

Summary Financial Statements (Consolidated)  
for Second Quarter of Fiscal Year 2016 (Year Ending March 31, 2017) (Japan GAAP)

October 28, 2016

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Scheduled date for filing of quarterly securities report: November 8, 2016  
Scheduled date for start of dividend payments: December 2, 2016  
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 2016 (April 1, 2016 to September 30, 2016)

(1) Operating results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q of FY 2016 (year ending March 2017)	56,599	3.2	5,099	10.3	5,238	5.0	3,259	6.3
2Q of FY 2015 (year ended March 2016)	54,851	11.1	4,621	95.9	4,990	84.0	3,067	115.6

Note: Comprehensive income Second quarter of FY 2016 (year ending March 2017): -¥805 million (-130.0%)  
Second quarter of FY 2015 (year ended March 2016): ¥2,684 million (212.4%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
2Q of FY 2016 (year ending March 2017)	42.56	—	—	—
2Q of FY 2015 (year ended March 2016)	40.04	—	—	—

(2) Financial condition

	Total assets	Net assets	Equity ratio	Net income per share
	Millions of yen	Millions of yen	%	Yen
2Q of FY 2016 (as of September 30, 2016)	129,783	92,613	71.1	1,204.40
FY 2015 (as of March 31, 2016)	136,965	95,606	69.5	1,242.86

Reference: Equity capital Second quarter of FY 2016 (as of September 30, 2016): ¥92,243 million  
FY 2015 (as of March 31, 2016): ¥95,190 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2015 (year ended March 2016)	—	20.00	—	28.00	48.00
FY 2016 (year ending March 2017)	—	23.00	—	—	—
FY 2016 (year ending March 2017) (est.)	—	—	—	23.00	46.00

Note: Revisions to most recently released dividend forecast: None

3. Forecast earnings for fiscal year 2016 (April 1, 2016 to March 31, 2017)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	122,000	2.1	13,000	0.4	13,500	-1.2	8,800	4.7	114.90

Note: Revisions to most recently released earnings forecast: None

Other matters

(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 statements : Yes

Note: For details, please see the following on Attachment page 9: “(2) Application of Accounting Procedures Specific to the Preparation of the Consolidated Quarterly Financial Statements,” 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 : Yes

[3] Changes to accounting forecasts : None

[4] Restatements : None

Note: For details, please see the following on Attachment page 9 “(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, 2016	76,657,829 shares	As of March 31, 2016	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 2Q ended September 30, 2016	69,025 shares	As of March 31, 2016	68,109 shares
[3] Average number of shares outstanding (over the fiscal year under review up to September 30, 2016)	As of 2Q ended September 30, 2016	76,589,144 shares	As of 2Q ended September 30, 2015	76,590,852 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 8: “(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 Wednesday, November 2, 2016. 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

During the first half of the current fiscal year, the outlook for the Japanese economy seemed to remain uncertain. This was because overseas economies remained unstable due to slowdowns in emerging market economies including China and the British withdrawal from the European Union, although the U.S. economy continued to be robust. Domestically, exports struggled to grow due to the strong yen and consumer spending has been slow, although conditions in the jobs market and capital investments were on firm footing.

Amid this business environment, the Amano Group worked on global marketing and product deployment as well as the enhancement of its capacity to provide holistic solutions, based on its Sixth Medium-term Business Plan launched in April 2014. Under this plan, the Group set forth the management concept of “Challenge to a New Stage,” aimed at making the organization last for more than 100 years. The Amano Group also concentrated on thoroughly uncovering customer needs and strove to reduce the costs of goods sold (COGS) and selling, general, and administrative (SG&A) expenses.

As a result of the above, during the first half under review, the Company recorded sales of ¥56,599 million, up by 3.2% year-on-year. Operating profit increased by 10.3% to ¥5,099 million, ordinary profit went up by 5.0% to ¥5,238 million, and net income attributable to owners of the parent company increased by 6.3% to ¥3,259 million, resulting in increases in both sales and profit.

