TIME & ECOLOGY
AMANO

Summary Financial Statements (Consolidated)
for Fiscal Year 2018 (Year Ended March 31, 2019) (Japan GAAP)

April 24, 2019

Company name: Amano Corporation Listed on: TSE
Securities code: 6436 URL http://www.amano.co.jp/English
Representative: Hiroyuki Tsuda, President & Representative Director
Inquiries: Kunihiro Ihara, Director & Operating Officer
General Manager, Corporate Planning Phone: +81 (45) 439-1591
Scheduled date for Ordinary General Meeting of Shareholders: June 27, 2019
Scheduled date for filing of securities report: June 27, 2019
Scheduled date for start of dividend payments: June 28, 2019
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 2018 (April 1, 2018 to March 31, 2019)

(1) Operating results (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
FY 2018 (year ended March 2019)	131,713	5.9	15,161	5.7	16,090	6.8	9,142	(8.8)
FY 2017 (year ended March 2018)	124,405	3.6	14,350	9.0	15,060	9.1	10,019	8.6

Note: Comprehensive income FY 2018 (year ended March 2019): ¥ 7,748 million (-29.8%)
FY 2017 (year ended March 2018): ¥ 11,041 million (26.0%)

	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 2018 (year ended March 2019)	121.17	—	8.7	11.0	11.5
FY 2017 (year ended March 2018)	132.12	—	9.8	10.6	11.5

Reference: Equity in earnings of affiliates FY 2018 (year ended March 2019): ¥ 201 million
FY 2017 (year ended March 2018): ¥ 108 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2018 (year ended March 2019)	147,609	106,592	71.8	1,417.86
FY 2017 (year ended March 2018)	145,439	105,634	72.3	1,381.90

Reference: Equity capital FY 2018 (year ended March 2019): ¥ 105,961 million
FY 2017 (year ended March 2018): ¥ 105,091 million

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2018 (year ended March 2019)	15,719	(6,133)	(6,800)	42,487
FY 2017 (year ended March 2018)	16,750	(6,500)	(5,392)	40,231

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 2017 (year ended March 2018)	—	23.00	—	34.00	57.00	4,334	43.3	4.2
FY 2018 (year ended March 2019)	—	25.00	—	55.00	80.00	6,028	65.9	5.7
FY 2019 (year ending March 2020) (est.)	—	28.00	—	36.00	64.00		43.7	

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

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

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	63,500	4.1	6,000	9.0	6,500	9.7	4,000	4.5	53.52
Full year	138,000	4.8	16,500	8.8	16,900	5.0	11,000	20.3	147.19

Notes

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

(2) Changes to accounting policy, changes to accounting forecasts, and restatements
- [1] Changes arising from revision of accounting standards : Yes
- [2] Changes to accounting policy other than those in [1] above : None
- [3] Changes to accounting forecasts : None
- [4] Restatements : None

(3) Number of shares issued and outstanding (common stock)

[1] Number of shares issued and outstanding at the end of the period (including treasury stock)	As of March 31, 2019	76,657,829 shares	As of March 31, 2018	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of March 31, 2019	1,924,625 shares	As of March 31, 2018	923,903 shares
[3] Average number of shares outstanding	As of March 31, 2019	75,452,437 shares	As of March 31, 2018	75,839,732 shares

Note: The 314,300 shares held by Amano Corporation as trust property of the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP) are, included in (3)[2] and (3)[3].

Reference: Non-consolidated results

1. Business results for fiscal year 2018 (April 1, 2018 to March 31, 2019)

(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 2018 (year ended March 2019)	74,796	4.2	11,155	13.7	13,210	13.6	9,827	16.2
FY 2017 (year ended March 2018)	71,754	1.0	9,810	14.7	11,629	13.8	8,456	15.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2018 (year ended March 2019)	130.24	—
FY 2017 (year ended March 2018)	111.51	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2018 (year ended March 2019)	126,346	102,681	81.3	1,373.97
FY 2017 (year ended March 2018)	122,643	99,973	81.5	1,314.60

Reference: Equity capital FY 2018 (year ended March 2019): ¥102,681 million
FY 2017 (year ended March 2018): ¥99,973 million

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

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	34,800	2.7	3,900	1.8	5,200	0.7	3,800	2.7	50.85
Full year	77,000	2.9	11,500	3.1	13,500	2.2	9,500	(3.3)	127.12

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

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

Caution regarding forward-looking statements

Earnings forecasts and other forward-looking statements contained in this document are based on information available at the time of this document's preparation and on certain assumptions that are deemed to be reasonable. A variety of factors could cause actual results to differ significantly from the forecasts. For notes on the use of the earnings forecasts and assumptions used for the forecasts, please see Attachment, page 2: "1. General Business Results."

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

Supplementary financial results materials are disclosed via TDnet on the same day as the date of this document. Also, a financial results briefing for institutional investors and analysts is scheduled for Friday, April 26, 2019. 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. General Business Results

(1) General Business Results for This Fiscal Year

During the consolidated fiscal year under review, the U.S. economy remained firm while the uncertainties remained regarding political and economic trends mainly arising from trade issues, the Chinese economic slowdown and the problems surrounding Brexit. In this situation, the Japanese economy remained on a moderate recovery trend, as the employment environment continued to improve and corporate earnings and capital investment were solid despite current signs of a stagnation.

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

As a result of the above, during the fiscal year under review, the Company recorded sales of ¥131,713 million, up by 5.9% year-on-year. Operating profit increased by 5.7% to ¥15,161 million and ordinary profit went up by 6.8% to ¥16,090 million, resulting in increases in both sales and profit. Meanwhile, net income attributable to owners of the parent company decreased by 8.8% to ¥9,142 million.

(Main factors behind the business results)

(i) For Amano, on an unconsolidated basis, sales of time & attendance (T&A) management software and terminals, which are its mainstay products, were boosted by the demand generated by “work style reform.” The Environmental Systems business also grew as capital investment in Japan was generally firm.

(ii) Performance of the Group companies in Japan, Europe and Asia remained favorable.

(iii) In North America, the malfunctions observed at Amano McGann, Inc. remained unresolved, resulting in a year-on-year increase of the loss. However, the Group recorded increases in sales and operating and ordinary profit on a consolidated basis as the loss was covered by the profits recorded at Amano on an unconsolidated basis and Group companies in other regions.

(iv) In terms of extraordinary losses, Amano, on an unconsolidated basis, posted a loss on disposal of fixed assets of ¥1,143 million following the sale of low utilization real estate, as initially scheduled. Additionally, following the unfavorable results for Amano McGann, Inc. in North America, the Group posted an impairment loss of ¥220 million and an income tax adjustment of ¥423 million mainly due to reversal of deferred tax assets. As a result, net income decreased year on year.

The following is a breakdown of sales by business division.

