

Consolidated Financial Results

for the Three Months Ended June 30, 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.

The forecasts for future business contained in this document are based on the information currently available to the company. These forecasts involve some risks or uncertainty of fluctuating in the future, depending on the economic conditions of Japan and elsewhere, industry's trends, demands for the company's products, development of new technologies and other factors.

Accordingly, investments made solely based on the forecasts in this document are not recommended. Please also take note that forecasts in this document may change without prior notice unless required by laws.

Net sales

Sales increased due to the inclusion of the Talaris Group in overseas market sales and steady growth in the financial market and retail and transportation market.

Income

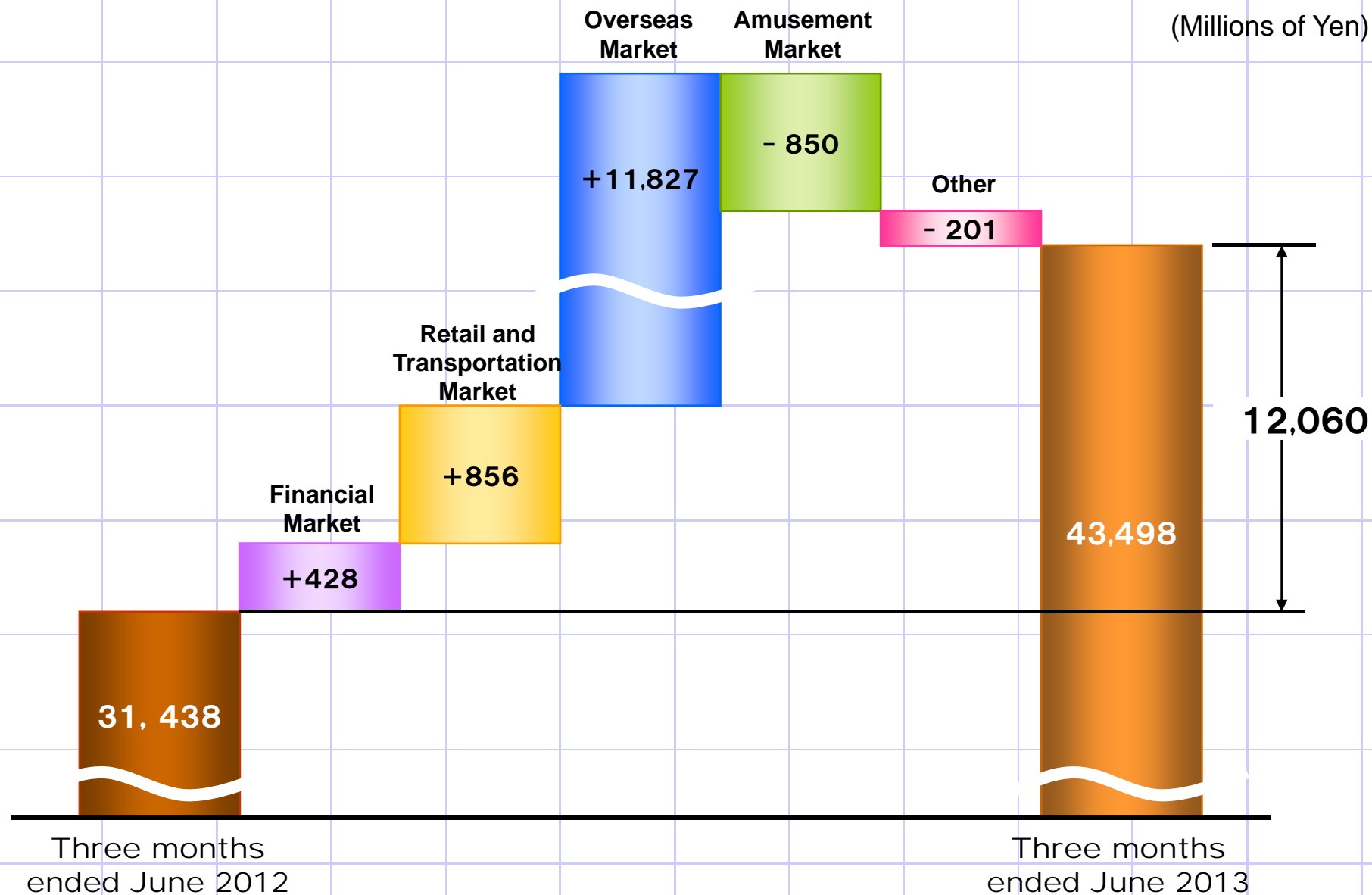
Income decreased mainly because of goodwill amortization associated with the Talaris Group acquisition.