The following are business results by segment:

#### Sales by business division

(Unit: Millions of yen)

Category	First half ended September 30, 2015		First half ended September 30, 2016		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business:		%		%		%
Information Systems	11,788	21.5	11,702	20.7	(86)	(0.7)
Time Management Products	2,015	3.7	1,844	3.2	(170)	(8.5)
Parking Systems	25,478	46.4	27,283	48.2	1,804	7.1
Subtotal	39,283	71.6	40,830	72.1	1,547	3.9
Environment System Business:						
Environmental Systems	9,849	18.0	10,053	17.8	204	2.1
Clean Systems	5,719	10.4	5,716	10.1	(3)	(0.1)
Subtotal	15,568	28.4	15,769	27.9	200	1.3
Total	54,851	100.0	56,599	100.0	1,747	3.2

#### Time Information System Business

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

The sales in this business totaled ¥40,830 million, up by ¥1,547 million (3.9%) year-on-year. The following is a breakdown of sales by business division.

- Information Systems

This business division, against the backdrop of the “Work Style Reform” promoted by the domestic government, saw less and less people working long hours, increases in productivity, and investment in information systems which can make full use of various human resources.

In response to these market conditions, the Company, being “Amano—active in the area of HR (Human Resources),” added access control and security to the list of its “3-in-1” proposal, comprising time & attendance (T&A), payroll, and human-resource management, thus striving to bolster its activities to provide total solutions from system ownership to system use.

Domestic sales for the current term were as follows. For Amano, on an unconsolidated basis, hardware sales increased by ¥109 million (5.7%), software sales declined by ¥299 million (11.0%), and sales generated by maintenance contracts and supplies services increased by ¥47 million (2.6%) year-on-year. The increase in hardware sales was a result of increased orders for large projects and increased sales of information terminal devices, while the lower software sales was attributable to the delay in marketing activities for “TimePro-NX,” which is a new piece of software for small and medium businesses launched in April. Sales of Amano Business Solutions Corporation’s developing cloud services achieved double-digit growth, owing to steady expansion in demand.

Overall overseas sales decreased by ¥27 million (0.6%) year-on-year as the sales of Accu-Time Systems, Inc. in North America decreased while the sales of Horosmart S.A. in Europe increased, owing to the contribution by the access control business acquired in the previous year.

As a result of the above, sales in this business division totaled ¥11,702 million, representing a decrease of 0.7% year-on-year.

- Time Management Products

Although there is a constant demand for standard devices, this business division continues to cope with the current trend toward lower prices as well as the need for improved functions.

In this market environment, the Company has been working on expanding its customer base through the “User-club” (a fee-based service for members), as well as concentrating on expanding sales of time records equipped with aggregation software compatible with PCs, which offers improved usability and functionality.

Overall domestic sales for the current term decreased by ¥47 million (3.2%) year-on-year, due to the decreased sales of supplies such as time cards. Overall overseas sales decreased by ¥126 million (19.2%) year-on-year, as sales in North America and Europe fell while sales in Asia rose.

As a result of the above, the Time Management Equipment business division generated sales totaling ¥1,844 million, representing a decrease of 8.5% year-on-year.

- Parking Systems

To respond to the increasingly diverse needs of parking lot management in Japan, the Parking Systems business division has been working on improving the efficiency and reducing the cost of parking lot management, increasing the level of convenience for parking lot users, ensuring safety and security in parking lots, and integration with the Internet.

In response to these market conditions, the Company further strengthened its cooperation with major parking lot management firms and, at the same time, concentrated on offering various services to small to medium-sized parking lot management firms through its parking lot data centers. The Company has also worked to improve the functionality and usability of its system equipment and made efforts to expand into new markets, such as bicycle parking systems, security-gate systems and toll road systems, as well as strengthening proposals for improving parking lot management efficiency and making new proposals for

enhancing parking lot services to users.

