

Summary Financial Statements (Consolidated)
for Second Quarter of Fiscal Year 2014 (Year Ending March 31, 2015) (Japan GAAP)

November 5, 2014

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Scheduled date for filing of quarterly securities report: November 10, 2014
Scheduled date for start of dividend payments: December 2, 2014
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 2014 (April 1, 2014 to September 30, 2014)

(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 2014 (year ending March 2015)	49,385	6.4	2,359	(23.8)	2,712	(20.2)	1,422	(24.9)
2Q of FY 2013 (year ended March 2014)	46,399	6.7	3,098	3.7	3,401	6.8	1,893	15.4

Note: Comprehensive income Second quarter of FY 2014 (year ending March 2015): ¥859 million (-79.8%)
Second quarter of FY 2013 (year ended March 2014): ¥4,257 million (168.1%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
2Q of FY 2014 (year ending March 2015)	18.57		—	
2Q of FY 2013 (year ended March 2014)	24.72		—	

(2) Financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
2Q of FY 2014 (as of September 30, 2014)	120,793		84,017		69.2		1,091.17	
FY 2013 (as of March 31, 2014)	122,838		83,482		67.6		1,084.44	

Reference: Equity capital Second quarter of FY 2014 (as of September 30, 2014): ¥83,575 million
FY 2013 (as of March 31, 2014): ¥83,060 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
FY 2013 (year ended March 2014)	—	13.00	—	17.00	30.00
FY 2014 (year ending March 2015)	—	15.00			
FY 2014 (year ending March 2015) (est.)			—	17.00	32.00

Note: Revisions to most recently released dividend forecast: None

3. Forecast earnings for fiscal year 2014 (April 1, 2014 to March 31, 2015)

(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	110,000	7.7	9,100	3.1	9,700	2.9	5,500	3.8	71.81	

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 8: “(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 : None

[4] Restatements : None

Note: For details, please see the following on Attachment page 8 “(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, 2014	76,657,829 shares	As of March 31, 2014	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 2Q ended September 30, 2014	65,913 shares	As of March 31, 2014	64,808 shares
[3] Average number of shares outstanding (over the fiscal year under review up to September 30, 2014)	As of 2Q ended September 30, 2014	76,592,438 shares	As of 2Q ended September 30, 2013	76,594,654 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 7: “(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 7, 2014. 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 recovered moderately during the first half of the current fiscal year, led mainly by developed economies, and the Japanese economy enjoyed a rebound in capital investments thanks to an improvement in corporate profits, it seemed to be faced with persisting uncertainties as exports remained sluggish and personal consumption struggled to grow—affected by the reduced spending momentum following the spike in consumers demand that occurred ahead of the tax rate hike.

Amid this business environment, the Amano Group worked on expanding into new markets and putting its new businesses on a firm footing, based on its new medium-term business plan launched in April 2014, in which the Group set out the management concept of “Challenge to a New Stage—Expand Enterprise Scale, and the Establishment of a Growth Driver,” a concept aimed at making it a 100 year company. The Amano Group also concentrated on thoroughly uncovering customer needs, and strove to reduce sales costs and selling, general and administrative expenses.

Profits for the first half, however, declined year on year since the growing non-consolidated sales failed to offset increasing personnel expenses and research and development costs. Operations in North America posted an operating loss for the first half due to a delay in new product launches in the Parking System business and a rising sales cost ratio resulting from intensifying competition. Meanwhile, the recording of extraordinary income from the sale of a group company in Europe—originally scheduled for this second quarter—was postponed to the next fiscal year.

As a result, overall sales for the first half were ¥49,385 million, up by 6.4% year-on-year. Operating profit and ordinary profit were ¥2,359 million (down by 23.8%) and ¥2,712 million (down by 20.2%), respectively. Net income for the first half was ¥1,422 million, down by 24.9%. Therefore, the Company recorded a decrease in profits.

