

Consolidated Financial Results

for the Nine Months Ended December 31, 2013

1 Consolidated Financial Results

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Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.

[Notes to financial forecasts]

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to the company and certain assumptions which the company regards as legitimate, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors. The factors includes changes in the economic conditions in the company's principal markets, changes in demand for the company's products, fluctuations of exchange rates, and impacts of changes in various regulations, accounting principles and practices. Please also take note that forecasts in this document may change without prior notice unless required by laws.

Net sales

Sales were higher than FY2012 because of significant sales growth in overseas market thanks to inclusion of Talaris Group's sales from Q1 and the steady sales in retail and transportation market.

Income

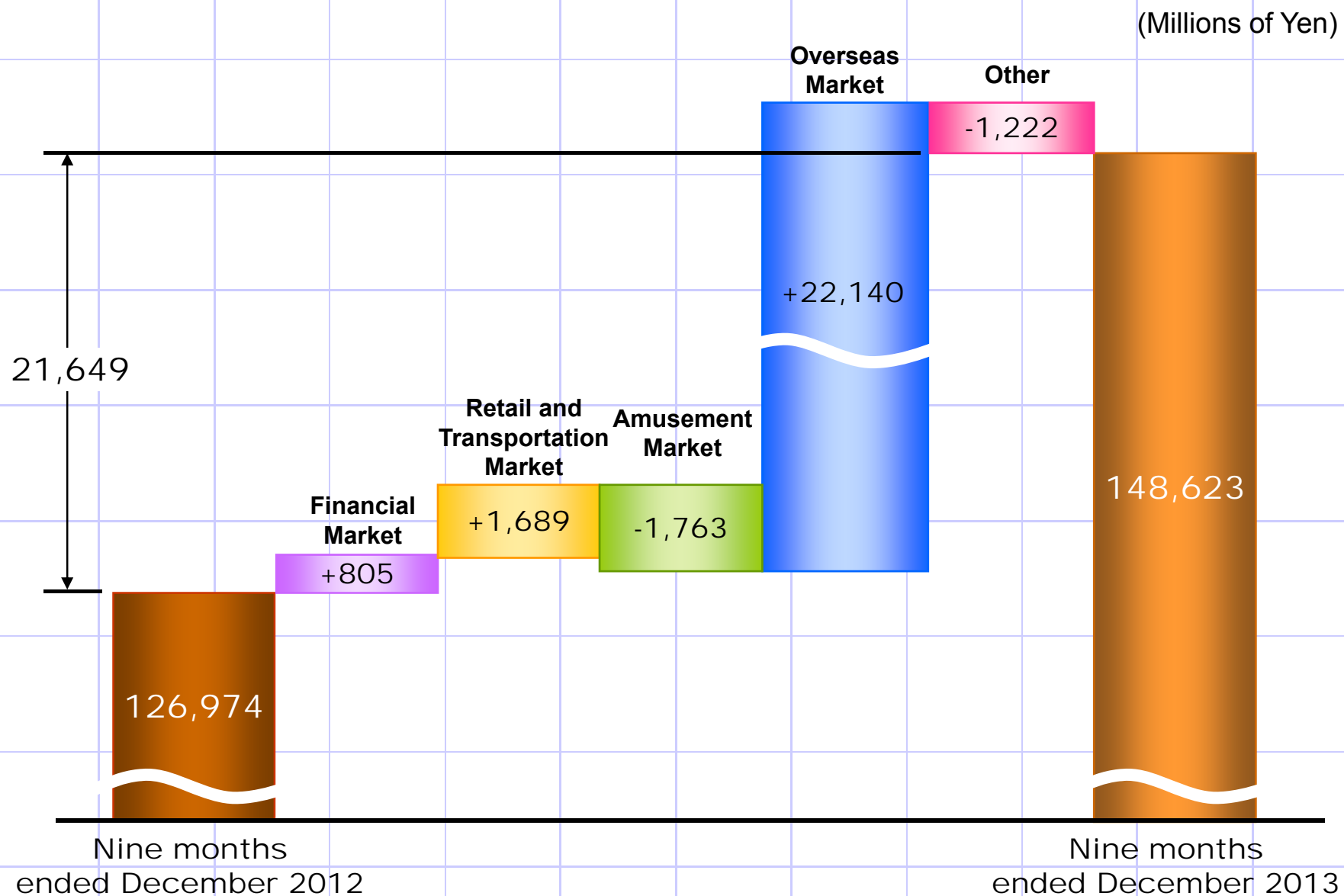
Income increased due to higher sales of main products in Japan and cost-reduction measures involving overseas production and procurement and other measures.

