,969	80,836	74.4	1,000.58
At March 31, 2007	111,487	83,620	74.4	1,033.61

Reference: Equity capital Half ended September 30, 2007: 85,356 million yen Half ended September 30, 2006: 80,290 million yen
Year ended March 31, 2007: 82,984 million yen

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Half ended September 30, 2007	4,864	(10,257)	(1,037)	24,165
Half ended September 30, 2006	2,464	(4,264)	(877)	31,783
Year ended March 31, 2007	7,101	(8,834)	(2,016)	30,690

2. Dividends

	Dividends per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
Year ended March 31, 2007	13.00	17.00	30.00
Year ended March 31, 2008	17.00		34.00
Year ended March 31, 2008 (Est.)		17.00	

3. Forecast earnings for the year ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(Percentages represent changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	91,000	6.1	10,700	5.5	10,800	5.8	6,300	5.7	78.39

4. Other matters

(1) Changes among significant subsidiaries

(Changes among specific subsidiaries as a result of changes in the scope of consolidation): Yes

Newly consolidated companies: 2 (Names: Terry McGann & Associates, Inc., Amano Europe Holdings N.V.)

Excluded companies: –

Note: For details, please see Status of the Corporate Group on page 10 and Basis of Presentation of Interim Consolidated Financial Statements, 1. Scope of Consolidation, on page 19.

(2) Changes in principles and practices in the preparation of the interim consolidated financial statements, or method of presentation (Changes in the basis of presentation of the interim consolidated financial statements)

[1] Changes arising from revision of accounting standards: Yes

[2] Other changes: No

Note: For details, please see Changes in Basis of Presentation of Interim Consolidated Financial Statements on page 21.

(3) No. of shares issued and outstanding (common stock)

[1] No. of shares issued and outstanding at the end of the period (including treasury stock)

At September 30, 2007 81,257,829 shares At September 30, 2006 81,257,829 shares

At March 31, 2007 81,257,829 shares

[2] No. of shares of treasury stock at the end of the period

At September 30, 2007 891,189 shares At September 30, 2006 1,013,791 shares

At March 31, 2007 971,355 shares

Note: Please see Per-Share Information on page 30 for the number of shares on which the computation of consolidated net income per share is based.

Reference: Non-consolidated results

1. Summary of business results for the first half ended September 30, 2007

(April 1, 2007 to September 30, 2007)

(1) Operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
Half ended September 30, 2007	34,965	5.1	3,948	0.9	4,363	9.8	2,463	5.5
Half ended September 30, 2006	33,274	3.3	3,913	(18.7)	3,975	(19.6)	2,336	(22.3)
Year ended March 31, 2007	68,187	-	8,431	-	8,563	-	5,003	-

	Net income per share
	Yen
Half ended September 30, 2007	30.66
Half ended September 30, 2006	29.13
Year ended March 31, 2007	62.36

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen		Yen
At September 30, 2007	106,725	82,855	77.6	1,030.97
At September 30, 2006	104,054	80,185	77.1	999.27
Year ended March 31, 2007	105,807	81,788	77.3	1,018.70

Reference: Equity capital At Sep. 30, 2007: 82,855 million yen At Sept. 30, 2006: 80,185 million yen

At March 31, 2007: 81,788 million yen

2. Forecast earnings for the year ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(Percentages represent changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Yen
Full year	71,200	4.4	8,700	3.2	8,900	3.9	5,200	3.9	64.70

Note: Explanation concerning appropriate use of the earnings forecast, and other matters to note

Earnings forecasts contained in this document and other forward-looking statements are forecasts based on available information at the date when the document was prepared, and may contain numerous uncertainties. It is possible that various risks and unstable factors that may arise in the future will cause actual future performance to differ from the forecasts.

1. Business Results

(1) Analysis of Business Results

During the half, corporate earnings remained at high levels and capital investment trended upward in the Japanese economy, amid ongoing economic expansion overseas. In addition there was robust consumer spending underpinned by an increase in employee incomes, and its pace is increasing gradually.

Amid this operating environment, throughout the Group we pursued the building of “Solid earnings and sustainable growth,” the management concept that underlies the plan for the final year of our third mid-term management plan. Particular effort was devoted to strengthening our marketing capability by broadening the customer base and expanding our service business, and to enhancing cost-competitiveness by such means as cutting fixed costs, reducing prime costs, and raising productivity.

During the half, the Company achieved growth in both revenues and profits. We generated net sales totaling ¥45,307 million, up by 9.5% year-on-year, operating profit of ¥5,020 million, up by 6.8%, and ordinary profit of ¥5,419 million, up by 15.3%. As a result, the Company posted net income of ¥3,145 million, representing an increase of 17.3% from the previous first half.

The following is an overview by business division.

Sales by business division

(Unit: Millions of yen)

	First half ended September 30, 2006 (April 1, 2006– September 30, 2006)		First half ended September 30, 2007 (April 1, 2007– September 30, 2007)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business						
Information Systems	6,947	16.8	7,734	17.1	786	11.3
Time Management Equipment	3,640	8.8	3,465	7.6	(175)	(4.8)
Parking Systems	16,118	38.9	18,883	41.7	2,764	17.1
Subtotal	26,707	64.5	30,082	66.4	3,375	12.6
Environment System Business						
Environmental Systems	9,670	23.4	10,375	22.9	704	7.3
Clean Systems	5,015	12.1	4,849	10.7	(165)	(3.3)
Subtotal	14,686	35.5	15,225	33.6	538	3.7
Total	41,393	100.0	45,307	100.0	3,914	9.5

Time Information System Business

- Information Systems: Time & attendance (T&A), payroll, human-resource management, access control, cafeteria management systems
- Time Management Equipment: Time recorders, time stamps
- Parking Systems: Parking lot and bicycle-parking space management equipment, management services

- Information Systems

In the domestic market for this business division, the Financial Products Transaction Law (the Japanese equivalent of SOX in the U.S.) has been expediting the building of internal control systems, and there continues to be robust demand in the field of access control. The latter has been fueled by the rebuilding of labor-management systems resulting from reviews of time and attendance management, and to the requirements of the Act on the Protection of Personal Information. In addition, there has been a strengthening of administrative guidance by the Labor Standards Office with regard to the proper identification of working hours.

To meet these trends in demand, Amano has been devoting considerable energy to expanding its operations, including by increasing systems engineers for large-scale solutions, strengthening its marketing strategy for small and medium-scale business establishments, and proposing comprehensive solutions incorporating IC card access control systems.

Sales in the field of T&A systems rose by ¥452 million, or 7.1%, year-on-year, and by ¥46 million, or 6.8%, in the field of access control systems.

Broken down by product, hardware sales were up by ¥441 million, or 15.0%, year-on-year; software sales slipped by ¥30 million, or 1.5%; and sales generated by maintenance and supply operations increased by ¥101 million, or 7.2%. The increase in hardware sales was buoyed by an increase in large orders as a result of the strengthening of our structure for marketing solution systems to large-scale corporations. The increase in revenues from maintenance and supply operations was attributable to an increase in maintenance contracts.

Overseas, sales were up in North America as a result of the strengthening of access control business, but they grew only modestly in Europe, and marked time in Asia, totaling ¥681 million, up by 34.7% year-on-year.

As a net result of the above, overall sales in this business division totaled ¥7,734 million, representing an increase of ¥11.3% from the previous first half.

- Time Management Equipment

Sales in this segment within Japan remained sluggish during the period under review. Market volume remained static, and demand for time recorders showed no signs of a recovery, becoming increasingly polarized on low-priced equipment or incorporation into systems.

