

# Business Policies

## 1. Basic Management Policy

Amano's management philosophy is to create new values and contribute to the realization of a safe, comfortable and a wholesome society in the fields of "People & Time" and "People & Air." Under this management philosophy and based on an optimal governance structure that responds to changes in the business environment, we will strive to maximize corporate value by ensuring sustained growth through the creation of new businesses and markets with a medium-to long-term global perspective, in addition to expanding our existing businesses. Furthermore, we will aim to become a company that has the trust and high regard of all the stakeholders including customers, business partner companies, shareholders, employees and local communities by constantly returning a fair profit earned through business activities.

## 2. Our Medium-long Term Business Strategy

Amano launched the 9th Medium-Term Business Plan for the three years from April 2023 to March 2026, the detail of which is available for inspection on the Amano's website.(<https://www.amano.co.jp/en/ir/managementpolicy/plan/>)

### [1] Basic policies

In the 9th Medium-Term Business Plan, we have set "The 4th Stage Towards a 100-year Company - Commitment to Paradigm Shift Leading to Sustainable Management" as our management concept.

Starting as a hardware manufacturer, we have grown as a company that provides total solutions including services such as software, cloud services, and consigned businesses, etc., in response to changing market needs and technological innovation. To further develop this trend, we will promote DX in each business field and execute strategic investments in software-based assets, IoT, AI, etc. In addition, we will improve customer convenience by enhancing the functions of standard products and further enhance our competitive advantage in terms of profitability. Furthermore, we will develop and expand our management infrastructure and work to solve social issues such as maximizing the value of human capital and reducing environmental impact.

Under this policy, we will expand our business performance based on the three growth drivers, aiming to achieve sales of ¥160,000 million, operating profit of ¥21,000 million, operating profit margin (OPR) of 13%, and ROE of 12% in the fiscal year ending March 31, 2026, the final year of this plan.

Expansion of business performance based on the three growth drivers in the 9th Medium-Term Business Plan.

(i) Information Systems: Software plus cloud services

(ii) Parking Systems: Proposals centric to the Data center for Systems and Management Services

(ii) Clean Systems: Robot plus cloud service proposals

### [2] Numerical targets

(Millions of yen)

	FY 2023 (year ending March 2024)		FY 2024 (year ending March 2025)		FY 2025 (year ending March 2026)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Net sales	140,000	5.4	150,000	7.1	160,000	6.7
Operating profit	17,700	12.1	19,500	10.2	21,000	7.7
Operating profit ratio (%)	12.6%	–	13.0%	–	13.1%	–
Ordinary profit	18,500	9.1	20,500	10.8	22,000	7.3
Net income attributable to owners of the parent company	12,500	10.7	13,500	8.0	14,500	7.4

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

Amano places great importance on our policy of paying dividends to shareholders. Our fundamental policy to return profits to shareholders is to make appropriate performance-based distributions and to buy back shares, as it deems necessary. We aim to maintain a dividend payout ratio of at least 40% on a consolidated basis, a net asset dividend rate of at least 2.5%, and a total return ratio of at least 55%.

In line with this policy, taking into account our current-year operations results, we plan to pay a year-end dividend of ¥80 per share, and the annual per-share dividend for this fiscal year will be ¥110 (including ¥30 per share paid as the interim dividend), an increase of ¥15 from the annual per share dividend of ¥95 for the previous fiscal year.

In addition, the Board of Directors approved a resolution regarding the acquisition of treasury stock on April 26, 2023. The detail of this matter is available for inspection on the Amano's website. ([https://www.amano.co.jp/en/ir/dl/news/2023/20230426\\_4.pdf](https://www.amano.co.jp/en/ir/dl/news/2023/20230426_4.pdf))

As a result, the consolidated payout ratio will be 71.4%, the net asset dividend rate will be 6.8%, and the total return ratio will be 92.7%.

With regard to the dividend for the next fiscal year ending March 31, 2024, in line with our Basic Policy on Distribution of Profits and in view of our outlook for the next fiscal year, we currently aim to pay an annual per share dividend of ¥115 (with an interim dividend of ¥35 and a year-end dividend of ¥80).

Retained earnings will be earmarked to fund effective investment aimed at the fundamental enhancement of the capacity to conduct our 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, etc.



A handwritten signature in black ink that reads "M. Yamazaki". The signature is written in a cursive, flowing style.

Manabu Yamazaki  
President and  
Representative Director