

# Consolidated Financial Results for the Nine Months ended December 31, 2015

## 1 Consolidated Financial Results

1) Performance Overview (Y-on-Y)	P 2
2) Factors of Net Sales Change	P 3
3) Factors of Operating Income Change	P 4

## 2 Details of Performance

1) Sales & Operating Income by Business Segment (Y-on-Y)	P 5
2) Capital Expenditures, etc.	P 12
3) Consolidated Statements of Income	P 13
4) Consolidated Balance Sheets	P 14

## 3 Financial Forecast for FY2015

1) Financial Forecast for FY2015	P 15
2) Sales & Operating Income by Business Segment	P 16
2) Sales & Operating Income by Business Segment (Quarterly)	P 17
3) Sales by Geographical Segment of Overseas Market	P 18
4) Capital Expenditures, etc.	P 19



### Notes:

- Revenue and expense accounts of consolidated foreign subsidiaries were previously translated into Japanese yen at the "current exchange rate" prevailing as of the respective balance sheet date. From the first quarter of FY2015, the translation method were changed to one using the "average exchange rate", which change has been applied retrospectively. Therefore, in this material, the financial figures for FY2014 are based on the "average exchange rate".
- From the first quarter of FY2015, "Net income" is presented as "Net income attributable to owners of parent".
- Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.
- 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

Overall sales were higher than one year earlier, thanks to higher sales in Overseas Market, Financial Market and Retail & Transportation Market.

Operating  
income

Operating income increased year-on-year, driven by sales increase in Financial Market and Retail & Transportation Market.

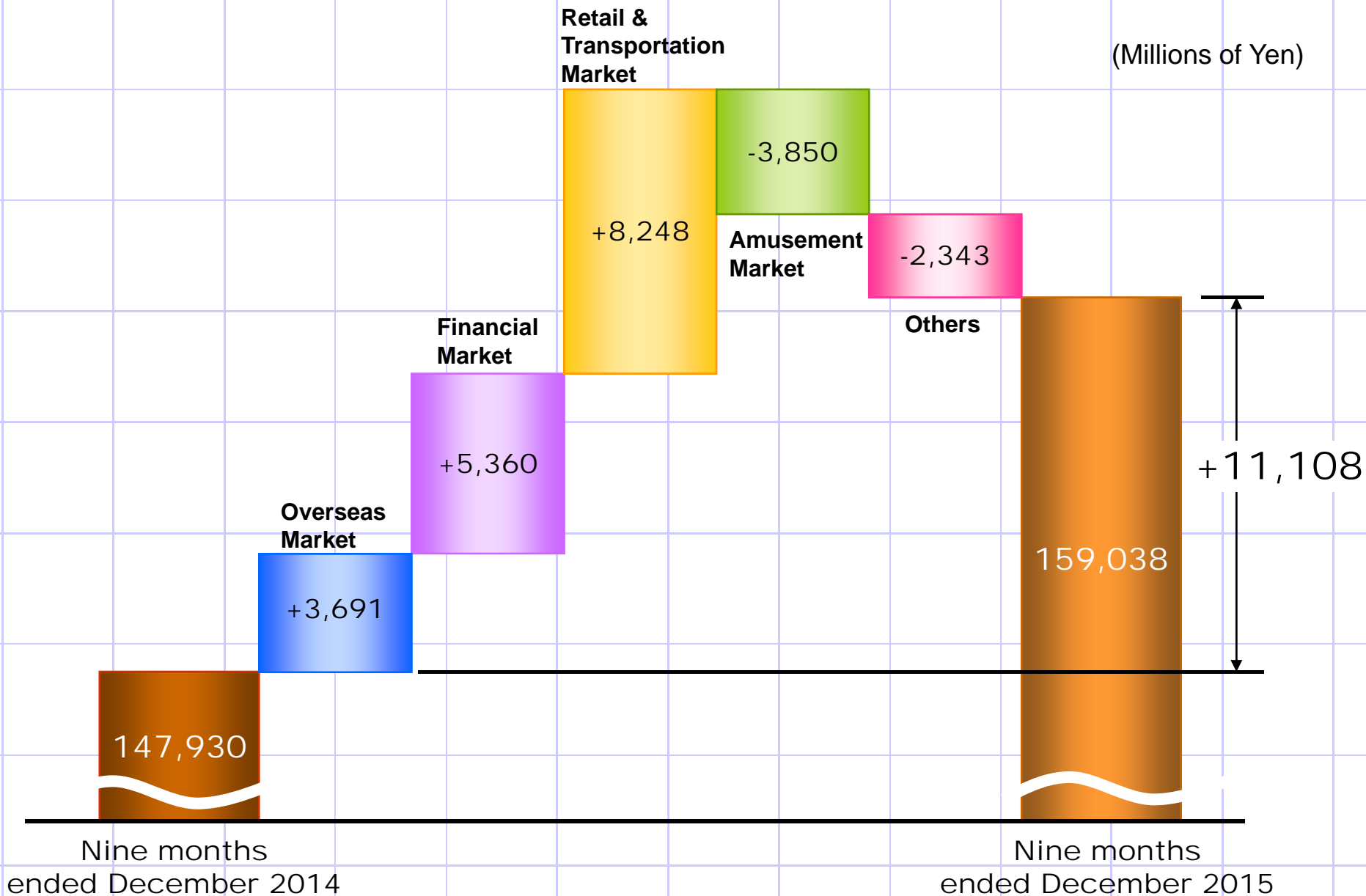
(Millions of yen)	FY2014		FY2015		Y-on-Y
	Nine months ended December 31, 2014	Ratio	Nine months ended December 31, 2015	Ratio	
Net Sales	147,930	100.0%	159,038	100.0%	+7.5%
Maintenance Services	46,786	31.6%	48,987	30.8%	+4.7%
Operating Income	8,010	5.4%	11,072	7.0%	+38.2%
Ordinary Income	11,354	7.7%	10,665	6.7%	-6.1%
Net Income Attributable to Owners of Parent	6,823	4.6%	4,911	3.1%	-28.0%
EBITDA*	19,368	13.1%	22,721	14.3%	+17.3%

