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In the event of any discrepancies between the Japanese and English versions, the former shall prevail.

Securities code: 6418

June 3, 2024

(Start date of measures for electronic provision: May 27, 2024)

To Our Shareholders

Yojiro Kamihigashi

President and Representative Director

Japan Cash Machine Co., Ltd.

2-11-18 Nambanaka, Naniwa-ku, Osaka City

Convocation Notice of the 71st Ordinary General Meeting of Shareholders

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies you that the 71st Ordinary General Meeting of Shareholders will be held as follows.

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures to electronically provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken). This information is published on the Company’s website for your reference.

The Company’s website

<https://www.jcm-hq.co.jp/> (in Japanese)

(From the English-language version of the above website, please click “IR Information.” Then, click “General Stock Information,” followed by “Shareholders Meetings,” and select “Convocation Notice of the 71st Ordinary General Meeting of Shareholders.”)

Website for posted informational materials for the General Meeting of Shareholders

<https://d.sokai.jp/6418/teiji/> (available only in Japanese)

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website, enter “Japan Cash Machine” in the “Issue name (company name)” or securities code “6418” in the “Code” field to search, then select “Basic information” and “Documents for public inspection/PR information” in that order. Finally, check “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

In regard to this Convocation Notice, the documents to be sent to shareholders who have requested document delivery will be sent to all shareholders.

If you are not attending the meeting in person, you may exercise your voting rights over the Internet, etc. or in writing. Please refer to the Reference Documents for the General Meeting of Shareholders and exercise your voting rights before 5:30 p.m. (JST) on Monday, June 24, 2024 according to the instructions mentioned below.

1. **Date and time:** Tuesday, June 25, 2024, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)

2. **Venue:** Namba SkyO, Convention Hall (7th floor), 5-1-60, Namba, Chuo-ku, Osaka City

3. Agenda

Matters to be reported

1. Reports on the Business Report, the Consolidated Financial Statements, and the Results of the Audit of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the 71st Fiscal Year (from April 1, 2023 to March 31, 2024)
2. Reports on the Non-consolidated Financial Statements for the 71st Fiscal Year (from April 1, 2023 to March 31, 2024)

Matters to be resolved

- Proposal 1 Amendments to Part of the Articles of Incorporation
- Proposal 2 Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3 Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 4 Determination of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 5 Determination of Remuneration for Directors Who Are Audit & Supervisory Committee Members
- Proposal 6 Determination of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors) for the purpose of Allocating Restricted Shares

<Request to Shareholders>

- If you are not attending in person, you can exercise your voting rights over the Internet, etc. or in writing.
- If you will be attending in person, please submit the enclosed voting form at reception.

<Handling of the General Meeting of Shareholders>

- Souvenirs will not be distributed to shareholders attending the General Meeting of Shareholders.
- The Company have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.
- Among matters for which measures for providing information in electronic format are to be taken, paper-based documents to be sent out do not include the following: (i) Business Report (systems for ensuring the appropriateness of operations and the state of operation thereof) (ii) Consolidated Financial Statements (Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements) (iii) Non-consolidated Financial Statements (Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements).
- In the event that corrections are made to this Convocation Notice or matters for which measures for providing information in electronic format are to be taken, the details of such corrections will be provided on the Company's website, website for posted informational materials for the General Meeting of Shareholders and the TSE website.

Information on Exercising Voting Rights

The right to vote at the General Meeting of Shareholders is an important right of all shareholders.

Please carefully consider the reference documents for the General Meeting of Shareholders before exercising your voting rights.

The three following methods can be used to exercise your voting rights.

Attending the General Meeting of Shareholders in person

Please submit the enclosed voting form at reception.

Time and date

Tuesday, June 25, 2024

10 a.m. (JST) (Reception starts at 9:00 a.m.)

Voting in writing (by mail)

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us.

Deadline

Must arrive by 5:30 p.m. (JST) on Monday, June 24, 2024

Voting over the Internet, etc.

Please input your approval or disapproval of the proposals according to the instructions on the following page.

Deadline

Input must be completed by 5:30 p.m. (JST) on Monday, June 24, 2024

If you vote both on the Internet, etc. and in writing (by mail), the vote on the Internet, etc. will be treated as a valid vote. Furthermore, if you vote multiple times on the Internet, etc., the final vote will be treated as a valid vote.

If neither approval nor disapproval of each proposal is indicated on the voting form when you exercise your voting rights in writing (by mail), the Company will deem that you have indicated your approval of each proposal.

Information on Exercising Voting Rights over the Internet, etc.

Method 1: “Smart Voting” Reading a QR Code

You can log into the voting website without entering your voting code and password.

- 1 Read the QR code shown on the bottom right of the voting form.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

- 2 Follow the instructions on screen to enter your approval or disapproval.

You can only vote once using Smart Voting.

If you wish to change the content of your vote, please access the PC website and login using the voting code and password shown on the voting form to vote again.

* You will be taken to the PC site if you read the QR code again.

Method 2: Entering the Voting Code and Password

Voting website: <https://www.web54.net> (available only in Japanese)

- 1 Access the voting website.
- 2 Enter the “voting code” shown on your voting form.
- 3 Enter the “password” shown on your voting form.
- 4 Follow the instructions on screen to enter your approval or disapproval.

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1 Amendments to Part of the Articles of Incorporation

1. Reasons for the Amendments

- (1) The Company is transitioning to a Company with an Audit & Supervisory Committee from a Company with an Audit & Supervisory Board. Through this transition, by appointing Audit & Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors, as members of the Board of Directors, the Company aims to strengthen the audit and supervisory functions of the Board of Directors and further enhance corporate governance through a stronger monitoring system. Accordingly, the Company will make necessary amendments to the Articles of Incorporation for the transition to a Company with an Audit & Supervisory Committee, including the establishment of new stipulations on Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and the deletion of stipulations on the Audit & Supervisory Board and its members.
- (2) The Company will amend the Article 28, Paragraph 2 of the current Articles of Incorporation as described in Article 29, Paragraph 2 of the proposed amendment in order to enable the Company to conclude Agreements Limiting the Liability with Director other than Executive Directors, etc. for the purpose of continuously inviting quality people as Directors. This amendment has been approved by each Audit & Supervisory Board Member.
- (3) Other necessary revisions and rewording will be made in accordance with the above amendments.

2. Details of the amendments to the Articles of Incorporation

Details of the amendments are as follows. (Underlines indicate changes).

The amendments to the Articles of Incorporation related to this proposal shall take effect upon the conclusion of this General Meeting of Shareholders.

