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## Summary of Consolidated Financial Statements for the Second Quarter Ended September 30, 2010

November 2, 2010

Listed Company	<b>Japan Cash Machine Co., Ltd.</b>	Stock Exchanges:	Tokyo, Osaka
Code Number	6418	URL	<a href="http://www.jcm-hq.co.jp/">http://www.jcm-hq.co.jp/</a>
Representative	Position: President	Name:	Yojiro Kamihigashi
For Inquiries	Position: Operating Officer, Deputy Executive General Manager of Administration Division	Name:	Tsuyoshi Takagaki
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Date of submitting quarterly financial statement report: November 12, 2010 Date of starting to pay dividends: December 3, 2010

Additional materials of the Financial Results for the First Quarter: None

Briefing session for the Financial Results for the First Quarter: Applicable

### 1. Results for the six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)

(1) Consolidated operating results (Cumulative) (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	%
Six months ended September 30, 2010	9,655	(14.7)	196	-	70	-	13	-
Six months ended September 30, 2009	8,419	(36.8)	(193)	-	(121)	-	(29)	-

	Net Income Per share: Basic		Net Income Per share: Diluted	
	Yen		Yen	
Six months ended September 30, 2010	0.50		-	
Six months ended September 30, 2009	(1.06)		-	

### (2) Consolidated financial position

	Total Assets	Total Net Assets	Capital Adequacy Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
Six months ended September 30, 2010	28,051	22,365	79.7	828.93
Year Ended March 31, 2010	28,775	23,343	81.1	865.16

(Note) Shareholders' equity: September 30, 2010: 22,365 million yen

March 31, 2010: 23,343 million yen

### 2. Dividends

	Dividend Per Share				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	Year End	Annual
Year Ended March 31, 2010	Yen -	Yen 7.00	Yen -	Yen 7.00	Yen 14.00
Year Ending March 31, 2011	-	7.00			
Year Ending March 31, 2011 (Forecast)			-	7.00	14.00

(Note) Change in forecasts of dividends during the six months ended September 30, 2010: None

3. Projected Results for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share: Basic
Year Ending	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
March 31, 2011	19,200	13.3	500	-	390	-	290	-	10.75

(Note) Change in earnings forecasts for the fiscal year ending March 31, 2010 during the six months ended September 30, 2010: Applicable

4. Others (Please see Page 3 for detailed information)

(1) The status of changes in major subsidiaries: None

New: - (Company name: ) Eliminated: - (Company name: )

(2) Adoption of simplified and special accounting policies for quarterly financial statements: Applicable

(3) Changes in principles, procedures and presentation of accounting procedures

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

2) Changes other than 1) above: None

(4) Outstanding shares (common shares)

Number of shares outstanding (including treasury stocks)	Six months ended September 30, 2010	29,662,851 shares	Year Ended March 31, 2010	29,662,851 Shares
Number of treasury stocks	Six months ended September 30, 2010	2,681,911 shares	Year Ended March 31, 2010	2,681,558 shares
The average number of shares issued during the period	Six months ended September 30, 2010	26,981,145 shares	Six months ended September 30, 2009	27,546,448 shares

(Note) Implementation status of Quarterly Overview

This Financial Results for the First Quarter was exempt from Quarterly review which was based on Financial Instrument and Exchange Law of Japan. As for the Second Quarter disclosure, Quarterly review for the quarterly financial statements is currently conducted.

(Note) Explanation regarding the appropriate use of business forecast results

The above forecasted results have been prepared based on the current available information and certain assumptions thought to be reasonable and actual results may differ from the projections due to the impacts of future events. Please see "Qualitative information on consolidated financial forecasts" for bases for financial results forecasts and notices for use of this financial results projection.

## 1. Qualitative information/Financial Statements

### (1) Qualitative information on consolidated operating results

Emerging economies countries shows continuous economic growth while economic condition in developed countries is still fragile. In Japan, volatile economic condition continues due to sudden Japanese Yen appreciation and other factors.

