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Summary of Consolidated Financial Statements for the Year Ended March 2006

May 12, 2006

Listed Company: **Japan Cash Machine Co.,Ltd.** Stock Exchanges: Tokyo, Osaka
Code Number: 6418 Location of Principal Office: Osaka
Representative: Position: President Name: Koichiro Kamihigashi
For Inquiries: Position: Director, Administration Head Quarter Name: Hisashi Maki Tel: +81-6-6703-8400
Date of Meeting of Board of Directors to Approve Financial Statements: May 12, 2006
Application of U.S. Accounting Standards: No

1. Results for the Year Ended March 2006 (April 1, 2005 to March 31, 2006)

(1) Sales and Income (Amounts less than 1 million yen have been rounded off.)

Fiscal Year	Net Sales	Year-on-year change	Operating Income	Year-on-year change	Ordinary Income	Year-on-year change
	Million yen	%	Million	%	Million yen	%
March 2006	32,594	(14.1)	4,824	(44.2)	5,023	(43.4)
March 2005	37,947	16.3	8,644	18.7	8,882	26.2

Fiscal Year	Net Income	Year-on-year change	Net Income Per share: Basic	Net Income Per share: Diluted	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to sales
	Million yen	%	Yen	Yen	%	%	%
March 2006	2,969	(40.4)	98.42	98.21	11.3	14.8	15.4
March 2005	4,983	22.4	166.42	165.31	21.8	28.5	23.4

(Note) (i) Equity in income of equity-method investment: The year ended March 2006: - The year ended March 2005: -
(ii) Average number of shares issued and outstanding (consolidated):
March 2006: 29,567,465 shares March 2005: 29,554,736 shares
(iii) Changes in accounting method: None
(iv) Year-on-year changes for net sales, operating income, ordinary income and , net income represent the increase/decrease compared to the previous year.
(v) The Company made a 1.5 for 1 stock split as of March 18, 2005. The net income per share and the diluted net income per share of March 2005 are calculated as if a stock split was made at beginning of the year.

(2) Financial Condition

Fiscal Year	Total Assets	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million yen	Million yen	%	Yen
March 2006	34,947	27,486	78.7	927.11
March 2005	32,875	25,019	76.1	844.43

(Note) (i) Number of shares issued and outstanding at end of the year (consolidated):
March 2006: 29,583,982 shares March 2005: 29,551,791 shares
(ii) The Company made a 1.5 for 1 stock split as of March 18, 2005.

(3) Cash Flows

Fiscal Year	Net Cash provided by Operating Activities	Net Cash used in Investing Activities	Net Cash used in Financing Activities	Cash and Cash Equivalents at End of Year
	Million Yen	Million Yen	Million Yen	Million Yen
March 2006	2,369	(2,616)	(1,416)	10,242
March 2005	3,169	(1,975)	(899)	11,621

(4) Scope of the consolidation and application of equity method
Number of consolidated subsidiaries: 9
Number of non-consolidated subsidiaries under equity method: None
Number of affiliated companies under equity method: None

(5) Changes in the scope of consolidation and application of equity method
Consolidated: (New) None, (eliminated) None
Equity method: (New) None, (eliminated) None

2. Projected Results for the Year Ending March 2007 (April 1, 2006 to March 31, 2007)

Fiscal Year	Net Sales	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
6 month ending 09/06	18,800	3,300	2,000
Year ending 03/07	38,800	6,700	4,200

(Reference) Expected net income per share (annual basis): 141.97 yen

*The above projected results have been prepared based on the current available information and actual results may differ from the projections due to the impacts of future events.

