

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

**Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2017 < Japanese GAAP >**

May 11, 2017

Company name: <b>Japan Cash Machine Co., Ltd.</b>	Stock exchange: Tokyo (1 <sup>st</sup> section)	
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	
Contact person: Position: Director, Senior Operating Officer, Executive General Manager of Corporate Planning Division	Name: Tsuyoshi Takagaki	TEL: +81-6-6703-8400

Scheduled date of general shareholders meeting: June 28, 2016      Scheduled date of dividend payments: June 7, 2016

Scheduled filing date of annual securities report: June 28, 2016

The additional materials of the financial results for FY 2016: Yes

The briefing session of the financial results for FY 2016 : Yes (For institutional investors)

(Amount less than one million yen are rounded down.)

1. Consolidated Financial Results for FY 2017 (April 1, 2016 through March 31, 2017)

(1) Consolidated operating results

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017	30,230	1.6	1,752	17.0	1,533	34.2	1,012	182.7
FY2016	29,761	6.6	1,497	16.5	1,142	(47.3)	357	(75.9)

(Note) Comprehensive income: 415 million yen for FY2017, 24.6 %      333 million yen for FY2016, (86.9) %

	Net income per share: Basic	Net income per share: Diluted	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	yen	yen	%	%	%
FY2017	37.71	37.69	3.5	3.8	5.8
FY2016	13.27	13.27	1.2	2.8	5.0

(Reference) Equity in net income of affiliate company: - million yen for FY2017      8 million yen for FY2016

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2017	39,755	28,937	72.7	1,080.96
FY2016	40,428	29,252	72.3	1,084.29

(Reference) Shareholders' equity: As of March 31, 2017: 28,907 million yen  
As of March 31, 2016: 29,248 million yen

(3) Consolidated cash flows

	Cash flows from Operating Activities	Cash flows from Investing Activities	Cash flows from Financing Activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2017	611	(293)	(1,688)	7,146
FY2016	1,758	(242)	(1,414)	8,794

2. Dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1 <sup>st</sup> quarter end	2 <sup>nd</sup> quarter end	3 <sup>rd</sup> quarter end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2016	-	8.50	-	8.50	17.00	458	128.1	1.6
FY2017	-	8.50	-	8.50	17.00	456	45.1	1.6
FY2018 (forecast)	-	8.50	-	8.50	17.00		-	

(Note) Revision of dividends forecast from the latest announcement: None

3. Forecasts of consolidated operating results for FY2018 (April 1, 2017 through March 31, 2018)

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2018 1 <sup>st</sup> half	15,700	2.6	550	(52.0)	550	(2.8)	290	(28.0)	9.78
FY2018	31,800	5.2	1,550	(11.5)	1,550	1.1	1,050	3.8	35.42

(1) Changes in significant subsidiaries during FY2017 (changes in specified subsidiaries resulting in the change in consolidation scope): None

(2) Changes in accounting policies / Changes in accounting estimates / Restatements

- 1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes  
 2) Changes in accounting policies other than 1) : None  
 3) Changes in accounting estimates : None  
 4) Restatements : None

(3) Number of shares outstanding (common stock)

Number of shares outstanding at term end (including treasury stocks)	FY2017	29,662,851 shares	FY2016	29,662,851 shares
Number of shares of treasury stocks at term end	FY2017	2,920,750 shares	FY2016	2,684,803 shares
The average number of outstanding shares	FY2017	26,840,413 shares	FY2016	26,978,117 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for FY2017(April 1, 2016 through March 31, 2017)

(1) Non-consolidated financial results

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017	8,626	3.5	(531)	-	(263)	-	(89)	-
FY2016	8,331	(12.4)	(22)	-	238	(89.5)	7	(99.6)

	Net income per share Basic		Net income per share Diluted	
	Yen		Yen	
FY2017	(3.33)		-	
FY2016	0.29		0.29	

(Note) "Diluted net income per shares" for FY 2017 is not shown above because a net loss was recorded for this fiscal year although residual shares existed.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2017	22,386	15,418	68.7	575.43
FY2016	23,099	16,102	69.7	596.88

(Reference) Shareholders' equity: 15,388 million yen for FY2017, 16,099 million yen for FY2016

\* Consolidated Financial Results report for FY2017 is exempt from auditing procedure.

