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Summary of Consolidated Financial Statements for the Year Ended March 31, 2010

Listed Company	Japan Cash Machine Co., Ltd.	Stock Exchanges:	May 13, 2010 Tokyo, Osaka
Code Number	6418	URL	http://www.jcm-hq.co.jp/
Representative	Position: President	Name:	Yojiro Kamihigashi
For Inquiries	Position: Operating Officer, Deputy Executive General Manager of Administration Division	TEL	+81-6-6703-8400
Date of general shareholder meeting:	June 25, 2010	Date of starting to pay dividends:	June 10, 2010
Date of submitting securities report:	June 25, 2010		

1. Results for the year ended March 31, 2010 (April 1, 2009 through March 31, 2010)

(1) Consolidated operating results (Amounts less than 1 million yen have been rounded off.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2010	16,945	(33.7)	(363)	-	(91)	-	(940)	-
March 2009	25,572	(10.4)	2,561	(10.1)	3,001	5.4	2,009	-

	Net Income Per share: Basic	Net Income Per share: Diluted	Return on Equity	Ordinary Income to Total Assets	Operating Income to Sales
	Yen	Yen	%	%	%
March 2010	(34.42)	-	(3.9)	(0.3)	(2.1)
March 2009	69.42	-	7.6	9.7	10.0

(Note) Equity in earnings of affiliates: March 2010: - March 2009: -

(2) Consolidated financial position

	Total Assets	Total Net Assets	Capital Adequacy Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
March 2010	28,775	23,343	81.1	865.16
March 2009	29,711	25,300	85.2	909.29

(Note) Shareholders' equity: March 2010: 23,343 million yen
March 2009: 25,300 million yen

(3) Consolidated cash flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
March 2010	2,697	(2,970)	(1,125)	11,193
March 2009	4,317	214	(2,136)	12,559

2. Dividends

	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Year End	Annual	Amount of Dividend (Annual)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 2009	-	11.00	-	11.00	22.00	627	31.7	2.4
March 2010	-	7.00	-	7.00	14.00	379	-	1.6
March 2011 (Forecast)	-	7.00	-	7.00	14.00		47.2	

3. Forecasted results for the year ending March 2010 (April 1, 2009 through March 31, 2010)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share: Basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six Month ending September 30, 2010	9,500	12.8	370	-	480	-	360	-	13.34
Year Ending March 31, 2011	20,000	18.0	730	-	940	-	800	-	29.65

4. Others

(1) The status of changes in major subsidiaries (changes in specified subsidiaries that might cause a change in the scope of consolidation):

Applicable

New: One Company (Company name: JCM Systems Co., Ltd) Eliminated: - (Company name:)

(2) Changes in principles, procedures and presentation of accounting procedures (which are stated in the “Changes in the Basis of Presenting the Consolidated Financial Statements”)

① Changes relation to revisions to accounting standards, etc.: Applicable

② Changes other than ① above: None

(3) Outstanding shares (common shares)

Number of shares outstanding (including treasury stocks)	March 2010	29,662,851 shares	March 2009	29,662,851 shares
Number of treasury stocks	March 2010	2,681,558 shares	March 2009	1,838,039 shares

(Note) The above projected results have been prepared based on the current available information and actual results may differ from the projections due to the impacts of future events.

Outline of Business Results

(1) Analysis on Business Results

Worldwide economy appears to recover gradually from the financial crisis; rapid growth in China and some developing countries, and various economic stimulus plans in different countries are taking effects. However, more developed countries have a weaker economic recovery with unclear prospect, such as worsen unemployment and prolonged deflation.

In North America, gaming market shows a weak recovery as a result of decreased facility investments and demands for our products. In Europe market, demands for our products decreased substantially than the Company expected due to worsen economic situation and law amendments in some countries. Thus, competing with prices and functions of products among competitors become more and more intense. However, in domestic amusement market, willingness of investments for halls seems to have recovered even though market size shrinks.

Under the above mentioned circumstances, the JCM Group enforced three major management improvements: 1) reducing personnel costs, 2) reforming profit structure, and 3) investing strategically. The Company offered voluntary retirement plan to employees, and reduced directors' compensations and manufacturing costs. Additionally, for domestic market, the Company conducted organizational restructuring which includes acquisition of amusement equipment manufacturer as our subsidiary.

Moreover, as a strategic investment, new Tokyo headquarters was established in order to improve relationship with customers and enhance sales and R&D functions. The Company also focused on exploring new business opportunities by inventing and launching strategic products for future income sources.

