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**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending March 31, 2016 <Japanese GAAP>**

July 31, 2015

Company name	Japan Cash Machine Co., Ltd.	Stock exchanges:	Tokyo(1 st Section)
Code number	6418	URL	http://www.jcm-hq.co.jp/
Representative	Position: President	Name:	Yojiro Kamihigashi
Contact person	Position: Director, Senior Operating Officer, Executive General Manager of Corporate Planning Division	Name:	Tsuyoshi Takagaki
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Scheduled date of filing quarterly securities report: August 11, 2015

Scheduled date of dividend payments: —

The additional materials of the financial results for the first quarter: None

The briefing session of the financial results for the first quarter: None

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

1. Consolidated Financial Results for the First Quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)

(1) Consolidated operating results

(Percent indications show percentage of changes from corresponding figures for the previous period)

	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	%
FY2016 1 st quarter	7,148	11.3	260	(8.4)	429	62.4	263	154.8
FY2015 1 st quarter	6,425	(12.1)	284	(51.2)	264	(62.8)	103	(79.3)

(Note) Comprehensive income: (330) million yen for FY2016 1st quarter, - %: (119) million yen for FY2015 1st quarter, -%

	Net income per share: basic	Net income per share: Diluted
	yen	yen
FY2016 1 st quarter	9.78	-
FY2015 1 st quarter	3.84	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2016 1 st quarter	41,606	28,814	69.3	1,068.05
FY2015	42,511	29,427	69.2	1,090.80

(Reference) Shareholders' equity: As of June 30, 2016: 28,814 million yen
As of March 31, 2015: 29,427 million yen

2. Dividends

	Annual cash dividends per share				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Year-end	Total
	yen	yen	yen	yen	yen
FY2015	-	8.50	-	10.50	19.00
FY2016	-	-	-	-	-
FY2016(forecast)	-	8.50	-	8.50	17.00

(Note) Changes in dividends forecast for FY2016 from the latest disclosure: None

3. Forecasts of consolidated operating results for FY2016 (April 1, 2015 through March 31, 2016)

(Percent indications show percentage of changes from corresponding figures for the previous period)

	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
FY2016 2 nd quarter	15,500	16.3	800	10.6	900	(14.9)	600	(21.1)	22.24
FY2016	31,200	11.8	1,900	47.9	2,000	(7.7)	1,400	(5.8)	51.89

(Note) Changes in forecasts of consolidated operating results for FY2016 from the latest disclosure: None

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

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: None

(3) Changes in accounting principles, changes in accounting estimates, and restatements

1) Changes in accounting policies due to revisions of accounting standards, etc.: Applicable

2) Changes in accounting policies other than 1) : None

3) Changes in accounting estimates : None

4) Restatements : None

(4) Number of shares outstanding (common stock)

Number of shares outstanding at term end (including treasury stocks)	FY2016 1 st quarter	29,662,851 shares	FY2015	29,662,851 shares
Number of shares of treasury stocks at term end	FY2016 1 st quarter	2,684,669 shares	FY2015	2,684,669 shares
The average number of outstanding shares (cumulative)	FY2016 1 st quarter	26,978,182 shares	FY2015 1 st quarter	26,978,594 shares

* Implementation status of quarterly review procedures

This summary of consolidated financial results is exempt from quarterly review which is based on Financial Instrument and Exchange Law of Japan. As of the first quarter disclosing, quarterly review procedures for the quarterly financial statements are in progress.

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

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes to be reasonable. The achievement of said forecasts cannot be promised. Actual results may therefore differ materially from these statements for various reasons. For further details, please refer to “1. Qualitative Information/Financial Statements (2) Future estimates, including consolidated financial forecast” on Page 4.

1. Qualitative information/financial statements

(1) Consolidated operating results

Economies around the world exhibited mixed performance during the current consolidated cumulative first quarter. The European economy lacked strength due to the Greek debt crisis, while the US economy performed favorably, mainly driven by personal consumption. The Japanese economy also maintained a gradual recovery trend on the back of strong corporate earnings and improvement in the job and income environment.

