

# Consolidated financial results

for the first half of fiscal year ending March 31, 2008

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This document may contain forward-looking statements which reflect management's current views with respects to certain future events and financial performances. Actual results may differ materially from those projected or implied in the forward-looking statements and from historical trends. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

So please avoid making investment decision relying only on this document. And please note that we may change the contents of the forward-looking statements without advance notice except that we need legal procedures.

# 1 - 1 ) Business results compared with previous fiscal year

## 1. Performance overview

### Sales

Enjoyed solid sales in financial institution market, overseas market, and vending machine market.

### Profit

Remained smoothly as a result of the change of product and activities for cost reduction and volume efficiency.

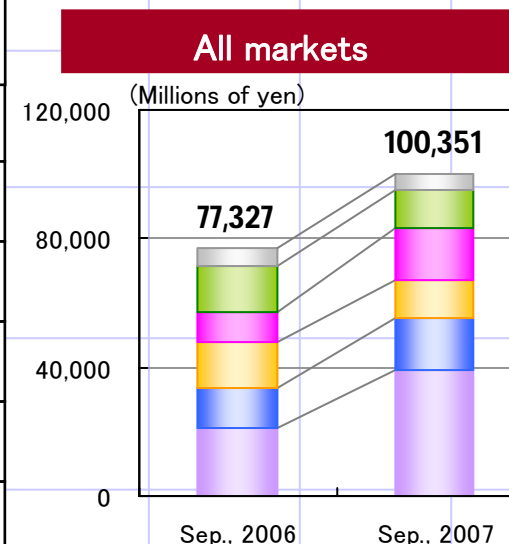
(Millions of yen)	First half of FY2006	First half of FY2007	Comparison with previous year
Net sales	77,327	100,351	+29.8%
Operating profit	5,317	14,853	+179.3%
Ordinary profit	5,828	14,745	+153.0%
Net income	3,752	8,712	+132.2%

# 2-1) Net sales by market/by segment

## 2. Details of performance

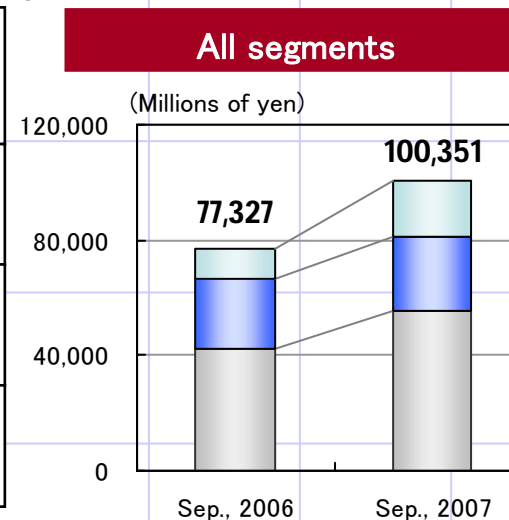
(Millions of yen)

By market	First half of FY2006	First half of FY2007	Comparison with previous year
Financial institutions	20,953	39,411	+88.1%
Overseas	12,888	15,723	+22.0%
Retail/Transportation	14,052	11,928	-15.1%
Vending machines	9,263	16,230	+75.2%
Amusement	14,080	12,094	-14.1%
Other	6,091	4,965	-18.5%



(Millions of yen)

By segment	First half of FY2006	First half of FY2007	Comparison with previous year
Money handling machines & Cash management systems	42,375	55,458	+30.9%
Vending machines & Automatic service equipment	24,171	25,697	+6.3%
Other goods and products	10,780	19,195	+78.1%

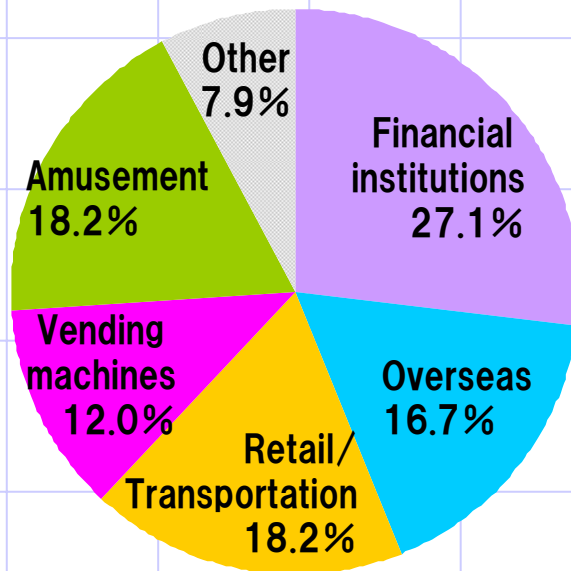


# 2-2) Sales composition by market

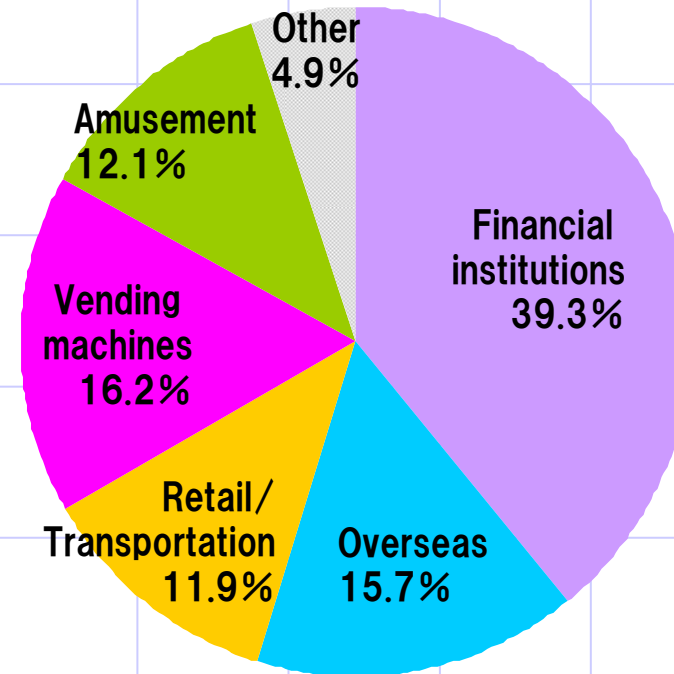


## 2. Details of performance

First half of FY2006



First half of FY2007



**【Market which increased the percentage】**

- Financial institutions + 12.2%
- Vending machines + 4.2%

**【Market which decreased the percentage】**

- Overseas - 1% (per Net sales: +22%)
- Retail/Transportation - 6.3%
- Amusement - 6.1%
- Other - 3.0%

# 2-3) Financial institution market



## 2. Details of performance

### Expansion of demand for our core products

- In financial institutions, willingness to invest is rising related to reduction in human error in cash handling services thanks to improving business results.
- There are expansion of demand due to promotion of mechanization for rationalization and efficiency caused by privatization of postal business.