However, as a result of the towering influence of declined demands for our products in oversea markets, net sales were ¥16,945 million, decreased by 33.7% compared to the same period in previous year. Selling, general and administrative expense amounted to ¥8,050 million, decreased by 18.4% compared to the same period in previous year, which exceeded our goal. As a whole, due to the towering influence from oversea sales, operating deficit was ¥363 million (2009: ¥2,561 million operating profit). Although negative goodwill of ¥176 million was posted during the acquisition of amusement equipment manufacturer, ordinary loss for the period amounted to ¥91 million (2009: ¥301 million ordinary profit).

Business structure improvement expenses of ¥430 million was posted as extraordinary loss in connection with the voluntary retirement plan; total corporation tax was ¥526 million after scrutinizing the possible recognition of deferred tax assets. Thus, net deficit amounted to ¥940 million (2009: ¥209 million net profits).

The average foreign exchange rates for the year ended March 31, 2010 were adjusted to ¥93.72/\$1 (2009: ¥102.81/\$1) and ¥130.56/1€(2009: ¥152.05/1€).

The sales of each segment are as follows:

	Previous Year (From April 1, 2008 to March 31, 2009)	Current Year (From April 1, 2009 to March 31, 2010)	Increased/Decreased	
			Amount	(%)
Money-handling machines	20,760	11,026	(9,733)	(46.9)
Equipment for the amusement industry	4,029	5,395	1,365	33.9
Others	782	523	(259)	(33.1)
Total	25,572	16,945	(8,626)	(33.7)

Forecast for the fiscal year ending March 31, 2011

It will require a fair amount of time to see the general recovery of business environments in oversea gaming market. The Company expects new demands as a result of relaxed gaming regulations in Europe. On the other hand, willingness of facility investments by casino operators is still weak in North America.

Under those circumstances, the Company will launch new products in order to maximize the market shares by evoking the demands for our products in the gaming market. At the same time, for commercial market, the Company aims at maximizing the market shares of bill acceptors/money-handling machines utilized by financial institutions and transportation facilities, and launching of new strategic products.

For domestic market, the Company envisions that the market environments will recover gradually; the Company will expand the businesses and recover profits by utilizing the maximum effect of business restructure and developing environmental-friendly products.

Thus, net sales will increase, and we expect a profit in next fiscal year.

The foreign exchange rates will be adjusted to ¥90/\$1 and ¥126/1€

Forecast for the fiscal year ending March 31, 2011

(In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the fiscal year ending March 31, 2011	20,000	730	940	800
Current year ended March 31, 2010	16,945	(363)	(91)	(940)
Increased/Decreased (Amount)	3,055	1,093	1,031	1,740
Increased/Decreased (%)	18.0	-	-	-

Basic policy of profits and dividends distribution for the current and next fiscal year

The JCM Group determined that dividend payout ratio should be 30% or more as the Company's basic dividend policy is to link closely between business performances with payments. For the current fiscal year, the Company regrets to announce a net loss. Based on our basic policy, "the Company would like shareholders to hold our stocks for long-term investment," and after considering the situation of retained earnings and net assets payout ratio comprehensively, the Company determined to pay a final dividend of ¥7 per share, giving a total annual dividend of ¥14.

The Company also determined to acquire its own shares to exercise an agile capital policy due to the change in management environments. The Company has already acquired 842,600 shares (¥724 million). In principle, the Company holds its own shares as treasury stocks and utilizes them effectively for stock swaps during M&A or employees' stock options scheme.

The JCM Group will improve management in order to respond manageable changes in business environments as urgent issues. The Company actively promotes investment projects which aim at improving profitability, opening new business fields, business alliance, and M&A, and will utilize the internal reserve effectively for these investments, when needed.

The Company will actively implement business structure reformation in order to recover business performances and increase profits. Thus, the Company schedules to pay a total annual dividend of ¥14 per share for the next fiscal year the same as current fiscal year.

Management principles

(1) Basic Principles of Management

The JCM Group aims at providing products and services which are genuinely developed from the viewpoint of customers and users.

Through our involvement in the money handling related businesses, the JCM Group does contribute to maintain the security of currency's legal order not only in Japan, but all over the world. Meanwhile, the JCM Group strives to satisfy and obtain trust from customers, and for a long time, we strive to be sincere to customers and users in order to gain trust. The JCM Group aims to become a true global corporation that continues to create the market and corporate value for the transaction of money.

