FINANCIAL REPORT

April 2012 – March 2013

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), having each office engage in multiple business operations, 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, Accu-Time Systems Inc. will continue to scale up our operations by launching new products bolstering their already diversified range of time information management terminals, in order to fully utilize their blue-chip customer base. In addition, Amano Pioneer Eclipse Corp. will endeavor to strengthen the Environment System business by enhancing the local production and distribution of oil mist collectors.

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 business 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 other Asian countries.

Latin America: In light of the local market's future growth potential, we will aggressively allocate a higher proportion of our management resources, including local production capabilities, to this region, 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

Although the business environment has generally improved as described in the Outlook for the Fiscal Year Ending March 31, 2014 on page 7, uncertainty remains regarding trends in capital investment that impact the Environment System business. Therefore, we have reviewed and modified the numerical targets originally set for the fiscal year ending March 31, 2014 as described in Summary Information, taking into account current year results.

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 50.0% and a 2.7% 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, 2014, 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, 2013

During the fiscal year ended March 31, 2013, although overseas economies continued to struggle due to uncertainty resulting from the effects of the prolonged European debt crisis, the slowdown in emerging economies (including China), and other factors, the Japanese economy showed signs of improvement in sentiment based on the prospects of the economy because public investments for reconstruction projects, etc. following the Great East Japan Earthquake bolstered the economy and the yen's depreciation and surging stock prices continued as a result of expectations stemming from the change in the government.

Amid this business environment, the Amano Group worked, in accordance with the consolidated growth strategy (on a global basis) 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 ¥90,295 million, up by 2.4% year-on-year. Operating profit increased by 23.9% to ¥7,329 million, ordinary profit went up by 22.9% to ¥7,768 million, and net income increased by 65.1% to ¥3,986 million, resulting in increases in both income and profit.

The following is a breakdown of sales by business division.

Sales by business division

(Unit: Millions of yen)

	FY2011		FY2012		Change	
	year endedMarch 31, 2012		year endedMarch 31, 2013			
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System Business						
Information Systems	19,569	22.2	19,331	21.4	(238)	(1.2)
Time Management Equipment	4,245	4.8	3,996	4.4	(249)	(5.9)
Parking Systems	40,794	46.3	42,208	46.7	1,414	3.5
Subtotal	64,608	73.3	65,535	72.5	927	1.4
Environment System Business						
Environmental Systems	16,374	18.6	17,386	19.3	1,012	6.2
Clean Systems	7,165	8.1	7,374	8.2	209	2.9
Subtotal	23,539	26.7	24,760	27.5	1,221	5.2
Total	88,147	100.0	90,295	100.0	2,148	2.4

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:
  Parking and bicycle-parking space management systems, and commissioned parking lot management business

Information Systems

Although information-related investments continued to be constrained and market competition is intensifying in Japan, this business division is seeing increasing needs for systems to be used to carry out services as well as an expansion in the cloud computing market resulting from companies' preparations for their Business Contingency Plans (BCP).

In response to these market conditions, the Company concentrated on enhancing its cloud services (e.g., hosting services), proactively developing proposals that offer comprehensive solutions associated with the transition from owning systems to using systems, and uncovering demand by strengthening business support activities carried out by its system engineers.

Domestic sales for the current term were as follows: hardware sales increased by ¥215 million (4.3%) year-on-year, software sales decreased by ¥366 million (11.1%), and sales generated by maintenance contracts and supply services increased by ¥81 million (2.5%). The increase in hardware sales was attributed to the effects of the launch of new products and orders for large-scale projects, and the decrease in software sales was attributed to a decrease in the number of new projects and a delay in the launch of new packaged software. As a result, T&A system sales were down by ¥156 million (1.9%), while access control system sales increased by ¥144 million (12.4%).

Overall overseas sales decreased by ¥263 million (3.7%). The sales of Accu-Time Systems, Inc. in North America slightly increased and the sales of Horosmart S.A. in Europe declined in terms of Japanese yen due to fluctuations in exchange rates, although sales increased on a local currency basis.

As a result of the above, sales in this business division totaled ¥19,331 million, representing a decrease of 1.2% year-on-year.

SX-250

Time management equipment

In Japan, this business division continued to struggle under difficult conditions because the demand structure has shifted from standard machines to systems.

In this market environment, the Company concentrated on uncovering new demand by developing and expanding new sales channels (e.g., Internet and mail orders) and strengthening sales promotion activities, in order to enhance and expand its customer base.

Overall domestic sales for the current term decreased by ¥250 million (7.5%) from a year earlier due to weak sales in Japan and sluggish exports to Asia. Sales for all of North America, Europe and Asia also dropped. As a result, overall overseas sales decreased by ¥26 million (2.1%).

As a result of the above, sales in this business division totaled ¥3,996 million, representing a decrease of 5.9% year-on-year.

PC-interface Time Recorder
"TimeP@CK" Online seminar

Parking Systems

The Parking Systems business sector in Japan has been working to promote environmentally friendly initiatives and to reduce the costs of parking lot management (e.g., reducing energy consumption), as well as ensuring safety and security to prevent crimes and accidents in parking lots.

In response to these market conditions, the Company has, in cooperation with its Group companies in Japan, focused its efforts on improving commissioned management services by expanding and improving its support centers to increase convenience for parking lot users as well as providing parking lot owners and parking lot management companies with parking lot information distribution services and video streaming services for crime prevention purposes. The Company has also made efforts to expand into new markets for exclusive gate systems, toll road systems and lane control systems.

In Japan, sales of parking lot system equipment during the fiscal year under review decreased by ¥696 million (4.3%) year-on-year due to a decrease in the number of orders for large parking lot systems, although medium and small parking lot system projects remained strong. Revenues from maintenance contracts and supply services increased by ¥82 million (0.9%).

The commissioned management business by the Group subsidiary Amano Management Service Corporation expanded steadily and the number of commissioned parking spaces increased by 21,500 (9.4%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥189 million (1.9%). Sales for North America increased as Amano McGann, Inc. experienced a recovery. Sales for Europe declined due to the prolonged economic slowdown. Sales in the Asian region declined as sales in Korea decreased.

As a net result of the above, the Parking Systems business division provided sales totaling ¥42,208 million, an increase of 3.5% year-on-year.

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, movements to reduce capital investment continued in Japan due to uncertainties over the economy, while demand associated with Japanese-affiliated companies operating abroad remained steady.

In response to these changes in the market environment, the Company proactively shifted its management resources to where the demand is and focused on scaling-up its operations. The Company's efforts included an increase in local staff, the establishment of closer cooperation with overseas Group companies, and full-fledged business development in North America in order to boost sales of products and services to businesses operating overseas. The Company has also made efforts to conquer new markets in the pharmaceutical, food and cosmetics fields.

During the current term, domestic sales of large-scale systems increased by ¥117 million (2.1%), sales of standard dust collectors decreased by ¥20 million (0.4%), and sales of maintenance contracts and supply services increased by ¥248 million (7.0%) year-on-year by means of acquiring overseas demand from companies in Japan.

Overall overseas sales increased by ¥712 million (38.5%) year-on-year because Asian markets continued to remain strong.

As a result of the above, sales in this business division totaled ¥17,386 million, up by 6.2% year-on-year.

FD-10

Clean Systems

This business division continued to struggle in Japan under difficult conditions caused by the impact of

prolonged corporate restraints on cleaning management costs.
To cope with this market environment, the Company focused on providing proposals to improve efficiency without compromising quality, which will reduce total cleaning management costs. In addition, the division worked to uncover new demand by proactively holding demonstrations of machines, launching new products, and providing holistic solutions, including peripheral cleaning work.

Domestic sales of cleaning equipment during the fiscal year under review decreased by ¥49 million (2.5%) year-on-year, and revenue from maintenance contracts and supply services increased by ¥48 million (1.6%).
Overall overseas sales increased by ¥235 million (15.4%) year-on-year. Sales for North America started to recover thanks to new product launches and cultivation of markets in Central and South America.

As a result of the above, sales in this business division totaled ¥7,374 million, up by 2.9% year-on-year.

HM-500E

Analysis of Financial Condition

(i) Assets, Liabilities, and Net Assets

• Assets

Total assets as of March 31, 2013, amounted to ¥109,476 million, up by ¥5,998 million from the previous fiscal year-end. Current assets increased by ¥2,987 million year-on-year. This was chiefly due to a ¥1,166 million increase in notes and accounts receivable—trade and a ¥1,118 million increase in cash and bank deposits. Fixed assets increased by ¥3,010 million year-on-year. This was attributable primarily to a ¥2,176 million increase in investment securities, a ¥591 million increase in intangible fixed assets and a ¥500.7 million increase in lease assets.

• Liabilities

Total liabilities as of March 31, 2013, amounted to ¥32,758 million, up by ¥1,472 million year-on-year. Current liabilities increased by ¥1,468 million year-on-year. This was chiefly due to an increase of ¥859 million in other current liabilities due to an increase in advances received and accrued expenses as well as an increase of ¥298 million in lease obligations. Fixed liabilities increased by ¥4 million year-on-year. The principal factors behind this were an increase of ¥581 million in lease obligations, despite a decrease of ¥313 million in accrued retirement benefits for employees.

• Net Assets

Total net assets as of March 31, 2013 amounted to ¥76,718 million, up by ¥4,526 million from the previous fiscal year-end. This was primarily due to an increase of ¥1,995 million in shareholders' equity resulting from an increase in retained earnings and an increase of ¥2,450 million in total accumulated other comprehensive income resulting from an increase in foreign currency translation adjustments.