Status of Corporate Group

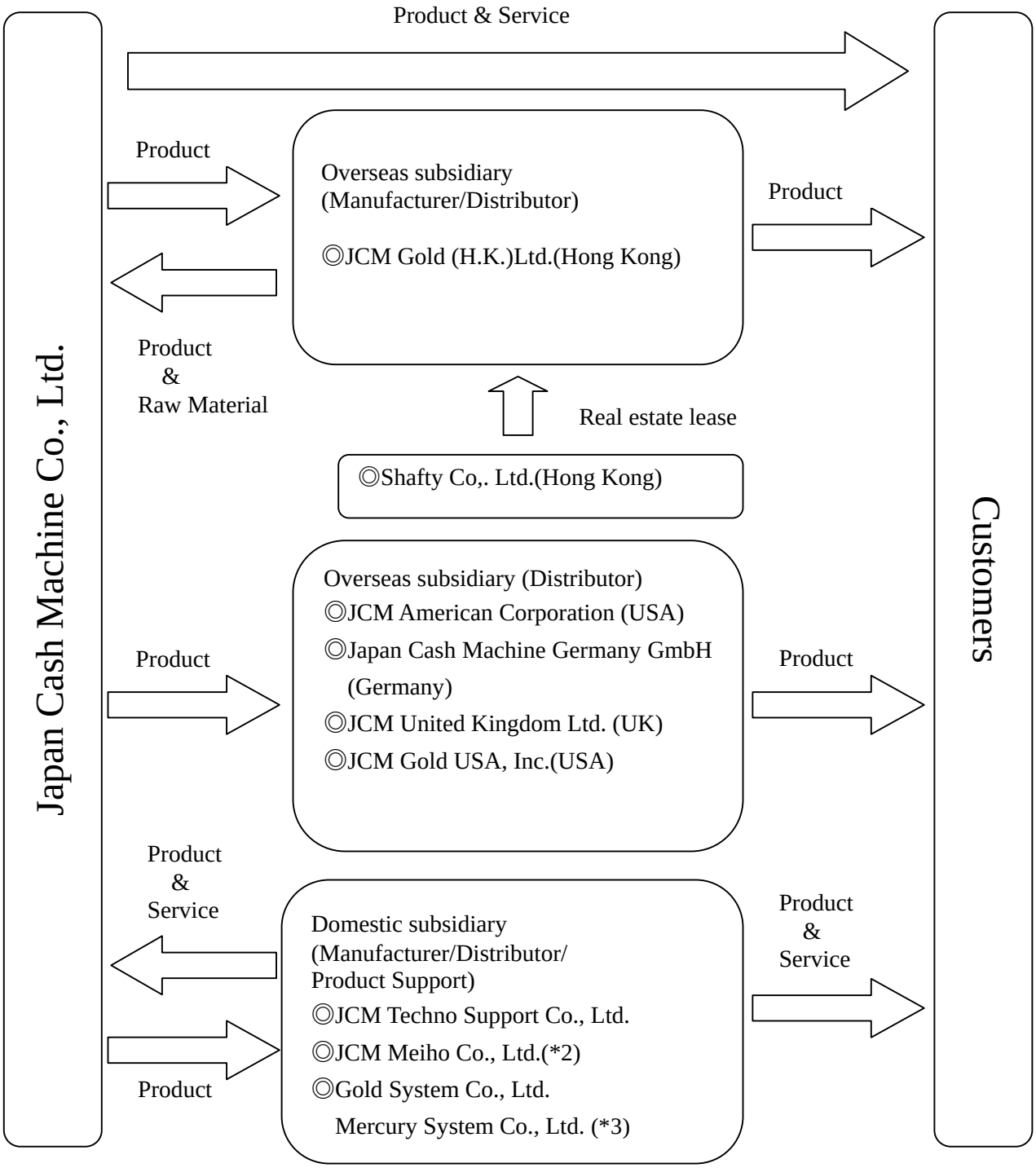
JCM group is comprised of Japan Cash Machine, 9 consolidated subsidiaries, and 1 non-consolidated subsidiary and engages in the manufacture and sales of cash handling machines and related equipment. The business operation of Mercury System Co., Ltd, the domestic non-consolidated subsidiary, is currently inactive.

The businesses of the Company and the consolidated subsidiaries are classified into two segments: cash machines and related equipment, and leisure and related businesses. As net sales and operating income and total assets of cash machines and related equipments constituted more than 90% of the consolidated sales, operating income and total assets, the disclosure of business segment information has been omitted. Consequently, the business segment is reclassified into money-handling machines, cash registers, equipment for the amusement industry, and others, instead of the above segments.

Japan Cash Machine Co., Ltd. is engaged in the business outlined below. The major products of each business division and details of each product are as follows.

Business Division	Products Details	Application
Money-Handling Machines	Bill Validators	These devices are used as bill acceptors in a variety of applications including game machines and vending machines.
	Bill-Recycling Units	One unit houses both a bill accepting device and a change-dispensing device. After placing accepted bills in the machine's stock, the unit can dispense money back (recycle the money in stock) as change.
	Automatic Cash-In Machines	These machines can sort, count and store a mixture of different cash denominations.
	Cash Transaction Machines, Change Dispensers	These devices work in conjunction with mechanical cash registers to automatically dispense change and to control, in real time, the deposit and withdrawal of cash.
	Bill Checkers	These devices are used as a means of verifying bill authenticity.
	Original Equipment Manufacturing (OEM) Terminals	These products are provided to other companies as OEM products.
Cash Registers	Electronic Cash Registers (ECR), Point-of-Sales (POS) Systems	These devices are used at small retail stores, etc., to tally sales totals, to analyze sales, to control stock, purchasing, orders, etc., and to prepare business management documents.
Equipment for the Amusement Industry	Automatic Token Supply Systems	These devices are used to supply, collect and clean tokens for pachinko parlor slot machines and token lenders.
	Token Lenders	These devices are installed between pachinko parlor game machines to dispense tokens. Denomination of the bills accepted are up to of ¥10,000.
	Pachinko Parlor Slot Machines	These devices are used as game machines in pachinko parlors.
	Others (Exchange Machines, Money Dispensers)	Exchange machines are used in pachinko parlors to make change for bills. Money dispensers are used at gift exchange counters to dispense money in specific amounts.
Others	Fire-Resistant Safes	Fire-resistant safes for home and office use.
	Environment and hygiene related equipments	Ozone generators for sterilizing and deodorizing, and machines to maintain the freshness of foods for department store and supermarket
	Amusement Center Business	Operations of videogame arcades.

Business distribution diagram



*1.◎ represents consolidated subsidiaries.

*2.JCM Meiho Co., Ltd. changed the corporate name from Meiho Shoji Co., Ltd. effective January 1, 2006.

*3.Mercury System Co., Ltd. is the non-consolidated subsidiaries and not applicable for equity method. The business operation is currently inactive.

