

Summary Financial Statements (Consolidated)  
for 3rd Quarter of Fiscal Year 2020 (Year Ending March 31, 2021) (Japan GAAP)

February 1, 2021

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Securities code: 6436 URL <http://www.amano.co.jp/english/>  
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Scheduled date for filing of quarterly securities report: February 3, 2021  
Scheduled date for start of dividend payments: —  
Supplementary explanation materials prepared for quarterly financial results: None  
Briefing held on quarterly financial results: None

(Amounts less than 1 million yen are rounded down)

1. Business results for 3rd Quarter of fiscal year 2020 (April 1, 2020 to December 31, 2020)

(1) Operating results (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q of FY 2020 (year ending March 2021)	80,525	(15.8)	5,135	(51.8)	5,830	(47.8)	4,696	(34.3)
3Q of FY 2019 (year ended March 2020)	95,590	3.6	10,651	24.5	11,175	21.2	7,150	35.6

Note: Comprehensive income 3rd Quarter of FY 2020 (year ending March 2021): ¥4,446 million (-28.2%)  
3rd Quarter of FY 2019 (year ended March 2020): ¥6,191 million (29.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q of FY 2020 (year ending March 2021)	62.90	—
3Q of FY 2019 (year ended March 2020)	95.68	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q of FY 2020 (as of December 31, 2020)	146,556	107,938	73.2	1,437.05
FY 2019 (as of March 31, 2020)	154,276	109,478	70.5	1,454.47

Reference: Equity capital 3rd Quarter of FY 2020 (as of December 31, 2020): ¥107,239 million  
FY 2019 (as of March 31, 2020): ¥108,695 million

2. Dividends

	Annual dividends				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2019 (year ended March 2020)	—	28.00	—	56.00	84.00
FY 2020 (year ending March 2021)	—	20.00			
FY 2020 (year ending March 2021) (est.)			—	20.00	40.00

Note: Revisions to most recently released dividend forecast: None

\*The detail of year-end dividend of FY2019(year ended March 2020): ordinary dividend ¥36.00, special dividend ¥20.00

3. Forecast earnings for fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	110,000	(17.3)	7,000	(56.7)	7,800	(53.8)	6,100	(42.3)	81.74

Note: Revisions to most recently released earnings forecast: None

Notes

- (1) Significant changes among subsidiaries during the fiscal year under review : None  
(i.e. changes among specific subsidiaries resulting in a change in the scope of consolidation)
- (2) Application of accounting procedures specific to the preparation of the consolidated quarterly financial statements : Yes
- (3) Changes to accounting policy, changes to accounting forecasts, and restatements
  - [1] Changes arising from revision of accounting standards : None
  - [2] Changes to accounting policy other than those in [1] above : None
  - [3] Changes to accounting forecasts : None
  - [4] Restatements : None

(4) Number of shares issued and outstanding (common stock)

[1] Number of shares issued and outstanding at the end of the period (including treasury stock)	As of 3Q ended December 31, 2020	76,657,829 shares	As of March 31, 2020	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 3Q ended December 31, 2020	2,033,319 shares	As of March 31, 2020	1,925,901 shares
[3] Average number of shares outstanding (over the fiscal year under review up to December 31, 2020)	As of 3Q ended December 31, 2020	74,672,671 shares	As of 3Q ended December 31, 2019	74,732,700 shares

Note: The number of shares of treasury stock as of December 31, 2020, includes the Company's shares held by the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP).

(421,314 shares as of Dec. 31, 2020 and 314,300 shares as of March 31, 2020 respectively)

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares outstanding.

Note: These quarterly Summary Financial Statements are not subject to the quarterly review procedures provided by CPA (Certified Public Accountant).

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

Caution regarding forward-looking statements

Earnings forecasts and other forward-looking statements contained in this document are based on information available at the time of this document's preparation and on certain assumptions that are deemed to be reasonable. A variety of factors could cause actual results to differ significantly from the forecasts.

