

JAPAN CASH/MACHINE CO., LTD.



Year ended March 31, 2009

# ANNUAL REPORT 2009

# Company Profile

Taking "Our Accomplishment is Our Customers' Achievement." as its corporate motto since its establishment in 1955, the JCM Group has implemented a customer-first policy. The Group engages in the manufacture and sales of money-handling machines that contribute to improved security of the money in market circulation. In order to satisfy customer's needs, the group closely monitors changes in market trends.

With its advanced technological capability and expertise in the money handling business, JCM delivers high-performance products to a wide range of business users which include retail, leisure, food service and other service sectors. The Group manufactures units which handle the banknotes of over 80 countries around the world, including the U.S. dollar and the euro. Our products have also obtained a high reputation among world's casinos and financial institutions.

Also, by promoting the globalization of management, the JCM Group is creating a system which is able to respond flexibly to environmental changes and the diverse needs of world markets. The Group will seek

further customer's satisfaction and the security of money handling with new application proposals and the release of value-added products.

With its focus on CSR activities, JCM has received ISO 14001 certification. The Group operates in a manner which is friendly to both people and the global environment, through observing regulations for environmental protection, striving to prevent pollution, and establishing systems for continuous improvement. By providing solutions for currency validation, handling and counting, JCM devotes every effort to help its customers to minimize the energy and resources consumed in relation to currency circulations and storages. The Group strives to achieve high levels of accuracy in order to ensure confidence in interactions involving people and money.

The JCM group continuously seeks to conduct its business operations in an appropriate and effective manner, so as to increase corporate value and improve shareholder returns while maintaining good relations with a broad range of stakeholders, including shareholders, investors, business partners, local communities and employees.



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## Forward-looking statements

The present report contains forward-looking statements regarding the JCM Group plans, forecasts, strategies, business results and other items. These forward-looking statements are based on judgments made using the information available at the time. Actual business results will be affected by various risk factors and uncertainties, and readers are advised that they may therefore differ substantially from the projections presented herein. Factors affecting future projections include, but are not limited to, the economic conditions under which the JCM Group operates, competitive pressures, relevant laws and regulations, the status of product development programs, and fluctuations in exchange rates.

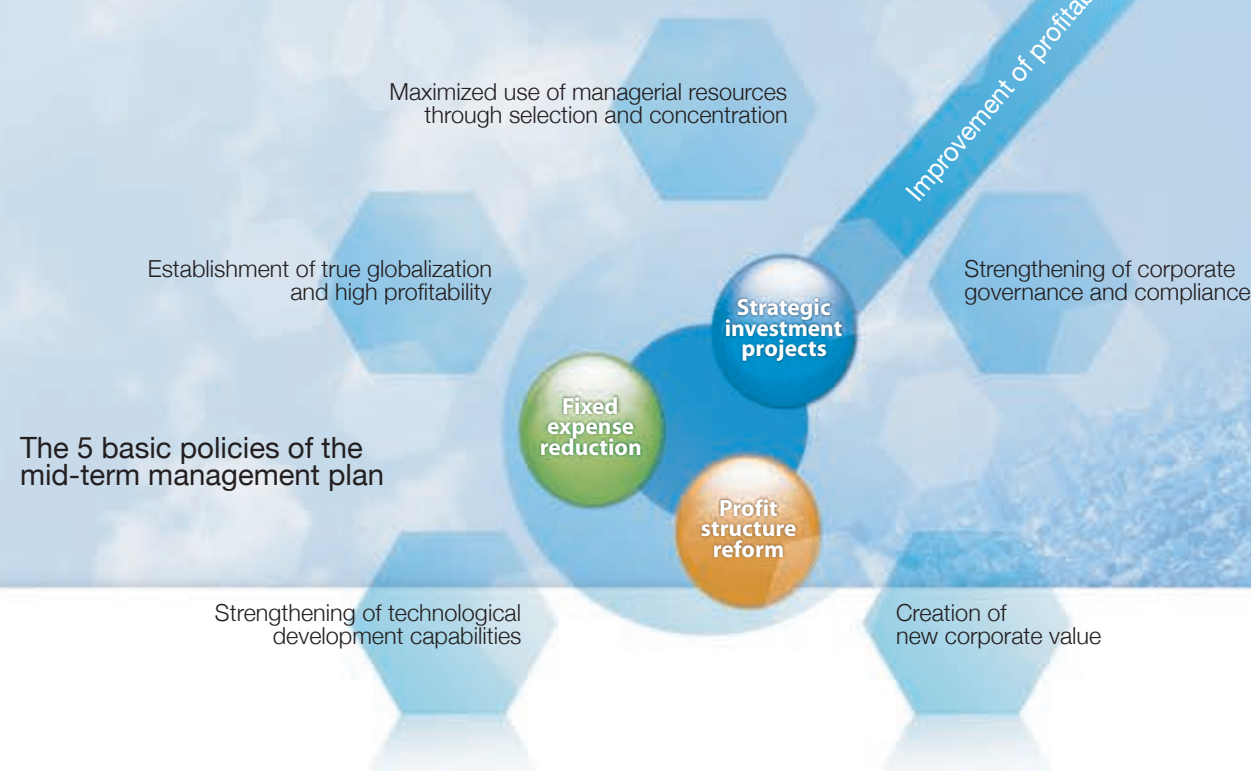
# Financial Highlights

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>For the year:</b>			
Net sales:			
Domestic	¥ 6,951	¥ 8,675	\$ 70,769
Overseas	18,621	19,869	189,591
Total	25,572	28,544	260,360
Operating income	2,562	2,849	26,081
Net income	2,009	157	20,456
Depreciation of property, plant and equipment	658	675	6,699
Research and development costs	1,534	1,425	15,615
<b>At the year end:</b>			
Current assets	¥ 24,530	¥ 24,206	\$ 249,745
Total assets	29,712	31,953	302,503
Current liabilities	4,015	3,733	40,874
Net assets	25,301	27,885	257,592
		Yen	U.S. dollars
<b>Per share data:</b>			
Net income - basic	¥ 69.42	¥ 5.33	\$ 0.71
Net assets	909.29	942.64	9.26
Cash dividends	22.00	22.00	0.22
Number of employees	601	635	-

Note: The U.S. dollar amounts in this report have been translated from the corresponding yen amounts, for convenience only, at ¥98.22 = U.S.\$1.00, the rate of exchange prevailing on March 31, 2009.

# Aiming at establishing strong profitability



The JCM Group sees encouraging results in its measures to tackle the global financial crisis. We ask President Yojiro Kamihigashi about the current business environment.

**Q. First of all, could you give us a general overview for the fiscal year ended in March 2009?**

Regarding the results for the fiscal year, both sales and operating profits decreased. The main reasons were that in overseas gaming markets, although business was good in Europe, sales in North America were weak and in the domestic amusement market, sales have decreased against a background of continued contraction due to law amendment.

On the other hand, although we had a fall in net sales, ordinary profit increased which is mainly due to the posting of interest on refunds arising from the finalization of the transfer pricing taxation agreement. As a result, net income also improved significantly.

People generally tend to think that the main negative factor in North America arose from the Lehman shock, however, because December is the month for the settlement of annual accounts at our subsidiaries in the North American segment, the direct effects arising from the financial crisis were limited. Rather, the effects of foreign exchange, at the time of conversion of the results into yen, accounted for a large share of the negative factors in North America during the fiscal year.

Meanwhile, in Europe, businesses in Germany and Eastern Europe continued their strong performance from the previous term.

In Japan, the trend towards the shrinkage of market in the equipment for the amusement industry has continued, and sales of amusement machine, repair, and maintenance have also decreased. Moreover, as part of the selection and concentration of business, one of our measures to improve management, we also pushed ahead with our withdrawal from fire-resistant safe operations and the contraction of our electronic cash register and environment-related businesses, therefore, sales in these divisions decreased during the fiscal year.

**Q. What do you think about the forecast for the current term (fiscal year ending March 2010)?**

As explained earlier the effects of the financial crisis in the fiscal year in 2009 were limited, however, we have started to feel the effects of the global recession in the current term and the business environment, overseas gaming markets in particular, is deteriorating rapidly.

It is conceivable that in this way, the market environment

surrounding the company will become severe and I have it firmly in mind that the severity of this downturn will be something without precedent in the past. Therefore, I think that we urgently need to make our way towards strong profitability by thoroughly promoting the improvement of management.

Because of these concerns, we decided that we need to review and revise our current mid-term management plan while continuing to stand firm on the basic policies outlined within it. Because it is extremely difficult in the current economic environment to examine factors such as future market trends, which are used as assumptions for mid-term business planning, we have decided to pay extra attention towards grasping of business trends and movements in demand.

**Q. So what do you think are JCM's top priority issues for the current term?**

We judged that constructing systems that allow us to post profits with certainty even in circumstances where sales are decreasing, is our top priority issue. We have already started on the improvement of management, centered mainly on reductions in production costs and curtailment of fixed

expenses. By doing so, we will cut approximately ¥1,000 million from costs annually to increase profitability further and ensure the foundations for better results.

**Q. The improvement of management is important for the generation of profits, isn't it?**

We are not only working on the improvement of management in the area of finance, but also sales and production. We are going to release new products onto the market during the current term in order to expand sales. As our first shot, we have already released a product called VEGA, a bill validator unit with a bill-recycling function. We are mainly focusing on sales to the European AWP (small scale casino) market and will also make sales domestically to the distribution market.

In addition, we are also advancing product development of bill validator units for the next-generation gaming market as well as for industrial and consumer applications (commercial areas) with the continuing prospect of market launches during the current term.

Apart from that, we are also pushing ahead with the development of OEM products for overseas financial markets,

as a new business, and will line up bill validator units for ATMs, automatic vending machines, ticket machines and the likes during the current term. In addition, we will expand our business in the commercial market.

## Q. JCM acquired a new subsidiary in the equipment for the amusement industry business, but what was the aim of that acquisition?

While advancing defensive reinforcement steadily such as management improvement in the area of finance, we think that it is of strategic importance to be positive in promoting investment projects aimed at the expansion of profitability. This includes new business development, corporate acquisitions and alliances, and the strengthening of our sales and development bases in the Kanto region in Japan. We are confident that these activities will lead to achievement of the basic policy in the mid-term management plan.

This acquisition was carried out to shore up the company's interests in the equipment for the amusement industry area, where results have stagnated in recent years. We think that enhancing our product composition is essential in order to ensure solid earnings, and acquiring a company specializing in Pachinko machine peripheral equipment will bring about a significant expansion of our product line-up as well as makes our business more efficient. As a result, we will be able to secure an edge in the amusement industry.