Consolidated Subsidiaries

Company Name	Address	Capital (In thousands)	Description of major business	Holding ratio of voting right (%)	Business transactions between parent company (JCM) and subsidiaries
JCM GOLD (H.K.) Ltd.	Hong Kong	HK$17,500	Manufacture and sales of money-handling machine, cash register and equipment for the amusement industry	100	This company purchases materials from JCM and sells products to JCM. Interlocking directorate
JCM American Corporation	Nevada, U.S.A.	US$7,200	Sales of money-handling machines	100	This company purchases products and parts from JCM and sells them to customers. Interlocking directorate
Shafty Co., Ltd.	Hong Kong	HK$7,500	Leasing of real estate properties	100	This company leases real estate to JCM GOLD(H.K.)LTD. Interlocking directorate
JCM Gold USA, Inc.	New Jersey, U.S.A.	US$230	Sales of electronic cash registers	100 (100)	This company purchases products from JCM and sells them to customers. Interlocking directorate
Japan Cash Machine Germany GmbH	Dusseldorf, Germany	€1,650	Sales of money-handling machines	100	This company purchases products and parts from JCM and sells them to customers. Interlocking directorate
JCM United Kingdom Ltd.	Milton Keynes, U.K.	£ 500	Sales of money-handling machines	100	This company purchases products and parts from JCM and sells them to customers. Interlocking directorate
JCM Meiho Co., Ltd.	Taito-ku, Tokyo	¥10,000	Sales of equipment for the amusement industry	100	This company purchases products from JCM and sells them to customers. Interlocking directorate
JCM Techno Support Co., Ltd.	Hirano-ku, Osaka	¥70,000	Installation and repair contracts of money-handling machines	100	This company does maintenance of products sold by JCM. Interlocking directorate
Gold System Co., Ltd.	Hirano-ku, Osaka	¥24,000	Manufacture and sales of environment and hygiene related equipments	100	This company sells product to JCM. Interlocking directorate

Company Management Policy

Taking "Results arise from following the customer's lead" as its corporate motto, JCM has implemented a customer-first policy since its foundation in 1955 and, together with its subsidiaries, works to quickly and precisely ascertain the customer's needs and market trends, while maintaining close contact with the market and creating products by placing top priority on their quality.

Receiving ISO 14001 certification in July 2004, JCM engages in activities so as to develop into a company that is friendly to both people and the global environment by observing regulations for environmental protection, striving to prevent pollution, and establishing systems for continuous improvement. Moreover, on the distribution and storage front, JCM makes every effort to conserve energy and resources in its operations, which include currency validation, identification, handling, and counting, and through which it strives to realize high levels of accuracy that ensure confidence in interactions involving people and money.

By remaining focused on these strategies, JCM seeks to conduct its business operations in an appropriate and effective manner so as to increase corporate value and improve shareholder returns, while maintaining good relations with a broad range of stakeholders, including shareholders, investors, business partners, local communities and employees.

Basic policy on Profit Sharing

With the aim of encouraging long-term holding of shares, JCM makes results-based payment linked to business performance the basis for return of profit to shareholders to assure continued stable profit sharing. More specifically, JCM intends to distribute profits by setting a minimum dividend payout ratio of 25% on non-consolidated net income. Under such a policy, JCM actively seeks to provide a return of profits to shareholders that is made in line with business performance trends and business environments, as well as in consideration of stock dividend yields. Committed to utilizing retained earnings effectively, JCM applies these funds to research and development, capital investment, business partnerships, and merger and acquisition activity, with the objective of fortifying existing business and nurturing new business ventures. In this way, JCM aims to achieve further improvement of shareholder value. Additionally, JCM grants stock options to directors on the board and to management-level employees in the JCM group as an incentive to improve stockholder returns.

As to the financial results ended March 31, 2006, regrettably both net sales and net income decreased compared to the previous year. However, in consideration of the availability of retained earnings, the outlook for the next fiscal year, and dividend yield, JCM actively implements the basic policy on profit sharing "Encouraging long-term holding of shares". Based on the policy, JCM has decided to increase dividends per share by ¥4 to ¥22 from ¥18, the previously forecasted dividend per share, giving a total annual dividend of ¥40.

Forecast of dividend per share for fiscal year ending March 31, 2006

(Yen)

	Interim	Year End	Full-Year
Forecast for the fiscal year ended March 31 2006	(Actual) 18.00	* 22.00	40.00
Forecast for the fiscal year ending March 31 2007	20.00	20.00	40.00

(Note) *The proposal for the dividend forecast above will be resolved at the General Meeting of Shareholders on June 28 2006.

Our Medium- and Long-Term Business Strategy

We are approaching the mid-term business plan "JCM World 21" ending March 31, 2008 under the basic policy of seeking for further growth by consolidating our operating base mainly in overseas and by enhancing the value of JCM brand. Setting up this goal, we continue to engage in development of new products by concentrating our business resources, such as the original technology, development capability, intellectual property, and business basis to meet more sophisticated and diversified customer needs in the overseas gaming market, commercial market, and domestic market. Responding to a changing market environment, we strive to expand our market by enforcing our selection on product line and diversifying marketing method. In addition, aiming to go beyond our highest business performance of the fiscal year ended March 31, 2005, we pursue further growth.

The Specific Management Issues

The following are the specific management issues that we are addressing in order to realize our business strategy and achieve improved return.

(1) Overseas gaming market

As the market has been expanding worldwide due to deregulation, market entry by competitors has also increased. We aim to become a world market leader by maintaining our share in the North American market, outperforming competitors, and expanding sales in the rapidly growing Asian market.

As well as improving actual product capability, for instance by increasing validation accuracy and adding cash control functions, we need to make continued efforts to enhance customer support systems and respond swiftly to counterfeit bill circulation and the issuance of new bills. We will also be focusing on broadening the range and applications of our products and establishing a total service system as a component supplier.

(2) Overseas commercial market

We are focusing on developing our market in kiosks, vending machines, and various types of fare adjustment machines by offering a bill validator with greatly improved bill-handling functions. This product has already been deployed in the North American market and is gradually yielding results. For the future, as well as widening our markets to kiosks, the security sector, and financial institutions, we will pursue further market penetration by meeting customer needs through improvements in processing accuracy and product reliability and through cost reduction.

