Time & Air AMANO

Summary Financial Statements (Consolidated)
for Fiscal Year 2021 (Year Ended March 31, 2022) (Japan GAAP)

April 26, 2022

Company name: Amano Corporation Listed on: TSE

Securities code: 6436 URL http://www.amano.co.jp/English

Representative: Hiroyuki Tsuda, President & Representative Director

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Scheduled date for Ordinary General Meeting of Shareholders: June 29, 2022
Scheduled date for filing of securities report: June 29, 2022
Scheduled date for start of dividend payments: June 30, 2022
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 2021 (April 1, 2021 to March 31, 2022)

(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 2021 (year ended March 2022)	118,429	4.3	12,893	29.8	13,919	26.3	9,733	34.3
FY 2020 (year ended March 2021)	113,598	(14.6)	9,934	(38.6)	11,017	(34.7)	7,248	(31.4)

Note: Comprehensive income FY 2021 (year ended March 2022): ¥ 12,052 million (48.9%)
FY 2020 (year ended March 2021): ¥ 8,093 million (-11.8%)

	Net income per share	Diluted net income per share	Ratio of net income to equity capital	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY 2021 (year ended March 2022)	131.49	—	8.6	9.0	10.9
FY 2020 (year ended March 2021)	97.08	—	6.6	7.2	8.7

Reference: Equity in earnings of affiliates FY 2021 (year ended March 2022): ¥ 228 million
FY 2020 (year ended March 2021): ¥ 250 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2021 (year ended March 2022)	159,342	116,271	72.5	1,563.31
FY 2020 (year ended March 2021)	150,559	111,585	73.6	1,485.46

Reference: Equity capital FY 2021 (year ended March 2022): ¥ 115,519 million
FY 2020 (year ended March 2021): ¥ 110,851 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 2021 (year ended March 2022)	19,200	(5,891)	(10,870)	55,931
FY 2020 (year ended March 2021)	15,596	(6,355)	(8,634)	52,546

2. Dividends

	Annual dividends					Total dividend amount (Year)	Payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2020 (year ended March 2021)	—	20.00	—	45.00	65.00	4,877	67.3	4.4
FY 2021 (year ended March 2022)	—	25.00	—	70.00	95.00	7,057	72.5	6.2
FY 2022 (year ending March 2023) (est.)	—	30.00	—	70.00	100.00		64.6	

*The detail of year-end dividend of FY2021(year ended March 2022):ordinary dividend ¥50.00, commemorative dividend ¥20.00

3. Forecast earnings for fiscal year 2022 (April 1, 2022 to March 31, 2023)

(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	60,000	8.4	5,700	26.4	6,200	24.7	4,100	27.5	55.48
Full year	130,000	9.8	16,500	28.0	17,200	23.6	11,500	18.1	155.63

Notes

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

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

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

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

[3] Changes to accounting forecasts : None

[4] Restatements : None

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

[1] Number of shares issued and outstanding at the end of the period (including treasury stock)	As of March 31, 2022	76,657,829 shares	As of March 31, 2021	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of March 31, 2022	2,763,911 shares	As of March 31, 2021	2,033,401 shares
[3] Average number of shares outstanding	As of March 31, 2022	74,027,602 shares	As of March 31, 2021	74,660,620 shares

Note: The number of shares of treasury stock as of March 31, 2022, includes the Company's shares held by the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP).
(400,519 shares as of Mar. 31, 2022 and 421,314 shares as of March 31, 2021 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 2021 (April 1, 2021 to March 31, 2022)

(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 2021 (year ended March 2022)	61,770	(0.1)	8,165	15.6	10,587	13.4	7,776	14.3
FY 2020 (year ended March 2021)	61,803	(17.4)	7,061	(37.0)	9,338	(29.9)	6,805	(27.4)

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2021 (year ended March 2022)	105.04	—
FY 2020 (year ended March 2021)	91.15	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2021 (year ended March 2022)	128,107	107,303	83.8	1,452.13
FY 2020 (year ended March 2021)	125,680	106,657	84.9	1,429.25

Reference: Equity capital FY 2021 (year ended March 2022): ¥ 107,303 million
FY 2020 (year ended March 2021): ¥ 106,657 million

2. Forecast earnings for fiscal year 2022 (April 1, 2022 to March 31, 2023)

(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	29,900	7.7	3,300	35.0	4,600	13.3	3,300	9.3	44.66
Full year	67,000	8.5	10,400	27.4	12,500	18.1	9,000	15.7	121.80

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 Thursday, April 28, 2022. The financial results materials to be distributed at this briefing are due to be published on the Amano's website immediately for Thursday, April 28, 2022.

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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 world economy showed some signs of recovery triggered by the continuous recovery trend in the Chinese economy and the resumption of economic activities with the COVID-19 vaccination proceeding forward in various countries. However, it seems that the future outlook for the Japanese economy continues to be uncertain due to the global shortage of materials including semiconductors caused by the supply chain disruptions, and concerns about resurgence of COVID-19 in Japan and abroad, and impact of tensions between Russia and Ukraine , etc.

Amid this business environment, we the Amano Group 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 into 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.

As a result, during the fiscal year under review, Amano recorded net sales of ¥118,429 million, up by 4.3% year-on-year. Operating profit increased by 29.8% to ¥12,893 million, ordinary profit went up by 26.3% to ¥13,919 million, and net income attributable to owners of the parent company increased by 34.3% to ¥9,733 million, resulting in increases in both sales and profit.

(Main factors behind the business results)

(i) At non-consolidated Amano, although the tailwind of “work style reform” continues, net sales decreased due to the reissuance of a national emergency declaration. Sales of the Information Systems decreased due to the continuation of the negative trend in hardware, although demand for software remained strong. In addition, although the Parking Systems began to recover in the second half year of this fiscal year, its sales declined due to the strong restraint on investment by major parking lot management firms and owners of parking lots until the first half year of this fiscal year. On the other hand, the Environmental Systems remained firm with the recovery in the Chinese economy.

(ii) In domestic group companies, consigned parking lot management service business was recovering smoothly. In addition, T&A cloud services continued to grow.

(iii) In overseas markets, although Amano McGann, Inc. decreased their sales, sales in North America increased mainly because Amano Pioneer Eclipse Corporation in North America grew. In addition, sales increased in Europe and Asia by double digits. Especially, Horoquartz, S.A. in France continued to grow their business results by mainly cloud services, whose sales exceeded even that as of previous fiscal year ended March 31, 2020, which was before the COVID-19 spreading.

The following is a breakdown of sales by business division.

