

Summary Financial Statements (Consolidated)
for Fiscal Year 2023 (Year Ended March 31, 2024) (Japan GAAP)

April 25, 2024

Company name: Amano Corporation Listed on: TSE
Securities code: 6436 URL <https://www.amano.co.jp/en>
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Scheduled date for Ordinary General Meeting of Shareholders: June 27, 2024

Scheduled date for filing of securities report: June 27, 2024

Scheduled date for start of dividend payments: June 28, 2024

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 2023 (April 1, 2023 to March 31, 2024)

(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 2023 (year ended March 2024)	152,864	15.1	19,567	23.9	20,855	23.0	13,141	16.4
FY 2022 (year ended March 2023)	132,810	12.1	15,787	22.4	16,960	21.8	11,288	16.0

Note: Comprehensive income

FY 2023 (year ended March 2024): ¥ 19,403 million (27.1%)

FY 2022 (year ended March 2023): ¥ 15,262 million (26.6%)

	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 2023 (year ended March 2024)	182.48	—	10.6	11.7	12.8
FY 2022 (year ended March 2023)	154.42	—	9.6	10.2	11.9

Reference: Equity in earnings of affiliates

FY 2023 (year ended March 2024): ¥ 184 million

FY 2022 (year ended March 2023): ¥ 172 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2023 (year ended March 2024)	184,585	128,103	69.1	1,779.42
FY 2022 (year ended March 2023)	171,250	121,638	70.5	1,656.43

Reference: Equity capital

FY 2023 (year ended March 2024): ¥ 127,600 million

FY 2022 (year ended March 2023): ¥ 120,756 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 2023 (year ended March 2024)	23,771	(10,221)	(18,216)	51,648
FY 2022 (year ended March 2023)	18,951	(7,376)	(13,950)	55,084

2. Dividends

	Annual dividends					Total dividend amount (Year)	Payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
FY 2022 (year ended March 2023)	—	30.00	—	80.00	110.00	8,062	71.4	6.8
FY 2023 (year ended March 2024)	—	40.00	—	95.00	135.00	9,787	74.5	7.9
FY 2024 (year ending March 2025) (est.)	—	45.00	—	95.00	140.00		70.0	

3. Forecast earnings for fiscal year 2024 (April 1, 2024 to March 31, 2025)

(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	72,200	2.9	8,400	4.8	8,900	3.4	5,700	2.6	79.49
Full year	160,000	4.7	21,000	7.3	22,000	5.5	14,500	10.3	202.21

Notes

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

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

[1] Changes arising from revision of accounting standards : None

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

[3] Changes to accounting forecasts : None

[4] Restatements : None

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

[1] Number of shares issued and outstanding at the end of the period (including treasury stock)

As of March 31, 2024	76,657,829 shares	As of March 31, 2023	76,657,829 shares
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[2] Number of shares of treasury stock at the end of the period

As of March 31, 2024	4,948,546 shares	As of March 31, 2023	3,756,315 shares
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[3] Average number of shares outstanding

As of March 31, 2024	72,019,048 shares	As of March 31, 2023	73,104,399 shares
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Note: The number of shares of treasury stock as of March 31, 2024, includes Amano's shares held by the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP).

(793,884 shares as of Mar. 31, 2024 and 398,219 shares as of March 31, 2023 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 2023 (April 1, 2023 to March 31, 2024)

(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 2023 (year ended March 2024)	72,685	12.3	12,090	23.4	15,986	19.1	10,684	8.6
FY 2022 (year ended March 2023)	64,736	4.8	9,794	19.9	13,419	26.7	9,841	26.6

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2023 (year ended March 2024)	148.35	—
FY 2022 (year ended March 2023)	134.62	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2023 (year ended March 2024)	132,798	108,216	81.5	1,509.11
FY 2022 (year ended March 2023)	129,614	107,446	82.9	1,473.86

Reference: Equity capital

FY 2023 (year ended March 2024): ¥ 108,216 million

FY 2022 (year ended March 2023): ¥ 107,446 million

2. Forecast earnings for fiscal year 2024 (April 1, 2024 to March 31, 2025)

(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	33,800	4.0	5,000	11.6	7,900	7.5	5,700	4.7	79.49
Full year	76,000	4.6	12,800	5.9	16,600	3.8	11,800	10.4	164.55

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 Friday, April 26, 2024. The financial results materials to be distributed at this briefing are due to be published on the Amano's website immediately for Friday, April 26, 2024.

