

Summary Financial Statements (Consolidated)
for First Quarter of Fiscal Year 2018 (Year Ending March 31, 2019) (Japan GAAP)

July 27, 2018

Company name: Amano Corporation Listed on: TSE
Securities code: 6436 URL <http://www.amano.co.jp/English/>
Representative: Hiroyuki Tsuda, President & Representative Director
Inquiries: Kunihiro Ihara, Director & Operating Officer Phone: +81 (45) 439-1591
General Manager, Corporate Planning
Scheduled date for filing of quarterly securities report: August 2, 2018
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 first quarter of fiscal year 2018 (April 1, 2018 to June 30, 2018)

(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	%
1Q of FY 2018 (year ending March 2019)	28,180	3.6	1,390	(22.1)	1,586	(16.6)	765	(26.4)
1Q of FY 2017 (year ended March 2018)	27,187	3.8	1,783	15.7	1,902	24.9	1,039	39.0

Note: Comprehensive income First quarter of FY 2018 (year ending March 2019): ¥-453 million (—%)
First quarter of FY 2017 (year ending March 2018): ¥342 million (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q of FY 2018 (year ending March 2019)	10.11	—
1Q of FY 2017 (year ending March 2018)	13.67	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
1Q of FY 2018 (as of June 30, 2018)	140,104	102,619	72.9	1,348.31
FY 2017 (as of March 31, 2018)	145,439	105,634	72.3	1,381.90

Reference: Equity capital First quarter of FY 2018 (as of June 30, 2018): ¥102,112 million
FY 2017 (as of March 31, 2018): ¥105,091 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2017 (year ending March 2018)	—	23.00	—	34.00	57.00
FY 2018 (year ending March 2019)	—				
FY 2018 (year ending March 2019) (est.)		25.00	—	32.00	57.00

Note: Revisions to most recently released dividend forecast: None

3. Forecast earnings for fiscal year 2018 (April 1, 2018 to March 31, 2019)

(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
First half	61,000	5.2	5,900	4.8	6,200	3.6	3,300	(19.0)	43.39
Full year	130,000	4.5	15,000	4.5	15,700	4.2	9,800	(2.2)	128.87

Note: Revisions to most recently released earnings forecast: None

Notes

- (1) Significant changes among subsidiaries during the fiscal year under review (i.e. changes among specific subsidiaries resulting in a change in the scope of consolidation) : None
- (2) Application of accounting procedures specific to the preparation of the consolidated quarterly financial statement : Yes
- (3) Changes to accounting policy, changes to accounting forecasts, and restatements
- [1] Changes arising from revision of accounting standards : Yes
- [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 1Q ended June 30, 2018	76,657,829 shares	As of March 31, 2018	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 1Q ended June 30, 2018	924,040 shares	As of March 31, 2018	923,903 shares
[3] Average number of shares outstanding (over the fiscal year under review up to June 30, 2018)	As of 1Q ended June 30, 2018	75,733,840 shares	As of 1Q ended June 30, 2017	76,049,998 shares

Note: The 314,300 shares held by Amano Corporation as trust property of the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP), are excluded from "As of 1Q ended June 30, 2017" of [3] but included in all others.

Note: These quarterly Summary Financial Statements are not subject to the quarterly review procedures.

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

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.

Reference information

Breakdown of Consolidated Sales by Business Division

Sales by business division

(Millions of yen)

Category	1Q of FY 2017 (year ended March 2018)		1Q of FY 2018 (year ended March 2019)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	5,528	20.3	6,097	21.6	569	10.3
Time Management Products	882	3.3	822	2.9	(60)	(6.8)
Parking Systems	13,371	49.2	13,931	49.5	560	4.2
Subtotal	19,782	72.8	20,851	74.0	1,069	5.4
Environment System business:						
Environmental Systems	4,595	16.9	4,707	16.7	111	2.4
Clean Systems	2,809	10.3	2,620	9.3	(188)	(6.7)
Subtotal	7,405	27.2	7,328	26.0	(77)	(1.0)
Total	27,187	100.0	28,180	100.0	992	3.6

Information by area

(Millions of yen)

