(Provided for convenience purpose only. Japanese-language original controls in all cases.)

Summary of Consolidated Financial Statements for the First-Half of the Fiscal Year Ending March 31, 2007

November 10th, 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 Division Name: Hisashi Maki Tel: (06) 6703-8400 (Japan) +81-6-6703-8400 (outside of Japan)

Date of Meeting of Board of Directors to Approve Financial Statements: November 10th, 2006
Application of U.S. Accounting Standards: No

1. Financial results for the First-Half ended September 30, 2006 (April 1, 2006 to September 30, 2006)

(1) Operating Results (Amounts less than 1 million yen have been rounded down.)

Fiscal year	Net Sales	Year-on-year change	Operating Income	Year-on-year change	Ordinary Income	Year-on-year change
	Million yen	%	Million yen	%	Million yen	%
First-Half ended September 30, 2006	15,278	(1.1)	1,535	(38.0)	1,734	(32.0)
First-Half ended September 30, 2005	15,453	(15.9)	2,475	(46.1)	2,550	(47.0)
Year ended March 31, 2006	32,594		4,824		5,023	

Fiscal year	Net Income	Year-on-year change	Net Income Per share: Basic	Net Income Per share: Diluted
	Million yen	%	Yen	Yen
First-Half ended September 30, 2006	475	(64.8)	16.07	—
First-Half ended September 30, 2005	1,349	(51.4)	45.67	45.55
Year ended March 31, 2006	2,969		98.42	98.21

(Note) (i) Equity in income of equity-method investment:
First-Half ended September 30, 2006: - First-Half ended September 30, 2005:- Year ended March 31, 2006:-

(Note) (i) Average number of shares issued and outstanding (consolidated):
First-Half ended September 30, 2006: 29,583,712 shares First-Half ended September 30, 2005: 29,554,792 shares
Year ended March 31, 2006: 29,567,465 shares

(ii) Changes in accounting method: Yes

(iii) Year-on-year changes for net sales, operating income, ordinary income, and net income represent the increase/decrease compared to the same period of the previous year.

(2) Financial Condition (In thousand , rounded down)

Fiscal year	Total Assets	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million yen	Million yen	%	Yen
First-Half ended September 30, 2006	33,992	27,054	79.6	914.52
First-Half ended September 30, 2005	32,149	25,723	80.0	869.79
Year ended March 31, 2006	34,947	27,486	78.7	927.11

(Note) (i) Number of outstanding shares (consolidated):
First-Half ended September 2006: 29,583,443 shares First-Half ended September 2005: 29,573,943 shares
Year ended March 2006: 29,583,982 shares

(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
First-Half ended September 30,2006	1,732	(1,021)	(649)	10,333
First-Half ended September 30,2005	1,113	(1,394)	(903)	10,507
Year ended March 31, 2006	2,369	(2,616)	(1,416)	10,242

(4) Items related to the Consolidation Criteria and Equity Method Application
Number of consolidated subsidiaries: 9 companies
Number of non-consolidated subsidiaries subject to equity method: None
Number of affiliated companies subject to equity method: None

(5) Changes in the Consolidation Criteria and Equity Method Application
Consolidated: (new) None (exception) None Equity method: (new) None (exception) None

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

	Sales	Ordinary Income	Net Income
Annual	Million Yen 34,000	Million Yen 3,500	Million Yen 1,550

(Reference) Expected net earnings per share (annual basis): 52.39
(Note) The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future. Please refer to page 9 for prerequisite of the foregoing estimates.

Status of Corporate Group

JCM group (hereinafter referred to as "JCM") 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.
	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.

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 has a basic policy on profit sharing to make consideration of both results-based payment linked to business performance and continued stability. Under a policy that JCM intends to distribute profits by setting a minimum dividend payout ratio of 25% on non-consolidated net income, JCM actively continued to increase dividend per share in line with business performance trends.

As already announced, both sales and income will be decreased compared to the same period in the previous year for the financial results ending March 31, 2007 in addition to decline in interim period. Considering that, JCM has corrected dividends per share to ¥10 for interim and ¥10 for year-end, giving a total annual dividend of ¥20, a decrease from ¥40, the previously forecasted dividend per share.

