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Summary of Consolidated Financial Results for the Second Quarter Ended September 30, 2008

October 31, 2008

Company Name **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
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 Deputy General Manager
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Filing date of quarterly securities report: November 14, 2008

Payment date of cash dividends: December 5, 2008

1. Results for the second quarter ended September 30, 2008 (April 1, 2008 through September 30, 2008)

(1) Consolidated operating results for six-month period (Amounts less than 1 million yen are rounded.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2008 2 nd quarter	13,321	-	2,953	-	3,220	-	2,179	-
FY 2007 2 nd quarter	15,718	2.9	1,860	21.2	2,069	19.3	284	(40.1)

	Net Income Per share: Basic		Net Income Per share: Diluted	
	Yen		Yen	
FY 2008 2 nd quarter	74.10		-	
FY 2007 2 nd quarter	9.63		-	

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Capital Adequacy Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
FY 2008 2 nd quarter	34,093	29,076	85.3	996.12
FY 2007	31,953	27,885	87.3	942.64

(Note) Shareholders' equity:

The six months ended September 30, 2008: 29,076 million yen

The year ended March 31, 2008: 27,885 million yen

2. Cash Dividends

(Record date)	Cash Dividends Per Share				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Year End	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2007	-	11.00	-	11.00	22.00
FY 2008	-	11.00	-	-	-
FY 2008 (Forecast)	-	-	-	11.00	22.00

Change in cash dividends forecast for FY 2008 as of September 30, 2008: None

3. Forecast of Consolidated Results for FY 2009 (April 1, 2008 through March 31, 2009)

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
FY 2008	25,900	(9.3)	3,300	15.8	3,600	26.5

	Net Income		Net Income Per Share: Basic
	Million yen	%	Yen
FY 2008	2,350	-	80.51

Changes in forecast of Consolidated Results for FY 2008 as of September 30, 2008: None

4. Others

- (1) Changes of significant subsidiaries during the current period None
- (2) Adoption of simplified and specific accounting policies for quarterly consolidated financial statements Applicable
- (3) Changes in accounting policies
1. Related to accounting standard revisions etc. Applicable
 2. Other changes Applicable

(4) Outstanding shares (common shares)

Number of shares outstanding (including treasury stock)	Six months ended September 30, 2008	29,662,851 shares	Year ended March 31, 2008	29,662,851 shares
Number of treasury stock	Six months ended September 30, 2008	472,940 shares	Year ended March 31, 2008	80,827 shares
Average number of shares	Six months ended September 30, 2008	29,409,426 shares	Six months ended September 30, 2008	29,582,432 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.

Consolidated Operating Results

For the six months ended September 30, 2008, sales in Europe went favorably while sales in North America and the domestic grew slowly.

In Europe, sales grew strong due to growing number of replacement demand led by the amendment of gaming laws in Germany and market expansion in Eastern European regions. Meanwhile, sales in North America decreased due to decline in consumer confidence with decrease of disposable income caused by price hike.

In the domestic, sales for the commercial market performed steadily. Yet, sales in the amusement industry continued to be severe under the unclear market situation.

The profit increased due to the factors including change of merchandise mix taken as the measure against the decrease in sales for the amusement industry and cost reduction by quality improvement in addition to the strong market situation in Europe.

The foreign exchange rates for the six month ended September 30, 2008 were ¥104.61/\$1 compared to 120.50/\$1 in the same period of the previous year, while the average against the euro was ¥161.54/€ compared to ¥160.66/€ in the same period of the previous year.

In other income and expenses, ¥85 million exchange gains on forward exchange contracts and ¥86 million interest income were posted.

Also, in extraordinary income and losses, ¥ 33 million gain on bad debts recovered and ¥ 32 million reversal of allowance for doubtful accounts were posted with partial collection of bad debt which was recorded in the previous year.

As a result, sales for this period fell by 15.3 % to ¥13,321 million, while Operating income increased by 58.7 % to ¥2,953 million, ordinary income rose by 55.6 % to ¥3,220 million, and net income amounted to ¥2,179 million, an increase of 665.1%. The reason of significant improvement in net income compared to the same period of the previous year was because loss on devaluation of investment in securities and transfer to allowance for doubtful accounts were posted last year.

