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

Summary of Consolidated Financial Statements for the Year Ended March 2007

May 10, 2007

Listed Company	**Japan Cash Machine Co., Ltd.**		Stock Exchanges:	Tokyo, Osaka
Code Number	6418		URL	http://www.jcm-hq.co.jp/
Representative	Position: President	Name: Yojiro Kamihigashi		
For Inquiries	Position: Director, Administration Division	Name: Hisashi Maki	TEL	+81-6-6703-8400

Date of General Shareholders' Meeting scheduled to be held: June 27, 2007
Date of starting to pay dividends: June 11, 2007
Date of submitting financial statement report: June 27, 2007

1. Results for the Year Ended March 2007 (April 1, 2006 to March 31, 2007)

(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	Net Income	Year-on-year change
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2007	31,785	(2.5)	3,431	(28.9)	3,697	(26.4)	1,758	(40.8)
March 2006	32,594	(14.1)	4,824	(44.2)	5,023	(43.4)	2,969	(40.4)

Fiscal Year	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 Operating Income to sales
	Yen	Yen	%	%	%
March 2007	59.46	-	6.3	10.5	10.8
March 2006	98.42	98.21	11.3	14.8	14.8

(Note) Equity in income of equity-method investment: The year ended March 2007: –
The year ended March 2006 –

(2) Financial Condition

Fiscal Year	Total Assets	Total Shareholder's Equity	Total Shareholder's Equity Ratio	Shareholders' Equity Per Share
	Million yen	Million yen	%	Yen
March 2007	35,295	28,510	80.8	963.74
March 2006	34,947	27,486	78.7	927.11

(Note) Shareholders' equity: The year ended March 2007: 28,510 million yen
The year ended March 2006: – million yen

(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 2007	1,779	(1,759)	(947)	9,256
March 2006	2,369	(2,616)	(1,416)	10,242

2. Situation of Dividend

Fiscal Year	Dividend per share			Amount of dividends	Dividend Payout ratio	Dividends on net assets
(Record date)	Interim	Year-end	Annual	(Annual)	(Consolidation)	(Consolidation)
	Yen	Yen -	Yen	Million yen	%	%
March 2006	18.00	22.00	40.00	1,183	40.6	4.5
March 2007	10.00	10.00	20.00	591	33.6	2.1
March 2008(Forecast)	11.00	11.00	22.00	-	32.5	-

3. Projected Results for the Year Ending March 2008 (April 1,2007 to March 31,2008)

	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 of the Fiscal Year Ending March 31, 2008	15,300	0.1	1,800	17.2	1,800	3.8
Year End of the Fiscal Year Ending March 31, 2009	33,000	3.8	3,600	4.9	3,600	(2.6)

	Net Income	Year-on- year change	Net Income per share: Basic
	Million yen	%	Yen
First-Half ended September 30,2007	900	89.3	30.42
Year ended March 31,2008	2,000	13.8	67.61

4. Others

(1) Changes of important subsidiaries during the fiscal year ended March 31, 2007

Addition: JCM BULGARIA LTD.

J-CASH MASHINE (THAILAND) CO., LTD.

(2) Changes on the basis of consolidated financial statements preparation

・ Related to accounting standard revisions Applicable

・ Other changes Not Applicable

(3) Outstanding shares (common shares)

Number of shares outstanding (including treasury stock)	March 31, 2007	29,662,851	Shares	March 31, 2006	29,662,851	Shares
Number of treasury stock	March 31, 2007	79,928	Shares	March 31, 2006	78,869	Shares

(Note) 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.

Outline of business Results

Overview of business operations

Despite concerns over the rise in crude oil and raw materials, uneasiness of the future of American economy, overheating of an Asian economy, the world economy continued to expand.

Meanwhile, Japanese economy grew steadily by capital investments and steady consumer spending led by improvements in employment and wage as well as with the sign of change from export-led to domestic demand-based economy.

As for the business environment of JCM, overseas gaming market has been in tendency of expansion continuously in the world, even though there are some differences in regulations and growth potential by area. The movement toward deregulation has been seen in world wide every area including Japan. The market continues to expand slightly in the U.S., and Macao market has been expanded remarkably in Asian area. Furthermore, needs for money-handling machines have been increased in the household and industrial field (Commercial market) both in the domestic and overseas with the change of social environment. In the domestic, new markets have developed, such as expansion of the placement of mini ATM for convenience stores, progression of self-service gas stations, additional placement of coin park lot. Accordingly, in Western and developing countries demand for money-handling machines increased with the background of the movement toward economical growth or saving.

On the other hand, the market scale has continued to reduce in the equipment for the amusement industry, caused by the fact that pachinko halls concentrate to invest on replacement of pachinko machines due to an amendment on regulations for pachinko related equipments, population decrease in pachinko players which is also caused by an amendment on regulations, and closing of pachinko halls. For these reasons, market trends of facility equipment, which is our core product, have been more severe, combined with financial pressure of pachinko halls' capital requirement.