(ii) Cash Flows

Consolidated cash and cash equivalents increased by ¥665 million from the previous fiscal year-end, to a total of ¥26,587 million on March 31, 2013. 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 ¥8,660 million. This was attributable primarily to income before income taxes amounting to ¥7,333 million and depreciation and amortization amounting to ¥3,558 million, despite income taxes payments amounting to ¥3,443 million.

(2) Cash flow from investing activities

Net cash used in investing activities totaled −¥5,093 million. This was largely due to expenditures of ¥5,763 million for the placement of time deposits, ¥2,000 million for the acquisition of securities, ¥1,803 million for the acquisition of investment securities, ¥1,792 million for the acquisition of intangible fixed assets, and ¥1,118 million for the acquisition of tangible fixed assets. These outflows more than offset proceeds of ¥5,265 million from the withdrawal of time deposits and ¥2,000 million from the redemption of securities.

(3) Cash flow from financing activities

Net cash used in financing activities totaled −¥3,383 million. This was chiefly due to expenditures of ¥1,991 million for the payment of cash dividends and ¥1,173 million for the repayment of finance lease obligations.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2009	As of Mar. 31, 2010	As of Mar. 31, 2011	As of Mar. 31, 2012	As of Mar. 31, 2013
Equity ratio (%)	72.9	73.4	70.3	69.6	69.8
Fair value equity ratio (%)	58.8	64.7	59.3	56.9	62.3
Ratio of cash flow to interest-bearing liabilities (%)	24.1	17.1	31.4	50.2	34.7
Interest coverage ratio	200.7	250.6	275.2	158.1	207.7

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, 2014

During the fiscal year ending March 31, 2014, we forecast that the Japanese economy will continue to recover at a modest pace, as exports are expected to increase due to growth in overseas economies, including those of the United States and Southeast Asia, and the yen's depreciation and domestic demand are expected to remain strong on the basis of the trends of increased public investment and improved business and consumer sentiment.

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, 2014: net sales of ¥98,000 million, operating profit of ¥8,200 million, ordinary profit of ¥8,500 million, and net income of ¥4,900 million. These projections assume currency exchange rates of ¥95 to the US dollar and ¥120 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 8, 2013).

(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, 2013, the Time Information System business accounted for 72.5% of total sales, and the Environment System business accounted for 27.5%. Before the deduction of unallocated expenses, the Time Information System business contributed 77.4% to operating profit, while the Environment System business contributed 22.6%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 73.0% of total sales and 75.8% 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 developing cloud business services (e.g., ASP, SaaS, and hosting services), the Amano Group handles confidential information, such as personal information concerning, or provided by, customers. In view of this, the Company has strengthened and thoroughly implemented security control measures based on the Information Security Management Rules. Specifically, the Company has implemented measures to protect confidential information (e.g., encrypting hard disk drives and external media as well as periodic staff training through e-learning) to ensure that a foolproof structure is in place. Nevertheless, the occurrence of an unforeseen situation that results in access to or leakage of confidential information as described above could have an adverse 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 number of industrial court cases, there is strong potential demand among companies for T&A systems, which aim to establish and build labor time management systems to optimize business operations by reducing working hours, etc. and to implement 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 medium and large companies, by strengthening our competitive advantage with enhanced software functions and through cooperation with the human resource and payroll systems of CREO CO., LTD., as well as reinforcing our marketing structures with collaboration between sales staff and systems engineers. In addition, we will actively make proposals for comprehensive solutions, including hardware, software, and cloud 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, Accu-Time Systems Inc. will continue to scale up our operations by launching new products to bolster their already diversified range of time information management terminals, in order to fully utilize their blue-chip customer base. 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 Systems business sector has been working to promote environmentally friendly initiatives and to reduce the costs of parking lot management (e.g., reducing energy consumption), as well as ensuring safety and security to prevent crimes and accidents in parking lots. Thus, the environment surrounding the Parking Systems business has been changing.

In this environment, the Company will, in cooperation with its Group companies in Japan, focus its efforts on improving commissioned parking lot management services by expanding and improving its support centers to increase convenience for parking lot users and provide parking lot owners and parking lot management companies with parking lot information distribution services and video streaming services for crime prevention purposes. The Company will also make efforts to expand into new markets for exclusive gate systems, toll road systems and lane control systems.

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 parking lot management business, focusing on Korea.

2) Environment systems business

•Environment systems

In the Environment System business, the increasing trend in capital investment by Japanese-affiliated companies in the Asian and North American regions continues, 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 management resources to markets where demand is growing in order to appropriately exploit expansions in demand in the Asian and North American markets. 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.

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.

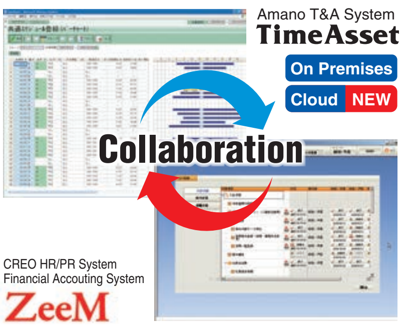
Domestic Marketing

Business Activities

Time Information Systems

Enhancing Competitiveness in the Market for Medium to Large-scale Companies! Business Alliance with CREO Co. Ltd.

March 2013, Amano acquired approximately 30% of CREO Co. Ltd., (CREO hereunder) and thereby CREO has now become an equity-method affiliate. This equity participation is aimed to enhance our solution offerings by linking CREO's HR / Payroll and Financial Accounting systems with Amano's T&A systems and through product cross-selling we will endeavor to expand our share in the market for medium to large companies where CREO already has its strengths.
In addition, we have commenced hosting services for our "TimeAsset" system, which is a T&A package system already used by many large-scale companies. With this and the "CYBER XEED", which is already offered, Amano has a full line-up of cloud services for the small / medium companies up to the medium / large-scale companies. We will continue to offer holistic solutions for the "using-instead-of-owning" market.



※ZeeM is a registered Trademark of CREO

Parking Systems

Expanding the Business Domain! Consigned Management Services, Exclusive Gates

The business domain for Parking Systems is expanding. In order to improve user convenience of our consigned management services, with the cooperation of Amano Management Services Corp., we are enhancing our "Customer Support Center" which offers their services 24 / 7 to cope with troubles such as loss of tickets. For parking lot owners and operating companies, we deliver information via the Internet such as parking utilization and video streaming for security. We also offer LED lighting and solar power generation for energy efficiency. These services are all based on our keywords Safety, Security, and Ecology.
In the exclusive gate market, orders for security gates are increasing. These gates are used in factories and logistic centers to control vehicle movement by restricting entry or logging the entries and exits of vehicles.
In addition, Amano has developed an Automatic Toll Collector aimed to improve the efficiency of toll collection at toll roads. On-site operation has already begun. We will continue to expand this business domain to improve the infrastructure of our motorized society.


Automatic Toll Collector built into the tollbooth of a highway


The "Customer Support Center" which provides kind and courteous services.

Environmental Systems

Expanding Sales of Standard Dust Collectors! Launched 4 New Products

In order to expand the sales of standard dust collectors, we have launched 4 new products, the stainless steel "SP" series for food and pharmaceutical factories, the mobile fume collector "FD-10", the energy & space saving pulsejet dust collector "PiF" series, and a self-cleaning electric mist collector the "EM-SCII Lt". We will continue to offer high quality, safe & secure products, which are efficient and environmentally friendly.
In addition, we held a New Product Show in 6 regions across the nation (Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Nagasaki) where we introduced and demonstrated 9 new products, consisting of dust collectors and cleaning equipment. Many customers and distributors came to the venue where they were able to have a first hand experience in using the new products.


Energy & Space saving Pulsejet dust collector the "PiF" series

New dust collectors and cleaning equipment all brought together in one show

Clean Systems

Launching a New Product for Carpeted Floors! Increased Orders from Offices and Hospitals

November 2012, we launched a new carpet cleaner the "Trailstar" which uses high-speed rotation technology deriving from conventional polishers.
The "Trailstar" utilizes micro vibration, which occurs during rotational movement (Oscillation). The oscillation rubs and beats the carpet lifting the soil achieving powerful cleaning. It is easy to use and now anybody can enjoy cleanliness of a professional standard.
Furthermore, March 2013, we launched the low-noise cordless vacuum cleaner the "JV-2e". As a battery powered cleaner, the "JV-2e" is among the highest performers. The powerful suction can remove fine dust and paper clips deeply embedded in the carpet and without the power cord, it is agile and easy to use in tight spaces. It is widely used in offices, hospitals, health facilities for the elderly, hotels, commercial facilities to name a few.


Carpet Cleaner "Trailstar" AAP-140


Commercial Cordless Vacuum Cleaner "JV-2e"

Amano Group Companies

Amano USA Holdings, Inc.

AMANO CINCINNATI, INC.

The ACI time division was pleased to release a new fingerprint terminal at the end of 2012. This new terminal (FPT-80) delivers added features like a full color display, view hours at the clock, department transfer at the clock, view previous punches to name a few. This unit is combined with our Time Guardian software to create a perfect time and attendance solution for small to medium sized business.
The implementation of the business to business dealer portal has proven to be very effective in reducing the amount of administration required in handling dealer orders. This dealer self service tool allows order entry directly into our system. Each dealer has a secure log in and in addition to placing orders dealers can get marketing information, download manuals, print product brochures, look up part numbers, product pricing, etc.
The TS-3000i automatic time sync web clock is the benchmark in the industry and was designed mainly for the financial market and the OATS compliance rule that was imposed by FINRA. We have many major financial institutions already using this product to meet the compliance requirement. Our success with this product has expanded to other markets like health care, transportation industry and others that require exact time synchronization and stamping. Reporting is one of the main features of this product. A time synch utility software comes with this product but when deploying many units in one location we offer our ATVS software to manage centralized reporting. This software allows a user to get email or text alerts when a single unit goes off line. This is critical in keeping a system compliant.

