Fiscal Result Briefing

For the Fiscal Year ended March 31, 2009

May 2009

Japan Cash Machine Co., Ltd.

Consolidated Income Statements 2009

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries

Years ended March 31, 2009 and 2008 (Millions of yen)

	2008		2009		Changes	
Net Sales	28,543		25,572		−2,971	−10.4%
Operating Income	2,849	10.0%	2,561	10.0%	−288	−10.1%
Ordinary Income	2,846	10.0%	3,001	11.7%	155	5.4%
Net Income before tax	1,496	5.2%	2,935	11.5%	1,439	96.2%
Corporate tax etc.	1,339		926		−413	−30.8%
Net Income	157	0.6%	2,009	7.9%	1,852	−

Exchange rate

US$	117.71yen	102.81yen 100yen*	a15yen appreciation of the yen against the dollar
EUR	162.00yen	152.05yen 155yen *	a 10yen appreciation of the yen against the euro

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* estimated rate at the beginning of the Fiscal 2009

As you can see, net sales and operating income decreased from last year. This is due to the lower sales in the North American gaming markets and the shrinkage of domestic amusement market as a result of laws amendment.

However, ordinary income and net income increased. Ordinary income increased because the Company received interest refund under the mutual agreement of transfer pricing taxation.

Net income before tax improved substantially due to the extraordinary loss posted in previous year.

Divisional Sales 2009

Years ended March 31, 2009 and 2008

(Millions of yen)

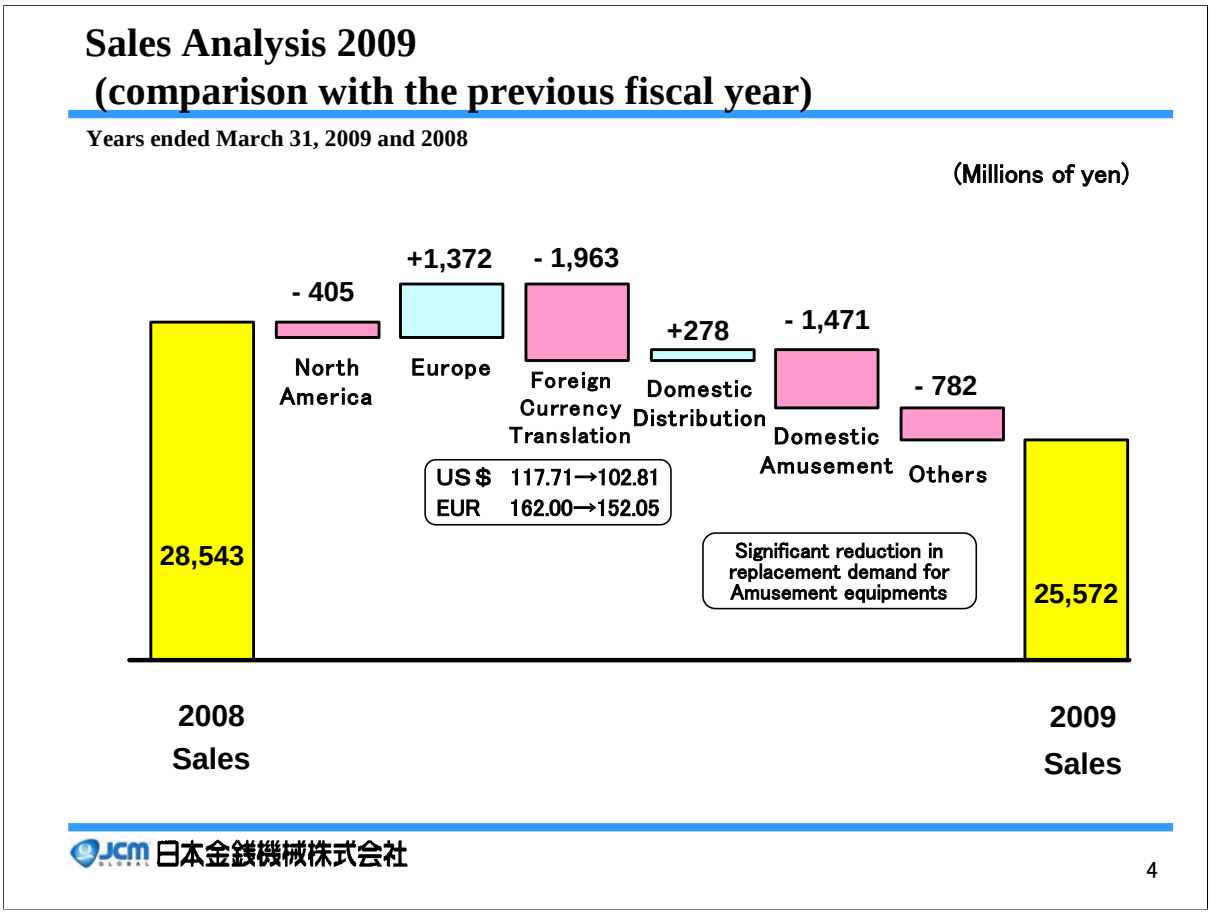
Sales	2008 Results	2009 Results	Changes Changes	Changes %
Bill Acceptor	21,767	20,760	-1,007	-4.6%
North America	11,047	9,294	-1,753	-15.9%
Europe	8,384	9,156	772	9.2%
Asia	405	119	-286	-70.6%
Japan	1,931	2,191	260	13.5%
Amusement Equipment	5,500	4,029	-1,471	-26.7%
Equipment Item	3,178	2,736	-442	-13.9%
Machines	2,322	1,293	-1,029	-44.3%
Other	1,275	782	-493	-38.7%

Negative performance in the North America are generally considered as the results of financial crises, which initiated last fall. However, impacts of the turmoil on the Company's financial result were limited since the fiscal year of a subsidiary in the region ends on December 31.