Sales by business division (Millions of yen)

Category	FY 2020 (April 1, 2020– March 31, 2021)		FY 2021 (April 1, 2021– March 31, 2022)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	27,878	24.6	28,808	24.3	929	3.3
Time Management Products	2,856	2.5	2,700	2.3	(156)	(5.5)
Parking Systems	53,854	47.4	55,581	46.9	1,726	3.2
Subtotal	84,590	74.5	87,090	73.5	2,499	3.0
Environment System business:						
Environmental Systems	18,664	16.4	19,977	16.9	1,313	7.0
Clean Systems	10,343	9.1	11,361	9.6	1,017	9.8
Subtotal	29,007	25.5	31,339	26.5	2,331	8.0
Total	113,598	100.0	118,429	100.0	4,830	4.3

Time Information System business

- Information Systems: Time & Attendance (T&A), Human Resources (HR) systems, Payroll information systems, access control, and digital time stamps
- Time Management Products: PC-linked time recorders, online time recorders, and time stamps
- Parking Systems: Parking lot management systems, bicycle parking lot management systems, and consigned parking lot management service

The sales in this business totaled ¥87,090 million, up by ¥2,499 million (up 3.0%) year-on-year. The following is a breakdown of sales by business division.

• Information Systems ¥28,808 million (up 3.3% year-on-year)
In this business, with the enactment of the bills related to the "work style reform" in April 2019, attention is focused on the future trends of companies' labor management efforts with digitalization and network technologies to improve productivity, make full use of diverse human resources, and introduce additional work styles such as teleworking, while new statutory requirements, such as the upper limit on working hours, are put into practice one by one.
In response to these market conditions, we, 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 increased by ¥241 million (2.7%), hardware sales decreased by ¥522 million (16.7%), and sales generated by maintenance contracts and supplies services increased by ¥41 million (0.9%) year-on-year. Software sales increased because the orders for "TimePro-VG," a piece of software for medium-sized and large businesses, remained strong and "TimePro-NX," which is for small to medium-sized businesses was also recovering in the second half of the current term. The decrease in hardware sales was due to the effect of repeated declarations of a state of emergency. 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 increased by ¥1,151 million (11.2%). While the sales of Accu-Time Systems, Inc. in North America decreased, the sales of Horoquartz S.A. in Europe increased because their highly profitable cloud services continued to perform strongly.

• Time Management Products ¥2,700 million (down 5.5% 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, we have been working on expanding sales of our "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 our customer base through the promotion of "User-club," a fee-based service for members. We have 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 ¥166 million (6.8%) year-on-year as the sales of both standard and PC-linked time recorders declined.
Overall overseas sales increased by ¥31 million (6.0%) as sales in North America increased, although sales in Europe and Asia fell.

• Parking Systems ¥55,581 million (up 3.2% 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, we 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. We have also worked to improve the functionality and usability of our system equipment by strengthening proposals for our vehicle number-based ticketless system and made efforts to expand into the markets, such as bicycle parking systems, security-gate

systems, and toll road systems, as well as strengthening proposals for improving parking lot management efficiency and making new proposals for enhancing parking lot services to users.
Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, domestic parking equipment sales decreased by ¥419 million (3.0%) mainly due to the decrease in projects for management firms although orders received are recovering, while sales generated by maintenance contracts and supplies services increased by ¥177 million (2.1%). Sales increased in the consigned parking lot management service business operated by Amano Management Service because it is on a recovery trend. As a result of the continued investment by them, the number of parking spaces under management increased by 25,000 (4.9%) from the end of the previous fiscal year.
Overall overseas sales increased by ¥1,725 million (8.4%) due to the decrease in the sales of Amano McGann, Inc. in North America and the increase in sales of the consigned parking lot management service business in Korea and Hong Kong in Asia.

Environment System business

- Environmental Systems: Standard dust collectors, mist collectors, large dust collectors, pneumatic conveyors, deodorizing equipment, and industrial air purifiers

- Clean Systems: Industrial vacuum cleaners, automatic floor scrubbers, robotic floor scrubbers, wooden floor sanding machines, consigned janitorial management services, and electrolyzed water generators

The sales in this business totaled ¥31,339 million, up by ¥2,331 million (up 8.0%) year-on-year. The following is a breakdown of sales by business division.

• Environmental Systems ¥19,977 million (up 7.0% year-on-year)
Although this business was facing stagnating demand for capital investment, the situation seems improving with the Chinese economic recovery.
In this market environment, our domestic strategy focused on capitalizing the demand for our standard equipment by strengthening proposals, mainly targeting companies related to machine tools, electronic parts, and automobiles, 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, whose demand was relatively stable. Meanwhile, we enhanced cooperation with our overseas Group companies, and reinforced their platforms for engineering, sales and services. Furthermore, we endeavored to achieve greater cost competitiveness by expanding their local procurement, while observing the investment trend of Japanese companies operating overseas.
During the current term for Amano, on an unconsolidated basis, domestic sales of standard equipment increased by ¥942 million (15.0%) with the recovery of machine tool orders market, sales of large dust collectors decreased by ¥653 million (11.7%) with the decrease of orders and sales generated by maintenance contracts and supplies services increased by ¥330 million (8.8%) year-on-year.
Overall overseas sales increased by ¥745 million (26.8%) as sales in Asia increased, supported by the economic recovery in China.

• Clean Systems ¥11,361 million (up 9.8% year-on-year)
In the Clean System, while the trend of companies trying to reduce cleaning costs continued domestically amid a shortage of sanitary workers in the building maintenance industry as well as an expansion of demand for cleanliness under the COVID-19 pandemic, need for further proposals that lead to higher cleaning efficiency and improved quality have been increasing.
In response to these market conditions, we proposed the automation of cleaning work using automatic floor scrubbers "EGrobo" and promoted robotic floor scrubbers "EG series" which feature improved safety and usability, as well as proposed improving public health management by using electrolyzed water generators.
During the current term for Amano, on an unconsolidated basis, overall domestic sales of cleaning equipment increased by ¥19 million (1.0%) led by the increase in the sales of automatic floor scrubbers, and domestic sales generated by maintenance contracts and supplies services decreased by ¥72 million (3.2%) year-on-year.
Overall overseas sales increased by ¥1,121 million (21.1%) as Amano Pioneer Eclipse Corporation in North America achieved the increase in sales by increasing the sales of wooden floor sanding machines.

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit or loss			
	FY 2020 (year ended March 2021)	FY 2021 (year ended March 2022)	Change	Percentage change (%)	FY 2020 (year ended March 2021)	FY 2021 (year ended March 2022)	Change	Percentage change (%)
Japan	75,004	75,222	218	0.3	13,222	14,830	1,607	12.2
Other Asia	16,950	19,614	2,663	15.7	519	902	383	73.7
North America	14,536	15,038	501	3.5	(876)	(626)	250	—
Europe	8,343	9,770	1,427	17.1	752	1,401	649	86.4
Total	114,834	119,646	4,811	4.2	13,618	16,508	2,890	21.2
Eliminations/ Corporate	(1,236)	(1,216)	—	—	(3,683)	(3,615)	—	—
Consolidated	113,598	118,429	4,830	4.3	9,934	12,893	2,958	29.8

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 2020 (year ended March 2021)	FY 2021 (year ended March 2022)	Change	Percentage change (%)	FY 2020 (year ended March 2021)	FY 2021 (year ended March 2022)	Change
Other Asia	16,971	19,628	2,657	15.7	14.9	16.6	1.7
North America	13,615	14,155	539	4.0	12.0	11.9	(0.1)
Europe	8,046	9,320	1,274	15.8	7.1	7.9	0.8
Other regions	903	1,220	317	35.1	0.8	1.0	0.2
Total	39,536	44,325	4,788	12.1	34.8	37.4	2.6
Consolidated net sales	113,598	118,429					

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 ¥159,342 million (up ¥8,783 million from the previous consolidated fiscal year-end).

