

Second Quarter Report for FY 2014




(Fiscal Year ending March 2015)

Details of Business Results

AMANO CORPORATION (Ticker: 6436)

November 7, 2014

Contact: Corporate Planning Unit,
Corporate Planning Division
TEL: +81(0)45-439-1591
Web site: <http://www.amano.co.jp/>

-  **FY 2014: Second Quarter Report** P.3
-  **The New Medium-term Business Plan** P.20
Challenge to a New Stage
-  **Business Forecast for FY2014** P.27

The prospect of operating performance or forecast compiled by Amano is based on the current information available, and it includes potential risks or uncertainties. Please note that actual operating performance may change substantially from what is described here as a result of various changing factors.

FY 2014: Second Quarter Report

(Fiscal Year ending March 2015)

FY 2014: 2nd Quarter Accumulated Results (FY end March 2015)



◆ Consolidated

(In million yen)

| | Disclosed plan | | | Half ended September 30, 2014 | | Half ended September 30, 2013 | | Change | | Change over plan | |
|-----------------------|----------------|-------|-----------|----------------------------------|-------|----------------------------------|-------|--------|-------|------------------|------|
| | Amount | % | Change(%) | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 51,500 | 100.0 | 11.0 | 49,385 | 100.0 | 46,399 | 100.0 | 2,985 | 6.4 | -2,115 | 95.9 |
| Gross profit | 22,400 | 43.5 | 9.2 | 21,492 | 43.5 | 20,512 | 44.2 | 980 | 4.8 | -908 | 95.9 |
| SG&A | 19,300 | 37.5 | 10.8 | 19,132 | 38.7 | 17,413 | 37.5 | 1,719 | 9.9 | -168 | 99.1 |
| Operating profit | 3,100 | 6.0 | 0.1 | 2,359 | 4.8 | 3,098 | 6.7 | -738 | -23.8 | -741 | 76.1 |
| Non-operating income | 385 | 0.7 | 4.1 | 408 | 0.8 | 370 | 0.8 | 37 | 10.2 | 23 | |
| Non-operating expense | 75 | 0.1 | 11.9 | 54 | 0.1 | 67 | 0.2 | -12 | -18.8 | -21 | |
| Ordinary profit | 3,410 | 6.6 | 0.3 | 2,712 | 5.5 | 3,401 | 7.3 | -688 | -20.2 | -698 | 79.6 |
| Extraordinary profit | 900 | | | 2 | | 11 | | -9 | -81.8 | -898 | |
| Extraordinary loss | 80 | | | 40 | | 30 | | 10 | | -40 | |
| Net income | 2,700 | 5.2 | 42.6 | 1,422 | 2.9 | 1,893 | 4.1 | -471 | -24.9 | -1,278 | 52.7 |

* FX Rates: (Quarterly Average)

| | | | | | |
|-------|--------|-------|--------|-------|--------|
| US \$ | 100.00 | US \$ | 102.21 | US \$ | 95.89 |
| EUR | 137.00 | EUR | 139.81 | EUR | 125.76 |

■ Consolidated performance (Year-on-year)

1. Sales: Up ¥2,985Mil (up 6.4%)

- Time Information Segment: Up ¥1,780Mil (Up 5.2%)
Incl: Information Systems: Up ¥300Mil (Up 2.9%)
Incl: Parking Systems: Up ¥1,430Mil (Up 6.5%)
- Environmental Segment: Up ¥1,200Mil (Up 10.1%)
Incl: Environmental Systems: Down ¥640Mil (Up 8.0%)

2. Gross Profit: Up ¥980Mil (Up 4.8%)

- Gross Profit Ratio: 43.5% Down 0.7%
- Time Information Segment: Down 0.8%
- Environmental Segment: Up 0.0%

3. SG&A: Down ¥1,719Mil (Up 9.9%)

- Labor Cost: Up ¥1,130Mil (Up 10.4%)
- Other Costs: Up ¥580Mil (Up 9.0%)

4. Operating Profit: Up ¥738Mil (Down 23.8%)

- Time Information Segment: Up ¥2,890Mil (Dn 880Mil)
- Environmental Segment: Up ¥930Mil (Up 170Mil)
- Company-wide Expense: Down ¥1,460Mil (Dn 20Mil)

◆ Unconsolidated

(In million yen)

| | Disclosed plan | | | Half ended September 30, 2014 | | Half ended September 30, 2013 | | Change | | Change over plan | |
|-----------------------|----------------|-------|-----------|----------------------------------|-------|----------------------------------|-------|--------|-------|------------------|-------|
| | Amount | % | Change(%) | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 31,000 | 100.0 | 8.4 | 29,514 | 100.0 | 28,597 | 100.0 | 917 | 3.2 | -1,486 | 95.2 |
| Gross profit | 12,300 | 39.7 | 7.4 | 11,693 | 39.6 | 11,455 | 40.1 | 237 | 2.1 | -607 | 95.1 |
| SG&A | 10,000 | 32.3 | 7.5 | 10,076 | 34.1 | 9,305 | 32.5 | 771 | 8.3 | 76 | 100.8 |
| Operating profit | 2,300 | 7.4 | 7.0 | 1,616 | 5.5 | 2,150 | 7.5 | -533 | -24.8 | -684 | 70.3 |
| Non-operating income | 630 | 2.0 | -3.5 | 763 | 2.6 | 653 | 2.3 | 109 | 16.8 | 133 | |
| Non-operating expense | 30 | 0.1 | -31.8 | 27 | 0.1 | 44 | 0.2 | -16 | -36.9 | -3 | |
| Ordinary profit | 2,900 | 9.4 | 5.1 | 2,351 | 8.0 | 2,759 | 9.7 | -407 | -14.8 | -549 | 81.1 |
| Extraordinary profit | 0 | | | 0 | | 0 | | 0 | | 0 | |
| Extraordinary loss | 0 | | | 23 | | 30 | | -7 | -23.3 | 23 | |
| Net income | 1,800 | 5.8 | 3.9 | 1,499 | 5.1 | 1,733 | 6.1 | -234 | -13.5 | -301 | 83.3 |

FY 2014: 2nd Quarter Accumulated Results (FY end March 2015)

Sales by business division



◆ Consolidated

(In million yen)

| Business division | Disclosed plan | | | Half ended September 30, 2014 | | Half ended September 30, 2013 | | Change | | Change over plan | |
|---------------------------------|----------------|-------|---------|----------------------------------|-------|----------------------------------|-------|--------|------|------------------|-------|
| | Amount | % | Change% | Amount | % | Amount | % | Amount | % | Amount | % |
| Information Systems | 11,600 | 22.5 | 11.1 | 10,750 | 21.7 | 10,444 | 22.5 | 306 | 2.9 | -850 | 92.7 |
| Time Management Products | 1,900 | 3.7 | -0.8 | 1,957 | 4.0 | 1,916 | 4.1 | 40 | 2.1 | 57 | 103.0 |
| Parking Systems | 24,000 | 46.6 | 8.5 | 23,551 | 47.7 | 22,114 | 47.7 | 1,437 | 6.5 | -449 | 98.1 |
| Total: Time Information Segment | 37,500 | 72.8 | 8.8 | 36,260 | 73.4 | 34,476 | 74.3 | 1,784 | 5.2 | -1,240 | 96.7 |
| Environmental Systems | 9,200 | 17.9 | 13.8 | 8,732 | 17.7 | 8,087 | 17.4 | 645 | 8.0 | -468 | 94.9 |
| Clean Systems | 4,800 | 9.3 | 25.1 | 4,392 | 8.9 | 3,836 | 8.3 | 555 | 14.5 | -408 | 91.5 |
| Total: Environmental Segment | 14,000 | 27.2 | 17.4 | 13,124 | 26.6 | 11,923 | 25.7 | 1,200 | 10.1 | -876 | 93.7 |
| Grand total | 51,500 | 100.0 | 11.0 | 49,385 | 100.0 | 46,399 | 100.0 | 2,985 | 6.4 | -2,115 | 95.9 |

◆ Unconsolidated

(In million yen)

| Business division | Disclosed plan | | | Half ended September 30, 2014 | | Half ended September 30, 2013 | | Change | | Change over plan | |
|---------------------------------|----------------|-------|---------|----------------------------------|-------|----------------------------------|-------|--------|------|------------------|-------|
| | Amount | % | Change% | Amount | % | Amount | % | Amount | % | Amount | % |
| Information Systems | 6,000 | 19.4 | 5.1 | 5,866 | 19.9 | 5,710 | 20.0 | 156 | 2.7 | -134 | 97.8 |
| Time Management Products | 1,400 | 4.5 | -2.6 | 1,486 | 5.0 | 1,438 | 5.0 | 48 | 3.4 | 86 | 106.1 |
| Parking Systems | 13,300 | 42.9 | 9.1 | 12,597 | 42.7 | 12,193 | 42.6 | 404 | 3.3 | -703 | 94.7 |
| Total: Time Information Segment | 20,700 | 66.8 | 7.0 | 19,951 | 67.6 | 19,342 | 67.6 | 609 | 3.1 | -749 | 96.4 |
| Environmental Systems | 7,600 | 24.5 | 11.7 | 7,190 | 24.4 | 6,804 | 23.8 | 385 | 5.7 | -410 | 94.6 |
| Clean Systems | 2,700 | 8.7 | 10.2 | 2,372 | 8.0 | 2,450 | 8.6 | -77 | -3.2 | -328 | 87.9 |
| Total: Environmental Segment | 10,300 | 33.2 | 11.3 | 9,563 | 32.4 | 9,255 | 32.4 | 308 | 3.3 | -737 | 92.8 |
| Grand total | 31,000 | 100.0 | 8.4 | 29,514 | 100.0 | 28,597 | 100.0 | 917 | 3.2 | -1,486 | 95.2 |

FY 2014: Consolidated performance by quarter

(FY end March 2015)



◆ Quarterly Financials

(In million yen)

| | First quarter | | Second quarter | | First half | |
|-----------------------|---------------|-------|----------------|-------|------------|-------|
| | Amount | % | Amount | % | Amount | % |
| Net sales | 22,265 | 100.0 | 27,119 | 100.0 | 49,385 | 100.0 |
| Gross profit | 9,928 | 44.6 | 11,564 | 42.6 | 21,492 | 43.5 |
| SG&A | 9,373 | 42.1 | 9,758 | 36.0 | 19,132 | 38.7 |
| Operating profit | 554 | 2.5 | 1,805 | 6.7 | 2,359 | 4.8 |
| Non-operating income | 145 | 0.7 | 263 | 1.0 | 408 | 0.8 |
| Non-operating expense | 100 | 0.5 | -45 | -0.2 | 54 | 0.1 |
| Ordinary profit | 599 | 2.7 | 2,113 | 7.8 | 2,712 | 5.5 |
| Extraordinary profit | 0 | | 1 | | 2 | |
| Extraordinary loss | 14 | | 26 | | 40 | |
| Net income | 194 | 0.9 | 1,227 | 4.5 | 1,422 | 2.9 |

*Exchange rate: US \$ 102.56 US \$ 101.85 US \$ 102.21
 EUR 140.23 EUR 139.39 EUR 139.81

