FINANCIAL REPORT
April 2011 – March 2012

AMANO Corporation

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 its 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.

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: the 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 its customers in relation to the themes of “people and time” and “people and the environment.”

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

2. New Medium-Term Business Plan

Amano and all of its Group companies continue to pursue the Group’s tradition of continuing to evolve in response to the changes of the times, while remaining committed to the following four immutable strategies of the Amano Group.

(i) Emphasis on the Time & Ecology business fields and enhancement of our core business
(ii) Being a niche leader in the business fields in which we excel
(iii) Ceaseless restructuring
(iv) Management based on cash flow

In accordance with these four fundamental strategies, Amano launched a new medium-term business plan. An outline of the plan is set out below.

[1] Basic Policies

Under its new medium-term business plan, the Group seeks to become a global niche leader by exploring new market frontiers (advancing aggressively into emerging and untapped markets), developing multi-disciplinary business operations on a location-by-location basis, and establishing new business domains. We are pursuing a new global growth strategy designed to maximize our corporate value.

Priority issues under the new plan are listed below.

1. North American and European markets

North America: In the parking system business, we will merge Amano McGann's parking management software with the Amano Group's software and hardware, introduce new parking systems into the market, and strengthen direct sales structures to enable us to work more closely with customers when proposing solutions. These efforts are designed to build upon our business foundations, which are second to none in North America. In our time information system business, we will continue to scale up our operations by adding new products alongside the wide array of time information management terminals and the blue-chip customer base that Accu-Time Systems enjoys. By enhancing the local production and distribution of oil mist collectors through Amano Pioneer Eclipse, we will take a step toward fortifying our operations in the environment system business.

Europe: In the time information system business, we will continue to enhance Horosmart's ability to offer holistic solutions, and to expand its blue-chip customer base. These efforts are aimed at cementing our position as number one at the high end of the market in France and at increasing our visibility and expanding further into other markets across Europe. In the parking system business, we will step up sales of low-priced system products, focusing on the UK and the three Benelux countries, in order to build a stronger operations foundation.

2. Asian, Latin American and other emerging markets

Asia: In the environment system business, we will enhance our ability to offer products and render services to Japanese companies operating outside Japan in other parts of Asia by deepening ties between our Group companies across Asia and our head office in Japan. We will also expand our local production capabilities in order to enhance our cost competitiveness. In the parking system business, we will seek to further scale up our South Korean and Malaysian operations, as well as to aggressively promote the development of business operations in China, Taiwan, and other Asian countries.

Latin America: In light of the local market's future growth potential, we will aggressively allocate a higher proportion of our managerial resources to this area, including those engaged in the commencement of local production, in order to explore the market frontiers in the information system, parking system, and environment system businesses.

3. Japanese market

Japan: We will reinforce ties among Group companies and develop high-quality comprehensive service offerings (combining products and services) across all business fields to expand our business domain, create new markets, and enhance our cost competitiveness. These efforts should align our entire group to work cohesively towards maximizing its corporate value.

[2] Numerical Targets

Under our new medium-term business plan, we aim to achieve at least ¥103 billion in net sales and ¥10 billion in operating profit in the final year of the plan, which ends March 31, 2014.

3. Basic Policy on Distribution of Profits and Payment of Dividends for This Fiscal Year and the Next

Amano places great importance on its policy for the payment of 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 of profits and flexible purchasing of treasury stock. The Company aims to maintain a payout ratio of at least 35% on a consolidated basis and a ratio of dividend to net assets of at least 2.5%.

In line with this policy, taking into account our current-year operations results, we plan to pay a year-end dividend of ¥13 per share, unchanged from the amount paid at the end of the previous year. As a result, the annual per-share dividend will be ¥26 (including the ¥13 per share paid as the interim dividend). This corresponds to a dividend payout ratio of 82.5% and a 2.8% ratio of dividends to net assets on a consolidated basis.

With regard to the dividend for the next fiscal year, in line with our Basic Policy on Distribution of Profits and in view of our Outlook for Fiscal Year Ending March 31, 2013, we aim to pay an annual per-share dividend of ¥26 (interim dividend of ¥13, and year-end dividend of ¥13).

Retained earnings will be earmarked 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 plants and equipment for the purpose of reducing costs and further improving product quality.

Izumi NAKAJIMA
President
Representative Director

Business Performance

Analysis of Business Results

Business Results in the Year Ended March 31, 2012

During the fiscal year ended March 31, 2012, the Japanese economy was on a recovery track after the restoration of supply chains that were damaged by the Great East Japan Earthquake. However, the economy continued to struggle under uncertain and difficult conditions due to the slowdown in the global economy and the rapid appreciation of the yen that were caused by the emerging European sovereign debt crisis.

Amid this business environment, the Amano Group worked, in accordance with the new global growth strategy outlined in its new medium-term business plan, on global market and product development as well as enhancement of its capacity to provide holistic solutions. The Amano Group also concentrated on thoroughly uncovering customer needs, and strove to reduce sales costs and selling, general and administrative expenses.

As a result of the above, during the fiscal year under review, the Company recorded sales of ¥88,147 million, up by 5.8% year-on-year. Operating profit increased by 35.0% to ¥5,917 million, ordinary profit went up by 31.5% to ¥6,322 million, and net income decreased by 21.2% to ¥2,415 million.

The following is a breakdown of sales by business division.

Sales by business division

(Unit: Millions of yen)

	FY2010 year endedMarch 31, 2011		FY2011 year endedMarch 31, 2012		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business						
Information Systems	18,890	22.7	19,569	22.2	679	3.6
Time Management Equipment	4,407	5.3	4,245	4.8	(162)	(3.7)
Parking Systems	38,493	46.2	40,794	46.3	2,301	6.0
Subtotal	61,790	74.2	64,608	73.3	2,818	4.6
Environment System Business						
Environmental Systems	14,144	17.0	16,374	18.6	2,230	15.8
Clean Systems	7,369	8.8	7,165	8.1	(204)	(2.8)
Subtotal	21,513	25.8	23,539	26.7	2,026	9.4
Total	83,303	100.0	88,147	100.0	4,844	5.8

Time Information System Business

- Information Systems:
  Time & attendance (T&A), payroll, human-resource management,access control, and cafeteria systems
- Time Management Equipment:
  Time recorders and time stamps
- Parking Systems:
  Vehicle- and bicycle-parking space management systems and parking management services

Information Systems

Although this business division continued to struggle under difficult conditions in Japan—which included a prolonged reduction in information-related investments and intensifying competition in the market—the markets for data centers and cloud computing have grown due to the influence of the Great East Japan Earthquake, as part of companies' preparations for their Business Contingency Plans (BCP).

In response to these changes in the market environment, the Company concentrated on uncovering demand by launching hosting services, proactively developing proposals that offer comprehensive solutions to issues concerning both the ownership of systems and the use of systems, and strengthening our business support system for systems engineers.

During the fiscal year under review, hardware sales in Japan decreased by ¥258 million (4.9%) year-on-year, software sales decreased by ¥3 million (0.1%), and sales generated by maintenance contracts and supplies services increased by ¥147 million (4.7%). The decrease in hardware sales was attributed to a decrease in both existing large-scale projects and in new projects. As a result, T&A system sales were down by ¥371 million (4.4%), while access control system sales increased by ¥81 million (7.5%).

Overall overseas sales increased by ¥734 million (11.4%). Both the sales of Accu-Time Systems in North America and the sales of Horosmart S.A. in Europe remained firm.

As a net result of the above, overall sales in this business division totaled ¥19,569 million, representing an increase of 3.6% year-on-year.

SX-150

Time management equipment

In Japan, this business division continued to struggle under difficult conditions. There was a decrease in new store openings and replacement demand was stagnant, despite the demand for reconstruction after the Great East Japan Earthquake.

In this market environment, the Company concentrated on uncovering new demand by building new sales channels and strengthening sales promotion activities, in order to enhance and expand its customer base.

In Japan, overall sales for the fiscal year under review decreased by ¥52 million (1.5%) year-on-year due to a decrease in exports to Asia, although domestic sales increased. Sales for all of North America, Europe and Asia also dropped. As a result, overall overseas sales decreased by ¥197 million (13.7%).

As a result of the above, the time management equipment business division generated sales totaling ¥4,245 million, down by 3.7% year-on-year.

Parking Systems

In the midst of the diversification of parking lot utilization systems, as typified by the broader installation of charging stations for electric vehicles and the introduction of car-sharing services in Japan, this division has been working to reduce the costs of parking lot management and to promote environmentally friendly initiatives, such as employing LED lighting equipment in parking lots to reduce energy consumption and installing solar panels to achieve greater energy self-sufficiency.

In response to these changes in the market environment, the Company has, in cooperation with its Group companies in Japan, stepped up its efforts to provide its customers with solutions, and has focused its efforts on uncovering demand for the replacement of existing systems. The Company has also made efforts to expand into new markets for lane control systems and exclusive gate systems, with its watchwords being safety, security, environmental awareness and increased convenience.

In Japan, sales of car parking system devices during the fiscal year under review increased by ¥2,095 million (14.8%) year-on-year, thanks to an

increase in the number of projects involving large and small parking lot systems. Revenues from maintenance contracts and supplies services increased by ¥23 million (0.3%).
The number of parking spaces managed by the Group subsidiary Amano Management Service Corporation in its commissioned parking lot management business increased by 32,300 (16.3%) from the end of the previous fiscal year.
Overall overseas sales decreased by ¥42 million (0.4%). Sales for North America declined in terms of Japanese yen due to fluctuations in exchange rates, although sales increased on a local currency basis. Sales for Europe declined due to sluggish demand. Sales for Asia increased, as Korea continued to show strong sales.
As a net result of the above, the parking systems business division provided sales totaling ¥40,794 million, an increase of 6.0% year-on-year.


GT-4700GP

Environment System Business

- Environmental Systems:
  Standard dust collectors, large dust collection systems, pneumatic powder conveyance systems, high-temperature hazardous-gas removal systems, deodorization systems, and electrolytic water generators
- Clean Systems:
  Cleaning equipment, dry-care cleaning systems, and cleaning management services

Environmental Systems

In this business division, although capital investment in Japan slowed due to the impact of the Great East Japan Earthquake, capital investment by Japanese-affiliated companies operating in Asia, including China, has been increasing, and it has been apparent in the business environment that demand has shifted from Japan to the rest of the world.
In this market environment, the Company has focused on expanding demand by proactively shifting its managerial resources. The Company's efforts included increasing the number of local staff, establishing closer cooperation with overseas Group companies, and expanding production in China in order to bolster systems for selling products and services to businesses operating overseas.
During the fiscal year under review, sales of standard equipment increased by ¥423 million (8.6%) year-on-year, large-scale systems by ¥1,282 million (30.6%), and maintenance contracts and supply services by ¥281 million (8.6%), as a result of our capturing the demand for environmental systems of the international operations of Japanese companies that have expanded into overseas markets.
Overall overseas sales increased by ¥429 million (30.2%) year-on-year due to increased orders for both standard equipment and large-scale systems, because capital investments by Japanese-affiliated companies in Asian markets remained strong.
As a result of the above, sales of this business division totaled ¥16,374 million, up by 15.8% year-on-year.

MJ-5

Clean Systems

This business division continued to struggle in Japan under difficult conditions caused by the impact of prolonged reductions in cleaning management costs, though there was a trend among major distribution and retail companies to expand their store networks.
To tackle this market environment, the Company focused on uncovering new demand by providing proposals for the achievement of total cost reductions using a new floor construction system and maintenance services, enhancing demonstrations of actual machines, and launching new models of cleaning machines and polishers in order to improve both work efficiency and quality.

Domestic sales of cleaning equipment during the fiscal year under review decreased by ¥104 million (5.0%) year-on-year, and revenue from maintenance contracts and supplies increased by ¥98 million (3.4%).
Overall overseas sales decreased by ¥84 million (5.2%) year-on-year. Sales for North America grew in terms of local currencies but decreased in terms of Japanese yen due to fluctuations in exchange rates.

As a result of the above, sales in this segment totaled ¥7,165 million, down by 2.8% year-on-year.

CW-400T

Analysis of Financial Condition

(i) Assets, Liabilities, and Net Assets

• Assets

Total assets as of March 31, 2012, amounted to ¥103,478 million, up by ¥545 million from the previous fiscal year-end. Current assets increased by ¥3,476 million year-on-year. This was chiefly due to a ¥2,609 million increase in notes and accounts receivable-trade and a ¥792 million increase in cash and bank deposits. Fixed assets decreased by ¥2,931 million year-on-year. This was attributable primarily to a ¥1,899 million decrease in intangible fixed assets and a ¥543 million decrease in investment securities.