**【Sales comparison with previous year】+88.1%**

#### Our main products influenced business results

- ↑ Open teller systems “WAVE series”
- ↑ Banknote/coin depositing and dispensing machines “RB series”

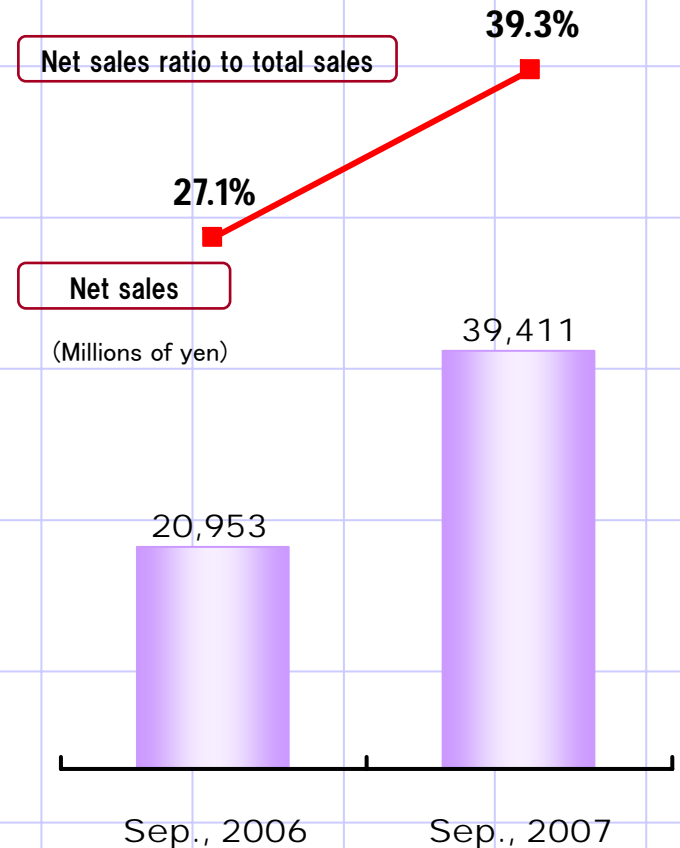


Open teller systems  
WAVE series



Banknote/coin depositing and  
dispensing machines  
RB series

Market	First half of FY2006	First half of FY2007	Comparison with previous year
Financial institutions	20,953	39,411	+88.1%



# 2-4) Overseas market



## 2. Details of performance

### Expansion of demand for system devices in Europe

Demands for system devices increased due to obligated fitness sorting, and to taking a measure against counterfeit euro banknotes and also to growing needs of automated processing machines.

Market	First half of FY2006	First half of FY2007	Comparison with previous year
Overseas	12,888	15,723	+22.0%

**【Sales comparison with previous year】+22.0%**

#### Our main products influenced business results

- ↑ Banknote depositing and dispensing machines “RBU series/RZ series”
- ↑ Banknote depositing units for ATMs “UD series”



Banknote depositing and dispensing machines  
RBU series

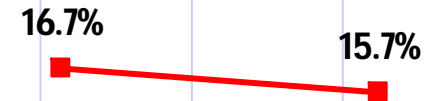


Banknote depositing and dispensing machines  
RZ series



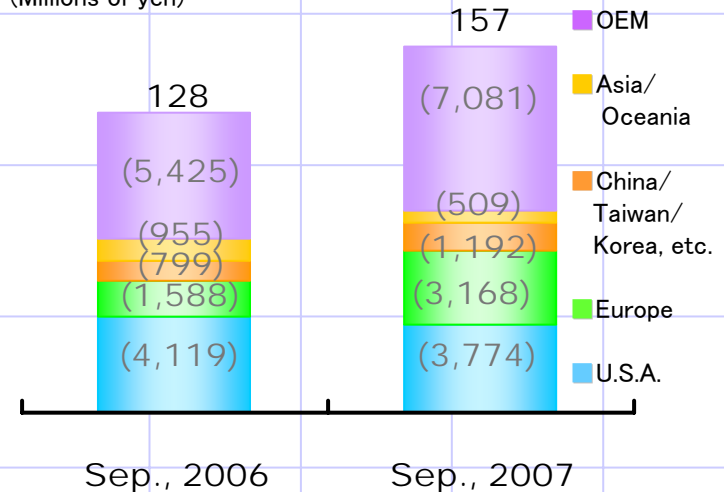
Banknote depositing units for ATMs  
UD series

#### Net sales ratio to total sales



#### Net sales

(Millions of yen)



# 2-5) Retail/Transportation market



## 2. Details of performance

### ● Low demand for cash recyclers for cashiers

Sales of system around cashiers maintain the same standard as usual although there are no large demand in this term. Sales of money exchange machines and money deposit machines remained smoothly.

Market	First half of FY2006	First half of FY2007	Comparison with previous year
Retail/Transportation	14,052	11,928	- 15.1%

**【Sales comparison with previous year】-15.1%**

### Our main products influenced business results

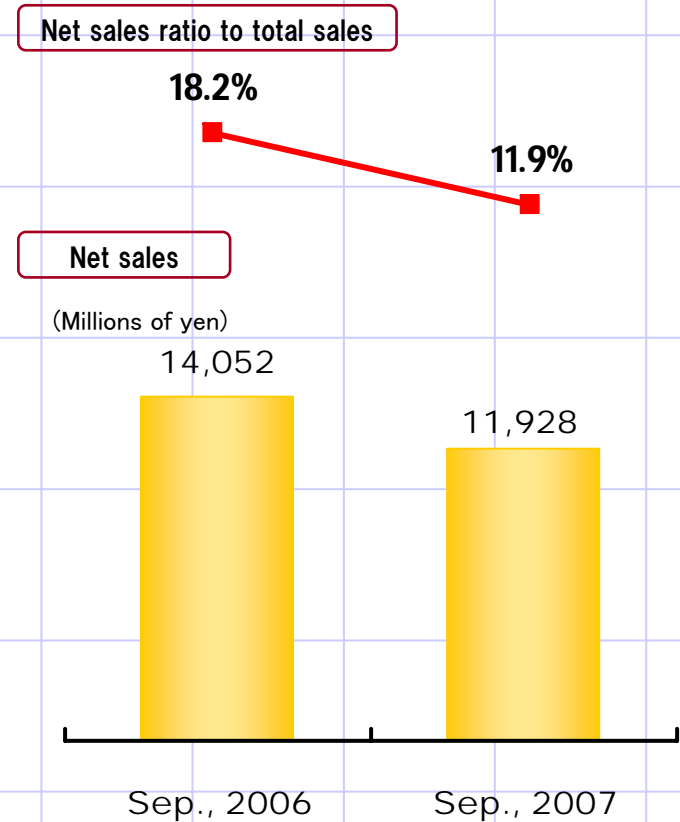
- ↑ Multi-functional banknote exchange machines “EN series”
- ↑ Small-sized automatic deposit machines “DS series”



**Multi-functional banknote exchange machines  
EN series**



**Small-sized automatic deposit machines  
DS series**



# 2-6) Vending machine market



## 2. Details of performance

### ● Slightly increased sales in cigarette vending machines

Sales of cigarette vending machines equipped with an adult identification function started officially in July, 2008 remained smoothly.

