

FY 2018: 3rd Quarter Report

(Fiscal Year ending March 2019)

AMANO CORPORATION (Ticker: 6436)

Contact : Corporate Planning Unit,
Corporate Planning Division

TEL : +81(0)45-439-1591

Web site : <http://www.amano.co.jp/English/>

FY 2018: 3rd Quarter Accumulated Results (FY end March 2019) **AMANO**

◆ Consolidated

(In million yen)

	Disclosed plan			FY2018 3Q		FY2017 3Q		Change	
	Amount	%	Change(%)	Amount	%	Amount	%	Amount	%
Net sales	130,000	100.0	4.5	92,234	100.0	88,124	100.0	4,110	4.7
Gross profit	58,000	44.6	4.9	40,337	43.7	39,072	44.3	1,264	3.2
SG&A	43,000	33.1	5.0	31,780	34.5	29,932	34.0	1,848	6.2
Operating profit	15,000	11.5	4.5	8,556	9.3	9,140	10.4	(584)	(6.4)
Non-operating income	750	0.6	(20.8)	741	0.8	631	0.7	110	17.5
Non-operating expense	50	0.0	(78.9)	74	0.1	80	0.1	(6)	(7.6)
Ordinary profit	15,700	12.1	4.2	9,223	10.0	9,691	11.0	(467)	(4.8)
Extraordinary profit	0			13		255		(242)	
Extraordinary loss	1,050			1,191		24		1,166	
Net income attributable to owners of the parent company	9,800	7.5	(2.2)	5,274	5.7	6,647	7.5	(1,372)	(20.6)

* FX Rates : (Quarterly Average)

US\$ 105.00

US\$ 109.64

US\$ 111.80

EUR 130.00

EUR 130.61

EUR 125.19

◆ ACJ

* ACJ; Amano Corporation Japan

(In million yen)

	Disclosed plan			FY2018 3Q		FY2017 3Q		Change	
	Amount	%	Change(%)	Amount	%	Amount	%	Amount	%
Net sales	74,000	100.0	3.1	50,712	100.0	49,674	100.0	1,037	2.1
Gross profit	32,000	43.2	3.3	21,272	41.9	21,260	42.8	11	0.1
SG&A	21,700	29.3	2.5	15,445	30.5	15,356	30.9	89	0.6
Operating profit	10,300	13.9	5.0	5,826	11.5	5,904	11.9	(78)	(1.3)
Non-operating income	1,750	2.4	(9.1)	1,595	3.1	1,464	2.9	130	8.9
Non-operating expense	50	0.1	(52.4)	39	0.1	33	0.1	6	19.0
Ordinary profit	12,000	16.2	3.2	7,381	14.6	7,335	14.8	46	0.6
Extraordinary profit	0			0		250		(249)	
Extraordinary loss	1,050			1,147		0		1,146	
Net income	7,800	10.5	(7.8)	4,467	8.8	5,406	10.9	(938)	(17.4)

◆ Consolidated performance (Year-on-year)

Sales: Up ¥ 4,110 Mil (Up 4.7 %)

•Time Information Segment: Up 3,370 Mil (Up 5.3 %)

Incl: Information Systems: Up 1,310 Mil (Up 7.2 %)

Incl: Parking Systems: Up 2,190 Mil (Up 5.1 %)

•Environmental Segment: Up 730 Mil (Up 3.1 %)

Incl: Environmental Systems: Up 720 Mil (Up 4.7 %)

Incl: Clean Systems: Up 10 Mil (Up 0.2 %)

Gross Profit: Up ¥ 1,264 Mil (Up 3.2 %)

Gross Profit Ratio: 43.7 % Dn 0.6 %

•Time Information Segment : Dn 1.2 %

•Environmental Segment : Up 0.7 %

SG&A: Up ¥ 1,848 Mil (Up 6.2 %)

•Labor Cost Up 1,110 Mil (Up 5.9 %)

•Other Costs Up 730 Mil (Up 6.6 %)

Operating Profit Dn ¥ 584 Mil (Dn 6.4 %)

•Time Information Segment: ¥ 7,750 Mil (Dn 600 Mil)

•Environmental Segment: ¥ 3,710 Mil (Up 170 Mil)

•Company-wide Expense: ¥ -2,910 Mil (Dn 150 Mil)

●Operating profit Ratio 9.3 % (FY2017: 11.5%,
FY2017 3Q: 10.4%)

●ROE — (FY2017: 9.8%)

●Consolidated Sales / Parent Sales Ratio 1.82 times (FY2017: 1.73 times,
FY2017 3Q: 1.77 times)

FY 2018: 3rd Quarter Accumulated Results(FY end March 2019)

Sales by business division

AMANO

◆ Consolidated

(In million yen)