• Liabilities

Total liabilities at the fiscal year-end amounted to ¥31,286 million, up by ¥914 million year-on-year. Current liabilities decreased by ¥564 million year-on-year. This was chiefly due to a decrease of ¥1,546 million in short-term bank loans, despite an increase of ¥355 million in trade notes and accounts payable and an increase of ¥324 million in lease obligations. Fixed liabilities increased by ¥1,478 million year-on-year. The principal factors behind this were an increase of ¥1,280 million in long-term bank loans and an increase of ¥803 million in lease obligations, despite a decrease of ¥470 million in accrued retirement benefits for employees.

• Net Assets

Total net assets as of March 31, 2012 amounted to ¥72,192 million, down by ¥369 million from the previous fiscal year-end. This was primarily due to a decrease of ¥818 million in total accumulated other comprehensive income resulting from a decrease in foreign currency translation adjustments and other factors, despite an increase of ¥423 million in shareholders' equity due to an increase in retained earnings.

(ii) Cash Flows

Consolidated cash and cash equivalents increased by ¥1,308 million from the previous fiscal year-end, to a total of ¥25,922 million on March 31, 2012. The status of each type of cash flow at the year-end and the underlying factors are as follows.

(1) Cash flow from operating activities

Net cash provided by operating activities totaled ¥5,974 million. This was attributable primarily to income before income taxes amounting to ¥5,510 million and depreciation and amortization amounting to ¥4,030 million, despite income taxes payments amounting to ¥3,082 million.

(2) Cash flow from investing activities

Net cash used in investing activities totaled (¥1,535) million. This was largely due to expenditures of ¥4,377 million for the placement of time deposits, ¥2,054 million for the acquisition of securities, ¥1,265 million for the acquisition of tangible fixed assets, and ¥842 million for the acquisition of intangible fixed assets. These outflows more than offset proceeds of ¥4,673 million from the withdrawal of time deposits and ¥2,241 million from the redemption of securities.

(3) Cash flow from financing activities

Net cash used in financing activities totaled (¥3,051) million. This was chiefly due to expenditures of ¥1,992 million for the payment of cash dividends, ¥1,729 million for the repayment of short-term bank loans, and ¥854 million for the repayment of finance lease obligations, despite proceeds of ¥1,550 million from long-term debt.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2008	As of Mar. 31, 2009	As of Mar. 31, 2010	As of Mar. 31, 2011	As of Mar. 31, 2012
Equity ratio (%)	73.0	72.9	73.4	70.3	69.6
Fair value equity ratio (%)	70.6	58.8	64.7	59.3	56.9
Ratio of cash flow to interest-bearing liabilities (%)	17.5	24.1	17.1	31.4	50.2
Interest coverage ratio	166.6	200.7	250.6	275.2	158.1

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

* All indicators are calculated on the basis of consolidated financial values.
* 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).
* The term "cash flow from operating activities" refers to cash flow from operating activities posted under the consolidated statements of cash flows. The term "interest-bearing liabilities" refers to those liabilities stated in the consolidated balance sheets on which interest is paid. Interest payments equate with the interest paid recorded in the consolidated statements of cash flows.

Outlook for Fiscal Year Ending March 31, 2013

During the fiscal year ending March 31, 2013, we forecast that the Japanese economy will continue to recover at a modest pace, as the world economy is expected to show stable growth led by China and other emerging countries and demand for post-earthquake reconstruction is expected to gradually surface, despite concerns regarding the slowdown in the growth of Western economies.

Amid this business environment, Amano Corporation and its Group companies continue to emphasize the following strategies: 1) emphasis on Time & Ecology business fields, and enhancement of core business; 2) becoming a niche leader in the business fields in which we excel; 3) ceaseless restructuring; and 4) management based on cash flow. In line with these four fundamental strategies, we will pursue our consolidated growth strategy on a global scale to ensure sustainable growth and the continual improvement of profitability with a view to maximizing the corporate value of Amano Corporation.

The following business results are projected for the fiscal year ending March 31, 2013: net sales of ¥93,500 million, operating profit of ¥7,000 million, ordinary profit of ¥7,400 million, and net income of ¥3,800 million. These projections assume currency exchange rates of ¥80 to the US dollar and ¥105 to the euro.

Operating and Other Risk Factors

Matters relating to the qualitative information contained in these summary financial statements and relating to the consolidated financial statements that could be envisaged as having a possible material impact on investors are described below.
Every effort are made to identify factors that may now or in the future pose a risk to the undertaking of business by the Amano Group, and these risk factors are then eliminated or otherwise managed in the course of business.
Forward-looking statements are current as of the date of the release of these financial results (May 9, 2012).

(i) Impact on earnings due to changes in the business environment

The Amano Group uses the unique technologies and know-how it has accumulated to provide customers with high-quality products, services and solutions, thereby gaining large market shares in each sphere of business in Japan, North America, Europe, and Asia, and developing its business globally.
In the year ended March 31, 2012, the time information system business accounted for 73.3% of total sales, and the environment system business accounted for 26.7%. Before the deduction of unallocated expenses, the time information system business contributed 74.6% to operating profit, while the environment system business contributed 25.4%. In terms of weighted average sales over the last five years, the time information system business accounted for 71.9% of total sales and 72.7% of operating profit.

One future risk factor is that if market expansion is forecast for a business activity within the time information system business segment (which accounts for a large proportion of the Group's business) for such reasons as a significant change in the demand structure or the creation of a new market, entities in other industries or other powerful competitors may be tempted to enter the market. In such an event, if a competitor were to enter with innovative products or solutions that surpass Amano's, the Amano Group's market advantage would decline, which may have a material impact on its business performance.

(ii) 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 the proceeds for overseas transactions are converted into yen.

(iii) Information security

In the course of providing system solutions and application service provider services, the Amano Group handles confidential information, such as personal information concerning, or provided by, customers. In view of this, the Group has developed a structure for the management of confidential information, conducts thorough staff training on the handling of confidential information, and uses software for the protection of confidential information with the aim of preventing network access to confidential information and the physical removal of data and information. To that end, it has also established an Information Security Management Committee to ensure a foolproof structure is in place. Nevertheless, the occurrence of an unforeseen situation that results in information of the kind described above being disclosed externally could have a material impact on the Group's business performance due to factors such as loss of confidence.

Issues to Be Addressed

The Company will take the following steps to achieve the goals set out in its new medium-term business plan.

1) Time information systems

•Information systems business

Given the continuing efforts by the labor authorities to more strictly monitor unpaid overtime and long working hours (overworking) in order to eradicate these practices and an increasing need to deal with risks surrounding employment (such as industrial court cases resulting from deteriorating employment conditions), there is strong potential demand among companies to establish or rebuild T&A systems. Our aim is to create a company-wide labor time management system to optimize business operations by reducing working hours, improving work efficiency, cutting costs, etc. In addition, we aim to strengthen measures for compliance toward appropriately managing working hours. However, market conditions remain tough, reflecting prolonged reductions in information-related investments, intensifying competition in the market, and other factors. Meanwhile, the business environment in which this segment operates has seen a significant shift from companies owning systems to simply utilizing them, with an increasingly prominent movement in the industry toward cloud computing.

In this market environment, we will focus on spurring latent demand in our solutions business, which is targeted at large companies, by strengthening our competitive advantage with enhanced software functions, and reinforcing our marketing structures with collaboration between sales staff and systems engineers. In addition, we will actively make proposals for comprehensive solutions, including hosting services, by strengthening alliances with Group companies in Japan in order to respond to the changes of the times.

To enhance the profitability of this business, we will strictly manage revenue from our solutions business targeted at large companies, enhance our project management systems, cut costs by standardizing system software, and expand sales of standard software packages to small and medium-scale business establishments, so as to boost earnings capacity.

Overseas, we will continue to scale up our operations by adding new products alongside the wide array of time information management terminals and the blue-chip customer base that Accu-Time Systems enjoys. In addition, we will work on establishing a global supply system and reducing development costs by expanding our hardware lineup. As a means of expanding our business, we will also extend our sales channels for software products from Horosmart, S.A. (France) across Europe and reinforce our organizational structures toward globalization.

•Parking systems business

The parking system business is seeing the business environment in which it operates change significantly. For example, the broader installation of charging stations for electric vehicles, programs to reduce greenhouse gas emissions, and the introduction of car sharing services designed to ease traffic congestion have led to a diversification of parking lot operation styles. Meanwhile, initiatives have been developed to enhance the quality of customer service offerings, to reduce electricity consumption through the use of LED lighting, and to operate more environment-friendly parking spaces through measures such as the installation of solar panels.

In this environment, we will focus on making proposals from the customer's perspective with an emphasis on areas such as higher profitability and efficiency in parking space management. We will steadily meet the needs of existing customers by offering high value-added products with network capabilities and inbuilt IT functions and forging ahead with the holistic solutions business, including maintenance and parking lot management services, in close collaboration with Group companies.

We will seek to revitalize and expand the market for bicycle parking, which has been highlighted as a result of the problem of abandoned bicycles, by proactively making proposals on ecology-oriented initiatives, including rent-a-cycles and community bicycle systems. We also aim to expand the new market that has emerged for exclusive gate systems for controlling access to sites such as factories, with an emphasis on safety and security and on making proposals regarding labor-savings and rationalization.

Overseas, we aim to expand our business and establish ourselves as the top manufacturer of parking systems in the North American market, leveraging the strengths of Amano McGann, Inc. to further boost sales by building closer relationships with customers. In Europe, we will step up our sales of low-priced system products, focusing on the UK and the three Benelux countries, in order to build stronger operational foundations. In Asia, we will further expand our business, focusing on Korea.

2) Environment systems business

•Environment systems

In the environment system business, capital investment by Japanese-affiliated companies operating in Asia, including China, has been increasing, and it has become apparent in the business environment that demand has shifted from Japan to the rest of the world.

In this market environment, we will continue to shift our managerial resources to markets where demand is growing in order to appropriately exploit expansions in demand, particularly in the Asian market. Our efforts include the bolstering of systems to sell products and services to businesses operating overseas, the establishment of closer cooperation with overseas Group companies, and the expansion of production in China. In addition, we will strengthen our capability to develop new products with less environmental impact, launch new products to match the reduction in size and the diversification of machine tools, and enhance our lineup of dust-explosion-proof technologies to raise safety standards. We also aim to spur latent demand by expanding our maintenance business and to further strengthen profit control for each site in order to boost profitability.

In overseas markets, we will expand our business in Asia by building stronger ties with overseas Group companies in China, Thailand, and other Asian countries. In North America, we will expand the local production and distribution of standard dust collectors to enhance our operational foundations.

3) Human resource development

Recognizing that people are the key management resource in the operation of our business, we have positioned human resource development as a priority issue and will focus on developing employees who have no fear of change and are willing to meet challenges.

Domestic Marketing

Business Activities

Time Information Systems

Enhanced Cloud Solutions!

Various services are available to achieve an optimal balance between Business Continuity Plans (BCPs) and cost reduction.

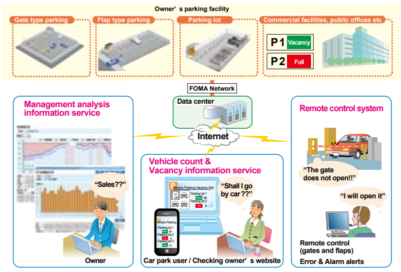
The demand for cloud services is on the rise. It is a solution in which the systems can be configured quickly and it provides a high level of security, operational efficiency at lower administration costs. Amano's cloud solutions can meet the various requirements depending on the customer's size, utilization and operations. For small businesses, the T&A service "Smart T&A", for medium size businesses, the integrated service, "CYBER XEED T&A, Payroll, HR", and for the large companies, the work management service "TimePro-CX", and the time stamp service, "e-timing" etc.
From on-premises to cloud, Amano being the top vendor for packaged services, we can provide solutions for all.
As an indication of its trustworthiness and reliability, Amano's cloud services has been awarded the "ASP&SaaS Cloud Award" for two consecutive years. This award is sponsored by the ASP&SaaS Cloud Consortium, a NPO backed by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry.

Parking Systems

Obtain & analyze parking information accurately over the web!

Centralized management of parking information

Parking data center service is an information delivery service via the Internet. By connecting the parking facility to Amano's data center, the facility owner is provided with various information including the current utilization status.
The service menu includes (i) Management analysis info service, which provides sales and facility utilization levels, (ii) Vehicle count & vacancy info service, where the information becomes available on company websites, (iii) Remote control service, enables the check of error messages and alarms along with the control of flaps and gates.
An Internet connection and a browser software on your existing PC is all that is needed to check parking information anytime anywhere. This new service is drawing attention from the people in the parking business and thus continued growth is anticipated.