## Q. Please tell us about JCM's policy for returning profits to shareholders.

We have made our basic policy in regard to term-end dividends to have a consolidated dividend payout ratio of at

least 30% and paid a dividend of ¥11 per share (annual total of ¥22 per share). We will continue to make returns to shareholders for the fiscal year 2010 onwards in accordance with this basic policy.

On the other hand, we decided to abolish the shareholder special benefit plan, which we have operated until the fiscal year 2009. After a careful investigation of this system from various angles, we decided to unify all shareholder benefits in cash dividends based on our policy of returning profits to shareholders.

Also, in addition to treasury stock acquired during the fiscal year 2009 (a total value of ¥1,487 million/about 6% of shares issued), new acquisition funds of ¥1,000 million have been approved, and we will continue to push ahead with such purchases. We will continue to hold the treasury stock and will use them effectively as a resource in order to execute flexible capital measures such as stock exchanges during M&A as required.

## Q. Finally, could you give a message to JCM shareholders?

We anticipate that the market environment surrounding the JCM Group in the current term, will be severe. We will continue to work positively on the improvement of management mainly in terms of finance, and also in the areas of sales and production as I stated.

We will listen to the voices of all stakeholders and whatever difficulties we face, we will promote management activities with a serious attitude. Furthermore, in order to increase profitability and contribute to the return of profits to shareholders, we intend to realize the importance of a stable, long-term growth and further improvement of corporate value.

I sincerely appreciate the ongoing support and encouragement from all shareholders.

## Topics

### The New Product "VEGA" The next generation bill validator unit with bill-recycling function

JCM has launched VEGA, a bill validator unit able to handle a wide variety of applications, onto the market. This machine is a high value-added product, with features including a bill-recycling function, which is highly demand in the European AWP markets. The flexible configuration is one of VEGA's advantage that allows it to be installed into various machines used in the markets, such as gaming, vending, and even retail.

With the release of VEGA, JCM will expand sales in UK and European amusement markets and seek for market shares in the South American and Asian markets in the future. JCM aims at making VEGA the global standard for bill validator units with bill-recycling functions.



### Establishment of JCM Systems Co., Ltd.



Pachislot markets have seen significant changes in gaming element since the revision of "Ordinance for Enforcement of the Act on Control and Improvement of Amusement Business, etc." in 2004. There has been a sharp decrease in models which are received well by halls and users, and the management environment for the equipment for the amusement industry business has reached a turning point. There has been a 30% drop in the number of units on the market for pachislot since 2006.

Meanwhile, there has been a healthy growth in the market of pachinko equipment as the development and supply of products with various kinds of gaming elements are now feasible. JCM judged that in such a market environment, enhancing the product mix was an urgent task in order to secure profits in this business and therefore, acquired 100% interest in Sammy Systems Corporation, which excels at peripheral equipment for pachinko and renamed it as JCM Systems Co., Ltd. In July, JCM will spin off the equipment for the amusement industry business, allowing JCM Systems Co., Ltd. to take it over, and also will merge JCM Techno Support Corporation, a company providing a repair and maintenance service, with JCM Systems Co., Ltd.

JCM aims to acquire new orders by realizing the enhancement of the product lineup and efficient business management and also, by improved quality of sales and services and market competitiveness.

### Announcement on the verdict in the Nevada Federal District Court lawsuit

On January 2, 2009, the Nevada Federal District Court presented its judgement regarding the lawsuit that the JCM Group has continued to dispute since receiving notice in North America in 2005, ordering the payment of US\$11,422,000 (approximately ¥1 billion) by the US competitor to the JCM Group under the verdict of the trial by jury. It is possible that the competitor may appeal this verdict in the future.

### Reacquisition of JCM treasury stock

JCM resolved to reacquire treasury stock at the meeting of the Board of Directors held on May 8, 2009.

#### Reason for reacquisition:

In order to facilitate flexible fund management in respond to changes in the business environment

#### Total cost of the shares to be reacquired:

Up to ¥1 billion

#### Type of shares to be reacquired:

Common shares of JCM

#### Reacquisition period:

From May 12, 2009 to September 30, 2009 (trade date base)

#### Total number of shares that may be reacquired:

Up to 1 million common shares of JCM

#### Method of reacquisition:

Reacquisition on the Osaka Stock Exchange through a trust bank

(A proportion of 3.59% of the total number of shares issued [excluding treasury stock])

## Brief Personal History of the President

### 【 Name 】

Yojiro Kamihigashi

### 【 Year of Birth 】

1959

### 【 Birth Place 】

Osaka, Japan

### 【 Work Record 】

October 1984 Joined Japan Cash Machine Co., Ltd.  
June 1993 Director at Japan Cash Machine Co., Ltd.  
April 1997 Deputy General Manager of Sales Division at Japan Cash Machine Co., Ltd.  
April 2002 General Manager of Overseas Sales Division at Japan Cash Machine Co., Ltd.  
April 2006 General Manager of International Marketing & Operations Division at Japan Cash Machine Co., Ltd.  
June 2006 Operating Officer at Japan Cash Machine Co., Ltd.  
April 2007 President at Japan Cash Machine Co., Ltd.

Yojiro Kamihigashi  
President  
June 25, 2009





JCM Core Technology  
**The fusion of bill validation technology and transportation technology gives infinite potential to JCM products.**



UBA-SS  
UBA ICB&RW TOOL

### UBA-Series

bill validators

The UBA series is the company's core products in the gaming market, and the series can handle the banknotes of more than 80 countries around the world. It has the unique JCM technology such as strong anti-pull back function and an optional ICB (Intelligent Cash Box) function.



### UBC-10

bill validator

The UBC-10 is a counterfeit detector specialized in financial institutions able to handle multiple types of currency and accept up to 30 banknotes. In addition to standard US\$, users can also add euro and Chinese Yuan validating functions optionally.



### DBV-301/RC-10

bill validator

The DBV-301/RC-10 is mainly installed in automatic vending machines. In combination with RC-10 recycling unit, it is possible to store temporarily a maximum of 10 banknotes and pay them out as required.



### VEGA

bill validator

The Vega is a bill validator unit with a bill-recycling function (option) for wide variety use. Its flexible configurations allow it to be installed into various applications used in gaming, vending, and even retail markets. It is mainly designed for the European AWP markets, and is also expected to expand sales in South American and Asian markets as well as the domestic retail market.



### CT-20

small-sized coin change machine

The CT-20 is a small-sized coin change machine that calculates and pays change automatically. The CT-20 is characterized by its compact size and a high speed dispensing function, adopted by businesses such as fast food shops, etc.



### SR-7000

automatic token supply and collection system

The SR-7000 is a token supply and collection system for pachinko and slot machines. The system is even equipped with an automatic token cleaning function in its collection and supply process, also making it useful for laborsaving at pachinko parlors.



### AD-Series

bill recycler

The AD series is a standard bill recycling unit for commercial market. These devices are installed in equipment, such as ATMs, automatic vending machines and fare adjustment machines that require the payment of change in banknotes.



AD-X  
AD-1-4



TM-70  
TM-35S

### TM-Series

automatic payment machine

The TM series are installed at retailers such as restaurants, supermarkets and home centers and at other business places that handle cash. The series is the centerpiece of money management systems overseeing multiple shops, including cash receipt and automatic settlement, storage in cash boxes and also cash collection work based on tie-ups with cash transport companies.

### PUB-7 (TAIKO)

bill validator

The PUB-7 is mainly sold in the European gaming market (AWP) as a low cost bill validator. It has a strong anti-pull back function with drum type transport mechanism, and the bezel is equipped with full color LED, appealing more players.



### SH1000CT

Ball lender system

A ball lender system compatible with the "i-Clear System" that realizes transparent, healthy and clean pachinko hall management with cutting edge security technology. This unit enables immediate responses to user needs, allowing full control of lending balls.