Domestic performance in this business division features declines in both sales revenues and unit sales. Among export sales, unit sales of time recorders to North America increased, boosting revenues, but although aggregate domestic and export unit sales rose, sales revenues fell by ¥31 million, or 1.3% year-on-year.

With regard to overseas business performance, revenues declined in North America owing to the suspension of the handling of time recorders by large mass retailers, but they rose in Europe, in part because of fluctuations in foreign exchange conversion rates, and in Asia they remained at around their year-earlier level. Overall, overseas sales were sluggish, totaling ¥1,519 million, which represented a year-on-year decline of 8.7%.

As a result of the above, the Time Management Equipment Division generated sales totaling ¥3,465 million, down by 4.8% from the previous first half.

- Parking Systems

In the domestic market, since the revision of the Road Traffic Act in June 2006 there has been continued demand for the construction of new small-scale parking lots, particularly in urban areas. With regard to bicycle parking lot systems there has been a remarkable degree of activity, particularly by municipal governments, for the planning and development of systems.

With regard to new demand, Amano has been installing a succession of crossing gates that permit toll collectors to cross safely on dedicated ETC lanes on expressways in cities such as Tokyo, Osaka, and Nagoya.

Amid this market environment the Company has been devoting efforts to expanding its operations, including by strengthening its strategies for renewal markets, expanding bicycle parking lot business, and cultivating the market for gate systems.

Broken down by product, sales of system devices increased by ¥437 million, or 5.5%, from a year earlier, and revenues from maintenance and supply operations rose by ¥268 million, or 7.3%.

The number of units managed by Group subsidiary Amano Management Service Corporation in its commissioned parking lot management business increased by 9,900, or 9.3%, from the end of the previous year, and the company's performance is making steady progress.

With regard to overseas operations, sales growth was achieved in North America, buoyed by the impact of the acquisition of ITS (now AUI), in Europe, where there was vigorous activity in the Spanish market, and also in Asia, powered by the ongoing briskness of the Korean market. As a result of this ongoing favorable performance in these markets, overseas sales overall achieved strong growth, totaling ¥5,096 million, up by 92.2% year-on-year.

The net result of the above was that sales achieved in this division totaled ¥18,883 million, representing an increase of 17.1% from the previous first half.

Environment System Business

- Environmental Systems: Standard dust collectors, large dust collection systems, pneumatic powder conveyance systems, high-temperature hazardous-gas removal systems, deodorization systems, electrolytic water generators
- Clean Systems: Cleaning equipment, dry-care cleaning systems, cleanliness management services

• Environmental Systems

This business division benefited from a brisk inflow of orders for large-scale systems amid a persistently high level of capital investment in the Japanese manufacturing sector.

In the standard equipment segment, sales remained at their year-earlier level, impacted by the fact that demand from companies in the automotive industry trended downward. Sales of large-scale systems grew by ¥431 million, or 12.6%, backed by widespread demand in the manufacturing sector for new installations and for capacity expansion. Revenues from maintenance and supply operations were up by ¥99 million, or 5.0%, as mounting awareness of the importance of safety and performance maintenance led to an increase in maintenance contracts.

Overseas operations performed well, primarily because of orders for large-scale systems received from Japanese companies operating in China and Thailand. Sales rose by 25.2% year-on-year, to ¥578 million.

As a result of the above, the sales of this business division totaled ¥10,375 million, up by 7.3% year on year.

• Clean Systems

In this business division there was strong sales growth. This was because of the growing demand in Japan for the improvement of the workplace environment within plants and also for enhancing the efficiency of cleaning operations and lightening the burden of conducting them. Performance was additionally buoyed by the introduction of new scrubbing machines for factories. Sales of buffing machines for large convenience stores continue to decline, owing to the switch to the use of ceramic flooring materials.

Sales of cleaning equipment declined by ¥96 million, or 6.1%, from the previous first half, but revenues from maintenance and supply operations were up by ¥13 million, or 0.9%.

Overseas, sales in this segment declined in North America, where there were no signs of a recovery in demand, and sales in Asia were also sluggish. In consequence, overall sales declined by 6.7% year-on-year, to ¥1,435 million.

As a result of the above, the sales in this segment totaled ¥4,849 million, down by 3.3% from the previous first half.

(2) Analysis of Financial Condition

Consolidated cash and cash equivalents declined by ¥6,524 million, or 21.3%, from the end of the previous fiscal year, owing to vigorous investment activity, to a total of ¥24,165 million at the end of the first half.

The following is a description of the status of each type of cash flow during the half, and the underlying factors.

Cash flow from operating activities

Net cash provided by operating activities totaled ¥4,864 million, up by ¥2,399 million, or 97.4%, year-on-year. This was attributable primarily to the increase in net income and a decline in trade receivables.

Cash flow from investing activities

Net cash used in investing activities totaled ¥10,257 million, representing an increase of ¥5,993 million, or 140.5%, from the previous first half. The principal factors behind this were outflows for the purchase of the shares of a subsidiary and for the purchase of tangible fixed assets.

Cash flow from financing activities

Net cash used in financing activities totaled ¥1,037 million, representing a year-on-year increase of ¥159 million, or 18.2%. This was attributable principally to an increase in dividend payments.

Reference: Trend of cash flow indicators

	At Mar.31,2004	At Mar.31,2005	At Mar.31,2006	At Mar.31,2007	At Sept.30,2007
Equity ratio (%)	75.5	72.5	74.8	74.4	74.2
Fair value equity ratio (%)	76.6	95.0	156.0	103.6	97.0
Ratio of cash flow to interest-bearing liabilities (%)	30.4	26.0	42.2	36.2	60.2
Interest coverage ratio	165.7	255.8	88.1	125.3	150.2

Notes: Equity ratio: Equity capital/Total assets

Fair value equity ratio: Gross market capitalization/Total assets

Ratio of cash flow to interest-bearing liabilities (%): Interest-bearing liabilities/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest payments

Assumptions

1. All indicators are calculated on the basis of consolidated financial values.
2. Gross market capitalization is calculated by multiplying the closing price of the Company's shares at the end of the period by the number of shares of common stock issued and outstanding at the end of the period (less treasury stock).
3. Cash flow from operating activities refers to cash flow from operating activities posted under the consolidated statements of cash flows. Interest-bearing debt refers to those of the liabilities stated in the consolidated balance sheets on which interest is paid. Interest payments equate with interest paid stated in the consolidated statements of cash flows.

(3) Basic Policy on Distribution of Profits, and Dividend for This Half

One of the issues to which Amano devotes most importance is its policy for dividends to shareholders. For this, a fundamental policy is to pay a stable dividend, the goal being to maintain a payout ratio of at least 35% and a ratio of dividend to net assets of at least 2.5%, also to make appropriate results-based distributions and conduct flexible purchasing of treasury stock.

In line with this policy, the Company intends to pay an interim dividend of ¥17 per share, which constitutes an increase of ¥4 from the ¥13 paid as the previous interim dividend. This reflects the Company's business performance in returning profit to shareholders.

Retained earnings will be used to fund effective investment aimed at the fundamental enhancement of the Company's capacity to conduct its business operations. This will include the expansion and strengthening of existing business fields, strategic investment in growth fields, and spending on research and development, as well as the rationalization of production plant and equipment for the purpose of reducing costs and further improving product quality.

(4) Outlook for the Full Year, and Year-End Dividend

In the economic outlook there are uncertainties facing the world economy, including the risk of a fall by the U.S. economy. Nevertheless, in Japan we expect to see a continuation of the virtuous cycle of production, incomes, and spending amid growth in domestic and export demand, and that sustained growth will continue.