Sales by business division (Millions of yen)

Category	FY 2017 (April 1, 2017– March 31, 2018)		FY 2018 (April 1, 2018– March 31, 2019)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	26,759	21.5	29,176	22.2	2,416	9.0
Time Management Products	3,751	3.0	3,609	2.7	(141)	(3.8)
Parking Systems	60,757	48.8	63,879	48.5	3,122	5.1
Subtotal	91,268	73.3	96,665	73.4	5,397	5.9
Environment System business:						
Environmental Systems	21,993	17.7	23,833	18.1	1,840	8.4
Clean Systems	11,143	9.0	11,213	8.5	70	0.6
Subtotal	33,136	26.7	35,047	26.6	1,911	5.8
Total	124,405	100.0	131,713	100.0	7,308	5.9

Time Information System business

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

Sales in this business totaled ¥96,665 million, representing an increase of ¥5,397 million (5.9%) year-on-year. The following is a breakdown of sales by business division.

• Information Systems ¥29,176 million (up 9.0% year-on-year)
In this business, against the backdrop of the enactment of the bills related to the "work style reform" promoted by the Japanese government, attention is turning to the future trends of companies' efforts to address long working hours, improve productivity and make full use of diverse human resources.

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

Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, software sales increased by ¥1,074 million (15.6%), hardware sales increased by ¥359 million (8.6%), and sales generated by maintenance contracts and supplies services increased by ¥443 million (10.8%) year-on-year. The increase in software sales was mainly attributable to favorable orders for "TimePro-VG" a piece of software for medium-sized and large businesses, and "TimePro-NX" for small to medium-sized businesses. The increase in hardware sales was due to increased orders from the public sector and several projects requiring multiple units. The cloud services developed by Amano Business Solutions Corporation continued to perform strongly.

Overall overseas sales increased by ¥828 million (8.1%), as the sales of both Accu-Time Systems, Inc. in North America and Horoquartz S.A. in Europe increased.

• Time Management Products ¥3,609 million (down 3.8% year-on-year)
Although there is constant demand for standard devices, the trend toward lower prices has continued in this business.

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

Overall domestic sales for the current term decreased by ¥26 million (0.9%) year-on-year as increased sales of "TimeP@CK-iC IV CL" were offset by decreased sales of time recorders.

Overall overseas sales decreased by ¥120 million (14.2%), as sales in North America and Asia fell while sales in Europe were flat.

• Parking Systems ¥63,879 million (up 5.1% year-on-year)
To respond to the increasingly diverse needs of parking lot management in Japan, the Parking Systems business division has been working on improving the efficiency and reducing the cost of parking lot management, increasing the level of convenience for parking lot users, ensuring safety and security in parking lots, and integration with the Internet.

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

Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, while domestic parking equipment sales decreased by ¥329 million (1.6%) partly due to the effect of the large-scale project in the previous term, despite the increase in projects for management firms, sales generated by maintenance contracts and supplies services increased by ¥154 million (1.6%). Amano Management Service Corporation's commissioned parking lot management business has been steadily expanding with increased sales, and the number of parking spaces under management increased by 30,700 (7.1%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥3,118 million (15.7%) due to an increase in sales in the Asian region as the commissioned parking lot management business expanded steadily, mainly in Korea.

Environment System business

- Environmental Systems: Standard dust collectors, large dust collection systems, pneumatic powder conveyance systems, high-temperature hazardous-gas removal systems, and deodorization systems

- Clean Systems: Cleaning equipment, dry-care cleaning systems, cleaning management services, and electrolytic water generators

The sales in this business totaled ¥35,047 million, up by ¥1,911 million (5.8%) year-on-year. The following is a breakdown of sales by business division.

• Environmental Systems ¥23,833 million (up 8.4% year-on-year)
In Environmental Systems, while the Chinese economy continues to slow, domestic capital investment has remained solid despite its sluggishness. Therefore, we believe that the business environment remains on a recovery trend.

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

During the current term for Amano, on an unconsolidated basis, domestic sales of standard equipment increased by ¥322 million (4.1%), sales of large-scale systems increased by ¥875 million (16.1%) and sales generated by maintenance contracts and supplies services increased by ¥52 million (1.0%) year-on-year.

Overall overseas sales increased by ¥506 million (13.3%) due to sales increases in Asia, mainly led by China, Thailand and the Philippines.

• Clean Systems ¥11,213 million (up 0.6% year-on-year)
In Clean Systems, while the trend of companies trying to reduce cleaning costs continues domestically amid a shortage of sanitary workers in the building maintenance industry, needs for proposals that lead to higher cleaning efficiency and improved quality have been increasing.

In response to these market conditions, we strengthened our proposals addressing cleaning issues companies are facing, by introducing new cleaning techniques using cleaning robots and by promoting the new automatic floor scrubbers “EG series” along with the compact cordless polishers which features improved safety and usability.

For this fiscal year, overall domestic sales of cleaning equipment increased by ¥89 million (4.1%) and domestic sales generated by maintenance contracts and supplies services increased by ¥1 million (0.1%) year-on-year due to Amano's increased sales of polishers, carpet cleaners and scrubbers on an unconsolidated basis.

Overall overseas sales decreased by ¥37 million (0.7%) despite the solid performance of the wooden floor sanding equipment business in North America, as other cleaning equipment sales were sluggish and sales decreased.

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit or loss			
	FY 2017 (year ended March 2018)	FY 2018 (year ended March 2019)	Change	Percentage change (%)	FY 2017 (year ended March 2018)	FY 2018 (year ended March 2019)	Change	Percentage change (%)
Japan	85,539	88,871	3,331	3.9	16,362	18,095	1,733	10.6
Other Asia	14,494	17,786	3,292	22.7	1,180	1,474	293	24.9
North America	18,085	18,308	223	1.2	(102)	(1,132)	(1,029)	—
Europe	8,432	9,031	598	7.1	695	718	22	3.2
Total	126,552	133,998	7,446	5.9	18,136	19,155	1,019	5.6
Eliminations/ Corporate	(2,146)	(2,285)	—	—	(3,785)	(3,993)	—	—
Consolidated	124,405	131,713	7,308	5.9	14,350	15,161	811	5.7

Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.
2. Major countries and territories included in areas other than Japan:
(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, and Philippines
(2) North America: United States, Canada, and Mexico
(3) Europe: France, Belgium, and Spain

Overseas sales

(Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	FY 2017 (year ended March 2018)	FY 2018 (year ended March 2019)	Change	Percentage change (%)	FY 2017 (year ended March 2018)	FY 2018 (year ended March 2019)	Change
Other Asia	14,446	17,992	3,546	24.5	11.6	13.7	2.1
North America	16,469	16,895	425	2.6	13.2	12.8	(0.4)
Europe	8,196	8,869	672	8.2	6.6	6.7	0.1
Other regions	1,673	1,530	(142)	(8.5)	1.4	1.2	(0.2)
Total	40,785	45,287	4,502	11.0	32.8	34.4	1.6
Consolidated net sales	124,405	131,713					

Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.
2. Major countries and territories included in areas other than Japan:
(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, and Philippines
(2) North America: United States and Canada
(3) Europe: France, Belgium, and Spain
(4) Other regions: Central and South America
3. Overseas sales comprise sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

(2) General Financial Condition for This Fiscal Year

Since the current consolidated fiscal year, the representation has been changed for deferred tax assets and deferred tax liabilities, and the figures after the reclassification reflecting the change were compared and analyzed with the figures as of end of the previous consolidated fiscal year.

