

Consolidated Financial Results for the Three Months ended June 30, 2014

1 Consolidated Financial Results

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

3 Financial Forecast for FY2014

- | | |
|---|------|
| 1) Financial Forecast for FY2014 | P 15 |
| 2) Sales & Operating Income Forecast
by Business Segment | P 16 |
| 3) Forecast of Capital Expenditures etc. | P 17 |

2 Details of Performance

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



Notes

- 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 Sales decreased in all business segments.

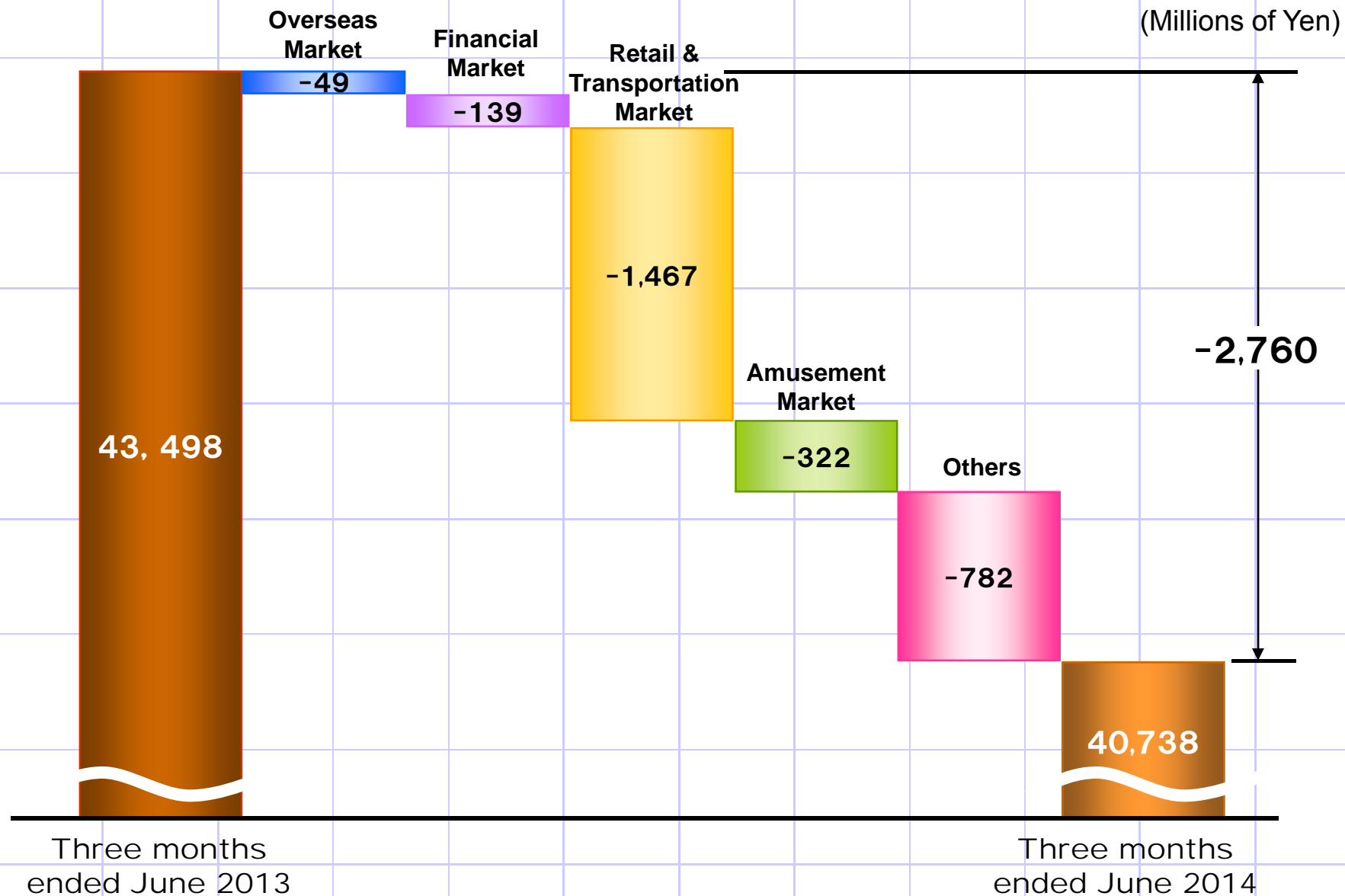
Income Income decreased due to decline of net sales, despite the cost-reduction measures involving overseas production and procurement.

