

Summary Financial Statements (Consolidated)  
for Fiscal Year 2020 (Year Ended March 31, 2021) (Japan GAAP)

April 26, 2021

Company name: Amano Corporation Listed on: TSE  
Securities code: 6436 URL <http://www.amano.co.jp/English>  
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Scheduled date for Ordinary General Meeting of Shareholders: June 29, 2021

Scheduled date for filing of securities report: June 29, 2021

Scheduled date for start of dividend payments: June 30, 2021

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 2020 (April 1, 2020 to March 31, 2021)

(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 2020 (year ended March 2021)	113,598	(14.6)	9,934	(38.6)	11,017	(34.7)	7,248	(31.4)
FY 2019 (year ended March 2020)	133,084	1.0	16,168	6.6	16,864	4.8	10,567	15.6

Note: Comprehensive income FY 2020 (year ended March 2021): ¥ 8,093 million (-11.8%)  
FY 2019 (year ended March 2020): ¥ 9,177 million (18.4%)

	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 2020 (year ended March 2021)	97.08	—	6.6	7.2	8.7
FY 2019 (year ended March 2020)	141.40	—	9.8	11.1	12.1

Reference: Equity in earnings of affiliates FY 2020 (year ended March 2021): ¥ 250 million  
FY 2019 (year ended March 2020): ¥ 198 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2020 (year ended March 2021)	150,559	111,585	73.6	1,485.46
FY 2019 (year ended March 2020)	154,276	109,478	70.5	1,454.47

Reference: Equity capital FY 2020 (year ended March 2021): ¥ 110,851 million  
FY 2019 (year ended March 2020): ¥ 108,695 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 2020 (year ended March 2021)	15,596	(6,355)	(8,634)	52,546
FY 2019 (year ended March 2020)	23,211	(5,706)	(7,741)	52,134

2. Dividends

	Annual dividends					Total dividend amount (Year)	Payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
FY 2019 (year ended March 2020)	—	28.00	—	56.00	84.00	6,303	59.7	5.8
FY 2020 (year ended March 2021)	—	20.00	—	45.00	65.00	4,877	67.3	4.4
FY 2021 (year ending March 2022) (est.)	—	25.00	—	45.00	70.00		58.4	

\* The detail of year-end dividend of FY2019(year ended March 2020): ordinary dividend ¥36.00, special dividend ¥20.00

### 3. Forecast earnings for fiscal year 2021 (April 1, 2021 to March 31, 2022)

(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	55,900	5.0	3,500	31.3	4,000	29.6	2,800	1.9	37.52
Full year	120,000	5.6	12,500	25.8	13,500	22.5	9,000	24.2	120.60

#### 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	:	None
[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, 2021	76,657,829 shares	As of March 31, 2020	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of March 31, 2021	2,033,401 shares	As of March 31, 2020	1,925,901 shares
[3] Average number of shares outstanding	As of March 31, 2021	74,660,620 shares	As of March 31, 2020	74,732,535 shares

Note: The number of shares of treasury stock as of March 31, 2021, includes the Company's shares held by the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP).

(421,314 shares as of Mar. 31, 2021 and 314,300 shares as of March 31, 2020 respectively)

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares outstanding.

#### Reference: Non-consolidated results

##### 1. Business results for fiscal year 2020 (April 1, 2020 to March 31, 2021)

###### (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 2020 (year ended March 2021)	61,803	(17.4)	7,061	(37.0)	9,338	(29.9)	6,805	(27.4)
FY 2019 (year ended March 2020)	74,852	0.1	11,212	0.5	13,330	0.9	9,374	(4.6)

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2020 (year ended March 2021)	91.15	—
FY 2019 (year ended March 2020)	125.44	—

###### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2020 (year ended March 2021)	125,680	106,657	84.9	1,429.25
FY 2019 (year ended March 2020)	128,680	104,924	81.5	1,404.02

Reference: Equity capital

FY 2020 (year ended March 2021): ¥ 106,657 million

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

### 2. Forecast earnings for fiscal year 2021 (April 1, 2021 to March 31, 2022)

(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	29,600	4.2	2,400	28.1	3,700	3.3	2,700	1.6	36.18
Full year	66,000	6.8	8,500	20.4	10,500	12.4	7,500	10.2	100.50

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.

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 28, 2021. The financial results materials to be distributed at this briefing are due to be published on the Amano Corporation website immediately for Wednesday, April 28, 2021.

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## 1. General Business Results

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

During the consolidated fiscal year under review, the effect of COVID-19 continues, but the Japanese economy showed some signs of recovery triggered by the recovery in the Chinese economy and the resumption of economic activities in Japan. However, it seems that the future outlook for the Japanese economy continues to be uncertain due to the global shortage of semiconductors, the prolonged U.S.-China trade friction, and the continuation of various social and economic restrictions to cope with the worldwide resurgence of COVID-19.

Under such business environment, we the Amano Group have set forth the management concept of "The 3rd Stage Towards a 100-year Company-Establishing a solid business foundation that leads to sustainable growth" in our 8th Medium-term Business Plan launched in April 2020, in which we will promote strategic investments in growth drivers in order to respond to digital transformation (DX), and we shall establish unrivaled competitive advantage by raising the synergistic effects of the strengths of each of our business divisions.

During the fiscal year under review, Amano recorded sales of ¥113,598 million, down by 14.6% year-on-year. Operating profit decreased by 38.6% to ¥9,934 million, ordinary profit went down by 34.7% to ¥11,017 million, and net income attributable to owners of the parent company decreased by 31.4% to ¥7,248 million, resulting in decreases in both sales and profit.

(Main factors behind the business results)

- (i) At non-consolidated Amano, "Work Style Reform" continues to tailwind the business, and since the cancellation of the state of emergency declaration in May 2020, business conditions are on a recovering trend. However, sales were down year-on-year as business is yet to recover to last year's level mainly due to the effect of the re-declaration of the state of emergency in January 2021. Amid such circumstances, the Environmental Systems showed a slight improvement where the rate of sales decline eased as the Chinese economy began to recover, and the Clean Systems is also on a recovering trend as demand for cleanliness expands.
- (ii) At domestic group companies, the parking management service business remained weak with people being told to refrain from going out, which reduced the number of people moving by car. On the other hand, T&A cloud services remained firm, driven by the strong interest from customers.
- (iii) In overseas markets, although Amano McGann in North America made progress in reducing their fixed expenses, due to the COVID-19 curfew and protest demonstrations across the United States, sales revenue decreased significantly, widening the deficit. Sales in Asia and Europe also declined due to government-imposed curfews and other restraints on business activities. However, in Europe, the sales decline rate improved due to the strong T&A cloud service business.
- (iv) In terms of extraordinary losses, an impairment loss of ¥1,121 million was posted due to the poor operating results of Amano McGann, Inc. in North America and the relocation (switching to leasing) of the head office of Accu-Time Systems, Inc. in North America.
- (v) Furthermore, the net income attributable to owners of the parent company includes the federal tax refunds in the United States.

The following is a breakdown of sales by business division.

Sales by business division		(Millions of yen)				
		FY 2019 (April 1, 2019– March 31, 2020)		FY 2020 (April 1, 2020– March 31, 2021)		Change
Category	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	31,110	23.4	27,878	24.6	(3,231)	(10.4)
Time Management Products	3,475	2.6	2,856	2.5	(618)	(17.8)
Parking Systems	65,429	49.2	53,854	47.4	(11,575)	(17.7)
Subtotal	100,016	75.2	84,590	74.5	(15,425)	(15.4)
Environment System business:						
Environmental Systems	22,432	16.8	18,664	16.4	(3,768)	(16.8)
Clean Systems	10,635	8.0	10,343	9.1	(291)	(2.7)
Subtotal	33,068	24.8	29,007	25.5	(4,060)	(12.3)
Total	133,084	100.0	113,598	100.0	(19,485)	(14.6)

## 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

The sales in this business totaled ¥84,590 million, down by ¥15,425 million (down 15.4%) year-on-year. The following is a breakdown of sales by business division.