ACCU-TIME SYSTEMS, INC.

Worldwide sales for ATS grew in 2012 as we strengthened our global growth strategy and expanded our international channel relationship network. Additionally, we began reinforcing our global support capabilities with a new service provider partnership program (SPPP). The program will improve our ability to offer enhanced maintenance programs and installation services throughout the world. The SPPP is part of our plan to enhance our professional services offerings. The SPPP will be an integral program, now and into the future, as we evolve our business into a stronger recurring revenue model.
As part of that recurring revenue evolution, we also introduced a terminal rental program within North America. The initial success of the rental program encourages us to expand the offering in markets outside the USA. This presents some challenges but we continue to explore how to best expand this very well-received program with our global partners. Its success is closely tied to the global trend toward Software-as-a-Service (SaaS) and hosted services. ATS also introduced new service programs and integration software in 2012. These new products offer our reseller partners unparalleled opportunities for new business. As our reseller partners succeed, so does ATS.
As part of our core business ATS continued deploying terminals with its partners in high profile installations around the globe. We have a strong presence and channel within North America and our base of international partners is growing. Our products, as a result of our growing channel, are now being used by a large global facilities management company, a school system in Dubai, large enterprise resource planning application providers, and international hotel chains.
Planned resources in 2012 were spent on developing a new series of next-generation workforce management terminals called the Universal Series. Introduced in 2012, the Universal Series terminals allow our partners to offer more graphic-intensive functions to improve the user experience. With powerful processors, large color touch screens, and multiple operating systems this new series allows our workforce management software partners to develop new applications. The series also allows them to offer touch-enabled software with modern user interfaces.
ATS also began development of new standalone and integrated biometric technologies that will be introduced in 2013. In response to changing market needs ATS expanded its software development and integration capabilities in 2012. As part of that expansion we began offering new terminal management software that allows cloud-based time & attendance and workforce management applications to easily connect to our terminals. As the year ended we were in the midst of several new software/hardware solution deployments for enterprise-level customers. We expect those opportunities to grow around the world for us in 2013. These products are now ready for deployment and will begin to impact revenues in Q3 2013 and beyond.

Amano McGann, Inc.

General

The U.S. economy was on unstable ground for most of the reporting year due to several events including healthcare reform, the Presidential election, the Eurozone debt crises, unusual environmental disturbance, and our own Fiscal Cliff. Through all of this AMI was able to improve both top and bottom lines through improved efficiencies and strong results from our direct branch offices, distribution partners, and our specialized teams including Product Development, National Accounts, Vertical Markets, and Capture Teams. Compliancy driven software upgrades were also a major contributor to this years results.
Amano McGann has continued to show strong leadership in the parking industry during these times by maintaining a strong customer base, pushing the envelope to win new business, incorporating solid strategic alliances, and continuing new product development.

Amano McGann Expands Knowledge and Celebrates the Past while Looking to a Successful Future

Amano McGann held its 80-30-5 Sales Summit and Celebration this past fall in Scottsdale, AZ. AMI personnel and distribution partners joined forces to get up to speed on the corporate vision, improved sales techniques, and the latest products including a first glimpse of the OPUS product line and new strategic partnerships.
Guests kicked off their stay with a welcome reception allowing for mingling and networking with fellow industry professionals across the United States, Canada, Japan and South Africa. The second night's events included an award ceremony focused on sales awards and performance in 2011, giving well deserved recognition to top performing branch offices and distribution partners.
The anniversary banquet was a solid closing to a valuable three day event. The evening was dedicated to reflecting on the milestones that have led Amano McGann to where it stands today and a future that continues to shape the parking industry. Amano McGann was privileged to have Mr. Kaoru Haruta, Mr. Izumi Nakajima, Mr. Terry McGann as well as other VIPs, speak in honor of 80 years in business for Amano, 30 successful years for McGann and 5 years in business as an industry leader for Amano McGann.

Product Development – OPUSolutions™

Amano McGann's Engineering department and Software Development team have been working diligently on a new well-orchestrated, comprehensive line of products that address the unique needs of the owner, operator and the parking patron. The new OPUS line works to seamlessly connect current assets with future innovation all tied together through OPUSuite™ cloud based software.

OPUSolutions includes:
- Universal Pay Station with optional in-wall mount
- Entry Terminal
- Exit Terminal
- Credit Card Only ExpressParc
- Point of Sale Fee Computer
- Universal Reader
- OPUSuite SaaS Software

Every hardware device encompasses a consistent method of credential handling, voice announcement, TCP/IP communication and modern design for a unified look and feel. OPUSolutions will be unveiled to the industry at the 2013 International Parking Institute Conference and Expo and will be available for implementation early next year.

IPI 2012 Best in Show

Amano McGann claimed another "Best in Show" award at the 2012 International Parking Institute Conference and Expo, the largest industry trade show in the country. AMI developed a market focused branding strategy in 2012, beginning with the launch of the new website, then spanning into advertising and ultimately laying the design and focus for the 2012 IPI trade show booth. Eight pods were displayed focusing on products and services specific to each of the following markets: airport, education, event, healthcare, hospitality, municipal, office and retail all supported by the iParcProfessional Software Suite displayed on the center structure.

Strategic Alliances
Bridging the Gap Between On & Off-Street Parking

AMI has partnered with Metric, the United Kingdom's leading on-street, multi-space parking meter provider, delivering a combined solution for both on and off-street. This integrated solution provides operators with rate management, consolidated reporting and statistical data for superior audit control and management while allowing patrons the convenience of paying by phone, city card, cash, credit or debit card.

The alliance between Amano and Metric will enhance revenue collection and streamline audit trails, giving operators a more comprehensive view of their businesses without manual calculation.

Smart Parking for Smart Cities

Amano McGann has collaborated with Streetline to deliver next generation parking automation solutions for parking operators, municipalities and universities. Under the agreement, Amano and Streetline will jointly sell a fully integrated package combining market-leading automation and signage equipment with award-winning sensing technology and smart parking applications. The joint Amano/Streetline solution for off-street garage and lot operators will integrate real-time data from Amano with Streetline garage and consumer applications, providing both operators and consumers rich new data to enhance revenue management and consumer services.

For customers managing on-street parking the joint solution will leverage Streetline sensor network technology and applications with Amano's on-street parking management capability and electronic signage.

Success Story
Amano McGann Wins Kansas City International Airport Contract

Amano McGann has gained great success in the airport market supporting over 60 installations across North America through an extensive sales, service and support network comprised of branch offices, dedicated distribution partners, and U.S.-based software development and manufacturing facilities. A great example of this success is the recent contract award to install an advanced parking access and revenue control system at Kansas City International Airport. This contract includes Amano McGann's AMG equipment, iParcProfessional web-based facility management software and an integrated Frequent Parker Loyalty program. The solution is part of a massive modernization effort that will improve customer service, increase throughput and reduce administrative costs through automation. This combination of hardware, software and automated loyalty program will supercharge airport efficiency, enhance profitability and ensure airport travelers get in, get parked and exit the facility more quickly.

AMANO PIONEER ECLIPSE CORPORATION

2012 was a successful year for Amano Pioneer Eclipse (APEC), with global sales growth of 17%. This positive sales trend started mid-year 2010 and is the result of on-going business improvements being made by our sales, operations, and product development teams. While this three year plan is not yet complete, it has shown positive results in the APEC business, beginning with the improvement of the US sales team. In 2012, several US sales territories were upgraded by hiring new sales professionals who have industry experience and successful track records in their respective geographies. The restructured US territories produced 46% sales growth in 2012.

Operational improvements within the APEC business are ongoing with significant improvements achieved in the customer service and shipping/receiving departments in 2012. Overall efficiencies are up in all departments, resulting in a 55% increase in sales per employee and a decreased SG&A spending rate by more than 10% (as a percent of sales).

APEC is also committed to driving sales growth through new product development and has established a business goal to have one-third of its annual turnover produced by sales of products introduced within the last 36 months. In 2012, APEC reached a product vitality score of 35%, thereby exceeding its goal. 2012 saw the launch of several important products in the core APEC business of floor care chemicals and equipment. The launch of the 300BU battery burnisher places APEC at the forefront of battery burnisher development with the introduction of Steady One™ technology, a design that improves the burnish performance of the machine while also extending battery run time. Product development in 2012 also focused on several new chemical products, including a new high performance floor finish (Equinox HG™), fast acting floor stripper (Flash 55™), and a deep scrub floor cleaner (ReBoot™). There are exciting new product launches planned for the future, including the 300BU30X and its patent pending X_2™ technology.

2012 also saw the continued development of APEC's dust and mist collection business. Originally founded as Amano Environmental US (AEUS) in 2011, this business underwent a name change in 2012 to better reflect its geographic reach. Now known as Amano Environmental America's (AEA), this business has expanded beyond its original product offering of small dust and mist collectors for US based lathe and CNC manufacturers to now include large dust collection and material handling systems custom designed for industrial factories across North and Latin America. AEA sales grew 345% in 2012 and are expected to exceed 400% in 2013. This business is growing quickly and is well on its way to becoming an important contributor to APEC's future success.

Amano Europe Holdings, N.V.

Amano Europe, N.V.