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (Text omitted) (Purpose)	Article 1 (Unchanged) (Purpose)
Article 2 The purpose of the Company shall be to engage in the following businesses: 1. Manufacture and sale of machinery for receipt, disbursement and storage of currency and securities_ 2. Manufacture and sale of labor-saving machinery related to management and sales clerical work_ 3. Manufacture, sale, research, operation, and leasing of machinery and equipment related to the housing, education, healthcare, dining, and leisure industries_ 4. Leasing and management of real estate_ 5. Manufacture, sale, design and construction of office equipment, safes, and furniture_ 6. Management of amusement centers_	Article 2 The purpose of the Company shall be to engage in the following businesses: 1. Manufacture and sale of machinery for receipt, disbursement and storage of currency and securities 2. Manufacture and sale of labor-saving machinery related to management and sales clerical work 3. Manufacture, sale, research, operation, and leasing of machinery and equipment related to the housing, education, healthcare, dining, and leisure industries 4. Leasing and management of real estate 5. Manufacture, sale, design and construction of office equipment, safes, and furniture 6. Management of amusement centers

Current Articles of Incorporation	Proposed Amendments
<p>7. Manufacture and sale of slot machines and pachinko machines related amusement products, etc.</p> <p>8. Manufacture and sale of ozone generators for sterilization, mold prevention, and odor elimination, as well as equipment for preserving freshness of food and food dryers.</p> <p>9. All business activities related to any of the preceding items.</p>	<p>7. Manufacture and sale of slot machines and pachinko machines related amusement products, etc.</p> <p>8. Manufacture and sale of ozone generators for sterilization, mold prevention, and odor elimination, as well as equipment for preserving freshness of food and food dryers</p> <p>9. All business activities related to any of the preceding items</p>
<p>Article 3 (Text omitted) (Governing bodies)</p>	<p>Article 3 (Unchanged) (Governing bodies)</p>
<p>Article 4</p> <p>In addition to the General Meeting of Shareholders and Directors, the Company shall establish the following governing bodies.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit & Supervisory Board Members</u> 3. <u>Audit & Supervisory Board</u> 4. <u>Financial Auditor</u> 	<p>Article 4</p> <p>In addition to the General Meeting of Shareholders and Directors, the Company shall establish the following governing bodies.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit & Supervisory Committee</u> (Deleted) 3. <u>Financial Auditor</u>
<p>Article 5 (Text omitted)</p> <p style="text-align: center;">Chapter 2 Shares</p>	<p>Article 5 (Unchanged)</p> <p style="text-align: center;">Chapter 2 Shares</p>
<p>Article 6-12 (Text omitted)</p> <p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p>	<p>Article 6-12 (Unchanged)</p> <p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p>
<p>Article 13-18 (Text omitted)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors</p>	<p>Article 13-18 (Unchanged)</p> <p style="text-align: center;">Chapter 4 Directors and Board of Directors</p>
<p>(Number of Directors)</p>	<p>(Number of Directors)</p>
<p>Article 19</p> <p>The number of Directors of the Company shall not exceed ten (10).</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 19</p> <ol style="list-style-type: none"> 1. <u>The number of Directors (excluding Directors who are Audit & Supervisory Committee members) of the Company shall not exceed ten (10).</u> 2. <u>The number of Directors who are Audit & Supervisory Committee members of the Company shall not exceed five (5).</u>

Current Articles of Incorporation	Proposed Amendments
<p>(Election)</p> <p>Article 20</p> <ol style="list-style-type: none"> 1. Directors shall be elected at a General Meeting of Shareholders. 2. Directors shall be elected by a majority vote of the voting rights at a General Meeting of Shareholders at which shareholders holding not less than one-third of the total shareholder's voting rights are present and exercise their right to vote. 3. Cumulative voting shall not be adopted for the purpose of electing the Directors. 	<p>(Election)</p> <p>Article 20</p> <ol style="list-style-type: none"> 1. Directors shall be elected at a General Meeting of Shareholders, <u>with a distinction made between directors who are members of the Audit & Supervisory Committee and other directors.</u> 2. (Unchanged) 3. (Unchanged)
<p>(Terms of Office)</p> <p>Article 21</p> <p>The term of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after his or her election.</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	<p>(Terms of Office)</p> <p>Article 21</p> <ol style="list-style-type: none"> 1. <u>The term of office of Directors (excluding Directors who are Audit & Supervisory Committee members) shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after his or her election.</u> 2. <u>The term of office of Directors who are Audit & Supervisory Committee members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years after his or her election.</u> 3. <u>The term of office of Directors who are Audit & Supervisory Committee members elected to fill a vacancy of a member of Audit & Supervisory Committee who retires before the expiration of his or her term of office shall expire at the time of the expiration of the term of office of the retired director who served as a member of the Audit & Supervisory Committee.</u>
<p>Article 22 (Text omitted)</p>	<p>Article 22 (Unchanged)</p>
<p>(Convocation Notice)</p>	<p>(Convocation Notice)</p>
<p>Article 23</p> <ol style="list-style-type: none"> 1. Convocation notice of a meeting of the Board of Directors shall be sent to each Director <u>and member of the Audit & Supervisory Board</u> no later than three (3) days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency. 	<p>Article 23</p> <ol style="list-style-type: none"> 1. Convocation notice of a meeting of the Board of Directors shall be sent to each Director no later than three (3) days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.

