

**Summary Financial Statements (Consolidated)**  
for Fiscal Year 2019 (Year Ended March 31, 2020) (Japan GAAP)

April 24, 2020

Company name: Amano Corporation Listed on: TSE  
 Securities code: 6436 URL <http://www.amano.co.jp/English>  
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Scheduled date for Ordinary General Meeting of Shareholders: June 26, 2020

Scheduled date for filing of securities report: June 26, 2020

Scheduled date for start of dividend payments: June 29, 2020

Supplementary explanation materials prepared for financial results: Yes

Briefing held on financial results: Yes (for institutional investors and analysts)

(Amounts less than 1 million yen are rounded down)

1. Business results for fiscal year 2019 (April 1, 2019 to March 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	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
FY 2019 (year ended March 2020)	133,084	1.0	16,168	6.6	16,864	4.8	10,567	15.6
FY 2018 (year ended March 2019)	131,713	5.9	15,161	5.7	16,090	6.8	9,142	(8.8)

Note: Comprehensive income FY 2019 (year ended March 2020): ¥9,177 million (18.4%)

FY 2018 (year ended March 2019): ¥7,748 million (-29.8%)

	Net income per share	Diluted net income per share	Ratio of net income to equity capital	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY 2019 (year ended March 2020)	141.40	—	9.8	11.1	12.1
FY 2018 (year ended March 2019)	121.17	—	8.7	11.0	11.5

Reference: Equity in earnings of affiliates FY 2019 (year ended March 2020): ¥198 million

FY 2018 (year ended March 2019): ¥201 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2019 (year ended March 2020)	154,276	109,478	70.5	1,454.47
FY 2018 (year ended March 2019)	147,609	106,592	71.8	1,417.86

Reference: Equity capital FY 2019 (year ended March 2020): ¥108,695 million

FY 2018 (year ended March 2019): ¥105,961 million

(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 year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2019 (year ended March 2020)	23,211	(5,706)	(7,741)	52,134
FY 2018 (year ended March 2019)	15,719	(6,133)	(6,800)	42,487

2. Dividends

	Annual dividends					Total dividend amount (Year)	Payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
FY 2018 (year ended March 2019)	—	25.00	—	55.00	80.00	6,028	65.9	5.7
FY 2019 (year ended March 2020)	—	28.00	—	56.00	84.00	6,303	59.7	5.8
FY 2020 (year ending March 2021) (est.)	—	20.00	—	20.00	40.00		49.2	

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

\* 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
First half	50,000	(22.9)	2,000	(72.1)	2,500	(66.5)	2,500	(46.6)	33.45
Full year	110,000	(17.3)	7,000	(56.7)	7,800	(53.8)	6,100	(42.3)	81.63

#### 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) 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

(3) 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 March 31, 2020	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 March 31, 2020	1,925,901 shares	As of March 31, 2019	1,924,625 shares
[3] Average number of shares outstanding	As of March 31, 2020	74,732,535 shares	As of March 31, 2019	75,452,437 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 (3)[2] and (3)[3].

#### Reference: Non-consolidated results

##### 1. Business results for fiscal year 2019 (April 1, 2019 to March 31, 2020)

###### (1) Operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2019 (year ended March 2020)	74,852	0.1	11,212	0.5	13,330	0.9	9,374	(4.6)
FY 2018 (year ended March 2019)	74,796	4.2	11,155	13.7	13,210	13.6	9,827	16.2

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2019 (year ended March 2020)	125.44	—
FY 2018 (year ended March 2019)	130.24	—

###### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2019 (year ended March 2020)	128,680	104,924	81.5	1,404.02
FY 2018 (year ended March 2019)	126,346	102,681	81.3	1,373.97

Reference: Equity capital

FY 2019 (year ended March 2020): ¥ 104,924 million

FY 2018 (year ended March 2019): ¥ 102,681 million

### 2. 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		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	27,500	(22.9)	1,600	(65.0)	2,400	(59.8)	1,700	(59.5)	22.75
Full year	62,000	(17.2)	6,000	(46.5)	7,400	(44.5)	5,200	(44.5)	69.58

Note: Summary Financial Statements are not subject to auditing by a certified public accountant or auditing firm.

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. For notes on the use of the earnings forecasts and assumptions used for the forecasts, please see Attachment, page 2: "1. General Business Results."

#### Obtaining supplementary financial results materials and information on the scheduled financial results briefing

Supplementary financial results materials are disclosed via TDnet on the same day as the date of this document. Also, a financial results briefing for institutional investors and analysts is scheduled for Monday, April 27, 2020. The financial results materials to be distributed at this briefing are due to be published on the Amano Corporation website immediately for Monday, April 27, 2020.

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## 1. General Business Results

### (1) General Business Results for This Fiscal Year

During the consolidated fiscal year under review, the global economy continued its downward trend due to the impact of the US-China trade war. In this situation, the Japanese economy is likely to be increasingly uncertain about the outlook as economic activities are being affected by the new coronavirus pandemic, which started in early 2020, while the manufacturing industry remained stagnant due to a slowdown in exports.

Amid this business environment, the Amano Group set forth the management concept of "The 2nd Stage Towards a 100-year Company—Innovative Creation of Value for Sustainable Growth" in the 7th Medium-term Business Plan launched in April 2017, aiming at achieving growth in Japan, North America, Europe and Asia, respectively. The Amano Group has also been striving to strengthen management practices through cost reduction activities and Amano's work style reform methodology.

As a result of the above, during the fiscal year under review, the Company recorded sales of ¥133,084 million, up by 1.0% year-on-year. Operating profit increased by 6.6% to ¥16,168 million, ordinary profit went up by 4.8% to ¥16,864 million, and net income attributable to owners of the parent company increased by 15.6% to ¥10,567 million, resulting in increases in both sales and profit.

(Main factors behind the business results)

- (i) For Amano, on an unconsolidated basis, sales of time & attendance (T&A) management software, which is its mainstay product, remained firm, boosted by the demand generated by "work style reform."
- (ii) In Japan, the Group companies remained firm with the commissioned parking lot management business and cloud service for time & attendance management.
- (iii) Overall overseas profits increased as the Group companies in Asia remained favorable and the deficit of Amano McGann, Inc. in North America reduced.
- (iv) Amano (unconsolidated) and some of its domestic Group companies faced downward pressure on performance as countermeasures against COVID-19 in Japan began in earnest in March 2020, which is normally a month of high demand.

The following is a breakdown of sales by business division.

Sales by business division		(Millions of yen)					
Category	FY 2018 (April 1, 2018– March 31, 2019)		FY 2019 (April 1, 2019– March 31, 2020)		Change		
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%	
Time Information System business:							
Information Systems	29,176	22.2	31,110	23.4	1,934	6.6	
Time Management Products	3,609	2.7	3,475	2.6	(133)	(3.7)	
Parking Systems	63,879	48.5	65,429	49.2	1,550	2.4	
Subtotal	96,665	73.4	100,016	75.2	3,350	3.5	
Environment System business:							
Environmental Systems	23,833	18.1	22,432	16.8	(1,401)	(5.9)	
Clean Systems	11,213	8.5	10,635	8.0	(578)	(5.2)	
Subtotal	35,047	26.6	33,068	24.8	(1,979)	(5.6)	
Total	131,713	100.0	133,084	100.0	1,370	1.0	

#### 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

Sales in this business totaled ¥100,016 million, representing an increase of ¥3,350 million (3.5%) year-on-year. The following is a breakdown of sales by business division.

- Information Systems ¥31,110 million (up 6.6% year-on-year)

In this business, against the backdrop of the enactment of the bills related to the "work style reform" in April 2019, attention is focused on the future trends of companies' labor management efforts to improve productivity, make full use of diverse human resources, and introduce teleworking, while new statutory requirements, such as the upper limit on working hours, are put into practice one by one.

In response to these market conditions, the Company, being "Amano—active in the area of HR (Human Resources)," added access control and security to the list of its "3-in-1" proposal, comprising time & attendance (T&A), payroll, and human-resource management, thus striving to bolster its activities to provide total solutions from system ownership to system use.

Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, software sales increased by ¥2,220 million (27.8%), hardware sales decreased by ¥185 million (4.1%), and sales generated by maintenance contracts and supplies services increased by ¥152 million (3.4%) year-on-year. The increase in software sales was mainly attributable to favorable orders for "TimePro-VG" a piece of software for medium-sized and large businesses, and "TimePro-NX" for small to medium-sized businesses. The decrease in hardware sales was due to a reactionary drop in sales from the previous term's increase in orders from the public and education sectors for projects requiring multiple units. The cloud services developed by Amano Business Solutions Corporation continued to perform strongly.

Overall overseas sales decreased by ¥204 million (down 1.9% year-on-year), as the sales of Accu-Time Systems, Inc. in North America decreased, and the sales of Horoquartz S.A. in Europe also decreased due to the effect of exchange rates.

- Time Management Products ¥3,475 million (down 3.7% year-on-year)

Although there is constant demand for standard devices, the trend toward lower prices has continued in this business.

In this market environment, the Company has been working on expanding sales of its "TimeP@CK series" time recorders, which are equipped with aggregation software compatible with PCs and offer improved usability and functionality, as well as concentrating on expanding its customer base through the promotion of "User-club," a fee-based service for members.

