

Summary Financial Statements (Consolidated)  
for Second Quarter of Fiscal Year 2012 (Year Ending March 31, 2013) (Japan GAAP)

November 5, 2012

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Scheduled date for filing of quarterly securities report: November 9, 2012

Scheduled date for start of dividend payments: December 4, 2012

Supplementary explanation materials prepared for quarterly financial results: Yes

Briefing held on quarterly financial results: Yes (for institutional investors and analysts)

(Amounts less than 1 million yen are rounded down)

1. Business results for second quarter of fiscal year 2012 (April 1, 2012 to September 30, 2012)

(1) Operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
2Q of FY 2012 (year ending March 2013)	43,474	2.0	2,988	20.5	3,184	18.2	1,640	22.8
2Q of FY 2011 (year ended March 2012)	42,614	6.7	2,481	101.7	2,695	86.9	1,336	179.1

Note: Comprehensive income Second quarter of FY 2012 (year ending March 2013): ¥1,588 million (-7.4%)  
Second quarter of FY 2011 (year ended March 2012): ¥1,714 million (n/a)

	Net income per share		Diluted net income per share	
	Yen		Yen	
2Q of FY 2012 (year ending March 2013)	21.42		—	
2Q of FY 2011 (year ended March 2012)	17.45		—	

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q of FY 2012 (as of September 30, 2012)	104,544	72,773	69.4	947.33
FY 2011 (as of March 31, 2012)	103,477	72,191	69.6	940.07

Reference: Equity capital Second quarter of FY 2012 (as of September 30, 2012): ¥72,561 million  
FY 2011 (as of March 31, 2012): ¥72,005 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen				
FY 2011 (year ended March 2012)	—	13.00	—	13.00	26.00
FY 2012 (year ending March 2013)	—	13.00	—	—	—
FY 2012 (year ending March 2013) (est.)	—	—	—	13.00	26.00

Note: Revisions to most recently released dividend forecast: None

3. Forecast earnings for fiscal year 2012 (April 1, 2012 to March 31, 2013)

(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
Full year	93,500	6.1	7,000	18.3	7,400	17.1	3,800	57.4	49.61

Note: Revisions to most recently released earnings forecast: None

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) Application of accounting procedures specific to the preparation of the consolidated quarterly financial statement : Yes

Note: For details, please see the following on Attachment page 7: “(2) Application of Accounting Procedures Specific to the Preparation of the Consolidated Quarterly Financial Statement,” which is in the section entitled “2. Matters regarding Summary Information (Notes).”

(3) 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 : Yes

[4] Restatements : None

Note: The “circumstances in which it is difficult to distinguish changes to accounting policy from changes to accounting forecasts” category applies, due to a change of the depreciation method used from the first quarter onward. For details, please see the following on Attachment page 7: “(3) Changes to Accounting Policy, Changes to Accounting Forecasts, and Restatements,” which is in the section entitled “2. Matters regarding Summary Information (Notes).”

(4) 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 2Q ended September 30, 2012	81,257,829 shares	As of March 31, 2012	81,257,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 2Q ended September 30, 2012	4,662,223 shares	As of March 31, 2012	4,661,851 shares
[3] Average number of shares outstanding (over the consolidated fiscal year under review)	As of 2Q ended September 30, 2012	76,595,804 shares	As of 2Q ended September 30, 2011	76,596,510 shares

Note: Presentation of the implementation status of quarterly review procedures

These quarterly Summary Financial Statements are not subject to the quarterly review procedures stipulated in Japan’s Financial Instruments and Exchange Act. As of the date of release of these quarterly Summary Financial Statements, the quarterly financial statement review procedures stipulated in the Act have not yet been completed.

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

Caution regarding forward-looking statements

Earnings forecasts and other forward-looking statements contained in this document are based on information available at the time of this document’s preparation and on certain assumptions that are deemed to be reasonable. A variety of factors could cause actual results to differ significantly from the forecasts. For details, please see the following on Attachment page 6: “(3) Qualitative Information on Outlook for Consolidated Operating Results,” which is in the section entitled “1. Qualitative Information on Consolidated Financial Results for the Current Quarter.”

