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Press Release

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**Notice on Posting Extraordinary Loss due to Irrecoverability of Claims and  
Revision of Financial Results Forecast**

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies that the Company revises its financial forecast for the first half ending September 30, 2007 and full year ending March 31, 2008, previously announced on May 10, 2007 as follows in line with the possibility of posting extraordinary loss due to irrecoverability of claims announced on August 1, 2007 and the recent business performance.

1. Revision of Financial Results Forecast for the First Half Ending September 30, 2007

(1) Consolidated

(Million of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	15,300	1,800	1,800	900
Revised Forecast (B)	15,600	1,580	1,730	80
Changes from previous Forecast (B) – (A)	300	(220)	(70)	(820)
Increased/Decreased (%)	2.0	(12.2)	(3.9)	(91.1)
Results of first half ended September 30, 2006	15,278	1,535	1,734	475

(2) Non-Consolidated

(Million of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	11,900	850	1,500	950
Revised Forecast (B)	10,000	450	1,340	160
Changes from previous Forecast (B) – (A)	(1,900)	(400)	(160)	(790)
Increased/Decreased (%)	(16.0)	(47.1)	(10.7)	(83.2)
Results of first half ended September 30, 2006	12,855	989	1,898	851

(Provided for convenience purpose only. Japanese-language original controls in all cases.)

## 2. Revision of Financial Results Forecast for Full Year Ending March 31, 2008

### (1) Consolidated

(Million of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	33,000	3,600	3,600	2,000
Revised Forecast (B)	30,000	2,700	2,900	800
Changes from previous Forecast (B) – (A)	(3,000)	(900)	(700)	(1,200)
Increased/Decreased (%)	(9.1)	(25.0)	(19.4)	(60.0)
Results of full year ended March 31, 2007	31,785	3,431	3,697	1,758

### (2) Non-Consolidated

(Million of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	24,500	1,850	2,500	1,600
Revised Forecast (B)	20,200	800	1,700	370
Changes from previous Forecast (B) – (A)	(4,300)	(1,050)	(800)	(1,230)
Increased/Decreased (%)	(17.6)	(56.8)	(32.0)	(76.9)
Results of full year ended March 31, 2007	25,848	1,997	2,946	1,592

## 3. Forecast for Dividend Per Share:

There is no revision in the amount previously announced on May 10, 2007.

## 4. Outline of Posting Extraordinary Loss:

As the Company announced on August 1, 2007, Boss Co., Ltd., a customer of the Company and its consolidated subsidiary, filed an application for commencement of civil rehabilitation proceedings on July 31, 2007.

(1) Classification of claims	Trade Receivables
(2) Classification of amount	¥1,134,954 thousand including receivables of ¥83,176 thousand paid by the consolidated subsidiary on behalf of the customer
(3) Estimated amount of extraordinary loss	¥910,913 thousand

In addition, the Company estimates to post about ¥200 million as loss on devaluation of investment in securities held by the Company.

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## 5. Reasons for Revision

The domestic amusement market continues to scale down the size of the industry due to an amendment on regulations for pachinko related equipments, and its business environment still remains severe.

Meanwhile, in the overseas gaming market, the casino operators in general had tendencies to reluctant to buy products, observing the trend of new technology in the U.S., while the gaming market in Europe went favorably with the amendment of gaming laws in Germany and economic development in Eastern European Counties. In addition, due to the depreciation of the yen than initially envisioned in exchange rate, the consolidated net sales is expected to exceed slightly the original forecast in the first half ending September 30, 2007.

However, on profit side, net income is expected to fall below the original forecast mainly due to sales decrease in the amusement industry. Furthermore, due to the extraordinary loss mentioned above, it is unlikely to achieve the net income for the first-half ending September 30, 2007.

For the second half of this year, the Company will aggressively seek for order acquisition by adopting sales method that meets the needs of the pachinko halls in the domestic amusement industry. Yet, the market environment is expected to be continuously severe.

Moreover, in the overseas, the demand is expected to slightly decrease with the slack season at the end of the year approaching, although the European market continues to be strong.

In North American market, the Company estimates that it needs more time in succeeding in the commercial industry, and it is unlikely to accomplish the original forecast for full year.

The foreign exchange rate for the second half is based on the assumption that the average yen to U.S. dollar is ¥115, and the average against the euro is ¥158.

Based on the above mentioned business performance, the Company decided to reduce the compensation for the board members up to 60% for three months starting from October in order to clarify management responsibility.

Please note that the forecast above is based on the currently available information, and actual results may differ from the forecast due to subsequent various factors.
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