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 in business performance and of shareholder value. Additionally, JCM grants stock options to board directors and to management-level employees as an incentive to improve stockholder returns.

Forecast of dividend per share

	Dividend per share (Yen)					
	1st Quarter	First-Half	3rd Quarter	Year End	Other	Annual
Year ended March 31, 2006	–	18.00	–	22.00	–	40.00
Year ending March 31, 2007 (Actual)	–	10.00	–	–	–	20.00
Year ending March 31, 2007 (Forecast)	–	–	–	10.00	–	

(Note) The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future. Please refer to page 9 for prerequisite of the foregoing estimates.

Medium- and Long-Term Business Strategy

JCM has approached the medium-term business project, "JCM World 21" setting the final year on the fiscal year ending March 31, 2008. However, market environment has changed drastically from the time the project was originally implemented, and JCM intends to review this mid-term business plan to make a mature and steady project through gathering and analyzing information. Aiming to maintain stable income, JCM strives to restructure the business organization by consolidating built-up management resources, such as JCM brand name, technology, and surplus funds.

The Specific Management Issues

The business environment of JCM has been more severe with a rapidly changing market environment and competition among other manufacturers. In order to respond swiftly to such a rapidly changing business environment, JCM will speed up decision making in management. It is essential to reform and energize the organization, and recruit and train human resources. Further, in order to utilize all management resources, JCM focuses on selection and concentration of business segment mainly on money-handling machines and equipment for the amusement industry, and JCM intensively invests human resources, products, and money for enforcement of essential technology and improvement of market reliability.

By achieving these, JCM will seek to recover and expand its business performance as well as to enhance and stable its corporate management, and JCM goes on restructuring solid constitution of the company to respond flexibly to any situations.

Outline of Business Results

(1) Overview of business operations (from April 1, 2006, to September 30, 2006)

Despite of concern about the rise in raw materials prices including crude oil, overall economy for this period grew relatively steadily in North America and Europe, and expanded mainly in China in Asian regions. Japanese economy also experienced continued economic expansion with improvement of corporate performance and favorable expansion in capital investment.

The business environment of JCM, especially in overseas gaming market (casino market), remained strong as market reorganization is continued through the concentration of management capital accompanied by acquisition of business, while market expansion goes worldwide despite of differences in each regional regulation and growth potential.

On the other hand, in the equipment for the amusement industry (*pachinko* market), in addition to reduction of *pachinko* stores accompanied by population decline in *pachinko* players, *pachinko* chains focus on investing in their machines due to an amendment on regulations for *pachinko* related equipments.

Under such a market environment, JCM not only strove to launch new products on the market and to improve customer services, but focused on expansion to new market and to find potential customers.

However, the efforts did not bear fruit due to further intensified competition among other manufactures inside and outside the market and significant decrease in facility equipment, which is its main product, in the equipment for the amusement industry.

As a result, net sales decreased by 1.1% to ¥15,278 million compared to the same period in the previous year. As for income, decline of selling price due to competition among other manufacturers and increase in expenditures to maintain market reliability and litigation expenses resulted in operating income of ¥1,535 million, a 38.0% decrease from the same period in the previous year. Ordinary income fell by 32.0% to ¥1,734 million, and net income decreased by 64.8 % to ¥475 million due to loss on devaluation of investment in securities from the same period in the previous year.

Domestic net sales during the period dropped by 22.1% to 5,787 million, while overseas net sales increased by

18.4% to ¥9,491 million compared with the same period in the previous year.
On the foreign exchange market, the average yen to US dollar exchange rate was ¥115.57/$1 compared to ¥106.80/$1 in the same period of the previous year, and the average against the euro was ¥142.77/€1 compared to ¥136.42/€1 in the same period of the previous year, reflecting a depreciation of the yen against both currencies.

(2) Information by business segment

The sales of each segment are as follows.