Business division	Disclosed plan			FY2018 3Q		FY2017 3Q		Change	
	Amount	%	Change%	Amount	%	Amount	%	Amount	%
Information Systems	29,000	22.3	8.4	19,494	21.1	18,182	20.6	1,312	7.2
Time Management Products	3,500	2.7	(6.7)	2,529	2.8	2,663	3.0	(133)	(5.0)
Parking Systems	63,500	48.8	4.5	45,546	49.4	43,349	49.2	2,196	5.1
Total: Time Information Segment	96,000	73.8	5.2	67,569	73.3	64,195	72.8	3,374	5.3
Environmental Systems	22,800	17.6	3.7	16,132	17.5	15,412	17.5	720	4.7
Clean Systems	11,200	8.6	0.5	8,531	9.2	8,516	9.7	15	0.2
Total: Environmental Segment	34,000	26.2	2.6	24,664	26.7	23,928	27.2	735	3.1
Grand total	130,000	100.0	4.5	92,234	100.0	88,124	100.0	4,110	4.7

◆ ACJ

(In million yen)

Business division	Disclosed plan			FY2018 3Q		FY2017 3Q		Change	
	Amount	%	Change%	Amount	%	Amount	%	Amount	%
Information Systems	16,000	21.6	5.6	10,748	21.2	9,785	19.7	962	9.8
Time Management Products	3,000	4.1	(2.9)	2,137	4.2	2,169	4.4	(32)	(1.5)
Parking Systems	30,800	41.6	1.8	20,796	41.0	21,256	42.8	(460)	(2.2)
Total: Time Information Segment	49,800	67.3	2.7	33,682	66.4	33,212	66.9	469	1.4
Environmental Systems	19,500	26.3	4.6	13,595	26.8	13,118	26.4	476	3.6
Clean Systems	4,700	6.4	1.8	3,434	6.8	3,344	6.7	90	2.7
Total: Environmental Segment	24,200	32.7	4.1	17,030	33.6	16,462	33.1	567	3.4
Grand total	74,000	100.0	3.1	50,712	100.0	49,674	100.0	1,037	2.1

FY 2018: Consolidated performance by quarter

(FY end March 2019)

AMANO

◆ Quarterly Financials

(In million yen)

	1st quarter		2nd quarter		1st half		3rd quarter		3rd quarter Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	28,180	100.0	32,828	100.0	61,008	100.0	31,225	100.0	92,234	100.0
Gross profit	12,341	43.8	14,695	44.8	27,036	44.3	13,300	42.6	40,337	43.7
SG&A	10,950	38.9	10,582	32.2	21,533	35.3	10,247	32.8	31,780	34.5
Operating profit	1,390	4.9	4,112	12.5	5,502	9.0	3,053	9.8	8,556	9.3
Non-operating income	226	0.8	243	0.7	470	0.8	271	0.9	741	0.8
Non-operating expense	30	0.1	17	0.1	48	0.1	25	0.1	74	0.1
Ordinary profit	1,586	5.6	4,338	13.2	5,924	9.7	3,299	10.6	9,223	10.0
Extraordinary profit	2		5		8		5		13	
Extraordinary loss	4		6		10		1,180		1,191	
Net income attributable to owners of the parent company	765	2.7	3,062	9.3	3,828	6.3	1,446	4.6	5,274	5.7