\* Explanation for the appropriate use of financial forecasts and other special items

(Notes on forward-looking statements)

This report contains forward-looking statements that reflect the Company's forecasts for consolidated results. These forward-looking statements are based upon data currently available to the management and certain assumptions that management believes to be reasonable. Actual results may therefore differ materially from these statements for various reasons. For the assumptions for financial forecasts and points to keep in mind when using financial forecasts, please refer to "(1) Analysis of Business Results" under "1. Business Results" on page 3.

## 1. Business Results

### (1) Analysis of Business Results

In the global economy during the consolidated fiscal year ended March 31, 2017, the economy in the U.S., centering on personal consumption, gradually expanded against a backdrop of strong consumer sentiment, while the economy in Europe, mainly domestic demand, continued recovering robustly. Meanwhile, the economy in Japan showed signs of recovery supported by brisk exports and production activity, although consumer spending remained anemic.

Regarding the business environment surrounding the JCM Group (the “Group”), the gaming market saw strong demand mainly from the opening of new casinos and OEM customers, and the business environment in the commercial market (banking/retail/transportation, etc.) especially in Europe continued to be stable. On the other hand, the business environment in the domestic amusement equipment market remained harsh, because customers lost the willingness to invest in equipment due to the impact of the decrease in the number of people who play a game in pachinko parlors and the revision of regulations on game machines.

Under such circumstances, the Group implemented a sales strategy suited to each market. In the gaming market, it strove to cultivate new customers by offering a proposal of system integration beyond the existing framework. In the commercial market, the Group promoted sales of high value-added products both in Japan and abroad. Furthermore, in the amusement equipment market, where a sharp increase in demand cannot be expected, it tried to maintain and expand market share through the upgrading of product lineups and obtaining of new customer bases by acquiring a competitor’s business in September 2016.

Consequently, the Group posted net sales of 30,230 million yen (up 1.6% year-on-year) for the consolidated fiscal year ending March 31, 2017. Meanwhile, it recorded an operating income of 1,752 million yen (up 17.0% year-on-year), ordinary income of 1,533 million yen (up 34.2% year-on-year), and profit attributable to owners of the parent company of 1,012 million yen (up 182.7% year-on-year), due to the Group’s efforts to reduce selling, general administrative expenses in addition to an increase in net sales.

The average exchange rates for the consolidated fiscal year were 109.43 yen per U.S. dollar (121.04 yen in the previous consolidated fiscal year) and 120.57 yen per euro (133.70 yen in the previous consolidated fiscal year). Besides, the year-end exchange rates applied fair market valuation as of the fiscal year end were 112.18 yen per U.S. dollar (112.69 yen in the previous consolidated fiscal year).

Net sales by segment and segment income are as described below.

(Unit: millions of yen)

		FY2016	FY2017	Increase or decrease	
				Amount	Change (%)
Global Gaming	Net sales	16,216	16,353	137	0.8
	Segment income	2,563	2,960	396	15.5
International Commercial	Net sales	4,057	3,466	(591)	(14.6)
	Segment income	743	276	(466)	(62.8)
Domestic Commercial	Net sales	1,919	2,234	314	16.4
	Segment income	(6)	167	174	-
Equipment for the Amusement Industry	Net sales	7,567	8,176	608	8.0
	Segment income	6	338	331	-
Adjustment	Net sales	-	-	-	-
	Segment income	(1,809)	(1,989)	(180)	-
Total	Net sales	29,761	30,230	468	1.6
	Ordinary income	1,497	1,752	254	17.0

(Note) The amounts in “Adjustment” include the eliminations of intersegment transactions, expenses that cannot be apportioned to reportable segments.

#### <Global Gaming>

The segment recorded net sales of 16,353 million yen (up 0.8% year-on-year) and an income of 2,960 million yen (up 15.5% year-on-year), mainly due to the continuous robust sales of bill validator units for OEM customers in the North American region and bill recycling units in the European region.

#### <International Commercial>

The segment posted net sales of 3,466 million yen (down 14.6% year-on-year) and an income of 276 million yen (down 62.8% year-on-year), mainly due to a decline in sales of bill validator units for the North American financial market because of saturated demand from purchasers, despite steady sales in the European region.

#### <Domestic Commercial>

The segment logged net sales of 2,234 million yen (up 16.4% year-on-year) and an income of 167 million yen (a loss of 6 million yen in the previous year), mainly due to an increase in sales of currency exchange machines and coin and bill recyclers for self-service gas stations, despite a decline in sales of bill recycling units for financial markets.

