

FINANCIAL REPORT

April 2014 – March 2015



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, aiming to become a 100-year Company, the Group will work to address the following four priority challenges with “Challenge Ourselves to Advance to a New Stage” as its management concept:

- (i) Expansion of business: Increase sales and achieve an operating profit ratio of 10%
- (ii) Improvement in management efficiency: Increase earnings capacity aiming to achieve an ROE (return on equity) of 10%
- (iii) Strengthening of consolidated management: Increase the consolidated-to-non consolidated net sales ratio by 10% by growing domestic and overseas Group companies
- (iv) Evolution of corporate governance: Enhance the environment for internal controls for the entire Amano Group

Under these basic policies, the Company will carry out the following measures.

1. North American and European markets

North America: In the Parking Systems business, we will further expand business by stepping up sales of Amano McGann's new systems and by improving our ability to propose solutions through enhancement of peripheral services. In the Information System business, we will continue to scale up operations by launching a new series of Accu-Time Systems Inc. terminals into the market and developing cloud services. In the Clean Systems business, we will strengthen the business foundation and scale up operations of the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp. In the Environmental Systems business, we will boost sales of standard equipment to Japanese companies operating outside Japan, centering on automobile-related businesses.

Europe: In the Information Systems business, we will continue to enhance Horoquartz's French customer base and will strive to permeate and expand the markets in Belgium and Germany. In the Parking Systems business, we will strive to expand business by accelerating the deployment of low-cost barcode systems and focusing efforts on the new commissioned management services business.

2. Asian, Latin American and other emerging markets

Asia: In the Parking Systems business, we will scale up operations by expanding sales of barcode systems and enhancing the commissioned management services business. In the Environmental Systems business, we will strengthen our engineering capabilities as well as sales and service systems for Japanese companies operating in Asia by making use of the 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 cost competitiveness.

Latin America: In light of future local business expansion, we will explore market frontiers in the Information Systems, Parking Systems, and Environmental Systems businesses.

3. Japanese market

Japan: We will reinforce ties among Group companies and strengthen our capacity to provide holistic solutions (which cover hardware, software, and services) across all business fields both qualitatively and quantitatively. We will also increase our stable of customers by locking in existing customers as well as our flow of customers by acquiring new customers.

[2] Numerical targets

In FY 2016 (ending March 2017), the final fiscal year of the medium-term business plan, the Company aims to achieve net sales of at least ¥130,000 million and an operating profit of at least ¥13,000 million.

Numerical targets

(Millions of yen)

	FY 2014 (ending March 2015) Results		FY 2015 (ending March 2016) Amendment		FY 2016 (ending March 2017)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	109,837	7.5%	120,000	9.3%	130,000	8.3%
Operating profit	9,357	6.0%	11,300	20.8%	13,000	15.0%
Operating profit ratio (%)	8.5%	—	9.4%	—	10.0%	—
Ordinary profit	10,189	8.1%	11,700	14.8%	13,600	16.2%
Net profit	6,794	28.2%	7,300	7.4%	8,300	13.7%

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 (interim dividend of ¥13 and year-end dividend of ¥13), 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 40% 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 ¥23 per share, an increase of ¥6 per share compared with the amount paid at the end of the previous year. As a result, the annual per-share dividend will be ¥38 (including the ¥15 per share paid as the interim dividend). This corresponds to a dividend payout ratio of 42.8% and a 3.3% 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, 2016, we aim to pay an annual per-share dividend of ¥40 (with an interim dividend of ¥20 and a year-end dividend of ¥20).

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.



A stylized, handwritten signature in black ink, appearing to read 'I. Nakajima'.

Izumi NAKAJIMA
President
Representative Director

Business Performance

Analysis of Business Results

Business Results in the Year Ended March 31, 2015

During the fiscal year ended March 31, 2015, the Japanese economy seemed to be on track to a moderate recovery from the decline that set in following the consumption tax hike. This was because overseas economies enjoyed a rebound, led mainly by developed economies such as the United States, and as lower crude oil prices and the depreciation of the yen continued, capital investment was growing, thanks to an improvement in corporate profits, and also thanks to the support from government economic

measures and steady personal consumption due to improvements in the employment and income situation.

Amid this business environment, the Amano Group worked on global marketing and product deployment as well as the enhancement of its capacity to provide holistic solutions, based on its new medium-term business plan launched in April last year. Under this plan, the Group set forth the management concept of "Challenge to a New Stage," a concept aimed at making the organization a "100-year company." The Amano Group also concentrated on thoroughly uncovering customer

needs and strove to reduce the costs of goods sold (COGS) and selling, general, and administrative (SG&A) expenses.

As a result of the above, during the fiscal year under review, the Company recorded sales of ¥109,837 million, up by 7.5% year-on-year. Operating profit increased by 6.0% to ¥9,357 million, ordinary profit went up by 8.1% to ¥10,189 million, and net income increased by 28.2% to ¥6,794 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)

Category	FY2013		FY2014		Change	
	(April 1, 2013–March 31, 2014)		(April 1, 2014–March 31, 2015)			
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	22,979	22.5	23,558	21.5	579	2.5
Time Management Products	4,087	4.0	4,100	3.7	12	0.3
Parking Systems	48,808	47.8	51,817	47.2	3,009	6.2
Subtotal	75,876	74.3	79,477	72.4	3,601	4.7
Environment System business:						
Environmental Systems	18,157	17.8	20,639	18.8	2,481	13.7
Clean Systems	8,097	7.9	9,720	8.8	1,623	20.1
Subtotal	26,255	25.7	30,360	27.6	4,105	15.6
Total	102,131	100.0	109,837	100.0	7,706	7.5

Time Information System business

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

Information Systems

The business environment for this business division has remained solid because companies' information-related investments have continued to grow in Japan in light of the economic recovery. Furthermore, the cloud computing business sector has continued to expand in Japan.

In response to these market conditions, the Company added access control and mental health solutions to the "3-in-1" proposal comprising of time & attendance (T&A), payroll, and human-resource management, thus striving to make more proposals for comprehensive solutions associated with the transition from owning systems to using systems.

Domestic sales for the current term were as follows: hardware sales increased by ¥305 million (5.1%) year-on-year, software sales decreased by ¥236 million (6.7%), and sales generated by maintenance contracts and supplies services increased by ¥112 million (3.1%). The increase in hardware sales was a result of orders for large projects and increased sales of access control systems, and software sales decreased due to the

effects of the reduced sales momentum following a period of strong PC demand for the replacement of Windows XP-based PCs and a spike in consumer demand ahead of the consumption tax hike. By product category, T&A system sales decreased by ¥297 million (3.2%) while access control system sales were up by ¥481 million (40.4%). Overall overseas sales increased by ¥305 million (3.5%). The sales of Accu-Time Systems Inc. in North America decreased, and the sales of Horosmart S.A. in Europe increased, partly due to foreign exchange effects.

As a result of the above, sales in this business division totaled ¥23,558 million, representing an increase of 2.5% year-on-year.

Time Management Products

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 strengthening its Internet and mail order service-based sales promotions and launching new products such as a time recorder equipped with aggregation software compatible with PCs.

Regarding domestic sales for the current term, when compared with a year earlier, standard equipment sales increased by ¥27 million (2.3%) and supply goods sales decreased by ¥53 million (6.2%).

Although sales in Asia remained sluggish, sales in North America and Europe increased year-on-year. As a result, overall overseas sales increased by ¥48 million (3.9%).

As a result of the above, sales in this business division totaled ¥4,100 million, representing an increase of 0.3% year-on-year.

Parking Systems

To respond to the increasingly diverse needs of parking lot management in Japan the Parking Systems business division has been working on increasing the level of convenience for parking lot users, improving parking lot management efficiency by utilizing the Internet and ensuring safety and security in parking lots.

In response to these market conditions, the Company strove to enhance the functionality and usability of its system equipment offerings and to further strengthen its cooperation with major parking lot management firms. At the same time, the Company also concentrated on offering various services to small to medium-sized parking lot management firms provided by the Company's parking lot data centers. The Company has also made efforts to expand into new markets such as security-gate systems, toll road systems, bicycle parking systems, etc.

Parking equipment sales increased ¥302 million (1.7%) year-on-year. Revenue from maintenance contracts and supplies services decreased by ¥176 million (1.9%). The commissioned parking lot management business of Group subsidiary

Amano Management Service Corporation has been steadily expanding, and the number of parking spaces under management increased by 29,400 (10.4%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥2,203 million (16.8%). Sales for Amano McGann, Inc. in North America increased due to the launch of new systems while sales for Europe increased due to increased orders in Asian and Oceanian markets. Meanwhile, sales in the Asian region increased as sales in Korea grew due partly to foreign exchange effects.

As a net result of the above, the Parking Systems business division provided sales totaling ¥51,817 million, up by 6.2% 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

The operating environment for this business division continues to improve as capital investment in Japan is on a rising trend supported by the recovering economy. In addition, capital investment by Japanese companies operating abroad has also remained strong.

In this market environment, the Company strengthened its standard equipment proposals in Japan while seeking to win increased orders from customers in the pharmaceutical, foods and cosmetics markets. Meanwhile, with the aim of attracting demand from Japanese companies operating overseas, the Company reinforced its engineering abilities along with its sales and service platforms by enhancing cooperation with overseas Group companies. Moreover, it endeavored to achieve greater cost competitiveness by means of expanding its local procurement and assembly.

During the current term, domestic sales of standard equipment increased by ¥735 million (12.8%), sales of large-scale systems increased by ¥1,024 million (19.4%) and sales of maintenance contracts and supplies services increased by ¥34 million (1.0%) year-on-year.

Overall overseas sales increased by ¥888 million (27.2%). Spearheaded by the Asian market, capital investment by Japanese companies remained strong resulting in higher revenues.

As a result of the above, sales of this business division totaled ¥20,639 million, up by 13.7% year-on-year.

Clean Systems

This business division is seeing increasing needs for aesthetic maintenance services and high-value-added peripheral clean work in Japan; however, the prolonged corporate restraints on cleaning management costs still continues.

To cope with this market environment, the Company focused on

strengthening holistic cleanliness solutions by incorporating peripheral cleaning work. In addition, amid times of aging cleaning workers and an increasing number of non-experienced workers, the division worked on uncovering new demand by launching robotic cleaners which realize higher equipment safety levels, improved usability, and higher work efficiency without compromising quality.

Domestic sales for cleaning equipment decreased by ¥325 million (14.7%) year-on-year, revenue from maintenance contracts and supplies services decreased by ¥7 million (0.2%), and revenue from commissioned cleaning services decreased by ¥7 million (0.5%).

Overall overseas sales increased by ¥2,019 million (94.0%) as sales for North America grew owing to the contribution from the wooden floor sanding equipment business newly added to the business domain during the current term.

As a net result of the above, sales of this business division totaled ¥9,720 million, up by 20.1% year-on-year.

Analysis of Financial Condition

(i) Assets, liabilities, and net assets

• Assets

Total assets as of March 31, 2015 amounted to ¥131,560 million, up by ¥8,722 million from the previous fiscal year-end. Current assets increased by ¥6,862 million year-on-year. This was chiefly due to a ¥4,277 million increase in notes and accounts receivable-trade and a ¥1,358 million increase in raw materials and supplies. Fixed assets increased by ¥1,860 million year-on-year. This was primarily due to an increase of ¥1,923 million in intangible fixed assets, despite a decrease of ¥223 million in tangible fixed assets.

• Liabilities

Total liabilities as of March 31, 2015 amounted to ¥39,411 million, up by ¥56 million year-on-year. Current liabilities increased by ¥2,003 million year-on-year. This was attributable primarily to an increase of ¥1,503 million in other current liabilities due to an increase in accrued expenses and an increase of ¥1,059 million in trade notes and accounts payable. Fixed li-

abilities decreased by ¥1,947 million year-on-year. The principal factors behind this were a decrease of ¥1,643 million in net defined benefit liabilities associated with changes in accounting policies and other accounting changes.

• Net Assets

Total net assets as of March 31, 2015 amounted to ¥92,148 million, up by ¥8,665 million from the previous fiscal year-end. This was primarily due to an increase of ¥5,344 million in shareholders' equity due to the posting of net income and changes in accounting policies and an increase of ¥3,367 million in total accumulated other comprehensive income resulting from an increase in foreign currency translation adjustments.

(ii) Cash Flows

Consolidated cash and cash equivalents decreased by ¥1,148 million from the previous fiscal year-end to a total of ¥30,526 million as of March 31, 2015. The status of each type of cash flow at year-end and the underlying factors are as follows.

(1) Cash flow from operating activities

Net cash provided by operating activities totaled ¥7,518 million. This was attributable primarily to income before

income taxes amounting to ¥10,307 million, and depreciation and amortization amounting to ¥4,137 million, despite income taxes payments amounting to ¥4,585 million and an increase in trade notes and accounts receivable of ¥3,494 million.