*Exchange rate: US\$ 107.50
EUR 132.33

US\$ 109.53
EUR 128.98

US\$ 108.52
EUR 130.66

US\$ 111.88
EUR 130.52

US\$ 109.64
EUR 130.61

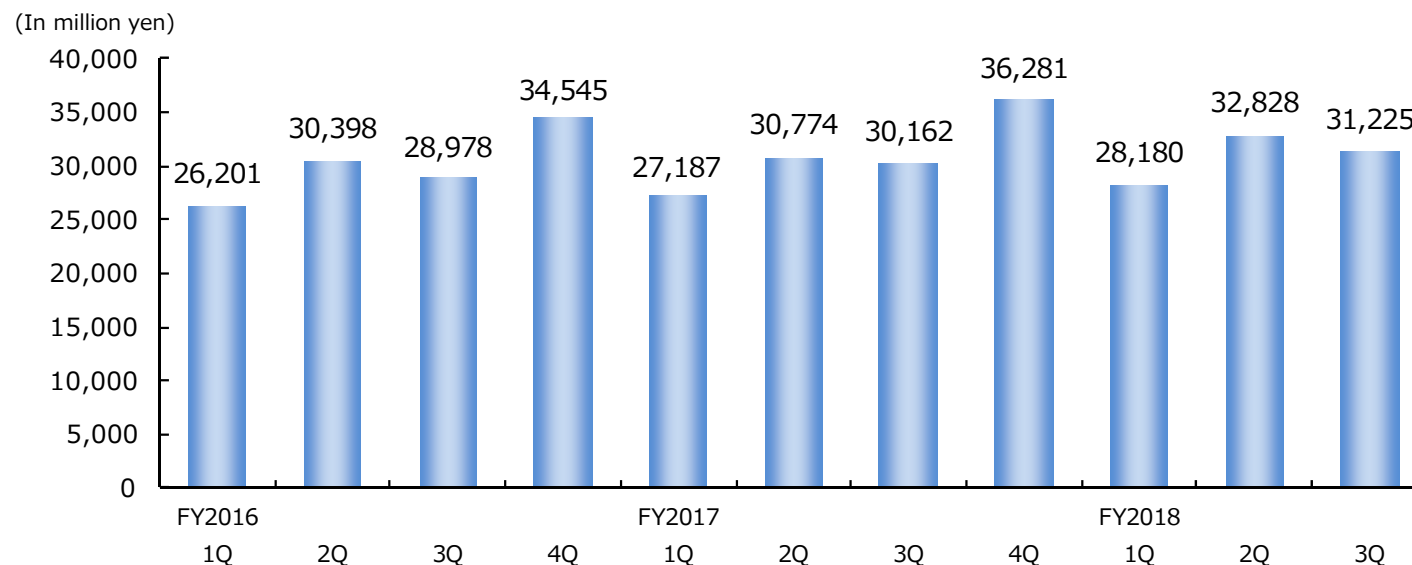
◆ Quarterly Sales

(In million yen)

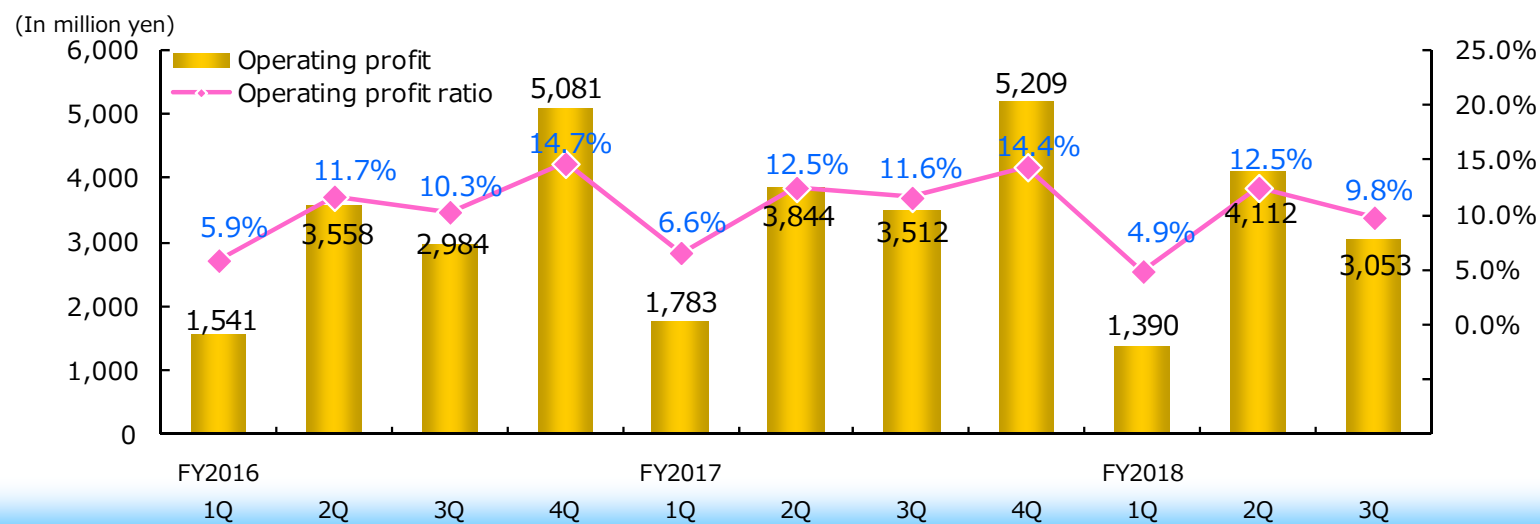
	1st quarter		2nd quarter		1st half		3rd quarter		3rd quarter Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Information Systems	6,097	21.6	7,153	21.8	13,251	21.7	6,243	20.0	19,494	21.1
Time Management Products	822	2.9	873	2.7	1,696	2.8	833	2.7	2,529	2.8
Parking Systems	13,931	49.5	15,833	48.2	29,765	48.8	15,780	50.5	45,546	49.4
Total: Time Information Segment	20,851	74.0	23,860	72.7	44,712	73.3	22,857	73.2	67,569	73.3
Environmental Systems	4,707	16.7	5,759	17.5	10,466	17.1	5,666	18.1	16,132	17.5
Clean Systems	2,620	9.3	3,208	9.8	5,829	9.6	2,701	8.7	8,531	9.2
Total: Environmental Segment	7,328	26.0	8,968	27.3	16,296	26.7	8,368	26.8	24,664	26.7
Grand total	28,180	100.0	32,828	100.0	61,008	100.0	31,225	100.0	92,234	100.0