Amid this operating environment, Amano and its Group companies are pledged to further strengthen collaboration, create new markets in each of their business fields, engage in vigorous sales activity in close liaison with customers, supply high-value-added products through the globalization of their development structure, and provide a wide range of solutions and services. In parallel with this, we will endeavor to achieve our goal of building a strong profit structure and sustainable growth.

For the full fiscal year our forecast remains unchanged from the forecast announced at the beginning of the year, namely for net sales of ¥91.0 billion, operating profit of ¥10.7 billion, ordinary profit of ¥10.8 billion, and net income of ¥6.3 billion.

With regard to the year-end dividend for the current fiscal year we will continue our efforts to improve business performance, and forecast a payment of ¥17 per share. In consequence, total dividend for the year is projected at ¥34, inclusive of the interim dividend.

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income
Year ending March 31, 2008	91,000	10,700	10,800	6,300
Year ended March 31, 2007	85,769	10,143	10,205	5,961
Rate of growth	6.1%	5.5%	5.8%	5.7%

(5) Operating and Other Risk

There have been no material changes from the details disclosed in the summary financial statements for the year ended March 31, 2007 (released on May 8, 2007), and in consequence no further disclosure is made here.

Those summary financial statements can be seen at the following URLs.

Amano Web site: <http://www.amano.co.jp/>

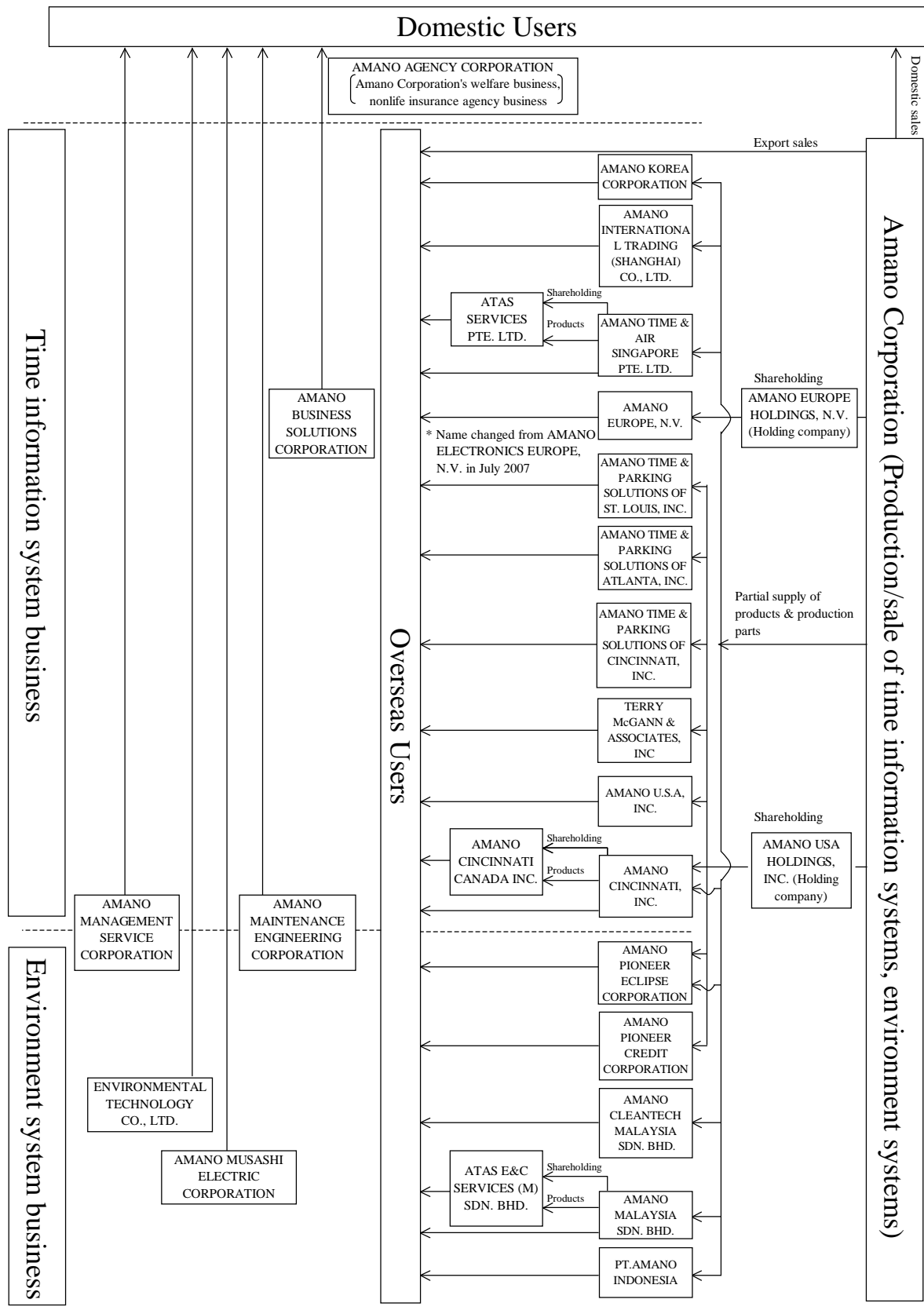
Tokyo Stock Exchange Web site (Search page for information on listed companies):
<http://www.tse.or.jp/listing/compsearch/index.html>

2. Status of the Corporate Group

The Amano Group comprises Amano Corporation and 33 subsidiaries, engaging primarily in the production and sale of time information systems and environment systems.

The following chart sets out the principal business activities.

The positioning of the companies in the business categories shown in the chart are in accordance with each company's principal business.



3. Business Policies

There have been no material changes from the details disclosed in the summary financial statements for the year ended March 31, 2007 (released on May 8, 2007), and in consequence no further disclosure is made here.

Those summary financial statements can be seen at the following URLs.

Amano Web site: <http://www.amano.co.jp/>

Tokyo Stock Exchange Web site (Search page for information on listed companies):

<http://www.tse.or.jp/listing/compsearch/index.html>

4-1. Interim Consolidated Balance Sheets

(Millions of yen)

Item	First half ended September 30, 2006 (At September 30, 2006)		First half ended September 30, 2007 (At September 30, 2007)		Change	Summary consolidated balance sheet for previous fiscal year (At March 31, 2007)	
	Amount	Ratio	Amount	Ratio		Amount	Ratio
Assets		%		%			%
Current assets	67,667	62.7	66,331	57.6	(1,336)	69,770	62.6
Cash and bank deposits	33,783		27,527		(6,256)	33,690	
Notes and accounts receivable—trade	22,612		25,326		2,714	24,635	
Marketable securities	0		500		499	500	
Inventories	8,173		9,254		1,080	8,458	
Deferred tax assets	1,247		1,247		(0)	1,254	
Other current assets	1,990		2,598		607	1,336	
Allowance for doubtful accounts	(140)		(123)		17	(105)	
Fixed assets	40,301	37.3	48,776	42.4	8,474	41,716	37.4
Property, plant and equipment	21,071	19.5	23,204	20.2	2,132	21,552	19.3
Buildings and structures	11,508		12,141		633	11,228	
Machinery and vehicles	1,545		2,159		614	1,670	
Tools, furniture and fixtures	1,942		2,183		241	2,093	
Land	5,827		6,573		746	5,825	
Construction in progress	247		145		(102)	734	
Intangible fixed assets	5,218	4.8	10,606	9.2	5,387	6,409	5.8
Goodwill	1,463		5,728		4,264	1,834	
Software	2,317		3,441		1,123	2,830	
Software in progress	1,378		1,378		(0)	1,685	
Others	58		58		(0)	59	
Investments and other assets	14,011	13.0	14,965	13.0	953	13,754	12.3
Investment securities	6,489		6,921		431	6,026	
Long-term borrowings	551		538		(13)	562	
Claims in bankruptcy and similar claims	261		522		261	410	
Fixed leasehold deposits	949		1,046		96	958	
Deferred tax assets	1,806		2,083		276	1,900	
Long-term deposits	1,500		1,500		-	1,500	
Others	2,746		2,836		89	2,817	
Allowance for doubtful accounts	(294)		(482)		(188)	(422)	
Total assets	107,969	100.0	115,107	100.0	7,137	111,487	100.0