(2) Cash flow from investing activities

Net cash used in investing activities totaled -¥6,519 million. This was largely due to expenditures of ¥7,541 million for the placement of time deposits, ¥2,238 million for the acquisition of tangible fixed assets, ¥2,044 million for the acquisition of business, and ¥2,000 million for the acquisition of securities. These outflows were more than offset by proceeds of ¥6,299 million from the withdrawal of time deposits and ¥2,300 million from the redemption of securities.

(3) Cash flow from financing activities

Net cash used in financing activities amounted to -¥2,969 million. This was chiefly due to the payment of dividends amounting to ¥2,450 million and repayment of finance lease obligations of ¥1,668 million, despite proceeds from sale and leaseback of ¥1,622 million.

Reference: Trend of cash flow indicators

	As of Mar. 31, 2011	As of Mar. 31, 2012	As of Mar. 31, 2013	As of Mar. 31, 2014	As of Mar. 31, 2015
Equity ratio (%)	70.3	69.6	69.8	67.6	69.8
Fair value equity ratio (%)	59.3	56.9	62.3	66.5	83.7
Ratio of cash flow to interest-bearing liabilities (%)	31.4	50.2	34.7	37.3	52.2
Interest coverage ratio	275.2	158.1	207.7	219.7	122.9

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, 2016

During the next fiscal year ending March 31, 2016, although the outlook for overseas economies is uncertain, we forecast that the Japanese economy will continue to recover with the improving trend of corporate profits thanks to the decline in crude oil prices and yen depreciation. Capital investment is expected to remain firm while the improving trend of employment and income situations will contribute to the recovery of individual consumption.

Amid this business environment, Amano Corporation and its Group companies continue to emphasize the following strategies: 1) emphasis on Time & Ecology business domains, and enhancement of core business; 2) becoming a niche leader in the business domain in which we excel; 3) ceaseless restructuring; and 4) management based on cash flow. In line with these four fundamental strategies, we will work to address the important challenges in the new medium-term business plan described in "3. Business Policies" on page 10 with a view to maximizing the corporate value of Amano Corporation while aiming to become a 100-year Company having "Challenge to a New Stage" as its management concept.

The following business results are projected for the next fiscal year

ending March 31, 2016: net sales of ¥120,000 million, operating profit of ¥11,300 million, ordinary profit of ¥11,700 million, and net income attributable to parent company shareholders of ¥7,300 million. These projections assume currency exchange rates of ¥117 to the US dollar and ¥125 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 (June, 2015).

(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, 2015, the Time Information System business accounted for 72.4% of total sales, and the Environment System business accounted for 27.6%. Before the deduction of unallocated expenses, the Time Information System business contributed 72.7% to operating profit, while the Environment System business contributed 27.3%. In terms of weighted average sales over the last five years, the Time Information System business accounted for 73.3% of total sales and 76.9% 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 provided periodic staff training through e-learning. Furthermore, the Company obtained the Privacy Mark certification in February 2014 and has implemented all possible measures to ensure information security, including supervision of service providers and thorough compliance with internal rules. Nevertheless, the occurrence of an unforeseen situation that results in loss or leakage of confidential or personal information as described above could have an adverse material impact on the Group's business performance due to factors such as loss of confidence.

(iv) Natural disasters

Natural disasters (e.g., large-scale earthquakes, windstorms, or floods) may damage human lives or property. The Amano Group has implemented necessary measures such as having employees always carry emergency contact information cards even during ordinary times, relocating file servers to external data centers, and developing a system for setting up an emergency response headquarters to respond to emergency situations. However, if offices or sites at sales and production bases are damaged or if a situation arises in which it is difficult for employees to engage in operations, business activities may be temporarily suspended.

(v) Overseas business development

The Amano Group has been developing its business globally in Japan, North America, Europe, and Asia. Therefore, there is a possibility that a situation may arise in which business operations are disrupted due to the application of unique laws, ordinances, or regulations or social disorder due to political disturbances, war, or terrorism, etc. in countries or regions where the Group conducts business, which may adversely impact the Group's business performance.

Issues to Be Addressed

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

I) Time Information System business

•Information Systems

In the Information Systems, the economic environment in Japan has become positive, and labor authorities have continued efforts to more strictly monitor unpaid overtime and long working hours (overworking); potential demand among companies for T&A systems, which are used to establish and build labor time management systems, has translated into effective demand in efforts to ensure compliance through appropriate working hours management. In addition, against the backdrop of the need to respond to the My Number System and the prevention of overworking as well as the review of labor standards to realize diverse working styles from the viewpoint of improving labor productivity, demand for both company system updates and systems for using cloud computing and smart devices is expected to increase.

Given this market environment, for small- and medium-sized enterprise markets, we will further strengthen proposals by adding the mental healthcare system to the 3-in-1 management system, covering T&A, payroll, and human resource management, and we will also expand the market by offering comprehensive solutions including hardware, software, and cloud services. In the medium-sized enterprise market, we will enter the financial accounting market by tying up with CREO CO., LTD. and work to expand op-

erations with the aim of becoming a “mini-ERP vendor” by enhancing software for T&A, human resources, payroll, and accounting as well as strengthening our consulting sales activities.

In overseas markets, we will expand and improve our cloud services in Europe and the United States. Further, Horoquartz (France) aims to expand its market into other areas of Europe, while Accu-Time Systems Inc. (North America) aims to strengthen its customer base by introducing a new series of terminals.

•Parking Systems

As for the Parking Systems, amidst the economic recovery, the parking lot-related market has been expanding against the backdrop of the vitalization of the real estate market and the recovery in automobile sales volume, etc. In addition to the need for parking lot management cost reduction, ensuring of safety and security in parking lots, and consideration of the environment, the need to propose solutions to improve user convenience has been increasing.

Given this market environment, we aim to become a “parking facility service provider” by further strengthening tie-ups with major parking lot management companies while improving the functions and operability of system equipment as well as providing various services through our parking lot data center for small- and medium-sized parking lot management companies. In addition, we will strengthen and expand our efforts related to facilities such as security gates, toll roads, and bicycle parking lots in order to expand our business.

As for overseas markets, in the United States, Amano McGann, Inc. will step up

sales of new systems and strengthen solution proposals by expanding and improving peripheral services to enlarge the market. In Europe, we will accelerate the development of low-cost barcode systems and expand our business by working on the new commissioned management service business. In Asia, we will aim to expand our business by strengthening low-end barcode systems and the commissioned management service business.

2) Environment System business

•Environmental Systems

In the Environmental Systems, capital investment has bottomed out in Japan as a result of the recovering economy, and Japanese-affiliated companies operating abroad exhibit a trend of increasing their capital investment, which has been expanding from China and Southeast Asia to the Americas.

Given this market environment, in Japan we will aggressively capture demand mainly for standard equipment and expand sales in the pharmaceutical, food, and cosmetics markets, which are expected to grow steadily. We will also work to strengthen our engineering capabilities and comprehensive sales, including that of peripheral equipment, by tie-ups with industrial equipment manufacturers with the aim of becoming a “global engineering multi-vendor.”

As for overseas markets, in Asia, we will strengthen our engineering capabilities and ability to offer products and render services to Japanese companies operating outside Japan by tie-ups between our Group companies across Asia and our head office in Japan. We will also expand our local procurement and assembly operations in order to enhance cost competitiveness. In North

and Latin America, we will boost sales of standard equipment to Japanese companies operating outside Japan, centering on automobile-related businesses.

•Clean Systems

In the Clean Systems, while the trend of companies trying to reduce cleaning costs continues, amid the aging of sanitary workers and an increase in the number of inexperienced workers, needs to improve safety and operability of cleaning equipment have been increasing. At the same time, the need for maintaining building aesthetics at low cost has also been increasing.

Given this market environment, in Japan we will strengthen our customer base by introducing cleaning robots and new products into the market, advancing into the factory market, and expanding sales of small scrubbers in response to the opening up of small urban supermarkets and the increase in the number of eat-in areas at convenience stores. With the aim of becoming a “total cleanliness service provider,” we also promote comprehensive proposals, including those for commissioned cleaning services and aesthetic maintenance.

In overseas markets, we will capitalize on the demand of Japanese-affiliated distribution companies opening up stores in the Asian region and further scale up our business by strengthening the operational foundation for the wooden floor sanding equipment division of Amano Pioneer Eclipse Corp. in North America.

Domestic Marketing

Business Activities

Information Systems

**System for the Middle-High Market:
"TimePro-VG" sales are growing.
Launched new system for the small
businesses!**

Since its launch in July 2013, the "TimePro-VG" designed for the Middle-High market, is now being used by many companies and orders continue to grow steadily. The "TimePro-VG" is highly evaluated for its functions such as alerts for long working hours, various calculations and flexible settings to meet the user company's requirements that come with a full range of support & services.

Looking forward we will aim to become a "Mini ERP vendor" by collaborating with CREO (an equity affiliate since March 2013) which developed and owns the software "ZeeM HR & Payroll" and "ZeeM Accounting". Together with Amano's T&A systems, it will enable us to offer a comprehensive solution from T&A, HR, Payroll and Accounting in full scale.

In addition, our time recorder equipped with PC software, the "TimeP@CK" was remodeled and released in October 2014 for the small businesses using time cards. Various enhancements have been made to facilitate diversifying needs such as multiple management, increased working shifts, irregular and flexible working hours etc. which small businesses now face. We will expand the marketing of "TimeP@CK" to various types of industries such as manufacturing, services, and retail.



Time Recorder
equipped with PC
software "TimeP@CK"

Parking Systems

Growing demand for bicycle parking systems! Accelerating global deployment

Bicycle and motorcycle parking lots were traditionally installed mainly as a part of urban development, but in recent years, such installations are expanding initiated by large commercial facilities and railway companies in the form of

coin parking and mechanized parking. Amano is in a position to apply its accumulated knowledge in car parking and is set to enhance services even further. For instance, the data center service "Parking Web" can be applied for bicycle / motorcycle parking where parking lot utilization and equipment monitoring can be centralized, the parking lot owner may opt for Amano's commissioned management, and the system can be configured to facilitate various methods of parking fee payment such as prepaid transportation IC cards.

Global deployment of parking systems is also progressing. In the US, the new "OPUS" series is being highly appraised by its users and orders are growing steadily. In Europe, orders for their low-cost bar code system the "Xparc" are strong especially from Asia and Oceania regions. In Southeast Asia, Amano is marketing a Japan-made low-end bar code system.

As a united force, the Amano group will continue to strive to expand the business by accelerating global deployment.

Environmental Systems

**Launched a new mist collector!
Capturing the demand of companies
expanding overseas**

Amid the strong sales of standard and large-scale systems, in November 2014 we launched a new oil mist collector the "EM-8ell". Compared to our conventional machines the "EM8ell" is more compact measuring approximately two thirds in size and weight. It has improved suction power while consuming only half the electricity. In addition we have achieved greater stability and safety by adopting stain-resistant electrodes. We plan to market this product towards domestic and overseas manufacturers of automotive parts, large users of metal molds, and factories involved with metal works.

The destination of domestic manufacturers advancing overseas is expanding from China & Southeast Asia to North & Latin America. In order to ensure our involvement in such overseas projects, we will increase the number of overseas offices with engineering capabilities and we will also strive to improve cost competitiveness by reinforcing local

procurement and assembly. In particular, as we expect more Japanese companies to set up operations in Mexico, we are strengthening the ties between domestic Sales & Marketing Units, Business Units and the local subsidiaries and at the same time investigations are underway to possibly set up our own presence there.



Electric oil mist collector "EM-8ell"

Clean Systems

**Expanding the business scale!
Cleaning robots and wooden floor
sanding equipment**

In Japan, the tendency to reduce cleaning costs continues amid aging veteran workers and a growing percentage of inexperienced workers. This is elevating the need for robotic cleaners, which enables efficiency and quality improvements at the same time. The "SE-500iX" is a robotic cleaner launched in March 2014 and it is being adopted by customers such as large commercial facilities and airports who pursue low cost aesthetic maintenance. In November 2014, the "SE-500iX" was exhibited at an exposition for facility management and cleaning service specialists, the "Clean EXPO 2014" which was held for the first time in Japan. The robotic cleaner attracted much attention. We aim to expand this robotic cleaner market through functional enhancements and new product launches.

Overseas, in North America, the cleaning business domain was expanded with the addition of the new wooden floor sanding business. The new business performed well and contributed greatly to the consolidated results of clean systems business. We will seek further expansion by broadening the product line and offer packaged deals which combine chemical products.



Amano's booth at the Clean EXPO 2014

Amano Group Companies

Amano USA Holdings, Inc.

Amano Cincinnati, Inc.

