TIME & ECOLOGY
AMANO

Summary Financial Statements (Consolidated) for Fiscal Year 2013 (Year Ended March 31, 2014) (Japan GAAP)

May 8, 2014

Company name: Amano Corporation   Listed on: TSE
Securities code: 6436   URL: http://www.amano.co.jp/
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Scheduled date for Ordinary General Meeting of Shareholders: June 27, 2014
Scheduled date for filing of securities report: June 27, 2014
Scheduled date for start of dividend payments: June 30, 2014
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 2013 (April 1, 2013 to March 31, 2014)

(1) Operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
FY 2013 (year ended March 2014)	102,131	13.1	8,826	20.4	9,423	21.3	5,299	33.0
FY 2012 (year ended March 2013)	90,295	2.4	7,329	23.9	7,768	22.9	3,986	65.1

Note: Comprehensive income FY 2013 (year ended March 2014): 9,594 million yen (46.4%)
FY 2012 (year ended March 2013): 6,554 million yen (301.7%)

	Net income per share	Diluted net income per share	Ratio of net income to equity capita	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY 2013 (year ended March 2014)	69.19	—	6.6	8.1	8.6
FY 2012 (year ended March 2013)	52.04	—	5.4	7.3	8.1

Reference: Equity in earnings of affiliates FY 2013 (year ended March 2014): 49 million yen
FY 2012 (year ended March 2013): -47 million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2013 (year ended March 2014)	122,838	83,482	67.6	1,084.44
FY 2012 (year ended March 2013)	109,476	76,718	69.8	998.09

Reference: Equity capital As of March 31, 2014: 83,060 million yen As of March 31, 2013: 76,449 million yen

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2013 (year ended March 2014)	11,035	(6,081)	(780)	31,674
FY 2012 (year ended March 2013)	7,979	(6,220)	(1,575)	26,587

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2012 (year ended March 2013)	—	13.00	—	13.00	26.00	1,991	50.0	2.7
FY 2013 (year ended March 2014)	—	13.00	—	17.00	30.00	2,297	43.4	2.9
FY 2014 (year ending March 2015) (est.)	—	15.00	—	17.00	32.00		38.9	

3. Forecast earnings for fiscal year 2014 (April 1, 2014 to March 31, 2015)

(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	51,500	11.0	3,100	0.1	3,410	0.3	2,700	42.6	35.25
Full year	110,000	7.7	9,100	3.1	9,700	2.9	6,300	18.9	82.25

4. Other matters

(1) Significant changes among subsidiaries during the fiscal year under review (i.e. changes among specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes to accounting policies, changes to accounting forecasts, and restatements

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

[2] Changes to accounting policies other than those in [1] above : None

[3] Changes to accounting forecasts : None

[4] Restatements : None

Note: For details, please see Attachment page 24: "(5) Notes to Consolidated Financial Statements," which is in the section entitled "4. Consolidated Financial Statements."

(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, 2014	76,657,829 shares	As of March 31, 2013	81,257,829 shares
[2] Number of shares of treasury stock at the end of the period	As of March 31, 2014	64,808 shares	As of March 31, 2013	4,662,695 shares
[3] Average number of shares outstanding	As of March 31, 2014	76,594,071 shares	As of March 31, 2013	76,595,533 shares

Note: By a resolution of its Board of Directors, which was convened on March 27, 2013, the Company cancelled 4,600,000 of its treasury stock on April 8, 2013 and the number of outstanding shares is now 76,657,829.

Reference: Non-consolidated results

1. Business results for fiscal year 2013 (April 1, 2013 to March 31, 2014)

(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 2013 (year ended March 2014)	64,606	7.7	6,677	32.1	7,732	27.5	4,813	20.2
FY 2012 (year ended March 2013)	60,002	(1.0)	5,054	(4.3)	6,067	0.8	4,005	25.2

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2013 (year ended March 2014)	62.85	—
FY 2012 (year ended March 2013)	52.30	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2013 (year ended March 2014)	108,440	85,823	79.1	1,120.52
FY 2012 (year ended March 2013)	102,709	82,749	80.6	1,080.35

Reference: Equity capital As of March 31, 2014: 85,823 million yen As of March 31, 2013: 82,749 million yen

2. Forecast earnings for fiscal year 2014 (April 1, 2014 to March 31, 2015)

(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	31,000	8.4	2,300	7.0	2,900	5.1	1,800	3.9	23.50
Full year	67,500	4.5	6,700	0.3	7,600	(1.7)	4,600	(4.4)	60.06

Note: Presentation of the implementation status of audit procedures

These Summary Financial Statements are not subject to the audit procedures stipulated in Japan's Financial Instruments and Exchange Act. As of the date of release of these Summary Financial Statements, the financial statement audit procedures stipulated in the Act have not yet been completed.

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 matters related to earnings forecasts, please see Attachment page 2: "1. Analysis of Business Results and Financial Condition."

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 Friday, May 9, 2014. The financial results materials to be distributed at this briefing are due to be published on the Amano Corporation website immediately following the meeting.

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1. Analysis of Business Results and Financial Condition

(1) Analysis of Business Results

During the fiscal year ended March 31, 2014, although overseas economies continued to struggle due to uncertainty resulting from factors such as the slowdown of the Chinese economy and decelerating growth in emerging economies, the Japanese economy seemed to be on track to recover moderately. This was thanks to a continued increase in public investment due to the effects of the government's economic policy, a recovery in capital investment following an improvement in corporate profits, and steady personal consumption due to improvements in the employment and income situation.

Amid this business environment, the Amano Group worked in accordance with the consolidated global growth strategy outlined in its new medium-term business plan drawn up in April 2011 on global market and product development as well as the enhancement of its capacity to provide holistic solutions. The Amano Group also concentrated on thoroughly uncovering customer needs and strove to reduce the costs of goods sold (COGS) and selling, general, and administrative (SG&A) expenses.

As a result of the above, during the fiscal year under review, the Company recorded sales of ¥102,131 million, up by 13.1% year-on-year. Operating profit increased by 20.4% to ¥8,826 million, ordinary profit went up by 21.3% to ¥9,423 million, and net income increased by 33.0% to ¥5,299 million, resulting in increases in both income and profit.

The following is a breakdown of sales by business division.

Sales by business division (Millions of yen)

Category	FY 2012 (April 1, 2012– March 31, 2013)		FY 2013 (April 1, 2013– March 31, 2014)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	19,331	21.4	22,979	22.5	3,648	18.9
Time Management Products	3,996	4.4	4,087	4.0	91	2.3
Parking Systems	42,207	46.7	48,808	47.8	6,601	15.6
Subtotal	65,535	72.5	75,876	74.3	10,340	15.8
Environment System business:						
Environmental Systems	17,385	19.3	18,157	17.8	772	4.4
Clean Systems	7,374	8.2	8,097	7.9	722	9.8
Subtotal	24,760	27.5	26,255	25.7	1,494	6.0
Total	90,295	100.0	102,131	100.0	11,835	13.1

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 business

• Information Systems

The business environment for this business division has improved because companies' information-related investments have recovered in Japan following the economic recovery and the demand for system updates increased due to termination of Windows XP support.

In response to these market conditions, the Company focused on attracting demand by making more proposals for comprehensive solutions associated with the transition from owning systems to using systems that support the introduction of an optimum-working-hours system, control of total personnel expenses, and enhancement of labor compliance.

Domestic sales for the current term were as follows: hardware sales increased by ¥747 million (14.2%) year-on-year, software sales increased by ¥612 million (20.8%), and sales generated by maintenance contracts and supplies services increased by ¥232 million (6.9%). The increase in hardware sales was attributed to the effects of the launch of new products and orders for large-scale projects, and the increase in software sales was attributed to the strengthening of 3-in-1 sales activities for time and attendance (T&A), payroll, and human resource management. As a result, T&A system sales increased by ¥1,439 million (18.2%) while access control system sales were down by ¥118 million (9.0%).