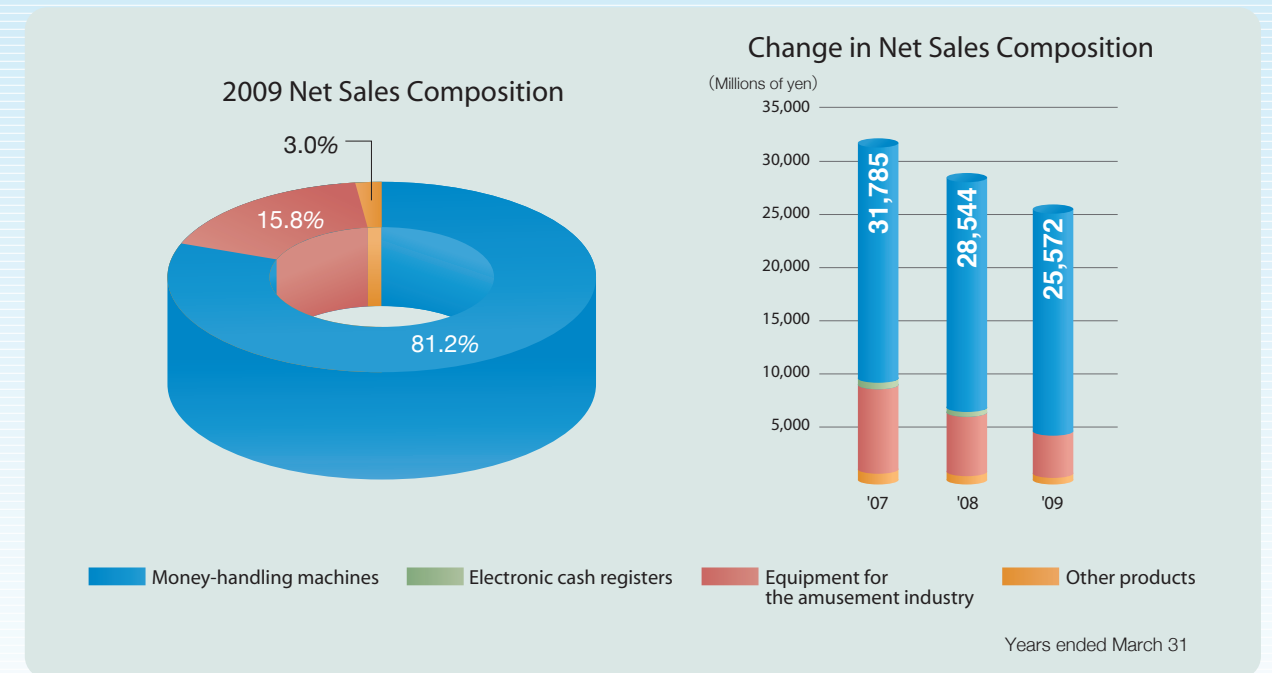
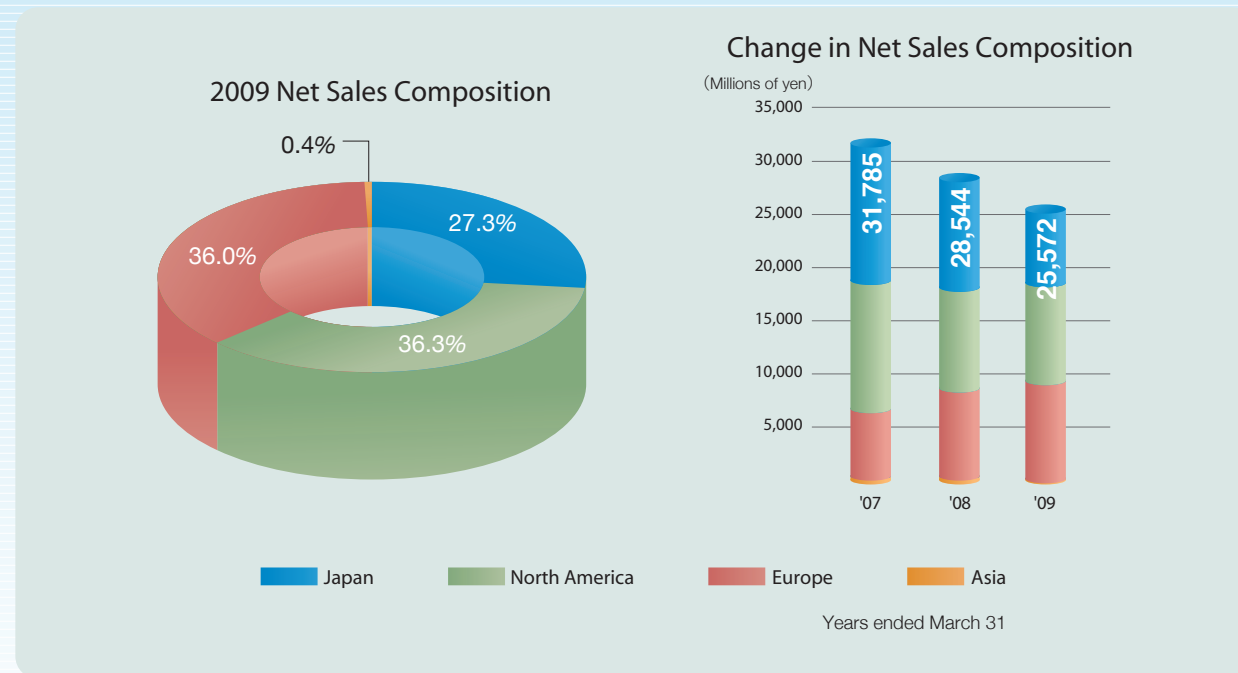
# Performance by Geographical Segment

Business development in America, Europe and Asia

# Performance by Business Segment

Performance by Geographical Segment

Performance by Business Segment



## Japan

In the overseas market, exports to Europe grew and sales increased. Meanwhile, in the domestic amusement industry, although sales of facilities and equipment continued at about the same level as the previous term, pachislot machines and maintenance sales decreased, causing the sales decline in this segment. On the other hand, because exports to Europe, where JCM has a comparatively high profit margin, increased, the profits increased in this segment.

To focus on profitability, JCM worked positively during the fiscal year in 2009 on measures such as focusing more on R&D, reducing market quality maintenance costs by improving product quality, and reducing human resource costs by encouraging employees to apply for the early retirement program, etc.

## Europe

In the European segment, there were negative effects on currency conversion due to the high value of Japanese yen, but orders from the gaming markets of Germany and Eastern Europe continued to perform strongly from the previous term, both sales and profits increased.

## North America

In the North American gaming market, the effects of the economic downturn were limited because the accounting period of JCM overseas subsidiaries ends on December 31. On a local currency basis, both sales and profits have maintained the same level as the previous term, however, as the average exchange rate applied during the fiscal year for conversion into Japanese yen was about 15 yen per dollar higher than the previous term, both sales and profits reduced.

## Asia

JCM mainly manufactures currency handling equipment and amusement industry equipment in Asia, where the group's overseas production base is located. While sales of products to overseas markets increased during the fiscal year, the cost of materials from Japan increased as a result of the weak-dollar, strong-yen situation, along with other factors, resulted in the deterioration of the cost ratio. On the other hand, the impacts of increasing labor costs and high raw material costs in China were limited during this term. As a result, sales increased while profits decreased in this segment.

## Money-Handling Machines

### International Gaming Market

In the international gaming market, the business environment continued to be severe in North America. The casino hotel investments continued to diminish due to the impact of high commodity prices, etc., from the beginning of the term. It caused a decrease in sales of the group's bill validator units. Meanwhile, the effects of the economic downturn since last fall were limited because the accounting period of JCM overseas subsidiaries ends on December 31.

### International Commercial Market

In the European gaming market, demand from Germany and Eastern Europe continued to be strong as in the previous term, and sales of the group's bill validator units also increased. The rapid appreciation of the Japanese yen since last fall caused sales reductions in comparison to the previous term in both North America and Europe on a yen basis.

### Japanese Market

In the domestic distribution market, JCM mainly focused on sales activities to OEM customers.

## Equipment for the Amusement Industry

The amusement market has continued to scale down, but signs of recovery become apparent. The managements' attitude towards investment at pachinko halls becomes more positive. However, as the attitude of financial institutions towards investment continued to remain cautious, facility investment by pachinko halls was weak. As for the pachislot machine area that JCM particularly specializes in, the preferences of amusement customers have tended to concentrate on pachinko machines since the revision of the amusement machine regulations, and the market continues to remain in a severe condition. Under such circumstances, the group sold products and services taking into consideration the environmental and hygiene issues, and also made efforts to expand its product mix.

## Other Products

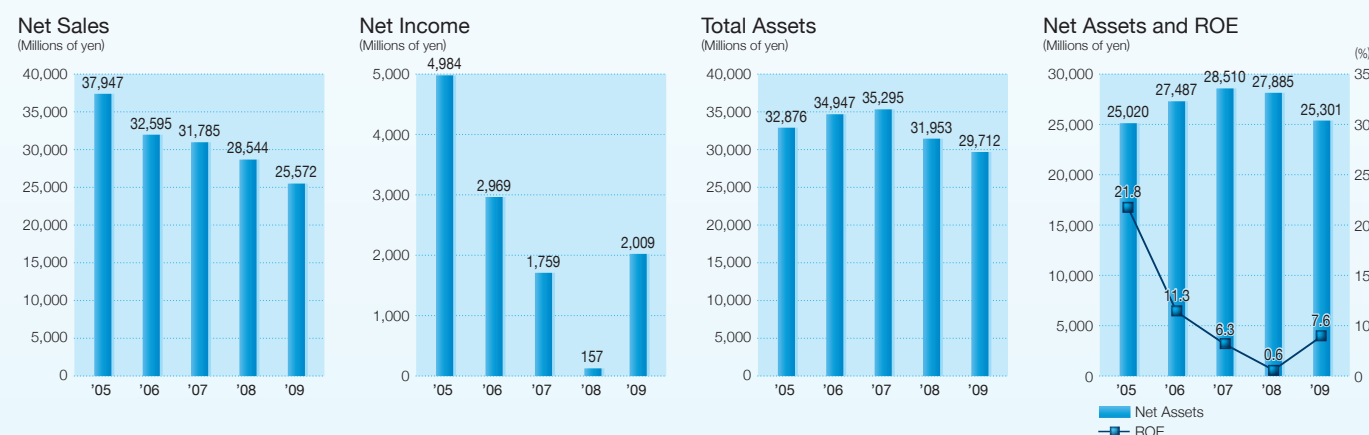
JCM withdrew from the fire-resistant safe business as of September 30, 2008. As for hygiene and environment-related equipment operations, JCM liquidated its subsidiary and consolidated their activities as one of its divisions, aiming to achieve synergy in combination with the business of equipment for the amusement industry. JCM also pushed ahead with the reorganization of its electronic cash register business, including withdrawal from the low-profit POS area, and focused on sales of low-cost equipment such as ECRs.

\*JCM has scaled down its business on "electronic cash registers". Because the impact on results of this business is minor, it is included under "Other products".

# Consolidated Five-Year Summary

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries

	Millions of yen					Thousands of U.S. dollars
	2009	2008	2007	2006	2005	2009
<b>For the year:</b>						
Net sales	¥25,572	¥28,544	¥31,785	¥32,595	¥37,947	\$260,360
Money-handling machines	20,760	21,768	22,112	18,341	23,993	211,367
Electronic cash registers	—	338	510	526	718	—
Equipment for the amusement industry	4,029	5,501	8,075	12,540	12,160	41,025
Other	783	937	1,088	1,188	1,076	7,968
Gross profit	12,429	13,367	14,602	15,184	18,412	126,543
Operating income	2,562	2,849	3,432	4,824	8,644	26,081
Net income	2,009	157	1,759	2,969	4,984	20,456
Cash flows from operating activities	4,317	3,912	1,780	2,370	3,169	43,957
Cash flows from investing activities	215	(995)	(1,760)	(2,617)	(1,976)	2,188
Cash flows from financing activities	(2,136)	(696)	(947)	(1,417)	(899)	(21,752)
Cash and cash equivalents at end of year	12,559	11,469	9,526	10,242	11,621	127,868
<b>At the year end:</b>						
Total assets	¥29,712	¥31,953	¥35,295	¥34,947	¥32,876	\$302,503
Net assets	25,301	27,885	28,510	27,487	25,020	257,592
Return on equity (%)	7.6	0.6	6.3	11.3	21.8	—
Number of employees	601	635	653	606	582	—