The ACI time division is expanding its Time Guardian terminal offering by integrating a new line of (TIS) time information systems terminals with its Time Guardian software suite. These new terminals will incorporate the latest functionality and features when communicating with our software. The terminals will be available in a variety of reader configurations such as MAG, Barcode and Proximity. All units offer communications via direct connect or Ethernet. Packaged together with our Time Guardian software, these new TIS products will be competitively priced and a perfect fit for small to medium sized business. We plan to offer these new packages through several sales channels. The projected release date for this new line of TIS products will be 3rd qtr. 2015.



The next generation Amano side printer is now in development. The ACI time division is planning to release the new time clock series in the coming months. In our effort to keep up with the changing market, ACI has developed a new side printer which incorporates several new features as well as the best characteristics from our previous side printer (PIX/TCX) series. The new clock utilizes a new processor which allows for future development. This new time clock was developed and is being built in our Ohio factory. The planned release date for this new time clock series is early 3rd qtr. 2015.

In our continued effort to improve the profitability of the ACI time division we are consolidating and relocating the Time Division Customer Service Department and the Time Clock Repair Department to the Ohio Factory. We believe that consolidating these two functions in the factory will allow us to take advantage of having both our customer facing team and our product production team in one location. Our goal is to improve customer satisfaction. Going forward all time product related repairs will be done in the Ohio factory. This allows us to report issues and resolve problems quickly.

Accu-Time Systems, Inc.

Accu-Time Systems, Inc. expanded its product line and began shipping its new custom design RDT terminal in 2014 to a major payroll provider. This new terminal boasts a large LCD display coupled with powerful computing power incorporated into a unique modular design. The modular design facilitates a faster and more flexible customization of options for user input and verification. Since November of 2014 to date, the company has shipped well over 1500 terminals.

On the revenue side, the TimeCom ERP

(Enterprise Resource Planning) time clock integration solution continues to experience a healthy sales growth. The product is well received by enterprise size customers. TimeCom compatibility with major ERP packages such as Workday, SAP or PeopleSoft and other ERP products, continues to drive global demand and expansion. The product is installed in the Americas, EMEA and the APAC regions. TimeCom is also the first Accu-Time Systems product release that leverages multi-year agreements and a recurring revenue model.



Additionally, Accu-Time Systems continues to diversify its revenue sources beyond a core product offering of time and attendance terminals. Professional services were introduced to augment the TimeCom product offering. The professional services include both implementation support and an expanded 24/7 technical support. The newly formed implementation team's services were engaged by all of the TimeCom customers.

Examples of the scope of the services deployed in the Americas include two large national end-user customers with very complex implementations. The first being an outdoor apparel company based in Ventura, California and the second customer is a San Diego, California based company that specializes in delivering flowers, chocolates, gift baskets, and unique personalized gifts.

Amano McGann, Inc.

General Overview

In 2014 Amano McGann, Inc. (AMI) exceeded both revenue and profit targets with record sales levels in Q4, driven primarily by the branch services, dealer network, Latin America sales, and Metric on-street segment, as well as strong revenues in the West Coast region.

Parking Automation Success

AMI began shipping the new OPUSeries parking terminals in Q3 of 2014. Both the AMI distribution channel and the market have embraced the new technology. As evident in our FY 2014 results, OPUSeries addresses today's parking automation needs with win rates of 36% on the back of this new product. In addition, going into FY 2015, OPUSeries represented better than 33% of our total sales pipeline. This is an impressive number with only six months of proposal development.

What contributed to this success and quickly validated the product was the unique launch strategy. The OPUSeries Road Show gave each branch office and distributor the opportunity to purchase an OPUS demo kit consisting of all core products and software. Demo kits were shipped to each participating office and Amano McGann's OPUS Subject Matter Experts hit 26 major cities providing over 156 live demonstrations of the new products to over 620 customers.

This unique approach accomplished several key objectives: product training for our 100+ member sales team, hands on training for our 300+ member service team and personalized face-to-face customer interaction and positive feedback on the new products. The results speak for themselves.

AMI Expansion

In November of 2014 3M Corporation announced they had made the decision to close its Parking Access and Revenue Control business formally known as Federal APD. This decision created opportunity for AMI to expand our distribution channel by adding another key channel partner. Amano currently has the largest channel to market in the industry that now includes one of 3M's largest and most successful dealers, ITR of Georgia.

In December Amano McGann merged the Amano Atlanta Branch with ITR's operations. The newly integrated organization will continue to provide the highest level of service and support to its combined customer base in Georgia and the Southeast.

The new Amano McGann / ITR organizations successfully installed the Classic Center in December of 2014. The Classic Center, Northeast Georgia's premier convention and performing arts facility, boasts over 600 spaces in their parking deck to accommodate patrons attending over 200 events every year.



The new system includes nine lanes of OPUSeries terminals with barcode FlexScan Readers, three Credit Card Only Pay-on-Foot Stations, the iParcProfessional Software Suite, eParcVal Online Web Validations, eFlexPrint Validations and Special Event System interfaced to a ticket alternative.

This robust system has made a positive impact for the center which prior to OPUSeries had never used parking automation. The new system is currently providing the Classic Center with the highest level of automation to improve access to the facility as well as company revenue, delivering a 100% cashless solution minimizing overhead costs associated with cash management, and a quick and convenient way for their customers to pre-purchase parking.

Building a Better Team

The Amano McGann Dealer Association was formed this year and includes Amano McGann's distribution network as well as AMI's Regional Vice Presidents and executives. The group meets twice a year to stay connected, leverage group resources, share best practices, build closer working relationships between AMI branch offices and distributors, and help grow our respective businesses.



The most recent meeting was held in

Florida in November of 2014. The group focused on topics such as risk management, maintenance agreements, competitor analysis/market activity, an OPUS update and a product/system roadmap for the future. The next planned meeting is set to take place in conjunction with the International Parking Institute Conference and Trade Show this coming summer.

Amano Pioneer Eclipse Corporation

In 2014 Amano Pioneer Eclipse Corporation (APEC) grew 57%, continuing a multi-year growth trend that started in 2010. The majority of APEC's growth in 2014 was driven by the acquisition of American Sanders® which contributed \$15M in revenue, which was 18% above budgeted expectations. Organic growth within APEC's cleaning business was 8%, highlighted by 18% growth in the United States, a result driven by continued improvements in personnel, increased focus in direct sales, and new product introductions. APEC's environmental business, Amano Environmental Americas (AEA), continues to develop a strong customer base throughout North America. Through improved distribution and manufacturing efficiencies, AEA realized 36% growth in machine sales and 157% growth in machine gross margins in 2014.

New product development continued to be a driving force in 2014. APEC launched several new chemical products into the cleaning market, including CLS Hard Floor Cleaner & Maintainer, a daily cleaner that seals and protects hard floors such as concrete, terrazzo, marble and quarry tile; EZ-Strip, an extra strength, low odor stripper ideal for environments where slow drying stripping procedures are required; TritonXLC, a no-rinse disinfectant cleaner with a neutral pH; and Nova, a high-fragrance disinfectant available in three scents. Several new models of cleaning machines were introduced in 2014. Both the 250ST Orbital Stripper and 225FP line of Floor Polishers were developed by cost effectively modifying products that were acquired as part of the American Sanders purchase. Also, APEC was awarded a multi-year contract to develop and manufacture



private label propane burnishers for one of the world's largest cleaning equipment manufacturers. This private label contract will result in annual incremental sales of approximately 1,500 propane burnishers, beginning in 2015.

Since the acquisition of American Sanders, APEC has focused on solidifying and building the relationship with our largest customer, a US based chain of home improvement stores. Buyers from this important customer

visited and toured the APEC plant in June of 2014. By the time of the June meeting in Sparta, NC, the APEC sales team had visited almost all of the customer's store locations and presented an analysis on findings which the customer took action on, resulting in increased revenue and improved customer satisfaction. Since then, APEC has continued to make product improvements on machines sold to this customer and APEC was recently awarded a test launch of two floor care chemicals and the 200BU Electric Burnisher in 30 of the customer's stores for 2015.

Other notable events, which drove sales over the past year, included several successful trade shows, including the NWFA show, ISSA/INTERCLEAN show, World of Concrete and rental shows for Ace, TruServ, Do It Best and The Home Depot. In September of 2014 APEC hosted its first open house in Sparta, NC. Customers and prospects from Virginia, North Carolina, South Carolina, Georgia and Florida came and attended workshops and training sessions.

Amano Europe Holdings, N.V.

Amano Europe, N.V.

In 2014 Amano Europe continued to grow both revenue and profit in the main business segments; parking solutions and time and attendance.

The X-Parc parking solution, our global parking solution, has been installed successfully in 30 different countries, including Malaysia, Australia, Hong Kong, India, Middle East and several African countries. With X-Parc Amano Europe is able to offer a robust, flexible and network centric solution based on barcode tickets that suits global market needs. Ease of integration, low cost of ownership and fast time to market are three of the several great and innovative benefits this system offers. With X-Parc Amano Europe is positioning itself as a solution and service provider in the global mobility market. We work on a further expansion into other major markets.



AstrowCloud



Astrow Cloud, the next generation of the proven T&A software solution for small and medium sized businesses with an installed base of more than 5,000 customers in Europe is getting widely accepted in several European countries. Today, more than 100 companies are using the cloud services. iTR-100 is now sold all over Europe



through different channels. iTR-100 stretches on the typical time recorder functionality by offering new and compelling cloud

services, like online support, payroll and reporting. Ultimately, iTR-100 is also the entry point for a further and seamless upgrade towards Astrow Cloud.

Amano Time & Parking Spain, S.A.

To satisfy our customers, we should be a good partner and adviser for them. We believe that our attitude based on that idea must bring BENEFIT not only to our customers but also to us.

One project acquired in 2014 convinced us again of the importance of that idea. It was a new parking machines installation project for a middle-sized store belonging to a regional supermarket chain. Our sales and technical staff visited the customer several times to avoid any kind of misunderstanding on their requirements as well as to propose the most appropriate functions and lay-out of machines with the purpose of increasing efficiency and reducing cost. Even after the installation of our X-Parc machines, our technicians, talking with their software company, arranged the functions in order that the both systems could work together. The X-Parc machines and their functions are appreciated by the customer, who trusts very much the quality of AMANO products and employees.



This project really represents our style of business here in Spain. Being convinced of it, we will continue seeking for BENEFIT to the customers.

Horoquartz

During 2014 Horoquartz observed steady growth of its activities in the major business lines. More specifically an increasing demand has been noticed for solutions that render optimization, like advanced scheduling software. With HQ Activity, major successes have been achieved in the retail and services field. This trend confirms that customers are now focusing more on operational efficiency improvement than on HR administration performance. Similar success has been booked with HQ Resources, a new scheduling solution that deals specifically with continuity constraints for municipalities and local authorities. All Horoquartz solutions have been deployed on the Microsoft Azure cloud platform as well in order to improve flexibility and reduce the cost for end-users. The P25 security solution has experienced steady growth in 2014 and as it represents now 25% of the turnover, it can be seen as a new core business



for Horoquartz. Horoquartz also entered in new partnership with Business & Decision, a leading company in the field business intelligence in order to provide our customers with comprehensive solutions in this field. Horoquartz was a major sponsor of the event "The Victories of Human Capital", held in Paris on 8 December 2014 where the award the 'HR Director of the year' was given. This event brought together 400 HR Directors from all the major French companies. Horoquartz remains number one for workforce management solutions in France with a market share of more than 20%.

Amano Time & Air Singapore Pte. Ltd.

We "Amano Time & Air Singapore Pte Ltd –Philippine Branch" started to operate new branch office on March 1, 2015. Our office is located south part of Metro Manila in Muntinlupa City. Philippines consists of 7,107 islands. With a population of about 100 million people, the Philippines is the seventh-most populated country in Asia and the 12th most populated country in the world.



Also, Philippine is one of most raising country in South East Asia and has biggest market share of Business Process Outsourcing (BPO) in the world. New, we are challenging to open the new market with new Filipino Amano family. We believe that we are catching up the market demand and are able to grow up with Philippines.

Amano Malaysia Sdn Bhd.

AM had recently been appointed as the preferred parking manager for the prestigious neighborhood shopping mall; Citta Mall of 1,200 bays spread over both ground and lower ground floor. It was a competitive tendering exercise involving all major established parking operators in Malaysia. While most major shopping malls car park are managed in-house, AM is proud to be appointed to manage the Citta Mall car park under such market conditions in Malaysia. Besides providing parking management services to Citta Mall, AM will provide maintenance services and supply of tickets/consumables to the current Amano GT Series.

Being the third car parks for AM in Kuala Lumpur, we believe we will gain the market confidence and recognition of AM's parking services, and will continue to expand the business to major cities like Johor Bahru and Penang.

For AM, we are currently still the only company that provides one-stop-service solutions on Management, Equipment Supply, Maintenance, Customer Service and Consumables Supply. In the highly com-

petitive Malaysia market, Amano brand has been continuously remained the Top Brand Choice favored by most owners due to its reliability, durability and servicing. AM is also currently the only company representing Amano principal in the market whereas other competing brands are all represented by local dealers or third party providers. By virtue of this presence, the Amano brand had gained further market confidence and support.