Overall overseas sales increased by ¥1,861 million (27.0%). The sales of Accu-Time Systems, Inc. in North America increased thanks to positive foreign exchange rate effects and other factors; the sales of Horosmart S.A. in Europe remained strong and also increased.

As a result of the above, sales in this business division totaled ¥22,979 million, representing an increase of 18.9% year-on-year.

• Time Management Products
In Japan, this business division continued to struggle under difficult conditions because the demand structure has shifted from standard machines to systems.

In this market environment, the Company concentrated on expanding its customer base and uncovering new demand by strengthening Internet and mail order sales promotions on low-priced equipment and supply commodities.

Overall domestic sales for the current term increased by ¥20 million (0.7%), in spite of a decrease in exports due to the rush demand for consumable goods, etc. before the consumption tax hike and an increase in Internet and mail order sales. Overseas sales increased by ¥14 million (1.2%) thanks to positive foreign exchange rate effects and other factors.

As a result of the above, sales in this business division totaled ¥4,087 million, representing an increase of 2.3% year-on-year.

• Parking Systems
The Parking Systems business sector in Japan has been working to reduce the costs of parking lot management, promote environmental initiatives, ensure safety and security in parking lots, and increase convenience for parking lot users in order to respond to the increasingly diverse needs of parking lot management.

In response to these market conditions, the Company has, in cooperation with its Group companies in Japan, and with safety, security, and environmental awareness as its watchwords, focused its efforts on expanding commissioned parking lot management services. The company has done this by vigorously developing proposals for better services for parking lot users, proposals for efficient parking lot management utilizing a parking lot information distribution service, and comprehensive proposals covering equipment and various ancillary services. The Company has also made efforts to expand into new markets for security-gate systems, toll road systems, and bicycle parking systems, etc.

In Japan, sales of large parking lot systems during the fiscal year increased by ¥2,340 million (15.0%) and revenues from maintenance contracts and supplies services increased by ¥363 million (4.2%).

The commissioned management business by Group subsidiary Amano Management Service Corporation expanded steadily and the number of commissioned parking spaces increased by 31,400 (12.5%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥2,992 million (29.5%). Sales for North America increased because positive foreign exchange rate effects and other factors assisted Amano McGann, Inc., although sales decreased on a local currency basis. Sales for Europe increased due to increased orders for systems for Asian and Oceanian markets. Sales in the Asian region increased as sales in Korea remained firm.

As a net result of the above, sales in this business division totaled ¥48,808 million, up by 15.6% year-on-year.

Environment System business

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

• Environmental Systems
In this business division, capital investment started to increase moderately following the economic recovery in Japan, while capital investment by Japanese companies operating abroad remained steady. Against this backdrop, the business environment showed signs of recovery.

In this market environment, the Company has made efforts to boost sales of standard equipment by promoting new products in its solution proposals and has strengthened its efforts to expand new markets for pharmaceutical, foods, and cosmetics. The Company also proactively shifted its managerial resources to areas where there is demand and focused on the expansion of orders. The Company's efforts included the strengthening of local engineering capabilities, the establishment of closer cooperation with overseas group companies, and full-fledged business development in North America in order to attract demand from businesses operating overseas.

During the current term, domestic sales of standard dust collectors increased by ¥410 million (7.7%), although sales of large-scale systems decreased by ¥315 million (5.6%) affected by the restraints on capital investments that continued until the first half of the current fiscal year, and sales of maintenance contracts and supplies services decreased by ¥233 million (6.1%) year-on-year.

Overall overseas sales increased by ¥703 million (27.4%). Sales increased in the Asian market as a whole, especially Southeast Asia. Sales increased in the North American market due to increased orders for large-scale systems.

As a result of the above, sales in this business division totaled ¥18,157 million, up by 4.4% year-on-year.

• Clean Systems
This business division is seeing increasing needs for commissioned cleaning services and maintenance of building aesthetics despite the prolonged corporate restraints on cleaning management costs in Japan.

To cope with this market environment, the Company has actively developed proposals for improving efficiency without compromising quality. In addition, the division worked to unlock new demand by enhancing proposals for commissioned cleaning services and preparing new proposals based on the concept of comprehensive cleanliness solutions, including cleaning of both floors and vertical surfaces.

Domestic sales of cleaning equipment during the fiscal year under review increased by ¥296 million (15.4%) year-on-year, and revenue from maintenance contracts and supplies services increased by ¥6 million (0.2%), while revenue from commissioned cleaning services increased by ¥31 million (2.1%).

Overall overseas sales increased by ¥384 million (21.8%) year-on-year. In particular, sales for North America increased.

As a result of the above, sales in this business division totaled ¥8,097 million, up by 9.8% year-on-year.

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit (loss)			
	FY 2012 (year ended March 2013)	FY 2013 (year ended March 2014)	Change	Percentage change (%)	FY 2012 (year ended March 2013)	FY 2013 (year ended March 2014)	Change	Percentage change (%)
Japan	69,191	74,883	5,692	8.2	8,894	10,514	1,619	18.2
Other Asia	7,461	9,234	1,773	23.8	654	629	(25)	(3.9)
North America	10,186	12,634	2,447	24.0	303	(78)	(381)	—
Europe	5,453	7,179	1,725	31.6	168	520	351	208.3
Total	92,293	103,932	11,638	12.6	10,021	11,585	1,563	15.6
Eliminations/ Corporate	(1,998)	(1,801)	—	—	(2,692)	(2,759)	—	—
Consolidated	90,295	102,131	11,835	13.1	7,329	8,826	1,497	20.4

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, and China
(2) North America: United States and Canada
(3) Europe: France, Belgium, and Spain

Overseas sales

(Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	FY 2012 (year ended March 2013)	FY 2013 (year ended March 2014)	Change	Percentage change (%)	FY 2012 (year ended March 2013)	FY 2013 (year ended March 2014)	Change
Other Asia	7,779	9,342	1,563	20.1	8.6	9.2	0.6
North America	10,086	12,484	2,398	23.8	11.2	12.2	1.0
Europe	5,437	7,039	1,602	29.5	6.0	6.9	0.9
Other regions	89	327	237	265.4	0.1	0.3	0.2
Total	23,392	29,194	5,801	24.8	25.9	28.6	2.7
Consolidated net sales	90,295	102,131					

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, and China
(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) Analysis of Financial Condition

(i) Assets, liabilities, and net assets

Assets

Total assets as of March 31, 2014 amounted to ¥122,838 million, up by ¥13,361 million from the previous fiscal year-end. Current assets increased by ¥9,517 million year-on-year. This was chiefly due to a ¥5,839 million increase in cash and bank deposits and a ¥3,664 million increase in notes and accounts receivable-trade. Fixed assets increased by ¥3,844 million year-on-year. This was attributable primarily to, for tangible fixed assets, a ¥530 million increase in buildings and structures as well as a ¥272 million increase in lease assets, and for intangible fixed assets, a ¥1,178 million increase in software.

Liabilities

Total liabilities as of March 31, 2014 amounted to ¥39,355 million, up by ¥6,597 million year-on-year. Current liabilities increased by ¥3,872 million year-on-year. This was chiefly due to an increase of ¥1,128 million in accrued income taxes, an increase of ¥916 million in electronically recorded obligations, and an increase of ¥745 million in other current liabilities due to an increase in accrued expenses. Fixed liabilities increased by ¥2,724 million year-on-year. The principal factors behind this were an increase of ¥4,158 million in net defined benefit liabilities and an increase of ¥889 million in long-term bank loans, despite a decrease of ¥2,670 million in accrued retirement benefits for employees associated with changes in accounting standards.

Net Assets

Total net assets as of March 31, 2014 amounted to ¥83,482 million, up by ¥6,764 million from the previous fiscal year-end. This was primarily due to an increase of ¥3,306 million in shareholders' equity by posting net income and an increase of ¥3,305 million in total accumulated other comprehensive income resulting from an increase in foreign currency translation adjustments.

(ii) Cash flows

Consolidated cash and cash equivalents increased by ¥5,087 million from the previous fiscal year-end to a total of ¥31,674 million as of March 31, 2014. The status of each type of cash flow at year-end and the underlying factors are as follows.