Consolidated Sales & Operating Profit (Quarterly)

■ Sales



■ Operating Profit



Sales & Operating Profit by Business Segment

AMANO

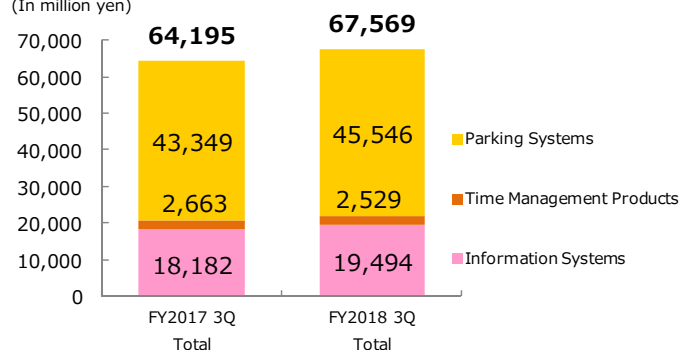
(In million yen)

	FY2018 1Q			FY2018 2Q			FY2018 1st Half			FY2018 3Q			FY2018 3Q Total			FY2017 3Q Total			Change			
	Net sales	Operating profit		Net sales	Operating profit		Net sales	Operating profit		Net sales	Operating profit		Net sales	Operating profit		Net sales	Operating profit		Net sales	Operating profit		
			%			%			%			%			%			%			%	
Time Information Segment	20,851	1,545	7.4	23,860	3,592	15.1	44,712	5,137	11.5	22,857	2,620	11.5	67,569	7,758	11.5	64,195	8,367	13.0	3,374	5.3	(608)	(7.3)
Environmental Segment	7,328	861	11.8	8,968	1,502	16.8	16,296	2,364	14.5	8,368	1,350	16.1	24,664	3,715	15.1	23,928	3,536	14.8	735	3.1	178	5.1
Company-wide Expenses		(1,016)			(982)			(1,999)			(917)			(2,917)			(2,762)				(154)	
total	28,180	1,390	4.9	32,828	4,112	12.5	61,008	5,502	9.0	31,225	3,053	9.8	92,234	8,556	9.3	88,124	9,140	10.4	4,110	4.7	(584)	(6.4)

< Sales >

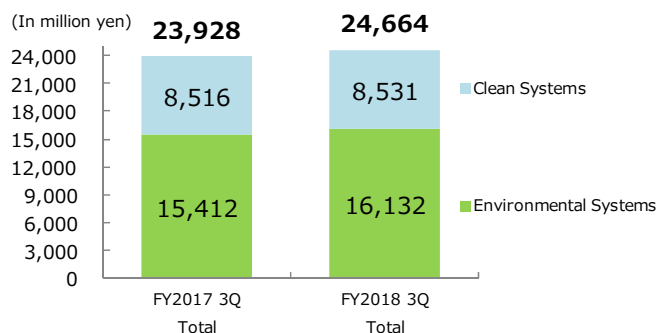
● Time Information Segment Up 5.3% YoY

(In million yen)



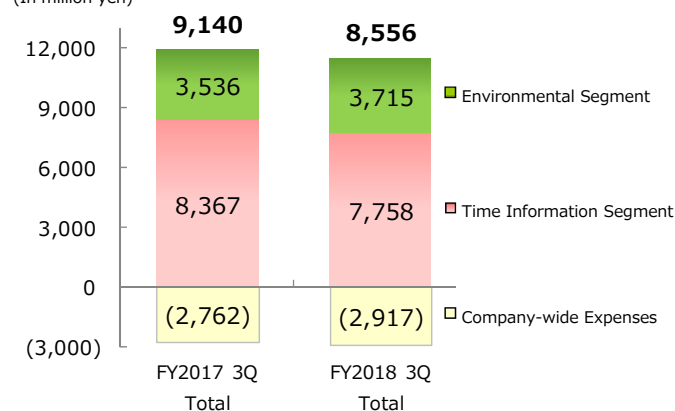
● Environmental Segment Up 3.1% YoY

(In million yen)



< Operating profit >

(In million yen)



● Time Information Segment Down 7.3 % YOY ● Environmental Segment Up 5.1 % YOY

[References]

Increase / decrease in gross profit margin

① FY2017 3Q / FY2018 3Q

	Consolidated	ACJ
Information Systems	↓	↓
Time Management Products	↑	↑
Parking Systems	↓	↓
Environmental Systems	↑	↓
Clean Systems	→	↑

② FY2017 / FY2018 3Q

	Consolidated	ACJ
Information Systems	↓	↓
Time Management Products	↑	↑
Parking Systems	↓	↓
Environmental Systems	↑	→
Clean Systems	→	↑

Performance of group companies

Geographic Segment Information

*Report of all overseas units are as of year ending December.