During the current term for Amano, on an unconsolidated basis, domestic parking equipment sales increased by ¥1,679 million (23.6%) year-on-year, due to increased orders for small to medium-sized parking lots and bicycle parking lots, and domestic sales generated by maintenance contracts and supplies services increased by ¥98 million (2.1%) year-on-year. Amano Management Service Corporation's commissioned parking lot management business has been steadily expanding with increased sales, and the number of parking spaces under management increased by 28,300 (8.2%) from the end of the previous fiscal year.

Overall overseas sales decreased by ¥150 million (1.8%) year-on-year due to foreign exchange effects, while orders for Amano McGann Inc.'s newly released systems in North America increased and sales in the Asian region increased as the commissioned parking lot management business in Korea and Hong Kong grew with the steady expansion.

As a net result of the above, the Parking Systems business division provided sales totaling ¥27,283 million, up by 7.1% 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, and deodorization systems
- Clean Systems: Cleaning equipment, dry-care cleaning systems, cleaning management services, and electrolytic water generators

The sales in this business totaled ¥15,769 million, up by ¥200 million (1.3%) year-on-year. The following is a breakdown of sales by business division.

#### • Environmental Systems

In Environmental Systems, although companies' capital investment has remained solid in Japan, the overseas business environment remains severe due to the slowdown in the Chinese economy and the effects of the strong yen.

In this market environment, the Company's domestic strategy focused on capitalizing the demand for its standard equipment by strengthening proposals, mainly targeting automobile-related companies, while seeking to win additional orders from customers in the pharmaceutical, foods and cosmetics markets. Meanwhile, the Company enhanced cooperation with its overseas Group companies, reinforced its platforms for engineering, sales and services. Furthermore, the Company endeavored to achieve greater cost competitiveness by expanding its local procurement, while observing the investment trend of Japanese companies operating overseas.

During the current term for Amano, on an unconsolidated basis, domestic sales of standard equipment increased by ¥52 million (1.6%), sales of large-scale systems increased by ¥526 million (19.5%) and sales generated by maintenance contracts and supplies services increased by ¥204 million (10.1%) year-on-year.

Overall overseas sales decreased by ¥545 million (30.8%), due to the slowdown in the Chinese economy and foreign exchange effects.

As a result of the above, sales of this business division totaled ¥10,053 million, up by 2.1% year-on-year.

#### • Clean Systems

In Clean Systems, while the trend of companies trying to reduce cleaning costs continues domestically amid a shortage of sanitary workers in the building maintenance industry, needs for proposals that lead to higher cleaning efficiency and improved quality have been increasing.

In response to these market conditions, we strengthened our proposal, addressing cleaning issues companies are facing, through implementation of new cleaning techniques using cleaning robots

and the launch of the new EG series automatic floor scrubbers, which further increased safety levels and improved usability.

During the current term for Amano, on an unconsolidated basis, domestic sales for cleaning equipment decreased by ¥55 million (5.4%) and sales generated by maintenance contracts and supplies services decreased by ¥99 million (7.6%) year-on-year, due to slower orders for scrubbers.

Overall overseas sales increased by ¥184 million (6.3%) as sales for North America grew owing to a steady increase in the wooden floor sanding equipment business.

As a net result of the above, sales of this business division totaled ¥5,716 million, down by 0.1% year-on-year.

Reference information  
Information by area

(Unit: Millions of yen)

	Net sales				Operating profit			
	First half		Change	Percentage change (%)	First half		Change	Percentage change (%)
	Term ended September 30, 2015	Term ended September 30, 2016			Term ended September 30, 2015	Term ended September 30, 2016		
Japan	36,959	39,418	2,459	6.7	5,247	5,866	619	11.8
Other Asia	5,967	5,223	(744)	(12.5)	386	336	(49)	(12.9)
North America	9,314	9,332	18	0.2	356	324	(31)	(8.8)
Europe	3,618	3,889	270	7.5	253	228	(24)	(9.8)
Total	55,859	57,863	2,003	3.6	6,243	6,756	513	8.2
Eliminations/ Corporate	(1,007)	(1,263)	—	—	(1,621)	(1,657)	—	—
Consolidated	54,851	56,599	1,747	3.2	4,621	5,099	477	10.3

Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.