#### <Equipment for the Amusement Industry>

The segment recorded net sales of 8,176 million yen (up 8.0% year-on-year) and an income of 338 million yen (an income of 6 million yen in the previous year), mainly due to the expansion of product lines and customer bases through the acquisition of a competitor's business, despite a fall in sales of mainstay products, such as automatic token supply/collection systems.

#### (Forecasts of results for the next fiscal year)

In the gaming segment, the Group forecasts that the market growth potential in the future will be limited, because the market is becoming more saturated globally, although hopes run high that the enforcement of the Act Concerning Promotion of Development of Integrated Resort Areas (the "IR Promotion Act") in Japan will stimulate the market, creating new demand. In the equipment for the amusement industry segment, the market is expected to continue shrinking, as the number of players and gaming houses has been decreasing. Meanwhile, in the commercial segment, which the Company concentrates its efforts on fostering as a new pillar of earnings, demand for money handling machine units, its mainstay products, is expected to grow further, supported by expansions and rise in economic activities and the acceleration of economic growth in emerging countries.

Under such circumstances, in the gaming and equipment for the amusement industry segments, the Group will endeavor to secure and expand its market share by seizing in a timely manner an opportunity for market growth by region and country, such as the new construction of IR facilities including casinos in Japan, offering new services and strengthening trust relationships with customers.

Meanwhile, in the commercial segment, with the aim of expanding its business, the Group will actively engage in uncovering potential demand mainly in the Southeast Asia region and developing demand related to the Tokyo Olympics in Japan, while intensively launching new products and cultivating new markets.

Through these initiatives, the Group forecasts to post net sales of 31,800 million yen (up 5.2% year-on-year) for the consolidated fiscal year ending March 31, 2018. However, it projects that operating income will decrease to 1,550 million yen (down 11.5% year-on-year) due to an increase in expenses related to the launch of new products to expand the commercial business and prior investments to cultivate new markets. In addition, the Group expects ordinary income and profit attributable to owners of the parent company will remain unchanged from the preceding consolidated fiscal year.

The Group's assumed foreign exchange rates for the next fiscal term are 112 yen against the U.S. dollar and 120 yen against the euro.

Forecasts of consolidated operating results for FY2018 (April 1, 2017 through March 31, 2018)

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
FY2018 (forecast)	31,800	1,550	1,550	1,050
FY2017	30,230	1,752	1,533	1,012
Increase or decrease	1,570	(202)	17	38
Rate of Change (%)	5.2	(11.5)	1.1	3.8

(2) Basic policy for profit allocation and dividends for the current period and next period

The Group determines its basic policy for the return of profits, based on a consolidated dividend payout ratio of at least 30%, considering the ratio of dividends to net assets while taking into accounts two factors: an increase in dividend amounts through the expansion of income by realizing our growth strategy and the stable implementation of dividend payments.

The Group plans to pay 8.5 yen per share for the year-end dividend for the consolidated fiscal year (17.0 yen per share for the full year, combined with the mid-term dividend), as it had initially forecasted. As a result, the dividend payout ratio for the current consolidated fiscal year was 45.1% and the ratio of dividends to net assets was 1.6%.

The Group will utilize its internal reserves effectively as improvement expenses for its sustainable growth, including the strategic investments such as business/capital alliances as well as mergers and acquisitions, which is beneficial for the future business expansion, and human resources and R&D investment for new markets.

The Group will issue an annual dividend of 17 yen per share (consolidated dividend payout ratio of 48.0%) for the next term based on the above policy.

2. Fundamental policy on choosing corporate accounting standards

The Group has a policy, for the time being, of preparing consolidated financial statements based on Japanese standards in view of comparability between consolidated financial statements for different fiscal years, as well as comparability with those of other corporations.