Assets

Total assets as of March 31, 2019 amounted to ¥147,609 million, up by ¥2,169 million from the previous fiscal year-end. Current assets increased by ¥3,384 million year-on-year. This was mainly due to increases of ¥1,033 million in cash and bank deposits and ¥1,734 million in notes and accounts receivable-trade. Fixed assets decreased by ¥1,214 million year-on-year. This was primarily attributable to decrease of ¥1,869 million in tangible fixed assets, despite an increase of ¥414 million in intangible fixed assets.

Liabilities

Total liabilities as of March 31, 2019 amounted to ¥41,017 million, up by ¥1,211 million from the previous fiscal year-end. Current liabilities increased by ¥1,199 million year-on-year. This was mainly due to increases of ¥560 million in electronically recorded obligations and ¥294 million in short-term bank loans and ¥588 million in other current liabilities following an increase in Advance received. Fixed liabilities increased by ¥12 million year-on-year. This was primarily attributable to increases of ¥95 million in provision for stock benefit and ¥83 million in provision for directors' stock benefit, despite a decrease of ¥235 million in lease obligations.

Net Assets

Total net assets as of March 31, 2019 amounted to ¥106,592 million, up by ¥957 million from the previous fiscal year-end. This was primarily attributable to increase of ¥2,397 million in shareholders' equity resulting from the recording of net income attributable to shareholders of the parent company, despite a decrease of ¥1,527 million in accumulated other comprehensive income following a decrease in translation adjustments.

(3) Summary of Cash Flows for This Fiscal Year

Consolidated cash and cash equivalents increased by ¥2,255 million from the previous fiscal year-end to a total of ¥42,487 million as of March 31, 2019. 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 ¥15,719 million. This was attributable primarily to income before income taxes amounting to ¥14,834 million, and depreciation and amortization amounting to ¥5,849 million, despite income taxes payments amounting to ¥5,473 million.

Cash flow from investing activities

Net cash used in investing activities totaled –¥6,133 million. This was mainly because, despite the recording of ¥9,830 million in proceeds from withdrawal of time deposits and ¥2,000 million in proceeds from redemption of securities, the Company recorded expenditures amounting to ¥8,544 million in time deposits, ¥2,800 million to purchase tangible fixed assets, ¥2,145 million to purchase intangible fixed assets, ¥2,112 million for business acquisitions, and ¥2,000 million to purchase securities.

Cash flow from financing activities

Net cash used in financing activities amounted to –¥6,800 million. This was chiefly due to the recording of expenditures amounting to ¥4,486 million in payment of dividends, ¥2,328 million in purchase of treasury stock, and ¥1,399 million in repayment of finance lease obligations, despite the recording of ¥1,150 million in proceeds from sale and leaseback.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2015	As of Mar. 31, 2016	As of Mar. 31, 2017	As of Mar. 31, 2018	As of Mar. 31, 2019
Equity ratio (%)	69.8	69.5	71.8	72.3	71.8
Fair value equity ratio (%)	83.7	99.4	122.6	150.1	132.5
Ratio of cash flow to interest-bearing liabilities (%)	52.2	25.5	16.0	11.2	14.0
Interest coverage ratio	122.9	292.2	447.8	483.5	539.4

Notes: Equity ratio: Equity capital/Total assets

Fair value equity ratio: Gross market capitalization/Total assets

Ratio of cash flow to interest-bearing liabilities: Interest-bearing liabilities/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest payments

Assumptions:

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

(4) Future Outlook

In the next fiscal year ending March 31, 2020, various uncertainties will remain internationally over developments in trade frictions between the United States and China, in addition to signs of the economic slowdown in China. In this situation, the Japanese economy will likely remain on a recovery trend as capital investment for improvements in productivity and laborsaving, as well as for other purposes, will remain firm on the back of the “work style reform”, although temporary changes in demand are expected following the increase in consumption taxes.

Amid this business environment, Amano Corporation and its Group companies will set "The 2nd Stage Towards a 100-year Company-Innovative Creation of Value for Sustainable Growth" as its management concept and work to address key issues in the 7th Medium-term Business Plan described in "3. Business Policies" on page 11 with a view to maximizing the corporate value of Amano Corporation.

For the next fiscal year ending March 31, 2020, we have revised our forecast to net sales at ¥138,000 million, operating profit at ¥16,500 million, ordinary profit at ¥16,900 million and net income attributable to parent company shareholders at ¥11,000 million. For details please refer to the numerical targets indicated on page 13, in “3. Business Policies”.

Furthermore, this forecast assumes the currency exchange rates of ¥105 to the US dollar and ¥125 to the euro.

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

Amano places great importance on its policy of paying dividends to shareholders. Its fundamental policy to return profits to shareholders is to make appropriate performance-based distributions and to buy back shares, as it deems necessary. The Company aims to maintain a dividend payout ratio of at least 40% on a consolidated basis and a net asset dividend rate of at least 2.5%. However, in order to further enhance shareholder profit returns we are considering to newly adopt the concept of Total Return Ratio in which the target ratio shall be at least 55%.

In line with this policy, taking into account our current-year operations results, we plan to pay a year-end dividend of ¥35 per share, and the annual per-share dividend for this fiscal year will be ¥60 (including ¥25 per share paid as the interim dividend), an increase of ¥3 compared with the previous fiscal year.

Furthermore, in line with the newly adopted target for Total Return Ratio, we plan to payout a special dividend of ¥20 per share, which, combined with the above annual dividend of ¥60, the total will be ¥80 per share representing an increase of ¥23 compared to last year. As a result, the consolidated payout ratio will be 65.9%, the net asset dividend rate will be 5.7%, and the Total Return Ratio will be 65.9%. Moreover, the Total Return Ratio will be 91.4% if we take into consideration the share buy-back between October 2018 and March 2019, which is prior to the adoption of Total Return Ratio.

With regard to the dividend for the next fiscal year ending March 31, 2020, in line with our Basic Policy on Distribution of Profits and in view of our Outlook for the next fiscal year, we aim to pay an annual per-share dividend of ¥64 (with an interim dividend of ¥28 and a year-end dividend of ¥36). We also intend to achieve the Total Return Ratio target of 55% or above through dividends and flexible use of share buy-back.

Retained earnings will be earmarked to fund effective investment aimed at the fundamental enhancement of the Company's capacity to conduct its business operations. This will include the expansion and strengthening of existing business fields, strategic investment in growth fields, and spending on research and development, as well as the rationalization of production plants and equipment for the purpose of reducing costs and further improving product quality.

(6) Operating and Other Risk Factors

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

Every effort 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 24, 2019).

(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, 2019, the Time Information System business accounted for 73.4% of total sales, and the Environment System business accounted for 26.6%. Before the deduction of unallocated expenses, the Time Information System business contributed 70.7% to operating profit, while the Environment System business contributed 29.3%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 72.6% of total sales and 71.6% 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.