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## 1. Qualitative Information on Consolidated Financial Results for the Current Quarter

### (1) Explanation of Business Results

During the third quarter of the current consolidated cumulative period, the world economy continues to suffer from the effects of COVID-19 and amid this crisis, in Japan, there were scattered signs of recovery triggered by the resumption of economic activity. However, due to the worldwide resurgence of COVID-19, it seems that the future outlook for the Japanese economy is becoming increasingly uncertain as it is expected that various social and economic restrictions will be re-imposed.

Under such business environment, we the Amano Group set forth the management concept of "The 3rd Stage Towards a 100-year Company-Establishing a solid business foundation that leads to sustainable growth" in our 8th Medium-term Business Plan launched in April 2020, in which we will promote strategic investments in to growth drivers in order to respond to digital transformation (DX), and we shall establish unrivaled competitive advantage by raising the synergistic effects of the strengths of each of our business divisions.

During the third quarter under review, net sales were ¥80,525 million (down 15.8% year-on-year), operating profit was ¥5,135 million (down 51.8% yoy), ordinary profit was ¥5,830 million (down 47.8% yoy), and net income attributable to owners of the parent company was ¥4,696 million (down 34.3% yoy).

(Main factors behind the business results)

- (i) At non-consolidated Amano, "work style reform" continues to tailwind the business and since the cancellation of the state of emergency declaration on May, 2020, business conditions are on a recovering trend, however, sales were down year-on-year as business is yet to recover to last year's levels. Amid such circumstances, the Environmental Systems showed a slight improvement where the rate of sales decline eased as the Chinese economy began to recover.
- (ii) At the domestic group companies, parking management service business remained weak due to going-out restraints which reduced the number of people moving by car. On the other hand, T&A cloud services remained firm driven by the strong interest from customers.
- (iii) In overseas markets, although Amano McGann in North America made progress reducing their fixed expenses, due to the COVID-19 curfew and protest demonstrations across the United States, sales revenue decreased significantly widening the deficit. Sales in Asia and Europe also declined due to Government imposed curfews and other restraints on business activities. However, in Europe, the sales decline rate improved due to the strong T&A cloud service business.
- (iv) Furthermore, the net income attributable to owners of the parent company, includes the federal tax refunds in the United States.

The following are business results by segment:

Sales by business division

(Millions of yen)

Category	3Q of FY 2019 (year ended March 2020)		3Q of FY 2020 (year ending March 2021)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	21,344	22.3	19,077	23.7	(2,267)	(10.6)
Time Management Products	2,535	2.7	2,018	2.5	(517)	(20.4)
Parking Systems	47,455	49.6	38,435	47.7	(9,019)	(19.0)
Subtotal	71,335	74.6	59,531	73.9	(11,803)	(16.5)
Environment System business:						
Environmental Systems	16,319	17.1	13,233	16.4	(3,085)	(18.9)
Clean Systems	7,935	8.3	7,759	9.7	(175)	(2.2)
Subtotal	24,254	25.4	20,993	26.1	(3,261)	(13.4)
Total	95,590	100.0	80,525	100.0	(15,064)	(15.8)

#### Time Information System business

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

The sales in this business totaled ¥59,531 million, down by ¥11,803 million (or 16.5%) year-on-year. The following is a breakdown of sales by business division.

- Information Systems ¥19,077 million, (down 10.6% year-on-year)

In Japan, non-consolidated Amano sales declined due to a lower sales in both software and hardware. On the other hand, the cloud service business, engaged by Amano Business Solutions continued to grow owing to the increased number of users on remote work. For overseas, sales in both North America and Europe declined, therefore overall sales were lower.

- Time Management Products ¥2,018 million, (down 20.4% year-on-year)

In Japan, sales for both standard and PC compatible time recorders declined. Overseas sales for time management products were also down.

- Parking Systems ¥38,435 million, (down 19.0% year-on-year)

In Japan, non-consolidated Amano sales were down due to the lack of projects as parking operators and owners decline their motivation for capital investment. Sales at Amano Management Service were also down. Due to the restraints on going out, many people refrained from using their cars, which in turn, reduced parking lot occupancy rates. Overseas, both North American and Asian sales were also down.