(Millions of yen)

Item	Period		First half ended September 30, 2006 (At September, 2006)		First half ended September 30, 2007 (At September 30, 2007)		Change	Summary consolidated balance sheet for previous fiscal year (At March 31, 2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio			
Liabilities		%		%					%
Current liabilities	21,483	19.9	22,948	19.9	1,464		22,043	19.8	
Notes and accounts payable—trade	11,166		11,462		296		11,485		
Short-term bank loans	466		457		(9)		434		
Accrued income taxes	1,899		2,141		242		2,270		
Accrued bonuses	1,841		1,917		75		1,903		
Accrued officers' bonuses	-		22		22		47		
Other current liabilities	6,110		6,947		837		5,901		
Long-term liabilities	5,649	5.2	6,108	5.3	458		5,823	5.2	
Long-term bank loans	604		1,004		400		688		
Accrued retirement benefits for employees	4,219		4,287		68		4,269		
Accrued officers' retirement benefits	691		678		(13)		738		
Deferred tax liabilities	73		63		(9)		61		
Other long-term liabilities	61		73		12		65		
Total liabilities	27,133	25.1	29,056	25.2	1,923		27,866	25.0	
Net assets									
Shareholders' equity	80,539	74.6	84,705	73.6	4,165		82,826	74.3	
Common stock	18,239	16.9	18,239	15.8	-		18,239	16.4	
Capital surplus	19,501	18.1	19,556	17.0	54		19,521	17.5	
Retained earnings	43,625	40.4	47,640	41.4	4,014		45,860	41.1	
Treasury stock	(827)	(0.8)	(730)	(0.6)	96		(794)	(0.7)	
Valuation and translation adjustments	(249)	(0.2)	651	0.6	900		157	0.1	
Net unrealized gains (losses) on available-for-sale securities	587	0.6	384	0.4	(203)		514	0.4	
Foreign currency translation adjustments	(836)	(0.8)	266	0.2	1,103		(356)	(0.3)	
Minority interests	545	0.5	693	0.6	148		636	0.6	
Total net assets	80,836	74.9	86,050	74.8	5,214		83,620	75.0	
Total liabilities and net assets	107,969	100.0	115,107	100.0	7,137		111,487	100.0	

4-2. Interim Consolidated Statements of Income

(Millions of yen)

Item	First half ended September 30, 2006 (April 1, 2006– September 30, 2006)		First half ended September 30, 2007 (April 1, 2007– September 30, 2007)		Change		Summary consolidated balance sheet for previous fiscal year (April 1, 2006-March 31, 2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Net sales	41,393	100.0	45,307	100.0	3,914	9.5	85,769	100.0
Cost of sales	23,117	55.8	25,720	56.8	2,603	11.3	47,920	55.9
Gross profit	18,276	44.2	19,587	43.2	1,311	7.2	37,848	44.1
Selling, general and administrative expenses	13,576	32.8	14,566	32.1	989	7.3	27,705	32.3
Selling expenses	11,608		12,379		770		23,795	
General and administrative expenses	1,968		2,186		218		3,909	
Operating profit	4,699	11.4	5,020	11.1	321	6.8	10,143	11.8
Non-operating profit	311	0.8	574	1.3	262	84.1	631	0.7
Interest income	57		152		95		151	
Dividends income	51		41		(10)		65	
Other	203		380		177		414	
Non-operating expenses	309	0.8	175	0.4	(133)	(43.2)	569	0.6
Interest expense	22		33		11		61	
Amortization of goodwill	160		-		(160)		320	
Other	126		142		15		188	
Ordinary profit	4,702	11.4	5,419	12.0	717	15.3	10,205	11.9
Extraordinary income	25	0.0	12	0.0	(13)	(51.5)	97	0.1
Gain on sale of property and equipment	1		11		10		61	
Gain on sale of investment securities	21		-		(21)		21	
Other	3		1		(2)		14	
Extraordinary losses	41	0.1	153	0.4	112	273.7	76	0.1
Loss on disposal of property and equipment	10		148		137		45	
Loss on sale of shares in consolidated subsidiaries	24		-		(24)		24	
Loss on write-down of golf club memberships	6		-		(6)		6	
Others	-		5		5		-	
Income before income taxes	4,686	11.3	5,278	11.6	591	12.6	10,226	11.9
Income taxes—current	1,932	4.6	2,052	4.5	120	6.2	4,049	4.7
Income taxes—deferred	-	-	-	-	-	-	53	0.0
Minority interests	71	0.2	79	0.2	8	11.5	162	0.2
Net income	2,682	6.5	3,145	6.9	463	17.3	5,961	7.0

4-3 Interim Consolidated Statement of Changes in Shareholders' Equity

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	18,239	19,438	42,036	(950)	78,765
Changes during the half					
Dividends from surplus			(1,041)		(1,041)
Officers' bonuses by appropriation of retained earnings			(92)		(92)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries			39		39
Net income			2,682		2,682
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		63		127	190
Net changes in items other than shareholders' equity					
Total changes during the half	-	63	1,588	122	1,774
Balance at September 30, 2006	18,239	19,501	43,625	(827)	80,539

(Millions of yen)

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	798	(830)	(32)	485	79,217
Changes during the half					
Dividends from surplus					(1,041)
Officers' bonuses by appropriation of retained earnings					(92)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries					39
Net income					2,682
Purchase of treasury stock					(4)
Disposal of treasury stock					190
Net changes in items other than shareholders' equity	(210)	(6)	(216)	60	(156)
Total changes during the half	(210)	(6)	(216)	60	1,618
Balance at September 30, 2006	587	(836)	(249)	545	80,836

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	18,239	19,521	45,860	(794)	82,826
Changes during the half					
Dividends from surplus			(1,365)		(1,365)
Net income			3,145		3,145
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		35		67	103
Net changes in items other than shareholders' equity					
Total changes during the half	-	35	1,780	63	1,878
Balance at September 30, 2007	18,239	19,556	47,640	(730)	84,705

(Millions of yen)

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2007	514	(356)	157	636	83,620
Changes during the half					
Dividends from surplus					(1,365)
Net income					3,145
Purchase of treasury stock					(4)
Disposal of treasury stock					103
Net changes in items other than shareholders' equity	(129)	623	493	57	551
Total changes during the half	(129)	623	493	57	2,430
Balance at September 30, 2007	384	266	651	693	86,050

Year ended March 31, 2007 (April 1, 2006–March 31, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	18,239	19,438	42,036	(950)	78,765
Changes during the year					
Dividends from surplus			(2,084)		(2,084)
Officers' bonuses by appropriation of retained earnings			(92)		(92)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries			39		39
Net income			5,961		5,961
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock		82		163	246
Net changes in items other than shareholders' equity					
Total changes during the year	-	82	3,823	155	4,061
Balance at March 31, 2007	18,239	19,521	45,860	(794)	82,826

(Millions of yen)