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1. Summary of Business Results

(1) Summary of Business Results for This Fiscal Year

During the consolidated fiscal year under review, the Japanese economy is considered to be on a moderate recovery trend as economic activities continue to normalize, although the outlook of the Japanese economy is ridden by uncertainties such as overseas economic slowdown, extensive price hikes, and exchange rate volatility.

Under this business environment, in our "9th Medium-Term Business Plan" that started in April 2023, we, the Amano Group, have set forth the management concept of "The 4th Stage Towards a 100-year Company-Initiatives for a Paradigm Shift Leading to Sustainable Management" in which we have promoted DX (digital transformation) in each business field and have executed strategic investments in software-based assets, IoT, AI, etc., and further enhance our competitive advantage in terms of profitability. Furthermore, we have proactively worked to solve social issues.

As a result, during the fiscal year under review, Amano recorded net sales of ¥152,864 million, up by 15.1% year-on-year. Operating profit increased by 23.9% to ¥19,567 million, ordinary profit went up by 23.0% to ¥20,855 million, and net income attributable to owners of the parent company increased by 16.4% to ¥13,141 million, resulting in increases in both sales and profit.

(Main factors behind the business results)

- (i) At non-consolidated Amano, Parking Systems sales continued to significantly grow indicating that the recovery trend is clearly positive. Clean Systems sales also continued to increase due to stronger sales of cleaning robots. Information Systems sales increased in both software and hardware. Environmental Systems sales of standard dust collection systems declined due to the impact of lower orders for machine tools, but large-scale systems sales grew in response to demand for rechargeable batteries for EVs, etc., resulting positive overall sales.
- (ii) In domestic group companies, the consigned parking lot management service business performed well, exceeding pre-COVID-19 results, and the cloud service business for T&A also continued to grow. The digital time stamp business continued to perform well, meeting the needs to respond to the requirements under the revised Electronic Books Preservation Act, etc.
- (iii) In overseas markets, sales increased in North America, Europe, and Asia, partly due to the effect of yen depreciation. In Europe, sales of Information Systems in France continued to grow by capturing customer needs. In North America, Parking Systems sales increased due to the effect of new products, achieving a monthly surplus during demand periods, etc. with an improving earnings trend, while Clean Systems sales decreased due to a slowdown in the core wood floor sanding business. In Asia, Parking Systems sales grew in South Korea and Hong Kong, and Environmental Systems sales grew in Thailand.
- (iv) As a result of evaluating the future excess earning power of a portion of the investment securities held by Amano as of fiscal year end, a loss on valuation of investment securities was booked in accordance with impairment accounting.

The following is a breakdown of sales by business division.

Sales by business division (Millions of yen)

Category	FY 2022 (April 1, 2022– March 31, 2023)		FY 2023 (April 1, 2023– March 31, 2024)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	31,353	23.6	35,757	23.4	4,403	14.0
Time Management Products	2,841	2.1	2,572	1.7	(268)	(9.5)
Parking Systems	64,708	48.7	78,510	51.3	13,801	21.3
Subtotal	98,903	74.4	116,840	76.4	17,936	18.1
Environment System business:						
Environmental Systems	20,838	15.7	23,089	15.1	2,250	10.8
Clean Systems	13,068	9.9	12,935	8.5	(133)	(1.0)
Subtotal	33,906	25.6	36,024	23.6	2,117	6.2
Total	132,810	100.0	152,864	100.0	20,054	15.1

Time Information System business

The sales in this business totaled ¥116,840 million, up by ¥17,936 million (up 18.1%) year-on-year. The following is a breakdown of sales by business division.

- Information Systems ¥35,757 million (up 14.0% year-on-year)

Domestic sales for the current term were as follows. For non-consolidated Amano, software sales increased by ¥809 million (8.2%) due to a continuing recovery trend in orders for small to medium-sized businesses, hardware sales increased by ¥451 million (16.8%), and sales generated by maintenance contracts and supplies services decreased by ¥33 million (0.7%) year-on-year. The cloud services developed by Amano Business Solutions Corporation continued to perform strongly.

Overall overseas sales increased by ¥3,024 million (23.1%), as both Accu-Time Systems, Inc. in North America and Horoquartz S.A. in Europe sales increased.