(3) Domestic market: equipment for the amusement industry

In this market, the introduction of facility equipment such as automatic token supply systems is proceeding smoothly. We continue to provide products and services built up with our know-how for effective hall management and more convenient leisure spaces with further business expansion, such as business alliance with ABILIT Corporation, and an increased variety of products corresponding to a wide variety of players' needs.

Our strength in the facility equipment is labor savings coming with the large-scale introduction, and they were introduced mainly to large franchised pachinko stores. However, we seek to expand sales from medium to small-scale pachinko halls by introducing labor saving equipments for small-scale stores.

(4) Domestic market: money-handling machines

We started full–capacity sales of bill-recycling units designed for use in the automatic cash-in machines that are central to retail-store cash collection and distribution systems, in various types of fare adjustment machines, in kiosks, vending machines, automatic cashiers, and in mini automated teller machines for retail stores. For various reasons, sales did not however progress as scheduled. For the future, as well as improving product functions and reliability, we will concentrate on expanding sales routes to include not only the retail and food service industry but also pachinko halls, where cash handling is an important concern.

(5) Development of new technology in the long term

While targeting more functionally advanced and accurate technology in bill validation, sensing, and handling, we will be working to strengthen our technology in coin validation as an area crucial to commercial market expansion. By enhancing our selection of both bill and coin validator units, we will seek to further consolidate our leading position in the industry.

(6) Reinforcement and expansion of production system

With the completion of extension works on our main domestic plant on November 2006, the Nagahama Factory (Nagahama city, Shiga prefecture), which will now function as our core production and logistics base, a fully operational domestic production system is now in place. This will allow us to work toward more efficient product supply and further cost reduction.

China is currently our main overseas production base, but, in the interest of risk diversification, we will continue to look for a second overseas production base. As a way of further improving operational efficiency by shortening production lead-time and reducing inventories, we aim to introduce a production system of differentiated steps, whereby key parts for instance will be sourced in Japan, sourcing of general parts and assembly of semi-finished products will take place in China or a second overseas production base, and final assembly and inspection according to individual customer specifications will be carried out in the relevant country of sale.

We will also continue to focus on laying the infrastructure for a total network system designed to manage operational information on real time at a global level.

With these measures, we seek for further development of our balanced business management system by improving business performance, enhancing corporate competitiveness, and stabilizing corporate management as well as by establishing business structure that can respond quickly under any circumstances, such as changing market environments and fluctuations in exchange rate.

We look for your continued support.

Outline of Business Results

(1) Overview of business operations (from April 1, 2005, to March 31, 2006)

The Japanese economy enjoyed a trend toward recovery marked by increased corporate revenue. This was driven by a healthy expansion of domestic demand, associated with increased capital investment and improvements in individual income and the employment situation, and by external demand expansion reflected in exports.

Overseas, the Asian economy has continued to grow steadily against a background of rapid expansion in China. Despite skyrocketing energy prices, the U.S. economy has also continued to develop steadily on the strength mainly of individual consumption and capital investment. On the other hand, in the latter half of the fiscal year, uncertain factors in the future development of the economy were left, such as the increasing price of oil and other raw materials and the rise in interest rates caused by the lifting of Japan's monetary policy of quantitative easing.

Supported by favorable fiscal performance, the business environment of the JCM group showed an increased willingness, primarily at large companies, to expand capital investment. Nevertheless, the demand did not expand largely due to the exhaustion of the replacement demand which had been triggered by the issuance of new bills in the previous year and the short-term saturation of demand for gaming machine products in North America.

We forecasted such a market environment and strove in response to launch new products on the market and to attract new customers. However, progress did not match initial plans. This was due in part to a number of matters arising simultaneously, including the switch to a new product for the overseas market, the launch of new products on the domestic market, and response measures to environmental issues. This caused delay in certain areas of product development and made extra time necessary to secure the market reliability of new products.

As a result, net sales decreased by 14.1% to ¥32,594 million compared to the previous year. Profits were impacted by the sales decrease in the highly profitable money-handling machines and by the increase in expenditures for market expansion. As a consequence, operating income decreased by 44.2% to ¥4,824 million, ordinary income fell by 43.4% to ¥5,023 million, and net income for the year finished down 40.4% from the previous year at ¥2,969 million.

Domestic sales during the period decreased by 18.3% to ¥16,115 million from the previous year, while overseas net sales dropped by 9.6% to ¥16,479 million, following the overseas sales ratio for the period reached 50.6%, an increase of 2.6 points compared to the previous year.

In the foreign currency exchange markets, the average yen to US dollar exchange rate was ¥110.94/$1 compared to ¥108.07/$1 in the previous year, while the average against the euro was ¥137.31/€1 compared to ¥134.41/€1, reflecting the depreciation of the yen against both currencies.

(2) Information by business segment

The sales of each segment are as follows.

(In millions of yen)

	Current Year From April 1, 2005 To March 31, 2006	Previous Year From April 1, 2004 To March 31, 2005	Increased/Decreased	
			Amount	(%)
Money-handling machines	18,340	23,992	(5,651)	(23.6)
Cash registers	525	717	(192)	(26.8)
Equipment for the amusement industry	12,539	12,159	379	3.1
Others	1,188	1,076	111	10.4
Total	32,594	37,947	(5,352)	(14.1)

(i) Money-handling machines

On the domestic market, to compensate for replacement demand from the issuance of new bills in the previous year, we focused on sales of the automatic cash-in machines for the retail and food service industry and bill validator units for equipment for the amusement industry. However, the results did not meet targets.

