

FINANCIAL REPORT

April 2006 – March 2007



Management Policy

1. Basic Management Policy

Throughout its history, Amano has adhered to a basic policy of putting the customer first. This has meant paying heed to what its customers say, based on the corporate themes of “people and time” and “people and the environment,” and giving pivotal importance to customer satisfaction throughout its business activities, particularly in sales, production, and development activities.

In accordance with this fundamental policy, Amano continues to undertake business activities with the goal of earning the trust and high regard of all those who support it: customers, employees, shareholders, suppliers and other entities with which it does business, and the local community. It achieves this by providing a variety of products, systems, services, and solutions that match the needs of customers in relation to the themes of “people and time” and “people and the environment.”

Amano and its Group companies direct their efforts towards maximizing corporate value by fostering innovation in management and by ensuring a strong earnings structure and sustained growth in business performance.

2. Basic Policy on Distribution of Profits, and Dividend for This and Next Term

For Amano, one of the issues to which it devotes most importance is its policy for dividends to shareholders. Fundamental to this is its policy for the return of profit to shareholders, based on maintaining a stable ordinary dividend of ¥26 annually (¥13 interim and ¥13 year-end), together with appropriate results-based distributions and flexible purchasing of treasury stock.

For dividends it was decided to change to a criterion of maintaining a payout ratio of at least 35% on a consolidated basis, as of the previous term. In addition, the Company's medium-term goal is to maintain a ratio of dividend to net assets of at least 2.5%.

In line with this policy, we plan to pay a year-end dividend for the year of ¥17 per share, which constitutes an increase of ¥4 from the ¥13 paid as the previous year-end dividend, and reflects the Company's business performance. As a result, the annual dividend will be ¥30, including the ¥13 per share paid as the interim dividend, which corresponds with a payout ratio of 40.4% on a consolidated basis, and a 3.0% ratio of dividends to net assets.

Retained earnings will be used to fund effective investment aimed at the fundamental enhancement of the Company's capacity to conduct its business operations. This will include the expansion and strengthening of existing business fields, strategic investment in growth fields, and spending on research and development, as well as the rationalization of production plant and equipment for the purpose of reducing costs and further improving product quality.

3. Medium- and Long-Term Management Strategy and Targeted Management Indicators

Amano and its Group companies each continue the tradition of evolving continuously in response to changes in the times, while maintaining the following four immutable strategies of the Amano Group.

- (1) Emphasis on Time & Ecology business fields, and enhancement of core business
- (2) Being a niche leader in the business fields in which we excel
- (3) Constant restructuring
- (4) Management based on cash flow

Based on these four fundamental strategies, in April 2005 Amano inaugurated its third three-year medium-term management plan.

With regard to business results in the year under review, the second year of the plan, net income fell slightly below the plan target, at 99.4%, but most of the second-year plan targets were met.

The details are set out below.

Consolidated management targets

(Millions of yen)

	Year ending March 2007 - (Plan)		Year ended March 2007 - (Actual)		Year ending March 2008 - (Plan)	
	Amount	YOY Change (%)	Amount	YOY Change (%)	Amount	YOY Change (%)
Net sales	84,000	5.3	85,769	7.6	91,000	6.1
Operating profit	10,100	5.9	10,144	6.4	10,700	5.5
Operating profit to sales	12.0%		11.8%		11.8%	
Ordinary profit	10,000	4.4	10,206	6.5	10,800	5.8
Net profit	6,000	1.4	5,961	0.8	6,300	5.7

Amano is targeting the following management indicators for its consolidated results in the medium to long term.

- (1) Consolidated operating profit to sales: 13% or more
- (2) ROE: 8.5%
- (3) Earnings per share: ¥88 or more



A handwritten signature in black ink, appearing to read 'Kaoru Haruta'.

Kaoru Haruta
President and CEO

Business Performance

Analysis of Business Results

During the year under review, there was a continued improvement in corporate earnings and growth in capital investment in the Japanese economy, buoyed by expansion in economies overseas and by the relaxed monetary environment domestically. The economy held firm during the year, backed by these and other factors such as a modest uptrend in employee incomes, which caused consumer spending to remain robust.

Amid this operating environment, throughout the Group we pursued building of "A strong profit structure and sustainable growth", the management concept that underlies our third medium-term management plan, which began in April 2005. Particular effort was devoted to strengthening our marketing capability by broadening the customer base and expanding our service business, and to enhancing cost-competitiveness by such means as cutting fixed costs, reducing cost of sales and raising productivity.

During the year, the Company achieved growth in both revenues and profits. We generated net sales totaling to ¥85,769 million, up by 7.6% year-on-year; operating profit of ¥10,144 million, up by 6.4%, and ordinary profit of ¥10,206 million, up by 6.5%. As a result, the Company posted net income of ¥5,961 million, an increase of 0.8% from the previous year.

The following is an overview by business division.

Sales by business division

(Millions of yen)

	Year ended March 31, 2007		Year ended March 31, 2006		Change	
	April 1, 2006, to March 31, 2007		April 1, 2005, to March 31, 2006		Amount	Ratio (%)
	Amount	Ratio (%)	Amount	Ratio (%)		
(Time Information System Business)						
Information Systems	14,674	17.1	13,909	17.4	765	5.5
Time Management Equipment	7,296	8.5	7,386	9.3	-90	-1.2
Parking Systems	33,738	39.4	31,033	38.9	2,705	8.7
Subtotal	55,708	65.0	52,328	65.6	3,380	6.5
(Environment System Business)						
Environmental Systems	20,171	23.5	17,021	21.4	3,150	18.5
Cleaning Systems	9,890	11.5	10,395	13.0	-505	-4.9
Subtotal	30,061	35.0	27,416	34.4	2,645	9.6
Total	85,769	100.0	79,744	100.0	6,025	7.6

Time Information Systems Business

Information Systems:

- Time & Attendance (T&A), Payroll systems
- Human-Resource Management systems
- Access control systems
- Cafeteria management systems

Time Management Equipment:

- Time recorders
- Time stamps

Parking Systems

- Parking systems
- Bicycle-parking systems
- Parking management equipment
- Parking management services

Information Systems

Demand remains robust in the domestic market for this business division, as the enforcement of the Financial Products Transaction Law (Japanese equivalent of SOX in the U.S.) has expedited the building of internal control systems, and there is increasingly well-entrenched compliance-consciousness with regard to accurate identification of working hours and the protection of personal information. Amid this, business reforms directed towards T&A management based on IT control have been spreading to large corporations and core local government bodies, and Amano has been meeting this demand trend by enhancing the competitiveness and sales structures for large-scale solutions, stepping up its approaches to the public-sector market, and incorporating IC cards to propose comprehensive solutions for access control systems, and has also devoted efforts to developing new markets.

Sales in the field of T&A systems rose by ¥453 million over the previous year, or 4.5%, while in the field of access control systems they increased by ¥240 million, or 21.1%. Broken down by product, hardware sales were up by ¥689 million, or 12.3%, year-on-year; software sales fell by ¥255 million, or 6.0%; and

sales generated by maintenance and supply operations increased by ¥317 million, or 12.1%. Major contributing factors to the increase in hardware sales were large-scale orders received from large corporations and the public-sector market. The principal reason for the decline in software sales was a slippage of demand for renewal among small and medium-scale business establishments.

Overseas, sales grew in Europe but declined in North America and Asia, totaling ¥1,076 million, down by 6.6% year-on-year.

As a net result of the above, overall sales in this business division totaled ¥14,674 million, representing an increase of 5.5% from the previous year.



Time Management Equipment

Sales in this segment within Japan remained sluggish during the year, with demand for time recorders showing no signs of a recovery.

Domestic performance in this business division was helped by strong sales of the TimeP@CK time recorder with PC spreadsheet software, boosted by an enhanced product lineup. Nevertheless, overall unit sales slipped and caused sales revenues to fall, whereas in export sales time recorders and time stamps both recorded growth in sales.

In regard to overseas business performance, revenues declined in Europe and Asia but rose in North America, bolstered by a bulk purchase of time stamps. Overall, overseas sales totaled ¥3,244 million, up by 2.3% year-on-year.



Time P@CK

As a result of the above, the Time Management Equipment Division generated sales totaling ¥7,296 million, down by 1.2% from the previous year.

Parking Systems

In the domestic market, the revision of the Road Traffic Act in June 2006 has brought about a rise in the number of small-scale parking lots and an increase in the operating ratios of existing parking lots. As a result, and with the added impetus of robust demand for bicycle parking systems, the market has been expanding at a remarkable pace.

Amid this market environment, Amano took steps to meet the increasingly varied nature of demand, including the diversification of settlement methods and the accommodation of motorcycles. To this end, we further strengthened our structures in such areas as production, development, and sales, and engaged in the proactive marketing of comprehensive proposals for ensuring efficient and strategic parking-lot management that befits the era of the network.

Broken down by product, sales of system devices increased by ¥1,273 million, or 8.5%, over the previous year, but revenues from maintenance and supply operations declined by ¥163 million, or 2.1%. This fall in maintenance and supply revenues is attributable in part to the fact that maintenance revenues fell in reverse rebound of the ¥900 million of extraordinary replacement demand for bill readers for new bills that occurred in the previous first half, in spite of the fact that sales of

supplies such as parking tickets and service tickets were up because of the increase in the number of parking-lots and in parking-lot operating ratios referred to above. In addition, strong performance was achieved by the parking operation and management business of Group subsidiary Amano Management Service Corporation, which posted a 25.1% year-on-year increase in revenues.

With regard to overseas operations, favorable sales growth was achieved in North America, Europe, and Asia. In North America, results were impacted positively by the acquisition of ITS (now AUI), while in the Asian region performance in Korea and Malaysia remained good, and performance in Europe was also robust. In consequence, sales overall totaled ¥6,668 million, up by 21.4% year-on-year.

The net result of the above developments was that sales achieved in this division totaled ¥33,738 million, or an increase of 8.7% over the previous year.



FT-4800

Environment System Business

Environmental Systems:

- Standard dust collectors
- Large dust collection systems
- Pneumatic powder conveyance systems
- High-temperature hazardous-gas removal systems
- Deodorization systems
- Electrolytic water generators

Cleaning Systems:

- Sweepers and Vacuum Cleaners
- Cleaning equipments
- Dry-care cleaning systems
- Cleanliness management services

Environmental Systems

This business division continued to benefit from continued expansion of demand, buoyed by brisk capital investment in domestic manufacturing industry.