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

Supplementary financial results materials are disclosed via TDnet on the same day as the date of this document. Also, a financial results briefing for institutional investors and analysts is scheduled for Wednesday, November 7, 2012. The financial results materials to be distributed at this briefing are due to be published on the Amano Corporation website immediately following the meeting.

○ Table of Contents for Attachment

1.	Qualitative Information on Consolidated Financial Results for the Current Quarter .....	2
(1)	Qualitative Information on Consolidated Operating Results .....	2
(2)	Qualitative Information on Consolidated Financial Position .....	6
(3)	Qualitative Information on Outlook for Consolidated Operating Results .....	6
(4)	Basic Policy on Distribution of Profits and Dividends for this Second Quarter .....	6
2.	Matters regarding Summary Information (Notes) .....	7
(1)	Changes among Significant Subsidiaries during the Current Term .....	7
(2)	Application of Accounting Procedures Specific to the Preparation of the Consolidated Quarterly Financial Statement .....	7
(3)	Changes to Accounting Policy, Changes to Accounting Forecasts, and Restatements .....	7
3.	Consolidated Quarterly Financial Statements .....	8
(1)	Consolidated Quarterly Balance .....	8
(2)	Consolidated Quarterly Statements of Income and Consolidated Quarterly Statement of Comprehensive Income .....	10
	Consolidated Quarterly Statements of Income .....	10
	Consolidated Quarterly Statement of Comprehensive Income .....	11
(3)	Consolidated Quarterly Statements of Cash Flows .....	12
(4)	Notes Regarding the Premise of a Going Concern .....	14
(5)	Segment Information, Etc. ....	14
(6)	Notes on Significant Changes in Shareholders' Equity .....	14
(7)	Significant Subsequent Events .....	14

## 1. Qualitative Information on Consolidated Financial Results for the Current Quarter

### (1) Qualitative Information on Consolidated Operating Results

During the consolidated first half, the Japanese economy struggled under uncertain conditions due to the European debt crisis problem, the slowdown in China's economy, the prolonged appreciation of the yen, and other factors although the domestic demand is firm thanks to the demand for reconstruction, etc. after the Great East Japan Earthquake.

Amid this business environment, the Amano Group worked in accordance with the consolidated global growth strategy outlined in its new medium-term business plan on global market and product development as well as the enhancement of its capacity to provide holistic solutions. The Amano Group also concentrated on thoroughly uncovering customer needs, and strove to reduce sales costs and selling, general and administrative expenses.

As a result, overall sales for the first half were ¥43,474 million, up by 2.0% year-on-year. Operating profit and ordinary profit were ¥2,988 million (up by 20.5%) and ¥3,184 million (up by 18.2%), respectively. Net income for the first half was ¥1,640 million, up by 22.8%. Thus, the Company recorded an increase in both sales and profits.

The following are business results by segment:

#### Sales by business division

(Unit: Millions of yen)

	First half ended September 30, 2011		First half ended September 30, 2012		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business		%		%		%
Information Systems	9,464	22.2	9,240	21.2	(223)	(2.4)
Time Management Equipment	2,110	5.0	1,938	4.5	(171)	(8.1)
Parking Systems	19,945	46.8	20,080	46.2	134	0.7
Subtotal	31,520	74.0	31,260	71.9	(259)	(0.8)
Environment System Business						
Environmental Systems	7,478	17.5	8,619	19.8	1,141	15.3
Clean Systems	3,615	8.5	3,594	8.3	(21)	(0.6)
Subtotal	11,094	26.0	12,213	28.1	1,119	10.1
Total	42,614	100.0	43,474	100.0	859	2.0

#### Time Information System Business

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

- Information Systems

Despite the expanding cloud computing business sector in the domestic market, this business division is still facing harsh business conditions. The uncertain economic outlook for the future is prolonging corporate restraints on information-related investments, and market competition continues to intensify.

In response to these market conditions, the Company concentrated on enhancing its cloud services by launching hosting services, proactively developing proposals that offer comprehensive solutions associated with the transition from owning systems to using systems, and uncovering demand by strengthening business support activities carried out by our system engineers.

Domestic sales for the current term were as follows: hardware sales increased by ¥121 million (5.4%) year-on-year, software sales decreased by ¥177 million (11.6%), and sales generated by maintenance contracts and supplies services increased by ¥75 million (4.8%). The increase in hardware sales was attributed to the effects of the launch of new products and orders for large projects, and the decrease in software sales was attributed to a decrease in new projects despite an increase in the replacement of existing projects.