Meanwhile, overseas, in the gaming market, which is our most important sector, the short-term saturation of demand in North America resulted a slowdown in sales. However, in Europe, the sales continues to grow favorably in Russia and some other areas.

(ii) Cash registers

Demand in the electronic cash register market decreased, and we remain in a severe condition. In response, we focused investment on the development of high value added systems and on cultivating narrower customer segments. However, these efforts were not reflected in financial results for the period since the relevant new product was brought to market toward the end of the fiscal year.

(iii) Equipment for the amusement industry

In the target market of equipment for the amusement industry, major *pachinko* chains are expanding while small-scale businesses are disappearing, causing a decrease in the total number of *pachinko* halls. The total net sales in the industry remained almost flat. In addition, while the amendment of equipment regulations has a slowing effect on investment in facility equipment, with the new market entry of many manufacturers, the competition has been intensified in the facility equipment. Under such circumstances, thanks to the favorable rating of their functionality, sales of token lenders able to accept high-denomination bills performed well.

(iv) Others

The sales in the environment- and hygiene-related equipment markets increased due to growing health and safety needs in the foods and retail industry and elsewhere.

(3) Geographical segment information

Geographical segment information is as follows. (In millions of yen)

		Japan	North America	Asia	Europe	Eliminations/ Corporate	Consolidated
Net Sales	Current year (From April 1, 2005 To March 31, 2006)	28,078	10,156	6,034	5,982	(17,657)	32,594
	Previous year (From April 1, 2004 To March 31, 2005)	31,784	12,091	9,773	5,642	(21,344)	37,947
	Increased/ Decreased	(3,705)	(1,935)	(3,739)	340	3,687	(5,352)
	(%)	(11.7)	(16.0)	(38.3)	6.0	—	(14.1)
Operating Income	Current year (From April 1, 2005 To March 31, 2006)	2,711	796	246	1,176	(107)	4,824
	Previous year (From April 1, 2004 To March 31, 2005)	5,133	1,725	592	1,388	(194)	8,644
	Increased/ Decreased	(2,421)	(928)	(345)	(211)	86	(3,820)
	(%)	(47.2)	(53.8)	(58.3)	(15.2)	—	(44.2)

(i) Japan

Domestically, in the equipment for the amusement industry, we focused on sales expansion of automatic token supply system and token lenders able to accept high-denomination bills. However, due to the exhaustion of the replacement demand from the issuance of new bills in the previous year and to decreased demand in the North American market, overall, both net sales and new income in money handling machines industry decreased.

(ii) North America

In the commercial market, bill-recycling units were adapted to vending machines and came to yield results.
In the gaming market, meanwhile, we concentrated on selling a new product under the intensified competition with other manufacturers. However, due to lower cycle of replacement demand caused by market penetration of coin-less gaming machines, sales grew slowly. Net income also decreased due to sales decline and expenditures for new business investment and for development of customer support system.

(iii) Asia

In Asia, as our coordinating base for overseas production, we manufacture amusement industry equipment and money-handling machines. Sales decrease within and outside the country caused a decline in intercompany transaction. As a result, both net sales and net income fell down.

(iv) Europe

Although the gaming market in Eastern Europe, especially in Russia, has expanded rapidly in these years, the price competition among other manufacturers has become intensified, due to easiness of the market entry. Engaged in enhancing customers' reliability by supporting initiative introduction, updating software, and improving quality of maintenance service, net sales increased. However, net income decreased reflected by price competition with other manufactures.

Outlook for next fiscal year (April 1, 2006 to March 31, 2007)

Overseas, the ongoing competition in the North American gaming market is expected to continue. In such a market environment, we will target casino halls and promote equipment for labor-saving cash control. Moreover, we will seek steady business growth in Asian markets, such as Macau, where market growth is expected, using the appeal of product reliability and enhanced customer support to maintain our current market share, as well as prepare for future market growth to steadily scale up business performance. In the commercial market, we will make efforts to expand sales to the vending machine industry and in the security-related sector, as well as to focus on the entry into kiosk and financial institution markets.

Domestically, there is concern over changes in the market environment, such as an adverse effect on sales of equipment for the amusement industry resulting from an amendment to regulations on investment in facility equipment. In response to such circumstances, we will further expand our product lines by means such as a tie-up with Abilit Corporation, and engage in the sales of more functional and cost-effective products that target established business operators who are looking to open a chain of *pachinko* halls. In the money-handling machine sector, we will continue to expand sales of cash-in machines for the retail and food service industry. In addition, we will concentrate on expanding sales routes to *pachinko* halls by promoting the importance of labor savings in cash handling, and focus on developing sales of component devices, as one of our core markets, for various types of fare adjustment machines.

In conclusion, no revision has been made to the figures in the financial results forecast for the year ending March 31, 2007 from those released previously on March 29, 2006.

