

Fiscal Year 2019 (The year ending March 2020) **Year End Business Results**

AMANO CORPORATION (Ticker: 6436)

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-  **FY2019 Financial Report** P. 3
The year ending March 2020

-  **The 8th Medium-term Business Plan** P.19
The 3rd Stage Towards a 100-year Company

-  **Business Plan for FY2020** P.24

The business forecasts and projections described herein are based on currently available information and it contains potential risks and uncertainties.

Please acknowledge that actual results may differ substantially due to various unforeseeable factors that may or may not occur in the future.

FY2019 Financial Report

The Year ending March 2020

● Consolidated

(In million yen)

	Disclosed plan			FY2019 Result		FY2018 Result		Change(YOY)		Change over plan	
	Amount	%	change(%)	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	138,000	100.0	4.8	133,084	100.0	131,713	100.0	1,370	1.0	(4,915)	96.4
Gross profit	61,000	44.2	4.7	59,721	44.9	58,246	44.2	1,475	2.5	(1,278)	97.9
SG&A	44,500	32.2	3.3	43,552	32.7	43,084	32.7	468	1.1	(947)	97.9
Operating profit	16,500	12.0	8.8	16,168	12.1	15,161	11.5	1,006	6.6	(331)	98.0
Non-operating income	1,000	0.7	(7.6)	1,028	0.8	1,081	0.8	(53)	(4.9)	28	102.8
Non-operating expense	600	0.4	292.6	332	0.2	152	0.1	179	117.4	(267)	55.4
Ordinary profit	16,900	12.2	5.0	16,864	12.7	16,090	12.2	774	4.8	(35)	99.8
Extraordinary profit	0			5		166		(161)		5	
Extraordinary loss	300			588		1,423		(835)		288	
Net income attributable to owners of the parent company	11,000	8.0	20.3	10,567	7.9	9,142	6.9	1,424	15.6	(432)	96.1

* FX Rates (Yearly Average):
 US\$ 105.00 EUR 125.00 US\$ 109.25 EUR 122.15 US\$ 110.37 EUR 130.00

● Consolidated performance (Year-on-year)

1. Net Sales: Up ¥ 1,370 Mil (↑ 1.0 %)

- Time Information Segment: Up 3,350 Mil (Up 3.5 %)
- Incl: Information Systems: Up 1,934 Mil (Up 6.6 %)
- Incl: Parking Systems: Up 1,550 Mil (Up 2.4 %)
- Environmental Segment: Dn 1,979 Mil (Dn 5.6 %)
- Incl: Environmental Systems: Dn 1,401 Mil (Dn 5.9 %)
- Incl: Clean Systems: Dn 578 Mil (Dn 5.2 %)

2. Gross Profit: Up ¥ 1,475 Mil (↑ 2.5 %)

Gross Profit Ratio: 44.9 % Up 0.7 %

- Time Information Segment : Up 0.9 %
- Environmental Segment : Dn △ 0.2 %

3. SG&A: Up ¥ 468 Mil (↑ 1.1 %)

- Labor Cost Up 368 Mil (Up 1.3 %)
- Other Costs Up 99 Mil (Up 0.6 %)

4. Operating Profit: Up ¥ 1,006 Mil (↑ 6.6 %)

- Time Information Segment: ¥ 15,658 Mil (Up 2,068 Mil)
- Environmental Segment: ¥ 4,756 Mil (Dn 864 Mil)
- Company-wide Expenses: ¥ -4,246 Mil (Dn 196 Mil)

- Operating profit Ratio 12.1 % (FY2018: 11.5%)
- ROE 9.8 % (FY2018: 8.7%)
- Cons Sales / Parent Sales 1.78 times (FY2018: 1.76 times)

◆ ACJ * ACJ; Amano Corporation Japan

(In million yen)

	Disclosed plan			FY2019 Result		FY2018 Result		Change(YOY)		Change over plan	
	Amount	%	change(%)	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	77,000	100.0	2.9	74,852	100.0	74,796	100.0	55	0.1	(2,147)	97.2
Gross profit	33,100	43.0	2.7	33,023	44.1	32,222	43.1	801	2.5	(76)	99.8
SG&A	21,600	28.1	2.5	21,811	29.1	21,066	28.2	745	3.5	211	101.0
Operating profit	11,500	14.9	3.1	11,212	15.0	11,155	14.9	56	0.5	(287)	97.5
Non-operating income	2,100	2.7	(1.6)	2,229	3.0	2,133	2.9	96	4.5	129	106.2
Non-operating expense	100	0.1	27.6	111	0.1	78	0.1	32	41.7	11	111.1
Ordinary profit	13,500	17.5	2.2	13,330	17.8	13,210	17.7	119	0.9	(169)	98.7
Extraordinary profit	0			0		862		(861)		0	
Extraordinary loss	300			313		1,147		(834)		13	
Net income	9,500	12.3	(3.3)	9,374	12.5	9,827	13.1	(452)	(4.6)	(125)	98.7

● Consolidated

(In million yen)

Business division	Disclosed plan			FY2019		FY2018		Change(YOY)		Change over plan	
	Amount	%	Change%	Amount	%	Amount	%	Amount	%	Amount	%
Information Systems	31,500	22.9	8.0	31,110	23.4	29,176	22.2	1,934	6.6	(390)	98.8
Time Management Products	3,500	2.5	(3.0)	3,475	2.6	3,609	2.7	(133)	(3.7)	(25)	99.3
Parking Systems	67,500	48.9	5.7	65,429	49.2	63,879	48.5	1,550	2.4	(2,071)	96.9
Total: Time Information Segment	102,500	74.3	6.0	100,016	75.2	96,665	73.4	3,350	3.5	(2,484)	97.6
Environmental Systems	24,100	17.4	1.1	22,432	16.8	23,833	18.1	(1,401)	(5.9)	(1,668)	93.1
Clean Systems	11,400	8.3	1.7	10,635	8.0	11,213	8.5	(578)	(5.2)	(765)	93.3
Total: Environmental Segment	35,500	25.7	1.3	33,068	24.8	35,047	26.6	(1,979)	(5.6)	(2,432)	93.2
Grand total	138,000	100.0	4.8	133,084	100.0	131,713	100.0	1,370	1.0	(4,916)	96.4

● ACJ

(In million yen)

Business division	Disclosed plan			FY2019		FY2018		Change(YOY)		Change over plan	
	Amount	%	Change%	Amount	%	Amount	%	Amount	%	Amount	%
Information Systems	18,500	24.0	8.6	19,220	25.7	17,032	22.8	2,188	12.8	720	103.9
Time Management Products	3,100	4.0	1.2	3,002	4.0	3,063	4.1	(60)	(2.0)	(98)	96.9
Parking Systems	30,400	39.5	1.1	29,957	40.0	30,059	40.2	(101)	(0.3)	(442)	98.5
Total: Time Information Segment	52,000	67.5	3.7	52,180	69.7	50,154	67.1	2,026	4.0	180	100.3
Environmental Systems	20,100	26.1	0.8	18,080	24.2	19,931	26.6	(1,851)	(9.3)	(2,020)	90.0
Clean Systems	4,900	6.4	4.0	4,591	6.1	4,710	6.3	(119)	(2.5)	(309)	93.7
Total: Environmental Segment	25,000	32.5	1.5	22,671	30.3	24,642	32.9	(1,970)	(8.0)	(2,329)	90.7
Grand total	77,000	100.0	2.9	74,852	100.0	74,796	100.0	55	0.1	(2,148)	97.2

◆ Quarterly Performance

(In million yen)

	1st quarter		2nd quarter		3rd quarter		4th quarter		FY2019 Result	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	30,444	100.0	34,430	100.0	30,715	100.0	37,494	100.0	133,084	100.0
Gross profit	13,308	43.7	15,511	45.1	13,791	44.9	17,109	45.6	59,721	44.9
SG&A	11,011	36.2	10,635	30.9	10,314	33.6	11,591	30.9	43,552	32.7
Operating profit	2,297	7.5	4,876	14.2	3,477	11.3	5,517	14.7	16,168	12.1
Non-operating income	220	0.7	245	0.7	262	0.9	299	0.8	1,028	0.8
Non-operating expense	76	0.3	104	0.3	24	0.1	127	0.3	332	0.2
Ordinary profit	2,441	8.0	5,017	14.6	3,715	12.1	5,689	15.2	16,864	12.7
Extraordinary profit	1		2		1		0		5	
Extraordinary loss	2		146		23		414		588	
Net income attributable to owners of the parent company	1,420	4.7	3,258	9.5	2,470	8.0	3,416	9.1	10,567	7.9

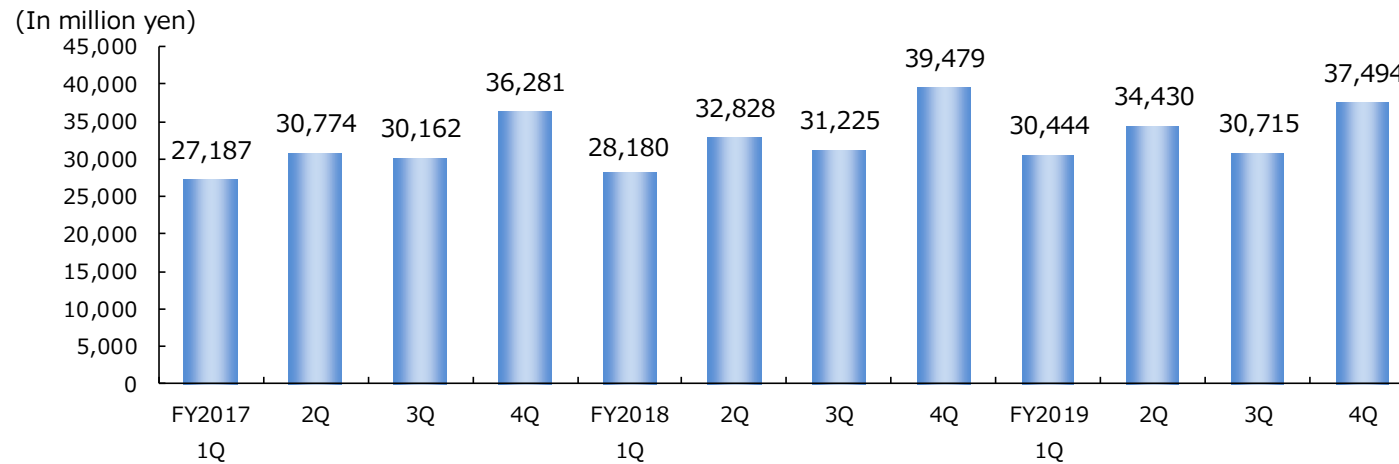
* FX Rates (Quarterly Average):
 US\$ 110.30 US\$ 109.66 US\$ 107.69 US\$ 109.33 US\$ 109.25
 EUR 125.28 EUR 122.86 EUR 118.95 EUR 121.51 EUR 122.15