Overall domestic sales for the current term decreased by ¥60 million (2.0%) year-on-year as increased sales of "TimeP@CK-iC IV CL," which were driven by orders from industries that had traditionally used an attendance book to manage attendance, were offset by decreased sales of standard time recorders.

Overall overseas sales decreased by ¥73 million (down 10.0% year-on-year), as sales in North America and Europe fell while sales in Asia were flat.

- Parking Systems ¥65,429 million (up 2.4% year-on-year)

To respond to the increasingly diverse needs of parking lot management in Japan, the Parking Systems business division has been working on improving the efficiency and reducing the cost of parking lot management, increasing the level of convenience for parking lot users, ensuring safety and security in parking lots, and making reservations and payments through integration with the Internet.

In response to these market conditions, the Company further strengthened its cooperation with major parking lot management firms and, at the same time, concentrated on offering various services to small to medium-sized parking lot management firms through its parking lot data centers. The Company has also worked to improve the functionality and usability of its system equipment and made efforts to expand into new markets, such as bicycle parking systems, security-gate systems and toll road systems, as well as strengthening proposals for improving parking lot management efficiency and making new proposals for enhancing parking lot services to users.

Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, while domestic parking equipment sales decreased by ¥137 million (0.7%) due to the effect of the decrease in export projects, despite the increase in projects for management firms, sales generated by maintenance contracts and supplies services increased by ¥57 million (0.6%). Amano Management Service Corporation's commissioned parking lot management business has been steadily expanding with increased sales, and the number of parking spaces under management increased by 24,700 (5.3%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥1,332 million (up 5.8% year-on-year) due to an increase in sales in the Asian region, as the commissioned parking lot management business expanded steadily, particularly in Korea, Hong Kong, and Malaysia, despite a decrease in sales of Amano McGann, Inc. in North America.

## Environment System business

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

The sales in this business totaled ¥33,068 million, down by ¥1,979 million (5.6%) year-on-year. The following is a breakdown of sales by business division.

- Environmental Systems ¥22,432 million (down 5.9% year-on-year)

This business is facing an increasingly uncertain business environment outlook due to concerns about global economic slowdown on the back of the new coronavirus pandemic on top of the effect of U.S.-China trade friction, although investments for energy and labor saving remained firm in Japan.

In this market environment, the Company's domestic strategy focused on capitalizing the demand for its standard equipment by strengthening proposals, mainly targeting companies related to machine tools, electronic parts and automobiles, while seeking to win additional orders from customers in the pharmaceutical, foods and cosmetics markets. Meanwhile, the Company enhanced cooperation with its overseas Group companies, reinforced its platforms for engineering, sales and services. Furthermore, the Company endeavored to achieve greater cost competitiveness by expanding its local procurement, while observing the investment trend of Japanese companies operating overseas.

During the current term for Amano, on an unconsolidated basis, domestic sales of standard equipment decreased by ¥402 million (5.0%), sales of large-scale systems decreased by ¥351 million (5.6%) and sales generated by maintenance contracts and supplies services decreased by ¥973 million (18.9%) year-on-year.

Overall overseas sales increased by ¥64 million (up 1.5% year-on-year) due to sales increases in Asia, mainly led by China and Thailand.

- Clean Systems ¥10,635 million (down 5.2% year-on-year)

In Clean Systems, while the trend of companies trying to reduce cleaning costs continues domestically amid a shortage of sanitary workers in the building maintenance industry, needs for proposals that lead to higher cleaning efficiency and improved quality have been increasing.

In response to these market conditions, we proposed the automation of cleaning work using robotic scrubber "EGrobo" and promoted the new automatic floor scrubbers "EG series" along with the compact cordless polishers which feature improved safety and usability.

For this fiscal year, overall domestic sales of cleaning equipment decreased by ¥117 million (5.2%) and domestic sales generated by maintenance contracts and supplies services decreased by ¥2 million (0.1%) year-on-year despite an increase in sales of cleaning robots as sales of other equipment were weak.

Overall overseas sales decreased by ¥453 million (down 8.0% year-on-year), as sales in North America fell.

## Reference information

### Information by area

(Millions of yen)

	Net sales				Operating profit or loss			
	FY 2018 (year ended March 2019)	FY 2019 (year ended March 2020)	Change	Percentage change (%)	FY 2018 (year ended March 2019)	FY 2019 (year ended March 2020)	Change	Percentage change (%)
Japan	88,871	88,941	70	0.1	18,095	18,438	343	1.9
Other Asia	17,786	19,519	1,732	9.7	1,474	1,880	406	27.6
North America	18,308	17,471	(836)	(4.6)	(1,132)	(982)	150	—
Europe	9,031	8,849	(181)	(2.0)	718	890	172	23.9
Total	133,998	134,782	783	0.6	19,155	20,227	1,071	5.6
Eliminations/ Corporate	(2,285)	(1,698)	—	—	(3,993)	(4,058)	—	—
Consolidated	131,713	133,084	1,370	1.0	15,161	16,168	1,006	6.6

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 (%)		
	FY 2018 (year ended March 2019)	FY 2019 (year ended March 2020)	Change	Percentage change (%)	FY 2018 (year ended March 2019)	FY 2019 (year ended March 2020)	Change
Other Asia	17,992	19,740	1,747	9.7	13.7	14.8	1.1
North America	16,895	16,120	(774)	(4.6)	12.8	12.1	(0.7)
Europe	8,869	8,724	(144)	(1.6)	6.7	6.6	(0.1)
Other regions	1,530	1,191	(338)	(22.1)	1.2	0.9	(0.3)
Total	45,287	45,777	489	1.1	34.4	34.4	0.0
Consolidated net sales	131,713	133,084					

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) General Financial Condition for This Fiscal Year

### (i) Assets, liabilities, and net assets

Total assets amounted to ¥154,276 million (up ¥6,667 million from the previous consolidated fiscal year-end).

- Current assets: an increase of ¥5,009 million due to an increase in cash and bank deposits, etc.
- Fixed assets: an increase of ¥1,658 million due to an increase in lease assets (net), etc.

Total liabilities amounted to ¥44,798 million (up ¥3,781 million from the previous consolidated fiscal year-end).

- Current liabilities: an increase of ¥1,094 million due to an increase in lease obligations, etc.
- Long-term liabilities: an increase of ¥2,686 million due to an increase in lease obligations, etc.

Net assets amounted to ¥109,478 million (up ¥2,886 million from the previous consolidated fiscal year-end).

- Shareholders' equity: an increase of ¥4,334 million due to posting of net income attributable to owners of the parent company, etc.
- Accumulated other comprehensive income: a decrease of ¥1,600 million due to decreases in net unrealized gains (losses) on available-for-sale securities and foreign currency translation adjustments, etc.

## (3) Summary of Cash Flows for This Fiscal Year

Consolidated cash and cash equivalents increased by ¥9,647 million from the previous fiscal year-end to a total of ¥52,134 million as of March 31, 2020. The status of each type of cash flow at year-end and the underlying factors are as follows.

Net cash provided by operating activities totaled ¥23,211 million (an increase in income of ¥7,491 million year-on-year).

#### · Main income factors:

Posting of income before income taxes amounting to ¥16,282 million and posting of depreciation and amortization amounting to ¥7,310 million.

Posting of a decrease in trade notes and accounts receivable amounting to ¥3,727 million.

#### · Main expenditure factors:

Posting of income taxes paid amounting to ¥5,114 million and posting of a decrease in trade payables amounting to ¥1,148 million.

Net cash used in investing activities totaled -¥5,706 million (a decrease in cash outflow of ¥427 million year-on-year).

#### · Main income factors:

Posting of proceeds from withdrawal of time deposits amounting to ¥3,720 million and posting of proceeds from redemption of securities amounting to ¥2,000 million.

#### · Main expenditure factors:

Posting of increase in time deposits amounting to ¥4,090 million and posting of payment for purchase of tangible fixed assets amounting to ¥3,135 million.

Posting of payment for acquisition of intangible fixed assets amounting to ¥2,033 million and posting of payment for acquisition of securities amounting to ¥2,000 million.

Net cash used in financing activities amounted to -¥7,741 million (an increase in cash outflow of ¥940 million year-on-year).

#### · Main income factors:

Posting of proceeds from sale and leaseback amounting to ¥1,215 million.

#### · Main expenditure factors:

Posting of dividends paid amounting to ¥6,228 million and posting of repayments of lease obligations amounting to ¥2,891 million.



Reference: Trend of cash flow indicators

	As of Mar. 31, 2016	As of Mar. 31, 2017	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020
Equity ratio (%)	69.5	71.8	72.3	71.8	70.5
Fair value equity ratio (%)	99.4	122.6	150.1	132.5	116.1
Ratio of cash flow to interest-bearing liabilities (%)	25.5	16.0	11.2	14.0	27.1
Interest coverage ratio	292.2	447.8	483.5	539.4	227.9

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:

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

#### (4) Future Outlook

In the next fiscal year ending March 31, 2021, the global economy will likely continue its downward trend due to the impact of the US-China trade war. In this situation, Japanese manufacturing industry is expected to remain stagnant due to slow exports. In addition, the outlook of the Japanese economy will become increasingly uncertain due to the effects caused by COVID-19 pandemic which became eminent in early 2020.