The Group will respond to apply to International Accounting Standards appropriately considering various situations in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

	(in thousands of yen)	
	FY2016 (March 31, 2016)	FY2017 (March 31, 2017)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,814,795	7,166,931
Notes and accounts receivable - trade	6,556,700	6,013,379
Securities	84,721	23,309
Merchandise and finished goods	6,089,803	8,039,619
Work in process	711,767	639,501
Raw materials and supplies	2,978,839	2,706,568
Deferred tax assets	575,297	761,334
Other	573,032	986,113
Allowance for doubtful accounts	(263,849)	(212,194)
<b>Total current assets</b>	<b>26,121,107</b>	<b>26,124,563</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,016,240	1,922,119
Machinery, equipment and vehicles, net	148,577	136,242
Land	1,847,351	1,826,415
Leased assets, net	112,492	98,185
Other, net	965,590	1,008,226
<b>Total property, plant and equipment</b>	<b>5,090,253</b>	<b>4,991,188</b>
<b>Intangible assets</b>		
Software	65,023	99,753
Goodwill	2,625,420	2,291,518
Technical assets	500,990	391,124
Assets related to customers	3,839,480	3,374,108
Trademark right	516,856	451,267
Other	6,887	28,880
<b>Total intangible assets</b>	<b>7,554,659</b>	<b>6,636,651</b>
<b>Investments and other assets</b>		
Investment securities	616,836	971,570
Net defined benefit asset	509,391	494,016
Deferred tax assets	—	5,180
Other	590,477	588,389
Allowance for doubtful accounts	(53,887)	(56,025)
<b>Total investments and other assets</b>	<b>1,662,818</b>	<b>2,003,132</b>
<b>Total non-current assets</b>	<b>14,307,730</b>	<b>13,630,971</b>
<b>Total assets</b>	<b>40,428,838</b>	<b>39,755,535</b>

(in thousands of yen)

	FY2016 (March 31, 2016)	FY2017 (March 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,433,683	3,161,879
Short-term loans payable	4,620,290	3,703,538
Lease obligations	91,959	75,343
Income taxes payable	307,798	224,871
Provision for bonuses	256,898	381,654
Provision for directors' bonuses	8,800	21,000
Deferred tax liabilities	27,793	14,087
Other	1,693,048	2,534,635
Total current liabilities	10,440,271	10,117,009
Non-current liabilities		
Lease obligations	146,476	104,157
Deferred tax liabilities	237,385	323,747
Reserve for loss on dissolution of employee's pension fund	67,000	—
Other	285,635	273,192
Total non-current liabilities	736,497	701,097
Total liabilities	11,176,768	10,818,107
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,216,945	2,216,945
Capital surplus	2,068,964	2,068,964
Retained earnings	26,514,737	27,070,148
Treasury shares	(2,329,517)	(2,629,621)
Total shareholders' equity	28,471,129	28,726,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	69,263	204,098
Foreign currency translation adjustment	707,962	(23,427)
Total accumulated other comprehensive income	777,226	180,670
Subscription rights to shares	3,713	30,320
Total net assets	29,252,069	28,937,428
Total liabilities and net assets	40,428,838	39,755,535

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**Consolidated Statement of Income**

	(in thousands of yen)	
	FY2016 (From April 1, 2015 To March 31, 2016)	FY2017 (From April 1, 2016 To March 31, 2017)
Net sales	29,761,993	30,230,547
Cost of sales	18,020,010	18,348,032
Gross profit	11,741,983	11,882,515
Reversal of unrealized income on installment sales	76,118	58,384
Provision of unrealized income on installment sales	64,907	480
Gross profit - net	11,753,193	11,940,419
Selling, general and administrative expenses	10,255,601	10,187,985
Operating profit	1,497,592	1,752,434
Non-operating income		
Interest income	22,405	7,543
Dividend income	17,237	14,016
Share of profit of entities accounted for using equity method	8,017	—
Reversal of provision for loss on dissolution of the employees' pension fund	—	67,000
Other	115,481	82,416
Total non-operating income	163,141	170,977
Non-operating expenses		
Interest expenses	37,531	41,168
Foreign exchange losses	398,801	326,958
Loss on cancellation of leases	45,390	—
Other	36,911	22,180
Total non-operating expenses	518,634	390,306
Ordinary profit	1,142,099	1,533,104
Extraordinary income		
Gain on sales of non-current assets	1,770	335
Gain on sales of investment securities	8,347	—
Gain on bargain purchase	—	314,000
Other	—	27,357
Total extraordinary income	10,118	341,692
Extraordinary losses		
Loss on sales of non-current assets	277	54
Loss on retirement of non-current assets	43,862	5,101
Loss on valuation of investment securities	42,437	—
Impairment loss	—	13,161
Loss on valuation of golf club membership	—	1,000
Provision of allowance for doubtful accounts	—	1,400
Other	4,774	—
Total extraordinary losses	91,351	20,718
Profit before income taxes	1,060,865	1,854,078
Income taxes - current	771,593	984,511
Income taxes - deferred	(68,669)	(142,467)
Total income taxes	702,924	842,044
Profit	357,941	1,012,033
Profit attributable to owners of parent	357,941	1,012,033