◆ Quarterly Sales

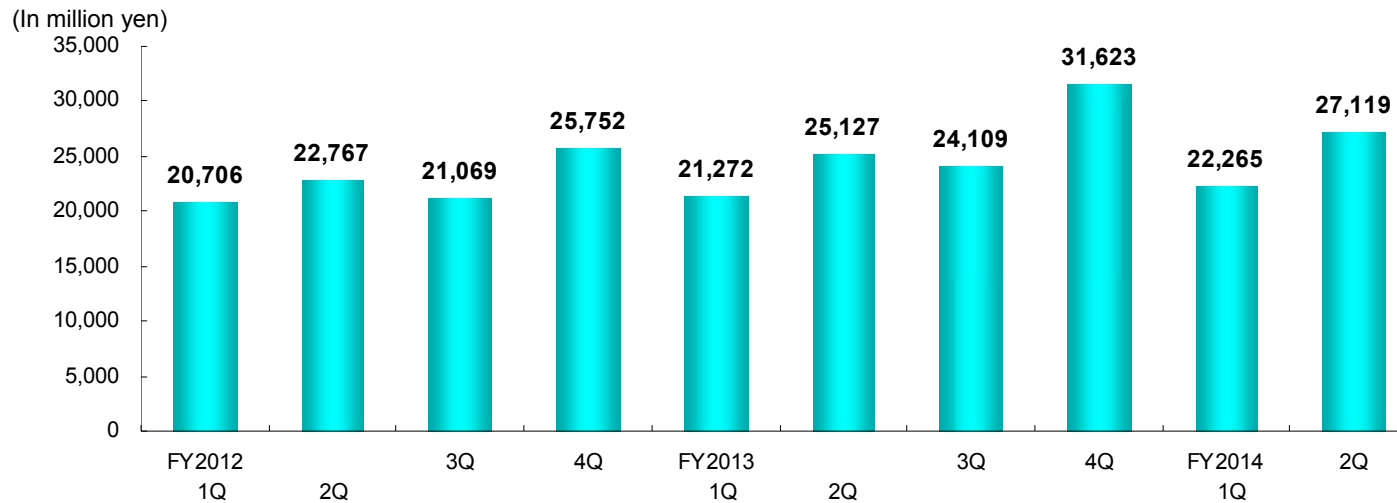
(In million yen)

| Business division | First quarter | | Second quarter | | First half | |
|---------------------------------|---------------|-------|----------------|-------|------------|-------|
| | Amount | % | Amount | % | Amount | % |
| Information Systems | 4,784 | 21.5 | 5,966 | 22.0 | 10,750 | 21.7 |
| Time Management Products | 955 | 4.3 | 1,002 | 3.7 | 1,957 | 4.0 |
| Parking Systems | 10,917 | 49.0 | 12,634 | 46.6 | 23,551 | 47.7 |
| Total: Time Information Segment | 16,656 | 74.8 | 19,603 | 72.3 | 36,260 | 73.4 |
| Environmental Systems | 3,750 | 16.8 | 4,982 | 18.4 | 8,732 | 17.7 |
| Clean Systems | 1,858 | 8.4 | 2,534 | 9.3 | 4,392 | 8.9 |
| Total: Environmental Segment | 5,608 | 25.2 | 7,516 | 27.7 | 13,124 | 26.6 |
| Grand total | 22,265 | 100.0 | 27,119 | 100.0 | 49,385 | 100.0 |

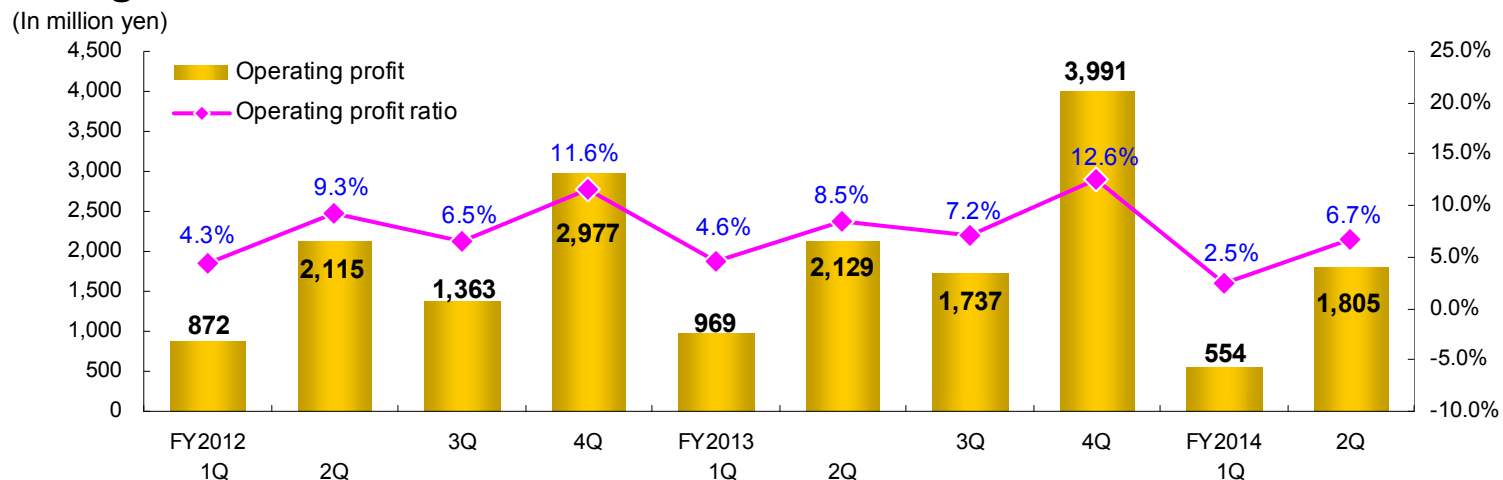
Consolidated Sales & Operating Profit (Quarterly)



■ Sales



■ Operating Profit



Sales & Operating Profit by Business Segment

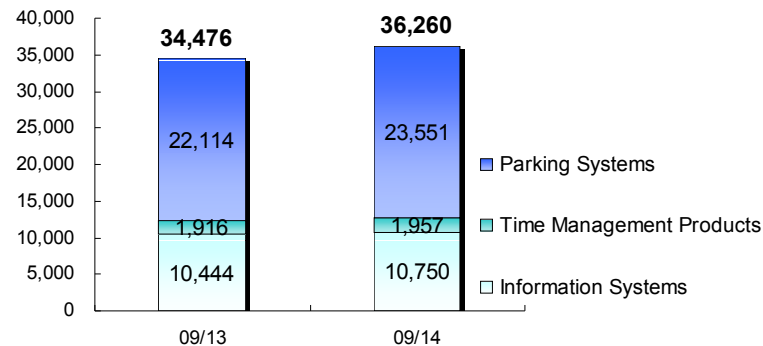


(In million yen)

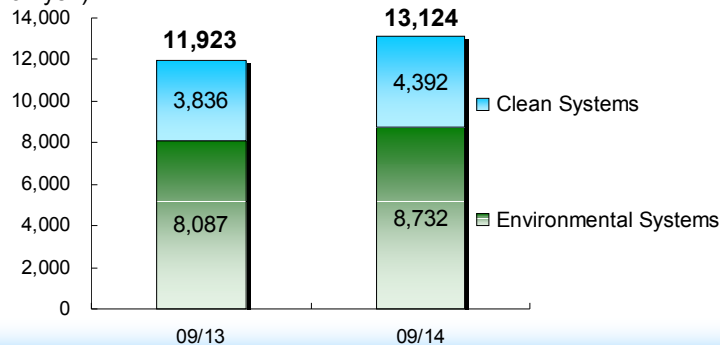
| | Half ended September 30, 2014 | | | Half ended September 30, 2013 | | | Change | | | |
|--------------------------|----------------------------------|------------------|------------|----------------------------------|------------------|------------|--------------|------------|------------------|--------------|
| | Sales | Operating profit | % | Sales | Operating profit | % | Sales | % | Operating profit | % |
| Time Information Segment | 36,260 | 2,891 | 8.0 | 34,476 | 3,776 | 11.0 | 1,784 | 5.2 | -885 | -23.4 |
| Environmental Segment | 13,124 | 937 | 7.1 | 11,923 | 761 | 6.4 | 1,200 | 10.1 | 176 | 23.1 |
| Company-wide Expenses | | -1,469 | | | -1,439 | | | | -29 | |
| Total | 49,385 | 2,359 | 4.8 | 46,399 | 3,098 | 6.7 | 2,985 | 6.4 | -738 | -23.8 |

< Sales >

(In million yen) ● **Time Information Segment** Up 5.2% Y-O-Y

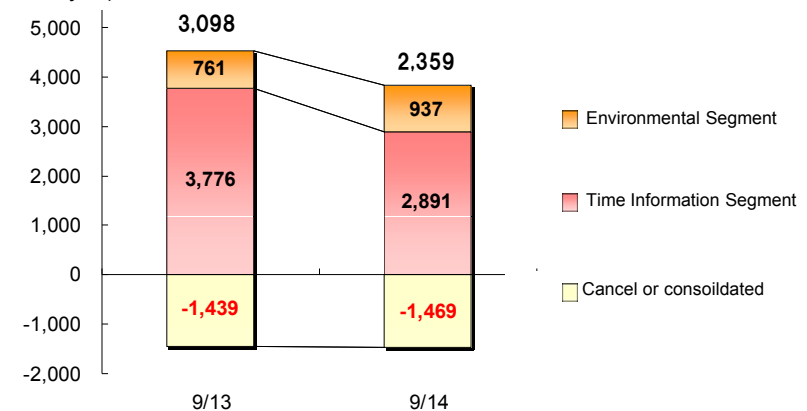


(In million yen) ● **Environmental Segment** Up 10.1% Y-O-Y



< Operating profit >

(In million yen)



● **Time Information Segment** Down 23.4% Y-O-Y

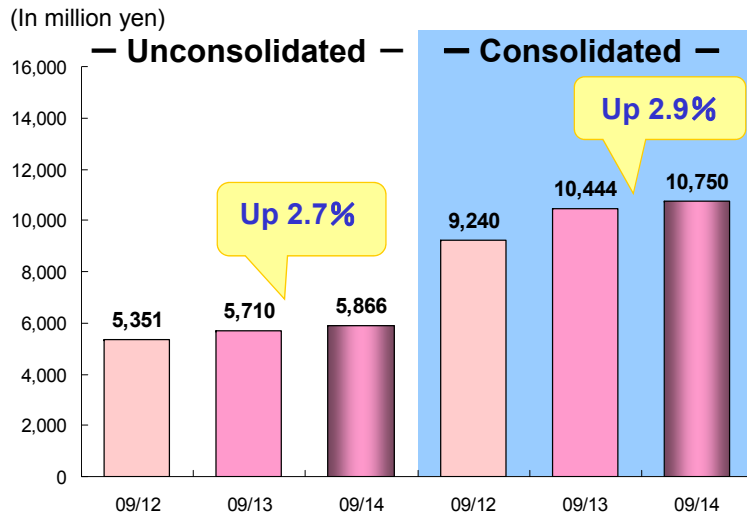
● **Environmental Segment** Up 23.1% Y-O-Y

Environmental Systems Up JPY 640Mil

Performance by Business Division

※ Domestic; Firm, Overseas; Revenue Growth

<Sales (Y-O-Y)>



Domestic

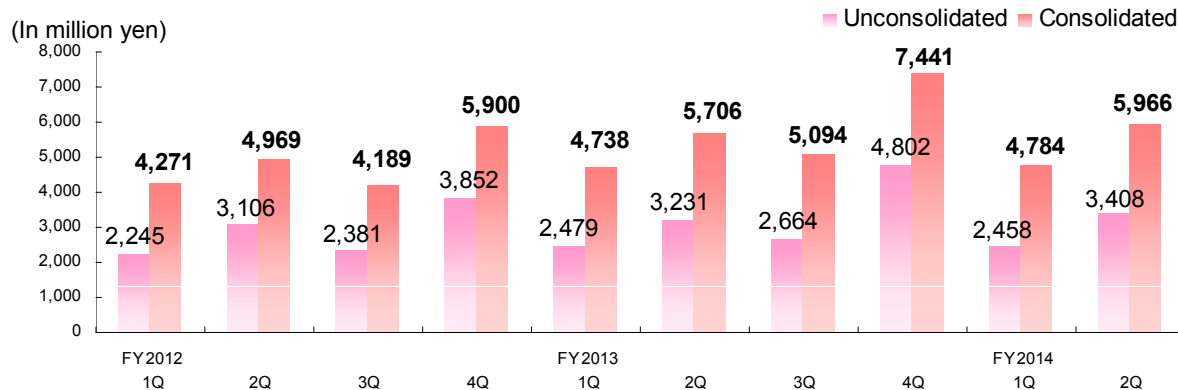


Global

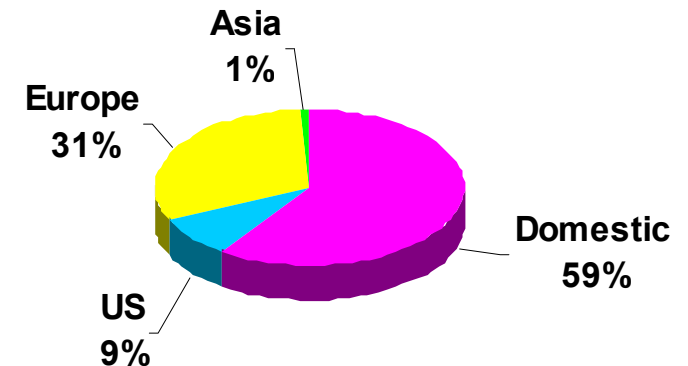


- Demand growing for Information related systems
- Software: Sunset of Windows XP, backlash sales decline post consumption tax hike
- Growth in large scale solutions
- Access sales expand (double digit growth)
- Firm orders for Cloud services
- N. America: Accu-Time Systems Inc. ; Decline
- Europe: Horosmart S.A. ; Increased profits (due to foreign exchange rates)