Remodeling operation started in October, 2006 also contributed to the sales.

**【Sales comparison with previous fiscal year】+75.2%**

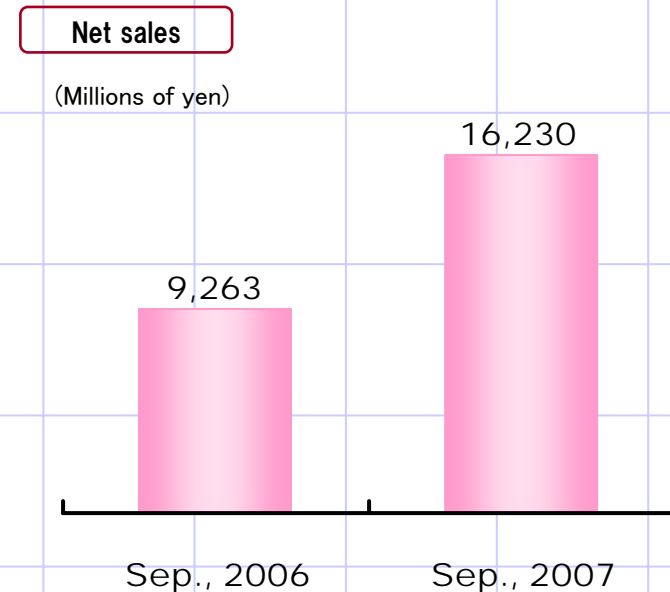
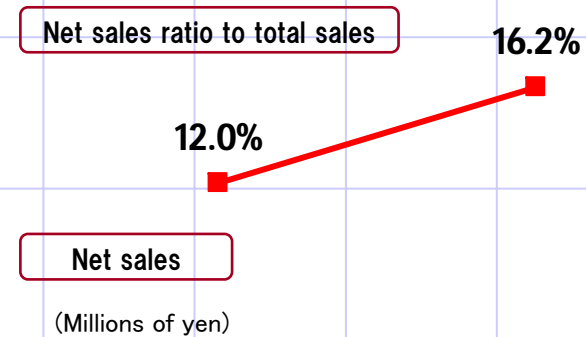
**Our main products influenced business results**

↑ Cigarette vending machines



Cigarette Vending machines  
TNR series

Market	First half of FY2006	First half of FY2007	Comparison with previous year
Vending machines	9,263	16,230	+75.2%





# 2-7) Amusement market

## 2. Details of performance

### ● Decline in capital investment due to industry-wide downturn

Under regulation revision of *pachinko* and *pachislo* machines, demand for peripheral equipments was low. Sales of card-related devices of NASCA remained smoothly.

The number of *pachinko* players decreases, and the market continues to shrink.

**【Sales comparison with previous year】-14.1%**

#### Our main products influenced business results

↑ Card system devices for *pachinko* parlors “NASCA G8”

↑ Banknote-carrier system



Card system devices for *pachinko* parlors  
NASCA G8



Banknote-carrier system

Market	First half of FY2006	First half of FY2007	Comparison with previous year
Amusement	14,080	12,094	- 14.1%

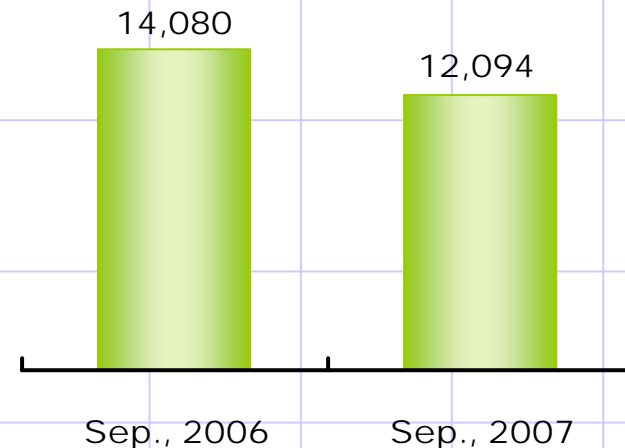
Net sales ratio to total sales

18.2%

12.1%

Net sales

(Millions of yen)



# 2-8) Other markets



## 2. Details of performance

### ● Enjoyed solid sales in election-related system

Demand for automatic contact machines and card-related devices were low. Products related to public offices market enjoyed solid sales because we certainly satisfied demand for the Upper House election with new version of ballot paper sorters.

**【Sales comparison with previous year】-18.5%**

#### Business results in main markets

- Automatic contact machines 【Composition with previous year】 -44.8%
- Card-related devices 【Composition with previous year】 +8.5%
- Hospital-related systems 【Composition with previous year】 -42.8%
- Election-related systems 【Composition with previous year】 +149.8%



**Ballot paper sorters  
GTS-series**

Market	First half of FY2006	First half of FY2007	Comparison with previous year
Other	6,091	4,965	- 18.5%

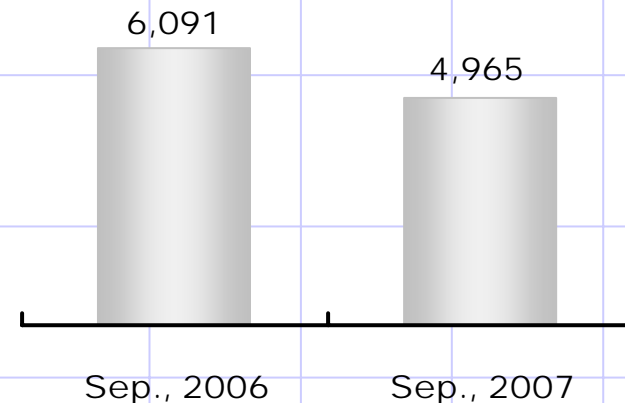
Net sales ratio to total sales

7.9%

4.9%

Net sales

(Millions of yen)



# 2-9) Maintenance sales



## 2. Details of performance

### ● Enjoyed solid sales in remodeling operation for an adult identification function

Sales remained smoothly because of remodeling operation to make cigarette vending machines equipped with an adult identification function and increasing sales of system devices for financial institutions.