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	798	(830)	(32)	485	79,217
Changes during the year					
Dividends from surplus					(2,084)
Officers' bonuses by appropriation of retained earnings					(92)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries					39
Net income					5,961
Purchase of treasury stock					(8)
Disposal of treasury stock					246
Net changes in items other than shareholders' equity	(284)	474	190	151	341
Total changes during the year	(284)	474	190	151	4,402
Balance at March 31, 2007	514	(356)	157	636	83,620

4-4. Interim Consolidated Statements of Cash Flows

(Millions of yen)

Item	Period	First half ended September 30, 2006 (April 1, 2006– September 30, 2006)	First half ended September 30, 2007 (April 1, 2007– September 30, 2007)	Change	Fiscal year ended March 31, 2007 (April 1, 2006– March 31, 2007)
		Amount	Amount	Amount	Amount
I	Cash Flows from Operating Activities				
	1. Income before income taxes	4,686	5,278	591	10,226
	2. Depreciation and amortization	1,530	1,827	297	3,234
	3. Increase (decrease) in provision for accrued retirement benefits	(33)	16	49	16
	4. Increase in allowance for doubtful accounts	52	68	16	143
	5. Interest and dividend revenue	(108)	(193)	(84)	(217)
	6. Interest expenses	22	33	11	61
	7. Foreign currency translation gain (loss)	(34)	(107)	(72)	(211)
	8. Gain on sale of fixed assets	(1)	(11)	(10)	(61)
	9. Loss on disposal of fixed assets	10	148	137	45
	10. Gain on sale of investment securities	(21)	-	21	(21)
	11. Loss on sale of shares of consolidated subsidiaries	24	-	(24)	24
	12. Loss on write-down of golf-club memberships	6	-	(6)	6
	13. (Increase) decrease in trade notes and accounts receivable	(1,647)	664	2,311	(3,200)
	14. Increase in inventories	(557)	(81)	476	(594)
	15. Increase (decrease) in accounts payable	1,529	(374)	(1,904)	1,563
	16. Others	(896)	(270)	625	41
	Subtotal	4,562	6,998	2,436	11,056
	17. Receipts from interest and dividends	101	195	94	201
	18. Interest paid	(26)	(32)	(6)	(56)
	19. Income taxes paid	(2,172)	(2,298)	(125)	(4,100)
	Net cash provided by operating activities	2,464	4,864	2,399	7,101
II	Cash Flows from Investing Activities				
	1. Payment for purchase of property and equipment	(967)	(2,394)	(1,427)	(2,192)
	2. Proceeds from sale of property and equipment	1	16	15	72
	3. Payment for acquisition of intangible assets	(1,304)	(1,226)	78	(2,754)
	4. Payment for acquisition of investment securities	(104)	(1,086)	(982)	(258)
	5. Proceeds from sale of investment securities	41	-	(41)	41
	6. Proceeds from maturities of investment securities	10	-	(10)	10
	7. Payment for acquisition of shares of subsidiaries resulting from change in scope of consolidation	-	(4,572)	(4,572)	-
	8. Payment for business transfers	-	(561)	(561)	(774)
	9. Collection of loans	4	4	(0)	8
	10. Increase in time deposits	(2,000)	(3,361)	(1,361)	(6,000)
	11. Repayment of time deposits	-	3,000	3,000	3,000
	12. Others	54	(75)	(129)	12
	Net cash used in investing activities	(4,264)	(10,257)	(5,993)	(8,834)
III	Cash Flows from Financing Activities				
	1. Proceeds from short-term bank loans	34	-	(34)	35
	2. Repayment for short-term bank loans	-	(19)	(19)	(35)
	3. Proceeds from long-term debt	35	372	336	36
	4. Repayment for long-term debt	(129)	(109)	19	(249)
	5. Payment for acquisition of treasury stock	(4)	(4)	(0)	(8)
	6. Proceeds from sale of treasury stock	190	103	(87)	246
	7. Dividends paid by parent company	(979)	(1,360)	(381)	(2,015)
	8. Dividends paid to minority interests	(25)	(18)	7	(26)
	Net cash used in financing activities	(877)	(1,037)	(159)	(2,016)
IV	Effect of exchange rate changes on cash and cash equivalents	(2)	(93)	(90)	(24)
V	Net decrease in cash and cash equivalents	(2,680)	(6,524)	(3,844)	(3,773)
VI	Cash and cash equivalents at beginning of year	34,402	30,690	(3,712)	34,402
VII	Net increase in cash and cash equivalents due to merger of consolidated and nonconsolidated subsidiaries	61	-	(61)	61
VIII	Cash and cash equivalents at end of period	31,783	24,165	(7,617)	30,690

4-5. Basis of Presentation of the Interim Consolidated Financial Statements

1. Scope of consolidation

- | | |
|---|--|
| (1) Number of consolidated subsidiaries | 26 |
| Names of major consolidated subsidiaries: | These are set out in section 2: "Status of the Corporate Group" on page 10. Terry McGann & Associates, Inc., was merged and Amano Europe Holdings N.V. was newly established. In consequence, both became consolidated subsidiaries during the first half. These two companies are both specified subsidiaries as stipulated in Article 19, Paragraph 7, of the Cabinet Office Ordinance Concerning Disclosure of Affairs, Etc. of Corporations. |
| (2) Names of non-consolidated subsidiaries: | 7 companies: AMANO SOFTWARE ENGINEERING (SHANGHAI) CO., LTD., AMANO ECO TECHNOLOGY CORPORATION, AMANO SOFTWARE ENGINEERING R&D EUROPE, N.V., AMANO SYSTEMS KYUSHU CORPORATION, AMANO TIME BUSINESS CORPORATION, AMANO TIME & PARKING SPAIN, S.A., @PARK KOREA CO., LTD. |

Reasons for exclusion from the scope of consolidation

Non-consolidated subsidiaries are all small in scale, and their combined total assets, sales, net income, and retained earnings (according to the Group's holding in them) in every case would have no material impact on the interim consolidated financial statements.

2. Application of the equity method	N/A
-------------------------------------	-----

- | | |
|---|--|
| (1) Number of non-consolidated subsidiaries to which the equity method is applied, and number of affiliated | 0 |
| (2) Name of affiliated companies to which the equity method is not applied | SHANGHAI QI-AN MACHINERY EQUIPMENT CO., LTD.
PARKINSYS TECHNOLOGY CO., LTD. |

Reason why the equity method is not applied:

Companies to which the equity method is not applied are excluded because they have an immaterial impact on net income (loss), retained earnings, etc., and they are of little importance.

3. Fiscal years and interim accounting periods of consolidated subsidiaries

The date of the closing of accounts of overseas subsidiaries for the first half of each fiscal year is June 30 (fiscal year-end December 31). Their financial statements as those dates are used in the preparation of the consolidated financial statements, and necessary adjustments are made to the consolidated accounts with respect to significant transactions that take place between those dates and the consolidation dates.

4. Accounting standards

(1) Valuation standards and methods for significant assets

(a) Securities:

Available-for-sale securities with market prices are stated at fair value as of the balance sheet date. Net unrealized gains or losses on these securities are recorded directly in net assets, and costs of securities sold are computed using the moving average method.

Available-for-sale securities without market prices are stated at cost based on the moving average method.

(b) Derivatives: Stated at fair value

(c) Inventories: Principally stated at cost based on the periodic average method

(2) Depreciation methods for important depreciable assets

(a) Property, plant and equipment

Declining-balance method, except for buildings (excluding equipment ancillary to the buildings) acquired since April 1, 1998, for which the straight-line method is used.

Useful lives are computed by the Company and its domestic consolidated subsidiaries in accordance with the same criteria as the method stipulated in the Corporation Tax Law. Overseas consolidated subsidiaries employ the methods prescribed by the accounting standards of the countries in which they are located.