Exchange rate	US\$	¥ 107	¥ 122
	Euro	¥ 140	¥ 135
	GBP	¥ 176	¥ 187

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

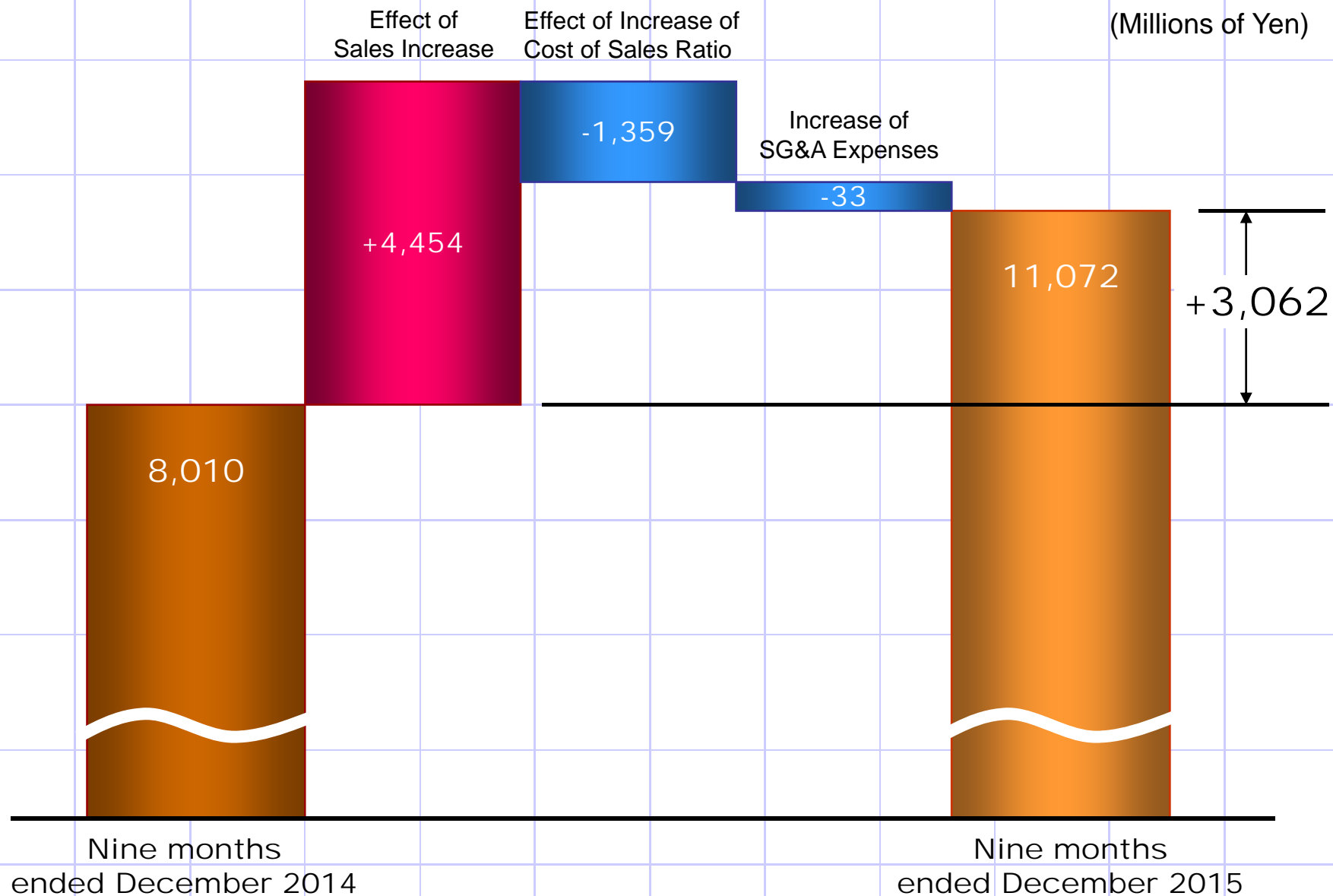
# Factors of Net Sales Change






(Millions of Yen)



# Factors of Operating Income Change

(Millions of Yen)



(Millions of yen)	Sales			Operating Income		
	Nine months ended Dec. 31,2014	Nine months ended Dec. 31,2015	Y-on-Y	Nine months ended Dec. 31,2014	Nine months ended Dec. 31,2015	Y-on-Y
 Overseas Market	68,411	72,102	+3,691 +5.4 %	2,819	2,580	-239 -8.5 %
 Financial Market	29,400	34,760	+5,360 +18.2 %	1,465	4,259	+2,794 +190.7 %
 Retail & Transportation Market	20,302	28,550	+8,248 +40.6 %	1,465	3,117	+1,652 +112.8 %
 Amusement Market	20,104	16,254	-3,850 -19.2 %	2,360	1,208	-1,152 -48.8 %
 Others	9,712	7,369	-2,343 -24.1 %	-100	-93	+7 - %
<b>Total</b>	<b>147,930</b>	<b>159,038</b>	<b>+11,108</b> <b>+7.5 %</b>	<b>8,010</b>	<b>11,072</b>	<b>+3,062</b> <b>+38.2 %</b>

## Strong sales of banknote recyclers

(Millions of Yen)

Although sales of “banknote sorters” were slow in Europe and Asia, sales of this segment’s main product, “banknote recyclers,” were strong in the Americas and Europe. Moreover, sales of “coin and banknote recyclers” for the retail market were strong in Europe. Therefore, sales for the market overall were steady.

### Outline of the Segment

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

### Main Products



Banknote recyclers for tellers <RBG series>



Banknote sorters <UW series>



Cash recycling systems <CI-100 series>

	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Y-on-Y
Sales	68,411	72,102	+3,691 +5.4 %
Ratio to total net sales	46.2%	45.3%	-0.9 pt
Operating income	2,819	2,580	-239 -8.5 %
Ratio to total operating income	35.2%	23.3%	-11.9 pt
Operating margin	4.1%	3.6%	-0.5 pt

(Millions of yen)	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Y-on-Y
Americas	21,841	25,836	+3,995 +18.3 %
Europe	27,549	30,940	+3,391 +12.3 %
Asia	13,895	9,360	-4,535 -32.6 %
China	6,048	4,211	-1,837 -30.4 %
Total direct sales	63,286	66,137	+2,851 +4.5 %
OEM	5,124	5,965	+841 +16.4 %
Total overseas sales	68,411	72,102	+3,691 +5.4 %

## Robust sales of mainstay products

(Millions of Yen)

Sales of this segment's main product, "open teller systems," were strong for compact models for small- and medium-sized financial outlets and sales of "coin and banknote recyclers" for tellers were also robust due to our capturing of replacement demand.