# Consolidated Balance Sheets

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2009	2008	2009
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits (Note 14)	¥ 12,559	¥ 11,469	\$ 127,868
Trade receivables:			
Notes	679	833	6,918
Accounts	2,751	3,116	28,006
	3,430	3,949	34,924
Securities (Note 6)	192	1,347	1,953
Inventories (Note 5)	5,327	6,013	54,238
Deferred income taxes (Note 8)	866	677	8,815
Income taxes refundable	1,737	161	17,680
Prepaid expenses and other current assets	520	687	5,291
Less allowance for doubtful accounts	(101)	(97)	(1,024)
<b>Total current assets</b>	<b>24,530</b>	<b>24,206</b>	<b>249,745</b>
<b>Property, plant and equipment, at cost:</b>			
Land	663	790	6,750
Buildings and structures	2,664	2,821	27,121
Machinery and equipment	5,049	4,933	51,406
	8,376	8,544	85,277
Less accumulated depreciation	(5,670)	(5,469)	(57,723)
<b>Property, plant and equipment, net</b>	<b>2,706</b>	<b>3,075</b>	<b>27,554</b>
<b>Investments and other assets:</b>			
Investments in securities (Note 6)	875	1,026	8,909
Investment in an unconsolidated subsidiary	16	16	165
Deferred income taxes (Note 8)	210	357	2,138
Long-term loans receivable	33	1	332
Other	1,629	3,612	16,589
Less allowance for doubtful accounts	(287)	(340)	(2,929)
<b>Total investments and other assets</b>	<b>2,476</b>	<b>4,672</b>	<b>25,204</b>
<b>Total assets</b>	<b>¥ 29,712</b>	<b>¥ 31,953</b>	<b>\$ 302,503</b>

## Consolidated Balance Sheets

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2009	2008	2009
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Trade payables:			
Notes	¥ 15	¥ 11	\$ 150
Accounts	1,863	1,839	18,973
	1,878	1,850	19,123
Accrued income taxes (Note 8)	278	70	2,829
Accrued bonuses for employees	346	238	3,528
Accrued bonuses for directors and corporate auditors	26	—	260
Allowance for loss on liquidation of a subsidiary	—	71	—
Other current liabilities	1,487	1,504	15,134
<b>Total current liabilities</b>	<b>4,015</b>	<b>3,733</b>	<b>40,874</b>
Long-term liabilities:			
Accrued retirement benefits for employees (Note 7)	161	20	1,640
Deferred income taxes (Note 8)	18	29	181
Other	217	286	2,216
<b>Total long-term liabilities</b>	<b>396</b>	<b>335</b>	<b>4,037</b>
Contingent liabilities (Note 13)			
Net assets:			
Shareholders' equity (Note 9):			
Common stock:			
Authorized – 118,000,000 shares			
Issued – 29,662,851 shares in 2009 and 2008	2,217	2,217	22,571
Capital surplus	2,069	2,069	21,065
Retained earnings (Note 17)	24,307	22,846	247,479
Less treasury stock, at cost :			
1,838,039 shares in 2009 and 80,827 shares in 2008	(1,600)	(112)	(16,288)
<b>Total shareholders' equity</b>	<b>26,993</b>	<b>27,020</b>	<b>274,827</b>
Valuation and translation adjustments:			
Net unrealized holding gain on securities	166	273	1,686
Net deferred (losses) gains on hedges	(21)	90	(216)
Translation adjustments	(1,837)	502	(18,705)
<b>Total valuation and translation adjustments</b>	<b>(1,692)</b>	<b>865</b>	<b>(17,235)</b>
<b>Total net assets</b>	<b>25,301</b>	<b>27,885</b>	<b>257,592</b>
<b>Total liabilities and net assets</b>	<b>¥ 29,712</b>	<b>¥ 31,953</b>	<b>\$ 302,503</b>

## Consolidated Statements of Income

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2009	2008	2009
Net sales (Note 16)	¥ 25,572	¥ 28,544	\$ 260,360
Cost of sales (Note 11)	13,166	15,193	134,051
Gross profit on sales	12,406	13,351	126,309
Realized gross profit on installment sales	23	16	234
Gross profit	12,429	13,367	126,543
Selling, general and administrative expenses (Note 11)	9,867	10,518	100,462
Operating income (Note 16)	2,562	2,849	26,081
Other income:			
Interest and dividend income	182	215	1,858
Reversal of allowance for doubtful accounts	50	18	509
Interest on tax refund	434	9	4,416
Gain on settlement of bad debt	42	—	423
Other	133	126	1,358
	841	368	8,564
Other expenses:			
Interest expense	0	3	1
Foreign exchange loss	245	299	2,495
Loss on disposal of property, plant and equipment	64	73	651
Loss on devaluation of investments in securities	94	318	962
Impairment loss (Note 12)	—	10	—
Bad debt loss	—	831	—
Provision for allowance for doubtful accounts	—	88	—
Loss on liquidation of a subsidiary	—	71	—
Other	64	27	651
	467	1,720	4,760
Income before income taxes	2,936	1,497	29,885
Income taxes (Note 8):			
Current	812	723	8,262
Prior years	75	(157)	764
Deferred	40	774	403
<b>Net income</b>	<b>¥ 2,009</b>	<b>¥ 157</b>	<b>\$ 20,456</b>

## Consolidated Statements of Changes in Net Assets

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31, 2009 and 2008

	Millions of yen									
	Number of shares in issue	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred gains (losses) on hedges	Translation adjustments	Total net assets
Balance at March 31, 2007	29,662,851	¥ 2,217	¥ 2,069	¥ 23,310	¥ (111)	¥ 27,485	¥ 349	—	¥ 676	¥ 28,510
Net income for the year ended March 31, 2008	—	—	—	157	—	157	—	—	—	157
Cash dividends	—	—	—	(621)	—	(621)	—	—	—	(621)
Sales of treasury stock	—	—	(0)	—	1	1	—	—	—	1
Increase in treasury stock	—	—	—	—	(2)	(2)	—	—	—	(2)
Net unrealized holding loss on securities	—	—	—	—	—	—	(76)	—	—	(76)
Deferred gains on hedges	—	—	—	—	—	—	—	90	—	90
Translation adjustments	—	—	—	—	—	—	—	—	(174)	(174)
Balance at March 31, 2008	29,662,851	¥ 2,217	¥ 2,069	¥ 22,846	¥ (112)	¥ 27,020	¥ 273	¥ 90	¥ 502	¥ 27,885
Net income for the year ended March 31, 2009	—	—	—	2,009	—	2,009	—	—	—	2,009
Cash dividends	—	—	—	(646)	—	(646)	—	—	—	(646)
Sales of treasury stock	—	—	(0)	—	0	0	—	—	—	0
Increase in treasury stock	—	—	—	—	(1,488)	(1,488)	—	—	—	(1,488)
Net unrealized holding loss on securities	—	—	—	—	—	—	(107)	—	—	(107)
Deferred losses on hedges	—	—	—	—	—	—	—	(111)	—	(111)
Translation adjustments	—	—	—	—	—	—	—	—	(2,339)	(2,339)
Effect of changes in accounting policies applied to an overseas consolidated subsidiary	—	—	—	98	—	98	—	—	—	98
Balance at March 31, 2009	29,662,851	¥ 2,217	¥ 2,069	¥ 24,307	¥ (1,600)	¥ 26,993	¥ 166	¥ (21)	¥ (1,837)	¥ 25,301

	Thousands of U.S. dollars (Note 4)									
	Number of shares in issue	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred gains (losses) on hedges	Translation adjustments	Total net assets
Balance at March 31, 2008	29,662,851	\$ 22,571	\$ 21,066	\$ 232,603	\$ (1,136)	\$ 275,104	\$ 2,773	\$ 917	\$ 5,112	\$ 283,906
Net income for the year ended March 31, 2009	—	—	—	20,456	—	20,456	—	—	—	20,456
Cash dividends	—	—	—	(6,582)	—	(6,582)	—	—	—	(6,582)
Sales of treasury stock	—	—	(1)	—	3	2	—	—	—	2
Increase in treasury stock	—	—	—	—	(15,155)	(15,155)	—	—	—	(15,155)
Net unrealized holding loss on securities	—	—	—	—	—	—	(1,087)	—	—	(1,087)
Deferred losses on hedges	—	—	—	—	—	—	—	(1,133)	—	(1,133)
Translation adjustments	—	—	—	—	—	—	—	—	(23,817)	(23,817)
Effect of changes in accounting policies applied to an overseas consolidated subsidiary	—	—	—	1,002	—	1,002	—	—	—	1,002
Balance at March 31, 2009	29,662,851	\$ 22,571	\$ 21,065	\$ 247,479	\$ (16,288)	\$ 274,827	\$ 1,686	\$ (216)	\$ (18,705)	\$ 257,592

## Consolidated Statements of Cash Flows

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2009	2008	2009
<b>Operating activities:</b>			
Income before income taxes	¥ 2,936	¥ 1,497	\$ 29,885
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	934	875	9,507
Impairment loss	—	10	—
Bad debt loss	—	831	—
(Reversal of) Provision for loss on liquidation of a subsidiary	(71)	71	(725)
Provision for (Reversal of) allowances and accruals	272	(461)	2,772
Interest and dividend income	(597)	(215)	(6,076)
Interest expense	0	3	1
Foreign exchange loss, net	131	236	1,331
Gain on sales of investments in securities	—	(13)	—
Loss on devaluation of investments in securities	94	318	961
Other	63	73	640
Changes in operating assets and liabilities:			
Trade receivables	193	1,291	1,966
Inventories	(391)	1,470	(3,984)
Trade payables	916	(1,745)	9,329
Consumption taxes receivable	107	54	1,095
Other operating assets and liabilities	(110)	347	(1,115)
Subtotal	4,477	4,642	45,587
Interest and dividends received	198	206	2,016
Interest paid	(0)	(3)	(1)
Income taxes paid	(518)	(1,067)	(5,273)
Refund of income taxes paid in previous years	160	134	1,628
Net cash provided by operating activities	4,317	3,912	43,957
<b>Investing activities:</b>			
Purchases of property, plant and equipment	(572)	(615)	(5,825)
Proceeds from sales of property, plant and equipment	11	2	116
Sales (Purchases) of securities	978	(56)	9,959
Purchases of investments in securities	(107)	—	(1,094)
Proceeds from sales of investments in securities	—	22	—
Purchases of other assets	(63)	(340)	(640)
Payment for long-term loans receivable	(30)	—	(305)
Other	(2)	(8)	(23)
Net cash provided by (used in) investing activities	¥ 215	¥ (995)	\$ 2,188
<b>Financing activities:</b>			
Decrease in short-term bank loans, net	¥ —	¥ (75)	\$ —
Purchases of treasury stock	(1,488)	(2)	(15,155)
Proceeds from sales of treasury stock	0	1	2
Cash dividends paid	(648)	(620)	(6,599)
Net cash used in financing activities	(2,136)	(696)	(21,752)
Effect of exchange rate changes on cash and cash equivalents	(1,306)	(278)	(13,295)
Net increase in cash and cash equivalents	1,090	1,943	11,098
Cash and cash equivalents at beginning of year	11,469	9,526	116,770
Cash and cash equivalents at end of year (Note 14)	¥ 12,559	¥ 11,469	\$ 127,868

# Notes to Consolidated Financial Statements

Japan Cash Machine Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31, 2009 and 2008

## 1. Basis of Preparation of Consolidated Financial Statements

Japan Cash Machine Co., Ltd. (the "Company") and its domestic subsidiaries maintain their accounts and records in accordance with accounting principles generally accepted in Japan. Its overseas subsidiaries maintain their accounts in conformity with the requirements of their respective countries of domicile.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required

## 2. Summary of Significant Accounting Policies

### (a) Principles of Consolidation and Accounting for Investments in Unconsolidated Subsidiaries

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. All significant intercompany items have been eliminated in consolidation. All assets and liabilities of the subsidiaries are revalued at fair value on acquisition, if applicable.