**【Sales comparison with previous year】+34.0%**

#### Our main products influenced business results

↑ Remodeling operation of cigarette vending machines



Maintenance staff remodeling operation of cigarette vending machines

**【Remodeling operation of cigarette vending machines】**

- Results  
About 88,000 operations
- Target date for completion  
The end of March, 2008

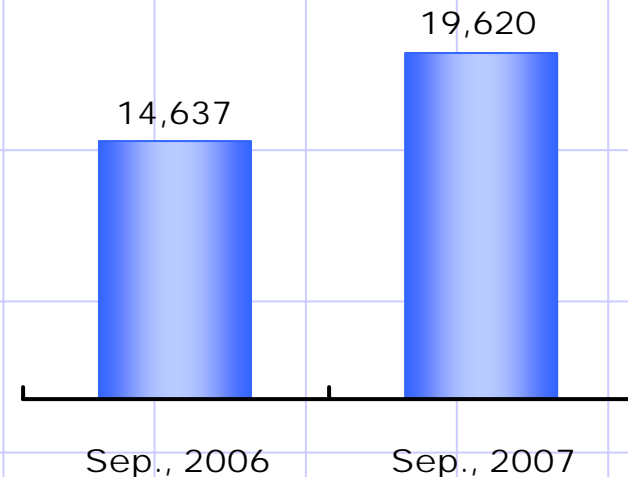
Market	First half of FY2006	First half of FY2007	Comparison with previous year
Maintenance sales	14,637	19,620	+34.0%

#### Net sales ratio to total sales



#### Net sales

(Millions of yen)



# 2-10) Statements of income

## 2. Details of performance

(Millions of yen)

(Millions of yen)	First half of FY2006	First half of FY2007	Changes
Net sales	77,327	100,351	23,023
Sales cost	51,485	63,335	11,849 ①
SG&A	20,524	22,162	1,638 ②
Operating profit	5,317	14,853	9,535
Other income	986	881	- 104
Other expenses	475	989	514 ③
Ordinary profit	5,828	14,745	8,916
Extraordinary profit	134	35	- 99
Extraordinary loss	378	442	63 ④
Income before income taxes and minority interests	5,583	14,337	8,753
Income taxes—deferred	1,844	5,491	3,646
Net income	3,752	8,712	4,960

① Sales cost ratio : Decreased as a result of the change of product and the activities for cost reduction in manufacturing and development stages

② SG&A ratio : Improved as a result of cost reduction

③ Other expense : ◇ Loss on disposal of discarded parts, etc.

④ Extraordinary loss : ◇ Loss on revaluation of investments in securities

◇ Loss on disposal of fixed asset such as equipment items, etc.

# 3-1) Business forecast

## 3. Business forecast for FY2007

### Sales

Increased over the previous year due to expansion of demand in financial institution market, overseas market, and vending machine market.

### Profit

Increased as a results of the change of product and activities for cost reduction and volume efficiency.

(Millions of yen)	FY2006	FY2007 (estimated)	Comparison with previous year
Net sales	164,539	185,000	+ 12.4%
Operating profit	12,960	18,000 ⇒ 21,000	+ 62.0%
Ordinary profit	13,406	18,000 ⇒ 21,000	+56.6%
Net income	6,461	12,000 ⇒ 13,000	+101.2%

# 3-2) Projected sales by market

## 3. Business forecast for FY2007

(Millions of yen)	FY2006		FY2007		
	Net sales	Sales composition ratio	Net sales	Sales composition ratio	Comparison with previous fiscal year
Financial institutions	51,826	31.5%	60,500	32.7%	+16.7%
Overseas	28,476	17.3%	35,500	19.2%	+24.7%
Retail/Transportation	26,577	16.1%	26,800	14.5%	0%
Vending machines	19,388	11.8%	27,600	14.9%	+42.4%
Amusement game	26,202	15.9%	24,600	13.3%	-6.1%
Other	12,090	7.3%	10,000	5.4%	-17.3%
<b>Total</b>	<b>164,539</b>	<b>100.0%</b>	<b>185,000</b>	<b>100.0%</b>	<b>+12.4%</b>

# 4 - 1 ) Activities

## 4. Approach to medium-term management plan

### ● Three strategies

Governance strategy	Strategy for efficiency		Strategy for growth	
Strengthening function as listed company	Rationalization of common functions	Improvement of business structure	Development of new business	Introducing company system
Building of governance structure	Head office reform	Development structure innovation	Biometrics	Financial business systems
Brand strategy	Rationalization of all indirect departments	Production innovation	Cashier's operation contracting business	International operations & OEM
Personnel-system reform		Marketing innovation	Card & network business	Retail & media industries systems
System integration			Print verification business	Vending machines & amusement systems
Building of operational accounting system				Maintenance Div.

**Improvement of corporate-value by integration  
“Realization of effect of merger”**

# 4-2) Review of progress

## 4. Approach to medium-term management plan

### ● Progress and results by strategy

#### Governance strategy

- Building of governance structure
- System integration of 2 companies
- Other

Managing supervision

Strategy formulation and decision-making

Business operation

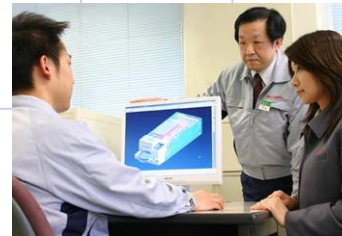
Independency of governance functions



Brand strategy  
(Penetration of corporate logo)

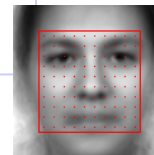
#### Strategy for efficiency

- Improvement of business structure (Development·production·marketing)
- Rationalization of common functions
- Other



#### Strategy for growth

- Improving of response capabilities to operations by introducing company system
- Development of new business and products (in non-cash business)