Parking data center service

Environmental Systems

Increased orders from the pharmaceutical industry

Powder / dust collectors adopting "containment technology"

The powder / dust collectors used in the pharmaceutical industry require the highest level of product quality control. The industry demands a high degree of sanitation to prevent cross-contamination of the end product. In addition, during the manufacturing process of anti-cancer drugs, which utilize highly active pharmaceutical agents, the adoption of containment technology is essential to protect the workers from exposure to such agents.
Amano's containment technology incorporates the in & out method*1 when changing bag filters, the use of vinyl-lined tubular packs*2 during powder discharge with the additional use of wet filters*3 to achieve a higher level of containment. The product is highly rated by the leading pharmaceutical companies who have adopted it, and we anticipate further growth in demand as it becomes an industry standard.

Powder collector (TFP-S0201) for anti-hazard

*1 A method of changing filters which prevents direct contact with hazardous material.

*2 Special vinyl-lined tubular packs are used to achieve airtight containment during powder discharge.

*3 The use of wet filters is an anti-scattering technique that increases safety during filter change.

Other Topics

The "All Amano" Fair was held nationwide!

A comprehensive exhibition to introduce the products and services that Amano and its group companies offer

As an 80th Anniversary special event, the "All Amano" Fair was held in 6 cities (Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Fukuoka) across Japan. Under multiple themes of Cost reduction, Environment, Operational efficiency, Energy conservation, Save electricity, and Security, this was an experience-type fair where the participants can directly see, touch, and actually experience Amano products at work. In addition, guests from industry leaders, business entrepreneurs, lawyers, social insurance specialists and consultants were invited to speak at the seminars, which was well received by the approximately 8,000 people who attended. On the day of the fair, we conducted a special donation event to support the victims of the Great Eastern Japan Earthquake and thanks to the generosity from many of our customers it ended in great success. The donations were donated in full to the reconstruction assistance center through the Central Community Chest.

All Amano Fair
An experiencing event!
80th Anniversary Special Event
For the creation of a better work environment,
For the Smooth running of businesses, and for living Comfortably…
Introducing the Amano products, in its entirety, that are active close to you (at your office, factory, parking)

Amano Group Companies

Amano USA Holdings, Inc.

AMANO CINCINNATI, INC. – TIME BUSINESS

The Time Division and the factory have worked very closely to launch Amano's newest side printers with enhanced features: PIX-75 and TCX-85. Since the launch of the PIX and TCX Series in October 2011, Amano has shipped 13,000 units. The PIX-75 and TCX-85 are available on store shelves at two major retail chains and also available through their online stores.
Time Division has also redesigned their website and developed a "Time Knowledge Base" to improve customer service. "Time Knowledge Base" provides featured articles, product manuals, technical support, Q&A and FAQ's, which is one click away and available 24/7. The knowledgebase has also helped reduce the demand on our technical support team. Currently, the knowledgebase has over 8000 articles viewed every week with ever-increasing demand from internet users.

ACCU-TIME SYSTEMS, INC.

"ATS had a strong 2011 with a respectable finish ahead of plan for profit. Our worldwide sales grew more than 10% in 2011. ATS continued installing its terminals with its partners in high profile installations around the globe. Our products are now being used by a large chain of pubs in The UK, by a cinema group in Scandinavia, and a series of senior care facilities in Canada. The application in Canada uses both ATS timeclocks and our integration software called EngineXML.

Planned resources in 2011 were spent on developing new biometric technologies, data collection platforms, service delivery tools, and integration software all to be introduced in 2012. These new products offer our reseller partners unparalleled opportunities for new business. As our reseller partners succeed, so does ATS.
In 2011 ATS introduced its new AccuTouch biometric technology with great success. Our reseller partners quickly adopted this technology. AccuTouch brings a new level of accuracy and ease to finger scanning. Our reseller partners can now deploy a biometric technology in applications that would not previously support one. Dirty, wet, dry, or damaged fingers can be more easily read with AccuTouch.
2011 was also the 20th anniversary of Accu-Time Systems. In 1991, our CEO, Mr. Peter DiMaria, founded the company and has delivered consistent growth. The first series of time & attendance terminals were known as the Century Series. A few years later ATS introduced the Cyber Series. Then, in 2007, the Global Series was brought to market. We are very excited to launch the new Universal Series in 2012."

Amano McGann, Inc. – Parking

General

The world economies continued to struggle and in fact experienced major setbacks during 2011. The threat of a sharp global slowdown in 2012 eased with improved activity in the United States and better policies in the euro area. These recent improvements in the US economy are fragile and a strong rebound from the steep fall of the Great Recession is needed.
Even with some of the worst economic conditions faced in decades, Amano McGann was able to post strong revenues and profits for the 2012 Financial Year. We will build on that success by fine-tuning our operations, sales, marketing, and support activities this financial year.

Success through Change

Amano McGann kicked off 2012 with a Leadership Summit in Tampa, Florida. Leaders from the management, sales, and marketing teams joined forces to proactively address the changes in the economy, the industry, and to shape the future of Amano McGann.
The meeting provided an opportunity to realign our company vision, goals, and strategies with the needs of the industry to allow for positive change in 2012. We will focus our efforts on improved communication with the field, heightened customer service, new strategic partnerships, and innovative product offerings designed to not only maintain our leadership position but also grow it.
In addition, we have expanded the role of our Vertical Market group to help organize and lead Capture Teams to assist our Branch and Dealer organizations with large, complex opportunities. We are confident this will have a positive impact on our win rates. At the same time we will continue to build on our successful National Accounts business through continued best in class support.

Web Presence

Stay Connected

Amano McGann launched a fully redesigned website at the beginning of 2012. The site was designed to align with AMI's branding for consistency and improved awareness while providing users with a more effective information medium. The site delivers a market driven approach to better address the needs of our customers, bringing everyday concerns to light for each market and identifying Amano McGann solutions that address those concerns and maximizes efficiency and profitability.
The site also offers user-friendly navigation and extensive product information. Brochures, cut sheets, product images, features, and solutions are all at your fingertips. As we move into the next phase of development you can expect to see the addition of a dealer portal, interactive applications, and integration with Amano Security.

WebLaunch ScreenShots

AMI Joins the Social Network

Amano McGann is now an active member of the Facebook community. The new Facebook page provides AMI with its first presence in the ever-so-popular world of social networking that continues to grow at an astonishing rate. As of December 2011, Facebook reached 845 million users in total with 37 million pages dedicated to businesses, organizations, brands, charities, public figures and artists all over the world (facebook.com).
The Facebook page works in conjunction with the new Website to make important information available on a continual basis through a variety of avenues. Our presence on Facebook increases visibility allowing branches, dealers and existing and potential customers an area to receive important information in an interactive format.

Strategic Alliances

Bridging the Gap Between On and Off-Street Parking

AMI has joined forces with Parkmobile, the leading provider of mobile payment solutions, to provide the first common on/off-street platform for pay by phone apps. As part of the integration, Parkmobile will include a QR code on all of their smartphone apps which can be used as a credential to FlexScan in/out of parking facilities. The experience is similar to scanning your boarding pass at the airport or using credit card in/out at the parking facility.

Parkmobile iPhone

This integration provides AMI and our channel partners the ability to leverage the large installation base of Parkmobile and tap into this significant user base attracting those users to their facilities.

Product Development

FlexScan Ready Devices

AMI is now shipping FlexScan™ barcode image scanners with AMG Series Lane Equipment and Pay Stations. This enables 2D and linear barcode scanning in the lane from printed and electronic media. FlexScan integration offers new and future revenue opportunities with the ability to drive applications such as Parkmobile pay-by-phone, online validations, reservation parking, promotional passes, pre-purchased event parking, and visitor passes with tenant chargeback when combined with auxiliary iParcProfessional Software Modules.


AMG Entry FlexScan

AMG-1800 Direct Drive Gate


AMG-1850 Gate

The AMG-1800 Direct Drive Gate is the latest addition to the AMG line of equipment and features a power fail automatic option with a maintenance free torque motor. In the event that a facility loses power, the AMG-1800 gate arm will automatically raise and remain in the open position until power is restored. This feature provides improved safety and convenience to both patrons and operators. The release of the direct drive gate came at a key time in the industry with several major markets mandating gates raise in the event of a power failure.

Universal Reader

Scheduled for release in July, the Universal Reader is an entry / exit solution that will help facilitate a paradigm shift in the parking industry. The move away from traditional ticket based systems is gaining popularity. Credit Card in/out is essential today. Pay-by-Phone is quickly gaining popularity. Near Field Communication is gathering traction. Google Wallet, Isis (Verizon, AT&T, and T-Mobile) and others will change the way we park cars using electronic wallets. Automakers and others are shaping the future of mobility, which will dramatically impact parking. The Universal Reader will address demand today and prepare AMI for future shifts.


Universal Reader

The Universal Reader features a five-line display, proximity access, FlexScan technology, credit card w/ receipt, and Command Center integration. When combined with LPR, the Universal Reader can also be used as an LPR in/out device capable of to printing entry tickets for exception transactions. In short, the Universal Reader will prepare AMI for a ticketless future.

Case Study

Amano McGann is committed to developing quality products and long-term relationships in every market we serve through integrity, operational excellence, and a strong customer focus. These principals, along with a dedicated team of professionals, ensure continued success across all market segments. One such example of this success is Westside Pavilion in Los Angeles.


Westside Pavilion

Amano McGann has a successful track record in Retail parking automation and that trend continued with installation at the prestigious Westside Pavilion in West LA. AMI installed the latest technology to ensure mall ownership concerns were addressed, which included eliminating "poacher" parking, providing a better experience to mall patrons, and reducing the facility's carbon footprint.
The solution included technologically advanced parking revenue and guidance systems with Entry and Exit terminals, License Plate Recognition, Pay Stations with Find Your Car integration, and a camera based Parking Guidance system.
"The Amano McGann system has made the circulation in our garage faster and more efficient. Customers are definitely happier," stated Robin Dean, CSM and AVP of Asset Management for Macerich®. "It's easy to see that we've accomplished what we set out to do."

AMANO PIONEER ECLIPSE CORPORATION

General

Focusing its attention on growing US sales in 2011, Amano Pioneer Eclipse ("APEC") reengineered its North American sales force by replacing independent sales representatives with company employed regional managers. These changes created improved relationships with both current and new customers delivering broad based growth to regional dealers, distributors and business direct companies in every market segment. Seventy percent of the current domestic sales force is comprised of regional managers hired since 2011 and 35 new North American customers were added over the past year.
Improved customer relationships were further enhanced with the first annual North American Customer Council meeting held in the fall of 2011. The Council is comprised of high level executives from some of the largest dealer and end user companies in the industry and will serve as a direct line of communication for future strategic business development.
Another part of the reengineering included outsourcing the sales administration of APEC floor grinding and resurfacing systems to sophisticated concrete specialists. APEC established private label manufacturing partnerships with companies who focus on construction & remodeling market segments outside the janitorial and sanitation industry. This effort allows the APEC sales force to concentrate on the company's core business while improving the penetration of these high performance machines into concrete construction and refinishing markets unavailable to APEC in prior years.

New Products

In the summer of 2011, Amano Environmental US ("AEUS") - an entirely new business venture organized under APEC - was created at the Sparta, North Carolina facility. With technical assistance from ACJ, AEUS established a US based manufacturing facility for the production of industrial dust and mist collection systems. Based on existing products manufactured by ACJ, AEUS now produces two machines that are marketed to lathe and CNC manufacturers across North and South America. Additionally, AEUS is providing installation and support services to the Americas for the full line of ACJ mist and dust collection products. This is a major strategic growth opportunity for the future.
In its core business of floor care and janitorial equipment and chemical systems, APEC set a goal in 2010 that required one-third of its turnover come from new products. The company has taken great strides in achieving this goal with almost 28% of 2011 sales coming from products launched in the prior 36 months. These products include the PowerStar® Hard Floor Maintenance System (an integrated package of equipment chemicals and diamond grinding pads for concrete and terrazzo floors), the 400 Series machine (a low cost, entry level ultra-high speed propane powered floor burnisher), the AquapHyll™ chemical dosing and dispensing system and the 300 Series machines (an entirely new line of battery powered floor scrubbers).


PE400BU


PE300AS


AquapHyll chemical dispensing

Success Stories

In addition to US sales growth, the international sales of APEC machines and chemicals continued its long successful growth trend. With new customers in many developing countries across the globe and established distributors in many European, Asian, and Pacific markets, APEC international sales now represent half of the company's total turnover.
In the past year, our efforts have led to significant market share increases with some of the largest retailers in the US, Canadian, and Australian markets. These new opportunities continue to support current growth and future opportunities for both machine and chemical sales. Moreover, they help

improve the visibility and credibility of the entire APEC offering.
Beyond the external successes of APEC, the company continues to improve its manufacturing and service capabilities. Improved production processes have allowed new efficiencies in manufacturing, increasing individual employee output by almost 30%. These improvements, along with the focused sales and marketing efforts around the world, set the stage for future growth and prosperity.