Under such situations, in overseas gaming market, JCM group strived for sales expansion and gaining new customers and new markets by appealing to customers for function of the product and superiority of support system, developing products range by launching the new products into the market, and handling peripheral equipment aggressively through set sales of bill validators without staying in the exiting sales ways. In the overseas commercial market, positioning the vending machine market as an important sales field, JCM carried out a continuous action and focused on awakening of new customer needs. As a result, superiority of our product has been gradually recognized.

Also, JCM increased the superiority of our products in the domestic market by suggesting to customers of efficiency, elimination, space saving, high-security, and tendency to heighten the added value for handling cash, and doing activities, which corporate with company of each specialized field.

As a result of above, net sales increased in both gaming and commercial market in the money-handling section.

However, slump of the equipment for the amusement industry exceeded our assumption, which caused the sales amount in the current term was ¥31,785millios, a decrease by 2.5% over the previous year.

On profit side, operating income decreased by 28.9% to ¥3,431 million compared to the previous year, and ordinary income decreased by 26.4% to ¥3,697 million due to increase in expenditures to maintain market reliability and litigation expenses in addition to decrease factor of net sales and falling of profit rate due to price competition.

Net income amounted to ¥1,758 millions, decreased by 40.8% from the previous year due to loss on devaluation of investment in securities.

Overseas net sales increased by 15.9% to ¥19,095 million, and domestic net sales decreased by 21.3% to ¥12,689 million over the previous year.

In the foreign currency exchange markets, the average yen to U.S. dollar exchange rate was ¥ 116.39 compared to ¥110.94/$1, and the average against the euro was ¥146.89 compared to ¥137.31/€1, reflecting the depreciation of the yen against both currencies.

The sales of each segment are as follows.

(In millions of yen)

	Previous Year From April 1,2005 To March 31,2006	Current Year From April 1,2006 To March 31,2007	Increased/Decreased	
			Amount	(%)
Money-handling machines	18,340	22,112	3,771	20.6
Cash registers	525	510	(15)	(3.0)
Equipment for the amusement industry	12,539	8,074	(4,465)	(35.6)
Others	1,188	1,087	(100)	(8.4)
Total	32,594	31,785	(809)	(2.5)

(1) Money-handling machines

In the gaming market, JCM have expanded products range by launching new products and tried to enrich the support system in North American market. There was a recovery seen in the replacement of demand from the previous year.
Furthermore, in European market, net sales increased because of remarkable market expansion in Eastern Europe except for Russia.
There was no large change seen in Asian market. JCM engaged in aggressive sales activities and enriching support system for the construction of large-scale casino in near future.
In the overseas commercial market, net sales increased with the effort of aggressive sales expansion, mainly for vending machines in North America and Europe.
In the domestic market, net sales of money-handling machines increased, particularly for self-service gas stations and mini ATM as well as for the back yard of distributing shops and equipment for the amusement industry.

(2) Cash registers

In the domestic, JCM launched the sales of low-price POS system, aiming for demand boosting. However it did not increase net sales significantly. In the overseas, net sales decreased adversely affected by lower priced product brought by other overseas competitors.

(3) Equipment for the amusement industry

Pachinko halls tended to suppress the investment on facility equipment with the fact that they needed to concentrate on investing on replacement of pachinko machines due to an amendment on regulations for pachinko related equipments, population decrease in pachinko players which is also caused by an amendment on regulations, and closing of pachinko halls. As a result, market trends of facility equipment, which is our core product, significantly decreased.

(4) Others

The video-game arcade was not subject to any major change factors and sales remained at largely the same levels as in the previous year. On the other hand, sales in the environment-and hygiene-related equipment markets decreased.

Geographical segment information is as follows.

(In millions of yen)

		Japan	North America	Asia	Europe	Eliminations / Corporate	Consolidated
Net Sales	Previous year (From April 1,2005 To March 31,2006)	28,078	10,156	6,034	5,982	(17,657)	32,594
	Current term (From April 1,2006 To March 31,2007)	27,809	12,275	10,265	6,410	(24,975)	31,785
	Increased/ Decreased	(269)	2,119	4,231	427	(7,318)	(809)
	(%)	(1.0)	20.9	70.1	7.1	-	(2.5)
External Sales	Previous year (From April 1,2005 To March 31,2006)	16,405	9,995	275	5,917	-	32,594
	Current term (From April 1,2006 To March 31,2007)	12,929	12,132	338	6,384	-	31,785
	Increased/ Decreased	(3,476)	2,136	63	466	-	(809)
	(%)	(21.2)	21.4	23.0	7.9	-	(2.5)
Operating Income	Previous year (From April 1,2005 To March 31,2006)	2,711	796	246	1,176	(107)	4,824
	Current term (From April 1,2006 To March 31,2007)	2,090	634	483	692	(469)	3,431
	Increased/ Decreased	(620)	(162)	236	(484)	(362)	(1,392)
	(%)	(22.9)	(20.4)	95.9	(41.2)	-	(28.9)

(1) Japan
Along with significant sales decrease in the equipment for the amusement industry, outside sales declined. However, thanks to the increased sales in the overseas gaming market, overall sales slightly decreased. On profit side, income declined due to increase in expenditures to maintain market reliability and litigation expenses in addition to sales decrease in the equipment for the amusement industry.