### Outline of the Segment

Sales and maintenance services to financial institutions, OEM clients and others in 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 Dec. 31, 2014	Nine months ended Dec. 31, 2015	Y-on-Y
Sales	29,400	34,760	+5,360 +18.2 %
Ratio to total net sales	19.9%	21.9%	+2.0 pt
Operating income	1,465	4,259	+2,794 +190.7 %
Ratio to total operating income	18.3%	38.5%	+20.2 pt
Operating margin	5.0%	12.3%	+7.3 pt



## Favorable sales of coin and banknote recyclers for cashiers (Millions of Yen)

Sales of “coin and banknote recyclers” for cashiers, the main product in this segment, were strong. Moreover, sales of “sales proceeds deposit machines” for the retail market and “sales proceeds deposit machines” for the cash-in-transit market were robust due to our capturing of replacement demand.

### Outline of the Segment

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

### Main Products



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



Sales proceeds deposit machines <DSS series>



Sales proceeds deposit machines <DS series>

	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Y-on-Y
Sales	20,302	28,550	+8,248 +40.6 %
Ratio to total net sales	13.7%	18.0%	+4.3 pt
Operating income	1,465	3,117	+1,652 +112.8 %
Ratio to total operating income	18.3%	28.2%	+9.9 pt
Operating margin	7.2%	10.9%	+3.7 pt

## Weak sales of card systems

(Millions of Yen)

Sales of this segment's main products such as "card systems" were sluggish, mainly reflecting constraint toward investment in pachinko parlors.

### Outline of the Segment

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

### Main Products



	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Y-on-Y
Sales	20,104	16,254	-3,850 -19.2 %
Ratio to total net sales	13.6%	10.2%	-3.4 pt
Operating income	2,360	1,208	-1,152 -48.8 %
Ratio to total operating income	29.5%	10.9%	-18.6 pt
Operating margin	11.7%	7.4%	-4.3 pt

# Weak sales of non-core products

(Millions of Yen)

Sales of the cigarette vending machines were strong due to capturing of replacement demand, and sales of medical payment kiosks were also favorable, while sales of other products were weak.

Note: The “ticket vending machine”, which had been classified under “others” until FY2014, is now reported under “retail and transportation market”.

