

Summary Financial Statements (Consolidated)
for Second Quarter of Fiscal Year 2013 (Year Ending March 31, 2014) (Japan GAAP)

November 6, 2013

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Scheduled date for filing of quarterly securities report: November 11, 2013
Scheduled date for start of dividend payments: December 3, 2013
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 2013 (April 1, 2013 to September 30, 2013)

(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	%
2Q of FY 2013 (year ending March 2014)	46,399	6.7	3,098	3.7	3,401	6.8	1,893	15.4
2Q of FY 2012 (year ended March 2013)	43,474	2.0	2,988	20.5	3,184	18.2	1,640	22.8

Note: Comprehensive income Second quarter of FY 2013 (year ending March 2014): ¥4,257 million (168.1%)
Second quarter of FY 2012 (year ended March 2013): ¥1,588 million (-7.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q of FY 2013 (year ending March 2014)	24.72	—
2Q of FY 2012 (year ended March 2013)	21.42	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q of FY 2013 (as of September 30, 2013)	114,526	79,955	69.5	1,039.60
FY 2012 (as of March 31, 2013)	109,476	76,718	69.8	998.09

Reference: Equity capital Second quarter of FY 2013 (as of September 30, 2013): ¥79,627 million
FY 2012 (as of March 31, 2013): ¥76,449 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2012 (year ended March 2013)	—	13.00	—	13.00	26.00
FY 2013 (year ending March 2014)	—	13.00			
FY 2013 (year ending March 2014) (est.)			—	13.00	26.00

Note: Revisions to most recently released dividend forecast: None

3. Forecast earnings for fiscal year 2013 (April 1, 2013 to March 31, 2014)

(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	98,000	8.5	8,200	11.9	8,500	9.4	4,900	22.9	63.97

Note: Revisions to most recently released earnings forecast: None

Notes

(1) Significant changes among subsidiaries during the fiscal year under review : None

(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 11: “(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 : None

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

[3] Changes to accounting forecasts : None

[4] Restatements : None

(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, 2013	76,657,829 shares	As of March 31, 2013	81,257,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 2Q ended September 30, 2013	63,511 shares	As of March 31, 2013	4,662,695 shares
[3] Average number of shares outstanding (over the fiscal year under review up to September 30, 2013)	As of 2Q ended September 30, 2013	76,594,654 shares	As of 2Q ended September 30, 2012	76,595,804 shares

Note: By a resolution of its Board of Directors, which was convened on March 27, 2013, the Company cancelled 4.6 million of its treasury stock on April 8, 2013 and the number of outstanding shares is now 76,657,829.

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 10: “(3) Explanation of Forward-looking Information, Including 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 Friday, November 8, 2013. The financial results materials to be distributed at this briefing are due to be published on the Amano Corporation website immediately following the meeting.

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

(1) Explanation of Operating Results

Although overseas economies continued to struggle due to uncertainty resulting from factors such as the slowdown in emerging economies, the Japanese economy seemed to recover moderately during the first half of the current fiscal year. This was thanks to steady public investment, a recovery in capital investment following an improvement in corporate profits, and steady personal consumption due to improvements in the employment and income situation.

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 ¥46,399 million, up by 6.7% year-on-year. Operating profit and ordinary profit were ¥3,098 million (up by 3.7%) and ¥3,401 million (up by 6.8%), respectively. Net income for the first half was ¥1,893 million, up by 15.4%. 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, 2012		First half ended September 30, 2013		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business		%		%		%
Information Systems	9,240	21.2	10,444	22.5	1,203	13.0
Time Management Equipment	1,938	4.5	1,916	4.1	(22)	(1.1)
Parking Systems	20,080	46.2	22,114	47.7	2,034	10.1
Subtotal	31,260	71.9	34,476	74.3	3,215	10.3
Environment System Business						
Environmental Systems	8,619	19.8	8,087	17.4	(532)	(6.2)
Clean Systems	3,594	8.3	3,836	8.3	242	6.7
Subtotal	12,213	28.1	11,923	25.7	(290)	(2.4)
Total	43,474	100.0	46,399	100.0	2,925	6.7

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

Business environment for this business division has improved because companies' information-related investments, which had previously been constrained, have recovered following the economic recovery. Furthermore, the cloud computing business sector has continued to expand in Japan.