In the standard dust collector segment, sales were up by ¥839 million, or 13.1%, year-on-year, led by sales of small dust collectors and oil mist collectors. Sales of large systems rose substantially, up by 25.4% year-on-year, to ¥1,444 million, backed by widespread demand for new installations and for larger capacity



in the manufacturing sector, and by steps taken to comply with laws to enforce environmental conservation. Revenues from maintenance and supply operations rose by ¥639 million, or 18.6%, as growing awareness of safety and performance maintenance led to growth in service-related sales.

Overseas operations performed well, primarily because of orders for large systems received from Japanese companies in China and Thailand. Sales were up by 25.9% year-on-year, to ¥1,071 million.

As a result of the above, the sales of this business division totaled ¥20,171 million, a significant increase of 18.5% over the previous year.

Cleaning Systems

In this business division, major convenience stores in Japan continued to switch to ceramic flooring materials, and this led to a decline in acquisitions of small buffing machines for new stores. In the sphere of large-scale stores, the number of store-openings decreased, and stores continued to diversify their floor surfacing, with the result that sales of large buffing machines also fell. In contrast, sales to industrial plants of scrubbing and cleaning machines grew robustly, bolstered by the introduction of new machines into factories.

Overall, sales of cleaning equipment decreased by ¥254 million, or 7.6%, from the previous year, but revenues from maintenance and supply operations were up by ¥170 million, or 5.8%, as cleaning management business performed strongly.

Overseas, sales in this segment declined in North America and Asia, causing overall sales to decline by 9.2% year-on-year, to ¥2,903 million. As a result of the above, the sales generated in this segment totaled ¥9,890 million, down by 4.9% from the previous year.



SE-500GN

Analysis of Financial Condition

Consolidated cash and cash equivalents declined by ¥3,713 million, or 10.8%, from the previous year, to a total of ¥30,690 million at the year-end. The principal factor behind this was an increase in the amount of funds being invested.

The following is a description of the status of each type of cash flow during the year, and the underlying factors.

Cash flow from operating activities

Net cash provided by operating activities totaled ¥7,102 million, up ¥1,053 million, or 17.4% over the year before. This was attributable primarily to a decline in income taxes paid.

Cash flow from investing activities

Net cash used in investing activities was ¥8,834 million, up ¥4,554 million, or 106.4% over the year before. The principal factors behind this

were an increase in outflows for the purchase of intangible fixed assets and an increase in placements of funds in time deposits.

Cash flow from financing activities

Net cash used in financing activities totaled ¥2,017 million, up ¥117 million, or 5.5% over the year before. This was attributable principally to factors such as a decline in cash outflows for the repayment of long-term borrowings.

Reference: Trend of cash flow indicators

	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007
Equity ratio (%)	74.8	75.5	72.5	74.8	74.4
Fair value equity ratio (%)	52.6	76.6	95.0	156.0	103.6
Ratio of cash flow to interest-bearing liabilities (%)	0.4	0.3	0.3	0.4	0.4
Interest coverage ratio	88.4	165.7	255.8	88.1	125.3

Notes: Equity ratio: Equity capital/Total assets

Fair value equity ratio: Gross market capitalization/Total assets

Ratio of cash flow to interest-bearing liabilities (%): Interest-bearing liabilities/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest payments

Assumptions

1. All indicators are calculated on the basis of consolidated financial values.
2. Gross market capitalization is calculated by multiplying the closing price of the Company's shares at the year-end by the number of shares of common stock issued and outstanding at the year-end (less treasury stock).
3. Cash flow from operating activities refers to cash flow from operating activities posted under the consolidated statements of cash flows. Interest-bearing debt refers to those of the liabilities stated in the consolidated balance sheets on which interest is paid. Interest payments equate with interest paid stated in the consolidated statements of cash flows.

Outlook for Next Fiscal Year, and Issues to be Addressed

The outlook for the Japanese economy points to ongoing buoyancy in the corporate sector and modest growth in consumer spending, backed by the strength of economies overseas and by the calming of crude-oil prices. We believe that the

sustained economic expansion will continue.

Amid this operating environment, Amano and its Group companies are pledged to further strengthen collaboration, create new markets in each of their business fields, engage in vigorous sales activity in close liaison with customers, supply high-value-added products through the globalization of their development structure, and provide a wide range

of solutions and services. In parallel with this, we will endeavor to achieve our goal of building a strong profit structure and sustainable growth.

In the coming fiscal year, we will implement the business strategies set out below in accordance with our third three-year mid-term management plan.

Time Information System Business

Information systems business is experiencing growth in demand for the creation of systems and introduction of new ones as a result of the revision by companies of their systems for T&A information. This applies not only to private-sector companies but also local governments and public corporations. In addition, in the area of security the enforcement of the Law Concerning the Protection of Personal Information has generated growing demand for door security to control access to offices in which personal information is handled, and this is helping to invigorate the market.

Given the positive impact on business of this market environment, we aim to expand T&A solutions business targeted at both large companies and the public sector, doing so through the further enhancement and expansion of marketing and competitiveness. We are also committed to expanding business in the field of door security in the same way.

In addition, as a means of enhancing the profitability of this business, we will cut costs by standardizing system software for our solutions business, so as to both maintain and expand earnings capacity.

In parking systems business, the market environment is changing dramatically. Developments have included the diversification of means of payments, the start of outsourcing to the private sector of the supervision of parking violations, the introduction of systems into bicycle parks, and the imposition of a mandatory requirement to provide supplementary motorcycle parks.

Amid this, market environment, we will be strengthening our approaches to the supply of systems to the market for bicycle parks that have arisen as a result of the problem of illegal parking of bicycles, and also for motorcycle parks. We will also expand business by strengthening our comprehensive proactive market capabilities, targeting the market for the outsourcing of management services, which is continuing to expand.

Overseas, we aim to secure the largest market shares in North America, Europe, and Asia, expanding operations by enhancing our marketing and competitiveness.

Environment Systems Business

In environmental systems business, heavy demands are being made on companies to fulfill their responsibility to society by strengthening the

observance of environment-related laws and regulations in their plants, and by reducing the burden they place on the environment.

Given these circumstances, we aim to expand the scale of operations in this segment by developing new products to help lower the burden on the environment, introducing new products into the market to match the reduction in size and diversification of machine tools, and expanding maintenance business. In collaboration with Group companies, we will also provide total solutions ranging from consulting for research and analysis on asbestos dust and other such harmful substances, to design, installation, and maintenance.

In overseas markets, we will respond to inroad by Japanese automotive and related companies into China and other Asian markets, and will enhance our marketing capacity and engineering structure in the local markets.

As a result of the activities outlined above, for next fiscal year, we are forecasting net sales of ¥91.0 billion, operating profit of ¥10.7 billion, ordinary profit of ¥10.8 billion, and net income of ¥6.3 billion.

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income
Year ending March 31, 2008	91,000	10,700	10,800	6,300
Year ended March 31, 2007	85,769	10,144	10,206	5,961
Change	6.1%	5.5%	5.8%	5.7%

Operating and Other Risks

Among the matters relating to the qualitative information contained in these summary financial statements and relating to the consolidated financial statements, the following are those that could be envisaged as having a possible material impact on investors.

With respect to matters that are considered to be potential risk factors in the undertaking of business by the Amano Group either now or in the future, they are estimated to the greatest extent possible, and the risk factors are then addressed and eliminated in the course of business activities.

Matters relating to the future are those that are adjudged to be so as of the date of the release of these financial results (May 8, 2007).

(1) Impact on earnings of changes in the operating environment

The Amano Group uses its accumulation of unique technologies and know-how to provide customers with high-quality products, services and solutions, gaining large market shares in each business segment in Japan, North America, Europe and Asia, and developing business globally.

In the year ended March 31, 2007, in terms of sales, the time information system business accounted for 65.0% of the total, and the environ-

ment system business accounted for 35.0%. With respect to their contribution to operating profit, before deduction of unallocated expenses, the time information system business contributed 70.9%, while the environment system business contributed 29.1%. In terms of weighted average sales over the most recent five years, time information system business accounted for 65.0% of total sales and for 75.7% of operating profit.

With respect to future risk factors, in each business activity within the time information system business segment, which accounts for a large proportion of the Group's business, if market expansion is expected for such reasons as a significant change in the demand structure or the creation of a new market, it can be expected to attract entry by entities in other industries or by other competitors. In that event, if a competitor were to enter with innovative products or solutions that surpass Amano's, the Amano Group's market advantage would decline, and that may have a material impact on its business performance.

(2) Fluctuations in exchange rates

The Group engages in business activities on a global scale and has production and sales bases overseas. In view of this, the Group's business results may be impacted by fluctuations in exchange rates when

transaction amounts overseas are translated into yen.

(3) Information security

In order to offer system solutions and undertake application service provider business, Amano Group handles confidential information such as personal information concerning customers or provided by customers. In view of this, the Group has developed a structure for the management of confidential information, implements thorough staff training, and uses software to prevent leaks of information for the purpose of preventing network access to confidential information and of preventing leaks of confidential information through the removal of data and information. To that end, it has also established a committee to manage the protection of personal information, so as to ensure a foolproof structure. Nevertheless, in the event that an unforeseen situation were to arise, and information of the kind described above were to be disclosed externally, resultant factors such as loss of confidence may have a material impact on the Group's business performance.

Domestic Marketing

Business Activities

Information Systems

Building A Total Security System with IC Employee ID Cards

Increasing implementation of Amano Information Systems to public and government markets

IC cards are widely used in many situations. With use of employee IC cards, Amano's "IC Card Total Security Solutions" provide "Door Security Management Systems" linked to "Time & Attendance Information Systems," one of the Amano's core businesses with all security products to meet specific customer needs and build an uncompromised office security system. For public and gov-



Information terminal of barrier-free design (Braille letters) and IC card employee ID

ernment related markets, "AGX200" series have been developed to serve as a terminal of IC card application. With use of IC employee IDs, Amano encourages public and government institutions throughout the nation to use an electronic attendance system for accurate management of attendance of staff as well as for building a "Door Security System" to protect sensitive information from leakage. This system has already been installed in three prefectures, seven major cities, twelve wards of Tokyo and five urban cities.



Door security system
Entry management system TimePro-XG

Time Management Equipment

PC-connected Time Recorder "Time P@CK Professional" a higher management level

Since we launched a PC-connected Time Recorder Package (with calculation software) designed for small/mid-size businesses, "TimeP@CK" has been most favorably accepted in the market as an industry standard. TimeP@CK Professional, (called ProP@CK otherwise) an upward version with more comfort of use and a higher level of management was also released with good sales as well. With more enhanced support, aggressive sales campaign is being continued with a free seminar "TimeP@CK USEum" regularly provided by our trained instructors and at showrooms of our sales offices for demonstration of "TimeP@CK" to introduce to sales channels.