### • Information Systems ¥27,878 million (down 10.4% year-on-year)

In this business, against the backdrop of the enactment of the bills related to the “Work Style Reform” in April 2019, the Japanese market is focused on the labor management efforts of companies to embrace digitalization and network technologies in order to improve productivity, make full use of diverse human resources, and expand teleworking under the COVID-19 pandemic, while responding to new statutory requirements, such as complying with the upper limit on working hours.

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 our "3-in-1" proposal, comprising time & attendance (T&A), payroll, and human-resource management, thus striving to bolster our 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 decreased by ¥1,201 million (11.8%), hardware sales decreased by ¥1,206 million (27.8%), and sales generated by maintenance contracts and supplies services decreased by ¥220 million (4.7%) year-on-year. Software sales decreased because the sales of “TimePro-VG,” a piece of software for medium-sized and large businesses, have not yet recovered to the level of the previous year, even though they have been on a recovering trend since the cancellation of the state of emergency declaration in 2020; and orders for “TimePro-NX” for small to medium-sized businesses remained weak due to the continuation of unfavorable business conditions for corporate customers. The decrease in hardware sales was due to the effect of restrictions imposed on equipment installation work during the declaration of the state of emergency in 2020, which could not be offset by the orders received in the second half of the current term. The cloud services developed by Amano Business Solutions Corporation continued to perform strongly, supported mainly by an increase in the number of users due to teleworking.

Overall overseas sales decreased by ¥562 million (down 5.2% year-on-year), as the sales of Accu-Time Systems, Inc. in North America decreased and the sales of Horoquartz S.A. in Europe also decreased, even though they achieved growth in highly profitable cloud services.

### • Time Management Products ¥2,856 million (down 17.8% 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 the 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. The Company has also proposed a new usage method by launching compact time recorders equipped with Wi-Fi functions as a standard feature and accommodating cloud connectivity.

Overall domestic sales for the current term decreased by ¥567 million (18.9%) year-on-year as the sales of both standard time recorders and time recorders equipped with aggregation software compatible with PCs declined.

Overall overseas sales decreased by ¥141 million (down 21.6% year-on-year) as sales in North America, Europe, and Asia fell.

### • Parking Systems ¥53,854 million (down 17.7% year-on-year)

To respond to the increasingly diverse needs of parking lot management in Japan, the Parking Systems 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, making reservations and payments through the integration with the Internet, and establishing non-contact ticketless and/or cashless systems.

In response to these market conditions, the Company further strengthened our 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 our parking lot data centers. The Company has also worked to improve the functionality and usability of our system

equipment by expanding the proposals for our vehicle number-based ticketless system; made efforts to expand into new markets, such as bicycle parking systems, security-gate systems and toll road systems; strengthened proposals for improving parking lot management efficiency; and made new proposals for enhancing parking lot services to users.

Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, domestic parking equipment sales decreased by ¥5,811 million (29.6%) mainly due to the effect of the increase in projects for management firms, while sales generated by maintenance contracts and supplies services also decreased by ¥1,193 million (12.2%). Sales decreased in the commissioned parking lot management business operated by Amano Management Service with a decline in parking lot occupancy rates because people were told to refrain from going out following the declaration of the state of emergency in April 2020. However, the Company continue to invest in this business in anticipation of future business expansion and achieved an increase in the number of parking spaces under management by 24,000 (4.9%) from the end of the previous fiscal year.

Overall overseas sales decreased by ¥3,701 million (down 15.2% year-on-year) due to a decrease in the sales of Amano McGann, Inc. in North America as well as mixed results in Asia, including an increase in sales in Hong Kong and a decrease in the sales of the commissioned parking lot management business in South Korea and Malaysia mainly due to the effect of restrictions on going out.

#### Environment System business

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

The sales in this business totaled ¥29,007 million, down by ¥4,060 million (down 12.3%) year-on-year. The following is a breakdown of sales by business division.

- Environmental Systems ¥18,664 million (down 16.8% year-on-year)

This business had faced weak demand for capital investment due to the outbreak of COVID-19, but our business environment has started to show some signs of improvement supported by the recovery in the Chinese economy.

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

During the current term for Amano, on an unconsolidated basis, domestic sales of standard equipment decreased by ¥1,410 million (18.3%), even though demand for high-performance air purifiers was strong, while sales of large-scale systems decreased by ¥388 million (6.5%) and sales generated by maintenance contracts and supplies services decreased by ¥438 million (10.5%) year-on-year.

Overall overseas sales decreased by ¥1,608 million (down 36.7% year-on-year), as sales in Asia fell, particularly in China and Thailand.

- Clean Systems ¥10,343 million (down 2.7% year-on-year)

In the 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 as well as rising hygiene consciousness under the COVID-19 pandemic, the need for proposals that lead to higher cleaning efficiency, improved quality, and the effective use of cleaning robots has been increasing more than ever.

In response to these market conditions, we proposed the automation of cleaning work using the cleaning robot “EGrobo” and promoted the new automatic floor scrubber “EG series,” which feature improved safety and usability. In addition, our efforts included proposals to improve hygiene management through the use of electrolytic water generators (\*).

For this fiscal year, overall domestic sales of cleaning equipment decreased by ¥159 million (7.4%) and domestic sales generated by maintenance contracts and supplies services decreased by ¥178 million (7.3%) year-on-year despite an increase in demand for electrolytic water generators while the sales of other equipment were weak.

Overall overseas sales increased by ¥85 million (up 1.6% year-on-year) as Amano Pioneer Eclipse Corporation in North America, which launched a sanitizer for preventing COVID-19 infection, achieved an increase in sales by capturing the demand for cleaning.

(\*) When water with a small amount of salt is electrolyzed it generates (i) [hypochlorous acid water (acidic electrolyzed water)] and (ii) [alkaline electrolyzed water].

(i) has an excellent bactericidal effect, and (ii) is an effective detergent to remove lipids and proteins.

For more details on our electrolyzed water generators, please refer to our website (Japanese language).

(<https://www.amano.co.jp/Clean/products/denkai.html>)



## Reference information

### Information by area

(Millions of yen)

	Net sales				Operating profit or loss			
	FY 2019 (year ended March 2020)	FY 2020 (year ended March 2021)	Change	Percentage change (%)	FY 2019 (year ended March 2020)	FY 2020 (year ended March 2021)	Change	Percentage change (%)
Japan	88,941	75,004	(13,937)	(15.7)	18,438	13,222	(5,215)	(28.3)
Other Asia	19,519	16,950	(2,568)	(13.2)	1,880	519	(1,361)	(72.4)
North America	17,471	14,536	(2,935)	(16.8)	(982)	(876)	106	—
Europe	8,849	8,343	(506)	(5.7)	890	752	(138)	(15.5)
Total	134,782	114,834	(19,947)	(14.8)	20,227	13,618	(6,609)	(32.7)
Eliminations/ Corporate	(1,698)	(1,236)	—	—	(4,058)	(3,683)	—	—
Consolidated	133,084	113,598	(19,485)	(14.6)	16,168	9,934	(6,234)	(38.6)

Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.