One of current major developments in Malaysia known as MyTown Project had recently awarded AM for the supply of the Amano GT Series. Being a retail-led mixed use development consisting of office, serviced apartments, retails and shopping mall (IKEA Store) with a total of 6,500 car park bays (1,810 ready in 2015), Amano brand had definitely made major quantum leap over other equipment brands. With the possibility of the client engaging AM for the car park management services, this will potentially provide the car park management business a major thrust into the market.

The Xparc system had created few notable major success stories. We have been able to sell this system to the top developer in Malaysia and importantly, this group has been a major supporter of the other management system for many years. We see this as a major breakthrough, well strategized and supported by both the sales and service team.

Another key account would be the MRCB Group, a top GLC (government-linked company) in town having its parking subsidiary; Semasa Parking utilizing the Xparc system. They have been a major contributor to the system with most of the car parks installing Xparc and being the major GLC, we foresee more new sites purchasing the system.

The LPRS which was installed and tested in the internationally recognized KLIA2 Airport car park had gained positive feedback through improving overall car park security and client had require further customizations.

The upcoming Touch N Go integration which is now nearing completion stage will provide another push for Amano brand by reinforcing further its Top Brand Choice in the market.



Amano Korea Corporation

"Intelligent LED Lighting & Parking Control System utilizing Omni directional cameras" Delivered!

The Intelligent LED Lighting Control System automatically controls the lighting by detecting real-time movement of vehicles, people and the surrounding luminous intensity through Omni directional cameras.

The system will activate the LED lighting at optimum levels based on the information it receives, for instance, it will illuminate 20 to 30 meters ahead of the vehicle at an optimum intensity depending on its speed. It is the most advanced lighting control system available. By combining this system AKC has developed a parking lot management system that can also be used for parking lot security. As a parking lot management system, one omni directional camera can monitor up to 6 bays along with the license plate numbers of the vehicles parked in the 6 bays. This information can be used to provide vehicle parking and location guidance. In terms of parking lot security, unlike the conventional unidirectional cameras, the omni directional cameras has a wider scanning range (360 degrees) thereby minimizing the required number of cameras to cover the same space, which in turn will minimize the total cost of the system.

The development of this system was completed last year and we are proud to announce that we have received an order for the system early this year.



NS Home Shopping Center

	Product	Model	Units Delivered	Remarks
1	LPR Device (Single)	GT8500K	1	For exit (lighting plate integrated type)
2	LPR Device (Dual)	GT8500KD	1	For entry (lighting plate integrated type)
3	Ticket Dispenser	GT2800S	1	Emergency backup only
4	LPR (Sub)	GT8400K	2	Ceiling type
5	Omni directional camera	AKC-OC-CB	83	12 Million Pixels
6	Auto Pay Station (Advance)	GT7100K	1	
7	Lighting (Parking lot)	LED-05	640	40W (with dimmer)
8	Parking Control Server	ATS2000S	1	
9	Parking Control Computer	ATS2000	1	
10	Credit Card Pay Station	GT6700DCT	1	
11	Gate	TFK-1630	3	

Images of the devices delivered



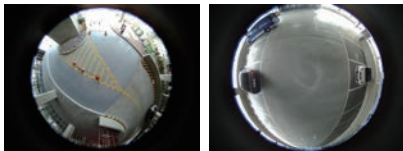
- Ordering Party: NS Home Shopping Center
- System Configuration: 1 Exit and 1 Entrance
- Parking bays: 476

The parking system is linked with the LED lighting control system and the main components delivered are as follows:

Operational sequence of the system:

1. When a vehicle enters the facility, the LPR device reads the license plate and sends the information to the server.

2. When the sensor (omni directional camera) detects a vehicle, the LED lights within a radius of 20m are activated at maximum illumination (adjustable by setting). The omni directional cameras light up in green or red to indicate vacant or full thereby guiding the driver where to park.
3. This particular system controls 476 parking bays with 83 omni directional cameras which are systematically linked with the LED lighting control system providing maximum hospitality "omotenashi" for the driver.
4. The omni directional cameras are constantly active and the images are recorded on the Network Video Recorder (NVR). The recorded video can be replayed anytime on demand. Thus the system also functions as a security system. The constant video recording deters crime and the video images could aid in solving crimes.

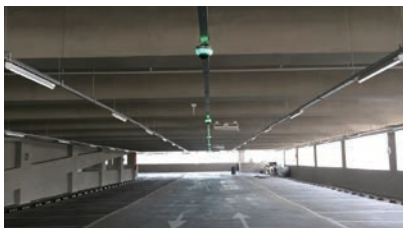


Video images from Omni directional cameras



4 Split analytical video images

In developing and delivering this system, AKC adopted the concept of linking two state-of-the-art systems in parking and LED lighting control. Although the system installation is scheduled for late June 2015, this comprehensive solution is attracting market attention.



Parking lot (Omni directional camera, LED lighting)

In Korea, the competition in parking systems is getting fierce. There are already 10 major competitors in parking systems alone and AKC is currently facing eroding margins and increased difficulties in winning bids. Under such circumstances, in order to generate revenues and profit, AKC has recognized the importance of developing products which differentiates them from others such as linking different systems that have different functions.

AKC has already developed an on-street flapless system and 3-bay camera system etc which are unique and backed by a

growing delivery track record. AKC will strive to enhance their ability to develop unique products that will not only differentiate them from others but will enable AKC to meet the needs of society and/or even create new standards.

Financial Highlights

For the years ended March 31, 2015 and 2014.

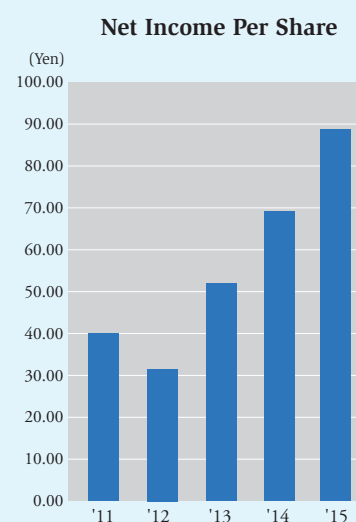
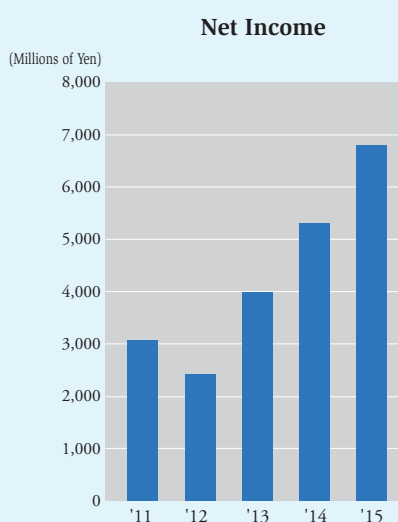
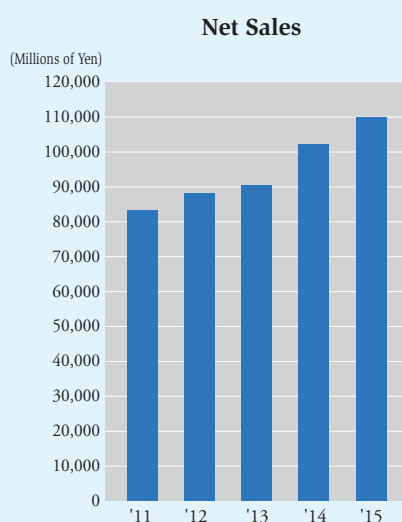
Yen in millions and U.S.dollars in thousands, except per share amounts

- See Note 4 to the Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
For the years ended March 31:			
Net sales	¥109,837	¥102,131	\$915,314
Net income.....	6,794	5,299	56,623
Per share data (Yen and U.S. Dollars):			
Net income per share (Basic)	¥88.71	¥69.19	\$0.739
Cash dividends per common share.....	38.00	30.00	0.317
At March 31:			
Total assets.....	¥131,560	¥122,838	\$1,096,334
Working capital	50,653	45,794	422,109
Total net assets	92,148	83,482	767,906
Sales by product:			
Time information systems	¥23,558	¥22,979	\$196,325
Time management equipment.....	4,100	4,087	34,170
Parking systems	51,817	48,808	431,816
Environmental systems	20,639	18,157	171,997
Cleaning systems	9,720	8,097	81,006

Note: U.S.dollar amounts have been translated at the rate of ¥120 = US \$1, the rate prevailing on March 31, 2015.

- See Note 4 to the Consolidated Financial Statement.



Consolidated Balance Sheets

As at March 31, 2015

ASSETS	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Current assets:			
Cash and bank deposits (Notes 7, 12 and 16)	¥35,126	¥35,014	\$292,722
Marketable securities (Note 16)	1,871	1,658	15,596
Notes and accounts receivable:			
Trade (Note 16)	32,861	28,584	273,844
Less allowance for doubtful accounts	(219)	(265)	(1,832)
	32,641	28,318	272,011
Inventories:			
Merchandise and finished goods	3,273	3,054	27,279
Work in process	680	761	5,675
Raw materials and supplies	4,661	3,303	38,848
Deferred tax assets (Note 18)	1,507	1,245	12,561
Other current assets	1,870	1,415	15,587
Total current assets	81,633	74,771	680,279
Property, plant and equipment, at cost:			
Buildings and structures (Note 7)	29,510	29,073	245,919
Machinery and equipment	18,706	18,563	155,891
Leased assets (Note 15)	7,549	6,590	62,913
	55,766	54,227	464,724
Less accumulated depreciation	(39,334)	(37,636)	(327,784)
	16,432	16,590	136,940
Land	7,274	7,247	60,620
Construction in progress	314	406	2,621
Total property, plant and equipment	24,021	24,244	200,180
Intangible fixed assets :			
Goodwill	4,866	5,128	40,554
Software	2,321	2,541	19,342
Software in progress	1,553	794	12,945
Other intangible fixed assets	3,538	1,890	29,489
Total intangible fixed assets	12,279	10,355	102,331
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates (Notes 6 and 16)	1,889	1,941	15,745
Investments in securities (Note 16)	5,790	4,831	48,254
Leasehold and guarantee deposits	1,025	1,054	8,546
Deferred tax assets (Note 18)	1,423	2,152	11,866
Other assets (Note 7)	3,917	3,892	32,642
Less allowance for doubtful accounts	(421)	(406)	(3,509)
Total investments and other assets	13,625	13,465	113,545
Total assets	¥131,560	¥122,838	\$1,096,334

	Millions of Yen		Thousands of U.S.dollars (Note 4)
LIABILITIES AND NET ASSETS	2015	2014	2015
Current liabilities:			
Trade notes and accounts payable (Note 16)	¥7,125	¥6,065	\$59,381
Electronically recorded monetary claims (Note 16)	6,538	6,320	54,489
Short-term bank loans (Note 7)	328	451	2,738
Lease obligations (Notes 15 and 16)	1,410	1,364	11,755
Accrued bonuses for employees	1,941	1,975	16,176
Accrued bonuses for directors	45	–	375
Accrued income taxes	2,295	3,007	19,128
Other current liabilities	11,295	9,791	94,129
Total current liabilities	30,980	28,976	258,170
Long-term liabilities:			
Long-term loans payable (Notes 7 and 16)	1,988	2,133	16,574
Liability for retirement benefits (Note 17)	2,515	4,158	20,960
Long-term accounts payable	186	189	1,556
Lease obligations (Notes 15 and 16)	3,381	3,412	28,176
Deferred tax liabilities (Note 18)	13	122	109
Asset retirement obligations	29	29	250
Other long-term liabilities	316	331	2,633
Total long-term liabilities	8,431	10,378	70,259
Total liabilities	39,411	39,355	328,429
Net assets (Notes 10 and 11):			
Shareholders' equity:			
Common stock			
Authorized - 185,476,000 shares			
Issued:			
March 31, 2015 and 2014 - 76,657,829 shares			
in 2015 and 2014	18,239	18,239	151,997
Capital surplus	19,293	19,293	160,776
Retained earnings	54,645	49,298	455,377
Treasury stock at cost, 66,585 shares in 2015 and 64,808 shares in 2014	(54)	(52)	(452)
	92,123	86,778	767,698
Accumulated other comprehensive income:			
Net unrealized gains (losses) on other securities	1,542	574	12,856
Foreign currency translation adjustments	(1,070)	(3,481)	(8,925)
Retirement benefits liability adjustments	(822)	(812)	(6,854)
	(350)	(3,718)	(2,923)
Minority interests in consolidated subsidiaries	375	422	3,131
Total net assets.....	92,148	83,482	767,906
Total liabilities and net assets	¥131,560	¥122,838	\$1,096,334

The accompanying notes are an integral part of these statements.