"Time P@CK Professional" ; Time recorder(left), designed for Pro P@CK, and software running on PC(right)

Parking Systems

Introducing User-Friendly Parking Systems

Universal Design Automatic Pay Station (UD Central Pay Station)

We implemented an empirical joint research with Tokyo Metropolitan Public Corporation for Road Improvement and Management (head office: Shinjuku-ku, Tokyo; "Public Corporation"). As a result we developed, the "Universal Design-Compatible Automatic Pay Station" ("UD Central Pay Station") corresponding to the "Guideline for the "Parking Lot Universal Design" issued by the Public Corporation. This "UD Central Pay Station" was installed in the "Nerima Central Overpass Universal Design Parking Lot" (location: Takamatsu, Nerima-ku, Tokyo [under Nerima Central Overpass of Loop Road No. 8] with a capacity of 45 cars) managed by the Public Corporation and started the operation from March 14, 2007. Amano has been proposing many parking systems and supplying automatic pay stations equipped with the latest technology, using various IC cards or Dedicated Short Range Communication(DSRC), etc. Many "UD Central Pay Stations" are expected to be adopted as a user-friendly paystation to various users, (especially aged people or disabled person) in public parking lots and private parking lots.

Matsudo Station West Exit Underground Parking qualified as first Good Parking System

Outstanding Performance of @Park Parking Information Search Service
Recently, Matsudo Station West Exit

Underground Parking which is operating the parking information system “@park (At park)” jointly developed by Amano and Mitsubishi Heavy Industries Parking, was elected as the first qualified parking of the Good Parking System (Superior Parking Approval System) of Japan Parking Facility Promotion Organization. Matsudo City was adopted as a “demonstration experiment area for the advanced parking information system” of the Ministry of Land, Infrastructure and Transport Road Bureau, in March 2005. Seven parking lots around Matsudo station including Matsudo Station West Exit Underground Parking jointly started the demonstration experiment of the parking information system. In 2007, seven parking lots established “Matsudo Station Area Parking Information System Management Liaison Council.” The parking lots are managed and operated by the City Area Improvement Office in Urban Development and Improvement Division of Matsudo City. To deliver smooth road traffic in the Matsudo Station area by preventing on-street parking or by relieving the traffic congestion caused by cars taking weaving courses searching for a parking space etc., real time information of the seven parking

lots around the station is available for access easily obtained using “@ park information service”, by cellular phone, personal computer or VICS car navigation.



@park
Homepage

Matsudo Station West
Entrance Basement Car Park

Environmental Systems

Environment stress Reduction Type Dust Collector

In the field of environmental system, we provide comprehensive solutions in response to market change, such as increasing investment in environment-conscious facility (stress reduction type) for the domestic manufacturing industry. Two types of dust collector of stress reduction type for the environment systems provided by Amano, are as follows:

“Cyclone Dust Collector”

“Aero John” (IX/IP/IB series) is an industrial dust collector of energy-saving type with a separate blower, designed for recovering small dust from common powder material to fine powder toner with no leak blow. The collector adopts the cyclone system providing the long-life filter unit, compact body and large-volume discharge tank.

The “mechanism to prevent small dust

from scattering at discharge,” taking into account of worker's health and work environment health first, discharges small dust safely and easily.



Aero John

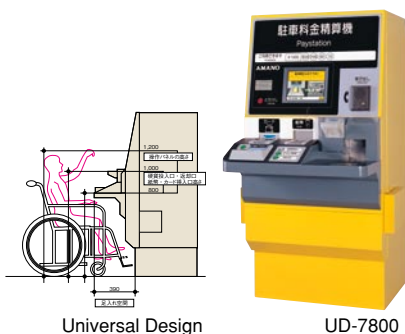
“Touch-free Powder Collector”

“Touch-free Powder Collector” installed to a hopper type dust collector allows to collect dust safely and easily without touching it.

With a filter pack designed for it, it allows to replace the filter without touching it, keeping dust from dispersing with no mess. The dust collected is then packed for discharge, providing an ideal solution for powders of heavy metals, agriculture or toxic chemicals.



Touch-free Powder Collector



Universal Design

UD-7800

Cleaning Systems

Compact and light weight design for one-up cleaning efficiency

“Clean Burny, a small burnishing machine S-380 growing in sales

Amano has a number of walk-behind floor cleaning machines developed for service and building maintenance markets. In recent years, we have increased product lineup of oil-resistant machines for factory floors, which often become slippery by lubricants or machine greases. The Clean Burny S-380 introduced in January 2007 is designed most compact and light weight ever introduced in the industry. It is designed on the polisher and vacuum cleaning concept that it allow to clean narrow paths or under workbenches where predecessors would not access and yet must have a function of waste water collection. The waste water tank is then designed as a removable “bucket” to make it easy to move and drain the waste water. Because of its compact and light-weight design, it can be easily moved from one place to another or it can even be transferred by a vehicle. With use of a squeegee on both front and rear, it allows to clean narrow spaces without swivel



and collect waste water. The sales of the new floor cleaning machine S-380 with powerful cleaning and suction have been growing since it was released.

M&A TOPICS

Amano to acquire a company that develops and supplies parking software in the US market.

On May 7, 2007, Amano Corporation, through Amano USA Holdings, Inc., reached a basic agreement with Mr. Terrence G. McGann and four other shareholders to acquire Terry McGann & Associates, Inc. to acquire that company. The company, based in the state of Minnesota in the Midwest of the United States, engages in the development and sale of software for parking management. It is Amano's view that by acquiring Terry McGann & Associates, Inc., and consequently being able to acquire its software and first-class customer as it is, the synergies generated from merging the two companies' know-how will enable it to provide state-of-the-art solutions in parking management systems directly to customers, thereby making rapid progress in increasing market share in the United States

Amano acquired sales right from car and bicycle parking from an Omron Group company

In April 2007, Amano closed a purchase agreement to acquire sales right of car and bicycle parking products of Omron T.A.S. Co., Ltd. (TAS) a subsidiary company of Om-

ron Field Engineering Co., Ltd. TAS has good installation experience in parking management, primarily for government agencies, at over 200 bicycle parking and over 100 car parking sites.

Amano acquires ITS, a company that supplies parking, information and security systems in the U.S Market.

Amano acquired Industrial Time & Solutions, Inc. (ITS) in Connecticut, September 29, 2006 through Amano Cincinnati, Inc. Taking over all ITS's customer base and with consolidated management of Amano, as manufacturer and ITS, as distributor, it is expected that Amano will provide most advanced solutions of parking and access control directly to the customer base, with more enhanced direct sales to boost its market in the U.S.

Amano Group Companies

Amano Electronics Europe, N.V.

Amano Electronics Europe copes with the new tendencies on the Market.

The European Market is changing fast from single solutions towards Integrated Solutions and Total Solution Provider.

More and more, companies are looking for one single trustful contractor that provides them with all elements of the T&A and ACCESS solutions. The Local Sales Branch is very active on that market and is benefiting from the quality of Amano Products as well as the Amano Services. Some perfect examples are:

PASFROST. A company in the vegetables market started 10 years ago with a PIX3000 and moved step by step towards a Time pack two years ago towards Astrow for his T&A solutions. The laws on Hygiene in the food industry become stricter the way vegetables are handled and their traceability. Therefore, Pasfrost invested in a new production facility and asked AMANO to expand the Astrow solution and to provide an access control system that controls all access to the clean area. This was made by installing an AMANO-NET installation with the AIX400 and 32 readers, with 3 turnstiles linked to the access control and the Hand Cleaner. The next step is to install Barrier gates and access readers on the Truck entrance and the weighbridge.



Proximity IC card reader

MLO. A governmental Laboratories that is responsible for Agriculture approvals and tests. There are 11 different buildings with each his own tasks in that global project. In the past they had a mix of individual installation with Time pack/AMX12, ASTROW/GS and even installations from competitors.

Recently AMANO has been awarded with the Integration Contract for the T&A where all 11 buildings are provided with an IT30 T&A terminal and linked via the network to ASTROW Multi-user with all the related modules such as PIP and ESS. This project is still in progress, and already we received an order for the ACCESS control on the first building. All sites have to be in operation with access the next 2 years.



Full-height turnstiles

Amano Cincinnati, Inc.

AMANO GOES 24/7 FOR TIME & ATTENDANCE Next Generation of Website Launched

Amano is proud to unveil the next generation of its website. The economy and technology continue to evolve and so must the appearance and functionality of www.amano.com. Starting June 15, 2007, Amano provides an on-line store for customers to purchase time clocks and accessories. The site will include a dealer portal to be launched at a later date.

More and more business is conducted online, spanning time zones and geography, which requires 24 hour 7 days a week accessibility. Customers and dealers have come to expect the immediacy and responsiveness that can only be supported by an e-commerce solution. Amano answers the need through its newly overhauled website built on a pure e-commerce platform for enhanced functionality and ease of use.



Success with Sam's Club



Amano continues its success with Sam's Club, one of the largest warehouse clubs with 47 million members. Amano is in

the top ten sellers in their business category and sales there are currently estimated to reach \$5,000,000 retail in 2007.

On the Samsclub.com website, Amano's sales are up 35 percent. Time Guardian, a small business integrated Time & Attendance product, has achieved the position of top selling Time System Clock product, with an increase in sales of over 50%.

Amano continues to develop its relationship with Sam's Club and will be included in one of the Fall catalogs. Sam's Club and Amano will pursue additional opportunities to improve sales through this important relationship.

Growth through Recent Acquisitions

Amano Software Engineering, Inc. merged with its sister company Amano Cincinnati, Inc. in August of 2006. ASE is the developer and marketer of iParc (Parking Revenue and Control System) Software. Some thirty days later, in September 2006, Amano USA, Inc. (AUI), a newly formed company, acquired the assets of Industrial Time & Systems, Inc. (ITS). This acquisition is an integral part of ACI's strategy to get closer to its end user customers, enhancing our understanding of market requirements and directly influencing our development of new and innovative products. Now trading as AUI, the former ITS was and is a leader in the installation of the iParc Software. AUI anticipates excellent growth in 2007 (versus 2006) of nearly 16%, with sales of nearly \$19 million.

