

Consolidated Financial Results for the Three Months ended June 30, 2017

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Net Sales

Sales were higher thanks to sales growth in Overseas and Amusement Markets.

Income

Operating income decreased year-on-year mainly due to decline of product mix in Financial Market while income in Overseas and Amusement Markets was higher.

(Millions of yen)	FY2016		FY2017		Y-on-Y
	Three months ended June 30, 2016	Ratio	Three months ended June 30, 2017	Ratio	
Net Sales	46,090	100.0%	47,213	100.0%	+2.4%
Maintenance Services	15,660	34.0%	16,407	34.8%	+4.8%
Operating Income	2,683	5.8%	2,346	5.0%	-12.6%
Ordinary Income	-751	-1.6%	1,195	2.5%	-
Net Income Attributable to Owners of Parent	-860	-1.9%	335	0.7%	-
EBITDA*	5,969	13.0%	5,551	11.8%	-7.0%

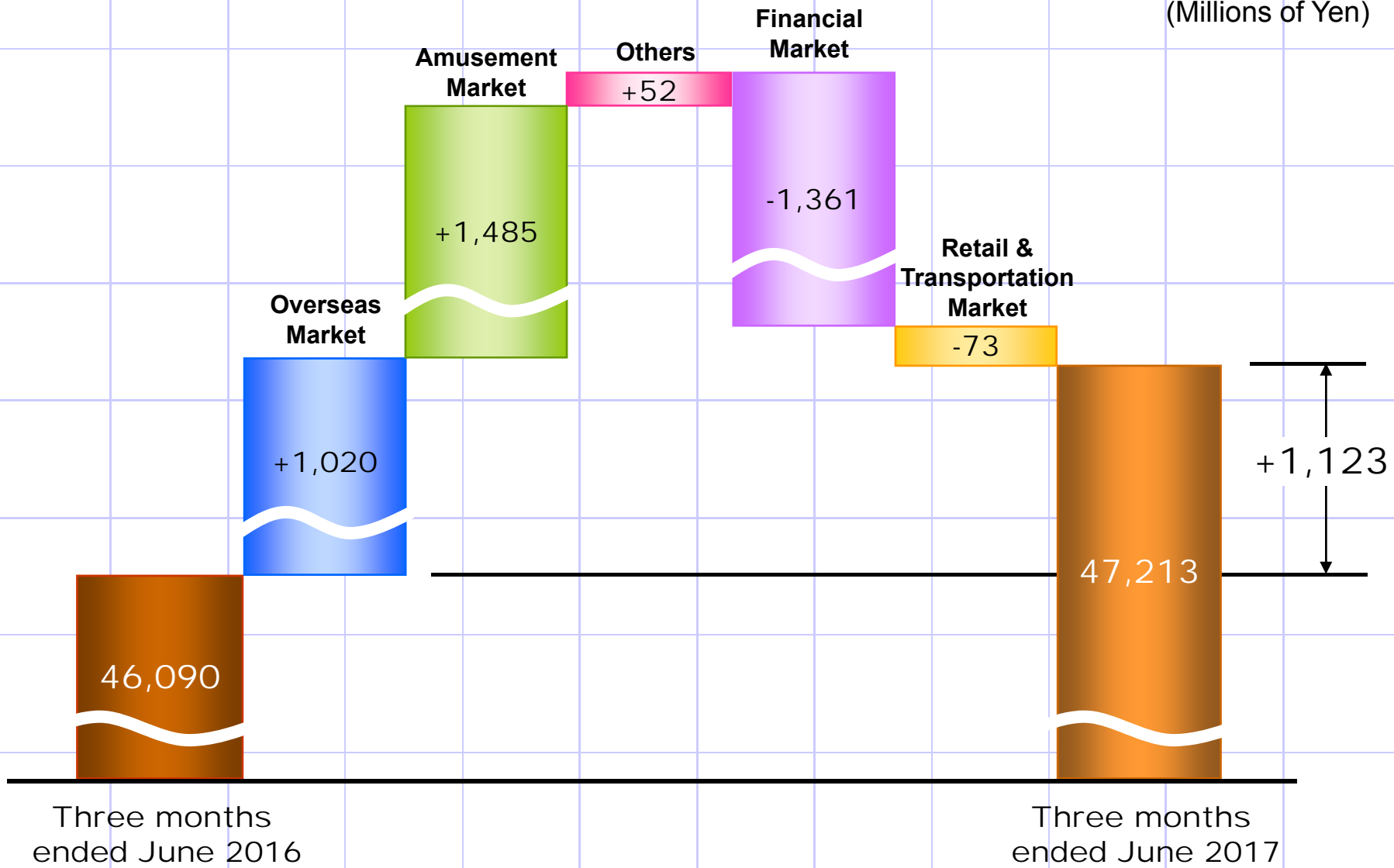
Exchange rate	US\$	¥ 108	¥ 111
	Euro	¥ 122	¥ 122