(Millions of yen)	Nine months ended December 2012		Nine months ended December 2013		Year-on-year comparison
		Ratio		Ratio	
Net sales	126,974	100.0%	148,623	100.0%	+17.0%
Maintenance service	35,575	28.0%	47,745	32.1%	+34.2%
Operating income	8,571	6.8%	8,894	6.0%	+3.8%
Ordinary income	9,208	7.3%	12,187	8.2%	+32.4%
Net income	4,971	3.9%	5,473	3.7%	+10.1%
*EBITDA	17,508	13.8%	19,847	13.4%	+13.4%

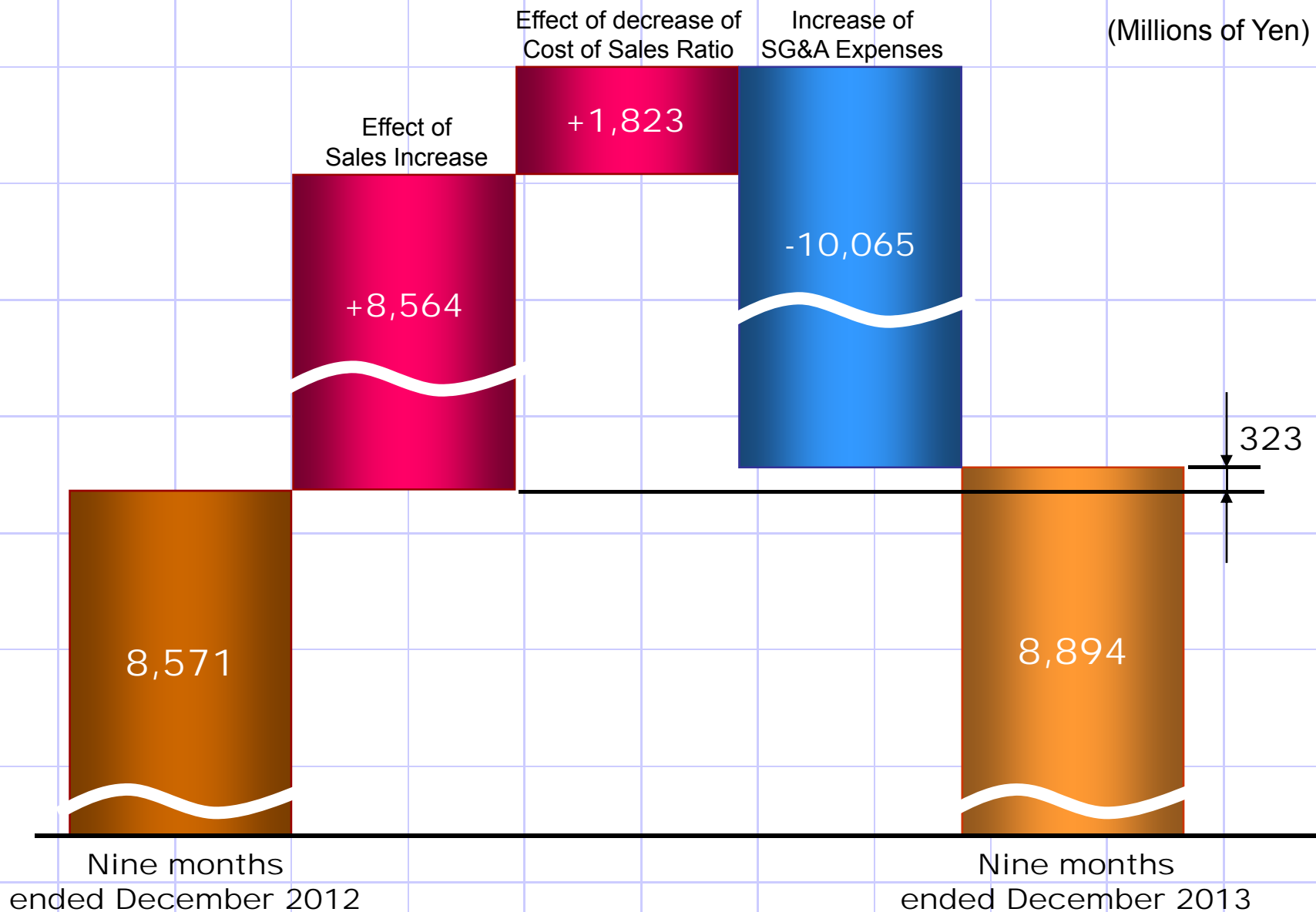
*EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

Exchange rates used for nine months ended December 2013 : US\$1 = ¥105 €1 = ¥132 £1 = ¥174