The overseas consolidated subsidiaries are consolidated on the basis of fiscal periods ending December 31, which differs from the balance sheet date of the Company. As a result, adjustments have been made for any significant intercompany transactions which took place during the period between the year end of these overseas consolidated subsidiaries and that of the Company.

Investment in an unconsolidated subsidiary is carried at cost.

### (b) Foreign Currency Translation

#### *Foreign currency transactions*

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, except that receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding contract rates. All other assets and liabilities denominated in foreign currencies are translated at their historical rates. Revenue and expense items arising from transactions denominated in foreign currencies are generally translated into yen at the exchange rates in effect at the respective transaction dates. Gain or loss on the transactions is credited or charged to income in the period in which such gain or loss is recognized for financial reporting purposes.

#### *Financial statements of overseas consolidated subsidiaries*

The financial statements of the overseas consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except that the revenue and expense accounts are translated at the average exchange rates in effect during the fiscal year and the components of net assets are translated at their historical rates. Differences resulting from translating the financial statements of the overseas consolidated subsidiaries are not included in the determination of net income, but are presented as translation adjustments in a component of net assets in the accompanying consolidated balance sheets.

### (c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and

by the Financial Instruments and Exchange Act of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to present them in a form which is familiar to readers outside Japan. However, no adjustments have been made which would change the financial position or the results of operations as presented in the original consolidated financial statements.

A reclassification of previously reported amount has been made to conform the consolidated financial statements for the year ended March 31, 2008 to the 2009 presentation. Such reclassification had no effect on consolidated net income or net assets.

other highly liquid investments with maturities of three months or less when purchased.

### (d) Inventories

Inventories of the Company and its domestic consolidated subsidiaries are stated at the lower of cost or net selling value determined by the first-in, first-out method. Inventories of the overseas consolidated subsidiaries are stated at the lower of cost or market, the cost of inventories at JCM American Corporation and JCM Gold USA, Inc. being determined by the first-in, first-out method, and the cost of inventories at Japan Cash Machine Germany GmbH, JCM Gold (HK) Ltd. and JCM United Kingdom Ltd. being determined by the moving-average method.

### (e) Investments in Securities

Securities are classified into three categories: trading securities, held-to-maturity debt securities, and other securities. Trading securities are stated at fair value. Gain or loss, both realized and unrealized, are credited or charged to income. Held-to-maturity debt securities are stated at amortized cost. Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving-average method.

### (f) Derivatives and Hedging Activities

Derivative financial instruments are utilized by the Company principally in order to manage certain risks arising from adverse fluctuation in foreign currency exchange rates. The Company has established a control environment which includes policies and procedures for risk assessment, and for the approval, reporting and monitoring of transactions involving derivatives. The Company does not hold or issue derivatives for speculative trading purposes.

The Company is exposed to certain market risk arising from its forward foreign exchange contracts. The Company is also exposed to the risk of credit loss in the event of non-performance by the counterparties to these contracts; however, the Company does not anticipate non-performance by any of these counterparties, all of whom are financial institutions with high credit ratings.

Derivatives are carried at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or a liability.

### (g) Property, Plant and Equipment (except for leased assets)

Property, plant and equipment is stated on the basis of cost. The Company calculates depreciation principally by the declining-balance method based on the estimated useful lives of the respective assets and the respective residual value determined by the Company and its domestic subsidiaries, except for buildings (exclusive of any structures attached to the buildings) acquired on or after April 1, 1998 which are depreciated by the straight-line method. The consolidated subsidiaries calculate depreciation principally by the straight-line method over the estimated useful lives of the respective assets.

The useful lives of property, plant and equipment are 3 to 50 years for buildings and structures and 4 to 12 years for machinery and equipment.

Costs for maintenance, repairs and minor renewals are charged to income when incurred. Major renewals and betterments are capitalized.

#### (Additional information)

Effective April 1, 2007, the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of property, plant and equipment acquired before April 1, 2007. The depreciation expense for property, plant and equipment acquired before April 1, 2007 is computed based on the residual value of 5% of acquisition cost, and the amount between the residual value (5% of acquisition cost) and memorandum value is depreciated from the year following the year in which the book value of an asset reaches 5% of its acquisition cost by the straight-line method over a period of 5 years. This change was made based on an amendment to the Corporate Tax Law. As a result, operating income and income before income taxes decreased by ¥23 million for the year ended March 31, 2008 from the corresponding amounts which would have been recorded under the previous method. The impact on segment information is outlined in Note 17.

### (h) Research and Development Costs and Computer Software (except for leased assets)

Research and development costs are charged to income when incurred. Expenditures relating to computer software developed for internal use are charged to income when incurred, except if these are deemed to contribute to the generation of future income or cost savings. Such expenditures are capitalized as assets and amortized by the straight-line method over their respective estimated useful lives, generally a period of five years. Computer software developed for sales purposes is amortized by the straight-line method over its economic life, generally a period of three years or less.

### (i) Allowance for Doubtful Accounts

The Company and its domestic consolidated subsidiaries provide allowances for doubtful receivables based on their historical experience of bad debts on ordinary receivables plus an additional estimate of probable specific doubtful accounts from customers experiencing financial difficulties.

The allowance for doubtful accounts of the overseas consolidated subsidiaries has been provided at the estimated amount of their probable bad debts.

### (j) Accrued Bonuses for Directors and Employees

Accrued bonuses for directors and employees are provided at the estimated amount of bonuses to be paid to the employees in the following year which has been allocated to the current fiscal year.

### (k) Leases

Capitalized leased assets are depreciated by the straight-line method based over the lease term with no residual value. However, non-cancelable leases of the Company that started before March 31, 2008 are accounted for as operating leases (whether such leases are classified as operating or finance leases), except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. (see Note 10)

### (l) Retirement Benefits

Employees (except directors and corporate auditors) of the Company and its domestic consolidated subsidiaries are, in general, covered by the Company's funded non-contributory pension plans.

Accrued retirement benefits are provided based on the amount of the projected benefit obligation reduced by the pension plan assets at fair value as of the balance sheet date.

Actuarial gain or loss is credited or charged to income in the year in which such gain or loss is recognized for financial reporting purposes.

The overseas consolidated subsidiaries have no retirement benefit plans.

#### (Additional information)

On May 22, 2007, the Company's Board of Directors approved a resolution to abolish the retirement benefit plan for directors and corporate auditors. In addition, a resolution for payments of retirement benefits to directors and corporate auditors for services rendered up to that date was approved at a shareholders' meeting held on June 27, 2007.

As a result, the accrual for the outstanding balance of ¥227 million provided in the retirement allowance for directors and corporate auditors as of March 31, 2008 was reclassified as other long-term liabilities.

The total amount of retirement benefits payable to directors and corporate auditors on their respective dates of retirement included in other long-term liabilities was ¥227 million at March 31, 2008.

### (m) Revenue Recognition of Installment Sales

The Company and certain consolidated subsidiaries recognize both sales and costs of sales in the period of the installment sales and defer the related gross profit to the periods in which they collect the related cash.

### (n) Income Taxes

Income taxes are calculated based on taxable income and charged to income on an accrual basis. Certain temporary differences exist between taxable income and income reported for financial statement purposes which are entered into the determination of taxable income in a different period. The Company and its consolidated subsidiaries recognize the tax effect of such temporary differences in their consolidated financial statements.

### (o) Distribution of Retained Earnings

Distribution of retained earnings with respect to a given financial period is made by resolution of the Board of Directors at a meeting held subsequent to the close of the financial period. The accounts for that period do not, therefore, reflect such distribution (see Note 17).

3. Changes in Accounting Policy

(a) Measurement of Inventories

Effective the year ended March 31, 2009, the Company and its domestic subsidiaries adopted "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9 issued on July 5, 2006). As a result of this change in measurement of inventories, operating income, ordinary income and income before taxes decreased by ¥16 million (\$164 thousand) from the corresponding amounts which would have been recorded under the previous method. The impact on segment information is outlined in Note 16.

(b) Lease Transactions

Effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993, revised on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued on January 18, 1994, revised on March 30, 2007). The new accounting standards require that all finance lease transactions must be capitalized. Non-cancelable leases of the Company that started before March 31, 2008 continue to be accounted for as operating leases (whether such leases are classified as operating or finance leases), except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. This

change had no impact on income.

(c) Unification of Accounting Policies

Effective the year ended March 31, 2009, the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18 issued in May 17, 2006) and made certain necessary adjustments for the consolidated financial closing. As a result of this change, operating income, ordinary income and income before income taxes increased by ¥56 million (\$568 thousand) from the corresponding amounts which would have been recorded under the previous method. The impact on segment information is outlined in Note 16.

(d) Depreciation

In accordance with the 2007 revision of the Corporate Tax Law, the method of accounting for depreciation of property, plant and equipment acquired on or after April 1, 2007 has been changed to the procedure stipulated in the revised law. As a result of this change in method of depreciation, operating income and income before income taxes decreased by ¥62 million for the year ended March 31, 2008 from the corresponding amounts which would have been recorded under the previous method. The impact on segment information is outlined in Note 16.

4. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at the rate of ¥98.22 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2009. This translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

5. Inventories

Inventories at March 31, 2009 and 2008 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Finished goods	¥ 3,794	¥ 4,261	\$ 38,627
Work in process	224	337	2,283
Raw materials and supplies	1,309	1,415	13,328
Total	¥ 5,327	¥ 6,013	\$ 54,238

6. Securities and Investments in Securities

Securities and investments in securities classified as held-to-maturity debt securities at March 31, 2009 and 2008 were as follows:

	Millions of yen		
	2009		
	Carrying value	Fair value	Unrealized gain
Government bonds whose fair value:			
- exceeds their carrying value	¥ 169	¥ 170	¥ 1
- does not exceed their carrying value	—	—	—
Total	¥ 169	¥ 170	¥ 1

	Millions of yen		
	2008		
	Carrying value	Fair value	Unrealized loss
Government bonds whose fair value:			
- exceeds their carrying value	—	—	—
- does not exceed their carrying value	¥ 1,347	¥ 1,331	¥ (16)
Total	¥ 1,347	¥ 1,331	¥ (16)

	Thousands of U.S. dollars		
	2009		
	Carrying value	Fair value	Unrealized gain
Government bonds whose fair value:			
- exceeds their carrying value	\$ 1,720	\$ 1,728	\$ 8
- does not exceed their carrying value	—	—	—
Total	\$ 1,720	\$ 1,728	\$ 8

Securities and investments in securities classified as other securities at March 31, 2009 and 2008 were as follows

	Millions of yen		
	2009		
	Acquisition costs	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition costs:			
Equity securities	¥ 115	¥ 399	¥ 284
Other	—	—	—
Subtotal	115	399	284
Securities whose carrying value does not exceed their acquisition costs:			
Equity securities	379	277	(102)
Other	75	58	(17)
Subtotal	454	335	(119)
Total	¥ 569	¥ 734	¥ 165

	Millions of yen		
	2008		
	Acquisition costs	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition costs:			
Equity securities	¥ 347	¥ 774	¥ 427
Other	2	3	1
Subtotal	349	777	428
Securities whose carrying value does not exceed their acquisition costs:			
Equity securities	147	147	—
Other	50	44	(6)
Subtotal	197	191	(6)
Total	¥ 546	¥ 968	¥ 422

	Thousands of U.S. dollars		
	2009		
	Acquisition costs	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition costs:			
Equity securities	\$ 1,171	\$ 4,061	\$ 2,890
Other	—	—	—
Subtotal	1,171	4,061	2,890
Securities whose carrying value does not exceed their acquisition costs:			
Equity securities	3,862	2,817	(1,045)
Other	762	593	(169)
Subtotal	4,624	3,410	(1,214)
Total	\$ 5,795	\$ 7,471	\$ 1,676

The proceeds from sales of, and gross realized gain on, other securities for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Proceeds from sales	—	¥ 22	—
Gross realized gain	—	13	—

The carrying value of other securities whose fair value was not determinable at March 31, 2009 and 2008 was as follows

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Equity securities	¥ 164	¥ 58	\$ 1,671

The redemption schedules at March 31, 2009 and 2008 for government bonds classified as other securities and held-to-maturity debt securities are as follows

	Millions of yen			
	2009			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Government bonds	¥ 169	¥ —	¥ —	¥ —
Other	¥ 23	¥ —	¥ —	¥ —
Total	¥ 192	¥ —	¥ —	¥ —

	Millions of yen			
	2008			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Government bonds	¥ 1,347	¥ —	¥ —	¥ —
Total	¥ 1,347	¥ —	¥ —	¥ —

	Thousands of U.S. dollars			
	2009			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Government bonds	\$ 1,720	\$ —	\$ —	\$ —
Other	\$ 232	\$ —	\$ —	\$ —
Total	\$ 1,952	\$ —	\$ —	\$ —

## 7. Retirement Benefits

The following table sets forth the funded and accrued status of the pension plans, and the amounts recognized in the accompanying consolidated balance sheets at March 31, 2009 and 2008 for the Company's and the consolidated subsidiaries' defined benefit pension plans:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Retirement benefit obligation	¥ (1,333)	¥ (1,468)	\$ (13,570)
Plan assets at fair value	1,172	1,502	11,930
Net retirement benefit obligation	(161)	—	(1,640)
Plan assets in excess of retirement benefit obligation	—	34	—
Prepaid pension cost	—	(54)	—
Accrued retirement benefits	¥ (161)	¥ (20)	\$ (1,640)

The components of retirement benefit expenses for the years ended March 31, 2009 and 2008 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Service cost	¥ 97	¥ 127	\$ 989
Interest cost	25	25	258
Expected return on plan assets	(26)	(29)	(268)
Amortization of actuarial differences	185	191	1,888
Retirement benefit expenses	¥ 281	¥ 314	\$ 2,867

The assumptions used in accounting for the defined benefit pension plans for the years ended March 31, 2009 and 2008 were as follows:

	2009	2008
Discount rate	2.0%	2.0%
Expected rate of return on pension plan assets	2.0%	2.0%

In addition to the above pension plans, the Company and its domestic consolidated subsidiaries participate in a multi-employer pension plan. Pension expense under this plan for the years ended March 31, 2009 and 2008 amounted to ¥165 million (\$1,684 thousand) and ¥166 million, respectively.

The following table sets forth the status of the multi-employer pension plan at March 31, 2008, the most recent date on which such data was available.

	Thousands of U.S. dollars	
	Millions of yen	2008
Plan assets at fair value	¥45,621	\$ 464,479
Benefit obligation used in the calculation of pension financing	60,750	618,510
Difference	¥ (15,129)	\$ (154,031)

\*For supplemental information, plan assets at fair value as of March 31, 2009 amounted to ¥33,719 million (\$343,299 thousand).

The difference of ¥15,129 million (\$154,031 thousand) at March 31, 2008 in the above table consisted of unrecognized prior service cost of ¥8,701 million (\$88,588 thousand) and a special reserve of ¥6,428 million (\$65,443 thousand) in the calculation of pension financing. Unrecognized prior service cost is amortized using the straight-line method over a period of 17 years.

## 8. Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporation, enterprise and inhabitants' taxes which, in the aggregate, resulted in a statutory tax rate of approximately 40.6% for the years ended March 31, 2009 and 2008.

Reconciliations of the statutory tax rate and the effective tax rates for the year ended March 31, 2009 and 2008 as a percentage of income before income taxes are as follows:

	2009	2008
Statutory tax rate	40.6%	40.6%
Unrecognized tax effect on unrealized (loss) profit	(8.8)	33.8
Differences of tax rates between the Company and overseas consolidated subsidiaries	(10.9)	(13.0)
Nontaxable entertainment expenses and others	2.0	3.6
Elimination for tax credit on dividend income as a result of consolidation	12.9	24.5
Inhabitants' per capita taxes	0.5	1.1
Valuation (charge) allowance	(0.1)	10.3
Income taxes payable (refundable) for prior years	3.8	(10.5)
Foreign currency adjustments related to transfer pricing	(5.0)	—
Effect on undistributed earnings of overseas consolidated subsidiaries	(2.5)	—
Income tax credits	(0.7)	—
Other	(0.2)	(0.9)
Effective tax rates	31.6%	89.5%

Deferred income taxes reflect the net effect of the temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts reported for income tax purposes. The components of deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Unrealized profit	¥ 129	¥ 47	\$ 1,311
Retirement benefits payable to directors and corporate auditors	71	90	726
Write-downs of inventories	407	416	4,143
Accrued bonuses for employees	146	103	1,483
Net operating loss carryforward	—	217	—
Non-deductible selling and administrative expenses	127	135	1,293
Non-deductible software expenses	213	195	2,168
Other	295	276	3,005
Gross deferred tax assets	1,388	1,479	14,129
Valuation allowance	(130)	(130)	(1,318)
Total deferred tax assets	1,258	1,349	12,811
Deferred tax liabilities:			
Unrealized holding gain on securities	97	150	984
Undistributed profit of consolidated subsidiaries	10	84	108
Other	93	110	947
Total deferred tax liabilities	200	344	2,039
Net deferred tax assets	¥ 1,058	¥ 1,005	\$ 10,772

## 9. Shareholders' Equity

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

The Company's legal reserve included in retained earnings at March 31, 2009 and 2008 amounted to ¥274 million (\$2,793 thousand) and ¥274 million, respectively.

Under the Law, upon the issuance and sale of new shares of common stock, the entire amount of the proceeds is required to be accounted for as common stock, although a company may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the proceeds of the sale of new shares as additional paid-in capital.

### Treasury stock

Movements in treasury stock for the year ended March 31, 2009 and 2008 are summarized as follows:

	Number of shares			
	2009			
	March 31, 2008	Increase	Decrease	March 31, 2009
Treasury stock	80,827	1,757,526	(314)	1,838,039

	Number of shares			
	2008			
	March 31, 2007	Increase	Decrease	March 31, 2008
Treasury stock	79,928	1,871	(972)	80,827

## 10. Leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2009 and 2008, which would have been reflected in the accompanying consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen		
	2009		
	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 22	¥ 13	¥ 9

	Millions of yen		
	2008		
	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	¥ 22	¥ 9	¥ 13

	Thousands of U.S. dollars		
	2009		
	Acquisition costs	Accumulated depreciation	Net book value
Machinery and equipment	\$ 226	\$ 133	\$ 93

Lease payments relating to finance leases accounted for as operating leases for the years ended March 31, 2009 and 2008 amounted to ¥4 million (\$41 thousand) and ¥4 million, respectively. Depreciation of the leased assets computed by the straight-line method over the respective lease terms for the years ended March 31, 2009 and 2008 amounted to ¥4 million (\$41 thousand) and ¥4 million, respectively.

Future minimum lease payments subsequent to March 31, 2009 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 4	\$ 37
2011 and thereafter	5	56
Total	¥ 9	\$ 93

Future minimum lease payments subsequent to March 31, 2009 for operating leases are summarized as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 2	\$ 17
2011 and thereafter	1	15
Total	¥ 3	\$ 32

## 11. Research and Development Costs

Research and development costs included in general and administrative expenses and manufacturing costs for the years ended March 31, 2009 and 2008 amounted to ¥1,534 million (\$15,615 thousand) and ¥1,425 million, respectively.

## 12. Impairment Loss

The Company recognized a loss on impairment for the year ended March 31, 2008 as follows:

Location	Use	Classification	Millions of yen
			2008
Fujiedera City, Osaka Prefecture	Business equipment	Buildings, equipment and other	¥ 10
Total			¥ 10

The Company and its consolidated subsidiaries group fixed assets by minimum cash generating unit generally independent from cash flows from other assets or asset groups. Idle assets of the Company and its consolidated subsidiaries are grouped by individual asset.