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

*Net sales will increase by about ¥780 million and operating income will decrease by about ¥300 million year-on-year, if effects of exchange rate fluctuations are excluded.

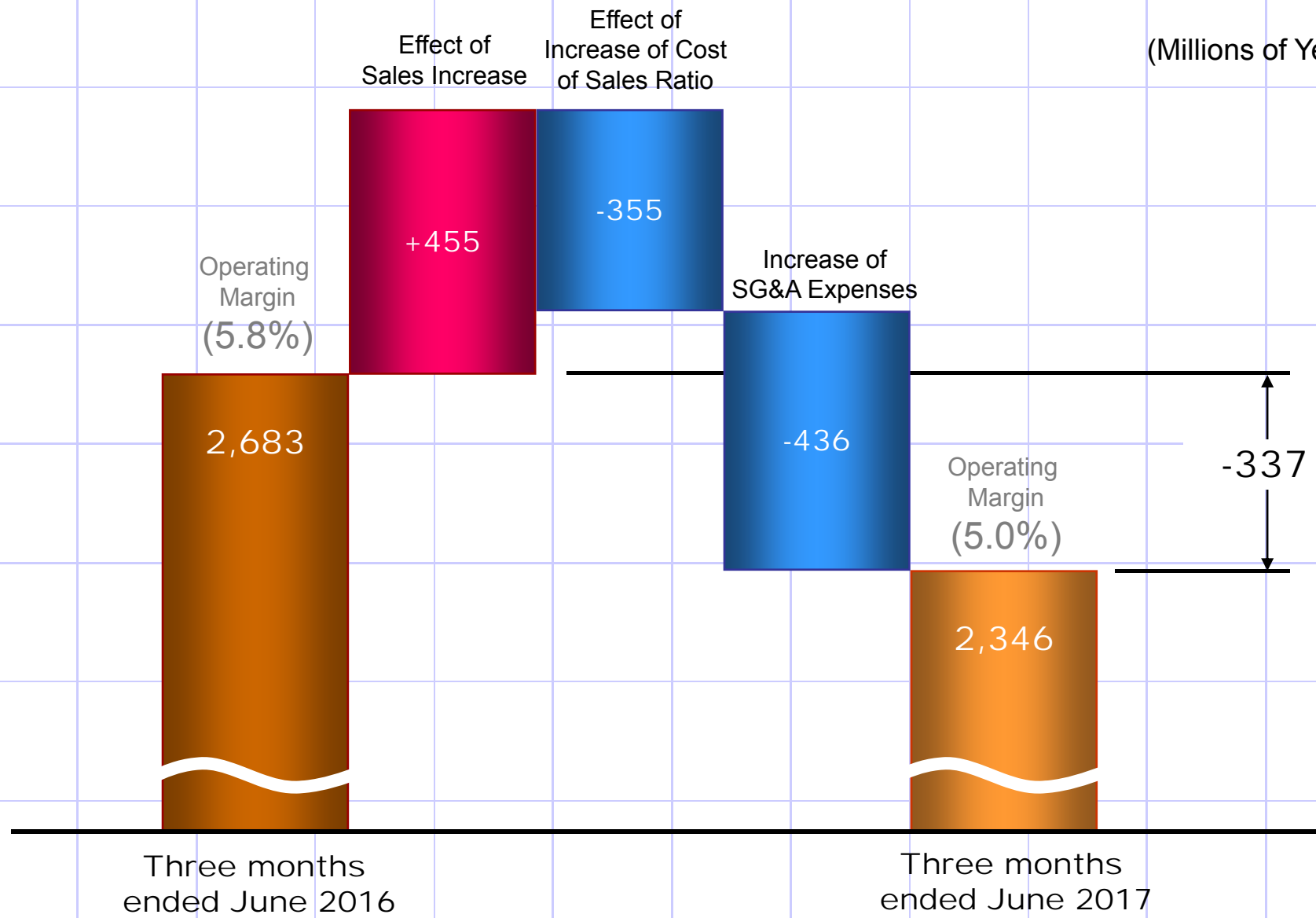
Factors of Net Sales Change






(Millions of Yen)



Factors of Operating Income Change

(Millions of Yen)



(Millions of yen)	Sales			Operating Income		
	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y
 Overseas Market	20,705	21,725	+1020 +4.9 %	482	1,221	+739 +153.3 %
 Financial Market	11,376	10,015	-1,361 -12.0 %	1,345	348	-997 -74.1 %
 Retail & Transportation Market	9,680	9,607	-73 -0.8 %	862	608	-254 -29.5 %
 Amusement Market	3,834	5,319	+1,485 +38.7 %	90	386	296 +328.9 %
 Others	493	545	+52 +10.5 %	-97	-218	-121 - %
Total	46,090	47,213	+1,123 +2.4 %	2,683	2,346	-337 -12.6 %

Favorable sales in Americas

(Millions of Yen)

Highlights

- ✓ Banknote recyclers for tellers
 - ➔ Sales increased in Americas
- ✓ Sales proceeds deposit machines for retail market
 - ➔ Sales increased in Europe and Asia

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



	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y
Sales	20,705	21,725	+1,020 +4.9 %
Ratio to total net sales	44.9%	46.0%	+1.1 pt
Operating income	482	1,221	+739 +153.3 %
Ratio to total operating income	18.0%	52.0%	+34.0 pt
Operating margin	2.3%	5.6%	+3.3 pt

(Millions of yen)	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y	
				Local currency basis
Americas	6,823	8,602	+1,779 +26.1 %	+22.7%
Europe	9,368	8,994	-374 -4.0 %	-4.1%
Asia	2,248	2,414	+166 +7.4 %	-
China	739	858	+119 +16.1 %	+18.4%
OEM	2,265	1,713	-552 -24.4 %	-24.4%
Total overseas sales	20,705	21,725	+1,020 +4.9 %	-

Lower operating margin mainly due to decline of product mix

(Millions of Yen)

Highlights

- Open teller systems