The following are business results by segment:

Sales by business division

(Unit: Millions of yen)

	First half ended September 30, 2013		First half ended September 30, 2014		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business		%		%		%
Information Systems	10,444	22.5	10,750	21.7	306	2.9
Time Management Equipment	1,916	4.1	1,957	4.0	40	2.1
Parking Systems	22,114	47.7	23,551	47.7	1,437	6.5
Subtotal	34,476	74.3	36,260	73.4	1,784	5.2
Environment System Business						
Environmental Systems	8,087	17.4	8,732	17.7	645	8.0
Clean Systems	3,836	8.3	4,392	8.9	555	14.5
Subtotal	11,923	25.7	13,124	26.6	1,200	10.1
Total	46,399	100.0	49,385	100.0	2,985	6.4

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 services

• Information Systems

The business environment for this business division has remained solid because companies' information-related investments have been growing in Japan following the economic recovery. Furthermore, the cloud computing business sector has continued to expand in Japan.

In response to these market conditions, the Company added mental health service to the list of "3in1" service categories comprising of time & attendance (T&A), payroll, human-resource management, thus striving to make more proposals for comprehensive solutions associated with the transition from owning systems to using systems.

Domestic sales for the current term were as follows: hardware sales increased by ¥168 million (6.6%) year-on-year, software sales decreased by ¥72 million (4.8%), and sales generated by maintenance contracts and supplies services increased by ¥60 million (3.6%). The increase in hardware sales was a result of orders for large projects and increased sales of access control systems, and software sales decreased due to the effects of the reduced sales momentum following a period of strong PC demand for replacing Windows XP-based PCs and a spike in consumer demand ahead of the consumption tax hike.

Overall overseas sales increased by ¥119 million (2.8%). The sales of Accu-Time Systems Inc. in North America decreased, and the sales of Horosmart S.A. in Europe increased partly due to the foreign exchange effects.

As a net result of the above, overall sales in this business division totaled ¥10,750 million, representing an increase of 2.9% 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 uncovering new demand by strengthening its Internet and mail order service-based sales promotions and on expanding its customer base through reinforcing its support system.

Overall domestic sales for the current term increased by ¥48 million (3.4%) from a year earlier due to growing domestic sales and exports of standard equipment and the like. Although sales in Asia remained sluggish, sales in North America and Europe increased year-on-year. As a result, overall overseas sales increased by ¥33 million (5.3%).

As a net result of the above, the Time Management Equipment business division generated sales totaling ¥1,957 million, representing an increase of 2.1% from the previous first half.

• Parking Systems

The Parking Systems business sector in Japan has been working on increasing the level of convenience for parking lot users, streamlining efficient parking lot management by utilizing network services and ensuring safety and security in parking lots in order to respond to the increasingly diverse needs of parking lot management.

In response to these market conditions, the Company strove to enhance the functionality and usability of its system equipment offerings and to further step up its cooperation with major parking lot management firms, and focused its efforts on expanding commissioned parking lot management services. At the same time, the Company concentrated on providing various services to small- to medium-sized parking lot management

firms by way of parking lot data centers and on winning increased orders for commissioned parking lot management service. 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 ¥546 million (7.4%) year-on-year. Revenue from maintenance contracts and supplies services decreased by ¥126 million (2.9%). 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 16,100 (5.7%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥687 million (11.5%). Sales for Amano McGann, Inc. in North America decreased while sales for Europe increased due to increased orders in Asian and Oceanian markets. Meanwhile, sales in the Asian region increased as sales in Korea grew due partly to foreign exchange effects.

As a net result of the above, the Parking Systems business division provided sales totaling ¥23,551 million, up by 6.5% 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

The operating environment for this business division has been improving as capital investment in Japan has been on the rise, supported by the recovering economy while capital investment by Japanese companies operating abroad has remained strong.

In this market environment, the Company made greater efforts to cater to the demand by stepping up its standard equipment solution delivery activities in Japan while seeking to win increased orders from customers in the foods, pharmaceutical and cosmetics markets. Meanwhile, with the aim of attracting demand from Japanese companies operating overseas, the Company reinforced its engineering skills and sales and service platforms through cooperation with overseas group companies. Moreover, it endeavored to achieve greater cost competitiveness by means of expanding its local procurement.

