

Business Performance

Summary of Business Results

Business Results in the Year Ended March 31, 2024

Summary of Business Results for This Fiscal Year

During the consolidated fiscal year under review, the Japanese economy is considered to be on a moderate recovery trend as economic activities continue to normalize, although the outlook of the Japanese economy is ridden by uncertainties such as overseas economic slowdown, extensive price hikes, and exchange rate volatility.

Under this business environment, in our "9th Medium-Term Business Plan" that started in April 2023, we, the Amano Group, have set forth the management concept of "The 4th Stage Towards a 100-year Company-Initiatives for a Paradigm Shift Leading to Sustainable Management" in which we have promoted DX (digital transformation) in each business field and have executed strategic investments in software-based assets, IoT, AI, etc., and further enhance our competitive advantage in terms of profitability. Furthermore, we have proactively worked to solve social issues.

As a result, during the fiscal year under review, Amano recorded

net sales of ¥152,864 million, up by 15.1% year-on-year. Operating profit increased by 23.9% to ¥19,567 million, ordinary profit went up by 23.0% to ¥20,855 million, and net income attributable to owners of the parent company increased by 16.4% to ¥13,141 million, resulting in increases in both sales and profit.

(Main factors behind the business results)

- (i) At non-consolidated Amano, Parking Systems sales continued to significantly grow indicating that the recovery trend is clearly positive. Clean Systems sales also continued to increase due to stronger sales of cleaning robots. Information Systems sales increased in both software and hardware. Environmental Systems sales of standard dust collection systems declined due to the impact of lower orders for machine tools, but large-scale systems sales grew in response to demand for rechargeable batteries for EVs, etc., resulting positive overall sales.
- (ii) In domestic group companies, the consigned parking lot management service business performed well, exceeding pre-COVID-19 results, and the cloud service business for T&A also

continued to grow. The digital time stamp business continued to perform well, meeting the needs to respond to the requirements under the revised Electronic Books Preservation Act, etc.

- (iii) In overseas markets, sales increased in North America, Europe, and Asia, partly due to the effect of yen depreciation. In Europe, sales of Information Systems in France continued to grow by capturing customer needs. In North America, Parking Systems sales increased due to the effect of new products, achieving a monthly surplus during demand periods, etc. with an improving earnings trend, while Clean Systems sales decreased due to a slowdown in the core wood floor sanding business. In Asia, Parking Systems sales grew in South Korea and Hong Kong, and Environmental Systems sales grew in Thailand.
- (iv) As a result of evaluating the future excess earning power of a portion of the investment securities held by Amano as of fiscal year end, a loss on valuation of investment securities was booked in accordance with impairment accounting.

The following is a breakdown of sales by business division.

Sales by business division

(Millions of yen)

Category	FY2022		FY2023		Change	
	(April 1, 2022–March 31, 2023)		(April 1, 2023–March 31, 2024)			
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	%
Time Information System business:						
Information Systems	31,353	23.6	35,757	23.4	4,403	14.0
Time Management Products	2,841	2.1	2,572	1.7	(268)	(9.5)
Parking Systems	64,708	48.7	78,510	51.3	13,801	21.3
Subtotal	98,903	74.4	116,840	76.4	17,936	18.1
Environment System business:						
Environmental Systems	20,838	15.7	23,089	15.1	2,250	10.8
Clean Systems	13,068	9.9	12,935	8.5	(133)	(1.0)
Subtotal	33,906	25.6	36,024	23.6	2,117	6.2
Total	132,810	100.0	152,864	100.0	20,054	15.1

Time Information System business

The sales in this business totaled ¥116,840 million, up by ¥17,936 million (up 18.1%) year-on-year. The following is a breakdown of sales by business division.

Information Systems

¥35,757 million (up 14.0% year-on-year)

Domestic sales for the current term were as follows. For non-consolidated Amano, software sales increased by ¥809 million (8.2%) due to a continuing recovery trend in orders for small to medium-sized businesses, hardware sales increased by ¥451 million (16.8%), and sales generated by maintenance contracts and supplies services decreased by ¥33 million (0.7%) year-on-year. The cloud services developed by Amano Business Solutions Corporation continued to perform strongly.

Overall overseas sales increased by ¥3,024 million (23.1%), as both Accu-Time Systems, Inc. in North America and Horoquartz S.A. in Europe sales increased.

Time Management Products

¥2,572 million (down 9.5% year-on-year)

Overall domestic sales for the current term decreased by ¥51 million (2.2%) year-on-year as the sales of standard time recorders and PC-linked time recorders decreased.

Overall overseas sales decreased by ¥176 million (23.8%) as sales in North America and Asia decreased.

Parking Systems

¥78,510 million (up 21.3% year-on-year)

Domestic sales for the current term were as follows. For non-consolidated Amano, domestic parking lot management systems sales continued to increase by ¥2,925 million (21.2%) due to a recovery trend, while sales generated by maintenance contracts and supplies services increased by ¥1,600 million (16.6%). Sales continued to increase in the consigned parking lot management service business operated by Amano Management Service. As a result of the continued investment by them, the number of parking spaces under management increased by 27,000 (3.9%) from the end of the previous fiscal year.