Sales forecast for the fiscal year ending March 31, 2007 (In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the fiscal year ending March 31, 2007	38,800	6,700	6,700	4,200
Current year ended March 31, 2006	32,594	4,824	5,023	2,969
Increased/Decreased	6,206	1,876	1,677	1,231
(%)	19.0	38.9	33.4	41.5

(Reference)

Currency exchange rate (Yen)

	US$	Euro
Assumption for the fiscal year ending March 31, 2007	110.00	135.00
Current year ended March 31, 2006	110.94	137.31

Sales forecast by business segment (In millions of yen)

	Forecast for the fiscal year ending March 31, 2007	Current year ended March 31, 2006	Increased/Decreased	
			Amount	(%)
Money-handling machines	22,700	18,340	4,360	23.8
Cash registers	800	525	275	52.4
Equipment for the amusement industry	14,000	12,539	1,461	11.7
Others	1,300	1,188	112	9.4
Total	38,800	32,594	6,206	19.0

Sales forecast by geographical segment (In millions of yen)

		Japan	North America	Asia	Europe	Eliminations/ Corporate	Consolidated
Net Sales	Forecast for the fiscal year ending March 31, 2007	33,500	11,900	7,400	6,550	(20,550)	38,800
	Current year ended March 31, 2006	28,078	10,156	6,034	5,982	(17,657)	32,594
	Increased/Decreased	5,422	1,744	1,366	568	(2,893)	6,206
	(%)	19.3	17.2	22.6	9.5	—	19.0
Operating Income	Forecast for the fiscal year ending March 31, 2007	4,050	1,000	300	1,350	(—)	6,700
	Current year ended March 31, 2006	2,711	796	246	1,176	(107)	4,824
	Increased/Decreased	1,339	204	54	174	107	1,876
	(%)	49.4	25.6	22.0	14.8	—	38.9

Consolidated Balance Sheet

(In thousand yen, rounded down)

Items / Period	Current Year As of March 31,2006		Previous Year As of March 31,2005		Amount Increased/ Decreased
Assets		%		%	
Current assets:	26,965,515	77.2	28,443,660	86.5	(1,478,145)
Cash and bank equivalents	10,287,878		11,675,391		(1,387,513)
Notes and account receivable trade	7,006,767		6,726,615		280,151
Marketable securities	1,093,986		940,585		153,401
Inventories	6,547,409		7,407,252		(859,842)
Deferred income taxes	1,454,133		1,404,162		49,970
Prepaid expenses and other current assets	733,077		477,106		255,970
Less allowance for doubtful accounts	(157,736)		(187,453)		29,717
Fixed assets:	7,981,660		4,431,939	13.5	3,549,721
Tangible fixed assets	3,445,602	9.8	2,332,642	7.1	1,112,959
Buildings and structures	1,764,439		998,986		765,452
Machinery and equipments	113,396		109,716		3,679
Land	630,636		376,648		253,987
Work in progress	85,323		39,733		45,589
Other	851,806		807,556		44,249
Intangible fixed assets:	452,565	1.3	266,355	0.8	186,209
Goodwill	11,560		14,648		(3,087)
Consolidation adjustment accounts	—		2,260		(2,260)
Software	270,762		142,164		128,598
Other	170,242		107,281		62,960
Investments and other assets:	4,083,493	11.7	1,832,940	5.6	2,250,552
Investments in securities	1,867,072		976,001		891,070
Long-term loans	14,455		783		13,671
Deferred income taxes	37,052		223,635		(186,582)
Other	2,225,216		699,831		1,525,384
Less allowance for doubtful accounts	(60,302)		(67,311)		7,008
Total Assets	34,947,176	100.0	32,875,599	100.0	2,071,576

(In thousand yen, rounded down)

Items / Period	Current Year As of March 31,2006		Previous Year As of March 31,2005		Amount Increased/ Decreased
Liabilities		%		%	
Current liabilities:	7,140,257	20.4	7,470,535	22.7	(330,277)
Notes and account payables trade	4,749,031		3,701,003		1,048,028
Short-term bank borrowings	120,449		128,859		(8,409)
Accrued income taxes	300,991		1,954,584		(1,653,593)
Accrued bonuses	426,983		505,674		(78,691)
Other current liabilities	1,542,802		1,180,413		362,388
Long-term liabilities:	320,351	0.9	385,269	1.2	(64,917)
Deferred income taxes	31,364		24,823		6,541
Accrued retirement benefits for employees	8,761		73,880		(65,118)
Retirement allowances for directors and corporate auditors	258,114		263,614		(5,500)
Other long-term liabilities	22,110		22,950		(839)
Total liabilities	7,460,609	21.3	7,855,804	23.9	(395,194)
(Minorities' Equity)	—	—	—	—	—
Minority shareholders' equity	—	—	—	—	
(Shareholders' equity)					
Common stock	2,216,945	6.4	2,181,695	6.6	35,250
Capital surplus	2,069,338	5.9	2,029,136	6.2	40,202
Retained earnings	22,556,433	64.6	21,130,910	64.3	1,425,522
Net unrealized holding gain on securities	463,835	1.3	276,675	0.8	187,160
Translation adjustments	289,064	0.8	(503,988)	(1.5)	793,052
Less treasury stock, at cost:	(109,051)	(0.3)	(94,633)	(0.3)	(14,417)
Total shareholders' equity	27,486,566	78.7	25,019,795	76.1	2,466,771
Total liabilities and shareholders' equity	34,947,176	100.0	32,875,599	100.0	2,071,576