During the current term, domestic sales of standard equipment increased by ¥257 million (9.9%), sales of large-scale systems increased by ¥250 million (11.4%) and sales of maintenance contracts and supplies services increased by ¥5 million (0.3%) year-on-year.

Overall overseas sales increased by ¥232 million (15.7%) amid higher sales in the Asian market as capital investment by Japanese-owned companies continued to be strong mainly in that market.

As a net result of the above, sales of this business division totaled ¥8,732 million, up by 8.0% year-on-year.

• Clean Systems

This business division is seeing increasing needs for fine view maintenance services and high-value-added peripheral clean work, despite the prolonged corporate restraints in Japan on cleaning management costs.

To cope with this market environment, the Company focused on developing ideas on total cleanliness with increased rigor by incorporating peripheral cleaning work into those ideas. In addition, at a time when Japanese cleaning workers are reaching increasingly advanced ages with more and more non-experienced workers entering the workforce, the division worked on unlocking new demand through launching new products with higher cleaning equipment safety and usability levels that offer improved work efficiency without compromising quality.

Domestic sales for cleaning equipment during the first half decreased by ¥56 million (5.9%) year-on-year and revenue from maintenance contracts and supplies services decreased by ¥22 million (1.5%).

Overall overseas sales increased by ¥651 million (60.2%) as sales for North America grew thanks to the contribution from the previously acquired wooden floor sanding equipment business.

As a net result of the above, sales in this segment totaled ¥4,392 million, up by 14.5% year-on-year.

Reference information

Information by region

(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, 2013	Term ended September 30, 2014			Term ended September 30, 2013	Term ended September 30, 2014		
Japan	33,658	34,979	1,321	3.9	4,053	3,507	(545)	(13.5)
Other Asia	4,277	5,060	783	18.3	325	342	17	5.4
North America	5,944	6,476	531	8.9	(64)	(255)	(190)	—
Europe	3,412	3,809	396	11.6	219	176	(43)	(19.6)
Total	47,292	50,325	3,032	6.4	4,534	3,771	(762)	(16.8)
Eliminations/ Corporate	(892)	(940)	—	—	(1,435)	(1,412)	—	—
Consolidation total	46,399	49,385	2,985	6.4	3,098	2,359	(738)	(23.8)

(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, 2013	Term ended September 30, 2014			Term ended September 30, 2013	Term ended September 30, 2014	
Other Asia	4,263	5,141	877	20.6	9.2	10.4	1.2
North America	5,886	6,393	506	8.6	12.7	13.0	0.3
Europe	3,368	3,724	355	10.6	7.3	7.5	0.2
Other regions	164	279	114	69.8	0.3	0.6	0.3
Total	13,683	15,538	1,855	13.6	29.5	31.5	2.0
Consolidated net sales	46,399	49,385					

- (Notes)
- The national and regional demarcations are in accordance with the degree of geographical proximity.
 - Major countries and territories included in areas other than Japan
 - Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China
 - North America: United States, Canada
 - Europe: France, Belgium, Spain
 - Other regions: Central and South America
 - Overseas sales comprise sales by the Company and its consolidated subsidiaries to countries and regions other than Japan.

(2) Explanation of Financial Position

(i) The status of assets, liabilities and net assets

(Assets)

Total assets at the end of the first half amounted to ¥120,793 million, down by ¥2,044 million from the previous fiscal year-end. This is chiefly due to a decrease of ¥2,162 million in current assets resulting from a decline in notes and trade receivables and other factors, which occurred despite the fact that fixed assets increased by ¥117 million due to growth in intangible fixed assets resulting from business acquisition and other factors.

(Liabilities)

Total liabilities at the end of the first half amounted to ¥36,776 million, down by ¥2,578 million from the previous fiscal year-end. This is chiefly due to a decrease of ¥572 million in current liabilities resulting from a decline of accrued income taxes and other items, which occurred despite an increase in other current liabilities resulting from growth in suspense consumption taxes received. It is also due to a decrease of ¥2,006 million in long-term liabilities resulting from a decline in liabilities related to accrued retirement benefits for employees and other factors.