◆ Quarterly Sales

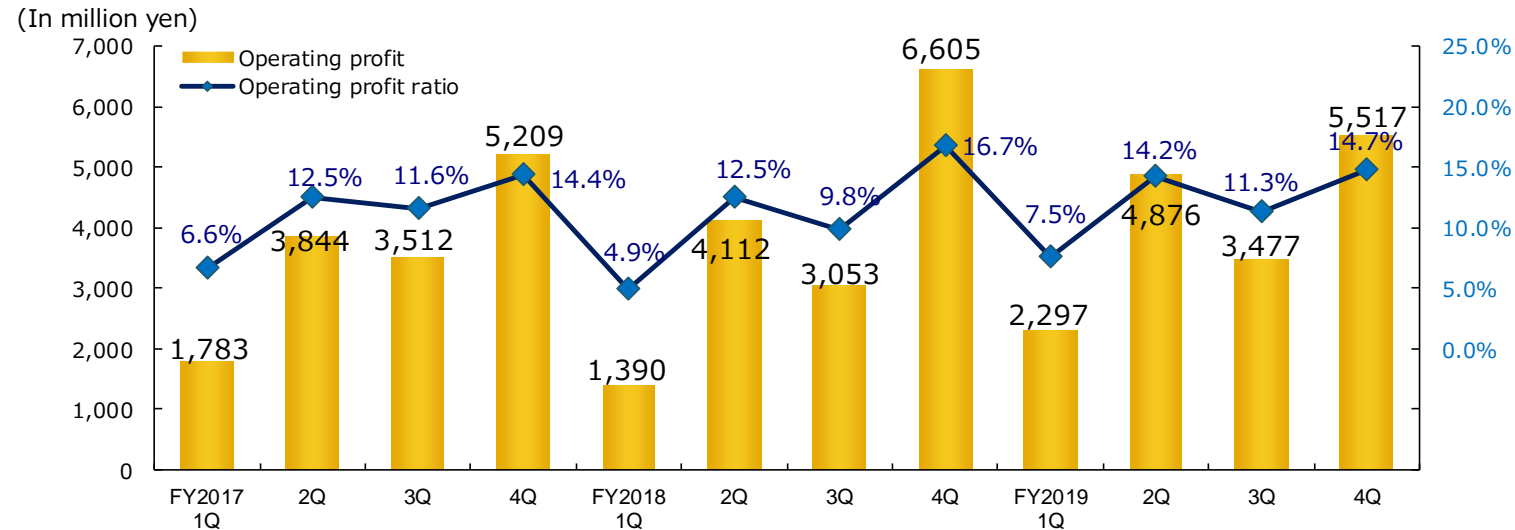
(In million yen)

Business division	1st quarter		2nd quarter		3rd quarter		4th quarter		FY2019 Result	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Information Systems	6,602	21.6	7,842	22.8	6,898	22.5	9,766	26.0	31,110	23.4
Time Management Products	848	2.8	873	2.5	813	2.6	940	2.5	3,475	2.6
Parking Systems	15,214	50.0	16,917	49.1	15,323	49.9	17,974	47.9	65,429	49.2
Total: Time Information Segment	22,665	74.4	25,633	74.4	23,036	75.0	28,680	76.4	100,016	75.2
Environmental Systems	5,280	17.4	5,957	17.3	5,080	16.5	6,113	16.3	22,432	16.8
Clean Systems	2,497	8.2	2,839	8.3	2,598	8.5	2,699	7.3	10,635	8.0
Total: Environmental Segment	7,778	25.6	8,797	25.6	7,679	25.0	8,813	23.6	33,068	24.8
Grand total	30,444	100.0	34,430	100.0	30,715	100.0	37,494	100.0	133,084	100.0

■ Net sales



■ Operating profit



Sales & Operating Profit by Business Segment

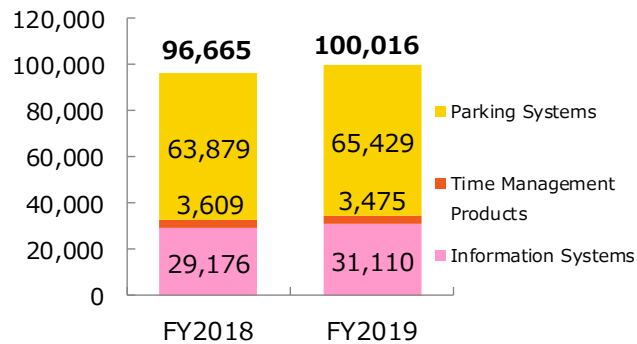
(In million yen)

	FY2019 1Q			FY2019 2Q			FY2019 3Q			FY2019 4Q			Year ending March 31, 2020			Year ending March 31, 2019			Change			
	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit		
Time Information Segment	22,665	2,432	10.7	25,633	4,430	17.3	23,036	3,395	14.7	28,680	5,400	18.8	100,016	15,658	15.7	96,665	13,590	14.1	3,350	3.5	2,068	15.2
Environmental Segment	7,778	883	11.4	8,797	1,475	16.8	7,679	1,045	13.6	8,813	1,351	15.3	33,068	4,756	14.4	35,047	5,621	16.0	△ 1,979	(5.6)	(864)	(15.4)
Company-wide Expenses		(1,018)			(1,029)			(964)			(1,234)			(4,246)			(4,049)				(196)	
Total	30,444	2,297	7.5	34,430	4,876	14.2	30,715	3,477	11.3	37,494	5,517	14.7	133,084	16,168	12.1	131,713	15,161	11.5	1,370	1.0	1,006	6.6

【Net sales】

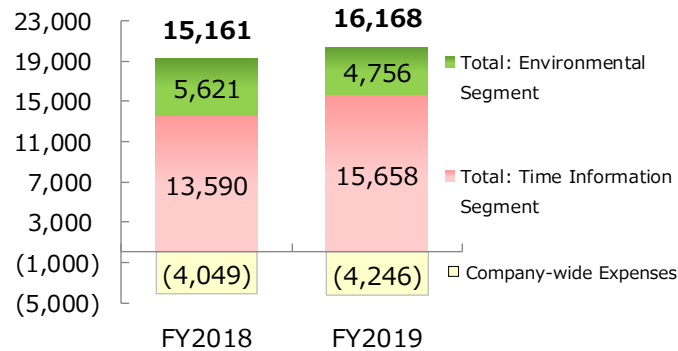
● Time Information Segment Up 3.5%

(In million yen)



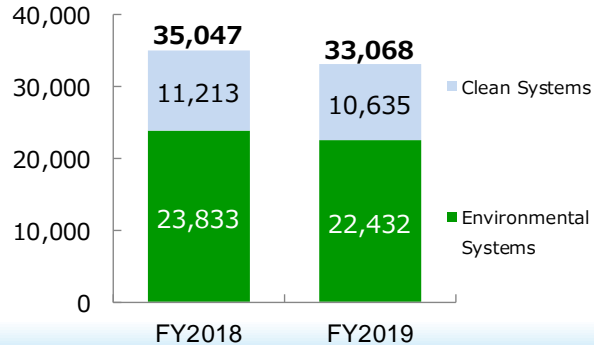
【Operating profit】

(In million yen)



● Environmental Segment Dn 5.6%

(In million yen)



● Time Information Segment Up 15.2 %

● Environmental Segment Dn 15.4 %

【References】

Increase / decrease in gross profit margin

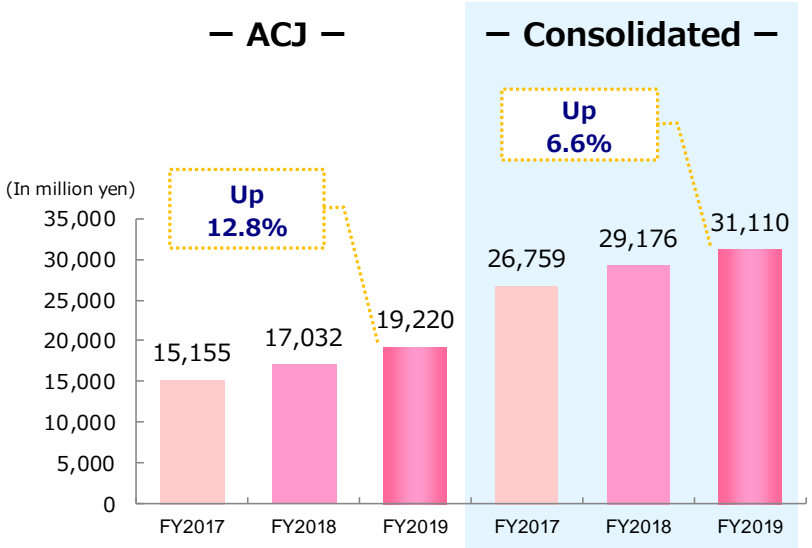
FY2018/FY2019	Consolidated	ACJ
Information Systems	↑	↑
Time Management Products	↑	↓
Parking Systems	↓	↓
Environmental Systems	↓	↓
Clean Systems	↑	↑

Performance by Business Division

Information Systems

Higher Domestic Sales, Lower Overseas Sales

【 Net Sales (YOY) 】



Domestic

Enforcement of laws related to work style reform (sequential enactment of new provisions)

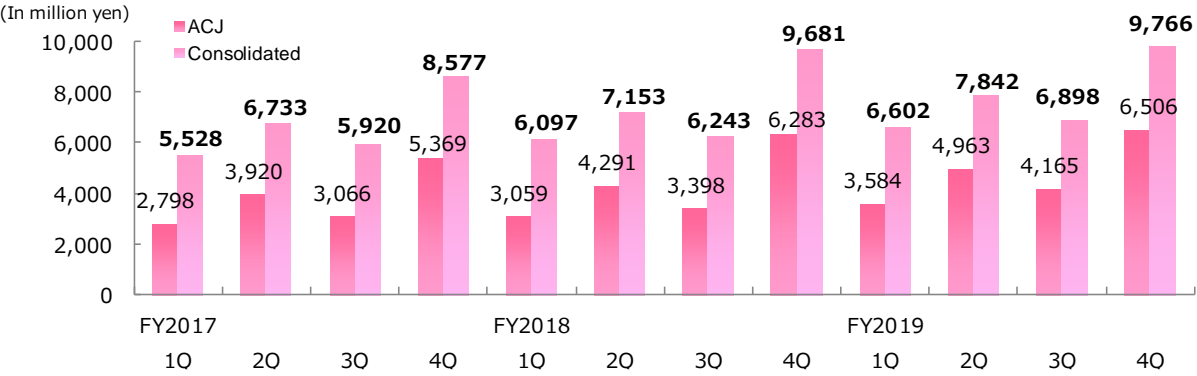
- Strong Orders for Software and Cloud Services
- Lower T&A Terminal sales
- Firm adoption of T&A systems by the public sector