Amano Europe Holdings, N.V.

Amano Europe, N.V.

This fiscal year Amano Europe continued to invest in the optimization and expansion of both the parking and time business, more specifically, great efforts were made in the industrialization and deployment of "web service" based solutions like Astrow WEB [workforce management] and X-Parc [Full IP based parking solutions]. Since the introduction of X-Parc in 2008, which is now also exported to the Far East and Australia, Amano Europe has been successful in combining and integrating local customer needs and requirements [like full compliancy to the Disability Act in the UK] by using the same open platform.
Astrow WEB is now positioned as the Cloud - T&A solution for small and medium sized companies in Europe.

Amano Europe not only introduced these products successfully, it also reorganized in such a way that the company is ready to offer the required skill levels in pre-sales analysis, project management, consultancy and support services; competences which are inextricably linked to the success of the service based business model Amano Europe is shifting to.

AMANO TIME & PARKING SPAIN, S.A.

Our company, Amano Time & Parking Spain, S.A., founded in 2003, has supplied AMANO parking machines to almost 300 parking lots in Spanish, Portuguese and Andorra territory, and obtained high reputation thanks not only to the good quality of our products and technical services but also to our policy of satisfying as much as possible to any kind of needs of our customers.
Let us introduce you two examples to show how we satisfy the demand of the market.
In Spain, at the entrance of parking lots, license plate numbers must be captured by camera and be recorded in the parking machinery. Our AMANO machines have this function, and as shown in the photographs, the license plate number is printed in each ticket.
The second example is EMV. This additional function for automatic pay stations prevents chip-mounted credit cards from their false use. We have installed this system for more than 20 customers and can install it any time on the request of our customers.
Having 300 customers is our important resources. In order to keep our credibility among those customers of ours, we will never stop taking care of them and will meet more and more of their requirement.

Amano UK LTD.

Amano UK Limited (AUK), in reaction to customer expectations and to improve both product and service offerings for its expanding Time & Parking customer base, has introduced a new strategy in 2012 for its direct and indirect channels to the market, focussing on partnerships for distribution. AUK has streamlined the organisation into a highly trained customer service orientated business, offering value-added services to its customers, while continuing to demonstrate a strong presence in the UK Parking market through its direct sales & support strategy.
The Millennium Point Car Park, awarded 'Best New Car Park in 2012' by the British Parking Association (BPA), operated by Birmingham City Council, chose Amano's web enabled, future proven Xparc System to maximise the control efficiency and profit. AUK is now achieving a broad portfolio of parking sites across all market sectors, with installations in Shopping Centres, Hospitals, Truck-stops and Local Authorities. Disability Discrimination Act (DDA) compliancy or Equality Act 2010 compliant paystations, introduced during the recent ParkEx 2012 in London, gathered enthusiastic attention by many visitors, as well as our competitors throughout Europe.

AUK continues to offer market leading Time and Parking products and services for new and existing customers, with its proven track record, attention to the details, product development and high quality of technical service.

Horoquartz S.A.

In 2011, Horoquartz celebrated the 40th birthday of the company with four events dedicated to its clients in Paris, Nantes, Lyon and Fontenay le Comte. A special event was attended by all the company employees in Paris on the 19th and 20th of May 2011, with the participation of representatives from Amano Japan and Amano Europe. In 2011, Horoquartz significantly expanded sales in its core business of workforce management solutions with a sales turnover growth greater than the growth of the French market.

The IMS Research 2012 international study dedicated to the WFM solutions market underlines the leadership of Horoquartz in France with a market share that rose from 22.9% in 2009 to 24.2% in 2011. Horoquartz achieved important successes especially in the field of human resources time management and advanced scheduling optimization. For example, the French Post chose the eTemptation software for optimizing the schedules of its 150,000 employees. Horoquartz has also significantly developed its sales in the area of access control systems with more than 600 customers now using its Protecsys Suite solution. Horoquartz continued to invest in innovation in 2011 with the release of the major eTemptation 4.0 version. Horoquartz also launched a new SaaS offer in 2011 that fully meets customer expectations. Finally, Horoquartz continued to invest in talent, with over 30 new employees who joined the company in 2011.

Scopus-Omnibadges

January 1st, 2011, SCOPUS -OMNIBADGES finalized the acquisition of SOGEDEX Identification Solutions division (IDS). This major operation doubled turn over this year and increased staff by 50%.
IDS offer to Scopus -Omnibadges access to well known key accounts such as BNP Paribas or Air France. In addition, IDS bring a network of distributors in Africa, with strong points in Ivory Coast, Benin, Burkina Faso, Congo and Gabon. Such countries are requiring highly sophisticated and secured solutions for governmental applications.
Scopus- Omnibadges have become software editor, with a range of products in cards personalization and visitors management.
In May 2011, Scopus- Omnibadges inaugurated their new plant in Bordeaux, France. This brand new facility replaces the old and inefficient one in which they were since 1996. This plant has been designed in order to optimize material flows, to improve quality, and to give room for future growth.

Amano Parking Europe N.V.

It was a successful year for Amano Parking Europe. The strategy of implementing the day to day customer needs inside an bigger and broader conceptual framework has again been proven in this fiscal year. The X-Parc hardware and The X-Office parking solution software not only

reached the state of the art in the parking industry, we can say that in some area's both are considered as highly innovative and the de facto front runners, allowing Amano and its partners to gain a significant competitive advantage in the parking solutions market. Without any doubt we are harvesting on the right technical and technological choices that were made at the start of this product; indeed focusing on an open architecture , online nature of all communication, ease of integration and support and a well balanced mix between propriety solutions and technology partners has brought us in this pole position. X-Parc is now sold in more than 20 countries and given the unique nature of the barcode solution, it is exported out of Europe as well. Compliancy, like an full integration of the requirements related to disabled people in Europe and more specifically in the UK [DDA], and a fast time to market have been the major design goals in this fiscal year. Hosting, web services and SaaS are all realized and in some countries already implemented because of the simple fact that the design of this system took into account already these possibilities long before they were embraced by the market.

Amano International Trading (Shanghai) Co. Ltd.

Released the TimePro-XG Chinese version

January 2012, AITS launched the TimePro-XG Chinese version here in China.
Due to the rapid economic growth, labor costs are skyrocketing in China. In addition, the one-child policy and the corporate migration towards inland China, is causing an acute shortage of human resources in urban areas. For this reason, human resource management is drawing greater attention. Furthermore, labor environments and labor conditions have become priority factors for young job seekers when selecting a company. For companies seeking young, talented and capable personnel, it is imperative that they create a comfortable work environment, which is impossible with the conventional simple system. The TimePro-XG enables the visualization of labor conditions. This will assist the company to formulate various measures such as cost saving to improve the overall work environment and thus, reducing the risk of people leaving. AITS has already closed 9 deals since its launch and is currently accelerating its efforts towards large scale manufacturers and multi-shop companies in the service industry.

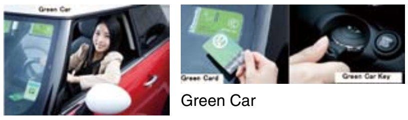
Launching the facial recognition & finger print reader

Late June 2012, AITS will release the facial recognition & finger print reader as an OEM product. Optional features include multi-card readers and automatic cameras. The finger print reader, which comes as a standard function, has a much higher recognition and stability rate compared to current popular models on the domestic market and it is much cheaper than vein readers. This model aims to recapture Japanese companies here in China.

Amano Korea Corporation

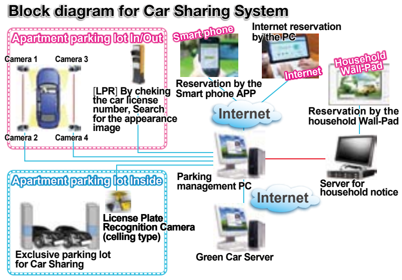
AKC's new challenge has begun "Car Sharing"

AKC has placed particular emphasis on parking management services and recently, identified "Car Sharing" as a business opportunity to make effective use parking spaces.
AKC has teamed up with Green Car Co. Ltd., a leading car sharing company in Korea, whereby AKC will provide car-sharing vehicles over a span of 3 years during which profits will be shared.
Initially, AKC will incorporate this business as apart of its parking management service by establishing car sharing stations within universities, hospitals and public parking facilities. 30 cars have already been procured and are being distributed to strategic locations. AKC's car sharing business is advertised on portal sites of the Internet.
In the future, car sharing will be incorporated into AKC's holistic sales & marketing strategy in-line with management services and parking equipment solutions, and in order to accelerate market recognition, car sharing will be offered from initial proposals towards new residential complexes and consigned management services.
In Korea, sales rates and evaluations for condominiums are higher for those, which have unique features differentiating it from others. Also there is a growth opportunity at universities. In Korea, many university students commute by car, and if car sharing was made available on the campuses, students will be freed from the maintenance burden associated with ownership of a car.
The car sharing operations in Korea have been developed to a stage where it is completely automated and unmanned. This was possible due to Korea's advanced Internet infrastructure, the wide use of smartphones and a strong driving force to develop systems matching today's needs.
The target for the next one to two years is to establish a car sharing station in every parking facility, including public parking, which are managed by AKC so that the service is available for all AKC customers.
Obviously, AKC will not stop at just this but will continue its R&D for other areas such as parking control and LED lighting to seek the number one position in the parking business.



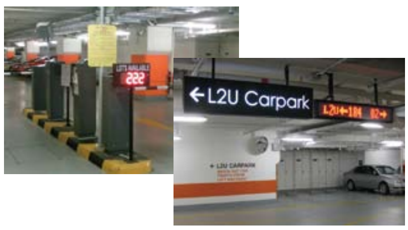
Green Car

Block diagram for Car Sharing System



Amano Time & Air Singapore Pte. Ltd.

From 2012, ATAS has commenced the sale of PGS (Parking Guidance System) in addition to the conventional EPS(Electronic Parking System). The PGS is designed to guide the driver from the entrance to the parking bay. The system consists of a parking bay sensor, LED indicators, LED guidance displays, a main LED, an area controller, a system controller and control software.
ATAS has already received 3 orders from Singapore's largest real estate developer, the Far East Organization Pte. Ltd., who developed Orchard Central, The Greenwich, and Junction 10. The orders are for these 3 shopping centers 2 of which have already been installed. In Singapore, the demand for PGS is strong particularly from indoor parking facilities housing more than 300 parking bays. This is a large market in Singapore and driven by PGS sales, it is anticipated that parking sales will increase at ATAS.



AMANO Corporation and Subsidiaries

Financial Highlights

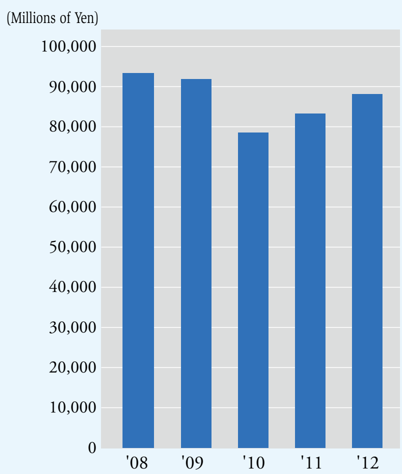
For the years ended March 31, 2012 and 2011.

Yen in millions and U.S.dollars in thousands, except per share amounts
- See Note 5 to the Consolidated Financial Statements.

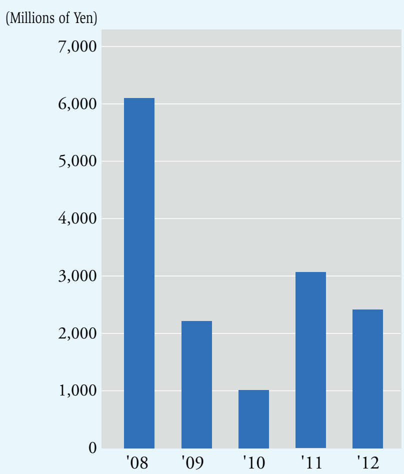
	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2012	2011	**2012**
For the years ended March 31:			
Net sales	**¥88,147**	¥83,303	**$1,074,963**
Net income	**2,415**	3,065	**29,451**
Per share data (Yen and U.S. Dollars):			
Net income per share (Basic)	**¥31.52**	¥40.01	**$0.384**
Cash dividends per common share	**26.00**	26.00	**0.317**
At March 31:			
Total assets	**¥103,478**	¥102,933	**$1,261,927**
Working capital	**38,630**	34,589	**471,098**
Total net assets	**72,192**	72,561	**880,391**
Sales by product:			
Time information systems	**¥19,569**	¥18,890	**$238,646**
Time management equipment	**4,245**	4,407	**51,768**
Parking systems	**40,794**	38,493	**497,488**
Environmental systems	**16,374**	14,144	**199,683**
Cleaning systems	**7,165**	7,369	**87,378**

Note: U.S.dollar amounts have been translated at the rate of ¥82 = US $1, the rate prevailing on March 31, 2012.
-See Note 5 to the Consolidated Financial Statements.