2. Major countries and territories included in areas other than Japan:

(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea and China

(2) North America: United States, Canada and Mexico

(3) Europe: France, Belgium and Spain



Overseas sales

(Unit: Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	First half		Change	Percentage change (%)	First half		Change
	Term ended September 30, 2015	Term ended September 30, 2016			Term ended September 30, 2015	Term ended September 30, 2016	
Other Asia	5,976	5,365	(611)	(10.2)	10.9	9.5	(1.4)
North America	8,633	8,482	(151)	(1.8)	15.7	15.0	(0.7)
Europe	3,565	3,797	231	6.5	6.5	6.7	0.2
Other regions	650	645	(5)	(0.8)	1.2	1.1	(0.1)
Total	18,827	18,291	(535)	(2.8)	34.3	32.3	(2.0)
Consolidated net sales	54,851	56,599					

- Notes:
- The national and regional demarcations are based on the degree of geographical proximity.
  - Major countries and territories included in areas other than Japan:
    - Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea and China
    - North America: United States and Canada
    - Europe: France, Belgium and 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 Condition  
(i) Assets, liabilities, and net assets

Assets

Total assets at the end of the first half of the fiscal year amounted to ¥129,783 million, a drop of ¥7,182 million from the previous fiscal year-end. This was attributable primarily to a decrease of ¥5,606 million in current assets due to a decrease in notes and accounts receivable—trade, and a decrease of ¥1,576 million in fixed assets due to a decrease in intangible fixed assets.

Liabilities

Total liabilities at the end of the first half of the fiscal year amounted to ¥37,169 million, a drop of ¥4,190 million from the previous fiscal year-end. This was attributable primarily to a decrease of ¥3,918 million in current liabilities due to a decrease in trade notes and accounts payable or income taxes payable, and also to a decrease of ¥271 million in long-term liabilities due to a decrease in net defined benefit liabilities.

Net assets

Total net assets at the end of the first half of the fiscal year amounted to ¥92,613 million, down by ¥2,992 million from the previous fiscal year-end. This was primarily attributable to a decrease of ¥4,060 million in accumulated other comprehensive income due to a decrease in foreign currency translation adjustments, despite an increase of ¥1,113 million in shareholders' equity due to the posting of net income attributable to owners of the parent company.

(ii) Cash flows

Consolidated cash and cash equivalents decreased by ¥136 million from the previous fiscal year-end, to a total of ¥32,589 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 ¥6,244 million. This was primarily attributable to the posting of income before income taxes amounting to ¥5,207 million and a decrease in accounts receivable amounting to ¥3,975 million, despite the posting of income tax payments amounting to ¥3,093 million and a decrease in accounts payable amounting to ¥1,796 million.

#### Cash flow from investing activities

Net cash used in investing activities totaled -¥2,115 million. This is mainly because, despite the incoming proceeds from the withdrawal of time deposits of ¥4,069 million, expenditures amounting to ¥3,617 million in time deposits, ¥1,325 million to purchase tangible fixed assets and ¥1,284 million to purchase intangible fixed assets were made.

#### Cash flow from financing activities

Net cash used in financing activities amounted to -¥3,134 million. This was chiefly due to the recording of expenditures amounting to ¥2,144 million in payment of dividends and ¥1,175 million in repayment of short-term bank loans, despite the recording of ¥1,116 million yen in proceeds from sale and leaseback.

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

At present, there is no change in the forecast earnings for fiscal year 2016 (April 1, 2016 to March 31, 2017) as announced on April 25, 2016. 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 Payment of Dividends for This Second Quarter

Amano places great importance on its policy for the payment of 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 (interim dividend of ¥13 and year-end dividend of ¥13), together with appropriate results-based distributions of profits 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 ¥23 per share.