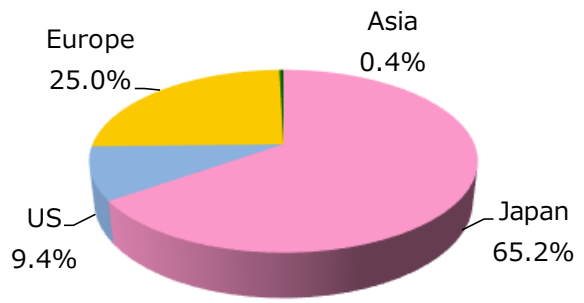
Overseas

- N. America: Sales lower at Accu-Time Systems Inc.
- Europe: Sales Grew at Horoquartz, S.A. (in local currency)

【 Quarterly Sales Performance (1Q FY2017 to 4Q FY2019) 】



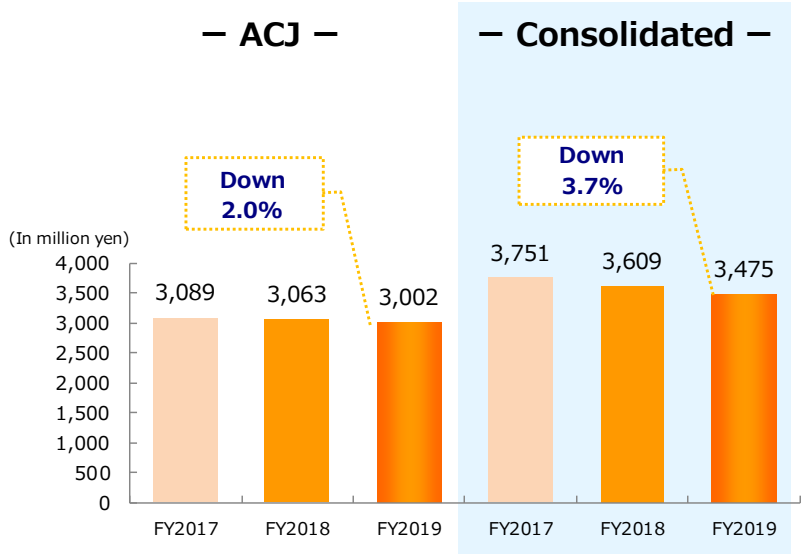
【 Sales composition by Region 】



Time Management Products

Lower Domestic and Overseas Sales

【 Net Sales (YOY) 】



Domestic

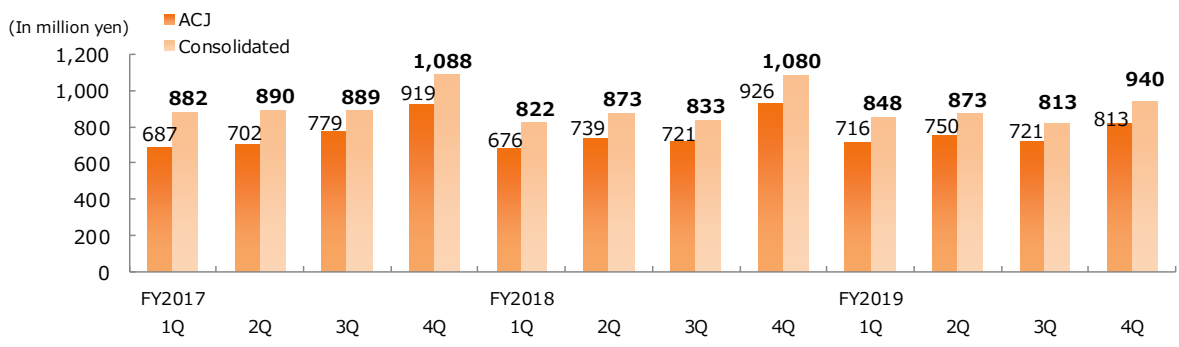
- Higher Sales for TimeP@ck Series
- Increased orders to switch from attendance books
- Standard Time Recorders; Lower domestic sales and exports



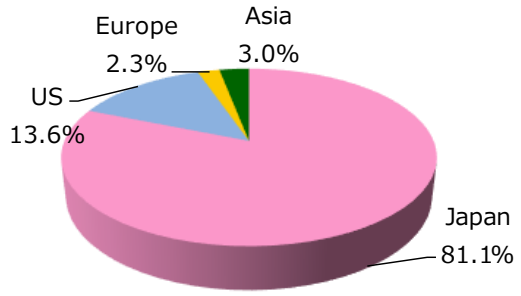
Overseas

- Lower Sales in the Americas & Europe
- Asian Sales Flat

【 Quarterly Sales Performance (1Q FY2017 to 4Q FY2019) 】



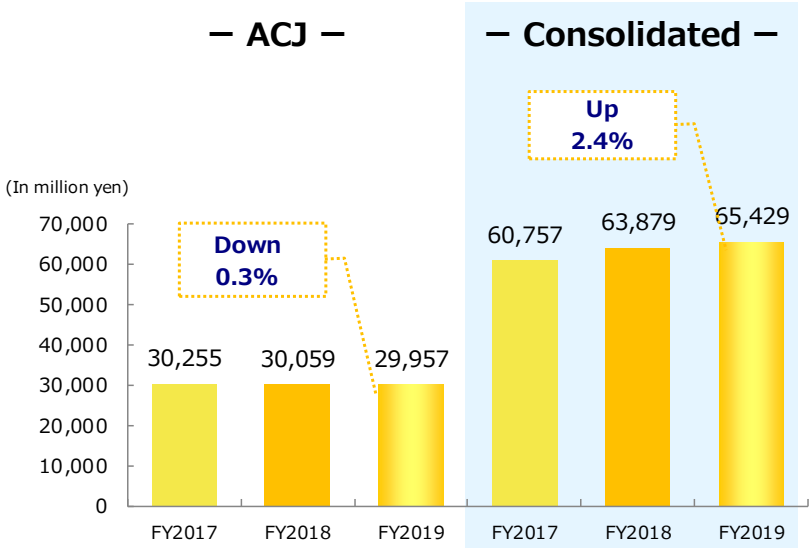
【 Sales composition by Region 】



Parking Systems

Lower Domestic (ACJ) Sales, Higher Overseas Sales

【 Net Sales (YOY) 】



Domestic

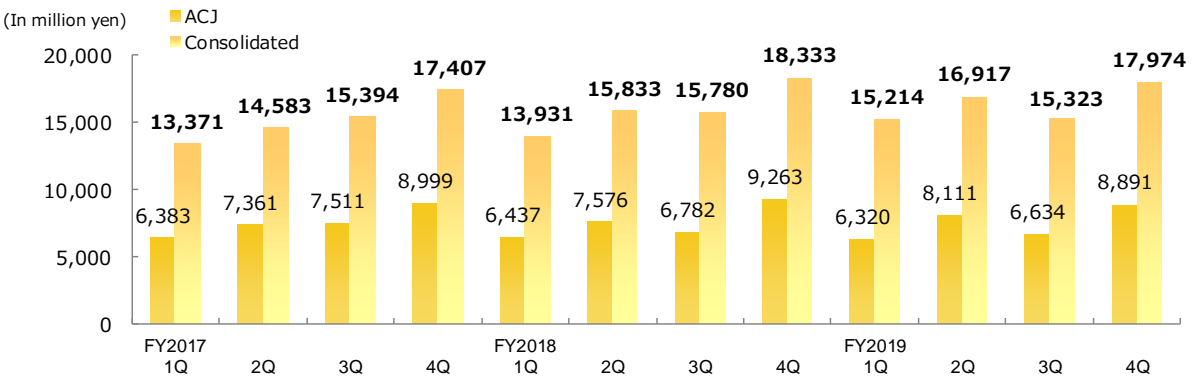
- Increased orders for parking operator projects
- Commissioned parking management business remained firm
- Bicycle Parking Systems sales flat



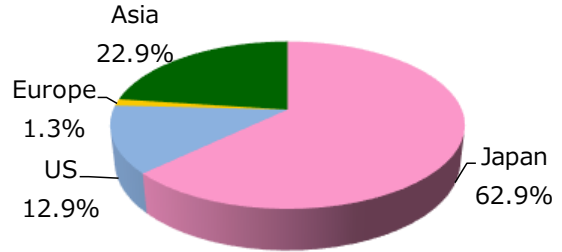
Overseas

- N. America; Sales declined at Amano McGann Inc.
- Asian Sales Higher (Korea, Hong Kong and Malaysia were Strong)

【 Quarterly Sales Performance (1Q FY2017 to 4Q FY2019) 】



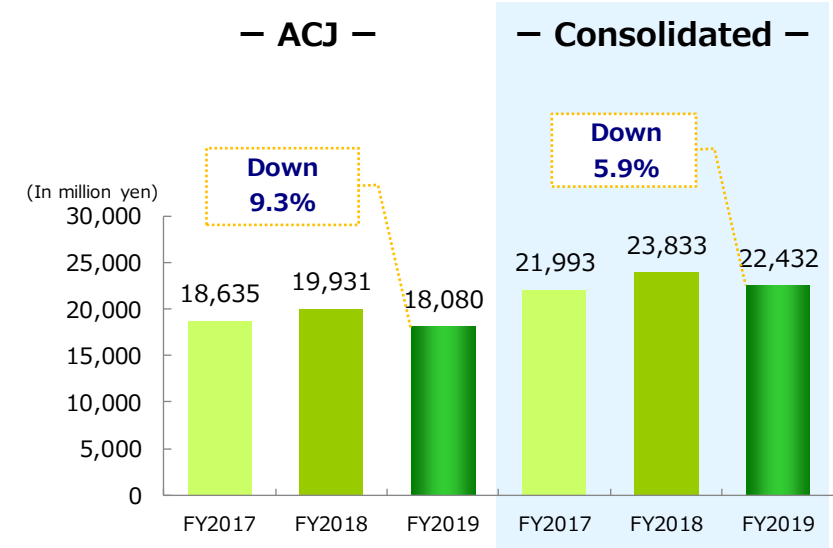
【 Sales composition by Region 】



Environmental Systems

Lower Domestic Sales, Higher Overseas Sales

【 Net Sales (YOY) 】

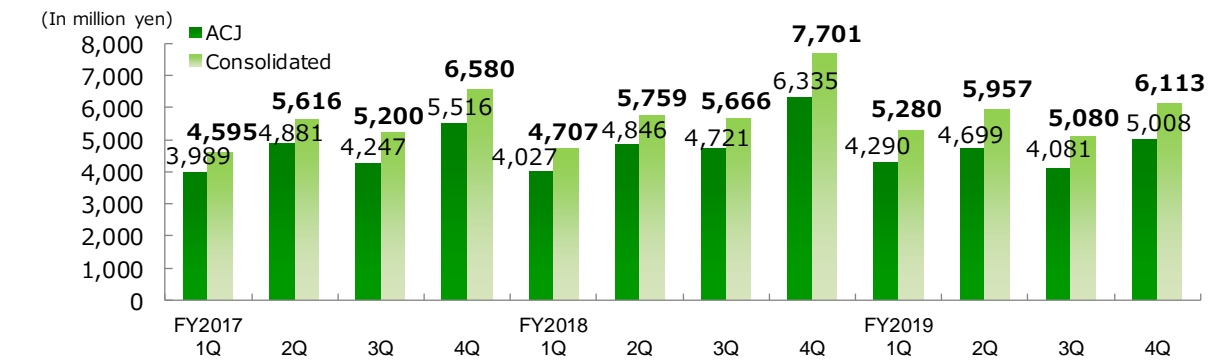


- Domestic**
- Sales for Standard Dust Collectors declined
 - Sales for Large-scale Systems declined