In overseas gaming market, after completing inventory adjustments, orders of our products appear to be recovered. However, due to unclear economic condition, we do not see full recovery in demand of our products. Thus, recovery in overseas gaming market is remained weak. On the other hand, even though overall business in domestic amusement industry is still weak, pachisuro machines gain popularity again, and the market shows slight recovery.

Under those circumstances above, since previous term, we have conducted structural improvement on profit, mainly reducing costs by right-sizing the number of employees. On the other hand, due to sudden Japanese Yen appreciation, foreign exchange difference (loss) by revaluation of foreign currency assets was posted in the six months ended September 30, 2010.

As a result, net sales amounted to ¥9,655 million, 14.7% year-to-year increase. Operating income amounted to ¥196 million (2009: ¥193 million operating deficit), ordinary income amounted to ¥70 million (2009: ¥121 million ordinary loss), and net profit amounted to ¥13 million (2009: ¥29 million net deficit).

### (2) Qualitative information on consolidated financial forecasts

Total assets amounted to ¥28,051 million, ¥724 million year-to-year decrease. Mainly merchandise and finished goods, work in process, raw materials and supplies were increased while cash and deposits were decreased.

Total liabilities amounted to ¥5,685 million, ¥253 million year-to-year increase. Mainly notes and account payable-trade were increased.

Total net assets amounted to ¥22,365 million, ¥977 million year-to-year decrease. Mainly valuation and translation adjustments were decreased.

## 2. Others

### (1) The status of changes in major subsidiaries

There was no change in major subsidiaries.

### (2) Adoption of simplified and special accounting policies for quarterly financial statements

Simplified accounting policies are applied, but the descriptions are omitted since it is unimportant.

### (3) Changes in principles, procedures and presentation of accounting procedures

Effective April 1, 2010, “Accounting Standards for Asset Retirement Obligation (ASBJ statement No. 18 issued on March 31, 2008)” and “Guidance on Accounting Standards for Asset Retirement Obligation (ASBJ statement No. 21 issued on March 31, 2008)” have been applied. The impacts on operating income, ordinary income, and income before income taxes and minority interests are minimal.

3. Quarterly consolidated financial statements

(1) Quarterly Consolidated Balance Sheets		
(In thousand yen, rounded down)		
	Six months ended September 30, 2010	Fiscal Year ended March 31, 2010
Assets		
Current assets		
Cash and deposits	9,805,778	11,918,432
Notes and accounts receivable-trade	3,966,277	3,607,448
Short-term investment securities	265,807	92,047
Merchandise and finished goods	3,002,814	2,873,889
Work in process	634,853	470,894
Raw materials and supplies	2,419,316	1,614,769
Other	1,078,091	1,357,312
Allowance for doubtful accounts	-88,187	-93,454
Total current assets	21,084,753	21,841,338
Noncurrent assets		
Property, plant and equipment	4,943,977	4,839,675
Intangible assets	427,940	547,094
Investments and other assets		
Other	1,816,873	1,769,993
Allowance for doubtful accounts	-222,498	-222,508
Total investments and other assets	1,594,375	1,547,485
Total noncurrent assets	6,966,293	6,934,254
Total assets	28,051,046	28,775,593
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,955,114	2,389,729
Income taxes payable	35,678	68,889
Provision for directors' bonuses	1,500	3,000
Provision for bonuses	199,798	210,016
Provision for business structure improvement	31,417	430,000
Other	1,378,733	1,376,253
Total current liabilities	4,602,243	4,477,888
Noncurrent liabilities		
Provision for retirement benefits	19,587	18,928
Negative goodwill	304,466	400,614
Other	759,492	535,103
Total noncurrent liabilities	1,083,546	954,645
Total liabilities	5,685,789	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	22,694,668	22,870,167
Treasury stock	-2,325,546	-2,325,304
Total shareholders' equity	24,655,070	24,830,812
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	63,178	206,297
Deferred gains or losses on hedges	10,642	-11,153
Foreign currency translation adjustment	-2,363,633	-1,682,895
Total valuation and translation adjustments	-2,289,812	-1,487,752
Total net assets	22,365,257	23,343,059
Total liabilities and net assets	28,051,046	28,775,593