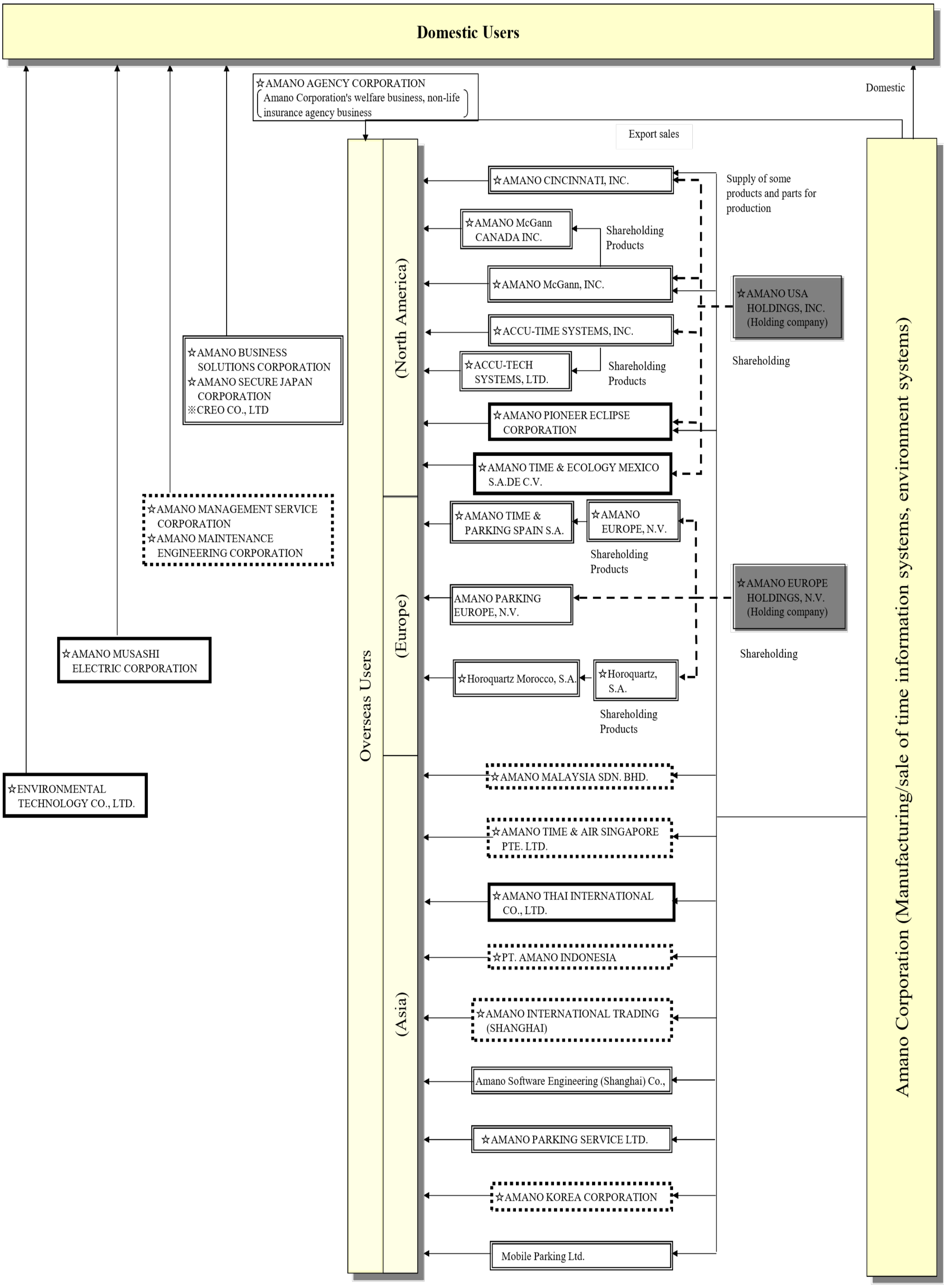
(v) Overseas business development

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 following chart sets out the Group's business activities.

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



☆: Consolidated subsidiaries

3. Business Policies

(1) Basic Management Policy

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

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

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

Amano launched the 7th Medium-term Business Plan for the three years from April 2017 to March 2020. An outline of the plan is set out below.

[1] Basic policies

Under the 7th Medium-term Business Plan, with the Group's management concept of "The 2nd Stage Towards a 100-year Company-Innovative Creation of Value for Sustainable Growth," we will address four key issues towards achieving the goal of "enhancing our corporate value" while emphasizing compliance and further strengthening corporate governance as a foundation.

(1) Regional Growth Strategies: Promote growth strategy for each of the four regions (Japan, North America, Europe and Asia).
(2) Reinforcement Management Foundation: Reinforce management practices based on productivity improvement by continuing cost reduction activities and a work style reform.
(3) Create Innovation: Aim to be the clear niche leader and build the sixth and seventh core businesses.
(4) Improve Brand Value: Promote the enhancement of the value of Amano brands through efforts to address the key issues described above.

The target of the 7th Medium-term Business Plan is the achievement of the "triple 11."
(1) Operating profit ratio: 11% or more
(2) ROE: 11% or more
(3) The ratio of consolidated net sales to non-consolidated net sales: 11% growth

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

1. Japanese market

In the Japanese market, we will reinforce ties among domestic Group companies and also with other companies outside the Group and strengthen our capacity to provide holistic solutions (which cover hardware, software, and services) across all business fields both qualitatively and quantitatively. We will also promote the strategic "3-in-1 activity" to increase our customer base by cultivating and further attracting existing customers and aim to be the clear niche leader on a medium- to long-term basis in each business field.

The Information Systems business is being driven by the strong demand for time & attendance management systems generated by the Labor Reform Act. The Labor Standards Law established approximately 70 years ago, underwent a significant revision with the enactment of the Labor Reform Act in April 2019, which aims to curb long working hours. Even under the newly established Advanced Professional System, the management of health care time is mandatory. In other words, employers are now legally obliged to protect the well-being of their employees by properly grasping working hours and to establish appropriate controls to maintain compliancy with legal working hours. As the Labor Reform Act will be applied progressively depending on the company size and its industry, it is expected that further demand will be generated from system renewals and conversions to services using cloud and smart devices.

In response to this market environment, for the small-to-medium sized enterprise (SME) market, we will further strengthen the marketing of holistic solutions with the “TimePro-NX” which is an integrated software to manage time & attendance, human resource management and payroll. For the medium-to-large enterprise market, we are working to strengthen solutions for time & attendance, human resource management, payroll, accounting software, and consulting services by collaborating with CREO CO., LTD., utilizing “TimePro-VG”. We are seeking to become an "HR solutions vendor" by expanding our customer base through the provision of a one-stop service that covers hardware, software and cloud services.

The Parking Systems business continues to grow in the nation's parking lot market despite the cooling down of the real estate market which was buoyant in advance of the 2020 Tokyo Olympics. In addition to the need for parking lot management cost reduction, ensuring safety and security in parking lots, consideration for the environment and the improvement of user convenience, the need to offer solutions for new operational methods such as use via web based services and cashless / ticketless use of parking lots is increasing.

Given this market environment, we will further strengthen partnerships with major parking lot management companies and provide various services through our parking lot data center for small- and medium-sized parking lot management companies while improving the functions and operability of system equipment. In order to respond to transitions in the market including the increased demand for parking reservations and the migration towards a sharing economy, we will aim to become a "total parking solutions vendor." In addition, we will continue to strengthen and expand our efforts for facilities such as bicycle parking lots, security gates and toll roads in order to expand our business.

In the Environmental systems business, despite the sense of sluggishness, domestic capital investments by companies remained solid especially in the automobile-related industry. Overseas on the other hand, the Chinese economy is showing signs of a slowdown and capital investments by Japanese transplants in the U.S. and other regions were somewhat weak.