Amano Cincinnati, Inc. also acquired the assets of Impro USA in Dunedin, Fla. As a result of this acquisition ACI is now the exclusive dealer of the Impro Building Access and Control products in North America. ACI is working very closely with Impro to

develop, market and sell these products through its dealer channels as well as the branch offices of ACI throughout the country. Sales of these products are expected to reach approximately \$2.5 million per year in mid 2007.

Amano USA Holdings, Inc., the parent company of all the U.S. subsidiaries, expects overall sales of over \$95 million versus previous year of \$76 million. This increase is due to significant organic growth in its Parking business as well as the full year results of acquisitions in the Parking, Access and Security businesses.

Amano Korea Corporation

Amano Korea Corporation parking business growing with management services expanding

Amano Korea Corporation is expanding its parking business with revenues growing both in sale of parking systems and Management Services business. Demand for automated parking management systems, in particular, is expanding.

With over ninety percent of all automated parking systems delivered by AMANO in Korea in 2006, Amano Korea Corp. dominates the automated parking market, positioning itself as No. 1 supplier and top player in the Korean industry.

In the Parking Management Services, a number of universities and hospitals are increasingly using our services.

With good experience in the management of over 16,000 car spaces, Amano Korea has established a support center in Seoul to expand its business further in other areas. It is now increasing its sales network in cities, including Dae Jeon, Busan and Incheon.



SEOUL ASAN MEDICAL CENTER

Amano Malaysia

Amano Malaysia (AM), a wholly-owned Subsidiary of Amano Corporation Japan, was established in February 2005. It officially commenced business operation on 1st July 2005. Although its main business focus is in the Malaysian market, AM is also actively involved in projects, especially for environmental dust collection systems, in neighbouring countries like Singapore, Thailand and Vietnam.

AM's business activities in Malaysia are presently concentrated in Time Information Systems (TIS), Carparking Projects and after-sales services. For environmental dust collection systems and projects AM is targeting at the export market.

The domestic market in Malaysia for Dust Collectors equipment sales and Projects are handled by Amano Cleantech (M) Sdn. Bhd since its establishment in 1993.



AEON-Jusco Shopping Centres



Amano Parking Systems

Although AM is only about 2 years old, it has managed to secure quite a few prominent carpark projects in Malaysia. Among them are Shopping Complexes like :- I Utama, AEON-Jusco, Ikea and others. To date, a total of 7 AEON-Jusco Shopping Centres are using Amano Parking Systems. AM is currently working on a few other new Shopping Complexes and are quite optimistic about its future business growth in these areas.

As part of its original business plans, AM has also just commence its local assembly of Barrier Gates Model TFI 630KN at its present premises. The main components

like PCB and motor drive sections are imported from Japan and/or Korea. The barrier gate casing and other metals parts are fabricated locally. AM is planning to assemble about 300 units of Barrier Gates during the first year of operation.

For the TIS business in Malaysia, AM is reviewing its current product range, both hardware and software, with an aim to expand its business activities in order to increase its sales volume as well as market share.

Amano Time & Air Singapore Pte. Ltd.

With awareness of proximity IC cards used for T&A terminals growing in Thailand, more companies are increasingly changing their barcoded cards to proximity IC cards. Delta Electronics is one of the top companies in Thailand, having some 3,000 employees. They had been using an Amano's T&A system with barcoded cards until they decided to change all terminals to AGX-100FA-L for proximity cards in March 2007. They came to the contract for fifty AGX-100FA-Ls, placing their great trust on good support of Amano's distributor, and more importantly, they felt confidence in the prestigious Amano brand. When employees expose their proximity ID cards to the AGX-100 terminals installed both at IN and OUT gates, the green lamp on the terminal lights, indicating IN or OUT punching is complete.



Delta Electronics



AGX-100 terminals In/Out gates

Financial Highlights

For the years ended March 31, 2007 and 2006.

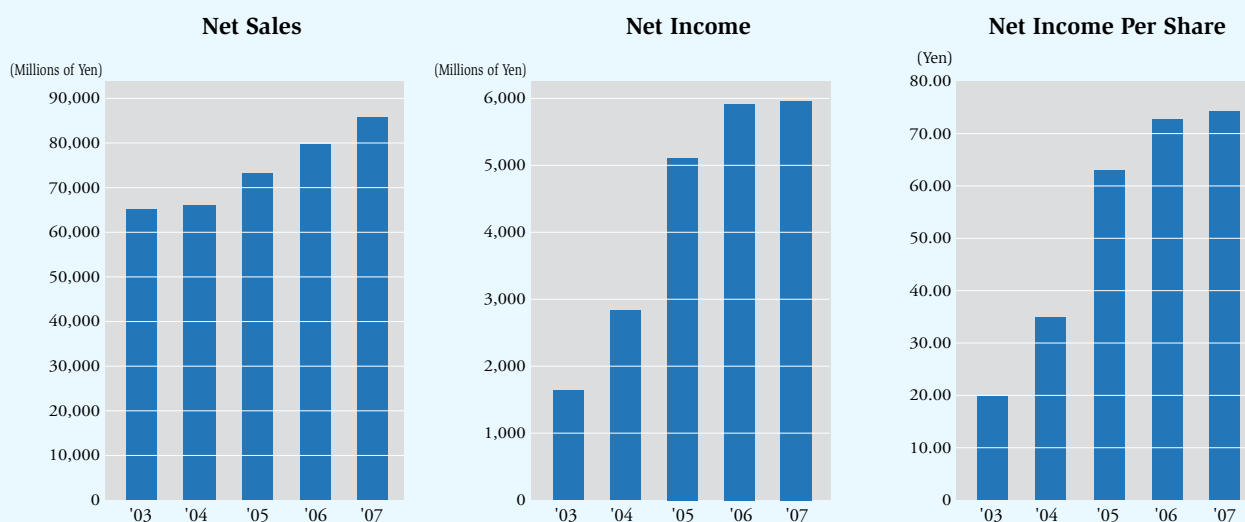
Yen in millions and U.S.dollars in thousands, except per share amounts

- See Note 4 to the Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
For the years ended March 31:			
Net sales.....	¥85,769	¥79,744	\$726,856
Net income	5,961	5,916	50,517
Per share data (Yen & U.S. Dollars):			
Net income per share (Basic)	¥74.29	¥72.89	\$0.630
Cash dividends per common share	30.00	26.00	0.254
At March 31:			
Total assets.....	¥111,487	¥105,262	\$944,805
Working capital.....	47,727	44,782	404,466
Total net assets	83,621	79,217	701,924
Sales by product:			
Time information systems.....	¥14,674	¥13,909	\$124,356
Time management equipment.....	7,296	7,386	61,831
Parking systems	33,738	31,033	285,915
Environmental systems.....	20,171	17,021	170,941
Cleaning systems.....	9,890	10,395	83,813

Note: U.S.dollar amounts have been translated at the rate of ¥118 = US \$1, the rate prevailing on March 31, 2007.

-See Note 4 to the Consolidated Financial Statements.



Consolidated Balance Sheets

As at March 31, 2007 and 2006.

ASSETS	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
Current assets:			
Cash and bank deposits	¥33,690	¥34,403	\$285,508
Marketable securities.....	500	11	4,237
Notes and accounts receivable:			
Trade.....	24,636	20,914	208,780
Less allowance for doubtful accounts	(105)	(117)	(890)
	24,531	20,797	207,890
Inventories.....	8,459	7,627	71,686
Deferred tax assets	1,254	1,262	10,628
Other current assets	1,336	1,005	11,322
Total current assets	69,770	65,105	591,271
Investments and advances:			
Investment in and advance to affiliates'	524	465	4,441
Investments in securities	5,597	6,442	47,432
Other investments	6,676	6,642	56,576
Total investments and advances.....	12,797	13,549	108,449
Property, plant and equipment at cost:			
Buildings	25,372	24,794	215,016
Machinery and equipment	19,547	18,405	165,653
	44,919	43,199	380,669
Less accumulated depreciation.....	(29,926)	(28,620)	(253,610)
	14,993	14,579	127,059
Land.....	5,825	5,770	49,364
Construction in progress.....	734	647	6,220
Net property, plant and equipment.....	21,552	20,996	182,643
Fixed leasehold deposit	958	935	8,120
Deferred charges and other assets	6,410	4,677	54,322
Total.....	¥111,487	¥105,262	\$944,805

The accompanying notes are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
Current liabilities:			
Short-term bank loans	¥434	¥468	\$3,678
Trade notes and accounts payable.....	11,486	9,637	97,339
Accrued expenses.....	4,391	4,303	37,212
Accrued income taxes.....	2,271	2,147	19,246
Other current liabilities.....	3,461	3,769	29,330
Total current liabilities.....	22,043	20,324	186,805
Long-term liabilities:			
Accrued retirement benefits to employees.....	4,270	4,252	36,186
Accrued retirement benefits to directors and corporate auditors ...	739	650	6,263
Deferred tax liabilities.....	61	71	517
Other.....	753	748	6,381
Total long-term liabilities	5,823	5,721	49,347
Minority interests in consolidated subsidiaries.....	636	485	5,390
Net assets:			
Shareholders' equity:			
Authorized- 185,476,000 shares			
Issued:			
March 31, 2007 - 81, 257, 829 shares.....	18,240		154,576
March 31, 2006 - 81, 257, 829 shares.....	-	18,240	-
Capital surplus	19,521	19,438	165,432
Retained earnings.....	45,860	42,037	388,645
Treasury stock at cost, 971,355 shares in 2007 and 1,167,156 shares in 2006	(794)	(950)	(6,729)
	82,827	78,765	701,924
Valuation and translation adjustments			
Net unrealized gains (losses) on other securities	514	798	4,356
Foreign currency translation adjustments.....	(356)	(831)	(3,017)
	158	(33)	1,339
Minority interests in consolidated subsidiaries	636	485	5,390
Total net assets	83,621	79,217	708,653
Total.....	¥111,487	¥105,262	\$944,805

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

For the years ended March 31, 2007 and 2006.