Factors of Net Sales Change



Factors of Operating Income Change



(Millions of Yen)

Business Segments	Sales			Operating Income		
	Nine months ended December 2012	Nine months ended December 2013	Year-on-Year comparison	Nine months ended December 2012	Nine months ended December 2013	Year-on-Year comparison
 Financial Market	30,338	31,143	+805 (+2.7%)	2,450	2,087	- 363 (-14.8%)
 Retail & Transportation Market	20,729	22,418	+1,689 (+8.1%)	2,186	2,653	+467 (+21.4%)
 Amusement Market	19,736	17,973	- 1,763 (- 8.9%)	1,491	1,627	+136 (+9.1%)
 Overseas Market	45,307	67,447	+22,140 (+48.9%)	2,355	2,929	+574 (+24.4%)
 Others	10,862	9,640	- 1,222 (- 11.3%)	88	- 403	- 491 (- %)
Total	126,974	148,623	+21,649 (+17.0%)	8,571	8,894	+323 (+3.8%)

Favorable sales of coin and banknote recyclers for tellers

(Millions of yen)

Sales of our main product “open teller systems” were steady for both conventional models and compact models for small- and medium-sized financial outlets. Sales of “coin and banknote recyclers” for tellers were favorable due to our capturing of replacement demand.

Outline of the Segment

Sales and maintenance services to financial institutions, OEM clients and others in domestic market of Japan.

Main Products



Open teller systems
<WAVE series>



Coin and banknote
recyclers for tellers
<RB series>



Multi-functional
banknote changers
<EN series>

	Nine months ended December 2012	Nine months ended December 2013	Y-on-Y
Sales	30,338	31,143	+805 (+2.7%)
Ratio to total net sales	23.9%	21.0%	- 2.9%
Operating income	2,450	2,087	- 363 (- 14.8%)
Ratio to total operating income	28.6%	23.5%	- 5.1%
Operating margin	8.1%	6.7%	- 1.4%

Higher sales of multi-functional banknote changers and sales proceeds deposit machines

(Millions of yen)

Sales of “coin and banknote recyclers” for cashiers, the main product in this segment, were at a similar level to the previous year but sales of “banknote changers” to the retail market and “sales proceeds deposit machines” to the cash-in-transit market were strong.

Outline of the Segment

Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies and others in domestic market of Japan.

Main Products



Coin and banknote recyclers for cashiers <RT / RAD series>



Sales proceeds deposit machines <DS / DSS series>



Multi-functional cash management stations <DSR series>

	Nine months ended December 2012	Nine months ended December 2013	Y-on-Y
Sales	20,729	22,418	+1,689 (+8.1%)
Ratio to total net sales	16.3%	15.1%	- 1.2%
Operating income	2,186	2,653	+467 (+21.4%)
Ratio to total operating income	25.5%	29.8%	+4.3%
Operating margin	10.5%	11.8%	+1.3%

Sales of card systems declined

(Millions of yen)

Sales of main products such as “card systems” were sluggish, mainly reflecting declining popularity of pachislot in Japan.

Outline of the Segment

Sales and maintenance services to amusement halls (pachinko parlors) and others in domestic market of Japan.

Main Products

Card systems



Management terminals



Pachinko ball counters



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines <JK series>

	Nine months ended December 2012	Nine months ended December 2013	Y-on-Y
Sales	19,736	17,973	- 1,763 (- 8.9%)
Ratio to total net sales	15.5%	12.1%	- 3.4%
Operating income	1,491	1,627	+136 (+9.1%)
Ratio to total operating income	17.4%	18.3%	+0.9%
Operating margin	7.6%	9.1%	+1.5%

Big increase in sales due to addition of the Talaris Group's Sales

(Millions of yen)

Although sales of “banknote deposit units” for ATMs, which are OEM products, were sluggish, sales of “banknote sorters” in China and other emerging countries were strong. Furthermore, sales in the nine months ended December 31, 2013, benefitted not only from the addition of the Talaris Group's sales but also the effects of yen depreciation.

Outline of the Segment

Sales and maintenance services to financial institutions, cash-in-transit companies, casinos, OEM clients and others in the overseas market.

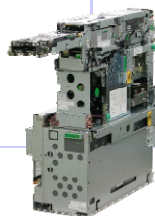
Main Products



Banknote recyclers for tellers <RBG series>



Banknote sorters <UW series>



Banknote deposit units for ATMs <UD series>

	Nine months ended December 2012	Nine months ended December 2013	Y-on-Y
Sales	45,307	67,447	+22,140 (+48.9%)
Ratio to total net sales	35.7%	45.4%	+9.7%
Operating income	2,355	2,929	+574 (+24.4%)
Ratio to total operating income	27.5%	32.9%	+5.4%
Operating margin	5.2%	4.3%	- 0.9%

*The Talaris Group was consolidated from the second quarter of the fiscal year ended March 31, 2013.

