

Summary Financial Statements (Consolidated)
for Fiscal Year 2015 (Year Ended March 31, 2016) (Japan GAAP)

April 25, 2016

Company name: Amano Corporation Listed on: TSE
 Securities code: 6436 URL <http://www.amano.co.jp/>
 Representative: Izumi Nakajima, President & Representative Director
 Kunihiro Ihara, Operating Officer
 Inquiries: General Manager Corporate Planning Phone: +81 (45) 439-1951
 Scheduled date for Ordinary General Meeting of Shareholders: June 29, 2016
 Scheduled date for filing of securities report: June 29, 2016
 Scheduled date for start of dividend payments: June 30, 2016
 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 2015 (April 1, 2015 to March 31, 2016)

(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 2015 (year ended March 2016)	119,506	8.8	12,942	38.3	13,665	34.1	8,405	23.7
FY 2014 (year ended March 2015)	109,837	7.5	9,357	6.0	10,189	8.1	6,794	28.2

Note: Comprehensive income FY 2015 (year ended March 2016): 6,793 million yen (-34.4%)
 FY 2014 (year ended March 2015): 10,355 million yen (7.9%)

	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 2015 (year ended March 2016)	109.75	—	9.0	10.2	10.8
FY 2014 (year ended March 2015)	88.71	—	7.7	8.0	8.5

Reference: Equity in earnings of affiliates FY 2015 (year ended March 2016): 148 million yen
 FY 2014 (year ended March 2015): 59 million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2015 (year ended March 2016)	136,965	95,606	69.5	1,242.86
FY 2014 (year ended March 2015)	131,560	92,148	69.8	1,198.22

Reference: Equity capital As of March 31, 2016: 95,190 million yen As of March 31, 2015: 91,772 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 2015 (year ended March 2016)	13,420	(6,608)	(4,308)	32,725
FY 2014 (year ended March 2015)	7,518	(6,519)	(2,969)	30,526

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 2015 (year ended March 2016)	—	15.00	—	23.00	38.00	2,910	42.8	3.3
FY 2014 (year ended March 2015)	—	20.00	—	28.00	48.00	3,676	43.7	3.9
FY 2016 (year ending March 2017) (est.)	—	23.00	—	23.00	46.00		40.0	

3. Forecast earnings for fiscal year 2016 (April 1, 2016 to March 31, 2017)

(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	56,700	3.4	4,900	6.0	5,100	2.2	3,200	4.3	41.78
Full year	122,000	2.1	13,000	0.4	13,500	(1.2)	8,800	4.7	114.90

4. Other matters

- (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 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 |

(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)
- [2] Number of shares of treasury stock at the end of the period
- [3] Average number of shares outstanding

As of March 31, 2016	76,657,829 shares	As of March 31, 2015	76,657,829 shares
As of March 31, 2016	68,109 shares	As of March 31, 2015	66,585 shares
As of March 31, 2016	76,590,480 shares	As of March 31, 2015	76,592,083 shares

Reference: Non-consolidated results

1. Business results for fiscal year 2015 (April 1, 2015 to March 31, 2016)

(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 2015 (year ended March 2016)	68,328	3.2	7,913	22.4	9,301	17.5	6,077	19.8
FY 2014 (year ended March 2015)	66,193	2.5	6,465	(3.2)	7,918	2.4	5,073	5.4

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY 2015 (year ended March 2016)	79.35		—	
FY 2014 (year ended March 2015)	66.24		—	

(2) Financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
FY 2015 (year ended March 2016)	115,118		93,116		80.9		1,215.79	
FY 2014 (year ended March 2015)	111,494		90,417		81.1		1,180.52	

Reference: Equity capital As of March 31, 2016: 93,116 million yen As of March 31, 2015: 90,417 million yen

2. Forecast earnings for fiscal year 2016 (April 1, 2016 to March 31, 2017)

(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	32,000	4.3	2,400	(10.8)	3,200	(9.7)	2,200	(6.5)	28.72	
Full year	71,500	4.6	7,600	(4.0)	9,000	(3.2)	6,200	2.0	80.95	

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 Wednesday, April 27, 2016. The financial results materials to be distributed at this briefing are due to be published on the Amano Corporation website immediately following the meeting.

○ Table of Contents for Attachment

1. Analysis of Business Results and Financial Condition	2
(1) Analysis of Business Results	2
(2) Analysis of Financial Condition	6
(3) Basic Policy on Distribution of Profits and Payment of Dividends for This Fiscal Year and the Next	7
(4) Operating and Other Risk Factors.....	8
2. Status of the Corporate Group	9
3. Business Policies	10
(1) Basic Management Policy	10
(2) New Medium-Term Business Plan	10
(3) Issues to Be Addressed	11
4. Basic Approach to the Selection of Accounting Standards	12
5. Consolidated Financial Statements	13
(1) Consolidated Balance Sheets	13
(3) Consolidated Statement of Changes in Shareholders' Equity.....	18
(4) Consolidated Statements of Cash Flows	20
(5) Notes to Consolidated Financial Statements	22
Notes Regarding the Premise of a Going Concern.....	22
Important Matters that Constitute the Basis for the Preparation of the Consolidated Financial Statements	22
Changes to Accounting Policies.....	24
Segment information.....	25
Per-share Data.....	27
Significant Subsequent Events.....	27

1. Analysis of Business Results and Financial Condition

(1) Analysis of Business Results

During the fiscal year under review, although overseas economies remained unstable due to the slowdowns in emerging market economies and fluctuations in the price of crude oil, the Japanese economy appeared to be on a firm footing as corporate profits and conditions in the jobs market improved steadily, thanks partly to the weak yen, while capital investment continued to be robust.