2. Major countries and territories included in areas other than Japan:

- (1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, Philippines, and Vietnam
- (2) North America: United States, Canada, and Mexico
- (3) Europe: France, Belgium, and Spain

### Overseas sales

(Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	FY 2019 (year ended March 2020)	FY 2020 (year ended March 2021)	Change	Percentage change (%)	FY 2019 (year ended March 2020)	FY 2020 (year ended March 2021)	Change
Other Asia	19,740	16,971	(2,768)	(14.0)	14.8	14.9	0.1
North America	16,120	13,615	(2,504)	(15.5)	12.1	12.0	(0.1)
Europe	8,724	8,046	(678)	(7.8)	6.6	7.1	0.5
Other regions	1,191	903	(288)	(24.2)	0.9	0.8	(0.1)
Total	45,777	39,536	(6,240)	(13.6)	34.4	34.8	0.4
Consolidated net sales	133,084	113,598					

Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.

2. Major countries and territories included in areas other than Japan:

- (1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, Philippines, and Vietnam
- (2) North America: United States and Canada
- (3) Europe: France, Belgium, and Spain
- (4) Other regions: Central and South America

3. Overseas sales comprise sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

## (2) General Financial Condition for This Fiscal Year

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

Total assets amounted to ¥150,559 million (down ¥3,717 million from the previous consolidated fiscal year-end).

- Current assets: a decrease of ¥1,858 million due to a decrease in notes and accounts receivable-trade, etc.
- Fixed assets: a decrease of ¥1,858 million due to a decrease in long-term deposits and software, etc.

Total liabilities amounted to ¥38,974 million (down ¥5,824 million from the previous consolidated fiscal year-end).

- Current liabilities: a decrease of ¥5,854 million due to a decrease in accrued income taxes and electronically recorded obligations, etc.
- Long-term liabilities: an increase of ¥30 million due to an increase in lease obligations, etc.

Net assets amounted to ¥111,585 million (up ¥2,106 million from the previous consolidated fiscal year-end).

- Shareholders' equity: an increase of ¥1,325 million due to posting of net income attributable to owners of the parent company, etc.
- Accumulated other comprehensive income: an increase of ¥830 million due to increases in net unrealized gains(losses) on available-for-sale securities, etc.

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

Consolidated cash and cash equivalents increased by ¥411 million from the previous fiscal year-end to a total of ¥52,546 million as of March 31, 2021. The status of each type of cash flow at year-end and the underlying factors are as follows.

Net cash provided by operating activities totaled ¥15,596 million (a decrease in income of ¥7,614 million year-on-year).

#### · Main income factors:

Posting of income before income taxes amounting to ¥9,788 million and posting of depreciation and amortization amounting to ¥8,398 million.

Posting of a decrease in trade notes and accounts receivable amounting to ¥4,065 million.

#### · Main expenditure factors:

Posting of income taxes paid amounting to ¥5,800 million and posting of a decrease in trade payables amounting to ¥2,572 million.

Net cash used in investing activities totaled -¥6,355 million (an increase in cash outflow of ¥649 million year-on-year).

#### · Main income factors:

Posting of proceeds from withdrawal of time deposits amounting to ¥4,649 million and posting of proceeds from redemption of securities amounting to ¥2,500 million.

#### · Main expenditure factors:

Posting of increase in time deposits amounting to ¥3,994 million and posting of payment for purchase of tangible fixed assets amounting to ¥2,395 million.

Posting of payment for acquisition of investment securities amounting to ¥2,038 million and posting of payment for acquisition of intangible fixed assets amounting to ¥1,686 million.

Net cash used in financing activities amounted to -¥8,634 million (an increase in cash outflow of ¥893 million year-on-year).

#### · Main income factors:

Posting of proceeds from sale and leaseback amounting to ¥1,249 million.

#### · Main expenditure factors:

Posting of dividends paid amounting to ¥5,703 million and posting of repayments of lease obligations amounting to ¥3,718 million.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2017	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020	As of Mar. 31, 2021
Equity ratio (%)	71.8	72.3	71.8	70.5	73.6
Fair value equity ratio (%)	122.6	150.1	132.5	116.1	134.0
Ratio of cash flow to interest-bearing liabilities (%)	16.0	11.2	14.0	27.1	43.5
Interest coverage ratio	447.8	483.5	539.4	227.9	101.9

Notes: Equity ratio: Equity capital/Total assets  
 Fair value equity ratio: Gross market capitalization/Total assets  
 Ratio of cash flow to interest-bearing liabilities: Interest-bearing liabilities/Cash flow from operating activities  
 Interest coverage ratio: Cash flow from operating activities/Interest payments

Assumptions:

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

(4) Future Outlook

In the next fiscal year ending March 31, 2022, the global economy will remain uncertain due to the worldwide shortage of semiconductors and the impact of the US-China trade war amid COVID-19 pandemic. In this situation, the global economy is likely to recover slightly because of Chinese economy recovery and domestic economic activity resumption.

Amid this business environment, Amano Corporation and our Group companies have set "The 3rd Stage Towards a 100-year Company-Establishing a solid business foundation that leads to sustainable growth " as our management concept and work to address key issues in the 8th Medium-term Business Plan described in "3. Business Policies" on page 12 with a view to maximizing the corporate value of Amano Corporation.

For the next fiscal year ending March 31, 2022, we forecast net sales at ¥120,000 million, operating profit at ¥12,500 million, ordinary profit at ¥13,500 million and net income attributable to parent company shareholders at ¥9,000 million. For details, please refer to [2] Numerical targets indicated on page 15, in "3. Business Policies." Furthermore, this forecast assumes the currency exchange rates of ¥105 to the US dollar and ¥125 to the euro.

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

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

Amano places great importance on our policy of paying dividends to shareholders. Our fundamental policy to return profits to shareholders is to make appropriate performance-based distributions and to buy back shares, as it deems necessary. We aim to maintain a dividend payout ratio of at least 40% on a consolidated basis, a net asset dividend rate of at least 2.5%, and a total return ratio of at least 55%.

In line with this policy, taking into account our current-year operations results, we plan to pay a year-end dividend of ¥45 per share, and the annual per-share dividend for this fiscal year will be ¥65 (including ¥20 per share paid as the interim dividend), a decrease of ¥19 from the annual per-share dividend of ¥84 for the previous fiscal year.

In addition, we resolved to buy back our issued shares by the Board of Directors of our company on April 26, 2021. The detail of this matter is available for inspection on the website of our company.

([https://www.amano.co.jp/English/ir/dl/news/2021/20210426\\_2.pdf](https://www.amano.co.jp/English/ir/dl/news/2021/20210426_2.pdf))

As a result, the consolidated payout ratio will be 67.3%, the net asset dividend rate will be 4.4%, and the total return ratio will be 98.3%.

With regard to the dividend for the next fiscal year ending March 31, 2022, in line with our Basic Policy on Distribution of Profits and in view of our outlook for the next fiscal year, we currently aim to pay an annual per-share dividend of ¥70 (with an interim dividend of ¥25 and a year-end dividend of ¥45).

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

## (6) Operating and Other Risk Factors

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

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

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

Forward-looking statements are current as of the date of release of these financial results (April 26, 2021).

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

The Amano Group uses the unique technologies and know-how we have 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 our business globally.

In the year ended March 31, 2021, the Time Information System business accounted for 74.5% of total sales, and the Environment System business accounted for 25.5%. Before the deduction of unallocated expenses, the Time Information System business contributed 70.5% to operating profit, while the Environment System business contributed 29.5%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 73.8% of total sales and 72.3% of operating profit.

One future risk factor is that if market expansion is forecasted 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 our business performance.