**Consolidated Statement of Comprehensive Income**

(in thousands of yen)

	FY2016 (From April 1, 2015 To March 31, 2016)	FY2017 (From April 1, 2016 To March 31, 2017)
Profit	357,941	1,012,033
Other comprehensive income		
Valuation difference on available-for-sale securities	(46,298)	134,834
Foreign currency translation adjustment	17,994	(731,389)
Share of other comprehensive income of entities accounted for using equity method	3,728	—
Total other comprehensive income	(24,575)	(596,555)
Comprehensive income	333,366	415,478
(Breakdown of Comprehensive Income)		
Comprehensive income attributable to owners of parent	333,366	415,478
Comprehensive income attributable to non-controlling interests	—	—

**(3) Consolidated Statements of Changes in Net Assets**

Fiscal Year 2016 (From April 1, 2015 to March 31, 2016)

(in thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,216,945	2,068,964	26,669,381	(2,329,339)	28,625,951
Changes of items during period					
Dividends of surplus			(512,586)		(512,586)
Profit attributable to owners of parent			357,941		357,941
Purchase of treasury shares				(177)	(177)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(154,644)	(177)	(154,822)
Balance at end of current period	2,216,945	2,068,964	26,514,737	(2,329,517)	28,471,129

(In thousands of yen)

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	115,562	686,239	801,801	—	29,427,753
Changes of items during period					
Dividends of surplus					(512,586)
Profit attributable to owners of parent					357,941
Purchase of treasury shares					(177)
Net changes of items other than shareholders' equity	(46,298)	21,722	(24,575)	3,713	(20,861)
Total changes of items during period	(46,298)	21,722	(24,575)	3,713	(175,684)
Balance at end of current period	69,263	707,962	777,226	3,713	29,252,069

(in thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,216,945	2,068,964	26,514,737	(2,329,517)	28,471,129
Changes of items during period					
Dividends of surplus			(456,622)		(456,622)
Net income attributable to owners of the parent			1,012,033		1,012,033
Purchase of treasury shares				(300,104)	(300,104)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	555,411	(300,104)	255,306
Balance at end of current period	2,216,945	2,068,964	27,070,148	(2,629,621)	28,726,436

(in thousands of yen)

	Accumulated other comprehensive income			Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	69,263	707,962	777,226	3,713	29,252,069
Changes of items during period					
Dividends of surplus					(456,622)
Net income					1,012,033
Purchase of treasury shares					(300,104)
Net changes of items other than shareholders' equity	134,834	(731,389)	(596,555)	26,607	(569,947)
Total changes of items during period	134,834	(731,389)	(596,555)	26,607	(314,640)
Balance at end of current period	204,098	(23,427)	180,670	30,320	28,937,428

**(4) Consolidated Statements of Cash Flows**

(in thousands of yen)