Biometrics



Card & network business



Print verification system

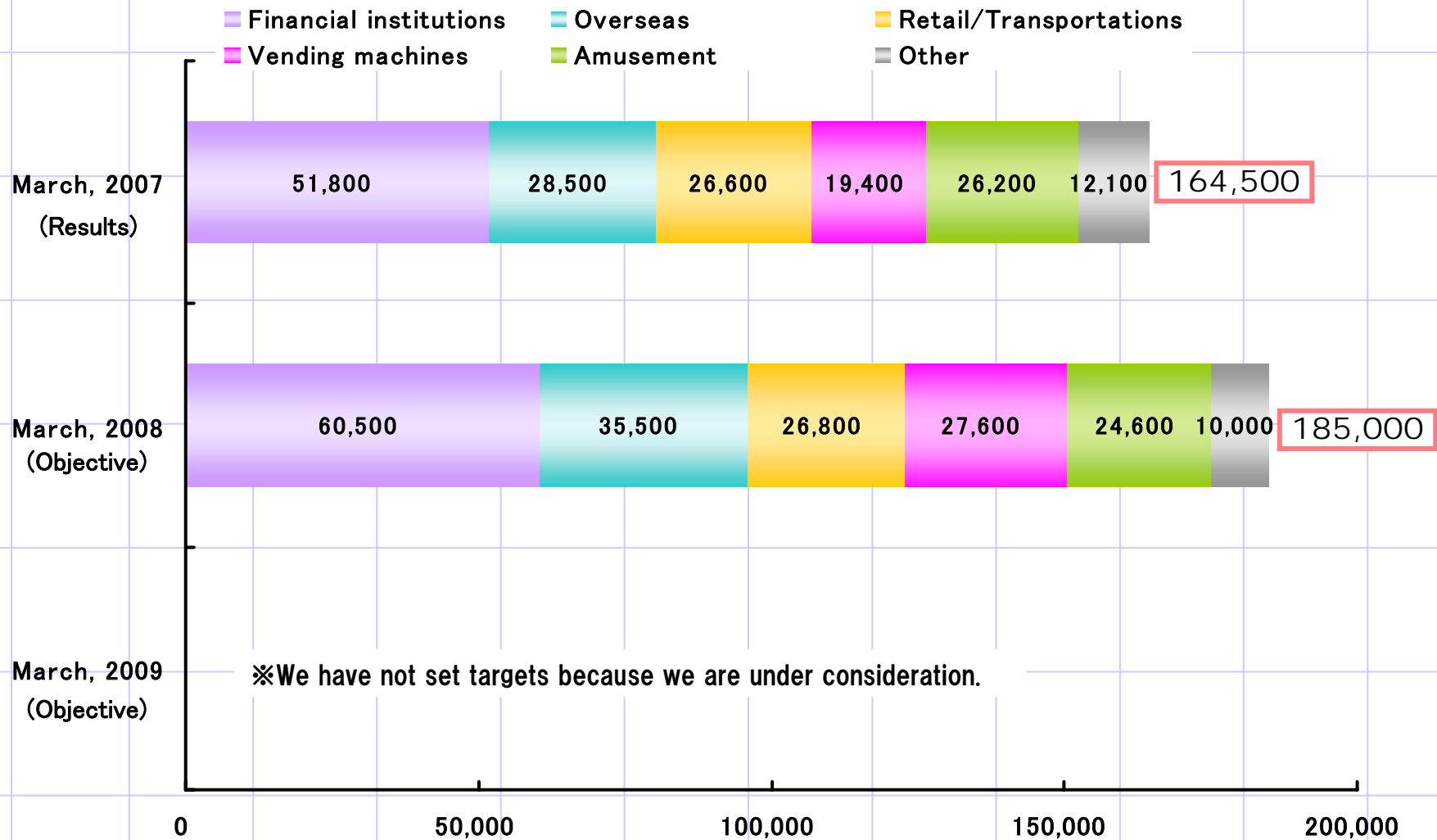


# 4 - 3 ) Medium-term profit objective



## 4. Approach to medium-term management plan

Net sales by market



0 50,000 100,000 150,000 200,000

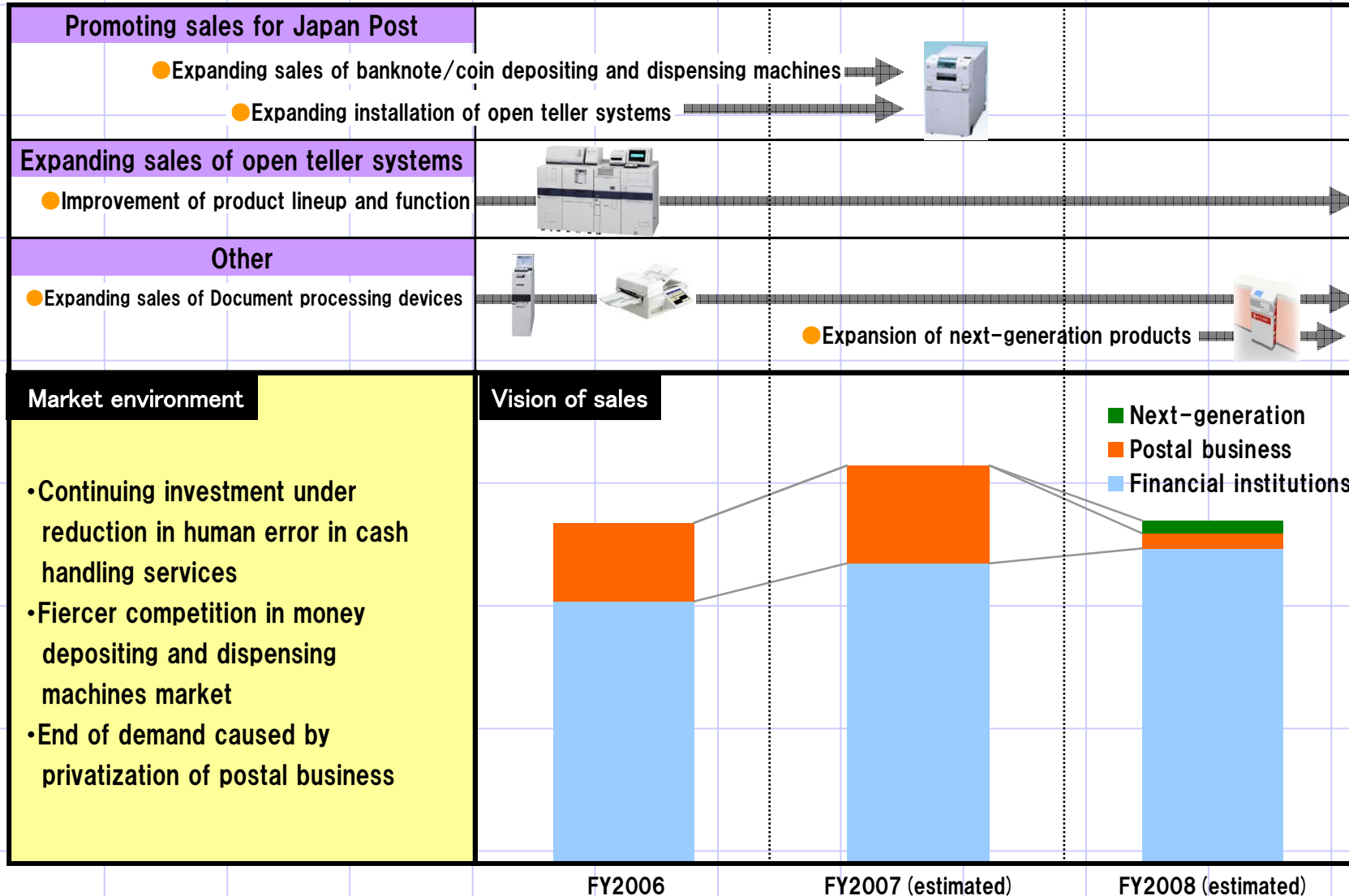
(Millions of yen)