- Time Management Products ¥2,572 million (down 9.5% year-on-year)

Overall domestic sales for the current term decreased by ¥51 million (2.2%) year-on-year as the sales of standard time recorders and PC-linked time recorders decreased.

Overall overseas sales decreased by ¥176 million (23.8%) as sales in North America and Asia decreased.

- Parking Systems ¥78,510 million (up 21.3% year-on-year)

Domestic sales for the current term were as follows. For non-consolidated Amano, domestic parking lot management systems sales continued to increase by ¥2,925 million (21.2%) due to a recovery trend, while sales generated by maintenance contracts and supplies services increased by ¥1,600 million (16.6%). Sales continued to increase in the consigned parking lot management service business operated by Amano Management Service. As a result of the continued investment by them, the number of parking spaces under management increased by 27,000 (3.9%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥9,190 million (31.2%) due to the increase in the sales of Amano McGann, Inc. in North America and the increase in sales of the consigned parking lot management service business in South Korea and Hong Kong in Asia.

Environment System business

The sales in this business totaled ¥36,024 million, up by ¥2,117 million (up 6.2%) year-on-year. The following is a breakdown of sales by business division.

- Environmental Systems ¥23,089 million (up 10.8% year-on-year)

During the current term for non-consolidated Amano, domestic sales of standard dust collectors decreased by ¥455 million (6.1%). On the other hand, sales of large-scale systems increased by ¥2,518 million (51.9%), while sales generated by maintenance contracts and supplies services remained flat year-on-year.

Overall overseas sales increased by ¥122 million (3.2%) as sales in Asia increased due to a recovery in mainly Thailand.

- Clean Systems ¥12,935 million (down 1.0% year-on-year)

During the current term for non-consolidated Amano, overall domestic sales of cleaning equipment increased by ¥378 million (17.4%) due to increase in sales of robotic floor scrubbers, and domestic sales generated by maintenance contracts and supplies services increased by ¥22 million (1.1%) year-on-year.

Overall overseas sales decreased by ¥560 million (7.0%) as Amano Pioneer Eclipse Corporation in North America saw the decline in sales.

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit or loss			
	FY 2022 (year ended March 2023)	FY 2023 (year ended March 2024)	Change	Percentage change (%)	FY 2022 (year ended March 2023)	FY 2023 (year ended March 2024)	Change	Percentage change (%)
Japan	78,840	87,229	8,388	10.6	16,936	19,347	2,410	14.2
Other Asia	25,431	32,473	7,041	27.7	1,784	2,385	600	33.6
North America	19,360	21,108	1,747	9.0	(722)	(165)	557	—
Europe	10,712	13,551	2,838	26.5	1,543	1,944	400	26.0
Total	134,345	154,362	20,017	14.9	19,542	23,511	3,969	20.3
Eliminations/ Corporate	(1,534)	(1,497)	—	—	(3,755)	(3,944)	—	—
Consolidated	132,810	152,864	20,054	15.1	15,787	19,567	3,780	23.9

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 2022 (year ended March 2023)	FY 2023 (year ended March 2024)	Change	Percentage change (%)	FY 2022 (year ended March 2023)	FY 2023 (year ended March 2024)	Change
Other Asia	25,580	32,687	7,106	27.8	19.3	21.4	2.1
North America	18,185	19,800	1,614	8.9	13.7	12.9	(0.8)
Europe	10,353	13,105	2,751	26.6	7.8	8.6	0.8
Other regions	1,198	1,361	163	13.6	0.9	0.9	0.0
Total	55,318	66,954	11,636	21.0	41.7	43.8	2.1
Consolidated net sales	132,810	152,864					

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 Amano and its consolidated subsidiaries to countries and regions other than Japan.

(2) Summary of Financial Condition for This Fiscal Year

(i) Assets, liabilities, and net assets

Total assets amounted to ¥184,585 million (up ¥13,334 million from the previous consolidated fiscal year-end).

- Current assets: an increase of ¥7,142 million due to increases in notes and accounts receivable-trade and contract assets, and merchandise and finished goods, etc.
- Fixed assets: an increase of ¥6,191 million due to increases in lease assets (net), and investment securities, etc.

Total liabilities amounted to ¥56,482 million (up ¥6,869 million from the previous consolidated fiscal year-end).