(In millions of yen)

	First-Half Ended September 30, 2005 Net Sales	First-Half Ended September 30, 2006 Net Sales	Increased/Decreased	
			Amount	(%)
Money-handling machines	8,932	10,638	1,705	19.1
Cash registers	249	269	19	8.0
Equipment for the amusement industry	5,665	3,815	(1,850)	(32.7)
Others	605	555	(49)	(8.2)
Total	15,453	15,278	(174)	(1.1)

(i) Money-handling machines

<Overseas gaming market>

In North America, sales gained due to increase in replacement demand in the existing market areas, while demand from expansion of authorizing area for casino areas remained slow.
Meanwhile, in Europe, due to an anticipated amendment on gaming regulations in Russia, where market has rapidly expanded lately, demand in the market has temporarily slowed down since customers have carefully observed the market trend. In other areas, sales grew relatively strongly.

<Overseas gaming market>

JCM expects a large business potentiality in this segment because customers needs for money-handling machines are diversifying. Aiming to expand its business in the segment, JCM actively implemented product development and business development. As a result, sales for this period increased mainly in North America.

<Domestic market>

Sales of bill validators and bill-recycling units increased due to acceleration of installation of self-service gas station, affected by the rise of crude oil prices, and expansion of demand in mini automated teller machine, where both products are installed.

(ii) Electronic cash registers

The market in electronic cash register has remained severe. In response, JCM focused on selling the high value added systems as well as on product development and business development, narrowing down a range of customers.

(iii) Equipment for the amusement industry

In the target market of equipment for the amusement industry, total number of *pachinko* halls continues to decrease, while dominant *pachinko* chains have expanded. In addition, the population of *pachinko* players has reduced, and total sales in *pachinko* halls have remained almost flat. Under such a market environment, due to an amendment on regulations for *pachinko* related equipments, *pachinko* chains have invested a large amount of money mainly in shifting their *pachinko* machines, causing a significant decrease in investing in facility equipments required for opening of new stores and renovating of existing stores. Consequently, sales of automatic token supply systems and token lenders able to accept high-denomination bills remained slow against favorable sales result in the previous year.

(iv) Other products

The video-game arcade and fire-resistant safe markets were not subject to any major change factors, and sales remained at relatively the same level as in the previous year. In the area of environment and hygiene-related equipment, sales decreased.

(3) Geographical segment information

Geographical segment information is as follows.

(In millions of yen)

		Japan	North America	Asia	Europe	Eliminations/ Corporate	Consolidated
Net Sales	First-Half ended September 30, 2006	13,647	6,067	6,009	3,297	(13,742)	15,278
	First-Half ended September 30, 2005	13,243	4,742	2,726	3,008	(8,268)	15,453
	Increased/ Decreased	403	1,324	3,283	288	(5,473)	(174)
	(%)	3.0	27.9	120.4	9.6	—	(1.1)
Operating Income	First-Half ended September 30, 2006	895	363	277	423	(424)	1,535
	First-Half ended September 30, 2005	1,262	484	144	694	(111)	2,475
	Increased/ Decreased	(367)	(121)	132	(271)	(312)	(940)
	(%)	(29.1)	(25.0)	91.7	(39.1)	—	(38.0)

(i) Japan

In the equipment for the amusement industry, sales decreased due to drastic changes in the market environment. Meanwhile, along with sales growth in overseas market, intercompany transaction increased. As a result, overall sales in this segment slightly increased. Decrease of sales in the equipment for the amusement industry as well as increase in expenditures to maintain market reliability and litigation expenses resulted in income decrease.

(ii) North America

Sales increased due to slight recovery of demand in North America, sales expansion for commercial market, and depreciation of yen on foreign exchange markets. Income dropped due to increase in expenses for customer support, in addition to decline of selling price, caused by competition among other manufacturers.

(iii) Asia

In Asia, as a coordinating base for overseas production, JCM manufactures equipment for the amusement industry and money-handling machines. As sales increased for overseas market, intercompany transaction grew. As a result, both sales and income increased.