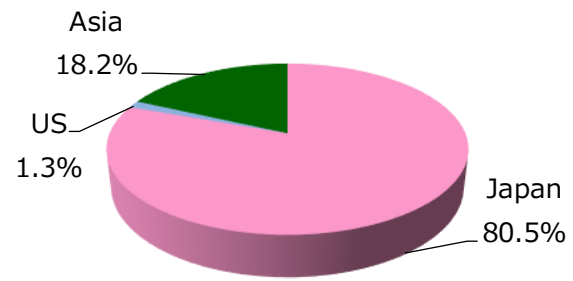


- Overseas**
- Asian Sales Higher (driven by Thailand and China)
 - Sales declined in Mexico

【 Quarterly Sales Performance (1Q FY2017 to 4Q FY2019) 】



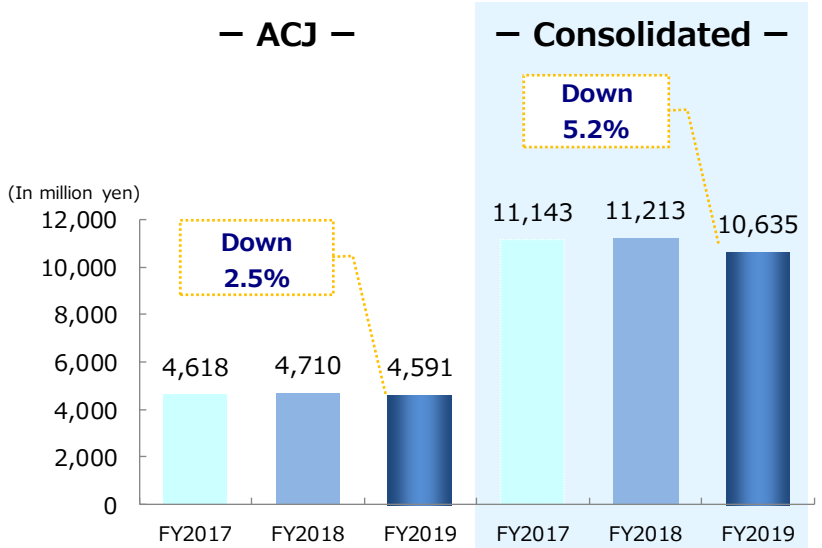
【 Sales composition by Region 】



Clean Systems

Lower Domestic and Overseas Sales

【Net Sales (YOY)】



Domestic

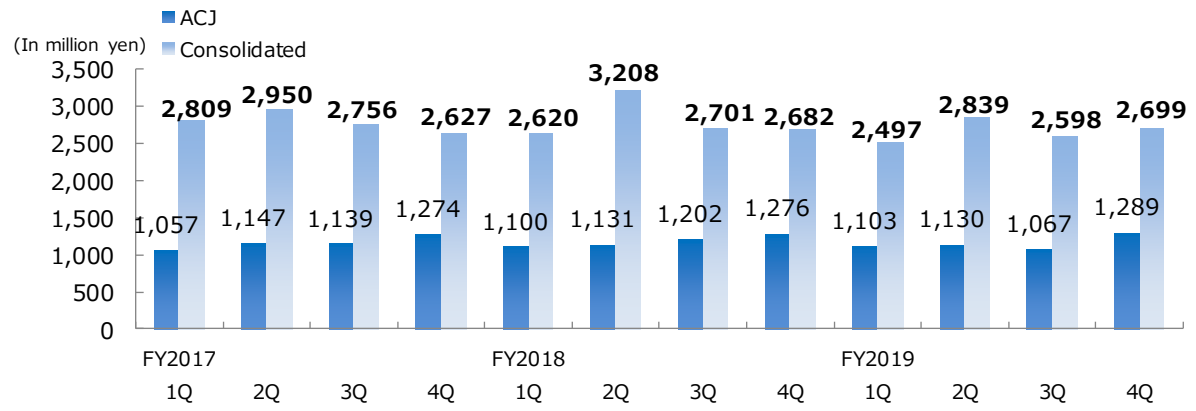
- Orders for the new robotic scrubber “EGrobo” is favorable
- Cleaning equipment sales declined



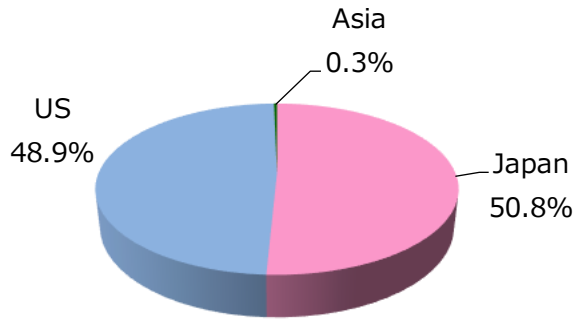
Overseas

- Americas; Sales Declined

【Quarterly Sales Performance (1Q FY2017 to 4Q FY2019)】



【Sales composition by Region】



* Performance by region

*The business year ending for all overseas units is December.

(In million yen)

	FY2019 1Q (Jan - Mar, 2019)			FY2019 2Q (Apr - Jun, 2019)			FY2019 3Q (Jul - Sep, 2019)			FY2019 4Q (Oct - Dec, 2019)			FY2019 (Jan - Dec, 2019)			FY2018 (Jan - Dec, 2018)			Year on Year Change			
	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	Sales	Operating profit	%	
N. America	4,289	(115)	(2.7)	4,658	(80)	(1.7)	4,200	(285)	(6.8)	4,324	(502)	(11.6)	17,471	(982)	(5.6)	18,308	(1,132)	(6.2)	(836)	(4.6)	150	—
Europe	2,244	135	6.0	2,136	164	7.7	2,000	254	12.7	2,469	337	13.6	8,849	890	10.1	9,031	718	8.0	(181)	(2.0)	172	23.9
Asia	4,859	433	8.9	4,770	457	9.6	4,628	625	13.5	5,262	365	6.9	19,519	1,880	9.6	17,786	1,474	8.3	1,732	9.7	406	27.6
Overseas group companies	11,393	453	4.0	11,564	541	4.7	10,829	594	5.5	12,055	200	1.7	45,839	1,788	3.9	45,125	1,060	2.3	714	1.6	728	68.7

* FX Rates (Quarterly Average):

US \$	110.30	US \$	109.66	US \$	107.69	US \$	109.33	US \$	109.25	US \$	110.37
EUR	125.28	EUR	122.86	EUR	118.95	EUR	121.51	EUR	122.15	EUR	130.00

* Goodwill Amortization:

N. America	59million	N. America	59million	N. America	58million	N. America	68million	N. America	246million	N. America	225million
Europe	77million	Europe	75million	Europe	73million	Europe	74million	Europe	300million	Europe	320million

(In million yen)

	FY2019 1Q (Apr - Jun, 2019)			FY2019 2Q (Jul - Sep, 2019)			FY2019 3Q (Oct - Dec, 2019)			FY2019 4Q (Jan - Mar, 2020)			FY2019 (Apr,2019 - Mar, 2020)			FY 2018 (Apr,2018 - Mar, 2019)			Year on Year 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 Total	5,310	698	13.1	5,639	895	15.9	5,418	822	15.2	5,589	774	13.9	21,958	3,190	14.5	21,885	2,983	13.6	73	0.3	207	6.9

(In million yen)

CONSOLIDATED B/S	FY2019 20.3.31	FY2018 19.3.31	Change
Assets	154,276	147,609	6,667
Cash & Bank Deposits	54,973	45,558	9,414
Notes and accounts receivable - trade	31,392	35,367	(3,974)
Inventories	9,701	10,184	(483)
Other Current Assets	4,390	4,338	52
Fixed Assets	53,818	52,160	1,658
Liabilities	44,798	41,017	3,781
Notes and accounts payable - trade	13,056	14,279	(1,223)
Other Current Liabilities	23,607	21,290	2,317
Other Fixed Liabilities	8,134	5,447	2,686
Net Assets	109,478	106,592	2,886
Shareholder's Equity	113,512	109,178	4,334
Total accumulated other comprehensive income	(4,817)	(3,216)	(1,600)
Non-Controlling shareholder's interests	783	630	152
Total Liabilities & Net Assets	154,276	147,609	6,667

(In million yen)

Consolidated Cash Flows (CF)	FY2019 20.3.31	FY2018 19.3.31	Change
CF from Operating Activities	23,211	15,719	7,491
CF from Investing Activities	(5,706)	(6,133)	427
FCF	17,505	9,585	7,919
CF from Financial Activities	(7,741)	(6,800)	(940)
Net Increase (decrease) in Cash & Equivalents	9,647	2,255	7,391
Cash and cash equivalents at end of period	52,134	42,487	9,647
CAPEX (tangible fixed asset)	6,166	2,751	3,414
CAPEX (intangible asset)	794	715	79
Depreciation	5,351	3,833	1,517

The CAPEX and Depreciation figures onwards does not include software for sale and M&As.

(*) Amano subsidiaries subject to IFRS have applied IFRS 16 "Leases" for fiscal year 2019 and its impact is reflected in the CAPEX and Depreciation expenses.