<Quarterly Sales (FY12.1Q~FY14.2Q)>



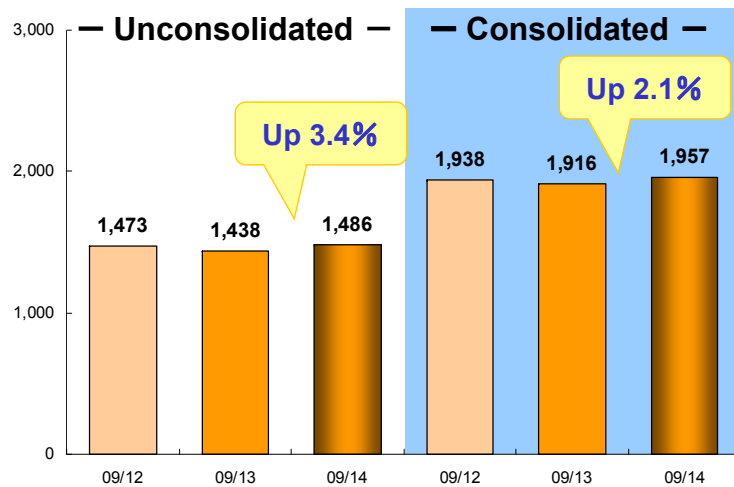
< Sales by Region >



❖ Domestic & Overseas; Revenue Growth

<Sales (Y-O-Y)>

(In million yen)



Domestic

- Demand shifting from standard machines to systems
 - Online sales and mail orders growing
 - Increased membership for TimeP@CK fee-based service
- (※)TimeP@CK: Time recorder equipped with PC compatible aggregation software



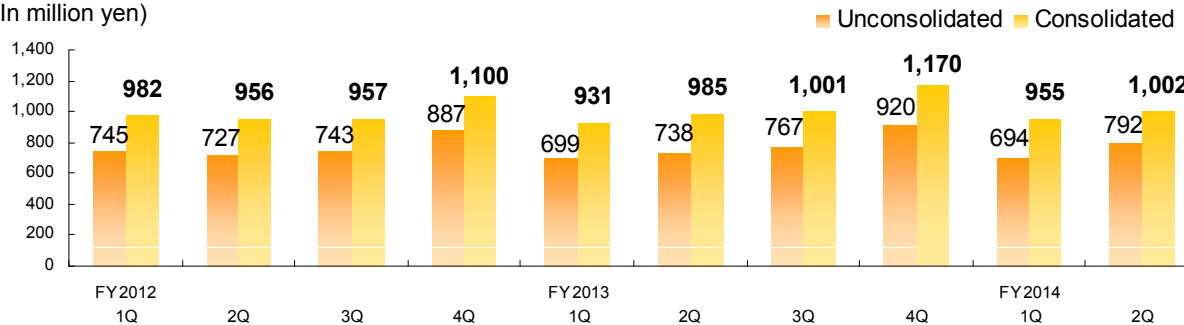
Global

- N. America, Europe
 - Increased competition with low priced products from China and Asia
 - Asia
- Migration towards Information Terminals from Time Recorders

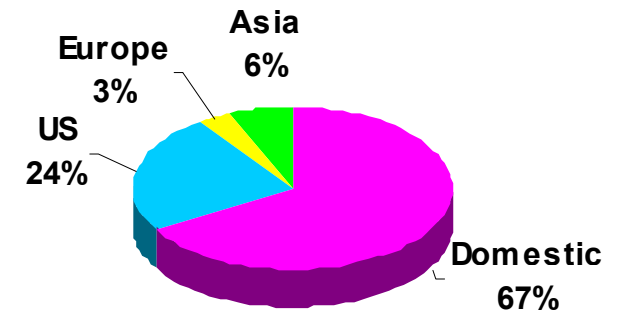


<Quarterly Sales (FY12.1Q~FY14.2Q)>

(In million yen)



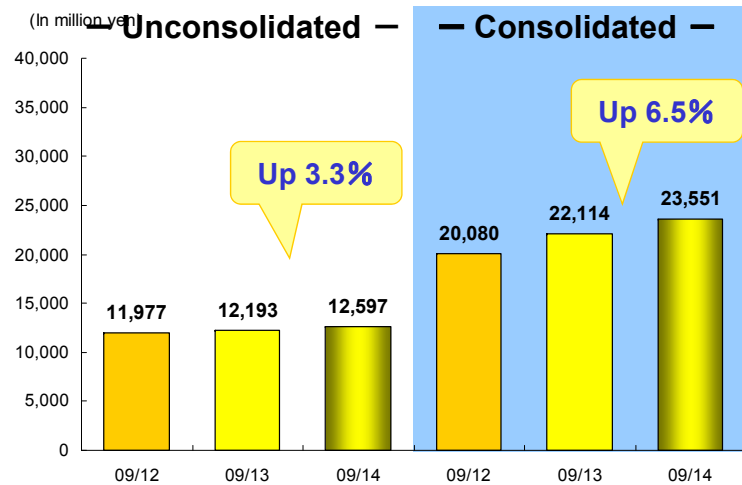
<Sales by Region >



※ Domestic; Firm, Overseas; Revenue Growth

<Sales (Y-O-Y)>

(In million yen)



Domestic



Global

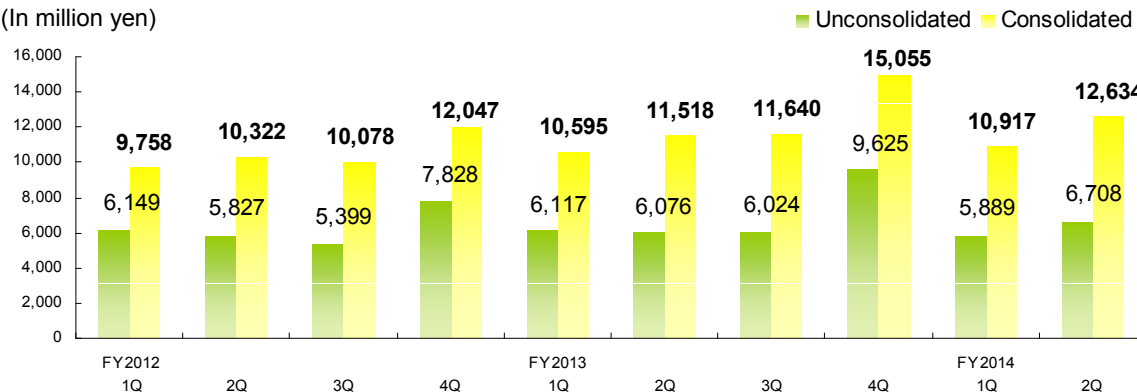


- Growing system projects
- Management services firm
- Increasing contracted sites for parking data center
- Growing orders for bicycle parking and toll roads (double digit growth)

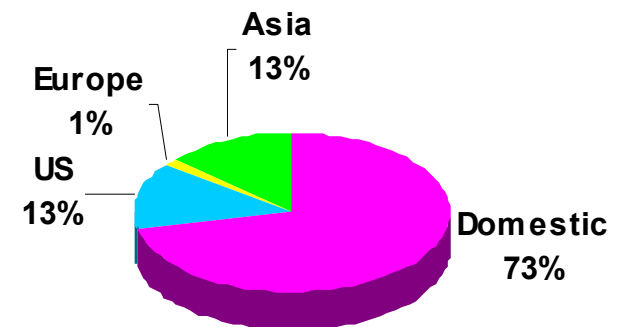
- N. America: Amano McGann Inc. (N. America) Slight reduction
- Europe: Bar code systems: Increased orders for Asia & Oceania
- Korea: Management services: ; Increased profits (due to foreign exchange rates)
- Hong Kong: Management services: Increased sites

<Quarterly Sales (FY12.1Q~FY14.2Q)>

(In million yen)



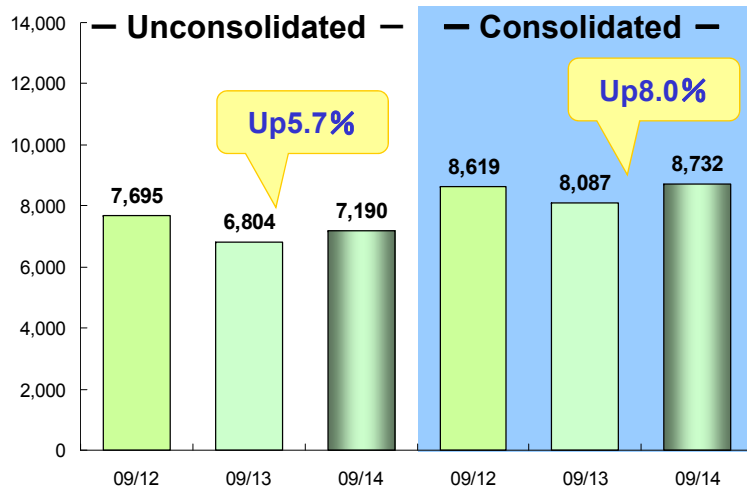
< Sales by Region >



✂ Domestic & Overseas: Strong

<Sales (Y-O-Y)>

(In million yen)



Domestic



Global

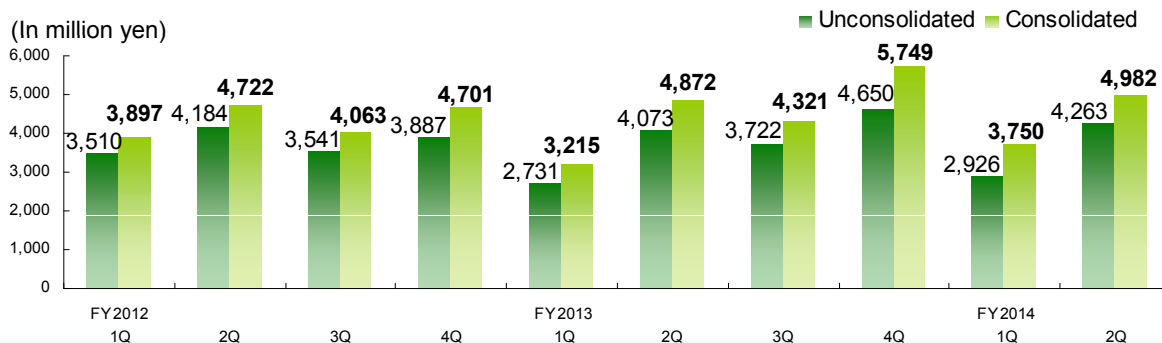


- Standard Dust Collectors: Sales growth
- Orders for large scale systems grew in double digits
- Firm orders from pharmaceutical, food, and cosmetics industries