- Current assets: an increase of ¥6,936 million due to an increase in cash and bank deposits and raw materials and supplies, etc.
- Fixed assets: an increase of ¥1,846 million due to an increase in investment securities and lease assets, etc.

Total liabilities amounted to ¥43,071 million (up ¥4,097 million from the previous consolidated fiscal year-end).

- Current liabilities: an increase of ¥4,015 million due to an increase in accrued income taxes, etc.
- Long-term liabilities: an increase of ¥81 million due to an increase in lease obligations, etc.

Net assets amounted to ¥116,271 million (up ¥4,686 million from the previous consolidated fiscal year-end).

- Shareholders' equity: an increase of ¥2,392 million due to posting of net income attributable to owners of the parent company, etc.
- Accumulated other comprehensive income: an increase of ¥2,274 million due to increases in foreign currency translation adjustments, etc.

(3) Summary of Cash Flows for This Fiscal Year

Consolidated cash and cash equivalents increased by ¥3,385 million from the previous fiscal year-end to a total of ¥55,931 million as of March 31, 2022. 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 ¥19,200 million (an increase in income of ¥3,604 million year-on-year).

- Main income factors:
  Posting of income before income taxes amounting to ¥14,253 million and posting of depreciation and amortization amounting to ¥8,070 million.
- Main expenditure factors:
  Posting of income taxes paid amounting to ¥2,938 million.

Net cash used in investing activities totaled −¥5,891 million (a decrease in cash outflow of ¥463 million year-on-year).

- Main income factors:
  Posting of proceeds from withdrawal of time deposits amounting to ¥2,428 million.
- Main expenditure factors:
  Posting of increase in time deposits amounting to ¥2,962 million and posting of payment for acquisition of investment securities amounting to ¥2,110 million.
  Posting of payment for purchase of tangible fixed assets amounting to ¥1,951 million and posting of payment for acquisition of intangible fixed assets amounting to ¥1,597 million.

Net cash used in financing activities amounted to −¥10,870 million (an increase in cash outflow of ¥2,235 million year-on-year).

- Main income factors:
  Posting of proceeds from sale and leaseback amounting to ¥1,312 million.
- Main expenditure factors:
  Posting of dividends paid amounting to ¥5,234 million and posting of repayments of lease obligations amounting to ¥4,606 million.
  Posting of payment for acquisition of treasury stock amounting to ¥2,154 million.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020	As of Mar. 31, 2021	As of Mar. 31, 2022
Equity ratio (%)	72.3	71.8	70.5	73.6	72.5
Fair value equity ratio (%)	150.1	132.5	116.1	134.0	102.4
Ratio of cash flow to interest-bearing liabilities (%)	11.2	14.0	27.1	43.5	38.1
Interest coverage ratio	483.5	539.4	227.9	101.9	139.1

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, 2023, the effect of COVID-19 continues, but the world economy shows some signs of recovery triggered by the continuous recovery in the Chinese economy and the resumption of economic activities assosiated with the COVID-19 vaccination proceeding forward in various countries, etc. However, it seems that the future outlook for the Japanese economy continues to be uncertain due to the global shortage of materials including semiconductors caused by the supply chain disruptions, the continuation of various social and economic restrictions to cope with the worldwide resurgence of COVID-19, and successive price hikes against the backdrop of the tensions in Russia-Ukraine, etc.

Amid this business environment, Amano 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 11 with a view to maximizing the corporate value of Amano.

For the next fiscal year ending March 31, 2023, we forecast net sales at ¥130,000 million, operating profit at ¥16,500 million, ordinary profit at ¥17,200 million and net income attributable to parent company shareholders at ¥11,500 million. For details, please refer to [2] Numerical targets indicated on page 14, in "3. Business Policies." Furthermore, this forecast assumes the currency exchange rates of ¥120 to the US dollar and ¥130 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 ¥50 per share, and the annual per-share dividend for this fiscal year will be ¥75 (including ¥25 per share paid as the interim dividend), an increase of ¥10 from the annual pershare dividend of ¥65 for the previous fiscal year.

In addition, Amano celebrated the 90th anniversary in November 2021. We would like to express our sincere gratitude to our shareholders and all other concerned parties for their support, and we would like to pay a commemorative dividend of ¥20 in order to repay the support we have received so far. As a result, the annual dividend per share will increase by ¥30 to ¥95.

On the other hands, the Board of Directors approved a resolution regarding the acquisition of treasury stock on April 26, 2022. The detail of this matter is available for inspection on the Amano’s website.
（https://www.amano.co.jp/English/ir/dl/news/2022/20220426_2.pdf）

As a result, the consolidated payout ratio will be 72.5%, the net asset dividend rate will be 6.2%, and the total return ratio will be 98.2%.

With regard to the dividend for the next fiscal year ending March 31, 2023, 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 pershare dividend of ¥100 (with an interim dividend of ¥30 and a year-end dividend of ¥70).
Retained earnings will be earmarked to fund effective investment aimed at the fundamental enhancement of the 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, etc.

(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, 2022).

(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, 2022, the Time Information System business accounted for 73.5% of total sales, and the Environment System business accounted for 26.5%. Before the deduction of unallocated expenses, the Time Information System business contributed 75.2% to operating profit, while the Environment System business contributed 24.8%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 74.0% of total sales and 73.1% 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 operates 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.