- Current liabilities: an increase of ¥6,776 million due to an increase in lease obligations, etc.
- Long-term liabilities: an increase of ¥93 million due to an increase in lease obligations, etc.

Net assets amounted to ¥128,103 million (up ¥6,464 million from the previous consolidated fiscal year-end).

- Shareholders' equity: an increase of ¥728 million due to posting of net income attributable to owners of the parent company, etc.
- Accumulated other comprehensive income: an increase of ¥6,116 million due to increases in foreign currency translation adjustments, etc.

(3) Summary of Cash Flows for This Fiscal Year

Consolidated cash and cash equivalents decreased by ¥3,435 million from the previous fiscal year-end to a total of ¥51,648 million as of March 31, 2024. 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 ¥23,771 million (an increase in income of ¥4,820 million year-on-year).

•Main income factors:

Posting of income before income taxes amounting to ¥19,032 million and posting of depreciation and amortization amounting to ¥10,256 million.

•Main expenditure factors:

Posting of income taxes paid amounting to ¥6,089 million and posting of increase in trade notes and accounts receivable and contract assets amounting to ¥4,110 million.

Net cash used in investing activities totaled -¥10,221 million (an increase in cash outflow of ¥2,845 million year-on-year).

•Main income factors:

Posting of proceeds from withdrawal of time deposits amounting to ¥10,856 million.

•Main expenditure factors:

Posting of increase in time deposits amounting to ¥13,530 million and posting of payment for purchase of tangible fixed assets amounting to ¥3,417 million.

Posting of payment for acquisition of intangible fixed assets amounting to ¥2,439 million and posting of payment for acquisition of subsidiary shares involving change to the scope of consolidation amounting to ¥1,809 million.

Net cash used in financing activities amounted to -¥18,216 million (an increase in cash outflow of ¥4,265 million year-on-year).

•Main income factors:

Posting of proceeds from sale and leaseback amounting to ¥1,732 million.

•Main expenditure factors:

Posting of dividends paid amounting to ¥8,764 million and posting of repayments of lease obligations amounting to ¥6,785 million.

Posting of payment for acquisition of treasury stock amounting to ¥3,719 million.

(4) Future Outlook

With regard to the outlook for the Japanese economy in the next fiscal year, although there are uncertainties in the economic outlook due to such concerns about recession overseas, heightened geopolitical risks, and the impact of various price hikes and changes in monetary policy, etc., the economy is expected to continue on a gradual recovery path, backed by strong corporate appetite for capital investment.

Amid this business environment, Amano and our group companies have set "The 4th Stage Towards a 100-year Company-Commitment to a Paradigm Shift Leading to Sustainable Management" as our management concept and work to address key issues in the "9th Medium-Term Business Plan".

The details of the Plan are available for inspection on the Amano's website.

(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 acquire treasury stock, 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 ¥95 per share, and the annual per-share dividend for this fiscal year will be ¥135 (including ¥40 per share paid as the interim dividend), an increase of ¥25 from the annual per share dividend of ¥110 for the previous fiscal year. In addition, the Board of Directors approved a resolution regarding the acquisition of treasury stock on April 25, 2024. The detail of this matter is available for inspection on the Amano's website.

(https://www.amano.co.jp/en/ir/dl/news/2024/20240425_2.pdf).

As a result, the consolidated payout ratio will be 74.5%, the net asset dividend rate will be 7.9%, and the total return ratio will be 89.7%.

With regard to the dividend for the next fiscal year ending March 31, 2025, in line with our "Basic Policy on Distribution of Profits" and in view of our outlook for the next fiscal year, we currently aim to pay an annual per share dividend of ¥140 (with an interim dividend of ¥45 and a year-end dividend of ¥95).

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.

2. 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

Amano launched the "9th Medium-Term Business Plan" for the three-year period from April 2023 to March 2026, and has revised the numerical targets in consideration of the business results of the current period.

The details of the plan are posted on the Amano's website.

(<https://www.amano.co.jp/en/ir/managementpolicy/plan/>)

[1] Basic policies

In the "9th Medium-Term Business Plan", we have set "The 4th Stage Towards a 100-year Company - Commitment to Paradigm Shift Leading to Sustainable Management" as our management concept.