Consequently, the Company's consolidated subsidiaries have written down the above business equipment as a result of decreased profitability due to severe competition to their net recoverable amounts, and have recorded a related impairment loss of ¥10 million in the accompanying consolidated statements of income for the year ended March 31, 2008.

The recoverable amounts of such business equipment are estimated at nil.

## 13. Contingent Liabilities

At March 31, 2009, the Company and one consolidated subsidiary were contingently liable as guarantors of accounts payable of third parties in the amount of ¥870 million (\$8,857 thousand).

## 14. Supplemental Information to Consolidated Statements of Cash Flows

Cash and deposits in the accompanying consolidated balance sheets at March 31, 2009 and 2008 correspond to cash and cash equivalents in the accompanying consolidated statements of cash flows for the years then ended.

## 15. Amounts per Share

Basic net income per share has been computed based on the net income attributable to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year.

Diluted net income per share for the years ended March 31, 2009 and 2008 has not been computed because there were no potential shares of common stock with a dilutive effect.

The amounts per share of net assets have been computed based on the number of shares of common stock outstanding at the year end.

	Yen		U.S. dollars
	2009	2008	2009
Net income - basic	¥ 69.42	¥ 5.33	\$ 0.71
Net assets	909.29	942.64	9.26

The financial data for the computation of basic net income per share for the years ended March 31, 2009 and 2008 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Net income	¥ 2,009	¥ 157	\$ 20,456
Weighted-average number of shares	28,941,561	29,582,214	—

## 16. Segment Information

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of cash machines. The operations of the Company and its consolidated subsidiaries are classified into two segments: cash machines (bill validators, cash registers) and related equipment, and leisure and related businesses. As net sales, operating income and total assets of the leisure and related businesses constituted less than 10% of net sales, operating income and total assets of all segments for the years ended March 31, 2009 and 2008, the disclosure of business segment information has been omitted.

The geographical segment information of the Company and its consolidated subsidiaries for the years ended March 31, 2009 and 2008 is summarized as follows:

	Millions of yen					
	2009					
	Japan	North America	Asia	Europe	Eliminations/ corporate	Consolidated
Net sales:						
External customers	¥ 7,001	¥ 9,295	¥ 119	¥ 9,157	¥ —	¥ 25,572
Inter-segment	12,237	49	8,249	97	(20,632)	—
Total	19,238	9,344	8,368	9,254	(20,632)	25,572
Operating expenses	19,035	8,887	8,051	8,200	(21,163)	23,010
Operating income	¥ 203	¥ 457	¥ 317	¥ 1,054	¥ 531	¥ 2,562
Total assets	¥ 22,851	¥ 4,678	¥ 2,352	¥ 8,119	¥ (8,288)	¥ 29,712

	Millions of yen					
	2008					
	Japan	North America	Asia	Europe	Eliminations/ corporate	Consolidated
Net sales:						
External customers	¥ 8,706	¥ 11,048	¥ 406	¥ 8,384	¥ —	¥ 28,544
Inter-segment	11,091	132	6,722	73	(18,018)	—
Total	19,797	11,180	7,128	8,457	(18,018)	28,544
Operating expenses	19,927	10,562	6,719	7,580	(19,093)	25,695
Operating income (loss)	¥ (130)	¥ 618	¥ 409	¥ 877	¥ 1,075	¥ 2,849
Total assets	¥ 20,578	¥ 5,432	¥ 2,998	¥ 5,337	¥ (2,392)	¥ 31,953

	Thousands of U.S. dollars					
	2009					
	Japan	North America	Asia	Europe	Eliminations/ corporate	Consolidated
Net sales:						
External customers	\$ 71,283	\$ 94,634	\$ 1,216	\$ 93,227	\$ —	\$ 260,360
Inter-segment	124,585	502	83,980	989	(210,056)	—
Total	195,868	95,136	85,196	94,216	(210,056)	260,360
Operating expenses	193,804	90,481	81,970	83,492	(215,468)	234,279
Operating income	\$ 2,064	\$ 4,655	\$ 3,226	\$ 10,724	\$ 5,412	\$ 26,081
Total assets	\$ 232,653	\$ 47,633	\$ 23,942	\$ 82,658	\$ (84,383)	\$ 302,503

Unallocated assets included in eliminations/corporate at March 31, 2009 and 2008 totaled ¥1,080 million (\$10,992 thousand) and ¥4,021 million, respectively. These assets consisted primarily of surplus funds and long-term investments.

As mentioned in Note 3(a), the Company and its domestic subsidiaries have changed their measurement method of inventories. As a result, operating income in the Japan segment decreased by ¥16 million (\$164 thousand) from the corresponding amounts which would have been recorded under the previous method.

As mentioned in Note 3(c), the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18 issued in May 17, 2006). As a result of this adoption, operating income in the Europe segment increased by ¥56 million (\$568 thousand) from the corresponding amounts which would have been recorded under the previous method.

As mentioned in Note 3(d), the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of property, plant and equipment. As a result, operating expenses in the Japan segment increased by ¥62 million and operating income decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

As mentioned in Note 2(g), the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation. The residual value of property, plant and equipment of the Company and its domestic consolidated subsidiaries acquired before April 1, 2007 is computed based on the residual value of 5% of acquisition cost, and the amount between the residual value (5% of acquisition cost) and memorandum value is depreciated from the year following the year in which the book value of an asset reaches 5% of its acquisition cost by the straight-line method over a period of 5 years. As a result, operating expenses in the Japan segment increased by ¥23 million and operating income decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

**Overseas net sales**

Overseas net sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the overseas consolidated subsidiaries, for the years ended March 31, 2009 and 2008 are summarized as follows:

	Millions of yen			
	2009			
	North America	Europe	Other	Total
Overseas net sales	¥ 8,288	¥ 8,885	¥ 1,448	¥ 18,621
Consolidated net sales				¥ 25,572
Overseas net sales as a percentage of consolidated net sales	32.4%	34.7%	5.7%	72.8%

	Millions of yen			
	2008			
	North America	Europe	Other	Total
Overseas net sales	¥ 10,060	¥ 8,190	¥ 1,619	¥ 19,869
Consolidated net sales				¥ 28,544
Overseas net sales as a percentage of consolidated net sales	35.2%	28.7%	5.7%	69.6%

	Thousands of U.S dollars			
	2009			
	North America	Europe	Other	Total
Overseas net sales	\$84,390	\$90,458	\$14,743	\$189,591
Consolidated net sales				\$260,360
Overseas net sales as a percentage of consolidated net sales	32.4%	34.7%	5.7%	72.8%

**17. Subsequent Events**

**(a) Distribution of Retained Earnings**

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2009, was approved at a Board of Directors' meeting held on June 4, 2009:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥11.0 = U.S.\$0.112 per share)	¥ 306	\$ 3,116

**(b) Acquisition of Treasury Stock**

At a meeting of the Board of Directors of the Company held on May 8, 2009, in accordance with the Company's Articles of Incorporation applied under Article 459, Section 1 of the Law, the Company approved a purchase of shares up to 1,000,000 of treasury stock for an aggregate acquisition cost not exceeding ¥1,000 million (\$10,181 thousand) during the period from May 12, 2009 through September 30, 2009.

**(c) Acquisition of Sammy Systems Corporation**

At a meeting of the Board of Directors of the Company held on April 28, 2009, the Company resolved to acquire 100% interest in Sammy Systems Corporation (hereinafter referred to as 'SS') from SEGA Sammy Holdings, Inc. SS was renamed as JCM Systems Co., Ltd on May 1, 2009.

**(1) Reasons and Purpose for the Acquisition of Stock**

The Company acquired SS, which excels at peripheral equipment for pachinko, with the aim to enhance the product composition of the group in order to secure a steady profit in the amusement industry.

**(2) Outline of SS as of March 31, 2009**

Company Name	Sammy Systems Corporation
Description of Business	Develop, manufacture, and sales of giveaway POS systems, counting equipment, and pachinko ball dispensers for the amusement industry
Number of Shares Issued	70,990
Net Sales	¥3,536 million (U.S.\$ 35,999 thousand)
Ordinary Loss	¥762 million (U.S.\$ 7,762 thousand)
Net Loss	¥1,608 million (U.S.\$ 16,376 thousand)
Total Assets	¥2,505 million (U.S.\$ 25,508 thousand)
Net Asset Deficiency	¥5,971 million (U.S.\$ 60,790 thousand)

**(3) Schedule of the acquisition of stock**

April 28, 2009: Execution of stock acquisition agreement  
 May 1, 2009: Execution of stock acquisition

**(4) Number of shares acquired, cost of acquisition, and ownership percentage**

Number of Shares	70,990
Acquisition Cost	¥70,990 (U.S.\$ 723)
Ownership Percentage	100%

**(d) Restructuring of Businesses in the Amusement Industry**

At a meeting of the Board of Directors of the Company held on May 8, 2009, the Company decided to spin off and combine the businesses of 1) sales and manufacturing of pachinko machines and pachislot related amusement products and 2) amusement center operations (hereinafter referred to as "Amusement Businesses") into a single company from July 1, 2009. It was resolved that JCM Systems Co., Ltd. (hereinafter referred to as "JCM Systems"), a wholly owned subsidiary of the Company (outlined above), would inherit the Amusement Businesses and absorb JCM Techno Support Co., Ltd. (hereinafter referred to as "JCM Techno Support"), also a wholly owned subsidiary of the Company, in order to integrate the Company's amusement businesses.

Amusement Businesses have reached a turning point due to the revision of "Ordinance for Enforcement of the Act on Control and Improvement of Amusement Business, etc." in July 2004. As a result, the gaming element has changed considerably in the market of pachislot equipment, and the number of machine models, which are able to obtain a good reputation from game halls and users, has dropped substantially. Meanwhile, there has been a steady growth in the market of pachinko equipment as the development and supply of products with various kinds of gaming elements are now feasible.

Under such market environments, the Company acquired 100% interest in SS, considering the necessity to enhance product composition in order to secure a steady profit in the Amusement Businesses. Additionally, the Company decided to integrate the Amusement Businesses into a single company. As mentioned above, JCM Systems will inherit the business and absorb JCM Techno Support, which provides repair and maintenance services. This will lead to an improvement in product composition and effective business operation at the same time. The Company aims to acquire new customers by enhancements and improvements in sales, services and competitiveness in the market.