	Net sales				Operating profit			
	1Q of FY 2017	1Q of FY 2018	Change	Percentage change (%)	1Q of FY 2017	1Q of FY 2018	Change	Percentage change (%)
Japan	18,337	18,821	483	2.6	2,360	2,353	(6)	(0.3)
Other Asia	2,908	3,752	844	29.1	193	385	191	99.4
North America	4,457	3,748	(708)	(15.9)	(66)	(564)	(497)	—
Europe	1,957	2,439	482	24.7	134	212	78	58.8
Total	27,660	28,762	1,102	4.0	2,620	2,387	(233)	(8.9)
Eliminations/ Corporate	(472)	(582)	—	—	(836)	(996)	—	—
Consolidated	27,187	28,180	992	3.6	1,783	1,390	(393)	(22.1)

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, and Philippines

(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 (%)		
	1Q of FY 2017	1Q of FY 2018	Change	Percentage change (%)	1Q of FY 2017	1Q of FY 2018	Change
Other Asia	2,845	3,738	893	31.4	10.5	13.3	2.8
North America	4,161	3,451	(709)	(17.1)	15.3	12.2	(3.1)
Europe	1,900	2,347	446	23.5	7.0	8.3	1.3
Other regions	311	395	83	26.9	1.1	1.4	0.3
Total	9,219	9,933	714	7.7	33.9	35.2	1.3
Consolidated net sales	27,187	28,180					

- 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
(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.

Consolidated Financial Statements and Primary Explanatory Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2017 (as of June 30, 2017)	FY 2018 (as of June 30, 2018)
Assets		
Current assets		
Cash and bank deposits	44,525	41,409
Notes and accounts receivable—trade	33,632	28,100
Marketable securities	1,377	1,368
Merchandise and finished goods	3,699	4,047
Work in process	535	1,059
Raw materials and supplies	5,495	5,674
Other current assets	3,267	4,353
Allowance for doubtful accounts	(467)	(436)
Total current assets	92,065	85,576
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	10,977	10,800
Machinery and vehicles (net)	923	931
Tools, furniture and fixtures (net)	2,127	2,094
Land	7,135	7,115
Lease assets (net)	2,638	2,539
Construction in progress	177	77
Total tangible fixed assets	23,980	23,558
Intangible fixed assets		
Goodwill	2,895	3,192
Software	4,385	4,909
Software in progress	2,261	2,095
Other	2,824	3,791
Total intangible fixed assets	12,367	13,989
Investments and other assets		
Investment securities	9,363	9,665
Long-term loans receivable	10	10
Claims in bankruptcy and similar claims	529	517
Fixed leasehold deposits	1,287	1,265
Long-term deposits	1,500	1,500
Net defined benefit assets	96	101
Deferred tax assets	2,770	2,506
Other	2,011	1,944
Allowance for doubtful accounts	(542)	(530)
Total investments and other assets	17,026	16,979
Total fixed assets	53,374	54,527
Total assets	145,439	140,104

(Millions of yen)

	FY 2017 (as of June 30, 2017)	FY 2018 (as of June 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	7,034	5,526
Electronically recorded obligations	6,454	6,877
Short-term bank loans	169	127
Lease obligations	1,296	1,254
Accrued income taxes	3,472	1,477
Accrued bonuses	2,477	1,238
Accrued officers' bonuses	130	-
Other current liabilities		
Total current liabilities	34,370	32,063
Long-term liabilities		
Long-term accounts payable—other	33	13
Lease obligations	2,590	2,544
Deferred tax liabilities	5	5
Net defined benefit liabilities	2,446	2,360
Provision for stock benefit	-	95
Provision for directors' stock benefit	-	83
Asset retirement obligations	31	31
Other long-term liabilities	326	288
Total long-term liabilities	5,434	5,421
Total liabilities	39,805	37,484
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	71,140	69,390
Treasury stock	(1,892)	(1,892)
Total shareholders' equity	106,780	105,031
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	2,225	2,458
Foreign currency translation adjustments	(2,997)	(4,503)
Remeasurements of defined benefit plans	(917)	(873)
Total accumulated other comprehensive income	(1,689)	(2,918)
Non-controlling shareholders' interests	543	506
Total net assets	105,634	102,619
Total liabilities and net assets	145,439	140,104

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

(Millions of yen)