(iv) Europe

Due to an anticipated amendment on gaming regulations in Russia, demand in the market has temporarily slowed down. In other eastern European areas, sales increased due to moderate market growth and depreciation of yen in foreign exchange market. Income decreased for the same reasons as in North America.

(4) Outlook for the fiscal year ending March 31, 2007 (April 1, 2006 to March 31, 2007)

Demand in the overseas gaming market will continue to be firm, while competition mainly in prices among other manufacturers will be intensified. JCM will seek for sales recovery by not only competing in price but in an overall high quality of service, such as product performance, quality assurance, and delivery time. In the commercial market, JCM will aim for sales expansion by gaining higher recognition of the JCM brand mostly in vending machine industry and in the security-related sector.

Domestically, adversely affected from an amendment to regulations on *pachinko* machines, market upturn in the equipment for the amusement industry is not expected and will remain severe in the immediate future.

Under such a market environment, JCM makes efforts to compete against decline of selling price through various cost reduction activities including improving efficiency in products production and logistics as well as to work on heightening the added value with further improvement of basic product function and product quality.

As for outlook for profit sharing, it is scheduled to pay ¥10 of dividends per share in each interim and in year-end, giving a total annual dividend of ¥20.

Sales forecast for the fiscal year ending March 31, 2007

(In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
(Current Year) Year ending March 31, 2007 (Forecast)	34,000	3,350	3,500	1,550
(Previous Year) Year ended March 31, 2006 (Actual)	32,594	4,824	5,023	2,969
Increased/Decreased	1,406	(1,474)	(1,523)	(1,419)
(%)	4.3	(30.6)	(30.3)	(47.8)

(Reference)

Sales forecast by business segment (In millions of yen)

	(Previous Year) Year ended March 31, 2006 Net Sales	(Current Year) Year ending March 31, 2007 Net Sales	Increased/Decreased	
			Amount	(%)
Money-handling machines	18,340	22,000	3,660	20.0
Cash registers	525	800	275	52.4
Equipment for the amusement industry	12,539	10,000	(2,539)	(20.2)
Others	1,188	1,200	12	1.0
Total	32,594	34,000	1,406	4.3

Sales forecast by geographical segment (In millions of yen)

		Japan	North America	Asia	Europe	Eliminations/ Corporate	Consolidated
Net Sales	(Current Year) Year ending March 31, 2007 (Forecast)	30,000	12,100	9,400	6,300	(23,800)	34,000
	(Previous Year) Year ended March 31, 2006 (Actual)	28,078	10,156	6,034	5,982	(17,657)	32,594
	Increased/Decreased	1,922	1,944	3,366	318	(6,143)	1,406
	(%)	6.8	19.1	55.8	5.3	—	4.3
Operating Income	(Current Year) Year ending March 31, 2007 (Forecast)	2,150	550	350	750	(450)	3,350
	(Previous Year) Year ended March 31, 2006 (Actual)	2,711	796	246	1,176	(107)	4,824
	Increased/Decreased	(561)	(246)	104	(426)	(343)	(1,474)
	(%)	(20.7)	(30.9)	42.3	(36.2)	—	(30.6)

(Note) The foregoing estimates are made based on information available as of the date this data was released, and actual results may significantly differ from estimates due to various factors arising in the future.

Consolidated Balance Sheet (Summary)

