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Press Release

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**Notice on Resolution of Lawsuits by Settlement**

Japan Cash Machine Co., Ltd. (hereinafter referred to as “the Company”) hereby notifies that the Company entered into a settlement with Mars Inc. (hereinafter referred to as “MARS”, New Jersey, USA) and MEI Inc. (hereinafter referred to as “MEI”, Pennsylvania, USA) on March 1, 2011 (US time), regarding the lawsuits in the U.S. that MARS and MEI filed against the Company on June 17, 2005 (the Company filed counterclaim later).

1. Process of lawsuits and settlement

MARS filed a lawsuit against the Company and its United States subsidiary JCM AMERICAN CORP. in the United States District Court in New Jersey, for alleged patent infringement and sought an injunction against the sales of the Company’s products. The Company and JCM AMERICAN CORP. filed a lawsuit for patent infringement in the U.S. District Court against MARS, claiming that their products violate the Company’s patents.

In Nevada case, the court ordered MEI to pay US\$ 12,458,364.46 (including interest) in damage for patent violation. MEI appealed against the decision; however, the Court of Appeals for the Federal Circuit upheld the decision of the U.S. District Court of Nevada. (There was an option for MEI to continue the lawsuit by making a final appeal.)

The first case of the lawsuit MEI filed in the U.S. District Court of New Jersey is still ongoing, and points in dispute through pleadings and standard for judging violations have become clearer than before. In the future, the process will be in summary judgment which does not have discussions by jury, or in trial jury. Both options will need tremendous time and cost.

Under such circumstance and the suggestion by the U.S. District Court of New Jersey to resolve the cases by settlement, the company had discussions with MEI to resolve the cases. As a result, both parties decided that it will be beneficial for both parties to reduce time and cost for future judicial process. Additionally, based on the general consideration of the process and the outcome of lawsuits in Nevada and New Jersey in the past, both parties entered into a settlement with the following contents in order to resolve the lawsuits including New Jersey case and disputes of Nevada case which had reached judgment by the Court of Appeals for the Federal Circuit in Nevada.

## 2. Main outline of settlement

- (1) MEI will pay US\$ 9,017,769.46 (approximately ¥748 million) in damage for patent violation.
- (2) Except (1) above, the Company and MEI will drop or dismiss the lawsuits in Nevada and New Jersey and confirm that there are no obligation to each other regarding the lawsuits in U.S.
- (3) Permanent injunction, which concluded in Nevada case as stated in 1. above will be exempted from the waiver for the Company.

## 3. Impacts on our business performance

The Company will post extraordinary income deducting the expenses occurred for these lawsuits from received amount. The Company is currently scrutinizing the effect to the business result forecast for the fiscal year ending March 31, 2011, and thus, it will be notified after confirmation.

## 4. Other

Except for the lawsuits above, MARS filed a lawsuit against the Company and its German subsidiary JCM EUROPE GMBH. for alleged patent infringement and sought an injunction against the sales of the Company's product at Düsseldorf District Court. The Company won this lawsuit (the Company's product did not violate MARS' product patent), and currently the Company is in the process to collect the litigation costs based on the ruling that the defeated party should bear both parties' costs. Thus, there is no further cost burden regarding this lawsuit for the Company.

(Note) At the beginning, MARS, the parent company of MEI, filed a lawsuit against us as a plaintiff. After that, MEI was transferred to another company and the capital ties between them have been dissolved. As a result, MEI succeeds the lawsuits. And those lawsuits were dismissed as Mars do not have the standing to sue on December 23, 2008. Finally, MEI filed a new lawsuit on the same patents, and therefore, the party of this settlement is MEI, not MARS.