

Summary Financial Statements (Consolidated)
for 1st Quarter of Fiscal Year 2019 (Year Ending March 31, 2020) (Japan GAAP)

July 26, 2019

Company name: Amano Corporation Listed on: TSE
Securities code: 6436 URL <http://www.amano.co.jp/English/>
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General Manager, Corporate Planning
Scheduled date for filing of quarterly securities report: August 1, 2019
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 1st quarter of fiscal year 2019 (April 1, 2019 to June 30, 2019)

(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 2019 (year ending March 2020)	30,444	8.0	2,297	65.2	2,441	53.9	1,420	85.6
1Q of FY 2018 (year ended March 2019)	28,180	3.6	1,390	(22.1)	1,586	(16.6)	765	(26.4)

Note: Comprehensive income 1st quarter of FY 2019 (year ending March 2020): ¥1,100 million (—%)
1st quarter of FY 2018 (year ended March 2019): ¥-453 million (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1Q of FY 2019 (year ending March 2020)	19.01		—	
1Q of FY 2018 (year ended March 2019)	10.11		—	

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
1Q of FY 2019 (as of June 30, 2019)	145,585	103,506	70.7	1,376.51
FY 2018 (as of March 31, 2019)	147,609	106,592	71.8	1,417.86

Reference: Equity capital 1st quarter of FY 2019 (as of June 30, 2019): ¥102,870 million
FY 2018 (as of March 31, 2019): ¥105,961 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2018 (year ended March 2019)	—	25.00	—	55.00	80.00
FY 2019 (year ending March 2020)	—				
FY 2019 (year ending March 2020) (est.)		28.00	—	36.00	64.00

Note: Revisions to most recently released dividend forecast: None

* The detail of year-end dividend of FY2018(year ended March 2019): ordinary dividend ¥35.00, special dividend ¥20.00

3. Forecast earnings for fiscal year 2019 (April 1, 2019 to March 31, 2020)

(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	63,500	4.1	6,000	9.0	6,500	9.7	4,000	4.5	53.52
Full year	138,000	4.8	16,500	8.8	16,900	5.0	11,000	20.3	147.19

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, 2019	76,657,829 shares	As of March 31, 2019	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 1Q ended June 30, 2019	1,924,823 shares	As of March 31, 2019	1,924,625 shares
[3] Average number of shares outstanding (over the fiscal year under review up to June 30, 2019)	As of 1Q ended June 30, 2019	74,733,075 shares	As of 1Q ended June 30, 2018	75,733,840 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, included in (4)[2] and (4)[3].

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.

Breakdown of Consolidated Sales by Business Division

Sales by business division

(Millions of yen)

Category	1Q of FY 2018 (year ended March 2019)		1Q of FY 2019 (year ending March 2020)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	6,097	21.6	6,602	21.6	505	8.3
Time Management Products	822	2.9	848	2.8	25	3.2
Parking Systems	13,931	49.5	15,214	50.0	1,282	9.2
Subtotal	20,851	74.0	22,665	74.4	1,813	8.7
Environment System business:						
Environmental Systems	4,707	16.7	5,280	17.4	573	12.2
Clean Systems	2,620	9.3	2,497	8.2	(123)	(4.7)
Subtotal	7,328	26.0	7,778	25.6	450	6.1
Total	28,180	100.0	30,444	100.0	2,264	8.0

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit/loss			
	1Q of FY 2018	1Q of FY 2019	Change	Percentage change (%)	1Q of FY 2018	1Q of FY 2019	Change	Percentage change (%)
Japan	18,821	19,589	768	4.1	2,353	2,841	488	20.7
Other Asia	3,752	4,859	1,106	29.5	385	433	48	12.5
North America	3,748	4,289	541	14.4	(564)	(115)	448	—
Europe	2,439	2,244	(195)	(8.0)	212	135	(77)	(36.2)
Total	28,762	30,982	2,220	7.7	2,387	3,295	907	38.0
Eliminations/ Corporate	(582)	(538)	—	—	(996)	(997)	—	—
Consolidated	28,180	30,444	2,264	8.0	1,390	2,297	907	65.2