(2) North America
Sales increased due to recovery of the replacement demand from the previous year, in addition to the effort of developing products range by launching the new products into the market and enriching of support system. Meanwhile, on the profit side, income dropped due to sagging profits caused by price competition among other manufacturers and increase in expenditure arisen by enriching customer support system.

(3) Asia
As the overseas production basis, JCM manufactures money-handling machines and equipments for the amusement industry. Net sales and operating income increased due to sales increase particularly in the overseas market.

(4) Europe
The market slightly expanded in Eastern European market expect for Russia, where demand declined due to amendment of gaming regulations. In addition to this, with depreciation of yen in foreign exchange rates, sales increased. On the other hand, operating income declined due to sagging profits caused by price competition among other manufacturers and increase of overheads caused by reinforcement of an organization including hiring additional staffs.

As to outlook for the next fiscal year, management environment is estimated to be continuously severe. JCM will aim to recover its business performance, taking full advantages of management resources by reforming management organization and selecting and concentrating business segment. However, market environment in the equipment for the amusement industry is not expected to take a favorable turn rapidly, but continue to remain severe. Further, the overseas market is estimated to remain severe with price competition with other manufacturers as the fiscal year ended March 31, 2007. Based upon the foregoing, JCM estimates gain both in sales and income for outlook for the next fiscal year expect for operating income.

Sales forecast for the fiscal year ending March 31, 2008 (In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the fiscal Year ending March 31, 2008	33,000	3,600	3,600	2,000
Current Year ended March 31,2007	31,785	3,431	3,697	1,758
Increased/Decreased	1,215	169	(97)	242
(%)	3.8	4.9	(2.6)	13.8

Basic policy on Profit Sharing

In consideration of the business performance, JCM schedules to pay dividends per share of ¥10 for year-end, which is same as for interim, giving a total annual dividend of ¥20.

With the aim of encouraging long-term holding of shares, JCM sets a minimum dividend payout ratio of 25% on non-consolidated net income for returning of profit to shareholders under the basis of assuring continued stable profit sharing as well as results-based payment linked to business performance.

Considering the change of recognition in profit sharing, JCM decided to set dividend payout ratio of 30% on consolidated net income, changing from 25% on non-consolidated net income from the next fiscal year in order to define results-based payment linked to business performance more clearly.