Given this market environment, in Japan we will aim to increase the quantity of sales of standard equipment by rolling out new products and expand business domains including the pharmaceutical, food, and cosmetics markets, which are less affected by business sentiments. We will also work to strengthen our engineering capabilities and comprehensive sales, including that of peripheral equipment, by partnering with industrial equipment manufacturers and aim to become an "M2M partial solutions vendor."

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

In response to these market conditions, we will expand the robotic cleaning market by introducing the latest cleaning devices to the factory market. We will also strengthen recurring revenues by means of promoting maintenance contracts and increasing order intake for supplies, which will reinforce our customer base. In addition to promoting comprehensive proposals for commissioned cleaning services and aesthetic maintenance, we will also strive to become a "robotic solutions vendor," with cleaning robots.

2. North American market

In the Parking Systems business, we will focus on the early recovery of Amano McGann, Inc., and at the same time we will continue to expand system sales along with the promotion of a new product for the low-end market so as to gain a sure foothold. In the Information Systems business, we will strive to expand the business by increasing sales of Accu-Time Systems, Inc.'s time and attendance information terminals and by developing cloud services. In the Clean Systems business, we will further expand the business of the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp., and develop new niche areas and new sales channels. In the Environmental Systems business, Amano Time & Ecology de Mexico S.A. de C.V. will strive to boost sales of standard equipment to Japanese transplants in the region, especially the automobile-related companies.

3. European market

In the Information Systems business, we will further enhance our customer base by promoting Horoquartz's workforce management and access control businesses. In the Parking Systems business, we will strive to expand operations by developing a commissioned parking lot management business.

4. Asian market

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

Other issues that need to be addressed are listed below:

1. Practical implementation of a work style reform

With the aim of improving productivity of the whole Group, we will continue the efforts to increase productivity by having each employee regulate their biological clock and create a timetable which reflects the prioritization of their job duties. We will publish examples and the results of our company's efforts as an "HR solutions vendor" to the public and incorporate such examples to enhance the product appeal of time & attendance systems.

2. Create innovation

We will aim to become the "clear niche leader" by increasing each business division's No. 1 areas. We will also promote open innovation by acquiring technology and know-how from companies outside our Group through cooperation with venture companies and M&As regardless of our existing technology and know-how in order to build the "sixth and seventh core businesses" as new businesses. In addition, with future market trends in mind, we will promote research and development that is not necessarily limited to our current product or service lineup (to defeat innovation dilemmas) in order to aim for leading-edge business development utilizing AI, IoT, robotic devices and the web.

3. Further improvement of brand value

In order to improve our corporate value, we will strive to gain wider recognition of our company in the overall market by taking advantage of mass media and social media, and aim to further enhance our brands by strongly promoting each business division's brand strategies and by creating synergy effects with our Group companies more than ever before.

[2] Numerical targets

For the next fiscal year, which is the final year of the current 7th Medium-term Business Plan, we initially planned for net sales at ¥142,000 million, operating income at ¥16,000 million, ordinary income at ¥16,400 million, and net income attributable to parent company shareholders at ¥10,800 million. However, in light of the business performance up to the current fiscal year and the business plan for the next, we have revised the plan to net sales at ¥138,000 million, operating income at ¥16,500 million, ordinary income at ¥16,900 million, and net income attributable to parent company shareholders at ¥11,000 million.

(The main assumptions and points for revising the plan)

(i) Information systems at unconsolidated ACJ is expected to remain on a growth trend, however, for parking systems, the demand generated by the Olympics is expected to weaken as it come to a full circle. As for environmental systems, it is expected that the US-China trade conflict will affect both unconsolidated ACJ and overseas group companies.

(ii) Amano McGann Inc., of North America, which is suffering from product issues, is expected to resolve the problems by mid 2019 and begin to recover. However, the accumulated P&L for the first half will remain in deficit.

(iii) We plan to record loss on sales of fixed assets as an extraordinary loss due to the sale of low-utilization real estate in Japan.

Numerical targets

(Millions of yen)

	FY 2017 (year ended March 2018) (Results)		FY 2018 (year ended March 2019) (Results)		FY 2019 (year ending March 2020)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	124,405	3.6%	131,713	5.9	138,000	4.8
Operating profit	14,350	9.0%	15,161	5.7	16,500	8.8
Operating profit ratio (%)	11.5%	—	11.5%	—	12.0%	—
Ordinary profit	15,060	9.1%	16,090	6.8	16,900	5.0
Net income attributable to owners of the parent company	10,019	8.6%	9,142	(8.8)	11,000	20.3

4. Basic Approach to the Selection of Accounting Standards

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

5. Consolidated Financial Statements and Primary Explanatory Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2017 (as of March 31, 2018)	FY 2018 (as of March 31, 2019)
Assets		
Current assets		
Cash and bank deposits	44,525	45,558
Notes and accounts receivable—trade	33,632	35,367
Marketable securities	1,377	1,184
Merchandise and finished goods	3,699	4,381
Work in process	535	767
Raw materials and supplies	5,495	5,036
Other current assets	3,267	3,630
Allowance for doubtful accounts	(467)	(476)
Total current assets	92,065	95,449
Fixed assets		
Tangible fixed assets		
Buildings and structures	30,887	28,599
Accumulated depreciation	(19,910)	(18,469)
Buildings and structures (net)	10,977	10,130
Machinery and vehicles	6,976	7,001
Accumulated depreciation	(6,052)	(6,105)
Machinery and vehicles (net)	923	896
Tools, furniture and fixtures	13,907	14,636
Accumulated depreciation	(11,779)	(12,206)
Tools, furniture and fixtures (net)	2,127	2,430
Land	7,135	6,125
Lease assets	6,112	5,883
Accumulated depreciation	(3,474)	(3,590)
Lease assets (net)	2,638	2,293
Construction in progress	177	236
Total tangible fixed assets	23,980	22,111
Intangible fixed assets		
Goodwill	2,895	2,734
Software	4,385	4,552
Software in progress	2,261	1,985
Other	2,824	3,510
Total intangible fixed assets	12,367	12,782
Investments and other assets		
Investment securities	9,363	10,046
Long-term loans receivable	10	-
Claims in bankruptcy and similar claims	529	496
Fixed leasehold deposits	1,287	1,420
Long-term deposits	1,500	1,500
Net defined benefit assets	96	102
Deferred tax assets	2,770	2,320
Other	2,011	1,887
Allowance for doubtful accounts	(542)	(509)
Total investments and other assets	17,026	17,266
Total fixed assets	53,374	52,160
Total assets	145,439	147,609

(Millions of yen)

	FY 2017 (as of March 31, 2018)	FY 2018 (as of March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	7,034	7,264
Electronically recorded obligations	6,454	7,015
Short-term bank loans	169	463
Lease obligations	1,296	1,105
Accrued income taxes	3,472	3,135
Accrued bonuses	2,477	2,531
Accrued officers' bonuses	130	130
Other current liabilities	13,335	13,924
Total current liabilities	34,370	35,569
Long-term liabilities		
Long-term accounts payable—other	33	1
Lease obligations	2,590	2,354
Deferred tax liabilities	5	43
Net defined benefit liabilities	2,446	2,478
Provision for stock benefit	-	95
Provision for directors' stock benefit	-	83
Asset retirement obligations	31	32
Other long-term liabilities	326	358
Total long-term liabilities	5,434	5,447
Total liabilities	39,805	41,017
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	71,140	75,866
Treasury stock	(1,892)	(4,220)
Total shareholders' equity	106,780	109,178
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	2,225	1,921
Foreign currency translation adjustments	(2,997)	(4,189)
Remeasurements of defined benefit plans	(917)	(948)
Total accumulated other comprehensive income	(1,689)	(3,216)
Non-controlling shareholders' interests	543	630
Total net assets	105,634	106,592
Total liabilities and net assets	145,439	147,609