(Millions of yen)

Sales by overseas geographical segment	Nine months ended December 2012 (Q1-Q3)	Nine months ended December 2013 (Q1-Q3)	Year-on-Year Comparison	Three months ended December 2012 (Q3)	Three months ended December 2013 (Q3)	Year-on-Year Comparison
Americas	13,109	19,075	+5,966	6,516	8,688	+2,172
Europe	17,228	29,585	+12,357	7,772	10,642	+2,870
Asia	6,384	10,591	+4,207	3,080	4,325	+1,245
China	2,608	5,633	+3,025	1,248	2,474	+1,226
OEM	8,585	8,194	- 391	2,546	3,019	+473
Total	45,307	67,447	+22,140	19,914	26,675	+6,761

Sales of cigarette vending machines decreased

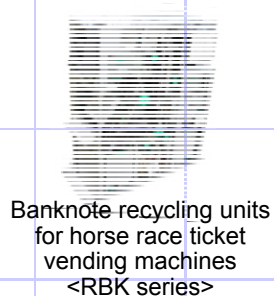
(Millions of yen)

Sales of ticket vending machines were favorable, while sales of cigarette vending machines were sluggish.

Outline of the Segment

Sales and maintenance for tobacco kiosks, tobacco companies, hospitals, government offices and others in domestic market of Japan.

Main Products



	Nine months ended December 2012	Nine months ended December 2013	Y-on-Y
Sales	10,862	9,640	- 1,222 (- 11.3%)
Ratio to total net sales	8.6%	6.5%	- 2.1%
Operating income	88	- 403	- 491 (-)
Ratio to total operating income	1.0%	-	-
Operating margin	0.8%	-	-

Capital Expenditures and Other Expenses



(Millions of yen)

	Nine months ended December 2012	Nine months ended December 2013	Year-on-Year	Last six quarters
Capital Expenditures	5,829 	4,691 	- 1,138 (- 19.5%)	
Depreciation & Amortization	6,339 	7,020 	+681 (+10.7%)	
R&D Investment	8,333 	9,847 	+1,514 (+18.2%)	

2 Detail of Performance

Consolidated Statements of Income and Comprehensive Income



(Millions of Yen)

	Nine months ended December 2012	Ratio	Nine months ended December 2013	Ratio	Increase/Decrease
Net sales	126,974	100.0	148,623	100.0	+21,649
Cost of sales	76,744	60.4	88,005	59.2	+11,261
SG&A expenses	41,658	32.8	51,723	34.8	+10,065
Operating income	8,571	6.8	8,894	6.0	+323
Non-operating income	1,633	1.3	4,149	2.8	+2,516
Non-operating expenses	997	0.8	856	0.6	- 141
Ordinary income	9,208	7.3	12,187	8.2	+2,979
Extraordinary income	9	0.0	11	0.0	+2
Extraordinary loss	249	0.2	1,315	0.9	+1,066
Income before income taxes and minority interests	8,968	7.1	10,883	7.3	+1,915
Income taxes and Minority interests	3,996	3.1	5,409	3.6	+1,413
Net income	4,971	3.9	5,473	3.7	+502
Income before minority interests	5,287	4.2	5,987	4.0	+700
Total other comprehensive income	7,315	5.8	15,509	10.4	+8,194
Comprehensive income	12,602	9.9	21,496	14.5	+8,894

*1 SG&A expenses : Includes goodwill amortization associated with the Talaris acquisition

*2 Non-operating expenses : Includes foreign exchange gains (¥3,177 million)

*3 Extraordinary loss : Includes loss of ¥1,198 million for restructuring of overseas subsidiaries

Net sales

Forecast higher sales because of overseas market expansion and deeper penetration in the Japanese market.

