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### Summary of Consolidated Financial Statements for the Year Ended March 2005

May 13, 2005

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 Name: Hisashi Maki  
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 Date of Meeting of Board of Directors to Approve Financial Statements: May 13, 2005  
 Application of U.S. Accounting Standards: No

#### 1. Results for the Year Ended March 2005 (April 1, 2004 to March 31, 2005)

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

Fiscal Year	Net Sales	Year-on-year change	Operating Income	Year-on-year change	Ordinary Income	Year-on-year change
	Million yen	%	Million yen	%	Million yen	%
March 2005	37,947	16.3	8,644	18.7	8,882	26.2
March 2004	32,637	15.8	7,281	52.8	7,036	45.7

Fiscal Year	Net Income	Year-on-year change	Net Income Per share: Basic	Net Income Per share: Diluted	Ratio of Net Income to Shareholders' Equity	Ratio of Income before Income Taxes to Total Assets	Ratio of Income before Income Taxes to sales
	Million yen	%	Yen	Yen	%	%	%
March 2005	4,983	22.4	166.42	165.31	21.8	28.5	23.4
March 2004	4,073	43.8	224.52	224.47	21.2	25.2	21.6

- (Note) (i) Equity in income of equity-method investment: The year ended March 2005: - The year ended March 2004: -  
 (ii) The Company made a 1.1 for 1 stock split as of May 20, 2004 and a 1.5 for 1 stock split as of March 18, 2005. The net income per share and the diluted net income per share are calculated as if a stock split was made at beginning of the year. As to the amounts per share after retroactive adjustment (consolidated), please refer to page 2.  
 (iii) Average number of shares issued and outstanding (consolidated):  
 March 2005: 29,554,736 shares March 2004: 17,917,639 shares  
 (iv) Changes in accounting method: None  
 (v) Year-on-year changes for net sales, operating income, or income before income taxes and , net income represent the increase/decrease compared to the previous year.

##### (2) Financial Condition

Fiscal Year	Total Assets	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million yen	Million yen	%	Yen
March 2005	32,875	25,019	76.1	844.43
March 2004	29,350	20,808	70.9	1,158.62

- (Note) (i) Number of shares issued and outstanding at end of the year (consolidated):  
 March 2005: 29,551,791 shares March 2004: 17,916,451 shares  
 (ii) The Company made a 1.1 for 1 stock split as of May 20, 2004 and a 1.5 for 1 stock split as of March 18, 2005.

##### (3) Cash Flows

Fiscal Year	Net Cash provided by Operating Activities	Net Cash used in Investing Activities	Net Cash used in Financing Activities	Cash and Cash Equivalents at End of Year
	Million Yen	Million Yen	Million Yen	Million Yen
March 2005	3,169	(1,975)	(899)	11,621
March 2004	4,850	(728)	(784)	11,274

##### (4) Scope of the consolidation and application of equity method

- Number of consolidated subsidiaries: 9  
 Number of non-consolidated subsidiaries under equity method: None  
 Number of affiliated companies under equity method: None

##### (5) Changes in the scope of consolidation and application of equity method

- Consolidated: (New) None, (eliminated) None

Equity method: (New) None, (eliminated) None

2. Projected Results for the Year Ending March 2006 (April 1, 2005 to March 31, 2006)

Fiscal Year	Net Sales	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
6 month ending 09/05	18,100	4,000	2,200
Year ending 03/06	38,800	8,800	5,300

(Reference) Expected net income per share (annual basis): 178.89 yen

\*The above projected results have been prepared based on the current available information and actual results may differ from the projections due to the impacts of future events. Please refer to page 6 of the attached materials regarding the assumptions of the above projected results.

(Reference information - amounts per share after retroactive adjustment (Consolidated))

Following is the diluted amounts per share resulting from stock split made, calculated based on the net income per share reported at the year-end of March 2005.

	March 2005		March 2004	
	Interim	Year end	Interim	Year end
	Yen	Yen	Yen	Yen
Net income per share (basic)	94.00	166.42	58.81	136.05
Net income per share (diluted)	93.82	165.31	-	136.03
Dividend per share	8.00	32.00	7.27	13.94
Shareholders' equity per share	783.71	844.43	650.16	702.05

(Note) -The Company made stock split during half-year ending Sep. 2005.