	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
Net sales	¥85,769	¥79,744	\$726,856
Cost of sales	47,920	42,944	406,102
Gross profit	37,849	36,800	320,754
Selling, general and administrative expenses	27,705	27,262	234,788
Operating income	10,144	9,538	85,966
Other income (expenses) :			
Interest and dividend income	218	136	1,847
Interest expense	(61)	(60)	(517)
Amortization of goodwill	(320)	(320)	(2,712)
Gain on sale of plant and land	62	332	525
Loss on disposal of property and equipment	(46)	(67)	(390)
Loss on sale of buildings and land	-	(21)	-
Gain on sale of investments in securities	21	55	178
Loss on sale of investments in securities	-	(1)	-
Loss on sale of subsidiaries' stocks	(24)	-	(202)
Relocation expenses	-	(213)	-
Other, net	233	323	1,975
Income before income taxes	10,227	9,702	86,670
Income taxes :			
Current	4,049	3,845	34,314
Deferred	54	(196)	458
Income before minority interests	6,124	6,053	51,898
Minority interests in net income of consolidated subsidiaries.	(163)	(137)	(1,381)
Net income	¥5,961	¥5,916	\$50,517
		Yen	U.S. dollars (Note 4)
Net income per share, basic	¥74.29	¥72.89	\$0.630
Cash dividends per common share	30.00	26.00	0.254

The accompanying notes are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

For the years ended March 31, 2007.

Millions of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at March 31, 2006	¥18,240	¥19,438	¥42,037	(¥950)	¥78,765
Changes during the year					
Dividends from surplus			(2,084)		(2,084)
Officers' bonuses by appropriation of retained earnings			(93)		(93)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries			39		39
Net income			5,961		5,961
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock		83		164	247
Net changes in items other than shareholders' equity					
Total changes during the year	-	83	3,823	156	4,062
Balance at March 31, 2007	¥18,240	¥19,521	¥45,860	(¥794)	¥82,827

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gains(losses) on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	¥798	(¥831)	(¥33)	¥485	¥79,217
Changes during the year					
Dividends from surplus					(2,084)
Officers' bonuses by appropriation of retained earnings					(93)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries					39
Net income					5,961
Purchase of treasury stock					(8)
Disposal of treasury stock					247
Net changes in items other than shareholders' equity	(284)	475	191	151	342
Total changes during the year	(284)	475	191	151	4,404
Balance at March 31, 2007	¥514	(¥356)	¥158	¥636	¥83,621

Thousands of U.S. dollars (Note 4)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at March 31, 2006	\$154,576	\$164,729	\$356,246	(\$8,051)	\$667,500
Changes during the year					
Dividends from surplus			(17,661)		(17,661)
Officers' bonuses by appropriation of retained earnings			(788)		(788)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries			331		331
Net income			50,517		50,517
Purchase of treasury stock				(68)	(68)
Disposal of treasury stock		703		1,390	2,093
Net changes in items other than shareholders' equity					
Total changes during the year	-	703	32,399	1,322	34,424
Balance at March 31, 2007	\$154,576	\$165,432	\$388,645	(\$6,729)	\$701,924

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gains(losses) on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	\$6,763	(\$7,042)	(\$280)	\$4,110	\$671,330
Changes during the year					
Dividends from surplus					(17,661)
Officers' bonuses by appropriation of retained earnings					(788)
Increase in retained earnings from merger of consolidated and nonconsolidated subsidiaries					331
Net income					50,517
Purchase of treasury stock					(68)
Disposal of treasury stock					2,093
Net changes in items other than shareholders' equity	(2,407)	4,025	1,619	1,280	2,899
Total changes during the year	(2,407)	4,025	1,619	1,280	37,323
Balance at March 31, 2007	\$4,356	(\$3,017)	\$1,339	\$5,390	\$708,653

Consolidated Statements of Cash Flows

For the years ended March 31, 2007 and 2006.

	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
Cash Flows from Operating Activities:			
Income before income taxes	¥10,227	¥9,702	\$86,670
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,234	2,816	27,407
Increase in provision for accrued retirement benefits	17	155	144
Increase (decrease) in allowance for doubtful accounts .	143	(79)	1,212
Interest and dividend revenue.....	(218)	(136)	(1,847)
Interest expenses.....	61	60	517
Foreign currency translation gain.....	(211)	(47)	(1,788)
Gain on sale of investments in securities	(21)	(55)	(178)
Loss on sale of investments in securities.....	24	1	203
Gain on sale of fixed assets.....	(62)	(332)	(525)
Loss on disposal of fixed assets.....	46	67	390
Loss on sale of fixed assets	-	21	-
(Increase) decrease in trade notes and accounts receivable.	(3,201)	(366)	(27,127)
(Increase) decrease in inventories	(594)	(129)	(5,035)
Increase (decrease) in accounts payable	1,563	(1,852)	13,246
Others	48	954	406
Subtotal.....	11,056	10,780	93,695
Receipts from interest and dividends.....	202	130	1,712
Interest paid.....	(56)	(68)	(475)
Income taxes paid	(4,100)	(4,793)	(34,746)
Net cash provided by operating activities.....	7,102	6,049	60,186
Cash Flows from Investing Activities:			
Payment for purchase of property and equipment.....	(2,192)	(1,719)	(18,576)
Proceeds from sale of property and equipment	73	617	618
Payment for acquisition of intangible assets	(2,755)	(1,725)	(23,347)
Payment for acquisition of investments in securities .	(258)	(1,634)	(2,186)
Proceeds from sale of investments in securities.....	42	153	356
Proceeds from maturities of investments in securities	10	32	85
Increase in time deposits	(6,000)	-	(50,847)
Decrease in time deposits	3,000	-	25,424
Loan to third parties.....	-	(26)	-
Acquisition of operation	(774)	-	(6,559)
Collection of loans	9	22	76
Others	11	-	92
Net cash used in investing activities.....	(8,834)	(4,280)	(74,864)
Cash Flows from Financing Activities:			
Proceeds from short-term bank loans	36	195	305
Repayment for short-term bank loans.....	(36)	(189)	(305)
Proceeds from long-term debt.....	37	365	314
Repayment for long-term debt.....	(250)	(856)	(2,119)
Payment for acquisition of treasury stock	(8)	(54)	(68)
Proceeds from sale of treasury stock.....	246	490	2,085
Dividends paid.....	(2,015)	(2,072)	(17,076)
Dividends payment to minority interests.....	(27)	(13)	(229)
Net cash used in financing activities.....	(2,017)	(2,134)	(17,093)
Effect of exchange rate changes on cash and cash equivalents.....	(25)	(185)	(212)
Net increase (decrease) in cash and cash equivalents	(3,774)	(550)	(31,983)
Cash and cash equivalents at the beginning of year	34,403	34,900	291,551
Increase in cash and cash equivalents resulting from merger of consolidated subsidiary and unconsolidated subsidiary.....	61	-	517
Increase in cash and cash equivalents of newly consolidated subsidiary.....	-	53	-
Cash and cash equivalents at the end of year	¥30,690	¥34,403	\$260,085

The accompanying notes are an integral part of these statements.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2007 and 2006.

1. Basis of Consolidated Financial Statements

The consolidated financial statements of AMANO Corporation (“the Company”) and its subsidiaries have been prepared in accordance with the accounting standards for consolidated financial statements in Japan. The accounts of the Company included in the consolidation are based on the accounting records maintained in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and the disclosure requirements of International Financial Reporting Standards.

The accounts of consolidated overseas subsidiaries, as shown below, are based on audited financial statements prepared in conformity with accounting principles prevailing in their respective country of domicile. In general, no adjustments to the accounts of overseas consolidated subsidiaries have been reflected in the accompanying consolidated financial statements.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are essentially the translation of statements in the Securities Annual Report filed with the Ministry of Finance and the Tokyo and Osaka Stock Exchanges, as required by the provisions of the Securities and Exchange Law and other related regulations in Japan.

The information in the consolidated financial statements is derived from the original text, scope, and the nature of that information, and is therefore limited to that contained in the original text. However, certain reclassifi-

cations or summarizations of accounts have been made to present the consolidated financial statements in a form which is more familiar to the readers outside Japan.

2. Principles of Consolidation

(1) Scope of Consolidation

The Company had 24 subsidiaries at March 31, 2007; Amano Asia Management Pte. Ltd. was wound up as of March 31, 2007. 1 newly incorporated subsidiary was additionally consolidated in the fiscal year ended March 31, 2007. The accompanying consolidated financial statements include the accounts of the Company and those of its subsidiaries that are controlled by the Company. Under the control concept, major subsidiaries in which the Company is able to exercise control over operations are to be fully consolidated.

The accounts of the overseas consolidated subsidiaries are prepared on the basis of a December 31 fiscal year-end, and are consolidated accordingly with the Company at March 31, 2007 and 2006, and for the years then ended.

The consolidated subsidiaries that have been consolidated with the Company for the year ended March 31, 2007 are as follows:

Company Name	Equity ownership %	Paid In Capital (Thousands)
Amano USA Holdings, Inc.	100%	US\$68,053
* The company name was changed from Amano USA, Inc. to the above in April, 2006.		
Amano Cincinnati Inc.	100%	US\$23,172
Amano Cincinnati Canada Inc.	100%	C\$439
Amano USA, Inc.	100%	US\$7,073
* Amano USA, Inc. was newly consolidated as of March 31, 2007		
Amano Time & Parking Solutions of Atlanta	100%	US\$794
* The company name was changed from Time & Parking Systems, Inc. to the above in May, 2006.		
Amano Time & Parking Solutions of St.Louis	100%	US\$290
* The company name was changed from Accutime Corp. to the above in May, 2006.		
Amano Time & Parking Solutions of Cincinnati	100%	US\$343
* The company name was changed from Time & Parking Solutions of Cincinnati, Inc. to the above in June, 2006.		
Amano Pioneer Eclipse Corp.	100%	US\$4,606
* The company name was changed from Pioneer Eclipse Corp. to the above in June, 2006.		
Amano Pioneer Credit Corp. (d.b.a. Amano Business Credit)	84%	US\$135
Amano Electronics Europe N.V.	100%	EUR24,974
Amano Malaysia Sdn.Bhd.	100%	MR2,500
Amano Cleantech Malaysia Sdn. Bhd.	60%	MR200
ATAS E&C Services (M) Sdn. Bhd.	100%	MR150
Amano Time & Air Singapore Ltd.	100%	S\$700
ATAS Services Pte. Ltd.	100%	S\$500
PT. Amano Indonesia	100%	IDR1,928,000
Amano International Trading (Shanghai) Co., Ltd.	100%	US\$200
Amano Korea Corp.	100%	W2,010,000
Amano Agency Corp.	44%	¥10,000
Environmental Technology Company	100%	¥10,000
Amano Management Service Corp.	68%	¥80,000
Amano Maintenance Engineering Corp.	65%	¥30,000
Amano Business Solutions Corp.	97%	¥300,000
Amano Musashi Electric Corp.	100%	¥10,000

(2) Accounting for investments unconsolidated subsidiaries and affiliates

All 7 unconsolidated subsidiaries are not accounted for by the equity method, because the effect of their net income or losses and retained earnings on the accompanying Consolidated Financial Statements are immaterial.