## 2. Matters regarding Summary Information (Notes)

### (1) Changes among Significant Subsidiaries during the Current Term

None

Although it is not considered as a change among specific subsidiaries, Amano Time & Ecology de Mexico S.A.de C.V has been included in the scope of consolidation from the first quarter of the consolidated fiscal year under review, due to its increased materiality.

In addition, 7856326 Canada Inc. and its subsidiary, PG Park, Inc., have been included in the scope of consolidation from the second quarter of the consolidated fiscal year under review.

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

#### 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

(Application of a Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Pursuant to an amendment to the Corporation Tax Act, the Company has adopted the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Practical Issue Task Force No.32, June 17, 2016), effective from the first quarter of the consolidated fiscal year under review. As a result, the depreciation method for building fixtures and structures acquired on or after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

The application of this standard has no material impact on the financial statements for the second quarter of the consolidated fiscal year under review.

(Change of Accounting Method for Parking Lot Management Business Expenses)

Effective from the first quarter of the consolidated fiscal year under review, certain consolidated subsidiaries engaged in the parking lot management business have changed their accounting method for a certain portion of their expenses for the parking lot management business. The current method is recognized and measured as a direct cost managed by the parking business location and then accounted for as the cost of sales. Such expenses were previously recognized and measured as overhead management expenses and therefore accounted for as selling, general and administrative expenses.

In order to strengthen profitability management for each parking business location, certain consolidated subsidiaries engaged in the parking lot management business performed an overall review of its operations and re-examined the functions and roles of each site. As a result, it was determined that it would serve as more useful information disclosure to accurately reflect circumstances in which the expenses for parking lot management business occurred and their relationship with net sales. Consequently, the aforementioned change was implemented after completing the change to the system.

Since this change of accounting policy was applied retrospectively, the quarterly financial statements for the first half ending September 30, 2015 have been presented after the retrospective application.

As a result of the above, cost of sales for the first half ending September 30, 2015 increased by ¥772 million, and both gross profit and selling, general and administrative expenses decreased by the same amount, compared to the figures before the retrospective application. However, there was no impact on operating profit, ordinary profit or income before income taxes for the said period.

(4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

“Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26 of March 28, 2016) has been used from the first quarter of the consolidated fiscal year under review.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(Unit: Millions of yen)

	FY 2015 (as of March 31, 2016)	First half ended September 30, 2016 (as of September 30, 2016)
<b>Assets</b>		
Current assets		
Cash and bank deposits	36,888	36,104
Notes and accounts receivable—trade	34,576	28,951
Marketable securities	1,527	1,375
Merchandise and finished goods	3,197	3,516
Work in process	669	706
Raw materials and supplies	4,992	5,146
Deferred tax assets	1,783	1,716
Other current assets	2,554	3,036
Allowance for doubtful accounts	(314)	(285)
Total current assets	85,875	80,269
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	10,357	10,760
Machinery and vehicles (net)	808	814
Tools, furniture and fixtures (net)	1,355	1,442
Land	7,170	7,125
Lease assets (net)	3,261	3,211
Construction in progress	636	182
Total tangible fixed assets	23,589	23,537
Intangible fixed assets		
Goodwill	4,088	3,224
Software	2,521	3,980
Software in progress	3,252	2,048
Other	3,414	2,875
Total intangible fixed assets	13,276	12,128
Investments and other assets		
Investment securities	7,859	7,663
Long-term loans receivable	14	12
Claims in bankruptcy and similar claims	393	373
Fixed leasehold deposits	1,122	1,046
Long-term deposits	1,500	1,500
Net defined benefit assets	81	83
Deferred tax assets	1,646	1,536
Other	2,016	2,023
Allowance for doubtful accounts	(410)	(390)
Total investments and other assets	14,223	13,848
Total fixed assets	51,090	49,513
Total assets	136,965	129,783