1.1 for 1 stock split was made as of May 20, 2004.

-The Company made stock split in the year ending March 2005.

1.5 for 1 stock split was made as of March 18, 2005.

-The diluted net income per share during half-year ending March 2004 was not stated since there was no dilutive potential of shares.

## I. Status of Corporate Group

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.
	(Amusement Center Business)	(JCM also operates videogame arcades.)
	Environment and hygiene related equipments	Ozone generators for sterilizing and deodorizing, and machines to maintain the freshness of foods for department store and supermarket

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 sell products to JCM. Interlocking directorate
JCM AMERICAN CORP.	Nevada, U.S.A.	US\$7,200	Sales of money-handling machines	100	This company purchases products and parts from JCM and sell 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 sell them to customers. Interlocking directorate
JAPAN CASH MACHINE GERMANY GMBH.	Dusseldorf, Germany	€1,650	Sales of money-handling machines	100	This company purchases products from JCM and sell them to customers. Interlocking directorate
JCM UNITED KINGDOM LTD.	Milton Keynes, U.K.	£ 500	Sales of money-handling machines	100	This company purchases products from JCM and sell them to customers. Interlocking directorate
MEIHO SHOJI CO., LTD.	Taito-ku, Tokyo	¥10,000	Sales of equipment for the amusement industry	100	This company purchases products from JCM and sell 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 ozone generator	100	This company sells product to JCM. Interlocking directorate

## **1. Outline of Business Results**

### 1) Overview of business operations (from April 1, 2004, to March 31, 2005)

In the period under review, the Japanese economy enjoyed an overall basic trend toward recovery, with chiefly export-led improvements in corporate revenue, increased capital investment, and an improved personal income and employment situation. Overseas, meanwhile, the United States economy showed positive development buoyed up by healthy individual consumption, while the Asian economy continued to post good growth against a background of rapid economic expansion in China. In Europe, however, the appreciation of the euro began to produce a decelerating trend in individual consumption.

Adapting to these conditions, we responded to customer needs, including demand arising from the issue of new yen bills, by rolling out sales activities in the domestic market centered on money-handling machines and equipment for the amusement industry. Overseas, in addition to our existing gaming market activities, we engaged in energetic new initiatives aimed at the commercial market. With the goal of realizing even greater amelioration in terms of profit, JCM also continued with efforts to transfer manufacturing operations for our primary products to overseas locations and to reduce costs for materials, subcontracting, and mold investment through overseas procurement. These were part of measures implemented to reduce costs across the board.

As a result of these efforts, the sector engaged in supply of equipment for the amusement industry enjoyed an expansion in sales of facility-related products, due among other factors to the opening of new gaming halls as well as replacement demand created by the issue of new bills for the Japanese yen, while overseas sales of money-handling machines were also encouraging, particularly in the North American and European regions. Consequently, net sales for the period totaled ¥37,947 million, a 16.3% increase from the previous year. On the profits front, increased sales, notably in equipment for the amusement industry, coupled with aggressive sales of products of high added value, led to improvements in all indicators, with operating income up by 18.7% to ¥8,644 million, ordinary income growing by 26.2% to ¥8,882 million, and net income increasing by 22.4% to ¥4,983 million to give a record business performance.

Domestic net sales for the period rose 34.2% from the previous year to ¥19,726 million while overseas net sales increased 1.6% to ¥18,221 million. As a result, the overseas share of net sales fell by 7.0 percentage points to 48.0%.

On the foreign exchange market, the average yen to US dollar exchange rate was ¥108.07/\$1 compared to ¥115.72/\$1 in the previous year, reflecting an appreciation of the yen, while the average against the euro was ¥134.41/€1, marking a depreciation of the yen from the ¥131.65/€1 of the previous year.