Current Articles of Incorporation	Proposed Amendments
<p>2. A meeting of the Board of Directors may be held without convocation procedures with the consent of all Directors <u>and members of the Audit & Supervisory Board.</u></p> <p>(Newly established)</p> <p>(Omission of Resolution by the Board of Directors)</p> <p>Article <u>24</u></p> <p>If a Director submits a proposal regarding a matter, which is the subject of a resolution by the Board of Directors, and if all Directors who are eligible to vote on the proposal indicate their consent to the said proposal, either in writing or in electronic form, the Company shall deem such proposal as having been approved by the Board of Directors; <u>provided, however, that this provision shall not apply if a member of the Audit & Supervisory Board has stated an objection to such proposal.</u></p> <p>(Representative Directors and Executive Directors)</p> <p>Article <u>25</u></p> <p>1. The Board of Directors shall appoint Representative Directors from among the members of the Board.</p> <p>2. The Company may, by resolution of the Board of Directors, appoint one chairman and one president, as well as several executive vice presidents, senior executive directors, and executive directors.</p> <p>Article <u>26</u> (Text omitted)</p>	<p>2. A meeting of the Board of Directors may be held without convocation procedures with the consent of all Directors.</p> <p><u>(Delegation of decision-making for the execution of important business)</u></p> <p>Article <u>24</u></p> <p><u>Depending on the resolution of the Board of Directors, the Company may delegate all or part of decision-making for the execution of important business to a Director, as stipulated in Article 399-13, paragraph 6 of the Companies Act (except as specified in Paragraph 5 of that Article.)</u></p> <p>(Omission of Resolution by the Board of Directors)</p> <p>Article <u>25</u></p> <p>If a Director submits a proposal regarding a matter, which is the subject of a resolution by the Board of Directors, and if all Directors who are eligible to vote on the proposal indicate their consent to the said proposal, either in writing or in electronic form, the Company shall deem such proposal as having been approved by the Board of Directors.</p> <p>(Representative Directors and Executive Directors)</p> <p>Article <u>26</u></p> <p>1. The Board of Directors shall appoint Representative Directors from among the members of the Board <u>(excluding Directors who are Audit & Supervisory Committee members).</u></p> <p>2. The Company may, by resolution of the Board of Directors, appoint one chairman and one president, as well as several executive vice presidents, senior executive directors, and executive directors <u>from among Directors (excluding Directors who are Audit & Supervisory Committee members).</u></p> <p>Article <u>27</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Remuneration, etc.)</p> <p>Article <u>27</u></p> <p>The remuneration, bonuses and other monetary benefits to be received by Directors from the Company as consideration for execution of duties (hereinafter, referred to as “remuneration, etc.”) shall be determined by resolution of a General Meeting of Shareholders.</p>	<p>(Remuneration, etc.)</p> <p>Article <u>28</u></p> <p>The remuneration, bonuses and other monetary benefits to be received by Directors from the Company as consideration for execution of duties (hereinafter, referred to as “remuneration, etc.”) shall be determined by resolution of a General Meeting of Shareholders, <u>with a distinction made between directors who are members of the Audit & Supervisory Committee and other directors.</u></p>
<p>(Limitation of Directors’ Liability)</p> <p>Article <u>28</u></p> <ol style="list-style-type: none"> As stipulated in Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including person who were Directors) from their liabilities for damages due to negligence of their duties to the legally authorized extent. As stipulated in Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>outside Directors</u> to limit their liability for damages due to negligence of duties. Provided, however, that the maximum amount of liability based on such agreement shall be the higher of a pre-determined amount of ten (10) million yen or more or the amount stipulated by laws and regulations. 	<p>(Limitation of Directors’ Liability)</p> <p>Article <u>29</u></p> <ol style="list-style-type: none"> (Unchanged) As stipulated in Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Directors (excluding those who are Executive Directors, etc.)</u> to limit their liability for damages due to negligence of duties. Provided, however, that the maximum amount of liability based on such agreement shall be the higher of a pre-determined amount of ten (10) million yen or more or the amount stipulated by laws and regulations.
<p style="text-align: center;"><u>Chapter 5</u></p> <p style="text-align: center;"><u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>(Number of Audit & Supervisory Board Members)</u></p>	<p style="text-align: center;">(Deleted)</p>
<p>Article <u>29</u></p> <p><u>The number of Audit & Supervisory Board Members of the Company shall not exceed four (4).</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>(Election)</u></p>	<p style="text-align: center;">(Deleted)</p>
<p>Article <u>30</u></p> <ol style="list-style-type: none"> <u>Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.</u> <u>Audit & Supervisory Board Members shall be elected by a majority vote of the voting rights at a General Meeting of Shareholders at which shareholders holding not less than one-third of the total shareholder’s voting rights are present and exercise their right to vote.</u> 	<p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Terms of Office)</u></p> <p><u>Article 31</u></p> <p>1. <u>The term of office of Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years after his or her election.</u></p> <p>2. <u>The term of office of a Directors who are Audit & Supervisory Board Members elected to fill a vacancy of a member of Audit & Supervisory Board Members shall expire at the time of the expiration of the term of office of the retired director who served as a member of the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Full-time Audit & Supervisory Board Member)</u></p>	(Deleted)
<p><u>Article 32</u></p> <p><u>The Company shall, by its resolution, appoint several Full-time Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>(Convocation Notice)</u></p>	(Deleted)
<p><u>Article 33</u></p> <p>1. <u>Convocation notice of a meeting of the Audit & Supervisory Board shall be sent to each member of the Audit & Supervisory Board no later than three (3) days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.</u></p> <p>2. <u>A meeting of the Audit & Supervisory Board may be held without convocation procedures with the consent of all members of the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Audit & Supervisory Board Regulations)</u></p>	(Deleted)
<p><u>Article 34</u></p> <p><u>Matters concerning the Audit & Supervisory Board, in addition to laws and regulations and these Articles of Incorporation, shall be governed by the Regulations of the Audit & Supervisory Board prescribed by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Remuneration, etc.)</u></p>	(Deleted)
<p><u>Article 35</u></p> <p><u>The remuneration, etc., of Audit & Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="98 136 735 165"><u>(Limitation of Audit & Supervisory Board Members' Liability)</u></p> <p data-bbox="98 185 204 215"><u>Article 36</u></p> <p data-bbox="116 232 775 548">1. <u>As stipulated in Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including person who were members of the Audit & Supervisory Board) from their liabilities for damages due to negligence of their duties to the legally authorized extent.</u></p> <p data-bbox="116 568 786 931">2. <u>As stipulated in Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with outside Audit & Supervisory Board Members to limit their liability for damages due to negligence of duties. Provided, however, that the maximum amount of liability based on such agreement shall be the higher of a pre-determined amount of 10 million yen or more or the amount stipulated by laws and regulations.</u></p> <p data-bbox="336 949 552 978">(Newly established)</p> <p data-bbox="336 1046 552 1075">(Newly established)</p> <p data-bbox="336 1285 552 1314">(Newly established)</p>	<p data-bbox="1098 136 1201 165">(Deleted)</p> <p data-bbox="1091 949 1203 978"><u>Chapter 5</u></p> <p data-bbox="979 999 1318 1028"><u>Audit & Supervisory Committee</u></p> <p data-bbox="804 1046 1362 1075"><u>(Full-time Audit & Supervisory Committee Members)</u></p> <p data-bbox="804 1095 908 1124"><u>Article 30</u></p> <p data-bbox="820 1144 1450 1265"><u>The Audit & Supervisory Committee may, by its resolution, appoint several Full-time Audit & Supervisory Committee Members.</u></p> <p data-bbox="804 1285 1023 1314"><u>(Convocation Notice)</u></p> <p data-bbox="804 1335 908 1364"><u>Article 31</u></p> <p data-bbox="820 1384 1493 1599">1. <u>Convocation notice of a meeting of the Audit & Supervisory Committee shall be sent to each member of the Audit & Supervisory Committee no later than three (3) days prior to the date of the meeting. Provided, however, that such period may be shortened in case of an emergency.</u></p> <p data-bbox="820 1619 1493 1740">2. <u>A meeting of the Audit & Supervisory Committee may be held without convocation procedures with the consent of all members of the Audit & Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">Chapter 6 Financial Auditor</p> <p>Article <u>37-38</u> (Text omitted) (Remuneration, etc.)</p> <p>Article <u>39</u> The remuneration, etc., of Financial Auditor shall be determined by the Representative Director(s) with consent of the <u>Audit & Supervisory Board</u>.</p> <p style="text-align: center;">Chapter 7 Accounts</p> <p>Article <u>40-43</u> (Text omitted)</p> <p style="text-align: center;">(Newly established) (Newly established)</p>	<p><u>(Audit & Supervisory Committee Regulations)</u></p> <p><u>Article 32</u> <u>Matters concerning the Audit & Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation, shall be governed by the Regulations of the Audit & Supervisory Committee prescribed by the Audit & Supervisory Committee.</u></p> <p style="text-align: center;">Chapter 6 Financial Auditor</p> <p>Article <u>33-34</u> (Unchanged) (Remuneration, etc.)</p> <p>Article <u>35</u> The remuneration, etc., of Financial Auditor shall be determined by the Representative Director(s) with consent of the <u>Audit & Supervisory Committee</u>.</p> <p style="text-align: center;">Chapter 7 Accounts</p> <p>Article <u>36-39</u> (Unchanged)</p> <p><u>Supplementary Provisions</u> <u>(Transitional Measures regarding Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p><u>Article 1</u> <u>1. As a stipulated in Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including person who were members of the Audit & Supervisory Board) from their liabilities for damages provided for in Article 423, paragraph 1 of the Companies Act in relation to the acts conducted before the conclusion of the 71st Ordinary General Meeting of Shareholders to the extent permitted by laws and regulations.</u></p>
	<p><u>2. Agreement to limit the liability for damages under Article 423, paragraph 1 of the Companies Act in relation to the acts conducted by members of the Audit & Supervisory Board (including person who were members of the Audit & Supervisory Board) before the conclusion of the 71st Ordinary General Meeting of Shareholders shall remain in accordance with the provisions of Article 36, paragraph 2 of the Articles of Incorporation prior to the amendments by a resolution of the aforementioned Ordinary General Meeting of Shareholders.</u></p>