Amid this business environment, Amano Corporation and its Group companies will set "The 3rd Stage Towards a 100-year Company-Establishing a solid business foundation that leads to sustainable growth " as its management concept and work to address key issues in the new Medium-term Business Plan described in "3. Business Policies" on page 11 with a view to maximizing the corporate value of Amano Corporation.

For the next fiscal year ending March 31, 2021, we forecast net sales at ¥110,000 million, operating profit at ¥7,000 million, ordinary profit at ¥7,800 million and net income attributable to parent company shareholders at ¥6,100 million. For details, please refer to [2] Numerical targets indicated on page 13, in "3. Business Policies." Furthermore, this forecast assumes the currency exchange rates of ¥105 to the US dollar and ¥115 to the euro.

Our responses to the outbreak of COVID-19 are as follows:

With emphasis on the safety and health of our employees Amano Corporation and its domestic group companies have adopted flexible work programs such as telework (work from home), flextime, and office work shifts.

Overseas group companies are responding in accordance with the enforcements issued by their respective local authorities. For areas under "stay-home" orders, employees are working from home.

As for our factory operations, domestic factory workers are working in shifts to maintain minimum operations. On the other hand, U.S. factories are operating in accordance with the enforcements issued by their respective state authorities and has stopped production of certain items. Other permitted items are in production either normally or by minimum staffing.

Although we have reflected the effects of COVID-19 in our full-year forecast as much as possible, we intend to disclose appropriately according to the future changes in the situation.

## (5) Basic Policy on Distribution of Profits and Payment of Dividends for This Fiscal Year and the Next

Amano places great importance on its policy of paying dividends to shareholders. Its fundamental policy to return profits to shareholders is to make appropriate performance-based distributions and to buy back shares, as it deems necessary. The Company aims to maintain a dividend payout ratio of at least 40% on a consolidated basis, a net asset dividend rate of at least 2.5%, and a Total Return Ratio of at least 55%.

In line with this policy, taking into account our current-year operations results, we plan to pay a year-end dividend of ¥36 per share, and the annual per-share dividend for this fiscal year will be ¥64 (including ¥28 per share paid as the interim dividend), an increase of ¥4 from an ordinary dividend of ¥60 for the previous fiscal year.

Furthermore, in line with the newly adopted target for Total Return Ratio, we plan to pay out a special dividend of ¥20 per share, which, combined with the above annual dividend of ¥64, the total will be ¥84 per share representing an increase of ¥4 compared to last year. As a result, the consolidated payout ratio will be 59.7%, the net asset dividend rate will be 5.8%, and the Total Return Ratio will be 59.7%.

With regard to the dividend for the next fiscal year ending March 31, 2021, in line with our Basic Policy on Distribution of Profits and in view of our outlook for the next fiscal year, we currently aim to pay an annual per-share dividend of ¥40 (with an interim dividend of ¥20 and a year-end dividend of ¥20), although we plan to revise it on a timely basis if necessary depending on our future performance trend. We also intend to achieve the Total Return Ratio target of 55% or above through dividends and flexible use of share buy-back.

Retained earnings will be earmarked 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 plants and equipment for the purpose of reducing costs and further improving product quality.

## (6) Operating and Other Risk Factors

Matters relating to the qualitative information contained in these summary financial statements and relating to the consolidated financial statements that could be envisaged as having a possible material impact on investors are described below.

Every effort, including the establishment of various internal committees such as Compliance Committee and Risk Management Committee, are made to identify factors that may now or in the future pose a risk to the undertaking of business by the Amano Group, and these risk factors are then eliminated or otherwise managed in the course of business. The activities of each committee are reported to the Representative Director as appropriate and to the Board of Directors as necessary. The outline of each committee is available for inspection on the website of the Company.

(<https://www.amano.co.jp/corp/governance.html>)

Forward-looking statements are current as of the date of release of these financial results (April 24, 2020).

### (i) Impact on earnings due to changes in the business environment

The Amano Group uses the unique technologies and know-how it has accumulated to provide customers with high-quality products, services and solutions, thereby gaining large market shares in each sphere of business in Japan, North America, Europe, and Asia, and developing its business globally.

In the year ended March 31, 2020, the Time Information Systems business accounted for 75.2% of total sales, and the Environment System business accounted for 24.8%. Before the deduction of unallocated expenses, the Time Information Systems business contributed 76.6% to operating profit, while the Environment System business contributed 23.4%. In terms of weighted average sales over the last five years, the Time Information Systems business accounted for 73.2% of total sales and 72.6% of operating profit.

One future risk factor is that if market expansion is forecast for a business activity within the Time Information Systems business segment (which accounts for a large proportion of the Group's business) for such reasons as a significant change in the demand structure or the creation of a new market, entities in other industries or other powerful competitors may be tempted to enter the market. In such an event, if a competitor were to enter with innovative products or solutions that surpass Amano's, the Amano Group's market advantage would decline, which may have a material impact on its business performance.

As part of its efforts to prepare for these risks, the Amano Group works to develop competitive products on an ongoing basis and strives to further strengthen support systems, engaging in business activities to maintain and improve its competitive advantage in each business by strengthening the relationship with existing customers and expanding transactions with new customers.

(ii) Fluctuations in exchange rates

The Group engages in business activities on a global scale and has production and sales bases overseas. In view of this, the Group's business results may be impacted by fluctuations in exchange rates when the proceeds for overseas transactions are converted into yen.

As precautionary measures against such a risk, the Group strives to reduce it by considering entering into, for example, forward exchange contracts as necessary.

(iii) Information security

In the course of providing system solutions and developing cloud business services (e.g., ASP, SaaS, and hosting services), the Amano Group handles confidential information, such as personal information concerning, or provided by, customers. The occurrence of an unforeseen situation such as a cyberattack that results in loss or leakage of confidential or personal information as described above could have an adverse material impact on the Group's business performance due to factors such as loss of confidence.

As precautionary measures against such a risk, the Group has established an Information Security Management Committee to strengthen and ensure thorough implementation of security control measures based on the "Information Security Management Rules." More specifically, we have implemented measures to prevent the leakage of confidential information based on the encryption of hard disks and external storage media and are providing regular employee education using e-learning. The Company received the PrivacyMark certification in February 2014 and makes every effort in the area of information security, including the supervision of subcontractors and thorough compliance with internal regulations. European subsidiaries of the Company are also working to reduce risk by, for example, implementing adequate measures regarding the EU General Data Protection Regulation (GDPR) enacted in May 2018, taking into consideration the guidance of local experts.

(iv) Natural disasters and infectious diseases

Natural disasters, such as large-scale earthquakes and windstorms, floods, etc., caused by climate change on a global scale, are occurring more and more frequently, and in the event of a natural disaster, the Group may sustain damage to human lives or its property, such as the destruction of sales business sites and production bases. In the event of an outbreak of an infectious disease that makes it difficult for employees to continue to work, the Group may temporarily lose the ability to continue to perform its operating activities.

As precautionary measures against such risks, the Group has put in place measures to ascertain and ensure the safety of employees by introducing an emergency contact network and safety confirmation systems, as well as requiring employees to always carry an emergency contact card to prepare for any disaster. In addition, the Group is moving its file servers and other equipment to external data centers and is improving the environment to facilitate working from home to ensure business continuity. Other necessary measures that we have taken to reduce risk include the establishment of the protocol for the establishment of the disaster control headquarters in the event of an emergency.

(v) Overseas business development

The Amano Group has been developing its business globally in Japan, North America, Europe, and Asia. Therefore, there is a possibility that a situation may arise in which business operations are disrupted due to the application of unique laws, ordinances, or regulations or social disorder due to political disturbances, war, or terrorism, etc. in countries or regions where the Group conducts business, which may adversely impact the Group's business performance.

In order to be ready for these risks, the Group collects information on the situation in the countries and regions in which it operates on an ongoing basis before any emergency occurs. The Group also holds quarterly meetings of the Overseas Group Company Executive Management Board, at which top management directly ascertains the situation and gives instructions to reduce risk. In the event that various risks are materialized, the Group will grasp the situation quickly by sharing and exchanging information with overseas Group companies.