(In million yen)

	FY2018 1Q (Jan - Mar, 2018)			FY2018 2Q (Apr - Jun, 2018)			FY2018 1st Half (Jan - Jun, 2018)			FY2018 3Q (Jul - Sep, 2018)			FY2018 3Q Total (Jan - Sep, 2018)			FY2017 3Q Total (Jan - Sep, 2017)			FY2018 3Q Total / FY2017 3Q Total YoY Change			
	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	%
North America	3,748	(564)	(15.1)	5,050	(121)	(2.4)	8,798	(685)	(7.8)	4,644	(246)	(5.3)	13,442	(931)	(6.9)	13,935	(41)	(0.3)	(492)	(3.5)	(889)	—
Europe	2,439	212	8.7	2,170	101	4.8	4,609	313	6.8	2,025	123	6.1	6,634	436	6.6	6,018	449	7.5	615	10.2	(13)	(3.0)
Asia	3,752	385	10.3	4,007	297	7.4	7,759	682	8.8	4,636	408	8.8	12,395	1,090	8.8	9,948	888	8.9	2,447	24.6	202	22.7
Overseas group companies	9,941	33	0.3	11,225	277	2.5	21,166	310	1.5	11,305	285	2.5	32,471	595	1.8	29,901	1,296	4.3	2,570	8.6	(701)	(54.1)

*Exchange rate: US \$ 107.50
EUR 132.33

US \$ 109.53
EUR 128.98

US \$ 108.52
EUR 130.66

US \$ 111.88
EUR 130.52

US \$ 109.64
EUR 130.61

US \$ 111.80
EUR 125.19

*Goodwill Amortization: N.America 43 mil
Europe 81 mil

N.America 59 mil
Europe 79 mil

N.America 103 mil
Europe 160 mil

N.America 60 mil
Europe 80 mil

N.America 164 mil
Europe 241 mil

N.America 182 mil
Europe 231 mil

(In million yen)

	FY2018 1Q (Apr - Jun, 2018)			FY2018 2Q (Jul - Sep, 2018)			FY2018 1st Half (Apr - Sep, 2018)			FY2018 3Q (Oct - Dec, 2018)			FY2018 3Q Total (Apr - Dec, 2018)			FY2017 3Q Total (Apr - Dec, 2017)			FY2018 3Q Total / FY2017 3Q Total YoY Change			
	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	%
Domestic Group companies	5,347	594	11.1	5,384	769	14.3	10,732	1,363	12.7	5,503	771	14.0	16,235	2,134	13.1	16,125	1,900	11.8	110	0.7	234	12.4

Business Forecast for the Full FY2018

AMANO

(In million yen)

◆ Consolidated

	FY2018 Plan		FY2017 Result		Change	
	Amount	%	Amount	%	Amount	%
		%		%		%
Net sales	130,000	100.0	124,405	100.0	5,594	4.5
Gross profit	58,000	44.6	55,302	44.5	2,697	4.9
SG&A	43,000	33.1	40,951	32.9	2,048	5.0
Operating profit	15,000	11.5	14,350	11.5	649	4.5
Non-operating income	750	0.6	947	0.8	(197)	(20.8)
Non-operating expense	50	0.0	237	0.2	(187)	(78.9)
Ordinary profit	15,700	12.1	15,060	12.1	639	4.2
Extraordinary profit	0		259		(259)	
Extraordinary loss	1,050		39		1,010	
Net income attributable to owners of the parent company	9,800	7.5	10,019	8.1	(219)	(2.2)

(In million yen)

◆ ACJ

	FY2018 Plan		FY2017 Result		Change	
	Amount	%	Amount	%	Amount	%
		%		%		%
Net sales	74,000	100.0	71,754	100.0	2,245	3.1
Gross profit	32,000	43.2	30,980	43.2	1,019	3.3
SG&A	21,700	29.3	21,170	29.5	529	2.5
Operating profit	10,300	13.9	9,810	13.7	489	5.0
Non-operating income	1,750	2.4	1,924	2.7	(174)	(9.1)
Non-operating expense	50	0.1	105	0.1	(55)	(52.4)
Ordinary profit	12,000	16.2	11,629	16.2	370	3.2
Extraordinary profit	0		250		(250)	
Extraordinary loss	1,050		2		1,047	
Net Income	7,800	10.5	8,456	11.8	(656)	(7.8)

Sales Forecast for the Full FY2018 by Business Division

AMANO

◆ Consolidated

*The forecast for FY2018 4Q is shown as
"Full Year Plan minus 3Q Results"

(In million yen)