In response to these market conditions, the Company focused on attracting demand by making more proposals for comprehensive solutions associated with the transition from owning systems to using systems that support the introduction of an optimum-working-hours system, control of total personnel expenses, and enhancement of labor compliance.

Domestic sales for the current term were as follows: hardware sales increased by ¥155 million (6.5%) year-on-year, software sales increased by ¥148 million (11.0%), and sales generated by maintenance contracts and supplies services increased by ¥55 million (3.4%). The increase in hardware sales was a result of orders for large projects and the effects of new product launches, and the increase in software sales was due to an increase in orders resulting from enhanced consulting sales by system engineers and proposals that offer comprehensive solutions covering time & attendance (T&A), payroll, and human-resource management.

Overall overseas sales increased by ¥748 million (21.4%). The sales of Accu-Time Systems Inc. in North America increased, and the sales of Horosmart S.A. in Europe also increased due to the yen's depreciation.

As a net result of the above, overall sales in this business division totaled ¥10,444 million, representing an increase of 13.0% from the previous first half.

- Time Management Equipment

In Japan, this business division continued to struggle under difficult conditions because the demand structure has shifted from standard machines to systems.

In this market environment, the Company concentrated on expanding its customer base and uncovering new demand by strengthening Internet and mail order sales promotions on low-priced equipment and supply commodities.

Overall domestic sales for the current term decreased by ¥35 million (2.4%) from a year earlier in spite of increases in sales of low-priced equipment. This was due to weak sales in Japan and sluggish exports of standard equipment and the like. Sales in all of North America, Europe and Asia also remained sluggish. As a result, overall overseas sales decreased by ¥16 million (2.6%).

As a result of the above, the Time Management Equipment business division generated sales totaling ¥1,916 million, down by 1.1% 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, promote environmental initiatives, ensure safety and security in parking lots, and increase convenience for parking lot users in order to respond to the increasingly diverse needs of parking lot management.

In response to these market conditions, the Company has, in cooperation with its Group companies in Japan, and with safety, security and environmental awareness as its watchwords, focused its efforts on expanding commissioned parking lot management services. The company has done this by vigorously developing proposals for better services for parking lot users, proposals for efficient parking lot management utilizing a parking lot information distribution service, and comprehensive proposals covering equipment and various ancillary services. The Company has also made efforts to expand into new markets for security-gate systems, toll road systems, bicycle parking systems, etc.

Sales of parking lot equipment during the first half increased by ¥185 million (2.6%) year-on-year. Revenue from maintenance contracts and supplies services increased by ¥67 million (1.6%). The commissioned parking lot management business of Group subsidiary Amano Management Service Corporation has also been steadily expanding, and the number of parking spaces under management increased by 12,800 (5.1%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥1,076 million (22.0%). Sales for North America increased as the depreciation of the yen assisted Amano McGann, Inc. Sales for Europe increased due to increased orders for systems for Asian and Oceanian markets. Sales in the Asian region increased as sales in Korea remained firm.

As a net result of the above, the Parking Systems business division provided sales totaling ¥22,114 million, up by 10.1% 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, although capital investment by Japanese companies operating abroad has remained steady, business conditions have continued to be harsh because the positive trend toward economic recovery in Japan has not always led to actual demand.

In this market environment, the Company has made efforts to boost sales of standard equipment by putting forward more innovative product ideas and has worked to expand new markets for foods, medicine, and cosmetics. The Company also proactively shifted its managerial resources to areas where there is demand and focused on the expansion of orders. The Company's efforts included the strengthening of local engineering systems, the establishment of closer cooperation with overseas group companies, and full-fledged business development in North America in order to attract demand from businesses operating overseas.