As far as the JCM Group (the “Group”) is concerned, the gaming markets faced a challenging environment with the reduction in the number of new casinos opening in Europe and North America. In the commercial market (banking/retail/transportation), while growth in demand started slowing down in Japan, demand in the North America and Europe continued to be favorable. On the other hand, in the Japanese market catering to equipment for the amusement industry, the pachinko industry maintained its cautious stance toward new capital investments.

Under such circumstances, the Group strived to realize a synergy effect from the printer business, which was acquired in the previous year, while conducting aggressive marketing activities in other business areas, including the Global Commercial Division, a department set up on April 1, 2015. We committed ourselves to expand sales and secure profit.

Net sales amounted to JPY 7.148 billion (up 11.3% year-on-year) for the current consolidated cumulative first quarter, driven by the inclusion of net sales in the printer business. On the profit front, operating income fell to JPY 260 million (down 8.4% year-on-year) primarily due to a decline in the volume of bill validator units sold and lower selling price. However, ordinary income increased to JPY 429 million (up 62.4% year-on-year) and net income attributable to owners of the parent rose to JPY 263 million (up 154.8% year-on-year). This can be ascribed to the gain on foreign currency translation adjustment from the assets denominated in foreign currency in the non-operating income section.

Exchange rates for the period under review hovered around JPY 119.27 to the US dollar (JPY 102.57 during the previous corresponding period) and JPY 132.65 to the euro (JPY 140.25 during the previous corresponding period).

Segment-wise operating results are as follows.

With the newly established “Global Commercial Division,” the Group changed the segmentation of its business, starting from the current consolidated cumulative first quarter. The four segments “Japan,” “North America,” “Europe,” and “Asia” were changed to “Global Gaming,” “International Commercial,” “Domestic Commercial,” and “Equipment for the Amusement Industry.” The Group also changed the segment income from profit based on ordinary income to profit based on operating income. In the following section, we have reclassified the financial figures of the previous fiscal year in accordance with the new segmentation to facilitate year-on-year comparison of financial data.

i. Global Gaming

Driven by the addition of the printer business, net sales for this segment expanded to JPY 3.775 billion (up 19.0% year-on-year). On the other hand, segment income dropped to JPY 603 million (down 11.3% year-on-year), affected by a fall in the price of bill validator units due to sluggish demand in North America, and rise in procurement price in Europe, caused by the fall in euro.

ii. International Commercial

Net sales totaled JPY 1.061 billion (up 76.2% year-on-year) and segment income rose to JPY 242 million (up 46.7% year-on-year) due to higher sales of bill validator units in the North American financial market.

iii. Domestic Commercial

Net sales amounted to JPY 472 million (down 16.9% year-on-year), and segment income was down to JPY 2 million (down 92.2% year-on-year), primarily due to a decline in sales for money handling machine units for OEM customers.

iv. Equipment for the Amusement Industry

Sales of medal lending machine and related equipment saw a drop, reflecting the difficult market environment. As a result, net sales of this segment stood at JPY 1.839 billion (down 11.6% year-on-year), while segment loss was JPY 20 million (as against JPY 51 million in the previous corresponding period).

(2) Future estimates, including consolidated financial forecast

For the cumulative second quarter of the consolidated fiscal year ending March 31, 2016 and the full year, there are no changes from the ones presented in the financial highlights dated May 12, 2015. However, by keeping a watch on the demand situation in the future, we will make a swift announcement, should there be a need for timely disclosure.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(In thousands of yen)