Consolidated Income Statement

（In thousand yen, rounded down）

Items / Period	Current Year From April 1,2005 To March 31,2006		Previous Year From April 1,2004 To March 31,2005		Amount Increased/ Decreased
		%		%	
Net sales	32,594,944	100.0	37,947,200	100.0	(5,352,256)
Cost of sales	17,410,982	53.4	19,535,015	51.5	(2,124,033)
Gross profit	15,183,962	46.6	18,412,185	48.5	(3,228,222)
Selling, general and administrative expenses	10,359,782	31.8	9,767,609	25.7	592,173
Operating income	4,824,180	14.8	8,644,576	22.8	(3,820,396)
Non-operating income	249,295	0.8	263,205	0.7	(13,909)
Interest income	93,126		44,642		
Dividend income	30,339		9,318		
Foreign exchange gain	59,243		140,663		
Other	66,586		68,580		
Non-operating expenses	49,702	0.2	25,371	0.1	24,330
Interest expense	2,531		7,480		
Loss on cancellation of insurance contract	6,809		—		
Loss on cancellation of lease contract	10,000		—		
Other	30,360		17,890		
Ordinary income	5,023,773	15.4	8,882,410	23.4	(3,858,637)
Extraordinary income	84,234	0.3	76,712	0.2	7,521
Gain on the prior-term adjustment	126		—		
Gain on sales of fixed assets	3,016		12,545		
Gain on sale of investment securities	11,559		37,278		
Reversal of allowance for doubtful accounts	69,531		26,888		
Extraordinary expenses	54,829	0.2	147,324	0.4	(92,494)
Loss on the prior-term adjustment	4,302		—		
Loss on sale of property, plant and equipment	30		5,256		
Loss on disposal of property, plant and equipment	26,548		77,306		
Loss on devaluation of golf club memberships	—		2,250		
Loss on cancellation of leases	—		16,224		
Loss on fire incidents	—		29,913		
Loss on expansion of Nagahama factory	16,490		—		
Loss on impairment of fixed assets	7,458		—		
Other	—		16,374		
Income before income taxes	5,053,177	15.5	8,811,798	23.2	(3,758,620)
Income taxes – current	2,049,795	6.3	3,918,848	10.3	
Income taxes – deferred	34,371	0.1	(91,049)	(0.2)	(1,743,631)
Net income	2,969,010	9.1	4,983,999	13.1	(2,014,988)

Consolidated Statement of Retained Earnings

(In thousand yen, rounded down)

	Current Year From April 1, 2005 To March 31, 2006	Previous Year From April 1, 2004 To March 31, 2005
Capital surplus		
Balance at beginning of the year	2,029,136	2,028,655
Increase in capital surplus		
Issuance of common stock	35,250	—
Gain on sales of treasury stock	4,952	481
Balance at end of the year	2,069,338	2,029,136
Retained earnings		
Balance at beginning of the year	21,130,910	16,845,616
Increase in retained earnings		
Net income	2,969,010	4,983,999
Decrease in retained earnings		
Cash dividends	1,477,988	648,504
Bonuses to directors	65,500	50,200
Balance at end of the year	22,556,433	21,130,910

Consolidated Cash Flow Statement

(In thousand yen, rounded down)

Items / Period	Current Year (From April 1,2005 To March 31,2006)	Previous Year (From April 1, 2004 To March 31, 2005)	Amount Increased/ Decreased
Ⅰ. Cash flow from operating activities			
Income before income taxes	5,053,177	8,811,798	(3,758,620)
Depreciation and amortization	731,519	647,815	83,704
Loss on impairment of fixed assets	7,458	—	7,458
Amortization of consolidation adjustment accounts	2,260	2,260	—
Increase (decrease) in reserve	(201,066)	11,407	(212,473)
Interest and dividend income	(123,465)	(53,961)	(69,504)
Interest expense	2,531	7,480	(4,948)
Exchange loss (gain), net	(18,489)	(8,740)	(9,748)
Amortization of bond issue discount	—	111	(111)
Loss on sale of investment in securities	(11,559)	(37,278)	(46,455)
Loss on disposal of fixed assets	23,561	70,017	25,718
Loss on revaluation of golf club membership	—	1,500	(1,500)
Decrease (increase) in account receivable	10,569	(514,500)	525,070
Decrease (increase) in inventories	1,220,916	(1,362,706)	2,583,622
Increase (decrease) in notes and accounts payable	705,994	(1,571,334)	2,277,328
Decrease (increase) in consumption taxes receivable	(34,229)	50,563	(84,792)
Increase (decrease) in other assets and liabilities	(1,341,110)	38,260	(1,379,370)
Bonuses to directors and corporate auditors	(65,500)	(50,200)	(15,300)
Sub total	5,962,569	6,042,491	(79,922)
Interest and dividends received	103,132	53,961	49,170
Interest paid	(2,531)	(8,006)	5,474
Income taxes paid	(3,693,831)	(2,918,948)	(774,882)
Net cash provided by operating activities	2,369,338	3,169,497	(800,159)
Ⅱ. Cash flow from investing activities			
Payments for purchase of tangible fixed assets	(1,787,282)	(869,214)	(918,068)
Proceeds from sale of tangible fixed assets	50,003	39,174	10,828
Payments for purchase of intangible fixed assets	(275,314)	(192,552)	(82,761)
Payments for purchase of marketable securities	(14,357)	(975,612)	961,254
Payments for purchase of investment in securities	(882,281)	(2,961)	(879,320)
Proceeds from sale of investment in securities	318,294	47,278	271,015
Payments for other investing activities	(25,792)	(21,958)	(3,833)
Net cash used in investing activities	(2,616,731)	(1,975,846)	(640,884)

（In thousand yen, rounded down）

Items / Period	Current Year (From April 1,2005 To March 31,2006)	Previous Year (From April 1, 2004 To March 31, 2005)	Amount Increased/ Decreased
Ⅲ. Cash flow from financing activities			
Increase (decrease) of short-term borrowing	—	(25,924)	25,924
Payments for redemption of bond	—	(200,000)	200,000
Proceeds from issuing common stock	70,501	—	70,501
Payments for purchase of treasury stock	(19,282)	(25,989)	6,706
Proceeds from sale of treasury stock	9,816	908	8,908
Cash dividends paid	(1,477,988)	(648,504)	(829,483)
Cash flow used in financing activities	(1,416,952)	(899,510)	(517,442)
Ⅳ. Effect of exchange rate changes on cash and cash equivalents	285,241	52,417	232,824
Ⅴ. Increase in cash and cash equivalents	(1,379,104)	346,557	(1,725,661)
Ⅵ. Cash and cash equivalents at beginning of year	11,621,533	11,274,975	346,557
Ⅶ. Cash and cash equivalents at end of year	10,242,428	11,621,533	(1,379,105)

(1) Segment Information

1. Segment information by business category

The businesses of the Company and the consolidated subsidiaries are classified into two segments: cash machines and related equipment, and leisure and related businesses. As net sales and operating income and total assets of cash machines and related equipments constituted more than 90% of the consolidated sales, operating income and total assets for the years ended in March 31, 2006 and 2005, the disclosure of business segment information has been omitted.