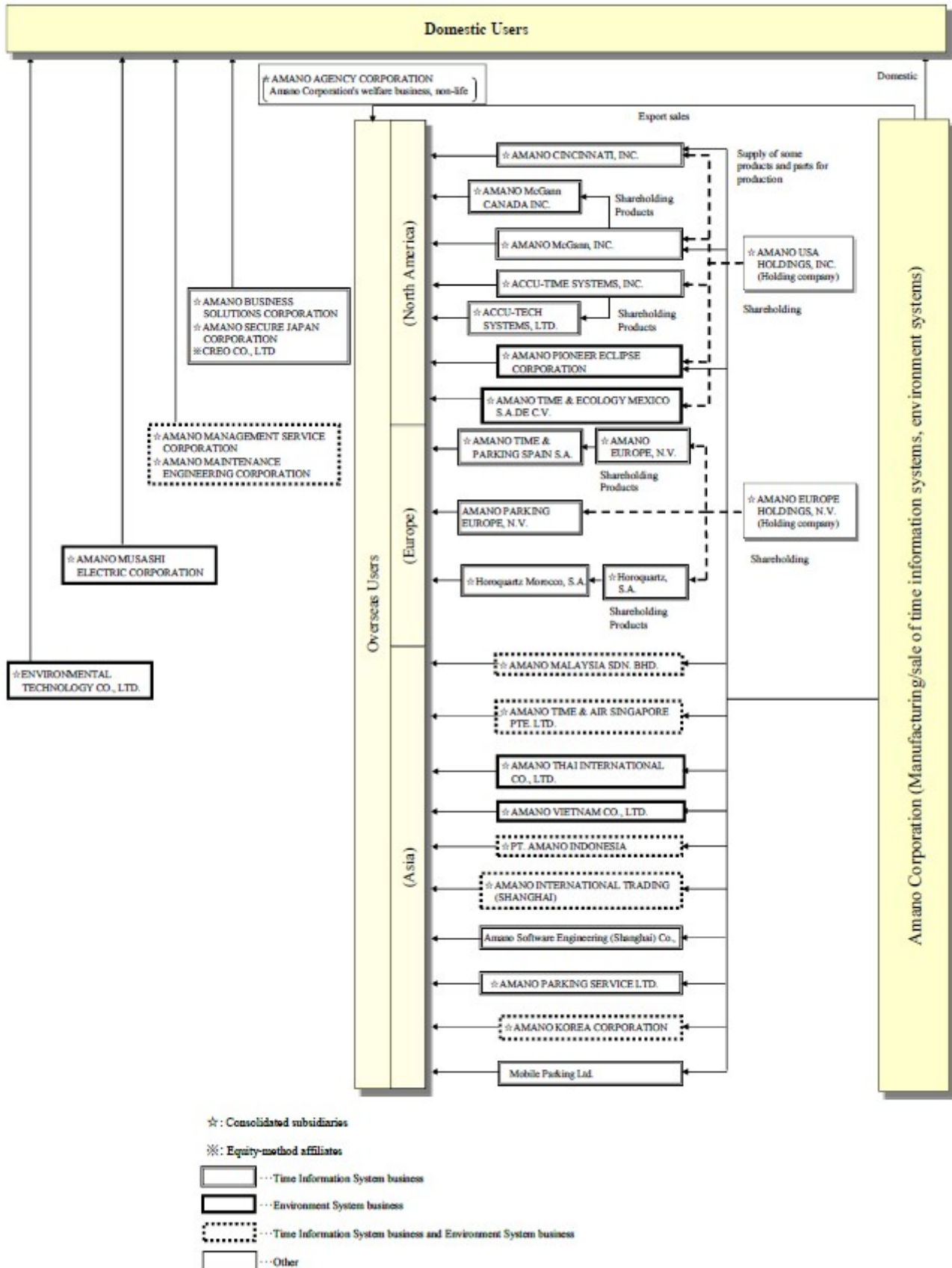
2. Status of the Corporate Group

The following chart sets out the Group's business activities.

Number of Amano and subsidiaries: 31

Number of affiliated companies to which the equity method is applied: 1

The business segments shown in the chart are based on the principal business activities of the subsidiaries and affiliate.



### 3. Business Policies

#### (1) Basic Management Policy

Amano's management philosophy is to create new values and contribute to the realization of a safe, comfortable and a wholesome society in the fields of "People & Time" and "People & Environment."

Under this management philosophy and based on an optimal governance structure that responds to changes in the business environment, we will strive to maximize corporate value by ensuring sustained growth through the creation of new businesses and markets with a medium-to-long term global perspective, in addition to expanding our existing businesses. Furthermore, we will aim to become a company that has the trust and high regard of all the stakeholders including customers, business partner companies, shareholders, employees and the local community by constantly returning a fair profit earned through business activities.

#### (2) Medium-long term business strategy of the company

Amano launched a new Medium-term Business Plan for the three years from April 2020 to March 2023. An outline of the plan is set out below.

##### [1] Basic policies

Under the new Medium-term Business Plan, with the Group's management concept of "The 3rd Stage Towards a 100-year Company-Establishing a solid business foundation that leads to sustainable growth," we will address the following two key issues towards achieving the goal of enhancing our corporate value while keeping ESG management in mind and emphasizing the establishment of a business management system that is suitable for the era of globalization and further efforts to ensure thorough compliance as a foundation.

##### (i) Investments in growth drivers.

In response to the rapidly evolving digital transformation movements, the Company will vigorously push forward with digitalization and the effective use of IT in each business area. In particular, we will invest steadily in growth drivers including strategic investments in software assets, IoT, AI, etc., to realize sustainable growth in sales and profit.

We will also continue our investments in venture companies and startup companies and M&A activities, which started under the 7th Medium-term Business Plan, to establish the sixth core business.

##### (ii) Establishment of unparalleled competitive advantage based on synergy among the strengths of each business department

After analyzing and grasping the strengths of each business division and Group company all over again, we will execute strategic investments shown in (i) above to further strengthen them, while ensuring synergy among them to further enhance our competitive advantages. In the course of this initiative, the Company will strive to deepen and enhance the customer base that we have developed and to further enhance the product lineup by anticipating market trends.

The target of the new Medium-term Business Plan is the achievement of the "AVERAGE 12% in the 3KPIs."

(1) Operating profit ratio (OPR): Achieve at least 13%

(2) Cash conversion cycle (CCC): Shorten by at least 12%

(3) Return on equity (ROE): Achieve at least 11%

Measures and issues for each region under these basic policies are as follows:

##### 1. Japanese market

In the Japanese market, we will reinforce ties among domestic Group companies and also with other companies outside the Group and strengthen our capacity to provide holistic solutions (which cover hardware, software, and services) across all business fields both qualitatively and quantitatively. We will also promote the "3-in-1 activity" leveraging the strength of direct sales and support. The Group will aim to establish an unparalleled competitive advantage in each business by expanding both flow and stock businesses in a balanced manner through the reinforcement of the relationship with existing customers and the expansion of transactions with new customers.

The Information Systems business will continue to see various labor-related law amendments following the enactment of the bills related to the work style reform in April 2019. Employers are required to keep track of working hours accurately to curb long working hours. In addition, employers are now legally obliged to conduct complex working hour management in response to the introduction of equal pay for equal work and changes in work style due to side jobs, working from outside the office, etc., which creates constant demand for time & attendance management systems to upgrade or rebuild their working hour management systems to ensure legal compliance. Demand for cloud services is also expected to increase as more and more administrative procedures become available electronically.

In response to this market environment, for the small-to-medium sized enterprise (SME) market, we will continue to market holistic solutions with the "TimePro-NX," which is an integrated software package to manage time & attendance, human resource management and payroll, to further increase market share. At the same time, we will strengthen the promotion of the "e-AMANO" cloud service to offer electronic processing of various notifications and declarations that arise in the course of service of an employee from hiring through retirement. For the medium-to-large enterprise market where demand is firm, we will work to strengthen solutions for time & attendance, human resource management, payroll, accounting software, and consulting services by collaborating with CREO CO., LTD., utilizing "TimePro-VG." We will also strengthen our business development efforts around attendance management for teachers, doctors, and the like, which is expected to grow from now on and will maintain and expand the customer base with our one-stop services encompassing hardware, software, services, and cloud to further expand our business portfolio.

The Parking Systems business experienced a decline in parking lot utilization rates amid fluctuating economic trends, however, the market continues to grow driven by new demand arising from the spread of cashless payment and ticketless operations. In addition, there are rising needs to offer solutions to; reduce parking lot management costs, ensure safety and security, heighten environmental considerations, improve user convenience, offer cloud-based services, and provide operational solutions based on ETC technology.

Given these changes in the market environment, we will further strengthen partnerships with major parking lot operators and provide various services through our parking lot data center for small- and medium-sized parking lot operators while improving the functions and operability of system equipment. We will also continue to respond to transitions in the market including the increased demand for parking reservations, the migration towards a sharing economy, and the advancement of self-driving technology. In addition, we will continue to strengthen proposals in the commissioned parking lot management business and strengthen and expand our efforts for facilities such as bicycle parking lots, security gates and toll roads in order to expand our business.

The Environmental Systems business faces weak corporate appetite for capital investment both in Japan and overseas following the rapid deterioration in business sentiment.

Given this market environment, in Japan we will aim to increase the quantity of sales of standard equipment by rolling out new products and deploying existing products to new areas and expand business domains including the pharmaceutical, food, and cosmetics markets, which are less affected by business sentiment. We will also work to strengthen our engineering capabilities and comprehensive sales, including that of peripheral equipment based on energy and labor-saving proposals as well as new service proposals leveraging IoT, by partnering with industrial equipment manufacturers.

In the Clean Systems, while the trend of companies trying to reduce cleaning costs continues, amid the aging of sanitation workers and an increase in the proportion of women among newly hired workers, the need to improve safety and operability of cleaning equipment has been increasing to reduce the burden on these workers. At the same time, the need to maintain building aesthetics at a low cost and demand for cleaning work automation using robot technology have also been increasing.