(Millions of yen)	Three months ended June 2013		Three months ^{*1} ended June 2014		Y-on-Y
		Ratio		Ratio	
Net Sales	43,498	100.0%	40,738	100.0%	-6.3%
Maintenance Services	14,713	33.8%	15,468	38.0%	5.1%
Operating Income	854	2.0%	784	1.9%	-8.2%
Ordinary Income	1,684	3.9%	1,487	3.7%	-11.7%
Net Income	67	0.2%	752	1.8%	1022.4%
EBITDA ^{*2}	4,442	10.2%	4,625	11.4%	4.1%

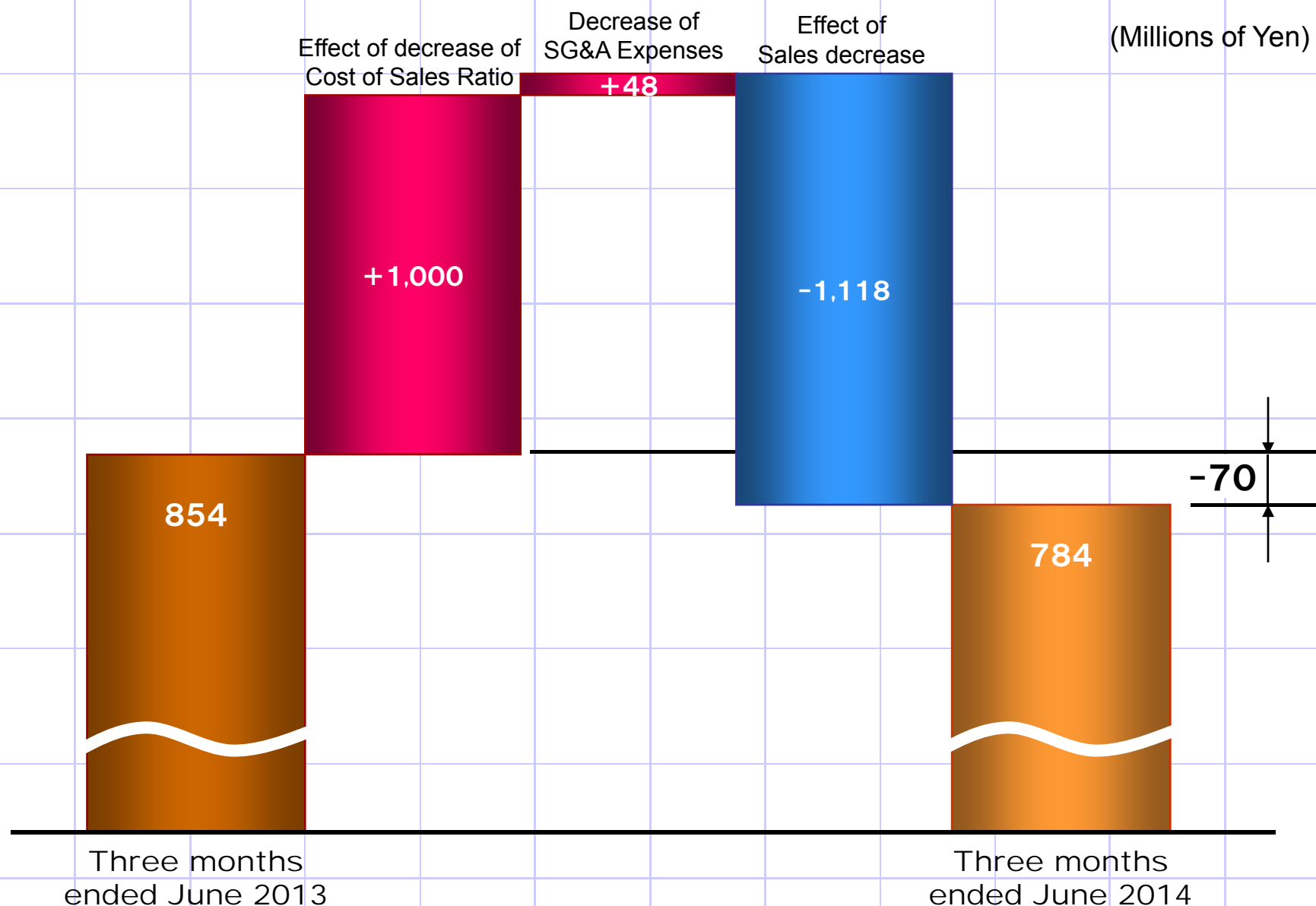
*1 Exchange rate (as of the end of June 2014) :US\$1 = ¥101 £1 = ¥141 €1 = ¥172