CAPEX and Depreciation expenses excluding the impact are as follows:

■ FY2019 (Consolidated)

CAPEX (tangible fixed asset) 2,955

CAPEX (intangible asset) 794

Depreciation 3,788

(In million yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 Plan
Consolidated CAPEX [tangible fixed asset]	2,545	2,787	3,101	3,099	2,751	6,166	5,908
[intangible asset]	4,297	3,858	615	642	715	794	985
Consolidated Total	6,842	6,645	3,717	3,742	3,468	6,962	6,893
ACJ CAPEX [tangible fixed asset]	721	1,083	1,426	1,112	924	1,252	1,050
[intangible asset]	1,450	3,058	309	323	251	377	497
Unconsolidated Total	2,171	4,142	1,736	1,435	1,175	1,629	1,548
Depreciation (Consolidated)	4,137	4,415	3,549	3,593	3,833	5,351	6,109
Depreciation (ACJ)	1,921	2,047	1,255	1,327	1,273	1,322	1,299

(*) Amano subsidiaries subject to IFRS have applied IFRS 16 "Leases" for fiscal year 2019 and the impact is reflected in the actual results and plans.

CAPEX and Depreciation expenses excluding the impact are as follows:

■ FY2019 (Consolidated)		■ FY2020 Full Year Plan (Consolidated)	
CAPEX (tangible fixed asset)	2,955	CAPEX (tangible fixed asset)	2,992
CAPEX (intangible asset)	794	CAPEX (intangible asset)	985
Depreciation	3,788	Depreciation	3,752

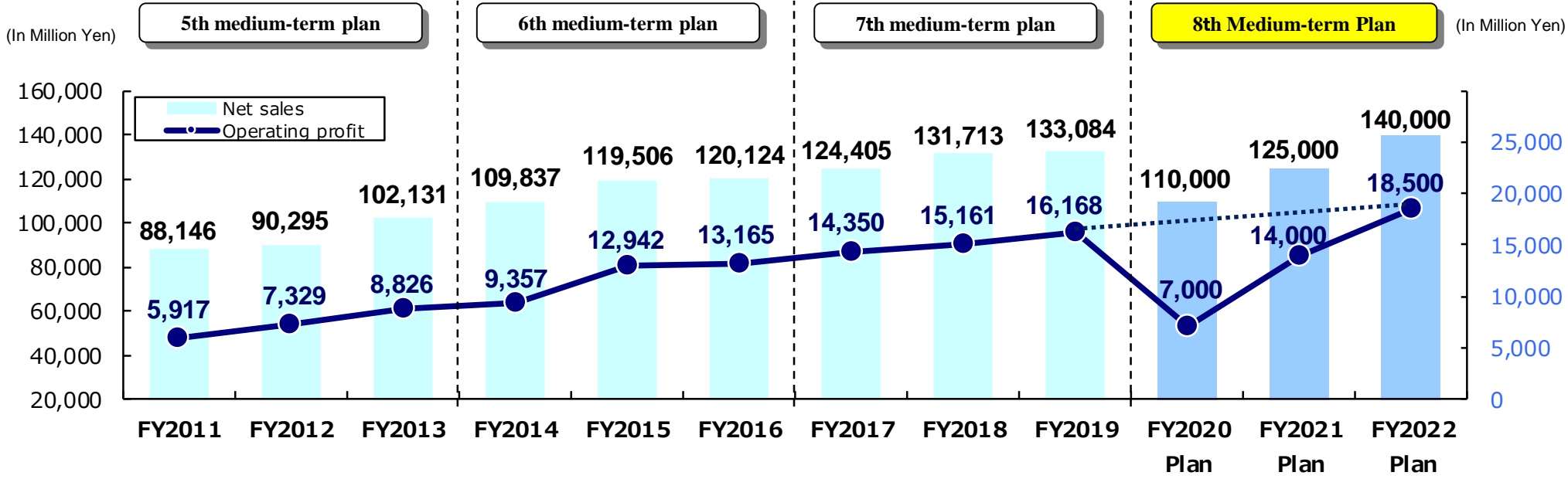
The 8th Medium-Term Business Plan **(FY2020-FY2022)**

The 3rd Stage *Towards a 100-year Company* *Quantum Leap*

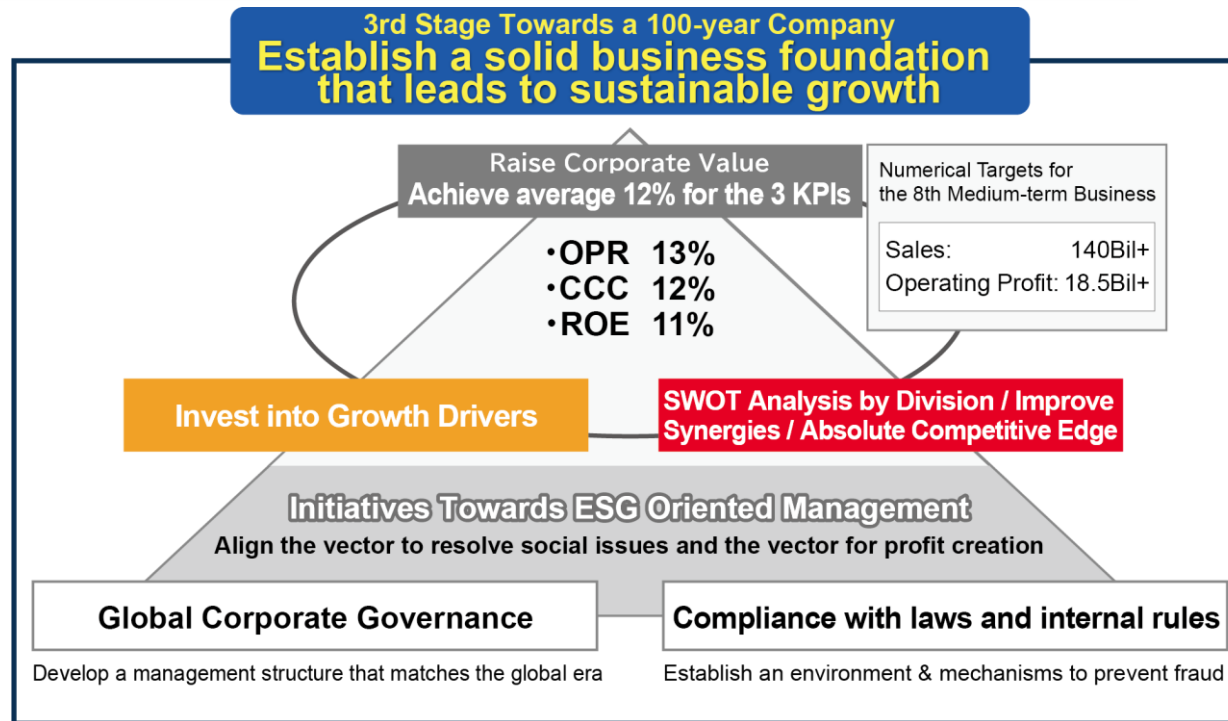
**Establish a solid business foundation
that leads to sustainable growth**

Roadmap of the Medium-term Business Plan

FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
5th medium-term plan			6th medium-term plan			7th Medium-term Plan			8th Medium-term Plan		
To become a 100-year Company			Challenge to a New Stage			2nd Stage Towards a 100-year Company Quantum Leap			3rd Stage Towards a 100-year Company		
FY2013 Sales: over ¥103Bn Operating Profit: over ¥10Bn			FY2016 Sales: over ¥130Bn Operating Profit: over ¥13Bn			FY2019 Sales: over ¥140Bn Operating Profit: over ¥16Bn			FY2022 Sales: over ¥140Bn Operating Profit: over ¥18.5Bn		
Global Niche Top Establishing new businesses			Expand Corporate Scale & Establish Growth Drivers			Innovative Creation of Value for Sustainable Growth			Establish a solid business foundation that leads to sustainable growth		



The 8th Medium-Term Business Plan Concept (Apr. 2020- Mar. 2023)



① Investing in growth drivers

- In response to the movement of DX (Digital Transformation), promote digitization and IT in each business field.
- Solid strategic investments in growth drivers such as software assets, IoT, and AI, etc.
- Continue to invest in venture and/or start-up companies and engage in M&A to build the sixth core business.

② Establish unrivaled competitive advantage

- Each business division and group company shall grasp their strengths using the SWOT analysis method and invest accordingly as in ① to further strengthen their advantages.
- Through synergistic effects of the strengths revealed above, further enhance the competitive advantage.
- Promote deepening and expanding the customer base.
- Enhance product lineup which are in line with market trends.

◆ Consolidated Business Plan

(In million yen)

	FY2020		FY2021		FY2022	
	Amount	Change(%)	Amount	Change(%)	Amount	Change(%)
Net sales	110,000	(17.3)	125,000	13.6	140,000	12.0
Operating profit	7,000	(56.7)	14,000	100.0	18,500	32.1
Operating profit ratio	6.4%	0.0	11.2%	0.0	13.2%	0.0%
Ordinary profit	7,800	(53.8)	15,000	92.3	19,500	30.0
Net income attributable to owners of the parent company	6,100	(42.3)	10,000	63.9	13,000	30.0

◆ Consolidated Sales Plan

(In million yen)

	FY2020			FY2021			FY2022		
	Amount	(%)	Change(%)	Amount	(%)	Change(%)	Amount	(%)	Change(%)
Information Systems	27,500	25.0	(11.6)	31,500	25.2	14.5	33,500	23.9	6.3
Time Management Products	3,000	2.7	(13.7)	3,200	2.6	6.7	3,200	2.3	0.0
Parking Systems	55,500	50.5	(15.2)	61,300	49.0	10.5	69,500	49.7	13.4
Total: Time Information Segment	86,000	78.2	(14.0)	96,000	76.8	11.6	106,200	75.9	10.6
Environmental Systems	15,500	14.1	(30.9)	20,000	16.0	29.0	23,000	16.4	15.0
Clean Systems	8,500	7.7	(20.1)	9,000	7.2	5.9	10,800	7.7	20.0
Total: Environmental Segment	24,000	21.8	(27.4)	29,000	23.2	20.8	33,800	24.1	16.6
Grand total	110,000	100.0	(17.3)	125,000	100.0	13.6	140,000	100.0	12.0

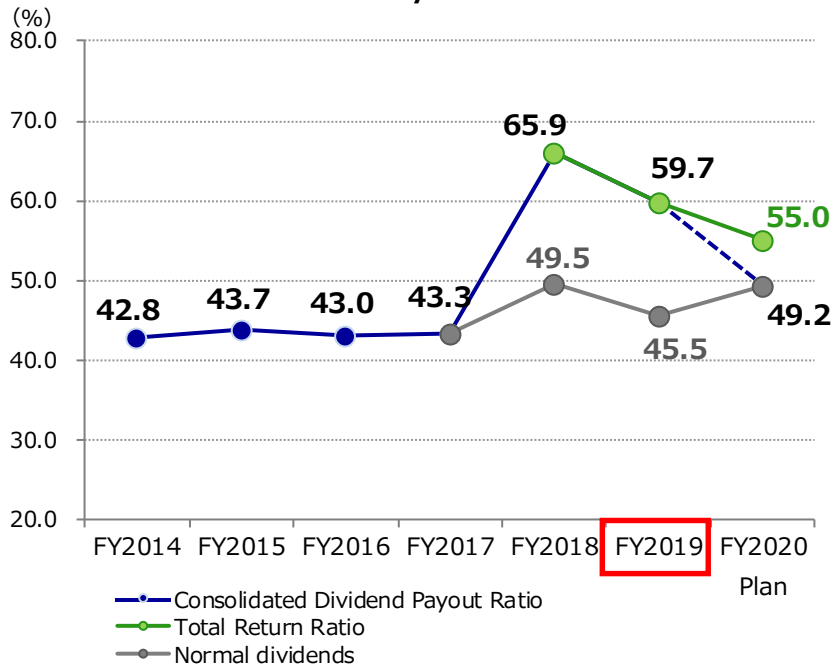
* FX Rates (Yearly Average):
 US\$ 105.00
 EUR 115.00

※ Traditionally, we have announced numerical targets upon formulating three-year Medium-term Business Plans and as such we have done so as above. However, please note that these numerical targets are tentative at this point. Currently, COVID-19 is causing too many uncertainties hampering realistic future planning, so we intend to review these targets at the end of the first half of this fiscal year (September 2020), at which time, we hope to have a better outlook of the pandemic and the economic recovery trends of each country.