Amid this business environment, the Amano Group worked on global marketing and product deployment as well as the enhancement of its capacity to provide holistic solutions, based on its new medium-term business plan launched in April 2014. Under this plan, the Group set forth the management concept of "Challenge to a New Stage," a concept aimed at making the organization a "100-year company." 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 ¥119,506 million, up by 8.8% year-on-year. Operating profit increased by 38.3% to ¥12,942 million, ordinary profit went up by 34.1% to ¥13,665 million, and net income, which is attributable to parent company shareholders, increased by 23.7% to ¥8,405 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 2014 (April 1, 2014– March 31, 2015)		FY 2015 (April 1, 2015– March 31, 2016)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	23,558	21.5	25,512	21.3	1,953	8.3
Time Management Products	4,100	3.7	4,165	3.5	64	1.6
Parking Systems	51,817	47.2	55,784	46.7	3,966	7.7
Subtotal	79,477	72.4	85,462	71.5	5,984	7.5
Environment System business:						
Environmental Systems	20,639	18.8	21,830	18.3	1,190	5.8
Clean Systems	9,720	8.8	12,213	10.2	2,493	25.6
Subtotal	30,360	27.6	34,044	28.5	3,683	12.1
Total	109,837	100.0	119,506	100.0	9,668	8.8

Time Information System business

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

• Information Systems

This business division, against the backdrop of improved corporate performance domestically, saw a growing trend of investment in information systems in relation to the Social Security & Tax Number ("My Number") system and measures to prevent leaks of personal information.

In response to these market conditions, the Company 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. Terminal device sales increased by ¥633 million (10.0%) year-on-year and software sales increased by ¥159 million (4.5%). The increase in terminal device sales was a result of multiple orders for large replacement projects, while the higher software sales was attributable to the increased orders of T&A systems for the small- and medium-sized enterprise markets.

Overall overseas sales increased by ¥713 million year-on-year (7.9%) as the sales of Accu-Time Systems Inc. in North America increased while the sales of Horosmart S.A. in Europe decreased due to the disposal of a group company.

As a result of the above, sales in this business division totaled ¥25,512 million, representing an increase of 8.3% year-on-year.

- Time Management Products

This business division continues to cope with the current trend toward lower prices as well as the need for improved functions, although there is a constant demand for standard machines.

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

Domestic sales of standard machines for the current term decreased by ¥31 million year-on-year (2.5%), and domestic sales of supply goods increased by ¥85 million (10.5%). Overall overseas sales increased by ¥15 million (1.2%) as sales in North America rose, partly due to foreign-exchange effects.

As a result of the above, sales in this business division totaled ¥4,165 million, representing an increase of 1.6% year-on-year.

- Parking Systems

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, and ensuring safety and security in parking lots.

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 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 making new proposals for parking lot management in cooperation with a domestic Group company.

Domestic parking equipment sales decreased by ¥679 million (3.7%). Domestic revenue from maintenance contracts and supplies services increased by ¥366 million (4.0%). The commissioned parking lot management business of Group subsidiary Amano Management Service Corporation has been steadily expanding, and the number of parking spaces under management increased by 31,500 (10.1%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥3,592 million year-on-year (23.4%). Sales for Amano McGann, Inc. in North America rose due to the increased orders of new systems, sales in Europe increased due to the strong performance of bar code systems, and sales in the Asian region increased as sales in Korea and Hong Kong grew alongside the steady expansion in the commissioned parking lot management business.

As a net result of the above, the Parking Systems business division provided sales totaling ¥55,784 million, up by 7.7% 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, and deodorization systems
- Clean Systems: Cleaning equipment, dry-care cleaning systems, cleaning management services, and electrolytic water generators

- Environmental Systems

For this business division, capital investment by Japanese companies remained firm domestically and strong abroad.

In this market environment, the Company focused on capturing demand for its standard equipment by strengthening proposals in Japan, while seeking to win increased orders from customers in the pharmaceutical, foods, and cosmetics markets. Meanwhile, with the aim of attracting demand from Japanese companies operating overseas, the Company enhanced cooperation with overseas Group companies; reinforced its platforms for engineering, sales and services; and furthermore, endeavored to achieve greater cost competitiveness by expanding its local procurement.

During the current term, domestic sales of standard equipment increased by ¥1,021 million (15.7%), sales of large-scale systems increased by ¥300 million (4.8%) and sales of maintenance contracts and supplies services increased by ¥192 million (5.3%) year-on-year.

Overall overseas sales decreased by ¥313 million year-on-year (7.5%) as sales in the Asian region declined, affected by the slowdown in the Chinese economy.

As a result of the above, sales of this business division totaled ¥21,830 million, up by 5.8% year-on-year.

- Clean Systems

This business division is seeing a growing need for high-value-added cleaning equipment and peripheral cleaning work, as well as aesthetic maintenance services in Japan, although the prolonged corporate restraints on cleaning management costs still continue.

To cope with this market environment, the Company focused on strengthening holistic cleanliness solutions by incorporating peripheral cleaning work and on strengthening proposals for the factory market. In addition, the division worked on expanding sales of scrubbers that realize higher safety levels and improved usability with higher work efficiency.