Cash flow from operating activities

Net cash provided by operating activities totaled ¥11,035 million. This was attributable primarily to income before income taxes amounting to ¥9,299 million, and depreciation and amortization amounting to ¥3,711 million, despite income taxes payments amounting to ¥3,084 million.

Cash flow from investing activities

Net cash used in investing activities totaled -¥6,081 million. This was largely due to expenditures of ¥5,267 million for the placement of time deposits, ¥3,225 million for the acquisition of tangible fixed assets, ¥2,250 million for the acquisition of intangible fixed assets, and ¥2,000 million for the acquisition of securities. These outflows were more than offset by proceeds of ¥4,683 million from the withdrawal of time deposits and ¥2,200 million from the redemption of securities.

Cash flow from financing activities

Net cash used in financing activities amounted to -¥780 million. This was chiefly due to the payment of dividends amounting to ¥1,991 million and repayment of finance lease obligations of ¥1,507 million, despite proceeds from sale and leaseback of ¥1,891 million and proceeds from long-term debt of ¥972 million.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2010	As of Mar. 31, 2011	As of Mar. 31, 2012	As of Mar. 31, 2013	As of Mar. 31, 2014
Equity ratio (%)	73.4	70.3	69.6	69.8	67.6
Fair value equity ratio (%)	64.7	59.3	56.9	62.3	66.5
Ratio of cash flow to interest-bearing liabilities (%)	17.1	31.4	50.2	34.7	37.3
Interest coverage ratio	250.6	275.2	158.1	207.7	219.7

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.

(iii) Outlook for fiscal year ending March 31, 2015

During the fiscal year ending March 31, 2015, we forecast that the Japanese economy will continue to recover as exports are expected to increase due to the recovery of the global economy and the yen’s depreciation. Public investment is expected to remain firm while capital investment is expected to moderately increase, although there will be effects of rush demand and reaction to the same resulting from the consumption tax rate hike.

Amid this business environment, Amano Corporation and its Group companies continue to emphasize the following strategies: 1) emphasis on Time & Ecology business fields, and enhancement of core business; 2) becoming a niche leader in the business fields in which we excel; 3) ceaseless restructuring; and 4) management based on cash flow. In line with these four fundamental strategies, we will work to address the important challenges 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 while aiming at a 100-year Company having “Challenge Ourselves to Advance to a New Stage” as its management concept.

The following business results are projected for the fiscal year ending March 31, 2015: net sales of ¥110,000 million, operating profit of ¥9,100 million, ordinary profit of ¥9,700 million, and net income of ¥6,300 million. These projections assume currency exchange rates of ¥100 to the US dollar and ¥137 to the euro.

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

Amano places great importance on its policy for the payment of dividends to shareholders. Fundamental to this is its policy for the return of profit to shareholders, based on maintaining a stable ordinary dividend of ¥26 annually (interim dividend of ¥13 and year-end dividend of ¥13), together with appropriate results-based distributions of profits and flexible purchasing of treasury stock. The Company aims to maintain a payout ratio of at least 35% on a consolidated basis and a ratio of dividend to net assets of at least 2.5%.

In line with this policy, taking into account our current-year operations results, we plan to pay a year-end dividend of ¥17 per share, an increase of ¥4 per share compared with the amount paid at the end of the previous year. As a result, the annual per-share dividend will be ¥30 (including the ¥13 per share paid as the interim dividend). This corresponds to a dividend payout ratio of 43.4% and a 2.9% ratio of dividends to net assets on a consolidated basis.

With regard to our Basic Policy on Distribution of Profits for the next fiscal year, in line with the new medium-term business plan we started to implement in April 2014, in order to return more profits to our shareholders we aim to maintain a payout ratio of at least 40% on a consolidated basis while maintaining a stable ordinary dividend of ¥26 annually (interim dividend of ¥13 and year-end dividend of ¥13) as well as a ratio of dividend to net assets of at least 2.5%.

Taking into consideration this new Basic Policy and the earnings forecasts, we aim to pay an annual per-share dividend of ¥32 for the next fiscal year (interim dividend of ¥15 and year-end dividend of ¥17).

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.

(4) 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 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.

Forward-looking statements are current as of the date of the release of these financial results (May 8, 2014).

(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, 2014, the Time Information System business accounted for 74.3% of total sales, and the Environment System business accounted for 25.7%. Before the deduction of unallocated expenses, the Time Information System business contributed 80.9% to operating profit, while the Environment System business contributed 19.1%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 74.0% of total sales and 80.1% of operating profit.

One future risk factor is that if market expansion is forecast for a business activity within the Time Information System 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.

(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.

(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. In view of this, the Company has strengthened and thoroughly implemented security control measures based on the Information Security Management Rules. Specifically, the Company has implemented measures to protect confidential information (e.g., encrypting hard disk drives and external media) as well as provided periodic staff training through e-learning. Furthermore, the Company obtained the Privacy Mark certification in February 2014 and has implemented all possible measures to ensure information security, including supervision of service providers and thorough compliance with internal rules. Nevertheless, the occurrence of an unforeseen situation 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.

(iv) Natural disasters

Natural disasters (e.g., large-scale earthquakes, windstorms, or floods) may damage human lives or property. The Amano Group has implemented necessary measures such as having employees always carry emergency contact information cards even during ordinary times, relocating file servers to external data centers, and developing a system for setting up an emergency response headquarters to respond to emergency situations. However, if offices or sites at sales and production bases are damaged or if a situation arises in which it is difficult for employees to engage in operations, business activities may be temporarily suspended.

(v) Overseas business development

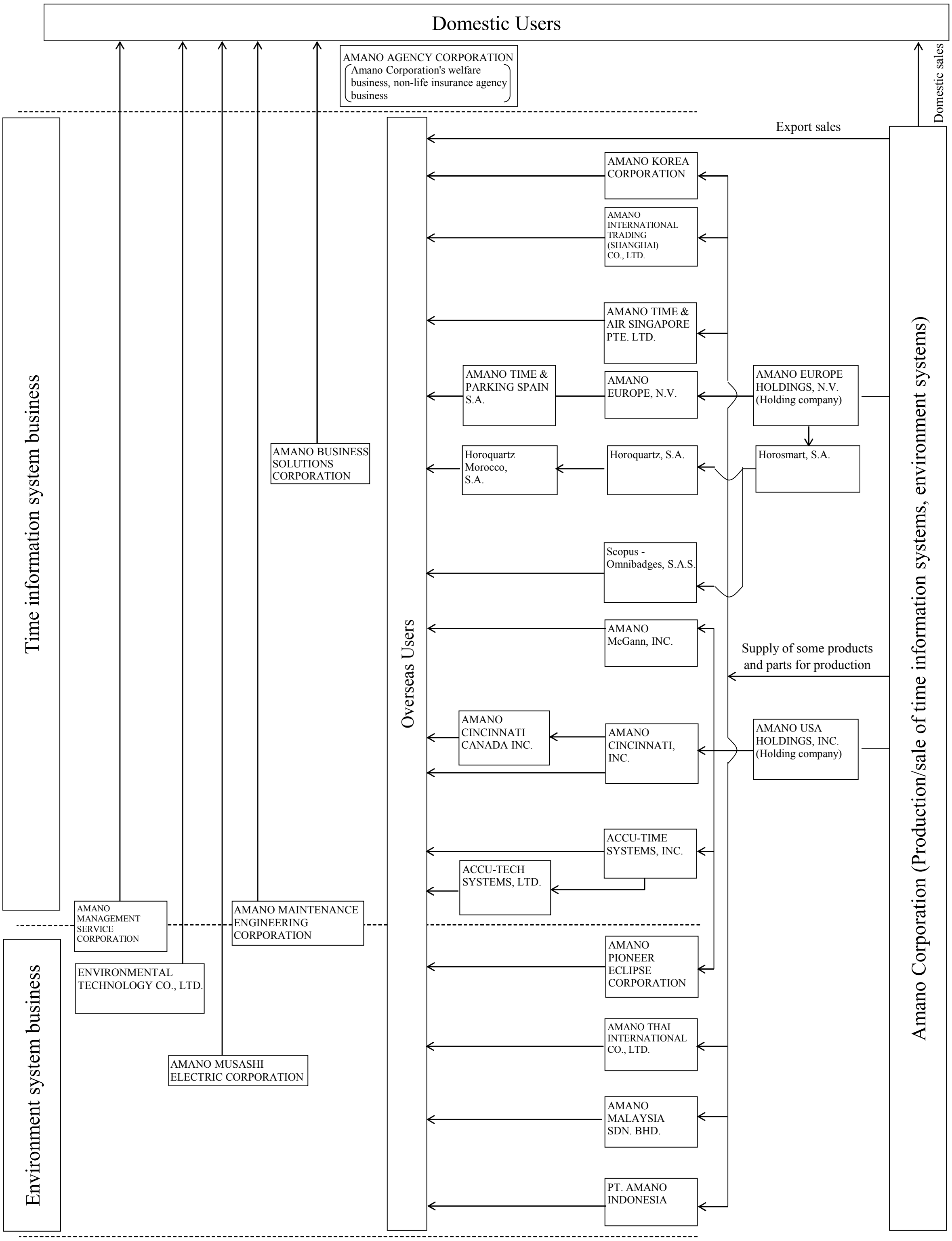
The Amano Group has been developing its business globally in Japan, North America, Europe, and Asia. Therefore, there is a possibility that a situation may arise in which business operations are disrupted due to the application of unique laws, ordinances, or regulations or social disorder due to political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