Lower sales results in 2009 were mainly caused by foreign exchange revaluation as described in slide 4. Meanwhile, Europe did well continuously since last year.

In the amusement business, the market shrinkage continued; sales and maintenance of machines decreased.

As the Company emphasizes "selection and focus" of businesses, it withdrew from the business of fire resistant safes, and downsized the operations of cash registers and environmental sanitation. As a result, "Other" decreased.

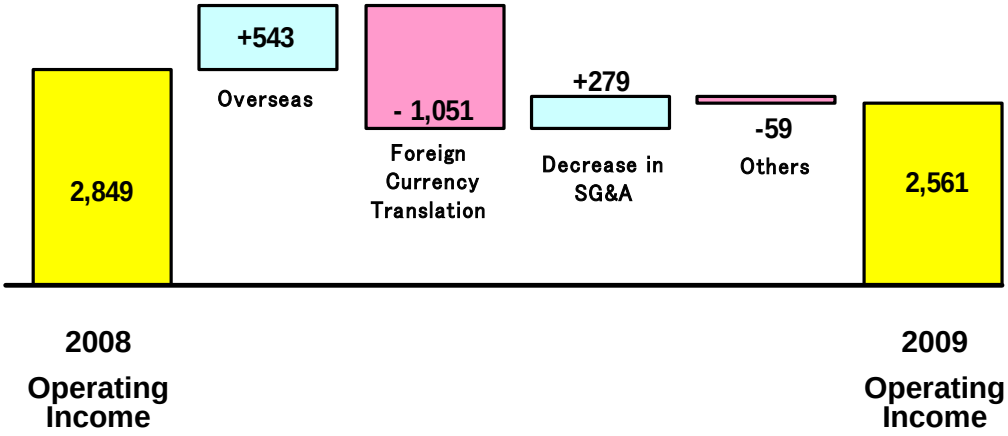


Influences of the Japanese yen appreciation are noticeable in sales and operating income. They caused the dollar and euro denominated sales decreased by 1,364 billion yen and 599 million yen respectively.

Operating Income Analysis 2009
(comparison with the previous fiscal year)

Years ended March 31, 2009 and 2008

(Millions of yen)



Geographical Segment Information 2009

Years ended March 31, 2009 and 2008

(Millions of yen)

		2008	2,009	Changes	
		Result	Result	Changes	%
Japan	Sales	19,796	19,238	-558	-2.8%
	Operating Income	-130	202	332	255.4%
North America	Sales	11,180	9,344	-1,836	-16.4%
	Operating Income	617	457	-160	-25.9%
Europe	Sales	8,457	9,254	797	9.4%
	Operating Income	877	1,053	176	20.0%
Asia	Sales	7,127	8,367	1,240	17.4%
	Operating Income	408	316	-92	-22.5%
Elimination	Sales	-18,017	-20,631	-2,614	-14.5%
	Operating Income	1,075	531	-544	-50.6%
Consolidated	Sales	28,543	25,572	-2,971	-10.4%
	Operating Income	2,849	2,561	-288	-10.1%

Consolidated Balance Sheet 2009

March 31, 2009 and 2008

(Millions of yen)

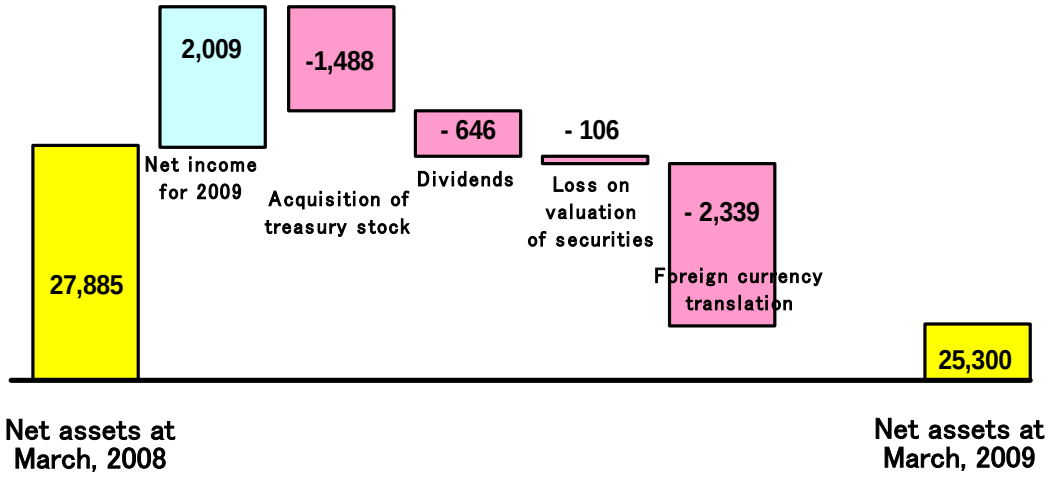
	2008	2009	Changes		2008	2009	Changes
Current assets	24,206	24,529	323	Current liabilities	3,733	4,014	281
Cash and deposits	12,816	12,750	-66	Notes and accounts payable-trade	1,850	1,878	28
Trade receivables	3,948	3,430	-518	Other	1,883	2,136	253
Inventories	6,012	5,327	-685				
Deferred income taxes	677	865	188				
Other current assets	751	2,157	1,406				
Property, plant and equipment	3,075	2,706	-369				
Intangible assets	1,005	790	-215				
Investments and other assets	3,666	1,685	-1,981	Non-current liabilities	335	396	61
Investment securities	1,042	891	-151	Total liabilities	4,068	4,411	343
Deffered income taxes	356	210	-146	Total shareholder's equity	27,020	26,993	-27
Other investments	2,267	584	-1,683	Total valuation and translation adjustments	864	-1,692	-2,556
Total non-current assets	7,747	5,181	-2,566	Total net assets	27,885	25,300	-2,585
Total assets	31,953	29,711	-2,242	Total liabilities and net assets	31,953	29,711	-2,242