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005		First-Half ended September 30, 2006		Amount Increased/ (Decreased)	Year ended March 31,2006	
	Amount	Composition	Amount	Composition	Amount	Amount	Composition
Assets		%		%			%
I. Current Assets:							
Cash and bank equivalents	10,561,185		10,399,600		(161,584)	10,287,878	
Notes and account receivable trade	6,055,202		5,656,443		(398,759)	7,006,767	
Securities	1,012,772		1,271,148		258,375	1,093,986	
Inventories	5,682,369		6,897,396		1,215,026	6,547,409	
Deferred income taxes	1,436,358		1,640,297		203,939	1,454,133	
Other current assets	461,328		739,302		277,973	733,077	
Less allowance for doubtful accounts	(140,116)		(166,574)		(26,458)	(157,736)	
Total Current Assets	25,069,100	78.0	26,437,614	77.8	1,368,513	26,965,515	77.2
II. Fixed Assets:							
Tangible fixed assets:							
Buildings and structures	990,309		1,710,547		720,237	1,764,439	
Machinery and equipment	110,099		110,857		758	113,396	
Land	607,939		622,021		14,082	630,636	
Construction in progress	556,570		2,660		(553,909)	85,323	
Other	817,919		759,049		(58,869)	851,806	
Total Tangible fixed assets	3,082,837		3,205,136		122,299	3,445,602	
Intangible fixed assets:							
Software	128,583		367,439		238,856	270,762	
Other	257,113		205,592		(51,521)	181,802	
Total Intangible fixed assets	385,696		573,031		187,334	452,565	
Investments and other assets:							
Investments in securities	1,351,375		1,451,636		100,260	1,867,072	
Long-term loans receivable	16,253		1,942		(14,311)	14,455	
Deferred income taxes	159,307		121,953		(37,354)	37,052	
Other	2,148,807		2,259,673		110,865	2,225,216	
Less allowance for doubtful accounts	(63,403)		(58,976)		4,427	(60,302)	
Total Investments and other assets	3,612,340		3,776,228		163,888	4,083,493	
Total Fixed Assets	7,080,874	22.0	7,554,397	22.2	473,522	7,981,660	22.8
Total Assets	32,149,975	100.0	33,992,011	100.0	1,842,036	34,947,176	100.0

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005		First-Half ended September 30, 2006		Amount Increased/ (Decreased)	Year ended March 31,2006	
	Amount	Composition	Amount	Composition	Amount	Amount	Compositio
Liabilities							
I. Current liabilities:							
Notes and account payables trade	3,500,517		3,901,431		400,913	4,749,031	
Short-term bank borrowings	128,376		141,128		12,751	120,449	
Accrued income taxes	1,076,447		527,813		(548,634)	300,991	
Accrued bonuses	447,564		445,522		(2,042)	426,983	
Accrued bonuses for directors and corporate auditors	—		29,500		29,500	—	
Other	988,649		1,536,872		548,222	1,542,802	
Total Current Liabilities	6,141,556	19.1	6,582,267	19.4	440,711	7,140,257	20.4
II. Long-term liabilities:							
Deferred income taxes	5,985		36,106		30,121	31,364	
Accrued retirement benefits for employees	8,291		15,949		7,657	8,761	
Retirement allowances for directors and corporate auditors	246,177		281,427		35,250	258,114	
Other	24,724		21,550		(3,174)	22,110	
Total long-term liabilities	285,178	0.9	355,033	1.0	69,854	320,351	0.9
Total liabilities	6,426,735	20.0	6,937,300	20.4	510,565	7,460,609	21.3
Minority shareholders' equity	—	—	—	—	—	—	—
Shareholders' equity							
I. Common stock	2,205,626	6.8	—	—	—	2,216,945	6.4
II. Capital surplus	2,057,671	6.4	—	—	—	2,069,338	5.9
III. Retained earnings	21,469,585	66.8	—	—	—	22,556,433	64.6
IV. Net unrealized holding gain on securities	331,949	1.0	—	—	—	463,835	1.3
V. Translation adjustment	(236,355)	(0.7)	—	—	—	289,064	0.8
VI. Less treasury stock, at cost	(105,236)	(0.3)	—	—	—	(109,051)	(0.3)
Total shareholders' equity	25,723,240	80.0	—	—	—	27,486,566	78.7
Total liabilities and shareholders' equity	32,149,975	100.0	—	—	—	34,947,176	100.0
Net Assets							
I. Shareholder's Equity							
1. Common stock	—	—	2,216,945	6.5	—	—	—
2. Capital surplus	—	—	2,069,519	6.1	—	—	—
3. Retained earnings	—	—	22,321,908	65.7	—	—	—
4. Less treasury stock, at cost	—	—	(110,258)	(0.3)	—	—	—
Total shareholders' equity	—	—	26,498,115	78.0	—	—	—