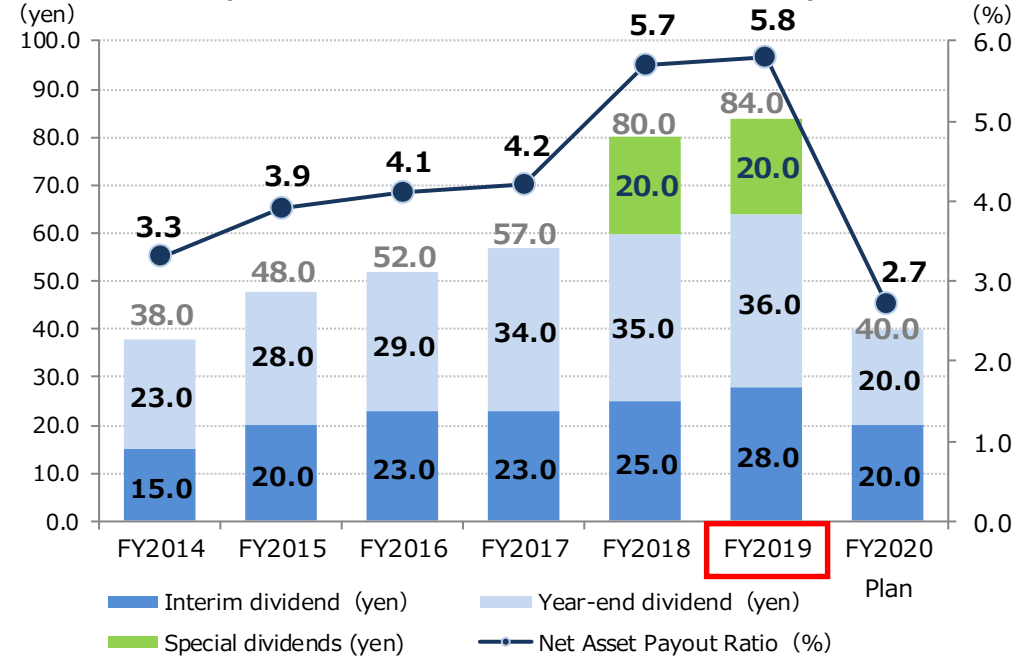
◎ Dividend Policy Stable dividends + performance incentives

- Consolidated Dividend Payout Ratio: Target above 40.0%
- Net Asset Payout Ratio: Target above 2.5%
- Total Return Ratio : Target above 55.0%

<Consolidated Dividend Payout Ratio and Total Return Ratio >



<Dividend per Share and Consolidated Net Asset Payout Ratio >



★ The acquisition of treasury stock

- Acquisition period : From October 2018 to March 2019
- Total number of acquired stocks : 1 Million
- Total amount of acquired stocks : 2,326 Million yen

Business Plan for FY2020

● Consolidated

(In million yen)

	FY2020 Plan						FY2019 Result			
	Full Year			1st Half			Full Year		1st Half	
	Amount	(%)	Change(%)	Amount	(%)	Change(%)	Amount	(%)	Amount	(%)
		%	%		%	%		%		%
Net sales	110,000	100.0	(17.3)	50,000	100.0	(22.9)	133,084	100.0	64,874	100.0
Gross profit	48,800	44.4	(18.3)	22,000	44.0	(23.7)	59,721	44.9	28,820	44.4
SG&A	41,800	38.0	(4.0)	20,000	40.0	(7.6)	43,552	32.7	21,646	33.4
Operating profit	7,000	6.4	(56.7)	2,000	4.0	(72.1)	16,168	12.1	7,174	11.1
Ordinary profit	7,800	7.1	(53.8)	2,500	5.0	(66.5)	16,864	12.7	7,459	11.5
Net income attributable to owners of the parent company	6,100	5.5	(42.3)	2,500	5.0	(46.6)	10,567	7.9	4,679	7.2

● ACJ

(In million yen)

	FY2020 Plan						FY2019 Result			
	Full Year			1st Half			Full Year		1st Half	
	Amount	(%)	Change(%)	Amount	(%)	Change(%)	Amount	(%)	Amount	(%)
		%	%		%	%		%		%
Net sales	62,000	100.0	(17.2)	27,500	100.0	(22.9)	74,852	100.0	35,672	100.0
Gross profit	27,300	44.0	(17.3)	12,300	44.7	(19.9)	33,023	44.1	15,360	43.1
SG&A	21,300	34.4	(2.3)	10,700	38.9	(0.8)	21,811	29.1	10,787	30.2
Operating profit	6,000	9.7	(46.5)	1,600	5.8	(65.0)	11,212	15.0	4,573	12.8
Ordinary profit	7,400	11.9	(44.5)	2,400	8.7	(59.8)	13,330	17.8	5,969	16.7
Net Income	5,200	8.4	(44.5)	1,700	6.2	(59.5)	9,374	12.5	4,202	11.8

FY2020: Sales Plan by Business Division

● Consolidated

(In million yen)

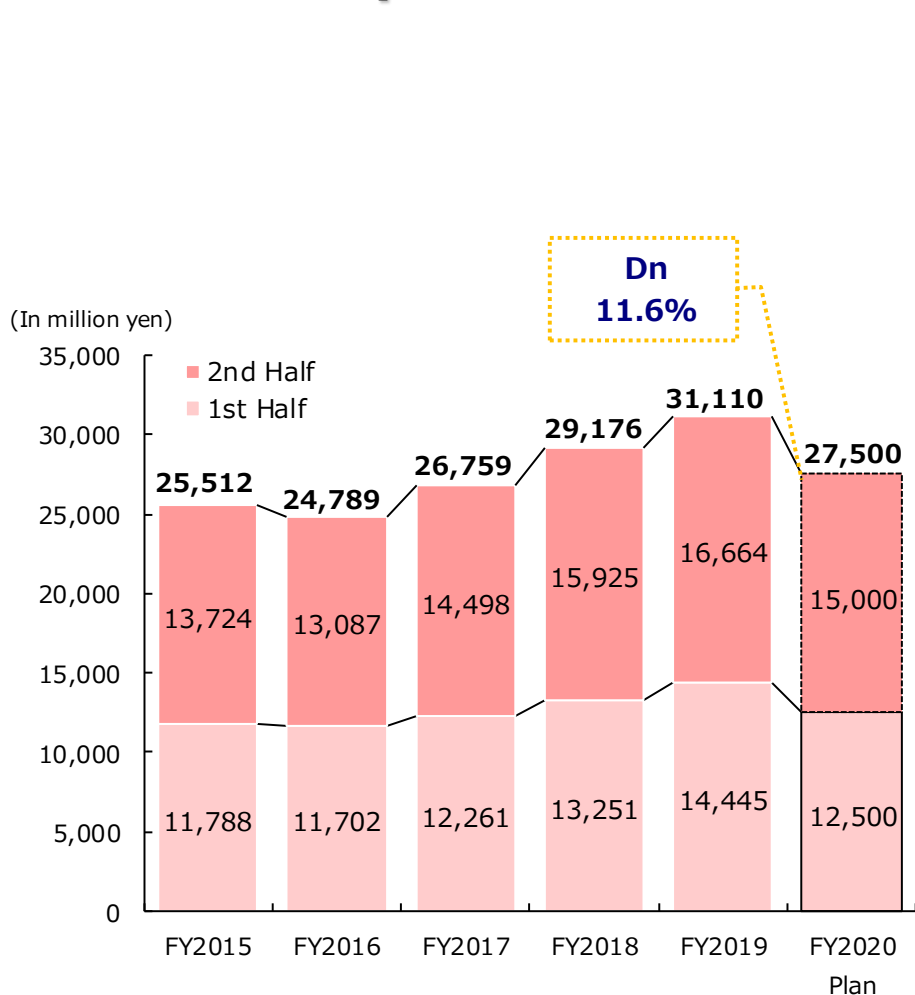
Business division	FY2020 Plan				Plan 1st half		Plan 2nd half		FY2019 Result	
	Amount	%	Change		Amount	%	Amount	%	Amount	%
Information Systems	27,500	25.0	(3,610)	(11.6)	12,500	25.0	15,000	25.0	31,110	23.4
Time Management Products	3,000	2.7	(475)	(13.7)	1,400	2.8	1,600	2.7	3,475	2.6
Parking Systems	55,500	50.5	(9,929)	(15.2)	25,000	50.0	30,500	50.8	65,429	49.2
Total: Time Information Segment	86,000	78.2	(14,016)	(14.0)	38,900	77.8	47,100	78.5	100,016	75.2
Environmental Systems	15,500	14.1	(6,932)	(30.9)	6,800	13.6	8,700	14.5	22,432	16.9
Clean Systems	8,500	7.7	(2,135)	(20.1)	4,300	8.6	4,200	7.0	10,635	8.0
Total: Environmental Segment	24,000	21.8	(9,068)	(27.4)	11,100	22.2	12,900	21.5	33,068	24.8
Grand total	110,000	100.0	(23,084)	(17.3)	50,000	100.0	60,000	100.0	133,084	100.0

● ACJ

(In million yen)