(2) Quarterly Consolidated Statements of Income		
(In thousand yen, rounded down)		
	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	8,419,528	9,655,433
Cost of sales	4,656,150	5,367,206
Gross profit	3,763,377	4,288,226
Reversal of unrealized income on installment sales	8,493	21,975
Provision of unrealized income on installment sales	2,269	71,471
Gross profit-net	3,769,601	4,238,730
Selling, general and administrative expenses	3,962,833	4,042,172
Operating income (loss)	-193,231	196,558
Non-operating income		
Interest income	19,477	16,754
Dividends income	17,263	16,043
Amortization of negative goodwill	80,122	96,147
Other	70,064	53,132
Total non-operating income	186,929	182,078
Non-operating expenses		
Interest expenses	475	10,743
Foreign exchange losses	101,055	285,583
Other	13,222	11,907
Total non-operating expenses	114,752	308,235
Ordinary income (loss)	-121,055	70,401
Extraordinary income		
Gain on sales of noncurrent assets	—	94
Gain on sales of investment securities	—	121,955
Reversal of allowance for doubtful accounts	33,947	12,693
Total extraordinary income	33,947	134,743
Extraordinary loss		
Loss on sales of noncurrent assets	1,328	66
Loss on retirement of noncurrent assets	3,887	9,689
Loss on valuation of investment securities	—	28,589
Loss on valuation of golf club membership	1,500	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	3,528
Total extraordinary losses	6,716	41,873
Income (loss) before income taxes and minority interests	-93,823	163,271
Income taxes-current	60,461	108,807
Income taxes-deferred	-125,134	41,094
Total income taxes	-64,672	149,901
Net income (loss)	-29,151	13,369

(3) Quarterly Consolidated Statements of Cash Flows		
(In thousand yen, rounded down)		
	Six months ended September 30, 2009	Six months ended September 30, 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	-93,823	163,271
Depreciation and amortization	431,816	407,625
Amortization of negative goodwill	-80,122	-96,147
Increase (decrease) in provision	-247,338	-13,548
Increase (decrease) in provision for business structure improvement	—	-398,582
Interest and dividends income	-36,741	-32,798
Interest expenses	475	10,743
Foreign exchange losses (gains)	18,075	57,173
Loss (gain) on sales and retirement of property, plant and equipment	5,216	9,660
Loss (gain) on sales of investment securities	—	-121,955
Loss (gain) on valuation of investment securities	—	28,589
Loss on valuation of golf club memberships	1,500	—
Decrease (increase) in notes and accounts receivable-trade	782,737	-511,154
Decrease (increase) in inventories	1,270,919	-1,389,802
Increase (decrease) in notes and accounts payable-trade	-1,368,213	832,173
Decrease (increase) in consumption taxes refund receivable	63,453	-18,943
Other, net	-231,410	226,648
Subtotal	516,545	-847,046
Interest and dividends income received	36,612	32,603
Interest expenses paid	-475	-10,743
Income taxes paid	-588,882	-103,716
Income taxes refund	257,282	—
Net cash provided by (used in) operating activities	221,082	-928,902
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	-173,402	-216,509
Net decrease (increase) in short-term investment securities	202,413	-182,410
Purchase of property, plant and equipment	-463,646	-512,846
Proceeds from sales of property, plant and equipment	2,273	1,032
Purchase of intangible assets	-17,860	-7,926
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	254,719	—
Purchase of investment securities	-637	-379,212
Proceeds from sales of investment securities	—	354,320
Collection of loans receivable	12,085	22,502
Proceeds from liquidation of subsidiaries	15,000	—
Other, net	800	-50
Net cash provided by (used in) investing activities	-168,255	-921,100
Net cash provided by (used in) financing activities		
Cash dividends paid	-305,803	-188,133
Decrease in short-term loans payable	-200,000	—
Proceeds from lease obligations	—	306,224
Repayments of lease obligations	—	-52,347
Purchase of treasury stock	-471,376	-242
Net cash provided by (used in) financing activities	-977,180	65,500
Effect of exchange rate change on cash and cash equivalents	91,794	-432,757
Net increase (decrease) in cash and cash equivalents	-832,558	-2,217,260
Cash and cash equivalents at beginning of period	12,559,163	11,193,347
Cash and cash equivalents at end of period	11,726,605	8,976,087

#### 4. Segment Information

[Segment information by business category]

Six months ended September 30, 2009

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 six months ended September 30, 2009, the disclosure of business segment information has been omitted.