Overall overseas sales decreased by ¥285 million (7.5%). The sales of Accu-Time Systems Inc. in North America slightly decreased and the sales of Horosmart S.A. in Europe declined in terms of Japanese yen due to fluctuations in exchange rates, although sales increased on a local currency basis.

As a net result of the above, overall sales in this business division totaled ¥9,240 million, representing a decrease of 2.4% from the previous first half.

- Time Management Equipment

In Japan, this business division continued to struggle under difficult conditions. While sales centering on low-priced equipment through the Internet and mail orders increased, the growth of demand for high value-added equipment remained weak due to corporate restraints on investments.

In this market environment, the Company concentrated on uncovering new demand by building new sales channels and strengthening sales promotion activities.

Overall domestic sales for the current term decreased by ¥122 million (7.7%) from a year earlier, due to factors such as reaction to the previous demand for reconstruction after the Great East Japan Earthquake. Sales in all of North America, Europe and Asia remained sluggish also. As a result, overall overseas sales decreased by ¥23 million (3.6%).

As a result of the above, the Time Management Equipment business division generated sales totaling ¥1,938 million, down by 8.1% from the previous first half.

- Parking Systems

The Parking Systems business sector in Japan has been working to reduce the costs of parking lot management and to promote environmentally friendly initiatives, such as employing LED lighting equipment in parking lots to reduce energy consumption and installing solar panels to achieve greater energy self-sufficiency. Meanwhile, the needs for safety and security measures in parking lots have also increased. These diversified requirements for parking lots are amplifying the importance of good management. In response to these market conditions, the Company has, in cooperation with its Group companies in Japan, focused its efforts on expanding commissioned parking lot management services and uncovering demand for the replacement of existing systems by proactively developing solutions, with its watchwords being safety, security and environmental awareness, as well as developing proposals for efficient parking lot management utilizing a parking lot information distribution service. The Company has also made efforts to expand into new markets for bicycle parking systems and exclusive gate systems, etc.

Sales of parking lot equipment during the first half decreased by ¥582 million (7.5%) year-on-year due to a decrease in orders for larger projects. Revenue from maintenance and supplies increased by ¥70 million (1.7%). The commissioned parking lot management business of Group subsidiary Amano Management Service Corporation has been steadily expanding, and the number of parking spaces under management increased by 10,800 (4.7%) from the end of the previous fiscal year.

Overall overseas sales decreased by ¥142 million (2.8%). Sales for North America increased as Amano McGann, Inc. is now showing a recovery trend. Sales for Europe declined due to the prolonged economic slowdown. Sales in the Asian region declined as sales in Korea decreased in terms of Japanese yen due to fluctuations in exchange rates, although sales increased on a local currency basis.

As a net result of the above, the Parking Systems business division provided sales totaling ¥20,080 million, up by 0.7% year-on-year.

#### Environment System Business

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

- Environmental Systems

In this business division, amid a clear shift in demand from internal to external markets, the demand from Japanese companies operating abroad remained steady. However, uncertainty regarding the future business environment is growing due to the economic slowdown in China and some other emerging countries.

In this market environment, the Company proactively shifted its managerial resources to where the demand is and focused on the expansion of demand. The Company's efforts included an increase in local staff, the establishment of closer cooperation with overseas group companies, and full-fledged business development in North America in order to boost sales of products and services to businesses operating overseas.

During the current term, domestic sales of standard equipment, large-scale systems, and maintenance and supply services increased by ¥196 million (7.7%), ¥494 million (20.4%), and ¥135 million (7.8%) year-on-year respectively by means of acquiring overseas demand from companies in Japan.

Overall overseas sales increased by ¥336 million (44.9%) due to increased orders for large-scale systems, which were driven by the continuing strong CAPEX by Japanese companies in Asia.

As a result of the above, sales of this business division totaled ¥8,619 million, up by 15.3% year-on-year.

- Clean Systems

This business division continued to struggle in Japan under difficult conditions caused by the impact of prolonged corporate restraints on cleaning management costs.

To cope with this market environment, the Company focused on providing proposals to improve efficiency without compromising quality, which will reduce total cleaning management costs. In addition, the division worked to uncover new demand by proactively holding demonstrations of machines and launching new products.