This year, total net assets dropped substantially by 2,585 million yen from previous year.

Net Assets Analysis

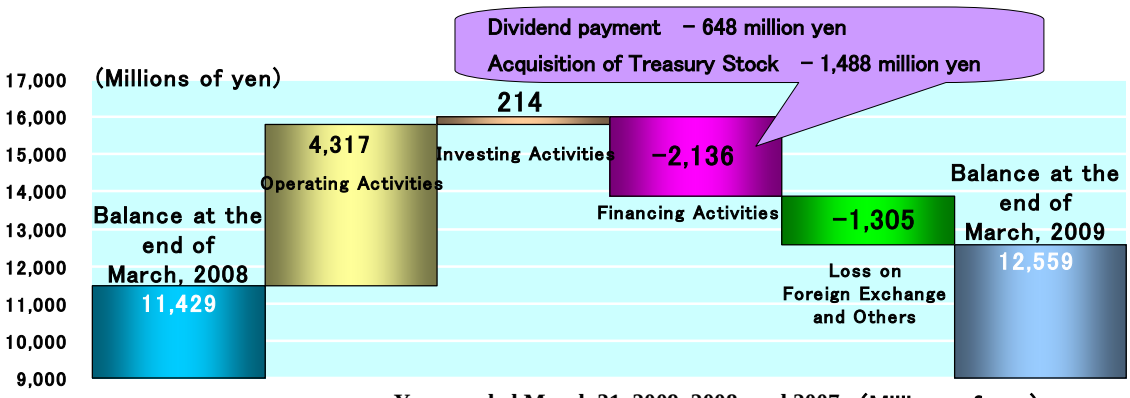
Years ended March 31, 2009 and 2008

(Millions of yen)



Net assets increased with the current year's net income, which is 2,009 million yen. However, the increase was offset by the acquisition of treasury stock (1,488 million yen) and payment of dividends (646 million yen). In addition, the appreciation of the yen developed rapidly during the fiscal year; therefore, there was a loss in foreign currency translation (2,339 million yen). This led to the significant reduction in net assets.

Cash Flow Analysis 2009



Years ended March 31, 2009, 2008, and 2007 (Millions of yen)

Cash Flow: −	2007	2008	2009
Operating Activities	1,779	3,911	4,317
Investing Activities	−1,759	−994	214
Financing Activities	−947	−695	−2,136
Gain/Loss in Foreign Enchange and Others	211	−277	−1,305
Net Increase/Decrease in Cash	−716	1,943	1,090
Balance at the end of the fiscal year	9,526	11,469	12,559

Topics

- Transfer Pricing Taxation
- Lawsuit

In 2005, the Company paid 1.6 billion yen corporate income tax etc. under the transfer pricing taxation. Recently, the mutual agreement and APA (Advance Pricing Agreement) have been met; therefore, full amount of tax, which had been a duplicate payment, is confirmed to be refunded. As a result, there was a minor impact of transfer pricing taxation on the business performance.

A competitor in North America filed a lawsuit against the Company for patent infringement in 2005. The scale of the lawsuit had been enlarged over time; the Company filed a countersuit, and the same competitor filed another similar lawsuit in Germany. However, in the initial trials of every case, our affirmation was accepted basically.

The Company thinks that these verdicts are significance despite the possibility that the opponent party may appeal against the decision in the future. The Company will continue to prove its validity.