Business division	FY2018 Plan				Result FY2018 3Q		Forecast FY2018 4Q		Year ending March 31, 2018	
	Amount	%	Change		Amount	%	Amount	%	Amount	%
Information Systems	29,000	22.3	2,240	8.4	19,494	21.1	9,506	25.2	26,759	21.5
Time Management Products	3,500	2.7	(251)	(6.7)	2,529	2.8	971	2.6	3,751	3.0
Parking Systems	63,500	48.8	2,742	4.5	45,546	49.4	17,954	47.5	60,757	48.8
Total: Time Information Segment	96,000	73.8	4,731	5.2	67,569	73.3	28,431	75.3	91,268	73.3
Environmental Systems	22,800	17.6	806	3.7	16,132	17.5	6,668	17.6	21,993	17.7
Clean Systems	11,200	8.6	56	0.5	8,531	9.2	2,669	7.1	11,143	9.0
Total: Environmental Segment	34,000	26.2	863	2.6	24,664	26.7	9,336	24.7	33,136	26.7
Grand total	130,000	100.0	5,594	4.5	92,234	100.0	37,766	100.0	124,405	100.0

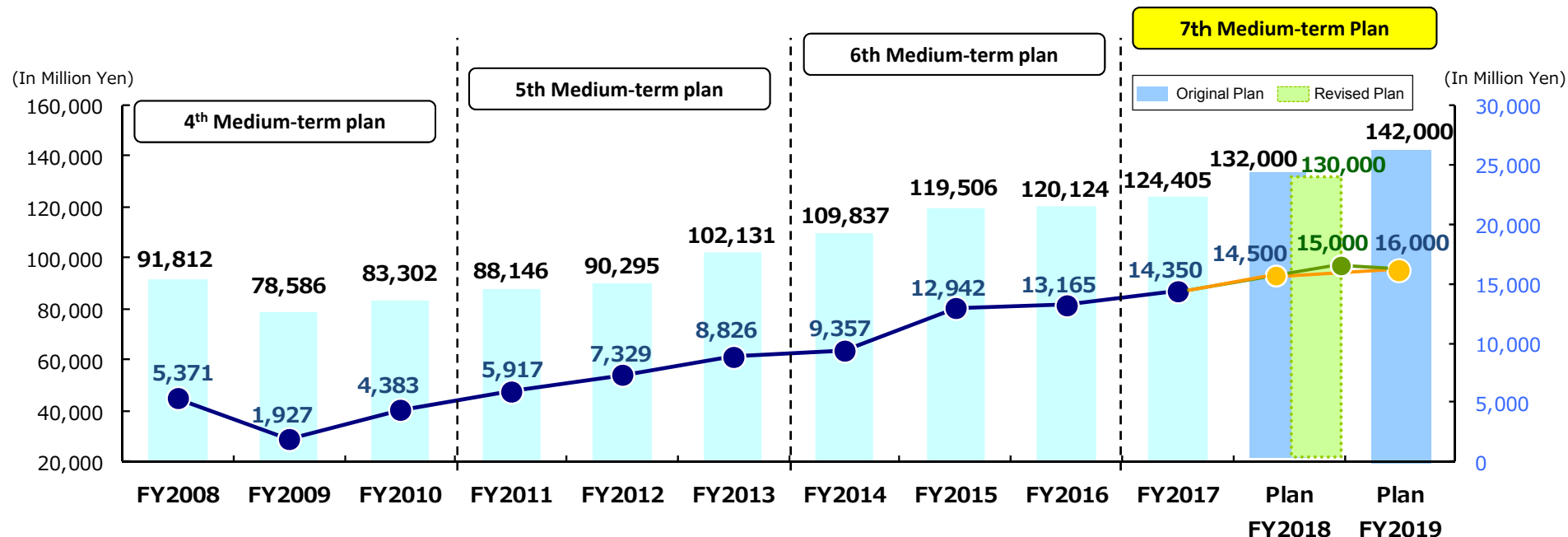
◆ ACJ

(In million yen)

Business division	FY2018 Plan				Result FY2018 3Q		Forecast FY2018 4Q		Year ending March 31, 2018	
	Amount	%	Change		Amount	%	Amount	%	Amount	%
Information Systems	16,000	21.6	844	5.6	10,748	21.2	5,252	22.6	15,155	21.1
Time Management Products	3,000	4.1	(89)	(2.9)	2,137	4.2	863	3.7	3,089	4.3
Parking Systems	30,800	41.6	544	1.8	20,796	41.0	10,004	42.9	30,255	42.2
Total: Time Information Segment	49,800	67.3	1,299	2.7	33,682	66.4	16,118	69.2	48,500	67.6
Environmental Systems	19,500	26.3	864	4.6	13,595	26.8	5,905	25.4	18,635	26.0
Clean Systems	4,700	6.4	81	1.8	3,434	6.8	1,266	5.4	4,618	6.4
Total: Environmental Segment	24,200	32.7	945	4.1	17,030	33.6	7,170	30.8	23,254	32.4
Grand total	74,000	100.0	2,245	3.1	50,712	100.0	23,288	100.0	71,754	100.0