Domestic sales of cleaning equipment during the first half decreased by ¥19 million (1.9%) year-on-year and revenue from maintenance and supplies decreased by ¥82 million (5.5%).

Overall overseas sales increased by ¥92 million (11.2%) as sales for North America were boosted by new product launches.

As a result of the above, sales in this segment totaled ¥3,594 million, down by 0.6% year-on-year.

Reference information

Information by area

(Unit: Millions of yen)

	Net sales				Operating profit (loss)			
	First half		Increase (decrease)	Year-on-year change (%)	First half		Increase (decrease)	Year-on-year change (%)
	Term ended September 30, 2011	Term ended September 30, 2012			Term ended September 30, 2011	Term ended September 30, 2012		
Japan	32,355	33,272	916	2.8	3,720	3,637	(82)	(2.2)
Other Asia	3,249	3,520	270	8.3	300	369	69	23.1
North America	4,815	4,954	138	2.9	8	319	310	—
Europe	3,171	2,816	(355)	(11.2)	(90)	59	149	—
Total	43,592	44,562	970	2.2	3,939	4,386	446	11.3
Eliminations/ Corporate	(977)	(1,088)	—	—	(1,458)	(1,397)	—	—
Consolidation total	42,614	43,474	859	2.0	2,481	2,988	507	20.5

(Notes) 1. The national and regional demarcations are in accordance with 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

(2) North America: United States, Canada

(3) Europe: France, Belgium, Spain

Overseas sales

(Unit: Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	First half		Increase (decrease)	Year-on-year change (%)	First half		Increase (decrease)
	Term ended September 30, 2011	Term ended September 30, 2012			Term ended September 30, 2011	Term ended September 30, 2012	
Other Asia	3,519	3,591	71	2.0	8.3	8.3	0.0
North America	4,756	4,907	150	3.2	11.2	11.3	0.1
Europe	3,164	2,805	(359)	(11.4)	7.4	6.4	(1.0)
Other regions	111	56	(55)	(49.4)	0.2	0.1	(0.1)
Total	11,552	11,360	(192)	(1.7)	27.1	26.1	(1.0)
Consolidated net sales	42,614	43,474					

(Notes) 1. The national and regional demarcations are in accordance with 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

(2) North America: United States, Canada

(3) Europe: France, Belgium, 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) Qualitative Information on Consolidated Financial Position

Assets

Total assets at the end of the first half amounted to ¥104,544 million, up by ¥1,066 million from the previous fiscal year-end. This is chiefly due to an increase of ¥721 million in current assets resulting from growth in cash and bank deposits, raw materials, stored items and other factors, despite the decrease in Notes and accounts receivable—trade. In addition, fixed assets increased by ¥345 million due to growth in lease assets and other factors.

Liabilities

Total liabilities at the end of the first half amounted to ¥31,771 million, up by ¥485 million from the previous fiscal year-end. This is chiefly due to an increase of ¥304 million in current liabilities resulting from growth in other current liabilities, such as accrued expenses, and an increase of ¥180 million in long-term liabilities resulting from growth in lease obligations and other factors, despite the decrease in Notes and accounts payable—trade and accrued income taxes.

Net assets

Net assets at the end of the first half amounted to ¥72,773 million, up by ¥581 million from the previous fiscal year-end. This is chiefly due to an increase of ¥644 million in retained earnings, despite the decrease of ¥88 million in Accumulated other comprehensive income resulting from a decrease in net unrealized gains (losses) on available-for-sale securities.

Cash Flows

Consolidated cash and cash equivalents increased by ¥1,855 million from the previous fiscal year-end, to a total of ¥27,776 million at the end of the first half. More specifically, the status of each type of cash flow during the first half and the underlying factors are as follows:

Cash flow from operating activities

Net cash provided by operating activities totaled ¥5,765 million. This is attributed primarily to income before income taxes reported for the first half, which amounted to ¥3,027 million, a decrease of ¥2,132 million in trade notes and accounts receivable, and depreciation and amortization which amounted to ¥1,861 million, despite the payment of ¥1,928 million in income taxes.