2. Status of the Corporate Group

The Amano Group, which comprises Amano Corporation and 26 subsidiaries, engages primarily in the production and sale of time information systems and environment systems.

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

The positioning of the companies in the chart's business categories is based on each company's principal line of business.


Domestic Users
AMANO AGENCY CORPORATION
Amano Corporation's welfare business, non-life insurance agency business
Domestic sales
Export sales
Time information system business
Environment system business
Overseas Users
Amano Corporation (Production/sale of time information systems, environment systems)
AMANO KOREA CORPORATION
AMANO INTERNATIONAL TRADING (SHANGHAI) CO., LTD.
AMANO TIME & AIR SINGAPORE PTE. LTD.
AMANO TIME & PARKING SPAIN S.A.
AMANO EUROPE, N.V.
AMANO EUROPE HOLDINGS, N.V. (Holding company)
AMANO BUSINESS SOLUTIONS CORPORATION
Horoquartz Morocco, S.A.
Horoquartz, S.A.
Horosmart, S.A.
Scopus - Omnibadges, S.A.S.
AMANO McGann, INC.
Supply of some products and parts for production
AMANO CINCINNATI CANADA INC.
AMANO CINCINNATI, INC.
AMANO USA HOLDINGS, INC. (Holding company)
ACCU-TIME SYSTEMS, INC.
ACCU-TECH SYSTEMS, LTD.
AMANO MANAGEMENT SERVICE CORPORATION
AMANO MAINTENANCE ENGINEERING CORPORATION
ENVIRONMENTAL TECHNOLOGY CO., LTD.
AMANO PIONEER ECLIPSE CORPORATION
AMANO THAI INTERNATIONAL CO., LTD.
AMANO MUSASHI ELECTRIC CORPORATION
AMANO MALAYSIA SDN. BHD.
PT. AMANO INDONESIA

3. Business Policies

(1) Basic Management Policy

Throughout its history, Amano has adhered to a basic policy of putting the customer first. This has meant paying heed to what its customers say—based on its corporate themes of "people and time" and "people and the environment"—and giving pivotal importance to customer satisfaction throughout its business activities, particularly in sales, production, and development.

In accordance with this fundamental policy, Amano continues to undertake business activities with the goal of earning the trust and high regard of all those who support it: the customers, employees, shareholders, suppliers and other entities with which it does business, and the local community. It achieves this by providing a variety of products, systems, services, and solutions that match the needs of its customers in relation to the themes of "people and time" and "people and the environment."

Amano and its Group companies direct their efforts toward maximizing corporate value by fostering innovation in management and by ensuring a strong earnings structure and sustained growth in business performance.

(2) New Medium-Term Business Plan

Amano and all of its Group companies continue to pursue the Group's tradition of continuing to evolve in response to the changes of the times, while remaining committed to the following four immutable strategies of the Amano Group.

(i) Emphasis on the Time & Ecology business fields and enhancement of our core business
(ii) Being a niche leader in the business fields in which we excel
(iii) Ceaseless restructuring
(iv) Management based on cash flow

In accordance with these four fundamental strategies, Amano launched a new medium-term business plan. An outline of the plan is set out below.

[1] Basic policies

Under its new medium-term business plan, aiming to become a 100-year Company, the Group will work to address the following four priority challenges with "Challenge Ourselves to Advance to a New Stage" as its management concept:

(i) Expansion of business: Increase sales and achieve an operating profit ratio of 10%
(ii) Improvement in management efficiency: Increase earnings capacity aiming to achieve an ROE (return on equity) of 10%
(iii) Strengthening of consolidated management: Increase the consolidated-to-non consolidated net sales ratio by 10% by growing domestic and overseas Group companies
(iv) Evolution of corporate governance: Enhance the environment for internal controls for the entire Amano Group

Under these basic policies, the Company will carry out the following measures.

1. North American and European markets

North America: In the Parking Systems business, we will further expand business by introducing Amano McGann's new systems into the market and by improving our ability to propose solutions through enhancement of peripheral services. In the Information System business, we will continue to scale up operations by launching a new series of Accu-Time Systems Inc. terminals into the market and developing cloud services. In the Clean Systems business, we will expand business by acquiring the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp. In the Environment Systems business, we will boost sales of standard equipment to Japanese companies operating outside Japan, centering on automobile-related businesses.

Europe: In the Information Systems business, we will continue to enhance our French market customer base and will strive to permeate and expand the markets in Belgium and Germany by offering T&A, access control, and cloud solutions through Horosmart S.A. In the Parking Systems business, we will strive to expand business by accelerating the deployment of low-cost barcode systems and focusing efforts on the new commissioned management services business.

2. Asian, Latin American and other emerging markets

Asia: In the Parking Systems business, we will scale up operations by launching low-end barcode systems into the market and enhancing the commissioned management services business. In the Environment 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 expand our local production capabilities in order to enhance cost competitiveness.

Latin America: In light of future local business expansion, we will explore market frontiers in the Information Systems, Parking Systems, and Environment Systems businesses.

3. Japanese market

Japan: We will reinforce ties among Group companies 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 increase our stable of customers by locking in existing customers as well as our flow of customers by acquiring new customers.

[2] Numerical targets

In FY 2016 (ending March 2017), the final fiscal year of the medium-term business plan, the Company aims to achieve net sales of at least ¥130,000 million and an operating profit of at least ¥13,000 million.

Numerical targets

(Millions of yen)

	FY 2014 (ending March 2015)		FY 2015 (ending March 2016)		FY 2016 (ending March 2017)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	110,000	7.7	119,000	8.2	130,000	9.2
Operating profit	9,100	3.1	10,900	19.8	13,000	19.3
Operating profit ratio (%)	8.3	—	9.2	—	10.0	—
Ordinary profit	9,700	2.9	11,600	19.6	13,600	17.2
Net profit	6,300	18.9	6,900	9.5	8,300	20.3

(3) Issues to Be Addressed

The Company will take the following steps to achieve the goals set out in its new medium-term business plan.

1) Time Information Systems

• Information Systems business

In the Information Systems business, the economic environment in Japan has become positive, and labor authorities have continued efforts to more strictly monitor unpaid overtime and long working hours (overworking); potential demand among companies for T&A systems, which are used to establish and build labor time management systems, has translated into effective demand in efforts to ensure compliance through appropriate working hours management. In addition, against the backdrop of the need to respond to the My Number System and the movement toward applying the extra wage rate to overtime work exceeding 60 hours per month (from which small- and medium-sized enterprises are exempt) as well as the review of the legislation on working hours from the viewpoint of improving labor productivity, demand for both company system updates and systems for using cloud computing and smart devices is expected to increase.