Consolidated Financial Forecast

As for the outlook for the second half, the management situation is anticipated to be severe due to downturn in the global economy. Although the sales in Europe are estimated to go favorably, the sales growth will slightly slow down due to the seasonal influence. Also, in North America, investment for casino hotels will unlikely decrease due to the turmoil in the financial market and decreasing the number of casino players caused by price hike.

Under such situations, sales in both North America and Europe will exceed the results of the second half of the previous year on a local currency basis with an effort toward sales activities, while it will slightly decrease compared to the first half of this year.

In the conversion to Japanese yen, sales are anticipated to fall down compared to both second half and first half of the previous year adversely affected by the strength of the yen.

Meanwhile, the domestic market will remain slow.

Although the foreign exchange rates used for the forecast of the second-half are ¥100.00/\$1 and ¥135.00/€, the average foreign exchange up to December 31, 2008, which is the accounting period of the overseas affiliated companies is based on the ¥104.07/\$1 compared to 104.61/\$1 in the first half and 117.71/\$1 in the same period of the previous year, while the euro was ¥154.38/€ compared to ¥161.54/€ in the first half and 162.00/€ in the same period of the previous year.

On the profit side, the situation is anticipated to be severe due to slow sales growth toward the overseas market and appreciation of the yen in the foreign exchange market.

In the first half, due to the reduction of inventories achieved by sales in European subsidiaries as well as increase of realized income from gross unrealized income, the profit will unlikely reduce due to the appropriate level of inventories in the second half.

There is the concern over the financial results for this year due to the significant change in exchange market. But the effect on operating income per ¥1 against average foreign exchange is decrease of ¥28 million per U.S. dollar and 16 million yen per Euro due to strength of yen.

Further, in other income and expenses and extraordinary expenses, there is the concern of foreign exchange loss and loss on devaluation of investment in securities according to circumstance of foreign exchange market and stock market.

Under such severe market environment, the Company will focus on the gaming market, a core business of the Company. At the same time, the Company will engage in improving business performance by speeding up the productization of new product plans for OEM customers within and outside the country, developing the next generation products, performing the PR activities to the customers as well as making efforts to positive cost reduction.

	As of September 30, 2008 (In thousand yen, rounded down)	As of March 31, 2008 (In thousand yen, rounded down)
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	13,105,606	11,469,131
Notes and accounts receivable-trade	4,407,803	3,948,911
Short-term investment securities	1,685,171	1,347,190
Merchandise and finished goods	4,445,324	4,261,207
Work in process	282,480	337,294
Raw materials and supplies	1,656,331	1,414,428
Other	1,569,327	1,525,582
Allowance for doubtful accounts	-85,160	-97,080
Total current assets	27,066,884	24,206,666
Noncurrent assets		
Property, plant and equipment	2,986,286	3,075,103
Intangible assets	875,945	1,005,195
Investments and other assets		
Other	3,473,346	4,006,545
Allowance for doubtful accounts	-308,550	-339,617
Total investments and other assets	3,164,795	3,666,928
Total noncurrent assets	7,027,026	7,747,227
Total assets	34,093,910	31,953,894
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,363,372	1,850,474
Income taxes payable	793,081	69,791
Provision for bonuses	352,166	238,350
Provision for directors' bonuses	14,000	-
Other	1,220,689	1,574,974
Total current liabilities	4,743,310	3,733,591
Noncurrent liabilities		
Provision for retirement benefits	20,403	19,592
Other	253,571	315,441
Total noncurrent liabilities	273,974	335,033
Total liabilities	5,017,285	4,068,625
Net assets		
Shareholders' equity		
Capital stock	2,216,945	2,216,945
Capital surplus	2,069,030	2,069,093
Retained earnings	24,795,446	22,846,218
Treasury stock	-456,389	-111,619
Total shareholders' equity	28,625,033	27,020,638
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	247,327	272,401
Deferred gains or losses on hedges	158,869	90,094
Foreign currency translation adjustment	45,395	502,135
Total valuation and translation adjustments	451,592	864,631
Total net assets	29,076,625	27,885,269
Total liabilities and net assets	34,093,910	31,953,894