#### Environment System business

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

The sales in this business totaled ¥20,993 million, down by ¥3,261 million (or 13.4%) year-on-year. The following is a breakdown of sales by business division.

- Environmental Systems ¥13,233 million, (down 18.9% year-on-year)

In Japan, although orders for large scale systems are showing signs of recovery in conjunction with the improving Chinese economy, sales for standard equipment remained weak resulting in lower total sales. Overseas, sales in Asia, such as Thailand and China, declined.

- Clean Systems ¥7,759 million, (down 2.2% year-on-year)

In Japan, non-consolidated Amano saw increased demand for electrolyzed water generators (\*), which generates hypochlorous acid water, and repeated orders for robotic scrubbers. However, sales of cleaning equipment in general were sluggish and total sales ended lower. Overseas, sales in North America increased.

(\*) When water with a small amount of salt is electrolyzed it generates (i) [hypochlorous acid water (acidic electrolyzed water)] and (ii) [alkaline electrolyzed water].

(i) has an excellent bactericidal effect, and (ii) is an effective detergent to remove lipids and proteins.

For more details on our electrolyzed water generators, please refer to our website (Japanese language).

(<https://www.amano.co.jp/Clean/products/denkai.html>)

## Reference information

### Information by area

(Millions of yen)

	Net sales				Operating profit/loss			
	3Q of FY 2019 (year ended March 2020)	3Q of FY 2020 (year ending March 2021)	Change	Percentage change (%)	3Q of FY 2019 (year ended March 2020)	3Q of FY 2020 (year ending March 2021)	Change	Percentage change (%)
Japan	63,173	52,658	(10,514)	(16.6)	11,983	7,849	(4,133)	(34.5)
Other Asia	14,257	11,872	(2,385)	(16.7)	1,515	233	(1,281)	(84.6)
North America	13,147	10,981	(2,165)	(16.5)	(480)	(734)	(254)	—
Europe	6,380	5,861	(519)	(8.1)	553	478	(75)	(13.6)
Total	96,959	81,374	(15,584)	(16.1)	13,571	7,827	(5,744)	(42.3)
Eliminations/ Corporate	(1,369)	(849)	—	—	(2,920)	(2,691)	—	—
Consolidated	95,590	80,525	(15,064)	(15.8)	10,651	5,135	(5,515)	(51.8)

- Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.  
2. Major countries and territories included in areas other than Japan:  
(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, Philippines, and Vietnam  
(2) North America: United States, Canada and Mexico  
(3) Europe: France, Belgium and Spain

### Overseas sales

(Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	3Q of FY 2019 (year ended March 2020)	3Q of FY 2020 (year ending March 2021)	Change	Percentage change (%)	3Q of FY 2019 (year ended March 2020)	3Q of FY 2020 (year ending March 2021)	Change
Other Asia	14,450	11,898	(2,552)	(17.7)	15.1	14.8	(0.3)
North America	12,103	10,290	(1,813)	(15.0)	12.7	12.8	0.1
Europe	6,319	5,740	(579)	(9.2)	6.6	7.1	0.5
Other regions	821	606	(215)	(26.2)	0.8	0.7	(0.1)
Total	33,695	28,534	(5,160)	(15.3)	35.2	35.4	0.2
Consolidated net sales	95,590	80,525					

- Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.  
2. Major countries and territories included in areas other than Japan:  
(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, Philippines, and Vietnam  
(2) North America: United States and Canada  
(3) Europe: France, Belgium and Spain  
(4) Other regions: Central and South America  
3. Overseas sales comprise sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

(2) Explanation of Financial Condition

(i) Assets, liabilities, and net assets

Total assets amounted to ¥146,556 million (down ¥7,720 million from the previous consolidated fiscal year-end).

- Current assets: a decrease of ¥5,485 million due to a decrease in notes and accounts receivable-trade, etc.
- Fixed assets: a decrease of ¥2,234 million due to a decrease in long-term deposits, etc.

Total liabilities amounted to ¥38,618 million (down ¥6,179 million from the previous consolidated fiscal year-end).