#### 1. Outline of JCM Systems as of May 1, 2009

Company Name	JCM Systems Co., Ltd. (Transferee)
Description of Businesses	Development, manufacturing and sales of giveaway POS systems, counting equipment, and pachinko ball dispensers for the amusement industry
Date of Establishment	January 4, 1954
Company Address	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan
Representative's Name and Title	Toshizumi Kitamori, President
Capital	¥179 million (U.S.\$1,832 thousand)
Number of Shares Issued	70,990
Total Assets	¥610 million (Non-consolidated) (U.S.\$6,216 thousand)
Net Assets	¥1,024 million (Non-consolidated) (U.S.\$10,435 thousand)
Fiscal Year End	March 31
Major Shareholder and Ownership Percentage	Japan Cash Machine Co., Ltd. 100%

Note: The amounts of total assets and net assets outlined above are based on the estimated amounts at the time of acquisition.

#### 2. Outline of business division being spun off as of March 31, 2009

Description of Business	Manufacturing and sales of pachinko machines, and pachislot related amusement products and amusement center operations
Net Sales	¥2,787 million (U.S.\$28,381 thousand)
Total Assets	¥1,848 million (U.S.\$18,819 thousand)

#### 3. Outline of JCM Techno Support (as of March 31, 2009)

Company Name	JCM Techno Support Co., Ltd. (Merged company)
Description of Businesses	Sales, rental, construction, maintenance, inspection, repair, and consulting for pachislot machines, and pachinko related amusement products
Date of Establishment	October 1, 2001
Company Address	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan
Representative's Name and Title	Toshizumi Kitamori, President
Capital	¥70 million (U.S.\$713 thousand)
Number of Shares Issued	1,400
Total Assets	¥628 million (Non-consolidated) (U.S.\$6,395 thousand)
Net Assets	¥369 million (Non-consolidated) (U.S.\$3,761 thousand)
Fiscal Year End	March 31
Major Shareholder and Ownership Percentage	Japan Cash Machine Co., Ltd. 100%

## Report of Independent Auditors

The Board of Directors  
Japan Cash Machine Co., Ltd.

We have audited the accompanying consolidated balance sheets of Japan Cash Machine Co., Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Japan Cash Machine Co., Ltd. and its consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 4.

*Ernst & Young Shin Nihon LLC*

Osaka, Japan  
June 25, 2009

# Corporate Data

As of June 25, 2009

## Share Overview<sup>†</sup>

Number of shares authorized for issue by company  
118,000,000

Number of shares issued  
29,662,851

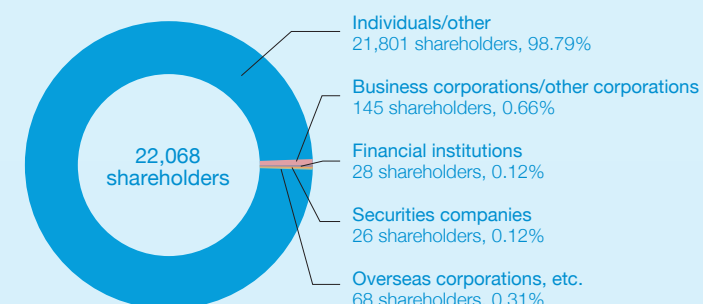
Number of shares per unit  
100

Number of shareholders  
22,068

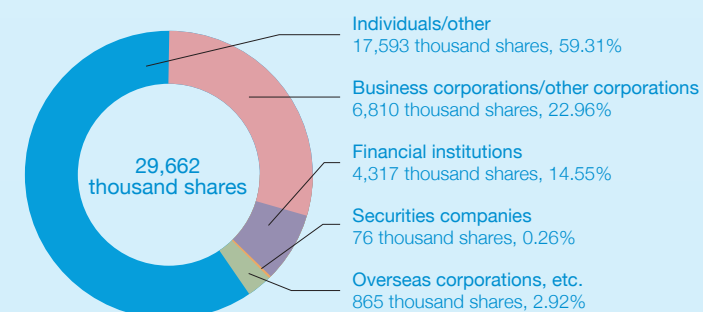
## Directors

Chairperson	Koichiro Kamihigashi
Representative Director President	Yojiro Kamihigashi
Executive Director	Toshizumi Kitamori
Executive Director	Hisashi Maki
Director Senior Operating Officer	Kazuhito Kawase
Director Senior Operating Officer	Akiyoshi Isoi
Director Senior Operating Officer	Hikaru Izawa
Full-time Corporate Auditor	Taizo Nakamura
Full-time Corporate Auditor	Sachio Tamura
Outside Corporate Auditor	Hideyuki Koizumi
Outside Corporate Auditor	Hiroshi Morimoto
Senior Operating Officer	Michimasa Teraoka
Senior Operating Officer	Shigeru Yamazawa
Operating Officer	Hideji Naruo
Operating Officer	Susumu Fukuchi
Operating Officer	Hiroshi Sato
Operating Officer	Norihito Nakatani
Operating Officer	Tsuyoshi Takagaki
Operating Officer	Yoshihiro Iuchi

## Breakdown of shareholders by type<sup>†</sup>



## Breakdown of shareholders by number of shares<sup>†</sup>



## Major shareholders<sup>†</sup>

Name	Number of shares held (thousands)	Percentage of outstanding shares(%)
Johto Investment and Development, Inc.	4,661	15.72
Koichiro Kamihigashi	2,707	9.13
Yojiro Kamihigashi	1,458	4.92
Japan Trustee Services Bank, Ltd. (trust account 4G)	977	3.30
Tamotsu Kamihigashi	877	2.96
Mars Engineering Corporation	744	2.51
Resona Bank, Ltd.	629	2.12
Sumitomo Mitsui Banking Corporation	503	1.70
Yamaoka Co., Ltd.	500	1.69
J.P.Morgan Clearing Corp-Sec (standing proxy: Citibank Japan Ltd.)	475	1.60

Note: Apart from the above, the Company holds 1,838,039 shares as treasury stock.

## Company Outline

**Name**  
Japan Cash Machine Co., Ltd

**Date of Establishment**  
January 11, 1955

**Headquarters**  
2-3-15, Nishiwaki, Hirano-ku, Osaka 547-0035, Japan  
Phone: +81-6-6703-8400 Fax: +81-6-6707-0348

**Primary Business Activities**  
Manufacture, sales and marketing of money-handling machines (bill acceptors, coin and bill counting and processing machines, OEM terminals for sports and track facilities, and other equipment for the financial industry), and equipment for the amusement industry

**Capital<sup>†</sup>**  
¥2,217 million

**Principal Banks**  
Resona Bank, Ltd.  
Sumitomo Mitsui Banking Corporation  
Mizuho Bank, Ltd.

**Fiscal Year-End**  
March 31

**Internet Site**  
<http://www.jcm-hq.co.jp/>

**Investor E-mail Address**  
Investors may send e-mail queries to: [ir@jcm-hq.co.jp](mailto:ir@jcm-hq.co.jp)

<sup>†</sup>As of March 31, 2009

## Directory

**Headquarters:**  
2-3-15, Nishiwaki, Hirano-ku, Osaka 547-0035, Japan  
Phone: +81-6-6703-8400 Fax: +81-6-6707-0348

**Tokyo Branch Office:**  
1F, Nissay Higashi-Ueno Bldg., 5-2-2, Higashi-Ueno, Taito-ku, Tokyo 110-0015, Japan  
Phone: +81-3-5826-7371 Fax: +81-3-5826-7451

**Domestic Sales Offices:**  
Tohoku, Shizuoka, Nagoya, Hiroshima, Shikoku, Fukuoka

**Plant:**  
Nagahama

**Laboratories:**  
Sagamihara, Kofu

## Main Consolidated Subsidiaries

### Domestic

**JCM Systems Co., Ltd.**  
Development, manufacturing and sales of giveaway POS systems, counting equipment, and pachinko ball dispensers for the amusement industry.  
Nissay Higashi-Ueno Bldg., 5-2-2 Higashiueno, Taitou-ku, Tokyo 110-0015 Japan  
Phone: +81-3-5826-5220 Fax: +81-3-5826-5226

**JCM Techno Support Co., Ltd.**  
Maintenance of money-handling machines, establishment of construction work, repair contracts of money-handling machines  
2-4-21, Hirano-Baba, Hirano-ku, Osaka 547-0048, Japan  
Phone: +81-6-6760-2300 Fax: +81-6-6702-1940

**JCM Meiho Co., Ltd.**  
Sales of equipment for the amusement industry  
3F, Seika Bldg., 2-20-1, Higashi-Ueno, Taito-ku, Tokyo 110-0015, Japan  
Phone: +81-3-3833-4891 Fax: +81-3-3833-4895

### Overseas

**[North America]**  
**JCM American Corporation**  
Sales of money-handling machines  
925 Pilot Road., Las Vegas, NV 89119, USA  
Phone: +1-702-651-0000 1-800-683-7248(Toll free)  
Fax: +1-702-651-0003

**[Europe]**  
**Japan Cash Machine Germany GmbH.**  
Sales of money-handling machines  
Mündelheimer Weg 60, D-40472 Düsseldorf, Germany  
Phone: +49-211-530645-0 Fax: +49-211-530645-65

**JCM United Kingdom Ltd.**  
Sales of money-handling machines  
Unit B, Third Avenue, Denbigh West Business Park  
Bletchley, Milton Keynes, Buckinghamshire, MK1 1EJ, U.K.  
Phone: +44-870-770-2863 Fax: +44-1908-377834

**JCM Bulgaria Ltd.**  
7 Kukush str. 1345 Sofia Bulgaria  
Phone: +359-2-812-9320 Fax: +359-2-812-9344

**[Asia]**  
**JCM Gold (HK) Ltd.**  
Manufacture of money-handling machines, equipment for the amusement industry  
Unit 1-7, 3/F, Favor Industrial Centre  
2-6 Kin Hong Street., Kwai Chung, N.T., Hong Kong  
Phone: +852-2428-7187 Fax: +852-2420-8864

**Macau Branch**  
Unit N, 6/F, Dynasty Plaza 393-437 Alameda Dr. Carlos D'Assumpcao, Macau  
Phone: +853-2872-2684 Fax: +853-2872-2823

**J-Cash Machine (Thailand) Co., Ltd.**  
46/161 MU 12, Klongkoom, Bungkoom, Bangkok 10230 Thailand  
Phone: +66-2363-7509 Fax: +66-2363-7508



**JAPAN CASH MACHINE CO., LTD.**

2-3-15, Nishiwaki, Hirano-ku, Osaka 547-0035, Japan

Tel: +81-6-6703-8400 Fax: +81-6-6707-0348

URL: <http://www.jcm-hq.co.jp>