Domestic sales for cleaning equipment increased by ¥270 million (14.3%) year-on-year, revenue from maintenance contracts and supplies services decreased by ¥346 million (11.3%), and revenue from commissioned cleaning services decreased by ¥633 million (41.3%).

Overall overseas sales increased by ¥2,243 million year-on-year (53.8%), as sales for North America grew owing to the continued contribution from the wooden floor sanding equipment business.

As a net result of the above, sales of this business division totaled ¥12,213 million, up by 25.6% year-on-year.

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit			
	FY 2014 (year ended March 2015)	FY 2015 (year ended March 2016)	Change	Percentage change (%)	FY 2014 (year ended March 2015)	FY 2015 (year ended March 2016)	Change	Percentage change (%)
Japan	77,336	80,756	3,419	4.4	10,542	13,307	2,764	26.2
Other Asia	11,596	12,791	1,194	10.3	974	840	(134)	(13.8)
North America	15,093	20,566	5,473	36.3	290	1,868	1,577	542.2
Europe	7,738	7,329	(409)	(5.3)	477	536	58	12.2
Total	111,765	121,444	9,678	8.7	12,285	16,551	4,266	34.7
Eliminations/ Corporate	(1,927)	(1,937)	—	—	(2,928)	(3,608)	—	—
Consolidated	109,837	119,506	9,668	8.8	9,357	12,942	3,585	38.3

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 2014 (year ended March 2015)	FY 2015 (year ended March 2016)	Change	Percentage change (%)	FY 2014 (year ended March 2015)	FY 2015 (year ended March 2016)	Change
Other Asia	11,750	12,880	1,130	9.6	10.7	10.8	0.1
North America	13,948	18,996	5,047	36.2	12.7	15.9	3.2
Europe	7,374	7,286	(87)	(1.2)	6.7	6.1	(0.6)
Other regions	1,751	1,510	(240)	(13.8)	1.6	1.2	(0.4)
Total	34,824	40,673	5,849	16.8	31.7	34.0	2.3
Consolidated net sales	109,837	119,506					

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, 2016 amounted to ¥136,965 million, up by ¥5,405 million from the previous fiscal year-end. Current assets increased by ¥4,242 million year-on-year. This was attributable primarily to an increase of ¥1,715 million in trade notes and accounts receivable, an increase of ¥648 million in other current assets resulting from higher advance expenses, among other factors, and an increase of ¥330 million in raw materials and supplies. Fixed assets increased by ¥1,163 million year-on-year. The principal factors behind this was an increase of ¥997 million in intangible fixed assets resulting from higher software in progress, among other factors, which exceeded the decrease of ¥431 million in tangible fixed assets.

Liabilities

Total liabilities as of March 31, 2016 amounted to ¥41,359 million, up by ¥1,947 million year-on-year. Current liabilities increased by ¥3,153 million year-on-year. This was attributable primarily to an increase of ¥1,036 million in accrued income taxes and an increase of ¥922 million yen in short-term bank loans. Fixed liabilities decreased by ¥1,205 million year-on-year. This was mainly due to a decrease of ¥1,482 million in long-term bank loans.

Net Assets

Total net assets as of March 31, 2016 amounted to ¥95,606 million, up by ¥3,457 million from the previous fiscal year-end. This was attributable primarily to an increase of ¥5,109 million in shareholders' equity resulting from the recording of net income attributable to owners of the parent company, despite a decrease of ¥1,692 million in accumulated other comprehensive income owing to lower foreign currency translation adjustments, among other factors.

(ii) Cash flows

Consolidated cash and cash equivalents decreased by ¥2,199 million from the previous fiscal year-end to a total of ¥32,725 million as of March 31, 2016. 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 ¥13,420 million. This was attributable primarily to income before income taxes amounting to ¥13,314 million, and depreciation and amortization amounting to ¥4,415 million, despite income taxes payments amounting to ¥4,214 million and an increase in trade notes and accounts receivable of ¥2,049 million.

Cash flow from investing activities

Net cash used in investing activities totaled -¥6,608 million. This was mainly because, despite the recording of ¥10,364 million in proceeds from withdrawal of time deposits and ¥2,400 million in proceeds from redemption of securities, the Company recorded expenditures amounting to ¥10,133 million in time deposits, ¥3,270 million to purchase intangible fixed assets, ¥2,906 million to purchase tangible fixed assets, and ¥2,000 million yen to purchase securities.

Cash flow from financing activities

Net cash used in financing activities amounted to -¥4,308 million. This was chiefly due to the recording of expenditures amounting to ¥3,293 million in payment of dividends, ¥1,643 million in repayment of finance lease obligations, and ¥341 million in repayment of short-term bank loans, despite the recording of ¥1,227 million yen in proceeds from sale and leaseback.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2012	As of Mar. 31, 2013	As of Mar. 31, 2014	As of Mar. 31, 2015	As of Mar. 31, 2016
Equity ratio (%)	69.6	69.8	67.6	69.8	69.5
Fair value equity ratio (%)	56.9	62.3	66.5	83.7	99.4
Ratio of cash flow to interest-bearing liabilities (%)	50.2	34.7	37.3	52.2	25.5
Interest coverage ratio	158.1	207.7	219.7	122.9	292.2

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 the next fiscal year ending March 31, 2017

In the next fiscal year ending March 31, 2017, the Japanese economy will likely be characterized by a growing uncertainty about the future, with capital spending and personal consumption remaining lackluster, emerging market economies such as China experiencing a slowdown, and foreign exchange markets continuing to be unstable.