- Current liabilities: a decrease of ¥6,926 million due to decreases in electronically recorded obligations and accrued income taxes, etc.
- Long-term liabilities: an increase of ¥746 million due to an increase in lease obligations, etc.

Net assets amounted to ¥107,938 million (down ¥1,540 million from the previous consolidated fiscal year-end).

- Shareholders' equity: a decrease of ¥1,225 million due to dividends paid, etc.
- Accumulated other comprehensive income: a decrease of ¥230 million due to a decrease in foreign currency translation adjustments, etc.

(ii) Cash flows

Consolidated cash and cash equivalents decreased by ¥2,565 million from the previous fiscal year-end, to a total of ¥49,569 million at the end of the third quarter. More specifically, the status of each type of cash flow during the third quarter and the underlying factors are as follows:

Net cash provided by operating activities totaled ¥9,248 million (a decrease in income of ¥5,142 million year-on-year).

- Main income factors:
  - Posting of a decrease in trade notes and accounts receivable amounting to ¥7,588 million and posting of depreciation and amortization amounting to ¥6,321 million.
  - Posting of income before income taxes amounting to ¥5,758 million.
- Main expenditure factors:
  - Posting of income taxes paid amounting to ¥5,743 million and posting of a decrease in trade payables amounting to ¥3,466 million.

Net cash used in investing activities totaled -¥3,571 million (a decrease in cash outflow of ¥541 million year-on-year).

- Main income factors:
  - Posting of proceeds from withdrawal of time deposits amounting to ¥3,951 million.
- Main expenditure factors:
  - Posting of increase in time deposits amounting to ¥3,619 million and posting of payment for purchase of tangible fixed assets amounting to ¥1,593 million.
  - Posting of payment for acquisition of intangible fixed assets to ¥1,310 million.

Net cash used in financing activities amounted to -¥7,888 million (an increase in cash outflow of ¥1,082 million year-on-year).

- Main income factors:
  - Posting of proceeds from sale and leaseback amounting to ¥1,076 million.
- Main expenditure factors:
  - Posting of dividends paid amounting to ¥5,703 million and posting of repayment of lease obligations amounting to ¥2,800 million.

(3) Explanation of Forward-looking Information, Including Outlook for Consolidated Operating Results

Although the third quarter of this fiscal year ended with lower sales and operating profit due to COVID-19, business performance is progressing slightly above initial plans. This is mainly due to (i) the declines in the Environmental and Clean Systems of unconsolidated Amano was less than initially expected and (ii) Amano Business Solutions, the domestic group company engaged in T&A cloud services, along with Horoquartz, our French arm in workforce management, remained strong. In the initial business plan of April 24, 2020, we envisioned a scenario in which the effects of COVID-19 would gradually subside in the second half. However, actually going into the second half we saw a world-wide resurgence of COVID-19 and in January 2021, the state of emergency was reissued in several prefectures in Japan. Therefore, the business condition for the fourth quarter, which is usually our strong period, has become even more uncertain. Under these circumstances, we have decided NOT to change the full-year business forecast for the fiscal year 2020 announced on April 24, 2020 at this time. However, if the business environment changes in a way that it affects the business performance, we will disclose it in a timely manner.

