

Summary Financial Statements (Consolidated)
for 2nd Quarter of Fiscal Year 2024 (Year Ending March 31, 2025) (Japan GAAP)

October 29, 2024

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Scheduled date for filing of semiannual securities report: November 7, 2024
Scheduled date for commencing of dividend payments: December 3, 2024
Supplementary explanation materials prepared for financial results: Yes
Briefing held on financial results: Yes (for institutional investors and analysts)

(Amounts less than 1 million yen are rounded down)

1. Business results for 2nd Quarter of fiscal year 2024 (April 1, 2024 to September 30, 2024)

(1) Operating results (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q of FY 2024 (year ending March 2025)	84,228	20.0	9,897	23.5	10,534	22.4	7,161	28.9
2Q of FY 2023 (year ended March 2024)	70,163	16.1	8,012	43.0	8,609	37.9	5,557	50.1

Note: Comprehensive income 2nd Quarter of FY 2024 (year ending March 2025): ¥11,793 million (13.9%)
2nd Quarter of FY 2023 (year ended March 2024): ¥10,351 million (24.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q of FY 2024 (year ending March 2025)	100.30	—
2Q of FY 2023 (year ended March 2024)	76.84	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q of FY 2024 (as of September 30, 2024)	191,263	131,104	68.3	1,832.60
FY 2023 (as of March 31, 2024)	184,585	128,103	69.1	1,779.42

Reference: Equity capital 2nd Quarter of FY 2024 (as of September 30, 2024): ¥130,613 million
FY 2023 (as of March 31, 2024): ¥127,600 million

2. Dividends

	Annual dividends				
	First quarter-end	2nd Quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2023 (year ended March 2024)	—	40.00	—	95.00	135.00
FY 2024 (year ending March 2025)	—	50.00			
FY 2024 (year ending March 2025) (est.)			—	95.00	145.00

Note: Revisions to most recently released dividend forecast: None

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

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	160,000	4.7	21,000	7.3	22,000	5.5	14,500	10.3	203.22

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 statements : Yes
- (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, 2024	76,657,829 shares	As of March 31, 2024	76,657,829 shares
[2] Number of shares of treasury stock at the end of the period	As of 2Q ended September 30, 2024	5,385,988 shares	As of March 31, 2024	4,948,546 shares
[3] Average number of shares outstanding (over the fiscal year under review up to September 30, 2024)	As of 2Q ended September 30, 2024	71,394,296 shares	As of 2Q ended September 30, 2023	72,328,601 shares

Note: The number of shares of treasury stock as of September 30, 2024, includes the Company's shares held by the Director's Compensation BIP Trust and the Employee Stock Ownership Plan (J-ESOP) (734,681 shares as of September 30, 2024 and 793,884 shares as of March 31, 2024 respectively).

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares during the period.

Note: These Summary Financial Statements for second quarter of FY2024 are not subject to the review procedures.

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 preparing this document 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 information on the earnings forecasts, please refer to "1. Summary of Business Results (3) Explanation of Forward-looking Information, including the Outlook for Consolidated Operating Results" on page 7 of the attached document.

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 October 31, 2024. On the same day, the financial results materials to be distributed at this briefing are due to be published on the Amano's website.

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1. Summary of Business Results

(1) Summary of Business Results for the Current Quarter

During the second current quarter period, the Japanese economy is considered to continue its moderate recovery trend, supported by a strong appetite for capital expenditures of companies, although the outlook of the Japanese economy is ridden by uncertainties such as recession overseas, increases in various prices, and exchange rate fluctuations.

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

As a result, during the second quarter under review, net sales were ¥84,228 million (up 20.0% year-on-year), operating profit was ¥9,897 million (up 23.5% yoy), ordinary profit was ¥10,534 million (up 22.4% yoy), and net income attributable to owners of the parent company was ¥7,161 million (up 28.9% yoy).