### Outline of the Segment

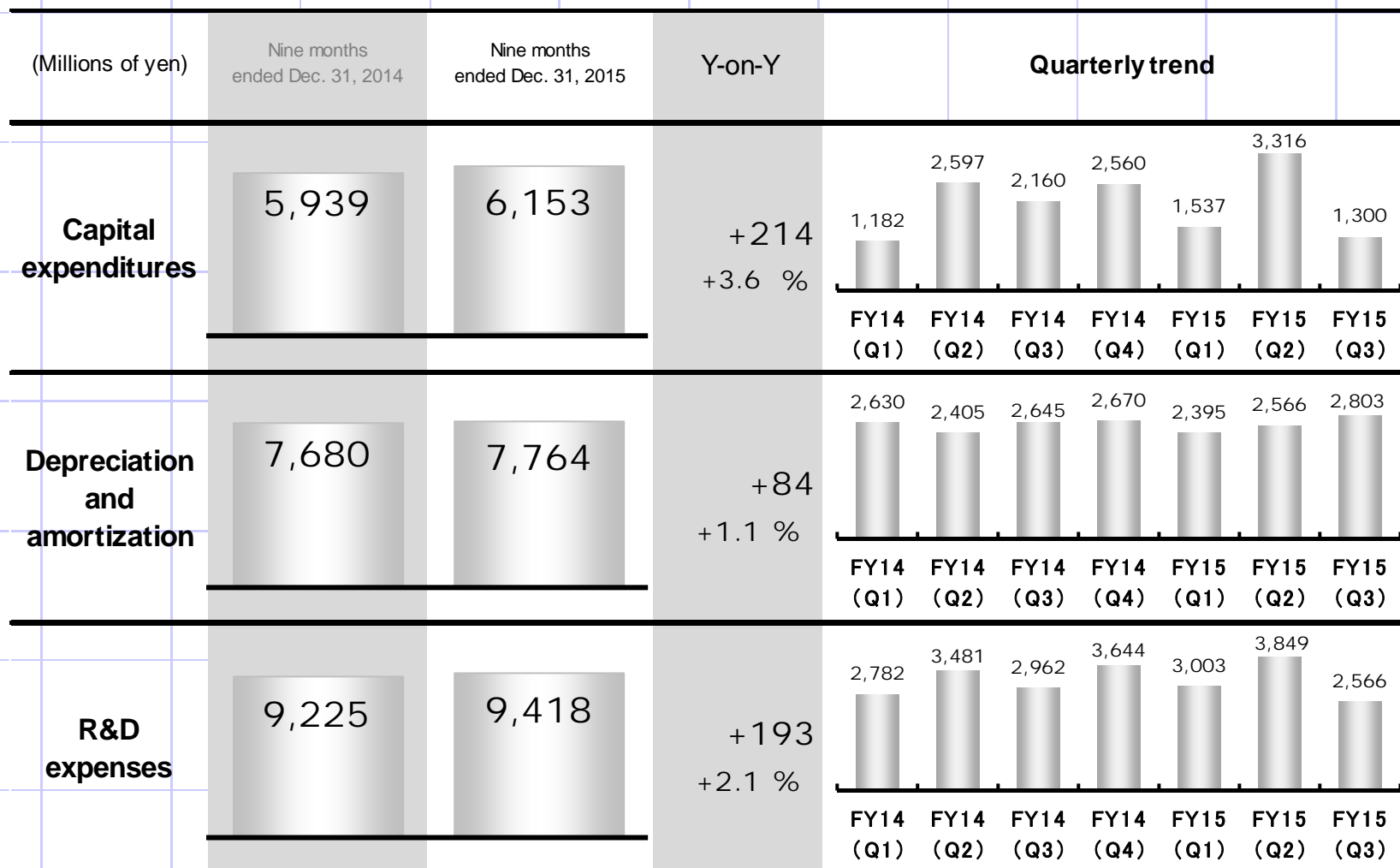
Sales and maintenance services to tobacco shops, tobacco companies, hospitals, local governments, general companies and others in Japan.

### Main Products



	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Y-on-Y
Sales	9,712	7,369	-2,343 -24.1 %
Ratio to total net sales	6.6%	4.6%	-2.0 pt
Operating income	-100	-93	+7 - %
Ratio to total operating income	-	-	- pt
Operating margin	-	-	- pt

# Capital Expenditures, etc.



(Millions of yen)	Nine months ended December 31, 2014		Nine months ended December 31, 2015		Y-on-Y
		Ratio		Ratio	
Net sales	147,930	100.0%	159,038	100.0%	+11,108
Cost of sales	88,612	59.9%	96,625	60.8%	+8,013
Selling, general and administrative expenses	51,307	34.7%	51,340	32.3%	+33
Operating income	8,010	5.4%	11,072	7.0%	+3,062
Non-operating income	4,224	2.9%	919	0.6%	-3,305
Non-operating expenses	880	0.6%	1,326	0.8%	+446
Ordinary income	11,354	7.7%	10,665	6.7%	-689
Extraordinary income	254	0.2%	15	0.0%	-239
Extraordinary loss	258	0.2%	49	0.0%	-209
Income before income taxes and minority interests	11,350	7.7%	10,631	6.7%	-719
Income taxes	3,890	2.6%	4,842	3.0%	+952
Net Income	7,459	5.0%	5,788	3.6%	-1,671
Net income attributable to owners of parent	6,823	4.6%	4,911	3.1%	-1,912
Net Income	7,459	5.0%	5,788	3.6%	-1,671
Valuation difference on available-for-sale securities	387		-81		-468
Foreign currency translation adjustment	5,196		-273		-5,469
Remeasurements of defined benefit plans	265		-489		-754
Total other comprehensive income	5,849	4.0%	-844	-0.5%	-6,693
Comprehensive income	13,308	9.0%	4,944	3.1%	-8,364

Foreign exchange losses 578  
 (FY2014 Q3: Foreign exchange gains 2,813)