### 2) Information by business segment

#### (1) Money-handling machines

On the domestic market, the issue of new bills in November 2004 led to an increase in sales of bill validators due to replacement demand for money-handling machines and related equipments from the retail and amusement industries which are our main customers. Healthy sales expansion was also achieved by products such as the automatic cash-in machines that are central to cash collection and distribution systems in the food service and retail industry and other sectors; and the bill-recycling units which form the main unit of mini automated teller machines for retail stores.

Overseas, in the gaming sector which is our main market, there was expanded demand for bill validators due to the expansion of legalized areas for casino gambling and the spread of coinless gaming machines in the North American region, while in the European region, sales developed favorably in Eastern Europe, especially Russia, and also in the British market.

The result of these movements was that net sales for the segment increased by 7.5% from the previous year to reach ¥23,992 million.

#### (2) Electronic cash registers

On the domestic market, sales strategies and product development focused tightly on target customer groups were pursued, but with little prospect of an increase in market size, price competition among major manufacturers intensified further, which contributed to sluggish sales development.

Given these conditions, net sales for the segment fell by 17.7% from the previous year to ¥717 million. Looking ahead, we aim to increase sales income by concentrating, among other areas, on product development aimed specifically at medium-sized stores and on sales of products and enhance our range of application software adapted to specific branches of industry and types of business.

#### (3) Equipment for the amusement industry

Due to the opening of new pachinko-parlor and refurbishment demand from pachinko-parlor, and given the increasing popularity of *pachinko* parlor slot machines, there was a large expansion in sales of the automatic token supply systems which are the segment's main product. In addition, as well as a great expansion in sales of the token lenders able to accept high-denomination bills (I-Rex) that were introduced for the first time in fiscal year 2005, the replacement demand created by the issue of new bills also led to sales increases for conventional token lenders dedicated to handling one-thousand yen bills and for change machines.

On the strength of these results, net sales for the segment increased by 47.0% from the previous year to ¥12,159 million.

#### (4) Other products

The video-game arcade and fire-resistant safe markets were not subject to any major change factors and sales remained at largely the same levels as in the previous year. In the area of environment and hygiene-related equipment, intensified competition from rival companies resulted in reduced sales.

The upshot of these movements was that net sales for the other products segment fell by 8.2% from the previous year to ¥1,076 million.

In the video-game arcade sector, the closure during the period of one unprofitable arcade reduced the number of arcades currently in operation to one.

### 3) Information by geographical segment

#### (1) Japan

In the retail and amusement industries which are our main customers, the increased demand created by the issue of new bills contributed to increased sales of bill validators, while the automatic cash-in machines that are central to cash collection and distribution systems in the food service and retail industry and other sectors also experienced expanded sales. In the amusement industry sector, with the increasing popularity of *pachinko* parlor slot machines, facility-related product sales also grew, so that net sales increased by 16.2% over the previous year to ¥31,784million.

With the advantage of scale produced by increased sales, operating income grew by 39.7% to ¥5,133 million.

#### (2) North America

In the gaming sector which is our main market, the expansion of legalized areas for casino gambling and the spread of coinless gaming machines boosted demand for bill validators so that sales denominated in local currency increased. However, as the yen appreciated by around ¥8 against the US dollar compared to the previous year, net sales when converted into Japanese currency showed a decline of 3.0% to ¥12,091 million compared to the previous year.

With the effect of the exchange rate and the increase in operating costs brought about by a strengthening of the sales system, operating income fell by 11.1% from the previous year to ¥1,725 million.

#### (3) Asia

As we moved ahead energetically in transferring the production of amusement industry equipment and money-handling machines to China, our coordinating base for overseas production, the volume of production in China underwent an increase. With the addition to this of the growth in external sales achieved by aggressive sales activity aimed at Asian region customers, net sales was increased 97.4% over the previous year to ¥9,773 million.

Due to production transfer and the increased sales of the equipments for amusement industry, operating income was increased 33.0% over the previous year to ¥592 million.

#### (4) Europe

With favorable development of sales of gaming market products in the countries of Eastern Europe, and especially Russia, and increased exports to Britain, net sales grew by 11.8% from the previous year to ¥5,642 million. Operating income also grew, by 32.9% to ¥1,388 million.