Main factors behind the business results

- (i) At non-consolidated Amano, Parking Systems sales increased significantly due to factors such as compatibility with new banknotes, etc. In addition, Information Systems sales continued to grow in software due to vigorous investment by various companies, and Environmental Systems of large-scale systems continued to grow, resulting positive overall sales. Clean Systems sales increased due to a recovery in sales volume of cleaning robots as well.
- (ii) In domestic group companies, the consigned parking lot management service business continued to grow, and the cloud service business for T&A sales decreased slightly due to the transfer of operations to Amano and other factors. The digital time stamp business continued to perform well.
- (iii) In overseas markets, sales increased in North America, Europe, and Asia, partly due to the effect of yen depreciation. In North America, Parking Systems sales continued to grow due to the effect of new products. In Europe, sales of Information Systems in France continued to grow by capturing customer needs. However, in North America and Europe, increased employees and rising labor costs put downward pressure on profits. In Asia, Parking Systems sales grew in South Korea and Hong Kong, and Environmental Systems sales grew in Thailand.

The following are business results by segment:

Sales by business division

(Millions of yen)

Category	2Q of FY 2023 (year ended March 2024)		2Q of FY 2024 (year ending March 2025)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	16,187	23.1	18,069	21.5	1,882	11.6
Time Management Products	1,241	1.8	1,152	1.4	(89)	(7.2)
Parking Systems	35,106	50.0	45,832	54.3	10,726	30.6
Subtotal	52,535	74.9	65,054	77.2	12,519	23.8
Environment System business:						
Environmental Systems	10,803	15.4	11,493	13.7	690	6.4
Clean Systems	6,824	9.7	7,680	9.1	855	12.5
Subtotal	17,628	25.1	19,173	22.8	1,545	8.8
Total	70,163	100.0	84,228	100.0	14,065	20.0

Time Information System business

- Information Systems: Time & Attendance (T&A), Human Resources (HR) systems, Payroll information systems, access control, and digital time stamps
- Time Management Products: PC-linked time recorders, online time recorders, and time stamps
- Parking Systems: Parking lot management systems, bicycle parking lot management systems, and consigned parking lot management service

The sales in this business totaled ¥65,054 million, up by ¥12,519 million (23.8%) year-on-year. The following is a breakdown of sales by business division.

- Information Systems ¥18,069 million (up 11.6% year-on-year)

Domestic sales for the current term were as follows. For non-consolidated Amano, software sales increased by ¥597 million (13.0%) due to the promotion of software update proposals, hardware sales decreased by ¥286 million (21.7%), and sales generated by maintenance contracts and supplies services increased by ¥127 million (5.9%). Amano Business Solutions Corporation, which promotes the cloud services, decreased slightly due to the transfer of some operations to Amano and other factors.

Overall overseas sales increased by ¥1,426 million (19.0%) due to increased sales of Accu-Time Systems, Inc. in North America, receiving the effect of yen depreciation, and increased sales of Horoquartz S.A. in Europe.

- Time Management Products ¥1,152 million (down 7.2% year-on-year)

Overall domestic sales for the current term decreased by ¥101 million (9.9%) as the sales of standard time recorders and PC-linked time recorders decreased.

Overall overseas sales decreased by ¥21 million (7.1%) as sales in North America and Asia decreased.

- Parking Systems ¥45,832 million (up 30.6% year-on-year)

Domestic sales for the current term were as follows. For non-consolidated Amano, domestic parking lot management systems sales increased by ¥1,470 million (20.9%) due to capturing the demand to respond to the new banknote issuance, while sales generated by maintenance contracts and supplies services increased by ¥2,087 million (41.7%). Sales continued to increase in the consigned parking lot management service business operated by Amano Management Service. As a result of the continued investment by them, the number of parking spaces under management increased by 68,000 (9.6%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥7,115 million (41.5%) due to the increase in the sales of Amano McGann, Inc. in North America and the increase in sales of the consigned parking lot management service business in Korea and Hong Kong in Asia.

Environment System business

- Environmental Systems: Standard dust collection systems, mist collectors, large dust collection systems, pneumatic conveyors, deodorizing equipment, and industrial air purifiers
- Clean Systems: Industrial vacuum cleaners, automatic floor scrubbers, cleaning robots, wooden floor sanding machines, consigned janitorial management services, and electrolyzed water generators

The sales in this business totaled ¥19,173 million, up by ¥1,545 million (8.8%) year-on-year. The following is a breakdown of sales by business division.

- Environmental Systems ¥11,493 million (up 6.4% year-on-year)

During the current term for non-consolidated Amano, domestic sales of standard dust collectors decreased by ¥235 million (6.8%). On the other hand, sales of large-scale systems increased by ¥290 million (9.3%), while sales generated by maintenance contracts and supplies services remained flat.