(Millions of yen)	Three months ended June 2012	Three months ended June 2013	Year-on-year comparison
Net sales	31,438	43,498	+38.4%
Maintenance service	8,405 (26.7%)	14,713 (33.8%)	+75.1%
Operating income	1,411 (4.5%)	854 (2.0%)	- 39.5%
Ordinary income	1,657 (5.3%)	1,684 (3.9%)	+1.6%
Net income	922 (2.9%)	67 (0.2%)	- 92.7%

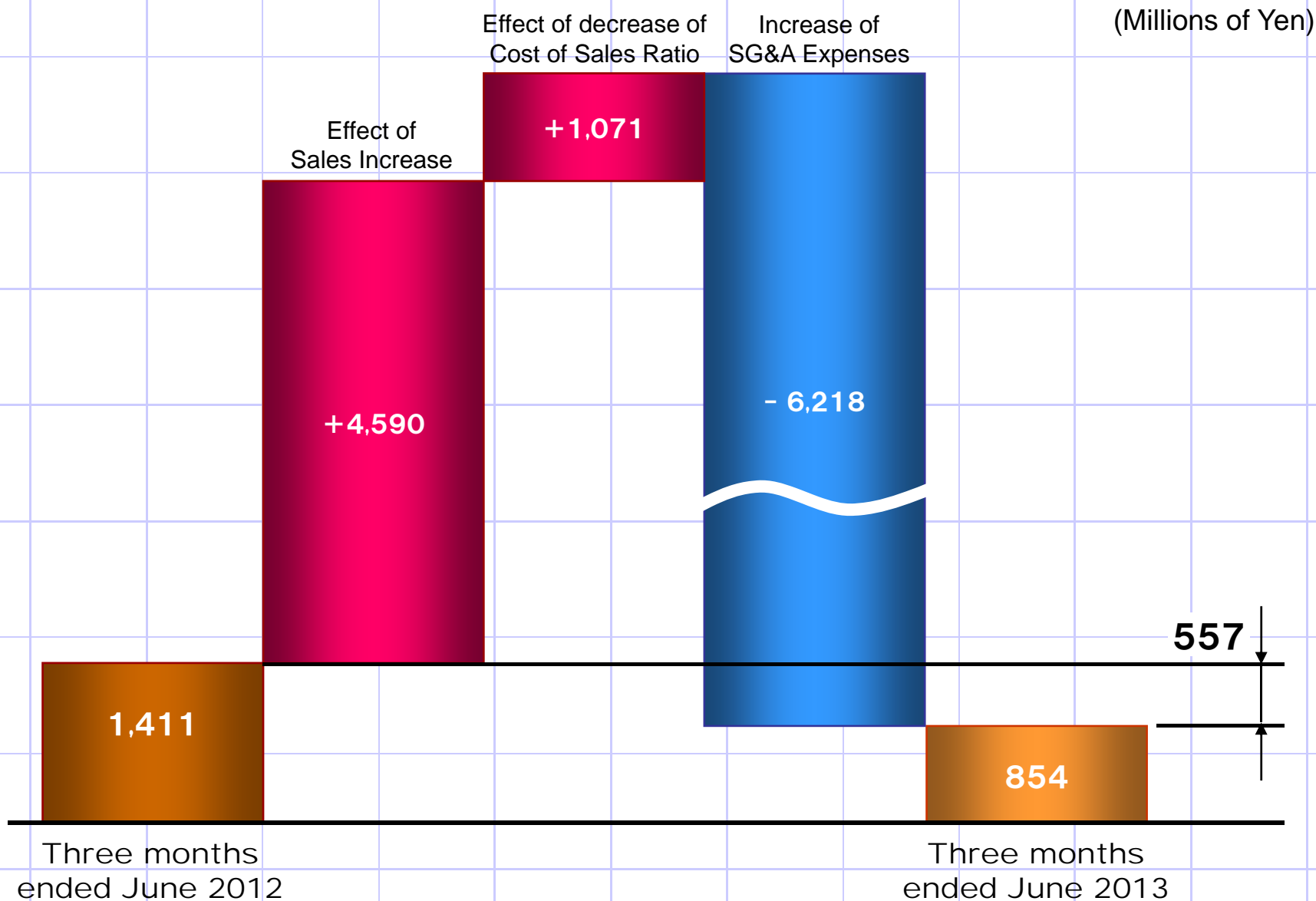
Exchange rates used for three months ended June 2013 : US\$1 = ¥98 €1 = ¥120 £ 1 = ¥150

Factors of Net Sales Change

(Millions of Yen)








Factors of Operating Income Change



Sales & Operating Income by Business Segment

(Millions of yen)

Business Segments	Sales			Operating Income		
	Three months ended June 2012	Three months ended June 2013	Year-on-Year comparison	Three months ended June 2012	Three months ended June 2013	Year-on-Year comparison
 Financial Market	7,430	7,858	+428 (+5.8%)	-38	-76	-38 (- %)
 Retail & Transportation Market	6,341	7,197	+856 (+13.5%)	728	951	+223 (+30.6%)
 Amusement Market	6,214	5,364	-850 (-13.7%)	406	444	+38 (+9.4%)
 Overseas Market	7,873	19,700	+11,827 (+150.2%)	446	-170	-616 (- %)
 Others	3,577	3,376	-201 (-5.6%)	-131	-293	-162 (- %)
Total	31,438	43,498	+12,060 (+38.4%)	1,411	854	-557 (-39.5%)

Strong sales of major products

Sales of our main product “open teller systems” were favorable 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 capturing of the replacement demand.