(Unit: Millions of yen)

	FY 2015 (as of March 31, 2016)	First half ended September 30, 2016 (as of September 30, 2016)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	7,642	5,894
Electronically recorded obligations	6,438	5,993
Short-term bank loans	1,250	37
Lease obligations	1,448	1,449
Accrued income taxes	3,332	2,065
Accrued bonuses	2,263	2,041
Accrued officers' bonuses	85	—
Other current liabilities	11,673	12,734
<b>Total current liabilities</b>	<b>34,134</b>	<b>30,215</b>
Long-term liabilities		
Long-term bank loans	506	489
Long-term accounts payable—other	160	170
Lease obligations	3,256	3,201
Deferred tax liabilities	9	9
Net defined benefit liabilities	2,986	2,806
Asset retirement obligations	30	30
Other long-term liabilities	275	244
<b>Total long-term liabilities</b>	<b>7,225</b>	<b>6,953</b>
<b>Total liabilities</b>	<b>41,359</b>	<b>37,169</b>
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	59,757	60,872
Treasury stock	(56)	(58)
<b>Total shareholders' equity</b>	<b>97,233</b>	<b>98,347</b>
Accumulated other comprehensive income		
Net unrealized gains (losses) on available for-sale securities	1,456	1,348
Foreign currency translation adjustments	(2,321)	(6,372)
Remeasurements of defined benefit plans	(1,178)	(1,079)
<b>Total accumulated other comprehensive income</b>	<b>(2,043)</b>	<b>(6,103)</b>
Non-controlling shareholders' interests	416	370
<b>Total net assets</b>	<b>95,606</b>	<b>92,613</b>
<b>Total liabilities and net assets</b>	<b>136,965</b>	<b>129,783</b>

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income  
First half ended September 30, 2016

(Unit: Millions of yen)

	First half ended September 30, 2015 (April 1, 2015– September 30, 2015)	First half ended September 30, 2016 (April 1, 2016– September 30, 2016)
Net sales	54,851	56,599
Cost of sales	31,548	32,226
Gross profit	23,303	24,373
Selling, general and administrative expenses		
Selling expenses	16,939	17,346
General and administrative expenses	1,743	1,928
Total selling, general and administrative expenses	18,682	19,274
Operating profit	4,621	5,099
Non-operating profit		
Interest income	67	45
Dividend income	54	55
Insurance income	32	11
Equity in earnings of affiliates	72	—
Other	201	236
Total non-operating profit	427	349
Non-operating expenses		
Interest expenses	25	15
Loss on foreign exchange	9	160
Foreign withholding tax	1	1
Equity in losses of affiliates	—	8
Other	21	23
Total non-operating expenses	58	210
Ordinary profit	4,990	5,238
Extraordinary income		
Gain on sale of fixed assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on disposal of fixed assets	63	7
Loss on sale of fixed assets	14	0
Loss on liquidation of subsidiaries	—	24
Other	11	-
Total extraordinary losses	88	31
Income before income taxes	4,902	5,207
Income taxes	1,799	1,900
Net income	3,102	3,306
Net income attributable to non-controlling shareholders	35	47
Net income attributable to owners of the parent company	3,067	3,259

Consolidated Quarterly Statements of Comprehensive Income  
 First half ended September 30, 2016

(Unit: Millions of yen)

	First half ended September 30, 2015 (April 1, 2015– September 30, 2015)	First half ended September 30, 2016 (April 1, 2016– September 30, 2016)
Net income	3,102	3,306
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(196)	(109)
Foreign currency translation adjustment	(285)	(4,102)
Remeasurements of defined benefit plans	56	99
Share of other comprehensive income of associates accounted for using equity method	7	0
Total other comprehensive income	(418)	(4,112)
Comprehensive income	2,684	(805)
(Breakdown)		
Comprehensive income attributable to owners of the parent company	2,649	(800)
Comprehensive income attributable to non-controlling shareholders	34	(4)