Overall overseas sales increased by ¥408 million (21.9%) as sales in Asia increased in mainly Thailand.

- Clean Systems ¥7,680 million (up 12.5% year-on-year)

During the current term for non-consolidated Amano, overall domestic sales of cleaning equipment increased by ¥13 million (1.1%) due to a recovery in sales volume of cleaning robots, and domestic sales generated by maintenance contracts and supplies services increased by ¥61 million (5.8%).

Overall overseas sales increased by ¥829 million (19.7%) as Amano Pioneer Eclipse Corporation in North America achieved the increase in sales.

Reference information

Information by area

(Millions of yen)

	Net sales				Operating profit/loss			
	2Q of FY 2023 (year ended March 2024)	2Q of FY 2024 (year ending March 2025)	Change	Percentage change (%)	2Q of FY 2023 (year ended March 2024)	2Q of FY 2024 (year ending March 2025)	Change	Percentage change (%)
Japan	39,694	43,806	4,112	10.4	7,887	9,697	1,809	22.9
Other Asia	14,606	19,719	5,113	35.0	1,047	1,276	229	21.9
North America	10,160	13,203	3,043	30.0	(56)	31	88	—
Europe	6,399	8,097	1,698	26.5	947	914	(33)	(3.5)
Total	70,860	84,827	13,967	19.7	9,826	11,919	2,093	21.3
Eliminations/ Corporate	(697)	(598)	—	—	(1,814)	(2,021)	—	—
Consolidated	70,163	84,228	14,065	20.0	8,012	9,897	1,885	23.5

- Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.
2. Major countries and territories included in areas other than Japan:
(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, Philippines, and Vietnam
(2) North America: United States, Canada and Mexico
(3) Europe: France, Belgium and Spain

Overseas sales

(Millions of yen)

	Overseas sales				Proportion of consolidated net sales accounted for by overseas sales (%)		
	2Q of FY 2023 (year ended March 2024)	2Q of FY 2024 (year ending March 2025)	Change	Percentage change (%)	2Q of FY 2023 (year ended March 2024)	2Q of FY 2024 (year ending March 2025)	Change
Other Asia	14,645	19,699	5,054	34.5	20.9	23.4	2.5
North America	9,598	12,225	2,627	27.4	13.7	14.5	0.8
Europe	6,194	7,608	1,414	22.8	8.8	9.0	0.2
Other regions	593	1,244	650	109.6	0.8	1.5	0.7
Total	31,032	40,778	9,746	31.4	44.2	48.4	4.2
Consolidated net sales	70,163	84,228					

- Notes: 1. The national and regional demarcations are based on the degree of geographical proximity.
2. Major countries and territories included in areas other than Japan:
(1) Other Asia: Singapore, Thailand, Malaysia, Indonesia, South Korea, China, Philippines, and Vietnam
(2) North America: United States and Canada
(3) Europe: France, Belgium and Spain
(4) Other regions: Central and South America
3. Overseas sales comprise sales by Amano Corporation and our consolidated subsidiaries to countries and regions other than Japan.

(2) Summary of Financial Condition for the Current Quarter

(i) Assets, liabilities, and net assets

Total assets amounted to ¥191,263 million (up ¥6,678 million from the previous consolidated fiscal year-end).

- Current assets: an increase of ¥4,482 million due to increases in cash and bank deposits, and raw materials and supplies, etc.
- Fixed assets: an increase of ¥2,196 million due to an increase in lease assets (net), etc.

Total liabilities amounted to ¥60,159 million (up ¥3,677 million from the previous consolidated fiscal year-end).

- Current liabilities: an increase of ¥3,138 million due to increases in short-term bank loans and lease liabilities, etc.
- Long-term liabilities: an increase of ¥539 million due to an increase in lease liabilities, etc.

Net assets amounted to ¥131,104 million (up ¥3,001 million from the previous consolidated fiscal year-end).

- Shareholders' equity: a decrease of ¥1,520 million due to dividends paid and acquisition of treasury stock, etc.
- Accumulated other comprehensive income: an increase of ¥4,532 million due to an increase in foreign currency translation adjustments, etc.

(ii) Cash flows

Consolidated cash and cash equivalents increased by ¥1,348 million from the previous fiscal year-end, to a total of ¥52,997 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:

Net cash provided by operating activities totaled ¥12,773 million (an increase in income of ¥2,406 million year-on-year).