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

### (ii) Fluctuations in exchange rates

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

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

### (iii) Information security

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

As precautionary measures against such a risk, our group has established an Information Security Management Committee to strengthen and ensure thorough implementation of security control measures based on the "Information Security Management Rules." More specifically, we have implemented measures to prevent the leakage of confidential information based on the encryption of hard disks and external storage media and are providing regular employee education using e-learning. Our company received the PrivacyMark certification in February 2014 and makes every effort in the area of

information security, including the supervision of subcontractors and thorough compliance with internal regulations. European subsidiaries of our company are also working to reduce risk by, for example, implementing adequate measures regarding the EU General Data Protection Regulation (GDPR) enacted in May 2018, taking into consideration the guidance of local experts.

(iv) Natural disasters and infectious diseases

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

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

(v) Overseas business development

Our group has been developing our 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, or pandemic, etc. in countries or regions where our group conducts business, which may adversely impact our group's business performance.

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

(vi) Accounting estimate assumption change

Our group makes estimates regarding impairment accounting for fixed assets and deferred tax assets recoverability at the time of preparing the consolidated financial statements. These estimates are based on certain assumptions about the future. If the assumptions differ significantly due to the occurrence of unexpected events such as natural disasters that may have a significant impact on domestic and overseas economic activities and an outbreak of an infectious disease, it may affect our business performance.

In order to be ready for these risks, our group strives to calculate a reasonable amount based on available information at the time of accounting estimation.

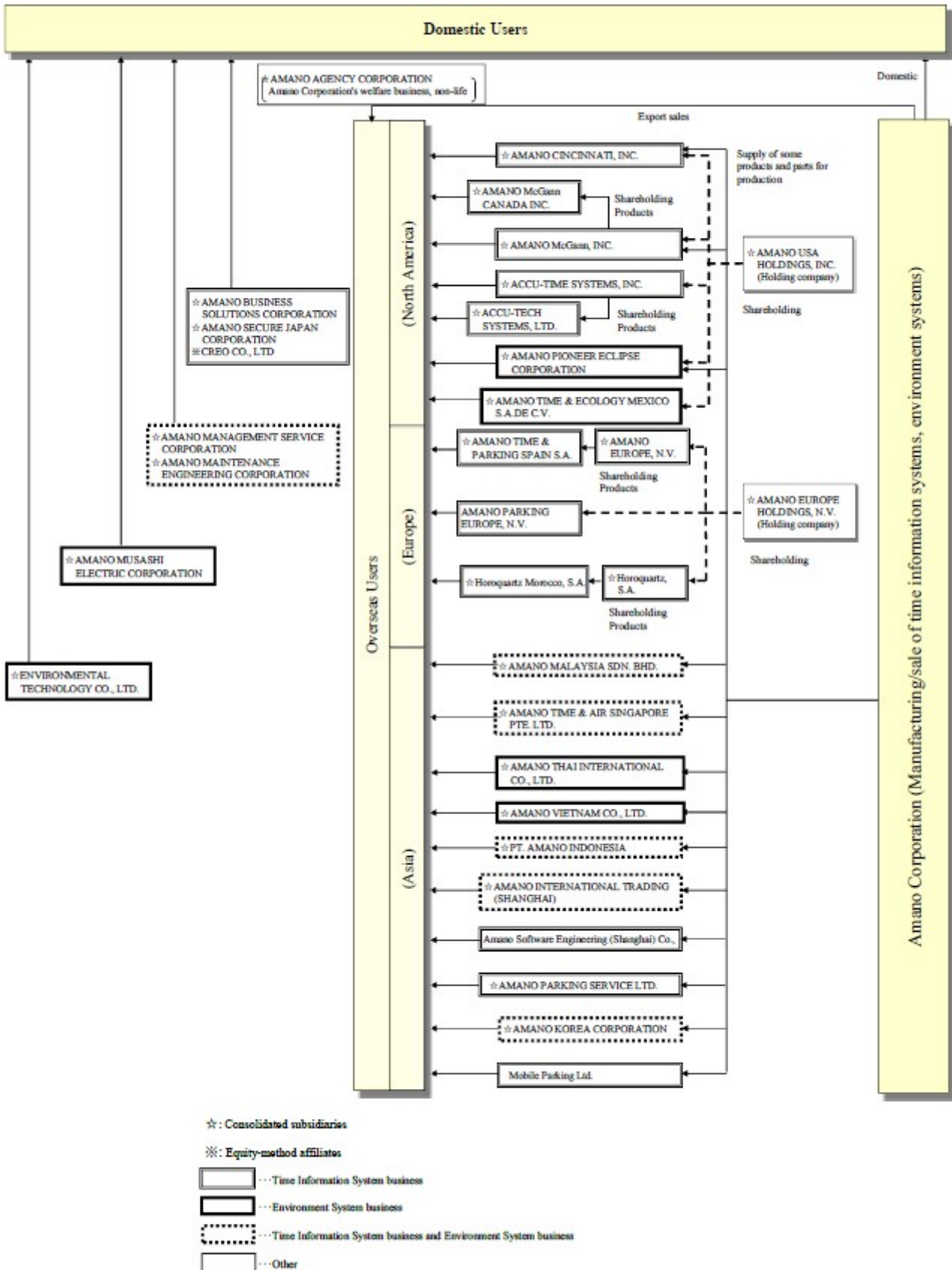
2. Status of the Corporate Group

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

Number of Amano and subsidiaries: 31

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

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



### 3. Business Policies

#### (1) Basic Management Policy

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

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

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

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

##### [1] Basic policies

Under the 8th Medium-term Business Plan, with the Group's management concept of "The 3rd Stage Towards a 100-year Company-Establishing a solid business foundation that leads to sustainable growth," we will address the following two key issues towards achieving the goal of enhancing our corporate value while keeping ESG management in mind and emphasizing the establishment of a business management system that is suitable for the era of globalization and further efforts to ensure thorough compliance as a foundation.

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

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

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

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

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

The target of the 8th Medium-term Business Plan is the achievement of the "AVERAGE 12% in the 3KPIs."

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

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

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

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

##### 1. Japanese market

In the Japanese market, we will reinforce ties among domestic Group companies and also with other companies outside the Group and strengthen our capacity to provide holistic solutions (which cover hardware, software, and services) across all business fields both qualitatively and quantitatively. We will also promote the "3-in-1 activity" leveraging the strength of direct sales and support. Under our medium- to long-term strategies based on market and competitive analyses, the Group will aim to establish an unparalleled competitive advantage in each business by building a sales capability that fits the market trend to reinforce the relationship with existing customers and to expand transactions with new customers.

In the Information Systems, the enactment of the bills related to the Work Style Reform in April 2019 was followed by the start of their application to small and medium-sized businesses in April 2020. Employers are required to keep track of working hours accurately to curb long working hours. In addition, employers are now legally obliged to conduct complex working hour management in response to the introduction of equal pay for equal work and changes in work style due to side jobs, working from outside the office, which grew sharply under the COVID-19 pandemic, etc., thus creating a constant demand for time & attendance management systems to upgrade or rebuild their working hour management systems and ensure legal compliance. Demand for cloud services is also expected to increase as the need for various administrative procedures to become available electronically grows, in addition to the need to track employees' work status due to an increase in the number of people working from outside the office.