Amid this business environment, Amano Corporation and its Group companies continue to emphasize the following strategies: 1) emphasis on Time & Ecology business domains, and enhancement of core business; 2) becoming a niche leader in the business domain 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 10 with a view to maximizing the corporate value of Amano Corporation while aiming to become a 100-year Company having "Challenge to a New Stage" as its management concept.

The following business results are projected for the next fiscal year ending March 31, 2017: net sales of ¥122,000 million, operating profit of ¥13,000 million, ordinary profit of ¥13,500 million, and net income attributable to parent company shareholders of ¥8,800 million. These projections assume currency exchange rates of ¥109 to the US dollar and ¥122 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 40% 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 ¥28 per share, an increase of ¥5 per share compared with the amount paid at the end of the previous year. As a result, the annual per-share dividend will be ¥48 (including the ¥20 per share paid as the interim dividend). This corresponds to a dividend payout ratio of 43.7% and a 3.9% ratio of dividends to net assets on a consolidated basis.

With regard to the dividend for the next fiscal year, in line with our Basic Policy on Distribution of Profits and in view of our Outlook for Fiscal Year Ending March 31, 2017, we aim to pay an annual per-share dividend of ¥46 (with an interim dividend of ¥23 and a year-end dividend of ¥23).

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 (April 25, 2016).

(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, 2016, the Time Information System business accounted for 71.5% of total sales, and the Environment System business accounted for 28.5%. Before the deduction of unallocated expenses, the Time Information System business contributed 72.6% to operating profit, while the Environment System business contributed 27.4%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 72.7% of total sales and 75.3% 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 continues to take necessary measures at ordinary times comprising: 1) imposition of requirement for employees to carry a disaster emergency contact card at all times; 2) development of emergency contact networks and personnel safety check system; 3) relocation of file servers to external data centers; 4) development of a preparedness for setting up the disaster management headquarters at the time an emergency occurs. However, in the event of a natural disaster, the Group may temporarily lose the ability to continue to perform its operating activities due to damage to its sales business sites and production bases, or to employees experiencing difficulties in carrying out their duties.

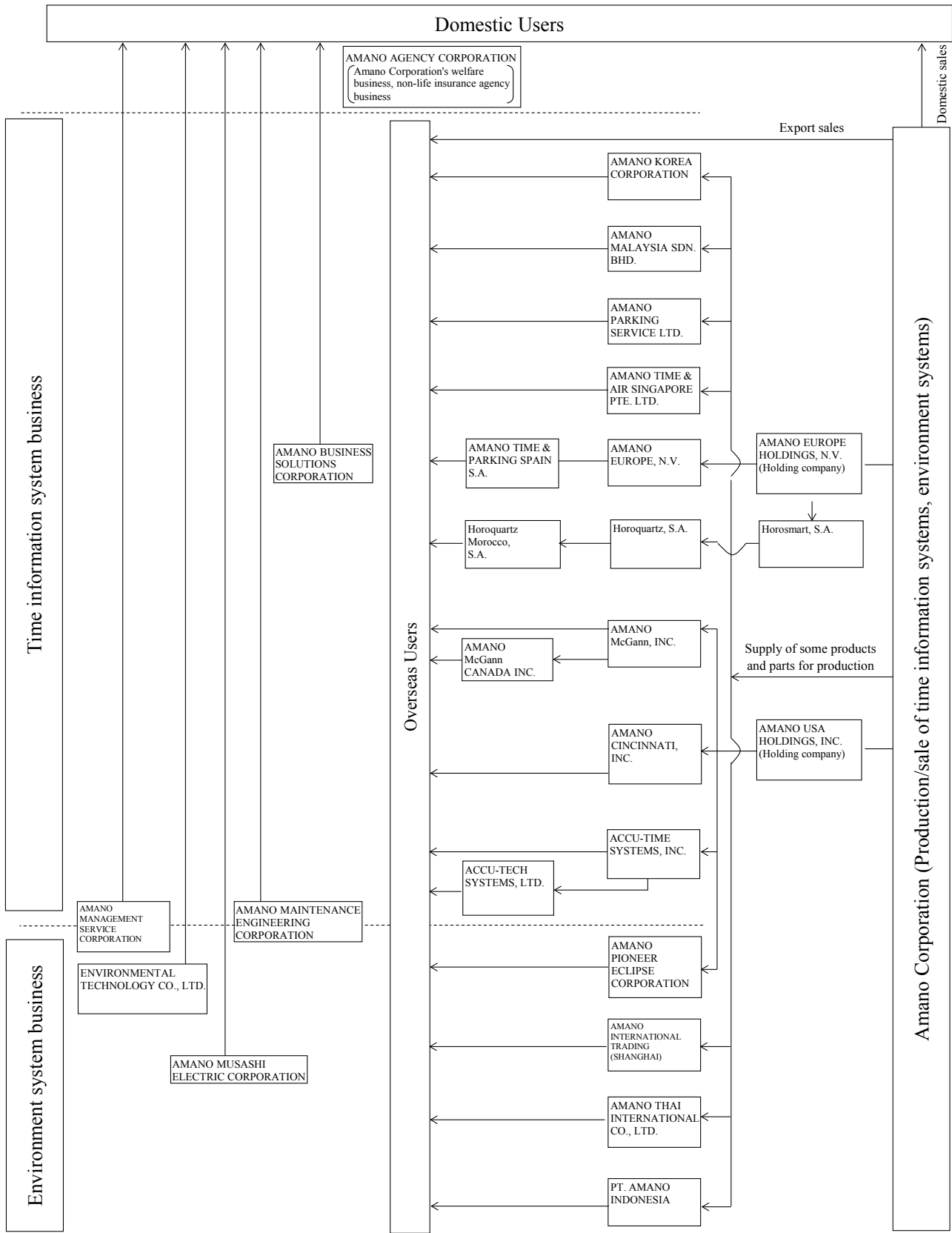
(v) Overseas business development

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. (Business segmentation is based on principal business activities of affiliates.)