(2) Management Index and Medium- and Long-term Business Strategy

Even though the economy appears to recover gradually from recession since 2008, it is still difficult to predict the market environments, such as the situation of facility investments, demands for our products in overseas, and situation of laws and regulations in Europe. Thus, the JCM Group reviews its medium-term business strategy. In order to amplify and strengthen management foundation, the JCM Group will focus on accomplishing our sales goal and increasing profits for the next fiscal year, as well as recovering the business performances.

Management index will be set as our goal, and medium- and long-term business strategy will be disclosed after the review and thorough consideration.

(3) Specific Management Issues

The JCM Group accomplished several improvements on profit base by conducting various measures, such as 1) reducing personnel costs, 2) reforming profit and business structures, 3) unifying business offices, 4) assigning personnel properly, and 5) improving business operations.

For future profitability, the JCM Group will actively 1) develop system-related business, 2) approach to developing countries, and 3) intrepidly implement strategic M&A in order to amplify and strengthen management foundation which can respond to changing environment in international market and intense competition promptly.

Additionally, the JCM Group will continuously focus on 1) right-sizing the organization and number of employees including voluntary retirement plan, 2) changing and simplifying commercial distribution and transaction forms which result in eliminating overlapped business operations, and 3) enhancing functions of R&D, production, and quality assurance operations.

(4) Other Critical Issues

None.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets		
(In thousand yen, rounded down)		
	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	12,559,163	11,918,432
Notes and account receivable-trade	3,430,219	3,607,448
Short-term investment securities	191,869	92,047
Merchandise and finished goods	3,793,925	2,873,889
Work in process	224,275	470,894
Raw materials and supplies	1,309,046	1,614,769
Deferred tax assets	865,783	744,733
Income taxes receivable	1,736,528	-
Other	519,658	612,578
Allowance for doubtful accounts	(100,531)	(93,454)
Total current assets	24,529,938	21,841,338
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,445,160	2,441,154
Machinery, equipment and vehicles, net	35,827	40,254
Land	662,973	1,770,810
Other, net	562,376	587,456
Total property, plant and equipment	2,706,338	4,839,675
Intangible assets		
Goodwill	911	-
Software	766,241	538,532
Other	23,295	8,561
Total intangible assets	790,449	547,094
Investments and other assets		
Investment securities	891,248	860,718
Long-term loans receivable	32,629	20,941
Deferred tax assets	210,023	43,179
Other	838,919	845,153
Allowance for doubtful accounts	(287,642)	(222,508)
Total investments and other assets	1,685,178	1,547,485
Total noncurrent assets	5,181,965	6,934,254
Total assets	29,711,904	28,775,593
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,878,248	2,389,729
Lease obligations	-	64,855
Income taxes payable	277,887	68,889
Provision for bonuses	346,495	210,016
Provision for directors' bonuses	25,500	3,000
Provision for business structure improvement	-	430,000
Other	1,486,514	1,311,397
Total current liabilities	4,014,646	4,477,888
Noncurrent liabilities		
Lease obligations	-	232,605
Deferred tax liabilities	17,811	29,730
Provision for retirement benefits	161,044	18,928
Negative goodwill	-	400,614
Other	217,695	272,766
Total noncurrent liabilities	396,552	954,645
Total liabilities	4,411,198	5,432,533

Net assets		
Shareholders' equity		
Capital stock	2,216,945	2,216,945
Capital surplus	2,069,003	2,069,003
Retained earnings	24,307,387	22,870,167
Treasury stock	(1,599,822)	(2,325,304)
Total shareholders' equity	26,993,514	24,830,812
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	165,607	206,297
Deferred gains or losses on hedges	(21,209)	(11,153)
Foreign currency translation adjustments	(1,837,208)	(1,682,895)
Total valuation and translation adjustments	(1,692,809)	(1,487,752)
Total net assets	25,300,705	23,343,059
Total liabilities and net assets	29,711,904	28,775,593