In response to this market environment, for the small-to-medium sized enterprise (SME) market, we will continue to market holistic solutions with the "TimePro-NX," which is an integrated software package to manage time & attendance, human resource management, and payroll, to further increase market share. At the same time, for the medium-to-large enterprise market where demand is firm, we will work to strengthen solutions for time & attendance, human resource management, payroll, accounting software, and consulting services by collaborating with CREO CO., LTD., utilizing "TimePro-VG." We will aim for continued expansion by improving the functions of our cloud-based time & attendance management systems, which can be customized to reflect each company's work rules, in response to the strong demand for cloud services that has arisen as new work styles such as remote working become firmly embedded in the workplace. We will also strengthen our business development efforts around attendance management for teachers, doctors, and the like, which is expected to grow from now on and promote the expansion of "e-AMANO" cloud service to offer the electronic processing of various notifications and declarations for employees from hiring through retirement. In this way, we will maintain and expand our customer base with our one-stop services encompassing hardware, software, services, and cloud to further expand our business portfolio.

The Parking Systems continues to benefit from new demand arising from the spread of cashless payment and ticketless operation, even though parking lot utilization rates have not fully recovered due to the effect of unstable economic conditions, and the conditions of the parking lot market remain challenging. In addition, there are rising needs to offer solutions to reduce parking lot management costs, ensure safety and security, heighten environmental considerations, and improve user convenience, as well as to offer cloud-based services and provide operational solutions based on ETC technology amid the trend of digital transformation.

Given these changes in the 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. We will also continue to respond to transitions in the market, including the increased demand for parking reservations, the migration towards a sharing economy, and the advancement of self-driving technology. In addition, we will continue to strengthen proposals in the commissioned parking lot management business by utilizing the data center service and strengthen and expand our efforts for facilities such as bicycle parking lots, security gates, and toll roads in order to expand our business.

The Environmental Systems had faced weak corporate appetite for capital investment both in Japan and overseas following the deterioration in business sentiment, but businesses started to resume their investment as the Chinese economy began recovering.

Given this market environment, in Japan we will aim to increase the quantity of sales of standard equipment by rolling out new products and applying existing products to new areas, 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 based on energy- and labor-saving proposals as well as new service proposals leveraging IoT, by partnering with industrial equipment manufacturers. With the rising demand to create a hygienic and safe environment, we will work to expand the sales of high-performance air purifiers to new customers, such as companies in the medical field, various service providers, and retailers.

In the Clean Systems, while the trend of companies trying to reduce cleaning costs continues, amid the aging of sanitation workers and an increase in the proportion of women among newly hired workers, the need to improve the safety and operability of cleaning equipment has been increasing to reduce the burden on these workers. At the same time, the need to maintain building aesthetics at a low cost and demand for cleaning work automation using robot technology have also been increasing. Furthermore, we expect that the demand will continue to expand with the rising consciousness for cleanliness due to the spread of COVID-19.

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



for commissioned cleaning services that make full use of cleaning robots, aesthetic maintenance, and improved hygiene management through the use of electrolytic water generators.

## 2. North American market

In the Parking Systems, we will aim to achieve full recovery in the financial performance of Amano McGann, Inc. as soon as possible by expanding system sales and launching new systems in the market to achieve a recovery in sales. In the Information Systems, we will strive to expand the business by increasing the sales of Accu-Time Systems, Inc.'s time and attendance information terminals and by enhancing cloud-based products. In the Clean Systems, we will further expand the business of the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp., develop new markets, and identify new business opportunities. In the Environmental Systems, Amano Time & Ecology de Mexico S.A. de C.V. will proceed with formulating strategies in the North American market, including Mexico.

## 3. European market

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

## 4. Asian market

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

[2] Numerical targets

Our present three-year Medium-term Business Plan has come into effect from April 2020 until March 2023, in which we are aiming to achieve ¥140,000 million or higher in net sales and ¥ 18,500 million or higher in operating profit in the FY 2022, the last fiscal year of the plan.

(Major assumptions of the numerical targets)

- (i) The results for the FY2021 (year ending March 31, 2022), which marks the second year of the 8th Medium-term Business Plan, has been revised on the assumption that Amano and our Group companies in and out of Japan remain deeply affected by the COVID-19 pandemic. At the original planning, we expected less slight influence by the COVID-19 pandemic than the previous year, however, we are assuming that full normalization will take time as the COVID-19 has been still spreading throughout the world.
- (ii) For unconsolidated ACJ, despite some fluctuations in net sales, the Information Systems is expected to remain on a growth trend tail winded by the Government driven Work Style Reform initiatives. Moreover, the Environmental Systems is expected to keep improving due to Chinese economy recovery and resumption of equipment investment in the car industry. In addition, the Clean Systems is anticipated to increase in net sales due to the high demand with enhancing sanitary awareness. On the other hand, the Parking Systems will remain struggling because parking lot owners have less motivation to invest their equipment, and return to a growth path in the FY 2022, the last fiscal year of the 8th Medium-term Business Plan.
- (iii) Parking management services of the Parking Systems is expected to get out of the severe situation in the FY 2020 and recover both in Japan and abroad, and thus firmly positioned as the driver of consolidated growth again in the FY 2022.
- (iv) Amano McGann Inc., in North America, which has suffered from legacy issues, will launch a new product on the market in the middle of this fiscal year, and the company is expected to improve their profitability from the second half of the FY2021.

Please note that the numerical targets for more two-year Medium-term Business Plan set out below are tentative at this point. Currently, COVID-19 is causing too many uncertainties hampering realistic future planning, so we intend to review these targets appropriately according to the future changes in the business environment, at which time, we hope to have a better outlook for the pandemic and the economic recovery trends of each country.

(Millions of yen)

	FY 2020 (year ended March 2021) (Results)		FY 2021 (year ending March 2022) (Original)		FY 2021 (year ending March 2022) (Revised)		FY 2022 (year ending March 2023)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	113,598	(14.6)	125,000	10.0	120,000	5.6	140,000	16.7
Operating profit	9,934	(38.6)	14,000	40.9	12,500	25.8	18,500	48.0
Operating profit ratio (%)	8.7%	—	11.2%	—	10.4%	—	13.2%	—
Ordinary profit	11,017	(34.7)	15,000	36.2	13,500	22.5	19,500	44.4
Net income attributable to owners of the parent company	7,248	(31.4)	10,000	38.0	9,000	24.2	13,000	44.4

#### 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 2019 (as of March 31, 2020)	FY 2020 (as of March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and bank deposits	54,973	56,432
Notes and accounts receivable—trade	31,392	27,175
Marketable securities	1,743	2,556
Merchandise and finished goods	4,282	3,883
Work in process	622	540
Raw materials and supplies	4,796	4,429
Other current assets	2,968	3,981
Allowance for doubtful accounts	(321)	(399)
<b>Total current assets</b>	<b>100,458</b>	<b>98,600</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	28,977	29,029
Accumulated depreciation	(18,858)	(19,451)
Buildings and structures (net)	10,118	9,578
Machinery and vehicles	7,116	7,241
Accumulated depreciation	(6,213)	(6,343)
Machinery and vehicles (net)	902	898
Tools, furniture and fixtures	15,119	15,712
Accumulated depreciation	(12,738)	(13,413)
Tools, furniture and fixtures (net)	2,380	2,298
Land	5,922	5,896
Lease assets	10,800	12,639
Accumulated depreciation	(4,502)	(5,956)
Lease assets (net)	6,298	6,683
Construction in progress	446	237
<b>Total tangible fixed assets</b>	<b>26,069</b>	<b>25,592</b>
Intangible fixed assets		
Goodwill	1,918	1,612
Software	4,752	3,760
Software in progress	1,118	922
Other	3,150	1,811
<b>Total intangible fixed assets</b>	<b>10,939</b>	<b>8,107</b>
Investments and other assets		
Investment securities	8,828	12,250
Claims in bankruptcy and similar claims	649	576
Fixed leasehold deposits	1,550	1,724
Long-term deposits	1,500	-
Net defined benefit assets	96	122
Deferred tax assets	3,086	2,403
Other	1,760	1,770
Allowance for doubtful accounts	(662)	(589)
<b>Total investments and other assets</b>	<b>16,809</b>	<b>18,259</b>
<b>Total fixed assets</b>	<b>53,818</b>	<b>51,959</b>
<b>Total assets</b>	<b>154,276</b>	<b>150,559</b>