Outline of the Segment

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

Main Products



Open teller systems
WAVE series



Coin and banknote
recyclers for tellers,
RB series



Coin recycling modules
for ATMs,
RCN series

(Millions of yen)

	Three months ended June 2012	Three months ended June 2013	Y-on-Y
Sales	7,430	7,858	+428 (+5.8%)
Ratio to total sales	23.6%	18.1%	-5.5%
Operating income	-38	-76	-38 (- %)
Operating margin	-	-	-

Higher sales of coin and banknote recyclers for cashiers

Sales of “coin and banknote recyclers” for cashiers, our main products, as well as “banknote changers” to the retail market were steady, resulting in steady sales in this market as a whole.

Outline of the Segment

Sales and maintenance for supermarkets, department stores, cash-in-transit companies, railroad companies, and others at domestic market in Japan.

Main Products



Coin and banknote recyclers RT / RAD series



Sales proceeds deposit machines DS / DSS series



Multi-functional cash management stations DSR series

(Millions of yen)

	Three months ended June 2012	Three months ended June 2013	Y-on-Y
Sales	6,341	7,197	+856 (+13.5%)
Ratio to total sales	20.2%	16.5%	-3.7%
Operating income	728	951	+223 (+30.6%)
Operating margin	11.5%	13.2%	+1.7%

Prepaid card systems sales were weak

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

Outline of the Segment

Sales and maintenance for pachinko parlors, and others in the domestic market.

Main Products

Card systems



Management terminals



Pachinko ball dispensers with card readers



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines JK series

(Millions of yen)

	Three months ended June 2012	Three months ended June 2013	Y-on-Y
Sales	6,214	5,364	-850 (-13.7%)
Ratio to total sales	19.8%	12.8%	-7.5%
Operating income	406	444	+38 (+9.4%)
Operating margin	6.5%	8.3%	+1.8%

Addition of Talaris Group contributed to sales growth

In this first quarter, due to inclusion of the Talaris Group's sales in the overseas market sales and the favorable sales of "banknote sorters", overall overseas market sales increased significantly year on year.

Outline of the Segment

Sales and maintenance for financial institutions, cash-in-transit companies, casinos, OEM customers and others at the overseas market.

Main Products

Banknote recyclers
for tellers
RBG series



Banknote sorters
USF / UW series



Banknote deposit
units for ATMs
UD series

(Millions of yen)

	Three months ended June 2012	Three months ended June 2013	Y-on-Y
Sales	7,873	19,700	+11,827 (+150.2%)
Ratio to total sales	25.0%	45.3%	+20.3%
Operating income	446	-170	-616 (-%)
Operating margin	5.7%	-	-

Sales by Geographical Segment of Overseas Market

(Millions of yen)

Sales by overseas geographical segment	Three months ended June 2012	Three months ended June 2013	Year-on-Year Comparison
Americas	1,283	5,037	+3,754
Europe	2,433	9,587	+7,154
Asia	1,406	2,131	+725
China	681	1,311	+630
OEM	2,750	2,945	+195
Total	7,873	19,700	+11,827

Decline in sales of cigarette vending machines

Sales of ticket vending machines were favorable, but sales of cigarette vending machines and banknote recycling units for horse race ticket vending machines were sluggish.

Outline of the Segment

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

Main Products



Medical payment kiosks
FHP series



Ticket vending
Machines
VT series




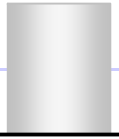
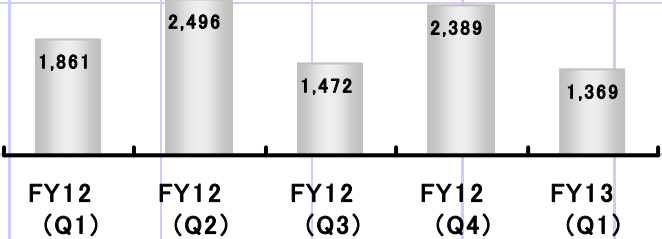
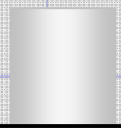
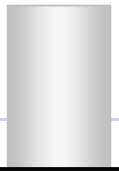
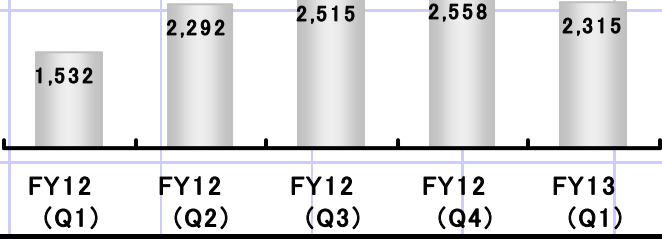