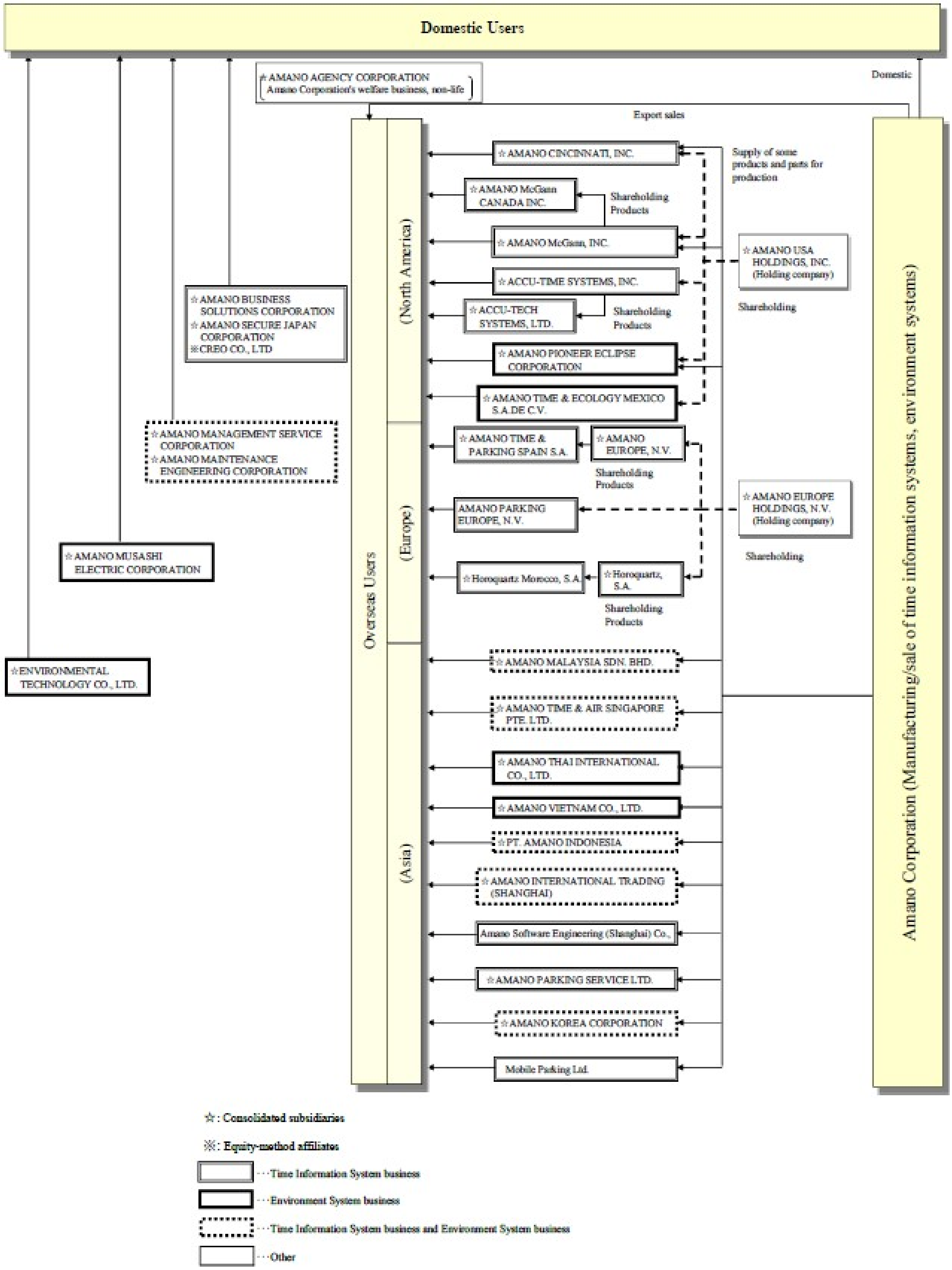
2. Status of the Corporate Group

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: 2

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 &Air."

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 local communities by constantly returning a fair profit earned through business activities.

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

Amano launched the 8th 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 for further growth 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 division

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 with other companies outside our 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 activities that leverage the strength of direct sales and support. Under our medium-to long-term strategies based on market and competitive analysis, our 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 bills related to the "work style reform" were enacted in April 2019 and applied to smaller businesses in April 2020. In addition to the need for proper understanding for working hours to correct long working hours, demand continues for employment systems to improve and rebuild legitimate working hour

management becoming a corporate responsibilities with change in working styles due to the introduction of equal pay for equal work, side jobs and dual employment, and teleworking, etc. which expanded rapidly with the COVID-19 pandemic. 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, 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 in the small-to-medium sized enterprise (SME) market. 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, and accounting software as well as consulting services by collaborating with CREO CO., LTD., and using "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 in line with the penetration of new work styles such as teleworking, etc. In addition, we will strengthen our business development efforts around attendance management in such industries as healthcare, construction, and transportation, etc. to which the bills related to the "work style reform" will be applied from 2024 onwards, following the expiration of the grace period and we will actively promote the expansion of the "e-AMANO" cloud service to offer the electronic processing of various personnel affairs notifications and shift scheduling. 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 has not yet seen full-scale recovery in the parking lot market, although parking lot utilization rates are recovering from the sharp decline caused by the COVID-19 pandemic. Even in such a situation, new demand continues to arise from the spread of cashless payment and ticketless operation. 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. Moreover, we can also expect new demand to be generated from the scheduled issuance of new banknotes (Bank of Japan notes) and the 2025 Japan International Exposition (Expo 2025 Osaka, Kansai).
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, etc. In addition, we will continue to strengthen proposals in the consigned parking lot management service 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, etc. in order to expand our business.

The Environmental Systems has seen businesses start to resume their capital investment as the Chinese economy is recovering, but there is uncertainty currently in the outlook for corporate appetite for capital investment due to the shortages of parts and materials and rising geopolitical risks.
Given this market environment, we will aim to increase the quantity of sales of standard equipment in Japan 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, and growth strategy areas. 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 and combining our technologies with those of other companies. With the rising demand to create a hygienic and safe environment, we will work to expand the sales of industrial air purifiers to new customers, such as companies in the medical field, various service providers, and retailers.

In the Clean Systems, 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 and reduce the burden of these workers has been increasing. At the same time, the need to maintain building aesthetics at a low cost and the demand for cleaning work automation using robot technology have also been increasing. Furthermore, new demand is expanding with the rising

consciousness for cleanliness under the COVID-19 pandemic and the need for a cleaning style that is friendly to the global environment.
In response to these market conditions, in coordination with Preferred Robotics Inc. to which we contributed capital in November 2021, we will enhance the product lineup to target the expansion of the robotic cleaning market, enhance various services using communication functions, and work to expand the factory market by introducing cleaning devices. We will also strengthen recurring revenues by 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 consigned janitorial management services that make full use of cleaning robots, aesthetic maintenance, and improving public health management by using electrolyzed 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 enhancing the functionality and expanding the sales of new cloud-based systems in the market to achieve sales recovery. 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 enhancing cloud-based products. In the Clean Systems, we will further expand the business of the wooden floor sanding machine division of Amano Pioneer Eclipse Corp., while developing new niche areas and sales channels. In the Environmental Systems, Amano Time & Ecology de Mexico S.A. de C.V. will proceed with acquiring new customers and expanding orders received 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 through M&A. In the Parking Systems, we will strive to expand operations by promoting system equipment sales and developing a consigned parking lot management service business.

4. Asian market
In the Asian region, we will aim to expand Parking Systems operations by strengthening services in the consigned parking lot management service 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, while also making proposals to local companies. We will 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 ¥130,000 million or higher in net sales and ¥16,500 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 earnings plan for the FY2022 (year ending March 31, 2023), which marks the final year of the 8th Medium-Term Business Plan, has been revised based on the assumption that Amano and our group companies in and out of Japan will remain affected by the COVID-19 pandemic. In the original plan, we expected the COVID-19 pandemic to have ended. However, in reality, COVID-19 has lingered throughout the world. In addition, procurement issues for parts and materials, such as semiconductors, etc. still remain due to supply chain disruptions.