Given this market environment, for small- and medium-sized enterprise markets, we will strengthen proposals by adding the mental healthcare system to the 3-in-1 management system, covering T&A, payroll, and human resource management as well as expand the market by offering comprehensive solutions including hardware, software, and cloud services. In the medium-sized enterprise market, we will enter the financial accounting market by tying up with CREO CO., LTD. and work to expand operations with the aim of becoming a "mini-ERP vendor" by enhancing software for T&A, human resources, payroll, and accounting as well as strengthening our consulting sales activities.

In overseas markets, we will expand and improve our cloud services in Europe and the United States. Further, Horosmart, S.A. (France) aims to expand its market into other areas of Europe, while Accu-Time Systems Inc. (North America) aims to strengthen its customer base by introducing a new series of terminals.

• Parking Systems business

As for the Parking Systems business, amidst the economic recovery, the parking lot-related market has been expanding against the backdrop of the vitalization of the real estate market and the recovery in automobile sales volume, etc. In addition to the need for parking lot management cost reduction, ensuring of safety and security in parking lots, and consideration of the environment, the need to propose solutions to improve user convenience has been increasing.

Given this market environment, we aim to become a "parking facility service provider" by further strengthening tie-ups with major parking lot management companies while improving functions and operability of system equipment as well as providing various services, including commissioned management services, through our parking lot data center for small- and medium-sized parking lot management companies. In addition, we will strengthen and expand our efforts related to facilities such as security gates, toll roads, and bicycle parking lots in order to expand our business.

As for overseas markets, in the United States, Amano McGann, Inc. will introduce new systems and strengthen solution proposals by expanding and improving peripheral services to expand the market. In Europe, we will accelerate the development of low-cost barcode systems and expand our business by working on the new commissioned management service business. In Asia, we will aim to expand our business by strengthening low-end barcode systems and the commissioned management service business.

2) Environment Systems business

• Environment Systems

In the Environmental Systems business, capital investment has bottomed out in Japan as a result of the recovering economy, and Japanese-affiliated companies operating abroad exhibit a trend of increasing their capital investment, which has been expanding from China and Southeast Asia to the Americas.

Given this market environment, in Japan we will aggressively capture demand mainly for standard equipment and expand sales in the pharmaceutical, food, and cosmetics industries, which are expected to grow steadily. We will also work to strengthen our engineering capabilities and comprehensive sales, including that of peripheral equipment, by tie-ups with industrial equipment manufacturers with the aim of becoming a "global engineering multivendor."

In overseas markets, we will strengthen our engineering capabilities and ability to offer products and render services to Japanese companies operating outside Japan by tie-ups between our Group companies across Asia and our head office in Japan. We will also expand our local production capabilities in order to enhance cost competitiveness.

• Clean Systems

In the Clean Systems business, while the trend of companies trying to reduce cleaning costs continues, amid the aging of sanitary workers and an increase in the number of inexperienced workers, needs to improve safety and operability of cleaning equipment have been increasing. At the same time, the need for maintaining building aesthetics at low cost has also been increasing.

Given this market environment, in Japan we will strengthen our customer base by introducing into the market polishers featuring a safety device and expanding sales of small scrubbers in response to the opening up of small urban supermarkets and the increase in the number of eat-in areas at convenience stores. With the aim of becoming a “total cleanliness service provider,” we also promote comprehensive proposals, including those for commissioned cleaning services and aesthetic maintenance.

In overseas markets, we will capitalize on the demand of Japanese-affiliated distribution companies opening up stores in the Asian region and expand our business by acquiring the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp. in North America.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Assets		
Current assets		
Cash and bank deposits	29,175	35,014
Notes and accounts receivable—trade	24,920	28,584
Marketable securities	1,241	1,658
Merchandise and finished goods	2,984	3,054
Work in process	931	761
Raw materials and supplies	2,781	3,303
Deferred tax assets	1,235	1,245
Other current assets	2,160	1,415
Allowance for doubtful accounts	(177)	(265)
Total current assets	65,253	74,771
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	10,559	11,089
Machinery and vehicles (net)	807	802
Tools, furniture and fixtures (net)	1,158	1,338
Land	7,167	7,247
Lease assets (net)	3,087	3,359
Construction in progress	206	406
Total tangible fixed assets	22,985	24,244
Intangible fixed assets		
Goodwill	4,679	5,128
Software	1,363	2,541
Software in progress	1,396	794
Other	1,042	1,890
Total intangible fixed assets	8,481	10,355
Investments and other assets		
Investment securities	6,450	6,634
Long-term loans receivable	13	12
Claims in bankruptcy and similar claims	401	388
Fixed leasehold deposits	1,153	1,054
Deferred tax assets	1,740	2,152
Long-term deposits	1,500	1,500
Net defined benefit assets	—	73
Other	1,978	2,055
Allowance for doubtful accounts	(483)	(406)
Total investments and other assets	12,755	13,465
Total fixed assets	44,222	48,066
Total assets	109,476	122,838

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	5,633	6,065
Electronically recorded obligations	5,404	6,320
Short-term bank loans	197	451
Lease obligations	1,162	1,364
Accrued income taxes	1,878	3,007
Accrued bonuses	1,780	1,975
Other current liabilities	9,046	9,791
Total current liabilities	25,104	28,976
Long-term liabilities		
Long-term bank loans	1,244	2,133
Long-term accounts payable—other	201	189
Lease obligations	3,133	3,412
Deferred tax liabilities	247	122
Accrued retirement benefits for employees	2,670	—
Net defined benefit liabilities	—	4,158
Asset retirement obligations	17	29
Other long-term liabilities	138	331
Total long-term liabilities	7,653	10,378
Total liabilities	32,758	39,355
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,567	19,293
Retained earnings	49,385	49,298
Treasury stock	(3,719)	(52)
Total shareholders' equity	83,472	86,778
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	316	574
Foreign currency translation adjustments	(7,340)	(3,481)
Remeasurements of defined benefit plans	—	(812)
Total accumulated other comprehensive income	(7,023)	(3,718)
Minority interests	268	422
Total net assets	76,718	83,482
Total liabilities and net assets	109,476	122,838

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

Consolidated Statements of Income

(Millions of yen)

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Net sales	90,295	102,131
Cost of sales	50,527	57,840
Gross profit	39,767	44,290
Selling, general and administrative expenses		
Selling expenses	29,238	32,207
General and administrative expenses	3,200	3,256
Total selling, general and administrative expenses	32,438	35,464
Operating profit	7,329	8,826
Non-operating profit		
Interest income	78	91
Dividend income	97	84
Insurance dividend income	18	100
Insurance income	90	51
Foreign exchange gains	189	147
Equity in earnings of affiliates	—	49
Other	201	203
Total non-operating profit	675	729
Non-operating expenses		
Interest expenses	41	50
Foreign withholding tax	22	15
Provision of allowance for doubtful accounts	61	—
Equity in losses of affiliates	47	—
Other	62	66
Total non-operating expenses	236	132
Ordinary profit	7,768	9,423
Extraordinary income		
Gain on sale of fixed assets	7	24
Gain on sales of investment securities	2	—
Gain on liquidation of subsidiaries	—	25
Subsidiary income	7	—
Other	1	—
Total extraordinary income	18	50
Extraordinary losses		
Loss on disposal of fixed assets	41	51
Loss on sale of fixed assets	1	3
Loss on valuation of investment securities	244	—
Loss on liquidation of subsidiaries	11	—
Loss on extinguishment of tie-in shares	—	37
Loss on reduction of fixed assets	6	—
Impairment loss	—	80
Special retirement expenses	143	0
Other	4	—
Total extraordinary losses	454	174
Income before income taxes	7,332	9,299

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
		(Millions of yen)
Income taxes	3,187	4,039
Deferred income taxes	78	(160)
Total income taxes	3,265	3,878
Income before minority interests	4,066	5,420
Minority interests	80	121
Net income	3,986	5,299