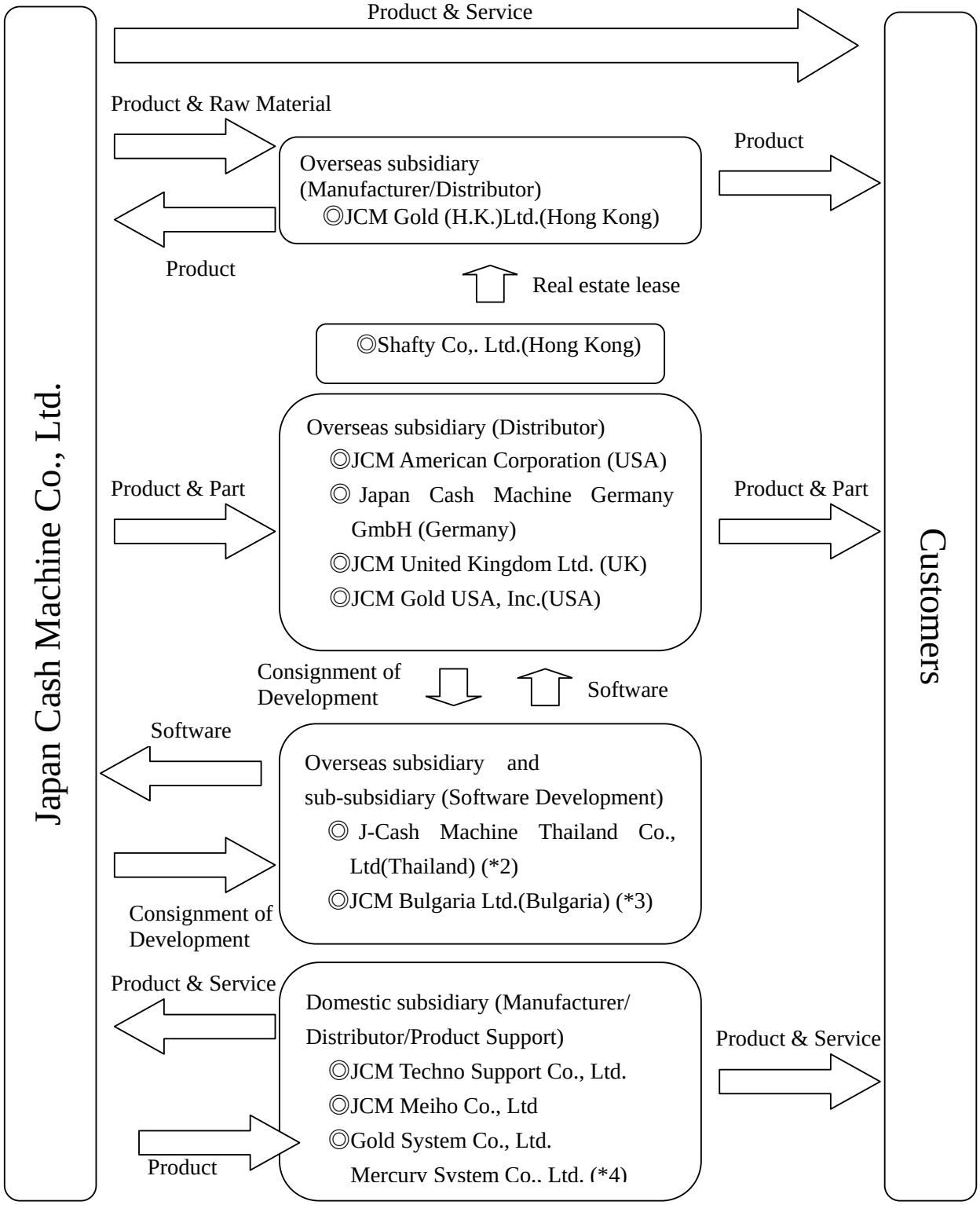
JCM applies these funds to research and development, capital investment, business partnerships, and merger and acquisition activity, with the objective of fortifying existing business and nurturing new business ventures. In this way, JCM commits to utilizing retained earnings effectively for fundamental business reorganization, aiming 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 shareholder' returns.

Based on the basic policy described above, JCM schedules to pay dividends per share of ¥11 for interim and ¥11 for year-end, giving a total annual dividend of ¥22 for the next fiscal year.

The Situation of an Industrial Group

Business distribution diagram



*1.◎ represents consolidated subsidiaries and sub-subsidiaries.

*2.J-Cash Machine Thailand Co., Ltd was established for software development in November 2006.

*3.JCM Bulgaria Ltd. was established for software development in September 2006.

*4.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
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 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
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 Bulgaria Ltd.	Sofia, Bulgaria	50,000 Bulgaria Lev	Development of software	100	This company is entrusted to develop software by JCM group. Interlocking directorate
J-Cash Machine Thailand Co., Ltd	Bangkok, Thailand	5,000,000 THB	Development of software	100	This company is entrusted to develop software by JCM group . 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
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

Management Policy

Basic Policy of Company Management

Taking "Results arise from following the customer's lead" as its corporate motto, JCM has implemented a customer-first policy. However, under the recent reorganization of its management, JCM has set the basic policy to lay out the frame work with a central focus on customer needs and market trend and provide manufacturing and service truly from the customers' view by returning to the starting point as a manufacture of money-handling machines.

Through the business related to money-handling, JCM group has contributed to maintenance of security by maintaining the legal order of currency not only in Japan but in the world.

Meanwhile, JCM will seek for customer satisfaction and reliability by exploring the future of customers, users, and society. By doing so, JCM will aim to be the company that promise reliability and loyalty for customers and users for long-term in order to satisfy its customers, employees, shareholders, and local communities.

Our Medium-and Long-Term Business Strategy

JCM has expanded business market by developing its business actively with JCM brand cultivated for a long time both inside and outside Japan. Despite this, the business environment of JCM has been more severe lately with further accelerated in changing of market environment and competition among other manufacturers, making the business performance remain stagnant over the last two fiscal years. A part of the reason is that JCM did not operate well the management measure that JCM worked on, and JCM recognizes this as management issues toward the future of JCM group.

JCM will actively work on toward business recovery and development by pushing forward selection and concentration of business mainly in money-handling machines and equipment for the amusement industry for both domestic and overseas usage, aiming to accomplish further speeding up management reorganization under the new management system.

JCM will make best efforts in achieving the project for the fiscal year ending March 31, 2008 steadily as the top priority, while JCM reviews the specific medium-term management and various goals fundamentally and precedes the measure possible to accomplish in the earliest stage among the existing medium-term business project. Concurrently, JCM will establish a new medium-term business strategy by collecting and analyzing information carefully under the new management system, making it closely work in order to respond swiftly to a changing management environment expected to occur.