### 4) Outlook for next fiscal year (April 1, 2005, to March 31, 2006)

Looking to the future development of the economy, the situation within Japan is expected to be characterized by a continued recovering trend, but there is concern over possible sharp rises in the price of materials and crude oil and the effect of the appreciation of the yen on corporate business performance. Moreover, although the overseas situation is also expected to be marked by a gradual recovery trend, concern over possible sharp rises in crude oil prices and the situation in the Middle East and Asia points to continuing international tension leading to an increasing mood of uncertainty.

Against this background, it is forecast for the domestic front that demand in the amusement industry sector will continue to show healthy development, but that, while the money-handling machine sector will benefit from growth in sales of automatic cash-in machines and bill-recycling units, the demand created by the issue of new bills, which was particularly marked in the second half of the previous fiscal year, will subside somewhat. Looking overseas, while demand in the European region is predicted to continue its favorable development, in the North America region, the spread of coinless gaming machines is expected to run to the end of its course.

The effect of these trends on business performance in the forthcoming period (ending March 2006) is expected to be reflected in a 2.2% increase in net sales to ¥38,800 million, a decrease of 0.9% in ordinary income to ¥8,800 million, and an expansion of 6.3% in net income to ¥5,300 million. This is based on forecast exchange rates of ¥105/\$1 and ¥130/€1.

Regarding the dividends for the next fiscal year, in line with the basic policy on profit sharing, the per share dividends envisaged are an interim dividend of ¥18 and a year-end dividend of ¥18, giving a total annual dividend of ¥36.

## **2. Basic policy on profit sharing**

With the aim of encouraging long-term holding of shares, Japan Cash Machine Co., Ltd. (JCM) has made results-based payment linked to business performance the basis for return of profit to shareholders. While working to improve the corporate value of the JCM Group and taking into consideration the economic situation, future business expansion, and other factors, we have therefore implemented shareholder return strategies including increased dividends and stock splits. Looking ahead, as we follow our basic policy of continued stable dividend payout in line with business performance, we intend to distribute profits by setting a minimum dividend payout ratio of 25% and to pursue active return of profits to shareholders in line with business performance trends through measures including stock splits.

Fiscal year 2005 (ended March 31 2005), which brought the 50th anniversary of our establishment (January 11, 2005), and the listing of our shares on the Tokyo Stock Exchange and the First Section of the Osaka Securities Exchange (September 1, 2004), represented a major turning point in our development. To mark these occasions, we undertook a stock split at a ratio of 1:1.5 on March 18, 2005, and have decided to supplement the regular year-end dividend of ¥12 by issuing a commemorative dividend of ¥20, giving a total year-end dividend of ¥32 and a total annual dividend of ¥44. As an incentive toward improvement of shareholder profit, stock options have been offered to directors and managerial staff of the JCM Group.

In line with its declared policy of mid-range improvement of business performance, JCM has formulated investment plans covering capital investment, merger and acquisition activity, equity participation, business partnerships, and other strategies in Japan and overseas for all operational sectors including sales, management, manufacturing, distribution, and development. Committed to utilizing retained earnings for effective investment in these areas, JCM aims in this way to achieve further improvement of shareholder value.

IV-1. Consolidated Balance Sheet

(In thousand yen, rounded down)