 - ➔ Lower sales of compact type due to the reaction to the rush demand of the year-earlier period

- Coin and banknote recyclers for tellers
 - ➔ Increased sales due to 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>

	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y
Sales	11,376	10,015	-1,361 -12.0 %
Ratio to total net sales	24.7%	21.2%	-3.5 pt
Operating income	1,345	348	-997 -74.1 %
Ratio to total operating income	50.1%	14.8%	-35.3 pt
Operating margin	11.8%	3.5%	-8.3 pt

Weak sales of main products

(Millions of Yen)

Highlights

- ☑ Coin and banknote recyclers for cashiers
 - ☑ Sales proceeds deposit machines
- } Lower sales due to the delay of replacement orders
- ☑ E-money charger
➔ Higher sales

Outline of the Segment

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

Main Products



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



Sales proceeds deposit machines <DS / DSS series>



Sales proceeds deposit machines <DS series>

	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y
Sales	9,680	9,607	-73 -0.8 %
Ratio to total net sales	21.0%	20.3%	-0.7 pt
Operating income	862	608	-254 -29.5 %
Ratio to total operating income	32.1%	25.9%	-6.2 pt
Operating margin	8.9%	6.3%	-2.6 pt

Favorable sales of card systems

(Millions of Yen)

Highlights

Card systems

→ Increased sales due to capturing of replacement demand

Outline of the Segment

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

Main Products

Card systems



Management terminals



Pachinko ball counters



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines <JK series>

	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y
Sales	3,834	5,319	1,485 +38.7 %
Ratio to total net sales	8.3%	11.3%	+3.0 pt
Operating income	90	386	+296 +328.9 %
Ratio to total operating income	3.4%	16.5%	+13.1 pt
Operating margin	2.3%	7.3%	+5.0 pt