The Specific Management Issues

JCM will engage in the following management issues positively, aiming for satisfaction of all stakeholders including customers, shareholders, employees, and society (community) as a company that commit(promise) for trust and loyalty toward our customers and users for a long-term.

(1) Reorganization of management system

JCM will reorganize the company structure, management culture, scheme in order to correspond to latest business environment, such as rapidly changing market environment and competition among other manufacturers.

(2) Globalization and speed-up of company management

Approximately a half of JCM group sales are consisted of overseas sales. Under the fact, JCM will seek to deal with quickly any issues occurred on a globalization scale by pushing forward globalization of the management system as well as speeding-up of company management with reorganization of management system.

(3) Selection and concentration of business segment

Since its foundation, JCM has engaged in a broad range of equipments related to money-handling, changing business structure in order to respond swiftly to trends and a rapidly changing business environment.

JCM will review business structure of JCM group at the present time, go forward with selection and concentration of business segment for maximize the effect of all management resources.

(4) Improvement of technology, quality, and customer service

JCM will positively work on development of market reliability by further improving its technology, product quality, and customer services with completely innovative ideas out of stereotypes.

Consolidated Financial Statements

(1)Consolidated Balance Sheet (In thousand yen, rounded down)

Items \ Period	Notes No.	Previous Year As of March 31,2006			Current Year As of March 31,2007			Amount Increased/ Decreased
(Assets)								
Current assets								
Cash and bank equivalents			10,287,878			9,581,682		(706,196)
Notes and account receivable trade	※6		7,006,767			5,709,038		(1,297,728)
Marketable securities			1,093,986			1,340,865		246,879
Inventories			6,547,409			7,474,576		927,166
Deferred income taxes			1,454,133			1,729,652		275,519
Prepaid expenses and other current assets			733,077			755,074		21,997
Less allowance for doubtful accounts			(157,736)			(193,924)		(36,188)
Total Current Assets			26,965,515	77.2		26,396,965	74.8	(568,550)
Fixed assets								
Tangible fixed assets	※1							
Buildings and structures		1,764,439			1,676,991			(87,448)
Machinery and equipments		113,396			125,973			12,576
Land		630,636			751,125			120,489
Work in progress		85,323			12,586			(72,736)
Other		851,806			692,834			(158,971)
Total Tangible fixed assets			3,445,602	9.8		3,259,510	9.2	(186,091)
Intangible fixed assets								
Goodwill		11,560			—			(11,560)
Goodwill		—			9,378			9,378
Software		270,762			490,588			219,826
Other		170,242			365,499			195,256
Total Intangible fixed assets			452,565	1.3		865,466	2.5	412,901
Investments and other assets								
Investments in securities	※2	1,867,072			1,534,792			(332,279)
Long-term loans		14,455			2,315			(12,140)

(In thousand yen, rounded down)

Items \ Period	Notes No.	Previous Year As of March 31,2006			Current Year As of March 31,2007			Amount Increased/ Decreased
Deferred income taxes		37,052			71,449			34,396
Other		2,225,216			3,277,019			1,051,803
Less allowance for doubtful accounts		(60,302)			(112,388)			(52,085)
Total Investments and other assets			4,083,493	11.7		4,773,188	13.5	689,695
Total Fixed assets			7,981,660	22.8		8,898,166	25.2	916,505
Total Assets			34,947,176	100.0		35,295,131	100.0	347,955

(In thousand yen, rounded down)

Items / Period	Notes No.	Previous Year As of March 31,2006			Current Year As of March 31,2007			Amount Increased/ Decreased
(Liabilities)								
Current liabilities:								
Notes and account payables trade			4,749,031			3,594,603		(1,154,428)
Short-term bank borrowings			120,449			130,580		10,131
Accrued income taxes			300,991			445,436		144,445
Accrued bonuses			426,983			369,910		(57,073)
Accrued bonuses to directors and corporate auditors			-			38,600		38,600
Other current liabilities			1,542,802			1,637,174		94,372
Total Current liabilities			7,140,257	20.4		6,216,305	17.6	(923,952)
Long term liabilities:								
Deferred income taxes			31,364			39,912		8,547
Accrued retirement benefits for employees			8,761			19,509		10,748
Retirement allowances for directors and corporate auditors			258,114			295,364		37,250
Other long-term liabilities			22,110			213,955		191,844
Total long-term liabilities			320,351	0.9		568,742	1.6	248,390
Total liabilities			7,460,609	21.3		6,785,047	19.2	(675,561)
(Minority Equity)								
Minority shareholders' equity			-	-		-	-	-
(Shareholders' equity)								
Common stock			2,216,945	6.4		-	-	-
Capital surplus			2,069,338	5.9		-	-	-
Retained earnings			22,556,433	64.6		-	-	-
Net unrealized holding gain on securities			463,835	1.3		-	-	-
Translation adjustments			289,064	0.8		-	-	-
Less treasury stock, at cost			(109,051)	(0.3)		-	-	-
Total shareholders' equity			27,486,566	78.7				
Total of liabilities and shareholders' equity			34,947,176	100.0		-	-	-