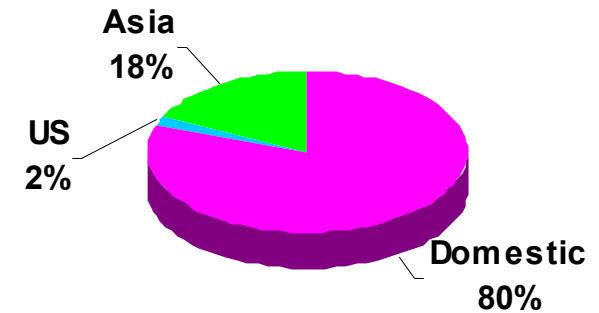
- N. America: Increased CAPEX by Japanese transplants
- Asia: Sales grew for LED business in Korea and Thailand

<Quarterly Sales (FY12.1Q~FY14.2Q)>

(In million yen)



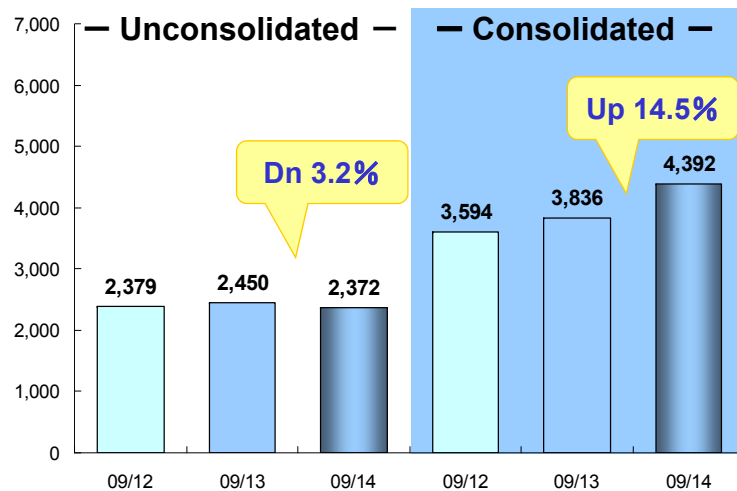
< Sales by Region >



✂ Domestic; Decline, N. America; Firm

<Sales (Y-O-Y)>

(In million yen)



Domestic



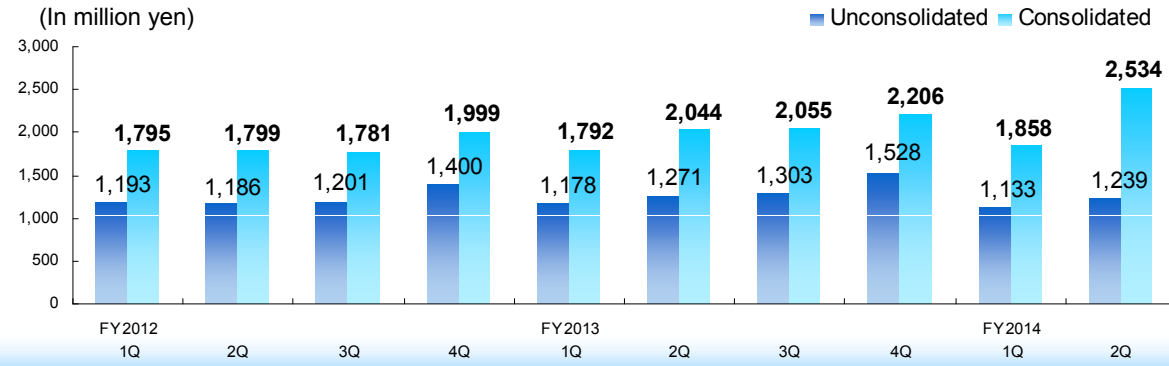
Global



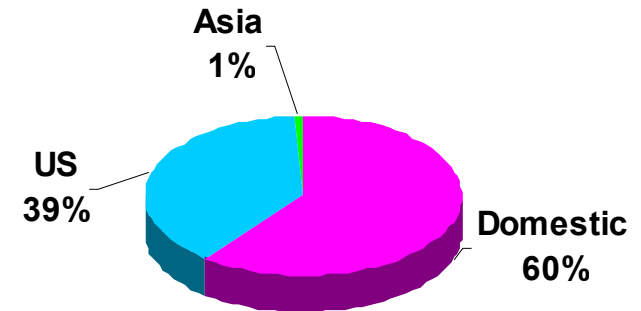
- Backlash sales decline after the consumption tax hike
- Double digit sales growth for factory market
- Demand for polishers grew in double digits
- N. America APEC achieved higher revenues
- The acquired sanding machine business contributed

<Quarterly Sales (FY11.1Q~FY13.2Q)>

(In million yen)



< Sales by Region >



Performance of overseas group companies



Performance by region

*The Financial Year of all overseas subsidiaries is January to December.

(In million yen)

| | FY2012 Second Quarter (Jan - Jun, 2014) | | | FY2011 Second Quarter (Jan - Jun, 2013) | | | Year on Year Change | | | |
|---------------|--|------------------|------|--|------------------|------|---------------------|----|------------------|-------|
| | Sales | Operating profit | % | Sales | Operating profit | % | Sales | % | Operating profit | % |
| North America | 6,476 | -255 | -4.0 | 5,944 | -64 | -1.1 | 531 | 9 | -190 | — |
| Europe | 3,809 | 176 | 4.6 | 3,412 | 219 | 6.4 | 396 | 12 | -43 | -19.6 |
| Asia | 5,060 | 342 | 6.8 | 4,277 | 325 | 7.6 | 783 | 18 | 17 | 5.4 |

*Exchange rate: US \$ 102.21
EUR 139.81

US \$ 95.89
EUR 125.76

*Goodwill Amortization: N. America: JPY192Mil
Europe: JPY174Mil

N. America: JPY167Mil
Europe: JPY157Mil

Consolidated Balance Sheet

AMANO

| CONSOLIDATED B/S | FY2014 2Q 14.9.30 | FY2013 14.3.31 | (In million yen) Change |
|---|----------------------|-------------------|----------------------------|
| Assets | 120,793 | 122,838 | -2,044 |
| Cash & Bank Deposits | 34,185 | 35,014 | -829 |
| Notes and accounts receivable - trade | 24,482 | 28,584 | -4,101 |
| Inventories | 8,546 | 7,119 | 1,427 |
| Deferred Tax Assets | 1,214 | 1,245 | -30 |
| Othe Current Assets | 4,180 | 2,807 | 1,372 |
| Fixed Assets | 48,184 | 48,066 | 117 |
| Liabilities | 36,776 | 39,355 | -2,578 |
| Notes and accounts payable - trade | 11,793 | 12,386 | -592 |
| Other Current Liabilities | 16,610 | 16,590 | 19 |
| Accrued Retirement Benefits for Employees | 8,371 | 10,378 | -2,006 |
| Other Fixed Liabilities | 84,017 | 83,482 | 534 |
| Net Assets | 87,900 | 86,778 | 1,122 |
| Shareholder's Equity | -4,325 | -3,718 | -607 |
| Valuation & Conversion Adjustments | 0 | 422 | -422 |
| Minority Interests in Consolidated subsidiaries | 120,793 | 122,838 | -2,044 |

Consolidated Statements of Cash Flows

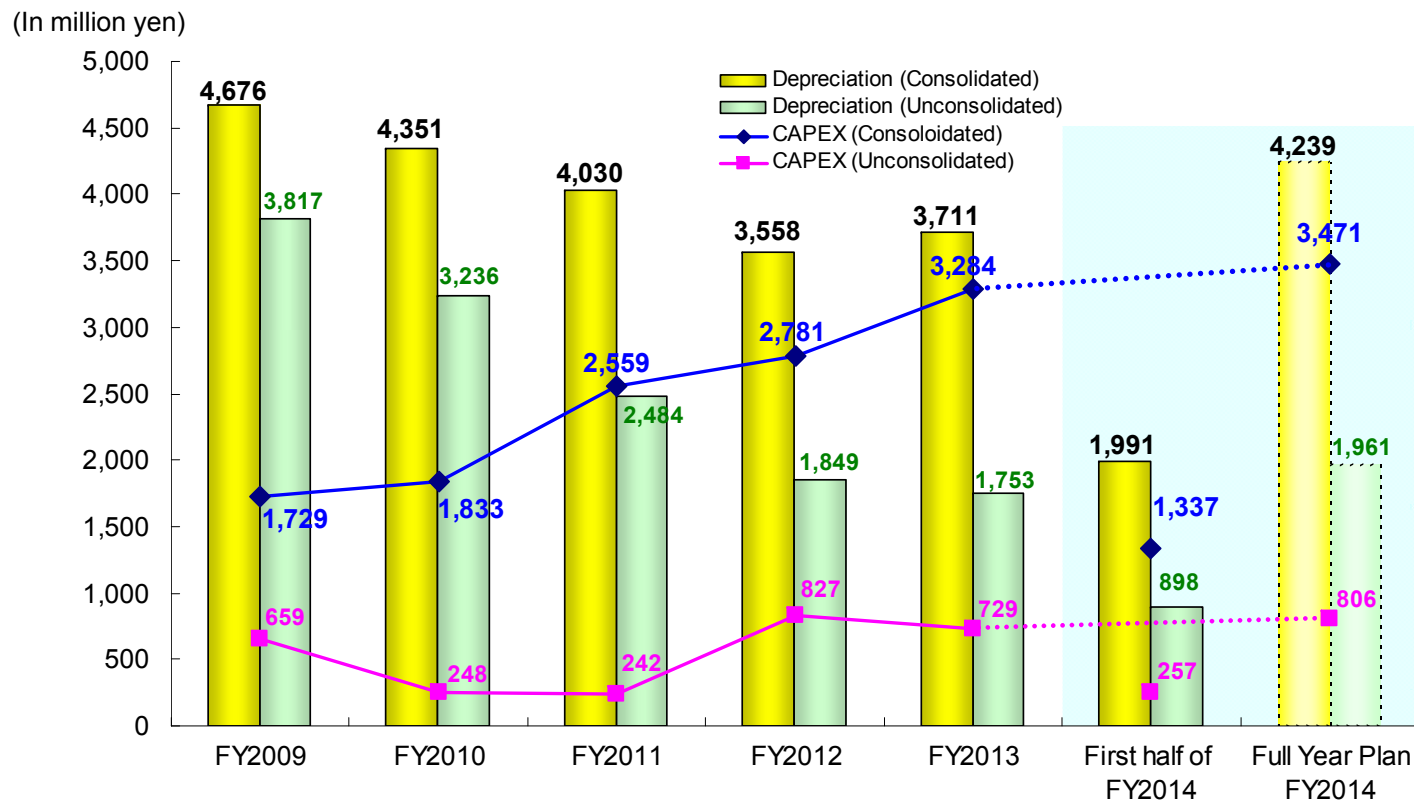
AMANO

| Consolidated Cash Flows (CF) | FY2014 2Q 14.9.30 | FY2013 2Q 13.9.30 | (In million yen) Change |
|---|----------------------|----------------------|----------------------------|
| CF from Operating Activities | 4,636 | 6,345 | -1,709 |
| CF from Investing Activities | -4,866 | -3,894 | -971 |
| FCF | -230 | 2,450 | -2,681 |
| CF from Financial Activities | -1,685 | 313 | -1,999 |
| Net Increase (decrease) in Cash & Equivalents | -2,058 | 3,217 | -5,276 |
| Cash & Cash Equivalents at End of Year | 29,718 | 29,805 | -86 |
| CAPEX | 1,337 | 1,590 | -252 |
| Depreciation | 1,991 | 1,714 | 276 |

CAPEX & Depreciation

(in million yen)

| | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | First half of FY2014 | Full Year Plan FY2014 |
|-------------------------------|--------|--------|--------|--------|--------|----------------------|-----------------------|
| CAPEX (Consolidated) | 1,729 | 1,833 | 2,559 | 2,781 | 3,284 | 1,337 | 3,471 |
| CAPEX (Unconsolidated) | 659 | 248 | 242 | 827 | 729 | 257 | 806 |
| Depreciation (Consolidated) | 4,676 | 4,351 | 4,030 | 3,558 | 3,711 | 1,991 | 4,239 |
| Depreciation (Unconsolidated) | 3,817 | 3,236 | 2,484 | 1,849 | 1,753 | 898 | 1,961 |