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) Reinforcement of consolidated business management: Increase the ratio of consolidated operating profit to non-consolidated operating profit by 10% by growing group companies based in Japan and abroad (*)
 - (iv) Evolution of corporate governance: Enhance the environment for internal controls for the entire Amano Group
- (*) Starting from the fiscal year ending March 31, 2017, the ratio of consolidated net sales to non-consolidated net sales will be replaced with the ratio of consolidated operating profit to non-consolidated operating profit.

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 stepping up sales of Amano McGann's new systems and by improving our ability to propose solutions through enhancement of peripheral services. In the Information System business, we will strive to expand operations by increasing sales of a new series of devices by Accu-Time Systems Inc. in North America and by developing cloud services. In the Clean Systems business, we will strengthen the business foundation and scale up operations of the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp. In the Environmental 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 Horoquartz's French customer base and will strive to permeate and expand the markets in Belgium and Germany. In the Parking Systems business, we will strive to expand operations by accelerating the deployment of bar code system products and newly providing commissioned parking lot management service.

2. Asian, Latin American and other emerging markets

In the Asian region, we will aim to expand Parking Systems operations by acquiring new customers in the low-end market segment and bolstering commissioned parking lot management services. 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 expand our local production capabilities in order to enhance cost competitiveness.

In Central and South America, we will continue to develop markets for the Information Systems, Parking Systems, and Environment System businesses by setting up a local subsidiary in Mexico with a view to expanding operations in these regions in the future.

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

We are aiming to achieve ¥122.0 billion in net sales and ¥13.0 billion in operating profit for the fiscal year ending March 31, 2017, which is the final year of the plan.

Numerical targets

(Millions of yen)

	FY 2014 (ended March 2015) (Results)		FY 2015 (ending March 2016) (Results)		FY 2016 (ending March 2017) (Amendment)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	109,837	7.5%	119,506	8.8%	122,000	2.1%
Operating profit	9,357	6.0%	12,942	38.3%	13,000	0.4%
Operating profit ratio (%)	8.5%	—	10.8%	—	10.7%	—
Ordinary profit	10,189	8.1%	13,665	34.1%	13,500	(1.2%)
Net income attributable to owners of the parent company	6,794	28.2%	8,405	23.7%	8,800	4.7%

(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 System business

• Information Systems

The Information Systems business has seen potential demand for the time- and attendance-management system becoming actual demand. This system enables the employer to develop or establish a work time management framework as an initiative to comply with "Perform Optimal Work Time Management" at a time when the Japanese government is leading the efforts to monitor companies with the aim of eliminating "Unpaid Overtime Work" and "Extended Work Hours (Overwork)." Moreover, against the background of the revision to the Labor Standards Act, which aims to facilitate diverse ways of working to improve labor productivity, we are likely to experience a growth in demand for corporate system replacements, as well as cloud- and smart device-based systems.

In response to these market conditions, we will roll-out the new software product "Next-Generation Human Resource and Labor Management Package TimePro-NX," as a product targeting the small- to medium-sized enterprise market, to further step up our holistic solutions covering not only time and attendance management, but also human resource and payroll management. In such ways, we will expand our customer base through providing a "One Stop Service," from hardware services through to 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. Moreover, Horoquartz, S.A. of France is aiming to expand into other markets in Europe, while Accu-Time Systems Inc. of North America intends to bolster its customer base by expanding sales of its new series of devices.

• Parking Systems

The Parking Systems business is witnessing a growth in the nation's parking lot market owing to the real estate market becoming buoyant in advance of the 2020 Olympics. 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 the functions and operability of system equipment as well as providing various 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 step up sales of new systems and strengthen solution proposals by expanding and improving peripheral services to enlarge the market. In Europe, we will accelerate the deployment

of bar code system products while seeking to expand operations through newly engaging in the commissioned parking lot management services business. In Asia, we will aim to expand operations by developing new markets and bolstering the commissioned parking lot management service business.

2) Environment System business

• Environmental Systems

In Environmental Systems, companies' capital investment has remained solid in Japan and strong abroad.

Given this market environment, in Japan we will aggressively capture demand mainly for standard equipment and expand sales in the pharmaceutical, food, and cosmetics markets, 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 the overseas markets, we will further utilize the Philippines branch of Amano Time & Air Singapore Pte. Ltd. (ATAS) to strengthen and enhance our overseas network, step-up capabilities to provide engineering services to Japanese-owned corporate customers by strengthening the marketing and service framework for them through collaborations with Japan side and group companies, and improve cost competitiveness by expanding local procurement and assembly activities. In North, Central and South America, we have established a local subsidiary in Mexico to continue expanding sales of standard equipment products to Japanese-owned corporate customers operating locally, which are mainly automobile-related companies.

• Clean Systems

In the Clean Systems, 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.