This fiscal year, Amano Europe continued to optimize the organization in order to serve better in its core mission to build an indirect sales organization for parking and time solutions in Europe, Middle East and Africa, the primary markets of Amano Europe. For parking solutions also Malaysia, Hong Kong and Australia were served.

Astrow WEB, the pan-European time and attendance solution for small and medium sized companies, has been introduced as a next version in the Astrow series. This full web solution offers the technology base for cloud based services, a direction Amano Europe will pursue and continue to invest in the next years. Close cooperation with resellers, understanding their market needs, pro-active product management, excellent support and 20 years of accumulated experiences are the key the success.

X-Parc , the parking solution of Amano Europe, based on barcode technology and an open software platform, is now installed in more than 20 countries. Amano Europe entered into new distribution agreements with resellers in France and the UK. It is the result of the policy to expand its distributer's network rapidly.
The ongoing shift from a product centric to service centric business model is the second core mission from Amano Europe and it is reflected optimization of the organizational structure, the competences and the products and services..

Horoquartz:

In 2012, despite a more difficult economic environment in Europe and France, Horoquartz observed a growth of its business. Access control and Security Solutions have experienced a significant increase in turnover, surpassing the market growth. For instance, some major contracts have been closed with ministries such as Defence Department and Police Department. For these contracts Horoquartz has demonstrated its ability to manage high security smart cards including a specific encoding applied for all government applications. The time and attendance solutions market is now mature in France. Sales of Horoquartz workforce management solutions in SaaS mode are steadily increasing. In order to continue its growth in this market and confirm its leadership, Horoquartz concluded two key partnerships with a leading supplier of MES solutions (Manufacturing Executing System) and with a software company which specializes in the field of Human Capital Management solutions. For better efficiency, Horoquartz reorganized its R&D Department through a vertical organization, structured by the offered solution. This approach is accelerating the development and release of new solutions. Four major innovations were launched at the end of 2012: a new version of eTemptation with an entirely renewed full web user interface, a solution for mobility enabling employees and managers to use the application on smartphones and tablets, a data warehouse solution to store all T&A information on the long run, a new graphical supervision module for access control. Horoquartz also continued the development of its ecosystem and renewed its partnership with Oracle and Microsoft, obtaining a gold certified partner status with these two companies.

Amano Parking Europe:

In this fiscal year, Amano Parking Europe, the R&D center of X-Parc, has shifted its operation from development towards services. Apart from development, Amano parking Europe now also operates as the X-Parc competence center as such taking care of the industrialization and the third line support.

Scopus Omnibadges

With Sogedex Identification Solution acquisition in 2011, allowing Scopus Omnibadges to become a major actor in this field in France, the company has gained a few thousand of new customers, many of them been quite interested in the company core business : cards printing and personalization.
Therefore, Scopus Omnibadges have invested in a sophisticated new offset press that was up and running in September 2012. Production output is multiplied by 5 and production cost divided by three, which is a tremendous change for this part of the business, already the most profitable of the company.
With this new piece of equipment, printed quantities have been almost doubled in the last quarter compared to the previous year, some of them being cards that would have been subcontracted before.

At the same time printing quality has been tremendously improved.

AMANO TIME & PARKING SPAIN, S.A.

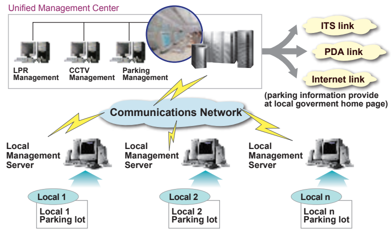
For the purpose of always satisfying 300 customers we have in our territory and keeping high reputation in the market, it is needless to say that one of the key things is the service quality provided by our technicians.
In Amano Time & Parking Spain, one technical manager and four technicians are working and their service ability and quality are highly appreciated by our customers. We have three service bases, which are located in Barcelona, Madrid and Malaga, and they take care of 300 customers in Spain, Portugal and Andorra with some subcontractors. (Please, see the map of the Iberian Peninsula.)
Recognizing the importance of the service quality, in the year of 2012 we reinforced technicians' service quality by various training and meetings. The regular meeting, at which all our technicians from three bases assist, was organized twice, and the telephone meeting among three bases has been held every Monday. Thus, all our technicians, by sharing customer requirements and exchange opinions, not only improve their quality but also have the same idea, strategy and market information.
We will continue trying to EXCEED today's level.

Amano Korea Corporation

The FLAP SYSTEM meets the street and goes flapless! Introducing the new "FLAPLESS LPR (License Plate Recognition) SYSTEM"

As cars continue to increase year by year, securing a parking place in the city center is becoming a major problem. The Government is taking initiative to not only build new off-street parking facilities, but also working to expand and to build new on-street parking, and to develop parking facilities using a portion of residential areas. In view of this situation, Amano Korea Corp., (AKC) has developed a new on-street parking system, which has high potential.
The "FLAPLESS LPR SYSTEM" breaks the norms of conventional on-street parking and addresses the issues, which could not be solved before. We are anticipating great potential for this system.

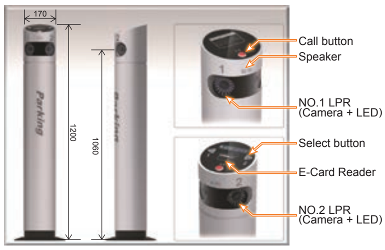
System Unified Network Configuration



1. The LPR system incorporates wide-angle cameras with built-in security functions enabling the collection of parking fees!

Flaps of the conventional flap systems were released once the user settles their fees at the unmanned pay stations. With the use of LPR technology, flaps were no longer needed and the systems evolved to an on-street system. And now the system has evolved even further. The built-in wide-angle camera not only recognizes number plates but it also records a video of the parking space. There is no need to install a separate CCTV for security.

FLAPLESS LPR DESIGN



2. In order to enable constant LPR, we have developed a special 2-way LED lighting! -Energy saving and no discomfort-

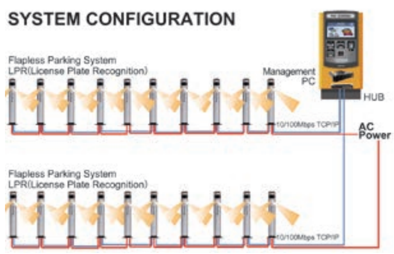
LED lighting is a necessity for the LPR and the security video to function properly at night. However, many pedestrians find the flashing red 730nm LEDs irritating and discomforting, so we added an 850nm LED, which is in the infrared spectrum almost invisible to the human eye. During the night, the invisible 850nm LED will be in constant operation and the 730nm will activate only upon detecting a vehicle.

3. We have developed a camera module with two image sensors loaded on a single CPU, reducing the required number IP channels.

The conventional method required 2 IP channels to monitor 2 parking spaces and thus 2 network cables were required. Inevitably, it was costly and the installation complex. This new camera module can load 2 image sensors on a single CPU and only one IP channel is needed, instead of using 2 cameras on 2 channels.

4. Adopted the daisy-chain method on our network cabling!

In order to reduce costs arising from complicated network cabling, AKC has adopted the daisy-chain method (serial) instead of the conventional parallel communication method and thereby simplifying installation.



5. Settle the fees either at the central pay stations or at the FLAPLESS LPR unit.

Parking fees can be paid either at the central pay stations, which are installed on the street or pay at the FLAPLESS LPR unit. The user no longer needs to go to the central pay station. In addition, the FLAPLESS LPR will give easy audio guidance when choosing one of the two parking spaces it monitors.

At AKC we are always seeking to develop unique products, such as the aforementioned, which separates us from our peers. In addition, we take into consideration the merits for the Flapless LPR owners. It is designed so that advertising logos can be placed on the top part of the Flapless LPRs, which could be an extra source of income for the owner.

Specifications are as follows:

On-street LPR Camera specifications	
CAMERA	2 Mega-pixels (SONY CMOS)
MONITORING CAR SPACE	One
ON STREET CAMERA CONFIGURATION	Dual camera sensors per control module
CAMERA CONNECTION	Daisy-chain maximum 10
DATA TRANSFER	Maximum 100M TCP/IP
INTERFACE	Ethernet In/Out Power In/Out Separate AC power supply
VIDEO TRANSFER	1.3 Mega-pixels 30FPS Video transmission (15FPS per camera)
LPR METHOD	Parking space recognition device / Video
FEE SETTLEMENT	Fee settlement processing after receiving fee calculation results from host system. For cashless (credit cards) settlement only
VEHICLE DETECTION	Motion & LPR algorythm
INTERCOM	Bidirectional TCP/IP Transfer
LED LIGHTING	Mounted periphery to the camera with IR LED(Dimming
SECURITY CAMERA	Synchronized (shared NVR)
EXTERIA DESIGN	Pole Type

The Flap System was introduced in Korea from Europe and Japan around the year 2000. It was installed and operated for a while but due to continuous unlawful exits and ill-mannered drivers, the system soon became unpopular labeled as failure. The Flapless system developed by AKC, accommodates all the deficiencies at the time and has successfully improved the system to an effective on-street system.

In addition, this system can operate in any country outside Korea, such as the U.S., Japan, and China, just by changing the recognition module. AKC has already completed the basic developed for the U.S., China and Vietnam. The Vietnamese version can also recognize motorcycle plates. This will strengthen our alliance within the Amano group and will enable us to deploy a worldwide business strategy.

To meet the responsibilities as an industry leader, AKC will continue to invest in human resource development and strive for further growth without being complacent.

Amano Time & Air Singapore Pte. Ltd.

Access Control Business in Philippine is expanding.