Consolidated Statement of Income, and Consolidated Statement of Comprehensive Income

For the years ended March 31, 2015

Consolidated Statement of Income

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Net sales	¥109,837	¥102,131	\$915,314
Cost of sales (Note 9)	62,221	57,840	518,509
Gross profit	47,616	44,290	396,806
Selling, general and administrative expenses (Notes 8 and 9)	38,259	35,464	318,828
Operating income	9,357	8,826	77,978
Other income (expenses):			
Interest and dividend income	291	176	2,426
Interest expense	(61)	(50)	(512)
Equity in earnings (losses) of affiliates	59	49	495
Foreign exchange gain (loss)	151	147	1,261
Gain on sale of fixed assets	7	24	65
Loss on disposal of fixed assets	(61)	(51)	(512)
Loss on sale of fixed assets	(0)	(3)	(2)
Extra retirement payments	(38)	(0)	(318)
Gain on sale of shares of consolidated subsidiaries (Note 19)	385	-	3,212
Gain on liquidation of subsidiaries	-	25	-
Impairment loss on fixed assets (Note 13)	(175)	(80)	(1,459)
Other, net	391	235	3,261
Income before income taxes and minority interests	10,307	9,299	85,897
Income taxes (Note 18):			
Current	3,921	4,039	32,680
Deferred	(555)	(160)	(4,626)
Income before minority interests	6,941	5,420	57,842
Minority interests in net income of consolidated subsidiaries	(146)	(121)	(1,219)
Net income	¥6,794	¥5,299	\$56,623

Consolidated Statement of Comprehensive Income

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Income before minority interests	¥6,941	¥5,420	\$57,842
Other comprehensive income (Note 14):			
Net unrealized gains (losses) on other securities	958	258	7,987
Translation adjustments	2,442	3,880	20,357
Retirement benefits liability adjustments	(10)	-	(84)
Share of other comprehensive income of companies accounted for by the equity method	22	35	191
Total other comprehensive income	3,414	4,174	28,451
Comprehensive income	¥10,355	¥9,594	\$86,293
Total comprehensive income attributable to:			
Shareholders of the Company	¥10,162	¥9,417	\$84,687
Minority interests	¥192	¥177	\$1,606

The accompanying notes are an integral part of these statements.

Consolidated Statement of Changes in Net Assets

For the years ended March 31, 2015

Millions of Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	¥18,239	¥19,293	¥49,298	(¥52)	¥86,778
Cumulative effect of change in accounting principle			1,012		1,012
Restated balance at April 1, 2014	18,239	19,293	50,310	(52)	87,791
Changes during the year					
Dividends from surplus			(2,450)		(2,450)
Net income			6,794		6,794
Purchase of treasury stock				(2)	(2)
Retirement of treasury stock					-
Change in the scope of consolidation			(9)		(9)
Net changes in items other than shareholders' equity					
Total changes during the year	-	-	4,334	(2)	4,332
Balance at March 31, 2015	¥18,239	¥19,293	¥54,645	(¥54)	¥92,123

	Accumulated other comprehensive income				Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains (losses) on other securities	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2014	¥574	(¥3,481)	(¥812)	(¥3,718)	¥422	¥83,482
Cumulative effect of change in accounting principle						1,012
Restated balance at April 1, 2014	574	(3,481)	(812)	(3,718)	422	84,495
Changes during the year						
Dividends from surplus						(2,450)
Net income						6,794
Purchase of treasury stock						(2)
Retirement of treasury stock						-
Change in the scope of consolidation						(9)
Net changes in items other than shareholders' equity	967	2,410	(10)	3,367	(46)	3,320
Total changes during the year	967	2,410	(10)	3,367	(46)	7,653
Balance at March 31, 2015	¥1,542	(¥1,070)	(¥822)	(¥350)	¥375	¥92,148

Thousands of U.S. dollars (Note 4)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	\$151,997	\$160,776	\$410,819	(\$434)	\$723,157
Cumulative effect of change in accounting principle			8,435		8,435
Restated balance at April 1, 2014	151,997	160,776	419,254	(434)	731,592
Changes during the year					
Dividends from surplus			(20,425)		(20,425)
Net income			56,623		56,623
Purchase of treasury stock				(18)	(18)
Retirement of treasury stock					-
Change in the scope of consolidation			(76)		(76)
Net changes in items other than shareholders' equity					
Total changes during the year	-	-	36,123	(18)	36,105
Balance at March 31, 2015	\$151,997	\$160,776	\$455,377	(\$452)	\$767,698

	Accumulated other comprehensive income				Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains (losses) on other securities	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2014	\$4,791	(\$29,008)	(\$6,770)	(\$30,987)	\$3,520	\$695,691
Cumulative effect of change in accounting principle						8,435
Restated balance at April 1, 2014	4,791	(29,008)	(6,770)	(30,987)	3,520	704,125
Changes during the year						
Dividends from surplus						(20,425)
Net income						56,623
Purchase of treasury stock						(18)
Retirement of treasury stock						-
Change in the scope of consolidation						(76)
Net changes in items other than shareholders' equity	8,064	20,084	(84)	28,064	(389)	27,675
Total changes during the year	8,064	20,084	(84)	28,064	(389)	63,780
Balance at March 31, 2015	\$12,856	(\$8,925)	(\$6,854)	(\$2,923)	\$3,131	\$767,906

Millions of Yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2013	¥18,239	¥19,567	¥49,385	(¥3,719)	¥83,472
Changes during the year					
Dividends from surplus			(1,991)		(1,991)
Net income			5,299		5,299
Purchase of treasury stock				(2)	(2)
Retirement of treasury stock		(274)	(3,395)	3,669	-
Net changes in items other than shareholders' equity					
Total changes during the year	-	(274)	(87)	3,667	3,306
Balance at March 31, 2014	¥18,239	¥19,293	¥49,298	(¥52)	¥86,778

	Accumulated other comprehensive income				Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains (losses) on other securities	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2013	¥316	(¥7,340)	¥-	(¥7,023)	¥268	¥76,718
Changes during the year						
Dividends from surplus						(1,991)
Net income						5,299
Purchase of treasury stock						(2)
Retirement of treasury stock						-
Net changes in items other than shareholders' equity	258	3,859	(812)	3,305	153	3,458
Total changes during the year	258	3,859	(812)	3,305	153	6,764
Balance at March 31, 2014	¥574	(¥3,481)	(¥812)	(¥3,718)	¥422	¥83,482

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

For the years ended March 31, 2015

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥10,307	¥9,299	\$85,897
Depreciation and amortization	4,137	3,711	34,476
Amortization of goodwill	765	668	6,380
Impairment loss on fixed assets	175	80	1,459
Increase (decrease) in provision for accrued retirement benefits	—	(2,724)	—
Increase (decrease) in liability for retirement benefits	(15)	2,897	(131)
Increase (decrease) in allowance for doubtful accounts	(54)	(3)	(454)
Interest and dividend income	(291)	(176)	(2,426)
Equity in (earnings) losses of affiliates	(59)	(49)	(495)
Interest expenses	61	50	512
Foreign currency translation (gain) loss	(101)	30	(846)
Extra retirement payments	38	0	318
Gain (loss) on sale of shares of consolidated subsidiaries	(385)	—	(3,212)
Gain (loss) on sale of fixed assets	(7)	(21)	(64)
Loss on disposal of fixed assets	61	51	512
(Increase) decrease in trade notes and accounts receivable	(3,494)	(2,089)	(29,124)
(Increase) decrease in inventories	(1,007)	217	(8,393)
Increase (decrease) in trade notes and accounts payable	973	958	8,111
Others	787	1,002	6,564
Subtotal	11,889	13,902	99,082
Interest and dividends received	280	244	2,339
Interest paid	(61)	(50)	(510)
Payment for extra retirement payments	(38)	(0)	(318)
Income taxes paid	(4,585)	(3,084)	(38,210)
Income taxes refunded	32	23	274
Net cash provided by operating activities	7,518	11,035	62,658
Cash Flows from Investing Activities:			
Payment for purchase of marketable securities	(2,000)	(2,000)	(16,667)
Proceeds from redemption of marketable securities	2,300	2,200	19,167
Payment for purchase of property, plant and equipment	(2,238)	(3,225)	(18,658)
Proceeds from sale of property, plant and equipment	20	33	170
Payment for acquisition of intangible assets	(1,738)	(2,250)	(14,489)
Payment for acquisition of investments in securities	(56)	(306)	(467)
Increase in time deposits	(7,541)	(5,267)	(62,849)
Decrease in time deposits	6,299	4,683	52,493
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	394	—	3,286
Payment for business acquisition	(2,044)	—	(17,037)
Loans to third parties	(10)	(7)	(83)
Collection of loans	4	11	36
Others	92	46	773
Net cash used in investing activities	(6,519)	(6,081)	(54,326)
Cash Flows from Financing Activities:			
Proceeds from short-term bank loans	—	145	—
Repayment of short-term bank loans	(445)	(264)	(3,715)
Proceeds from long-term debt	—	972	—
Payment for acquisition of treasury stock	(2)	(2)	(18)
Repayments of finance lease obligations	(1,668)	(1,507)	(13,904)
Proceeds from sale and leaseback	1,622	1,891	13,522
Dividends paid	(2,450)	(1,991)	(20,425)
Dividends paid to minority interests	(25)	(24)	(209)
Net cash used in financing activities	(2,969)	(780)	(24,749)
Effect of exchange rate changes on cash and cash equivalents	719	881	5,995
Net increase (decrease) in cash and cash equivalents	(1,250)	5,054	(10,422)
Cash and cash equivalents at beginning of year	31,674	26,587	263,955
Increase due to inclusion in consolidation	102	—	854
Increase in cash and cash equivalents resulting from merger of consolidated subsidiary and unconsolidated subsidiary	—	32	—
Cash and cash equivalents at end of year (Note 12)	¥30,526	¥31,674	\$254,387

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, “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. As permitted by the Financial Instruments and Exchange Act, amounts of less than one million yen have been rounded off. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts. Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

2. Principles of Consolidation

(1) Scope of Consolidation

The Company had 26 consolidated subsidiaries at March 31, 2015. 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 subsidiar-

ies are consolidated using their financial statements as of their respective fiscal year end, which falls on December 31, 2014 and necessary adjustments are made to their financial statements to reflect any significant transactions from January 1 to March 31, 2015. All significant intercompany balances and transactions have been eliminated in consolidation.

(2) Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

None of the 4 unconsolidated subsidiaries are accounted for by the equity method, because the effect of their net income or losses and retained earnings on the accompanying consolidated financial statements is immaterial. The affiliates accounted for by the equity method are listed below:

- Parkinsys Technology Co., Ltd.
- Creo Co., Ltd.

3. Summary of Significant Accounting Policies

(1) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(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, based on the estimated useful lives, except for buildings acquired on or after April 1, 1998 computed on the straightline method. The ranges of

the useful lives of assets are:

Buildings and structures 7-50 years
Machinery and vehicles 7-17 years
Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

(4) Intangible Assets

Intangible assets are amortized using the straight-line method. Software costs for internal use are amortized by the straight-line method over their expected useful lives (five years). Software developed for external sale is amortized over the estimated sales period, 3 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) Leased Assets

Leased 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.

(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 any 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 section 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 subsidiaries and affiliates are translated at the foreign exchange rates prevailing at the respective balance sheet dates except for 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 the 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 statement 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 from companies with financial difficulty, which could affect the debtors’ ability to perform their obligations, the allowance is provided for estimated unrecoverable amounts individually.

(11) Retirement Benefits

The Company and some of its subsidiaries recognize accrued pension and severance costs to employees based on the actuarial valuation of projected benefit obligation and plan assets at their value. The retirement benefit obligation for employees is attributed to each period by the benefit formula method. 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) Accrued Employees’ Bonuses

Accrued employees’ bonuses at the balance sheet date are based on an estimate of the amounts to be paid as bonuses for services rendered by employees by that date.

(13) Accrued Directors’ Bonuses

Accrued directors’ bonuses at the balance sheet date are based on an estimate of the amounts to be paid as bonuses for services rendered by directors by that date.

(14) Research and Development Expenses

Research and development expenses are charged to income as incurred.

(15) Net Income and Dividends per Share

Basic net income per share is computed based on the net income and 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 numbers 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 statement of income represent actual dividends declared as applicable to a common stock during the respective fiscal period.

(16) 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 con-

tract 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.

(17) Accounting for Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(18) Accounting Changes

The Company and its domestic subsidiaries adopted Section 35 of “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 of May 17, 2012) and the main clause of Section 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25 of March 26, 2015) effective from April 1, 2014. As a result, the methods for calculating the retirement benefit obligation and service cost have been revised in the following respects: the method for attributing projected benefits to each period has been changed from the straight-line method to the benefit formula method, and the method for determining the discount rate has been changed to the use of different discount rates reflecting the estimated timing of each benefit payment. Under the previous method, the discount rate was determined based on the use of the period approximate to the expected average remaining working lives of the employees.