(In thousand yen, rounded down)

Items \ Period	Notes No.	Previous Year As of March 31,2006			Current Year As of March 31,2007			Amount Increased/ Decreased
(Shareholder's Equity)								
Shareholders' Equity								
Common stock	※4		-	-		2,216,945	6.3	-
Capital surplus			-	-		2,069,523	5.9	-
Retained earnings			-	-		23,309,655	66.0	-
Less treasury stock, at cost	※5		-	-		(110,948)	(0.3)	-
Total shareholders' equity			-	-		27,485,175	77.9	-
Valuation and Translation Adjustments								
Net unrealized holding gain on securities			-	-		348,792	1.0	-
Translation adjustments			-	-		676,115	1.9	-
Total valuation and translation Adjustments				-		1,024,908	2.9	-
Total Net Assets				-		28,510,084	80.8	-
Total liabilities and Net Assets				-		35,295,131	100.0	-

Consolidated Income Statement (In thousand yen, rounded down)

Items \ Period	Notes No.	Previous Year From: April 1,2005 To: March 31,2006			Current Year From: April 1,2006 To: March 31,2007			Amount Increased/ Decreased (Thousand yen)
Ⅰ Net Sales			32,594,944	100.0		31,785,164	100.0	(809,780)
Ⅱ Cost of Sales	※2		17,410,982	53.4		16,989,474	53.5	(421,507)
Gross profit			15,183,962	46.6		14,795,689	46.5	(388,273)
Deduction of deferred gross profit on installment sales			-	-		193,676	0.6	193,676
Gross profit after deduction of deferred gross profit on installment sales			15,183,962	46.6		14,602,013	45.9	(581,949)
Ⅲ Selling, general and administrative expenses	※1、2		10,359,782	31.8		11,170,356	35.1	810,573
Operating income			4,824,180	14.8		3,431,656	10.8	(1,392,523)
Ⅳ Non-operating income								
Interest income		93,126			136,389			
Dividend income		30,339			29,153			
Foreign exchange gain		59,243			39,091			
Gain on litigation settlement		-			34,917			
Others		66,586	249,295	0.8	45,153	284,704	0.9	35,408
Ⅴ Non-operating expense								
Interest expense		2,531			1,111			
Loss on cancellation of insurance contract		6,809			-			
Loss on cancellation of lease contract		10,000			-			
Loss on refund of maintenance fees		-			8,138			
Others		30,360	49,702	0.2	10,077	19,327	0.1	(30,374)
Ordinary income			5,023,773	15.4		3,697,033	11.6	(1,326,740)
Ⅵ Extraordinary income								
Gains on the prior-term adjustment		126			-			
Gain on sales of fixed assets	※3	3,016			410			
Gains on sale of investment securities		11,559			524			
Reversal of allowance for doubtful accounts		69,531			908			
Others		-	84,234	0.3	756	2,599	0.0	(81,634)

(In thousand yen, rounded down)

Items \ Period	Notes No.	Previous Year From: April 1, 2005 To: March 31, 2006			Current Year From: April 1, 2006 To: March 31, 2007			Amount Increased/ Decreased (Thousand yen)
Ⅶ Extraordinary expenses								
Loss on prior-term adjustment		4,302			-			
Loss on sale of property, plant and equipment	※4	30			1,055			
Loss on disposal of property, plant and equipment	※5	26,548			16,226			
Loss on devaluation of investment in securities		-			637,953			
Loss on expansion of Nagahama factory		16,490			-			
Loss on impairment of fixed assets	※6	7,458			3,248			
Others		-	54,829	0.2	65,178	723,663	2.2	668,833
Income before income taxes			5,053,177	15.5		2,975,970	9.4	(2,077,207)
Income taxes-current		2,049,795			1,435,613			
Income taxes-deferred		34,371	2,084,167	6.4	(218,547)	1,217,066	3.9	(867,101)
Net income			2,969,010	9.1		1,758,904	5.5	(1,210,106)

Consolidated Statements of Surplus and Consolidated Statements of Shareholders' Equity

(In thousand yen; rounded down)