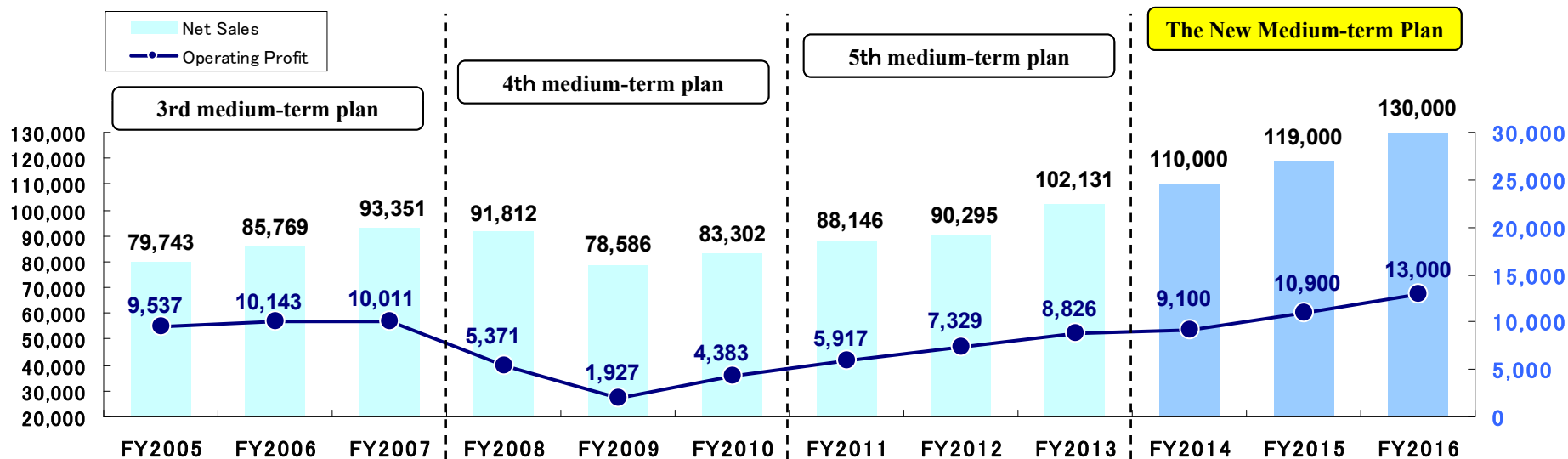
The New Medium-Term Business Plan
(FY2014-FY2017)

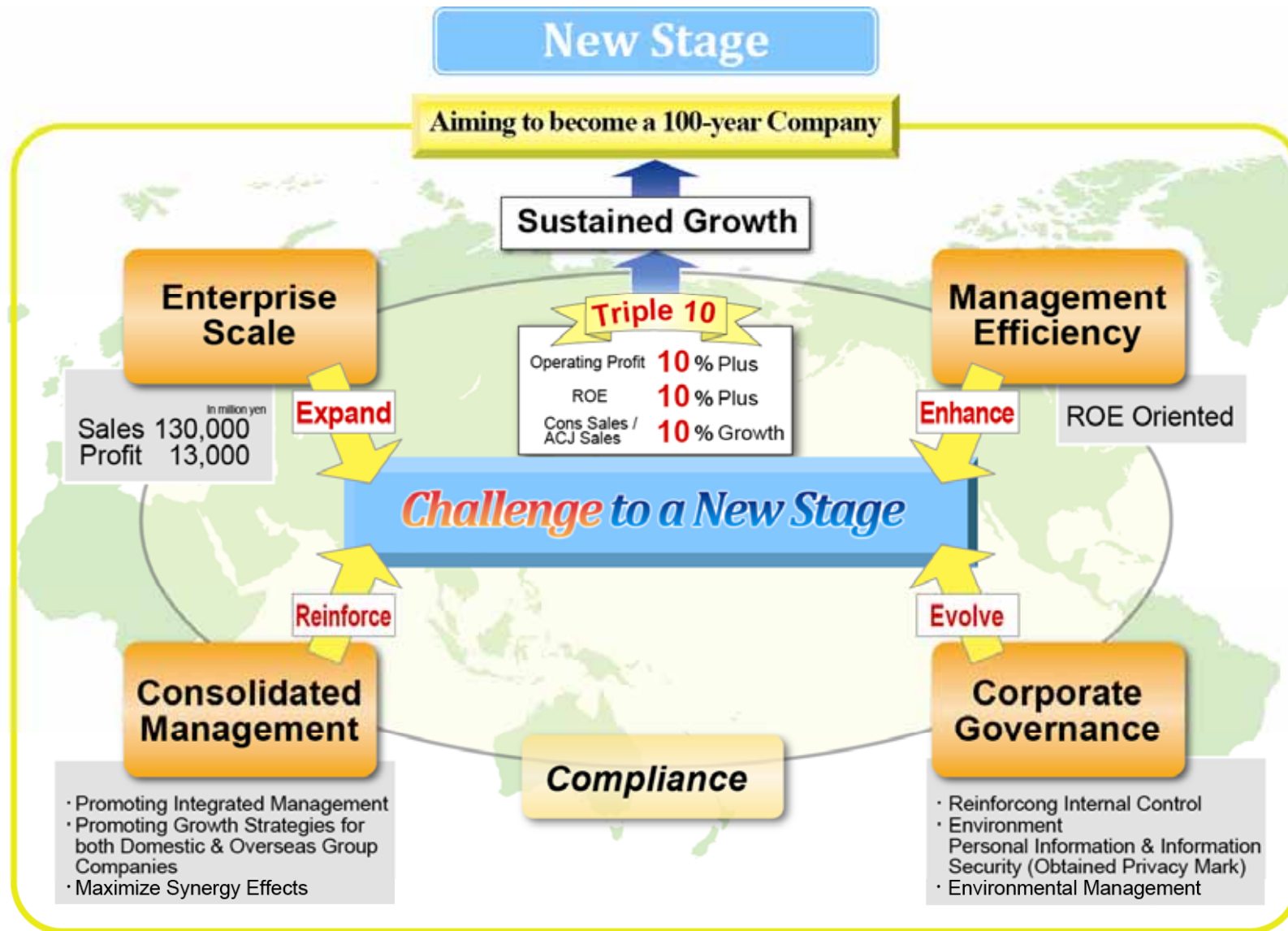
Challenge to a New Stage

Roadmap of the Medium-term Business Plan



| FY2005 | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|--|--------|--------|---|--------|--------|--|--------|--------|--|--------|--------|
| 3rd medium-term plan | | | 4th medium-term plan | | | 5th medium-term plan | | | The New Medium-term Plan | | |
| For additional growth | | | Global Growth Strategy | | | To become a 100-year Company | | | Challenge to aNew Stage | | |
| FY2007 For ¥90Billion Sales and over 13% Operating Profit | | | FY2010 Net Sales: over ¥114bn Ordinary Profit: over ¥12.7bn | | | FY2013 Sales: over ¥103Bn Operating Profit: over ¥10Bn | | | FY2016 Sales: over ¥130Bn Operating Profit: over ¥13Bn | | |
| For more profitability and sustainable growth | | | Re-building profit structure & strengthening global strategy | | | Global Niche Top Establishing new businesses | | | Expand Corporate Scale & Establish Growth Drivers | | |



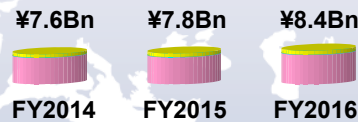


The New Medium-Term Business Plan “Establishing Growth Drivers”



[Europe: Main Initiative]

- Horosmart
Further reinforcement of customer base through T&A, Access, and Cloud
- Accelerated deployment of Bar code Systems
- Deploying commissioned management services



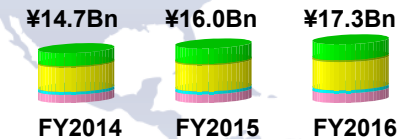
[Asia : Main Initiatives]

- ※ Common Goals: Establish a second core business
- KOREA : Expand parking management services business, Expand LED business
- CHINA : Expand T&A packaged software sales and enhance customer support
- S.E. ASIA : Launch low-end bar code systems
- MALAYSIA, HONG KONG : Expand parking management services
- THAILAND, INDIA : Expand environmental business , pioneer new markets



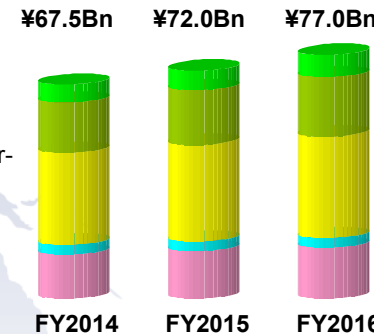
[N.America Domestic : Main Initiatives]

- Amano McGann Inc.
Launch new systems and enhance peripheral services (Vehicle guidance, net solutions etc)
- Accu-Time Systems Inc.
Launch new series of terminals
Deploy cloud services
- Amano Pioneer Eclipse Corp.
Business expansion (sanding machines)
Expand environmental standard machines (expand dealer network)

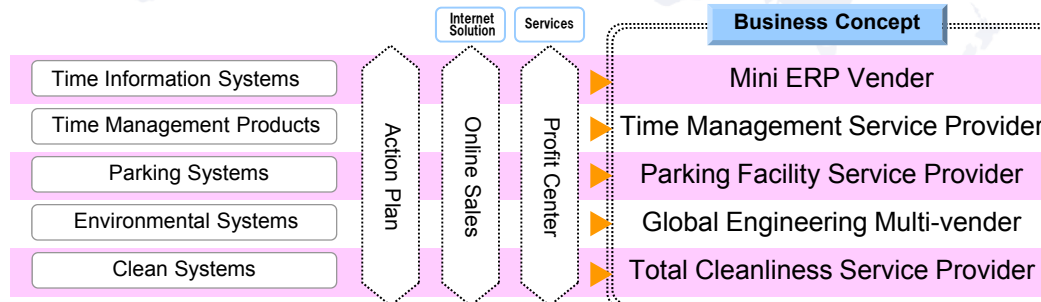


[Domestic: Main Initiatives]

- Expand Sales, Profit, and Customer Base
- From intra-business unit 3in1 proposals to inter-business unit 3in1 proposals
- Enhance collaboration among domestic group companies
Strengthen the ability to offer comprehensive holistic solutions
- Enhance alliance with overseas group companies