Items	Period	Current Year As of March 31,2005		Previous Year As of March 31,2004		Amount Increased/ Decreased
			%		%	
<b>Assets</b>			%		%	
Current assets:		28,443,660	86.5	25,313,818	86.2	3,129,842
Cash and bank equivalents		11,675,391		11,274,975		400,416
Notes and account receivable trade		6,726,615		6,259,843		466,771
Marketable securities		940,585		-		940,585
Inventories		7,407,252		6,050,132		1,357,120
Deferred income taxes		1,404,162		1,364,529		39,633
Prepaid expenses and other current assets		477,106		566,479		(89,372)
Less allowance for doubtful accounts		(187,453)		(202,142)		14,688
Fixed assets:		4,431,939	13.5	4,036,350	13.8	395,588
Tangible fixed assets		2,332,642	7.1	2,224,623	7.6	108,019
Buildings and structures		998,986		1,050,095		(51,108)
Machinery and equipments		109,716		37,269		72,447
Land		376,648		379,467		(2,818)
Work in progress		39,733		-		39,733
Other		807,556		757,791		49,765
Intangible fixed assets:		266,355	0.8	156,656	0.5	109,698
Goodwill		14,648		-		14,648
Consolidation adjustment accounts		2,260		4,521		(2,260)
Software		142,164		140,925		1,238
Other		107,281		11,209		96,072
Investments and other assets:		1,832,940	5.6	1,655,071	5.7	177,869
Investments in securities		976,001		982,892		(6,891)
Long-term loans		783		942		(159)
Deferred income taxes		223,635		175,103		48,532
Other		699,831		557,012		142,818
Less allowance for doubtful accounts		(67,311)		(60,880)		(6,430)
Deferred assets:		-	-	111	0.0	(111)
Debenture discount and expenses		-		111		(111)
<b>Total Assets</b>		<b>32,875,599</b>	<b>100.0</b>	<b>29,350,280</b>	<b>100.0</b>	<b>3,525,319</b>

## IV-2. Consolidated Income Statement

(In thousand yen, rounded down)

Items	Period		Previous Year		Amount Increased/Decreased
	Current Year As of March 31,2005		As of March 31,2004		
Liabilities		%		%	
Current liabilities:	7,470,535	22.7	8,126,102	27.7	(655,567)
Notes and account payables trade	3,701,003		5,296,276		(1,595,273)
Short-term bank borrowings	128,859		100,924		27,934
Redeemable bond within 1 year	-		200,000		(200,000)
Accrued income taxes	1,954,584		874,866		1,079,718
Accrued bonuses	505,674		452,650		53,024
Other current liabilities	1,180,413		1,201,384		(20,970)
Long-term liabilities:	385,269	1.2	415,618	1.4	(30,348)
Deferred income taxes	24,823		24,085		738
Accrued retirement benefits for employees	73,880		111,081		(37,201)
Retirement allowances for directors and corporate auditors	263,614		262,083		1,531
Other long-term liabilities	22,950		18,368		4,582
Total liabilities	7,855,804	23.9	8,541,720	29.1	(685,915)
(Minorities' Equity)	-	-	-	-	-
Minority shareholders' equity	-	-	-	-	-
(Shareholders' equity)					
Common stock	2,181,695	6.6	2,181,695	7.4	-
Capital surplus	2,029,136	6.2	2,028,655	6.9	481
Retained earnings	21,130,910	64.3	16,845,616	57.4	4,285,294
Net unrealized holding gain on securities	276,675	0.8	276,432	0.9	242
Translation adjustments	(503,988)	(1.5)	(454,767)	(1.5)	(49,220)
Less treasury stock, at cost:	(94,633)	(0.3)	(69,071)	(0.2)	(25,561)
Total shareholders' equity	25,019,795	76.1	20,808,559	70.9	4,211,235
Total liabilities and shareholders' equity	32,875,599	100.0	29,350,280	100.0	3,525,319

## IV-3. Consolidated Comprehensive Income Statement

( In thousand yen, rounded down )