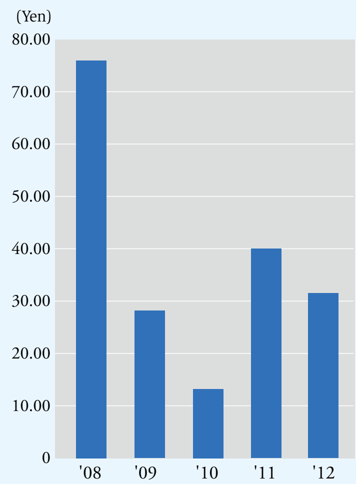
Net Sales



Net Income



Net Income Per Share



AMANO Corporation and Subsidiaries

Consolidated Balance Sheets

As at March 31, 2012 and 2011.

	Millions of Yen		Thousands of U.S. dollars (Note 5)
ASSETS	**2012**	2011	**2012**
Current assets:			
Cash and bank deposits	**¥28,057**	¥27,265	**$342,159**
Marketable securities	**1,075**	1,190	**13,110**
Notes and accounts receivable:			
Trade	**23,754**	21,145	**289,683**
Less allowance for doubtful accounts	**(128)**	(130)	**(1,561)**
	23,626	21,015	**288,122**
Inventories	**6,190**	6,327	**75,488**
Deferred tax assets	**1,447**	1,321	**17,646**
Other current assets	**1,871**	1,672	**22,816**
Total current assets	**62,266**	58,790	**759,341**
Property, plant and equipment, at cost:			
Buildings and structures	**27,550**	27,511	**335,976**
Machinery and equipment	**18,400**	17,975	**224,390**
Lease assets	**3,907**	2,641	**47,646**
	49,857	48,127	**608,012**
Less accumulated depreciation and impairment	**(34,707)**	(33,123)	**(423,256)**
	15,150	15,004	**184,756**
Land	**7,122**	7,155	**86,854**
Construction in progress	**104**	298	**1,268**
Total property, plant and equipment	**22,376**	22,457	**272,878**
Intangible fixed assets :			
Goodwill	**4,678**	5,455	**57,049**
Software	**1,840**	2,849	**22,439**
Software in progress	**347**	337	**4,232**
Other intangible fixed assets	**1,025**	1,148	**12,500**
Total intangible fixed assets	**7,890**	9,789	**96,220**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates	**442**	794	**5,390**
Investments in securities	**3,832**	4,023	**46,732**
Leasehold and guarantee deposits	**1,070**	1,081	**13,049**
Deferred tax assets	**1,853**	2,070	**22,598**
Other assets	**4,205**	4,357	**51,280**
Less allowance for doubtful accounts	**(456)**	(428)	**(5,561)**
Total investments and other assets	**10,946**	11,897	**133,488**
Total	**¥103,478**	¥102,933	**$1,261,927**

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of Yen 2012	2011	Thousands of U.S. dollars (Note 5) 2012
Current liabilities:			
Trade notes and accounts payable	**¥10,386**	¥10,031	**$126,659**
Short-term bank loans	**169**	1,715	**2,061**
Lease obligations	**864**	540	**10,537**
Accrued expenses	**5,183**	4,741	**63,207**
Accrued income taxes	**2,148**	2,049	**26,195**
Provision for loss on casualty	**–**	15	**–**
Other current liabilities	**4,887**	5,110	**59,597**
Total current liabilities	**23,637**	24,201	**288,256**
Long-term liabilities:			
Long-term loans payable	**1,291**	11	**15,744**
Accrued retirement benefits to employees	**2,984**	3,454	**36,390**
Long-term accounts payable	**223**	272	**2,720**
Lease obligations	**2,552**	1,749	**31,122**
Deferred tax liabilities	**302**	300	**3,683**
Asset retirement obligations	**16**	16	**195**
Other long-term liabilities	**281**	369	**3,426**
Total long-term liabilities	**7,649**	6,171	**93,280**
Net assets:			
Shareholders' equity:			
Common Stock			
Authorized- 185,476,000 shares			
Issued:			
March 31, 2012 - 81, 257, 829 shares	**18,240**	–	**222,439**
March 31, 2011 - 81, 257, 829 shares	**–**	18,240	**–**
Capital surplus	**19,567**	19,567	**238,622**
Retained earnings	**47,391**	46,968	**577,939**
Treasury stock at cost, 4,661,851 shares in 2012 and 4,660,922 shares in 2011	**(3,719)**	(3,719)	**(45,354)**
	81,479	81,056	**993,646**
Accumulated other comprehensive income			
Net unrealized gains (losses) on other securities	**(179)**	(154)	**(2,183)**
Foreign currency translation adjustments	**(9,294)**	(8,501)	**(113,341)**
	(9,473)	(8,655)	**(115,524)**
Minority interests in consolidated subsidiaries	**186**	160	**2,269**
Total net assets	**72,192**	72,561	**880,391**
Total	**¥103,478**	¥102,933	**$1,261,927**

The accompanying notes are an integral part of these statements.

AMANO Corporation and Subsidiaries

Consolidated Statements of Income, and Consolidated Statements of Comprehensive Income

For the years ended March 31, 2012 and 2011.

Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2012	2011	**2012**
Net sales	**¥88,147**	¥83,303	**$1,074,963**
Cost of sales	**49,346**	46,692	**601,780**
Gross profit	**38,801**	36,611	**473,183**
Selling, general and administrative expenses	**32,884**	32,228	**401,024**
Operating income	**5,917**	4,383	**72,159**
Other income (expenses) :			
Interest and dividend income	**158**	139	**1,927**
Interest expense	**(38)**	(37)	**(463)**
Equity in earnings of affiliates	**37**	36	**451**
Foreign exchange losses	**(70)**	(170)	**(854)**
Gain on sale of fixed assets	**5**	8	**61**
Loss on disposal of fixed assets	**(24)**	(59)	**(293)**
Loss on sale of fixed assets	**0**	(3)	**0**
Loss on sale of investments in securities	**–**	0	**–**
Loss on write-down of investments in securities	**(539)**	(126)	**(6,573)**
Gain on negative goodwill	**–**	990	**–**
Loss on transfer of business	**–**	129	**–**
Impairment loss on fixed assets	**(87)**	–	**(1,061)**
Other, net	**151**	174	**1,841**
Income before income taxes and minority interests	**5,510**	5,464	**67,195**
Income taxes :			
Current	**3,038**	2,274	**37,049**
Deferred	**8**	(31)	**98**
Income before minority interests	**2,464**	3,221	**30,048**
Minority interests in net income of consolidated subsidiaries	**(49)**	(156)	**(597)**
Net income	**¥2,415**	¥3,065	**$29,451**

	Yen		U.S. dollars (Note 5)
Net income per share, basic	**¥31.52**	¥40.01	**$0.384**
Cash dividends per common share	**26.00**	26.00	**0.317**

Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2012	2011	**2012**
Income before minority interests	**¥2,464**	¥3,221	**$30,049**
Other comprehensive income			
Net unrealized gains (losses) on other securities	**(25)**	(36)	**(305)**
Translation adjustments	**(794)**	(2,539)	**(9,683)**
Share of other comprehensive income of companies accounted for by the equity-method	**(13)**	(8)	**(159)**
Total other comprehensive income	**(832)**	(2,583)	**(10,147)**
Comprehensive income	**¥1,632**	¥638	**$19,902**
Total comprehensive income attributable to:			
Shareholders of the Company	**¥1,596**	¥494	**$19,463**
Minority interests	**¥36**	¥144	**$439**

The accompanying notes are an integral part of these statements.

AMANO Corporation and Subsidiaries

Consolidated Statements of Net Assets

For the years ended March 31, 2012 and 2011.

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2011	¥18,240	¥19,567	¥46,968	(¥3,719)	¥81,056
Changes during the year					
Dividends from surplus			(1,992)		(1,992)
Net income			2,415		2,415
Purchase of treasury stock				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	423	(0)	423
Balance at March 31, 2012	¥18,240	¥19,567	¥47,391	(¥3,719)	¥81,479

	Accumulated other comprehensive income			Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains (losses) on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2011	(¥154)	(¥8,501)	(¥8,655)	¥160	¥72,561
Changes during the year					
Dividends from surplus					(1,992)
Net income					2,415
Purchase of treasury stock					(0)
Net changes in items other than shareholders' equity	(25)	(793)	(818)	26	(792)
Total changes during the year	(25)	(793)	(818)	26	(369)
Balance at March 31, 2012	(¥179)	(¥9,294)	(¥9,473)	¥186	¥72,192

Thousands of U.S. dollars (Note 5)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2011	$222,439	$238,622	$572,781	($45,354)	$988,488
Changes during the year					
Dividends from surplus			(24,293)		(24,293)
Net income			29,451		29,451
Purchase of treasury stock				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	5,158	(0)	5,158
Balance at March 31, 2012	$222,439	$238,622	$577,939	($45,354)	$993,646

	Accumulated other comprehensive income			Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains (losses) on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2011	($1,877)	($103,672)	($105,549)	$1,951	$884,890
Changes during the year					
Dividends from surplus					(24,293)
Net income					29,451
Purchase of treasury stock					(0)
Net changes in items other than shareholders' equity	(306)	(9,669)	(9,975)	318	(9,657)
Total changes during the year	(306)	(9,669)	(9,975)	318	(4,499)
Balance at March 31, 2012	($2,183)	($113,341)	($115,524)	$2,269	$880,391

The accompanying notes are an integral part of these statements.

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2010	¥18,240	¥19,567	¥45,895	(¥3,717)	¥79,985
Changes during the year					
Dividends from surplus			(1,992)		(1,992)
Net income			3,065		3,065
Purchase of treasury stock				(2)	(2)
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	1,073	(2)	1,071
Balance at March 31, 2011	¥18,240	¥19,567	¥46,968	(¥3,719)	¥81,056

	Accumulated other comprehensive income			Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains (losses) on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2010	(¥118)	(¥5,966)	(¥6,084)	¥1,067	¥74,968
Changes during the year					
Dividends from surplus					(1,992)
Net income					3,065
Purchase of treasury stock					(2)
Net changes in items other than shareholders' equity	(36)	(2,535)	(2,571)	(907)	(3,478)
Total changes during the year	(36)	(2,535)	(2,571)	(907)	(2,407)
Balance at March 31, 2011	(¥154)	(¥8,501)	(¥8,655)	¥160	¥72,561

The accompanying notes are an integral part of these statements.

AMANO Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended March 31, 2012 and 2011.