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

Consolidated Statements of Income

(Millions of yen)

	FY 2017 (April 1, 2017- March 31, 2018)	FY 2018 (April 1, 2018- March 31, 2019)
Net sales	124,405	131,713
Cost of sales	69,103	73,467
Gross profit	55,302	58,246
Selling, general and administrative expenses		
Selling expenses	36,786	38,789
General and administrative expenses	4,165	4,294
Total selling, general and administrative expenses	40,951	43,084
Operating profit	14,350	15,161
Non-operating profit		
Interest income	108	136
Dividend income	180	208
Insurance dividend income	133	128
Insurance income	69	68
Equity in earnings of affiliates	108	201
Other	346	338
Total non-operating profit	947	1,081
Non-operating expenses		
Interest expenses	34	29
Loss on foreign exchange	118	15
Foreign withholding tax	20	23
Other	63	84
Total non-operating expenses	237	152
Ordinary profit	15,060	16,090
Extraordinary income		
Gain on sale of fixed assets	8	25
Gain on sales of investment securities	250	141
Total extraordinary income	259	166
Extraordinary losses		
Loss on disposal of fixed assets	37	26
Loss on sale of fixed assets	1	1,145
Impairment loss	-	220
Special retirement expenses	-	30
Total extraordinary losses	39	1,423
Income before income taxes	15,280	14,834
Income taxes	4,953	5,126
Deferred income taxes	209	423
Total income taxes	5,163	5,550
Net income	10,117	9,284
Net income attributable to non-controlling shareholders	97	142
Net income attributable to owners of the parent company	10,019	9,142

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2017 (April 1, 2017- March 31, 2018)	FY 2018 (April 1, 2018- March 31, 2019)
Net income	10,117	9,284
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	289	(303)
Foreign currency translation adjustment	566	(1,201)
Remeasurements of defined benefit plans	68	(30)
Share of other comprehensive income of associates accounted for using equity method	(0)	0
Total other comprehensive income	923	(1,535)
Comprehensive income	11,041	7,748
(Breakdown)		
Comprehensive income attributable to owners of the parent company	10,915	7,615
Comprehensive income attributable to non-controlling shareholders	126	133

(3) Consolidated Statement of Changes in Shareholders' Equity

FY 2017 (April 1, 2017–March 31, 2018)

(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	65,075	(1,059)	101,548
Cumulative effects of change in accounting policy					—
Restated Balance	18,239	19,293	65,075	(1,059)	101,548
Changes during the year					
Dividends from surplus			(3,954)		(3,954)
Net income attributable to owners of the parent company			10,019		10,019
Purchase of treasury stock				(832)	(832)
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	6,065	(832)	5,232
Balance at year end	18,239	19,293	71,140	(1,892)	106,780

	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	1,934	(3,533)	(986)	(2,585)	458	99,421
Cumulative effects of change in accounting policy						—
Restated Balance	1,934	(3,533)	(986)	(2,585)	458	99,421
Changes during the year						
Dividends from surplus						(3,954)
Net income attributable to owners of the parent company						10,019
Purchase of treasury stock						(832)
Net changes in items other than shareholders' equity	290	536	68	895	85	980
Total changes during the year	290	536	68	895	85	6,213
Balance at year end	2,225	(2,997)	(917)	(1,689)	543	105,634

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

(Millions of yen)

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

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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2017 (April 1, 2017- March 31, 2018)	FY 2018 (April 1, 2018- March 31, 2019)
Cash flows from operating activities		
Income before income taxes	15,280	14,834
Depreciation and amortization	5,063	5,849
Amortization of goodwill	511	545
Impairment loss	-	220
Increase (decrease) in retirement benefit liability	66	12
Increase (decrease) in provision for stock benefit	-	95
Increase (decrease) in provision for directors' stock benefit	-	83
Increase (decrease) in allowance for doubtful accounts	206	2
Interest and dividend revenue	(288)	(345)
Equity in (earnings) losses of affiliates	(108)	(201)
Interest expenses	34	29
Foreign currency translation loss (gain)	4	36
Loss (gain) on sale of fixed assets	(7)	1,120
Loss on disposal of fixed assets	37	26
Loss (gain) on sales of investment securities	(250)	(141)
Extra retirement payment	-	30
(Increase) decrease in trade notes and accounts receivable	290	(1,948)
(Increase) decrease in inventories	(235)	(595)
Increase (decrease) in accounts payable	(794)	884
Increase (decrease) in other current liabilities	1,185	621
Other	(446)	(334)
Subtotal	20,550	20,825
Receipts from interest and dividends	303	398
Interest paid	(34)	(29)
Extra retirement payments	-	(30)
Income taxes paid	(4,141)	(5,473)
Income taxes refunded	73	28
Net cash provided by operating activities	16,750	15,719
Cash flows from investing activities		
Payment for acquisition of securities	(2,000)	(2,000)
Proceeds from redemption of securities	2,150	2,000
Payment for purchase of tangible fixed assets	(3,107)	(2,800)
Proceeds from sale of tangible fixed assets	25	460
Payment for acquisition of intangible fixed assets	(2,385)	(2,145)
Payment for acquisition of investment securities	(967)	(905)
Proceeds from sales of investment securities	300	241
Proceeds from liquidation of subsidiaries	46	-
Payments for acquisition of businesses	(168)	(2,112)
Collection of loans receivable	0	-
Increase in time deposits	(9,179)	(8,544)
Proceeds from withdrawal of time deposits	8,771	9,830
Other	10	(156)
Net cash used in investing activities	(6,500)	(6,133)

(Millions of yen)

	FY 2017 (April 1, 2017- March 31, 2018)	FY 2018 (April 1, 2018- March 31, 2019)
Cash flows from financing activities		
Increase in short-term loans payable	158	469
Repayment for short-term bank loans	(506)	(160)
Payment for acquisition of treasury stock	(832)	(2,328)
Repayment of finance/lease obligations	(1,547)	(1,399)
Proceeds from sale and leaseback transactions	1,331	1,150
Dividends paid	(3,954)	(4,486)
Payment of dividends to non-controlling shareholders	(41)	(46)
Cash flows from financing activities	(5,392)	(6,800)
Effect of exchange rate changes on cash and cash equivalents	103	(528)
Net increase (decrease) in cash and cash equivalents	4,961	2,255
Cash and cash equivalents at the beginning of the year	35,270	40,231
Cash and cash equivalents at end of period	40,231	42,487

(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: 27

Names of major consolidated subsidiaries:

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

In the fiscal year under review, Amano Secure Japan Co., Ltd. is included in the scope of consolidation following the establishment of a consolidated subsidiary through company split (newly established split).