During the current term, domestic sales of standard equipment decreased by ¥157 million (5.7%), sales of large-scale systems decreased by ¥717 million (24.6%) affected by the continued postponement of capital investment from the second half of the previous term, and sales of maintenance contracts and supplies services decreased by ¥135 million (7.2%) year-on-year.

Overall overseas sales increased by ¥389 million (35.9%) although sales decreased in the Chinese market. Sales increased in the Asian market as a whole thanks to positive foreign exchange rate effects and other factors. Sales increased in the North American market due to increased orders for large-scale systems.

As a result of the above, sales of this business division totaled ¥8,087 million, down by 6.2% year-on-year.

• Clean Systems

This business division is seeing increasing needs for contract cleaning services and high-value-added peripheral clean work, despite the prolonged corporate restraints on cleaning management.

To cope with this market environment, the Company focused on developing ideas to reduce cleaning management costs that will improve efficiency without compromising quality. In addition, the division worked to unlock new demand by initiating new ideas for comprehensive solutions, including peripheral cleaning work.

Domestic sales of cleaning equipment during the first half decreased by ¥11 million (1.1%) year-on-year and revenue from maintenance contracts and supplies services increased by ¥8 million (1.2%), and contract cleaning services increased by ¥72 million (10.7%).

Overall overseas sales increased by ¥164 million (18.0%) as sales for North America increased thanks to positive foreign exchange rate effects and other factors.

As a result of the above, sales in this segment totaled ¥3,836 million, up by 6.7% 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, 2012	Term ended September 30, 2013			Term ended September 30, 2012	Term ended September 30, 2013		
Japan	33,272	33,658	386	1.2	3,637	4,053	416	11.4
Other Asia	3,520	4,277	756	21.5	369	325	(44)	(12.1)
North America	4,954	5,944	990	20.0	319	(64)	(383)	(120.3)
Europe	2,816	3,412	596	21.2	59	219	160	270.1
Total	44,562	47,292	2,730	6.1	4,386	4,534	148	3.4
Eliminations/ Corporate	(1,088)	(892)	—	—	(1,397)	(1,435)	—	—
Consolidation total	43,474	46,399	2,925	6.7	2,988	3,098	109	3.7

(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, 2012	Term ended September 30, 2013			Term ended September 30, 2012	Term ended September 30, 2013	
Other Asia	3,591	4,263	672	18.7	8.3	9.2	0.9
North America	4,907	5,886	978	19.9	11.3	12.7	1.4
Europe	2,805	3,368	563	20.1	6.4	7.3	0.9
Other regions	56	164	107	191.1	0.1	0.3	0.2
Total	11,360	13,683	2,322	20.4	26.1	29.5	3.4
Consolidated net sales	43,474	46,399					

(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) Explanation of Financial Position

(Assets)

Total assets at the end of the first half amounted to ¥114,526 million, up by ¥5,050 million from the previous fiscal year-end. This is chiefly due to an increase of ¥2,272 million in current assets resulting from growth in cash and bank deposits, which occurred despite the decrease in notes and trade receivables. In addition, fixed assets increased by ¥2,777 million due to growth in software and other factors.

(Liabilities)

Total liabilities at the end of the first half amounted to ¥34,571 million, up by ¥1,813 million from the previous fiscal year-end. This is chiefly due to an increase of ¥612 million in current liabilities resulting from growth in other current liabilities, such as advances received, which occurred despite the decrease in notes and trade payables. It is also due to an increase of ¥1,200 million in long-term liabilities resulting from growth in long-term bank loans and other factors.

(Net assets)

Net assets at the end of the first half amounted to ¥79,955 million, up by ¥3,237 million from the previous fiscal year-end. This was chiefly because, despite the payment of dividends, there was an increase of ¥897 million in shareholders' equity resulting from net income reported for the first half as well as an increase of ¥2,281 million in accumulated other comprehensive income resulting from an increase in foreign currency translation adjustments and other factors.