(b) Intangible fixed assets

Straight-line method

Useful lives are computed by the Company and its domestic consolidated subsidiaries in accordance with the same criteria as the method stipulated in the Corporation Tax Law. Overseas consolidated subsidiaries employ the methods prescribed by the accounting standards of the countries in which they are located.

Software for sale by the Company is depreciated by the straight-line method based on the estimated period during which it can be sold (3 years), while software for internal use by the Company and its domestic consolidated subsidiaries is depreciated by the straight-line method over its useful life (5 years).

SFAS No. 142 (“Goodwill and Other Intangible Assets”) is applied to the goodwill of U.S. consolidated subsidiaries.

(3) Accounting for significant reserves

(a) Allowance for doubtful accounts

To provide against possible losses from doubtful accounts such as receivables and loans, allowances for general receivables are provided using a rate determined by past loss experience, and allowances for certain doubtful accounts are provided for the estimated amounts considered to be uncollectible after individually studying the collectibility of the accounts.

(b) Accrued bonuses

To provide for payment of employee bonuses, the amount of bonuses estimated to be paid in the half is stated as accrued bonuses.

(c) Accrued officers’ bonuses

To provide for payment of officers’ bonuses, of the amount of bonuses estimated to be paid in the year, the portion attributable to the half is stated as accrued bonuses.

(d) Accrued retirement benefits for employees

To provide for payment of employee retirement benefits, the Company has set aside a reserve based on estimated retirement benefit liabilities and pension assets at the end of the fiscal year, the amount of the reserve being the amount deemed to arise at the end of the first half.

Actuarial differences are charged to income from the fiscal year following the one in which they arise, using the straight-line method over a fixed number of years (10) within the average remaining period of service of Company employees at the time they arise in each fiscal year.

(e) Accrued officers’ retirement benefits

To provide for payment of retirement benefits to officers, in accordance with in-house rules the amount that would be required to be paid assuming all officers were to retire at the end of the first half is accrued in an amount equal to 100% of the liability.

(4) Translation of significant foreign-currency assets and liabilities

Claims and obligations denominated in foreign currencies are translated into yen at the spot exchange rate on the date of the interim consolidated accounts (fiscal year-end), and any differences are treated as either gains or losses.

The assets, liabilities, income, and expenses of overseas subsidiaries are translated into yen at the spot exchange rate on the date of the interim consolidated accounts (fiscal year-end), and any differences are included in either the foreign currency translation adjustment and minority interests in net assets.

(5) Accounting for significant leases

All finance leases, other than those that are deemed to transfer ownership of the leased assets to lessees, are treated for accounting purposes by the same method as that applied to ordinary operating

(6) Other significant matters affecting the preparation of the interim consolidated financial statements

National and local consumption taxes are accounted for based on the tax-exclusion method.

5. Scope of funds included in the interim consolidated statements of cash flows

Funds include cash on hand, demand deposits, and short-term investments maturing or redeemable within three months after acquisition that are highly liquid, readily convertible into cash, and exposed to low price fluctuation risk.

4-6. Changes in Basis of Presentation of the Interim Consolidated Financial Statements

Changes in Accounting Policy

Method of depreciating fixed assets

Following the revision of the Corporation Tax Act (Act on Partial Revision, etc., of the Income Tax Act, Etc., Law No. 6 of March 30, 2007 and Cabinet Order for the Partial Revision of the Corporation Tax Act Enforcement Order, Cabinet Order No. 83 of March 30, 2007), as of the first half of the current fiscal year, with regard to tangible fixed assets acquired on or after April 1, 2007, the method of depreciation has been changed to that prescribed by the revised Corporation Tax Act.

This change has meant that, compared with depreciation by the method used in the previous first half, operating profit, ordinary profit, and income before income taxes each decline by ¥27 million.

Supplementary information

With regard to assets acquired on or before March 31, 2007, the company will continue to apply the depreciation method prescribed by the Corporation Tax Act prior to its revision, and as of the accounting year immediately following the accounting year in which the assets reach 5% of their acquisition price, the difference between an amount equivalent to 5% of the acquisition price and the memorandum value is depreciated on a straight-line basis over five years and stated by inclusion in the depreciation charge.

This change meant that, compared with depreciation by the method used in the previous first half, operating profit, ordinary profit, and income before income taxes each decline by ¥60 million.

4-7. Notes

Consolidated balance sheets

First Half ended September 30, 2006 (At September 30, 2006)	First Half ended September 30, 2007 (At September 30, 2007)	Fiscal year ended March 31, 2007 (At March 31, 2007)
Accumulated depreciation of property, plant and equipment ¥29,163 million	Accumulated depreciation of property, plant and equipment ¥30,684 million	Accumulated depreciation of property, plant and equipment ¥29,926 million
Matured trade notes at the end of the half were settled on the date of clearance of the bills. Since financial institutions were not open for business on the final day of the first half, the following matured trade notes at the end of the half are included in the following categories.	Matured trade notes at the end of the half were settled on the date of clearance of the bills. Since financial institutions were not open for business on the final day of the first half, the following matured trade notes at the end of the half are included in the following categories.	Matured trade notes at the end of the year were settled on the date of clearance. Since financial institutions were not open for business on the final day of the year, the following matured trade notes at the end of the year are included in the following categories.
Notes receivable ¥718 million Notes payable ¥47 million	Notes receivable ¥757 million Notes payable ¥172 million Other current liabilities ¥1 million (Notes payable relating to plant and equipment)	Notes receivable ¥477 million Notes payable ¥50 million Other current liabilities ¥1 million (Notes payable relating to plant and equipment)

Consolidated statements of income

First half ended September 30, 2006 (April 1, 2006– September 30, 2006)	First half ended September 30, 2007 (April 1, 2007– September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006– March 31, 2007)
Principal selling, general and administrative expenses Transfer to ¥1,212 million accrued bonuses Retirement benefit ¥489 million expense Transfer to ¥42 million accrued officers' retirement benefits Transfer to ¥55 million allowance for doubtful accounts Salaries, wages ¥4,914 million and other payroll costs	Principal selling, general and administrative expenses Transfer to ¥1,262 million accrued bonuses Transfer to ¥23 million accrued officers' bonuses Retirement benefit ¥506 million expense Transfer to ¥30 million accrued officers' retirement benefits Transfer to ¥68 million allowance for doubtful accounts Salaries, wages ¥5,471 million and other payroll costs	Principal selling, general and administrative expenses Transfer to ¥1,256 million accrued bonuses Transfer to ¥47 million accrued officers' bonuses Retirement benefit ¥988 million expense Transfer to ¥89 million accrued officers' retirement benefits Transfer to ¥52 million allowance for doubtful accounts Salaries, wages ¥11,353 million and other payroll costs
Income taxes-current (Income, resident, and enterprise taxes) The simplified method is used for the application of tax-effect accounting, and therefore this amount has been posted as an aggregate sum that includes deferred income taxes.	As at left	_____

Consolidated statement of changes in shareholders' equity

First half ended September 30, 2006 (April 1, 2006 to September 30, 2006)

1. Type and number of shares issued and outstanding

Share type	At March 31, 2006	Increase	Decrease	At September 30, 2006
Common stock (shares)	81,257,829	–	–	81,257,829

2. Type and number of shares of treasury stock

Share type	At March 31, 2006	Increase	Decrease	At September 30, 2006
Common stock (shares)	1,167,156	2,635	156,000	1,013,791

Notes 1. There was an increase in common stock held as treasury stock as a result of purchases of odd-lot shares.