In response to these market conditions, we will enhance the product lineup to respond to the expansion of the robotic cleaning market, provide various services using communication functions, and work to expand the factory market by introducing cleaning devices. We will also strengthen recurring revenues by means of promoting maintenance contracts and increasing order intake for supplies, which will maintain and expand our customer base. We will also promote comprehensive proposals for commissioned cleaning services and aesthetic maintenance.

## 2. North American market

In the Parking Systems business, we will aim to achieve full recovery in the financial performance of Amano McGann, Inc. as soon as possible by executing a drastic reform, and at the same time we will continue to expand system sales along with the promotion of new systems. In the Information Systems business, we will strive to expand the business by increasing sales of Accu-Time Systems, Inc.'s time and attendance information terminals and by enhancing cloud-based products. In the Clean Systems business, we will further expand the business of the wooden floor sanding equipment division of Amano Pioneer Eclipse Corporation, and develop new markets and identify new business opportunities. In the Environmental Systems

business, Amano Time & Ecology de Mexico S.A. de C.V. will proceed with strategy setting in the North American market including Mexico.

### 3. European market

In the Information Systems business, we will further enhance our customer base by promoting Horoquartz's workforce management and access control businesses. At the same time, we will aim to expand this business into new countries other than France. In the Parking Systems business, we will strive to expand operations by promoting system equipment sales and developing a commissioned parking lot management business.

### 4. Asian market

In the Asian region, we will aim to expand Parking Systems operations by strengthening services in the commissioned parking lot management business and by expanding services into new regions. In the Environmental Systems business, we will strengthen our engineering capabilities as well as sales and service systems for Japanese companies operating in Asia by making use of the ties between our Group companies across Asia and our head office in Japan. We will also work to establish a supply chain network in each region.

## [2] Numerical targets

Our new three-year Medium-term Business Plan will come into effect from April 2020 until March 2023, in which we are aiming to achieve ¥140.0 billion or higher in net sales and ¥18.5 billion or higher in operating profit by end of March 2023.

### (Major assumptions of the numerical targets)

- (i) The results for FY2020 (year ending March 31, 2021), which marks the first year of the new Medium-term Business Plan, will be deeply affected by the COVID-19 pandemic. In particular, we expect significant setbacks in the first half of FY2020 as our sales and production activities will be greatly curtailed during the curfew enforced by many Governments. Moreover, we are assuming that full normalization will take time as the pace of post-pandemic recovery will differ by region and country.
- (ii) For unconsolidated ACJ, despite some fluctuations in net sales, the Information Systems Business is expected to remain on a growth trend tail winded by the Government driven work style reform initiatives. On the other hand, due to cooling down of Olympic demand, the Parking Systems Business is expected to be slower. Likewise, the Environmental Systems Business is still being affected by the lingering U.S. China trade war. We are expecting the recovery of these two businesses in late 2021 or during the second half of the new Medium-term Business Plan.
- (iii) Parking management services of the Parking Business is expected to remain strong both in Japan and abroad and thus firmly positioned as the driver of consolidated growth.
- (iv) Amano McGann Inc., of North America, which has suffered from legacy issues, has undergone drastic restructuring and with a new management team in place, the company is expected to improve its profitability from the second half of the FY2020.

Please note that the numerical targets for the new three-year Medium-term Business Plan set out below are tentative at this point. Currently, COVID-19 is causing too many uncertainties hampering realistic future planning, so we intend to review these targets at the end of the first half of this fiscal year (September 2020), at which time, we hope to have a better outlook of the pandemic and the economic recovery trends of each country.

(Millions of yen)

	FY 2020 (year ending March 2021)		FY 2021 (year ending March 2022)		FY 2022 (year ending March 2023)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	110,000	(17.3)	125,000	13.6	140,000	12.0
Operating profit	7,000	(56.7)	14,000	100.0	18,500	32.1
Operating profit ratio (%)	6.4%	—	11.2%	—	13.2%	—
Ordinary profit	7,800	(53.8)	15,000	92.3	19,500	30.0
Net income attributable to owners of the parent company	6,100	(42.3)	10,000	63.9	13,000	30.0

## 4. Basic Approach to the Selection of Accounting Standards

We have not determined a specific date for the adoption of IFRS; however, to prepare for the future adoption, we will undertake the preparations and examinations that are presently possible, and at the same time we will continue to collect and study international accounting information.



5. 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 March 31, 2020)
<b>Assets</b>		
Current assets		
Cash and bank deposits	45,558	54,973
Notes and accounts receivable—trade	35,367	31,392
Marketable securities	1,184	1,743
Merchandise and finished goods	4,381	4,282
Work in process	767	622
Raw materials and supplies	5,036	4,796
Other current assets	3,630	2,968
Allowance for doubtful accounts	(476)	(321)
<b>Total current assets</b>	<b>95,449</b>	<b>100,458</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	28,599	28,977
Accumulated depreciation	(18,469)	(18,858)
Buildings and structures (net)	10,130	10,118
Machinery and vehicles	7,001	7,116
Accumulated depreciation	(6,105)	(6,213)
Machinery and vehicles (net)	896	902
Tools, furniture and fixtures	14,636	15,119
Accumulated depreciation	(12,206)	(12,738)
Tools, furniture and fixtures (net)	2,430	2,380
Land	6,125	5,922
Lease assets	5,883	10,800
Accumulated depreciation	(3,590)	(4,502)
Lease assets (net)	2,293	6,298
Construction in progress	236	446
<b>Total tangible fixed assets</b>	<b>22,111</b>	<b>26,069</b>
Intangible fixed assets		
Goodwill	2,734	1,918
Software	4,552	4,752
Software in progress	1,985	1,118
Other	3,510	3,150
<b>Total intangible fixed assets</b>	<b>12,782</b>	<b>10,939</b>
Investments and other assets		
Investment securities	10,046	8,828
Claims in bankruptcy and similar claims	496	649
Fixed leasehold deposits	1,420	1,550
Long-term deposits	1,500	1,500
Net defined benefit assets	102	96
Deferred tax assets	2,320	3,086
Other	1,887	1,760
Allowance for doubtful accounts	(509)	(662)
<b>Total investments and other assets</b>	<b>17,266</b>	<b>16,809</b>
<b>Total fixed assets</b>	<b>52,160</b>	<b>53,818</b>
<b>Total assets</b>	<b>147,609</b>	<b>154,276</b>

(Millions of yen)

	FY 2018 (as of March 31, 2019)	FY 2019 (as of March 31, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	7,264	6,210
Electronically recorded obligations	7,015	6,845
Short-term bank loans	463	678
Lease obligations	1,105	2,641
Accrued income taxes	3,135	3,711
Accrued bonuses	2,531	2,842
Accrued officers' bonuses	130	130
Other current liabilities	13,924	13,604
Total current liabilities	35,569	36,664
Long-term liabilities		
Long-term accounts payable—other	1	0
Lease obligations	2,354	4,495
Deferred tax liabilities	43	136
Net defined benefit liabilities	2,478	2,736
Provision for stock benefit	95	198
Provision for directors' stock benefit	83	162
Asset retirement obligations	32	32
Other long-term liabilities	358	371
Total long-term liabilities	5,447	8,134
Total liabilities	41,017	44,798
<b>Net assets</b>		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	75,866	80,204
Treasury stock	(4,220)	(4,224)
Total shareholders' equity	109,178	113,512
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	1,921	1,025
Foreign currency translation adjustments	(4,189)	(4,781)
Remeasurements of defined benefit plans	(948)	(1,061)
Total accumulated other comprehensive income	(3,216)	(4,817)
Non-controlling shareholders' interests	630	783
Total net assets	106,592	109,478
Total liabilities and net assets	147,609	154,276

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

(Millions of yen)

	FY 2018 (April 1, 2018- March 31, 2019)	FY 2019 (April 1, 2019- March 31, 2020)
Net sales	131,713	133,084
Cost of sales	73,467	73,362
Gross profit	58,246	59,721
Selling, general and administrative expenses		
Selling expenses	38,789	39,168
General and administrative expenses	4,294	4,384
Total selling, general and administrative expenses	43,084	43,552
Operating profit	15,161	16,168
Non-operating profit		
Interest income	136	182
Dividend income	208	202
Insurance dividend income	128	79
Insurance income	68	79
Equity in earnings of affiliates	201	198
Other	338	285
Total non-operating profit	1,081	1,028
Non-operating expenses		
Interest expenses	29	102
Loss on foreign exchange	15	93
Foreign withholding tax	23	20
Other	84	116
Total non-operating expenses	152	332
Ordinary profit	16,090	16,864
Extraordinary income		
Gain on sale of fixed assets	25	5
Gain on sales of investment securities	141	-
Total extraordinary income	166	5
Extraordinary losses		
Loss on disposal of fixed assets	26	39
Loss on sale of fixed assets	1,145	194
Loss on valuation of investment securities	-	111
Impairment loss	220	198
Special retirement payments	30	44
Total extraordinary losses	1,423	588
Income before income taxes	14,834	16,282
Income taxes	5,126	5,790
Deferred income taxes	423	(241)
Total income taxes	5,550	5,549
Net income	9,284	10,732
Net income attributable to non-controlling shareholders	142	165
Net income attributable to owners of the parent company	9,142	10,567