(Net assets)

Total net assets at the end of the first half amounted to ¥84,017 million, up by ¥534 million from the previous fiscal year-end. This was chiefly due to an increase of ¥1,122 million in shareholders' equity resulting from net income reported for the first half and other factors, which occurred despite a decrease of ¥607 million in accumulated other comprehensive income resulting from a decrease in foreign currency translation adjustments and other factors.

(ii) Cash flows

Consolidated cash and cash equivalents decreased by ¥1,956 million from the previous fiscal year-end, to a total of ¥29,718 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 ¥4,636 million. This is primarily because, despite the payment of ¥2,666 million in income taxes, there was a decrease of ¥3,799 million in trade notes and accounts receivable, income before income taxes reported for the first half amounting to ¥2,674 million, and depreciation and amortization amounting to ¥1,991 million.

(Cash flow from investing activities)

Net cash used in investing activities amounted to minus ¥4,866 million. This is mainly because, despite the incoming proceeds from the withdrawal of time deposits of ¥2,675 million, expenditures amounting to ¥3,869 million in time deposits, ¥2,044 million yen to acquire business and ¥1,012 million to purchase tangible fixed assets were made.

(Cash flow from financing activities)

Net cash used in financing activities amounted to minus ¥1,685 million yen. This is mainly due to the payment of dividends amounting to ¥1,302 million and the repayment of finance lease obligations of ¥851 million despite proceeds from the sale and leaseback of ¥897 million yen.

(3) Explanation of Forward-looking Information, Including Outlook for Consolidated Operating Results

The outlook for consolidated operating results that was released on May 8, 2014 was revised by the Company as shown in its notice entitled “Revised Business Projection” released on October 24, 2014. For details, please see the official website of the Company.

(http://www.amano.co.jp/English/IR/pdf/20141024_1.pdf)

(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 40% 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 ¥15 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

Although it did not represent any change among specified subsidiaries, Amano Parking Service Ltd. (Hong Kong) was included in the scope of the consolidated accounting starting from the first quarter of fiscal year 2014 in view of its increased importance.

(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 in accounting policy)

Effective from the first quarter of fiscal year 2014, the Company adopted the provision of Paragraph 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012, which is hereafter referred to as “Retirement Benefits Accounting Standard”) and Paragraph 67 of the “Guidance on Application of Accounting Standard for Retirement Benefits” (ASBJ Statement No. 25 of May 17, 2012, hereafter referred to as the “Retirement Benefits Application Guidance”). Accordingly, the Company reviewed the method for calculating retirement benefit liabilities and service costs, and changed the method for attributing expected benefit to periods from the straight-line attribution basis to the benefit formula basis. In addition, the discount rate determination method was changed from a method in which, concerning the bond period serving as the basis for determining the discount rate, the rate is determined based on the average number of years approximating the residual service terms of all employees to a method in which multiple discount rates set for different expected retirement benefit payment periods are used.

As for the application of the Retirement Benefit Accounting Standard, the effect of the above-mentioned change to the calculation method for retirement benefit liabilities and service cost was recognized in retained earnings at the start of the first half of fiscal year 2014, pursuant to the transitional accounting procedure stipulated in Article 37 of this Standard.

This caused retirement benefit liabilities to decrease by 1,571 million yen and retained earnings to increase by 1,012 million yen at the start of the first half. Moreover, it resulted in operating profit, ordinary profit and income before income taxes increasing by 47 million yen, respectively, for the first half.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance

(Unit: Millions of yen)