(2) Consolidated Statements of Income		
(In thousand yen, rounded down)		
	(From April 1, 2008 To March 31, 2009)	(From April 1, 2009 To March 31, 2010)
Net sales	25,572,545	16,945,832
Cost of sales	13,166,497	9,179,925
Gross profit	12,406,047	7,765,906
Reversal of unrealized income on installment sales	22,973	25,331
Provision of unrealized income on installment sales	-	103,885
Gross profit-net	12,429,021	7,687,352
Selling, general and administrative expenses	9,867,368	8,050,568
Operating income (loss)	2,561,652	(363,215)
Non-operating income		
Interest income	161,987	34,941
Dividends income	20,476	20,618
Interest on refund	433,776	-
Amortization of negative goodwill	-	176,270
Other	128,468	127,911
Total non-operating income	744,709	359,741
Non-operating expenses		
Interest expenses	69	3,110
Foreign exchange losses	245,082	51,115
Commission fee	-	10,446
Other	60,100	23,513
Total non-operating expenses	305,251	88,185
Ordinary income (loss)	3,001,109	(91,659)
Extraordinary income		
Gain on sales of noncurrent assets	4,918	118
Gain on sales of investment securities	-	12,731
Reversal of allowance for doubtful accounts	49,981	47,477
Gain on bad debts recovered	41,548	-
Gain on abolishment of retirement benefit plan	-	99,119
Total extraordinary income	96,448	159,446
Extraordinary loss		
Loss on sales of noncurrent assets	1,589	2,756
Loss on retirement of noncurrent assets	63,893	24,468
Loss on valuation of investment securities	94,430	-
Office transfer expenses	-	22,420
Business structure improvement expenses	-	430,000
Other	2,250	1,750
Total extraordinary losses	162,163	481,394
Income (loss) before income taxes and minority interests	2,935,394	(413,608)
Income taxes-current	811,509	163,627
Income taxes for prior periods	75,041	94,271
Income taxes-deferred	39,624	268,603
Total income taxes	926,175	526,501
Net income (loss)	2,009,219	(940,110)

(3) Consolidated Statements of Cash Flows		
(In thousand yen, rounded down)		
	(From April 1, 2008 To March 31, 2009)	(From April 1, 2009 To March 31, 2010)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	2,935,394	(413,608)
Depreciation and amortization	933,764	975,152
Amortization of negative goodwill	-	(176,270)
Provision for loss on liquidation of an affiliated company	(71,248)	-
Increase (decrease) in provision for business structure improvement	-	430,000
Increase (decrease) in provision	272,245	(418,291)
Interest and dividends income	(596,780)	(55,560)
Interest expenses	69	3,110
Foreign exchange losses (gains)	130,742	34,072
Loss (gain) on sales of investment securities	-	(12,731)
Loss (gain) on sales and retirement of property, plant and equipment	60,564	27,106
Loss (gain) on valuation of investment securities	94,430	-
Loss on valuation of golf club memberships	2,250	1,750
Decrease (increase) in notes and accounts receivable-trade	193,110	162,620
Decrease (increase) in inventories	(391,364)	959,698
Increase (decrease) in notes and accounts payable-trade	916,295	88,567
Decrease (increase) in consumption taxes refund receivable	107,536	(12,496)
Increase/decrease in other assets/liabilities	(109,526)	(179,795)
Subtotal	4,477,484	1,413,324
Interest and dividends income received	198,012	54,868
Interest expenses paid	(69)	(3,110)
Income taxes paid	(517,888)	(629,797)
Income taxes refund	159,933	1,862,503
Net cash provided by (used in) operating activities	4,317,473	2,697,787
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	-	(699,564)
Purchase of property, plant and equipment	(572,092)	(2,737,639)
Proceeds from sales of property, plant and equipment	11,408	4,967
Purchase of intangible assets	(62,900)	(33,411)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	254,719
Net decrease (increase) in short-term investment securities	978,199	93,564
Purchase of investment securities	(107,438)	(4,285)
Proceeds from sales of investment securities	-	120,184
Payments of long-term loans receivable	(30,000)	-
Collection of loans receivable	-	15,557
Proceeds from liquidation of subsidiaries	-	15,000
Other, net	(2,280)	810
Net cash provided by (used in) investing activities	214,896	(2,970,097)
Net cash provided by financing activities		
Decrease in short-term loans payable	-	(200,000)
Proceeds from lease obligations	-	311,957
Repayments of lease obligations	-	(14,496)

Purchase of treasury stock	(1,488,538)	(725,481)
Proceeds from sales of treasury stock	245	-
Cash dividends paid	(648,151)	(497,000)
Net cash provided by (used in) financing activities	(2,136,444)	(1,125,020)
Effect of exchange rate change on cash and cash equivalents	(1,305,893)	31,514
Net increase (decrease) in cash and cash equivalents	1,090,032	(1,365,815)
Cash and cash equivalents at beginning of period	11,469,131	12,559,163
Cash and cash equivalents at the end of period	12,559,163	11,193,347

(Segment Information)

a. Segment information by business category

The business of the Company and the consolidated subsidiaries are classified into two segments: cash machines and related equipment, and amusement equipment and related businesses. As net sales and operating income of cash machines and related equipments constituted more than 90% of the consolidated sales and operating income for the fiscal year ended March 31, 2009, the disclosure of business segment information has been omitted.