The cumulative effect of changing the method for calculating the retirement benefit obligation and service cost was recognized by adjusting retained earnings at April 1, 2014, in accordance with the transitional treatment provided in Section 37 of Accounting Standard for Retirement Benefits.

As a result, the liability for retirement benefits decreased by ¥ 1,571 million (\$ 13,062 thousand) and retained earnings

increased by ¥ 1,012 million (\$ 8,414 thousand) at April 1, 2014, and consolidated operating income, income before income taxes and minority interests for the year ended March 31, 2015 increased by ¥ 95 million (\$ 789 thousand), respectively. Also, net assets per share at March 31, 2015 increased by ¥ 14.02 (\$ 0.116), and net income per share for the year ended March 31, 2015 increased by ¥ 0.80 (\$ 0.006).

4. United States Dollar Amounts

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars at a rate of ¥ 120 = US\$1, the approximate effective rate of exchange prevailing on March 31, 2015. The inclusion of U.S. dollar amounts is solely for convenience of readers outside Japan and is not intended to imply that yen amounts could be converted, realized, or settled in U.S. dollars at that, or any other rate.

5. Standards Issued but Not Yet Effective

On September 13, 2013, the ASBJ issued “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7), “Revised Accounting Standard for Earnings Per Share” (ASBJ Statement No.2), “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10) and “Revised Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No.4).

(1) Overview

Under these revised accounting standards, the accounting treatment for any changes in a parent’s ownership interest

in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to “minority interests” was changed to “non-controlling interests,” and transitional provisions for these accounting standards were also defined.

(2) Scheduled date of adoption

The Company expects to adopt these revised accounting standards and guidance from the beginning of the fiscal year ending March 31, 2016.

(3) Impact of adopting revised accounting standards and guidance

The Company is currently evaluating the effect of adopting these revised standards on its consolidated financial statements.

On March 26, 2015, the ASBJ also issued “Revised Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF No.18).

(1) Overview

The revision was made in order to reflect the change in the accounting treatment of goodwill under US GAAP in January 2014, reflect the revision of Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22) in September 2013, and clarify necessary adjustments related to retirement benefits.

(2) Scheduled date of adoption

The Company expects to adopt the revised practical solution from the beginning of the fiscal year ending March 31, 2016.

(3) Impact of adopting revised accounting standards and guidance

The Company is currently evaluating the effect of adopting this revised practical solution on its consolidated financial statements.

6. Investments in Unconsolidated Subsidiaries and Affiliates

Among investments in securities, the amount in aggregate corresponding to unconsolidated subsidiaries and affiliates at March 31, 2015 and 2014 is as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Investments in equity securities	¥1,750	¥1,802	\$14,583
Others	138	138	1,150

7. Assets Pledged as Collateral and Obligations Secured by Collateral

As at March 31, 2015 and 2014, the following assets were pledged as collateral:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Cash and bank deposits	¥65	–	\$542
Buildings and structures	35	¥33	292
Long-term bank deposits	2	–	17

As at March 31, 2015 and 2014, such collateral secured the following obligations:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Short-term bank loans	¥16	¥19	\$133
Long-term loans payable	5	19	42
	¥21	¥39	\$175

8. Selling, General and Administrative Expenses

Selling, general and administrative expenses during the years ended March 31, 2015 and 2014 principally include:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Employees' bonuses	¥1,371	¥1,360	\$11,425
Directors' bonuses	45	–	375
Retirement benefits	1,232	1,145	10,267
Salaries and allowances	16,795	15,659	139,958
Allowance for doubtful accounts	(30)	(66)	(250)

9. Research and Development Costs

Research and development costs included in selling, general and administrative expenses and manufacturing cost for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Research and development costs	¥1,465	¥1,269	\$12,208

10. Changes in Shareholders' Equity

Changes in "Shares issued and outstanding" and "Shares of treasury stock" during the period from April 1, 2014 to March 31, 2015 are as follows:

(1) Shares issued and outstanding

Share type	As of April 1, 2014	Increase	Decrease	As of March 31, 2015
Common stock (shares)	76,657,829	–	–	76,657,829

(2) Shares of treasury stock

Share type	As of April 1, 2014	Increase	Decrease	As of March 31, 2015
Common stock (shares)	64,808	1,777	–	66,585

(Reason of change)

The increase in the number of shares is due to the purchases of shares less than one unit.

Changes in "Shares issued and outstanding" and "Shares of treasury stock" during the period from April 1, 2013 to March 31, 2014 are as follows:

(1) Shares issued and outstanding

Share type	As of April 1, 2013	Increase	Decrease	As of March 31, 2014
Common stock (shares)	81,257,829	–	4,600,000	76,657,829

(Reason of change)

The decrease in the number of shares is due to the retirement of treasury stock.

(2) Shares of treasury stock

Share type	As of April 1, 2013	Increase	Decrease	As of March 31, 2014
Common stock (shares)	4,662,695	2,113	4,600,000	64,808

(Reason of change)

The increase in the number of shares is due to the purchases of shares less than one unit.

The decrease in the number of shares is due to the retirement of treasury stock.

11. Dividends

Information on dividends for the fiscal year ended March 31, 2015 is as follows:

(1) Dividends paid

Resolution	Share type	Total dividend (Millions of Yen)	Total dividend (Thousands of U.S.dollars)	Dividend per share (Yen)	Dividend per share (U.S.dollars)	Date of record	Effective date
Ordinary general meeting of shareholders, June 27, 2014	Common stock	¥1,302	\$10,851	¥17	\$0.142	March 31, 2014	June 30, 2014
Board of directors meeting, November 5, 2014	Common stock	¥1,148	\$9,574	¥15	\$0.125	September 30, 2014	December 2, 2014

(2) Dividends for which the date of record falls in the fiscal year under review, but the effective date is after the end of the fiscal year.

Resolution	Share type	Dividend funding	Total dividend (Millions of Yen)	Total dividend (Thousands of U.S.dollars)	Dividend per share (Yen)	Dividend per share (U.S.dollars)	Date of record	Effective date
Ordinary general meeting of shareholders, June 26, 2015	Common stock	Retained earnings	¥1,761	\$14,675	¥23	\$0.192	March 31, 2015	June 29, 2015

Information for dividends for the fiscal year ended March 31, 2014 is as follows:

(1) Dividends paid

Resolution	Share type	Total dividend (Millions of Yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary general meeting of shareholders, June 27, 2013	Common stock	¥995	¥13	March 31, 2013	June 28, 2013
Board of directors meeting, November 6, 2013	Common stock	¥995	¥13	September 30, 2013	December 3, 2013

(2) Dividends for which the date of record falls in the fiscal year under review, but the effective date is after the end of the fiscal year.

Resolution	Share type	Dividend funding	Total dividend (Millions of Yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary general meeting of shareholders, June 27, 2014	Common stock	Retained earnings	¥1,302	¥17	March 31, 2014	June 30, 2014

12. Cash and Cash Equivalents

Reconciliations of cash and cash equivalents to the amounts shown in the consolidated balance sheet as at March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Cash and bank deposits	¥35,126	¥35,014	\$292,722
Marketable securities	1,871	1,658	15,592
Sub total	36,998	36,672	308,317
Time deposits due over three months	(5,070)	(3,690)	(42,250)
Marketable securities due over three months	(1,401)	(1,307)	(11,675)
Cash and cash equivalents	¥30,526	¥31,674	\$254,387

For the year ended March 31, 2015, the carrying value at the time of sale of the assets and liabilities of the former subsidiary, Scopus-Omnibadges, S.A.S., which was deconsolidated as a result of its sale, was as follows:

Current assets	¥ 420 million	(\$ 3,500 thousand)
Non-current assets	¥ 188 million	(\$ 1,567 thousand)
Total assets	¥ 608 million	(\$ 5,067 thousand)
Current liabilities	¥ 124 million	(\$ 1,033 thousand)
Non-current liabilities	¥ 34 million	(\$ 283 thousand)
Total liabilities	¥ 158 million	(\$ 1,317 thousand)

(Supplemental disclosure of non-cash transactions)

The significant non-cash transactions for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Leased assets	¥1,117	¥1,569	\$9,308
Lease obligations	1,707	2,002	14,225

13. Impairment Loss on Fixed Assets

Impairment loss on fixed assets for the years ended March 31, 2015 and 2014 is summarized as follows:

Location	Purpose of use	Category	Millions of Yen		Thousands of U.S.dollars (Note 4)
			2015	2014	2015
Amano Corporation (Japan)	Idle assets	Buildings and structures	¥155	–	\$1,292
	Idle assets	Machinery and equipment	0	–	6
Amano Cincinnati, Inc. (U.S.A.)	Business use	Machinery and equipment	–	¥80	–
Accu-Time Systems, Inc. (U.S.A.)	Business use	Other intangible fixed assets	18	–	150
Total			¥175	¥80	\$1,459

Method to Group Assets:

The Company and its subsidiaries group assets according to minimum units that generate 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, 2014, the total amount of projected future cash flows generated from the asset group of Amano Cincinnati, Inc. 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.

In the year ended March 31, 2015, certain idle assets related to the manufacturing integration of parking management equipment in Amano Corporation were identified. In addition, the total amount of projected future cash flows from the business-use assets of Accu-Time Systems, Inc. fell below the book value. As a result, the book values of these assets were reduced to the recoverable amounts, and the reductions were recognized as impairment losses based on US-GAAP.

Calculation of Recoverable Amount:

In the year ended March 31, 2014, the recoverable amount for the said assets is reasonably estimated based on the net selling price, such as real estate appraisal value.

In the year ended March 31, 2015, the recoverable amount for the idle assets of Amano Corporation is reasonably estimated based on the value in use. Future cash flows were determined to be zero.

The recoverable amount for the business-use assets of Accu-Time Systems, Inc. is reasonably estimated based on the value in use.

The future cash flows are calculated using a discount rate of 16.0 %.

14. Other Comprehensive Income

The following table presents reclassification adjustments and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Net unrealized gains (losses) on other securities:			
Amount arising during the year	¥1,293	¥360	\$10,775
Reclassification adjustments	–	–	–
Amount before tax effect	1,293	360	10,775
Tax effect	(335)	(102)	(2,792)
Net unrealized gains (losses) on other securities	958	258	7,987
Translation adjustments:			
Amount arising during the year	2,494	3,880	20,783
Reclassification adjustments	(51)	–	(425)
Amount before tax effect	2,442	3,880	20,357
Tax effect	–	–	–
Translation adjustments	2,442	3,880	20,357
Retirement benefits liability adjustments:			
Amount arising during the year	(108)	–	(900)
Reclassification adjustments	157	–	1,308
Amount before tax effect	48	–	400
Tax effect	(58)	–	(483)
Retirement benefits liability adjustments	(10)	–	(84)
Share of other comprehensive income of companies accounted for by the equity method:			
Amount arising during the year	22	35	191
Total other comprehensive income	¥3,414	¥4,174	\$28,451

15. Lease Commitments

(1) Lessees' accounting

Minimum future lease payments under operating leases subsequent to March 31, 2015 and 2014 for non-cancelable operating leases are summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Due within one year	¥79	¥107	\$658
Due over one year	585	661	4,875
Total	¥664	¥769	\$5,533

(2) Lessors' accounting

Minimum future lease income under operating leases subsequent to March 31, 2015 and 2014 for non-cancelable operating leases is summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Due within one year	¥99	¥99	\$825
Due over one year	905	1,004	7,542
Total	¥1,004	¥1,104	\$8,367

16. Financial Instruments

Overview

(1) Management policy

The management policy of the Company is to invest surplus funds into low-risk financial instruments. The Company has not held any high-risk financial instruments.

(2) Financial instruments and their risks

Both notes receivable and accounts receivable as operating receivables are exposed to credit-related losses in the event of nonperformance by counterparties. Trade notes, accounts payable and electronically recorded monetary claims as trade liabilities are due and payable within one year. Marketable securities and investments in securities are exposed to changes in 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 an established credit management policy, whereby credit risk exposure arising from both notes and accounts receivable is monitored on an ongoing basis in order to detect credit deterioration as well as to trigger appropriate minimizing measures at its early stages.

Held-to-maturity investments are subject to the examination and decision of the Funds Management Review Committee and accordingly, investments largely consist of negotiable deposits and high graded securities, which are considered to have minimal credit risk.

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

Marketable securities and investment securities are marked to market and the financial condition of the issuer (client company) is monitored periodically.

In addition, the holdings of bonds and securities, other than held-to-maturity investments, are reviewed on an ongoing basis, taking into consideration the relationship, and other factors, with the issuer.

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

The Company has managed liquidity risk by holding appropriate funds based on the forecasts, and actual cash flow is continuously monitored by the management.