Income taxes 4,842  
 (FY2014 Q3: 3,890)

Foreign currency translation adjustment -273  
 (FY2014 Q3: 5,196)

(Millions of yen)	As of March 31, 2015	As of Dec. 31, 2015	Increase/Decrease		As of March 31, 2015	As of Dec. 31, 2015	Increase/Decrease
Cash, deposits and Securities	66,776	55,445	-11,331	Notes and accounts payable-trade	21,366	18,594	-2,772
Notes and accounts receivable-trade	55,648	48,411	-7,237	Short-term loans payable	29,445	27,625	(2) -1,820
Inventories	41,630	49,469	+7,839	Other	40,563	35,033	-5,530
Other	10,600	11,529	+929	Total current liabilities	91,374	81,252	-10,122
<b>Current assets</b>	<b>174,654</b>	<b>164,854</b>	<b>-9,800</b>	Long-term loans payable	32,835	25,048	(2) -7,787
Property, plant and equipment	35,509	36,525	+1,016	Other	17,859	18,311	+452
Customer relationships	31,935	30,646	(1) -1,289	Noncurrent liabilities	50,694	43,359	-7,335
Goodwill	74,790	71,572	-3,218	Total liabilities	142,069	124,612	-17,457
Other	6,411	6,010	-401	Capital stock	12,892	12,892	0
Intangible assets	113,136	108,228	-4,908	Retained earnings	145,165	147,738	+2,573
Other	23,312	21,749	-1,563	Other	46,487	46,116	-371
Total noncurrent assets	171,958	166,503	-5,455	Total net assets	204,544	206,746	+2,202
<b>Total assets</b>	<b>346,613</b>	<b>331,358</b>	<b>-15,255</b>	Total liabilities and net assets	<b>346,613</b>	<b>331,358</b>	<b>-15,255</b>

(1) Customer relationships and goodwill decreased.

(2) Loans continued to decrease.

## Net Sales






Higher sales, thanks to estimated sales increase in Overseas Market, Financial Market and Retail & Transportation Market.

Operating  
income

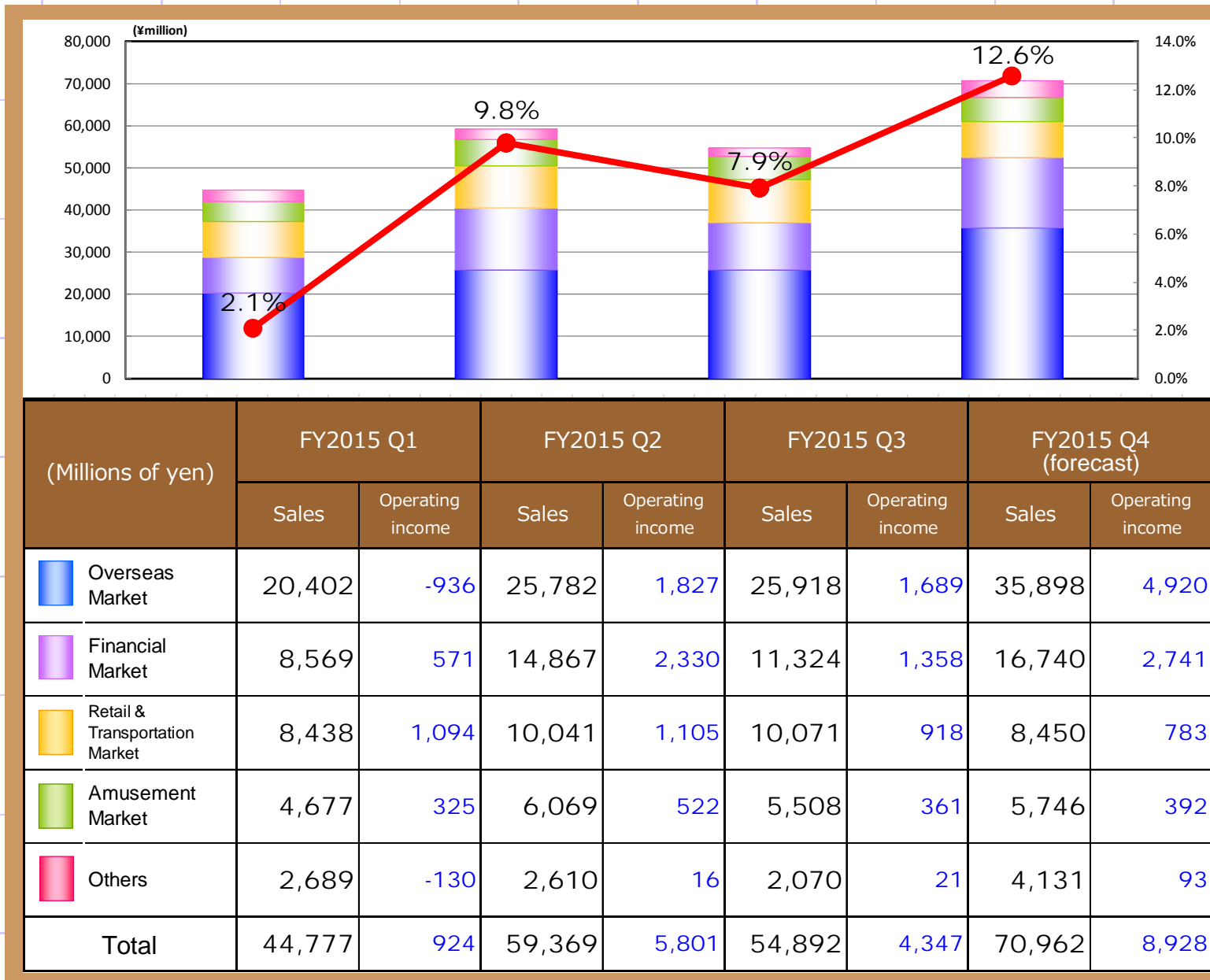
Higher earnings, thanks to estimated sales increase of main products and effects of cost reducing measures.