(ii) For unconsolidated Amano, the Information Systems is expected to remain on a growth trend, particularly in the area of software, supported by the government-driven work style reform initiatives, with the movement to reform work styles spreading to the public market and industries such as hospitals, construction, and transportation, etc. Meanwhile, the Parking Systems will start growing again as the investment appetite of parking lot owners is expected to recover. The Environmental Systems is expected to keep improving due to strong orders for machine tools and resumption of equipment investment in the car industry, etc. In addition, the Clean Systems is expected to achieve growth in net sales, particularly for robots, due to the increasing demand with the rising consciousness for cleanliness under the COVID-19 pandemic.

(iii) Consigned parking lot management services of the Parking Systems both in Japan and abroad are expected to drive consolidated growth in FY2022.

(iv) Amano McGann Inc., in North America will launch a new product on the market in the first half of FY2022, and they are expected to improve their profitability drastically from the second half of FY2022.

Please note that the numerical targets for more one-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 ended March 2022) (Results)		FY 2022 (year ending March 2023) (Original)		FY 2022 (year ending March 2023) (Revised)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	113,598	(14.6)	118,429	4.3	140,000	18.2	130,000	9.8
Operating profit	9,934	(38.6)	12,893	29.8	18,500	43.5	16,500	28.0
Operating profit ratio (%)	8.7%	—	10.9%	—	13.2%	—	12.7%	—
Ordinary profit	11,017	(34.7)	13,919	26.3	19,500	40.1	17,200	23.6
Net income attributable to owners of the parent company	7,248	(31.4)	9,733	34.3	13,000	33.6	11,500	18.1

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 2020 (as of March 31, 2021)	FY 2021 (as of March 31, 2022)
Assets		
Current assets		
Cash and bank deposits	56,432	60,337
Notes and accounts receivable—trade	27,175	-
Notes and accounts receivable—trade and contract assets	-	27,995
Marketable securities	2,556	3,219
Merchandise and finished goods	3,883	3,687
Work in process	540	559
Raw materials and supplies	4,429	5,741
Other current assets	3,981	4,464
Allowance for doubtful accounts	(399)	(468)
Total current assets	98,600	105,537
Fixed assets		
Tangible fixed assets		
Buildings and structures	29,029	28,591
Accumulated depreciation	(19,451)	(19,697)
Buildings and structures (net)	9,578	8,894
Machinery and vehicles	7,241	7,355
Accumulated depreciation	(6,343)	(6,629)
Machinery and vehicles (net)	898	725
Tools, furniture and fixtures	15,712	15,755
Accumulated depreciation	(13,413)	(13,717)
Tools, furniture and fixtures (net)	2,298	2,038
Land	5,896	5,818
Lease assets	12,639	15,041
Accumulated depreciation	(5,956)	(7,035)
Lease assets (net)	6,683	8,005
Construction in progress	237	298
Total tangible fixed assets	25,592	25,780
Intangible fixed assets		
Goodwill	1,612	1,417
Software	3,760	2,980
Software in progress	922	1,110
Other	1,811	1,740
Total intangible fixed assets	8,107	7,249
Investments and other assets		
Investment securities	12,250	14,694
Claims in bankruptcy and similar claims	576	522
Fixed leasehold deposits	1,724	1,547
Net defined benefit assets	122	128
Deferred tax assets	2,403	2,505
Other	1,770	1,911
Allowance for doubtful accounts	(589)	(533)
Total investments and other assets	18,259	20,776
Total fixed assets	51,959	53,805
Total assets	150,559	159,342

(Millions of yen)

	FY 2020 (as of March 31, 2021)	FY 2021 (as of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	5,371	5,605
Electronically recorded obligations	5,073	5,667
Short-term bank loans	520	367
Lease obligations	2,843	3,610
Accrued income taxes	1,445	3,426
Accrued bonuses	2,379	2,569
Accrued officers' bonuses	90	128
Other current liabilities	13,086	13,450
Total current liabilities	30,809	34,825
Long-term liabilities		
Lease obligations	4,856	4,994
Deferred tax liabilities	128	12
Net defined benefit liabilities	2,308	2,377
Provision for stock benefit	245	293
Provision for directors' stock benefit	186	203
Asset retirement obligations	33	33
Other long-term liabilities	405	331
Total long-term liabilities	8,164	8,245
Total liabilities	38,974	43,071
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	81,749	86,244
Treasury stock	(4,443)	(6,546)
Total shareholders' equity	114,838	117,230
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	1,875	2,088
Foreign currency translation adjustments	(5,242)	(3,250)
Remeasurements of defined benefit plans	(620)	(549)
Total accumulated other comprehensive income	(3,986)	(1,711)
Non-controlling shareholders' interests	733	752
Total net assets	111,585	116,271
Total liabilities and net assets	150,559	159,342

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

Consolidated Statements of Income

(Millions of yen)

	FY 2020 (April 1, 2020- March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Net sales	113,598	118,429
Cost of sales	63,761	64,876
Gross profit	49,837	53,552
Selling, general and administrative expenses		
Selling expenses	35,987	36,738
General and administrative expenses	3,915	3,921
Total selling, general and administrative expenses	39,902	40,659
Operating profit	9,934	12,893
Non-operating profit		
Interest income	197	203
Dividend income	218	208
Insurance dividend income	113	122
Insurance income	105	28
Foreign exchange gains	-	108
Equity in earnings of affiliates	250	228
Other	430	385
Total non-operating profit	1,315	1,285
Non-operating expenses		
Interest expenses	153	138
Loss on foreign exchange	13	-
Foreign withholding tax	12	21
Other	53	99
Total non-operating expenses	232	258
Ordinary profit	11,017	13,919
Extraordinary income		
Gain on sale of fixed assets	21	412
Gain on sales of investment securities	3	-
Total extraordinary income	25	412
Extraordinary losses		
Loss on disposal of fixed assets	45	49
Loss on sale of fixed assets	-	5
Impairment losses	1,121	-
Office transfer expenses	87	-
Sublease loss	-	24
Total extraordinary losses	1,253	78
Income before income taxes	9,788	14,253
Income taxes	3,612	4,745
Refund of income taxes	(1,245)	-
Deferred income taxes	117	(271)
Total income taxes	2,483	4,474
Net income	7,305	9,778
Net income attributable to non-controlling shareholders	56	45
Net income attributable to owners of the parent company	7,248	9,733

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2020 (April 1, 2020- March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Net income	7,305	9,778
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	851	212
Foreign currency translation adjustment	(504)	1,990
Remeasurements of defined benefit plans	440	70
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	788	2,273
Comprehensive income	8,093	12,052
(Breakdown)		
Comprehensive income attributable to owners of the parent company	8,078	12,008
Comprehensive income attributable to non-controlling shareholders	14	43