Consolidated Financial Forecast 2010

Year ended March 31, 2009 and Year ending March 31, 2010 (Millions of yen)

	2009	2010		
	Results	Forecast (Full-year)	Forecast (First half)	Forecast (Second half)
Sales	25,572	21,500	9,900	11,600
Operating Income	2,561	1,440	290	1,150
Ordinary Income	3,001	1,420	280	1,140
Net Income before tax	2,935	1,420	280	1,140
Net Income	2,009	1,000	10	990

Expected exchange rates USD $1/JPY ¥95 Euro €1/JPY ¥120

Sales	2009	2010		
	Results	Forecast (Full-year)	Forecast (First half)	Forecast (Second half)
Bill Acceptor	20,760	15,000	7,200	7,800
North America	9,294	6,250	2,880	3,370
Europe	9,156	6,300	3,160	3,140
Asia	119	–	–	–
Japan	2,191	2,450	1,160	1,290
Amusement Equipment	4,029	6,000	2,450	3,550
Equipment Item	2,736	5,080	2,010	3,070
Machines	1,293	920	440	480
Other	782	500	250	250

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In the fiscal year 2010, the Company forecasts that sales and net income shall be reduced by 16% and 50% respectively, compared to 2009. Foreign exchange rates used in the forecast are ¥95/$1 and ¥120/€1.

The influences of foreign exchange rates shall be severe; Dollar and Euro denominated incomes shall drop by 514 million yen and 1,629 million yen respectively. We lay our emphasis on the second half of the year, and expect that the reduction in sales and profits will bottom out during the first quarter. In the second half of 2010, business performance would bounce back gradually; however, it would not reach any level on before 2008. We expect a full scale recovery in the fiscal year 2011.

In the fiscal year 2009, influences of the global financial crises were limited; however, we are greatly affected this year. The worldwide reduction in demands leads to the shrinkage of investments in casino industry. Especially, downturn in the North American gaming market is significant; it is difficult to foresee its market trend.

In the European market, the Company expects that the drop in demand shall not be as serious as the North America. This is because a small-scale AWP market is the main business in the European markets, instead of large-scale casinos, and also industrial users such as finance or transportation businesses; they cushion the influences of flagging casino markets on our business performance. Additionally, European countries have different rules in regulating the gaming industry, and emerging markets continuously create demands in Eastern Europe. Therefore, such diversification of markets is one of the factors that offset the drop in demand. Accordingly, the Company thinks that European market is the one we should focus on, and we are determined to strengthen the relationship with customers by improving the sales and service systems.

Geographical Segment Forecast 2010

Year ended March 31, 2009 and Year ending March 31, 2010

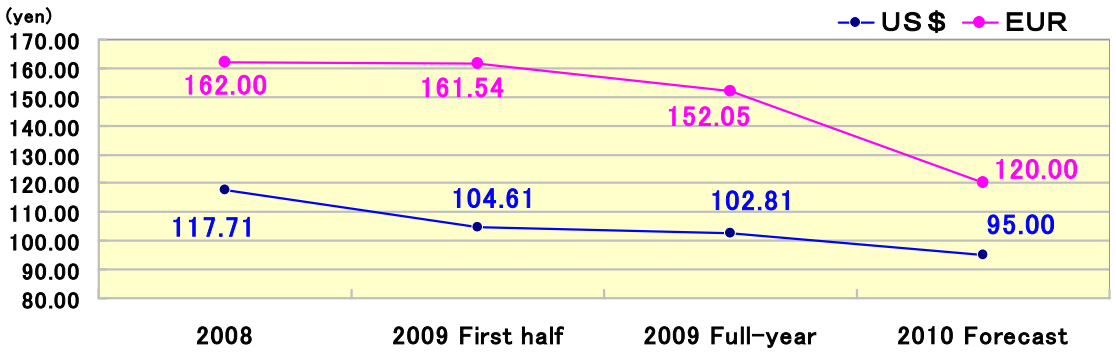
(Millions of yen)

		2009	2010		
		Results	Forecast (Full-year)	Forecast (First half)	Forecast (Second half)
Japan	Sales	19,238	16,950	6,670	10,280
	Operating Income	202	150	-790	940
North America	Sales	9,344	6,250	2,880	3,370
	Operating Income	457	0	0	0
Europe	Sales	9,254	6,300	3,160	3,140
	Operating Income	1,053	620	380	240
Asia	Sales	8,367	4,300	1,660	2,640
	Operating Income	316	110	20	90
Elimination	Sales	-20,631	-12,300	-4,470	-7,830
	Operating Income	531	560	680	-120
Consolidated	Sales	25,572	21,500	9,900	11,600
	Operating Income	2,561	1,440	290	1,150

Meanwhile, in the domestic amusement industry, business attitudes of pachinko parlors are getting positive since its market shrinkage has began to bottom out. However, the Company, which has a pachisuro-oriented product composition, should stay on guard because pachinko parlors' investments and preference of players will continue to focus on the pachinko market. Also, the attitudes of financial institutions to offer loans are still cautious.

In the domestic distribution market, the Company continuously focuses on a business operation to cater OEM customers and tries to ensure sufficient orders.