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

The fair values of financial instruments are based on quoted market prices. If quoted market prices are unavailable, the fair values are estimated based on the prices which are assessed as reasonable by the Company. Since the Company takes contingent variable factors into account when estimating 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, 2015 and 2014 are as follows:

Financial instruments whose fair values are difficult to estimate are not stated in the following table; refer to (* 2).

	Millions of Yen			Thousands of U.S.dollars (Note 4)		
	2015			2015		
	Carrying value	Estimated fair value	Difference in amounts	Carrying value	Estimated fair value	Difference in amounts
(1) Cash and bank deposits	¥35,126	¥35,126	–	\$292,722	\$292,722	–
(2) Notes and accounts receivable	32,861	32,861	–	273,844	273,844	–
(3) Marketable securities and investments in securities						
① Held-to-maturity	1,350	1,348	(¥1)	11,250	11,233	(\$8)
② Subsidiaries and affiliates	1,472	991	(480)	12,267	8,258	(4,000)
③ Other securities	5,934	5,934	–	49,450	49,450	–
Total (Assets)	¥76,744	¥76,262	(¥482)	\$639,533	\$635,517	(\$4,017)
(4) Trade notes and accounts payable	¥7,125	¥7,125	–	\$59,381	\$59,381	–
(5) Electronically recorded monetary claims	6,538	6,538	–	54,489	54,489	–
Total (Liabilities)	¥13,664	¥13,664	–	\$113,867	\$113,867	–

	Millions of Yen		
	2014		
	Carrying value	Estimated fair value	Difference in amounts
(1) Cash and bank deposits	¥35,014	¥35,014	–
(2) Notes and accounts receivable	28,584	28,584	–
(3) Marketable securities and investments in securities			
① Held-to-maturity	1,300	1,296	(¥3)
② Subsidiaries and affiliates	1,424	880	(543)
③ Other securities	4,812	4,812	–
Total (Assets)	¥71,135	¥70,588	(¥547)
(4) Trade notes and accounts payable	¥6,065	¥6,065	–
(5) Electronically recorded monetary claims	6,320	6,320	–
Total (Liabilities)	¥12,386	¥12,386	–

(NOTES)

(* 1): Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions.

Assets:

(1) Cash and bank deposits, and (2) 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:

Since negotiable certificate of deposits are settled in a short period of time, their carrying values approximate fair value. The fair value of the other 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 at March 31, 2015 and 2014.

Liabilities:

(4) Trade notes and accounts payable, and (5) Electronically recorded monetary claims:

Since these items are settled in a short period of time, their carrying value approximates fair value.

(*2): Financial instruments whose fair values are difficult to estimate are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Unlisted securities (Carrying value)	¥655	¥756	\$5,458

The unlisted securities 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 claims and securities with maturities subsequent to the balance sheet date is as follows:

	Millions of Yen			
	2015			
	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	¥35,126	–	–	–
Notes and accounts receivable	32,861	–	–	–
Marketable securities and investments in securities:				
Held-to-maturity securities	1,100	¥250	–	–
Other securities with maturities	300	100	–	–
Total	¥69,387	¥350	–	–

	Millions of Yen			
	2014			
	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	¥35,014	–	–	–
Notes and accounts receivable	28,584	–	–	–
Marketable securities and investments in securities:				
Held-to-maturity securities	1,000	¥300	–	–
Other securities with maturities	300	400	–	–
Total	¥64,898	¥700	–	–

	Thousands of U.S.dollars (Note 4)			
	2015			
	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	\$292,722	–	–	–
Notes and accounts receivable	273,844	–	–	–
Marketable securities and investments in securities:				
Held-to-maturity securities	9,167	\$2,083	–	–
Other securities with maturities	2,500	833	–	–
Total	\$578,225	\$2,917	–	–

(*4) Repayment schedule for bonds payable, long-term loans payable, lease obligations and other interest-bearing liabilities subsequent to the balance sheet date:

		Millions of Yen					
		2015					
		Due within 1 year	The second year	The third year	The fourth year	The fifth year	Thereafter
Long-term loans payable		–	¥1,282	¥66	¥500	¥31	¥107
Lease obligations		¥1,410	1,195	930	668	307	279
Total		¥1,410	¥2,478	¥997	¥1,168	¥339	¥386

		Millions of Yen					
		2014					
		Due within 1 year	The second year	The third year	The fourth year	The fifth year	Thereafter
Long-term loans payable		–	¥296	¥1,130	¥69	¥500	¥136
Lease obligations		¥1,364	1,147	924	657	395	287
Total		¥1,364	¥1,444	¥2,055	¥726	¥895	¥423

		Thousands of U.S.dollars (Note 4)					
		2015					
		Due within 1 year	The second year	The third year	The fourth year	The fifth year	Thereafter
Long-term loans payable		–	\$10,683	\$550	\$4,167	\$258	\$892
Lease obligations		\$11,755	9,958	7,750	5,567	2,558	2,325
Total		\$11,755	\$20,650	\$8,308	\$9,733	\$2,825	\$3,217

(*5) Held-to-maturity and other securities with readily determinable fair value as at March 31, 2015 and 2014 are as follows:

		Millions of Yen			Thousands of U.S.dollars (Note 4)		
		2015			2015		
		Carrying value	Fair value	Unrealized gains (losses)	Carrying value	Fair value	Unrealized gains (losses)
Held-to-maturity		¥1,350	¥1,348	(¥1)	\$11,250	\$11,233	(\$8)

		Carrying value	Acquisition cost	Unrealized gains (losses)	Carrying value	Acquisition cost	Unrealized gains (losses)
Other securities with carrying value exceeding acquisition cost							
Stocks		¥5,064	¥2,975	¥2,089	\$42,200	\$24,792	\$17,408
Other		685	679	6	5,708	5,658	50
Subtotal		5,749	3,654	2,095	47,908	30,450	17,458
Other securities with carrying value not exceeding acquisition cost							
Stocks		–	–	–	–	–	–
Other		184	185	(1)	1,533	1,542	(8)
Subtotal		184	185	(1)	1,533	1,542	(8)
Total		¥5,934	¥3,840	¥2,094	\$49,450	\$32,000	\$17,450

		Millions of Yen		
		2014		
		Carrying value	Fair value	Unrealized gains (losses)
Held-to-maturity		¥1,300	¥1,296	(¥3)

		Carrying value	Acquisition cost	Unrealized gains (losses)
Other securities with carrying value exceeding acquisition cost				
Stocks		¥2,260	¥1,396	¥864
Other		574	559	15
Subtotal		2,834	1,955	879
Other securities with carrying value not exceeding acquisition cost				
Stocks		1,495	1,572	(76)
Other		481	483	(1)
Subtotal		1,977	2,056	(78)
Total		¥4,812	¥4,011	¥800

17. 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 a multi-employer contributory funded pension plan as a supplement to its existing retirement benefit scheme.

In addition, certain subsidiaries have lump-sum payment plans and a defined benefit corporate pension plan. They calculate the retirement benefit expenses, and assets and liabilities for retirement benefits by means of a simplified method.

Multi-employer scheme

The required contributions for the employees' pension fund system, which is a multi-employer pension scheme that is accounted for in the same manner as a defined contribution plan, were ¥ 550 million and ¥ 529 million in the years ended March 31, 2015 and 2014, respectively.

- (1) Most recent funded status of the multi-employer plan

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	As of March 31, 2014	As of March 31, 2013	As of March 31, 2014
Amount of pension assets	¥60,068	¥58,017	\$500,567
Total of amount of pension obligations based on amount of pension financing calculations in the scheme and minimum reserve amount (Note)	75,422	74,004	628,517
Net amount	(¥15,354)	(¥15,987)	(\$127,950)

Note : In the previous year, the item "amount of pension obligations based on amount of pension financing calculations in the scheme" was presented separately.

- (2) Amount paid by the Company as a percentage of contributions to the multi-employer plan

For the year ended March 31, 2013:	21.9%
For the year ended March 31, 2014:	22.6%

- (3) Supplemental information

The net amount in (1) above was mainly due to a prior service obligation in pension financing (As of March 31, 2013: ¥ 9,509 million; As of March 31, 2014: ¥ 9,040 million). The method of amortizing the prior service obligation in this plan is to evenly amortize the principal and interest over a period of 20 years, and special contributions of ¥ 185 million and ¥ 179 million were expensed in the Company's consolidated financial statements in the years ended March 31, 2015 and 2014, respectively. The percentage of the Company's contribution in (2) above does not match the percentage of its actual pension obligation.

The changes in the retirement benefit obligation for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Balance at the beginning of the year	¥11,834	¥11,091	\$98,617
Cumulative effect of change in accounting principle	(1,571)	-	(13,092)
Restated balance at the beginning of the year	10,263	11,091	85,525
Service cost	749	626	6,242
Interest cost	93	174	775
Actuarial gain	397	489	3,308
Retirement benefits paid	(495)	(567)	(4,125)
Prior service cost	-	(12)	-
Other	(9)	32	(75)
Balance at the end of the year	¥10,999	¥11,834	\$91,658

The changes in plan assets for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Balance at the beginning of the year	¥7,876	¥7,586	\$65,633
Expected return on plan assets	196	189	1,633
Actuarial gain	283	80	2,358
Contributions by the Company	758	541	6,317
Retirement benefits paid	(440)	(524)	(3,667)
Other	0	2	0
Balance at the end of the year	¥8,675	¥7,876	\$72,292

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2015 and 2014 for the Company's and the consolidated subsidiaries' defined benefits plans:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Funded retirement benefit obligation	¥10,880	¥11,716	\$90,667
Plan assets at fair value	(8,675)	(7,876)	(72,292)
	2,204	3,839	18,367
Unfunded retirement benefit obligation	119	118	992
Net liability for retirement benefits in the balance sheet	2,324	3,958	19,367
Liability for retirement benefits	2,324	3,958	19,367
Asset for retirement benefits	—	—	—
Net liability for retirement benefits in the balance sheet	¥2,324	¥3,958	\$19,367

The components of retirement benefit expense for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Service cost	¥749	¥626	\$6,242
Interest cost	93	174	775
Expected return on plan assets	(196)	(189)	(1,633)
Amortization of actuarial loss	166	184	1,383
Amortization of prior service cost	(3)	(16)	(25)
Retirement benefit expense	¥808	¥780	\$6,733

The components of retirement benefits liability adjustments included in other comprehensive income (before tax effect) for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Prior service cost	(¥3)	—	(\$25)
Actuarial gain	52	—	433
Total	¥48	—	\$400

The components of retirement benefits liability adjustments included in accumulated other comprehensive income (before tax effect) as of March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Unrecognized prior service cost	¥14	¥17	\$117
Unrecognized actuarial loss	(1,226)	(1,278)	(10,217)
Total	(¥1,212)	(¥1,261)	(\$10,100)

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2015 and 2014 are as follows:

	Millions of Yen	
	2015	2014
General accounts	9%	9%
Bonds	77%	77%
Stocks	12%	12%
Other	2%	2%
Total	100%	100%

The expected return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

The assumptions used in accounting for the above plans were as follows:*

*They are calculated by the weighted average method.