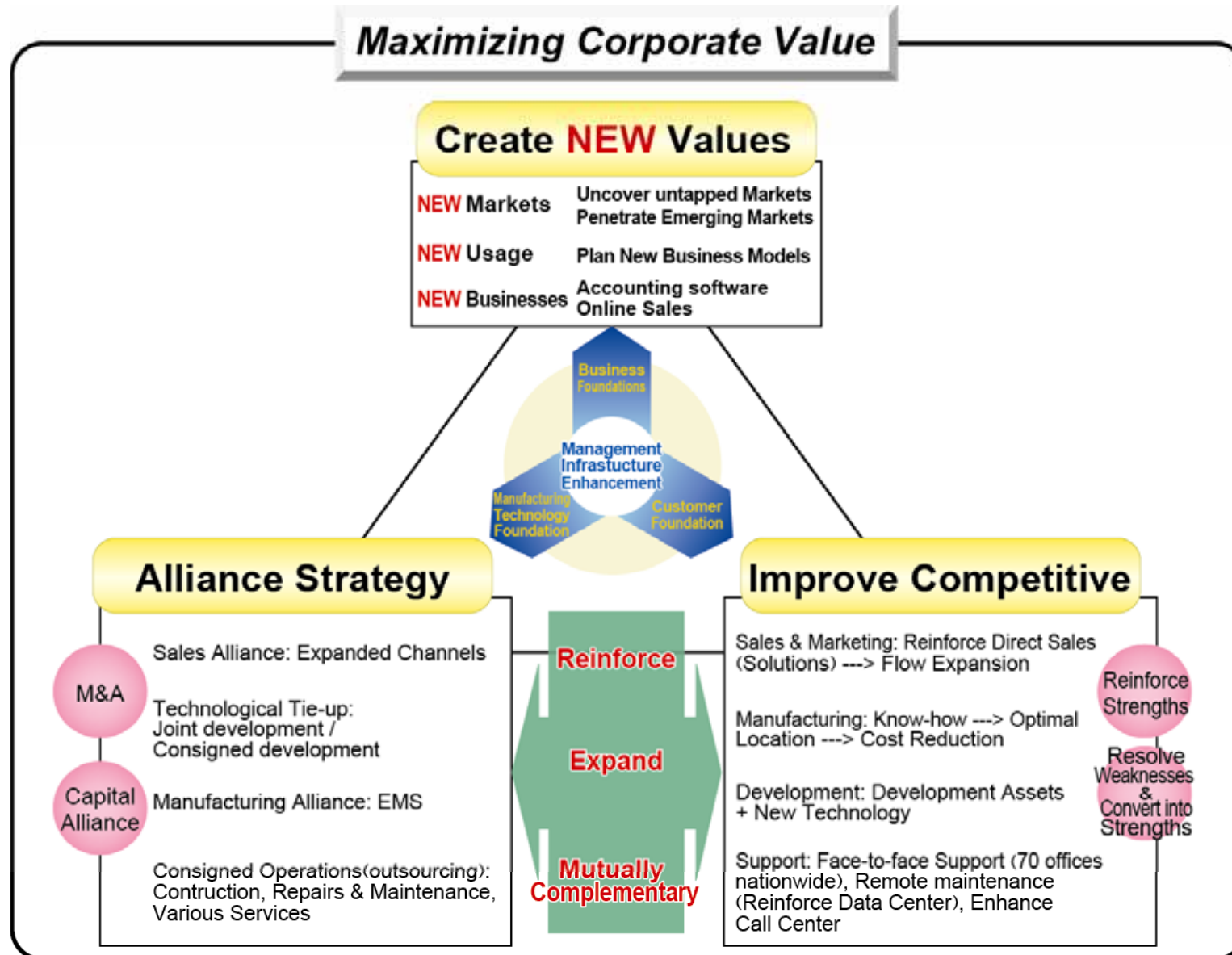


- ← Clean Systems
- ← Environmental Systems
- ← Parking Systems
- ← Time Management Products
- ← Time Information Systems



[Maximizing Corporate Value]
 (Establishing Growth Drivers & Expanding Corporate Scale)

- Create NEW Values
- Alliance Strategy
- Improve Competitive



Numerical Targets for FY2014-FY2016

AMANO

(In million yen)

| | MTBP FY2014 Target | | Revised plan MTBP FY2014 Target | | MTBP FY2015 Target | | MTBP FY2016 Target | | Result of FY2013 | |
|---------------------|--------------------|---------|------------------------------------|---------|--------------------|---------|--------------------|---------|------------------|-----|
| | Amount | Change% | Amount | Change% | Amount | Change% | Amount | Change% | Amount | % |
| Sales | 110,000 | 7.7 | 110,000 | 7.7 | 119,000 | 8.2 | 130,000 | 9.2 | 102,131 | 100 |
| Operating profit | 9,100 | 3.1 | 9,100 | 3.1 | 10,900 | 19.8 | 13,000 | 19.3 | 8,826 | 8.6 |
| Operating profit(%) | 8.3% | | 8.3% | | 9.2% | | 10.0% | | 8.6% | |
| Ordinary profit | 9,700 | 2.9 | 9,700 | 2.9 | 11,600 | 19.6 | 13,600 | 17.2 | 9,423 | 9.2 |
| Net income | 6,300 | 18.9 | 5,500 | 3.8 | 6,900 | 25.5 | 8,300 | 20.3 | 5,299 | 5.2 |

(In million yen)

| Business division | MTBP FY2014 Target | | | Revised plan MTBP FY2014 Target | | | MTBP FY2015 Target | | | MTBP FY2016 Target | | | Result of FY2013 | |
|--------------------------|--------------------|-------|---------|------------------------------------|-------|---------|--------------------|-------|---------|--------------------|-------|---------|------------------|-------|
| | Amount | % | Change% | Amount | % | Change% | Amount | % | Change% | Amount | % | Change% | Amount | % |
| Information Systems | 24,600 | 22.4 | 7.1 | 24,600 | 22.4 | 7.1 | 26,000 | 21.9 | 5.7 | 28,300 | 21.8 | 8.8 | 22,979 | 22.5 |
| Time Management Products | 4,200 | 3.8 | 2.8 | 4,200 | 3.8 | 2.8 | 4,200 | 3.5 | 0.0 | 4,200 | 3.2 | 0.0 | 4,087 | 4.0 |
| Parking Systems | 51,700 | 47.0 | 5.9 | 51,700 | 47.0 | 5.9 | 56,500 | 47.5 | 9.3 | 62,000 | 47.7 | 9.7 | 48,808 | 47.8 |
| Time Information Segment | 80,500 | 73.2 | 6.1 | 80,500 | 73.2 | 6.1 | 86,700 | 72.9 | 7.7 | 94,500 | 72.7 | 9.0 | 75,876 | 74.3 |
| Environmental Systems | 19,500 | 17.7 | 7.4 | 19,500 | 17.7 | 7.4 | 21,100 | 17.7 | 8.2 | 23,300 | 17.9 | 10.4 | 18,157 | 17.8 |
| Clean Systems | 10,000 | 9.1 | 23.5 | 10,000 | 9.1 | 23.5 | 11,200 | 9.4 | 12.0 | 12,200 | 9.4 | 8.9 | 8,097 | 7.9 |
| Environmental Segment | 29,500 | 26.8 | 12.4 | 29,500 | 26.8 | 12.4 | 32,300 | 27.1 | 9.5 | 35,500 | 27.3 | 9.9 | 26,255 | 25.7 |
| Total | 110,000 | 100.0 | 7.7 | 110,000 | 100.0 | 7.7 | 119,000 | 100.0 | 8.2 | 130,000 | 100.0 | 9.2 | 102,131 | 100.0 |

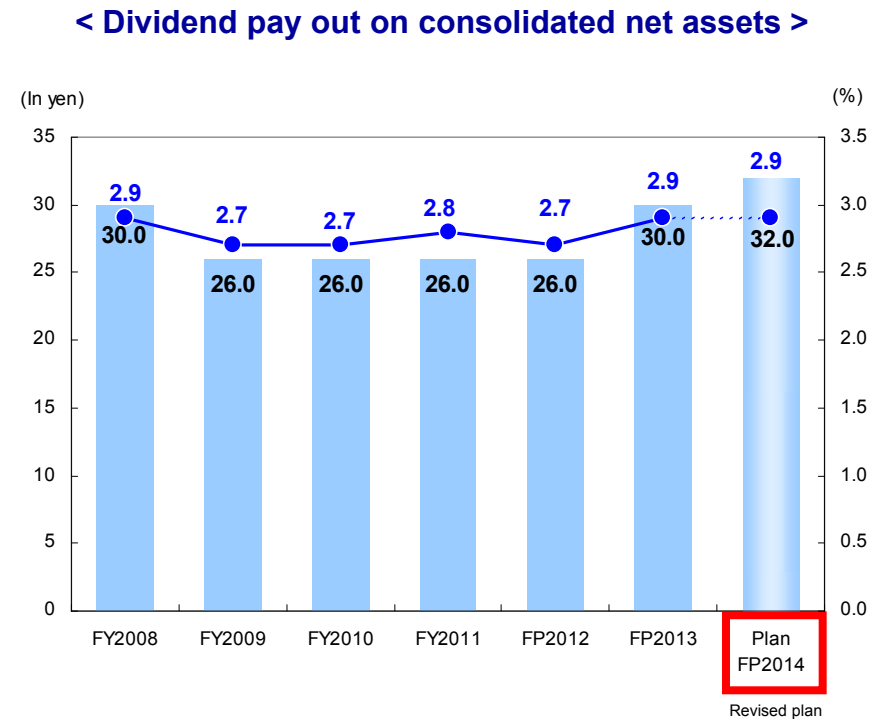
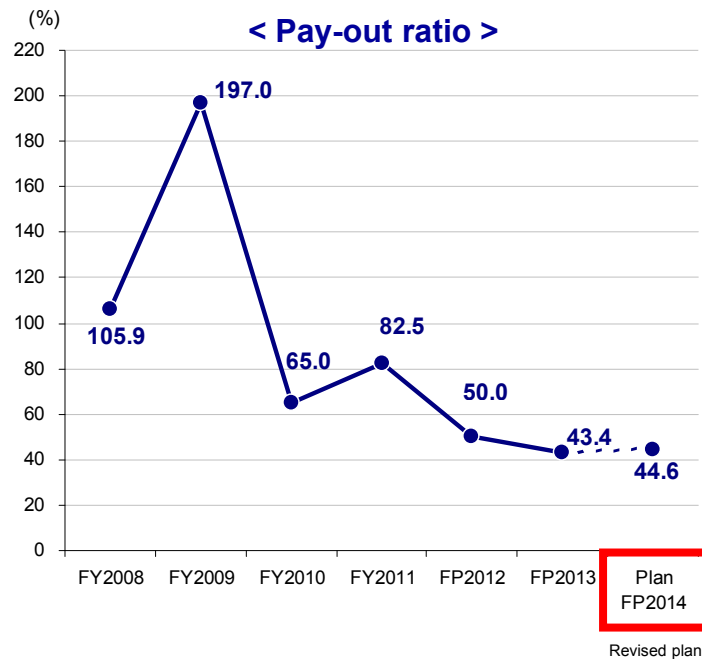
FX Conversion Rates: US\$ 100.00 US\$ 100.00 US\$ 100.00 US\$ 100.00 US\$ 97.99
 EUR 137.00 EUR 137.00 EUR 137.00 EUR 137.00 EUR 130.53

1) Dividend Policy

Stable Dividend : JPY 26 p.a + Achievement Allocation based on performance.

- Consolidated dividend payout: Over 40% as a standard.
- Dividend payout on net assets: Target over 2.5%.

2) Total Dividend Payout (Return to Shareholders)



★The acquisition status of Treasury Stock

- Acquisition period: From August 1, 2008 to March 31, 2009
- Total number of acquired stocks: 3.78 Mil.
- Total amount of acquired stocks: JPY3.0Bil.