• Main income factors:

Posting of income before income taxes amounting to ¥10,872 million and posting of depreciation and amortization amounting to ¥5,445 million.

Posting of a decrease in trade notes and accounts receivable and contract assets amounting to ¥2,249 million.

• Main expenditure factors:

Posting of income taxes paid amounting to ¥3,514 million.

Net cash used in investing activities totaled -¥2,305 million (a decrease in cash outflow of ¥2,937 million year-on-year).

• Main income factors:

Posting of proceeds from withdrawal of time deposits amounting to ¥6,837 million.

• Main expenditure factors:

Posting of increase in time deposits amounting to ¥7,131 million and payment for purchase of tangible fixed assets amounting to ¥2,392 million

Payment for acquisition of intangible fixed assets amounting to ¥1,310 million.

Net cash used in financing activities amounted to -¥10,614 million (a decrease in cash outflow of ¥1,961 million year-on-year).

• Main income factors:

Posting of proceeds from sale and leaseback amounting to ¥1,417 million.

• Main expenditure factors:

Posting of dividends paid amounting to ¥6,887 million and posting of repayments of lease obligations amounting to ¥3,970 million.

Posting of payment for acquisition of treasury stock amounting to ¥1,953 million.

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

Although the second quarter of consolidated fiscal year ended with increases both in sales and operating profit compared to the same period of the previous year, we recognize that business conditions remain uncertain due to the inflation-induced increases in the cost of materials and labor costs in North America and Europe, and the changes in the business environment in countries with recessionary concerns and heightened geopolitical risks, etc.

Accordingly, we decided not to revise the full-year earnings forecast for the fiscal year 2024, which were announced on April 25, 2024. However, if the business environment changes and there is an impact on our business performance, we will review the numerical plan and disclose it in a timely manner.

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

Amano Corporation places the great importance on our policy of paying dividends to shareholders. Our fundamental policy to return profits to shareholders is to continue to make stable ordinary dividend payments, make appropriate performance-based distributions, and buy back shares, as it deems necessary. We aim to maintain a dividend payout ratio of at least 40% on a consolidated basis, a total return ratio of at least 55%, and a net asset dividend rate of at least 2.5%.

In line with this policy, taking into account the current business performance, we plan to pay an interim dividend of ¥50 per share, which an increase of ¥5 per share from the previous forecast announced on April 25, 2024.

2. Consolidated Quarterly Financial Statements and Primary Explanatory Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	FY 2023 (as of March 31, 2024)	FY 2024 (as of September 30, 2024)
Assets		
Current assets		
Cash and bank deposits	62,577	65,158
Notes and accounts receivable—trade and contract assets	36,038	35,243
Marketable securities	2,725	1,348
Merchandise and finished goods	5,672	6,217
Work in process	916	1,233
Raw materials and supplies	8,601	9,485
Other current assets	4,753	7,105
Allowance for doubtful accounts	(393)	(417)
Total current assets	120,892	125,374
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	8,369	8,286
Machinery and vehicles (net)	961	965
Tools, furniture and fixtures (net)	2,689	3,176
Land	5,743	5,771
Lease assets (net)	12,603	13,711
Construction in progress	728	838
Total tangible fixed assets	31,096	32,749
Intangible fixed assets		
Goodwill	1,884	1,798
Software	3,241	3,444
Software in progress	1,421	1,723
Other	2,196	2,321
Total intangible fixed assets	8,742	9,288
Investments and other assets		
Investment securities	16,764	16,666
Claims in bankruptcy and similar claims	471	485
Fixed leasehold deposits	1,872	1,976
Net defined benefit assets	142	137
Deferred tax assets	2,071	2,151
Other	3,007	2,924
Allowance for doubtful accounts	(476)	(490)
Total investments and other assets	23,853	23,851
Total fixed assets	63,693	65,889
Total assets	184,585	191,263

(Millions of yen)