(2) Names of non-consolidated subsidiaries:

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

Reasons for exclusion from the scope of consolidation

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

2. Application of the equity method

Number of affiliated companies to which the equity method is applied: 1
Names of affiliated companies to which the equity method is applied:
CREO CO., LTD.

3. Fiscal years of consolidated subsidiaries

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

4. Accounting standards

(1) Valuation standards and methods for significant assets

(i) Securities:

Held-to-maturity bonds:
Amortized cost method applied

Other securities:
Available-for-sale securities with market prices are marked to market as of the balance sheet date. Net unrealized gains or losses on these securities are recorded directly in shareholders' equity, and costs of securities sold are computed using the moving average method.

Available-for-sale securities without market prices are stated at cost based on the moving average method.

(ii) Derivatives:

Marked to market

(iii) Inventories:

In principal, stated at cost based on the periodic average method
(Balance sheet value calculated by write-down method based on reduced profitability)

(2) Depreciation methods for important depreciable assets

(i) Tangible fixed assets (excluding lease assets)

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

Useful life of key items is deemed to be:

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

(ii) Intangible fixed assets (excluding lease assets)

Straight-line method

Software for sale by the Company is depreciated by the straight-line method based on the estimated period during which it can be sold (3 years), while software for internal use by the Company and its domestic consolidated subsidiaries is depreciated by the straight-line method over its useful life (5 years).

(iii) Lease assets

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

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

(3) Accounting for significant reserves

(i) Allowance for doubtful accounts

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

(ii) Accrued bonuses

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

(iii) Accrued officers' bonuses

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

(iv) Provision for stock benefit

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

(v) Provision for directors’ stock benefit

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

(4) Accounting policy for retirement benefits

(i) Attribution method for expected retirement benefits

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

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

Prior service costs are charged using the straight-line method over a fixed number of years (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.

Change in Accounting Policy

(Application of IFRS 15 " Revenue from Contracts with Customers")

For our subsidiaries that are subject to IFRS accounting, we have applied IFRS 15 "Revenue from Contracts with Customers" from the current consolidated fiscal year. In adopting this accounting standard, we adopted the permitted transitional measure whereby the cumulative effect when applying this standard, is recognized on the effective date of application.

As a result, compared with the previous accounting standard, the balance of retained earnings increased by ¥70 million. In the current consolidated fiscal year, net sales decreased by ¥21 million, income tax adjustments decreased by ¥7 million, and net income attributable to parent company shareholders decreased by ¥14 million.

Change in Reporting Method

(Application of Partial Amendments to “Accounting Standard for Tax Effect Accounting”)

Partial Amendments to "Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of the current consolidated fiscal year.

Deferred tax assets are presented in the category of investments and other assets, and deferred tax liabilities are presented in the category of long-term liabilities.

As a result, in the consolidated balance sheet of the previous consolidated fiscal year, the “Deferred tax assets” of “Current assets” of ¥1,838 million is included in the “Deferred tax assets” of “Investments and other assets” of ¥2,770 million.

Additional Information

Directors' Compensation BIP Trust and Employee Stock Ownership Plan (J-ESOP)

In Amano Corporation and some of its subsidiaries, for the purpose of enhancing the motivation to contribute to the improvement of medium- to long-term business performance and to increase corporate value, the Directors' Compensation BIP Trust system for directors (excluding external directors and expatriates) and operating officers (excluding expatriates), as well as the Employee Stock Ownership Plan (J-ESOP) system for employees who meet the prescribed requirements have been introduced.

[1] Outline of the system

Under the system, a trust is established with money contributed by Amano Corporation as a source, stocks of Amano Corporation are acquired by the trust, and the stocks are provided to eligible persons.

Under the Directors' Compensation BIP Trust, in accordance with the stock distribution rules and based on points granted according to the attainment level of numerical targets related to their positions and management indicators, stocks of Amano Corporation are provided by the trust to directors and operating officers.

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

[2] Stocks of Amano Corporation that remain in the trust

Stocks of Amano Corporation that remain in the trust are recorded as treasury stock in the net assets section with the book value of the trust (excluding incidental expenses).

Book value of the treasury stock and the number of shares

Current fiscal year ¥827 million, 314,300 shares

Segment Information

1. Outline of Reporting Segments

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

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

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

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

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

Business segment	Sales category	Principal products
Time Information System business	Information Systems	Time & attendance (T&A) systems, payroll systems, human-resource management systems, cafeteria systems, access control systems, proximity IC card solutions, system time recorders, T&A/human-resource and payroll ASP services, time distribution and authentication services
	Time management equipment	PC-interface time recorders, computerized time recorders, standard electronic time recorders, electronic time stamps, numbering machines, patrol recorders
	Parking Systems	Automatic fee settlement systems, access control systems, parking lot management systems, bicycle parking systems, automatic time registers, parking tower management systems, Internet-based parking guidance systems, commissioned parking lot management business
Environment System business	Environmental Systems	Industrial vacuum cleaners, standard dust collectors, oil mist collectors, fume collectors, large dust collection systems, deodorization systems, high-temperature hazardous-gas removal systems, pneumatic powder conveyance systems, environmental equipment monitoring/maintenance support systems, 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 2017 (April 1, 2017–March 31, 2018)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	91,268	33,136	124,405	—	124,405
Intersegment	—	—	—	—	—
Total	91,268	33,136	124,405	—	124,405
Segment profit (loss)	13,044	5,189	18,234	(3,884)	14,350
Segment assets	69,035	27,422	96,457	48,982	145,439
Other items					
Depreciation and amortization	3,980	509	4,489	573	5,063
Investments in affiliates accounted for using the equity method	1,681	—	1,681	—	1,681
Increases in tangible and intangible fixed assets	4,537	466	5,004	655	5,659

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

(1) The −¥3,884 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 ¥48,982 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 2018 (April 1, 2018–March 31, 2019)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	96,665	35,047	131,713	—	131,713
Intersegment	—	—	—	—	—
Total	96,665	35,047	131,713	—	131,713
Segment profit (loss)	13,590	5,621	19,211	(4,049)	15,161
Segment assets	71,224	29,227	100,501	47,107	147,609
Other items					
Depreciation and amortization	4,706	565	5,271	577	5,849
Investments in affiliates accounted for using the equity method	1,843	—	1,843	—	1,843
Increases in tangible and intangible fixed assets	4,020	513	4,534	547	5,081

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

(1) The −¥4,049 million adjustment in segment profit indicates company-wide expenses not allocated to the reporting segments. Company-wide expenses consist mainly of general and administrative expenses that do not belong to any of the reporting segments.