Overall overseas sales increased by ¥9,190 million (31.2%) due to the increase in the sales of Amano McGann, Inc. in North America and the increase in sales of the consigned parking lot management service business in South Korea and Hong Kong in Asia.

Environment System business

The sales in this business totaled ¥36,024 million, up by ¥2,117 million (up 6.2%) year-on-year. The following is a breakdown of sales by business division.

Environmental Systems

¥23,089 million (up 10.8% year-on-year)

During the current term for non-consolidated Amano, domestic sales of standard dust collectors decreased by ¥455 million (6.1%). On the other hand, sales of large-scale systems increased by ¥2,518 million

(51.9%), while sales generated by maintenance contracts and supplies services remained flat year-on-year.

Overall overseas sales increased by ¥122 million (3.2%) as sales in Asia increased due to a recovery in mainly Thailand.

Clean Systems

¥12,935 million (down 1.0% year-on-year)

During the current term for non-consolidated Amano, overall domestic sales of cleaning equipment increased by ¥378 million (17.4%) due to increase in sales of robotic floor scrubbers, and domestic sales generated by maintenance contracts and supplies services increased by ¥22 million (1.1%) year-on-year.

Overall overseas sales decreased by ¥560 million (7.0%) as Amano Pioneer Eclipse Corporation in North America saw the decline in sales.

Summary of Financial Condition for This Fiscal Year

(i) Assets, liabilities, and net assets

Total assets amounted to ¥184,585 million (up ¥13,334 million from the previous consolidated fiscal year-end).

- Current assets: an increase of ¥7,142 million due to increases in notes and accounts receivable-trade and contract assets, and merchandise and finished goods, etc.
- Fixed assets: an increase of ¥6,191 million due to increases in lease assets (net), and investment securities, etc.

Total liabilities amounted to ¥56,482 million (up ¥6,869 million from the previous consolidated fiscal year-end).

- Current liabilities: an increase of ¥6,776 million due to an increase in lease obligations, etc.
- Long-term liabilities: an increase of ¥93 million due to an increase in lease obligations, etc.

Net assets amounted to ¥128,103 million (up ¥6,464 million from the previous consolidated fiscal year-end).

- Shareholders' equity: an increase of ¥728 million due to posting of net income attributable to owners of the parent company, etc.
- Accumulated other comprehensive income: an increase of ¥6,116 million due to increases in foreign currency translation adjustments, etc.

Summary of Cash Flows for This Fiscal Year

Consolidated cash and cash equivalents decreased by ¥3,435 million from the previous fiscal year-end to a total of ¥51,648 million as of March 31, 2024. The status of each type of cash flow at year-end and the underlying factors are as follows.

Net cash provided by operating activities totaled ¥23,771 million (an increase in income of ¥4,820 million year-on-year).

- Main income factors:
Posting of income before income taxes amounting to ¥19,032 million and posting of depreciation and amortization amounting to ¥10,256 million.

- Main expenditure factors:
Posting of income taxes paid amounting to ¥6,089 million and posting of increase in trade notes and accounts receivable and contract assets amounting to ¥4,110 million.

Net cash used in investing activities totaled -¥10,221 million (an increase in cash outflow of ¥2,845 million year-on-year).

- Main income factors:
Posting of proceeds from withdrawal of time deposits amounting to ¥10,856 million.
- Main expenditure factors:
Posting of increase in time deposits amounting to ¥13,530 million and posting of payment for purchase of tangible fixed assets amounting to ¥3,417 million.
Posting of payment for acquisition of intangible fixed assets amounting to ¥2,439 million and posting of payment for acquisition of subsidiary shares involving change to the scope of consolidation amounting to ¥1,809 million.

Net cash used in financing activities amounted to -¥18,216 million (an increase in cash outflow of ¥4,265 million year-on-year).

- Main income factors:
Posting of proceeds from sale and leaseback amounting to ¥1,732 million.
- Main expenditure factors:
Posting of dividends paid amounting to ¥8,764 million and posting of repayments of lease obligations amounting to ¥6,785 million.
Posting of payment for acquisition of treasury stock amounting to ¥3,719 million.

Future Outlook

With regard to the outlook for the Japanese economy in the next fiscal year, although there are uncertainties in the economic outlook due to such concerns about recession overseas, heightened geopolitical risks, and the impact of various price hikes and changes in monetary policy, etc., the economy is expected to continue on a gradual recovery path, backed by strong corporate appetite for capital investment.

Amid this business environment, Amano and our group companies have set "The 4th Stage Towards a 100-year Company-Commitment to a Paradigm Shift Leading to Sustainable Management" as our management concept and work to address key issues in the "9th Medium-Term Business Plan".

The details of the Plan are available for inspection on the Amano's website.