(Millions of yen)	FY2014		FY2015		Y-on-Y
	Full year	Ratio	Full year (forecast)	Ratio	
Net Sales	222,356	100.0%	230,000	100.0%	+3.4%
Maintenance Services	63,205	28.4%	65,000	28.3%	+2.8%
Operating Income	18,693	8.4%	20,000	8.7%	+7.0%
Ordinary Income	22,211	10.0%	20,000	8.7%	-10.0%
Net Income Attributable to Owners of Parent	12,887	5.8%	11,500	5.0%	-10.8%
Exchange rate	US\$	¥ 110	¥ 120		
	Euro	¥ 140	¥ 130		
	GBP	¥ 177	¥ 175		

\* Exchange rates for FY2015 are assumption rates.

(Millions of yen)	Sales			Operating Income		
	FY2014 Full year	FY2015 Full year (forecast)	Y-on-Y	FY2014 Full year	FY2015 Full year (forecast)	Y-on-Y
 Overseas Market	104,241	108,000	+3,759 +3.6 %	8,057	7,500	-557 -6.9 %
 Financial Market	48,116	51,500	+3,384 +7.0 %	5,502	7,000	+1,498 +27.2 %
 Retail & Transportation Market	29,886	37,000	+7,114 +23.8 %	2,463	3,900	+1,437 +58.3 %
 Amusement Market	25,432	22,000	-3,432 -13.5 %	2,460	1,600	-860 -35.0 %
 Others	14,679	11,500	-3,179 -21.7 %	210	0	-210 - %
<b>Total</b>	<b>222,356</b>	<b>230,000</b>	<b>+7,644 +3.4 %</b>	<b>18,693</b>	<b>20,000</b>	<b>+1,307 +7.0 %</b>





(Millions of yen)	FY2014	FY2015	Y-on-Y
	Full year	Full year (forecast)	
Americas	34,092	38,000	+3,908 +11.5 %
Europe	40,853	42,000 → 43,000	+2,147 +5.3 %
Asia	20,884	19,000 → 18,000	-2,884 -13.8 %
China	10,570	9,500 → 8,500	-2,070 -19.6 %
Total direct sales	95,829	99,000	+3,171 +3.3 %
OEM	8,411	9,000	+589 +7.0 %
Total overseas sales	104,241	108,000	+3,759 +3.6 %

\*FY2015 full year forecast for Europe, Asia and China;

Upper row : as of November 5, 2015

Under row : as of February 5, 2016