(3) Consolidated Statement of Changes in Shareholders' Equity

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
Cumulative impact of changes of accounting policies			—		—
Balance at the beginning of the period reflecting changes of accounting policies	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
Cumulative impact of changes of accounting policies						—
Balance at the beginning of the period reflecting changes of accounting policies	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

FY 2021 (April 1, 2021–March 31, 2022)

(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	81,749	(4,443)	114,838
Cumulative impact of changes of accounting policies			(4)		(4)
Balance at the beginning of the period reflecting changes of accounting policies	18,239	19,293	81,744	(4,443)	114,833
Changes during the year					
Dividends from surplus			(5,234)		(5,234)
Net income attributable to owners of the parent company			9,733		9,733
Purchase of treasury stock				(2,154)	(2,154)
Disposal of treasury stock				52	52
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	4,499	(2,102)	2,397
Balance at year end	18,239	19,293	86,244	(6,546)	117,230

	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	1,875	(5,242)	(620)	(3,986)	733	111,585
Cumulative impact of changes of accounting policies						(4)
Balance at the beginning of the period reflecting changes of accounting policies	1,875	(5,242)	(620)	(3,986)	733	111,581
Changes during the year						
Dividends from surplus						(5,234)
Net income attributable to owners of the parent company						9,733
Purchase of treasury stock						(2,154)
Disposal of treasury stock						52
Net changes in items other than shareholders' equity	212	1,991	70	2,274	18	2,293
Total changes during the year	212	1,991	70	2,274	18	4,690
Balance at year end	2,088	(3,250)	(549)	(1,711)	752	116,271

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2020 (April 1, 2020- March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Cash flows from operating activities		
Income before income taxes	9,788	14,253
Depreciation and amortization	8,398	8,070
Amortization of goodwill	358	351
Impairment losses	1,121	-
Increase (decrease) in net defined benefit liabilities	207	148
Increase (decrease) in provision for stock benefit	65	83
Increase (decrease) in provision for directors' stock benefit	31	32
Increase (decrease) in allowance for doubtful accounts	7	(28)
Interest and dividend revenue	(415)	(411)
Equity in (earnings) losses of affiliates	(250)	(228)
Interest expenses	153	138
Foreign currency translation loss (gain)	(46)	(114)
Loss (gain) on sale of fixed assets	(21)	(406)
Loss on disposal of fixed assets	45	49
Sublease loss	-	24
Loss (gain) on liquidation of investment securities	(3)	-
(Increase) decrease in trade notes and accounts receivable	4,065	-
(Increase) decrease in trade notes and accounts receivable and contract assets	-	(274)
(Increase) decrease in inventories	646	(645)
Increase (decrease) in trade payables	(2,572)	672
Increase (decrease) in other current liabilities	247	(346)
Other	(1,607)	272
Subtotal	20,219	21,641
Receipts from interest and dividends	475	524
Interest paid	(153)	(137)
Special retirement payments	(11)	-
Income taxes paid	(5,800)	(2,938)
Income taxes refunded	865	111
Net cash provided by operating activities	15,596	19,200
Cash flows from investing activities		
Payment for acquisition of securities	(3,350)	(3,850)
Proceeds from redemption of securities	2,500	3,450
Payment for purchase of tangible fixed assets	(2,395)	(1,951)
Proceeds from sale of tangible fixed assets	44	771
Payment for acquisition of intangible fixed assets	(1,686)	(1,597)
Payment for acquisition of investment securities	(2,038)	(2,110)
Proceeds from liquidation of investment securities	3	-
Payments for acquisition of businesses	-	(200)
Increase in time deposits	(3,994)	(2,962)
Proceeds from withdrawal of time deposits	4,649	2,428
Other	(86)	129
Net cash used in investing activities	(6,355)	(5,891)

(Millions of yen)

	FY 2020 (April 1, 2020- March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Cash flows from financing activities		
Increase in short-term loans payable	489	358
Repayment for short-term bank loans	(641)	(519)
Payment for acquisition of treasury stock	(246)	(2,154)
Repayments of lease liabilities	(3,718)	(4,606)
Proceeds from sale and leaseback	1,249	1,312
Dividends paid	(5,703)	(5,234)
Payment of dividends to non-controlling shareholders	(63)	(25)
Cash flows from financing activities	(8,634)	(10,870)
Effect of exchange rate changes on cash and cash equivalents	(194)	947
Net increase (decrease) in cash and cash equivalents	411	3,385
Cash and cash equivalents at the beginning of the year	52,134	52,546
Cash and cash equivalents at end of period	52,546	55,931

(5) Notes to Consolidated Financial Statements

Notes Regarding the Premise of a Going Concern

None

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 28

Names of major consolidated subsidiaries:

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

(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

(1)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.

(2) Names of affiliated companies to which the equity method is not applied:

Preferred Robotics Inc.

Reasons for exclusion from the scope of affiliation

Preferred Robotics Inc. has been excluded from the scope of equity method because their net income or loss (as calculated by the equity method) and retained earnings (as calculated by the equity method) have a minimal effect on the consolidated financial statements and they are not significant as a whole.

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 policies

(1) Valuation standards and methods for significant assets

(i) Securities:

Held-to-maturity bonds:

Amortized cost method applied

Other securities:

Other stocks without market price, etc.

Marked to market

(All valuation differences are processed by the direct net asset method. Cost of sales is mainly calculated by the moving average method.)

Stocks without market price, etc.

Marked to cost mainly by 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) Recognition criteria for significant revenue and expenses

Amano Group recognizes revenue based on the following five-step approach:

Step 1: Identify the contracts with customers.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when the performance obligation is satisfied.

Amano Group companies mainly engages in the manufacture and sales of Information Systems, Time Management Products, Parking Systems, Environmental Systems, and Clean Systems. For details, please refer to "Segment Information 1. Outline of Reporting Segments" in the notes to consolidated financial statements. We normally recognize revenue for the sales of these products upon the completion of acceptance inspection by the customer, because we have determined that the customer gains control over the product and our performance obligation is satisfied upon the completion of the customer's acceptance inspection. For some non-installed products and domestic sales of supplies, etc., if the period from shipment to acceptance inspection by the customer is normal, revenue is recognized at the time of shipment. Revenue is measured at the price promised to the customer in the contract, after deducting any trade discounts, returns, etc.

We may provide the customer with maintenance and other services related to these products. In this case, revenue for such services is recognized over the contract period because the performance obligations for such services are satisfied basically over the passage of time.

Revenue for construction contracts for certain the Parking systems and the Environmental systems is recognized based on the percentage of completion pertaining to the satisfaction of performance obligation because we have determined that the performance obligation is satisfied over a certain period. For constructions whose construction period is extremely short, revenue is recognized when the installation that fully satisfies the performance obligation is completed. The percentage of completion pertaining to the satisfaction of performance obligation is estimated based on the percentage of actual cost to estimated total cost (input method) if the result of performance obligation can be reasonably measured.