In response to these market conditions, we will develop new markets for cleaning-robot products in Japan, develop the factory market more rigorously and expand sales of small-sized cleaning equipment targeting mini-sized supermarkets that have opened in urban areas and convenience store eat-in corners that are growing in number, thus bolstering our customer base in the country. 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 further scale up our business by strengthening the operational foundation for the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp. in North America.

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

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2014 (as of March 31, 2015)	FY 2015 (as of March 31, 2016)
Assets		
Current assets		
Cash and bank deposits	35,126	36,888
Notes and accounts receivable—trade	32,861	34,576
Marketable securities	1,871	1,527
Merchandise and finished goods	3,273	3,197
Work in process	680	669
Raw materials and supplies	4,661	4,992
Deferred tax assets	1,507	1,783
Other current assets	1,870	2,554
Allowance for doubtful accounts	(219)	(314)
Total current assets	81,633	85,875
Fixed assets		
Tangible fixed assets		
Buildings and structures	29,510	29,338
Accumulated depreciation	(18,558)	(18,981)
Buildings and structures (net)	10,952	10,357
Machinery and vehicles	6,776	6,885
Accumulated depreciation	(5,966)	(6,077)
Machinery and vehicles (net)	810	808
Tools, furniture and fixtures	11,930	12,297
Accumulated depreciation	(10,577)	(10,941)
Tools, furniture and fixtures (net)	1,352	1,355
Land	7,274	7,170
Lease assets	7,549	6,899
Accumulated depreciation	(4,231)	(3,637)
Lease assets (net)	3,317	3,261
Construction in progress	314	636
Total tangible fixed assets	24,021	23,589
Intangible fixed assets		
Goodwill	4,866	4,088
Software	2,321	2,521
Software in progress	1,553	3,252
Other	3,538	3,414
Total intangible fixed assets	12,279	13,276
Investments and other assets		
Investment securities	7,541	7,859
Long-term loans receivable	18	14
Claims in bankruptcy and similar claims	403	393
Fixed leasehold deposits	1,025	1,122
Long-term deposits	1,502	1,500
Net defined benefit assets	81	81
Deferred tax assets	1,423	1,646
Other	2,049	2,016
Allowance for doubtful accounts	(421)	(410)
Total investments and other assets	13,625	14,223
Total fixed assets	49,926	51,090
Total assets	131,560	136,965

(Millions of yen)

	FY 2014 (as of March 31, 2015)	FY 2015 (as of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	7,125	7,642
Electronically recorded obligations	6,538	6,438
Short-term bank loans	328	1,250
Lease obligations	1,410	1,448
Accrued income taxes	2,295	3,332
Accrued bonuses	1,941	2,263
Accrued officers' bonuses	45	85
Other current liabilities	11,295	11,673
Total current liabilities	30,980	34,134
Long-term liabilities		
Long-term bank loans	1,988	506
Long-term accounts payable—other	186	160
Lease obligations	3,381	3,256
Deferred tax liabilities	13	9
Net defined benefit liabilities	2,515	2,986
Asset retirement obligations	29	30
Other long-term liabilities	316	275
Total long-term liabilities	8,431	7,225
Total liabilities	39,411	41,359
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	54,645	59,757
Treasury stock	(54)	(56)
Total shareholders' equity	92,123	97,233
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	1,542	1,456
Foreign currency translation adjustments	(1,070)	(2,321)
Remeasurements of defined benefit plans	(822)	(1,178)
Total accumulated other comprehensive income	(350)	(2,043)
Non-controlling shareholders' interests	375	416
Total net assets	92,148	95,606
Total liabilities and net assets	131,560	136,965

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

	(Millions of yen)	
	FY 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Net sales	109,837	119,506
Cost of sales	62,221	66,575
Gross profit	47,616	52,930
Selling, general and administrative expenses		
Selling expenses	34,774	36,114
General and administrative expenses	3,484	3,873
Total selling, general and administrative expenses	38,259	39,988
Operating profit	9,357	12,942
Non-operating profit		
Interest income	138	127
Dividend income	152	122
Insurance dividend income	151	117
Insurance income	24	107
Foreign exchange gains	151	-
Equity in earnings of affiliates	59	148
Other	302	293
Total non-operating profit	980	917
Non-operating expenses		
Interest expenses	61	46
Loss on foreign exchange	-	80
Foreign withholding tax	23	15
Other	63	52
Total non-operating expenses	148	194
Ordinary profit	10,189	13,665
Extraordinary income		
Gain on sale of fixed assets	7	5
Gain on sales of subsidiaries	385	-
Total extraordinary income	393	5
Extraordinary losses		
Loss on disposal of fixed assets	61	71
Loss on sale of fixed assets	0	28
Loss on sale of shares of affiliates	-	8
Impairment loss	175	236
Special retirement expenses	38	-
Other	-	11
Total extraordinary losses	274	356
Income before income taxes	10,307	13,314

(Millions of yen)

	FY 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Income taxes	3,921	5,208
Deferred income taxes	(555)	(411)
Total income taxes	3,366	4,796
Net income	6,941	8,517
Net income attributable to non-controlling shareholders	146	111
Net income attributable to owners of the parent company	6,794	8,405

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Net income	6,941	8,517
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	958	(82)
Foreign currency translation adjustments	2,442	(1,267)
Remeasurements of defined benefit plans	(10)	(356)
Share of other comprehensive income of associates accounted for using equity method	22	(17)
Total other comprehensive income	3,414	(1,723)
Comprehensive income	10,355	6,793
(Breakdown)		
Comprehensive income attributable to owners of the parent Company	10,162	6,713
Comprehensive income attributable to non-controlling shareholders	192	80