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2012	2011	2012
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	**¥5,510**	¥5,464	**$67,195**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization................................	**4,030**	4,351	**49,146**
Amortization of goodwill..	**678**	718	**8,268**
Impairment loss on fixed assets	**87**	–	**1,061**
Increase (decrease) in provision for accrued retirement benefits.	**(461)**	(410)	**(5,622)**
Increase (decrease) in allowance for doubtful accounts ...	**42**	(46)	**512**
Interest and dividend income	**(158)**	(139)	**(1,927)**
Equity in earning of affiliates	**(37)**	(36)	**(451)**
Interest expenses	**38**	37	**463**
Foreign currency translation (gain) loss.....................	**3**	(43)	**37**
(Gain) Loss on sale of investments in securities	**–**	0	**–**
Loss on write-down of investments in securities	**539**	126	**6,573**
(Gain) Loss on sale of fixed assets	**(5)**	(5)	**(61)**
Loss on disposal of fixed assets................................	**24**	59	**293**
(Gain) Loss on transfer of business	**–**	129	**–**
Gain on negative goodwill	**–**	(990)	**–**
(Increase) decrease in trade notes and accounts receivable ...	**(2,917)**	(585)	**(35,573)**
(Increase) decrease in inventories	**35**	(453)	**427**
Increase (decrease) in trade notes and accounts payable .	**447**	1,150	**5,451**
Others	**1,006**	1,428	**12,269**
Subtotal..	**8,861**	10,755	**108,061**
Interest and dividends received................................	**208**	206	**2,537**
Interest paid	**(38)**	(37)	**(463)**
Payment for extra retirement payments	**(99)**	–	**(1,207)**
Income taxes paid	**(3,082)**	(1,084)	**(37,585)**
Income taxes refund..	**124**	445	**1,511**
Net cash provided by operating activities	**5,974**	10,285	**72,854**
Cash Flows from Investing Activities:			
Payment for purchase of marketable securities	**(2,054)**	(2,000)	**(25,049)**
Proceeds from redemption of marketable securities.....	**2,241**	2,000	**27,329**
Payment for purchase of property and equipment.......	**(1,265)**	(805)	**(15,427)**
Proceeds from sale of property and equipment	**11**	18	**134**
Payment for acquisition of intangible assets	**(842)**	(1,445)	**(10,268)**
Payment for acquisition of investments in securities ...	**(56)**	(636)	**(683)**
Payment for acquisition of investments in subsidiaries....	**–**	(1,619)	**–**
Increase in time deposits	**(4,377)**	(5,569)	**(53,378)**
Decrease in time deposits	**4,673**	4,380	**56,988**
Loans to third parties	**(7)**	(18)	**(85)**
Collection of loans	**4**	22	**49**
Others	**137**	14	**1,670**
Net cash used in investing activities	**(1,535)**	(5,658)	**(18,720)**
Cash Flows from Financing Activities:			
Proceeds from short-term bank loans	**–**	1,906	**–**
Repayment of short-term bank loans	**(1,729)**	(6)	**(21,085)**
Proceeds from long-term debt	**1,550**	–	**18,902**
Repayment of long-term debt....................................	**(17)**	(10)	**(207)**
Payment for acquisition of treasury stock	**(0)**	(2)	**(0)**
Repayments of finance lease obligations....................	**(854)**	(523)	**(10,415)**
Dividends paid..	**(1,992)**	(1,992)	**(24,293)**
Dividends payment to minority interests	**(9)**	(21)	**(109)**
Net cash used in financing activities	**(3,051)**	(648)	**(37,207)**
Effect of exchange rate changes on cash and cash equivalents............	**(80)**	(419)	**(976)**
Net increase (decrease) in cash and cash equivalents	**1,308**	3,560	**15,951**
Cash and cash equivalents at beginning of year................................	**24,614**	20,933	**300,171**
Increase in cash and cash equivalents resulting from merger of consolidated subsidiary and unconsolidated subsidiary...........	**–**	121	**–**
Cash and cash equivalents at end of year...	**¥25,922**	¥24,614	**$316,122**

The accompanying notes are an integral part of these statements.

Notes to the Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

The accompanying consolidated financial statements of AMANO Corporation [hereinafter called "the Company"] and its subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations in Japan. The accounts of the Company and domestic subsidiaries 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 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 reclassifications 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 28 consolidated subsidiaries at March 31, 2012; 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, 2012 and 2011, and for the years then ended.

The consolidated subsidiaries that have been consolidated with the Company for the year ended March 31, 2012 are as follows:

Company Name	Equity ownership %	Paid In Capital (Thousands)
1) Amano USA Holdings, Inc.	100%	US$ 111,702
2) Amano Cincinnati, Inc.	100%	US$ 23,172
3) Amano Cincinnati Canada, Inc.	100%	C$ 439
4) Accu-Time Systems, Inc.	100%	US$ 0.83
5) Accu-Tech Systems, Ltd.	100%	£ 0.002
6) Amano McGann, Inc.	100%	US$ 46,418
7) Amano Pioneer Eclipse Corp.	100%	US$ 4,606
8) Amano Europe Holdings N.V.	100%	EUR 73,824
9) Amano Europe N.V.	100%	EUR 17,850
10) Horosmart S.A.	100%	EUR 16,000
11) Horoquartz S.A.	100%	EUR 20,000
12) Horoquartz Marocco S.A.	100%	DH 200
13) Pial Technologies S.A.	100%	EUR 650
14) Scopus-Omnibadges S.A.S.	67%	EUR 820
15) Amano Time & Parking Spain, S.A.	100%	EUR 2,518
16) Amano Malaysia Sdn.Bhd.	100%	MR 2,500
17) Amano Cleantech Malaysia Sdn.Bhd.	90%	MR 200
18) Amano Time & Air Singapore Pte. Ltd.	100%	S$700
19) PT. Amano Indonesia	100%	US$ 250
20) Amano Thai International Co., Ltd.	49%	THB 8,000
21) Amano International Trading (Shanghai) Co., Ltd.	100%	US$ 200
22) Amano Korea Corp.	100%	W10,605,895
23) Amano Agency Corp.	100%	¥10,000
24) Environmental Technology Company	100%	¥20,000
25) Amano Management Service Corp.	100%	¥205,000
26) Amano Maintenance Engineering Corp.	100%	¥30,000
27) Amano Business Solutions Corp.	100%	¥300,000
28) Amano Musashi Electric Corp.	100%	¥10,000

Note: Investment in Parkinsys Technology Co., Ltd., a Taiwanese company, over which the Company has the ability to exercise significant influence (the Company owns 36.6 percent) is accounted for using the equity method.

(2) Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

None of the 6 unconsolidated subsidiaries are 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 group 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 group 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 them.

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 (write-down due to reduced profitability). 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	7-50 years
Machinery and equipment	7-17 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) Intangible 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 is amortized over the estimated useful life, or where the amount of goodwill is immaterial, is charged to income in the year of acquisition.

(5) Lease Assets

Lease assets in finance lease transactions not involving transfer of ownership are depreciated by the straight-line method over the term of the lease, with a residual value of zero. Finance lease transactions not involving transfer of ownership made prior to the beginning of the first year of application of the revised Accounting Standard for Lease Transaction have been accounted for using the method applied to rental transactions.

(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 net assets 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 securities 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) 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.

(8) 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 the balance sheet accounts of foreign and affiliates are translated at the foreign exchange rates prevailing at the respective balance sheet date expect common stock and capital surplus. On the other hand, all the profit and loss accounts are translated at the average foreign exchange rates for the respective periods. Differences arising from translation are presented as “Foreign currency translation adjustments” and “Minority interests in consolidated subsidiaries” in the accompanying consolidated financial statements.

(9) 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.

(10) 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.

(11) Accrued Retirement Benefits to Employees

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. Prior service costs are amortized based on the straight-line method over a period of ten years. 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.

(12) Research and Development Expenses

Research and development expenses are charged to income as incurred.

(13) 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.

(14) Revenue from Construction Contracts

Revenues and costs of construction contracts are recognized by the percentage-of-completion method in case the percentage of completion for each contract can be reliably estimated. The percentage of completion is measured by the percentage of total costs incurred to date to estimated total costs for each contract. The completed-contract method is applied to the contracts in case the percentage of completion cannot be reliably estimated.

4. Supplementary Explanation

Effective the year ended March 31, 2012, the Company has applied ASBJ Statement No.24, "Accounting Standard for Accounting Change and Error Corrections".

5. 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 ¥82 = US $1, the approximate effective rate of exchange prevailing on March 31, 2012. 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.

6. 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 5)
	2012	2011	**2012**
Cash and bank deposits	**¥28,057**	¥27,265	**$342,159**
Marketable securities	**1,075**	1,190	**13,110**
Sub total	**29,132**	28,455	**355,269**
Time deposits due over three months	**(2,210)**	(2,651)	**(26,952)**
Marketable securities due over three months	**(1,000)**	(1,190)	**(12,195)**
Cash and cash equivalents	**¥25,922**	¥24,614	**$316,122**

7. Inventories

Inventories as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2012	2011	**2012**
Merchandise and finished goods	**¥3,058**	¥2,943	**$37,293**
Work in progress	**707**	722	**8,622**
Raw materials and supplies	**2,425**	2,662	**29,573**
Total	**¥6,190**	¥6,327	**$75,488**

8. Selling, General, and Administrative Expenses

Selling, general, and administrative expenses during the years ended March 31, 2012 and 2011 include principally:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2012	2011	**2012**
Labor and payroll	**¥14,037**	¥13,874	**$171,183**
Rental for properties	**1,671**	1,700	**20,378**
Travel and transportation	**1,251**	1,169	**15,256**

9. Provisions

Provisions charged to operation during the years ended March 31, 2012 and 2011 are mainly as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2012	2011	**2012**
	SGA	SGA	**SGA**
Employees' bonuses	**¥1,268**	¥1,174	**$15,463**
Retirement benefits	**1,120**	1,155	**13,659**
Allowance for doubtful accounts	**59**	–	**720**

10. Impairment Loss on Fixed Assets

Impairment loss on fixed assets for the years ended March 31, 2012 and 2011 is summarized as follows:

Location	Purpose of use	Category	Millions of Yen		Thousands of U.S.dollars (Note 5)
			2012	2011	2012
Amano Pioneer Eclipse Corp. (U.S.A.)	Business use	Buildings and structures	¥30	–	$366
	Business use	Machinery and equipment	3	–	36
	Business use	Land	54	–	659
		Total	¥87	–	$1,061

Method to Group Assets:

The Company and its subsidiaries group assets according to minimum units that have identifiable cash flows essentially independent from the cash flows of other assets or groups of assets.

Recognition of Impairment Losses:

In the year ended March 31, 2012, the total amount of projected future cash flows generated from the asset group of Amano Pioneer Eclipse Corp. fell below the book values. As a result, the book values of these assets were reduced to the recoverable amount, and the reduction was recognized as impairment losses.

Calculation of Recoverable Amount:

The recoverable amount for the said assets is estimated based on the net selling price. The calculation of market value is mainly based on appraised value.

11. Other Comprehensive Income

The following table presents reclassification and tax effects allocated to each component of other comprehensive income for the year ended March 31, 2012:

	Millions of Yen	Thousands of U.S.dollars (Note 5)
Net unrealized gains (losses) on other securities:	2012	2012
Amount arising during the year	¥2	$24
Reclassification adjustments	(0)	(0)
The amount of net unrealized gains (losses) on other securities before tax effect	2	24
Tax effect	(27)	(329)
Net unrealized gains (losses) on other securities	(25)	(305)
Translation adjustments:		
Amount arising during the year	(812)	(9,902)
Reclassification adjustments	–	–
The amount of translation adjustments before tax effect	(812)	(9,902)
Tax effect	18	219
Translation adjustments	(794)	(9,683)
Share of other comprehensive income of companies accounted for by the equity method:		
Amount arising during the year	(13)	(159)
Total other comprehensive income	(¥832)	($10,147)

12. Leases Commitments

Finance lease contracts, which commenced on or before March 31, 2008, other than those which are deemed to transfer the ownership of the leased assets are accounted for by the method that is applicable to operating leases.

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

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2012	2011	2012
Due within one year	¥63	¥185	$769
Due over one year	27	91	329
Total	¥90	¥276	$1,098

Lease payments on finance lease contracts without transfer of ownership for the years ended March 31, 2012 and 2011 were ¥182 million ($2,220 thousand) and ¥309 million, respectively.

Acquisition cost, accumulated depreciation, net book value and depreciation expenses for the year ended March 31, 2012 and 2011, if capitalized, are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2012	2011	2012
Acquisition cost	¥925	¥1,552	$11,281
Accumulated depreciation	834	1,275	10,171
Net book value	¥91	¥277	$1,110
Depreciation	¥182	¥309	$2,220

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

13. Financial Instruments

Overview

(1) Management policy

The management policy of the Company is that temporary surplus fund should be invested in low-risk financial instruments. The Company has not held any high-risk financial instruments.

(2) Financial instrument and its risk

Both notes receivable and accounts receivable as operating receivable are exposed to credit-related losses in the event of nonperformance by counterparties. Both notes payable and accounts payable as trade liability are due and payable within one year. Marketable securities and investments in securities are exposed to changes in its market price. The Company holds marketable securities and investments in securities mainly as held-to-maturity or due to relationship-building with counterparties.

(3) Risk management policies

a) Management policy for credit risk (losses in the event of nonperformance by counterparties)

The Company has a credit management policy. In accordance with the credit management policy, the exposure to credit risk of both notes receivable and accounts receivable is monitored on an ongoing basis in order to detect unrecoverable credits in early stages as well as minimizing them. The Company has operated Fund Operation Council in place. In accordance with the examination and decision of the fund operation council, the Company has made an investment in held-to-maturity securities, which consist largely of negotiable deposits and securities graded at high credit rating. The Company has expected that no held-to-maturity securities can fail to meet their obligations.

b) Management policy for market risk (foreign currency exchange and interest rates)

The Company has monitored not only fair market value of held-to-maturity securities and investment in securities but also financial conditions of their counterparties on an ongoing basis. The Company has reviewed the securities other than held-to-maturity securities based on the relationship with its counterparties on an ongoing basis.

c) Management policy for liquidity risk (in default on its financial obligations)

The Company has managed liquidity risk by holding appropriate reserves based on the forecasts and actual cash flows, which are continuously monitored by management department.

(4) Supplementary explanation on the fair value of financial instruments

The fair values of financial instruments are based on quoted market prices. Unless quoted market prices are available, the fair values are estimated based on the prices reasonably assessed by the Company. Since the Company takes contingent variable factors into accounts in order to estimate the fair value, it would vary depending on the different preconditions.