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Income before minority interests	4,066	5,420
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	497	258
Foreign currency translation adjustments	1,961	3,880
Share of other comprehensive income of associates accounted for using equity method	28	35
Total other comprehensive income	2,487	4,174
Comprehensive income	6,554	9,594
(Breakdown)		
Comprehensive income attributable to owners of the parent Company	6,435	9,417
Comprehensive income attributable to minority interests	118	177

(3) Consolidated Statement of Changes in Shareholders' Equity

FY 2012 (April 1, 2012–March 31, 2013)

(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	19,567	47,391	(3,719)	81,478
Changes during the year					
Dividends from surplus			(1,991)		(1,991)
Net income			3,986		3,986
Purchase of treasury stock				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	1,994	(0)	1,994
Balance at year end	18,239	19,567	49,385	(3,719)	83,472

	Accumulated other comprehensive income			Minority interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the year	(179)	(9,294)	(9,473)	186	72,191
Changes during the year					
Dividends from surplus					(1,991)
Net income					3,986
Purchase of treasury stock					(0)
Net changes in items other than shareholders' equity	495	1,953	2,449	82	2,532
Total changes during the year	495	1,953	2,449	82	4,526
Balance at year end	316	(7,340)	(7,023)	268	76,718

FY 2013 (April 1, 2013–March 31, 2014)

(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	19,567	49,385	(3,719)	83,472
Changes during the year					
Dividends from surplus			(1,991)		(1,991)
Net income			5,299		5,299
Purchase of treasury stock				(2)	(2)
Cancellation of treasury stock		(274)	(3,395)	3,669	—
Net changes in items other than shareholders' equity					
Total changes during the year	—	(274)	(87)	3,667	3,306
Balance at year end	18,239	19,293	49,298	(52)	86,778

	Accumulated other comprehensive income				Minority interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Remeasurements of defined benefit plans	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of the year	316	—	(7,340)	(7,023)	268	76,718
Changes during the year						
Dividends from surplus						(1,991)
Net income						5,299
Purchase of treasury stock						(2)
Cancellation of treasury stock						—
Net changes in items other than shareholders' equity	258	(812)	3,859	3,305	153	3,458
Total changes during the year	258	(812)	3,859	3,305	153	6,764
Balance at year end	574	(812)	(3,481)	(3,718)	422	83,482

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Cash flows from operating activities		
Income before income taxes	7,332	9,299
Depreciation and amortization	3,558	3,711
Amortization of goodwill	561	668
Impairment loss	—	80
Increase (decrease) in accrued retirement benefits for employees	(337)	(2,724)
Increase (decrease) in net defined benefit liabilities	—	2,897
Increase (decrease) in allowance for doubtful accounts	38	(3)
Interest and dividend revenue	(175)	(176)
Equity in (earnings) losses of affiliates	47	(49)
Interest expenses	41	50
Foreign currency translation loss (gain)	(23)	30
Loss (gain) on sale of fixed assets	(5)	(21)
Loss on disposal of fixed assets	41	51
Loss on reduction of fixed assets	6	—
Loss (gain) on sale of investment securities	(2)	—
Loss (gain) on valuation of investment securities	244	—
Extra retirement payment	143	0
Loss (gain) on liquidation of subsidiaries	11	(25)
Loss (gain) on extinguishment of tie-in shares	—	37
Subsidiary income	(7)	—
(Increase) decrease in trade notes and accounts receivable	(413)	(2,089)
(Increase) decrease in inventories	(173)	217
Increase (decrease) in accounts payable	414	958
Increase (decrease) in other current liabilities	444	7
Other	(341)	982
Subtotal	11,408	13,902
Receipts from interest and dividends	222	244
Interest paid	(41)	(50)
Extra retirement payment	(209)	(0)
Income taxes paid	(3,443)	(3,084)
Income taxes refunded	42	23
Net cash provided by operating activities	7,979	11,035

(Millions of yen)

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Cash flows from investing activities		
Payment for acquisition of securities	(2,000)	(2,000)
Proceeds from redemption of securities	2,000	2,200
Payment for purchase of tangible fixed assets	(2,152)	(3,225)
Proceeds from sale of tangible fixed assets	23	33
Payment for acquisition of intangible fixed assets	(1,883)	(2,250)
Payment for acquisition of investment securities	(1,803)	(306)
Proceeds from redemption of investment securities	—	50
Proceeds from sale of shares of affiliated companies	—	36
Purchase of shares of subsidiaries	—	(101)
Proceeds from liquidation of subsidiaries	—	25
Proceeds from subsidies	7	—
Repayment for loans to third parties	(63)	(7)
Collection of loans receivable	65	11
Increase in time deposits	(5,762)	(5,267)
Proceeds from withdrawal of time deposits	5,265	4,683
Other	84	36
Net cash used in investing activities	(6,220)	(6,081)
Cash flows from financing activities		
Proceeds from short-term debt	—	145
Repayment for short-term bank loans	(173)	(264)
Proceeds from long-term debt	—	972
Payment for acquisition of treasury stock	(0)	(2)
Repayment of finance/lease obligations	(1,173)	(1,507)
Proceeds from sale and leaseback	1,807	1,891
Dividends paid	(1,991)	(1,991)
Dividends paid to minority interests	(18)	(24)
Liquidating dividends paid to minority interests	(25)	—
Net cash used in financing activities	(1,575)	(780)
Effect of exchange rate changes on cash and cash equivalents	481	881
Net increase (decrease) in cash and cash equivalents	665	5,054
Cash and cash equivalents at the beginning of the year	25,921	26,587
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	32
Cash and cash equivalents at end of period	26,587	31,674

(5) Notes to Consolidated Financial Statements

Notes Regarding the Premise of a Going Concern

None

Basis for the Presentation of the Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 26

Names of major consolidated subsidiaries:

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

Pial Technology S.A. was absorbed by and merged into its parent Horoquartz S.A., a consolidated subsidiary of Amano,
on January 1, 2013.

(2) Names of non-consolidated subsidiaries:

AMANO SOFTWARE ENGINEERING (SHANGHAI) CO., LTD.; @PARK KOREA CO., LTD.; AMANO PARKING EUROPE, N.V.; AMANO UK Ltd.; Amano Manufacturing Shanghai Co., Ltd.; Amano Cleantech (M) Sdn. Bhd.; Amano Parking Service Ltd. (7 companies)

Amano Parking Service Ltd. was established on July 17, 2013.

TIME STAMP SOLUTIONS CO., LTD. was merged with Amano Korea Corporation, a consolidated subsidiary of Amano, on December 31, 2013.

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: 2
Names of affiliated companies to which the equity method is applied:
PARKINSYS TECHNOLOGY CO., LTD.
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)

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

Useful life of key items is deemed to be:

Buildings and other structures:	7–50 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.

Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

(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 the 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 fiscal year based on the estimated amount of bonus payments.

(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 based on the straight-line 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 (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 (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.

Changes to Accounting Policies

From the end of the fiscal year ended March 31, 2014, the Company has applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, issued on May 17, 2012) and Guidance on the Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, issued on May 17, 2012), except for the provisions of the main clauses of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on the Accounting Standard for Retirement Benefits. Under the new standard, the Company has changed its accounting method to recognize retirement benefit obligations less pension assets as net defined benefit liabilities and recorded unrecognized actuarial differences and unrecognized prior service costs under net defined benefit liabilities.

Application of the Accounting Standard for Retirement Benefits and Guidance on the Accounting Standard for Retirement Benefits is in line with the transitional measures in paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effects of the change have been added to or deducted from recalculation of defined benefit plans under accumulated other comprehensive income as of March 31, 2014.

As a result, net defined benefit liabilities of ¥4,158 million were recorded and accumulated other comprehensive income decreased by ¥812 million as of March 31, 2014.

The effects on per share figures are presented in the relevant section.