(Cash flows)

Consolidated cash and cash equivalents increased by ¥3,217 million from the previous fiscal year-end, to a total of ¥29,805 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 ¥6,345 million. This is primarily because, despite the payment of ¥1,660 million in income taxes, there was a decrease of ¥3,519 million in trade notes and accounts receivable, income before income taxes reported for the first half amounting to ¥3,381 million, and depreciation and amortization amounting to ¥1,714 million.

(Cash flow from investing activities)

Net cash used in investing activities amounted to minus ¥3,894 million. This is mainly because, despite the incoming proceeds from the withdrawal of time deposits of ¥2,295 million and proceeds from redemption of securities of ¥1,000 million, expenditures amounting to ¥2,648 million in time deposits, ¥1,783 million to purchase tangible fixed assets, ¥1,662 million to purchase intangible fixed assets, and ¥1,000 million to acquire securities were made.

(Cash flow from financing activities)

Net cash used in financing activities amounted to ¥313 million yen. This is mainly due to proceeds from sale and leaseback of ¥1,324 million yen and proceeds from long-term debt of ¥972 million yen, despite the payment of dividends amounting to ¥995 million and repayment of finance lease obligations of ¥746 million.

- (3) Explanation of Forward-looking Information, Including Outlook for Consolidated Operating Results
At present, earnings forecasts for the whole term ending March 2014, announced on May 8, 2013, 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

None

(4) Additional Information

(Changes in presentation methods)

Previously, payment and proceeds generated in the Group's subsidiary associated with the installation of parking lot equipment in its commissioned parking lot management business were regarded as the flow of funds temporarily passing through the subsidiary and accumulated in "Other," etc. in cash flow from operating activities. However, under the circumstance where the scale of the commissioned parking lot management business is expanding and the business form is changing, apparent investing activities, such as the acquisition of parking lot management rights, have been conducted and financing activities associated with them have been diversified. Therefore, from the first quarter consolidated accounting period, payment for the acquisition of equipment and the like will be shown in "Payment for purchase of tangible fixed assets" and "Payment for acquisition of intangible fixed assets" in cash flows from investing activities, and proceeds associated with leaseback of such equipment will be shown in "Proceeds from sale and leaseback" in cash flows from financing activities. To reflect these changes in presentation methods, the consolidated quarterly statements of cash flows during the previous consolidated first half have been reclassified.

As a result of the above, in the consolidated statements of cash flows during the previous consolidated first half, "Increase (decrease) in other current liabilities" and "Other" in "Cash flows from operating activities" decreased by 11 million yen and 861 million yen, respectively. "Payment for purchase of tangible fixed assets" and "Payment for acquisition of intangible fixed assets" in "Cash flows from financing activities," and "Proceeds from sale and leaseback" in "Cash flows from investing activities" increased by 501 million yen, 46 million yen and 1,421 million yen, respectively.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance

(Unit: Millions of yen)

	FY 2012 (as of March 31, 2013)	First half ended September 30, 2013 (as of September 30, 2013)
Assets		
Current assets		
Cash and bank deposits	29,175	32,863
Notes and accounts receivable—trade	24,920	22,243
Marketable securities	1,241	1,464
Merchandise and finished goods	2,984	3,205
Work in process	931	1,675
Raw materials and supplies	2,781	3,299
Deferred tax assets	1,235	1,123
Other current assets	2,160	1,879
Allowance for doubtful accounts	(177)	(229)
Total current assets	65,253	67,526
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	10,559	11,003
Machinery and vehicles (net)	807	852
Tools, furniture and fixtures (net)	1,158	1,193
Land	7,167	7,178
Lease assets (net)	3,087	3,396
Construction in progress	206	280
Total tangible fixed assets	22,985	23,904
Intangible fixed assets		
Goodwill	4,679	4,934
Software	1,363	2,061
Software in progress	1,396	1,191
Other	1,042	1,917
Total intangible fixed assets	8,481	10,105
Investments and other assets		
Investment securities	6,450	6,643
Long-term loans receivable	13	12
Claims in bankruptcy and similar claims	401	406
Fixed leasehold deposits	1,153	1,130
Deferred tax assets	1,740	1,685
Long-term deposits	1,500	1,500
Other	1,978	2,102
Allowance for doubtful accounts	(483)	(490)
Total investments and other assets	12,755	12,989
Total fixed assets	44,222	46,999
Total assets	109,476	114,526