Proposal 2 Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Subject to the approval of Proposal 1 “Amendments to Part of the Articles of Incorporation” in its original form, the Company will become a company with Audit & Supervisory Committee, and all seven (7) directors will retire from office due to expiration of their terms of office when the amendments to the Articles of Incorporation takes effect. Therefore, the Company proposes the election of seven (7) directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal).

Each candidate is nominated at the Board of Directors meeting based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and the majority of its members are Outside Officers to ensure fairness and transparency.

This proposal can only take effect after Proposal 1 “Amendments to Part of the Articles of Incorporation” takes effect.

The candidates for Director are as follows

Candidate No.	Name	Current Position and Responsibilities in the Company (Significant concurrent positions outside the Company)	Attendance at Board of Directors Meetings (71st fiscal year)
1	Reelection Yojiro Kamihigashi	President and Representative Director (Representative Director of Johto Investment and Development Inc.)	100.0% (18 out of 18 meetings)
2	Reelection Tsuyoshi Takagaki	Executive Director and Senior Executive Officer, Executive General Manager of Corporate Planning Division	100.0% (18 out of 18 meetings)
3	Reelection Yoshihiro Iuchi	Director and Senior Executive Officer Executive General Manager of Global Strategy Division, in charge of Sales	100.0% (18 out of 18 meetings)
4	Reelection Norihito Nakatani	Director and Senior Executive Officer Executive General Manager of Production Division, in charge of Production	100.0% (18 out of 18 meetings)
5	Reelection Takatomo Imai	Director and Senior Executive Officer Deputy Executive General Manager of Corporate Planning Division Deputy Executive General Manager of Global Strategy Division, in charge of Global Finance (Representative Director of JCM AMERICAN CORP.)	100% (14 out of 14 meetings) Since appointment on June 27, 2023
6	Reelection Outside Independent Koji Yoshikawa	Outside Director (Attorney (Baba Law Firm), Outside Audit & Supervisory Board Member of NCS&A CO., LTD.)	100.0% (18 out of 18 meetings)
7	Reelection Outside Independent Tatsuhiko Saruwatari	Outside Director (Outside Director of NORITAKE CO., LIMITED (Audit & Supervisory Committee member))	100.0% (18 out of 18 meetings)

Candidate No.

1

Yojiro Kamihigashi

(June 5, 1959)

Reelection

- Number of the Company's Shares Owned
1,458,283 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
31 years
- Attendance at Board of Directors meetings (71st fiscal year)
100.0% (18/18)

■ Career Summary, and Position and Responsibility in the Company

- Oct. 1984 Joined Japan Cash Machine Co., Ltd.
- June 1993 Director of the Company
- May 1995 Director and General Manager of Overseas Sales Department
- June 2006 Director, Executive Officer, and Executive General Manager of International Division
- Apr. 2007 President and Representative Director (current position)
- June 2020 Representative Director of JCM SYSTEMS Co., LTD.

■ Significant concurrent positions outside the Company

Representative Director of Johto Investment and Development Inc.

Reasons for nomination as candidate for Director

Yojiro Kamihigashi has management experience at overseas subsidiaries. Capitalizing on this experience, as President and Representative Director, he currently exerts effective leadership in the management of the Group's global business development. He plays an important role in decision making, while overseeing the execution of business. Since it is expected that he will continue to perform his duties appropriately and will contribute to the sustained enhancement of the corporate value of the Group, he is considered to be a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Kamihigashi and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

2

Tsuyoshi Takagaki

(September 13, 1961)

Reelection

■Number of the Company's Shares Owned

8,300 shares

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

11 years

■Attendance at Board of Directors meetings (71st fiscal year)

100.0% (18/18)

■Career Summary, and Position and Responsibility in the Company

Aug. 1997	Joined Japan Cash Machine Co., Ltd.
June 2007	Executive Officer and Deputy Executive General Manager of Administration Division of the Company
Oct. 2011	Senior Executive Officer and Executive General Manager of Human Resources, General Affairs and Corporate Planning Division
June 2013	Director and Senior Executive Officer
Dec. 2013	Executive General Manager of Corporate Planning Division (current position)
June 2019	Executive Director and Senior Executive Officer (current position)

Reasons for nomination as candidate for Director

Since joining the Company, Tsuyoshi Takagaki has worked for the development of the Group, taking charge of general affairs, legal, compliance, and human resources. He currently makes effective business decisions based on his experiences accumulated through his career, while also currently supervises execution of effective business activities as Executive Director. Since it is expected that he will continue to perform his duties appropriately and will contribute to the sustained enhancement of the corporate value of the Group, he is considered to be a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Takagaki and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

3

Yoshihiro Iuchi

(May 21, 1960)

Reelection

■Number of the Company's Shares Owned

14,600 shares

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

6 years

■Attendance at Board of Directors meetings (71st fiscal year)

100.0% (18/18)

■Career Summary, and Position and Responsibility in the Company

Mar. 2004 Joined Japan Cash Machine Co., Ltd.

June 2007 Executive Officer and Deputy Executive General Manager of International Division of the Company

Nov. 2010 Representative Director of JCM GOLD (H.K.) LTD.