Changes to Presentation Methods

(Consolidated statements of cash flows)

Previously, payment and proceeds generated in the Group’s subsidiary associated with the installation of parking lot equipment in its commissioned parking lot management business were regarded as the flow of funds temporarily passing through the subsidiary and accumulated in “Other,” etc. in cash flow from operating activities. However, in the case where the scale of the commissioned parking lot management business is expanding and the business form is changing, apparent investing activities, such as the acquisition of parking lot management rights, have been conducted and associated financing activities have been diversified. Therefore, from the fiscal year under review, payment for the acquisition of equipment and the like will be shown in “Payment for purchase of tangible fixed assets” and “Payment for acquisition of intangible fixed assets” in cash flows from investing activities, and proceeds associated with leaseback of such equipment will be shown in “Proceeds from sale and leaseback” in cash flows from financing activities. To reflect these changes in presentation methods, the consolidated statements of cash flows for the previous fiscal year have been reclassified.

As a result of the above, in the consolidated statements of cash flows for the previous fiscal year, “Increase (decrease) in other current liabilities” and “Other” in “Cash flows from operating activities” decreased by ¥12 million and ¥667 million, respectively. “Payment for purchase of tangible fixed assets” and “Payment for acquisition of intangible fixed assets” in “Cash flows from investing activities,” and “Proceeds from sale and leaseback” in “Cash flows from financing activities” increased by ¥1,034 million, ¥92 million and ¥1,807 million, respectively.

Consolidated Balance Sheets

Accumulated depreciation of tangible fixed assets is as follows.

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Accumulated depreciation of tangible fixed assets	36,535	37,636

Trade notes maturing at the end of the fiscal year are settled on their clearance dates.

As the last day of the previous fiscal year was a non-business day for financial institutions, the following notes maturing on the year-end date are included in the year-end balance.

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Accounts receivable	502	—

Pledged assets and secured liabilities

Pledged assets and secured liabilities are as follows:

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Buildings and structures	27	33

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Short-term bank loans	24	19
Long-term bank loans	32	19
Total	56	39

Treasury stocks that were not cancelled after the resolution of the Board of Directors Meeting are as follows:

FY 2012 (as of March 31, 2013)		FY 2013 (as of March 31, 2014)
Book value of shares to be cancelled	¥3,669 million	—
Type of shares to be cancelled	Common stock of the Company	—
Number of shares to be cancelled	4,600,000 shares	—

Consolidated Statements of Income

The major items and amounts included in selling, general and administrative expenses are as follows.

(Millions of yen)

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Provision for accrued bonuses	1,198	1,360
Retirement benefit expense	1,179	1,145
Salaries, wages, and other payroll costs	14,017	15,659

Consolidated Statement of Changes in Shareholders' Equity

FY 2012 (April 1, 2012–March 31, 2013)

1. Shares issued and outstanding

Share type	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock (Shares)	81,257,829	—	—	81,257,829

2. Shares of treasury stock

Share type	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock (Shares)	4,661,851	844	—	4,662,695

Summary analysis of change

Increase due to purchases of odd-lot shares: 844 shares

3. Share subscription rights

None

4. Dividends

(1) Dividends paid

Resolution	Share type	Total dividend (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary General Meeting of Shareholders, June 28, 2012	Common stock	995	13	March 31, 2012	June 29, 2012
Board of Directors Meeting, November 5, 2012	Common stock	995	13	September 30, 2012	December 4, 2012

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

Resolution	Share type	Dividend funding	Total dividend (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary General Meeting of Shareholders, June 27, 2013	Common stock	Retained earnings	995	13	March 31, 2013	June 28, 2013

FY 2013 (April 1, 2013–March 31, 2014)

1. Shares issued and outstanding

Share type	As of April 1, 2013	Increase	Decrease	As of March 31, 2014
Common stock (Shares)	81,257,829	—	4,600,000	76,657,829

Summary analysis of change
Decrease due to cancellation of treasury stock: 4,600,000 shares

2. Shares of treasury stock

Share type	As of April 1, 2013	Increase	Decrease	As of March 31, 2014
Common stock (Shares)	4,662,695	2,113	4,600,000	64,808

Summary analysis of change
Increase due to purchases of odd-lot shares: 2,113 shares
Decrease due to cancellation of treasury stock: 4,600,000 shares

3. Share subscription rights
None

4. Dividends

(1) Dividends paid

Resolution	Share type	Total dividend (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary General Meeting of Shareholders, June 27, 2013	Common stock	995	13	March 31, 2013	June 28, 2013
Board of Directors Meeting, November 6, 2013	Common stock	995	13	September 30, 2013	December 3, 2013

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

Resolution	Share type	Dividend funding	Total dividend (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary General Meeting of Shareholders, June 27, 2014	Common stock	Retained earnings	1,302	17	March 31, 2014	June 30, 2014

Consolidated Statements of Cash Flows

Reconciliation of year-end balance of cash and cash equivalents and amounts stated in the consolidated balance sheets is as follows.

(Millions of yen)

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Cash and bank deposits	29,175	35,014
Marketable securities	1,241	1,658
Total	30,416	36,672
Time deposits deposited for more than 3 months	(2,829)	(3,690)
Marketable securities with maturities of more than 3 months	(1,000)	(1,307)
Cash and cash equivalents	26,587	31,674

Segment Information and Others

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, electrolytic water cleaning systems, alkaline electrolytic water industrial cleaning systems
	Clean Systems	Commercial vacuum cleaners, road and industrial sweepers, automatic floor scrubbers, high-speed burnishers, dry-care cleaning systems, carpet cleaning system, chemical products, supplies and accessories

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 2012 (April 1, 2012–March 31, 2013)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	65,535	24,760	90,295	—	90,295
Intersegment	—	—	—	—	—
Total	65,535	24,760	90,295	—	90,295
Segment profit (loss)	7,845	2,292	10,138	(2,809)	7,329
Segment assets	49,760	19,498	69,259	40,216	109,476
Other items					
Depreciation and amortization	2,742	418	3,161	396	3,558
Investments in affiliates accounted for using the equity method	1,614	—	1,614	—	1,614
Increases in tangible and intangible fixed assets	4,202	379	4,582	131	4,713

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

(1) The -¥2,809 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 ¥40,216 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 2013 (April 1, 2013–March 31, 2014)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	75,876	26,255	102,131	—	102,131
Intersegment	—	—	—	—	—
Total	75,876	26,255	102,131	—	102,131
Segment profit (loss)	9,457	2,233	11,690	(2,864)	8,826
Segment assets	57,336	21,007	78,344	44,493	122,838
Other items					
Depreciation and amortization	2,854	436	3,290	421	3,711
Extraordinary losses	80	—	80	—	80
(Impairment loss)	80	—	80	—	80
Investments in affiliates accounted for using the equity method	1,646	—	1,646	—	1,646
Increases in tangible and intangible fixed assets	5,508	272	5,781	133	5,915

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

(1) The -¥2,864 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 ¥44,493 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.

Related Information

FY 2012 (April 1, 2012–March 31, 2013)

1. Information by Product and Service

This information has been omitted from this section, because similar information is disclosed in the Segment Information section.

2. Information by Geographical Region

(1) Net Sales

(Millions of yen)

Japan	North America	Other	Total
66,902	10,086	13,306	90,295

Note: Net sales are broken down by country/region based on the geographical locations of the Company's customers.

(2) Tangible Fixed Assets

(Millions of yen)

Japan	Other	Total
20,567	2,418	22,985

3. Information by Major Customer

There is no information to be disclosed here, because no single external customer that the Company deals with accounts for at least 10% of the net sales that appear on the consolidated statement of income.

FY 2013 (April 1, 2013–March 31, 2014)

1. Information by Product and Service

This information has been omitted from this section, because similar information is disclosed in the Segment Information section.

2. Information by Geographical Region

(1) Net Sales

(Millions of yen)

Japan	North America	Other	Total
72,937	12,484	16,709	102,131

Note: Net sales are broken down by country/region based on the geographical locations of the Company's customers.