(3) Consolidation and Elimination

For the purpose of preparing the consolidated financial statements, all significant intercompany transactions, account balances, and unrealized profits among the Companies have been eliminated from the consolidated financial statements. Intercompany profit included in the assets sold from the Company to the consolidated subsidiaries has been entirely eliminated and charged against the consolidated earnings of the Companies. Intercompany profit included in the assets sold from the consolidated subsidiaries to the Company has been entirely eliminated and the portion applicable to minority interests has been charged against minority interests.

3. Summary of Significant Accounting Policies

(1) Cash and Cash Equivalents

Cash and cash equivalents include time deposits whose expiration dates are within three months.

(2) Inventories

Inventories are stated at cost. Cost is determined principally using the periodic average method.

(3) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the declining balance method, except for buildings acquired from April 1, 1998, computed on the straight-line method based on the estimated useful lives. The ranges of the useful lives of assets are :

Buildings	3-50 years
Machinery and equipment	2-16 years

Cost of property, plant and equipment, retired or otherwise disposed of, and related accumulated depreciation, is eliminated from the respective accounts, and the resulting gain or loss is reflected in income during the applicable period. Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(4) Accounting for Impairment of Fixed Assets

This new standard shall be effective for the fiscal year beginning April 1, 2005 and beyond. Fixed assets are tested for impairment based on undiscounted cash flows whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. If impaired, an asset is written down to the recoverable amount to be measured as the higher of net selling price or value in use. An impairment loss should be recognized in the income statement at the same time. The results of this test did not require the Company to recognize an important loss in this fiscal year.

(5) Deferred Charges and Other Assets

Intangible assets are amortized using the straight-line method. Software costs for internal use are amortized by the straight-line method over their expected useful lives (five years). Goodwill represents the excess of costs over the fair value of net assets of businesses acquired. The Company's U.S. consolidated subsidiaries adopted the provisions of SFAS No. 142 for the fiscal year beginning April 1, 2002. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, and are instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 require the Company to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption.

The results of this assessment did not require the Company to recognize an impairment loss in this fiscal year.

(6) Accounting for Financial Instruments

(a) Derivatives

All derivatives are stated at their fair values, with changes in fair value included in net profit or loss for the period in which they arise.

(b) Securities

Securities held by the Company and its subsidiaries are classified into four categories;

Trading securities, which are held for the purpose of generating profits on short-term differences in prices, are stated at their fair values, with changes in fair values included in net profit or loss for the period in which they arise. Additionally, securities held in trusts for trading purposes are accounted for in the same manner as trading securities.

Held-to-maturity debt securities, that the Company and its subsidiaries have intent to hold to maturity, are stated at their costs after accounting for premium or discount on acquisition, which are amortized over the period to maturity.

Investments of the Company in equity securities issued by unconsolidated subsidiaries and affiliates are accounted for by the equity method. Exceptionally, investments in certain unconsolidated subsidiaries and affiliates are stated at cost because the effect of application of the equity method would be immaterial.

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount.

Other securities for which market quotations are unavailable are stated at cost, except as stated in the paragraph below.

In cases where the fair value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliates, or other se-

curities had declined significantly and such impairment of the value is not deemed temporary, those securities are written down to the fair value and the resulting losses are included in net profit or loss for the period.

(7) Appraisal of the assets and liabilities of consolidated subsidiary companies

The assets and liabilities of subsidiaries are accounted for the partial market-to-market accounting method.

(8) Amortization of the excess of the cost over the underlying net equity of investments in subsidiaries

The excess of the cost over the underlying net equity of investments in subsidiaries is fully amortized during the year as they occurred because they were immaterial.

(9) Foreign Currency Translation

Foreign currency transactions are translated using foreign exchange rates prevailing at the respective transaction dates. Receivables and payables in foreign currencies are translated at the foreign exchange rates prevailing at the respective balance sheet dates and the resulting transaction gains or losses are taken into income currently.

(10) Translation of Foreign Currency Financial Statements (Accounts of Overseas Subsidiaries)

Foreign currency denominated statements of overseas consolidated subsidiaries have been translated into Japanese yen using the method prescribed by the Business Accounting Deliberation Council of Japan. All items are translated at the rate of exchange prevailing at the respective balance sheet date, except common stock and capital surplus, which are translated at historical exchange rates. Differences arising from translation are presented as "Foreign currency translation adjustment" in the accompanying consolidated financial statements.

(11) Income Taxes

The Company recognizes tax effect of temporary differences between the carrying amounts and the tax basis of assets and liabilities. The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

(12) Appropriation of Retained Earnings

Under the Corporation Law of Japan and the Articles of Incorporation of the Company, the plan for the appropriation of retained earnings (primarily cash dividend payments) proposed by the Board of Directors is subject to approval at the annual shareholders' meeting, which must be held within three months after the end of each fiscal year. The appropriation of retained earnings reflected in the accompanying consolidated financial statements represents the results of appropriations applicable to the immediately preceding financial year, which was approved at the shareholders' meeting and disposed of during that year. Dividends are paid to shareholders listed on the shareholders' register at the end of each fiscal year. Bonuses are paid to directors and corporate auditors out of retained earnings, which constitutes a part of the appropriation cited above.

(13) Provision for Accrued Expenses

(a) Allowance for doubtful accounts. In general, the Company and its subsidiaries provide the allowance based on the past receivables loss experience for a certain reference period. Furthermore, for receivables with financial difficulty which could affect the debtors' ability to perform their obligations, the allowance is provided for estimated unrecoverable amounts individually.

(b) Pension and severance costs

The Company and some of its Japanese subsidiaries recognize accrued pension and severance costs to employees based on the actuarial valuation of projected benefit obligation and plan assets at fair value. Actuarial gains and losses are amortized based on the straight-line method over a period of ten years starting from the beginning of the subsequent year. Most of the Company's foreign subsidiaries have various retirement plans, which are primarily defined contribution plans, covering substantially all of their employees.

(c) Accounting standard for Directors' bonuses

Effective from the year ended March 31, 2007, the Company applied "Accounting standard for directors' bonus" (Accounting Standard Board of Japan Statement No.4 issued on November 29, 2005 by the Accounting Standards Board of Japan). As a result of the application of this standard, operating profit, ordinary income and income before income taxes for the year ended March 31, 2007 decreased by ¥48 million, respectively.

(14) Research and Development Expenses

Research and development expenses are charged to income as incurred.

(15) Subsequent Events

(a) Purchase of a company by acquisition of shares, as of June 15, 2007.

On May 7, 2007, Amano USA Holdings Inc., the Company's subsidiary in U.S.A., has reached a basic agreement with Mr. Terrence G. McGann and four other shareholders to acquire 100% of the stock of Terry McGann & Associates Inc. of Minneapolis, Minnesota (McGann). Completion of the transaction is expected to take place in June 20, 2007 upon the finalization of the due diligence process.

1. Reasons for the acquisition

The Amano Group intends to further expand and develop the scope of

its parking-lot business in the North American market. In order to achieve that, it is necessary for the Company to address the issues of development and sales of software for parking-lot management. It is Amano's view that by acquiring Terry Mcgann & Associates, Inc., and consequently being able to acquire its software and first-class customer base intact, the synergies generated from merging the two companies' know-how will enable it to provide state-of-the-art solutions in parking-lot management systems directly to customers, and through that to make rapid progress in expanding market share in the United State.

2. Overview of the company to be acquired

(1) Company Name: Terry Mcgann & Associates, Inc.

(2) Head office address: 651 Taft Street NE Minneapolis, MN 55413

(3) President & CEO: Terrence G. MCGARM

(4) Established: February 2, 1982

(5) Share capital: US\$10,000 (As of December 31, 2006)

(6) Sales: US\$34.7 million (As of December 31, 2006)

(7) Principle of business: Development and Sales of Parking-lot Management Software

3. Details of acquisition

(1) Number of shares to be acquired: 10,000 (All shares issued by the acquired company.)

(2) Acquisition price: To be determined upon the result of the due diligence

4. Schedule

May 7, 2007

Conclusion of Basic Agreement

June 15, 2007 (Scheduled)

Completion of Due Diligence

June 20, 2007 (Scheduled)

Conclusion of Share Purchase Agreement and Completion of Acquisition

5.Outlook

As of June 15, 2007, the extent of the impact resulting from this acquisition

on the FY2007 business performance of the Amano Group is not determinable, because the two companies are currently at the stage of having reached a basic agreement relating to the purchase and signed a basic agreement.

(b) Appropriation of retained earnings Appropriations of the Company's retained earnings in respect to the year ended March 31, 2007, which was proposed by the Board of Directors and approved at the shareholders' meeting held on June 28, 2007, was totaled to ¥1,365 million mainly for dividends. Such appropriations have not been segregated from retained earnings in the accompanying consolidated statements.

(16) Net Income and Dividends per Share

Basic net income per share is computed based on the weighted average number of shares of common stock outstanding during each period. Diluted net income per share is computed based on the net income available for distribution to the shareholders and the weighted-average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of stock subscription rights and stock options. Cash dividends per share shown for each fiscal period in the accompanying consolidated statements of income represent actual dividends declared as applicable to the respective fiscal period.

(17) Reclassifications

Certain reclassifications of previously reported amounts have been made to the consolidated balance sheets at March 31, 2006, the consolidated statements of income and the consolidated statements of change in net assets for the year then ended to conform to the current year presentation. Such reclassifications have no effect on net assets and net income.

(18) Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective from the year ended March 31, 2007, the Company has applied "Accounting standards for presentation of net assets in the balance sheet (Accounting Standards Board of Japan Statement No.5)", and Implementation guidance for Accounting standards for presentation of net assets in the balance sheet (Accounting Standards of Japan Guidance No.8) both issued by the Accounting Standard Board of Japan on December 9, 2005. The amounts corresponding to the conventional "Shareholders' equity" in the balance sheet is ¥82,985 million. "Net assets" in the balance sheets for this year is presented according to the revision of "Regulations Concerning the Terminology, Form and Presentation Methods of Consolidated Financial Statements" dated on April 25, 2006. The consolidated statements of changes in net assets for the fiscal year ended March 31, 2006 are presented under the new standard.

4. United States Dollar Amounts

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars at a rate of ¥118=US \$1, the approximate effective rate of exchange prevailing on March 31, 2007. The inclusion of U.S. dollar amounts is solely for the convenience of readers outside Japan and is not intended to imply that yen amounts could be converted, realized, or settled in U.S. dollars at that, or any other rate.