(Unit: Millions of yen)

	FY 2012 (as of March 31, 2013)	First half ended September 30, 2013 (as of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	5,633	4,803
Electronically recorded obligations	5,404	5,510
Short-term bank loans	197	290
Lease obligations	1,162	1,379
Accrued income taxes	1,878	1,715
Accrued bonuses	1,780	1,827
Other current liabilities	9,046	10,189
Total current liabilities	25,104	25,717
Long-term liabilities		
Long-term bank loans	1,244	2,091
Long-term accounts payable—other	201	200
Lease obligations	3,133	3,456
Deferred tax liabilities	247	127
Accrued retirement benefits for employees	2,670	2,746
Asset retirement obligations	17	29
Other long-term liabilities	138	201
Total long-term liabilities	7,653	8,853
Total liabilities	32,758	34,571
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,567	19,293
Retained earnings	49,385	46,888
Treasury stock	(3,719)	(50)
Total shareholders' equity	83,472	84,369
Accumulated other comprehensive income		
Net unrealized gains (losses) on available for-sale securities	316	523
Foreign currency translation adjustments	(7,340)	(5,265)
Total accumulated other comprehensive income	(7,023)	(4,742)
Minority interests	268	327
Total net assets	76,718	79,955
Total liabilities and net assets	109,476	114,526

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statement of Comprehensive Income
Consolidated Quarterly Statements of Income
First half ended September 30, 2013

(Unit: Millions of yen)

	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)
Net sales	43,474	46,399
Cost of sales	24,201	25,887
Gross profit	19,272	20,512
Selling, general and administrative expenses		
Selling expenses	14,791	15,801
General and administrative expenses	1,492	1,612
Total selling, general and administrative expenses	16,283	17,413
Operating profit	2,988	3,098
Non-operating profit		
Interest income	37	41
Dividend income	34	38
Insurance income	57	46
Foreign exchange gains	18	80
Equity in earnings of affiliates	7	34
Other	96	129
Total non-operating profit	252	370
Non-operating expenses		
Interest expenses	17	22
Foreign withholding tax	13	8
Other	26	36
Total non-operating expenses	56	67
Ordinary profit	3,184	3,401
Extraordinary income		
Gain on sale of fixed assets	0	11
Total extraordinary income	7	—
Subsidy income	8	11
Extraordinary losses		
Loss on disposal of fixed assets	21	30
Loss on sale of fixed assets	—	0
Valuation loss on investment securities	5	—
Loss on reduction of fixed assets	6	—
Special retirement expenses	131	0
Other	0	—
Total extraordinary losses	164	30
Income before income taxes	3,027	3,381
Income taxes	1,352	1,439
Income before minority interests	1,675	1,941
Minority interests	35	48
Net income	1,640	1,893

Consolidated Quarterly Statement of Comprehensive Income
 First half ended September 30, 2013

(Unit: Millions of yen)

	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)
Income before minority interests	1,675	1,941
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(119)	205
Foreign currency translation adjustment	26	2,089
Share of other comprehensive income of associates accounted for using equity method	5	20
Total other comprehensive income	(87)	2,315
Comprehensive income	1,588	4,257
(breakdown)		
Comprehensive income attributable to owners of the parent Company	1,551	4,174
Comprehensive income attributable to minority interests	36	82