2. Consolidated Quarterly Financial Statements and Primary Explanatory Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	FY 2019 (as of March 31, 2020)	FY 2020 (as of December 31, 2020)
<b>Assets</b>		
Current assets		
Cash and bank deposits	54,973	53,702
Notes and accounts receivable—trade	31,392	23,601
Marketable securities	1,743	2,536
Merchandise and finished goods	4,282	4,381
Work in process	622	981
Raw materials and supplies	4,796	4,791
Other current assets	2,968	5,350
Allowance for doubtful accounts	(321)	(372)
<b>Total current assets</b>	<b>100,458</b>	<b>94,973</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	10,118	9,677
Machinery and vehicles (net)	902	927
Tools, furniture and fixtures (net)	2,380	2,340
Land	5,922	5,899
Lease assets (net)	6,298	7,239
Construction in progress	446	125
<b>Total tangible fixed assets</b>	<b>26,069</b>	<b>26,210</b>
Intangible fixed assets		
Goodwill	1,918	1,667
Software	4,752	3,984
Software in progress	1,118	1,114
Other	3,150	2,826
<b>Total intangible fixed assets</b>	<b>10,939</b>	<b>9,594</b>
Investments and other assets		
Investment securities	8,828	9,388
Distressed receivables	649	579
Fixed leasehold deposits	1,550	1,691
Long-term deposits	1,500	-
Net defined benefit assets	96	99
Deferred tax assets	3,086	2,821
Other	1,760	1,789
Allowance for doubtful accounts	(662)	(592)
<b>Total investments and other assets</b>	<b>16,809</b>	<b>15,778</b>
<b>Total fixed assets</b>	<b>53,818</b>	<b>51,583</b>
<b>Total assets</b>	<b>154,276</b>	<b>146,556</b>

(Millions of yen)

	FY 2019 (as of March 31, 2020)	FY 2020 (as of December 31, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	6,210	4,742
Electronically recorded obligations	6,845	4,775
Short-term bank loans	678	495
Lease obligations	2,641	3,012
Accrued income taxes	3,711	770
Accrued bonuses	2,842	1,004
Accrued officers' bonuses	130	-
Other current liabilities	13,604	14,936
<b>Total current liabilities</b>	<b>36,664</b>	<b>29,737</b>
Long-term liabilities		
Long-term accounts payable—other	0	-
Lease obligations	4,495	5,227
Deferred tax liabilities	136	114
Net defined benefit liabilities	2,736	2,708
Provision for stock benefit	198	245
Provision for directors' stock benefit	162	186
Asset retirement obligations	32	33
Other long-term liabilities	371	364
<b>Total long-term liabilities</b>	<b>8,134</b>	<b>8,880</b>
<b>Total liabilities</b>	<b>44,798</b>	<b>38,618</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	80,204	79,197
Treasury stock	(4,224)	(4,443)
<b>Total shareholders' equity</b>	<b>113,512</b>	<b>112,286</b>
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	1,025	1,380
Foreign currency translation adjustments	(4,781)	(5,518)
Remeasurements of defined benefit plans	(1,061)	(909)
<b>Total accumulated other comprehensive income</b>	<b>(4,817)</b>	<b>(5,047)</b>
Non-controlling shareholders' interests	783	698
<b>Total net assets</b>	<b>109,478</b>	<b>107,938</b>
<b>Total liabilities and net assets</b>	<b>154,276</b>	<b>146,556</b>

## (2) Consolidated Quarterly Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Quarterly Statements of Income

Third quarter ended December 31, 2020

(Millions of yen)

	FY 2019 (April 1, 2019- December 31, 2019)	FY 2020 (April 1, 2020- December 31, 2020)
Net sales	95,590	80,525
Cost of sales	52,977	45,831
Gross profit	42,612	34,693
Selling, general and administrative expenses		
Selling expenses	28,825	26,649
General and administrative expenses	3,134	2,907
Total selling, general and administrative expenses	31,960	29,557
Operating profit	10,651	5,135
Non-operating profit		
Interest income	130	139
Dividend income	150	158
Insurance income	71	101
Equity in earnings of affiliates	134	137
Other	241	358
Total non-operating profit	728	895
Non-operating expenses		
Interest expenses	68	113
Loss on foreign exchange	75	46
Foreign withholding tax	3	0
Other	58	39
Total non-operating expenses	205	200
Ordinary profit	11,175	5,830
Extraordinary income		
Gain on sale of fixed assets	5	9
Gain on liquidation of investment securities	-	3
Total extraordinary income	5	13
Extraordinary losses		
Loss on disposal of fixed assets	25	26
Loss on sale of fixed assets	0	-
Impairment loss	-	35
Office transfer expenses	-	23
Loss on valuation of investment securities	111	-
Special retirement payments	36	-
Total extraordinary losses	173	85
Income before income taxes	11,007	5,758
Income taxes	3,710	1,018
Net income	7,296	4,739
Net income attributable to non-controlling shareholders	146	43
Net income attributable to owners of the parent company	7,150	4,696