June 2016 Senior Executive Officer in charge of Production Division of the Company

June 2018 Director, Senior Executive Officer, and Executive General Manager of Global Strategy Division (current position)

July 2019 In charge of Sales (current position)

Reasons for nomination as candidate for Director

Since joining the Company, Yoshihiro Iuchi has engaged mainly in overseas sales activities, and then worked as the Representative Director of a subsidiary company that controls overseas production. Currently, he serves as Director playing a useful role overseeing appropriate decision making and business execution from a global perspective. Since it is expected that he will continue to perform his duties appropriately and will contribute to the sustained enhancement of the corporate value of the Group, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Iuchi and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

4

Norihito Nakatani

(February 20, 1960)

Reelection

- Number of the Company's Shares Owned
12,700 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
5 years
- Attendance at Board of Directors meetings (71st fiscal year)
100.0% (18/18)

■ Career Summary, and Position and Responsibility in the Company

Oct. 1990	Joined Japan Cash Machine Co., Ltd.
June 2007	Executive Officer and Deputy Executive General Manager of SCM Division of the Company
May 2008	Deputy Executive General Manager of Engineering Division
Nov. 2010	Representative Director of JCM CHINA CO., LTD.
June 2015	In charge of Production of Creating and Manufacturing Division of the Company
June 2016	Executive General Manager of Production Division
June 2017	Executive General Manager of Second R&D Division
June 2018	Senior Executive Officer Executive Director of JCM SYSTEMS Co., LTD.
June 2019	Director and Senior Executive Officer of the Company (current position)
Oct. 2021	In charge of Production (current position)
Jan. 2022	Executive General Manager of Production Division (current position)

Reasons for nomination as candidate for Director

Since joining the Company, Norihito Nakatani has engaged mainly in production-related operations, and then worked as the Representative Director of a subsidiary company that controls overseas production. Currently, he serves as Director, responsible for the Production Division overseeing appropriate decision making and business execution based on relevant work experience. Since it is expected that he will continue to perform his duties appropriately and will contribute to sustained enhancement of the corporate value of the Group, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Nakatani and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

5

Takatomo Imai

(February 28, 1961)

Reelection

- Number of the Company's Shares Owned
8,300 shares
 - Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
1 year
 - Attendance at Board of Directors meetings (71st fiscal year)
100.0% (14/14)
- Since appointment on June 27, 2023

■ Career Summary, and Position and Responsibility in the Company

- Sep. 2001 Joined Japan Cash Machine Co., Ltd.
- Oct. 2011 Deputy General Manager of Finance and Accounting Division of the Company
- July 2016 Executive Officer, Deputy Executive General Manager of Corporate Planning Division of the Company (current position)
- July 2018 Senior Executive Officer
Representative Director of JCM AMERICAN CORP. (current position)
- June 2023 Director and Senior Executive Officer of the Company (current position)
Deputy Executive General Manager of Global Strategy Division (current position)
In charge of Global Finance (current position)

■ Significant concurrent positions outside the Company

Representative Director of JCM AMERICAN CORP.

Reasons for nomination as candidate for Director

Since joining the Company, Takatomo Imai has been involved mainly in accounting and finance, and in the management of an overseas subsidiary. Moreover, he has a track record and experience contributing to the Group, including serving as Representative Director of an overseas sales subsidiary. Currently, he serves as Director, conducting appropriate decision-making and supervising business execution in the Global Finance area based on these duties, in order to stimulate further overseas expansion within the Group going forward. Since it is expected that he will continue to perform his duties appropriately and will contribute to sustained enhancement of the corporate value of the Group, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between candidate and the Company

There is no special interest between Mr. Imai and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

6

Koji Yoshikawa

(February 8, 1950)

Reelection

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

10 years

■Attendance at Board of Directors meetings (71st fiscal year)

100.0% (18/18)

■Career Summary, and Position and Responsibility in the Company

Apr. 1978	Appointed Public Prosecutor, Osaka District Public Prosecutors Office
Apr. 2000	Deputy Manager, Special Investigation Department, Osaka District Public Prosecutors Office
Apr. 2004	Prosecutor, Supreme Public Prosecutors Office
July 2005	Deputy Chief Public Prosecutor, Osaka District Public Prosecutors Office
Jan. 2009	Chief Public Prosecutor, Kobe District Public Prosecutors Office
Jan. 2010	Resigned from Prosecutor
Mar. 2010	Registered as Attorney
June 2014	Outside Director of the Company (current position)

■Significant concurrent positions outside the Company

Attorney (Baba Law Firm)
Outside Audit & Supervisory Board Member of NCS&A CO., LTD.

Reasons for nomination as candidate for Outside Director and summary of expected roles

Although Koji Yoshikawa has not been directly involved in the management of a company, he has extensive knowledge and expertise as a judicial officer. He has been giving appropriate advice to the Group, which operates compliance-oriented management, such as maintaining casino gaming licenses in the U.S. Since it is expected that he will contribute to strengthening the function of supervising the execution of duties of other Directors and transparency of management, we consider him an appropriate candidate for Outside Director of the Company. Accordingly, he is a proposed candidate for Outside Director.

Independence

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Yoshikawa has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Mr. Yoshikawa and the Company.

Limited liability agreement

The Company has concluded an agreement with Mr. Yoshikawa to limit his liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The maximum amount of the liability for damages under the agreement shall be the higher of either ten million yen or the minimum amount of liability

prescribed by Article 425, paragraph (1) of the Companies Act. If the reelection of this candidate is approved, the Company plans to continue the agreement.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

7

Tatsuhiko Saruwatari

(March 1, 1953)

Reelection

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

4 years

■Attendance at Board of Directors meetings (71st fiscal year)

100.0% (18/18)

■Career Summary, and Position and Responsibility in the Company

Apr. 1976	Joined Toto Kiki Ltd. (current TOTO Ltd.)
June 2001	Director, Executive Officer, Director of Equipment Business Group of the Same Company
June 2002	Director, Managing Executive Officer, Director of Equipment Business Group, General Manager of Central Technology Center of the Same Company
June 2006	Director, Senior Managing Executive Officer, In Charge of Research & Technology Group, Corporate Planning Department of the Same Company
May 2013	Outside Audit & Supervisory Board Member of Izutsuya Co., Ltd.
June 2013	Representative Director, Executive Vice President of TOTO Ltd.
June 2016	Outside Audit & Supervisory Board Member of NORITAKE CO., LIMITED
June 2020	Outside Director of the Company (current position)
June 2023	Outside Director of NORITAKE CO., LIMITED (Audit & Supervisory Committee member) (current position)

■Significant concurrent positions outside the Company

Outside Director of NORITAKE CO., LIMITED (Audit & Supervisory Committee member)

Reasons for nomination as candidate for Outside Director and summary of expected roles

Tatsuhiko Saruwatari has a wealth of experience and broad knowledge as a manager and is expected to provide advice and suggestions in management activities aimed at realizing the sustainable enhancement of the corporate value of the Group. In addition, we consider him an appropriate candidate for the position of Outside Director of the Company, who aims to strengthen the function of supervising the execution of duties of other Directors and further improve the transparency of management. Accordingly, he is a proposed candidate for Outside Director.