[Geographical segment information]

Six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

(In thousand yen, rounded down)

	Japan	North America	Asia	Europe	Total	Elimination/ Corporate	Consolidated
Net sales							
(1) Sales to third parties	3,627,203	2,506,296	9,339	2,276,688	8,419,528	-	8,419,528
(2) Intersegment sales	1,728,662	6,623	1,161,553	10,316	2,907,157	(2,907,157)	-
Total Sales	5,355,866	2,512,920	1,170,893	2,287,005	11,326,685	(2,907,157)	8,419,528
Operating income and loss	(983,715)	(51,464)	(37,925)	246,474	(826,631)	633,400	(193,231)

- (Note) 1. The geographical areas are classified according to the geographical closeness.  
 2. Each global geographical division other than Japan consists of the following countries.  
 (1) North America .....U.S.A.  
 (2) Asia .....Hong Kong, Thailand  
 (3) Europe .....Germany, UK, Bulgaria

[Overseas sales]

Six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

(In thousand yen, rounded down)

	North America	Europe	Other Areas	Total
I . Overseas net sales	2,139,351	2,304,121	394,704	4,838,177
II . Consolidated net sales				8,419,528
III . Overseas net sales as a percentage of consolidated net sales	25.4	27.4	4.7	57.5

- (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. and Canada  
 (2) Europe ..... Italy, Germany, Spain, the Czech Republic, UK, Austria, Slovenia, and other countries.  
 (3) Other Areas ..... Australia, China and other countries  
 3. Overseas sales are the Company's and consolidated subsidiaries' sales in countries or regions outside of Japan.

[Segment Information]

1. Reported segments overview

The Company's reportable segments are component of the Company about which separate financial information is available. Financial statements by each segment are prepared and reviewed regularly in order for board of directors to decide on the distribution of resources and evaluation of business performance.

JCM Group mainly manufactures and sells currency related equipments, and the Company and domestic consolidated subsidiaries take care of domestic business while overseas consolidated subsidiaries take care of overseas business. Consolidated subsidiaries are managed independently, and they create regional strategies for product lines in their markets.

Thus, JCM Group consists of segments based on the scope of their activities (manufacturing/sales): "The Company", "Domestic Amusement Business", "North American regions", "European regions", and "Asian regions".

2. Net sales, profit or loss information by reported segments for the six months ended September 30, 2010

(In thousand yen)

	Reported Segments					Total
	The Company	Domestic Amusement Business	North American regions	European regions	Asian regions	
Net sales						
(1) Sales to third parties	752,831	3,497,693	3,185,463	2,173,981	45,462	9,655,433
(2) Intersegment sales	5,623,331	149,924	30,013	16,198	3,010,474	8,829,942
Total Sales	6,376,163	3,467,618	3,215,476	2,190,179	3,055,937	18,485,375
Segment profit/loss	72,700	(41,289)	93,321	169,132	130,608	424,473

3. Differences between total reported segment profit or loss and quarterly consolidated income statement, and details on those differences

(In thousand yen)

Profit	Amount
Total reported segment profit	424,473
Eliminate unrealized income	(366,356)
Amortization of negative goodwill	96,147
Elimination of dividends income	(118,302)
The group's revenue	16,630
Other adjustment	17,809
Ordinary income in quarterly consolidated financial statements	70,401

Note: The group's revenue mainly consists of non-operating profit/loss which does not belong to any reported segment.

4. Loss on noncurrent assets and information on goodwill by each reported segments

None.

(Additional information)

Effective April 1, 2010, “Accounting Standards for Business Combinations and Related Matters” (ASBJ statement No. 17 issued on March 27, 2009)” and “Accounting Standards for Disclosure about Segments of an Enterprise and Related Information Guidance” (ASBJ statement No. 20 issued on March 21, 2008)” have been applied.

[Notice on changes in shareholder’s equity]

None.