※ 8th April 2013, cancelled 4.6million treasury stocks

Business Forecast for FY2014 (Fiscal Year ending March 2015)

Business Forecast for the Full FY2014 (Fiscal Year ending March 2015)

- Initial FY plans remains unchanged -



◆ Consolidated

(In million yen)

| | Year ending March 31, 2015 | | Revised plan Year ending March 31, 2015 | | Year ended March 31, 2014 | | Change | |
|-----------------------|----------------------------|-------|--|-------|---------------------------|-------|--------|-----|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 110,000 | 100.0 | 110,000 | 100.0 | 102,131 | 100.0 | 7,869 | 7.7 |
| Gross profit | 47,600 | 43.3 | 47,600 | 43.3 | 44,290 | 43.4 | 3,310 | 7.5 |
| SG&A | 38,500 | 35.0 | 38,500 | 35.0 | 35,464 | 34.7 | 3,036 | 8.6 |
| Operating profit | 9,100 | 8.3 | 9,100 | 8.3 | 8,826 | 8.6 | 274 | 3.1 |
| Non-operating income | 740 | | 740 | 0.7 | 729 | 0.7 | 11 | 1.5 |
| Non-operating expense | 140 | | 140 | 0.1 | 132 | 0.1 | 8 | 6.1 |
| Ordinary profit | 9,700 | 8.8 | 9,700 | 8.8 | 9,423 | 9.2 | 277 | 2.9 |
| Extraordinary profit | 900 | | 0 | | 50 | | -50 | |
| Extraordinary loss | 300 | | 300 | | 174 | | 126 | |
| Net income | 6,300 | 5.7 | 5,500 | 5.0 | 5,299 | 5.2 | 201 | 3.8 |

◆ Unconsolidated

(In million yen)

| | Year ending March 31, 2015 | | Revised plan Year ending March 31, 2015 | | Year ended March 31, 2014 | | Change | |
|-----------------------|----------------------------|-------|--|-------|---------------------------|-------|--------|-------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 67,500 | 100.0 | 67,500 | 100.0 | 64,606 | 100.0 | 2,894 | 4.5 |
| Gross profit | 26,700 | 39.6 | 26,700 | 39.6 | 25,613 | 39.6 | 1,087 | 4.2 |
| SG&A | 20,000 | 29.6 | 20,000 | 29.6 | 18,935 | 29.3 | 1,065 | 5.6 |
| Operating profit | 6,700 | 9.9 | 6,700 | 9.9 | 6,677 | 10.3 | 23 | 0.3 |
| Non-operating income | 1,000 | | 1,000 | 1.5 | 1,143 | | -143 | -12.5 |
| Non-operating expense | 100 | | 100 | 0.1 | 87 | | 13 | |
| Ordinary profit | 7,600 | 11.3 | 7,600 | 11.3 | 7,732 | 12.0 | -132 | -1.7 |
| Extraordinary profit | 0 | | 0 | | 0 | | 0 | |
| Extraordinary loss | 200 | | 200 | | 37 | | 163 | |
| Net income | 4,600 | 6.8 | 4,600 | 6.8 | 4,813 | 7.5 | -213 | -4.4 |

Sales Forecast for the Full FY2014 by Business Division



◆ Consolidated * The plan for the second half is shown as the balance of the result of first half and full-year revised plan. (In million yen)

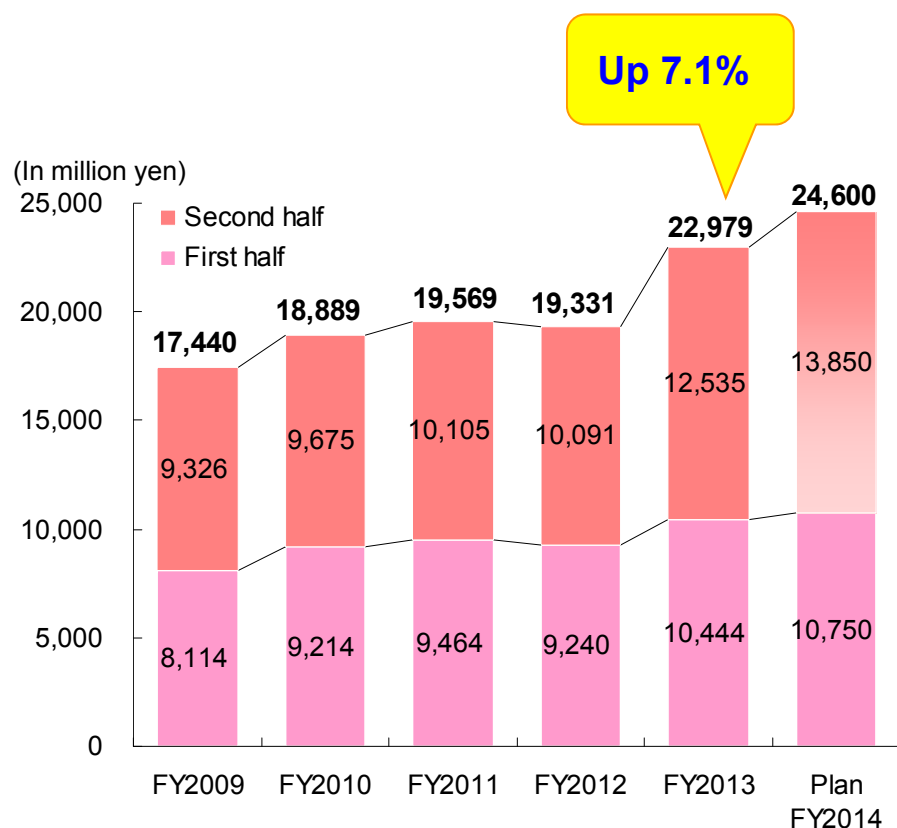
| Business division | Plan Year ending March 31, 2015 | | | | First half | | Second half | | Year ended March 31, 2014 | |
|---------------------------------|------------------------------------|-------|--------|------|------------|-------|-------------|-------|------------------------------|-------|
| | Amount | % | Change | | Amount | % | Amount | % | Amount | % |
| Information Systems | 24,600 | 22.4 | 1,621 | 7.1 | 10,750 | 21.7 | 13,850 | 22.8 | 22,979 | 22.5 |
| Time Management Products | 4,200 | 3.8 | 113 | 2.8 | 1,957 | 4.0 | 2,243 | 3.7 | 4,087 | 4.0 |
| Parking Systems | 51,700 | 47.0 | 2,892 | 5.9 | 23,551 | 47.7 | 28,149 | 46.4 | 48,808 | 47.8 |
| Total: Time Information Segment | 80,500 | 73.2 | 4,624 | 6.1 | 36,260 | 73.4 | 44,240 | 73.0 | 75,876 | 74.3 |
| Environmental Systems | 19,500 | 17.7 | 1,343 | 7.4 | 8,732 | 17.7 | 10,768 | 17.8 | 18,157 | 17.8 |
| Clean Systems | 10,000 | 9.1 | 1,903 | 23.5 | 4,392 | 8.9 | 5,608 | 9.3 | 8,097 | 7.9 |
| Total: Environmental Segment | 29,500 | 26.8 | 3,245 | 12.4 | 13,124 | 26.6 | 16,376 | 27.0 | 26,255 | 25.7 |
| Grand total | 110,000 | 100.0 | 7,869 | 7.7 | 49,385 | 100.0 | 60,615 | 100.0 | 102,131 | 100.0 |

◆ Unconsolidated

(In million yen)

| Business division | Plan Year ending March 31, 2015 | | | | First half | | Second half | | Year ended March 31, 2014 | |
|---------------------------------|------------------------------------|-------|--------|-------|------------|-------|-------------|-------|------------------------------|-------|
| | Amount | % | Change | | Amount | % | Amount | % | Amount | % |
| Information Systems | 14,000 | 20.7 | 823 | 6.2 | 5,866 | 19.9 | 8,134 | 21.4 | 13,177 | 20.4 |
| Time Management Products | 3,100 | 4.6 | -25 | △ 0.8 | 1,486 | 5.0 | 1,614 | 4.2 | 3,125 | 4.8 |
| Parking Systems | 29,000 | 43.0 | 1,157 | 4.2 | 12,597 | 42.7 | 16,403 | 43.2 | 27,843 | 43.1 |
| Total: Time Information Segment | 46,100 | 68.3 | 1,954 | 4.4 | 19,951 | 67.6 | 26,149 | 68.8 | 44,146 | 68.3 |
| Environmental Systems | 15,800 | 23.4 | 623 | 4.1 | 7,190 | 24.4 | 8,610 | 22.7 | 15,177 | 23.5 |
| Clean Systems | 5,600 | 8.3 | 317 | 6.0 | 2,372 | 8.0 | 3,228 | 8.5 | 5,283 | 8.2 |
| Total: Environmental Segment | 21,400 | 31.7 | 940 | 4.6 | 9,563 | 32.4 | 11,837 | 31.2 | 20,460 | 31.7 |
| Grand total | 67,500 | 100.0 | 2,894 | 4.5 | 29,514 | 100.0 | 37,986 | 100.0 | 64,606 | 100.0 |

※ Domestic: Strengthen holistic solutions, Overseas: Accelerated deployment of Cloud business



Domestic



Global



- MH(Middle High) Market: Develop a track record
Collaborate with CREO, Enhance consultancy
- ML(Middle Low) Market: Promote All in One strategy
T&A, Payroll, HR, and Mental healthcare
- Enhance HR total Cloud services
- Mining the public market
- N. America: Accu-Time Systems Inc.
Cloud business deployment
- Europe: Horosmart S.A.Reinforce customer base
Expand T&A, Access, and Cloud services
- Strengthen marketing efforts towards the
Japanese transplants in Asia

Expand Business Domain

Topics

Entering the financial accounting market

Holistic proposals covering T&A, Payroll and financial accounting by collaborating with CREO

T&A Information System

TimePro-VG

Payroll System

ZeeM

Accounting System

ZeeM

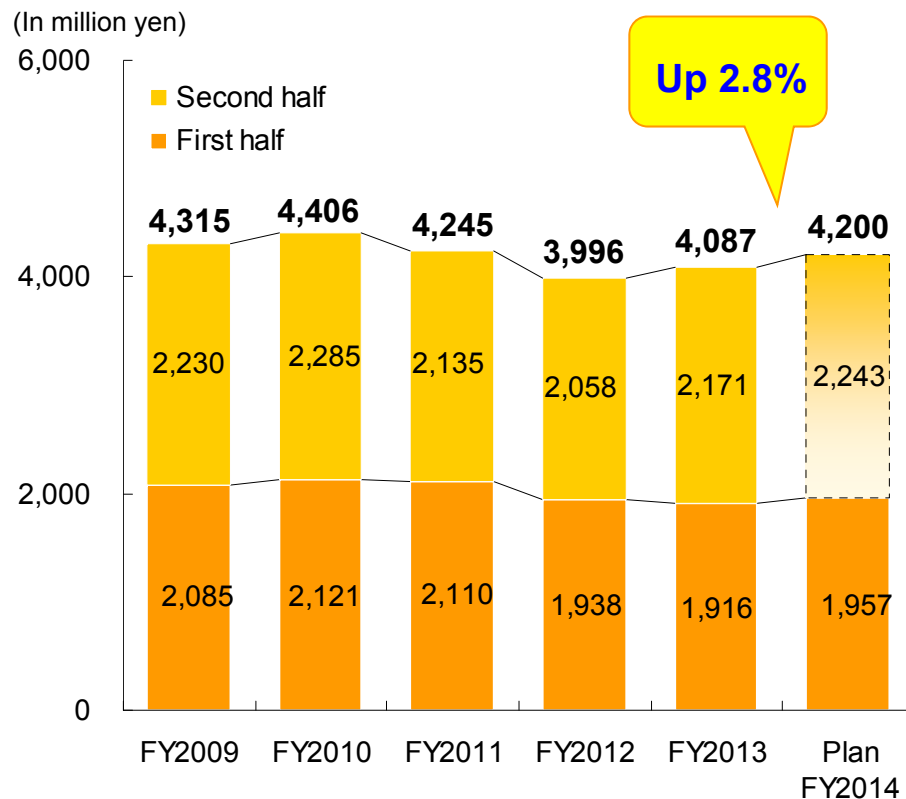


※Mar. 2013, 30% equity participation

Time Management Products FY2013 Full Year Forecast



※ Domestic: New product launch,
Promoting online & mail order sales



Domestic



- Uncovering new demand from the standard equipment market
Strengthen online store and internet sales
- New TimeP@CK launch
Enhanced functions and services
Develop new business partners
- Strengthen maintenance and Cloud services

Global



- N. America: Reconstructing the brand
Deployment of Cloud Services
- Europe: Reorganizing the sales network

Improve Competitiveness

Topics

Time P@CK launch

All-in-one package for T&A
Enhanced features makes it even more easy to use!