Starting as a hardware manufacturer, we have grown as a company that provides total solutions including services such as software, cloud services, and consigned businesses, etc., in response to changing market needs and technological innovation. To further develop this trend, we will promote DX (digital transformation) in each

business field and execute strategic investments in software-based assets, IoT, AI, etc. In addition, we will improve customer convenience by enhancing the functions of standard products and further enhance our competitive advantage in terms of profitability. Furthermore, we will develop and expand our management infrastructure and work to solve social issues such as maximizing the value of human capital and reducing environmental impacts. Under this policy, we will expand our business performance based on the three growth drivers, aiming to achieve sales of ¥168,000 million, operating profit of ¥23,000 million, operating profit margin (OPR) of 13%, and ROE of 12% in the fiscal year ending March 31, 2026, the final year of this plan.

Expansion of business performance based on the three growth drivers in the "9th Medium-Term Business Plan."

- (i) Information Systems: Software plus cloud services
- (ii) Parking Systems: Proposals centric to the Data center for Systems and Management Services
- (iii) Clean Systems: Robot plus cloud service proposals

[2] Numerical targets

(Major assumptions of the numerical targets)

- (i) Information Systems Business at non-consolidated Amano is expected to see continued investment in systems by various companies, including those in industries that are exempt from the "Work Style Reform Law" and in the public and education sectors. In addition, Parking Systems Business is expected to post record-high performance due to full-scale expansion of renewal investment, which had been settled by the Coronavirus Pandemic, as well as support for new banknotes. Environmental Systems Business is expected to grow mainly due to investment in large-scale systems for rechargeable batteries for EVs, etc., while Clean Systems Business is expected to achieve significant earnings growth due to expanded sales of cleaning robots.
- (ii) The domestic and overseas parking lot management service business will further drive the Amano Group overall performance as a growth driver.
- (iii) Amano-McGann, Inc. in North America, whose performance is on the way to recovery, plans to further improve profitability through new products and restructuring of the sales structure.

(Millions of yen)

	FY 2023 (year ended March 2024) (Results)		FY 2024 (year ending March 2025) (Original Plan)		FY 2024 (year ending March 2025) (Revised)		FY 2025 (year ending March 2026) (Original Plan)		FY 2025 (year ending March 2026) (Revised)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	152,864	15.1	150,000	(1.9)	160,000	4.7	160,000	6.7	168,000	5.0
Operating profit	19,567	23.9	19,500	(0.3)	21,000	7.3	21,000	7.7	23,000	9.5
Operating profit ratio (%)	12.8%	—	13.0%	—	13.1%	—	13.1%	—	13.7%	—
Ordinary profit	20,855	23.0	20,500	(1.7)	22,000	5.5	22,000	7.3	24,000	9.1
Net income attributable to owners of the parent company	13,141	16.4	13,500	2.7	14,500	10.3	14,500	7.4	15,500	6.9

3. 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.

4. Consolidated Financial Statements and Primary Explanatory Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2022 (as of March 31, 2023)	FY 2023 (as of March 31, 2024)
Assets		
Current assets		
Cash and bank deposits	62,399	62,577
Notes and accounts receivable—trade and contract assets	30,958	36,038
Marketable securities	3,357	2,725
Merchandise and finished goods	4,663	5,672
Work in process	791	916
Raw materials and supplies	7,956	8,601
Other current assets	4,112	4,753
Allowance for doubtful accounts	(491)	(393)
Total current assets	113,749	120,892
Fixed assets		
Tangible fixed assets		
Buildings and structures	29,016	29,355
Accumulated depreciation	(20,419)	(20,985)
Buildings and structures (net)	8,597	8,369
Machinery and vehicles	7,807	7,993
Accumulated depreciation	(6,914)	(7,031)
Machinery and vehicles (net)	892	961
Tools, furniture and fixtures	16,704	17,670
Accumulated depreciation	(14,422)	(14,980)
Tools, furniture and fixtures (net)	2,281	2,689
Land	5,846	5,743
Lease assets	19,149	23,094
Accumulated depreciation	(7,995)	(10,490)
Lease assets (net)	11,153	12,603
Construction in progress	364	728
Total tangible fixed assets	29,135	31,096
Intangible fixed assets		
Goodwill	1,214	1,884
Software	3,194	3,241
Software in progress	702	1,421
Other	1,729	2,196
Total intangible fixed assets	6,840	8,742
Investments and other assets		
Investment securities	14,974	16,764
Claims in bankruptcy and similar claims	458	471
Fixed leasehold deposits	1,661	1,872
Net defined benefit assets	115	142
Deferred tax assets	2,591	2,071
Other	2,194	3,007
Allowance for doubtful accounts	(470)	(476)
Total investments and other assets	21,525	23,853
Total fixed assets	57,501	63,693
Total assets	171,250	184,585