Income

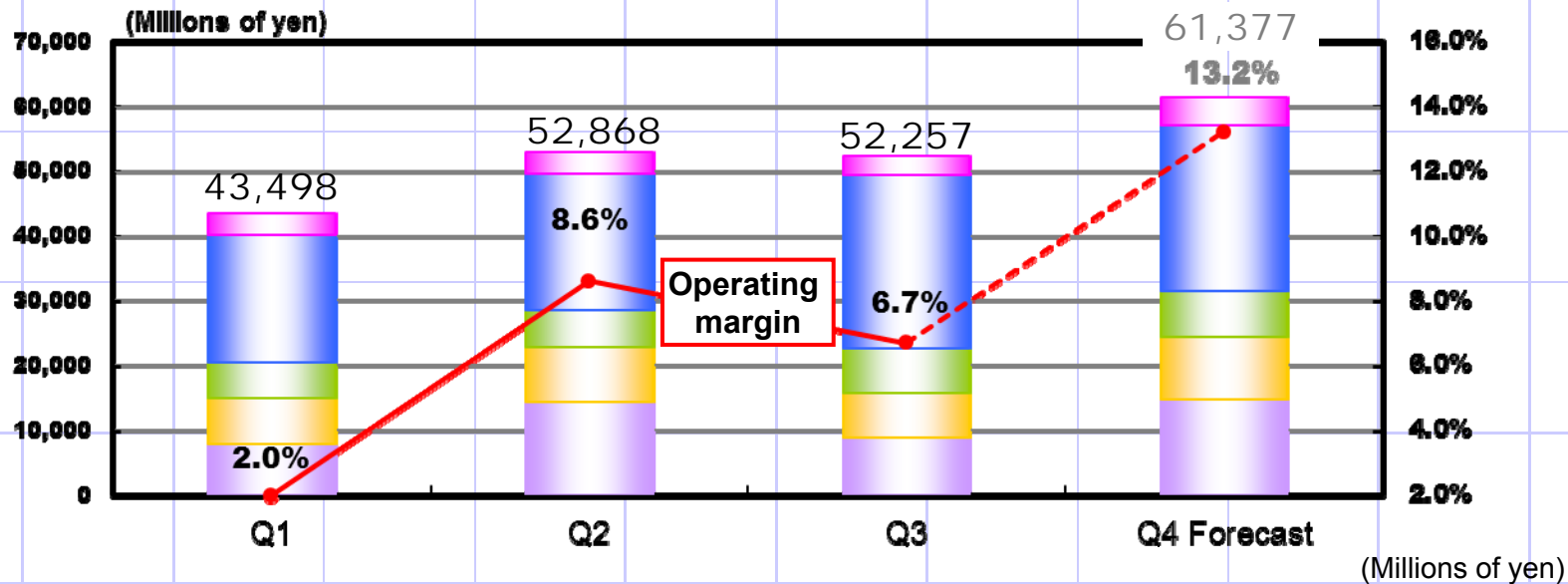
Forecast higher income because of growth in overseas sales and the benefits of cost-reduction measures.

(Millions of yen)	FY2012 results		FY2013 forecast		Year-on-year comparison
		Ratio		Ratio	
Net sales	190,938	100.0%	210,000	100.0%	+10.0%
<div style="border: 1px dashed black; padding: 2px;">Maintenance service</div>	50,766	26.6%	59,000	28.1%	+16.2%
Operating income	14,458	7.6%	17,000	8.1%	+17.6%
Ordinary income	13,695	7.2%	17,000	8.1%	+24.1%
Net income	6,873	3.6%	8,500	4.0%	+23.7%

Exchange rate assumptions for FY2013 H2 forecast: US\$1 = ¥100 €1 = ¥130 £1 = ¥150

(Millions of Yen)	FY2013					
	Six months ended December 2013 (1H)		Six months ending December 2014 (2H)		FY2013 forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Financial Market	22,279	1,872	23,721	2,728 2,528	46,000	4,600 4,400
Retail & Transportation Market	15,536	1,966	16,464 15,964	2,034 1,834	32,000 31,500	4,000 3,800
Amusement Market	11,069	817	13,931	1,283	25,000	2,100
Overseas Market	40,772	984	52,228 53,728	5,416 6,016	93,000 94,500	6,400 7,000
Others	6,707	- 249	7,293 6,293	149 - 51	14,000 13,000	- 100 - 300
Total	96,366	5,391	113,634	11,609	210,000	17,000

Upper row: the forecasts announced on November 6.
 Lower row: the revised forecasts announced on February 5.



FY2013	Q1	Q2	Q3	Q4(forecast)	Full year (forecast)
Financial Market	7,858 - 76	14,421 1,948	8,864 215	14,857 2,313	46,000 4,400
Retail & Transportation Market	7,197 951	8,339 1,015	6,882 687	9,082 1,147	31,500 3,800
Amusement Market	5,364 444	5,705 373	6,904 810	7,027 473	25,000 2,100
Overseas Market	19,700 - 170	21,072 1,154	26,675 1,945	27,053 4,071	94,500 7,000
Others	3,376 - 293	3,331 44	2,933 - 154	3,360 103	13,000 - 300
Total	43,498 854	52,868 4,537	52,257 3,503	61,377 8,106	210,000 17,000

※Lower row shows operating income