2. Geographical segment information

Previous year（From April 1, 2004 to March 31, 2005）

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
Ⅰ. Net sales and operating profit or loss							
Net sales							
(1)Outside customers	20,054,099	12,021,606	255,504	5,615,990	37,947,200	—	37,947,200
(2) Intersegment sales	11,730,092	70,007	9,517,821	26,704	21,344,625	(21,344,625)	—
Total Sales	31,784,191	12,091,614	9,773,326	5,642,694	59,291,826	(21,344,625)	37,947,200
Operating expenses	26,650,911	10,366,407	9,181,220	4,254,510	50,453,050	(21,150,425)	29,302,624
Operating income	5,133,279	1,725,206	592,105	1,388,184	8,838,776	(194,199)	8,644,576
Ⅱ. Total assets	25,953,798	4,709,920	3,021,409	3,269,927	36,955,055	(4,079,455)	32,875,599

（Note）1. The geographical areas are classified according to the geographical closeness.

2. Each global geographical division other than Japan consists of the following countries.

(1) North America …… U.S.A.

(2) Asia …… Hong Kong

(3) Europe …… Germany and England

3. The total assets included in the elimination or corporate is 2,019,069,000 yen. The main items are the fund management (deposit) and the long-term investment (investment securities).

Current year（From April 1, 2005 to March 31, 2006）

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ corporate	Consolidated
Ⅰ. Net sales and operating							
Net sales							
(1)Outside customers	16,405,982	9,995,812	275,445	5,917,704	32,594,944		32,594,944
(2) Intersegment sales	11,673,006	160,412	5,758,842	65,112	17,657,373	(17,657,373)	—
Total Sales	28,078,989	10,156,225	6,034,287	5,982,816	50,252,318	(17,657,373)	32,594,944
Operating expenses	25,367,696	9,359,361	5,787,361	4,806,301	45,320,721	(17,549,956)	27,770,764
Operating income	2,711,292	796,863	246,925	1,176,514	4,931,597	(107,417)	4,824,180
Ⅱ. Total assets	27,284,424	6,041,818	3,427,942	3,854,308	40,608,492	(5,661,316)	34,947,176

（Note）1. The geographical areas are classified according to the geographical closeness.

2. Each global geographical division other than Japan consists of the following countries.

(1) North America …… U.S.A.

(2) Asia …… Hong Kong

(3) Europe …… Germany and England

3. The amount of the total assets included in the elimination or corporate is 1,018,306,000 yen. The main items are the fund management (deposit) and the long-term investment (investment securities).

3. Overseas Net Sales

Previous year（from April 1, 2004 to March 31, 2005）

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
Ⅰ. Overseas net sales	11,386,752	5,779,518	1,054,825	18,221,096
Ⅱ. Consolidated net sales				37,947,200
Ⅲ. Overseas net sales as a percentage of consolidated net sales	30.0%	15.2%	2.8%	48.0%

（Note）1. The geographical areas are classified according to their geographical closeness.
2. Each global geographical division other than Japan consists of the following countries.
(1) North America …… U.S.A. and Canada
(2) Europe …… Italy, Germany, Spain, Russia and England
(3) Other Areas …… Australia, Taiwan and other countries
3. The overseas sales are the sales in countries or areas where consolidated subsidiaries are located other than Japan.

Current year（from April 1, 2005 to March 31, 2006）

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
Ⅰ. Overseas net sales	9,585,536	5,835,810	1,057,923	16,479,270
Ⅱ. Consolidated net sales				32,594,944
Ⅲ. Overseas net sales as a percentage of consolidated net sales	29.4%	17.9%	3.3%	50.6%

（Note）1. The geographical areas are classified according to their geographical closeness.
2. Each global geographical division other than Japan consists of the following countries.
(1) North America …… U.S.A. and Canada
(2) Europe …… Italy, Germany, Spain and Russia
(3) Other Areas …… Australia, Taiwan and other countries
3. The overseas sales are the sales in countries or areas in where consolidated subsidiaries are located other than Japan.

2. Net Sales by operating department

（In thousands, rounded down）

Period / Operating Department	Current year From April 1, 2005 To March 31, 2006		Previous year From April 1, 2004 To March 31, 2005		Increase/(decrease)	
	Net Sales	Ratio	Net Sales	Ratio	Net Sales	Year-on-year change (%)
		%		%		%
Money-handling machines	18,340,958	56.3	23,992,804	63.2	(5,651,846)	(23.6)
Cash registers	525,780	1.6	717,914	1.9	(192,134)	(26.8)
Equipment for the amusement industry	12,539,834	38.5	12,159,870	32.1	379,964	3.1
Others	1,188,372	3.6	1,076,611	2.8	111,760	10.4
Total	32,594,944	100.0	37,947,200	100.0	(5,352,256)	(14.1)

（Note）The amount is the sales price. (The consumption tax is not included.)