# 4-4) Financial institution market



## 4. Approach to medium-term management plan

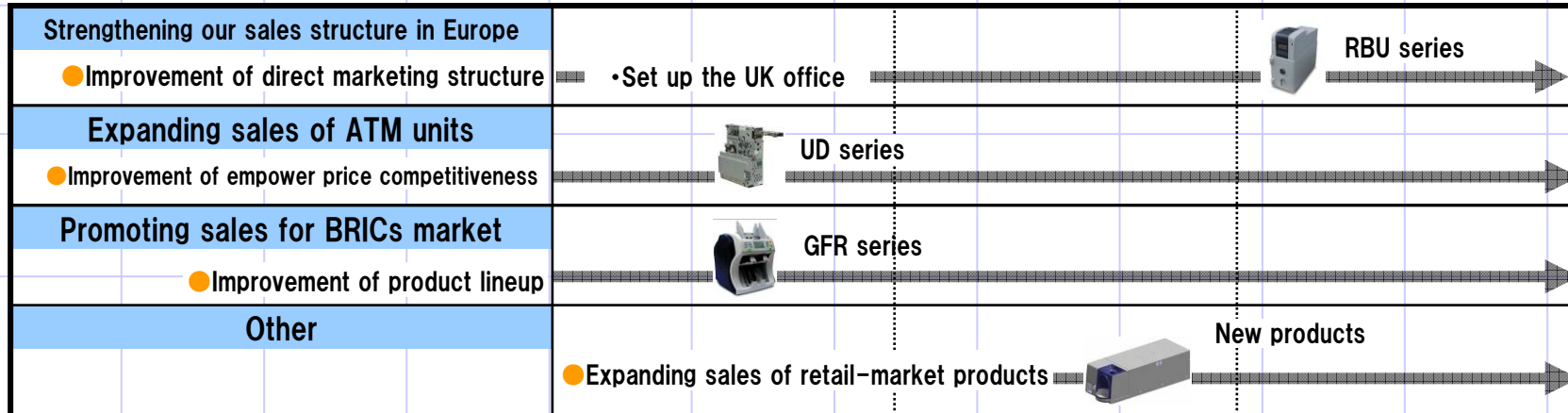
### ● Increasing our market share due to expansion of business opportunity



# 4-5) Overseas market

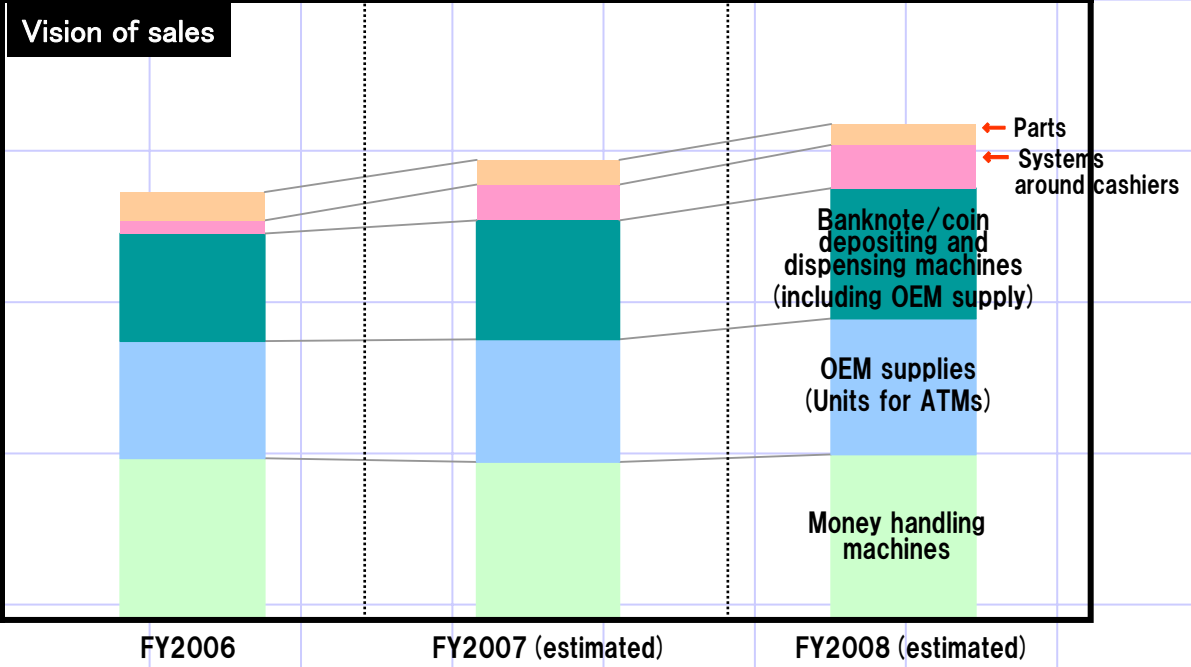
## 4. Approach to medium-term management plan

### ● Market development and sales promotion



**Market environment**

- Demand for promoting accuracy and efficiency in cash management by Basel II
- Instruction from central bank to commercial banks to detect unfit banknotes from banknote in circulation
- Increase of counterfeit money and issuance of new banknotes in many countries
- Growing needs of systems which contribute to rationalization in retail market