2. There was a decrease in common stock held as treasury stock as a result of exercises of stock options.

3. Share subscription rights

Not applicable

4. Dividends

(1) Dividends paid

Resolution	Share type	Total dividend	Dividend per share	Date of record	Effective date
Ordinary general meeting of shareholders, June 29, 2006	Common stock	¥1,041 million	¥13	March 31, 2006	June 30, 2006

(2) Dividends for which the date of record falls in the current first half, but the effective date is after the end of the half.

Resolution	Share type	Dividendfunding	Total dividend	Dividend per share	Date of record	Effective date
Board of directors meeting, November 7, 2006	Common stock	Retained earnings	¥1,043 million	¥13	September 30, 2006	December 4, 2006

First half ended September 30, 2007 (April 1, 2007 to September 30, 2007)

1. Type and number of shares issued and outstanding

Share type	At March 31, 2007	Increase	Decrease	At September 30, 2007
Common stock (shares)	81,257,829	–	–	81,257,829

2. Type and number of shares of treasury stock

Share type	At March 31, 2007	Increase	Decrease	At September 30, 2007
Common stock (shares)	971,355	2,834	83,000	891,189

Notes 1. There was an increase in common stock held as treasury stock as a result of purchases of odd-lot shares.

2. There was a decrease in common stock held as treasury stock as a result of exercises of stock options.

3. Share subscription rights

Not applicable

4. Dividends

(1) Dividends paid

Resolution	Share type	Total dividend	Dividend per share	Date of record	Effective date
Ordinary general meeting of shareholders, June 28, 2007	Common stock	¥1,364 million	¥17	March 31, 2007	June 29, 2006

(2) Dividends for which the date of record falls in the current first half, but the effective date is after the end of the half.

Resolution	Share type	Dividendfunding	Total dividend	Dividend per share	Date of record	Effective date
Board of directors meeting, November 6, 2007	Common stock	Retained earnings	¥1,366 million	¥17	September 30, 2007	December 4, 2007

Year ended March 31, 2007 (April 1, 2006 to March 31, 2007)

1. Type and number of shares issued and outstanding

Share type	At March 31, 2006	Increase	Decrease	At March 31, 2007
Common stock (shares)	81,257,829	–	–	81,257,829

2. Type and number of shares of treasury stock

Share type	At March 31, 2006	Increase	Decrease	At March 31, 2007
Common stock (shares)	1,167,156	5,199	201,000	971,355

Notes 1. There was an increase in common stock held as treasury stock as a result of purchases of odd-lot shares.

2. There was a decrease in common stock held as treasury stock as a result of exercises of stock options.

3. Share subscription rights

Not applicable

4. Dividends

(1) Dividends paid

Resolution	Share type	Total dividend	Dividend per share	Date of record	Effective date
Ordinary general meeting of shareholders, June 29, 2006	Common stock	¥1,041 million	¥13	March 31, 2006	June 30, 2006
Board of directors meeting, November 7, 2006	Common stock	¥1,043 million	¥13	September 30, 2006	December 4, 2006

(2) Dividends for which the date of record falls in the current fiscal year, but the effective date is after the end of the fiscal year.

Resolution	Share type	Dividend funding	Total dividend	Dividend per share	Date of record	Effective date
Ordinary general meeting of shareholders, June 28, 2007	Common stock	Retained earnings	¥1,364 million	¥17	March 31, 2007	June 29, 2007

Consolidated statements of cash flow

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Reconciliation of balance of cash and cash equivalents at the end of the first half and amounts stated in the interim consolidated balance sheets	Reconciliation of balance of cash and cash equivalents at the end of the first half and amounts stated in the interim consolidated balance sheets	Reconciliation of year-end balance of cash and cash equivalents and amounts stated in the consolidated balance sheets
Cash and bank deposits ¥33,783 million	Cash and bank deposits ¥27,527 million	Cash and bank deposits ¥33,690
Time deposits deposited for more than 3 months (¥2,000 million)	Time deposits deposited for more than 3 months (¥3,361 million)	Time deposits deposited for more than 3 months (¥3,000 million)
Cash and cash equivalents <u>¥31,783 million</u>	Cash and cash equivalents <u>¥24,165 million</u>	Cash and cash equivalents <u>¥30,690 million</u>

Segment Information

a. Segment information by business

First half ended September 30, 2007 (April 1, 2006 – September 30, 2006)

(Millions of yen)

	Time information systems	Environment systems	Total	Consolidation	Consolidation total
I Net sales and operating profit					
Net sales					
(1) To customers	26,707	14,686	41,393	-	41,393
(2) Intersegment	-	-	-	-	-
Total	26,707	14,686	41,393	-	41,393
Operating expenses	22,355	12,976	35,331	1,362	36,694
Operating profit	4,351	1,710	6,062	1,362	4,699
II Assets, depreciation, capital expenditures					
Assets	39,490	15,791	55,282	52,687	107,969
Depreciation	1,133	205	1,339	190	1,530
Capital expenditures	1,807	216	2,024	197	2,221

First half ended September 30, 2007 (April 1, 2007 – September 30, 2007)

(Millions of yen)

	Time information systems	Environment systems	Total	Consolidation	Consolidation total
I Net sales and operating profit					
Net sales					
(1) To customers	30,082	15,225	45,307	-	45,307
(2) Intersegment	-	-	-	-	-
Total	30,082	15,225	45,307	-	45,307
Operating expenses	25,795	13,073	38,869	1,417	40,287
Operating profit	4,286	2,151	6,438	1,417	5,020
II Assets, depreciation, capital expenditures					
Assets	48,527	19,007	67,534	47,572	115,107
Depreciation	1,349	267	1,617	210	1,827
Capital expenditures	2,095	1,217	3,312	1,048	4,360

Fiscal year ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(Millions of yen)

	Time information systems	Environment systems	Total	Consolidation	Consolidation total
I Net sales and operating profit					
Net sales					
(1) To customers	55,708	30,060	85,769	-	85,769
(2) Intersegment	-	-	-	-	-
Total	55,708	30,060	85,769	-	85,769
Operating expenses	46,625	26,332	72,957	2,667	75,625
Operating profit	9,082	3,728	12,811	2,667	10,143
II Assets, depreciation, capital expenditures					
Assets	43,970	16,461	60,432	51,055	111,487
Depreciation	2,419	429	2,849	385	3,234
Capital expenditures	3,931	988	4,919	116	5,036

Notes 1. As described below, the business segments are formed by the demarcation of business into time information system business and environment system business.

From among the units and activities relating to sales and maintenance within the Company it is not possible to apportion selling expenses to particular sales categories, and thus for internal administrative purposes, segmentation has been carried out by business segment.

2. Principal products in each business segment

Business segment	Sales category	Principal products
Time information system business	Information systems	Time & attendance (T&A) systems, payroll systems, human-resource management systems, cafeteria systems, access control systems, proximity IC card solutions, system time recorders, attendance/human-resource and payroll ASP services, time distribution and authentication services
	Time management equipment	PC-connectable time recorders, computerized time recorders, standard electronic time recorders, electronic time stamps, numbering machines, patrol recorders
	Parking systems	Automated fee systems, access control systems, parking lot management systems, bicycle parking systems, time registers, parking tower management systems, Internet parking guidance systems, parking lot total management services
Environment system business	Environmental systems	Industrial vacuum cleaners, standard dust collectors, oil mist collectors, fume collectors, large dust collection systems, deodorization systems, high-temperature hazardous-gas removal systems, pneumatic powder conveyance systems, environmental equipment monitoring/maintenance support systems, electrolytic water cleaning systems, alkaline electrolytic water industrial cleaning systems
	Clean systems	Commercial vacuum cleaners, road and industrial sweepers, automatic floor scrubbers, high-speed burnishers, dry-care cleaning systems, carpet cleanliness system, chemical products, supplies and accessories

3. Among operating expenses, the principal unallocated operating expenses included in the “Consolidation” item relate to divisions conducting Company-wide administrative activities, such as the parent company General Affairs Department.