5. Cash and Cash Equivalents

A reconciliation of cash and cash equivalents to the amounts shown in the consolidated balance sheets is as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
Cash and bank deposits	¥33,690	¥34,403	\$285,508
Time deposits due over three months	(3,000)	–	(25,424)
Cash and cash equivalents	<u>30,690</u>	<u>34,403</u>	<u>260,085</u>

6. Selling, General, and Administrative Expenses

Selling, general, and administrative expenses during the years ended March 31, 2007 and 2006 include principally:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
	SGA	SGA	SGA
Labor and payroll	¥11,354	¥10,758	\$96,220
Rental for properties	1,367	1,355	11,585
Travel and transportation	956	960	8,102

7. Provisions

Provisions charged to operation during the years ended March 31, 2007 and 2006 are mainly as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
Employees' bonuses	¥1,257	¥1,348	\$10,653
Directors' bonuses	47	–	398
Retirement benefits	<u>1,078</u>	<u>1,120</u>	<u>9,136</u>

8. Leases Commitments

Finance lease contracts other than those which are deemed to transfer the ownership of the leased assets are accounted for by the method that is applicable to ordinary operating leases.

Minimum future lease payments under finance leases, which includes the imputed interest expense portion are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
Due within one year	¥530	¥607	\$4,492
Due over one year	777	1,216	6,585
Total	¥1,307	¥1,823	\$11,077

Lease rental payments on finance lease contracts without transfer of ownership for the years ended March 31, 2007 and 2006 were ¥625 (\$5,297) and ¥686, respectively.

Acquisition cost, accumulated depreciation, net book value and depreciation expenses for the year ended March 31, 2007 and 2006, if capitalized, are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
Acquisition cost	¥3,430	¥3,789	\$29,068
Accumulated depreciation	2,124	1,967	18,000
Net book value	¥1,306	¥1,822	\$11,068
Depreciation	¥625	¥686	\$5,297

Depreciation is calculated based on the straight-line method over the lease term of the leased assets.

9. Securities

Other securities with readily determinable fair value as of March 31, 2007 and 2006, are as follows:

	Millions of Yen		
	2007		
	Acquisition cost	Market value (Carrying value)	Unrealized gains (losses)
Other securities with book carrying amount exceeding acquisition cost			
Stocks	¥1,517	¥2,400	¥883
Bonds	500	500	0
Other	21	42	21
Subtotal	2,038	2,942	904
Other securities with book carrying amount not exceeding acquisition cost			
Stocks	520	503	(17)
Other	1,500	1,478	(22)
Subtotal	2,020	1,981	(39)
Total	¥4,058	¥4,923	¥865

	Millions of Yen		
	2006		
	Acquisition cost	Market value (Carrying value)	Unrealized gains (losses)
Other securities with book carrying amount exceeding acquisition cost			
Stocks	¥2,017	¥3,369	¥1,352
Bonds	500	502	2
Other	52	97	45
Subtotal	2,569	3,968	1,399
Other securities with book carrying amount not exceeding acquisition cost			
Stocks	20	17	(3)
Other	1,500	1,448	(52)
Subtotal	1,520	1,465	(55)
Total	¥4,089	¥5,433	¥1,344

	Thousands of U.S.dollars (Note 4)		
	2007		
	Acquisition cost	Market value (Carrying value)	Unrealized gains (losses)
Other securities with book carrying amount exceeding acquisition cost			
Stocks	\$12,856	\$20,339	\$7,483
Bonds	4,237	4,237	0
Other	178	356	178
Subtotal	17,271	24,932	7,661
Other securities with book carrying amount not exceeding acquisition cost			
Stocks	4,407	4,263	(144)
Other	12,711	12,525	(186)
Subtotal	17,118	16,788	(330)
Total	\$34,389	\$41,720	\$7,331

10. Retirement Benefits

Outline of the retirement benefit plans adopted

- (1) Tax-qualified pension plan: Since May 1, 1968, the Company has used a tax-qualified pension plan as part of its retirement benefit scheme.
- (2) Employees' pension fund: Since April 1, 1980, the Company has used an employees' pension fund plan (comprehensive establishment type) as a supplement to its existing retirement benefit scheme. As of March 31, 2007, the total pension assets of the pension fund included ¥15,965 million of pension assets computed on the basis of the total proportion of benefits that the fund accounts for.
- (3) Lump-sum grant system: The Company has also established a retirement lump-sum grant system based on its in-house retirement benefit rules.

The components of accrued retirement benefits to employees as of March 31, 2007 and 2006 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
Projected benefit obligation	¥13,883	¥13,376	\$117,653
Plan assets	(9,380)	(8,464)	(79,492)
Unfunded benefit obligation	4,503	4,912	38,161
Unrecognized actuarial difference	(234)	(660)	(1,983)
Accrued retirement benefits to employees	¥4,269	¥4,252	\$36,178

The components of retirement benefit expenses for the years ended March 31, 2007 and 2006 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 4)
	2007	2006	2007
Service cost	¥755	¥734	\$6,397
Interest cost	329	321	2,788
Expected return on plan assets	(296)	(253)	(2,508)
Amortization of unrecognized actuarial loss	166	241	1,407
Contribution to the multi-employer pension plan	488	360	4,136
Net retirement benefit expenses	¥1,442	¥1,403	\$12,220

The assumptions used for calculation of retirement benefits for the years ended March 31, 2007 and 2006 are as follows:

	2007	2006
Method of attribution of estimated retirement benefits to periods of employee service	Straight-line method	Straight-line method
Discount rate	2.5%	2.5%
Expected return on plan assets	3.5%	3.5%
Amortization period of unrecognized actuarial difference	10 years	10 years

11. Deferred Tax

Deferred tax assets and liabilities (both current and non-current) consisted of the following elements:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
Deferred tax assets:			
Accrued enterprise tax	¥186	¥184	\$1,576
Accrued employees' bonuses not deductible until paid	774	802	6,559
Accrued retirement benefits to directors and corporate auditors not deductible until paid	298	278	2,525
Accrued retirement benefits to employees not deductible until paid	1,729	1,708	14,652
Loss carried forward	478	372	4,052
Loss on write-down of investments in securities	77	89	653
Others	605	573	5,127
Less: valuation allowance	(604)	(384)	(5,119)
Total deferred tax assets	¥3,543	¥3,622	\$30,025
Deferred tax liabilities:			
Reserve for advanced depreciation of building	(22)	(23)	(186)
Unrealized gain on other securities	(351)	(546)	(2,975)
Others	(77)	(91)	(652)
Total deferred tax liabilities	(450)	(660)	(3,813)
Net deferred tax assets	¥3,093	¥2,962	\$26,212
Reconciliation of actual tax rate is shown below:			
Effective statutory tax rate	40.6%	40.6%	
Adjustments:			
Entertainment expenses and other not deductible	0.6	0.4	
Dividends income and other not taxable	(0.3)	(0.2)	
Inhabitant tax on per capita levy	0.7	0.8	
Realization of tax benefits on operating losses	(1.5)	(1.7)	
Tax credit for research and development expenses	(1.0)	(2.1)	
valuation allowance	0.5	–	
Others	0.5	(0.2)	
Actual tax rate	40.1%	37.6%	

12. Segment Information

(1) Industry Segments

The Companies operate primarily in the following two businesses:

1. Time information
2. Environmental equipment

	Millions of Yen				
	2007				
	Time Information	Environment	Total	Eliminations/Corporate	Consolidated Total
Net Sales:					
Customers	¥55,708	¥30,061	¥85,769	–	¥85,769
Intersegment	–	–	–	–	–
Total	55,708	30,061	85,769	–	85,769
Operating Expenses	46,626	26,332	72,958	¥2,667	75,625
Operating Income	¥9,082	¥3,729	¥12,811	¥(2,667)	¥10,144
Assets	¥43,971	¥16,461	¥60,432	¥51,055	¥111,487
Depreciation	2,420	430	2,850	384	3,234
Capital expenditures	3,931	988	4,919	117	5,036

	Millions of Yen				
	2006				
	Time Information	Environment	Total	Eliminations/Corporate	Consolidated Total
Net Sales:					
Customers	¥52,328	¥27,416	¥79,744	–	¥79,744
Intersegment	–	–	–	–	–
Total	52,328	27,416	79,744	–	79,744
Operating Expenses	43,285	24,571	67,856	¥2,350	70,206
Operating Income	¥9,043	¥2,845	¥11,888	¥(2,350)	¥9,538
Assets	¥36,377	¥14,547	¥50,924	¥54,338	¥105,262
Depreciation	2,026	401	2,427	389	2,816
Capital expenditures	3,254	639	3,893	129	4,022

	Thousands of U.S. dollars (Note 4)				
	2007				
	Time Information	Environment	Total	Eliminations/Corporate	Consolidated Total
Net Sales:					
Customers	\$472,102	\$254,754	\$726,856	–	\$726,856
Intersegment	–	–	–	–	–
Total	472,102	254,754	726,856	–	726,856
Operating Expenses	395,136	223,153	618,289	\$22,601	640,890
Operating Income	\$76,966	\$31,601	\$108,567	\$(22,601)	\$85,966
Assets	\$372,636	\$139,500	\$512,136	\$432,669	\$944,805
Depreciation	20,508	3,644	24,152	3,255	27,407
Capital expenditures	33,314	8,373	41,687	992	42,679

(2) Geographic Segments

Information by geographic areas based on location for the years ended and as of March 31, 2007 and 2006, is summarized as follows:

	Millions of Yen						
	2007						
	Domestic (in Japan)	Asia	Overseas North America	Europe	Total	Eliminations/ Corporate	Consolidated Total
Net Sales:							
Customers	¥70,804	¥4,117	¥9,347	¥1,501	¥85,769	–	¥85,769
Intersegment	2,083	101	379	102	2,665	¥(2,665)	–
Total	72,887	4,218	9,726	1,603	88,434	(2,665)	85,769
Operating Expenses	60,781	3,790	9,530	1,469	75,570	55	75,625
Operating Income	¥12,106	¥428	¥196	¥134	¥12,864	¥(2,720)	¥10,144
Assets	¥45,998	¥3,656	¥9,183	¥2,974	¥61,810	¥49,677	¥111,487