	Notes No.	Previous Year From: April 1,2005 To: March 31,2006	
(Capital surplus)			
Balance at March 31,2006			2,029,136
Increase (decrease) during the term			
Issuance of common stock		35,250	
Gain or loss on sales of treasury stock		4,952	40,202
Balance at March 31, 2007			2,069,338
(Retained earning)			
Balance at March 31, 2006			21,130,910
Increase (decrease) during the term			
Net income		2,969,010	2,969,010
Decrease in retained earnings			
Dividends		1,477,988	
Bonuses to directors and corporate auditors		65,500	1,543,488
Balance at March 31, 2007			22,556,433

Consolidated Statements of Shareholders' Equity
Current Year (From April 1,2006 to March 31,2007)

(In thousand yen, rounded down)

	Shareholders' Equity				
	Common Stock	Capital surplus	Retained Earnings	Treasury stock	Total shareholders' equities
Balance at March 31,2006	2,216,945	2,069,338	22,556,433	(109,051)	26,733,666
Increase (decrease) during the term					
Cash dividends			(946,682)		(946,682)
Bonuses to directors and corporate auditors			(59,000)		(59,000)
Net income			1,758,904		1,758,904
Purchase of treasury stock				(2,662)	(2,662)
Sales of treasury stock		184		764	948
Net income (decrease) during the term, except for items under shareholders' equity					-
Total	-	184	753,222	(1,897)	751,509
Balance at March 31, 2007	2,216,945	2,069,523	23,309,655	(110,948)	27,485,175

	Valuation and Translation Adjustments			
	Net unrealized holding gain on sedurities	Translation adjustments	Total valuation and translation adjustments	Total Net Assets
Balance at March 31,2006	463,835	289,064	752,900	27,468,566
Increase (decrease) during the term				
Cash dividends				(946,682)
Bonuses to directors and corporate auditors				(59,000)
Net income				1,758,904
Purchase of treasury stock				(2,662)
Sales of treasury stock				948
Net income (decrease) during the term, except for items under shareholders' equity	(115,043)	387,051	272,008	272,008
Total	(115,043)	387,051	272,008	1,023,517
Balance at March 31, 2007	348,792	676,115	1,024,908	28,510,084

Consolidated Cash flow Statement (In thousand yen, rounded down)

Items \ Period	Notes No.	Previous Year From: April 1,2005 To: March 31,2006	Current Year From: April 1,2006 To: March 31,2007	Amount Increased/ Decreased
Ⅰ Cash flow from operating activities				
Income before income taxes		5,053,177	2,975,970	(2,077,207)
Depreciation and amortization		731,519	749,343	17,823
Loss on impairment of fixed assets		7,458	3,248	(4,209)
Amortization of consolidation adjustment accounts		2,260	-	(2,260)
Increase (decrease) in reserve		(201,066)	115,036	316,103
Interest and dividend income		(123,465)	(165,542)	(42,076)
Interest expense		2,531	1,111	(1,420)
Exchange loss (gain), net		(18,489)	(23,776)	(5,287)
Loss on sale of investment in securities		(11,559)	(524)	11,034
Loss on disposal of fixed assets		23,561	16,872	(6,689)
Loss on devaluation of investment in securities		—	637,953	637,953
Decrease (increase) in account receivable		10,569	544,547	533,977
Decrease (increase) in inventories		1,220,916	(594,460)	(1,815,376)
Increase (decrease) in notes and accounts payable		705,994	(1,346,361)	(2,052,355)
Decrease (increase) in consumption taxes receivable		(34,229)	(11,541)	22,687
Increase (decrease) in other assets and liabilities		(1,341,110)	123,017	1,4646,128
Bonuses to directors and corporate auditors		(65,500)	(59,000)	6,500
Sub total		5,962,569	2,965,894	(2,996,675)
Interest and dividends received		103,132	165,998	62,886
Interest paid		(2,531)	(1,111)	1,420
Income taxes paid		(3,693,831)	(1,350,885)	(2,342,946)
Net cash provided by operating activities		2,369,338	1,779,895	(589,442)
Ⅱ Cash flow from investing activities				
Payments for purchase of tangible fixed assets		(1,787,282)	(486,379)	1,300,903
Proceeds from sale of tangible fixed assets		50,003	1,945	(48,058)
Payments for purchase of intangible fixed assets		(275,314)	(551,999)	(276,685)
Payments for purchase of marketable securities		(14,357)	(231,681)	(217,324)
Payments for purchase of investment in securities		(882,281)	(500,147)	382,133
Proceeds from sale of investment in securities		318,294	713	(317,581)
Payments for other investing activities		(25,792)	(7,703)	33,495
Net cash used in investing activities		(2,616,731)	(1,759,847)	856,883

(In thousand yen, rounded down)