ATAS has been supplying the access control systems to all over the South East Asian countries. Among those countries, Philippine market is recently very active.

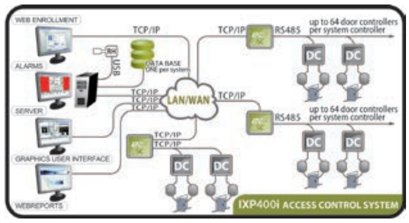
Many Japanese companies are moving into Philippine to establish their manufacturing bases, attracted by low labor cost and English speaking personnel. However due to the public safety issue, the strict access control system is always required. And with this background, we have a lot of inquiries for our own access control system, "iAccess".

"iAccess" is the scalable access control solution from single door to thousand doors. Especially, "AMANONET" is considered as the largest scale solution. (Maximum 3,000 doors / 300,000 Tag holders)

In year 2013, ATAS has installed this "AMANONET" system to Japanese camera manufacturer's new factory in Philippine. They have total 81 doors / 5,000 tag holders, and we have achieved the strict access control, the interface to other supplier's human resource system interface, automated access right change, and so on. Other than this project, ATAS has received the inquiry from a Japanese printer manufacturer for the system together with finger print reader, and currently this project is ongoing.

In Philippine, ATAS has a dealer, "Daniel Merchandising" who has a large sales network all over Philippine.

Together with Daniel Merchandising, we expect the access control business in Philippine will be expanding further.



AMANO Corporation and Subsidiaries

Financial Highlights

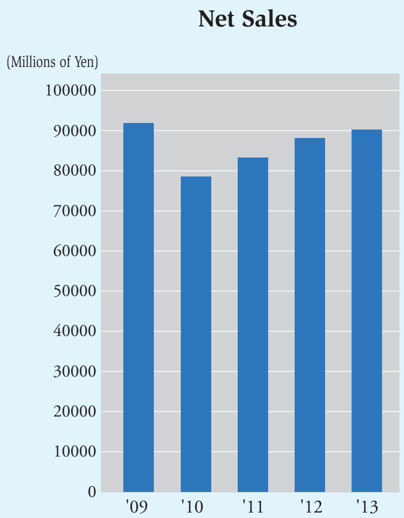
For the years ended March 31, 2013 and 2012.

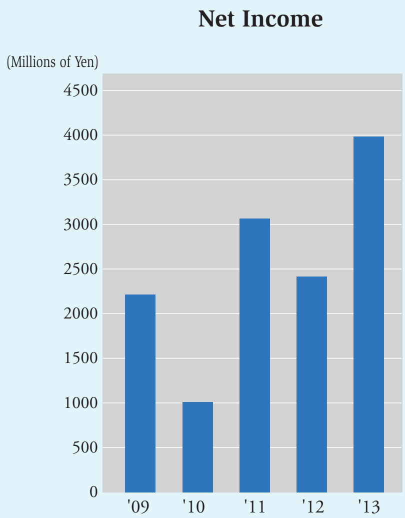
Yen in millions and U.S.dollars in thousands, except per share amounts

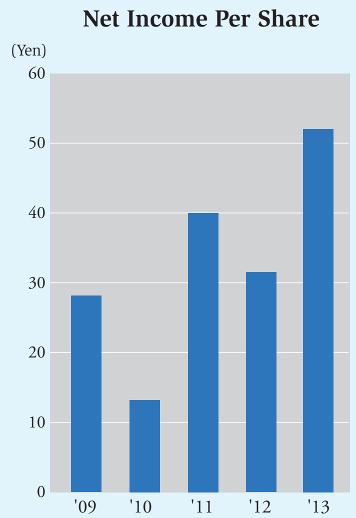
- See Note 5 to the Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2013	2012	**2013**
For the years ended March 31:			
Net sales	**¥90,295**	¥88,147	**$960,585**
Net income	**3,986**	2,415	**42,404**
Per share data (Yen and U.S. Dollars):			
Net income per share (Basic)	**¥52.04**	¥31.52	**$0.554**
Cash dividends per common share	**26.00**	26.00	**0.277**
At March 31:			
Total assets	**¥109,476**	¥103,478	**$1,164,638**
Working capital	**40,149**	38,630	**427,117**
Total net assets	**76,718**	72,192	**816,149**
Sales by product:			
Time information systems	**¥19,331**	¥19,569	**$205,649**
Time management equipment	**3,996**	4,245	**42,511**
Parking systems	**42,208**	40,794	**449,021**
Environmental systems	**17,386**	16,374	**184,957**
Cleaning systems	**7,374**	7,165	**78,447**

Note: U.S.dollar amounts have been translated at the rate of ¥94 = US $1, the rate prevailing on March 31, 2013.
-See Note 5 to the Consolidated Financial Statements.







AMANO Corporation and Subsidiaries

Consolidated Balance Sheets

As at March 31, 2013 and 2012.

	Millions of Yen		Thousands of U.S. dollars (Note 5)
ASSETS	**2013**	2012	**2013**
Current assets:			
Cash and bank deposits	**¥29,175**	¥28,057	**$310,372**
Marketable securities	**1,241**	1,075	**13,202**
Notes and accounts receivable:			
Trade	**24,920**	23,754	**265,106**
Less allowance for doubtful accounts	**(177)**	(128)	**(1,883)**
	24,743	23,626	**263,223**
Inventories	**6,698**	6,190	**71,255**
Deferred tax assets	**1,236**	1,447	**13,149**
Other current assets	**2,161**	1,871	**22,990**
Total current assets	**65,254**	62,266	**694,191**
Property, plant and equipment, at cost:			
Buildings and structures	**27,995**	27,519	**297,819**
Machinery and equipment	**18,822**	18,397	**200,234**
Lease assets	**5,331**	3,907	**56,713**
	52,148	49,823	**554,766**
Less accumulated depreciation	**(36,535)**	(34,673)	**(388,670)**
	15,613	15,150	**166,096**
Land	**7,167**	7,122	**76,245**
Construction in progress	**206**	104	**2,191**
Total property, plant and equipment	**22,986**	22,376	**244,532**
Intangible fixed assets :			
Goodwill	**4,679**	4,678	**49,777**
Software	**1,363**	1,840	**14,500**
Software in progress	**1,397**	347	**14,862**
Other intangible fixed assets	**1,042**	1,025	**11,085**
Total intangible fixed assets	**8,481**	7,890	**90,224**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates	**1,863**	442	**19,818**
Investments in securities	**4,726**	3,832	**50,277**
Leasehold and guarantee deposits	**1,154**	1,070	**12,276**
Deferred tax assets	**1,740**	1,853	**18,511**
Other assets	**3,755**	4,205	**39,947**
Less allowance for doubtful accounts	**(483)**	(456)	**(5,138)**
Total investments and other assets	**12,755**	10,946	**135,691**
Total	**¥109,476**	¥103,478	**$1,164,638**

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of Yen 2013	2012	Thousands of U.S. dollars (Note 5) 2013
Current liabilities:			
Trade notes and accounts payable	**¥11,038**	¥10,386	**$117,426**
Short-term bank loans	**197**	169	**2,096**
Lease obligations	**1,163**	864	**12,372**
Accrued expenses	**5,366**	5,183	**57,085**
Accrued income taxes	**1,879**	2,148	**19,989**
Other current liabilities	**5,462**	4,887	**58,106**
Total current liabilities	**25,105**	23,637	**267,074**
Long-term liabilities:			
Long-term loans payable	**1,244**	1,291	**13,234**
Accrued retirement benefits to employees	**2,671**	2,984	**28,415**
Long-term accounts payable	**201**	223	**2,138**
Lease obligations	**3,134**	2,552	**33,340**
Deferred tax liabilities	**247**	302	**2,628**
Asset retirement obligations	**17**	16	**181**
Other long-term liabilities	**139**	281	**1,479**
Total long-term liabilities	**7,653**	7,649	**81,415**
Net assets:			
Shareholders' equity:			
Common Stock			
Authorized- 185,476,000 shares			
Issued:			
March 31, 2013 - 81, 257, 829 shares	**18,240**	–	**194,043**
March 31, 2012 - 81, 257, 829 shares	**–**	18,240	**–**
Capital surplus	**19,567**	19,567	**208,160**
Retained earnings	**49,386**	47,391	**525,382**
Treasury stock at cost, 4,662,695 shares in 2013 and 4,661,851 shares in 2012	**(3,720)**	(3,719)	**(39,574)**
	83,473	81,479	**888,011**
Accumulated other comprehensive income			
Net unrealized gains (losses) on other securities	**317**	(179)	**3,372**
Foreign currency translation adjustments	**(7,340)**	(9,294)	**(78,085)**
	(7,023)	(9,473)	**(74,713)**
Minority interests in consolidated subsidiaries	**268**	186	**2,851**
Total net assets	**76,718**	72,192	**816,149**
Total	**¥109,476**	¥103,478	**$1,164,638**

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, 2013 and 2012.

Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2013	2012	**2013**
Net sales	**¥90,295**	¥88,147	**$960,585**
Cost of sales	**50,528**	49,346	**537,532**
Gross profit	**39,767**	38,801	**423,053**
Selling, general and administrative expenses	**32,438**	32,884	**345,085**
Operating income	**7,329**	5,917	**77,968**
Other income (expenses) :			
Interest and dividend income	**176**	158	**1,872**
Interest expense	**(42)**	(38)	**(446)**
Equity in earnings (losses) of affiliates	**(48)**	37	**(511)**
Foreign exchange gain (loss)	**190**	(70)	**2,021**
Gain on sale of fixed assets	**7**	5	**74**
Loss on disposal of fixed assets	**(42)**	(24)	**(447)**
Loss on sale of fixed assets	**(2)**	0	**(21)**
Gain on sale of investments in securities	**2**	–	**21**
Loss on write-down of investments in securities	**(245)**	(539)	**(2,605)**
Impairment loss on fixed assets	**–**	(87)	**–**
Other, net	**8**	151	**85**
Income before income taxes and minority interests	**7,333**	5,510	**78,011**
Income taxes :			
Current	**3,187**	3,038	**33,905**
Deferred	**79**	8	**840**
Income before minority interests	**4,067**	2,464	**43,266**
Minority interests in net income of consolidated subsidiaries	**(81)**	(49)	**(862)**
Net income	**¥3,986**	¥2,415	**$42,404**

	Yen		U.S. dollars (Note 5)
Net income per share, basic	**¥52.04**	¥31.52	**$0.554**
Cash dividends per common share	**26.00**	26.00	**0.277**

Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2013	2012	**2013**
Income before minority interests	**¥4,067**	¥2,464	**$43,266**
Other comprehensive income			
Net unrealized gains (losses) on other securities	**497**	(25)	**5,287**
Translation adjustments	**1,962**	(794)	**20,872**
Share of other comprehensive income of companies accounted for by the equity-method	**29**	(13)	**309**
Total other comprehensive income	**2,488**	(832)	**26,468**
Comprehensive income	**¥6,555**	¥1,632	**$69,734**
Total comprehensive income attributable to:			
Shareholders of the Company	**¥6,436**	¥1,596	**$68,468**
Minority interests	**¥119**	¥36	**$1,266**

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, 2013 and 2012.

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2012	¥18,240	¥19,567	¥47,391	(¥3,719)	¥81,479
Changes during the year					
Dividends from surplus			(1,991)		(1,991)
Net income			3,986		3,986
Purchase of treasury stock				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	1,995	(1)	1,994
Balance at March 31, 2013	¥18,240	¥19,567	¥49,386	(¥3,720)	¥83,473

	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, 2012	(¥179)	(¥9,294)	(¥9,473)	¥186	¥72,192
Changes during the year					
Dividends from surplus					(1,991)
Net income					3,986
Purchase of treasury stock					(1)
Net changes in items other than shareholders' equity	496	1,954	2,450	82	2,532
Total changes during the year	496	1,954	2,450	82	4,526
Balance at March 31, 2013	¥317	(¥7,340)	(¥7,023)	¥268	¥76,718

Thousands of U.S. dollars (Note 5)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2012	$194,043	$208,160	$504,159	($39,564)	$866,798
Changes during the year					
Dividends from surplus			(21,181)		(21,181)
Net income			42,404		42,404
Purchase of treasury stock				(10)	(10)
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	21,223	(10)	21,213
Balance at March 31, 2013	$194,043	$208,160	$525,382	($39,574)	$888,011

	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, 2012	($1,904)	($98,872)	($100,776)	$1,979	$768,001
Changes during the year					
Dividends from surplus					(21,181)
Net income					42,404
Purchase of treasury stock					(10)
Net changes in items other than shareholders' equity	5,276	20,787	26,063	872	26,935
Total changes during the year	5,276	20,787	26,063	872	48,148
Balance at March 31, 2013	$3,372	($78,085)	($74,713)	$2,851	$816,149

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, 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

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, 2013 and 2012.

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2013	2012	**2013**
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	**¥7,333**	¥5,510	**$78,011**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	**3,558**	4,030	**37,851**
Amortization of goodwill	**561**	678	**5,968**
Impairment loss on fixed assets	**–**	87	**–**
Increase (decrease) in provision for accrued retirement benefits	**(337)**	(461)	**(3,585)**
Increase (decrease) in allowance for doubtful accounts	**39**	42	**415**
Interest and dividend income	**(176)**	(158)	**(1,872)**
Equity in (earning) losses of affiliates	**48**	(37)	**511**
Interest expenses	**42**	38	**447**
Foreign currency translation (gain) loss	**(23)**	3	**(245)**
(Gain) Loss on sale of investments in securities	**(2)**	–	**(21)**
Loss on write-down of investments in securities	**245**	539	**2,605**
(Gain) Loss on sale of fixed assets	**(5)**	(5)	**(53)**
Loss on disposal of fixed assets	**42**	24	**447**
(Increase) decrease in trade notes and accounts receivable	**(413)**	(2,917)	**(4,394)**
(Increase) decrease in inventories	**(173)**	35	**(1,840)**
Increase (decrease) in trade notes and accounts payable	**415**	447	**4,414**
Others	**935**	1,006	**9,947**
Subtotal	**12,089**	8,861	**128,606**
Interest and dividends received	**222**	208	**2,362**
Interest paid	**(42)**	(38)	**(447)**
Payment for extra retirement payments	**(209)**	(99)	**(2,223)**
Income taxes paid	**(3,443)**	(3,082)	**(36,628)**
Income taxes refund	**43**	124	**458**
Net cash provided by operating activities	**8,660**	5,974	**92,128**
Cash Flows from Investing Activities:			
Payment for purchase of marketable securities	**(2,000)**	(2,054)	**(21,277)**
Proceeds from redemption of marketable securities	**2,000**	2,241	**21,277**
Payment for purchase of property and equipment	**(1,118)**	(1,265)	**(11,894)**
Proceeds from sale of property and equipment	**23**	11	**245**
Payment for acquisition of intangible assets	**(1,792)**	(842)	**(19,064)**
Payment for acquisition of investments in securities	**(1,803)**	(56)	**(19,181)**
Increase in time deposits	**(5,763)**	(4,377)	**(61,309)**
Decrease in time deposits	**5,265**	4,673	**56,011**
Loans to third parties	**(64)**	(7)	**(681)**
Collection of loans	**65**	4	**691**
Others	**94**	137	**1,001**
Net cash used in investing activities	**(5,093)**	(1,535)	**(54,181)**
Cash Flows from Financing Activities:			
Repayment of short-term bank loans	**(174)**	(1,729)	**(1,851)**
Proceeds from long-term debt	**–**	1,550	**–**
Repayment of long-term debt	**–**	(17)	**–**
Payment for acquisition of treasury stock	**(0)**	(0)	**(0)**
Repayments of finance lease obligations	**(1,173)**	(854)	**(12,479)**
Dividends paid	**(1,991)**	(1,992)	**(21,181)**
Dividends payment to minority interests	**(45)**	(9)	**(478)**
Net cash used in financing activities	**(3,383)**	(3,051)	**(35,989)**
Effect of exchange rate changes on cash and cash equivalents	**481**	(80)	**5,117**
Net increase (decrease) in cash and cash equivalents	**665**	1,308	**7,075**
Cash and cash equivalents at beginning of year	**25,922**	24,614	**275,766**
Cash and cash equivalents at end of year	**¥26,587**	¥25,922	**$282,841**

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 [hereafter 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 27 consolidated subsidiaries at March 31, 2013; 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, 2013 and 2012, and for the years then ended.

The consolidated subsidiaries that have been consolidated with the Company for the year ended March 31, 2013 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 77,824
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 Technology 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 Time & Air Singapore Pte. Ltd.	100%	S$700
18) PT. Amano Indonesia	100%	US$ 250
19) Amano Thai International Co., Ltd.	49%	THB 8,000
20) Amano International Trading (Shanghai)Co., Ltd.	100%	US$ 200
21) Amano Korea Corp.	100%	KRW10,605,895
22) Amano Agency Corp.	100%	¥10,000
23) Environmental Technology Company	100%	¥20,000
24) Amano Management Service Corp.	100%	¥205,000
25) Amano Maintenance Engineering Corp.	100%	¥30,000
26) Amano Business Solutions Corp.	100%	¥300,000
27) Amano Musashi Electric Corp.	100%	¥10,000

Note 1: 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.

Note 2: Investment in Creo Co., Ltd., a Japanese company, over which the Company has the ability to exercise significant influence (the Company owns 30.5 percent) is accounted for using the equity method.

* Creo Co., Ltd. is newly accounted for using the equity method on 8th March, 2013 due to the acquisition of stock.

(2) Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

None of the 7 unconsolidated subsidiaries are accounted for by the equity method, becauase the effect of their net income or losses and retained earnings on the accompanying Conosolidated 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 amoung 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 compnaies. 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.

*Accounting Changes:

In accordance with an amendment to the Corporate Tax Law effective April 1, 2012, the Company and its domestic consolidated subsidiaries have changed their depreciation method for property, plant and equipment acquired on or after April 1, 2012, other than certain buildings, to reflect the methods prescribed in the amended Corporate Tax Law. The previous applied 250% declining-balance method was changed to the 200% declining-balance method. The effect of this change was immaterial to the consolidated financial statements for the year ended March 31, 3013.

(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. Signficant Subsequent Events

At the Board of Directors Meeting held on March 27, 2013, the Company resolved to cancel treasury stock pursuant to the provision of Article 178 of the Companies Act. The details of this cancellation are as follows:

(1) Reason for cancellation:

To improve capital efficiency and implement capital policies in response to changes in the business environment.