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005		First-Half ended September 30, 2006		Amount Increased/ (Decreased)	Year ended March 31,2006	
	Amount	Composition	Amount	Composition	Amount	Amount	Compositio
II. Valuation and Translation Adjustments							
1. Net unrealized holding gain on securities	—	—	320,918	0.9	—	—	—
2. Translation adjustments	—	—	235,676	0.7	—	—	—
Total valuation and Translation Adjustments	—	—	556,595	1.6	—	—	—
Total Net Assets	—	—	27,054,711	79.6	—	—	—
Total Liabilities and Net Assets	—	—	33,992,011	100.0	—	—	—

Consolidated Income Statement (Summary)

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005		First-Half ended September 30, 2006		Amount Increased/ (Decreased)	Year ended March 31,2006	
	Amount	%	Amount	%	Amount	Amount	%
I. Net Sales	15,453,271	100.0	15,278,914	100.0	(174,357)	32,594,944	100.0
II. Cost of Sales	8,179,066	52.9	7,931,746	51.9	(247,320)	17,410,982	53.4
Gross profit	7,274,205	47.1	7,347,167	48.1	72,962	15,183,962	46.6
III. Selling, general and administrative expenses	4,798,516	31.1	5,811,512	38.0	1,012,995	10,359,782	31.8
Operating income	2,475,688	16.0	1,535,655	10.1	(940,032)	4,824,180	14.8
IV. Non-operating income	105,019	0.7	205,095	1.3	100,075	249,295	0.8
Interest income	39,636		67,792			93,126	
Dividend income	16,884		17,341			30,339	
Foreign exchange gain	33,879		44,300			59,243	
Gain on litigation settlement	—		34,671			—	
Other	14,619		40,989			66,586	
V. Non-operating expenses	29,986	0.2	6,258	0.0	(23,727)	49,702	0.2
Interest expense	998		472			2,531	
Loss on cancellation of Insurance contract	—		—			6,809	
Loss on cancellation of lease contract	—		—			10,000	
Other	28,987		5,786			30,360	
Ordinary income	2,550,721	16.5	1,734,492	11.4	(816,229)	5,023,773	15.4
VI. Extraordinary income	57,291	0.3	1,452	0.0	(55,838)	84,234	0.3
Gain on the prior-term adjustment	—		252			126	
Gain on sales of fixed assets	1,192		—			3,016	
Gain on sales of investment in securities	—		—			11,559	
Reversal of allowance for doubtful account	56,098		1,200			69,531	
VII. Extraordinary expenses	19,187	0.1	678,535	4.5	659,347	54,829	0.2
Loss on the prior-term adjustment	126		—			4,302	
Loss on disposal of fixed assets	11,603		3,496			26,548	
Loss on sales of fixed assets	—		687			30	
Loss on devaluation of Investment in securities	—		674,351			—	
Loss on expansion of Nagahama factory	—		—			16,490	
Impairment loss	7,458		—			7,458	
Income before income taxes	2,588,824	16.7	1,057,408	6.9	(1,531,415)	5,053,177	15.5
Income taxes current	1,255,184		754,764			2,049,795	
Income taxes-deferred	(16,192)	8.0	(172,678)	3.8	(656,907)	34,371	6.4
Net Income	1,349,831	8.7	475,323	3.1	(874,508)	2,969,010	9.1

Consolidated Statements of Surplus and Consolidated Statements of Shareholders' Equity

Consolidated Statements of Surplus

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005	Year Ended March 31, 2006
(Capital surplus)	2,029,136	2,029,136
I. Capital surplus at beginning of year		
II. Increase		
1. Issuance of common stock	23,931	35,250
2. Gains on sales of treasury stock	4,603	4,952
III. Capital surplus at end of year	2,057,671	2,069,338
(Retained earnings)		
I. Retained earnings at beginning of year	21,130,910	21,130,910
II. Increase		
1. Net income	1,349,831	2,969,010
III. Decrease		
1. Cash dividends	945,657	1,477,988
2. Bonuses for directors and corporate auditors	65,500	65,500
IV. Retained earnings at end of year	21,469,585	22,556,433