Independence

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Saruwatari has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Mr. Saruwatari and the Company.

Limited liability agreement

The Company has concluded an agreement with Mr. Saruwatari to limit his liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The maximum amount of the liability for damages under the agreement shall be the higher of either ten million yen or the minimum amount of liability prescribed by Article 425, paragraph (1) of the Companies Act. If the reelection of this candidate is approved, the Company plans to continue the agreement.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Proposal 3 Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

Subject to the approval of Proposal 1, "Amendments to Part of the Articles of Incorporation," in its original form, the Company will become a company with an Audit & Supervisory Committee; therefore, the Company proposes the election of three (3) directors who are Audit & Supervisory Committee Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

Each candidate is nominated at the Board of Directors meeting based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and the majority of its members are Outside Officers to ensure fairness and transparency.

This proposal can only take effect after Proposal 1 "Amendments to Part of the Articles of Incorporation" takes effect.

Candidates for the role of Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name	Current Position and Responsibilities in the Company (Significant concurrent positions outside the Company)	Attendance at Board of Directors Meetings (71st fiscal year)	Attendance at Audit & Supervisory Board Meetings (71st fiscal year)			
1	<table border="1"><tr><td>New election</td></tr></table> Michimasa Teraoka	New election	Full-time Audit & Supervisory Board Member	100.0% (18 out of 18 meetings)	100.0% (15 out of 15 meetings)		
New election							
2	<table border="1"><tr><td>New election</td></tr><tr><td>Outside</td></tr><tr><td>Independent</td></tr></table> Yoko Sato	New election	Outside	Independent	Outside Audit & Supervisory Board Member (Certified Public Accountant (Representative of Yoko Sato Certified Public Accountant Office), Outside Director of TOCALO Co., Ltd., Outside Director of Sanyo Electric Railway Co., Ltd.)	100.0% (18 out of 18 meetings)	100.0% (15 out of 15 meetings)
New election							
Outside							
Independent							
3	<table border="1"><tr><td>New election</td></tr><tr><td>Outside</td></tr><tr><td>Independent</td></tr></table> Hiroki Yonekura	New election	Outside	Independent	(Attorney at Law (Kitahama Partners), Director of Kinki Federation of Bar Associations)	-% (- out of - meetings)	-% (- out of - meetings)
New election							
Outside							
Independent							

Candidate No.

1

Michimasa Teraoka

(May 17, 1960)

New election

- Number of the Company's Shares Owned
42,731 shares
- Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)
5 years (Full-time Audit & Supervisory Board Member)
- Attendance at Board of Directors meetings (71st fiscal year)
100.0% (18/18)
- Attendance at Audit & Supervisory Board Meetings (71st fiscal year)
100.0% (15/15)

■ Career Summary, and Position and Responsibility in the Company

- June 1980 Joined Japan Cash Machine Co., Ltd.
- June 2006 Executive Officer and Deputy Executive General Manager of Administration Division of the Company
- June 2007 Senior Executive Officer and Executive General Manager of Administration Division of the Company
- June 2014 Executive Board Director of JCM SYSTEMS CO., LTD.
- June 2017 Senior Executive Officer of the Company
General Manager of Domestic Business Strategy Department, Corporate Planning Division of the Company
- June 2018 In charge of Risk Management and Internal Audit of the Company
- June 2019 Full-time Audit & Supervisory Board Member of the Company (current position)

Reason for nomination as candidate for Director who is an Audit & Supervisory Committee Member

Since joining the Company, Michimasa Teraoka has been involved in management duties primarily focused on finance and accounting, and possesses abundant experience and achievements in these fields. He is familiar with the Company group's overall operations, is responsible for risk management and internal audit operations, among others, and continues to conduct appropriate audits based on his experience in these duties as a member of the Audit & Supervisory Board. Going forward, he is expected to utilize his knowledge and experience as a Director who is a member of the Audit & Supervisory Committee to strengthen the audit and supervisory functions of the Company's business execution. Therefore, we consider him an appropriate candidate for the role of Director who is an Audit & Supervisory Committee member. Accordingly, he is newly proposed as a candidate for Director who is a member of the Audit & Supervisory Committee.

Special interests between candidate and the Company

There is no special interest between Mr. Teraoka and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director who is an Audit & Supervisory Committee member is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

2

Yoko Sato

(July 23, 1960)

New election

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

4 years (Outside Audit & Supervisory Board Member)

■Attendance at Board of Directors meetings (71st fiscal year)

100.0% (18/18)

■Attendance at Audit & Supervisory Board Meetings (71st fiscal year)

100.0% (15/15)

■Career Summary, and Position and Responsibility in the Company

- | | |
|-----------|-----------------------------------------------------------------------------------|
| Sep. 1986 | Joined Showa Ota & Co. (current Ernst & Young ShinNihon LLC) |
| Mar. 1990 | Registered as Certified Public Accountant |
| May 2011 | Appointed as Senior Partner of Ernst & Young ShinNihon LLC |
| June 2019 | Left Ernst & Young ShinNihon LLC |
| Sep. 2019 | Representative of Yoko Sato Certified Public Accountant Office (current position) |
| June 2020 | Outside Audit & Supervisory Board Member of the Company (current position) |

■Significant concurrent positions outside the Company

- Certified Public Accountant (Representative of Yoko Sato Certified Public Accountant Office)
- Outside Director of TOCALO Co., Ltd.
- Outside Director of Sanyo Electric Railway Co., Ltd.

Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles

Although Yoko Sato has no direct experience of being involved in corporate management, she has abundant auditing experience as a certified public accountant and professional knowledge of finance and accounting over many years. As an outside Audit & Supervisory Board Member, she continues to audit the business execution of directors and provide appropriate advice and recommendations from an objective and professional perspective. Going forward, she is expected to utilize her knowledge and experience to strengthen the audit and supervisory functions of the execution of directors' duties. Therefore, we consider her an appropriate candidate for the role of Director who is an Audit & Supervisory Committee member. Accordingly, she is newly proposed as a candidate for Outside Director who is an Audit & Supervisory Committee Member.

Independence

The Company has submitted notification to the Tokyo Stock Exchange that Ms. Sato has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Ms. Sato and the Company.

Limited liability agreement

The Company has concluded an agreement with Ms. Sato to limit her liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The maximum amount of the liability for damages under the agreement shall be the higher of either ten million yen or the minimum amount of liability prescribed by Article 425, paragraph (1) of the Companies Act. If the election of this candidate is approved, the Company plans to enter into another agreement with similar terms and conditions.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director who is an Audit & Supervisory Committee member is approved, the candidate will continue to be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.