(Millions of yen)

	FY 2019 (as of March 31, 2020)	FY 2020 (as of March 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	6,210	5,371
Electronically recorded obligations	6,845	5,073
Short-term bank loans	678	520
Lease obligations	2,641	2,843
Accrued income taxes	3,711	1,445
Accrued bonuses	2,842	2,379
Accrued officers' bonuses	130	90
Other current liabilities	13,604	13,086
Total current liabilities	36,664	30,809
Long-term liabilities		
Long-term accounts payable—other	0	-
Lease obligations	4,495	4,856
Deferred tax liabilities	136	128
Net defined benefit liabilities	2,736	2,308
Provision for stock benefit	198	245
Provision for directors' stock benefit	162	186
Asset retirement obligations	32	33
Other long-term liabilities	371	405
Total long-term liabilities	8,134	8,164
Total liabilities	44,798	38,974
<b>Net assets</b>		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	80,204	81,749
Treasury stock	(4,224)	(4,443)
Total shareholders' equity	113,512	114,838
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	1,025	1,875
Foreign currency translation adjustments	(4,781)	(5,242)
Remeasurements of defined benefit plans	(1,061)	(620)
Total accumulated other comprehensive income	(4,817)	(3,986)
Non-controlling shareholders' interests	783	733
Total net assets	109,478	111,585
Total liabilities and net assets	154,276	150,559

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

(Millions of yen)

	FY 2019 (April 1, 2019- March 31, 2020)	FY 2020 (April 1, 2020- March 31, 2021)
Net sales	133,084	113,598
Cost of sales	73,362	63,761
Gross profit	59,721	49,837
Selling, general and administrative expenses		
Selling expenses	39,168	35,987
General and administrative expenses	4,384	3,915
Total selling, general and administrative expenses	43,552	39,902
Operating profit	16,168	9,934
Non-operating profit		
Interest income	182	197
Dividend income	202	218
Insurance dividend income	79	113
Insurance income	79	105
Equity in earnings of affiliates	198	250
Other	285	430
Total non-operating profit	1,028	1,315
Non-operating expenses		
Interest expenses	102	153
Loss on foreign exchange	93	13
Foreign withholding tax	20	12
Other	116	53
Total non-operating expenses	332	232
Ordinary profit	16,864	11,017
Extraordinary income		
Gain on sale of fixed assets	5	21
Gain on sales of investment securities	-	3
Total extraordinary income	5	25
Extraordinary losses		
Loss on disposal of fixed assets	39	45
Loss on sale of fixed assets	194	-
Impairment losses	198	1,121
Office transfer expenses	-	87
Loss on valuation of investment securities	111	-
Special retirement payments	44	-
Total extraordinary losses	588	1,253
Income before income taxes	16,282	9,788
Income taxes	5,790	3,612
Refund of income taxes	-	(1,245)
Deferred income taxes	(241)	117
Total income taxes	5,549	2,483
Net income	10,732	7,305
Net income attributable to non-controlling shareholders	165	56
Net income attributable to owners of the parent company	10,567	7,248

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2019 (April 1, 2019- March 31, 2020)	FY 2020 (April 1, 2020- March 31, 2021)
Net income	10,732	7,305
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(894)	851
Foreign currency translation adjustment	(548)	(504)
Remeasurements of defined benefit plans	(112)	440
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	(1,554)	788
Comprehensive income	9,177	8,093
(Breakdown)		
Comprehensive income attributable to owners of the parent company	8,966	8,078
Comprehensive income attributable to non-controlling shareholders	210	14

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

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

(Millions of yen)

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

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

FY 2020 (April 1, 2020–March 31, 2021)

(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	80,204	(4,224)	113,512
Changes during the year					
Dividends from surplus			(5,703)		(5,703)
Net income attributable to owners of the parent company			7,248		7,248
Purchase of treasury stock				(246)	(246)
Disposal of treasury stock				26	26
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	1,544	(219)	1,325
Balance at year end	18,239	19,293	81,749	(4,443)	114,838

	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	1,025	(4,781)	(1,061)	(4,817)	783	109,478
Changes during the year						
Dividends from surplus						(5,703)
Net income attributable to owners of the parent company						7,248
Purchase of treasury stock						(246)
Disposal of treasury stock						26
Net changes in items other than shareholders' equity	850	(460)	440	830	(49)	781
Total changes during the year	850	(460)	440	830	(49)	2,106
Balance at year end	1,875	(5,242)	(620)	(3,986)	733	111,585



## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2019 (April 1, 2019- March 31, 2020)	FY 2020 (April 1, 2020- March 31, 2021)
<b>Cash flows from operating activities</b>		
Income before income taxes	16,282	9,788
Depreciation and amortization	7,310	8,398
Amortization of goodwill	547	358
Impairment losses	198	1,121
Increase (decrease) in net defined benefit liabilities	114	207
Increase (decrease) in provision for stock benefit	103	65
Increase (decrease) in provision for directors' stock benefit	78	31
Increase (decrease) in allowance for doubtful accounts	13	7
Interest and dividend revenue	(385)	(415)
Equity in (earnings) losses of affiliates	(198)	(250)
Interest expenses	102	153
Foreign currency translation loss (gain)	39	(46)
Loss (gain) on sale of fixed assets	189	(21)
Loss on disposal of fixed assets	39	45
Loss (gain) on valuation of investment securities	111	-
Loss (gain) on liquidation of investment securities	-	(3)
Special retirement payments	44	-
(Increase) decrease in trade notes and accounts receivable	3,727	4,065
(Increase) decrease in inventories	387	646
Increase (decrease) in trade payables	(1,148)	(2,572)
Increase (decrease) in other current liabilities	(447)	247
Other	641	(1,607)
Subtotal	27,751	20,219
Receipts from interest and dividends	456	475
Interest paid	(101)	(153)
Special retirement payments	(29)	(11)
Income taxes paid	(5,114)	(5,800)
Income taxes refunded	249	865
Net cash provided by operating activities	23,211	15,596
<b>Cash flows from investing activities</b>		
Payment for acquisition of securities	(2,000)	(3,350)
Proceeds from redemption of securities	2,000	2,500
Payment for purchase of tangible fixed assets	(3,135)	(2,395)
Proceeds from sale of tangible fixed assets	52	44
Payment for acquisition of intangible fixed assets	(2,033)	(1,686)
Payment for acquisition of investment securities	(56)	(2,038)
Proceeds from liquidation of investment securities	-	3
Increase in time deposits	(4,090)	(3,994)
Proceeds from withdrawal of time deposits	3,720	4,649
Other	(163)	(86)
Net cash used in investing activities	(5,706)	(6,355)

(Millions of yen)

	FY 2019 (April 1, 2019- March 31, 2020)	FY 2020 (April 1, 2020- March 31, 2021)
Cash flows from financing activities		
Increase in short-term loans payable	716	489
Repayment for short-term bank loans	(491)	(641)
Payment for acquisition of treasury stock	(3)	(246)
Repayments of lease obligations	(2,891)	(3,718)
Proceeds from sale and leaseback	1,215	1,249
Dividends paid	(6,228)	(5,703)
Payment of dividends to non-controlling shareholders	(58)	(63)
Cash flows from financing activities	(7,741)	(8,634)
Effect of exchange rate changes on cash and cash equivalents	(115)	(194)
Net increase (decrease) in cash and cash equivalents	9,647	411
Cash and cash equivalents at the beginning of the year	42,487	52,134
Cash and cash equivalents at end of period	52,134	52,546

## (5) Notes to Consolidated Financial Statements

### Notes Regarding the Premise of a Going Concern

None

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

#### 1. Scope of consolidation

(1) Number of consolidated subsidiaries: 28

Names of major consolidated subsidiaries:

Please refer to "2. Status of the Corporate Group" on page 11

(2) Names of non-consolidated subsidiaries:

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

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

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

#### 2. Application of the equity method

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

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

CREO CO., LTD.

