



December 8, 2008

Press Release

Company Name	Japan Cash Machine Co., Ltd.
Representative	Yojiro Kamihigashi
Stock Code	6418
Stock Exchanges	Tokyo and Osaka Stock Exchange, 1 st section
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Notice of Stock Acquisition in Sammy Systems Corporation as a 100% subsidiary

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies that its Board of Directors has resolved to acquire stocks of Sammy Systems Corporation (hereinafter referred to as “SS”) and to make it a 100% subsidiary at the meeting of its board of directors held on December 8, 2008.

1. Reasons of Stock Acquisition

Management environment surrounding the business of equipment for the amusement industry, which is one of the core operations of its group, has reached a threshold as a result of “revision of enforcement regulations of the act to control businesses which may affect public morals” implemented in July 2004. Accordingly, in the market of *pachisuro* equipment in particular where a game element has changed a lot, the number of models which are able to gain a high reputation from game halls and users has substantially decreased. Meanwhile, in the market of pachinko equipment, there has been a steady movement as development and supply of products with various kinds of game elements are possible.

Under such market environment, the Company has decided to acquire SS as its subsidiary because it excels at peripheral equipment of pachinko corners, considering it necessary to enhance the product composition in order to secure a steady profit in the business of equipment for the amusement industry.

2. Outline of SS

- (1) Trade name: Sammy Systems Corporation
- (2) Representative: President Yasuhiko Yoshimura
- (3) Company address: 2-23-2 Higashiikebukuro, Toshima-ku, Tokyo
- (4) Established: January 4, 1954
- (5) Line of business: development and manufacture of hall computing systems, giveaway POS systems, counting equipment, equipment for lines of pachinko and *pachisuro* machines, bill transfer unit, and lending machines of coins and balls
- (6) Accounting end: March 31
- (7) Number of employees: 82 (as of September 30, 2008)
- (8) Capital: JPY179 million (ditto)
- (9) Net asset: minus JPY6,149 million (ditto)

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

(10) Total assets: JPY2,058 million (ditto)

(11) Sales amount: JPY3,535 million (fiscal year ended March 2008)

(12) Operating income: minus JPY821 million (ditto)

(13) Shareholder composition and ownership percentage: Sammy Corporation (100%)

3. Method of Stock Acquisition

The Company will acquire all the stocks of SS held by Sammy Corporation.

4. Outline of the Company from which Stocks are Acquired

(1) Trade name: Sammy Corporation

(2) Representative: President COO Keishi Nakayama

(3) Company address: Sun Shine 60, 3-1-1 Higashiikebukuro, Toshima-ku, Tokyo

(4) Line of business: development, manufacture and marketing of machines for pachinko, *pachisuro*, and jankyu and their related equipment

5. Number of Acquired Stocks and the Situation of Ownership of Stocks before and after Acquisition

(1) Transfer date of stocks: Early March 2009 (scheduled)

(2) Number of stocks owned by us before transfer: zero (ownership percentage: 0%)

(3) Number of acquired stocks: 70,990

(4) Number of stocks owned by us after transfer: 70,990 (ownership percentage: 100%)

Transfer price shall be equivalent to the net asset price of SS after recalculating each item of its assets and liabilities on the basis of the market price, and the specific price shall not exceed the capital amount of the said company (JPY179 million). Although SS is saddled with excessive debts, the accumulated amount of loss is to be cleared away by the company from which stocks are acquired, before the time of stock acquisition.

6. Schedule

(1) December 8, 2008: Resolution by the board of directors

(2) December 8, 2008: Execution of basic agreement

(3) Early March 2009: Execution of stock purchase and sale agreement (scheduled)

7. Future Prospects

The Company aims at enhancing the lineup of products in the business of equipment for the amusement industry by making SS a subsidiary, which excels at peripheral equipment of pachinko corners. In addition, as for the said business after acquiring SS as its subsidiary, the Company will conduct efficiently the reallocation of management resources in the fields of development, manufacture and marketing, strive to introduce products meeting the needs of game halls and to reduce costs, and aim to increase the market share and expand profits of its group. Consequently, the Company is planning to achieve a slight surplus even from the first year (fiscal year ending March 2010).

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Please be informed that this matter will have little effect on its business performance of this fiscal year ending March 2009.