Cash flow from investing activities

Net cash used in investing activities amounted to minus ¥2,083 million. This is mainly because, despite the incoming proceeds from the withdrawal of time deposits of ¥3,008 million and proceeds from redemption of securities of ¥1,000 million, expenditures amounting to ¥3,698 million in time deposits, ¥1,000 million to acquire securities, ¥960 million to purchase intangible fixed assets, and ¥371 million to purchase tangible fixed assets were made.

Cash flow from financing activities

Net cash used in financing activities amounted to minus ¥1,770 million. This is chiefly because ¥995 million was spent to pay dividends, ¥592 million was spent to repay finance lease obligations and ¥162 million was spent to repay short-term bank loans.

(3) Qualitative Information on Outlook for Consolidated Operating Results

At present, earnings forecasts for the whole term ending March 2013, announced on May 9, 2012, remain unchanged. Taking into consideration future changes in the business environment, however, the Company will disclose revised earnings forecasts as necessary.

(4) Basic Policy on Distribution of Profits and Dividends for this Second Quarter

Amano places great importance on its policy for dividends to shareholders. Fundamental to this is its policy for the return of profit to shareholders, based on maintaining a stable ordinary dividend of ¥26 annually (¥13 interim and ¥13 year-end), together with appropriate results-based distributions and flexible purchasing of treasury stock. The Company aims to maintain a payout ratio of at least 35% on a consolidated basis and a ratio of dividend to net assets of at least 2.5%.

In line with this policy and considering the first half results, the Company plans to pay a second-quarter dividend of ¥13 per share, the same as that paid for the preceding second quarter.



2. Matters regarding Summary Information (Notes)

(1) Changes among Significant Subsidiaries during the Current Term  
None

(2) Application of Accounting Procedures Specific to the Preparation of the Consolidated Quarterly Financial Statement

Calculation of tax expenses

These amounts of tax expenses are calculated by multiplying the pre-tax net income and loss by an estimated effective tax rate for the year, determined using reasonable methods for pre-tax income for the fiscal year including this second quarter after applying tax-effect accounting. In cases where an estimated effective tax rate cannot be adopted, the amounts are calculated by multiplying the legal effective tax rate after adjusting significant differences that are not in the scope of temporary differences from pre-tax net income and loss.

(3) Changes to Accounting Policy, Changes to Accounting Forecasts, and Restatements

Changes to accounting policies that are difficult to distinguish from changes to accounting forecasts

In accordance with the revision of the Corporation Tax Act of Japan, the Company and its domestic consolidated subsidiaries have changed the method of depreciation for tangible fixed assets acquired on or after April 1, 2012 to the method according to the revised Corporation Tax Act from the first quarter of this consolidated fiscal year.

The impact of this change on the profit and loss for the second quarter of the consolidated fiscal year under review is minimal.

3. Consolidated Quarterly Financial Statements  
 (1) Consolidated Quarterly Balance

(Unit: Millions of yen)

	FY2011 (as of March 31, 2012)	First half ended September 30, 2012 (as of September 30, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank deposits	28,056	30,572
Notes and accounts receivable—trade	23,754	21,671
Marketable securities	1,074	1,120
Merchandise and finished goods	3,058	2,648
Work in process	707	971
Raw materials and supplies	2,424	2,957
Deferred tax assets	1,446	1,263
Other current assets	1,871	1,950
Allowance for doubtful accounts	(128)	(168)
<b>Total current assets</b>	<b>62,266</b>	<b>62,987</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures (net)	10,742	10,595
Machinery and vehicles (net)	795	809
Tools, furniture and fixtures (net)	1,095	1,130
Land	7,121	7,139
Lease assets (net)	2,516	3,164
Construction in progress	103	161
<b>Total tangible fixed assets</b>	<b>22,375</b>	<b>23,000</b>
<b>Intangible fixed assets</b>		
Goodwill	4,677	4,369
Software	1,840	1,419
Software in progress	346	981
Other	1,025	1,014
<b>Total intangible fixed assets</b>	<b>7,889</b>	<b>7,784</b>
<b>Investments and other assets</b>		
Investment securities	4,274	4,292
Long-term loans receivable	16	13
Claims in bankruptcy and similar claims	482	381
Fixed leasehold deposits	1,069	1,083
Deferred tax assets	1,853	1,962
Long-term deposits	1,550	1,500
Other	2,155	1,926
Allowance for doubtful accounts	(456)	(390)
<b>Total investments and other assets</b>	<b>10,945</b>	<b>10,771</b>
<b>Total fixed assets</b>	<b>41,211</b>	<b>41,556</b>
<b>Total assets</b>	<b>103,477</b>	<b>104,544</b>