Business division	FY2020 Plan				Plan 1st half		Plan 2nd half		FY2019 Result	
	Amount	%	Change		Amount	%	Amount	%	Amount	%
Information Systems	17,000	27.4	(2,220)	(11.6)	7,600	27.6	9,400	27.2	19,220	25.7
Time Management Products	2,600	4.2	(402)	(13.4)	1,200	4.4	1,400	4.1	3,002	4.0
Parking Systems	25,500	41.1	(4,457)	(14.9)	11,000	40.0	14,500	42.0	29,957	40.0
Total: Time Information Segment	45,100	72.7	(7,080)	(13.6)	19,800	72.0	25,300	73.3	52,180	69.7
Environmental Systems	13,300	21.5	(4,780)	(26.4)	6,000	21.8	7,300	21.2	18,080	24.2
Clean Systems	3,600	5.8	(991)	(21.6)	1,700	6.2	1,900	5.5	4,591	6.1
Total: Environmental Segment	16,900	27.3	(5,771)	(25.5)	7,700	28.0	9,200	26.7	22,671	30.3
Grand total	62,000	100.0	(12,852)	(17.2)	27,500	100.0	34,500	100.0	74,852	100.0

Business expansion in hardware, software, services and cloud



Domestic

- MH(Middle High) market;
Promote VG+ZeeM consultative proposals
Collaborate with CREO
- ML(Middle Low) market;
Middle market; Expand VG proposals
Low-end market; Strengthen NX T&A + Payroll packaged proposals
- Expand Cloud business proposals
VG Cloud, CYBER XEED, e-AMANO
- Develop public sector market
- Strengthen the terminal business



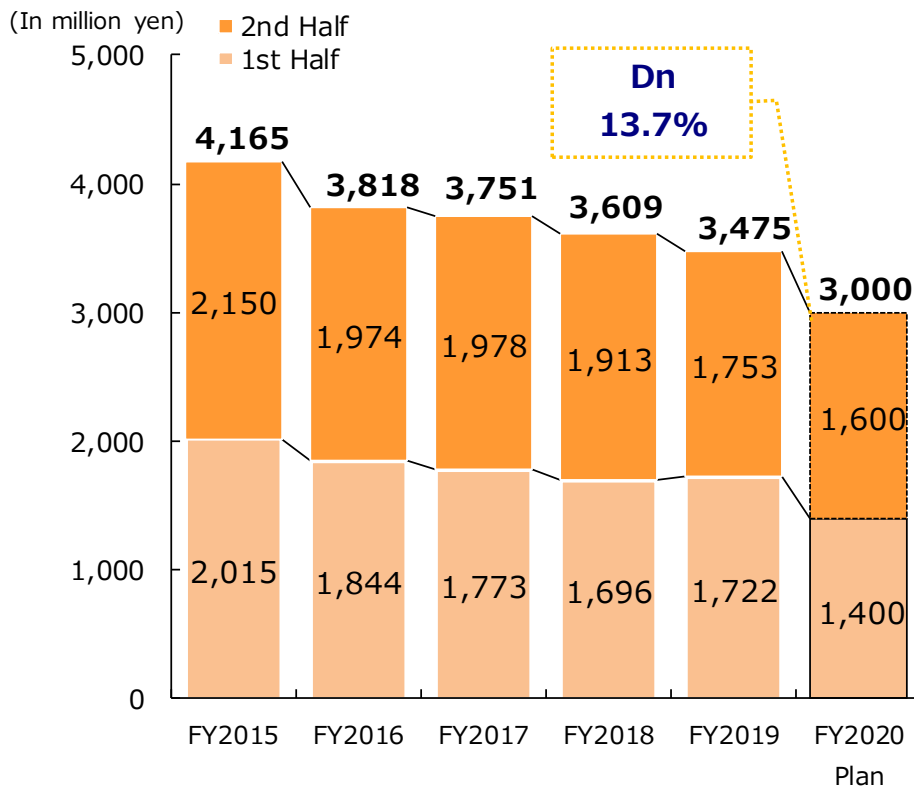
Overseas

- N. America; Accu-Time Systems Inc.
Strengthen ties with companies engaged in ERP systems
New product launch
- Europe; Horoquartz, S.A.
Promote the cross-selling of T&A, HR and Access Control
Promote Cloud Business

Expand new product sales in Japan

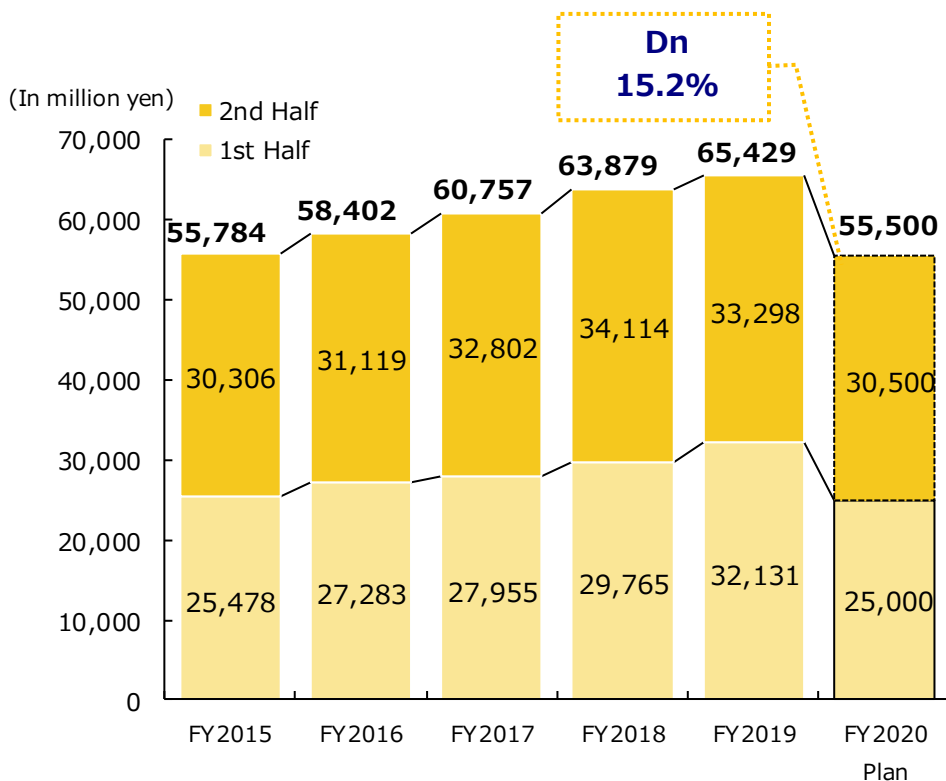


- Launch new products into the standard equipment market
Strengthen online store sales and e-commerce
- Expand TimeP@CK sales
Enhancing paid member services



- Develop new sales channels in the Americas, Europe and Asia

Expand commissioned management services in Japan and Asia



- Strengthen ties with major operators
- Medium small operators
Enhance Services of the Parking Data Center
- Deploy new maintenance services
(cloud, various remote services)
- Promote proposals for new systems (ticketless, cashless)
- Strengthen proposals for commissioned management services
- Expand new markets
Bicycle parking , security gates, toll roads

- Americas; Re-establish the sales regime and management controls
- Europe; Reinforce sales regime and Management Service Business
- Asia; Expand Management service business and strengthen collaboration within the Amano group

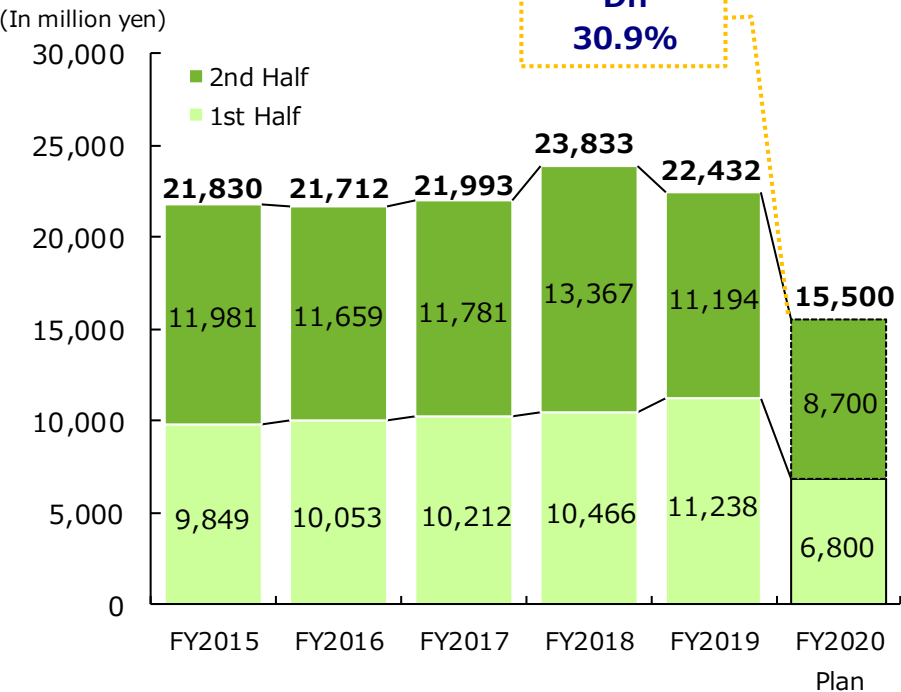
Expand standard product sales and reinforce the engineering regime



- Capture the demand for standard dust collectors
- Expand holistic sales including peripheral devices
- Develop new business domains (field, industry, sales channels)



- Promote global deployment by group collaboration
- North & Central America; Expand target industries to introduce standard products
Develop business with non-Japanese customers
- Asia; Reinforce sales and engineering capabilities
Develop the Vietnamese markets