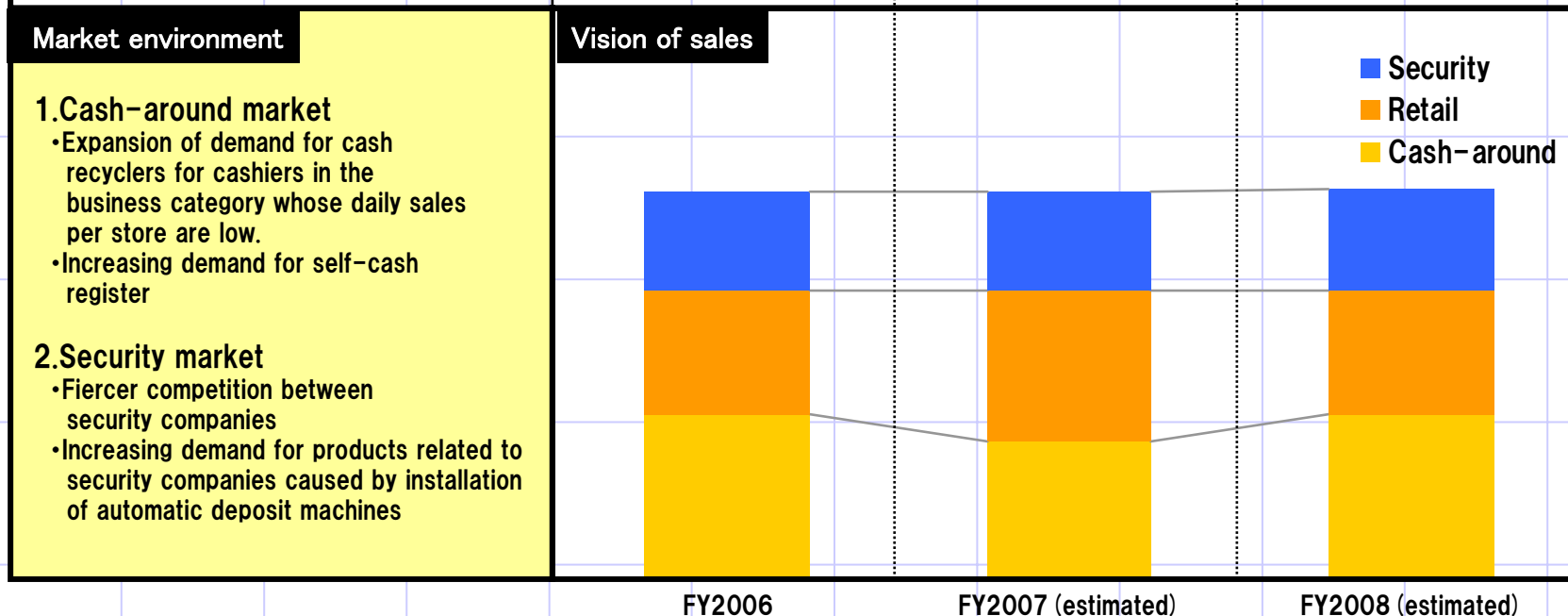
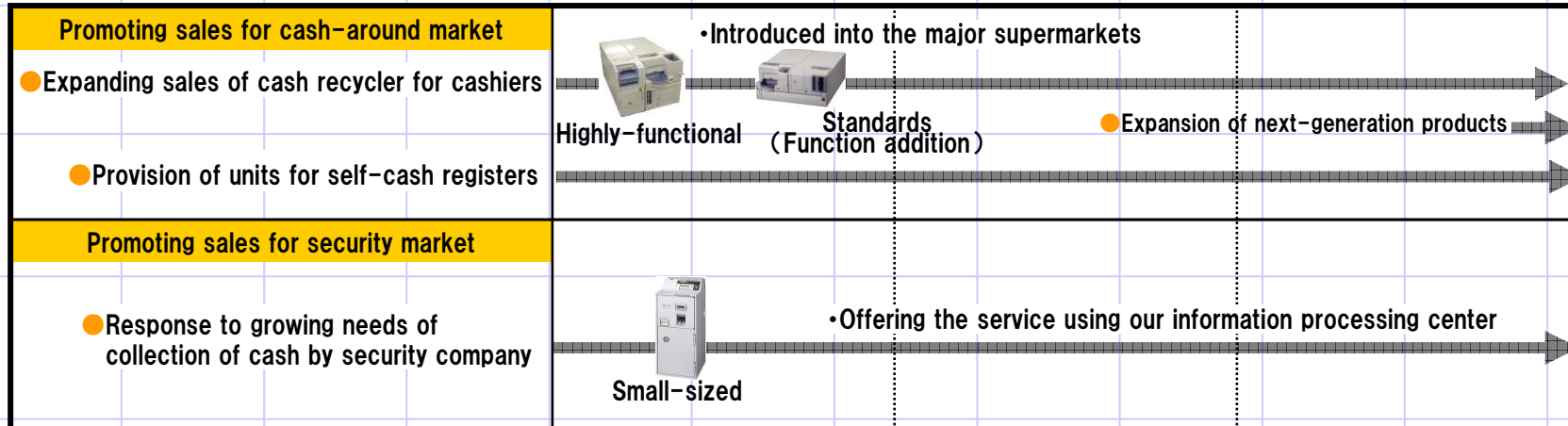


# 4-6) Retail/Transportation market



## 4. Approach to medium-term management plan

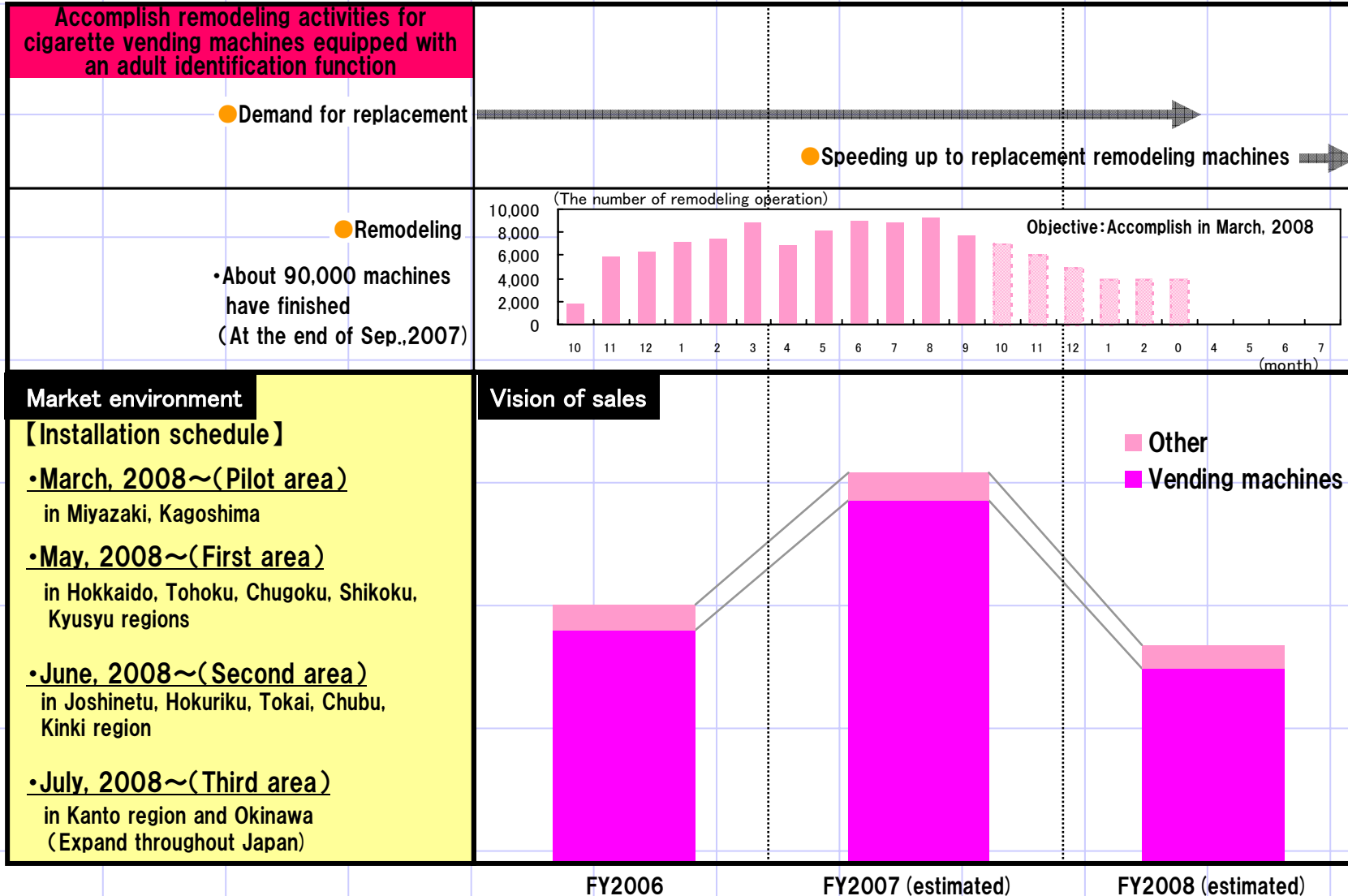
### Promoting sales for cash-around market and security service market