Roadmap of the Medium-term Business Plan

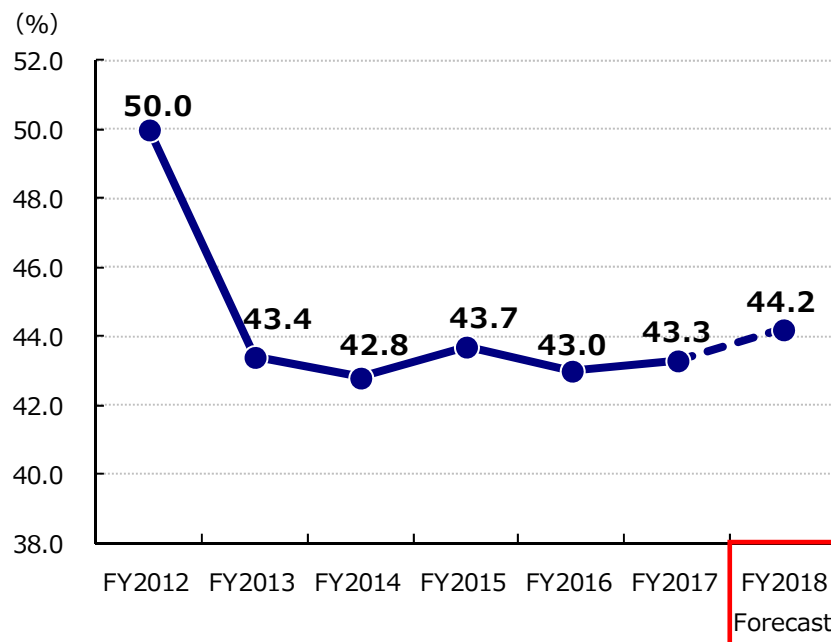
FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
4th Medium-term plan			5th Medium-term plan			6th Medium-term plan			7th Medium-term Plan		
Global Growth Strategy			To become a 100-year Company			Challenge to a New Stage			2nd Stage Towards a 100-year Company Quantum Leap		
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			FY2019 Sales: over ¥140Bn Operating Profit: over ¥16Bn		
Re-building profit structure & strengthening global strategy			Global Niche Top Establishing new businesses			Expand Corporate Scale & Establish Growth Drivers			Innovative Creation of Value for Sustainable Growth		



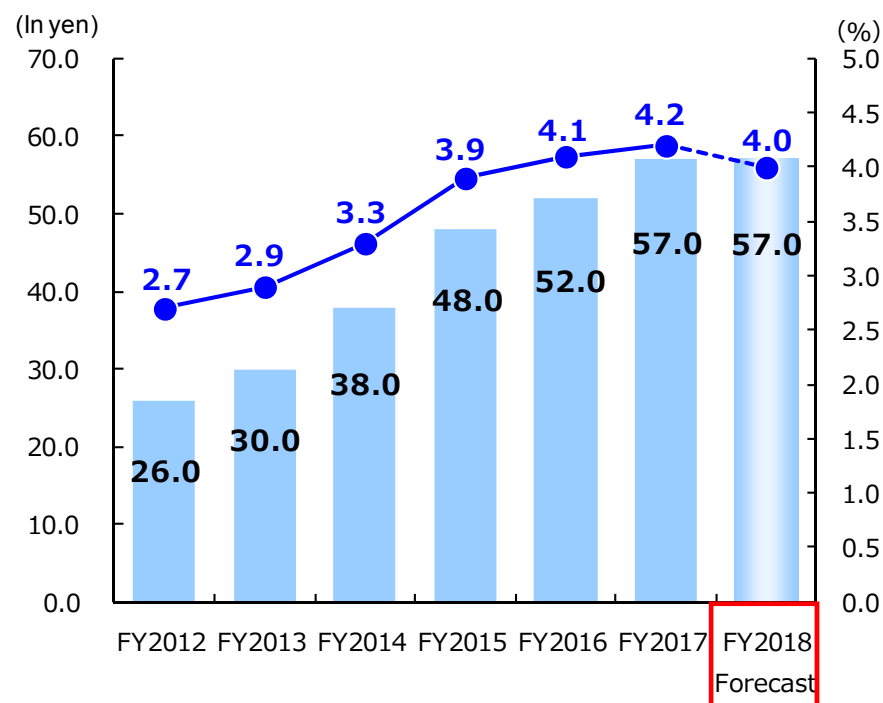
◎ Dividend Policy Stable dividends + performance incentives

- Consolidated Dividend Payout Ratio: Target over 40.0%
- Net Asset Payout Ratio: Target over 2.5%