Estimated fair value of financial instruments

Differences between carrying value and estimated fair value as of March 31, 2012 and 2011 are as follows:
Financial instruments whose fair values are hardly estimated are not stated on the following chart; refer to (* 2).

	Millions of Yen			Thousands of U.S.dollars (Note 5)		
	2012			2012		
	Carrying value	**Estimated fair value**	**Difference in amounts**	**Carrying value**	**Estimated fair value**	**Difference in amounts**
(1) Cash and bank deposits	**¥28,057**	**¥28,057**	**–**	**$342,159**	**$342,159**	**–**
(2) Notes and accounts receivable	**23,754**	**23,754**	**–**	**289,683**	**289,683**	**–**
(3) Marketable securities and investments in securities						
① Held-to-maturity	**1,424**	**1,420**	**(¥4)**	**17,366**	**17,317**	**($49)**
② Other securities	**3,203**	**3,203**	**–**	**39,061**	**39,061**	**–**
Total (Asset)	**¥56,438**	**¥56,434**	**(¥4)**	**$688,269**	**$688,220**	**($49)**
(4) Trade notes and accounts payable	**¥10,386**	**¥10,386**	**–**	**$126,659**	**$126,659**	**–**
Total (Liability)	**¥10,386**	**¥10,386**	**–**	**$126,659**	**$126,659**	**–**

	Millions of Yen		
	2011		
	Carrying value	Estimated fair value	Difference in amounts
(1) Cash and bank deposits	¥27,265	¥27,265	–
(2) Notes and accounts receivable	21,145	21,145	–
(3) Marketable securities and investments in securities			
① Held-to-maturity	1,489	1,487	(¥2)
② Other securities	3,195	3,195	–
Total (Asset)	¥53,094	¥53,092	(¥2)
(4) Trade notes and accounts payable	¥10,031	¥10,031	–
Total (Liability)	¥10,031	¥10,031	–

(NOTES)
(* 1): Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions.
Asset:
(1) Cash and bank deposits, and (2) Trade notes and accounts receivable:
Since these items are settled in a short period of time, their carrying value approximates fair value.
(3) Marketable securities and investments in securities:
The fair value of stocks is based on quoted market prices. The fair value of debt securities is based on either quoted market prices or prices provided by the financial institutions making markets in these securities. For information on securities classified by holding purpose, please refer to (*5) Held-to-maturity and other securities with readily determinable fair value as of March 31, 2012 and 2011.
Liability:
(4) Trade notes and accounts payable:
Since these items are settled in a short period of time, their carrying value approximates fair value.

(*2): Financial instruments, whose fair values are hardly estimated, are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2012	2011	**2012**
Unlisted stocks (Carrying value)	**¥720**	¥1,321	**$8,780**

The unlisted stocks as stated above are not included in (3) Marketable securities and investments in securities because it is difficult to estimate the fair value based on the quoted market prices in active markets.

(*3) Redemption schedule for monetary claim, and securities with maturities as of March 31, 2012 and 2011 is as follows:

	Millions of Yen			
	2012			
	Due within 1 year	**Due after 1 year but within 5 years**	**Due after 5 years but within 10 years**	**Due after 10 years**
Cash and bank deposits	**¥28,057**	**–**	**–**	**–**
Notes and accounts receivable	**23,754**	**–**	**–**	**–**
Marketable securities and investments in securities:				
Held-to-maturity securities	**1,075**	**¥300**	**¥50**	**–**
Other securities with maturity date	**–**	**700**	**–**	**–**
Total	**¥52,886**	**¥1,000**	**¥50**	**–**

	Millions of Yen			
	2011			
	Due within 1 year	Due after 1 year but within 5 years	Due after 5 years but within 10 years	Due after 10 years
Cash and bank deposits	¥27,265	–	–	–
Notes and accounts receivable	21,145	–	–	–
Marketable securities and investments in securities:				
Held-to-maturity securities	1,190	¥300	–	–
Other securities with maturity date	–	600	¥100	–
Total	¥49,600	¥900	¥100	–

	Thousands of U.S.dollars (Note 5)			
	2012			
	Due within 1 year	**Due after 1 year but within 5 years**	**Due after 5 years but within 10 years**	**Due after 10 years**
Cash and bank deposits	**$342,159**	**–**	**–**	**–**
Notes and accounts receivable	**289,683**	**–**	**–**	**–**
Marketable securities and investments in securities:				
Held-to-maturity securities	**13,110**	**$3,659**	**$610**	**–**
Other securities with maturity date	**–**	**8,537**	**–**	**–**
Total	**$644,952**	**$12,196**	**$610**	**–**

(*4) Repayment schedule for long-term loan payable and lease obligations at the balance sheet dates:

	Millions of Yen					
	2012					
	Due within 1 year	**The second year**	**The third year**	**The fourth year**	**The fifth year**	**Thereafter**
Long-term loan payable	**–**	**¥331**	**¥168**	**¥787**	**¥3**	**–**
Lease obligations	**¥864**	**889**	**711**	**497**	**277**	**¥177**
Total	**¥864**	**¥1,220**	**¥879**	**¥1,284**	**¥280**	**¥177**

	Millions of Yen					
	2011					
	Due within 1 year	The second year	The third year	The fourth year	The fifth year	Thereafter
Long-term loan payable	–	¥3	¥3	¥3	–	–
Lease obligations	¥539	570	521	380	¥169	¥109
Total	¥539	¥573	¥524	¥383	¥169	¥109

	Thousands of U.S.dollars (Note 5)					
	2012					
	Due within 1 year	**The second year**	**The third year**	**The fourth year**	**The fifth year**	**Thereafter**
Long-term loan payable	**–**	**$4,037**	**$2,049**	**$9,598**	**$37**	**–**
Lease obligations	**$10,537**	**10,841**	**8,671**	**6,061**	**3,378**	**$2,159**
Total	**$10,537**	**$14,878**	**$10,720**	**$15,659**	**$3,415**	**$2,159**

(*5) Held-to-maturity and other securities with readily determinable fair value as of March 31, 2012 and 2011, are as follows:

	Millions of Yen			Thousands of U.S.dollars (Note 5)		
	2012			**2012**		
	Carrying value	**Fair value**	**Unrealized gains (losses)**	**Carrying value**	**Fair value**	**Unrealized gains (losses)**
Held-to-maturity	**¥1,424**	**¥1,420**	**(¥4)**	**$17,366**	**$17,317**	**($49)**
	Carrying value	**Acquisition cost**	**Unrealized gains (losses)**	**Carrying value**	**Acquisition cost**	**Unrealized gains (losses)**
Other securities with carrying value exceeding acquisition cost						
Stocks	**¥817**	**¥563**	**¥254**	**$9,964**	**$6,866**	**$3,098**
Other	**305**	**300**	**5**	**3,720**	**3,659**	**61**
Subtotal	**1,122**	**863**	**259**	**13,684**	**10,525**	**3,159**
Other securities with carrying value not exceeding acquisition cost						
Stocks	**1,684**	**2,192**	**(508)**	**20,536**	**26,732**	**(6,196)**
Other	**387**	**400**	**(13)**	**4,720**	**4,878**	**(158)**
Subtotal	**2,071**	**2,592**	**(521)**	**25,256**	**31,610**	**(6,354)**
Total	**¥3,193**	**¥3,455**	**(¥262)**	**$38,940**	**$42,135**	**($3,195)**

	Millions of Yen		
	2011		
	Carrying value	Acquisition cost	Unrealized gains (losses)
Held-to-maturity	¥1,489	¥1,487	(¥2)
	Carrying value	Fair value	Unrealized gains (losses)
Other securities with carrying value exceeding acquisition cost			
Stocks	¥817	¥563	¥254
Other	305	300	5
Subtotal	1,122	863	259
Other securities with carrying value not exceeding acquisition cost			
Stocks	1,684	2,192	(508)
Other	387	400	(13)
Subtotal	2,071	2,592	(521)
Total	¥3,193	¥3,455	(¥262)

14. Retirement Benefits

Outline of the retirement benefit plans adopted

(1) Defined benefit corporate pension scheme: From March 1, 2009, the Company adopted a defined benefit corporate pension scheme as part of its retirement benefit plan.

(2) Defined contribution pension scheme: From March 1, 2009, the Company adopted a defined contribution pension scheme as part of its retirement benefit plan.

(3) 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.

The components of accrued retirement benefits to employees as of March 31, 2012 and 2011 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2012	2011	**2012**
Projected benefit obligation	**¥11,149**	¥10,224	**$135,963**
Plan assets	**(6,677)**	(6,193)	**(81,427)**
Unfunded benefit obligation	**4,472**	4,031	**54,536**
Unrecognized actuarial difference	**(1,547)**	(626)	**(18,866)**
Unrecognized prior service cost	**25**	28	**305**
Prepaid pension cost	**34**	21	**415**
Accrued retirement benefits to employees	**¥2,984**	¥3,454	**$36,390**

The components of retirement benefit expenses for the years ended March 31, 2012 and 2011 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2012	2011	**2012**
Service cost	**¥592**	¥579	**$7,220**
Interest cost	**245**	243	**2,988**
Expected return on plan assets	**(213)**	(193)	**(2,598)**
Amortization of unrecognized prior service cost	**(3)**	(3)	**(37)**
Amortization of unrecognized actuarial loss	**167**	205	**2,037**
Contribution to the multi-employer pension plan	**513**	494	**6,256**
Other*	**319**	342	**3,890**
Net retirement benefit expenses	**¥1,620**	¥1,667	**$19,756**

* Contribution paid to defined contribution pension scheme.

The assumptions used for calculation of retirement benefits for the years ended March 31, 2012 and 2011 are as follows:

	2012	2011
Method of attribution of estimated retirement benefits to periods of employee service	**Straight-line method**	Straight-line method
Discount rate	**1.5%**	2.5%
Expected return on plan assets	**3.5%**	3.5%
Amortization period for unrecognized prior service cost	**10 years**	10 years
Amortization period for unrecognized actuarial difference	**10 years**	10 years

15. 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 5)
	2012	2011	**2012**
Deferred tax assets:			
Accrued enterprise tax	**¥148**	¥144	**$1,805**
Accrued employees' bonuses	**734**	717	**8,951**
Accounts payable and long-term accounts payable	**79**	101	**963**
Accrued retirement benefits to employees	**1,087**	1,388	**13,256**
Loss carried forward	**737**	714	**8,988**
Loss on write-down of investments in securities	**444**	292	**5,415**
Surplus on allowance for doubtful accounts	**97**	69	**1,183**
Unrealized loss on other securities	**79**	106	**963**
Unrealized gains	**528**	317	**6,439**
Others	**693**	584	**8,451**
Less: valuation allowance	**(1,301)**	(933)	**(15,865)**
Total deferred tax assets	**¥3,325**	¥3,499	**$40,549**
Deferred tax liabilities:			
Reserve for advanced depreciation of building	**(16)**	(19)	**(195)**
Acquired intangible assets	**(129)**	(287)	**(1,573)**
Others	**(182)**	(103)	**(2,220)**
Total deferred tax liabilities	**(327)**	(409)	**(3,988)**
Net deferred tax assets	**¥2,998**	¥3,090	**$36,561**

Reconciliation of actual tax rate is shown below:

	2012	2011
Effective statutory tax rate	**40.6%**	40.6%
Adjustments:		
Entertainment and other nondeductible expenses	**1.6**	1.0
Dividends and other nontaxable income	**(6.0)**	(3.1)
Inhabitant tax on per capita levy	**1.5**	1.5
Nondeductible amortization of goodwill	**3.1**	4.2
Eliminated dividend received from subsidiaries	**5.8**	3.1
Realization of tax benefits on operating losses	**(0.2)**	(0.4)
Tax credit for research and development expenses	**(1.7)**	(1.5)
Valuation allowance	**6.7**	1.3
Deferred tax assets reduced by change of taxation rates	**3.6**	–
Difference of subsidiaries' tax rates	**(2.4)**	(2.1)
Equity in earnings of affiliates	**(0.3)**	(0.3)
Others	**3.0**	(3.2)
Actual tax rate	**55.3%**	41.1%

Revision of deferred tax assets and deferred tax liabilities due to the change in the effective statutory tax rate:
On December 2, 2011, two pieces of legislation were promulgated: the Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures and the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake. Accordingly, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities (only those that are expected to be scheduled on or after April 1, 2012) in the fiscal year was changed from the 40.6% used in the previous fiscal year to 38.0% for those that are expected to be scheduled in the period from April 1, 2012 to March 31, 2015, and to 35.6% for those that are expected to be scheduled on or after April 1, 2015.
As a result of this change, net deferred tax assets (less deferred tax liabilities) decreased by ¥210 million, income taxes-deferred recorded in the fiscal year increased by ¥199 million, and net unrealized gains (losses) on other securities decreased by ¥11 million.