(Millions of yen)

	FY 2022 (as of March 31, 2023)	FY 2023 (as of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	6,138	6,979
Electronically recorded obligations	6,284	6,533
Short-term bank loans	266	94
Lease liabilities	4,150	5,407
Accrued income taxes	3,523	4,100
Accrued bonuses	2,766	2,973
Accrued officers' bonuses	130	200
Other current liabilities	15,252	19,001
Total current liabilities	38,513	45,289
Long-term liabilities		
Lease liabilities	7,791	8,356
Deferred tax liabilities	16	23
Net defined benefit liabilities	2,281	1,721
Provision for stock benefit	357	407
Provision for directors' stock benefit	249	315
Asset retirement obligations	34	35
Other long-term liabilities	367	332
Total long-term liabilities	11,098	11,192
Total liabilities	49,612	56,482
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	90,133	94,510
Treasury stock	(9,019)	(12,668)
Total shareholders' equity	118,646	119,374
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	2,237	4,740
Foreign currency translation adjustments	248	3,253
Remeasurements of defined benefit plans	(375)	231
Total accumulated other comprehensive income	2,109	8,226
Non-controlling shareholders' interests	882	502
Total net assets	121,638	128,103
Total liabilities and net assets	171,250	184,585

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

(Millions of yen)

	FY 2022 (April 1, 2022- March 31, 2023)	FY 2023 (April 1, 2023- March 31, 2024)
Net sales	132,810	152,864
Cost of sales	72,555	83,916
Gross profit	60,254	68,948
Selling, general and administrative expenses		
Selling expenses	40,551	45,200
General and administrative expenses	3,916	4,180
Total selling, general and administrative expenses	44,467	49,380
Operating profit	15,787	19,567
Non-operating profit		
Interest income	265	706
Dividend income	245	288
Insurance dividend income	161	114
Insurance income	70	35
Foreign exchange gains	48	47
Equity in earnings of affiliates	172	184
Other	440	310
Total non-operating profit	1,405	1,686
Non-operating expenses		
Interest expenses	151	284
Other	80	113
Total non-operating expenses	232	398
Ordinary profit	16,960	20,855
Extraordinary income		
Gain on sale of fixed assets	11	8
Total extraordinary income	11	8
Extraordinary losses		
Loss on disposal of fixed assets	58	72
Loss on sale of fixed assets	1	35
Office transfer expenses	11	-
Loss on valuation of investment securities	150	1,713
Other	-	9
Total extraordinary losses	220	1,831
Income before income taxes	16,752	19,032
Income taxes	5,584	6,608
Deferred income taxes	(186)	(837)
Total income taxes	5,397	5,771
Net income	11,354	13,261
Net income attributable to non-controlling shareholders	65	119
Net income attributable to owners of the parent company	11,288	13,141

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2022 (April 1, 2022- March 31, 2023)	FY 2023 (April 1, 2023- March 31, 2024)
Net income	11,354	13,261
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	150	2,498
Foreign currency translation adjustment	3,583	3,036
Remeasurements of defined benefit plans	174	607
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	3,907	6,142
Comprehensive income	15,262	19,403
(Breakdown)		
Comprehensive income attributable to owners of the parent company	15,109	19,257
Comprehensive income attributable to non-controlling shareholders	152	146

(3) Consolidated Statement of Changes in Shareholders' Equity

FY 2022 (April 1, 2022–March 31, 2023)

(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	86,244	(6,546)	117,230
Changes during the year					
Dividends from surplus			(7,399)		(7,399)
Net income attributable to owners of the parent company			11,288		11,288
Purchase of treasury stock				(2,479)	(2,479)
Disposal of treasury stock				5	5
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	3,888	(2,473)	1,415
Balance at year end	18,239	19,293	90,133	(9,019)	118,646