	FY 2013 (as of March 31, 2014)	First half ended September 30, 2014 (as of September 30, 2014)
Assets		
Current assets		
Cash and bank deposits	35,014	34,185
Notes and accounts receivable—trade	28,584	24,482
Marketable securities	1,658	1,733
Merchandise and finished goods	3,054	3,577
Work in process	761	1,104
Raw materials and supplies	3,303	3,864
Deferred tax assets	1,245	1,214
Other current assets	1,415	2,670
Allowance for doubtful accounts	(265)	(223)
Total current assets	74,771	72,609
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	11,089	10,838
Machinery and vehicles (net)	802	875
Tools, furniture and fixtures (net)	1,338	1,391
Land	7,247	7,238
Lease assets (net)	3,359	3,378
Construction in progress	406	159
Total tangible fixed assets	24,244	23,882
Intangible fixed assets		
Goodwill	5,128	4,923
Software	2,541	2,300
Software in progress	794	1,129
Other	1,890	3,271
Total intangible fixed assets	10,355	11,625
Investments and other assets		
Investment securities	6,634	6,644
Long-term loans receivable	12	10
Claims in bankruptcy and similar claims	388	391
Fixed leasehold deposits	1,054	1,027
Deferred tax assets	2,152	1,500
Long-term deposits	1,500	1,500
Retirement benefit assets	73	70
Other	2,055	1,941
Allowance for doubtful accounts	(406)	(410)
Total investments and other assets	13,465	12,676
Total fixed assets	48,066	48,184
Total assets	122,838	120,793

(Unit: Millions of yen)

	FY 2013 (as of March 31, 2014)	First half ended September 30, 2014 (as of September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	6,065	5,759
Electronically recorded obligations	6,320	6,034
Short-term bank loans	451	288
Lease obligations	1,364	1,406
Accrued income taxes	3,007	1,555
Accrued bonuses	1,975	1,993
Other current liabilities	9,791	11,366
Total current liabilities	28,976	28,404
Long-term liabilities		
Long-term bank loans	2,133	1,839
Long-term accounts payable—other	189	188
Lease obligations	3,412	3,481
Deferred tax liabilities	122	105
Retirement benefit liabilities	4,158	2,442
Asset retirement obligations	29	29
Other long-term liabilities	331	284
Total long-term liabilities	10,378	8,371
Total liabilities	39,355	36,776
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	49,298	50,421
Treasury stock	(52)	(53)
Total shareholders' equity	86,778	87,900
Accumulated other comprehensive income		
Net unrealized gains (losses) on available for-sale securities	574	714
Foreign currency translation adjustments	(3,481)	(4,278)
Retirement benefit cumulative adjustments	(812)	(761)
Total accumulated other comprehensive income	(3,718)	(4,325)
Minority interests	422	441
Total net assets	83,482	84,017
Total liabilities and net assets	122,838	120,793

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statement of Comprehensive Income
Consolidated Quarterly Statements of Income
First half ended September 30, 2014

(Unit: Millions of yen)

	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)	First half ended September 30, 2014 (April 1, 2014– September 30, 2014)
Net sales	46,399	49,385
Cost of sales	25,887	27,892
Gross profit	20,512	21,492
Selling, general and administrative expenses		
Selling expenses	15,801	17,100
General and administrative expenses	1,612	2,032
Total selling, general and administrative expenses	17,413	19,132
Operating profit	3,098	2,359
Non-operating profit		
Interest income	41	61
Dividend income	38	47
Insurance income	46	14
Foreign exchange gains	80	57
Equity in earnings of affiliates	34	8
Other	129	218
Total non-operating profit	370	408
Non-operating expenses		
Interest expenses	22	27
Foreign withholding tax	8	4
Other	36	23
Total non-operating expenses	67	54
Ordinary profit	3,401	2,712
Extraordinary income		
Gain on sale of fixed assets	11	2
Total extraordinary income	11	2
Extraordinary losses		
Loss on disposal of fixed assets	30	40
Loss on sale of fixed assets	0	0
Special retirement expenses	0	—
Total extraordinary losses	30	40
Income before income taxes	3,381	2,674
Income taxes	1,439	1,189
Income before minority interests	1,941	1,484
Minority interests	48	62
Net income	1,893	1,422

Consolidated Quarterly Statement of Comprehensive Income
 First half ended September 30, 2014

(Unit: Millions of yen)