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

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

Per-share Data

	FY 2017 (April 1, 2017– March 31, 2018)	FY 2018 (April 1, 2018– March 31, 2019)
Net assets per share (Yen)	1,381.90	1,417.86
Net income per share (Yen)	132.12	121.17

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 2017 (April 1, 2017– March 31, 2018)	FY 2018 (April 1, 2018– March 31, 2019)
Net income per share		
Net income attributable to owners of the parent company (Millions of yen)	10,019	9,142
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income for common stock attributable to owners of the parent company (Millions of yen)	10,019	9,142
Average number of shares of common stock outstanding (Shares)	75,839,732	75,452,437

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

Item	FY 2017 (as of March 31, 2018)	FY 2018 (as of March 31, 2019)
Total net assets (Millions of yen)	105,634	106,592
Amount to be deducted from total net assets (Millions of yen)	543	630
(of which, non-controlling shareholders' interests) (Millions of yen)	(543)	(630)
Net assets at the end of year attributable to common stock (Millions of yen)	105,091	105,961
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	76,048,226	74,733,204

Significant Subsequent Events

None

6. Unconsolidated Financial Statements

(1) Balance Sheets

(Millions of yen)

	FY 2017 (as of March 31, 2018)	FY 2018 (as of March 31, 2019)
Assets		
Current assets		
Cash and bank deposits	23,067	25,641
Notes receivable - trade	3,064	2,786
Accounts receivable - trade	19,521	21,441
Marketable securities	1,000	1,000
Merchandise and finished goods	1,857	1,814
Work in process	335	378
Raw materials and supplies	2,160	1,981
Other current assets	894	1,406
Allowance for doubtful accounts	(1)	(1)
Total current assets	51,900	56,447
Fixed assets		
Tangible fixed assets		
Buildings	8,783	8,172
Structures	242	228
Machinery and equipment	751	699
Vehicles	4	4
Tools, furniture and fixtures	377	514
Land	6,559	5,525
Construction in progress	49	34
Total tangible fixed assets	16,768	15,177
Intangible fixed assets		
Software	3,865	3,390
Software in progress	1,908	1,904
Other	35	35
Total intangible fixed assets	5,809	5,330
Investments and other assets		
Investment securities	7,625	8,149
Shares of subsidiaries and associates	36,059	36,779
Investments in capital of subsidiaries and associates	71	71
Long-term loans receivable from subsidiaries and associates	318	-
Claims in bankruptcy and similar claims	241	241
Fixed leasehold deposits	761	757
Long-term deposits	1,500	1,500
Insurance funds	1,265	1,245
Deferred tax assets	513	849
Other	66	55
Allowance for doubtful accounts	(259)	(260)
Total investments and other assets	48,164	49,390
Total fixed assets	70,743	69,898
Total assets	122,643	126,346

(Millions of yen)

	FY 2017 (as of March 31, 2018)	FY 2018 (as of March 31, 2019)
Liabilities		
Current liabilities		
Notes payable - trade	646	782
Electronically recorded obligations	6,454	7,015
Accounts payable - trade	4,165	4,286
Accounts payable - other	154	165
Accrued expenses	2,223	2,270
Accrued income taxes	2,219	1,833
Accrued consumption taxes	546	575
Advances received	1,094	1,286
Deposits received	276	269
Deposits received from employees	1,710	1,743
Accrued bonuses	2,130	2,194
Accrued officers' bonuses	130	130
Other current liabilities	329	381
Total current liabilities	22,080	22,935
Long-term liabilities		
Provision for retirement benefits	589	550
Provision for stock benefit	-	95
Provision for directors' stock benefit	-	83
Total long-term liabilities	589	729
Total liabilities	22,670	23,664
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus		
Legal capital surplus	19,292	19,292
Total capital surpluses	19,292	19,292
Retained earnings		
Legal retained earnings	2,385	2,385
Other retained earnings		
Reserve for reduction entry of buildings	24	-
General reserve	10,881	10,881
Retained earnings brought forward	48,817	54,182
Total retained earnings	62,108	67,448
Treasury stock	(1,892)	(4,220)
Total shareholders' equity	97,748	100,760
Valuation and translation adjustments		
Net unrealized gains (losses) on available- for-sale securities	2,224	1,920
Total valuation and translation adjustments	2,224	1,920
Total net assets	99,973	102,681
Total liabilities and net assets	122,643	126,346

(2) Statements of Income

(Millions of yen)

	FY 2017 (April 1, 2017- March 31, 2018)	FY 2018 (April 1, 2018- March 31, 2019)
Net sales	71,754	74,796
Cost of sales	40,774	42,574
Gross profit	30,980	32,222
Selling, general and administrative expenses	21,170	21,066
Operating profit	9,810	11,155
Non-operating profit		
Interest and dividend revenue	1,186	1,423
Foreign exchange gains	-	27
Other	738	682
Total non-operating profit	1,924	2,133
Non-operating expenses		
Interest expenses	18	18
Loss on foreign exchange	38	-
Other	48	60
Total non-operating expenses	105	78
Ordinary profit	11,629	13,210
Extraordinary income		
Gain on sales of investment securities	250	141
Reversal of allowance for investment loss	-	720
Other	0	0
Total extraordinary income	250	862
Extraordinary losses		
Loss on disposal of fixed assets	2	3
Loss on sale of fixed assets	0	1,143
Total extraordinary losses	2	1,147
Income before income taxes	11,877	12,925
Income taxes	3,493	3,456
Deferred income taxes	(72)	(357)
Total income taxes	3,421	3,098
Net income	8,456	9,827

(3) Statement of Changes in Shareholders' Equity

FY 2017 (April 1, 2017–March 31, 2018)

(Millions of yen)

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

	Net assets						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for reduction entry of buildings	General reserve	Retained earnings brought forward			
Balance at the beginning of the year	2,385	25	10,881	44,314	57,606	(1,059)	94,079
Changes during the year							
Reversal of reserve for reduction entry of buildings		(0)		0	—		—
Dividends from surplus				(3,954)	(3,954)		(3,954)
Net income				8,456	8,456		8,456
Purchase of treasury stock						(832)	(832)
Net changes in items other than shareholders' equity							
Total changes during the year	—	(0)	—	4,503	4,502	(832)	3,669
Balance at year end	2,385	24	10,881	48,817	62,108	(1,892)	97,748

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the year	1,932	1,932	96,011
Changes during the year			
Reversal of reserve for reduction entry of buildings			—
Dividends from surplus			(3,954)
Net income			8,456
Purchase of treasury stock			(832)
Net changes in items other than shareholders' equity	292	292	292
Total changes during the year	292	292	3,961
Balance at year end	2,224	2,224	99,973

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

(Millions of yen)

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

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

(Millions of yen)

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

7. Breakdown of Unconsolidated Sales by Business Division

(Millions of yen)

Category	FY 2017 (April 1, 2017– March 31, 2018)		FY 2018 (April 1, 2018– March 31, 2019)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:		%		%		%
Information Systems	15,155	21.1	17,032	22.8	1,877	12.4
Time Management Products	3,089	4.3	3,063	4.1	(26)	(0.9)
Parking Systems	30,255	42.2	30,059	40.2	(196)	(0.6)
Subtotal	48,500	67.6	50,154	67.1	1,654	3.4
Environment System business:						
Environmental Systems	18,635	26.0	19,931	26.6	1,296	7.0
Clean Systems	4,618	6.4	4,710	6.3	91	2.0
Subtotal	23,254	32.4	24,642	32.9	1,387	6.0
Total	71,754	100.0	74,796	100.0	3,041	4.2
Export sales	1,912	2.7	2,446	3.3	534	28.0

8. Change of Directors

The change of directors was already officially announced in "Notice: The Changes of Corporate Officers and Personnel" as of March 27, 2019. (http://www.amano.co.jp/English/ir/dl/news/2019/20190327_1.pdf)