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2018 (April 1, 2018- March 31, 2019)	FY 2019 (April 1, 2019- March 31, 2020)
Net income	9,284	10,732
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(303)	(894)
Foreign currency translation adjustment	(1,201)	(548)
Remeasurements of defined benefit plans	(30)	(112)
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	(1,535)	(1,554)
Comprehensive income	7,748	9,177
(Breakdown)		
Comprehensive income attributable to owners of the parent company	7,615	8,966
Comprehensive income attributable to non-controlling shareholders	133	210

## (3) Consolidated Statement of Changes in Shareholders' Equity

FY 2018 (April 1, 2018–March 31, 2019)

(Millions of yen)

	Net assets				
	Shareholders' equity	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	18,239	19,293	71,140	(1,892)	106,780
Cumulative effects of change in accounting policy			70		70
Restated Balance	18,239	19,293	71,211	(1,892)	106,851
Changes during the year					
Dividends from surplus			(4,486)		(4,486)
Net income attributable to owners of the parent company			9,142		9,142
Purchase of treasury stock				(2,328)	(2,328)
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	4,655	(2,328)	2,326
Balance at year end	18,239	19,293	75,866	(4,220)	109,178

	Accumulated other comprehensive income				Non-controlling shareholders' interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	2,225	(2,997)	(917)	(1,689)	543	105,634
Cumulative effects of change in accounting policy						70
Restated Balance	2,225	(2,997)	(917)	(1,689)	543	105,705
Changes during the year						
Dividends from surplus						(4,486)
Net income attributable to owners of the parent company						9,142
Purchase of treasury stock						(2,328)
Net changes in items other than shareholders' equity	(303)	(1,192)	(30)	(1,527)	87	(1,439)
Total changes during the year	(303)	(1,192)	(30)	(1,527)	87	886
Balance at year end	1,921	(4,189)	(948)	(3,216)	630	106,592

FY 2019 (April 1, 2019–March 31, 2020)

(Millions of yen)

	Net assets				
	Shareholders' equity	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	18,239	19,293	75,866	(4,220)	109,178
Cumulative effects of change in accounting policy			—		—
Restated Balance	18,239	19,293	75,866	(4,220)	109,178
Changes during the year					
Dividends from surplus			(6,228)		(6,228)
Net income attributable to owners of the parent company			10,567		10,567
Purchase of treasury stock				(3)	(3)
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	4,338	(3)	4,334
Balance at year end	18,239	19,293	80,204	(4,224)	113,512

	Accumulated other comprehensive income				Non-controlling shareholders' interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	1,921	(4,189)	(948)	(3,216)	630	106,592
Cumulative effects of change in accounting policy						—
Restated Balance	1,921	(4,189)	(948)	(3,216)	630	106,592
Changes during the year						
Dividends from surplus						(6,228)
Net income attributable to owners of the parent company						10,567
Purchase of treasury stock						(3)
Net changes in items other than shareholders' equity	(896)	(591)	(112)	(1,600)	152	(1,447)
Total changes during the year	(896)	(591)	(112)	(1,600)	152	2,886
Balance at year end	1,025	(4,781)	(1,061)	(4,817)	783	109,478

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2018 (April 1, 2018- March 31, 2019)	FY 2019 (April 1, 2019- March 31, 2020)
<b>Cash flows from operating activities</b>		
Income before income taxes	14,834	16,282
Depreciation and amortization	5,849	7,310
Amortization of goodwill	545	547
Impairment loss	220	198
Increase (decrease) in net defined benefit liabilities	12	114
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	2	13
Interest and dividend revenue	(345)	(385)
Equity in (earnings) losses of affiliates	(201)	(198)
Interest expenses	29	102
Foreign currency translation loss (gain)	36	39
Loss (gain) on sale of fixed assets	1,120	189
Loss on disposal of fixed assets	26	39
Loss (gain) on sales of investment securities	(141)	-
Loss (gain) on valuation of investment securities	-	111
Special retirement payments	30	44
(Increase) decrease in trade notes and accounts receivable	(1,948)	3,727
(Increase) decrease in inventories	(595)	387
Increase (decrease) in trade payables	884	(1,148)
Increase (decrease) in other current liabilities	621	(447)
Other	(334)	641
Subtotal	20,825	27,751
Receipts from interest and dividends	398	456
Interest paid	(29)	(101)
Special retirement payments	(30)	(29)
Income taxes paid	(5,473)	(5,114)
Income taxes refunded	28	249
Net cash provided by operating activities	15,719	23,211
<b>Cash flows from investing activities</b>		
Payment for acquisition of securities	(2,000)	(2,000)
Proceeds from redemption of securities	2,000	2,000
Payment for purchase of tangible fixed assets	(2,800)	(3,135)
Proceeds from sale of tangible fixed assets	460	52
Payment for acquisition of intangible fixed assets	(2,145)	(2,033)
Payment for acquisition of investment securities	(905)	(56)
Proceeds from sales of investment securities	241	-
Payments for acquisition of businesses	(2,112)	-
Increase in time deposits	(8,544)	(4,090)
Proceeds from withdrawal of time deposits	9,830	3,720
Other	(156)	(163)
Net cash used in investing activities	(6,133)	(5,706)

(Millions of yen)

	FY 2018 (April 1, 2018- March 31, 2019)	FY 2019 (April 1, 2019- March 31, 2020)
Cash flows from financing activities		
Increase in short-term loans payable	469	716
Repayment for short-term bank loans	(160)	(491)
Payment for acquisition of treasury stock	(2,328)	(3)
Repayments of lease obligations	(1,399)	(2,891)
Proceeds from sale and leaseback	1,150	1,215
Dividends paid	(4,486)	(6,228)
Payment of dividends to non-controlling shareholders	(46)	(58)
Cash flows from financing activities	(6,800)	(7,741)
Effect of exchange rate changes on cash and cash equivalents	(528)	(115)
Net increase (decrease) in cash and cash equivalents	2,255	9,647
Cash and cash equivalents at the beginning of the year	40,231	42,487
Cash and cash equivalents at end of period	42,487	52,134



## (5) Notes to Consolidated Financial Statements

### Notes Regarding the Premise of a Going Concern

None

### Important Matters that Constitute the Basis for the Preparation of the Consolidated Financial Statements

#### 1. Scope of consolidation

(1) Number of consolidated subsidiaries: 28

Names of major consolidated subsidiaries:

Please refer to "2. Status of the Corporate Group" on page 10.

In the fiscal year under review, Amano Vietnam Co., Ltd. is included in the scope of consolidation following its establishment as a consolidated subsidiary.

(2) Names of non-consolidated subsidiaries:

AMANO SOFTWARE ENGINEERING (SHANGHAI) CO., LTD.; Mobile Parking Ltd.; AMANO PARKING EUROPE, N.V. (3 companies)

#### Reasons for exclusion from the scope of consolidation

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

#### 2. Application of the equity method

Number of affiliated companies to which the equity method is applied: 1

Names of affiliated companies to which the equity method is applied:

CREO CO., LTD.

#### 3. Fiscal years of consolidated subsidiaries

Among consolidated subsidiaries, the fiscal year-end for those overseas is December 31. Their financial statements as of that date are used in the preparation of the consolidated financial statements, and necessary adjustments are made to the consolidated accounts if significant transactions take place between that date and the consolidated balance sheet date.

#### 4. Accounting standards

(1) Valuation standards and methods for significant assets

(i) Securities:

Held-to-maturity bonds:

Amortized cost method applied

Other securities:

Available-for-sale securities with market prices are marked to market as of the balance sheet date. Net unrealized gains or losses on these securities are recorded directly in shareholders' equity, 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.

(ii) Derivatives:

Marked to market

(iii) Inventories:

In principal, stated at cost based on the periodic average method

(Balance sheet value calculated by write-down method based on reduced profitability)

(2) Depreciation methods for important depreciable assets

(i) Tangible fixed assets (excluding lease assets)

The declining-balance method is used. However, the straight-line method is used for buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and for facilities attached to buildings and structures acquired on or after April 1, 2016.

Useful life of key items is deemed to be:

Buildings and other structures:	5–50 years
Machinery, equipment, and vehicles:	7–17 years

(ii) Intangible fixed assets (excluding lease assets)

Straight-line method

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).

(iii) Lease assets

Lease assets in finance lease transactions not involving transfer of ownership:

Depreciation is calculated by the straight-line method over the lease term for leased assets with no residual value.

(3) Accounting for significant reserves

(i) Allowance for doubtful accounts

To provide against possible losses from doubtful accounts such as receivables and loan allowances, a rate determined by past loss experience is used for general receivables, and allowances for certain doubtful accounts are provided for estimated amounts if they are judged to be uncollectible when the collectability of each of the accounts is individually studied.

(ii) Accrued bonuses

To provide for the payment of employee bonuses, accrued bonuses are provided for as the amount incurred during the current consolidated fiscal year based on the estimated amount of bonus payments.

(iii) Accrued officers' bonuses

To provide for the payment of officers' bonuses, accrued officers' bonuses are provided for as the amount incurred during the current consolidated fiscal year based on the estimated amount of bonus payments.