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

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

(7) Amortization method of goodwill and the amortization period

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

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

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

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

Accounting for consumption taxes

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

Change of Accounting Policy

(Application of “Accounting Standard for Revenue Recognition”)

We have applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the consolidated fiscal under review. We now recognize revenue as the amount expected to be received in exchange for promised goods or services when control of said goods or services is transferred to the customer.

With regard to construction contracts, in the past, "Percent-of-Completion Method" was applied to construction work for which the certainty of the progress was recognized, and the "Completed-contract Method" was applied to other construction work. By applying the revenue recognition accounting standard, for construction works for which performance obligations are fulfilled over a certain period of time, the level of progress is now estimated. Provided that the result of the performance obligation can be reasonably measured, the level of progress is estimated based on the ratio of Actual Cost against Total Estimated Cost (accounting input method). As for construction with a very short construction period, revenue is recognized upon completely satisfying the performance obligations.

For the application of the revenue recognition accounting standard, we have followed the transitional treatment prescribed in Article 84 proviso of the standard. Accordingly, the cumulative effect of retroactively applying the new accounting policy prior to the beginning of the consolidated fiscal under review has been added to or subtracted from retained earnings at the beginning of the fiscal year. However, for the contracts for which almost all revenues have been recognized under the previous accounting method before the beginning of this consolidated fiscal year, the method stipulated in Article 86 of the Revenue Recognition Accounting Standard is not applied retroactively. In addition, in accordance to Provision (1) stipulated in Section 86 of the Accounting Standard for Revenue Recognition, the accounts have been processed reflecting all contract modifications on all contracts made prior to the beginning of this consolidated fiscal year, and the cumulative impact amount was either added to or subtracted from retained earnings at the beginning of this consolidated fiscal year. The impact of this change on the beginning balance of retained earnings, profit & loss for the consolidated fiscal, segment information, etc. and per share information was insignificant.

Due to the application of revenue recognition accounting standards, "Notes and accounts receivable-trade", which was indicated in "Current assets" in the previous year's consolidated balance sheet, is now indicated in "Notes and accounts receivable-trade and contract assets" from this consolidated fiscal year. In addition, the "(increase) decrease in trade notes and accounts receivables" which was indicated in the "cash flow from operating activities" of the consolidated cash flow statement for the previous consolidated fiscal year, is now included in the "(increase) decrease in trade notes and accounts receivables and contract assets" from the consolidated fiscal year. Furthermore, in accordance with the transitional treatment stipulated in Article 89-2 of the Accounting Standard for Revenue Recognition, the previous consolidated fiscal year has not been reclassified using the new presentation method.

(Application of “Accounting Standard for Fair Value Measurement”)

The "Accounting Standard for Market Value Calculation" (Corporate Accounting Standard No. 30, July 4, 2019; hereinafter referred to as "Market Value Calculation Accounting Standard"), etc. has been applied from the beginning of this consolidated fiscal year and in accordance with the transitional treatment stipulated in Paragraph 19 of the Standard and "Accounting Standard for Financial Instruments" (Corporate Accounting Standard No. 10, July 4, 2019), Paragraph 44-2. shall be applied in the future. Moreover, there is no impact on the consolidated financial statements.

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 ¥993 million, 400,519 shares

(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 adopted flexible work such as teleworking (working from home) and staggered working hours as well as workplace vaccination in limited areas.

Overseas group companies respond in accordance with instructions given, such as a curfew, by the local authorities of the countries or the states where they are located, and they generally work from home where a curfew is imposed.

As for our factory operations, domestic factories are now operating normally. Our U.S. factories are currently operating normally depending on enforcements issued by their local authorities.

We, 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 still remain in FY2022, with the gradual recovery after the first half of the last fiscal year ending March 2021, but in which we had not a significant impact on the estimated accounting.

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), Human Resource (HR) systems, payroll information systems, cafeteria systems, access control, proximity IC card solutions, system time recorders, T&A and HR and payroll ASP services, time distribution and authentication services (digital time stamps)
	Time Management Products	PC-linked time recorders, online time recorders, computerized time recorders, standard electronic time recorders, electronic time stamps, patrol recorders
	Parking Systems	Automatic fee settlement systems, access control systems, parking lot management systems, bicycle parking lot management 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, 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, industrial air purifiers
	Clean Systems	Commercial vacuum cleaners, automatic floor scrubbers, robotic floor scrubbers, road and industrial sweepers, high-speed burnishers, polisher chemical products, supplies and accessories, wooden floor sanding machines, consigned janitorial management services, 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 2020 (April 1, 2020–March 31, 2021)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	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.

FY 2021 (April 1, 2021–March 31, 2022)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	87,090	31,339	118,429	—	118,429
Intersegment	—	—	—	—	—
Total	87,090	31,339	118,429	—	118,429
Segment profit (loss)	12,569	4,136	16,706	(3,813)	12,893
Segment assets	70,331	29,704	100,036	59,306	159,342
Other items					
Depreciation and amortization	6,879	644	7,523	547	8,070
Impairment loss	—	—	—	—	—
Investments in affiliates accounted for using the equity method	2,261	—	2,261	—	2,261
Increases in tangible and intangible fixed assets	6,940	334	7,274	259	7,534

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

(1) The −¥3,813 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 ¥59,306 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 2020 (April 1, 2020– March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Net assets per share (Yen)	1,485.46	1,563.31
Net income per share (Yen)	97.08	131.49

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 2020 (April 1, 2020– March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Net income per share		
Net income attributable to owners of the parent company (Millions of yen)	7,248	9,733
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income for common stock attributable to owners of the parent company (Millions of yen)	7,248	9,733
Average number of shares of common stock outstanding (Shares)	74,660,620	74,027,602

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

Item	FY 2020 (as of March 31, 2021)	FY 2021 (as of March 31, 2022)
Total net assets (Millions of yen)	111,585	116,271
Amount to be deducted from total net assets (Millions of yen)	733	752
(of which, non-controlling shareholders' interests) (Millions of yen)	(733)	(752)
Net assets at the end of year attributable to common stock (Millions of yen)	110,851	115,519
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	74,624,428	73,893,918

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 treasuring 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 385,352 shares for the previous fiscal year and 412,477 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 421,314 shares for the previous fiscal year and 400,519 for the fiscal year under review.