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






Factors of Net Sales Change



Factors of Operating Income Change



(Millions of Yen)

	Sales			Operating Income		
	Three months ended June 2013	Three months ended June 2014	Y-on-Y	Three months ended June 2013	Three months ended June 2014	Y-on-Y
 Overseas Market	19,700	19,651	-49 -0.2 %	-170	147	+317 - %
 Financial Market	7,858	7,719	-139 -1.8 %	-76	38	+114 - %
 Retail & Transportation Market	7,197	5,730	-1,467 -20.4 %	951	343	-608 -63.9 %
 Amusement Market	5,364	5,042	-322 -6.0 %	444	470	+26 +5.9 %
 Others	3,376	2,594	-782 -23.2 %	-293	-215	+78 - %
Total	43,498	40,738	-2,760 -6.3 %	854	784	-70 -8.2 %

Sales of banknote recyclers increased

(Millions of Yen)

Sales of main product “banknote recyclers” were strong in the United States but sales of “banknote deposit modules” for ATMs were sluggish.

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>



Banknote deposit
units for ATMs
<UD series>

	Three months ended June 2013	Three months ended June 2014	Y-on Y
Sales	19,700	19,651	-49 -0.2 %
Ratio to total net sales	45.3%	48.2%	+2.9
Operating income	-170	147	+317 - %
Ratio to total net sales	-	18.8%	-
Operating margin	-	0.7%	-

Sales by Geographical Segment of Overseas Market

(Millions of Yen)

	Three months ended June 2013	Three months ended June 2014	Y-on-Y
Americas	5,037	6,045	+1,008 +20.0 %
Europe	9,587	8,387	-1,200 -12.5 %
Asia	2,131	3,793	+1,662 +78.0 %
China	1,311	1,913	+602 +45.9 %
Total direct sales	16,755	18,225	+1,470 +8.8 %
OEM	2,945	1,425	-1,520 -51.6 %
Total overseas sales	19,700	19,651	-49 -0.2 %

Sales of main products declined

(Millions of Yen)

Sales of the “multi-functional banknote changers” were strong due to our capturing of replacement demand. However, sales of main product “open teller systems” and “coin and banknote recyclers” for tellers were sluggish.

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>

	Three months ended June 30, 2013	Three months ended June 30, 2014	Y-on-Y
Sales	7,858	7,719	-139 -1.8 %
Ratio to total net sales	18.1%	18.9%	+0.8
Operating income	-76	38	+114 - %
Ratio to total operating income	-	4.8%	-
Operating margin	-	0.5%	-

Sales of coin and banknote recyclers for cashiers declined (Millions of Yen)

Sales of “sales proceeds deposit machines” to the cash-in-transit market were strong but sales of “sales proceeds deposit machines” to the retail market and main product “coin and banknote recyclers” for cashiers were sluggish.

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>



Multi-functional
cash management stations
<DSR series>

	Three months ended June 30, 2013	Three months ended June 30, 2014	Y-on-Y
Sales	7,197	5,730	-1,467 -20.4 %
Ratio to total net sales	16.5%	14.1%	-2.4
Operating income	951	343	-608 -63.9 %
Ratio to total operating income	-	43.8%	-
Operating margin	13.2%	6.0%	-7.2

Sales of membership management systems and pachinko prize dispensing machines decreased

(Millions of Yen)

Sales of main products such as “card systems” were steady but sales of “membership management systems” and “pachinko prize dispensing machines” were sluggish mainly due to a decline in new pachinko parlor openings.

Outline of the Segment

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

Main Products

Card systems



	Three months ended June 30, 2013	Three months ended June 30, 2014	Y-on-Y
Sales	5,364	5,042	-322 -6.0 %
Ratio to total net sales	12.3%	12.4%	+0.1
Operating income	444	470	+26 +5.9 %
Ratio to total operating income	-	59.9%	-
Operating margin	8.3%	9.3%	+1.0

Sales of main products declined

(Millions of Yen)

Sales of ticket vending machines, medical payment kiosks, ballot sorters for handwritten ballots were weak due to reaction of rush demand in the corresponding period of the previous year.