	FY 2023 (as of March 31, 2024)	FY 2024 (as of September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	6,979	7,357
Electronically recorded obligations	6,533	6,155
Short-term bank loans	94	1,022
Lease liabilities	5,407	6,216
Accrued income taxes	4,100	4,419
Accrued bonuses	2,973	2,342
Accrued officers' bonuses	200	-
Other current liabilities	19,001	20,913
Total current liabilities	45,289	48,427
Long-term liabilities		
Lease liabilities	8,356	8,817
Deferred tax liabilities	23	4
Net defined benefit liabilities	1,721	1,571
Provision for stock benefit	407	578
Provision for directors' stock benefit	315	281
Asset retirement obligations	35	35
Other long-term liabilities	332	442
Total long-term liabilities	11,192	11,731
Total liabilities	56,482	60,159
Net assets		
Shareholders' equity		
Common stock	18,239	18,239
Capital surplus	19,293	19,293
Retained earnings	94,510	94,784
Treasury stock	(12,668)	(14,462)
Total shareholders' equity	119,374	117,854
Accumulated other comprehensive income		
Net unrealized gains (losses) on available- for-sale securities	4,740	4,626
Foreign currency translation adjustments	3,253	7,879
Remeasurements of defined benefit plans	231	252
Total accumulated other comprehensive income	8,226	12,758
Non-controlling shareholders' interests	502	491
Total net assets	128,103	131,104
Total liabilities and net assets	184,585	191,263

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

(Millions of yen)

	FY 2023 (April 1, 2023- September 30, 2023)	FY 2024 (April 1, 2024- September 30, 2024)
Net sales	70,163	84,228
Cost of sales	38,523	46,904
Gross profit	31,639	37,323
Selling, general and administrative expenses		
Selling expenses	21,667	25,385
General and administrative expenses	1,959	2,039
Total selling, general and administrative expenses	23,627	27,425
Operating profit	8,012	9,897
Non-operating profit		
Interest income	322	452
Dividend income	121	146
Insurance income	6	25
Foreign exchange gains	82	-
Equity in earnings of affiliates	78	56
Other	187	300
Total non-operating profit	799	981
Non-operating expenses		
Interest expenses	133	159
Loss on foreign exchange	-	95
Other	68	89
Total non-operating expenses	201	344
Ordinary profit	8,609	10,534
Extraordinary income		
Gain on sale of fixed assets	6	7
Gain on sale of investment securities	-	360
Total extraordinary income	6	368
Extraordinary losses		
Loss on disposal of fixed assets	55	21
Loss on sale of fixed assets	35	0
Litigation settlement	-	9
Total extraordinary losses	91	30
Income before income taxes	8,524	10,872
Income taxes	2,907	3,637
Net income	5,617	7,235
Net income attributable to non-controlling shareholders	59	73
Net income attributable to owners of the parent company	5,557	7,161

Consolidated Quarterly Statements of Comprehensive Income

	(Millions of yen)	
	FY 2023 (April 1, 2023- September 30, 2023)	FY 2024 (April 1, 2024- September 30, 2024)
Net income	5,617	7,235
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	1,229	(113)
Foreign currency translation adjustment	3,443	4,650
Remeasurements of defined benefit plans	60	21
Share of other comprehensive income of associates accounted for using equity method	1	(0)
Total other comprehensive income	4,734	4,558
Comprehensive income	10,351	11,793
(Breakdown)		
Comprehensive income attributable to owners of the parent company	10,272	11,694
Comprehensive income attributable to non-controlling shareholders	78	99

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	FY 2023 (April 1, 2023- September 30, 2023)	FY 2024 (April 1, 2024- September 30, 2024)
Cash flows from operating activities		
Income before income taxes	8,524	10,872
Depreciation and amortization	4,855	5,445
Amortization of goodwill	136	241
Increase (decrease) in net defined benefit liabilities	110	(151)
Increase (decrease) in provision for stock benefit	121	183
Increase (decrease) in provision for directors' stock benefit	66	113
Increase (decrease) in allowance for doubtful accounts	(29)	(16)
Interest and dividend revenue	(444)	(599)
Equity in (earnings) losses of affiliates	(78)	(56)
Interest expenses	133	159
Foreign currency translation loss (gain)	(104)	107
Loss (gain) on sale of fixed assets	29	(7)
Loss on disposal of fixed assets	55	21
Loss (gain) on sale of investment securities	-	(360)
(Increase) decrease in trade notes and accounts receivable and contract assets	1,402	2,249
(Increase) decrease in inventories	(1,822)	(682)
Increase (decrease) in trade payables	142	(310)
Increase (decrease) in other current liabilities	1,176	546
Other	(932)	(2,102)
Subtotal	13,344	15,653
Receipts from interest and dividends	598	781
Interest paid	(133)	(159)
Income taxes paid	(3,462)	(3,514)
Income taxes refunded	19	12
Net cash provided by operating activities	10,366	12,773
Cash flows from investing activities		
Payment for acquisition of securities	(1,950)	(450)
Proceeds from redemption of securities	2,100	1,850
Payment for purchase of tangible fixed assets	(1,605)	(2,392)
Proceeds from sale of tangible fixed assets	127	31
Payment for acquisition of intangible fixed assets	(1,155)	(1,310)
Payment for acquisition of investment securities	(303)	(503)
Proceeds from sale of investment securities	-	549
Payment for acquisition of subsidiary shares involving change to the scope of consolidation	(1,136)	-
Increase in time deposits	(8,380)	(7,131)
Proceeds from withdrawal of time deposits	7,191	6,837
Other	(130)	212
Net cash used in investing activities	(5,242)	(2,305)