	Six months ended September 30, 2008 (In thousand yen, rounded down)
Consolidated quarterly statements of income	
Net sales	13,321,643
Cost of sales	5,562,085
Gross profit	7,759,557
Reversal of unrealized income on installment sales	11,486
Gross profit-net	7,771,044
Selling, general and administrative expenses	4,817,653
Operating income	2,953,390
Non-operating income	
Interest income	86,240
Dividends income	13,704
Foreign exchange gains	85,262
Other	90,825
Total non-operating income	276,033
Non-operating expenses	
Interest expenses	56
Other	8,717
Total non-operating expenses	8,773
Ordinary income	3,220,650
Extraordinary income	
Gain on sales of noncurrent assets	4,868
Gain on bad debts recovered	33,548
Reversal of allowance for doubtful accounts	32,829
Total extraordinary income	71,245
Extraordinary loss	
Loss on sales of noncurrent assets	1,566
Loss on retirement of noncurrent assets	5,448
Loss on valuation of investment securities	9,555
Loss on valuation of golf club membership	2,250
Total extraordinary losses	18,821
Income before income taxes and minority interests	3,273,074
Income taxes-current	1,045,403
Income taxes-deferred	48,365
Total income taxes	1,093,769
Net income	2,179,305

	Six months ended September 30, 2008 (In thousand yen, rounded down)
Consolidated quarterly statements of cash flows	
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	3,273,074
Depreciation and amortization	417,536
Increase (decrease) in provision	117,911
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	-71,248
Interest and dividends income	-99,945
Interest expenses	56
Foreign exchange losses (gains)	-44,561
Loss (gain) on sales and retirement of property, plant and equipment	2,147
Loss (gain) on valuation of investment securities	9,555
Decrease (increase) in notes and accounts receivable-trade	-438,048
Decrease (increase) in inventories	-462,165
Increase (decrease) in notes and accounts payable-trade	610,825
Decrease (increase) in consumption taxes refund receivable	138,476
Other, net	-354,553
Subtotal	3,099,060
Interest and dividends income received	112,086
Interest expenses paid	-56
Income taxes paid	-163,355
Income taxes refund	23,270
Net cash provided by (used in) operating activities	3,071,004
Net cash provided by (used in) investment activities	
Net increase (decrease) in short-term investment securities	-440,333
Purchase of property, plant and equipment	-264,036
Proceeds from sales of property, plant and equipment	6,536
Purchase of intangible assets	-11,451
Purchase of investment securities	-1,838
Other, net	30,484
Net cash provided by (used in) investment activities	-680,640
Net cash provided by (used in) financing activities	
Cash dividends paid	-325,559
Purchase of treasury stock	-344,966
Proceeds from sales of treasury stock	132
Net cash provided by (used in) financing activities	-670,392
Effect of exchange rate change on cash and cash equivalents	-83,496
Net increase (decrease) in cash and cash equivalents	1,636,474
Cash and cash equivalents at beginning of period	11,469,131
Cash and cash equivalents at end of period	13,105,606

(Segment Information)

a. 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 amusement industry and related businesses. As net sales and operating income of cash machines and related equipments constituted more than 90% of the consolidated sales and operating income for the six months ended September 30, 2008, the disclosure of business segment information has been omitted.

b. Geographical segment information

Six months ended September 30, 2008 (From April 1, 2008 to September 30, 2008)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Intersegment	Consolidated
I Net sales							
(1) Sales to third parties	3,478,572	4,931,290	58,675	4,853,105	13,321,643	-	13,321,643
(2) Intersegment sales	7,726,307	34,338	3,315,301	44,805	11,120,752	(11,120,752)	-
Total Sales	11,204,880	4,965,628	3,373,976	4,897,910	24,442,396	(11,120,752)	13,321,643
Operating income	914,832	337,306	193,012	890,446	2,335,599	617,791	2,953,390

(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

c. Overseas Net Sales

Six months ended September 30, 2008

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
. Overseas net sales	4,404,000	4,729,160	736,803	9,869,964
. Consolidated net sales	-	-	-	13,321,643
. Overseas net sales as a percentage of consolidated net sales (%)	33.1%	35.5%	5.5%	74.1%

(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.

d. Status of Sales

The segment information by business category is omitted. Following is the segment information by operational divisions.

The Company is scaling down its operations in electric cash register, and net sales in this segment is included in others from the first quarter ended June 30, 2008 due to little effect on the financial results. The sales in this section were ¥98,900 thousand.

(In thousand yen, rounded down)

Operational Divisions	Six months ended September 30, 2008	
	Net Sales	Ratio (%)
Money-handling machines	10,989,390	82.5
Equipment for the amusement industry	1,867,948	14.0
Others	464,304	3.5
Total	13,321,643	100.0

(Note) The consumption tax is not included.