	Prior Fiscal Year (As of March 31, 2015)	Current First Quarter (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	8,834,280	7,654,270
Notes and accounts receivable - trade	7,151,245	6,673,530
Securities	6,653	35,864
Merchandise and finished goods	6,248,950	6,536,134
Work in process	596,664	884,087
Raw materials and supplies	3,377,060	3,908,395
Other	1,085,035	959,504
Allowance for doubtful accounts	(306,856)	(315,162)
Total current assets	26,993,034	26,336,625
Non-current assets		
Property, plant and equipment	5,365,248	5,286,330
Intangible assets		
Goodwill	8,019,099	7,838,776
Other	87,084	84,927
Total intangible assets	8,106,183	7,923,704
Investments and other assets		
Other	2,099,067	2,111,895
Allowance for doubtful accounts	(51,563)	(51,563)
Total investments and other assets	2,047,503	2,060,331
Total non-current assets	15,518,936	15,270,366
Total assets	42,511,971	41,606,991
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,728,644	3,571,185
Short-term loans payable	5,773,440	5,879,520
Income taxes payable	108,716	39,831
Provision for bonuses	288,359	136,955
Provision for directors' bonuses	28,300	23,000
Other	2,537,866	2,512,877
Total current liabilities	12,465,326	12,163,369
Non-current liabilities		
Reserve for loss on dissolution of employee's pension fund	67,000	67,000
Other	551,891	562,499
Total non-current liabilities	618,891	629,499
Total liabilities	13,084,218	12,792,869
Net assets		
Shareholders' equity		
Capital stock	2,216,945	2,216,945
Capital surplus	2,068,964	2,068,964
Retained earnings	26,669,381	26,650,038
Treasury shares	(2,329,339)	(2,329,339)
Total shareholders' equity	28,625,951	28,606,607
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	115,562	132,038
Foreign currency translation adjustment	686,239	75,476
Total accumulated other comprehensive income	801,801	207,514
Total net assets	29,427,753	28,814,122
Total liabilities and net assets	42,511,971	41,606,991

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

	(In thousands of yen)	
	Prior First Quarter (From April 1, 2014 To June 30, 2014)	Current First Quarter (From April 1, 2015 To June 30, 2015)
Net sales	6,425,238	7,148,958
Cost of sales	4,097,066	4,265,052
Gross profit	2,328,171	2,883,905
Reversal of unrealized income on installment sales	13,490	21,792
Provision of unrealized income on installment sales	44,736	49,804
Gross profit - net	2,296,925	2,855,893
Selling, general and administrative expenses	2,012,101	2,594,906
Operating income	284,824	260,987
Non-operating income		
Interest income	6,031	1,387
Dividend income	9,957	10,855
Foreign exchange gains	—	162,904
Share of profit of entities accounted for using equity method	4,653	—
Other	19,946	13,282
Total non-operating income	40,589	188,429
Non-operating expenses		
Interest expenses	3,486	8,819
Foreign exchange losses	57,231	—
Share of loss of entities accounted for using equity method	—	8,706
Other	1	1,911
Total non-operating expenses	60,719	19,437
Ordinary income	264,694	429,978
Extraordinary income		
Gain on sales of non-current assets	—	199
Total extraordinary income	—	199
Extraordinary losses		
Loss on retirement of non-current assets	547	1,774
Loss on sales of non-current assets	—	13
Total extraordinary losses	547	1,787
Income before income taxes and minority interests	264,146	428,391
Income taxes - current	134,934	151,655
Income taxes - deferred	25,632	12,808
Total income taxes	160,566	164,463
Net income	103,580	263,927
Net income attributable to owners of the parent	103,580	263,927

Quarterly Consolidated Statement of Comprehensive Income

	(In thousands of yen)	
	Prior First Quarter (From April 1, 2014 To June 30, 2014)	Current First Quarter (From April 1, 2015 To June 30, 2015)
Net income	103,580	263,927
Other comprehensive income		
Valuation difference on available-for-sale securities	27,423	16,475
Foreign currency translation adjustment	(250,556)	(603,557)
Share of other comprehensive income of entities accounted for using equity method	281	(7,205)
Total other comprehensive income	(222,851)	(594,286)
Comprehensive income	(119,270)	(330,359)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(119,270)	(330,359)
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