	FY2016 (From April 1, 2015 To March 31, 2016)	FY2017 (From April 1, 2016 To March 31, 2017)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,060,865	1,854,078
Depreciation	1,045,566	926,476
Amortization of goodwill	213,264	186,086
Gain on bargain purchase	—	(314,000)
Increase (decrease) in provision	(92,773)	44,380
Interest and dividend income	(39,642)	(21,560)
Interest expenses	37,531	41,168
Foreign exchange losses (gains)	(39,294)	232,850
Loss (gain) on sales of investment securities	(8,347)	—
Loss (gain) on valuation of investment securities	42,437	—
Loss (gain) on sales and retirement of property, plant and equipment	42,369	4,821
Share of (profit) loss of entities accounted for using equity method	(8,017)	—
Impairment loss	—	13,161
Loss on valuation of golf club memberships	—	1,000
Other extraordinary loss (income)	—	(27,357)
Decrease (increase) in notes and accounts receivable - trade	478,642	254,356
Decrease (increase) in inventories	272,101	(1,833,428)
Increase (decrease) in notes and accounts payable - trade	(137,524)	(40,274)
Decrease (increase) in consumption taxes refund receivable	(2,197)	97,711
Increase/decrease in other assets/liabilities	(562,521)	330,379
Subtotal	<u>2,302,459</u>	<u>1,749,849</u>
Interest and dividend income received	38,952	22,245
Interest expenses paid	(37,531)	(41,168)
Income taxes paid	(545,048)	(1,119,207)
Net cash provided by (used in) operating activities	<u>1,758,832</u>	<u>611,719</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(286,902)	(431,687)
Proceeds from sales of property, plant and equipment	4,203	1,173
Purchase of intangible assets	(17,779)	(82,502)
Net decrease (increase) in short-term investment securities	(17,831)	234
Purchase of investment securities	(100,953)	(114,276)
Proceeds from sales of investment securities	102,266	—
Collection of long-term loans receivable	82,209	—
Proceeds for transfer of business	—	306,000
Other, net	(7,684)	27,557
Net cash provided by (used in) investing activities	<u>(242,472)</u>	<u>(293,500)</u>
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	—	1,000,000
Decrease in short-term loans payable	(795,410)	(1,855,014)
Proceeds from lease obligations	13,406	2,926
Repayments of lease obligations	(121,935)	(99,292)
Purchase of treasury shares	(177)	(300,104)
Proceeds from issuance of subscription rights to shares	—	21,750
Cash dividends paid	(510,309)	(458,301)
Net cash provided by (used in) financing activities	<u>(1,414,425)</u>	<u>(1,688,036)</u>
Effect of exchange rate change on cash and cash equivalents	(121,419)	(278,046)
Net increase (decrease) in cash and cash equivalents	<u>(19,485)</u>	<u>(1,647,863)</u>
Cash and cash equivalents at beginning of period	8,814,280	8,794,795
Net increase (decrease) in cash and cash equivalents	<u>8,794,795</u>	<u>7,146,931</u>

## (5) Segment Information

I. Fiscal year 2016 (From April 1, 2015 to March 31, 2016)

(In thousands of yen)

	Reportable segments					Adjustment (Note)	Consolidated
	Global Gaming	International Commercial	Domestic Commercial	Equipment for the Amusement Industry	Total		
Net sales							
Sales to customers	16,216,751	4,057,892	1,919,627	7,567,721	29,761,993	—	29,761,993
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	16,216,751	4,057,892	1,919,627	7,567,721	29,761,993	—	29,761,993
Segment income (loss)	2,563,832	743,135	(6,453)	6,591	3,307,106	(1,809,514)	1,497,592
Segment assets	18,478,245	4,219,417	2,634,624	6,673,591	32,005,879	8,422,958	40,428,838
Other items							
Depreciation	594,820	63,812	69,094	172,445	900,173	145,392	1,045,566
Amortization of goodwill	210,846	—	—	—	210,846	—	210,846

Notes: Adjustments are as follows:

- (1) The adjustments on segment income negative 1,809,514 thousand yen is Company expenses not allocated to each reportable segment.
- (2) The adjustments on segment asset, 8,422,958 thousand yen, is Company assets not allocated to each reportable segment.
- (3) The adjustment on depreciation, 145,392 thousand yen, is depreciation related to Company assets not allocated to each reportable segment. In addition, depreciation includes the amortization of long-term prepaid expenses.

II. Fiscal year 20167(From April 1, 2016 to March 31, 2017)

(In thousands of yen)

	Reportable segments					Adjustment (Note)	Consolidated
	Global Gaming	International Commercial	Domestic Commercial	Equipment for the Amusement Industry	Total		
Net sales							
Sales to customers	16,353,771	3,466,043	2,234,475	8,176,256	30,230,547	—	30,230,547
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	16,353,771	3,466,043	2,234,475	8,176,256	30,230,547	—	30,230,547
Segment income (loss)	2,960,177	276,384	167,686	338,141	3,742,389	(1,989,955)	1,752,434
Segment assets	18,979,232	2,780,732	2,316,165	7,335,658	31,411,788	8,343,747	39,755,535
Other items							
Depreciation	507,307	64,981	73,448	139,141	784,878	141,597	926,476
Amortization of goodwill	186,086	—	—	—	186,086	—	186,086

Notes: Adjustments are as follows:

- (1) The adjustments on segment income negative 1,989,955 thousand yen is Company expenses not allocated to each reportable segment.
- (2) The adjustments on segment asset, 8,343,747 thousand yen, is Company assets not allocated to each reportable segment.
- (3) The adjustment on depreciation, 141,597 thousand yen, is depreciation related to Company assets not allocated to each reportable segment. In addition, depreciation includes the amortization of long-term prepaid expenses.