Items	Period	Current Year From April 1,2004 To March 31,2005		Previous Year From April 1,2003 To March 31,2004		Amount Increased/ Decreased
			%		%	
Net sales		37,947,200	100.0	32,637,213	100.0	5,309,987
Cost of sales		19,535,015	51.5	16,467,481	50.5	3,067,533
Gross profit		18,412,185	48.5	16,169,731	49.5	2,242,453
Selling, general and administrative expenses		9,767,609	25.7	8,888,300	27.2	879,309
Operating income		8,644,576	22.8	7,281,431	22.3	1,363,144
Non-operating income		263,205	0.7	88,180	0.3	175,025
Interest income		44,642		38,603		6,038
Dividend income		9,318		3,953		5,365
Foreign exchange gain		140,663		-		140,663
Other		68,580		45,622		22,957
Non-operating expenses		25,371	0.1	333,333	1.0	(307,962)
Interest expense		7,480		11,435		(3,955)
Foreign exchange loss		-		286,928		(286,928)
Other		17,890		34,969		(17,078)
Ordinary income		8,882,410	23.4	7,036,278	21.6	1,846,132
Extraordinary income		76,712	0.2	54,640	0.2	22,072
Gain on sales of fixed assets		12,545		-		12,545
Gain on sale of investment securities		37,278		-		37,278
Reversal of allowance for doubtful accounts		26,888		54,640		(27,751)
Extraordinary expenses		147,324	0.4	80,807	0.3	66,517
Loss on disposal of property, plant and equipment		77,306		9,000		68,306
Loss on sale of property, plant and equipment		5,256		-		5,256
Loss on devaluation of investment in securities		-		6,749		(6,749)
Loss on devaluation of golf club memberships		2,250		57,554		(55,304)
Loss on cancellation of leases		16,224		-		16,224
Loss on fire incidents		29,913		-		29,913
Other		16,374		7,503		8,871
Income before income taxes		8,811,798	23.2	7,010,111	21.5	1,801,687
Income taxes – current		3,918,848	10.3	3,096,251	9.5	822,597
Income taxes – deferred		(91,049)	(0.2)	(159,234)	(0.5)	68,184
Net income		4,983,999	13.1	4,073,094	12.5	910,905

## IV-4. Consolidated Cash Flow Statement

( In thousand yen, rounded down )

Items	Period	Current Year	Previous Year	Amount Increased/ Decreased
		( From April 1, 2004 To March 31, 2005 )	( From April 1, 2003 To March 31, 2004 )	
. Cash flow from operating activities				
Income before income taxes		8,811,798	7,010,111	1,801,687
Depreciation and amortization		647,815	521,869	125,945
Amortization of consolidation adjustment accounts		2,260	2,260	-
Increase (decrease) in reserve		11,407	35,120	(23,713)
Interest and dividend income		(53,961)	(42,557)	(11,403)
Interest expense		7,480	11,435	(3,955)
Exchange loss (gain), net		(8,740)	77,242	(85,982)
Amortization of bond issue discount		111	174	(63)
Write-down of marketable securities and investments in securities		-	6,749	(6,749)
Loss on disposal of fixed assets		70,017	17,553	52,463
Loss on sale of investment in securities		(37,278)	-	(37,278)
Loss on revaluation of golf club membership		1,500	57,554	(56,054)
Decrease (increase) in account receivable		(514,500)	246,531	(761,032)
Decrease (increase) in inventories		(1,362,706)	(327,816)	(1,034,889)
Increase (decrease) in notes and accounts payable		(1,571,334)	553,573	(2,124,907)
Decrease (increase) in consumption taxes receivable		50,563	9,087	41,475
Increase (decrease) in other assets and liabilities		38,260	463,779	(425,519)
Bonuses to directors and corporate auditors		(50,200)	(43,900)	(6,300)
Sub total		6,042,491	8,598,769	(2,556,278)
Interest and dividends received		53,961	42,557	11,403
Interest paid		(8,006)	(11,940)	3,934
Income taxes paid		(2,918,948)	(3,779,037)	860,088
Net cash provided by operating activities		3,169,497	4,850,349	(1,680,852)
. Cash flow from investing activities				
Payments for purchase of tangible fixed assets		(869,214)	(631,254)	(237,960)
Proceeds from sale of tangible fixed assets		39,174	16,644	22,529
Payments for purchase of intangible fixed assets		(192,552)	(104,887)	(87,665)
Payments for purchase of marketable securities		(975,612)	-	(975,612)
Payments for purchase of investment in securities		(2,961)	-	(2,961)
Proceeds from sale of investment in securities		47,278	-	47,278
Payments for other investing activities		(21,958)	(8,900)	(13,058)
Net cash used in investing activities		(1,975,846)	(728,396)	(1,247,449)