	2015	2014
Discount rate	1.0%	1.6%
Expected long-term rate of return on plan assets	2.5%	2.5%
Expected rates of salary increases	5.1%	5.1%

For defined benefit plans to which the simplified method is applied, the changes in the retirement benefit obligation for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Balance at the beginning of the year	¥126	¥142	\$1,050
Retirement benefit expense	33	21	275
Retirement benefits paid	(28)	(14)	(233)
Contributions to plans	(23)	(22)	(192)
Other	0	0	0
Balance at the end of the year	¥109	¥126	\$908

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2015 and 2014 for the Company's and the consolidated subsidiaries' defined benefits plans:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Funded retirement benefit obligation	¥158	¥137	\$1,317
Plan assets at fair value	(193)	(166)	(1,608)
	(35)	(28)	(292)
Unfunded retirement benefit obligation	144	155	1,200
Net liability for retirement benefits in the balance sheet	109	126	908
Liability for retirement benefits	191	200	1,592
Asset for retirement benefits	(81)	(73)	(675)
Net liability for retirement benefits in the balance sheet	¥109	¥126	\$908

Retirement benefit expenses calculated using the simplified method for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Retirement benefit expenses	¥33	¥21	\$275

Contributions to defined contribution plans of the Company and its consolidated subsidiaries for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Contributions to defined contribution plans	¥357	¥335	\$2,975

18. Income Taxes

Deferred tax assets and liabilities (both current and non-current) as at March 31, 2015 and 2014 consisted of the following elements:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
	2015	2014	2015
Deferred tax assets:			
Accrued enterprise tax	¥122	¥181	\$1,017
Accrued employees' bonuses	691	731	5,758
Accounts payable and long-term accounts payable	57	95	475
Net liability for retirement benefits	778	1,445	6,483
Loss carried forward	1,227	1,173	10,225
Loss on write-down of investments in securities	311	599	2,592
Surplus on allowance for doubtful accounts	106	128	883
Unrealized gains	645	641	5,375
Others	1,207	935	10,058
Less: valuation allowance	(1,524)	(2,175)	(12,700)
Total deferred tax assets	¥3,624	¥3,756	\$30,200
Deferred tax liabilities:			
Reserve for advanced depreciation of building	(12)	(14)	(100)
Acquired intangible assets	(19)	(66)	(158)
Unrealized loss on other securities	(559)	(223)	(4,658)
Others	(115)	(176)	(958)
Total deferred tax liabilities	(706)	(481)	(5,883)
Net deferred tax assets	¥2,918	¥3,275	\$24,317

Reconciliation of the effective statutory tax rate and the actual tax rate is shown below:

	2015	2014
Effective statutory tax rate	35.6%	38.0%
Adjustments:		
Entertainment and other nondeductible expenses	0.5	0.4
Dividends and other nontaxable income	(3.9)	(3.7)
Inhabitant tax on per capita levy	0.8	0.9
Nondeductible amortization of goodwill	2.0	2.2
Eliminated dividend received from subsidiaries	3.1	3.4
Realization of tax benefits on operating losses	(0.6)	0.0
Tax credit for research and development expenses	(0.5)	(0.5)
Valuation allowance	(4.6)	0.8
Deferred tax assets reduced by change of taxation rates	1.2	0.8
Difference of foreign subsidiaries' taxation rates	(1.3)	(1.5)
Equity in earnings of affiliates	(0.2)	(0.2)
Others	0.6	1.1
Actual tax rate	32.7%	41.7%

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) and the "Act for Partial Amendment of the Local Tax Act, etc." (Act No.2 of 2015) were promulgated on March 31, 2015. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 35.6% to 33.0% and 32.2% for the temporary differences expected to be realized or settled in the year beginning April 1, 2015 and for the temporary differences expected to be realized or settled from April 1, 2016, respectively. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets, after offsetting deferred tax liabilities, by ¥ 24 million (\$ 200 thousand), increase deferred income tax expense by ¥ 125 million (\$ 1,041 thousand) and unrealized gain on other securities by ¥ 59 million (\$ 491 thousand) and decrease retirement benefits liability adjustments by ¥ 41 million (\$ 341 thousand) as of and for the year ended March 31, 2015.

19. Business Combinations and Divestitures

Business Divestitures

(1) Outline of business divestiture

A. Name of acquiring company:

SCOPUS FINANCE S.A.S

B. Divested business:

Manufacturing and selling various cards

C. Reasons for business divestiture:

Although the Group is pursuing the development of the time information system business centered on the consolidated subsidiary Horoquartz, S.A. in Europe, for the card business of Scopus-Omnibadges, S.A.S. the outlook for future growth is unclear. In addition, in terms of core business of Horoquartz, S.A., the divested business had little relevance. Therefore, the Company decided to sell all of the shares of Scopus-Omnibadges, S.A.S. held through the European holding company Horosmart, S.A.

D. Date of business divestiture:

February 3, 2015

E. Legal form of transaction:

Business transfer due to the sale of shares

(2) Outline of accounting treatment implemented

A. Gain on sale of shares of consolidated subsidiary:

¥ 385 million (\$ 3,212 thousand)

B. Carrying values of the assets and liabilities transferred in the business divestiture were as follows:

Current assets	¥ 420 million	(\$ 3,500 thousand)
Non-current assets	¥ 188 million	(\$ 1,567 thousand)
Total assets	¥ 608 million	(\$ 5,067 thousand)
Current liabilities	¥ 124 million	(\$ 1,033 thousand)
Non-current liabilities	¥ 34 million	(\$ 283 thousand)
Total liabilities	¥ 158 million	(\$ 1,317 thousand)

(3) Accounting treatment:

The difference between the acquisition price and consolidated carrying value of Scopus-Omnibadges, S.A.S. is recorded as gain on sale of shares of consolidated subsidiaries, which is included in other gain, net in the consolidated statement of income for the year ended March 31, 2015.

(4) Reportable segment in which the transferred business was included:

Time information system business

(5) Estimated operating results of transferred business until the date of business divestiture reported in the consolidated statement of income for the year ended March 31, 2015.

Net sales	¥ 983 million	(\$ 8,192 thousand)
Operating income	¥ 225 million	(\$ 1,875 thousand)

20. 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 system business
2. Environment system business

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

Millions of Yen					
2015					
	Reportable segments		Adjustments/ Eliminations	Consolidated	
	Time information system business	Environment system business			
Net sales:					
Sales to third parties	¥79,477	¥30,360	¥109,837	–	¥109,837
Intersegment sales and transfers	–	–	–	–	–
Total	79,477	30,360	109,837	–	109,837
Segment profit or loss	8,961	3,363	12,325	(2,967)	9,357
Segment assets	60,217	26,007	86,224	45,335	131,560
Depreciation and amortization	3,203	538	3,742	394	4,137
Impairment loss for fixed assets	175	–	175	–	175
Investment in equity-method affiliates	1,695	–	1,695	–	1,695
Increase in tangible and intangible fixed assets	5,711	1,022	6,733	42	6,775

Millions of Yen					
2014					
	Reportable segments		Adjustments/ Eliminations	Consolidated	
	Time information system business	Environment system business			
Net sales:					
Sales to third parties	¥75,876	¥26,255	¥102,131	–	¥102,131
Intersegment sales and transfers	–	–	–	–	–
Total	75,876	26,255	102,131	–	102,131
Segment profit or loss	9,457	2,233	11,690	(2,864)	8,826
Segment assets	57,336	21,007	78,344	44,493	122,838
Depreciation and amortization	2,854	436	3,290	421	3,711
Impairment loss for fixed assets	80	–	80	–	80
Investment in equity-method affiliates	1,646	–	1,646	–	1,646
Increase in tangible and intangible fixed assets	5,508	272	5,781	133	5,915

Thousands of U.S. dollars (Note 4)					
2015					
	Reportable segments		Adjustments/ Eliminations	Consolidated	
	Time information system business	Environment system business			
Net sales:					
Sales to third parties	\$662,311	\$253,003	\$915,314	–	\$915,314
Intersegment sales and transfers	–	–	–	–	–
Total	662,311	253,003	915,314	–	915,314
Segment profit or loss	74,679	28,031	102,709	(24,731)	77,978
Segment assets	501,809	216,730	718,539	377,796	1,096,334
Depreciation and amortization	26,698	4,490	31,188	3,288	34,476
Impairment loss for fixed assets	1,459	–	1,459	–	1,459
Investment in equity-method affiliates	14,129	–	14,129	–	14,129
Increase in tangible and intangible fixed assets	47,592	8,517	56,108	350	56,458

(2) Related Information

Geographic Segments

Information by geographic region for the years ended March 31, 2015 and 2014 is summarized as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
Net sales:	2015	2014	2015
Japan	¥75,013	¥72,937	\$625,113
North America	13,948	12,484	116,240
Others	20,875	16,709	173,961
Total	¥109,837	¥102,131	\$915,314

	Millions of Yen		Thousands of U.S.dollars (Note 4)
Tangible fixed assets:	2015	2014	2015
Japan	¥20,906	¥21,324	\$174,222
Others	3,114	2,920	25,957
Total	¥24,021	¥24,244	\$200,180

(3) Information on both “amortization of goodwill” and “unamortized balance” by reportable segments as at and for the years ended March 31, 2015 and 2014 is summarized as follows:

	Millions of Yen				
	2015				
	Reportable segments			Eliminations/ Corporate	Total
	Time information system business	Environment system business	Total		
Amortization of goodwill	¥721	43	¥765	–	¥765
Unamortized balance	¥4,456	409	¥4,866	–	¥4,866

	Millions of Yen				
	2014				
	Reportable segments			Eliminations/ Corporate	Total
	Time information system business	Environment system business	Total		
Amortization of goodwill	¥668	–	¥668	–	¥668
Unamortized balance	¥5,128	–	¥5,128	–	¥5,128

	Thousands of U.S.dollars (Note 4)				
	2015				
	Reportable segments			Eliminations/ Corporate	Total
	Time information system business	Environment system business	Total		
Amortization of goodwill	\$6,013	\$366	\$6,379	–	\$6,379
Unamortized balance	\$37,138	\$3,415	\$40,554	–	\$40,554

As described in “Accounting changes,” the Company and its domestic subsidiaries adopted Section 35 of “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 of May 17, 2012) and the main clause of Section 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25 of March 26, 2015) effective from April 1, 2014. As a result, segment profit of the Time information system business increased by ¥ 63 million, segment profit of the Environment system business increased by ¥ 28 million and adjustments to segment profit increased by ¥ 3 million.

21. Per Share Data

Net assets and net income per share as at and for the years ended March 31, 2015 and 2014 are as follows:

(1) Net assets per share

	Yen		U.S.dollars (Note 4)
	2015	2014	2015
Net assets per share	¥1,198.22	¥1,084.44	\$9.985

Note: As described in “Accounting changes,” the retirement benefits accounting standards, etc. are applied according to the transitional treatment stipulated in Section 37 of Accounting Standard for Retirement Benefits. As a result, net assets per share at March 31, 2015 increased by ¥ 14.2.

The basis for these calculations is as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
Total net assets in consolidated balance sheet	¥92,148	¥83,482	\$767,898
Amount to be deducted from total net assets	375	422	3,131
(Out of the above minority interest portion)	(375)	(422)	(3,131)
Net assets relating to common stock	91,772	83,060	764,767

	Shares	
Number of shares of common stock used to compute net assets per share	76,591,244	76,593,021

(2) Net income per share

	Yen		U.S.dollars (Note 4)
	2015	2014	2015
Net income per share	¥88.71	¥69.19	\$0.739

Notes: 1. As described in “Accounting changes,” the retirement benefits accounting standards, etc. are applied according to the transitional treatment stipulated in Section 37 of the retirement benefits accounting standard. As a result, net income per share for the year ended March 31, 2015 increased by ¥ 0.80.

2. Diluted net income per share is omitted as there were no potential shares with dilutive effect.

The basis for these calculations is as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 4)
Net income in the consolidated statement of income	¥6,794	¥5,299	\$56,623
Net income relating to common stock	6,794	5,299	56,623

	Shares	
Average number of shares of common stock outstanding during the year	76,592,083	76,594,071

Corporate Data

Domestic Operations

HEAD OFFICE

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

FACILITIES

SAGAMIHARA Factory
HOSOE Factory

SALES OFFICES

70 Sales Offices 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

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

Board of Directors

Chairman & Representative Director

Kaoru HARUTA

President & Representative Director

Izumi NAKAJIMA

Director & Managing Operating Officer

Minoru KOYAMA
Hiroshi SHIRAISHI
Toru UENO
Isao TERASAKI

Director & Operating Officer

Takeshi AKAGI
Yasuhiro SASAYA

(Outside) Director

Isao KISHI
Kiyoshi KAWASHIMA

(Full-time) Audit & Supervisory Board Member

Naoki NAKADA
Haruhiko YAMAGUCHI

(Outside) Audit & Supervisory Board Member

Yoshiyuki SATO
Takehide ITONAGA

Managing Operating Officer

Kenji KOHORI
Bungo NOGAWA

Operating Officer

Kunihiro IHARA
Minoru YONEZAWA
Tatsuo NIIHO
Masahiko MORITA
Myeong-Jin JEON
Tetsuhiro KONDO
Jun NAKAKURO

Overseas Operations

1. AMANO USA HOLDINGS, INC.
2. AMANO CINCINNATI, INC.
3. AMANO CINCINNATI, INC. OHIO FACTORY
4. AMANO CINCINNATI CANADA INC.
5. AMANO PIONEER ECLIPSE CORPORATION
6. AMANO McGANN, INC.
7. ACCU-TIME SYSTEMS, INC.

8. ACCU-TECH SYSTEMS, Ltd.
9. AMANO EUROPE HOLDINGS, N.V.
10. AMANO EUROPE, N.V.
11. AMANO TIME&PARKING SPAIN S.A.
12. HOROSMART, S.A.
13. HOROQUARTZ, S.A.
14. HOROQUARTZ MAROC, S.A.

15. AMANO KOREA CORPORATION
16. AMANO INTERNATIONAL TRADING(SHANGHAI)CO.,LTD.
17. AMANO SOFTWARE ENGINEERING (SHANGHAI)CO.,LTD.
18. AMANO MANUFACTURING(SHANGHAI)CO.,LTD.
19. AMANO PARKING SERVICE LTD.
20. AMANO MALAYSIA SDN.BHD.
21. AMANO TIME&AIR SINGAPORE PTE.LTD.
22. PT.AMANO INDONESIA
23. AMANO THAI INTERNATIONAL CO.,LTD.





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