(Unit: Millions of yen)

	FY2010 (as of March 31, 2011)	First half ended September 30, 2011 (as of September 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	10,386	9,401
Short-term bank loans	168	179
Lease obligations	864	1,074
Accrued income taxes	2,147	1,552
Accrued bonuses	1,882	1,876
Other current liabilities	8,187	9,857
Total current liabilities	23,636	23,940
Long-term liabilities		
Long-term bank loans	1,290	1,148
Long-term accounts payable—other	223	212
Lease obligations	2,552	3,290
Deferred tax liabilities	302	191
Accrued retirement benefits for employees	2,984	2,789
Asset retirement obligations	16	16
Other long-term liabilities	279	181
Total long-term liabilities	7,649	7,830
Total liabilities	31,285	31,771
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,567	19,567
Retained earnings	47,391	48,035
Treasury stock	(3,719)	(3,719)
Total shareholders' equity	81,478	82,123
Accumulated other comprehensive income		
Net unrealized gains (losses) on available for-sale securities	(179)	(299)
Foreign currency conversion adjustments	(9,294)	(9,262)
Total accumulated other comprehensive income	(9,473)	(9,561)
Minority interests	186	211
Total net assets	72,191	72,773
Total liabilities and net assets	103,477	104,544

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

Consolidated Quarterly Statements of Income  
First half ended September 30, 2012

(Unit: Millions of yen)

	First half ended September 30, 2011 (April 1, 2011– September 30, 2011)	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)
Net sales	42,614	43,474
Cost of sales	23,838	24,201
Gross profit	18,775	19,272
Selling, general and administrative expenses		
Selling expenses	14,603	14,791
General and administrative expenses	1,690	1,492
Total selling, general and administrative expenses	16,294	16,283
Operating profit	2,481	2,988
Non-operating profit		
Interest income	34	37
Dividend income	41	34
Insurance income	45	57
Foreign exchange gains	—	18
Equity in earnings of affiliates	21	7
Other	159	96
Total non-operating profit	302	252
Non-operating expenses		
Interest expenses	18	17
Exchange rate loss	36	—
Foreign withholding tax	15	13
Other	17	26
Total non-operating expenses	88	56
Ordinary profit	2,695	3,184
Extraordinary income		
Gain on sale of fixed assets	1	0
Subsidy income	—	7
Total extraordinary income	1	8
Extraordinary losses		
Loss on disposal of fixed assets	2	21
Loss on sale of fixed assets	0	—
Valuation loss on investment securities	281	5
Loss on reduction of fixed assets	—	6
Special retirement expenses	89	131
Other	5	0
Total extraordinary losses	379	164
Income before income taxes	2,316	3,027
Income taxes	962	1,352
Income before minority interests	1,354	1,675
Minority interests	17	35
Net income	1,336	1,640

Consolidated Quarterly Statement of Comprehensive Income  
 First half ended September 30, 2012

(Unit: Millions of yen)

	First half ended September 30, 2011 (April 1, 2011– September 30, 2011)	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)
Income before minority interests	1,354	1,675
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(154)	(119)
Foreign currency translation adjustment	512	26
Share of other comprehensive income of associates accounted for using equity method	2	5
Total other comprehensive income	360	(87)
Comprehensive income	1,714	1,588
(breakdown)		
Comprehensive income attributable to owners of the parent Company	1,693	1,551
Comprehensive income attributable to minority interests	21	36

## (3) Consolidated Quarterly Statements of Cash Flows

(Unit: Millions of yen)

