Press Release

May 2, 2005

Company name :	Japan Cash Machine Co., Ltd.
Representative:	President Koichiro Kamihigashi
Code number	6418
Exchange	Tokyo Stock Exchange 1st Section
Contact	General Manager of Corporate Planning Department Tsuyoshi Takagaki
TEL	06-6703-8400

Announcement of transfer pricing related tax assessment

The Osaka Regional Tax Bureau (hereinafter ORTB) is likely to issue an assessment notice to Japan Cash Machine Co., Ltd. (hereinafter the company) for fiscal years ended March 1999 through March 2004 based on transfer pricing adjustments to inter-company transactions, the company announced on May 2nd, 2005.

The ORTB has judged that in relation to its dealings with its overseas affiliates, the profits allocated to the company are too low and the company is expecting to receive a tax assessment notice from the ORTB imposing additional corporation tax, etc. of close to 1.6 billion yen. Essentially the ORTB is inferring that during the audited period, some of the income reported by affiliates in the US and Germany on their tax returns should be attributed to the company.

However, the company contends that it has conducted inter-company transactions with affiliates based on transfer pricing policy determined by reference to international tax norms that enable affiliates to earn income in accordance with the arm's length principle. Therefore, it is considered that the company and its affiliates have filed tax returns reflecting income appropriately.

Consequently, upon issuance of an assessment notice, the company plans to file a petition for exception to the regional director of the ORTB after paying taxes and related liabilities required by Japanese tax regulation. Additionally, for the avoidance of double taxation, the company shall avail itself to Mutual Agreement Procedures set forth in the provision of the relevant tax treaties. Through the competent authority mutual consultations, the company plans to exert efforts at having the tax authorities understand and accept the transfer pricing arrangements between itself and its affiliates.

While the company is required to pay delinquent tax and interests in addition to the corporation tax, enterprise and local taxes, it expects that double taxation will be relieved and correlative adjustments shall be made based on the agreements reached by the tax authorities. The additional cost not resolvable through tax authorities' negotiations such as delinquent tax and interests incurred in connection with this transfer pricing adjustment is expected to be about 200 million yen.

This issue shall not impact the financial forecast for fiscal year ended in March 2005.

End of report