(Millions of yen)

	FY 2023 (April 1, 2023- September 30, 2023)	FY 2024 (April 1, 2024- September 30, 2024)
Cash flows from financing activities		
Increase in short-term loans payable	-	908
Repayment for short-term bank loans	-	(17)
Payment for acquisition of treasury stock	(3,716)	(1,953)
Repayments of lease liabilities	(3,475)	(3,970)
Proceeds from sale and leaseback	1,005	1,417
Dividends paid	(5,863)	(6,887)
Payment of dividends to non-controlling shareholders	(526)	(110)
Cash flows from financing activities	(12,575)	(10,614)
Effect of exchange rate changes on cash and cash equivalents	1,328	1,495
Net increase (decrease) in cash and cash equivalents	(6,123)	1,348
Cash and cash equivalents at the beginning of the year	55,084	51,648
Cash and cash equivalents at end of period	48,961	52,997

(4) Notes on Quarterly Consolidated Financial Statements

Notes Regarding the Premise of a Going Concern

None

Notes on Significant Changes in Shareholders' Equity

Based on the resolution of the Board of Directors Meeting held on April 25, 2024, Amano Corporation has acquired 495,700 shares of treasury stock. As a result, treasury stock increased by ¥1,794 million in the second quarter of consolidated fiscal year, including an increase due to the purchase of shares less than one unit, and reached ¥14,462 million at the end of the same period.

The 734,681 shares held by Amano Corporation as trust property of the Director's Compensation BIP Trust and Employee Stock Ownership Plan (J-ESOP) are included in the balance of treasury shares at the end of the second quarter consolidated accounting period.

Notes on 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 the 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.

Additional information

Directors' Compensation BIP Trust and Employee Stock Ownership Plan (J-ESOP)

In Amano Corporation and some of our subsidiaries, for the purpose of enhancing the motivation to contribute to the improvement of medium- to long-term business performance and to increase corporate value, we have adopted the Directors' Compensation BIP Trust system for directors (excluding outside directors and expatriates) and operating officers (excluding expatriates). We have also adopted the Employee Stock Ownership Plan (J-ESOP) system for employees who meet the prescribed requirements.

[1] Outline of the system

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

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

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

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

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

Book value of the treasury stock and the number of shares

As of the end of the second quarter of the current fiscal year ¥2,108 million, 734,681 shares

Notes on Segment Information

[Segment Information]

I. Second Quarter of fiscal year 2023 (April 1, 2023 to September 30, 2023)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	52,535	17,628	70,163	—	70,163
Intersegment	—	—	—	—	—
Total	52,535	17,628	70,163	—	70,163
Segment profit (loss)	7,596	2,275	9,871	(1,859)	8,012

Notes: 1. The -¥1,859 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 statement of income.

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

Omitted due to lack of importance

II. Second Quarter of fiscal year 2024 (April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reporting segments			Adjustments (Note 1)	Amounts reported in consolidated financial statements (Note 2)
	Time Information System business	Environment System business	Total		
Net sales					
To customers	65,054	19,173	84,228	—	84,228
Intersegment	—	—	—	—	—
Total	65,054	19,173	84,228	—	84,228
Segment profit (loss)	9,782	2,124	11,907	(2,009)	9,897

Notes: 1. The -¥2,009 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 statement of income.

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

None

Significant Subsequent Events

None