# 4-7) Vending machine market

## 4. Approach to medium-term management plan

### ● Cigarette vending machines equipped with an adult identification function

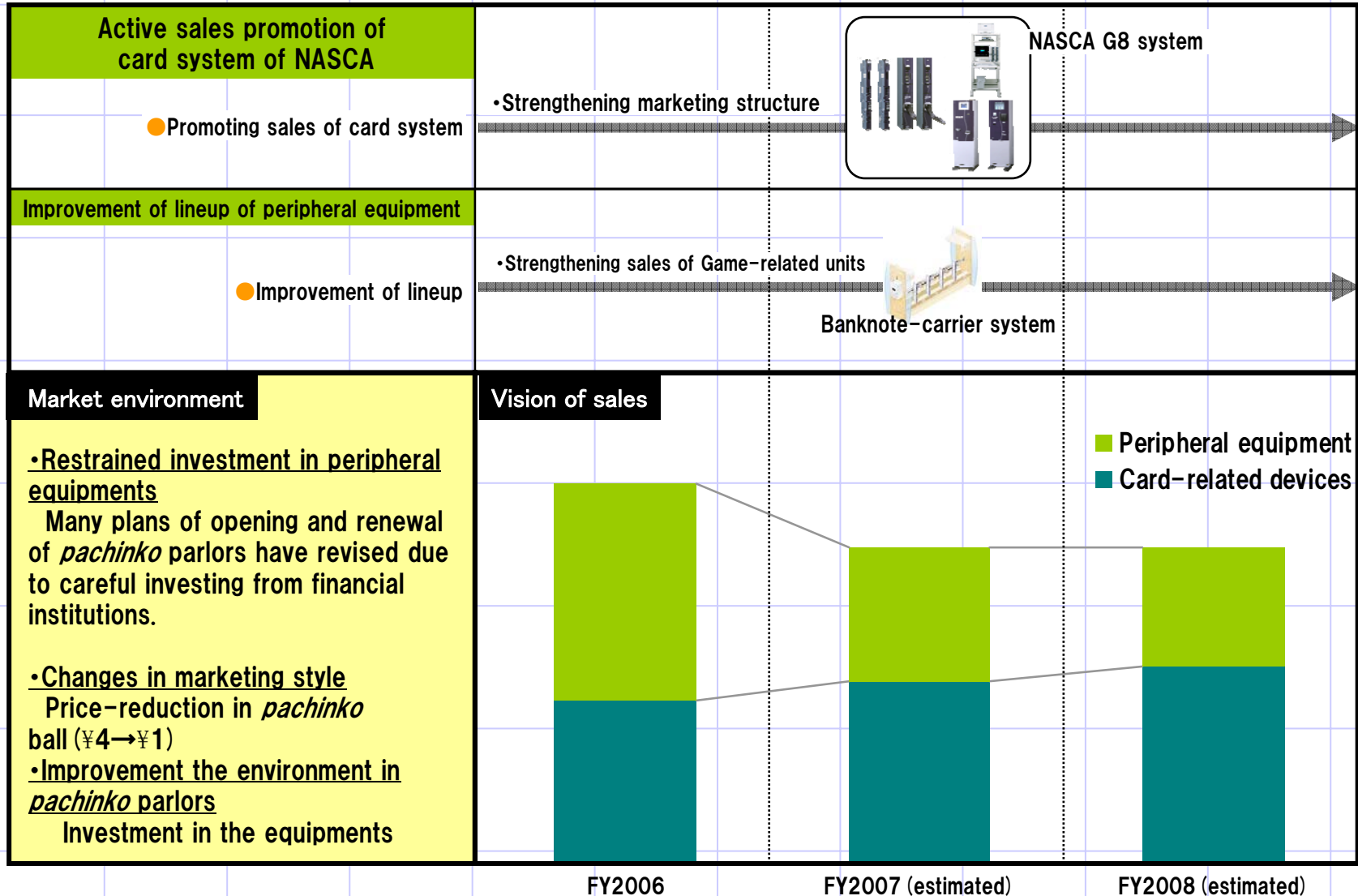


# 4-8) Amusement market



## 4. Approach to medium-term management plan

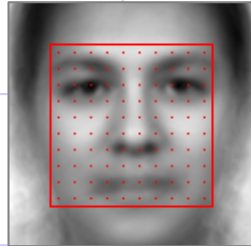
### ● Expanding sales of card system devices



# 4 - 9 ) New business

## 4. Approach to medium-term management plan

### ● Developing new business



Biometrics

Advanced to commercialization of product



Planning to do business with partners in security-related fields

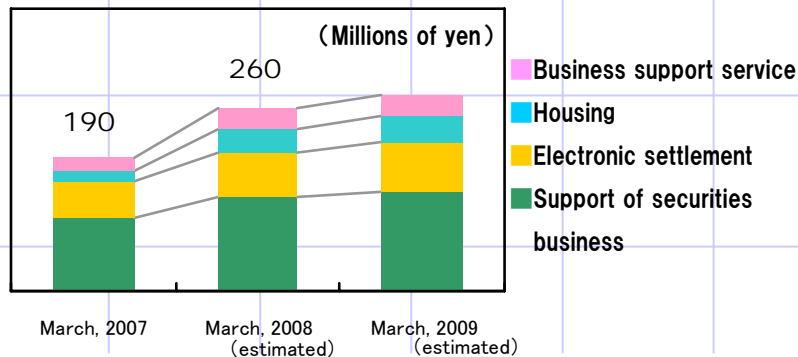
Expanding business in 5 shopping malls



Cashier's operation contracting business



Card & network business



Print verification system

- Developing market
- Introduced into the first user in May, 2007

# 5-1) Return to shareholders

## 5. Other information

### ● Revision of projected dividends for FY2007

#### Our dividend policy

We return profits by taking into account the change in the consolidated operational results and other factors, in addition to stable dividend on the basis of equity capital.

We would appreciate shareholders' understanding and support taking into account the consolidated operational results for FY2007.

#### Dividends per share

	Interim	Year-end	Annual
FY2006	¥11	¥19 Ordinary dividend ¥17 Extraordinary dividend ¥2	¥30 Ordinary dividend ¥28 Extraordinary ¥2
FY2007	¥14	¥14	¥28



# 5-2) Capital policies

## 5. Other information

### ● Cancellation of shares

•Objective	We repurchased shares based on cancellation in order to implement flexible capital policies and to return to shareholders.
•Period to repurchase	May 18, 2007 through August 16, 2007(42 days)
•Type of shares to be repurchased	Common stocks
•Total number of shares to be repurchased	About 1,398,000 shares (1.88% of number of shares issued)
•Type of shares for cancellation	Common stocks
•Number of shares for cancellation	About 1,398,000 shares (1.88% of number of shares issued)
•Date of cancellation	November 9, 2007
•Total number of shares outstanding after cancellation	72,838,210 shares