(iv) Provision for stock benefit

In order to prepare for the payment of company stocks to employees under the stock benefit program, the estimated amount of stock benefit obligation in the current consolidated fiscal year is recorded based on the merit points allocated to the employees.

(v) Provision for directors' stock benefit

In order to prepare for the delivery of the Company stocks to officers and directors under the share delivery program, the estimated amount of stock benefit obligation in the current consolidated fiscal year is recorded based on the merit points allocated to the officers and directors.

(4) Accounting policy for retirement benefits

(i) Attribution method for expected retirement benefits

To calculate retirement benefit obligations, the amount of expected retirement benefits is attributed to the consolidated fiscal year under review on a benefit formula basis.

(ii) Accounting method for actuarial differences and prior service costs

Prior service costs are charged using the straight-line method over a fixed number of years (7–10 years) that falls within the average remaining service period of the Company employees at the time such costs are incurred.

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 (7–10 years) that falls within the average remaining service period of Company employees at the time such costs are incurred in each fiscal year.

(5) Accounting for significant income and expenses

To account for revenue from completed construction work, the percentage-of-completion method is applied to construction contracts where the percentage of construction already completed by the end of the reporting period can be estimated fairly reliably. (The estimation is based on the proportion of direct costs incurred for each work phase as compared with the estimated total cost for the entire contract.) For construction contracts other than those mentioned above, the completed-contract method is applied.

(6) Home currency conversion of significant foreign-currency assets and liabilities

Monetary debts and credits denominated in foreign currencies are converted into yen at the spot exchange rate on the final day of the consolidated accounting period; any resulting conversion differences are treated as either gains or losses. The assets and liabilities of overseas consolidated subsidiaries, etc. are converted into yen at the spot exchange rate on the final day of their accounting periods, while income and expenses are calculated on an average exchange rate basis during the period. Any differences are included in net assets as foreign currency translation adjustments and minority interests.

(7) Amortization method of goodwill and the amortization period

Goodwill is amortized using the straight-line method over the period for which the investment is deemed to be in effect. However, if the amount of goodwill to be amortized is minor, it is amortized in its entirety during its duration.

(8) Scope of funds included in the consolidated statements of cash flows

These 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.

(9) Other significant matters in the preparation of the consolidated financial statements

Accounting for consumption taxes

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

### Change in Accounting Policy

(Application of IFRS 16 "Leases")

For those of our subsidiaries that are subject to IFRS accounting, we have applied IFRS 16 "Leases" from the current fiscal year. Accordingly, in principle, lessees recognize all leases on the quarterly consolidated balance sheet as assets and liabilities. In adopting this accounting standard, we adopted the permitted transitional measure whereby the cumulative effect when applying this standard, is recognized on the effective date of application.

As a result, compared with the previous accounting standard, the balance of lease assets under tangible fixed assets increased by ¥2,456 million, lease obligations under current liabilities by ¥1,028 million, and lease obligations under long-term liabilities by ¥1,214 million, while the balance of other current assets under current assets decreased by ¥74 million and other under investments and other assets by ¥140 million at the beginning of the current fiscal year. The effect this change has on our profits and losses during the current fiscal year is negligible.

### 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, the Directors' Compensation BIP Trust system for directors (excluding external directors and expatriates) and operating officers (excluding expatriates), as well as the Employee Stock Ownership Plan (J-ESOP) system for employees who meet the prescribed requirements have been introduced.

[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 provided to eligible persons.

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.

Under the Employee Stock Ownership Plan (J-ESOP), in accordance with the stock distribution rules and based on points granted according to their positions and operating performance, stocks of Amano Corporation are provided by the trust to employees who meet the prescribed requirements.

[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

Current fiscal year ¥827 million, 314,300 shares

## Segment Information

### 1. Outline of Reporting Segments

The reporting segments are defined as those business units which constitute the Company and from which separate financial information can be obtained. The reporting segments are periodically reviewed by the Company's highest decision-making body to determine the allocation of management resources and evaluate financial results.

The Company maintains several business units at its head office, separated into product and service types. The role of these business units is to formulate and implement domestic business strategies for similar types of products and services. In overseas business, meanwhile, local subsidiaries in each region develop strategies in their respective business fields in cooperation with the relevant business unit at the head office and carry out business activities in accordance with such strategy.

Based on the above, the Company divides its business into two segments, from which separate financial information can be obtained on a consolidated basis: the Time Information System business and the Environment System business. The operating results of these two segments are periodically reviewed by the Company's highest decision-making body to determine the allocation of management resources and evaluate financial results.

As described above, the Company's reporting segments consist of the Time Information System business and the Environment System business.

The Time Information System business and the Environment System business manufacture and sell the following products:

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, T&A/human-resource and payroll ASP services, time distribution and authentication services
	Time management equipment	PC-interface time recorders, computerized time recorders, standard electronic time recorders, electronic time stamps, numbering machines, patrol recorders
	Parking Systems	Automatic fee settlement systems, access control systems, parking lot management systems, bicycle parking systems, automatic time registers, parking tower management systems, Internet-based parking guidance systems, commissioned parking lot management business
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
	Clean Systems	Commercial vacuum cleaners, road and industrial sweepers, automatic floor scrubbers, high-speed burnishers, dry-care cleaning systems, carpet cleaning system, chemical products, supplies and accessories, electrolytic water cleaning systems, alkaline electrolytic water industrial cleaning systems

### 2. Methodology for Determining Net Sales, Profit/Loss, Assets, Liabilities, and Other Line Item Amounts by Reporting Segment

The accounting methods used by the reporting business segments are the same as those described in the Basis for the Presentation of the Consolidated Financial Statements section.

Profits for the reporting segments are reported at the operating profit level.

Intersegment internal earnings and transfers are based on prevailing market prices.

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

FY 2018 (April 1, 2018–March 31, 2019)

	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	96,665	35,047	131,713	—	131,713
Intersegment	—	—	—	—	—
Total	96,665	35,047	131,713	—	131,713
Segment profit (loss)	13,590	5,621	19,211	(4,049)	15,161
Segment assets	71,224	29,227	100,501	47,107	147,609
Other items					
Depreciation and amortization	4,706	565	5,271	577	5,849
Investments in affiliates accounted for using the equity method	1,843	—	1,843	—	1,843
Increases in tangible and intangible fixed assets	4,020	513	4,534	547	5,081

Notes: 1. Details of the adjustments are as follows.

- (1) The ¥4,049 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) The ¥47,107 million adjustment in segment assets indicates company-wide assets not allocated to the reporting segments. Company-wide assets consist mainly of assets and others associated with the administration function that do not belong to any of the reporting segments.

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

FY 2019 (April 1, 2019–March 31, 2020)

	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	100,016	33,068	133,084	—	133,084
Intersegment	—	—	—	—	—
Total	100,016	33,068	133,084	—	133,084
Segment profit (loss)	15,658	4,756	20,415	(4,246)	16,168
Segment assets	70,853	24,939	95,792	58,484	154,276
Other items					
Depreciation and amortization	6,103	578	6,681	628	7,310
Investments in affiliates accounted for using the equity method	1,976	—	1,976	—	1,976
Increases in tangible and intangible fixed assets	6,851	416	7,267	953	8,221

Notes: 1. Details of the adjustments are as follows.

- (1) The ¥4,246 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) The ¥58,484 million adjustment in segment assets indicates company-wide assets not allocated to the reporting segments. Company-wide assets consist mainly of assets and others associated with the administration function that do not belong to any of the reporting segments.

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

#### Per-share Data

	FY 2018 (April 1, 2018– March 31, 2019)	FY 2019 (April 1, 2019– March 31, 2020)
Net assets per share (Yen)	1,417.86	1,454.47
Net income per share (Yen)	121.17	141.40

- Note: 1. Details for the diluted net income per share are not stated, because there are no potential shares.  
2. The net income per share is calculated on the following basis.

Item	FY 2018 (April 1, 2018– March 31, 2019)	FY 2019 (April 1, 2019– March 31, 2020)
Net income per share		
Net income attributable to owners of the parent company (Millions of yen)	9,142	10,567
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income for common stock attributable to owners of the parent company (Millions of yen)	9,142	10,567
Average number of shares of common stock outstanding (Shares)	75,452,437	74,732,535

3. The net assets per share are calculated on the following basis.

Item	FY 2018 (as of March 31, 2019)	FY 2019 (as of March 31, 2020)
Total net assets (Millions of yen)	106,592	109,478
Amount to be deducted from total net assets (Millions of yen)	630	783
(of which, non-controlling shareholders' interests) (Millions of yen)	(630)	(783)
Net assets at the end of year attributable to common stock (Millions of yen)	105,961	108,695
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	74,733,204	74,731,928

4. Shares remaining in trust of the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP) recognized in shareholders' equity as treasury stock are included in treasury stock to be deducted in the calculation of the average number of shares outstanding over the period to calculate net income per share and also included in treasury stock to be deducted in the calculation of the number of shares of treasury stock at the end of the period to calculate net assets per share. The average number of shares of such treasury stock outstanding over the period that was deducted to calculate net income per share was 314,300 shares for both the previous fiscal year and the fiscal year under review. The number of shares of treasury stock at the end of the period that was deducted to calculate net assets per share was 314,300 shares for both the previous fiscal year and the fiscal year under review.