Period / Items	Notes No.	Previous Year From: April 1,2005 To: March 31,2006	Current Year From: April 1,2006 To: March 31,2007	Amount Increased/ Decreased
Ⅲ Cash flow from financing activities				
Proceeds from issuing common stock		70,501	—	(70,501)
Payments for purchase of treasury stock		(19,282)	(2,662)	16,620
Proceeds from sale of treasury stock		9,816	948	(8,868)
Cash dividends paid		(1,477,988)	(945,727)	532,261
Cash flow used in financing activities		(1,416,952)	(947,440)	469,512
Ⅳ Effect of exchange rate changes on cash and cash equivalents		285,241	211,065	(74,176)
Ⅴ Increase and decrease in cash and cash equivalents		(1,379,104)	(716,327)	662,776
Ⅵ Cash and cash equivalents at beginning of year		11,621,533	10,242,428	(1,379,104)
Ⅶ Cash and cash equivalents at end of year		10,242,428	9,526,101	(716,327)

(Segment Information)

a. Segment information by business category

Current fiscal year (From: April 1, 2006 To: March 31, 2007)

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, 2007, the disclosure of business segment information has been omitted.

b. Geographical segment information

Current year（From April 1, 2006 to March 31, 2007）

(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	12,929,574	12,132,560	338,734	6,384,294	31,785,164	-	31,785,164
(2) Intersegment sales	14,880,176	143,135	9,926,956	25,721	24,975,989	(24,975,989)	-
Total Sales	27,809,751	12,275,696	10,265,690	6,410,016	56,761,154	(24,975,989)	31,785,164
Operating expenses	25,718,812	11,641,124	9,781,972	5,717,918	52,859,828	(24,506,320)	28,353,507
Operating income	2,090,938	634,571	483,717	692,097	3,901,325	(469,669)	3,431,656
Ⅱ. Total assets	25,534,940	6,746,647	3,428,450	4,922,942	40,362,982	(5,067,850)	35,295,131

（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, Thailand

(3) Europe …… Germany, England, Bulgaria

3.The amount of the total assets included in the elimination or corporate is ¥2,889,245 thousands.

The main items are the fund management and the long-term investment of the Company and consolidated subsidiaries.

4.The Company and consolidated subsidiaries have adopted “Accounting Standard for bonuses to directors and corporate auditors (Corporate Accounting Standard No.4) issued by the Accounting Standards Board of Japan on November 29, 2005 to the consolidated financial statements for the year ended March 31, 2007. As a result of this adoption, operating expenses in Japan increased by ¥38,600 thousands while operating income decreased.

5. The Company and consolidated subsidiaries have changed reporting income on sales of molds. This change brought ¥201,776 thousand increases in net sales in Japan, ¥188,683 thousand increases in cost of sales, and ¥13,092 thousand increases each in gross profit, operating income, and ordinary income compared to the financial results calculated based on the previous accounting methods.

6. Operating income in Japan includes cost of sales, selling, general and administrative expenses, and deduction of deferred gross profit on installment sales.

c. Overseas Net Sales

Current year（from April 1, 2006 to March 31, 2007）

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
Ⅰ. Overseas net sales	11,335,421	6,130,215	1,630,248	19,095,885
Ⅱ. Consolidated net sales				31,785,164
Ⅲ. Overseas net sales as a percentage of consolidated net sales	35.7%	19.3%	5.1%	60.1%

（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, the Czech Republic , England, Austria Slovenia, and other countries.

(3) Other Areas …… Australia, China and other countries

3. The overseas sales are the sales in countries or areas where consolidated subsidiaries are located other than Japan.

Others

Executive Personnel Changes

A. Personnel Changes in Directors

a. Candidates for new directors

New Position	Name	Current Position
Director Senior Operating Officer General Manager of Research and Development Division	Kazuhito Kawase	Operating Officer President of JAPAN CASH MACHINE GERMANY GMBH.
Director Senior Operating Officer General Manager of International Marketing & Operations Division	Akiyoshi Isoi	Operating Officer President of JCM AMERICAN CORP.

b. Candidates for promoting directors

New Position	Name	Current Position
Chairman *Announced on April 27th, 2007	Koichiro Kamihigashi	Director
Executive Director Senior Operating Officer In charge of Supply Chain Management Division	Kaoru Doi	Director Operating Officer General Manager of Research and Development Division
Executive Director Senior Operating Officer In charge of Domestic Sales Division	Toshizumi Kitamori	Director Operating Officer General Manager of Domestic Sales Division
Executive Director Senior Operating Officer In charge of Administration Division	Hisashi Maki	Director Operating Officer General Manager of Administration Division

c. Retiring Directors

Director Norikiyo Suzuki *Scheduled to assume the post of a full-time corporate auditor

Director Tatsuya Urata

B. Personal Changes in Corporate Auditors

a. Candidate for new corporate auditors

New Position	Name	Current Position
Full-Time Corporate Auditor	Norikiyo Suzuki	Director

b. Retiring Corporate Auditor

Full-Time Corporate Auditor Masaru Mori

C. Scheduled Date for Assumption

June 27, 2007