(2) Type of shares to be cancelled:

Cammon stock of the Campany

(3)Number of shares to be cancelled:

4,600,000 shares (5.66% of outstanding shares prior to cancellation)

(4) Number of shares outstanding after cancellation: 76,657,829 shares

(5) Scheduled date of cancellation: April 8, 2013

(6) Number of treasury shares held after cancellation: 62,735 shares

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 ¥94＝US $1, the approximate effective rate of exchange prevailing on March 31, 2013. 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)
	2013	2012	**2013**
Cash and bank deposits	**¥29,175**	¥28,057	**$310,372**
Marketable securities	**1,241**	1,075	**13,202**
Sub total	**30,416**	29,132	**323,574**
Time deposits due over three months	**(2,829)**	(2,210)	**(30,095)**
Marketable securities due over three months	**(1,000)**	(1,000)	**(10,638)**
Cash and cash equivalents	**¥26,587**	¥25,922	**$282,841**

7. Inventories

Inventories as of March 31, 2013 and 2012 consisted of the following:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2013	2012	**2013**
Merchandise and finished goods	**¥2,985**	¥3,058	**$31,755**
Work in progress	**931**	707	**9,904**
Raw materials and supplies	**2,782**	2,425	**29,596**
Total	**¥6,698**	¥6,190	**$71,255**

8. Selling, General, and Administrative Expenses

Selling, general, and administrative expenses during the years ended March 31, 2013 and 2012 include principally:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2013	2012	**2013**
Labor and payroll	**¥14,017**	¥14,037	**$149,117**
Rental for properties	**1,624**	1,671	**17,277**
Travel and transportation	**1,157**	1,251	**12,309**

9. Provisions

Provisions charged to operation during the years ended March 31, 2013 and 2012 are mainly as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2013	2012	**2013**
	SGA	SGA	**SGA**
Employees' bonuses	**¥1,199**	¥1,268	**$12,755**
Retirement benefits	**1,180**	1,120	**12,553**
Allowance for doubtful accounts	**(19)**	59	**(202)**

10. Impairment Loss on Fixed Assets

Impairment loss on fixed assets for the years ended March 31, 2013 and 2012 is summarized as follows:

Location	Purpose of use	Category	Millions of Yen		Thousands of U.S.dollars (Note 5)
			2013	2012	**2013**
Amano Pioneer Eclipse Corp. (U.S.A.)	Business use	Buildings and structures	–	¥30	–
	Business use	Machinery and equipment	–	3	–
	Business use	Land	–	54	–
		Total	–	¥87	–

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, 2013:

	Millions of Yen	Thousands of U.S.dollars (Note 5)
Net unrealized gains (losses) on other securities:	**2013**	**2013**
Amount arising during the year	**¥693**	**$7,372**
Reclassification adjustments	**4**	**43**
The amount of net unrealized gains (losses) on other securities before tax effect	**697**	**7,415**
Tax effect	**(200)**	**(2,128)**
Net unrealized gains (losses) on other securities	**497**	**5,287**
Translation adjustments:		
Amount arising during the year	**1,969**	**20,947**
Reclassification adjustments	**11**	**117**
The amount of translation adjustments before tax effect	**1,980**	**21,064**
Tax effect	**(18)**	**(192)**
Translation adjustments	**1,962**	**20,872**
Share of other comprehensive income of companies accounted for by the equity method:		
Amount arising during the year	**28**	**298**
Total other comprehensive income	**¥2,487**	**$26,457**

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)
	2013	2012	**2013**
Due within one year	**¥25**	¥63	**$266**
Due over one year	**2**	27	**21**
Total	**¥27**	¥90	**$287**

Lease payments on finance lease contracts without transfer of ownership for the years ended March 31, 2013 and 2012 were ¥62 million ($660 thousand) and ¥182 million, respectively.

Acquisition cost, accumulated depreciation, net book value and depreciation expenses for the year ended March 31, 2013 and 2012, if capitalized, are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2013	2012	**2013**
Acquisition cost	**¥345**	¥925	**$3,670**
Accumulated depreciation	**318**	834	**3,383**
Net book value	**¥27**	¥91	**$287**
Depreciation	**¥62**	¥309	**$660**

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, 2013 and 2012 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)		
	2013			2013		
	Carrying value	**Estimated fair value**	**Difference in amounts**	**Carrying value**	**Estimated fair value**	**Difference in amounts**
(1) Cash and bank deposits	**¥29,175**	**¥29,175**	**–**	**$310,372**	**$310,372**	**–**
(2) Notes and accounts receivable	**24,920**	**24,920**	**–**	**265,106**	**265,106**	**–**
(3) Marketable securities and investments in securities						
① Held-to-maturity	**1,350**	**1,347**	**(¥3)**	**14,362**	**14,330**	**($32)**
② Subsidiaries and affiliates	**1,406**	**965**	**(¥441)**	**14,957**	**10,266**	**($4,691)**
③ Other securities	**3,999**	**3,999**	**–**	**42,543**	**42,543**	**–**
Total (Asset)	**¥60,850**	**¥60,406**	**(¥444)**	**$647,340**	**$642,617**	**($4,723)**
(4) Trade notes and accounts payable	**¥5,634**	**¥5,634**	**–**	**$59,936**	**$59,936**	
(5) Electronically recorded monetary claims	**¥5,404**	**¥5,404**	**–**	**$57,489**	**$57,489**	**–**
Total (Liability)	**¥11,038**	**¥11,038**	**–**	**$117,425**	**$117,425**	**–**

	Millions of Yen		
	2012		
	Carrying value	Estimated fair value	Difference in amounts
(1) Cash and bank deposits	¥28,057	¥28,057	–
(2) Notes and accounts receivable	23,754	23,754	–
(3) Marketable securities and investments in securities			
① Held-to-maturity	1,424	1,420	(¥4)
② Other securities	3,203	3,203	–
Total (Asset)	¥56,438	¥56,434	(¥4)
(4) Trade notes and accounts payable	¥10,386	¥10,386	–
Total (Liability)	¥10,386	¥10,386	–

(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, 2013 and 2012.
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)
	2013	2012	**2013**
Unlisted stocks (Carrying value)	**¥935**	¥720	**$9,947**

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, 2013 and 2012 is as follows:

	Millions of Yen			
	2013			
	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	**¥29,175**	**–**	**–**	**–**
Notes and accounts receivable	**24,920**	**–**	**–**	**–**
Marketable securities and investments in securities:				
Held-to-maturity securities	**1,200**	**¥100**	**¥50**	**–**
Other securities with maturity date	**–**	**700**	**–**	**–**
Total	**¥55,295**	**¥800**	**¥50**	**–**

	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	–

	Thousands of U.S.dollars (Note 5)			
	2013			
	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	**$310,372**	**–**	**–**	**–**
Notes and accounts receivable	**265,106**	**–**	**–**	**–**
Marketable securities and investments in securities:				
Held-to-maturity securities	**12,766**	**$1,064**	**$532**	**–**
Other securities with maturity date	**–**	**7,447**	**–**	**–**
Total	**$588,244**	**$8,511**	**$532**	**–**

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

	Millions of Yen					
	2013					
	Due within 1 year	**The second year**	**The third year**	**The fourth year**	**The fifth year**	**Thereafter**
Long-term loan payable	**–**	**¥189**	**¥185**	**¥870**	**–**	**–**
Lease obligations	**¥1,162**	**1,102**	**786**	**563**	**299**	**¥382**
Total	**¥1,162**	**¥1,291**	**¥971**	**¥1,433**	**¥299**	**¥382**

	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	$9,255	–	–
Lease obligations	¥864	889	711	5,989	3,181	$4,064
Total	¥864	¥1,220	¥879	$15,244	$3,181	$4,064

	Thousands of U.S.dollars (Note 5)					
	2013					
	Due within 1 year	**The second year**	**The third year**	**The fourth year**	**The fifth year**	**Thereafter**
Long-term loan payable	**–**	**$2,011**	**$1,968**	**$9,255**	**–**	**–**
Lease obligations	**$12,362**	**11,723**	**8,362**	**5,989**	**3,181**	**$4,064**
Total	**$12,362**	**$13,734**	**$10,330**	**$15,244**	**$3,181**	**$4,064**

(*5) Held-to-maturity and other securities with readily determinable fair value as of March 31, 2013 and 2012, are as follows:

	Millions of Yen			Thousands of U.S.dollars (Note 5)		
	2013			**2013**		
	Carrying value	**Fair value**	**Unrealized gains (losses)**	**Carrying value**	**Fair value**	**Unrealized gains (losses)**
Held-to-maturity	**¥1,350**	**¥1,347**	**(¥3)**	**$14,362**	**$14,330**	**($32)**
	Carrying value	**Acquisition cost**	**Unrealized gains (losses)**	**Carrying value**	**Acquisition cost**	**Unrealized gains (losses)**
Other securities with carrying value exceeding acquisition cost						
Stocks	**¥1,679**	**¥961**	**¥718**	**$17,862**	**$10,223**	**$7,639**
Other	**310**	**300**	**10**	**3,298**	**3,191**	**107**
Subtotal	**1,989**	**1,261**	**728**	**21,160**	**13,414**	**7,746**
Other securities with carrying value not exceeding acquisition cost						
Stocks	**1,614**	**1,901**	**(287)**	**17,170**	**20,223**	**(3,053)**
Other	**395**	**400**	**(5)**	**4,202**	**4,255**	**(53)**
Subtotal	**2,009**	**2,301**	**(292)**	**21,372**	**24,479**	**(3,107)**
Total	**¥3,998**	**¥3,562**	**¥436**	**$42,532**	**$37,893**	**$4,639**

	Millions of Yen		
	2012		
	Carrying value	Acquisition cost	Unrealized gains (losses)
Held-to-maturity	¥1,424	¥1,420	(¥4)
	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, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2013	2012	**2013**
Projected benefit obligation	**¥11,360**	¥11,149	**$120,851**
Plan assets	**(7,713)**	(6,677)	**(82,053)**
Unfunded benefit obligation	**3,647**	4,472	**38,798**
Unrecognized actuarial difference	**(1,054)**	(1,547)	**(11,213)**
Unrecognized prior service cost	**21**	25	**223**
Prepaid pension cost	**57**	34	**606**
Accrued retirement benefits to employees	**¥2,671**	¥2,984	**$28,414**

The components of retirement benefit expenses for the years ended March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. dollars (Note 5)
	2013	2012	**2013**
Service cost	**¥663**	¥592	**$7,053**
Interest cost	**161**	245	**1,713**
Expected return on plan assets	**(164)**	(213)	**(1,745)**
Amortization of unrecognized prior service cost	**(3)**	(3)	**(32)**
Amortization of unrecognized actuarial loss	**211**	167	**2,245**
Contribution to the multi-employer pension plan	**523**	513	**5,564**
Other*	**320**	319	**3,404**
Net retirement benefit expenses	**¥1,711**	¥1,620	**$18,202**

* Contribution paid to defined contribution pension scheme.