Consolidated Statements of Shareholders' Equity

For First-Half ended September 30, 2006 (April 1, 2006 to September 30, 2006)

(In thousand yen, rounded down)

	Shareholders' Equity					Valuation and Translation Adjustments			Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2006	2,216,945	2,069,338	22,556,433	(109,051)	26,733,666	463,835	289,064	752,900	27,486,566
Increase (decrease) during the term									
Issuance of new shares	—	—			—				—
Cash dividends *			(650,847)		(650,847)				(650,847)
Bonuses for directors and corporate auditors *			(59,000)		(59,000)				(59,000)
Net income			475,323		475,323				475,323
Purchase of treasury stock				(1,654)	(1,654)				(1,654)
Sales of treasury stock		180		447	628				628
Net increase (decrease) during the term, except for items under shareholders' equity						(142,916)	(53,387)	(196,304)	(196,304)
Total	—	180	(234,524)	(1,207)	(235,551)	(142,916)	(53,387)	(196,304)	(431,855)
Balance at September 30, 2006	2,216,945	2,069,519	22,321,908	(110,258)	26,498,115	320,918	235,676	556,595	27,054,711

(Note) *Allocated at the annual general meeting of shareholders' held in June 2006

Consolidated Cash Flow (Summary)

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005	First-Half ended September 30, 2006	Amount Increased/ (Decreased)	Year ended March 31, 2006
	Amount	Amount	Amount	Amount
Ⅰ Cash flow from operating activities				
Income before income taxes	2,588,824	1,057,408	(1,531,415)	5,053,177
Depreciation and amortization	303,361	352,157	48,796	731,519
Impairment loss	7,458	—	(7,458)	7,458
Amortization of consolidation adjustment accounts	1,130	—	(1,130)	2,260
Increase (decrease) in reserve	(198,138)	89,143	287,282	(201,066)
Interest and dividend income	(56,520)	(85,134)	(28,613)	(123,465)
Interest expense	998	472	(526)	2,531
Exchange loss (gain), net	(7,640)	(15,251)	(7,611)	(18,489)
Loss (gain) on sales of investment in securities	—	—	—	(11,559)
Loss on sales of tangible fixed assets	10,410	4,183	(6,227)	23,561
Loss on devaluation of Investment in securities	—	674,351	674,351	—
Decrease (increase) in account receivable	767,684	1,323,736	556,052	10,569
Decrease (increase) in inventories	1,811,686	(311,750)	(2,123,437)	1,220,916
Increase (decrease) in notes and accounts payable	(297,736)	(824,112)	(526,375)	705,994
Decrease (increase) in consumption taxes receivable	86,965	46,953	(40,011)	(34,229)
Increase (decrease) in other assets and liabilities	(1,731,250)	(84,804)	1,646,445	(1,341,110)
Bonuses for directors and corporate auditors	(65,500)	(59,000)	6,500	(65,500)
Sub Total	3,221,734	2,168,354	(1,053,379)	5,962,569
Interest and dividends received	46,189	70,646	24,457	103,132
Interest Paid	(998)	(472)	526	(2,531)
Income taxes paid	(2,153,827)	(505,659)	1,648,168	(3,693,831)
Net cash provided by operating activities	1,113,096	1,732,869	619,772	2,369,338

(In thousand yen, rounded down)