#### 3. Fiscal years of consolidated subsidiaries

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

#### 4. Accounting standards

(1) Valuation standards and methods for significant assets

(i) Securities:

Held-to-maturity bonds:

Amortized cost method applied

Other securities:

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

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

(ii) Derivatives:

Marked to market

(iii) Inventories:

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

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

(2) Depreciation methods for important depreciable assets

(i) Tangible fixed assets (excluding lease assets)

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

Useful life of key items is deemed to be:

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

(ii) Intangible fixed assets (excluding lease assets)

Straight-line method

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

(iii) Lease assets

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

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

(3) Accounting for significant reserves

(i) Allowance for doubtful accounts

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

(ii) Accrued bonuses

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

(iii) Accrued officers' bonuses

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

(iv) Provision for stock benefit

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

(v) Provision for directors' stock benefit

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

(4) Accounting policy for retirement benefits

(i) Attribution method for expected retirement benefits

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

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

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

Actuarial differences are charged to income from the fiscal year following the one in which they arise using the straight-line method over a fixed number of years (7–10 years) that falls within the average remaining service period of Company employees at the time such costs are incurred in each fiscal year.

(5) Accounting for significant income and expenses

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

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

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

(7) Amortization method of goodwill and the amortization period

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

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

These funds include cash on hand, demand deposits, and short-term investments maturing or redeemable within three months after acquisition that are highly liquid, readily convertible into cash, and exposed to low price-fluctuation risk.

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

Accounting for consumption taxes

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

Additional Information

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

In Amano Corporation and some of our 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, we have adopted the Directors' Compensation BIP Trust system for directors (excluding outside directors and expatriates) and operating officers (excluding expatriates). We have also adopted the Employee Stock Ownership Plan (J-ESOP) system for employees who meet the prescribed requirements.

[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 granted to the eligible persons. Furthermore, as for the executive compensation BIP trust, the trust period will be extended for the same period as the initial trust period as a stock compensation plan linked to the period of the 8th medium-term business plan which started in April 2020.

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.

[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	¥1,045 million, 421,314 shares
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(The status of COVID-19 initiatives and the estimated accounting impact)

As an effort to ensure the health and safety of employees, Amano and our domestic group companies have properly adopted flexible work programs such as telework (working from home), flextime, and office work shifts.

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

As for our factory operations, domestic factory workers are working as usual. On the other hand, U.S. factories have been operating in accordance with the enforcements issued by their respective state authorities and the workers are working either normally or by minimum staffing.

The Amano group companies makes accounting estimates for impairment loss on fixed assets and deferred tax assets recoverability based on information available at the time of preparing the consolidated quarterly financial statements. Although the impact and severity of COVID-19 on our group will differ depending on the business, it is assumed that the impact would be still large in FY2021, with the gradual recovery after the first half of the last fiscal year ending March 2021, in which we had a significant impact.

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

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

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

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

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

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

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

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	100,016	33,068	133,084	—	133,084
Intersegment	—	—	—	—	—
Total	100,016	33,068	133,084	—	133,084
Segment profit (loss)	15,658	4,756	20,415	(4,246)	16,168
Segment assets	70,853	24,939	95,792	58,484	154,276
Other items					
Depreciation and amortization	6,103	578	6,681	628	7,310
Impairment loss	198	—	198	—	198
Investments in affiliates accounted for using the equity method	1,976	—	1,976	—	1,976
Increases in tangible and intangible fixed assets	6,851	416	7,267	953	8,221

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

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

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

FY 2020 (April 1, 2020–March 31, 2021)

	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	84,590	29,007	113,598	—	113,598
Intersegment	—	—	—	—	—
Total	84,590	29,007	113,598	—	113,598
Segment profit (loss)	9,654	4,033	13,687	(3,753)	9,934
Segment assets	65,616	25,657	91,273	59,285	150,559
Other items					
Depreciation and amortization	7,229	588	7,817	580	8,398
Impairment loss	1,121	—	1,121	—	1,121
Investments in affiliates accounted for using the equity method	2,134	—	2,134	—	2,134
Increases in tangible and intangible fixed assets	6,297	498	6,796	201	6,997

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

- (1) The ¥3,753 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 ¥59,285 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 2019 (April 1, 2019– March 31, 2020)	FY 2020 (April 1, 2020– March 31, 2021)
Net assets per share (Yen)	1,454.47	1,485.46
Net income per share (Yen)	141.40	97.08

- 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 2019 (April 1, 2019– March 31, 2020)	FY 2020 (April 1, 2020– March 31, 2021)
Net income per share		
Net income attributable to owners of the parent company (Millions of yen)	10,567	7,248
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income for common stock attributable to owners of the parent company (Millions of yen)	10,567	7,248
Average number of shares of common stock outstanding (Shares)	74,732,535	74,660,620

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

Item	FY 2019 (as of March 31, 2020)	FY 2020 (as of March 31, 2021)
Total net assets (Millions of yen)	109,478	111,585
Amount to be deducted from total net assets (Millions of yen)	783	733
(of which, non-controlling shareholders' interests) (Millions of yen)	(783)	(733)
Net assets at the end of year attributable to common stock (Millions of yen)	108,695	110,851
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	74,731,928	74,624,428

4. Shares remaining in trust of the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP) recognized in shareholders' equity as treasury stock are included in treasury stock to be deducted in the calculation of the average number of shares outstanding over the period to calculate net income per share and also included in treasury stock to be deducted in the calculation of the number of shares of treasury stock at the end of the period to calculate net assets per share. The average number of shares of such treasury stock outstanding over the period that was deducted to calculate net income per share was 314,300 shares for the previous fiscal year and 385,352 for the fiscal year under review. The number of shares of treasury stock at the end of the period that was deducted to calculate net assets per share was 314,300 shares for the previous fiscal year and 421,314 for the fiscal year under review.



### Significant Subsequent Events

On April 26, 2021, the Board of Directors of the Company approved the resolution to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, Paragraph 3 of the same Act.

#### 1. Reasons for acquisition of treasury stock

While strengthening shareholder returns, treasury stock is acquired in order to flexibly carry out its capital management strategies and to improve capital efficiency in response to changes in the business environment.