Exchange rate trend



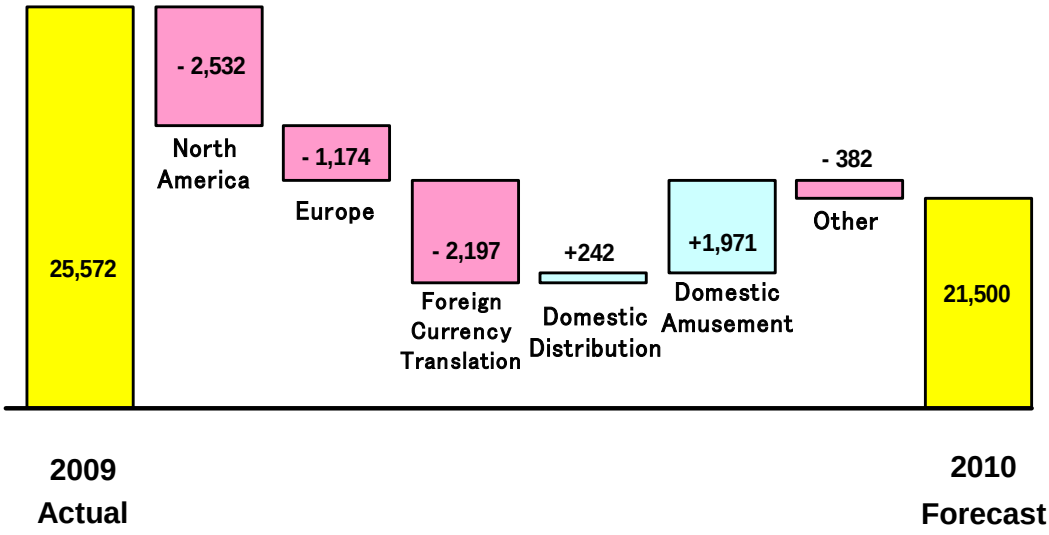
Effect on Operating Income per yen

US$	36million	34million	33million	19million
EUR	36million	9million	18million	13million

Sales Forecast Analysis 2010
(comparison with the previous fiscal year)

Year ended March 31, 2009 and Year ending March 31, 2010

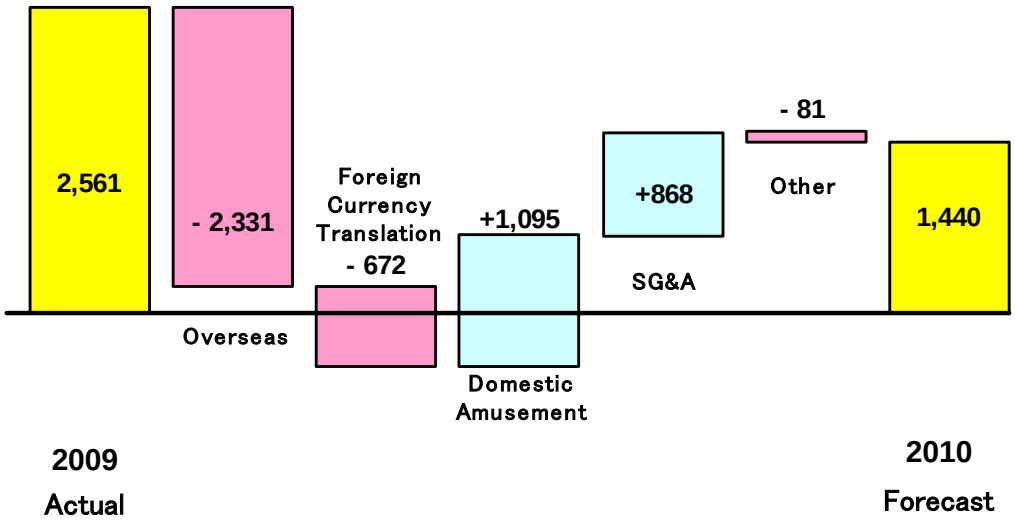
(Millions of yen)



Operating Income Forecast Analysis 2010 (comparison with the previous fiscal year)

Year ended March 31, 2009 and Year ending March 31, 2010

(Millions of yen)



In December 2007, the Company announced a new medium-term business plan in which our goals are to attain net sales of 33 billion yen, operating income of 4.5 billion yen, and net income of 2.5 billion yen in the fiscal year ending March 31, 2011.

However, the overseas gaming markets, which is one of the Company's core businesses, were adversely affected by worldwide recession caused by the U.S. financial crisis which initiated last fall. Environments surrounding the Company will become increasingly severe.

As a result, the Company thinks that there are needs to review the ongoing medium-term business plan and will closely monitor the economic and demand trends.

Accordingly, the Company thinks that it is important to create a structure which can generate profits even sales revenue drops substantially. The top priority for this year is to reduce the manufacturing costs and fixed costs.

Specifically, our focus would not be limited to the reduction of manufacturing costs or consolidation and reallocation of bases. Also, we are working on reduction of personnel costs through restructuring in personnel, reducing salaries of directors and employees, and promotion of early retirement program. At the same time, the Company is actively looking for investment projects which aim at improving profitability.

The Company currently focuses on development of new products, opening new business fields, business alliance, M&A, and enhancements of sales and development division in Kanto area of Japan.

New Product

Expanding Sales in 2009

Bill Validator w/ Recycler

Europe・South America AWP Market

（1.2million machines）

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The company continues to focus on development of the next generation products which targeted toward gaming and commercial markets.

This year, we released a bill validator with recycler function for gaming markets, especially designed for the Europe AWP markets. We are in readiness for launching the next generation bill validators for gaming markets within the end of this fiscal year.

Furthermore, in the commercial markets, the Company is promoting development of special bill validators and they also will be released this fiscal year.

In addition, the Company is developing bill validator as OEM products for financial institutions. All these products for the next generation cannot contribute immediately to business improvement in fiscal year 2010. However, the Company considers them as our anchor products from fiscal year 2011 onwards, and they are necessary for our mid-term growth.