	Accumulated other comprehensive income				Non-controlling shareholders' interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	2,088	(3,250)	(549)	(1,711)	752	116,271
Changes during the year						
Dividends from surplus						(7,399)
Net income attributable to owners of the parent company						11,288
Purchase of treasury stock						(2,479)
Disposal of treasury stock						5
Net changes in items other than shareholders' equity	148	3,498	174	3,821	129	3,951
Total changes during the year	148	3,498	174	3,821	129	5,366
Balance at year end	2,237	248	(375)	(2,109)	882	121,638

FY 2023 (April 1, 2023–March 31, 2024)

(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	90,133	(9,019)	118,646
Changes during the year					
Dividends from surplus			(8,764)		(8,764)
Net income attributable to owners of the parent company			13,141		13,141
Purchase of treasury stock				(3,719)	(3,719)
Disposal of treasury stock				70	70
Net changes in items other than shareholders' equity					
Total changes during the year	—	—	4,377	(3,648)	728
Balance at year end	18,239	19,293	94,510	(12,668)	119,374

	Accumulated other comprehensive income				Non-controlling shareholders' interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	2,237	248	(375)	2,109	882	121,638
Changes during the year						
Dividends from surplus						(8,764)
Net income attributable to owners of the parent company						13,141
Purchase of treasury stock						(3,719)
Disposal of treasury stock						70
Net changes in items other than shareholders' equity	2,503	3,005	607	6,116	(379)	5,736
Total changes during the year	2,503	3,005	607	6,116	(379)	6,464
Balance at year end	4,740	3,253	231	8,226	502	128,103

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2022 (April 1, 2022- March 31, 2023)	FY 2023 (April 1, 2023- March 31, 2024)
Cash flows from operating activities		
Income before income taxes	16,752	19,032
Depreciation and amortization	9,017	10,256
Amortization of goodwill	311	293
Increase (decrease) in net defined benefit liabilities	108	97
Increase (decrease) in provision for stock benefit	70	120
Increase (decrease) in provision for directors' stock benefit	45	66
Increase (decrease) in allowance for doubtful accounts	(113)	(137)
Interest and dividend revenue	(511)	(995)
Equity in (earnings) losses of affiliates	(172)	(184)
Interest expenses	151	284
Foreign currency translation loss (gain)	(79)	(145)
Loss (gain) on sale of fixed assets	(10)	27
Loss on disposal of fixed assets	58	72
Loss (gain) on valuation of investment securities	150	1,713
(Increase) decrease in trade notes and accounts receivable and contract assets	(2,002)	(4,110)
(Increase) decrease in inventories	(2,617)	(813)
Increase (decrease) in trade payables	853	821
Increase (decrease) in other current liabilities	1,041	2,216
Other	591	403
Subtotal	23,644	29,021
Receipts from interest and dividends	614	1,102
Interest paid	(151)	(284)
Income taxes paid	(5,670)	(6,089)
Income taxes refunded	514	22
Net cash provided by operating activities	18,951	23,771
Cash flows from investing activities		
Payment for acquisition of securities	(3,850)	(3,450)
Proceeds from redemption of securities	4,050	3,950
Payment for purchase of tangible fixed assets	(2,795)	(3,417)
Proceeds from sale of tangible fixed assets	18	129
Payment for acquisition of intangible fixed assets	(1,577)	(2,439)
Payment for acquisition of investment securities	(306)	(306)
Payment for acquisition of subsidiary shares involving change to the scope of consolidation	-	(1,809)
Increase in time deposits	(5,892)	(13,530)
Proceeds from withdrawal of time deposits	2,968	10,856
Other	7	(205)
Net cash used in investing activities	(7,376)	(10,221)

(Millions of yen)

	FY 2022 (April 1, 2022- March 31, 2023)	FY 2023 (April 1, 2023- March 31, 2024)
Cash flows from financing activities		
Increase in short-term loans payable	213	77
Repayment for short-term bank loans	(385)	(230)
Payment for acquisition of treasury stock	(2,479)	(3,719)
Repayments of lease liabilities	(5,607)	(6,785)
Proceeds from sale and leaseback	1,730	1,732
Dividends paid	(7,399)	(8,764)
Payment of dividends to non-controlling shareholders	(22)	(526)
Cash flows from financing activities	(13,950)	(18,216)
Current liabilities	1,528	1,230
Net increase (decrease) in cash and cash equivalents	(847)	(3,435)
Cash and cash equivalents at the beginning of the year	55,931	55,084
Cash and cash equivalents at end of period	55,084	51,648

(5) Notes to Consolidated Financial Statements
Notes on Regarding the Premise of a Going Concern
None

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, and stocks of Amano Corporation are acquired by the trust, and the stocks are granted to the eligible persons. Furthermore, this BIP Trust period has been extended for the same period accordingly after partial revision, with the launch of the "9th Medium-Term Business Plan" in April 2023.