b. Geographical segment information

Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
I Net sales and operating income/loss							
Net Sales							
(1) Sales to third parties	7,001,412	9,294,902	119,409	9,156,820	25,572,545	-	25,572,545
(2) Intersegment sales	12,236,725	49,261	8,248,567	97,184	20,631,738	(20,631,738)	-
Total Sales	19,238,137	9,344,164	8,367,976	9,254,005	46,204,284	(20,631,738)	25,572,545
Operating expenses	19,035,375	8,887,010	8,051,073	8,200,560	44,174,019	(21,163,126)	23,010,892
Operating income	202,762	457,153	316,903	1,053,445	2,030,264	531,387	2,561,652
II Total assets	22,851,218	4,678,540	2,351,624	8,118,640	38,000,023	(8,288,119)	29,711,904

- (Note) 1. The geographical areas are classified according to the geographical closeness.
2. Each global geographical division other than Japan consists of the following countries.
(1) North AmericaU.S.A.
(2) AsiaHong Kong, Thailand
(3) EuropeGermany, UK, Bulgaria
3. The amount of the total assets included in the elimination or corporate is ¥1,079,678 thousands.
The main items are the fund management and the long-term investment of the Company and consolidated subsidiaries.

a. Segment information by business category

The businesses of the Company and the consolidated subsidiaries are classified into two segments: cash machines and related equipment, and amusement equipment and related businesses. As net sales and operating income of cash machines and related equipments constituted more than 90% of the consolidated sales and operating income for the fiscal year ended March 31, 2010, the disclosure of business segment information has been omitted.

b. Geographical segment information

Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
I Net sales and operating income/loss							
Net sales							
(1) Sales to third parties	7,868,281	5,317,311	29,842	3,730,396	16,945,832	-	16,945,832
(2) Intersegment sales	4,984,921	39,359	2,395,939	61,862	7,482,083	(7,482,083)	-
Total Sales	12,853,203	5,356,671	2,425,782	3,792,259	24,427,915	(7,482,083)	16,945,832
Operating expenses	14,306,239	5,355,585	2,489,398	3,652,784	25,804,007	(8,494,959)	17,309,047
Operating income	(1,453,035)	1,085	(63,616)	139,474	(1,376,091)	1,012,876	(363,215)
II Total assets	22,450,405	4,553,721	2,291,301	3,774,662	33,070,090	(4,294,496)	28,775,593

- (Note) 1. The geographical areas are classified according to the geographical closeness.
2. Each global geographical division other than Japan consists of the following countries.
(1) North AmericaU.S.A.
(2) AsiaHong Kong, Thailand
(3) EuropeGermany, UK, Bulgaria
3. The amount of the total assets included in the elimination or corporate is ¥1,142,058 thousands.
The main items are the fund management and the long-term investment of the Company and consolidated subsidiaries.

c. Overseas Net Sales

Year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)

(In thousand yen, rounded down)

	<u>North America</u>	<u>Europe</u>	<u>Other Areas</u>	<u>Total</u>
I. Overseas net sales	8,288,745	8,884,774	1,448,088	18,621,608
II. Consolidated net sales				25,572,545
III. Overseas net sales as a percentage of consolidated net sales	32.4%	34.7%	5.7%	72.8%

- (Note) 1. The geographical areas are classified according to their geographical closeness.
 2. Each global geographical division other than Japan consists of the following countries.
 (1) North America U.S.A., Canada
 (2) Europe Italy, Germany, Spain, the Czech Republic, UK, Austria, Slovenia, and other countries.
 (3) Other Areas Australia, China and other countries
 3. The overseas sales are the sales in countries or areas where consolidated subsidiaries are located other than Japan.

Year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

(In thousand yen, rounded down)

	<u>North America</u>	<u>Europe</u>	<u>Other Areas</u>	<u>Total</u>
I. Overseas net sales	4,578,767	3,748,485	744,003	9,071,257
II. Consolidated net sales				16,945,832
III. Overseas net sales as a percentage of consolidated net sales	27.0%	22.1%	4.4%	53.5%

- (Note) 1. The geographical areas are classified according to their geographical closeness.
 2. Each global geographical division other than Japan consists of the following countries.
 (1) North America U.S.A., Canada
 (2) Europe Italy, Germany, Spain, the Czech Republic, UK, Austria, Slovenia, and other countries.
 (3) Other Areas Australia, China and other countries
 3. The overseas sales are the sales in countries or areas where consolidated subsidiaries are located other than Japan.