	FY 2017 (April 1, 2017- June 30, 2017)	FY 2018 (April 1, 2018- June 30, 2018)
Net sales	27,187	28,180
Cost of sales	15,434	15,838
Gross profit	11,752	12,341
Selling, general and administrative expenses		
Selling expenses	9,014	9,757
General and administrative expenses	954	1,193
Total selling, general and administrative expenses	9,969	10,950
Operating profit	1,783	1,390
Non-operating profit		
Interest income	20	27
Dividend income	54	63
Insurance income	18	25
Foreign exchange gains	1	30
Other	79	79
Total non-operating profit	173	226
Non-operating expenses		
Interest expenses	9	5
Foreign withholding tax	0	0
Equity in losses of affiliates	34	8
Other	11	16
Total non-operating expenses	54	30
Ordinary profit	1,902	1,586
Extraordinary income		
Gain on sale of fixed assets	1	2
Total extraordinary income	1	2
Extraordinary losses		
Loss on disposal of fixed assets	1	4
Loss on sale of fixed assets	-	0
Total extraordinary losses	1	4
Income before income taxes	1,901	1,584
Income taxes	846	799
Net income	1,054	784
Net income attributable to non-controlling shareholders	15	19
Net income attributable to owners of the parent company	1,039	765

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2017 (April 1, 2017- June 30, 2017)	FY 2018 (April 1, 2018- June 30, 2018)
Cash flows from operating activities		
Income before income taxes	1,901	1,584
Depreciation and amortization	1,162	1,368
Amortization of goodwill	157	125
Increase (decrease) in net defined benefit liabilities	22	(2)
Increase (decrease) in provision for stock benefit	-	95
Increase (decrease) in provision for directors' stock benefit	-	83
Increase (decrease) in allowance for doubtful accounts	46	(4)
Interest and dividend revenue	(74)	(91)
Equity in (earnings) losses of affiliates	34	8
Interest expenses	9	5
Foreign currency translation loss (gain)	(4)	33
Loss (gain) on sale of fixed assets	(1)	(2)
Loss on retirement of non-current assets	1	4
(Increase) decrease in trade notes and accounts receivable	5,339	5,241
(Increase) decrease in inventories	(1,068)	(1,317)
Increase (decrease) in accounts payable	(1,586)	(982)
Increase (decrease) in other current liabilities	1,560	1,493
Other	(1,891)	(1,645)
Subtotal	5,609	5,997
Receipts from interest and dividends	108	130
Interest paid	(13)	(10)
Income taxes paid	(1,909)	(2,866)
Income taxes refunded	13	0
Net cash provided by operating activities	3,808	3,251
Cash flows from investing activities		
Proceeds from redemption of securities	50	-
Payment for purchase of tangible fixed assets	(679)	(523)
Proceeds from sale of tangible fixed assets	17	3
Payment for acquisition of intangible fixed assets	(547)	(555)
Payment for acquisition of investment securities	(363)	(1)
Proceeds from liquidation of subsidiaries	46	-
Payments for transfer of business	(168)	(2,112)
Collection of loans receivable	0	-
Increase in time deposits	(1,733)	(2,269)
Proceeds from withdrawal of time deposits	1,273	2,282
Other	37	3
Net cash used in investing activities	(2,065)	(3,173)
Cash flows from financing activities		
Increase in short-term loans payable	158	128
Repayment for short-term bank loans	(10)	(160)
Payment for acquisition of treasury stock	0	0
Repayment of finance/lease obligations	-420	-351
Proceeds from sale and leaseback	478	393
Dividends paid	(2,205)	(2,585)
Payment of dividends to non-controlling shareholders	(41)	(46)
Cash flows from financing activities	(2,040)	(2,621)
Effect of exchange rate changes on cash and cash equivalents	(380)	(490)
Net increase (decrease) in cash and cash equivalents	(677)	(3,034)
Cash and cash equivalents at the beginning of the year	35,270	40,231
Cash and cash equivalents at end of period	34,592	37,197

Information by Reporting Segment Regarding Net Sales, Profit/Loss, Assets, Liabilities, and Other Line Item Amounts

First quarter of fiscal year 2017 (April 1, 2017 to June 30, 2017)

(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	19,782	7,405	27,187	—	27,187
Intersegment	—	—	—	—	—
Total	19,782	7,405	27,187	—	27,187
Segment profit (loss)	1,744	926	2,671	(887)	1,783

Notes: 1. The -¥887 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.

First quarter of fiscal year 2018 (April 1, 2018 to June 30, 2018)

(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	20,851	7,328	28,180	—	28,180
Intersegment	—	—	—	—	—
Total	20,851	7,328	28,180	—	28,180
Segment profit (loss)	1,545	861	2,407	(1,016)	1,390

Notes: 1. The -¥1,016 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.