	Millions of Yen						
	2006						
	Domestic (in Japan)	Asia	Overseas North America	Europe	Total	Eliminations/ Corporate	Consolidated Total
Net Sales:							
Customers	¥65,878	¥3,500	¥9,019	¥1,347	¥79,744	–	¥79,744
Intersegment	1,691	39	367	171	2,268	¥(2,268)	–
Total	67,569	3,539	9,386	1,518	82,012	(2,268)	79,744
Operating Expenses	56,251	3,154	9,245	1,419	70,069	137	70,206
Operating Income	¥11,318	¥385	¥141	¥99	¥11,943	¥(2,405)	¥9,538
Assets	¥39,428	¥2,818	¥7,745	¥2,494	¥52,485	¥52,777	¥105,262

	Thousands of U.S. dollars (Note 4)						
	2007						
	Domestic (in Japan)	Asia	Overseas North America	Europe	Total	Eliminations/ Corporate	Consolidated Total
Net Sales:							
Customers	\$600,034	\$34,890	\$79,212	\$12,720	\$726,856	–	\$726,856
Intersegment	17,652	856	3,212	865	22,585	\$(22,585)	–
Total	617,686	35,746	82,424	13,585	749,441	(22,585)	726,865
Operating Expenses	515,093	32,119	80,763	12,449	640,424	466	640,890
Operating Income	\$102,593	\$3,627	\$1,661	\$1,136	\$109,017	\$(23,051)	\$85,966
Assets	\$389,814	\$30,983	\$77,822	\$25,195	\$523,814	\$420,991	\$944,805

(3) Overseas and Export Sales

Overseas sales for the Companies for the years ended March 31, 2007 and 2006 are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2007	2006	2007
Export sales and sales by overseas subsidiaries			
Asia	¥4,737	¥3,798	\$40,144
North America	9,365	9,036	79,364
Europe	1,545	1,404	13,093
Others	225	187	1,907
Total	¥15,872	¥14,425	\$134,508
Percentage of overseas and export sales to consolidated net sales	18.5%	18.1%	

Overseas and export sales represents the total amount of export sales of the Company and domestic subsidiaries and sales of the overseas subsidiaries.

13. Per Share Data

Net assets and income, listed per share as of and for the years ended March 31, 2007 and 2006:

Amounts Per Share	Yen		U.S.dollars (Note 4)
	2007	2006	2007
Net assets	¥1,033.61	¥981.92	\$8.759
Net income:			
Basic	74.29	72.89	0.630
Diluted	74.24	72.76	0.629

Corporate Data

Board of Directors

Chairman

Yasuyoshi Komoto

President/CEO

Kaoru Haruta

Senior Executive Director

Yoshinori Mizushima

Executive Directors

Yutaka Suzuki

Keizo Ueno

Kazuo Unno

Toshio Kusanagi

Haruhiko Yamaguchi

Director

Minoru Koyama

Auditors

Katsuhiko Kawada

Yasumori Takasu

Tatsuyuki Sawada

Satoru Ueno

Executive Operating Officers

Toshiaki Imura

Nobuyuki Tabata

Operating Officers

Izumi Nakajima

Seiken Uyama

Masamiki Konno

Kazuo Kobayashi

Naoki Nakada

Hiroshi Shiraishi

Bungo Nogawa

Kenji Kohori

Kengo Iida

Yoshio Kishi

Tsuyoshi Fujiwara

Toru Ueno

Domestic Operations

HEAD OFFICE

275 Mamedocho, Kohoku-ku, Yokohama,
Kanagawa, JAPAN 222-8558

FACILITIES

YOKOHAMA Facility

TSUKUI Facility

HOSOE Facility

MIYAKODA Facility

SALES OFFICES

80 Sales Offices Located in major cities,
including

TOKYO Office

YOKOHAMA Office

NAGOYA Office

OSAKA Office

SAPPORO Office

SENDAI Office

OMIYA Office

NAGANO Office

NIIGATA Office

HAMAMATSU Office

KANAZAWA Office

KYOTO Office

OKAYAMA Office

HIROSHIMA Office

TAKAMATSU Office

FUKUOKA Office

SYSTEM CENTERS

TOKYO System Center

KANAGAWA System Center

NAGOYA System Center

OSAKA System Center

SENDAI System Center

SAPPORO System Center

OMIYA System Center

SHINJUKU System Center

SHINAGAWA System Center

TACHIKAWA System Center

SHIZUOKA System Center

NAGANO System Center

NIIGATA System Center

KANAZAWA System Center

HIROSHIMA System Center

TAKAMATSU System Center

FUKUOKA System Center

DOMESTIC SUBSIDIARIES

AMANO BUSINESS SOLUTIONS CORPO-
RATION

ENVIRONMENTAL TECHNOLOGY CO., LTD.

AMANO MANAGEMENT SERVICE

CORPORATION

AMANO MAINTENANCE ENGINEERING

CORPORATION

AMANO ECO TECHNOLOGY CORPORATION

AMANO MUSASHI ELECTRIC CORPORATION

AMANO TIME BUSINESS CORPORATION

AMANO AGENCY CORPORATION

Overseas Operations

1. AMANO USA HOLDINGS, INC.

140 Harrison Avenue Roseland, New
Jersey 07068 U.S.A.

2. AMANO CINCINNATI, INC.

CORPORATE HEADQUARTERS

140 Harrison Avenue Roseland, New
Jersey 07068-1239 U.S.A.

3. OHIO FACTORY

130 Commerce Blvd. Loveland, Ohio
45140-7726 U.S.A.

4. NEW JERSEY BRANCH OFFICE

140 Harrison Avenue Roseland, New
Jersey 07068-1239 U.S.A.

5. WESTERN REGION OFFICE

22619 Old Canal Road Yorba Linda, CA
92887

6. CINCINNATI BRANCH OFFICE

130 Commerce Blvd. Loveland, Ohio
45140-7726 U.S.A.

7. NAT'L PARTS & SERVICE CENTER

140 Harrison Avenue Roseland, New
Jersey 07068-1239 U.S.A.

8. AMANO CINCINNATI CANADA INC.

2740 Matheson Blvd. East, Unit 4
Mississauga, Ontario, Canada L4W 4X3

9. AMANO TIME & PARKING SOLUTIONS OF ATLANTA, INC.

5835 Peachtree Corners East, Bldg.4, Suite
D, Norcross, Georgia 30092 U.S.A.

10. AMANO TIME & PARKING SOLUTIONS OF CINCINNATI, INC.

130 Commerce Blvd. Loveland,
Ohio 45140-7726 U.S.A

11. AMANO TIME & PARKING SOLUTIONS OF St.Louis, INC.

8312 Page Boulevard St.Louis, Missouri
63130 U.S.A.

12. AMANO PIONEER ECLIPSE CORPORATION

1 Eclipse Road, Sparta, North Carolina
28675-0909 U.S.A.

13. AMANO PIONEER CREDIT CORPORATION

2081 S.E. Ocean Blvd. Suite 2A Stuart,
Florida 34996 U.S.A.

14. AMANO USA, INC.

140 Harrison Avenue Roseland, New
Jersey 07068-1239 U.S.A.

15. AMANO ELECTRONICS EUROPE, N.V. CORPORATE OFFICE

Westerring 2, 3600 Genk, Belgium

16. UK & IRELAND BRANCH

33 Clarendon Dock –Laganside– BT1
3BG BELFAST –NORTHERN IRELAND–
UNITED KINGDOM

17. GERMAN BRANCH OFFICE

Zweigniederlassung Deutschland,
Brunnenstrasse 11,DE-45128 Essen,
Germany

18. NETHERLANDS BRANCH OFFICE

De Vlinder 123, 5427 DD Boekel, the
Netherlands

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38. AMANO TIME&AIR SINGAPORE PTE.LTD.

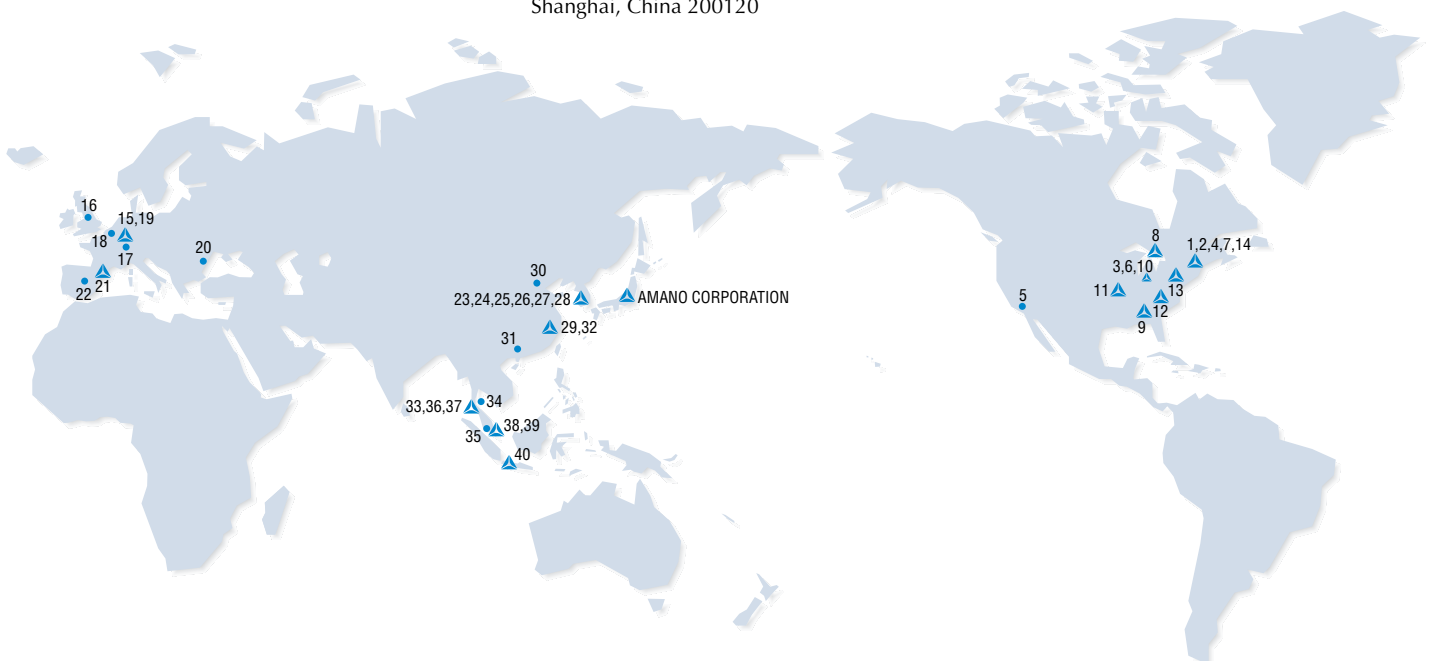
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