(3) Consolidated Statement of Changes in Shareholders' Equity

FY 2014 (April 1, 2014–March 31, 2015)

(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	49,298	(52)	86,778
Cumulative effects of changes in accounting policies			1,012		1,012
Balance at the beginning of the year after reflecting changes in accounting policies	18,239	19,293	50,310	(52)	87,791
Changes during the year					
Dividends from surplus			(2,450)		(2,450)
Net income attributable to owners of the parent company			6,794		6,794
Purchase of treasury stock				(2)	(2)
Change in the scope of consolidation			(9)		(9)
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	4,334	(2)	4,332
Balance at year end	18,239	19,293	54,645	(54)	92,123

	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	574	(3,481)	(812)	(3,718)	422	83,482
Cumulative effects of changes in accounting policies						1,012
Balance at the beginning of the year after reflecting changes in accounting policies	574	(3,481)	(812)	(3,718)	422	84,495
Changes during the year						
Dividends from surplus						(2,450)
Net income attributable to owners of the parent company						6,794
Purchase of treasury stock						(2)
Change in the scope of consolidation						(9)
Net changes in items other than shareholders' equity	967	2,410	(10)	3,367	(46)	3,320
Total changes during the year	967	2,410	(10)	3,367	(46)	7,653
Balance at year end	1,542	(1,070)	(822)	(350)	375	92,148

FY 2015 (April 1, 2015–March 31, 2016)

(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	54,645	(54)	92,123
Cumulative effects of changes in accounting policies					—
Balance at the beginning of the year after reflecting changes in accounting policies	18,239	19,293	54,645	(54)	92,123
Changes during the year					
Dividends from surplus			(3,293)		(3,293)
Net income attributable to owners of the parent company			8,405		8,405
Purchase of treasury stock				(2)	(2)
Change in the scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	5,112	(2)	5,109
Balance at year end	18,239	19,293	59,757	(56)	97,233

	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	1,542	(1,070)	(822)	(350)	375	92,148
Cumulative effects of changes in accounting policies						—
Balance at the beginning of the year after reflecting changes in accounting policies	1,542	(1,070)	(822)	(350)	375	92,148
Changes during the year						
Dividends from surplus						(3,293)
Net income attributable to owners of the parent company						8,405
Purchase of treasury stock						(2)
Change in the scope of consolidation						—
Net changes in items other than shareholders' equity	(85)	(1,250)	(356)	(1,692)	40	(1,651)
Total changes during the year	(85)	(1,250)	(356)	(1,692)	40	3,457
Balance at year end	1,456	(2,321)	(1,178)	(2,043)	416	95,606

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Cash flows from operating activities		
Income before income taxes	10,307	13,314
Depreciation and amortization	4,137	4,415
Amortization of goodwill	765	789
Impairment loss	175	236
Increase (decrease) in net defined benefit liabilities	(15)	19
Increase (decrease) in allowance for doubtful accounts	(54)	105
Interest and dividend revenue	(291)	(249)
Equity in (earnings) losses of affiliates	(59)	(148)
Interest expenses	61	46
Foreign currency translation loss (gain)	(101)	3
Loss (gain) on sale of fixed assets	(7)	22
Loss on disposal of fixed assets	61	71
Extra retirement payment	38	-
Loss (gain) on sales of shares of subsidiaries	(385)	-
Loss (gain) on sale of shares of affiliates	-	8
(Increase) decrease in trade notes and accounts receivable	(3,494)	(2,049)
(Increase) decrease in inventories	(1,007)	(297)
Increase (decrease) in accounts payable	973	544
Increase (decrease) in other current liabilities	394	1,058
Other	392	(553)
Subtotal	11,889	17,337
Receipts from interest and dividends	280	308
Interest paid	(61)	(45)
Extra retirement payment	(38)	-
Income taxes paid	(4,585)	(4,214)
Income taxes refunded	32	34
Net cash provided by operating activities	7,518	13,420

(Millions of yen)

	FY 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Cash flows from investing activities		
Payment for acquisition of securities	(2,000)	(2,000)
Proceeds from redemption of securities	2,300	2,400
Payment for purchase of tangible fixed assets	(2,238)	(2,906)
Proceeds from sale of tangible fixed assets	20	73
Payment for acquisition of intangible fixed assets	(1,738)	(3,270)
Payment for acquisition of investment securities	(56)	(603)
Payment for acquisition of subsidiary shares involving change to the scope of consolidation	-	(410)
Proceeds from sales of investments in subsidiaries resulting in a change in the scope of consolidation	394	-
Proceeds from sale of shares of affiliates	-	216
Expenditures for business acquisition	(2,044)	(235)
Repayment for loans to third parties	(10)	-
Collection of loans receivable	4	5
Increase in time deposits	(7,541)	(10,133)
Proceeds from withdrawal of time deposits	6,299	10,364
Other	92	(109)
Net cash used in investing activities	(6,519)	(6,608)
Cash flows from financing activities		
Repayment for short-term bank loans	(445)	(341)
Payment for repayment of long-term bank loans	-	(215)
Payment for acquisition of treasury stock	(2)	(2)
Repayment of finance/lease obligations	(1,668)	(1,643)
Proceeds from sale and leaseback	1,622	1,227
Dividends paid	(2,450)	(3,293)
Payment of dividends to non-controlling shareholders	(25)	(39)
Cash flows from financing activities	(2,969)	(4,308)
Effect of exchange rate changes on cash and cash equivalents	719	(304)
Net increase (decrease) in cash and cash equivalents	(1,250)	2,199
Cash and cash equivalents at the beginning of the year	31,674	30,526
Increase in cash and cash equivalents from newly consolidated subsidiaries	102	-
Cash and cash equivalents at end of period	30,526	32,725

(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: 26

Names of major consolidated subsidiaries:

Please refer to "2. Status of the Corporate Group" on page 9.