Oct. 2014 Release



Time P@CK III 100

Time P@CK III 150 wl

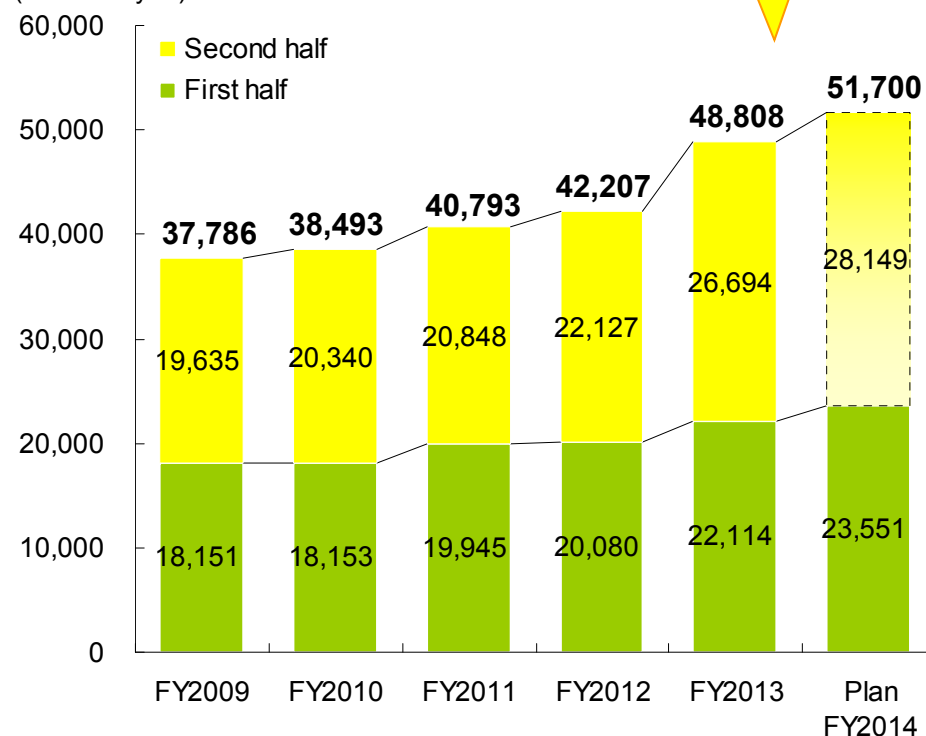
Time P@CK-IC III wl

Parking Systems FY2014 Full Year Forecast



※ Domestic & Asia: Accelerate Deployment of Parking Management Services

(In million yen)



Domestic



Global



- Closer ties with major operators
- Medium small operators
 - Parking data center: enhance services
- Management services: Expand holistic solutions
- Expand new markets
 - Security gates, toll roads, bicycle parking
- N. America: Reinforcing sales of the new system
- Europe: Deploy management services
 - Accelerated deployment of bar code systems
- Asia: Deploy Management service business

Expand Holistic Solutions

Topics

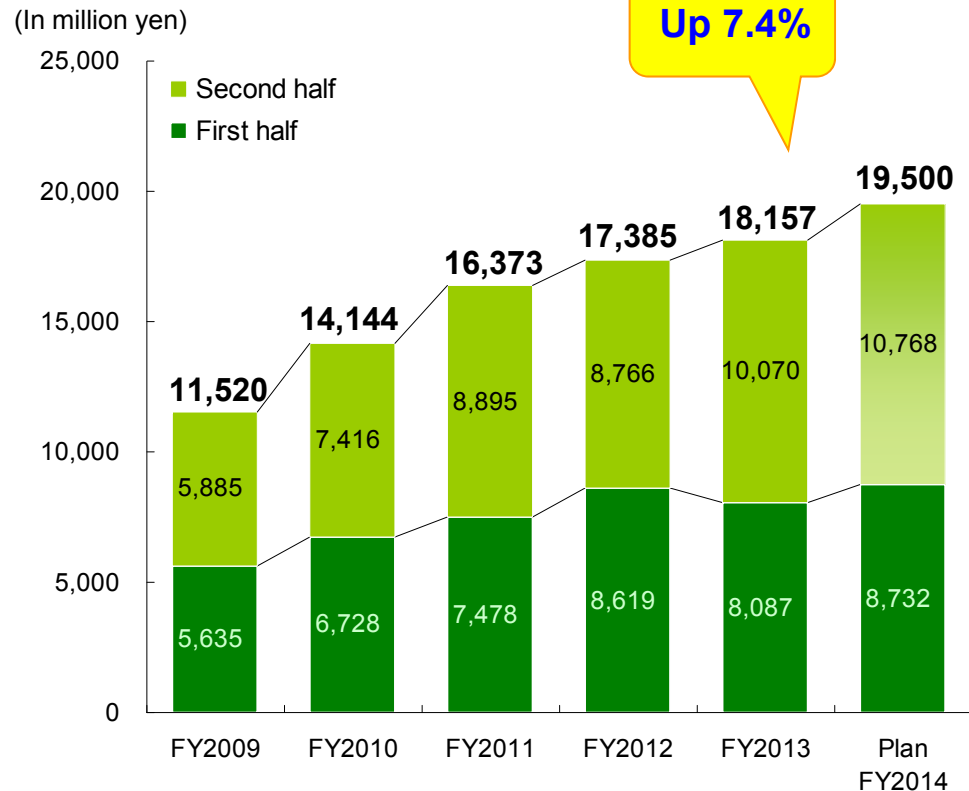
Expand & Reinforce holistic solutions for parking

Parking data center: Provides various services through "Parking Web"



Environmental Systems FY2014 Full Year Forecast **AMANO**

✂ Domestic & Overseas; Enhance Global Sales Structure, Reinforce engineering



Domestic



Global



- Increase global project orders initiated domestically
- Standard dust collectors: absorb the demand
- Mining the pharmaceutical, foods, and cosmetics markets
- Enhance engineering capabilities
- Strengthen holistic sales by including peripheral devices
- N. America: Expand local production and expand distributor sales network
- Asia: Enhance engineering capabilities and strengthen sales in ASEAN and India

Accelerate Global deployment

Topics

Reinforce sales & engineering

Expand and reinforce sales to Japanese transplants in China, S.E. Asia, N. America, and Latin America!



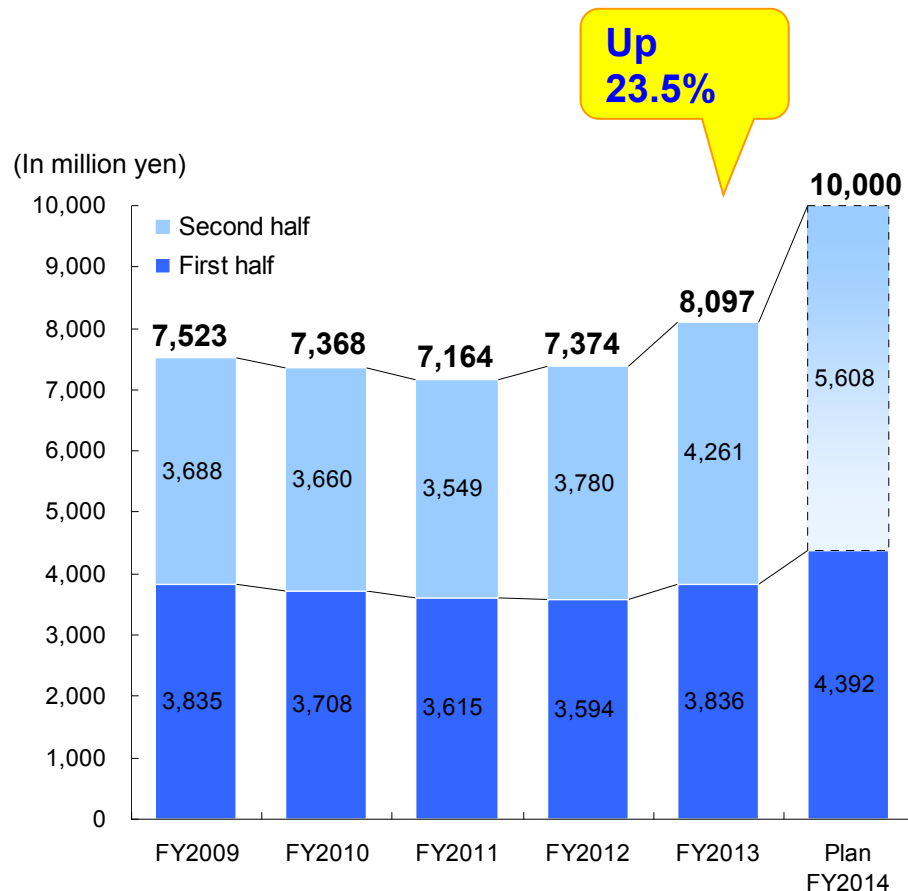
An oil mist collector mounted on a machine tool



Clean Systems FY2014 Full Year Forecast



✂ Strengthen comprehensive solutions, Launch New Products



Domestic



- Promote total cleanliness solutions
Enhanced commissioned cleaning services, aesthetic maintenance proposals
Systematization and digitization of hardware, software, and services
- Strengthening sales of scrubbing machines
Robotic scrubbers and compact scrubbers
- Mining the factory market

Global



- N. America: Expanding business domain
Full-scale deployment in the wood floor polishing equipment market
- Asia: Absorb the demands of the Japanese distribution companies

Reinforce Customer base

Topics

Enhanced cleaning equipment line-up

Launching new products tailored to its application!



Sales & Operating Profit by Segment FY2014 Forecast



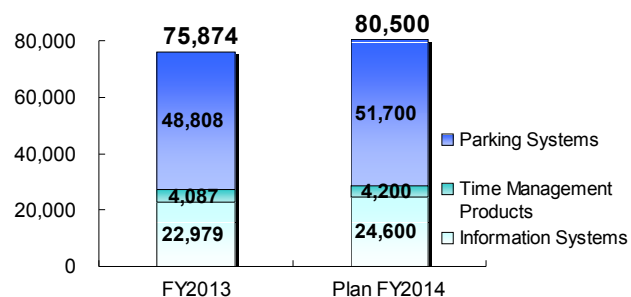
(In million yen)

| | Year ending March 31, 2015 | | | Year ended March 31, 2014 | | | Change | | | |
|--------------------------|----------------------------|------------------|------------|---------------------------|------------------|------------|--------------|------------|------------------|------------|
| | Sales | Operating profit | % | Sales | Operating profit | % | Sales | | Operating profit | |
| Time Information Segment | 80,500 | 9,591 | 11.9 | 75,876 | 9,457 | 12.5 | 4,624 | 6.1 | 134 | 1.4 |
| Environmental Segment | 29,500 | 2,309 | 7.8 | 26,255 | 2,233 | 8.5 | 3,245 | 12.4 | 76 | 3.4 |
| Company-wide Expenses | | -2,800 | | | -2,864 | | | | 64 | |
| Total | 110,000 | 9,100 | 8.3 | 102,131 | 8,826 | 8.6 | 7,868 | 7.7 | 273 | 3.1 |

< Sales >

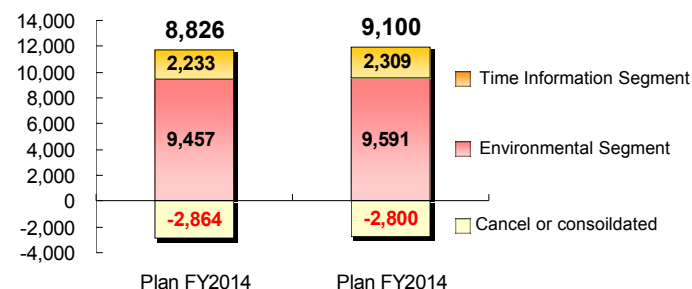
● **Time Information Segment** Up 6.1% Y-O-Y

(In million yen)



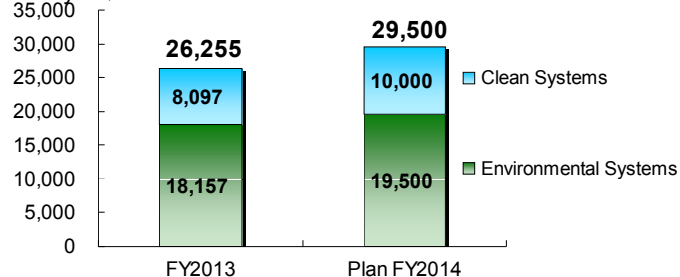
< Operating profit >

(In million yen)



● **Environmental Segment** Up 12.4% Y-O-Y

(In million yen)



※ **Operating Profit Up 3.1% Y-O-Y**

● **Time Information Segment** Up 1.4% Y-O-Y

● **Environmental Segment** Down 3.4% Y-O-Y

AMANO