16. Segment Information

The reportable segments of the Company are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess performance.

The reportable segments are as follows:

1.Time information

2.Environmental equipment

(1) Sales, profits or losses, assets and other items by reportable segments

	Millions of Yen				
	2012				
	Reportable segments			Adjustments/ Eliminations	Consolidated
	Time Information	Environment	Total		
Net sales:					
Sales to third parties	¥64,608	¥23,539	¥88,147	–	¥88,147
Intersegment sales and transfers	–	–	–	–	–
Total	64,608	23,539	88,147	–	88,147
Segment profit or loss	¥6,698	¥2,278	¥8,976	(¥3,059)	¥5,917
Segment assets	¥43,908	¥17,505	¥61,413	¥42,065	¥103,478
Depreciation and amortization	3,142	440	3,582	448	4,030
Impairment loss for fixed assets	–	87	87	–	87
Investments accounted for by the equity method	219	–	219	–	219
Capital expenditures	3,208	154	3,362	57	3,419

	Millions of Yen				
	2011				
	Reportable segments			Adjustments/ Eliminations	Consolidated
	Time Information	Environment	Total		
Net sales:					
Sales to third parties	¥61,790	¥21,513	¥83,303	–	¥83,303
Intersegment sales and transfers	–	–	–	–	–
Total	61,790	21,513	83,303	–	83,303
Segment profit or loss	¥5,717	¥1,474	¥7,191	(¥2,808)	¥4,383
Segment assets	¥34,549	¥27,519	¥62,068	¥40,865	¥102,933
Depreciation and amortization	3,455	488	3,943	408	4,351
Investments accounted for by the equity method	259	–	259	–	259
Capital expenditures	2,864	119	2,983	46	3,029

	Thousands of U.S. dollars (Note 5)				
	2012				
	Reportable segments			Adjustments/ Eliminations	Consolidated
	Time Information	Environment	Total		
Net sales:					
Sales to third parties	$787,902	$287,061	$1,074,963	–	$1,074,963
Intersegment sales and transfers	–	–	–	–	–
Total	787,902	287,061	1,074,963	–	1,074,963
Segment profit or loss	$81,683	$27,780	$109,463	($37,304)	$72,159
Segment assets	$535,463	$213,476	$748,939	$512,988	$1,261,927
Depreciation and amortization	38,317	5,366	43,683	5,463	49,146
Impairment loss for fixed assets	–	1,061	1,061	–	1,061
Investments accounted for by the equity method	2,671	–	2,671	–	2,671
Capital expenditures	39,122	1,878	41,000	695	41,695

(2)Supplementary Information

(a) Geographic segments

Information by geographic areas based on location for the years ended March 31, 2012 and 2011, is summarized as follows:

	Millions of Yen 2012						
	Domestic (in Japan)	**Overseas Asia**	**Overseas North America**	**Overseas Europe**	**Total**	**Eliminations/ Corporate**	**Consolidated Total**
Net sales:							
Customers	**¥66,413**	**¥6,453**	**¥9,423**	**¥5,858**	**¥88,147**	**–**	**¥88,147**
Intersegment	**1,609**	**199**	**126**	**14**	**1,948**	**(¥1,948)**	**–**
Total	**68,022**	**6,652**	**9,549**	**5,872**	**90,095**	**(1,948)**	**88,147**
Operating income	**¥8,696**	**¥593**	**(¥79)**	**(¥221)**	**¥8,989**	**(¥3,072)**	**¥5,917**

	Millions of Yen 2011						
	Domestic (in Japan)	Overseas Asia	Overseas North America	Overseas Europe	Total	Eliminations/ Corporate	Consolidated Total
Net sales:							
Customers	¥62,407	¥5,495	¥10,036	¥5,365	¥83,303	–	¥83,303
Intersegment	1,629	76	148	32	1,885	(¥1,885)	–
Total	64,036	5,571	10,184	5,397	85,188	(1,885)	83,303
Operating income	¥6,868	¥592	(¥108)	(¥195)	¥7,157	(¥2,774)	¥4,383

	Thousands of U.S. dollars (Note 5) 2012						
	Domestic (in Japan)	**Overseas Asia**	**Overseas North America**	**Overseas Europe**	**Total**	**Eliminations/ Corporate**	**Consolidated Total**
Net sales:							
Customers	**$809,915**	**$78,695**	**$114,914**	**$71,439**	**$1,074,963**	**–**	**$1,074,963**
Intersegment	**19,622**	**2,427**	**1,537**	**171**	**23,757**	**($23,757)**	**–**
Total	**829,537**	**81,122**	**116,451**	**71,610**	**1,098,720**	**(23,757)**	**1,074,963**
Operating income	**$106,049**	**$7,232**	**($963)**	**($2,696)**	**$109,622**	**($37,463)**	**$72,159**

(b) Overseas sales

Overseas sales for the years ended March 31, 2012 and 2011 are summarized as follows:

	Millions of Yen 2012	Millions of Yen 2011	Thousands of U.S.dollars (Note 5) 2012
Overseas sales			
Asia	**¥7,032**	¥5,728	**$85,756**
North America	**9,427**	10,041	**114,963**
Europe	**5,858**	5,365	**71,439**
Others	**173**	146	**2,110**
Total	**¥22,490**	¥21,280	**$274,268**
Percentage of overseas sales to consolidated net sales	**25.5%**	25.5%	

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

17. Per Share Data

Net assets and net income per share as of and for the years ended March 31, 2012 and 2011:

	Yen 2012	Yen 2011	U.S.dollars (Note 5) 2012
Amounts per share			
Net assets	**¥940.07**	¥945.23	**$11.464**
Net income:			
Basic	**31.52**	40.01	**0.384**

Corporate Data

Board of Directors

Chairman & Representative Director
Kaoru HARUTA

President & Representative Director
Izumi NAKAJIMA

Executive Officer & Representative Director
Haruhiko YAMAGUCHI

Director & Managing Operating Officers
Minoru KOYAMA
Nobuyuki TABATA
Hiroshi SHIRAISHI
Naoki NAKADA

Director & Operating Officers
Kenji KOHORI
Toru UENO

Corporate Auditors
Toshio KUSANAGI
Tsuyoshi FUJIWARA
Satoru UENO
Yoshiyuki SATO

Managing Operating Officer
Masamiki KONNO

Operating Officers
Bungo NOGAWA
Takeshi AKAGI
Isao TERASAKI
Kunihiro IHARA
Morio KANEKO
Osamu OTANI
Yuhiko HASHIDUME
Minoru YONEZAWA
Susumu IKOMA

Domestic Operations

HEAD OFFICE

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

FACILITIES

YOKOHAMA Facility
TSUKUI Facility
HOSOE Facility
MIYAKODA Facility

SALES OFFICES

75 Sales Officers 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

SAPPORO System Center
SENDAI System Center
OMIYA System Center
TOKYO System Center
SHINAGAWA System Center
SHINJUKU System Center
TACHIKAWA System Center
NAGANO System Center
NIIGATA System Center
KANAGAWA System Center
SHIZUOKA System Center
NAGOYA System Center
KANAZAWA System Center
OSAKA System Center
KOBE System Center
HIROSHIMA System Center
TAKAMATSU System Center
FUKUOKA System Center

DOMESTIC SUBSIDIARIES

AMANO BUSINESS SOLUTIONS CORPORATION
ENVIRONMENTAL TECHNOLOGY CO., LTD.
AMANO MANAGEMENT SERVICE CORPORATION
AMANO MAINTENANCE ENGINEERING CORPO-RATION
AMANO MUSASHI ELECTRIC CORPORATION
AMANO AGENCY CORPORATION

Overseas Operations

1. **AMANO USA HOLDINGS,INC.**
   CORPORATE HEADQUARTERS
   140 Harrison Avenue Roseland, New Jersey 07068 U.S.A.

2. **AMANO CINCINNATI,INC.**
   HEAD OFFICE
   140 Harrison Avenue Roseland, New Jersey 07068 U.S.A.

3. **AMANO CINCINNATI,INC.**
   OHIO FACTORY
   130 Commerce Blvd. Loveland, Ohio 45140-7726 U.S.A.

4. **AMANO CINCINNATI CANADA INC.**
   2740 Matheson Blvd. East, Unit 4 Mississauga, ONT L4W 4X3 Canada

5. **AMANO PIONEER ECLIPSE CORPORATION**
   1 Eclipse Road, Sparta, North Carolina 28675-0909 U.S.A.

6. **AMANO McGANN, INC.**
   HEAD OFFICE
   651 Taft Street NE, Minneapolis, Minnesota 55413 U.S.A.

7. **ACCU-TIME SYSTEMS, INC.**
   420 Somers Road, Ellington, Connecticut 06029 U.S.A.

8. **ACCU-TECH SYSTEMS, Ltd.**
   C1 Caerphilly Business Park, Caerphilly Mid Glamorgan CF83 3ED, U.K.

9. **AMANO EUROPE HOLDINGS, N.V.**
   CORPORATE HEADQUARTERS
   Westerring 2, 3600 Genk, Belgium

10. **AMANO EUROPE, N.V.**
    CORPORATE OFFICE
    Westerring 2, 3600 Genk, Belgium

11. **AMANO UK. LTD.**
    PARKING DIVISION
    8 Newhouse Business Centre, Old Crawley Road, Horsham, West Sussex, RH12 4RU
    TIME DIVISION
    1415 Charlton Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AE

12. **AMANO TIME&PARKING SPAIN S.A.**
    C/. Plomo, N°5-7, Planta 2 - Oficina 2 - 08038 Barcelona, Espana

13. **HOROSMART, S.A.**
    CORPORATE HEADQUARTERS
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14. **HOROQUARTZ, S.A.**
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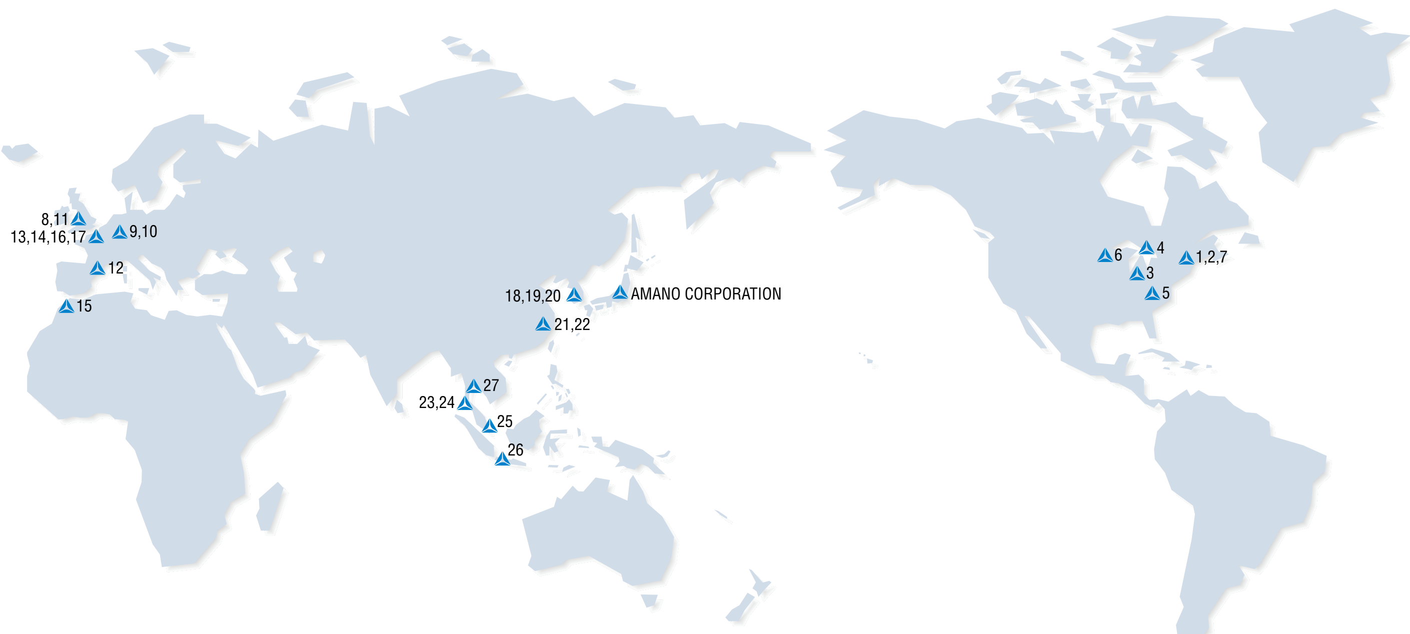

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