(3) Consolidated Quarterly Statements of Cash Flows

(Unit: Millions of yen)

	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)
Cash flows from operating activities		
Income before income taxes	3,027	3,381
Depreciation and amortization	1,861	1,714
Amortization of goodwill	280	324
Increase (decrease) in accrued retirement benefits for employees	(194)	59
Increase (decrease) in allowance for doubtful accounts	(25)	15
Interest and dividend revenue	(71)	(79)
Equity in (earnings) losses of affiliates	(7)	(34)
Interest expenses	17	22
Foreign exchange loss (gain)	(2)	54
Loss (gain) on sale of fixed assets	(0)	(11)
Loss on disposal of fixed assets	21	30
Loss on reduction of fixed assets	6	—
Loss (gain) on valuation of investment securities	5	—
Extra retirement payment	131	0
Subsidy income	(7)	—
(Increase) decrease in trade notes and accounts receivable	2,132	3,519
(Increase) decrease in inventories	(356)	(1,107)
Increase (decrease) in accounts payable	(1,007)	(942)
Increase (decrease) in other current liabilities	1,173	725
Other	(128)	192
Subtotal	6,855	7,864
Receipts from interest and dividends	131	150
Interest paid	(17)	(22)
Extra retirement payment	(153)	(0)
Income taxes paid	(1,928)	(1,660)
Income taxes refunded	3	13
Net cash provided by operating activities	4,891	6,345
Cash flows from investing activities		
Payment for acquisition of securities	(1,000)	(1,000)
Proceeds from redemption of securities	1,000	1,000
Payment for purchase of tangible fixed assets	(873)	(1,783)
Proceeds from sale of tangible fixed assets	2	15
Payment for acquisition of intangible fixed assets	(1,007)	(1,662)
Payment for acquisition of investment securities	(224)	(3)
Proceeds from sale of shares in affiliated companies	—	36
Proceeds from acquisition of shares in subsidiaries	—	(101)
Repayment for loans to third parties	(63)	(7)
Collection of loans receivable	63	10
Increase in time deposits	(3,698)	(2,648)
Proceeds from withdrawal of time deposits	3,008	2,295
Other	160	(45)
Net cash used in investing activities	(2,630)	(3,894)

(Unit: Millions of yen)

	First half ended September 30, 2012 (April 1, 2012– September 30, 2012)	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)
Cash flows from financing activities		
Repayment for short-term bank loans	(162)	(215)
Proceeds from long-term debt	—	972
Payment for acquisition of treasury stock	(0)	(0)
Repayment of finance lease obligations	(592)	(746)
Proceeds from sale and leaseback	1,421	1,324
Dividends paid	(995)	(995)
Dividends paid to minority interests	(18)	(24)
Net cash used in financing activities	(348)	313
Effect of exchange rate changes on cash and cash equivalents	(56)	453
Net increase (decrease) in cash and cash equivalents	1,855	3,217
Cash and cash equivalents at beginning of year	25,921	26,587
Cash and cash equivalents at end of first half	27,776	29,805

(4) Notes on Quarterly Consolidated Financial Statements

(Notes regarding the Premise of a Going Concern)

None

(Notes on Significant Changes in Shareholders' Equity)

By a resolution of its Board of Directors, which was convened on March 27, 2013, the Company cancelled 4,600,000 shares of its treasury stock on April 8, 2013. As a result, the amount of treasury stock, capital surplus, and retained earnings decreased by 3,669 million yen, 274 million yen, and 3,395 million yen, respectively compared to the previous year-end.

(Segment Information, Etc.)

[Segment Information]

I. 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

II. First half ended September 30, 2013 (April 1, 2013–September 30, 2013)

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	34,476	11,923	46,399	—	46,399
Intersegment	—	—	—	—	—
Total	34,476	11,923	46,399	—	46,399
Segment income (loss)	3,776	761	4,537	(1,439)	3,098

(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

(Significant Subsequent Events)

None