	(In thousands of yen)	
	Prior First Quarter (From April 1, 2014 To June 30, 2014)	Current First Quarter (From April 1, 2015 To June 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	264,146	428,391
Depreciation	136,542	150,867
Amortization of goodwill	—	156,394
Increase (decrease) in provision	(177,083)	(153,513)
Interest and dividend income	(15,988)	(12,242)
Interest expenses	3,486	8,819
Foreign exchange losses (gains)	37,745	(199,453)
Loss (gain) on sales and retirement of property, plant and equipment	547	1,587
Share of (profit) loss of entities accounted for using equity method	(4,653)	8,706
Decrease (increase) in notes and accounts receivable - trade	595,508	335,527
Decrease (increase) in inventories	377,855	(1,328,851)
Increase (decrease) in notes and accounts payable - trade	(644,237)	50,014
Decrease (increase) in consumption taxes refund receivable	89,884	28,492
Other, net	51,124	174,436
Subtotal	714,877	(350,824)
Interest and dividend income received	15,673	12,071
Interest expenses paid	(3,486)	(8,819)
Income taxes paid	(91,760)	(181,148)
Net cash provided by (used in) operating activities	635,305	(528,721)
Cash flows from investing activities		
Net decrease (increase) in short-term investment securities	22,606	(28,979)
Purchase of property, plant and equipment	(98,061)	(70,035)
Proceeds from sales of property, plant and equipment	—	210
Purchase of intangible assets	(34,982)	(8,000)
Purchase of investment securities	(302)	(98,510)
Other, net	—	(4,964)
Net cash provided by (used in) investing activities	(110,740)	(210,280)
Cash flows from financing activities		
Cash dividends paid	(216,202)	(284,096)
Proceeds from lease obligations	—	13,798
Repayments of lease obligations	(57,629)	(32,257)
Purchase of treasury shares	(31)	—
Net cash provided by (used in) financing activities	(273,864)	(302,555)
Effect of exchange rate change on cash and cash equivalents	(79,285)	(138,453)
Net increase (decrease) in cash and cash equivalents	171,415	(1,180,010)
Cash and cash equivalents at beginning of period	8,488,719	8,814,280
Cash and cash equivalents at end of period	8,660,134	7,634,270

(4) Segment Information

I. Prior First quarter (From April 1, 2014 to June 30, 2014)

1. Information on sales and income (loss) by reportable segments

(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	3,172,658	602,684	568,315	2,081,579	6,425,238	—	6,425,238
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	3,172,658	602,684	568,315	2,081,579	6,425,238	—	6,425,238
Segment income (loss)	680,058	165,488	34,005	(51,498)	828,054	(543,230)	284,824

(Note) The adjustment on segment income includes certain expenses that are not allocated to each reportable segment.

2. Loss on noncurrent assets by each reportable segments and information on goodwill

None

II. Current First quarter (From April 1, 2015 to June 30, 2015)

1. Information on sales and income (loss) by reportable segments

(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	3,775,292	1,061,870	472,094	1,839,701	7,148,958	—	7,148,958
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	3,775,292	1,061,870	472,094	1,839,701	7,148,958	—	7,148,958
Segment income (loss)	603,130	242,825	2,652	(20,045)	828,562	(567,575)	260,987

(Note) The adjustment on segment income includes certain expenses that are not allocated to each reportable segment.

2. Loss on noncurrent assets by each reportable segments and information on goodwill

None

3. Changes in the reportable segment etc.

With the newly established “Global Commercial Division” as of April 1, 2015, the Group changed the segmentation of its business, starting from the current consolidated cumulative first quarter. The four segments “Japan,” “North America,” “Europe,” and “Asia” were changed to “Global Gaming,” “International Commercial,” “Domestic Commercial,” and “Equipment for the Amusement Industry.” The Group also changed the segment income from profit based on ordinary income to profit based on operating income.

Besides we have disclosed the segment information of prior first quarter based on the change of the current first quarter.