



May 8, 2009

Press Release

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Notice on Corporate Split of Amusement Industry Division and Merger of Subsidiaries

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies that at a meeting of the Board of Directors of the Company held on May 8, 2009, the Company decided to spin off the businesses of 1) sales and manufacturing of pachinko machines and *pachisuro* related amusement products and 2) running amusement centers (hereinafter referred to as “Amusement Businesses”) into a single company from July 1, 2009. Additionally it was resolved that JCM Systems Co., Ltd. (hereinafter referred to as “JCM Systems”), a wholly owned subsidiary of the Company, inherits Amusement Businesses and absorbs JCM Techno Support Co., Ltd. (hereinafter referred to as “JCM Techno Support”), also a wholly owned subsidiary of the Company, in order to consolidate the Company’s Amusement Businesses.

This corporate split was conducted under the simple method that the Company’s wholly owned subsidiary inherits the business and this merger is done between the Company’s wholly owned subsidiaries; therefore, the information released are partially omitted.

1. Purpose of corporate split and merger

The restructure of the Company’s Amusement Businesses is a part of the “Strategic investment project” announced in the “Notice on the Measures for Improved Management” on April 10, 2009.

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

Under such market environments, the Company acquired 100% interest in Sammy Systems Corporation, which excels at peripheral equipments for pachinko, and changed its name to JCM Systems on May 1, 2009, considering the necessity to enhance product composition in order to secure a steady profit in the Amusement Businesses. Additionally, the Company decided to consolidate the Amusement Businesses into a single company. As mentioned above, JCM Systems will inherit the businesses 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

(Provided for reference only. Japanese-language original prevails in all cases.)

enhancements and improvements in sales, services and competitiveness in the market.

2 . Summary of corporate split

(1) Schedule of corporate split

Meeting of Board of Directors to resolve the absorption type corporate split: May 8, 2009

Meeting of Board of Directors to resolve the conclusion of the agreement for absorption type corporate split: May 26, 2009

Conclusion of the agreement for absorption type corporate split agreement: May 26, 2009

Scheduled date of corporate split (effective date): July 1, 2009

Note: As this is based on a simplified absorption-type corporate split prescribed in Article 784, Paragraph 3 of the Companies Act, the Company shall not hold general shareholders' meeting to seek an approval for the agreement. Additionally, based on informal absorption-type corporate split prescribed in Article 796, Paragraph 1 of the Companies Act, JCM Systems shall not hold the general shareholders' meeting to seek an approval for the corporate split.

(2) Method of corporate split

This is a simplified absorption-type corporate split in which the Company is the transferor and its 100% consolidated subsidiary, JCM Systems, as a transferee.

(3) Substance of the split-related allotment of shares

N/A

(4) Capital Reduction due to corporate split

The capital of the Company shall not change due to corporate split.

(5) Treatment of stock acquisition rights and bonds with stock acquisition rights of the split company

N/A

(6) Rights and obligations to be inherited by the Company

The transferee shall inherit the rights and obligations, such as the assets, liabilities, and contractual responsibilities.

(7) Prospect of the performance of liabilities

There are no doubts, with respect to the certainty of the performance of liabilities incurred by the Company and JCM Systems after the effective date.

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3. Outline of companies involved in corporate split

	As of March 31, 2009	As of May 1, 2009
(1) Company name	Japan Cash Machine Co., Ltd. (Transferor)	JCM Systems Co., Ltd. (Transferee)
(2) Line of business	Manufacture and sales of machines related to acceptance and storage of cash and securities, <i>pachisuro</i> machines and <i>pachinko</i> machines related amusement products.	Develop, manufacture and sales of giveaway POS systems, counting equipment, and pachinko-balls lender for the amusement industry
(3) Date of establishment	January 11, 1955	January 4, 1954
(4) Company address	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan
(5) Representative's name and title	Yojiro Kamihigashi, President	Toshizumi Kitamori, President
(6) Capital	JPY 2,216 million	JPY 179 million
(7) Number of shares issued	29,662,851	70,990
(8) Total asset	JPY 25,300 million (consolidated)	JPY 610 million (nonconsolidated)
(9) Net asset	JPY 29,711 million (consolidated)	JPY 1,024 million (nonconsolidated)
(10) Fiscal year end	March 31	March 31
(11) Major shareholders and ownership percentage	Johto Investment and Development, Inc: 15.72% Koichiro Kamihigashi: 9.13% Japan Cash Machine Co., Ltd.: 6.20% Yojiro kamihigashi: 4.92%	Japan Cash Machine Co., Ltd. 100%

Note: Transferee, JCM Systems, was originally named as Sammy Systems Corporation whose stock was acquired from Sammy Co., Ltd. on May 1, 2009. The amounts of total assets and net assets, etc. are based on the estimated amounts at the time of acquisition.