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 2018	1Q of FY 2019	Change	Percentage change (%)	1Q of FY 2018	1Q of FY 2019	Change
Other Asia	3,738	4,946	1,208	32.3	13.3	16.2	2.9
North America	3,451	3,997	546	15.8	12.2	13.1	0.9
Europe	2,347	2,196	(150)	(6.4)	8.3	7.2	(1.1)
Other regions	395	240	(155)	(39.3)	1.4	0.9	(0.5)
Total	9,933	11,381	1,448	14.6	35.2	37.4	2.2
Consolidated net sales	28,180	30,444					

- 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 2018 (as of March 31, 2019)	FY 2019 (as of June 30, 2019)
Assets		
Current assets		
Cash and bank deposits	45,558	45,037
Notes and accounts receivable—trade	35,367	30,240
Marketable securities	1,184	1,188
Merchandise and finished goods	4,381	4,877
Work in process	767	1,135
Raw materials and supplies	5,036	5,540
Other current assets	3,630	4,647
Allowance for doubtful accounts	(476)	(435)
Total current assets	95,449	92,232
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	10,130	10,145
Machinery and vehicles (net)	896	943
Tools, furniture and fixtures (net)	2,430	2,472
Land	6,125	6,122
Lease assets (net)	2,293	4,642
Construction in progress	236	71
Total tangible fixed assets	22,111	24,397
Intangible fixed assets		
Goodwill	2,734	2,557
Software	4,552	5,039
Software in progress	1,985	1,293
Other	3,510	3,405
Total intangible fixed assets	12,782	12,295
Investments and other assets		
Investment securities	10,046	9,516
Claims in bankruptcy and similar claims	496	512
Fixed leasehold deposits	1,420	1,443
Long-term deposits	1,500	1,500
Net defined benefit assets	102	103
Deferred tax assets	2,320	2,458
Other	1,887	1,656
Allowance for doubtful accounts	(509)	(531)
Total investments and other assets	17,266	16,659
Total fixed assets	52,160	53,353
Total assets	147,609	145,585

(Millions of yen)

	FY 2018 (as of March 31, 2019)	FY 2019 (as of June 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	7,264	6,000
Electronically recorded obligations	7,015	7,241
Short-term bank loans	463	489
Lease obligations	1,105	2,161
Accrued income taxes	3,135	1,577
Accrued bonuses	2,531	1,322
Accrued officers' bonuses	130	-
Other current liabilities	13,924	16,474
Total current liabilities	35,569	35,266
Long-term liabilities		
Long-term accounts payable—other	1	1
Lease obligations	2,354	3,518
Deferred tax liabilities	43	60
Net defined benefit liabilities	2,478	2,434
Provision for stock benefit	95	198
Provision for directors' stock benefit	83	162
Asset retirement obligations	32	32
Other long-term liabilities	358	405
Total long-term liabilities	5,447	6,812
Total liabilities	41,017	42,078
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	75,866	73,159
Treasury stock	(4,220)	(4,221)
Total shareholders' equity	109,178	106,471
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	1,921	1,585
Foreign currency translation adjustments	(4,189)	(4,272)
Remeasurements of defined benefit plans	(948)	(912)
Total accumulated other comprehensive income	(3,216)	(3,600)
Non-controlling shareholders' interests	630	635
Total net assets	106,592	103,506
Total liabilities and net assets	147,609	145,585

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

(Millions of yen)

	FY 2018 (April 1, 2018- June 30, 2018)	FY 2019 (April 1, 2019- June 30, 2019)
Net sales	28,180	30,444
Cost of sales	15,838	17,135
Gross profit	12,341	13,308
Selling, general and administrative expenses		
Selling expenses	9,757	9,929
General and administrative expenses	1,193	1,081
Total selling, general and administrative expenses	10,950	11,011
Operating profit	1,390	2,297
Non-operating profit		
Interest income	27	39
Dividend income	63	68
Insurance income	25	32
Foreign exchange gains	30	-
Equity in earnings of affiliates	-	19
Other	79	60
Total non-operating profit	226	220
Non-operating expenses		
Interest expenses	5	21
Loss on foreign exchange	-	37
Foreign withholding tax	0	0
Equity in losses of affiliates	8	-
Other	16	16
Total non-operating expenses	30	76
Ordinary profit	1,586	2,441
Extraordinary income		
Gain on sale of fixed assets	2	1
Total extraordinary income	2	1
Extraordinary losses		
Loss on disposal of fixed assets	4	2
Loss on sale of fixed assets	0	-
Total extraordinary losses	4	2
Income before income taxes	1,584	2,441
Income taxes	799	971
Net income	784	1,470
Net income attributable to non-controlling shareholders	19	49
Net income attributable to owners of the parent company	765	1,420