## (3) Consolidated Quarterly Statements of Cash Flows

(Unit: Millions of yen)

	First half ended September 30, 2015 (April 1, 2015– September 30, 2015)	First half ended September 30, 2016 (April 1, 2016– September 30, 2016)
<b>Cash flows from operating activities</b>		
Income before income taxes	4,902	5,207
Depreciation and amortization	2,109	2,454
Amortization of goodwill	390	381
Increase (decrease) in retirement benefit liabilities	(82)	39
Increase (decrease) in allowance for doubtful accounts	58	15
Interest and dividend revenue	(121)	(101)
Equity in (earnings) losses of affiliates	(72)	8
Interest expenses	25	15
Foreign currency translation loss (gain)	(2)	(49)
Loss (gain) on sale of fixed assets	13	(0)
Loss on disposal of fixed assets	63	7
Loss (gain) on liquidation of subsidiaries	—	24
(Increase) decrease in trade notes and accounts receivable	3,888	3,975
(Increase) decrease in inventories	(940)	(1,240)
Increase (decrease) in accounts payable	(1,985)	(1,796)
Increase (decrease) in other current liabilities	947	954
Other	(1,037)	(686)
Subtotal	8,157	9,208
Receipts from interest and dividends	184	144
Interest paid	(25)	(15)
Income taxes paid	(2,062)	(3,093)
Income taxes refunded	27	0
Net cash provided by operating activities	6,280	6,244
<b>Cash flows from investing activities</b>		
Payment for acquisition of securities	(1,000)	(1,000)
Proceeds from redemption of securities	1,100	1,100
Payment for purchase of tangible fixed assets	(1,079)	(1,325)
Proceeds from sale of tangible fixed assets	11	17
Payment for acquisition of intangible fixed assets	(1,761)	(1,284)
Payment for acquisition of investment securities	(3)	(3)
Payment for acquisition of subsidiary shares involving change to the scope of consolidation	—	(62)
Expenditure for business acquisition	(235)	—
Collection of loans receivable	3	1
Increase in time deposits	(4,674)	(3,617)
Proceeds from withdrawal of time deposits	5,659	4,069
Other	(53)	(10)
Net cash used in investing activities	(2,033)	(2,115)

(Unit: Millions of yen)

	First half ended September 30, 2015 (April 1, 2015– September 30, 2015)	First half ended September 30, 2016 (April 1, 2016– September 30, 2016)
Cash flows from financing activities		
Repayment for short-term bank loans	(282)	(1,175)
Payment for acquisition of treasury stock	(1)	(1)
Repayment of finance/lease obligations	(832)	(888)
Proceeds from sale and leaseback	733	1,116
Dividends paid	(1,761)	(2,144)
Payment of dividends to non-controlling shareholders	(39)	(41)
Cash flows from financing activities	(2,183)	(3,134)
Effect of exchange rate changes on cash and cash equivalents	(70)	(1,130)
Net increase (decrease) in cash and cash equivalents	1,993	(136)
Cash and cash equivalents at beginning of year	30,526	32,725
Cash and cash equivalents at end of first half	32,520	32,589

(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, 2015 (April 1, 2015–September 30, 2015)

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 System business	Environment System business	Total		
Net sales					
To customers	39,283	15,568	54,851	—	54,851
Intersegment	—	—	—	—	—
Total	39,283	15,568	54,851	—	54,851
Segment profit (loss)	4,380	1,892	6,272	(1,651)	4,621

Notes: 1. The ¥1,651 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 reconciled 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, 2016 (April 1, 2016–September 30, 2016)

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 System business	Environment System business	Total		
Net sales					
To customers	40,830	15,769	56,599	—	56,599
Intersegment	—	—	—	—	—
Total	40,830	15,769	56,599	—	56,599
Segment profit (loss)	4,688	2,118	6,807	(1,708)	5,099

Notes: 1. The ¥1,708 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 reconciled 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