(Millions of yen)	Three months ended June 30, 2016	Three months ended June 30, 2017	Y-on-Y	Quarterly trend																
Capital expenditures	1,366	2,141	+775 +56.7 %	<table border="1"> <tr> <td>FY15 (2Q)</td> <td>FY15 (3Q)</td> <td>FY15 (4Q)</td> <td>FY16 (1Q)</td> <td>FY16 (2Q)</td> <td>FY16 (3Q)</td> <td>FY16 (4Q)</td> <td>FY17 (1Q)</td> </tr> <tr> <td>3,316</td> <td>1,300</td> <td>2,728</td> <td>1,366</td> <td>2,314</td> <td>2,034</td> <td>2,329</td> <td>2,141</td> </tr> </table>	FY15 (2Q)	FY15 (3Q)	FY15 (4Q)	FY16 (1Q)	FY16 (2Q)	FY16 (3Q)	FY16 (4Q)	FY17 (1Q)	3,316	1,300	2,728	1,366	2,314	2,034	2,329	2,141
FY15 (2Q)	FY15 (3Q)	FY15 (4Q)	FY16 (1Q)	FY16 (2Q)	FY16 (3Q)	FY16 (4Q)	FY17 (1Q)													
3,316	1,300	2,728	1,366	2,314	2,034	2,329	2,141													
Depreciation and amortization	2,177	2,203	+26 +1.2 %	<table border="1"> <tr> <td>FY15 (2Q)</td> <td>FY15 (3Q)</td> <td>FY15 (4Q)</td> <td>FY16 (1Q)</td> <td>FY16 (2Q)</td> <td>FY16 (3Q)</td> <td>FY16 (4Q)</td> <td>FY17 (1Q)</td> </tr> <tr> <td>2,566</td> <td>2,803</td> <td>2,563</td> <td>2,177</td> <td>2,588</td> <td>2,311</td> <td>2,393</td> <td>2,203</td> </tr> </table>	FY15 (2Q)	FY15 (3Q)	FY15 (4Q)	FY16 (1Q)	FY16 (2Q)	FY16 (3Q)	FY16 (4Q)	FY17 (1Q)	2,566	2,803	2,563	2,177	2,588	2,311	2,393	2,203
FY15 (2Q)	FY15 (3Q)	FY15 (4Q)	FY16 (1Q)	FY16 (2Q)	FY16 (3Q)	FY16 (4Q)	FY17 (1Q)													
2,566	2,803	2,563	2,177	2,588	2,311	2,393	2,203													
R&D investment	3,175	3,353	+178 +5.6 %	<table border="1"> <tr> <td>FY15 (2Q)</td> <td>FY15 (3Q)</td> <td>FY15 (4Q)</td> <td>FY16 (1Q)</td> <td>FY16 (2Q)</td> <td>FY16 (3Q)</td> <td>FY16 (4Q)</td> <td>FY17 (1Q)</td> </tr> <tr> <td>3,849</td> <td>2,566</td> <td>3,172</td> <td>3,175</td> <td>3,584</td> <td>3,537</td> <td>3,669</td> <td>3,353</td> </tr> </table>	FY15 (2Q)	FY15 (3Q)	FY15 (4Q)	FY16 (1Q)	FY16 (2Q)	FY16 (3Q)	FY16 (4Q)	FY17 (1Q)	3,849	2,566	3,172	3,175	3,584	3,537	3,669	3,353
FY15 (2Q)	FY15 (3Q)	FY15 (4Q)	FY16 (1Q)	FY16 (2Q)	FY16 (3Q)	FY16 (4Q)	FY17 (1Q)													
3,849	2,566	3,172	3,175	3,584	3,537	3,669	3,353													