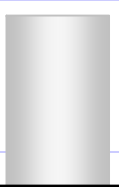
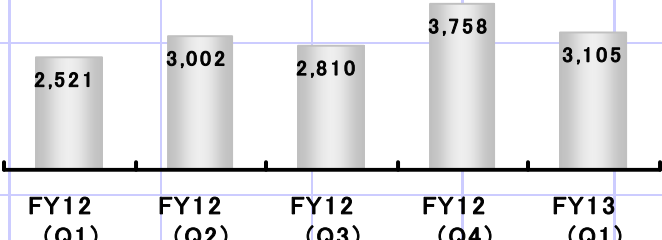
Banknote recycling units
for horse race ticket
vending machines
RBK series

(Millions of yen)

	Three months ended June 2012	Three months ended June 2013	Y-on-Y
Sales	3,577	3,376	-201 (-5.6%)
Ratio to total sales	11.4%	7.8%	-3.6%
Operating income	-131	-293	-162 (- %)
Operating margin	-	-	-

Capital Expenditures and Other Expenses

(Millions of yen)

	Three months ended June 2012	Three months ended June 2013	Year-on-Year	Change during the last five years
Capital Expenditures	1,861 	1,369 	-492 (-26.4%)	 FY12 (Q1) FY12 (Q2) FY12 (Q3) FY12 (Q4) FY13 (Q1)
Depreciation & Amortization	1,532 	2,315 	+783 (+51.1%)	 FY12 (Q1) FY12 (Q2) FY12 (Q3) FY12 (Q4) FY13 (Q1)
R&D Expenses	2,521 	3,105 	+584 (+23.2%)	 FY12 (Q1) FY12 (Q2) FY12 (Q3) FY12 (Q4) FY13 (Q1)

Consolidated Statements of Income
and Comprehensive Income

(Millions of Yen)

	Three months ended June 2012	Ratio	Three months ended June 2013	Ratio	Increase/ Decrease
Net sales	31,438	100.0	43,498	100.0	+12,060
Cost of sales	19,473	61.9	25,872	59.5	+6,399
SG&A expenses	10,552	33.6	16,770	38.6	+6,218
Operating income	1,411	4.5	854	2.0	-557
Non operating income	382	1.2	1,161	2.7	+779
Non operating expenses	136	0.4	331	0.8	+195
Ordinary income	1,657	5.3	1,684	3.9	+27
Extraordinary income	2	0.0	5	0.0	+3
Extraordinary loss	52	0.2	714	1.6	+662
Income before income taxes	1,607	5.1	975	2.2	-632
Total income taxes	582	1.9	774	1.8	+192
Net income	922	2.9	67	0.2	-855
Income before minority interests	1,025	3.3	201	0.5	-824
Total other comprehensive income	-369	—	3,669	8.4	4,038
Comprehensive income	655	2.1	3,870	8.9	3,215

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

*2 Non operating expenses : Includes foreign exchange income (¥604 million)

*3 Extraordinary loss : Includes loss of ¥697 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 earnings because of benefits from the integration of overseas operations and other measures to cut costs.

(Millions of yen)	FY2012 results	FY2013 forecast	Year-on-year comparison
Net sales	190,938	200,000	+4.7%
Maintenance service	50,766 (26.6%)	54,500 (27.3%)	+7.4%
Operating income	14,458 (7.6%)	16,000 (8.0%)	+10.7%
Ordinary income	13,695 (7.2%)	15,000 (7.5%)	+9.5%
Net income	6,873 (3.6%)	8,500 (4.3%)	+23.7%

Exchange rate assumptions for FY2013 forecast: US\$1 = ¥90 €1 = ¥120 £1 = ¥140

(Millions of Yen)

Business Segments	FY2013					
	Three months ended June 2013		Six months ending September 2013		FY2013 forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
 Financial Market	7,858	-76	22,000	2,000 1,800	46,000	4,800 4,600
 Retail & Transportation Market	7,197	951	14,500	1,400 1,600	31,000	3,300 3,500
 Amusement Market	5,364	444	10,000	300 500	24,000	1,800 2,000
 Overseas Market	19,700	-170	37,000	1,300	85,000	6,000
 Others	3,376	-293	6,500	0 -200	14,000	100 -100
Total	43,498	854	90,000	5,000	200,000	16,000

Upper row: the forecasts announced on May 10.

Lower row: the revised forecasts announced on August 5.