#### 2. Details of the acquisition

(1) Class of shares to be acquired	Common stock of the Company
(2) Total number of shares to be acquired	Up to 750,000 shares (upper limit) [Representing 1.00% of the Total number of shares issued (excluding treasury stock)]
(3) Total acquisition cost	Up to 2,250,000,000 yen (upper limit)
(4) Acquisition period	From April 27, 2021 to September 30, 2021

## 6. Unconsolidated Financial Statements

### (1) Balance Sheets

(Millions of yen)

	FY 2019 (as of March 31, 2020)	FY 2020 (as of March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and bank deposits	30,421	30,594
Notes receivable - trade	2,489	1,888
Accounts receivable - trade	19,360	16,761
Marketable securities	1,000	1,500
Merchandise and finished goods	1,639	1,575
Work in process	364	330
Raw materials and supplies	1,950	1,830
Other current assets	707	667
Allowance for doubtful accounts	(4)	(2)
Total current assets	57,928	55,146
Fixed assets		
Tangible fixed assets		
Buildings	8,310	7,908
Structures	232	246
Machinery and equipment	648	666
Vehicles	4	2
Tools, furniture and fixtures	535	514
Land	5,333	5,333
Construction in progress	137	45
Total tangible fixed assets	15,202	14,717
Intangible fixed assets		
Software	3,623	2,917
Software in progress	1,009	585
Other	35	35
Total intangible fixed assets	4,668	3,538
Investments and other assets		
Investment securities	6,799	10,062
Shares of subsidiaries and associates	38,816	38,816
Investments in capital of subsidiaries and associates	180	180
Claims in bankruptcy and similar claims	248	245
Fixed leasehold deposits	764	849
Long-term deposits	1,500	-
Insurance funds	1,280	1,256
Deferred tax assets	1,478	1,008
Other	79	122
Allowance for doubtful accounts	(267)	(264)
Total investments and other assets	50,881	52,277
Total fixed assets	70,752	70,533
Total assets	128,680	125,680

(Millions of yen)

	FY 2019 (as of March 31, 2020)	FY 2020 (as of March 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	498	319
Electronically recorded obligations	6,845	5,073
Accounts payable - trade	3,853	3,145
Accounts payable - other	194	103
Accrued expenses	1,898	1,826
Accrued income taxes	2,269	626
Accrued consumption taxes	847	425
Advances received	1,525	1,666
Deposits received	277	290
Deposits received from employees	1,790	1,879
Accrued bonuses	2,281	2,050
Accrued officers' bonuses	130	90
Other current liabilities	300	192
<b>Total current liabilities</b>	<b>22,713</b>	<b>17,688</b>
<b>Long-term liabilities</b>		
Provision for retirement benefits	681	902
Provision for stock benefit	198	245
Provision for directors' stock benefit	162	186
<b>Total long-term liabilities</b>	<b>1,042</b>	<b>1,334</b>
<b>Total liabilities</b>	<b>23,756</b>	<b>19,023</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	18,239	18,239
<b>Capital surplus</b>		
Legal capital surplus	19,292	19,292
<b>Total capital surplus</b>	<b>19,292</b>	<b>19,292</b>
<b>Retained earnings</b>		
Legal retained earnings	2,385	2,385
<b>Other retained earnings</b>		
General reserve	10,881	10,881
Retained earnings brought forward	57,327	58,429
<b>Total retained earnings</b>	<b>70,594</b>	<b>71,696</b>
Treasury stock	(4,224)	(4,443)
<b>Total shareholders' equity</b>	<b>103,902</b>	<b>104,784</b>
<b>Valuation and translation adjustments</b>		
Net unrealized gains (losses) on available- for-sale securities	1,022	1,872
<b>Total valuation and translation adjustments</b>	<b>1,022</b>	<b>1,872</b>
<b>Total net assets</b>	<b>104,924</b>	<b>106,657</b>
<b>Total liabilities and net assets</b>	<b>128,680</b>	<b>125,680</b>

## (2) Statements of Income

(Millions of yen)

	FY 2019 (April 1, 2019- March 31, 2020)	FY 2020 (April 1, 2020- March 31, 2021)
Net sales	74,852	61,803
Cost of sales	41,828	34,741
Gross profit	33,023	27,062
Selling, general and administrative expenses	21,811	20,000
Operating profit	11,212	7,061
Non-operating profit		
Interest and dividend revenue	1,612	1,617
Foreign exchange gains	-	24
Other	617	692
Total non-operating profit	2,229	2,333
Non-operating expenses		
Interest expenses	18	19
Loss on foreign exchange	34	-
Other	57	37
Total non-operating expenses	111	56
Ordinary profit	13,330	9,338
Extraordinary income		
Gain on liquidation of investment securities	-	3
Other	0	-
Total extraordinary income	0	3
Extraordinary losses		
Loss on disposal of fixed assets	7	1
Loss on sale of fixed assets	194	-
Office relocation expenses	-	62
Loss on valuation of investment securities	111	-
Total extraordinary losses	313	64
Income before income taxes	13,018	9,277
Income taxes	3,877	2,375
Deferred income taxes	(233)	96
Total income taxes	3,643	2,471
Net income	9,374	6,805

(3) Statement of Changes in Shareholders' Equity

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

	Shareholders' equity	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at the beginning of the year	18,239	19,292	19,292
Changes during the year			
Dividends from surplus			
Net income			
Purchase of treasury stock			
Disposal 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		
		General reserve	Retained earnings brought forward			
Balance at the beginning of the year	2,385	10,881	54,182	67,448	(4,220)	100,760
Changes during the year						
Dividends from surplus			(6,228)	(6,228)		(6,228)
Net income			9,374	9,374		9,374
Purchase of treasury stock					(3)	(3)
Disposal of treasury stock					—	—
Net changes in items other than shareholders' equity						
Total changes during the year	—	—	3,145	3,145	(3)	3,141
Balance at year end	2,385	10,881	57,327	70,594	(4,224)	103,902

(Millions of yen)

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

FY 2020 (April 1, 2020–March 31, 2021)

	Shareholders' equity	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at the beginning of the year	18,239	19,292	19,292
Changes during the year			
Dividends from surplus			
Net income			
Purchase of treasury stock			
Disposal 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		
		General reserve	Retained earnings brought forward			
Balance at the beginning of the year	2,385	10,881	57,327	70,594	(4,224)	103,902
Changes during the year						
Dividends from surplus			(5,703)	(5,703)		(5,703)
Net income			6,805	6,805		6,805
Purchase of treasury stock					(246)	(246)
Disposal of treasury stock					26	26
Net changes in items other than shareholders' equity						
Total changes during the year	—	—	1,102	1,102	(219)	882
Balance at year end	2,385	10,881	58,429	71,696	(4,443)	104,784

(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	1,022	1,022	104,924
Changes during the year			
Dividends from surplus			(5,703)
Net income			6,805
Purchase of treasury stock			(246)
Disposal of treasury stock			26
Net changes in items other than shareholders' equity	849	849	849
Total changes during the year	849	849	1,732
Balance at year end	1,872	1,872	106,657



## 7. Breakdown of Unconsolidated Sales by Business Division

(Millions of yen)

Category	FY 2019 (April 1, 2019– March 31, 2020)		FY 2020 (April 1, 2020– March 31, 2021)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:		%		%		%
Information Systems	19,220	25.7	16,591	26.8	(2,629)	(13.7)
Time Management Products	3,002	4.0	2,434	3.9	(567)	(18.9)
Parking Systems	29,957	40.0	22,728	36.9	(7,229)	(24.1)
Subtotal	52,180	69.7	41,754	67.6	(10,426)	(20.0)
Environment System business:						
Environmental Systems	18,080	24.2	15,795	25.5	(2,284)	(12.6)
Clean Systems	4,591	6.1	4,253	6.9	(337)	(7.4)
Subtotal	22,671	30.3	20,049	32.4	(2,622)	(11.6)
Total	74,852	100.0	61,803	100.0	(13,049)	(17.4)
Export sales	1,699	2.3	945	1.5	(754)	(44.4)

## 8. Change of Directors

The change of directors was already officially announced in "Notice: The Changes of Corporate Officers" as of March 24, 2021. ([https://www.amano.co.jp/English/ir/dl/news/2021/20210324\\_1.pdf](https://www.amano.co.jp/English/ir/dl/news/2021/20210324_1.pdf))