Starting from the fiscal year under review, due to share acquisitions, the scope of the Company's consolidated accounts included ACJP Investissement SARL and its three subsidiaries, which were each merged into consolidated subsidiary Horoquartz S.A.

In addition, as a result of an organizational realignment in North America, Amano Cincinnati Canada Inc. was made into a consolidated subsidiary Amano McGann, Inc. and renamed Amano McGann Canada, Inc.

(2) Names of non-consolidated subsidiaries:

AMANO SOFTWARE ENGINEERING (SHANGHAI) CO., LTD.; @PARK KOREA CO., LTD.; AMANO PARKING EUROPE, N.V.; AMANO MANUFACTURING SHANGHAI CO., LTD.; AMANO TIME & ECOLOGY MEXICO S.A. de C.V. (5 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.

Amano Time & Ecology Mexico S.A. de C.V. was established in January 2016.

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.

PARKINSYS TECHNOLOGY CO., LTD. was excluded from the scope of the application of the equity method due to sale of Amano's shareholding in the Company.

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:	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 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 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 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 (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

Effective fiscal year 2015, the Company began to apply the Revised Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 of September 13, 2013, hereinafter referred to as the Business Combinations Accounting Standard), the Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13, 2013, hereinafter referred to as the Consolidation Accounting Standard), and the Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013, hereinafter referred to as the Business Divestitures Accounting Standard). The Company changed to an accounting method in which it records as capital surplus any differences arising from changes to its equity in subsidiaries that remain under the Company's control, and it records the corresponding acquisition-related costs as expenses for the fiscal year in which the costs were incurred. For business combinations implemented in or after the start of fiscal year 2015, the Company has changed to an accounting method in which revised acquisition cost allocation amounts are reflected in the consolidated financial statements for the fiscal year containing the date of the combinations, based on a determination of accounting treatment previously applied provisionally. In addition, the Company changed its presentation method for net income, replacing the term "minority interests" with the term "non-controlling shareholders' interests." To reflect this change in presentation, the Company reclassified its consolidated financial statements for the fiscal year ended March 31, 2015.

Cash flows for the cost of the acquisition of shares of a subsidiary involving a change to the scope of consolidation were categorized in the consolidated statements of cash flows for fiscal year 2015 within "Cash Flows from Operating Activities."

The Company applied the accounting standards for business combinations effective from the start of fiscal year 2015 pursuant to the transitional treatment stipulated in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard, and Article 57-4 (4) of the Business Divestitures Accounting Standard.

The above-mentioned changes to accounting policies had only a negligible effect on the consolidated financial statements of the Company for the fiscal year under review.

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 2014 (April 1, 2014–March 31, 2015)

(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	79,477	30,360	109,837	—	109,837
Intersegment	—	—	—	—	—
Total	79,477	30,360	109,837	—	109,837
Segment profit (loss)	8,961	3,363	12,325	(2,967)	9,357
Segment assets	60,217	26,007	86,224	45,335	131,560
Other items					
Depreciation and amortization	3,203	538	3,742	394	4,137
Extraordinary losses (Impairment loss)	175	—	175	—	175
Investments in affiliates accounted for using the equity method	1,695	—	1,695	—	1,695
Increases in tangible and intangible fixed assets	5,711	1,022	6,733	42	6,775

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

- (1) The ¥2,967 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 ¥45,335 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 2015 (April 1, 2015–March 31, 2016)

(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	85,462	34,044	119,506	—	119,506
Intersegment	—	—	—	—	—
Total	85,462	34,044	119,506	—	119,506
Segment profit (loss)	12,099	4,576	16,675	(3,732)	12,942
Segment assets	63,963	27,843	91,806	45,159	136,966
Other items					
Depreciation and amortization	3,345	517	3,862	552	4,415
Extraordinary losses (Impairment loss)	—	—	—	236	236
Investments in affiliates accounted for using the equity method	1,582	—	1,582	—	1,582
Increases in tangible and intangible fixed assets	5,396	422	5,819	827	6,646

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

- (1) The ¥3,732 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 ¥45,159 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 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Net assets per share (Yen)	1,198.22	1,242.86
Net income per share (Yen)	88.71	109.75

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 2014 (April 1, 2014– March 31, 2015)	FY 2015 (April 1, 2015– March 31, 2016)
Net income per share		
Net income (Millions of yen)	6,794	8,405
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income for common stock attributable to owners of the parent company (Millions of yen)	6,794	8,405
Average number of shares of common stock outstanding (Shares)	76,592,083	76,590,480

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

Item	FY 2014 (as of March 31, 2015)	FY 2015 (as of March 31, 2016)
Total net assets (Millions of yen)	92,148	95,606
Amount to be deducted from total net assets (Millions of yen)	375	416
(of which, non-controlling shareholders' interests) (Millions of yen)	(375)	(416)
Net assets at the end of year attributable to common stock (Millions of yen)	91,772	95,190
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	76,591,244	76,589,720

Significant Subsequent Events

None