	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)	First half ended September 30, 2014 (April 1, 2014– September 30, 2014)
Income before minority interests	1,941	1,484
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	205	137
Foreign currency translation adjustment	2,089	(805)
Retirement benefit adjustments	—	50
Share of other comprehensive income of associates accounted for using equity method	20	(7)
Total other comprehensive income	2,315	(625)
Comprehensive income	4,257	859
(breakdown)		
Comprehensive income attributable to owners of the parent company	4,174	814
Comprehensive income attributable to minority interests	82	44

(3) Consolidated Quarterly Statements of Cash Flows

(Unit: Millions of yen)

	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)	First half ended September 30, 2014 (April 1, 2014– September 30, 2014)
Cash flows from operating activities		
Income before income taxes	3,381	2,674
Depreciation and amortization	1,714	1,991
Amortization of goodwill	324	367
Increase (decrease) in accrued retirement benefits for employees	59	—
Increase (decrease) in retirement benefit liabilities	—	(60)
Increase (decrease) in allowance for doubtful accounts	15	(21)
Interest and dividend revenue	(79)	(108)
Equity in (earnings) losses of affiliates	(34)	(8)
Interest expenses	22	27
Foreign exchange loss (gain)	54	(68)
Loss (gain) on sale of fixed assets	(11)	(2)
Loss on disposal of fixed assets	30	40
Extra retirement payment	0	—
(Increase) decrease in trade notes and accounts receivable	3,519	3,799
(Increase) decrease in inventories	(1,107)	(1,556)
Increase (decrease) in accounts payable	(942)	(520)
Increase (decrease) in other current liabilities	725	820
Other	192	(203)
Subtotal	7,864	7,169
Receipts from interest and dividends	150	141
Interest paid	(22)	(27)
Extra retirement payment	(0)	—
Income taxes paid	(1,660)	(2,666)
Income taxes refunded	13	18
Net cash provided by operating activities	6,345	4,636
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	(1,783)	(1,012)
Proceeds from sale of tangible fixed assets	15	3
Payment for acquisition of intangible fixed assets	(1,662)	(635)
Payment for acquisition of investment securities	(3)	(53)
Proceeds from sale of shares in affiliated companies	36	—
Proceeds from acquisition of shares in subsidiaries	(101)	—
Expenditure for business acquisition	—	(2,044)
Repayment for loans to third parties	(7)	—
Collection of loans receivable	10	1
Increase in time deposits	(2,648)	(3,869)
Proceeds from withdrawal of time deposits	2,295	2,675
Other	(45)	67
Net cash used in investing activities	(3,894)	(4,866)

(Unit: Millions of yen)

	First half ended September 30, 2013 (April 1, 2013– September 30, 2013)	First half ended September 30, 2014 (April 1, 2014– September 30, 2014)
Cash flows from financing activities		
Repayment for short-term bank loans	(215)	(402)
Proceeds from long-term debt	972	—
Payment for acquisition of treasury stock	(0)	(1)
Repayment of finance lease obligations	(746)	(851)
Proceeds from sale and leaseback	1,324	897
Dividends paid	(995)	(1,302)
Dividends paid to minority interests	(24)	(25)
Net cash used in financing activities	313	(1,685)
Effect of exchange rate changes on cash and cash equivalents	453	(142)
Net increase (decrease) in cash and cash equivalents	3,217	(2,058)
Cash and cash equivalents at beginning of year	26,587	31,674
Increase in cash and cash equivalents due to new consolidation	—	102
Cash and cash equivalents at end of first half	29,805	29,718

(4) Notes on Quarterly Consolidated Financial Statements

(Notes regarding the Premise of a Going Concern)

None

(Notes on Significant Changes in Shareholders' Equity)

None

(Segment Information, Etc.)

[Segment Information]

I. 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

II. First half ended September 30, 2014 (April 1, 2014–September 30, 2014)

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	36,260	13,124	49,385	—	49,385
Intersegment	—	—	—	—	—
Total	36,260	13,124	49,385	—	49,385
Segment income (loss)	2,891	937	3,828	(1,469)	2,359

(Notes) 1. The minus ¥1,469 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