Consolidated Quarterly Statements of Comprehensive Income  
 Third quarter ended December 31, 2020

(Millions of yen)

	FY 2019 (April 1, 2019- December 31, 2019)	FY 2020 (April 1, 2020- December 31, 2020)
Net income	7,296	4,739
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	248	355
Foreign currency translation adjustment	(1,461)	(801)
Remeasurements of defined benefit plans	108	151
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	(1,105)	(293)
Comprehensive income	6,191	4,446
(Breakdown)		
Comprehensive income attributable to owners of the parent company	6,021	4,466
Comprehensive income attributable to non-controlling shareholders	169	(20)

## (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	FY 2019 (April 1, 2019- December 31, 2019)	FY 2020 (April 1, 2020- December 31, 2020)
<b>Cash flows from operating activities</b>		
Income before income taxes	11,007	5,758
Depreciation and amortization	5,184	6,321
Amortization of goodwill	404	267
Impairment loss	-	35
Increase (decrease) in net defined benefit liabilities	157	203
Increase (decrease) in provision for stock benefit	103	65
Increase (decrease) in provision for directors' stock benefit	78	31
Increase (decrease) in allowance for doubtful accounts	58	(5)
Interest and dividend revenue	(281)	(298)
Equity in (earnings) losses of affiliates	(134)	(137)
Interest expenses	68	113
Foreign currency translation loss (gain)	25	(23)
Loss (gain) on sale of fixed assets	(5)	(9)
Loss on disposal of fixed assets	25	26
Loss (gain) on valuation of investment securities	111	-
Loss (gain) on liquidation of investment securities	-	(3)
Special retirement payments	36	-
(Increase) decrease in trade notes and accounts receivable	6,903	7,588
(Increase) decrease in inventories	(1,651)	(633)
Increase (decrease) in trade payables	(2,238)	(3,466)
Increase (decrease) in other current liabilities	1,203	1,561
Other	(2,172)	(3,499)
Subtotal	18,886	13,895
Receipts from interest and dividends	365	403
Interest paid	(72)	(118)
Special retirement payments	(21)	(11)
Income taxes paid	(5,005)	(5,743)
Income taxes refunded	238	822
Net cash provided by operating activities	14,390	9,248
<b>Cash flows from investing activities</b>		
Payment for acquisition of securities	(1,000)	(1,850)
Proceeds from redemption of securities	1,000	1,000
Payment for purchase of tangible fixed assets	(2,228)	(1,593)
Proceeds from sale of tangible fixed assets	7	10
Payment for acquisition of intangible fixed assets	(1,366)	(1,310)
Payment for acquisition of investment securities	(54)	(4)
Proceeds from liquidation of investment securities	-	3
Increase in time deposits	(3,067)	(3,619)
Proceeds from withdrawal of time deposits	2,728	3,951
Other	(131)	(159)
Net cash used in investing activities	(4,112)	(3,571)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	716	489
Repayment for short-term bank loans	(491)	(641)
Payment for acquisition of treasury stock	(3)	(245)
Repayments of lease obligations	(1,771)	(2,800)
Proceeds from sale and leaseback	1,030	1,076
Dividends paid	(6,228)	(5,703)
Payment of dividends to non-controlling shareholders	(58)	(63)
Cash flows from financing activities	(6,806)	(7,888)
Effect of exchange rate changes on cash and cash equivalents	(500)	(353)
Net increase (decrease) in cash and cash equivalents	2,970	(2,565)
Cash and cash equivalents at the beginning of the year	42,487	52,134
Cash and cash equivalents at end of period	45,458	49,569

(4) Notes on Quarterly Consolidated Financial Statements

Notes Regarding the Premise of a Going Concern

None

Notes on Significant Changes in Shareholders' Equity

None

Application of Accounting Procedures Specific to the Preparation of the Consolidated Quarterly Financial Statements

(Calculation of tax expenses)

These amounts of tax expenses are calculated by multiplying the pre-tax net income and loss by an estimated effective tax rate for the year, determined using reasonable methods for pre-tax income for the fiscal year including this third quarter after applying tax-effect accounting.