The assumptions used for calculation of retirement benefits for the years ended March 31, 2013 and 2012 are as follows:

	2013	2012
Method of attribution of estimated retirement benefits to periods of employee service	**Straight-line method**	Straight-line method
Discount rate	**1.5%**	1.5%
Expected return on plan assets	**2.5%**	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)
	2013	2012	**2013**
Deferred tax assets:			
Accrued enterprise tax	**¥115**	¥148	**$1,223**
Accrued employees' bonuses	**679**	734	**7,223**
Accounts payable and long-term accounts payable	**78**	79	**830**
Accrued retirement benefits to employees	**950**	1,087	**10,106**
Loss carried forward	**941**	737	**10,011**
Loss on write-down of investments in securities	**546**	444	**5,809**
Surplus on allowance for doubtful accounts	**121**	97	**1,287**
Unrealized loss on other securities	**–**	79	**–**
Unrealized gains	**598**	528	**6,362**
Others	**833**	693	**8,862**
Less: valuation allowance	**(1722)**	(1301)	**(18,319)**
Total deferred tax assets	**¥3,139**	¥3,325	**$33,394**
Deferred tax liabilities:			
Reserve for advanced depreciation of building	**(15)**	(16)	**(160)**
Acquired intangible assets	**(96)**	(129)	**(1,021)**
Unrealized loss on other securities	**(122)**	–	**(1,298)**
Others	**(178)**	(182)	**(1,894)**
Total deferred tax liabilities	**(411)**	(327)	**(4,372)**
Net deferred tax assets	**¥2,728**	¥2,998	**$29,022**

Reconciliation of actual tax rate is shown below:

	2013	2012
Effective statutory tax rate	**38.0%**	40.6%
Adjustments:		
Entertainment and other nondeductible expenses	**0.5**	1.6
Dividends and other nontaxable income	**(5.7)**	(6.0)
Inhabitant tax on per capita levy	**1.1**	1.5
Nondeductible amortization of goodwill	**2.3**	3.1
Eliminated dividend received from subsidiaries	**5.6**	5.8
Realization of tax benefits on operating losses	**(0.1)**	(0.2)
Tax credit for research and development expenses	**(0.3)**	(1.7)
Valuation allowance	**3.0**	6.7
Deferred tax assets reduced by change of taxation rates	**–**	3.6
Difference of subsidiaries' tax rates	**(1.8)**	(2.4)
Equity in earnings of affiliates	**0.3**	(0.3)
Others	**1.6**	3.0
Actual tax rate	**44.5%**	55.3%

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				
	2013				
	Reportable segments			Adjustments/ Eliminations	Consolidated
	Time Information	Environment	Total		
Net sales:					
Sales to third parties	**¥65,535**	**¥24,760**	**¥90,295**	**–**	**¥90,295**
Intersegment sales and transfers					
Total	**65,535**	**24,760**	**90,295**		**90,295**
Segment profit or loss	**¥7,846**	**¥2,293**	**¥10,139**	**(¥2,810)**	**¥7,329**
Segment assets	**¥49,761**	**¥19,499**	**¥69,260**	**¥40,216**	**¥109,476**
Depreciation and amortization	**2,743**	**419**	**3,162**	**396**	**3,558**
Investments accounted for by the equity method	**1,614**	**–**	**1,614**	**–**	**1,614**
Capital expenditures	**4,203**	**380**	**4,583**	**131**	**4,714**

	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
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

	Thousands of U.S. dollars (Note 5)				
	2013				
	Reportable segments			Adjustments/ Eliminations	Consolidated
	Time Information	Environment	Total		
Net sales:					
Sales to third parties	**$697,181**	**$263,404**	**$960,585**	–	**$960,585**
transfers	–	–	–	–	–
Total	**697,181**	**263,404**	**960,585**	–	**960,585**
Segment profit or loss	**$83,468**	**$24,394**	**$107,862**	**($29,894)**	**$77,968**
Segment assets	**$529,372**	**$207,436**	**$736,808**	**$427,830**	**$1,164,638**
Depreciation and amortization	**29,181**	**4,457**	**33,638**	**4,213**	**37,851**
Impairment loss for fixed assets	–	**0**	**0**	–	**0**
Investments accounted for by the equity method	**17,170**	–	**17,170**	–	**17,170**
Capital expenditures	**44,713**	**4,043**	**48,756**	**1,394**	**50,150**

(2) Supplementary Information

(a) Geographic segments

Information by geographic areas based on location for the years ended March 31, 2013 and 2012, is summarized as follows:

	Millions of Yen						
	2013						
	Domestic (in Japan)	**Overseas**			**Total**	**Eliminations/ Corporate**	**Consolidated Total**
		Asia	**North America**	**Europe**			
Net sales:							
Customers	**¥67,713**	**¥7,099**	**¥10,046**	**¥5,437**	**¥90,295**		**¥90,295**
Intersegment	**1,479**	**362**	**141**	**16**	**1,998**	**(¥1,998)**	
Total	**69,192**	**7,461**	**10,187**	**5,453**	**92,293**	**(1,998)**	**90,295**
Operating income	**¥8,895**	**¥654**	**¥303**	**¥169**	**¥10,021**	**(¥2,692)**	**¥7,329**

	Millions of Yen						
	2012						
	Domestic (in Japan)	Overseas			Total	Eliminations/ Corporate	Consolidated Total
		Asia	North America	Europe			
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

	Thousands of U.S. dollars (Note 5)						
	2013						
	Domestic (in Japan)	**Overseas**			**Total**	**Eliminations/ Corporate**	**Consolidated Total**
		Asia	**North America**	**Europe**			
Net sales:							
Customers	**$720,351**	**$75,521**	**$106,873**	**$57,840**	**$960,585**		**$960,585**
Intersegment	**15,734**	**3,851**	**1,500**	**171**	**21,256**	**($21,256)**	
Total	**736,085**	**79,372**	**108,373**	**58,011**	**981,841**	**(21,256)**	**960,585**
Operating income	**$94,628**	**$6,957**	**$3,223**	**$1,798**	**$106,606**	**($28,638)**	**$77,968**

(b) Overseas sales

Overseas sales for the years ended March 31, 2013 and 2012 are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 5)
	2013	2012	**2013**
Overseas sales			
Asia	**¥7,779**	¥7,032	**$82,755**
North America	**10,086**	9,427	**107,298**
Europe	**5,438**	5,858	**57,851**
Others	**90**	173	**958**
Total	**¥23,393**	¥22,490	**$248,862**
Percentage of overseas sales to consolidated net sales	**25.9%**	25.5%	

Overseas and export 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, 2013 and 2012:

	Yen		U.S.dollars (Note 5)
	2013	2012	**2013**
Amounts per share			
Net assets	**¥998.09**	¥940.07	**$10.618**
Net income:			
Basic	**52.04**	31.52	**0.554**

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

Director & Operating Officers
Toru UENO
Isao TERASAKI

(Outside) Director
Isao KISHI

(Full-time) Audit & Supervisory Board Member
Tsuyoshi FUJIWARA
Naoki NAKADA

(Outside) Audit & Supervisory Board Member
Yoshiyuki SATO
Takehide ITONAGA

Managing Operating Officer
Masamiki KONNO

Operating Officers
Kenji KOHORI
Bungo NOGAWA
Takeshi AKAGI
Kunihiro IHARA
Morio KANEKO
Minoru YONEZAWA
Yasuhiro SASAYA
Tatsuo NIIHO
Masahiko MORITA
Hiroyuki TSUDA
Myeong-Jin JEON

Domestic Operations

HEAD OFFICE

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

FACILITIES

YOKOHAMA Facility
TSUKUI Facility
HOSOE Facility
MIYAKODA Facility

SALES OFFICES

73 Sales Officers Located in major cities, including

SAPPORO Office
SENDAI Office
OMIYA Office
TOKYO Office
NAGANO Office
NIIGATA Office
YOKOHAMA Office
HAMAMATSU Office
NAGOYA Office
KANAZAWA Office
KYOTO Office
OSAKA 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 MANAGEMENT SERVICE CORPORATION
AMANO MAINTENANCE ENGINEERING CORPORATION
AMANO BUSINESS SOLUTIONS CORPORATION
ENVIRONMENTAL TECHNOLOGY CO., LTD.
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 TIME&PARKING SPAIN S.A.
C/. Plomo, N°5-7, Planta 2 - Oficina 2 -
08038 Barcelona, Espana

12. HOROSMART, S.A.
CORPORATE HEADQUARTERS
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