Capital Investment • Depreciation • R&D Costs

Years ended March 31, 2009 and 2008, Year ending March 31, 2010

(Millions of yen)

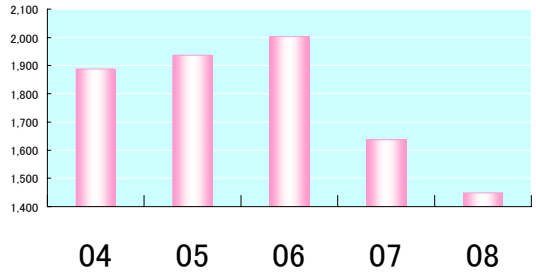
	2008		2009		2010(Forecast)	
	Results	Changes	Results	Changes	Forecast	Changes
Capital Investment	971	(−73)	617	(−354)	1,000	(+383)
Depreciation	873	(−122)	933	(+60)	904	(−30)
R&D	1,424	(−235)	1,534	(+110)	1,209	(−325)

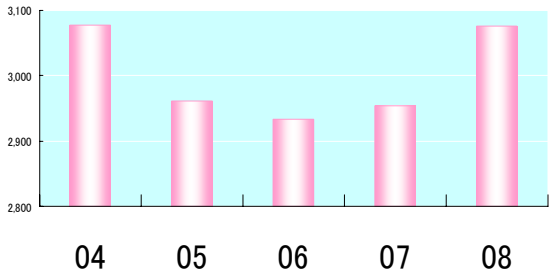
The capital investment was 617 million yen in this fiscal year, including 322million yen for mold and 105 million yen for the purchase of game machines for the amusement businesses.

The Company plans to increase mold investment to 1 billion yen since high-volume production of new products will increase. About research and development cost for the fiscal year 2010, the Company continues to have a policy to focus on high profitability, it will decrease the investment from 300 million yen to 1.2 billion yen compared to the fiscal year 2009.

Restructure of Business in Amusement Industry

① Market Trend

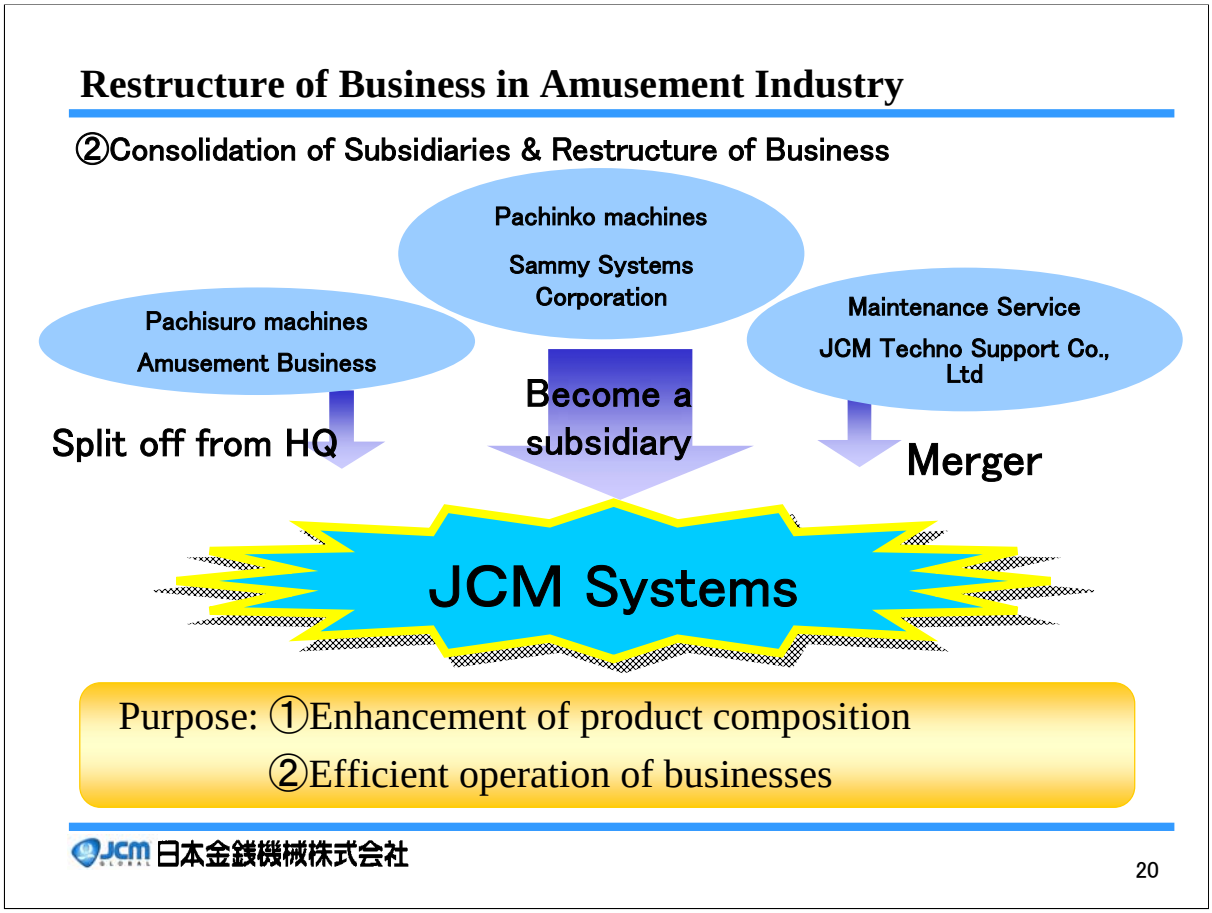




As a part of the investment plan, the company is working on corporate acquisition and restructuring of business in the amusement industry.