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2018 (April 1, 2018- June 30, 2018)	FY 2019 (April 1, 2019- June 30, 2019)
Net income	784	1,470
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	232	(336)
Foreign currency translation adjustment	(1,516)	(68)
Remeasurements of defined benefit plans	44	36
Share of other comprehensive income of associates accounted for using equity method	0	(0)
Total other comprehensive income	(1,238)	(369)
Comprehensive income	(453)	1,100
(Breakdown)		
Comprehensive income attributable to owners of the parent company	(463)	1,037
Comprehensive income attributable to non-controlling shareholders	9	63

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2018 (April 1, 2018- June 30, 2018)	FY 2019 (April 1, 2019- June 30, 2019)
Cash flows from operating activities		
Income before income taxes	1,584	2,441
Depreciation and amortization	1,368	1,643
Amortization of goodwill	125	137
Increase (decrease) in net defined benefit liabilities	(2)	12
Increase (decrease) in provision for stock benefit	95	103
Increase (decrease) in provision for directors' stock benefit	83	78
Increase (decrease) in allowance for doubtful accounts	(4)	(14)
Interest and dividend revenue	(91)	(107)
Equity in (earnings) losses of affiliates	8	(19)
Interest expenses	5	21
Foreign currency translation loss (gain)	33	24
Loss (gain) on sale of fixed assets	(2)	(1)
Loss on retirement of non-current assets	4	2
(Increase) decrease in trade notes and accounts receivable	5,241	5,102
(Increase) decrease in inventories	(1,317)	(1,361)
Increase (decrease) in accounts payable	(982)	(1,040)
Increase (decrease) in other current liabilities	1,493	1,679
Other	(1,645)	(1,502)
Subtotal	5,997	7,198
Receipts from interest and dividends	130	173
Interest paid	(10)	(25)
Income taxes paid	(2,866)	(2,568)
Income taxes refunded	0	11
Net cash provided by operating activities	3,251	4,789
Cash flows from investing activities		
Payment for purchase of tangible fixed assets	(523)	(715)
Proceeds from sale of tangible fixed assets	3	3
Payment for acquisition of intangible fixed assets	(555)	(385)
Payment for acquisition of investment securities	(1)	(1)
Payments for transfer of business	(2,112)	-
Increase in time deposits	(2,269)	(1,054)
Proceeds from withdrawal of time deposits	2,282	933
Other	3	80
Net cash used in investing activities	(3,173)	(1,139)
Cash flows from financing activities		
Increase in short-term loans payable	128	157
Repayment for short-term bank loans	(160)	(125)
Payment for acquisition of treasury stock	(0)	(0)
Repayments of lease obligations	(351)	(573)
Proceeds from sale and leaseback	393	485
Dividends paid	(2,585)	(4,127)
Payment of dividends to non-controlling shareholders	(46)	(58)
Cash flows from financing activities	(2,621)	(4,243)
Effect of exchange rate changes on cash and cash equivalents	(490)	(22)
Net increase (decrease) in cash and cash equivalents	(3,034)	(617)
Cash and cash equivalents at the beginning of the year	40,231	42,487
Cash and cash equivalents at end of period	37,197	41,870

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

1st 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	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.

1st quarter of fiscal year 2019 (April 1, 2019 to June 30, 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	22,665	7,778	30,444	—	30,444
Intersegment	—	—	—	—	—
Total	22,665	7,778	30,444	—	30,444
Segment profit	2,432	883	3,316	(1,018)	2,297

Notes: 1. The -¥1,018 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.