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

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

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

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

Book value of the treasury stock and the number of shares

As of the current fiscal year end: ¥2,268 million, 793,884 shares

Segment Information

1. Outline of Reporting Segments

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

Amano 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, Amano 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 Amano's highest decision-making body to determine the allocation of management resources and evaluate financial results.

As described above, Amano'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, 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 of the reported business segments are in accordance with the accounting policies adopted to prepare the consolidated financial statements.

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 2022 (April 1, 2022–March 31, 2023)

(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	98,903	33,906	132,810	—	132,810
Intersegment	—	—	—	—	—
Total	98,903	33,906	132,810	—	132,810
Segment profit (loss)	14,927	4,705	19,632	(3,844)	15,787
Segment assets	79,509	30,935	110,444	60,806	171,250
Other items					
Depreciation and amortization	7,773	748	8,521	496	9,017
Investments in affiliates accounted for using the equity method	2,331	—	2,331	—	2,331
Increases in tangible and intangible fixed assets	9,363	781	10,145	257	10,402

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

- (1) The ¥3,844 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 ¥60,806 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 2023 (April 1, 2023–March 31, 2024)

(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	116,840	36,024	152,864	—	152,864
Intersegment	—	—	—	—	—
Total	116,840	36,024	152,864	—	152,864
Segment profit (loss)	19,029	4,548	23,578	(4,010)	19,567
Segment assets	92,044	30,330	122,374	62,210	184,585
Other items					
Depreciation and amortization	8,979	784	9,763	493	10,256
Investments in affiliates accounted for using the equity method	2,410	—	2,410	—	2,410
Increases in tangible and intangible fixed assets	11,711	1,887	13,599	366	13,965

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

- (1) The ¥4,010 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 ¥62,210 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 2022 (April 1, 2022– March 31, 2023)	FY 2023 (April 1, 2023– March 31, 2024)
Net assets per share (Yen)	1,656.43	1,779.42
Net income per share (Yen)	154.42	182.48

- 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 2022 (April 1, 2022– March 31, 2023)	FY 2023 (April 1, 2023– March 31, 2024)
Net income per share		
Net income attributable to owners of the parent company (Millions of yen)	11,288	13,141
Amount not attributed to common stockholders (Millions of yen)	—	—
Net income for common stock attributable to owners of the parent company (Millions of yen)	11,288	13,141
Average number of shares of common stock outstanding (Shares)	73,104,399	72,019,048

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

Item	FY 2022 (as of March 31, 2023)	FY 2023 (as of March 31, 2024)
Total net assets (Millions of yen)	121,638	128,103
Amount to be deducted from total net assets (Millions of yen)	882	502
(of which, non-controlling shareholders' interests) (Millions of yen)	(882)	(502)
Net assets at the end of year attributable to common stock (Millions of yen)	120,756	127,600
Number of shares of common stock outstanding at year end used to calculate net assets per share (Shares)	72,901,514	71,709,283

4. Shares remaining in trust of the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP) recognized in shareholders' equity as treasury stock are included in treasury stock to be deducted in the calculation of the average number of shares outstanding over the period to calculate net income per share and also included in treasury stock to be deducted in the calculation of the number of shares of treasury stock at the end of the period to calculate net assets per share. The average number of shares of such treasury stock outstanding over the period that was deducted to calculate net income per share was 398,794 shares for the previous fiscal year and 639,679 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 398,219 shares for the previous fiscal year and 793,884 for the fiscal year under review.

Significant Subsequent Events

On April 25, 2024, the Amano's Board of Directors meeting 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 Amano Corporation
(2) Total Number of Shares to be acquired	Up to 500,000 shares (upper limit) [Representing 0.69% of the Total number of shares issued (excluding treasury stock)]
(3) Total Acquisition Cost	Up to JPY2,000 Million (upper limit)
(4) Acquisition Period	From April 26, 2024 to July 31, 2024