Outline of the Segment

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

Main Products

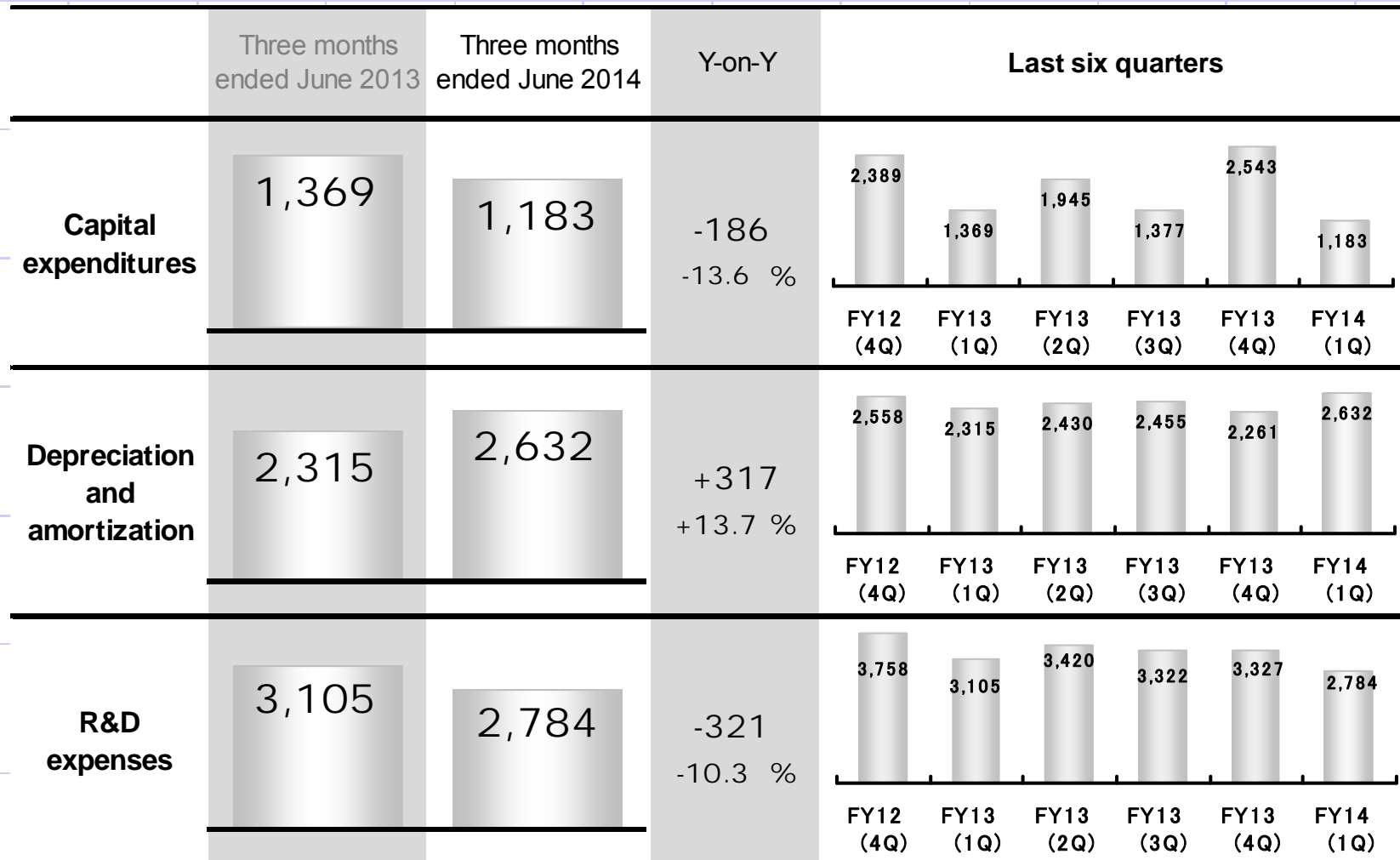


	Three months ended June 30, 2013	Three months ended June 30, 2014	Y-on-Y
Sales	3,376	2,594	-782 -23.2 %
Ratio to total net sales	7.8%	6.4%	-1.4
Operating income	-293	-215	+78 - %
Ratio to total operating income	-	-	-
Operating margin	-	-	-

Capital Expenditures and Other Expenses



(Millions of Yen)