	First half ended September 30, 2011 (April 1, 2011– September 30, 2011)	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)
<b>Cash flows from operating activities</b>		
Income before income taxes	2,316	3,027
Depreciation and amortization	1,981	1,861
Amortization of goodwill	349	280
Increase (decrease) in accrued retirement benefits for employees	(263)	(194)
Increase (decrease) in allowance for doubtful accounts	3	(25)
Interest and dividend revenue	(76)	(71)
Equity in (earnings) losses of affiliates	(21)	(7)
Interest expenses	18	17
Foreign currency conversion loss (gain)	26	(2)
Loss (gain) on sale of fixed assets	(1)	(0)
Loss on disposal of fixed assets	2	21
Loss on reduction of fixed assets	—	6
Loss (gain) on valuation of investment securities	281	5
Extra retirement payment	89	131
Subsidy income	—	(7)
(Increase) decrease in trade notes and accounts receivable	1,645	2,132
(Increase) decrease in inventories	(764)	(356)
Increase (decrease) in accounts payable	(159)	(1,007)
Increase (decrease) in other current liabilities	364	1,184
Other	211	732
Subtotal	6,005	7,729
Receipts from interest and dividends	132	131
Interest paid	(18)	(17)
Extra retirement payment	(25)	(153)
Income taxes paid	(1,896)	(1,928)
Income taxes refunded	11	3
Net cash provided by operating activities	4,209	5,765
<b>Cash flows from investing activities</b>		
Payment for acquisition of securities	(1,053)	(1,000)
Proceeds from redemption of securities	1,000	1,000
Payment for purchase of tangible fixed assets	(449)	(371)
Proceeds from sale of tangible fixed assets	2	2
Payment for acquisition of intangible fixed assets	(294)	(960)
Payment for acquisition of investment securities	(53)	(224)
Repayment for loans to third parties	(6)	(63)
Collection of loans receivable	1	63
Increase in time deposits	(2,177)	(3,698)
Proceeds from withdrawal of time deposits	2,145	3,008
Other	(219)	160
Net cash used in investing activities	(1,103)	(2,083)

(Unit: Millions of yen)

	First half ended September 30, 2011 (April 1, 2011– September 30, 2011)	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)
Cash flows from financing activities		
Repayment for short-term bank loans	(1,728)	(162)
Proceeds from long-term debt	1,549	—
Repayment for long-term debt	(17)	—
Payment for acquisition of treasury stock	(0)	(0)
Repayment of finance/lease obligations	(408)	(592)
Dividends paid	(995)	(995)
Dividends paid to minority interests	(8)	(18)
Net cash used in financing activities	(1,608)	(1,770)
Effect of exchange rate changes on cash and cash equivalents	58	(56)
Net increase (decrease) in cash and cash equivalents	1,555	1,855
Cash and cash equivalents at beginning of year	24,613	25,921
Cash and cash equivalents at end of first half	26,168	27,776

(4) Notes Regarding the Premise of a Going Concern

None

(5) Segment Information, Etc.

[Segment Information]

I First half ended September 30, 2011 (April 1, 2011–September 30, 2011)

1. Information on Net Sales and Profit/Loss for Each Reporting Segment

(Unit: Millions of yen)

	Reporting segment			Adjustments (Note) 1	Amounts reported in consolidated quarterly statements of income (Note) 2
	Time Information Systems	Environment Systems	Total		
Net sales					
To customers	31,520	11,094	42,614	—	42,614
Intersegment	—	—	—	—	—
Total	31,520	11,094	42,614	—	42,614
Segment income (loss)	2,929	991	3,920	(1,439)	2,481

(Notes) 1. The minus ¥1,439 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. Segment profit is adjusted together with operating profit in the consolidated quarterly statements of income.

2. Information on Impairment Loss in Fixed Assets or Goodwill for Each Reporting Segment

None

II First half ended September 30, 2012 (April 1, 2012–September 30, 2012)

1. Information on Net Sales and Profit/Loss for Each Reporting Segment

(Unit: Millions of yen)

	Reporting segment			Adjustments (Note) 1	Amounts reported in consolidated quarterly statements of income (Note) 2
	Time information systems	Environment systems	Total		
Net sales					
To customers	31,260	12,213	43,474	—	43,474
Intersegment	—	—	—	—	—
Total	31,260	12,213	43,474	—	43,474
Segment income (loss)	3,165	1,214	4,379	(1,391)	2,988

(Notes) 1. The minus ¥1,391 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. Segment profit is adjusted together with operating profit in the consolidated quarterly statements of income.

2. Information on Impairment Loss in Fixed Assets or Goodwill for Each Reporting Segment

None

(6) Notes on Significant Changes in Shareholders' Equity

None

(7) Significant Subsequent Events

None