Consolidated Statement of Income /
Statement of Comprehensive Income

(Millions of yen)	FY2016		FY2017		Y-on-Y
	Q1	Ratio	Q1	Ratio	
Net sales	46,090	100.0%	47,213	100.0%	+1,123
Cost of sales	27,404	59.5%	28,427	60.2%	+1,023
Selling, general and administrative expenses	16,003	34.7%	16,439	34.8%	+436
Operating income	2,683	5.8%	2,346	5.0%	-337
Non-operating income	424	0.9%	165	0.3%	-259
Non-operating expenses	3,859	8.4%	1,317	2.8%	-2,542
Ordinary income	-751	-1.6%	1,195	2.5%	+1,946
Extraordinary income	5	0.0%	12	0.0%	+7
Extraordinary loss	5	0.0%	3	0.0%	-2
Income before income taxes and minority interests	-751	-1.6%	1,203	2.5%	+1,954
Income taxes	-146	-0.3%	591	1.3%	+737
Net Income	-605	-1.3%	612	1.3%	+1,217
Net income attributable to owners of parent	-860	-1.9%	335	0.7%	+1,195

Incl.
foreign exchange losses
1,148

(FY2016 Q1:
Incl.
foreign exchange losses 3,681)

Net Income	-605	-1.3%	612	1.3%	+1,217
Valuation difference on available-for-sale securities	-233		188		+421
Foreign currency translation adjustment	-10,939		134		+11,073
Remeasurements of defined benefit plans	183		36		-147
Total other comprehensive income	-10,989	-23.8%	359	0.8%	+11,348
Comprehensive income	-11,594	-25.2%	972	2.1%	+12,566

Foreign currency translation
adjustment
134

(Millions of yen)	As of March 31, 2017	As of June 30, 2017	Increase/Decrease		As of March 31, 2017	As of June 30, 2017	Increase/Decrease
Cash, deposits and Securities	77,292	73,817	-3,475	Notes and accounts payable-trade	18,484	17,901	-583
Notes and accounts receivable-trade	47,137	40,506	-6,631	Short-term loans payable	34,445	33,789	② -656
Inventories	46,125	52,472	+6,347	Other	39,514	40,191	+677
Other	10,043	10,798	+755	Total current liabilities	92,443	91,881	-562
Current assets	180,597	177,593	-3,004	Long-term loans payable	13,271	10,807	② -2,464
Property, plant and equipment	35,657	35,709	+52	Other	15,662	15,497	-165
Customer relationships	22,221	21,824	① -397	Noncurrent liabilities	28,933	26,304	-2,629
Goodwill	51,573	50,474	-1,099	Total liabilities	121,377	118,186	-3,191
Other	5,649	5,525	-124	Capital stock	12,892	12,892	0
Intangible assets	79,443	77,823	-1,620	Retained earnings	158,504	157,787	-717
Other	17,121	17,680	+559	Other	20,047	19,941	-106
Total noncurrent assets	132,223	131,213	-1,010	Total netassets	191,443	190,620	-823
Total assets	312,821	308,806	-4,015	Total liabilities and net assets	312,821	308,806	-4,015

- (1) Customer relationships and goodwill decreased
 (2) Loans decreased mainly due to repayments of loans

Net Sales






Higher sales due to estimated sales increase in both domestic and overseas market.