(2) Tangible Fixed Assets

(Millions of yen)

Japan	Other	Total
21,324	2,920	24,244

3. Information by Major Customer

There is no information to be disclosed here, because no single external customer that the Company deals with accounts for at least 10% of the net sales that appear on the consolidated statement of income.

Information on Impairment Loss in Fixed Assets for Each Reporting Segment

FY 2012 (April 1, 2012–March 31, 2013)

None

FY 2013 (April 1, 2013–March 31, 2014)

Please see “3. Information by Reporting Segment Regarding Net Sales, Profit/Loss, Assets, Liabilities, and Other Line Item Amounts” in the Segment Information section.

Information on Amortization of Goodwill and Balance Yet to Be Amortized for Each Reporting Segment

FY 2012 (April 1, 2012–March 31, 2013)

(Millions of yen)

	Reporting segments			Eliminations/ Corporate	Total
	Time Information System business	Environment System business	Total		
Value amortized during the year	561	—	561	—	561
Balance at year end	4,679	—	4,679	—	4,679

FY 2013 (April 1, 2013–March 31, 2014)

(Millions of yen)

	Reporting segments			Eliminations/ Corporate	Total
	Time Information System business	Environment System business	Total		
Value amortized during the year	668	—	668	—	668
Balance at year end	5,128	—	5,128	—	5,128

Information on Gain on Negative Goodwill for Each Reporting Segment

FY 2012 (April 1, 2012–March 31, 2013)

None

FY 2013 (April 1, 2013–March 31, 2014)

None

Deferred Tax Accounting

1. Breakdown of principal origins of deferred tax assets and liabilities

(Millions of yen)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
(Deferred tax assets)		
Accrued enterprise tax	114	181
Accrued bonuses not deductible until paid	679	731
Nondeductible accounts payable and long-term accounts payable	78	95
Accrued retirement benefits for employees not deductible until paid	949	—
Net defined benefit liabilities	—	1,445
Loss carried forward	941	1,173
Valuation loss on investment securities	546	599
Surplus on allowance for doubtful accounts	120	128
Unrealized profit	597	641
Other	833	935
Deferred tax assets (subtotal)	4,861	5,931
Valuation allowance	(1,721)	(2,175)
Total deferred tax assets	3,139	3,756
(Deferred tax liabilities)		
Reserve for advanced depreciation of building	(15)	(14)
Intangible fixed assets obtained by acquisition	(96)	(66)
Net unrealized gains (losses) on available-for-sale securities	(121)	(223)
Other	(177)	(176)
Total deferred tax liabilities	(410)	(481)
Net deferred tax assets	2,728	3,275

2. Breakdown of principal components of significant differences arising between the statutory tax rate and the effective tax rate

(%)

	FY 2012 (as of March 31, 2013)	FY 2013 (as of March 31, 2014)
Statutory tax rate	38.0	38.0
(Adjustments)		
Entertainment and other nondeductible expenses	0.5	0.4
Dividend and other nontaxable income	(5.7)	(3.7)
Inhabitant tax per capita	1.1	0.9
Nondeductible amortization of goodwill	2.3	2.2
Effects of elimination in consolidation of dividends received	5.6	3.4
Realization of tax benefits on operating losses	(0.1)	0.0
Tax credit for research and development expenses	(0.3)	(0.5)
Increase (decrease) in valuation reserve	3.0	0.8
Downward revision of deferred tax assets at the end of the period due to tax rate change	—	0.8
Tax-rate difference for overseas subsidiaries	(1.8)	(1.5)
Equity in earnings (losses) of affiliates	0.3	(0.2)
Other	1.6	1.1
Actual tax rate	44.5	41.7

3. Amendments to deferred tax assets and liabilities resulting from changes in the corporate tax rate

The Act for Partial Amendment of the Income Tax Act was promulgated on March 31, 2014. With this revision, the special corporate tax for reconstruction will not be imposed for fiscal years beginning on or after April 1, 2014. In line with this, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was changed from 38.0% in the previous fiscal year to 35.6% for temporary differences expected to be eliminated in the fiscal year beginning on April 1, 2014.

As a result, deferred tax assets (after deducting deferred tax liabilities) decreased by ¥80 million, while deferred income taxes recorded in the fiscal year under review increased by ¥80 million.

Securities

1. Held-to-maturity bonds

FY 2012 (as of March 31, 2013)

(Millions of yen)

Type	Balance-sheet amount	Market price	Unrealized gains (losses)
Bonds whose market price does not exceed the balance-sheet amount	1,350	1,347	(2)
Total	1,350	1,347	(2)

FY 2013 (as of March 31, 2014)

(Millions of yen)

Type	Balance-sheet amount	Market price	Unrealized gains (losses)
Bonds whose market price does not exceed the balance-sheet amount	1,300	1,296	(3)
Total	1,300	1,296	(3)

2. Other securities

FY 2012 (as of March 31, 2013)

(Millions of yen)

Type	Balance-sheet amount	Acquisition cost	Unrealized gains (losses)
Securities for which balance sheet amount exceeds acquisition cost			
Stocks	1,679	961	718
Bonds	—	—	—
Other	310	300	10
Subtotal	1,989	1,261	728
Securities for which balance sheet amount does not exceed acquisition cost			
Stocks	1,614	1,901	(287)
Bonds	—	—	—
Other	395	400	(4)
Subtotal	2,009	2,301	(292)
Total	3,999	3,562	436

FY 2013 (as of March 31, 2014)

(Millions of yen)

Type	Balance-sheet amount	Acquisition cost	Unrealized gains (losses)
Securities for which balance sheet amount exceeds acquisition cost			
Stocks	2,260	1,396	864
Bonds	—	—	—
Other	574	559	15
Subtotal	2,834	1,955	879
Securities for which balance sheet amount does not exceed acquisition cost			
Stocks	1,495	1,572	(76)
Bonds	—	—	—
Other	481	483	(1)
Subtotal	1,977	2,056	(78)
Total	4,812	4,011	800

3. Other securities sold during the fiscal year under review

FY 2012 (April 1, 2012–March 31, 2013)

None

FY 2013 (April 1, 2013–March 31, 2014)

None

Per-share Data

	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Net assets per share (Yen)	998.09	1,084.44
Net income per share (Yen)	52.04	69.19

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 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Net income per share		
Net income (Millions of yen)	3,986	5,299
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	3,986	5,299
Average number of shares of common stock outstanding (Shares)	76,595,533	76,594,071

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

Item	FY 2012 (April 1, 2012– March 31, 2013)	FY 2013 (April 1, 2013– March 31, 2014)
Total net assets (Millions of yen)	76,718	83,482
Amount to be deducted from total net assets (Millions of yen)	268	422
(Minority interests (Millions of yen))	(268)	(422)
Net assets at the end of year attributable to common stock (Millions of yen)	76,449	83,060
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	76,595,134	76,593,021

4. As described in “Changes to accounting policies,” the Company adopted the Accounting Standard for Retirement Benefits, etc. in line with the transitional measures provided in paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net assets per share decreased by ¥10.61 for the fiscal year ended March 31, 2014.

Significant Subsequent Events

At the Board of Directors Meeting held on March 28, 2014, the Company resolved to acquire the business of the wooden floor sanding equipment division of Nilfisk-Advance, Inc. (“Nilfisk”), which is based in the state of Minnesota in the United States, through Amano Pioneer Eclipse Corp. (“APEC”), a consolidated subsidiary of the Company in the United States.

(1) Reason for the acquisition

APEC will take over Nilfisk’s customer base to expand its product lineup of off-the-shelf floor sanding products in the wooden floor field, in addition to the vinyl and concrete floor field, and expand operations of its clean systems business by strengthening sales of chemical products alongside the floor sanding products.

(2) Name of company from which the business division was acquired

Nilfisk-Advance, Inc.

(3) Business description of the acquired division

Wooden floor sanding equipment business

(4) Value of assets and liabilities acquired

Not yet fixed.

(5) Assigned price

US$22,350,000

* Approximately ¥2.3 billion (Exchange rates: ¥102.92 to the US dollar as of the end of March 2014)

(6) Date of acquisition

March 31, 2014