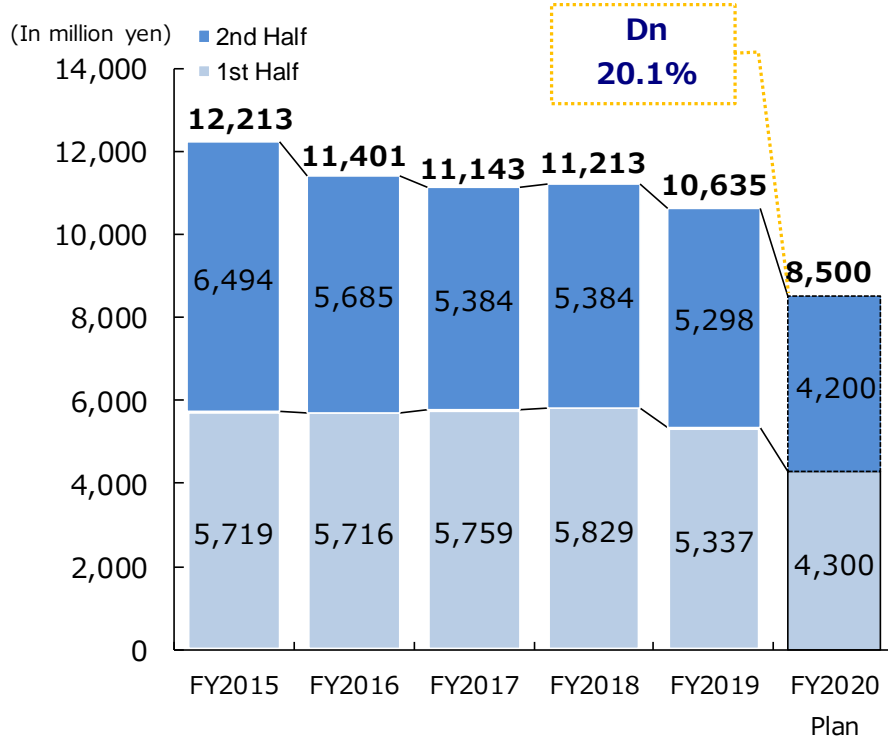


Expand the cleaning robot market



- Expand sales of robotic scrubbers "EGrobo"
- Strengthen Robotic cleaners Proposals
- Deploy various new services using communication capabilities
- Strengthen Holistic Cleanliness Proposals Total Solutions; Hard & Software, Maintenance and Services
- Mining the factory market

- Americas; Develop new sales channels and strengthen sales force
- Expand into markets other than the Americas



Net Sales & Operating Profit Plans by Segment

(In million yen)

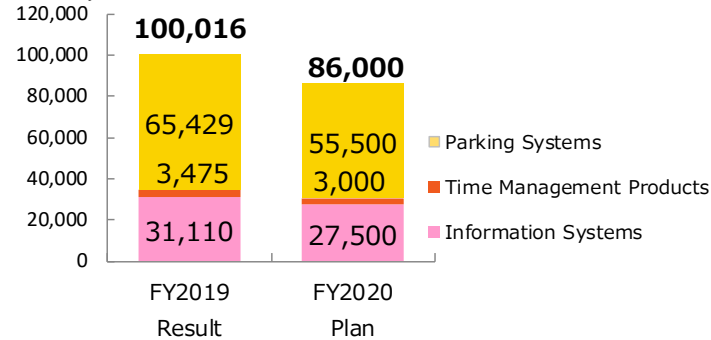
	FY2020 Plan			FY2019 Result			Change			
	Net Sales	Operating profit	%	Net Sales	Operating profit	%	Net Sales	%	Operating profit	%
Time Information Segment	86,000	9,900	11.5	100,016	15,658	15.7	(14,016)	(14.0)	(5,758)	(36.8)
Environmental Segment	24,000	1,200	5.0	33,068	4,756	14.4	(9,068)	(27.4)	(3,556)	(74.8)
Company-wide Expenses		(4,100)			(4,246)				146	
Total	110,000	7,000	6.4	133,084	16,168	12.1	(23,084)	(17.3)	(9,168)	(56.7)

【Net Sales】

● Time Information Segment

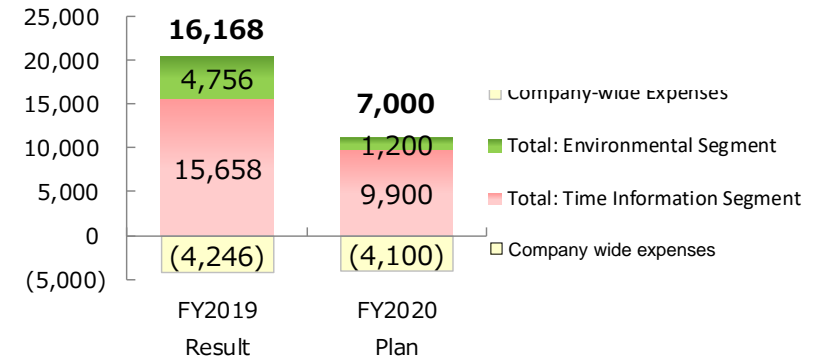
Change Dn 14.0%

(In million yen)



【Operating profit】

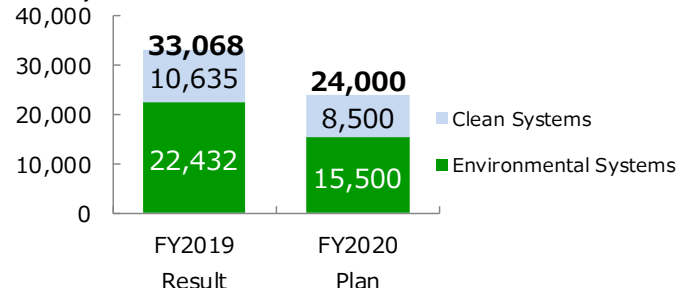
(In million yen)



● Environmental Segment

Change Dn 27.4%

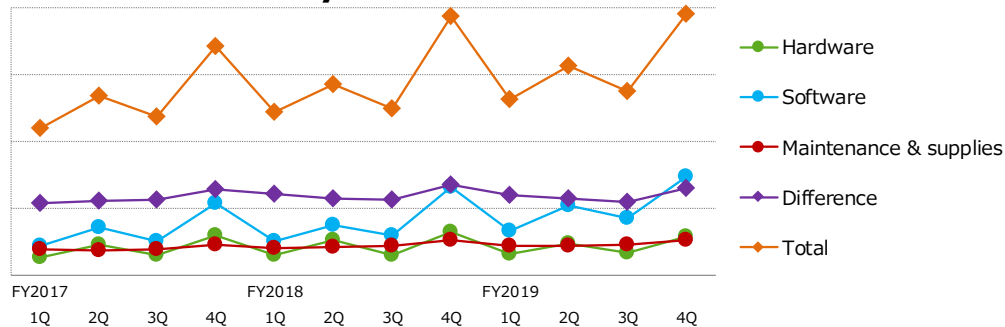
(In million yen)



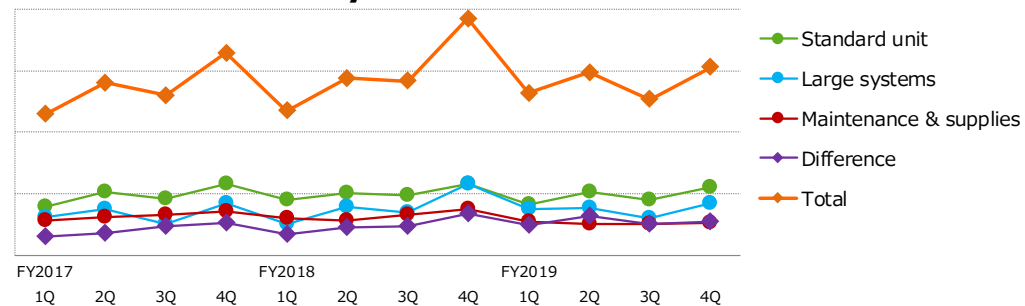
※ Operating Profit Change Dn 56.7%

- Time Information Segment Change Dn 36.8%
- Environmental Segment Change Dn 74.8%

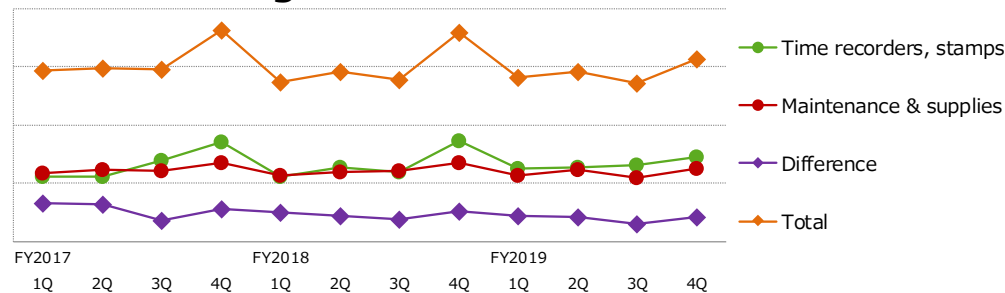
<Information Systems>



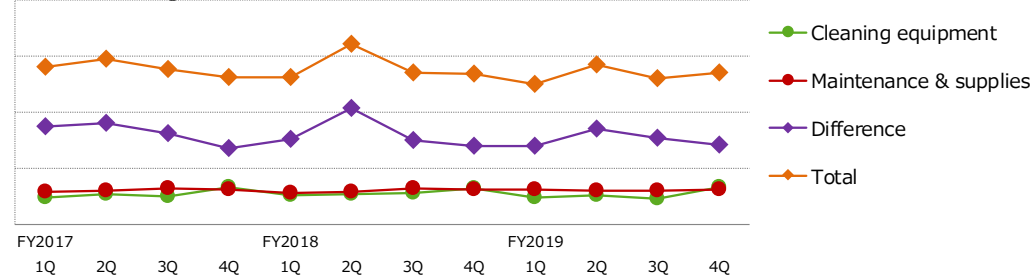
<Environmental Systems>



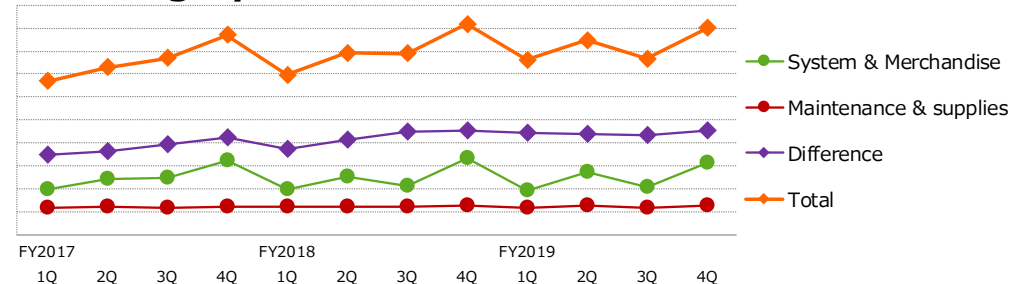
< Time Management Products >



< Clean Systems >



<Parking Systems>



① Initiatives emphasizing employee safety first

- ACJ and domestic group companies have adopted flexible work programs such as telework (work from home), flextime, and office work shifts.
- Overseas group companies are responding in accordance with the enforcements given by their respective local authorities. For areas under “stay-home” orders, employees are working from home.

② Factory operations

- Domestic factory workers are working in shifts to maintain minimum operations.
- U.S. factories are operating in accordance with the enforcements given by their respective state authorities and has stopped production of certain items. Other permitted items are in production either normally or by minimum staffing.

③ The Effects of COVID-19 on this Year's Performance

- We have reflected the effects in our full-year forecast as much as possible.
- We will disclose appropriately according to the future changes in the situation.

AMANO