<Consolidated Dividend Payout Ratio>



<Dividend per Share and Consolidated Net Asset Payout Ratio >

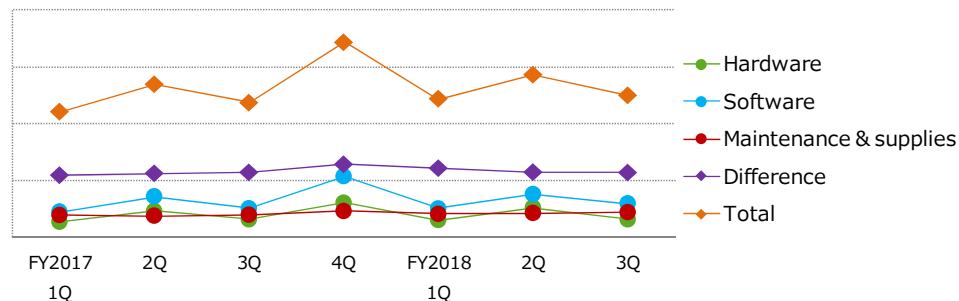


★ The acquisition of treasury stock (planned)

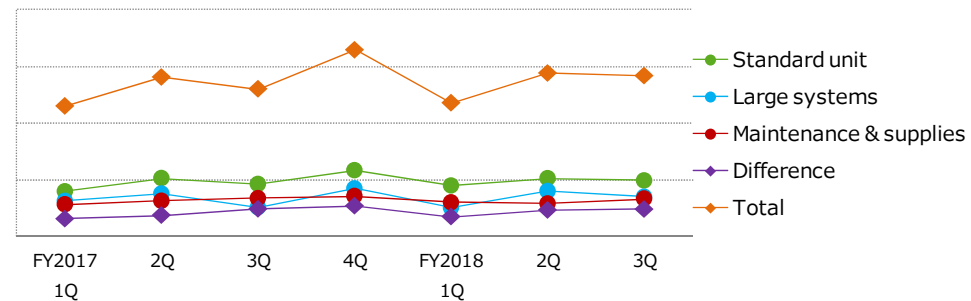
- Acquisition period : From October 2018 to March 2019
- Total number of acquired stocks : 1 Mil (Upper limit)
- Total amount of acquired stocks : 25 Bil (Upper limit)

Quarterly Sales by Item (actual results)

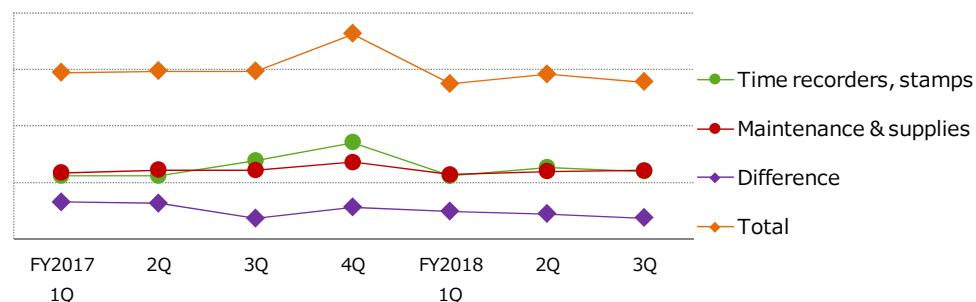
<Information Systems>



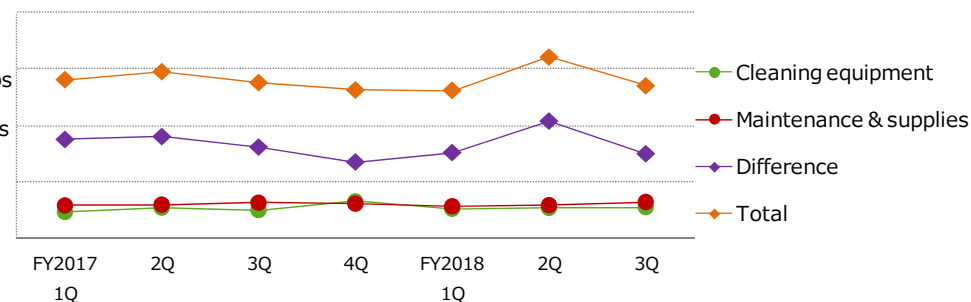
<Environmental Systems>



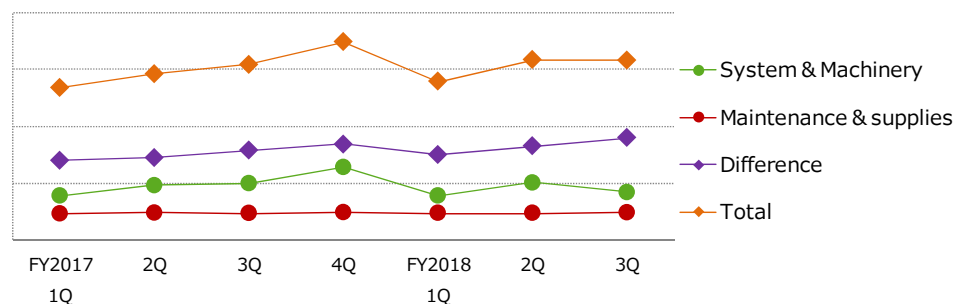
<Time Management Products>



<Clean Systems>



<Parking Systems>



AMANO

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.