. Cash flow from financing activities			
Increase (decrease) of short-term borrowing	(25,924)	(20,403)	(5,521)
Payments for purchase of treasury stock	(25,989)	(6,845)	(19,144)
Proceeds from sale of treasury stock	908	-	908
Payments for redemption of bond	(200,000)	(200,000)	-
Cash dividends paid	(648,504)	(557,108)	(91,396)
Cash flow used in financing activities	(899,510)	(784,356)	(115,153)
. Effect of exchange rate changes on cash and cash equivalents	52,417	(455,468)	507,885
. Increase in cash and cash equivalents	346,557	2,882,127	(2,535,569)
. Cash and cash equivalents at beginning of year	11,274,975	8,392,848	2,882,127
. Cash and cash equivalents at end of year	11,621,533	11,274,975	346,557

(1) Segment Information

1. Segment information by business category

The businesses of the Company and the consolidated subsidiaries are classified into two segments: cash machines and related equipment, and leisure and related businesses. As net sales and operating income and total assets of cash machines and related equipments constituted more than 90% of the consolidated sales, operating income and total assets for the years ended in March 31, 2005 and 2004, the disclosure of business segment information has been omitted.

2. Geographical segment information

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

(In thousand yen, rounded down)

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

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

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

(1) North America ..... U.S.A.

(2) Asia ..... Hong Kong

(3) Europe ..... Germany and England

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

Previous year ( From April 1, 2003 to March 31, 2004 )

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ corporate	Consolidated
. Net sales and operating							
Net sales							
(1)Outside customers	15,110,290	12,453,844	25,224	5,047,854	32,637,213	( - )	32,637,213
(2)Intersegment sales	12,252,042	13,914	4,925,573	945	17,192,475	(17,192,475)	-
Total Sales	27,362,333	12,467,759	4,950,797	5,048,799	49,829,689	(17,192,475)	32,637,213
Operating expenses	23,688,054	10,526,562	4,505,440	4,004,203	42,724,260	(17,368,478)	25,355,781
Operating income	3,674,278	1,941,196	445,357	1,044,596	7,105,428	176,002	7,281,431
. Total assets	23,980,054	6,173,290	2,523,204	2,676,975	35,353,524	( 6,003,244)	29,350,280

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

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

(1) North America ..... U.S.A.

(2) Asia ..... Hong Kong

(3) Europe ..... Germany and England

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

### 3. Overseas Net Sales

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

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
. Overseas net sales	11,386,752	5,779,518	1,054,825	18,221,096
. Consolidated net sales				37,947,200
. Overseas net sales as a percentage of consolidated net sales	30.0%	15.2%	2.7%	48.0%

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

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

(1) North America ..... U.S.A. and Canada

(2) Europe ..... Italy, Germany, Spain, Russia and England

(3) Other Areas ..... Australia, Taiwan and other countries

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

Previous year ( from April 1, 2003 to March 31, 2004 )

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
. Overseas net sales	12,076,894	5,092,382	771,824	17,941,100
. Consolidated net sales				32,637,213
. Overseas net sales as a percentage of consolidated net sales	37.0%	15.6%	2.4%	55.0%

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

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

(1) North America ..... U.S.A. and Canada

(2) Europe ..... Italy, Germany, Spain and Russia

(3) Other Areas ..... Australia, Taiwan and other countries

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

### 2. Net Sales by operating department

( In thousands, rounded down )

Operating Department	Current year From April 1, 2004 To March 31, 2005		Previous year From April 1, 2003 To March 31, 2004		Increase/(decrease)	
	Net Sales	Ratio	Net Sales	Ratio	Net Sales	Year-on-year change (%)
Money-handling machines	23,992,804	63.2%	22,317,617	68.4%	1,675,218	7.5%
Cash registers	717,914	1.9	872,195	2.7	(154,280)	(17.7)
Equipment for the amusement industry	12,159,870	32.1	8,274,124	25.3	3,885,746	47.0
Others	1,076,611	2.8	1,173,275	3.6	(96,663)	(8.2)
Total	37,947,200	100.0	32,637,213	100.0	5,309,987	16.3

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

Executive Personnel Change  
(As of June 28, 2005)

1. Resignation of director

Mr. Kazuo Toda will resign as a director (general manager of quality H.Q.) and assume a post as an advisor.