4. Outline of business division being spun off

(1) Description of Business

- Sales and manufacturing of pachinko machines and *pachisuro* related amusement products
- Running amusement centers

(2) Financial results of divisions spun off (April 1, 2008 – March 31, 2009)

(Millions of yen)

	Equipment for the amusement industry(a)	Actual results of the Company (Non-consolidated) (b)	Ratio (a/b)
Net sales	2,787	17,375	16.0%

(3) Assets, liabilities, and amounts (As of March 31, 2009)

(Millions of yen)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	1,398	Current liabilities	356
Fixed assets	449	Fixed liabilities	16
Total assets	1,848	Total liabilities	372

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5. Situation of the listed company after corporate split

(1) Company name	Japan Cash Machine Co., Ltd
(2) Line of Business	Manufacture and sales of machines related to acceptance and storage of cash and securities, <i>pachisuro</i> machines and <i>pachinko</i> machines related amusement products.
(3) Company address	2-3-15 Nishiwaki, Hirano-ku, Osaka Japan
(4) Representative's name and title	Yojiro Kamihigashi (President)
(5) Capital	JPY 2,216 million
(6) Fiscal year end	March 31

6. Outline of intra-group merger

(1) Schedule of intra-group merger

Meeting of Board of Directors to resolve the merger: May 8, 2009

Meeting of Board of Directors to resolve the conclusion of the merger agreement: May 26, 2009

Conclusion of merger agreement: May 26, 2009

Scheduled date of merger (effective date): July 1, 2009

(2) Method of merger

Merger shall be conducted under the method which JCM Techno Support is merged into JCM Systems.

(3) Substance of the split-related allotment of shares

N/A

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the expired company

N/A

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7. Outline of companies involved in merger

	As of May 1, 2009	As of March 31, 2009
(1) Company name	JCM Systems Co., Ltd. (Merging Company)	JCM Techno Support Co., Ltd. (Merged Company)
(2) Line of business	Develop, manufacture and sales of giveaway POS systems, counting equipment, and pachinko-balls lender for amusement industry	Sales, rental, construction, maintenance, inspection, fixing, and consulting of <i>pachinko-slot</i> machines, and <i>pachinko</i> related amusement products
(3) Year of establishment	January 4, 1954	October 1, 2001
(4) Company address	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan
(5) Representative's name and title	Toshizumi Kitamori, President	Toshizumi Kitamori (President)
(6) Capital	JPY 179 million	JPY 70 million
(7) Number of shares issued	70,990	1,400
(8) Net assets	JPY 610 million (Nonconsolidated)	JPY 369 million (Non-consolidated)
(9) Total assets	JPY 1,024 million (Nonconsolidated)	JPY 628 million (Non-consolidated)
(10) Fiscal year end	March 31	March 31
(11) Major shareholders and ownership percentage	Japan Cash Machine Co., Ltd. CM 100%	Japan Cash Machine Co., Ltd. 100%

Note: Merging company, JCM Systems was originally named as Sammy Systems Corporation, of which 100% interest was acquired from Sammy Co., Ltd. on May 1, 2009. The scale of the assets, etc. is based on the estimated amount at the time of acquisition.

8. Situation after merger

(1) Company name	JCM Systems Co., Ltd.
(2) Line of business	<ul style="list-style-type: none"> • Develop, manufacture and sales of token lenders and pachinko-balls lender, giveaway POS for amusement industry counting machines, and <i>pachisuro</i> machines • Develop, sales, rental, construction, maintenance, inspection, fixing, and consulting of <i>pachisuro</i> machines, and <i>pachinko</i> related amusement products • Business management in the amusement industry
(3) Company address	2-3-15 Nishiwaki, Hirano-ku, Osaka, Japan
(4) Representative's name and title	Toshizumi Kitamori (President)
(5) Capital	JPY 179 million
(6) Fiscal year end	March 31

9. Impact on Business Performance

Financial forecast is given in the “Summary of Consolidated Financial Statements for the Year Ended March 31, 2009”. As this corporate split and merger are done between the Company’s wholly owned subsidiaries; therefore, there is only a minor impact on business performance.