As a result of the amusement markets shrinkage, growth of pachisuro-related business, of which the Company is specialized in, is especially sluggish. The number of pachisuro machines in the market decreased by 30% plus, from 2 million machines in 2006 to 1.4 million machines after the revision of gaming machines regulation.

On the other hand, pachinko-related business shows a healthy growth because they have different gambling and gaming elements, when compare to pachisuro machines. In addition, there is a trend that the preference of players will be focused on pachinko machines. Therefore, amusement centers' investments will be focused on pachinko-related fields as well.



Under the current business environment, the Company thinks that it needs a well-balanced product composition by adding pachinko-related machines or giveaway POS to traditional pachisuro-related amusement products to survive in the amusement industry. Therefore, the Company acquired 100% of stocks in Sammy Systems Corporation, which excels at pachinko-related products, on May 1, 2009.

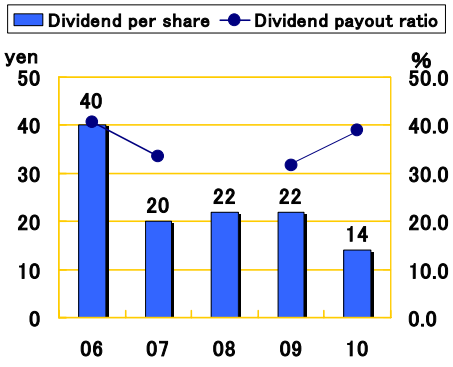
Sammy Systems Corporation is renamed, and will merge with the Company's amusement business and a maintenance and service subsidiary. The Company continues to focus on profit recovery by practicing effective business operation, enhancement of product composition, and expansion of customers.

We expect that the new company's sales and operating income are 6 billion yen and 100 million yen respectively in the first fiscal year.

These conditions were taken into accounts during the preparation of business plan and forecast.

Profit Return

Dividend Trend



(Millions of yen)

2006	2007	2008	2009	2010 (Forecast)
1,183	591	650	627	390

Total Dividend

Basic Policy of Profits and Dividends Distribution
"30% plus dividend payout ratio" to link business performance with payments

Reacquisition of Treasury Stock (2009 Result)

Number of shares acquired 1,760,000
Total cost of acquisition ¥1,487 million

Reacquisition Plan (resolved on May 8, 2009)

Number of shares to be acquired Up to 1 million shares
Total cost of shares to be acquired Up to ¥1 billion

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Regarding the dividend of this fiscal year, as originally planned, the Company decided to pay a final dividend of 11 yen per share. Annual dividend is 22 yen. As usual, the Company emphasizes payment in accordance with the basic dividend policy of which the dividend payout ratio should be 30% or more. Dividend payout ratio for this fiscal year is 31.7 percent.

The Company had implemented the shareholders special benefit plan in order to return profits to shareholders. This plan also aimed at increasing the number of shareholders; however, the Company decided to abolish the plan since we have already achieved the purpose. Besides, we decided that it is more appropriate to return profits by dividend distribution in the form of cash, based on the company's dividend policy, considering the administrative cost of the plan.

Regarding the dividend for the fiscal year ending March 31, 2010, we will pay 14 yen per share, taking into accounts the dividend policy and the abolition of shareholders special benefit plan. We expect that the consolidated dividend payout ratio would be 39.0%.

The Company also decided to reacquire its own shares to exercise an agile capital policy due to the changes in management environments. The Company had reacquired its own shares for 1,487 million yen in total, which is 6% of shares issued. In principle, the Company holds its own shares as treasury stocks, and uses them effectively for stock swaps during M&A or employees' stock options scheme without cancellation of the stocks.

Furthermore, the Company established a new limit of reacquisition which up to 1,000,000 shares on May 8, 2009, and continues to reacquire its treasury stocks.

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[Note] Forecasts of business performance, management strategy, and other future events announced in this report are, prepared by Japan Cash Machine, Co., Ltd., reasonably estimated based on the information available at the time of announcement. Actual results may differ from those in this report due to the occurrence of extraordinary events or unpredictable circumstances. The Company will actively disclose important information for shareholders; however, please be reminded not to make judgments with undue reliance on forecasts in this report. Additionally, no part of this report may be reproduced in any form without the prior consent of the Company.

In the fiscal year 2009, the Company restructured the operation through “selection and concentration” of businesses under the medium-term business plan which was announced before and we achieved some positive results. The declining sales in the North America, caused by price increase and competition, seemed to bottom out except influences of currency exchange.

However, economic turmoil in the second half of the year led to further slowdown of markets and unexpected situations, which made the environment more severe towards the end of the year.