3

Hiroki Yonekura

(July 2, 1969)

New election

Outside

Independent

■Number of the Company's Shares Owned

-

■Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

- years

■Attendance at Board of Directors meetings (71st fiscal year)

-% (-/-)

■Attendance at Audit & Supervisory Board Meetings (71st fiscal year)

-% (-/-)

■Career Summary, and Position and Responsibility in the Company

Apr. 1999 Registered as Attorney in Japan

Aug. 2006 Joined Kitahama Partners

Jan. 2007 Registered as Attorney in the State of New York

Jan. 2009 Kitahama Partners, Partner (current position)

May 2010 Registered as a Certified Tax Accountant

Apr. 2023 Governor of Japan Federation of Bar Associations
Executive Director of Kinki Federation of Bar Associations

Apr. 2024 Director of Kinki Federation of Bar Associations
(current position)

■Significant concurrent positions outside the Company

Attorney at Law (Kitahama Partners)

Director of Kinki Federation of Bar Associations

Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles

Although Hiroki Yonekura has not been directly involved in the management of the Company, he possesses legal expertise, as well as overseas experience, as a lawyer. As the Company aims to further expand its overseas operations in the future, he is expected to provide useful guidance and advice to ensure sound corporate management and build a strong compliance system based on his knowledge and experience, as well as to strengthen the auditing and supervisory functions of the duties executed by Directors. Therefore, we consider him an appropriate candidate for the position of Director who is an Audit & Supervisory Committee member of the Company. Accordingly, he is newly proposed as a candidate for Outside Director who is an Audit & Supervisory Committee member.

Independence

The Company plans to submit notification to the Tokyo Stock Exchange that Mr. Yonekura has been designated as an independent officer as provided for by the aforementioned exchange. The Company has also established its own standards for determining independence, separately from those stipulated by the aforementioned exchange, and this candidate also fulfills the Company's standards for determining independence.

Special interests between candidate and the Company

There is no special interest between Mr. Yonekura and the Company.

Limited liability agreement

The Company plans to conclude an agreement with Mr. Yonekura to limit his liability for damages under Article 423, paragraph (1) of the Companies Act pursuant to the provision of Article 427, paragraph (1) of the same Act. The limit on liability for damages pursuant to the agreement is the

higher amount of either 10 million yen or the minimum limit on liability specified in Article 425, paragraph (1) of the Companies Act.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the insurance policy is provided on page 49 of the Business Report. If the election of the candidate for Director who is an Audit & Supervisory Committee member is approved, the candidate will be included as an insured under the insurance policy. In addition, when the insurance policy is renewed, the Company plans to renew the policy with the same terms.

(Reference) Composition of the Board of Directors if and when Proposal 2 and Proposal 3 are approved as proposed

The Company selects Directors after the Nomination and Remuneration Advisory Committee examines and reports on the skills, know-how, diversity, etc. that the Board of Directors should possess in light of the Group's business strategy, based on the experience and achievements of each candidate.

Skill Matrix of Directors (Candidates)

Name & Title		Management Experience/ Corporate Strategy	Global Experience	Production/ Manufacturing	Technology/ R&D	Sales/ Marketing	Finance/ Accounting/ M&A	Human Resources/ Labor management/ Talent Development	Legal/ Risk Management
Yojiro Kamihigashi		•	•		•	•			
Tsuyoshi Takagaki	NR	•					•	•	•
	OC								
Yoshihiro Iuchi	NR	•	•	•	•	•			
	OC								
Norihito Nakatani		•	•	•	•				
Takatomo Imai		•	•			•	•		
Koji Yoshikawa	OO								•
	NR								
Tatsuhiko Saruwatari	OO	•			•			•	
	NR								
Michimasa Teraoka	AS	•				•	•		
Yoko Sato	AS	•					•		
	NR								
Hiroki Yonekura	AS		•				•		•
	NR								

Abbreviations for the above positions are as follows.

(Positions)

AS	Audit & Supervisory Committee Member	OO	Outside Officer	NR	Nomination and Remuneration Advisory Committee	OC	Outside Officer Council
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Standards for Determining Independence of Outside Directors

The Company has established the following standards on independence of Outside Directors, and if it is found that none of the following items apply to an Outside Director as a result of investigations conducted to the extent reasonably possible in the Company, the Outside Director is deemed to have adequate independence from the Company.

1. An executive (meaning Executive Directors, Executive Officers and employees (excluding Audit & Supervisory Board Members); the same applies below) of the Company and the Company's consolidated subsidiaries (hereinafter collectively referred to as the "Group"), or a person who has been an executive of the Group in the past ten years
2. A person who is a major seller to the Group (a trading group (meaning a corporate group made up of direct business partners, their parent company and subsidiaries, and the subsidiaries of said parent company; the same applies below) providing products or services to the Group, where the transaction amount in the most recent fiscal year exceeds 2% of the consolidated net sales of said group) or an executive thereof
3. A major purchaser of the Group (a purchaser group to which the Group provides products or services, where the transaction amount in the most recent fiscal year exceeds 2% of the consolidated net sales of the Group) or an executive thereof
4. A legal expert, accounting expert, consultant, or advisor (if the party obtaining an economic benefit is an organization such as a corporation or association, a person belonging to the organization) who receives a large sum of money or other economic benefit (meaning money or other economic benefit exceeding 5 million yen per year in the case of an individual or 12 million yen per year in the case of a group, excluding officer remuneration, in the most recent fiscal year) separate from officer remuneration from the Group
5. A person who belongs to an audit firm conducting statutory audits of the Group
6. A person who receives donations or subsidies exceeding a certain amount (10 million yen per year on average over the past three fiscal years) from the Company (if the party receiving the donations or subsidies is an organization such as a corporation or an association, an executive of the organization)
7. An executive of a major financial institution from which the Group conducts borrowing (a financial institution from which the amount of borrowing at the end of the most recent fiscal year exceeds 2% of the consolidated total assets of the Company) or the parent company or a subsidiary thereof
8. A major shareholder (a person who directly or indirectly holds a percentage of voting rights that is 10% or more of the total voting rights in the most recent fiscal year) of the Group, or if the major shareholder is a corporation, an executive of the corporation
9. An executive of another company with mutual appointment of Outside Officers (a relationship in which an executive of the Group is an Outside Officer of another company, and an executive of another company is an Outside Officer of the Company)
10. A person who has fallen under 2 through 9 above during the past five years
11. The spouse or a relative within the second degree of kinship of a person falling under 1 through 10 above (limited to persons in important positions (limited to Directors (excluding Outside Directors), Executive Officers, employees in senior managerial positions of general manager or higher, attorneys who belong to a law firm, certified public accountants who belong to an audit firm or accounting office, officers such as councilors, directors and auditors who belong to an incorporated foundation, an incorporated association, an incorporated educational institution or other corporation, or a person objectively and reasonably deemed to have equivalent importance))
12. Beyond what is provided for in the preceding items, a person who has special grounds for being unable to fulfill his/her duties as an independent Outside Officer such as the potential for the occurrence of a conflict of interests with the Company

Even if a person falls under any of 2 through 11 above, if the person satisfies the requirements for an outside director under the Companies Act and is deemed by the Company to be suitable as an independent Outside Director, the person may be exceptionally nominated as a candidate for independent Outside Director by indicating the reason for the decision.

