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Press Release

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Stock Listing Tokyo Stock Exchange, 1st section
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Notice on Posting of Inventory Valuation Loss and Revision of Financial Results Forecast

Japan Cash Machine Co., Ltd. (“the Company”) hereby announces that the Board of Directors resolved at a meeting held today, to revise the financial result forecast for the current fiscal year.

1. Revision of Financial Results Forecast

Revision of forecast for consolidated financial results for the current fiscal year
(April 1, 2017 through March 31, 2018)

	Net Sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income attributable to owners of parent (millions of yen)	Net income per share (yen)
Previous forecast (A)	30,000	1,150	1,200	1,480	51.76
Revised forecast (B)	29,600	1,110	950	920	32.18
Changes from previous Forecast (B) - (A)	(400)	(40)	(250)	(560)	-
Change (%)	(1.3)	(3.5)	(20.8)	(37.8)	-
Results for previous term (for reference)	30,230	1,752	1,533	1,012	37.71

2. Reasons for the Revisions

As announced “Notice on Posting of Extraordinary Income / Loss and Revision of Financial Results Forecast” and “Notice on the Formulation of a Rolling Plan (III) for “New Medium-Term Management Plan” on November 13 of last year, the Company has promoted each priority measure to resolve some business challenges to secure profits and improve profitability.

Regarding the challenge of "Improving the profitability of the existing businesses" set up in the New Medium-Term Management Plan (“the Management Plan”), although global gaming business including the printer business and domestic/overseas commercial businesses are even in the face of intense competition, the Company intends to develop both business segments aggressively. On the other hand, the Company estimates the environment surrounding domestic amusement equipment business will remain sluggish with the background of decreasing in young players, diversification of entertainment and tightening of gambling regulation. Therefore, the Company will review a reconstruction plan drastically and multilaterally, focusing on the segment of Equipment for Amusement Industry.

The Company newly promotes the improvement of management efficiency such as the consolidation of sales bases, personnel rearrangement and reduction of fixed costs, following the quitting of amusement business (operation of the game center) as announced on last November 13. Additionally, the Company expects the write-down of inventory assets related to the segment of Equipment for Amusement Industry by 450 million yen to restore the financial soundness.

The Company also expects to record the estimated variance of 200 million yen in corporate tax related to the litigation settlement in the U.S. and 100 million yen in corporate tax adjustments accompanying the corporate tax reform in the U.S. as well as posting foreign exchange losses of 250 million yen reflecting recent trends in foreign exchange rates.

As for the other challenge of "Expanding New Business" set up in the Management Plan, the Company will put its energy to create a fourth new business along with the expansion of the sales channels for the global commercial business especially for Asia and of market by strengthening the new product development aims to improve the corporate value of the entire Group and

3. Reconstruction plan focusing on Equipment for Amusement Industry segment

- 1) Consolidating sales and customer service bases to reduce external expenses
- 2) Reviewing organizations and functions
- 3) Streamlining development investment
- 4) Improving inventory assets' health by focusing on profitability
- 5) Promoting operational efficiency by downsizing administrative divisions of the segment and collaborating with administrative division of the corporate headquarter.

4. Dividend Forecast

Regarding year-end dividend forecast for the fiscal year ending March 31, 2018, there is no change from the initial forecast announced on May 11, 2017.