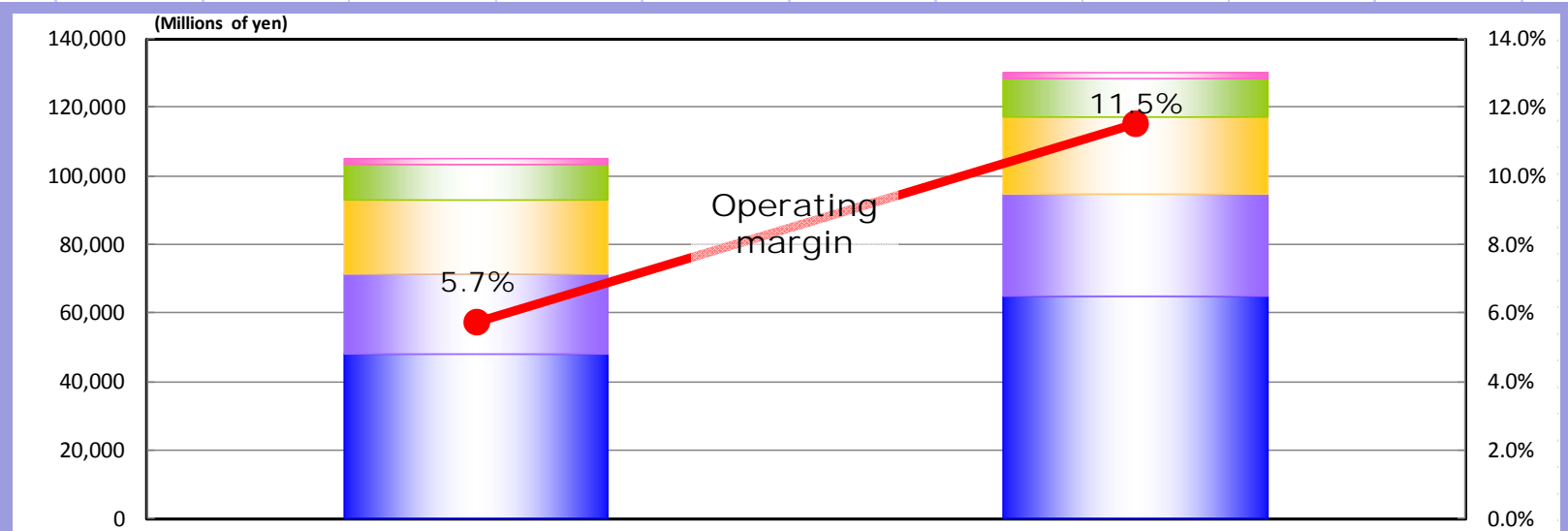
Income

Higher income mainly due to estimated sales increase in overseas market.

(Millions of yen)	FY2016		FY2017		Y-on-Y
	Full Year	Ratio	Full Year (Forecast)	Ratio	
Net Sales	222,581	100.0%	235,000	100.0%	+5.6%
Maintenance Services	63,921	28.7%	64,000	27.2%	+0.1%
Operating Income	20,365	9.1%	21,000	8.9%	+3.1%
Ordinary Income	17,205	7.7%	21,000	8.9%	+22.1%
Net Income Attributable to Owners of Parent	10,382	4.7%	13,000	5.5%	+25.2%
Exchange rate	US\$	¥ 108	¥ 110		
	Euro	¥ 119	¥ 120		