	Three months ended June 2013		Three months ended June 2014		Y-on-Y comparison
		Ratios		Ratios	
Net sales	43,498	100.0%	40,738	100.0%	-2,760
Cost of sales	25,872	59.5%	23,230	57.0%	-2,642
Selling, general and administrative expenses	16,770	38.6%	16,722	41.0%	-48
Operating income	854	2.0%	784	1.9%	-70
Non-operating income	1,161	2.7%	948	2.3%	-213
Non-operating expenses	331	0.8%	246	0.6%	-85
Ordinary income	1,684	3.9%	1,487	3.7%	-197
Extraordinary income	5	0.0%	4	0.0%	-1
Extraordinary loss	714	1.6%	20	0.0%	-694
Income before income taxes and minority interests	975	2.2%	1,471	3.6%	496
Income taxes	774	1.8%	516	1.3%	-258
Income before minority interests	201	0.5%	954	2.3%	753
Net income	67	0.2%	752	1.8%	685

(Millions of Yen)

Main Factors
for Change

Foreign
exchange gains
305
(FY2013 Q1:604)

Loss on
liquidation of
business
0
(FY2013 Q1:697)

Income before minority interests	201	0.5%	954	2.3%	753
Valuation difference on available-for-sale securities	5		124		119
Foreign currency translation adjustment	3,664		52		-3,612
Remeasurements of defined benefit plans	-		286		286
Total other comprehensive income	3,669	8.4%	462	1.1%	-3,207
Comprehensive income	3,870	8.9%	1,417	3.5%	-2,453

(Millions of Yen)

	As of March 31, 2014	As of June 30, 2014	Increase/ Decrease		As of March 31, 2014	As of June 30, 2014	Increase/ Decrease
Cash, deposits and Securities	64,614	53,414	-11,200	Notes and accounts payable-trade	22,244	16,452	-5,792
Notes and accounts receivable-trade	48,240	38,225	-10,015	Short-term loans payable	36,822	36,917	(2) 95
Inventories	40,832	47,701	6,869	Other	37,679	31,608	-6,071
Other	11,609	12,034	425	Total current liabilities	96,745	84,977	-11,768
Current assets	165,295	151,374	-13,921	Long-term loans payable	36,241	33,388	(2) -2,853
Property, plant and equipment	35,046	34,562	-484	Other	17,151	17,859	-708
Customer relationships	32,497	32,316	(1) -181	Noncurrent liabilities	53,392	51,247	-2,145
Goodwill	77,780	76,153	-1,627	Total liabilities	150,138	136,225	-13,913
Other	7,122	6,701	-421	Capital stock	12,892	12,892	0
Intangible assets	117,400	115,171	-2,229	Retained earnings	137,038	134,837	-2,201
Other	23,201	24,384	1,183	Other	40,874	41,539	665
Total noncurrent assets	175,648	174,118	-1,530	Total net assets	190,804	189,268	-1,536
Total assets	340,943	325,493	-15,450	Total liabilities and net assets	340,943	325,493	-15,450

(1) Customer relationships and Goodwill decreased.

(2) Loans continued to decrease.

Net sales

Higher sales due to expansion of overseas business and deeper market penetration in Japan.






Income

Higher earnings due to the synergies from integration of overseas operations and cost-cutting measures.

(Millions of yen)	FY2013		FY2014 [*]		Y-on-Y
		Ratio		Ratio	
Net Sales	218,632	100.0%	225,000	100.0%	2.9%
Maintenance Services	63,388	29.0%	62,000	27.6%	-2.2%
Operating Income	16,718	7.6%	22,500	10.0%	34.6%
Ordinary Income	19,764	9.0%	22,000	9.8%	11.3%
Net Income	9,939	4.5%	12,000	5.3%	20.7%

* Exchange rate: £1 = ¥165 US\$1 = ¥100 €1 = ¥135

(Millions of Yen)

	Sales			Operating income		
	FY2013	FY2014 (forecast)	Y-on-Y	FY2013	FY2014 (forecast)	Y-on-Y
 Overseas Market	103,002	102,000	-1002 -1.0 %	7,464	10,000	+2,536 +34.0 %
 Financial Market	45,654	49,000	+3,346 +7.3 %	4,031	5,000	+969 +24.0 %
 Retail & Transportation Market	31,007	33,000	+1,993 +6.4 %	3,516	4,000	+484 +13.8 %
 Amusement Market	24,811	27,000	+2,189 +8.8 %	1,948	3,300	+1,352 +69.4 %
 Others	14,156	14,000	-156 -1.1 %	-241	200	+441 - %
Total	218,632	225,000	+6,368 +2.9 %	16,718	22,500	+5,782 +34.6 %

(Millions of Yen)