Under such an environment, the Company considers this year as a year of preparation for further expansion of businesses in the fiscal year 2011. The Company promotes further reduction of fixed costs and optimization. Additionally, the Company will focus its investments on development of new products and restructure of amusement businesses.

Thank you for your ongoing support.

Supplementary material for the presentation
Consolidated results for the year ended March 31, 2009 and forecasted results for the year ending March 31, 2010

		March 2010 Forecast	March 2009	March 2008	March 2007	March 2006	March 2005
Business results							
Net Sales	(M yen)	21,500	25,572	28,543	31,785	32,594	37,947
By (Japan) ※outside custumer	(M yen)	8,950	7,001	8,705	12,929	16,405	20,054
geographical (North America)		6,250	9,294	11,047	12,132	9,995	12,021
segment (Europe)		6,300	9,156	8,384	6,384	5,919	5,615
(Asia)		-	119	405	338	275	255
Overseas sales ratio	(%)	58.4%	72.8%	69.6%	60.1%	50.6%	48.0%
By (Money-handling machines)	(M yen)	15,000	20,760	21,767	22,112	18,340	23,992
business (Cash register)		-	-	338	510	525	717
segment (Equipments for the amusement industry)		6,000	4,029	5,500	8,074	12,539	12,159
(Others)		500	782	937	1,087	1,188	1,076
Gross profit	(M yen)	10,440	12,429	13,367	14,602	15,183	18,412
Selling, general, administrative expenses	(M yen)	9,000	9,867	10,518	11,170	10,359	9,767
Operating income	(M yen)	1,440	2,561	2,849	3,431	4,824	8,644
Operating income to sales	(%)	6.7%	10.0%	10.0%	10.8%	14.8%	22.8%
By (Japan)	(M yen)	150	202	-130	2,090	2,711	5,133
geographical (North America)		0	457	617	634	796	1,725
segment (Europe)		620	1,053	877	692	1,176	1,388
(Asia)		110	316	408	483	246	592
(Elimination/corporate)		560	531	1,075	-469	-107	-194
Non-opearting income	(M yen)	-	744	325	284	249	263
Non-operating expenses	(M yen)	20	305	328	19	49	25
Ordinary income	(M yen)	1,420	3,001	2,846	3,697	5,023	8,882
Ordinary income to sales	(%)	6.6%	11.7%	10.0%	11.6%	15.4%	23.4%
Extraordianry income	(M yen)	-	96	43	2	84	76
Extraordinary expenses	(M yen)	-	162	1,392	723	54	147
Net income	(M yen)	1,000	2,009	157	1,758	2,969	4,983
Net income to sales	(%)	4.7%	7.9%	0.6%	5.5%	9.1%	13.1%
Exchange rate US$		95	102.81	117.71	116.39	110.94	108.07
EUR		120	152.05	162.00	146.89	137.31	134.41
Capital investment	(M yen)	1,000	617	971	1,044	2,018	1,017
Depreciation expenses	(M yen)	904	933	873	751	725	648
R&D expenses	(M yen)	1,209	1,534	1,424	1,659	1,615	1,654
R&D expeneses to sales	(%)	5.6%	6.0%	5.0%	5.2%	5.0%	4.4%
Cash flow	(M yen)						
Cash flow from operating activities		-	4,317	3,911	1,779	2,369	3,169
Cash flow from investing activities		-	214	-994	-1,759	-2,616	-1,975
Cash flow from financiang activities		-	-2,136	-695	-947	-1,416	-899
Effect of exchange rate changes on cash and cash equivalents		-	-1,305	-277	211	285	52
Increase in cash and cash equivalents		-	1,090	1,943	-716	-1,379	346
Cash and cash equivalents at end of the period		-	12,559	11,469	9,526	10,242	11,621
Financial condition							
Total assets	(M yen)	-	29,711	31,953	35,295	34,947	32,875
Shareholders' equity	(M yen)	-	25,300	27,885	28,510	27,486	25,019
Shareholders' equity ratio	(%)	-	85.2%	87.3%	80.8%	78.7%	76.1%
Book-value per share (BPS)	(yen)	-	909.29	942.64	963.74	927.11	844.43
Earnings per share (EPS)	(yen)	-	69.42	5.33	59.46	98.42	166.42
Return on equity (ROE)	(%)	-	7.9%	0.6%	6.3%	11.3%	21.8%
Price to earnings ratio (PER)		-	12.8	152.7	20.7	23.2	16.5
Stock price at the end of the period	(yen)	-	890	814	1,233	2,285	2,740
Number of stocks issued at the end of the period	(Thousand)	-	29,662	29,662	29,662	29,662	29,626
Dividend							
Total dividend (annual total)	(M yen)	390	627	651	591	1,183	1,182
Dividend per share	(yen)	14.00	22.00	22.00	20.00	40.00	44.00
Dividend ratio (consolidated)	(%)	39.0%	31.7%	412.8%	33.6%	40.6%	26.4%
Stock Split		-	-	-	-	-	1.5
Other							
Number of employees (Consolidated)		-	601	635	653	606	582
Number of consoildated subsidiaries		-	11	11	11	9	9
Number of affiliated companies subject to equity method		-	0	0	0	0	0

(Note)The above forecast for the year ending March 31, 2010 have been prepared on the current available information and actual results may differ from the projections due to the impacts of future events.