First half ended September 30, 2006	¥1,362 million
First half ended September 30, 2007	¥1,417 million
Fiscal year ended March 31, 2007	¥2,667 million

4. Among assets, the principal Company-wide assets included in the “Consolidation” item include working capital (cash and securities) at the parent company, long-term investment funds (investment securities and long-term deposits), and assets relating to administrative divisions.

First half ended September 30, 2006	¥52,687 million
First half ended September 30, 2007	¥47,572 million
Fiscal year ended March 31, 2007	¥51,055 million

b. Segment information by geographical area

First half ended September 30, 2006 (April 1, 2006– September 30, 2006)

(Millions of yen)

	Japan	Other Asia	North America	Europe	Total	Consolidation	Consolidation total
I Net sales and operating profit							
Net sales							
(1) To customers	34,568	1,803	4,343	677	41,393	-	41,393
(2) Intersegment	985	53	187	54	1,280	1,280	-
Total	35,554	1,857	4,530	731	42,674	1,280	41,393
Operating expenses	29,820	1,648	4,458	685	36,613	81	36,694
Operating profit	5,733	208	72	46	6,061	1,361	4,699
II Assets	42,461	3,016	7,321	2,696	55,495	52,474	107,969

First half ended September 30, 2007 (April 1, 2007– September 30, 2007)

(Millions of yen)

	Japan	Other Asia	North America	Europe	Total	Consolidation	Consolidation total
I Net sales and operating profit							
Net sales							
(1) To customers	35,995	2,484	5,824	1,002	45,307	-	45,307
(2) Intersegment	1,401	64	131	66	1,665	1,665	-
Total	37,397	2,549	5,956	1,069	46,973	1,665	45,307
Operating expenses	31,472	2,249	5,754	1,018	40,494	207	40,287
Operating profit	5,924	300	202	50	6,478	1,457	5,020
II Assets	46,331	4,325	15,373	3,266	69,297	45,810	115,107

Fiscal year ended March 31, 2007 (April 1, 2006– March 31, 2007)

(Millions of yen)

	Japan	Other Asia	North America	Europe	Total	Consolidation	Consolidation total
I Net sales and operating profit							
Net sales							
(1) To customers	70,803	4,117	9,347	1,500	85,769	-	85,769
(2) Intersegment	2,082	100	378	102	2,663	2,663	-
Total	72,886	4,217	9,725	1,602	88,432	2,663	85,769
Operating expenses	60,781	3,790	9,530	1,468	75,570	55	75,625
Operating profit	12,105	427	195	133	12,862	2,719	10,143
II Assets	45,997	3,656	9,182	2,972	61,809	49,677	111,487

Notes 1. The national and regional demarcations are in accordance with the degree of geographical proximity.

2. Principal countries and regions in each division

- (1) Other Asia: Singapore, Malaysia, South Korea, China
- (2) North America: United States, Canada
- (3) Europe: Belgium

3. Among operating expenses, the principal unallocated operating expenses included in the “Consolidation” item relate to divisions conducting Company-wide administrative activities, such as the parent company General Affairs Department.

First half ended September 30, 2006 ¥1,362 million

First half ended September 30, 2007 ¥1,417 million

Fiscal year ended March 31, 2007 ¥2,667 million

4. Among assets, the principal Company-wide assets included in the “Consolidation” item include working capital (cash and securities) at the parent company, long-term investment funds (investment securities and long-term deposits), and assets relating to administrative divisions.

First half ended September 30, 2006 ¥52,687 million

First half ended September 30, 2007 ¥47,572 million

Fiscal year ended March 31, 2007 ¥51,055 million

c. Overseas sales

First half ended September 30, 2006 (April 1, 2006– September 30, 2006)

(Millions of yen)

	Other Asia	North America	Europe	Other regions	Total
I Overseas sales	1,947	4,348	721	114	7,132
II Consolidated net sales					41,393
III Proportion of consolidated net sales accounted for by overseas sales	4.7 %	10.5 %	1.7 %	0.3 %	17.2 %

First half ended September 30, 2007 (April 1, 2007– September 30, 2007)

(Millions of yen)

	Other Asia	North America	Europe	Other regions	Total
I Overseas sales	2,741	5,832	1,067	144	9,785
II Consolidated net sales					45,307
III Proportion of consolidated net sales accounted for by overseas sales	6.0 %	12.9 %	2.4 %	0.3 %	21.6 %

Fiscal year ended March 31, 2007 (April 1, 2006– March 31, 2007)

(Millions of yen)

	Other Asia	North America	Europe	Other regions	Total
I Overseas sales	4,736	9,365	1,544	225	15,871
II Consolidated net sales					85,769
III Proportion of consolidated net sales accounted for by overseas sales	5.5 %	10.9 %	1.8 %	0.3 %	18.5 %

Notes 1. Overseas sales comprise sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

2. The national and regional demarcations are in accordance with the degree of geographical proximity.

3. Principal countries and regions in each division

(1) Other Asia: Singapore, Thailand, Malaysia, South Korea, China

(2) North America: United States, Canada

(3) Europe: Belgium, Spain

(4) Other regions: Central and South America

Lease transactions

Disclosure has been omitted, since the importance of these transactions is insufficient to warrant their disclosure in interim summary financial statements.

Marketable Securities

Disclosure has been omitted, since their importance is insufficient to warrant their disclosure in interim summary financial statements.

Per-share data

First half ended September 30, 2006 (April 1, 2006– September 30, 2006)	First half ended September 30, 2007 (April 1, 2007– September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Net assets per share ¥1,000.58	Net assets per share ¥1,062.09	Net assets per share ¥1,033.61
Net income per share ¥33.45	Net income per share ¥39.15	Net income per share ¥74.29
Diluted net income per share ¥33.43	Diluted net income per share ¥39.14	Diluted net income per share ¥74.24

Note: The basis for these calculations is as follows:

1. Net assets per share

	First half ended September 30, 2006 (At September 30, 2006)	First half ended September 30, 2007 (At September 30, 2007)	Fiscal year ended March 31, 2007 (At March 31, 2007)
Total net assets in interim consolidated balance sheet and non-consolidated balance sheet (Millions of yen)	80,836	86,050	83,620
Net assets relating to common stock (Millions of yen)	80,290	85,356	82,984
Principal component of the difference (Millions of yen)			
Minority interests	545	693	636
No. of shares of common stock issued (Thousands)	81,257	81,257	81,257
No. of shares of common stock held as treasury stock (Thousands)	1,013	891	971
No. of shares of common stock used to compute net assets per share (Thousands)	80,244	80,366	80,286

2. Net income per share and diluted net income per share

	First half ended September 30, 2006 (April 1– September 30, 2006)	First half ended September 30, 2007 (April 1– September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Net income in the interim consolidated statements of income (Millions of yen)	2,682	3,145	5,961
Net income relating to common stock (Millions of yen)	2,682	3,145	5,961
Average no. of shares of common stock outstanding during the term (Thousands)	80,209	80,353	80,236
Diluted net income per share			
Net income adjustment (Millions of yen)	-	-	-
Increase in common stock (Thousands)	41	13	61
(Including stock options from acquisition of treasury stock)	(41)	(13)	(61)
Summary of potential shares not included in calculation of diluted net income per share because they are nondilutive.	-	-	-