#### Significant Subsequent Events

None

## 6. Unconsolidated Financial Statements

### (1) Balance Sheets

(Millions of yen)

	FY 2018 (as of March 31, 2019)	FY 2019 (as of March 31, 2020)
<b>Assets</b>		
Current assets		
Cash and bank deposits	25,641	30,421
Notes receivable - trade	2,786	2,489
Accounts receivable - trade	21,441	19,360
Marketable securities	1,000	1,000
Merchandise and finished goods	1,814	1,639
Work in process	378	364
Raw materials and supplies	1,981	1,950
Other current assets	1,406	707
Allowance for doubtful accounts	(1)	(4)
Total current assets	56,447	57,928
Fixed assets		
Tangible fixed assets		
Buildings	8,172	8,310
Structures	228	232
Machinery and equipment	699	648
Vehicles	4	4
Tools, furniture and fixtures	514	535
Land	5,525	5,333
Construction in progress	34	137
Total tangible fixed assets	15,177	15,202
Intangible fixed assets		
Software	3,390	3,623
Software in progress	1,904	1,009
Other	35	35
Total intangible fixed assets	5,330	4,668
Investments and other assets		
Investment securities	8,149	6,799
Shares of subsidiaries and associates	36,779	38,816
Investments in capital of subsidiaries and associates	71	180
Claims in bankruptcy and similar claims	241	248
Fixed leasehold deposits	757	764
Long-term deposits	1,500	1,500
Insurance funds	1,245	1,280
Deferred tax assets	849	1,478
Other	55	79
Allowance for doubtful accounts	(260)	(267)
Total investments and other assets	49,390	50,881
Total fixed assets	69,898	70,752
Total assets	126,346	128,680

(Millions of yen)

	FY 2018 (as of March 31, 2019)	FY 2019 (as of March 31, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	782	498
Electronically recorded obligations	7,015	6,845
Accounts payable - trade	4,286	3,853
Accounts payable - other	165	194
Accrued expenses	2,270	1,898
Accrued income taxes	1,833	2,269
Accrued consumption taxes	575	847
Advances received	1,286	1,525
Deposits received	269	277
Deposits received from employees	1,743	1,790
Accrued bonuses	2,194	2,281
Accrued officers' bonuses	130	130
Other current liabilities	381	300
<b>Total current liabilities</b>	<b>22,935</b>	<b>22,713</b>
<b>Long-term liabilities</b>		
Provision for retirement benefits	550	681
Provision for stock benefit	95	198
Provision for directors' stock benefit	83	162
<b>Total long-term liabilities</b>	<b>729</b>	<b>1,042</b>
<b>Total liabilities</b>	<b>23,664</b>	<b>23,756</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	18,239	18,239
<b>Capital surplus</b>		
Legal capital surplus	19,292	19,292
<b>Total capital surpluses</b>	<b>19,292</b>	<b>19,292</b>
<b>Retained earnings</b>		
Legal retained earnings	2,385	2,385
<b>Other retained earnings</b>		
General reserve	10,881	10,881
Retained earnings brought forward	54,182	57,327
<b>Total retained earnings</b>	<b>67,448</b>	<b>70,594</b>
Treasury stock	(4,220)	(4,224)
<b>Total shareholders' equity</b>	<b>100,760</b>	<b>103,902</b>
<b>Valuation and translation adjustments</b>		
Net unrealized gains (losses) on available- for-sale securities	1,920	1,022
<b>Total valuation and translation adjustments</b>	<b>1,920</b>	<b>1,022</b>
<b>Total net assets</b>	<b>102,681</b>	<b>104,924</b>
<b>Total liabilities and net assets</b>	<b>126,346</b>	<b>128,680</b>



## (2) Statements of Income

(Millions of yen)

	FY 2018 (April 1, 2018- March 31, 2019)	FY 2019 (April 1, 2019- March 31, 2020)
Net sales	74,796	74,852
Cost of sales	42,574	41,828
Gross profit	32,222	33,023
Selling, general and administrative expenses	21,066	21,811
Operating profit	11,155	11,212
Non-operating profit		
Interest and dividend revenue	1,423	1,612
Foreign exchange gains	27	-
Other	682	617
Total non-operating profit	2,133	2,229
Non-operating expenses		
Interest expenses	18	18
Loss on foreign exchange	-	34
Other	60	57
Total non-operating expenses	78	111
Ordinary profit	13,210	13,330
Extraordinary income		
Gain on sales of investment securities	141	-
Reversal of allowance for investment loss	720	-
Other	0	0
Total extraordinary income	862	0
Extraordinary losses		
Loss on disposal of fixed assets	3	7
Loss on sale of fixed assets	1,143	194
Loss on valuation of investment securities	-	111
Total extraordinary losses	1,147	313
Income before income taxes	12,925	13,018
Income taxes	3,456	3,877
Deferred income taxes	(357)	(233)
Total income taxes	3,098	3,643
Net income	9,827	9,374

## (3) Statement of Changes in Shareholders' Equity

FY 2018 (April 1, 2018–March 31, 2019)

	Shareholders' equity	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at the beginning of the year	18,239	19,292	19,292
Changes during the year			
Reversal of reserve for reduction entry of buildings			
Dividends from surplus			
Net income			
Purchase of treasury stock			
Net changes in items other than shareholders' equity			
Total changes during the year	—	—	—
Balance at year end	18,239	19,292	19,292

	Net assets						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for reduction entry of buildings	General reserve	Retained earnings brought forward			
Balance at the beginning of the year	2,385	24	10,881	48,817	62,108	(1,892)	97,748
Changes during the year							
Reversal of reserve for reduction entry of buildings		(24)		24	—		—
Dividends from surplus				(4,486)	(4,486)		(4,486)
Net income				9,827	9,827		9,827
Purchase of treasury stock						(2,328)	(2,328)
Net changes in items other than shareholders' equity							
Total changes during the year	—	(24)	—	5,364	5,340	(2,328)	3,011
Balance at year end	2,385	—	10,881	54,182	67,448	(4,220)	100,760

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the year	2,224	2,224	99,973
Changes during the year			
Reversal of reserve for reduction entry of buildings			—
Dividends from surplus			(4,486)
Net income			9,827
Purchase of treasury stock			(2,328)
Net changes in items other than shareholders' equity	(303)	(303)	(303)
Total changes during the year	(303)	(303)	2,708
Balance at year end	1,920	1,920	102,681

FY 2019 (April 1, 2019–March 31, 2020)

	Shareholders' equity	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at the beginning of the year	18,239	19,292	19,292
Changes during the year			
Reversal of reserve for reduction entry of buildings			
Dividends from surplus			
Net income			
Purchase of treasury stock			
Net changes in items other than shareholders' equity			
Total changes during the year	—	—	—
Balance at year end	18,239	19,292	19,292

	Net assets						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for reduction entry of buildings	General reserve	Retained earnings brought forward			
Balance at the beginning of the year	2,385	—	10,881	54,182	67,448	(4,220)	100,760
Changes during the year							
Reversal of reserve for reduction entry of buildings							
Dividends from surplus				(6,228)	(6,228)		(6,228)
Net income				9,374	9,374		9,374
Purchase of treasury stock						(3)	(3)
Net changes in items other than shareholders' equity							
Total changes during the year	—	—	—	3,145	3,145	(3)	3,141
Balance at year end	2,385	—	10,881	57,327	70,594	(4,224)	103,902

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the year	1,920	1,920	102,681
Changes during the year			
Reversal of reserve for reduction entry of buildings			
Dividends from surplus			(6,228)
Net income			9,374
Purchase of treasury stock			(3)
Net changes in items other than shareholders' equity	(898)	(898)	(898)
Total changes during the year	(898)	(898)	2,243
Balance at year end	1,022	1,022	104,924

7. Breakdown of Unconsolidated Sales by Business Division

(Millions of yen)

Category	FY 2018 (April 1, 2018– March 31, 2019)		FY 2019 (April 1, 2019– March 31, 2020)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:		%		%		%
Information Systems	17,032	22.8	19,220	25.7	2,188	12.8
Time Management Products	3,063	4.1	3,002	4.0	(60)	(2.0)
Parking Systems	30,059	40.2	29,957	40.0	(101)	(0.3)
Subtotal	50,154	67.1	52,180	69.7	2,026	4.0
Environment System business:						
Environmental Systems	19,931	26.6	18,080	24.2	(1,851)	(9.3)
Clean Systems	4,710	6.3	4,591	6.1	(119)	(2.5)
Subtotal	24,642	32.9	22,671	30.3	(1,970)	(8.0)
Total	74,796	100.0	74,852	100.0	55	0.1
Export sales	2,446	3.3	1,699	2.3	(746)	(30.5)

8. Change of Directors

The change of directors was already officially announced in "Notice: The Changes of Corporate Officers and Personnel" as of March 25, 2020. ([http://www.amano.co.jp/English/ir/dl/news/2020/20200325\\_1.pdf](http://www.amano.co.jp/English/ir/dl/news/2020/20200325_1.pdf))