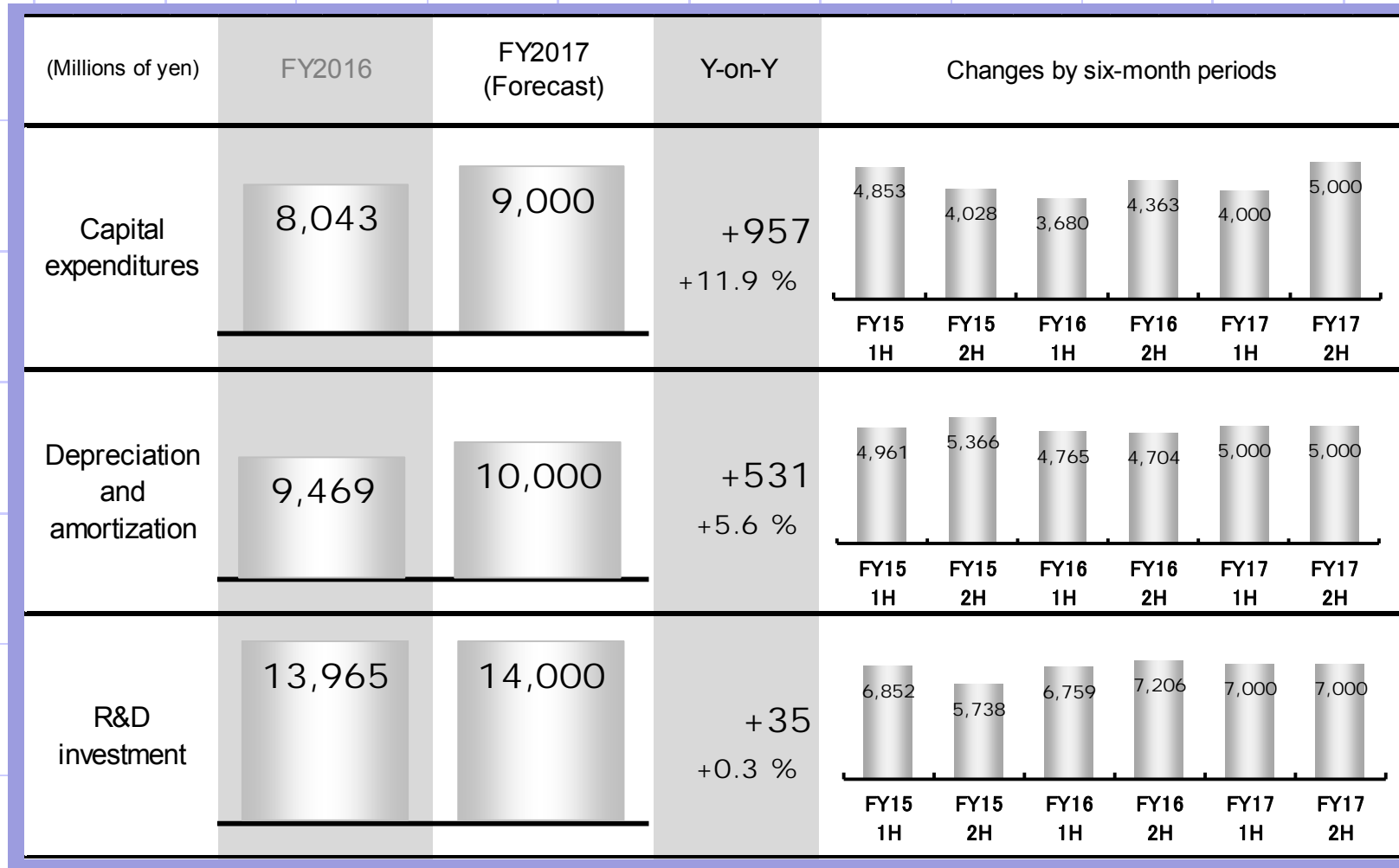
Functional currency of GGS (a sales affiliate in the U.K.) was changed to US\$ from GBP from FY2017.

(Millions of yen)	Sales			Operating Income		
	FY2016 Full Year	FY2017 Full Year (Forecast)	Y-on-Y	FY2016 Full Year	FY2017 Full Year (Forecast)	Y-on-Y
 Overseas Market	103,787	113,000	+9,213 +8.9 %	9,900	10,800	+900 +9.1 %
 Financial Market	53,301	53,000	-301 -0.6 %	6,510	4,900	-1,610 -24.7 %
 Retail & Transportation Market	42,657	44,000	+1,343 +3.1 %	3,468	4,000	+532 +15.3 %
 Amusement Market	20,434	22,000	+1,566 +7.7 %	737	1,800	+1,063 +144.2 %
 Others	2,400	3,000	+600 +25.0 %	-251	-500	-249 - %
Total	222,581	235,000	+12,419 +5.6 %	20,365	21,000	+635 +3.1 %



(Millions of yen)	Q1-Q2 (Forecast)		Q3-Q4 (Forecast)		Full Year (Forecast)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Overseas Market	48,000	2,700	65,000	8,100	113,000	10,800
Financial Market	23,500	1,500	29,500	3,400	53,000	4,900
Retail & Transportation Market	21,500	1,500	22,500	2,500	44,000	4,000
Amusement Market	10,500	600	11,500	1,200	22,000	1,800
Others	1,500	-300	1,500	-200	3,000	-500
Total	105,000	6,000	130,000	15,000	235,000	21,000

(Millions of yen)	FY2016	FY2017	Y-on-Y	Local currency basis
	Full Year	Full Year (Forecast)		
Americas	40,230	42,000	+1,770 +4.4 %	+2.9%
Europe	39,659	42,000	+2,341 +5.9 %	+4.9%
Asia	14,590	17,500	+2,910 +19.9 %	-
China	6,437	7,500	+1,063 +16.5 %	+17.3%
OEM	9,306	11,500	+2,194 +23.6 %	+23.6%
Total overseas sales	103,787	113,000	+9,213 +8.9 %	- %



<Notes>

1.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.

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