In cases where an estimated effective tax rate cannot be adopted, the amounts are calculated by multiplying the legal effective tax rate after adjusting significant differences that are not in the scope of temporary differences from pre-tax net income and loss.

Additional information

(Directors' Compensation BIP Trust and Employee Stock Ownership Plan (J-ESOP))

In Amano Corporation and some of its subsidiaries, for the purpose of enhancing the motivation to contribute to the improvement of medium- to long-term business performance and to increase corporate value, we have adopted the Directors' Compensation BIP Trust system for directors (excluding outside directors and expatriates) and operating officers (excluding expatriates). We have also adopted the Employee Stock Ownership Plan (J-ESOP) system for employees who meet the prescribed requirements.

[1] Outline of the system

Under the system, a trust is established with money contributed by Amano Corporation as a source, stocks of Amano Corporation are acquired by the trust, and the stocks are granted to the eligible persons. Furthermore, as for the executive compensation BIP trust, the trust period will be extended for the same period as the initial trust period as a stock compensation plan linked to the period of the 8th medium-term business plan which started in April 2020.

Under the Directors' Compensation BIP Trust, in accordance with the stock distribution rules and based on points granted according to the attainment level of numerical targets related to their positions and management indicators, stocks of Amano Corporation are provided by the trust to directors and operating officers.

[2] Stocks of Amano Corporation that remain in the trust

Stocks of Amano Corporation that remain in the trust are recorded as treasury stock in the net assets section with the book value of the trust (excluding incidental expenses).

Book value of the treasury stock and the number of shares

As at the end of the third quarter of the current fiscal year ¥1,045 million, 421,314 shares

(The status of COVID-19 initiatives and the estimated accounting impact)

As an effort to ensure the health and safety of employees, Amano and our domestic group companies have adopted remote-work (working from home, working from places other than offices) and staggered working hours. Overseas group companies respond in accordance with the instructions given, such as a curfew, by the local authorities of the countries or the states where they are located, and they generally work from home where a curfew is imposed.

As for our factory operations, domestic factories are now operating normally. Our U.S. factories are currently operating either normally or by minimum staffing depending on the enforcements issued by their local authorities. There are no significant changes to the assumptions and accounting estimates, which reflect the effects of COVID-19, stated in the securities report for the previous consolidated fiscal year.

## Segment Information

[Segment Information]

### I. 3rd Quarter of fiscal year 2019 (April 1, 2019 to December 31, 2019)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	71,335	24,254	95,590	—	95,590
Intersegment	—	—	—	—	—
Total	71,335	24,254	95,590	—	95,590
Segment profit (loss)	10,258	3,405	13,663	(3,012)	10,651

Notes: 1. The -¥3,012 million adjustment in segment profit indicates company-wide expenses not allocated to the reporting segments. Company-wide expenses consist mainly of general and administrative expenses that do not belong to any of the reporting segments.

2. Segment profit is reconciled with operating profit in the consolidated statement of income.

### 2. Information regarding impairment loss on Fixed Assets or Goodwill by reporting segment

None

### II. 3rd Quarter of fiscal year 2020 (April 1, 2020 to December 31, 2020)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	59,531	20,993	80,525	—	80,525
Intersegment	—	—	—	—	—
Total	59,531	20,993	80,525	—	80,525
Segment profit (loss)	5,230	2,668	7,899	(2,763)	5,135

Notes: 1. The -¥2,763 million adjustment in segment profit indicates company-wide expenses not allocated to the reporting segments. Company-wide expenses consist mainly of general and administrative expenses that do not belong to any of the reporting segments.

2. Segment profit is reconciled with operating profit in the consolidated statement of income.

### 2. Information regarding impairment loss on Fixed Assets or Goodwill by reporting segment

Omitted due to lack of importance

## Significant Subsequent Events

None