Significant Subsequent Events

On April 26, 2022, 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 1,000,000 shares (upper limit) [Representing 1.35% of the Total number of shares issued (excluding treasury stock)]
(3)	Total acquisition cost	Up to 2,500,000,000 yen (upper limit)
(4)	Acquisition period	From April 27, 2022 to August 31, 2022

6. Unconsolidated Financial Statements

(1) Balance Sheets

(Millions of yen)

	FY 2020 (as of March 31, 2021)	FY 2021 (as of March 31, 2022)
Assets		
Current assets		
Cash and bank deposits	30,594	31,595
Notes receivable - trade	1,888	1,933
Accounts receivable - trade	16,761	17,002
Contract assets	-	52
Marketable securities	1,500	1,500
Merchandise and finished goods	1,575	1,345
Work in process	330	384
Raw materials and supplies	1,830	2,219
Other current assets	667	761
Allowance for doubtful accounts	(2)	(2)
Total current assets	55,146	56,791
Fixed assets		
Tangible fixed assets		
Buildings	7,908	7,471
Structures	246	218
Machinery and equipment	666	494
Vehicles	2	1
Tools, furniture and fixtures	514	401
Land	5,333	5,312
Construction in progress	45	98
Total tangible fixed assets	14,717	13,997
Intangible fixed assets		
Goodwill	-	55
Software	2,917	2,174
Software in progress	585	526
Other	35	33
Total intangible fixed assets	3,538	2,790
Investments and other assets		
Investment securities	10,062	10,373
Shares of subsidiaries and associates	38,816	40,820
Investments in capital of subsidiaries and associates	180	180
Claims in bankruptcy and similar claims	245	245
Fixed leasehold deposits	849	651
Insurance funds	1,256	1,373
Deferred tax assets	1,008	1,060
Other	122	85
Allowance for doubtful accounts	(264)	(263)
Total investments and other assets	52,277	54,527
Total fixed assets	70,533	71,315
Total assets	125,680	128,107

(Millions of yen)

	FY 2020 (as of March 31, 2021)	FY 2021 (as of March 31, 2022)
Liabilities		
Current liabilities		
Notes payable - trade	319	267
Electronically recorded obligations	5,073	5,667
Accounts payable - trade	3,145	3,288
Accounts payable - other	103	91
Accrued expenses	1,826	953
Accrued income taxes	626	1,920
Accrued consumption taxes	425	518
Advances received	1,666	-
Deposits received	290	290
Deposits received from employees	1,879	1,885
Accrued bonuses	2,050	2,072
Accrued officers' bonuses	90	128
Other current liabilities	192	2,154
Total current liabilities	17,688	19,237
Long-term liabilities		
Provision for retirement benefits	902	1,069
Provision for stock benefit	245	293
Provision for directors' stock benefit	186	203
Total long-term liabilities	1,334	1,566
Total liabilities	19,023	20,804
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus		
Legal capital surplus	19,292	19,292
Total capital surplus	19,292	19,292
Retained earnings		
Legal retained earnings	2,385	2,385
Other retained earnings		
General reserve	10,881	10,881
Retained earnings brought forward	58,429	60,967
Total retained earnings	71,696	74,233
Treasury stock	(4,443)	(6,546)
Total shareholders' equity	104,784	105,219
Valuation and translation adjustments		
Net unrealized gains (losses) on available- for-sale securities	1,872	2,083
Total valuation and translation adjustments	1,872	2,083
Total net assets	106,657	107,303
Total liabilities and net assets	125,680	128,107

(2) Statements of Income

(Millions of yen)

	FY 2020 (April 1, 2020- March 31, 2021)	FY 2021 (April 1, 2021– March 31, 2022)
Net sales	61,803	61,770
Cost of sales	34,741	33,754
Gross profit	27,062	28,016
Selling, general and administrative expenses	20,000	19,850
Operating profit	7,061	8,165
Non-operating profit		
Interest and dividend revenue	1,617	1,709
Foreign exchange gains	24	86
Other	692	710
Total non-operating profit	2,333	2,506
Non-operating expenses		
Interest expenses	19	20
Other	37	64
Total non-operating expenses	56	84
Ordinary profit	9,338	10,587
Extraordinary income		
Gain on sale of fixed assets	-	88
Gain on sales of investment securities	3	-
Total extraordinary income	3	88
Extraordinary losses		
Loss on disposal of fixed assets	1	3
Office transfer expenses	62	-
Total extraordinary losses	64	3
Income before income taxes	9,277	10,672
Income taxes	2,375	2,990
Deferred income taxes	96	(94)
Total income taxes	2,471	2,896
Net income	6,805	7,776

(3) Statement of Changes in Shareholders' Equity

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
Cumulative impact of changes of accounting policies			
Balance at the beginning of the period reflecting changes of accounting policies	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
Cumulative impact of changes of accounting policies			—	—		—
Balance at the beginning of the period reflecting changes of accounting policies	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
Cumulative impact of changes of accounting policies			—
Balance at the beginning of the period reflecting changes of accounting policies	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

FY 2021 (April 1, 2021–March 31, 2022)

	Shareholders' equity	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at the beginning of the year	18,239	19,292	19,292
Cumulative impact of changes of accounting policies			
Balance at the beginning of the period reflecting changes of accounting policies			
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	58,429	71,696	(4,443)	104,784
Cumulative impact of changes of accounting policies			(4)	(4)		(4)
Balance at the beginning of the period reflecting changes of accounting policies	2,385	10,881	58,425	71,691	(4,443)	104,780
Changes during the year						
Dividends from surplus			(5,234)	(5,234)		(5,234)
Net income			7,776	7,776		7,776
Purchase of treasury stock					(2,154)	(2,154)
Disposal of treasury stock					52	52
Net changes in items other than shareholders' equity						
Total changes during the year	—	—	2,541	2,541	(2,102)	439
Balance at year end	2,385	10,881	60,967	74,233	(6,546)	105,219

(Millions of yen)

	Valuation and translation adjustments		
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the year	1,872	1,872	106,657
Cumulative impact of changes of accounting policies			(4)
Balance at the beginning of the period reflecting changes of accounting policies	1,872	1,872	106,652
Changes during the year			
Dividends from surplus			(5,234)
Net income			7,776
Purchase of treasury stock			(2,154)
Disposal of treasury stock			52
Net changes in items other than shareholders' equity	211	211	211
Total changes during the year	211	211	650
Balance at year end	2,083	2,083	107,303

7. Breakdown of Unconsolidated Sales by Business Division

(Millions of yen)

Category	FY 2020 (April 1, 2020– March 31, 2021)		FY 2021 (April 1, 2021– March 31, 2022)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:		%		%		%
Information Systems	16,591	26.8	16,351	26.5	(240)	(1.4)
Time Management Products	2,434	3.9	2,267	3.7	(166)	(6.8)
Parking Systems	22,728	36.9	22,462	36.3	(265)	(1.2)
Subtotal	41,754	67.6	41,081	66.5	(672)	(1.6)
Environment System business:						
Environmental Systems	15,795	25.5	16,488	26.7	692	4.4
Clean Systems	4,253	6.9	4,200	6.8	(52)	(1.2)
Subtotal	20,049	32.4	20,689	33.5	639	3.2
Total	61,803	100.0	61,770	100.0	(32)	(0.1)
Export sales	945	1.5	1,120	1.8	175	18.5

8. Change of Directors

The change of directors was already officially announced in "Notice: The Changes of Corporate Officers" as of March 25, 2022. (https://www.amano.co.jp/English/ir/dl/news/2022/20220325_1.pdf)