Period / Items	First-Half ended September 30, 2005	First-Half ended September 30, 2006	Amount Increased/ (Decreased)	Year ended March 31, 2006
	Amount	Amount	Amount	Amount
II Cash flow from investing activities				
Payments for purchase of tangible fixes assets	(991,965)	(164,103)	827,861	(1,787,282)
Proceeds from sales of tangible fixed assets	7,892	939	(6,952)	50,003
Payments for purchase of intangible fixed assets	(152,642)	(181,193)	(28,550)	(275,314)
Payments for purchase of marketable securities	(4,513)	(189,072)	(184,558)	(14,357)
Payments for purchase of investment in securities	(232,814)	(500,147)	(267,333)	(882,281)
Proceeds from sale of investment in securities	1,980	—	(1,980)	318,294
Payments for other investing activities	(22,406)	12,466	34,873	(25,792)
Net Cash used in investing activities	(1,394,471)	(1,021,111)	373,359	(2,616,731)
III Cash flow from financing activities				
Proceeds from issuance of new shares	47,863	—	(47,863)	70,051
Payments for purchase of treasury stock	(14,883)	(1,654)	13,228	(19,282)
Proceeds from sales of treasury stock	8,882	628	(8,254)	9,816
Cash dividends paid	(945,657)	(648,246)	297,411	(1,477,988)
Cash flow used financing activities	(903,794)	(649,272)	254,521	(1,416,952)
IV Effect of exchange rate changes on cash and cash equivalents	71,445	28,558	(42,887)	285,241
V Increase in cash and cash equivalents	(1,113,723)	91,043	1,204,767	(1,379,104)
VI Cash and cash equivalents at beginning of year	11,621,533	10,242,428	(1,379,104)	11,621,533
VII Cash and cash equivalents at end of year	10,507,809	10,333,472	(174,336)	10,242,428

Segment Information

〔Segment Information by business category〕

The business 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.

〔Geographical segment information〕

First-Half ended September 30, 2005
(April 1, 2005-September 30, 2005)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
Net Sales							
(1) Outside Customers	7,570,226	4,700,563	175,293	3,007,189	15,453,271	—	15,453,271
(2) Intersegment Sales	5,673,416	42,327	2,550,779	1,705	8,268,227	(8,268,227)	—
Total Sales	13,243,642	4,742,890	2,726,072	3,008,894	23,721,499	(8,268,227)	15,453,271
Operating Expenses	11,981,184	4,258,170	2,581,234	2,314,115	21,134,705	(8,157,121)	12,977,583
Operating income	1,262,457	484,719	144,837	694,778	2,586,794	(111,106)	2,475,688

First-Half ended September 30, 2006
(April 1, 2006-September 30, 2006)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
Net Sales							
(1) Outside Customers	5,906,698	5,957,680	140,038	3,274,497	15,278,914	—	15,278,914
(2) Intersegment Sales	7,740,455	109,617	5,869,118	22,888	13,742,080	(13,742,080)	—
Total Sales	13,647,153	6,067,297	6,009,156	3,297,386	29,020,994	(13,742,080)	15,278,914
Operating expenses	12,751,951	5,703,664	5,731,481	2,874,194	27,061,291	(13,318,033)	13,743,258
Operating income	895,201	363,633	277,675	423,192	1,959,702	(424,047)	1,535,655

Year ended March 31, 2006
(April 1, 2005-March 31, 2006)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
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

（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 U.K.

〔Overseas Net Sales〕

First-Half ended September 2005
(April 1, 2005-September 30, 2005)

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
Ⅰ Overseas net sales	4,428,284	3,017,933	573,336	8,019,555
Ⅱ Consolidated net sales				15,453,271
Ⅲ Overseas net sales as a percentage of consolidated net sales	28.7%	19.5%	3.7%	51.9%

First-Half ended September 2006
(April 1, 2006-September 30, 2006)

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
Ⅰ Overseas net sales	5,506,841	3,199,289	785,332	9,491,463
Ⅱ Consolidated net sales				15,278,914
Ⅲ Overseas net sales as a percentage of consolidated net sales	36.1%	20.9%	5.1%	62.1%

Year ended March 31, 2006
(April 1, 2005-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 the 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, U.K., Austria, Slovenia, and other countries
(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.

Net Sales by operating department

（In thousands, rounded down）

Period / Operating Department	First-Half ended September 30, 2006	
	Net Sales	Year-on-year change (%)
Money-handling machines	10,638,594	19.1
Cash registers	269,885	8.0
Equipment for the amusement	3,815,198	(32.7)
Others	555,236	(8.2)
Total	15,278,914	(1.1)