Proposal 4 Determination of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The Company received shareholders' approval at the 68th Ordinary General Meeting of Shareholders, held on June 24, 2021, that the limit on basic remuneration for Directors shall be within 180 million yen per year (including a limit of 20 million yen for Outside Directors but excluding salaries for Directors who concurrently serve as employees). If Proposal 1, "Amendments to Part of the Articles of Incorporation," is approved as proposed, the Company will transition to a company with an Audit & Supervisory Committee. In light of recent economic conditions and various other circumstances, we seek approval for the remuneration amount for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies hereafter) to be set at a maximum of 270 million yen per year (including a limit of 40 million yen for Outside Directors) following the transition to a company with an Audit & Supervisory Committee and that the specific amounts and timing of payments for each Director will be determined by resolution of the Board of Directors.

The Company's policy on determination of the content of remuneration, etc. of Directors is outlined in the business report "(3) Status of the Company's officers 4) Remuneration, etc. of Directors and Audit & Supervisory Board Members." However, the Board of Directors plans to modify the sections referring to "Directors" to read "Directors (excluding Directors who are Audit & Supervisory Committee Members)" and the amount of remuneration, etc. following the conclusion of this general meeting of shareholders.

The amount of remuneration, etc. related to this proposal will be paid as fixed remuneration and performance-linked remuneration based on the revised policy and has been set with comprehensive consideration for the Company's size, executive composition, future business development, etc., and is considered appropriate because it has been determined by the Board of Directors based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and the majority of its members are Outside Officers. The total amount of remuneration, etc., does not include the employee salary for employees who concurrently serve as a Director.

The Company currently has seven (7) Directors, including two (2) Outside Directors. If Proposal 1, "Amendments to Part of the Articles of Incorporation," and Proposal 2, "Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)," are approved as proposed, the number of Directors will be seven (7), including two (2) Outside Directors.

This proposal, however, can only take effect after Proposal 1 "Amendments to Part of the Articles of Incorporation" takes effect.

Proposal 5 Determination of Remuneration for Directors Who Are Audit & Supervisory Committee Members

If Proposal 1, “Amendments to Part of the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit & Supervisory Committee. In light of recent economic conditions and various other circumstances, we seek approval for the remuneration amount for Directors who are Audit & Supervisory Committee Members to be set at a maximum of 60 million yen per year following the transition to a company with an Audit & Supervisory Committee, and that the specific amounts and timing of payments for each Director who is an Audit & Supervisory Committee Member will be determined through discussions among Directors who are Audit & Supervisory Committee Members. The amount of remuneration, etc. related to this proposal is considered appropriate in light of the responsibilities of Directors who are Audit & Supervisory Committee Members.

If Proposal 1, “Amendments to Part of the Articles of Incorporation,” and Proposal 3, “Election of Three (3) Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the number of Directors who are Audit & Supervisory Committee Members will be three (3).

This proposal, however, can only take effect after Proposal 1 “Amendments to Part of the Articles of Incorporation” takes effect.

Proposal 6 Determination of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors) for the purpose of Allocating Restricted Shares

The Company received approval at the 66th Ordinary General Meeting of Shareholders, held on June 26, 2019, for payment of restricted share-based remuneration to Directors (excluding Outside Directors) at a maximum of 70 million yen per year and 100,000 shares per year. Subject to the approval and adoption of Proposal 1 “Amendments to Part of the Articles of Incorporation,” the Company will make the transition to a company with Audit & Supervisory Committee. Accordingly, the Company again intends to introduce a restricted share-based remuneration system (hereinafter referred to as “the system”) for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors, hereinafter referred to as “eligible Directors”). The system is separate from the remuneration framework for Directors (excluding Outside Directors) for which approval is being sought in Proposal 4, “Determination of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members),” and designed as a mechanism to share the benefits and risks of stock price fluctuations with shareholders, while providing incentives to boost their motivation to contribute to share price appreciation and improvement of corporate value.

Accordingly, we would like to set the total amount of monetary remuneration claims to allocate restricted shares to eligible Directors at a maximum of 70 million yen per year (excluding salaries for Directors who concurrently serve as employees). The specific timing and allocation of payments to each eligible Director will be determined by the Board of Directors.

Moreover, the eligible Directors will contribute all of the monetary remuneration claims granted by the Company under this system as in-kind contributions, and will receive the Company’s common stock through issuance or disposal. The total number of common shares issued or disposed of by the Company under this system will be capped at 50,000 shares per year. (If a stock split (including free allotment of the Company’s common shares) or stock consolidation of the Company’s common shares occurs after the date this proposal is approved and effective, the total number of shares will be adjusted reasonably as needed in accordance with the split or consolidation ratio.)

The payment per share will be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day preceding the date of each Board resolution (or the closing price on the most recent trading day prior if no trades occurred that day), ensuring it is not set at a particularly favorable price for the eligible Directors. Additionally, in issuing or disposing of the Company’s common stock through this system, the Company and the eligible Directors will enter into a restricted share allocation agreement (hereinafter referred to as “the Allocation Agreement”), which will include the following provisions.

If Proposal 1, “Amendments to Part of the Articles of Incorporation,” and Proposal 2, “Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” are approved, there will be five (5) eligible Directors.

The Company believes the decision on remuneration under this proposal to be appropriate because the restricted share-based compensation is to be paid in accordance with the Company’s policy on determination of the content of remuneration, etc. of Directors, which is scheduled to be amended at the Board of Directors meeting following the conclusion of this General Meeting of Shareholders, and the decision was made by the Board of Directors based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent Outside Director and the majority of its members are Outside Officers.

(1) Transfer Restriction Period

Eligible Directors must not transfer, create any security interest, or otherwise dispose of the allocated shares of the Company's common stock (hereinafter referred to as "Allocated Shares") to any third party during the transfer restriction period, which is a period set in advance by the Company's Board of Directors between three (3) and thirty (30) years from the allocation date (hereinafter referred to as "Transfer Restriction Period"). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the "Transfer Restrictions."

(2) Treatment upon Resignation

If an eligible Director loses any position within the Company or its subsidiaries as a director, executive officer, executive officer without a concurrent director position, auditor, employee, advisor, consultant, or any other equivalent position before the Transfer Restriction Period expires, the Company will automatically acquire the allocated shares without compensation, except in cases of term expiration, death, or other reasons that the Company's Board of Directors deems legitimate.

(3) Removal of Transfer Restrictions

The Company will lift the transfer restrictions on the Allocated Shares upon the expiration of the transfer restriction period, provided that the eligible Director has continuously held a position as a director, executive officer, executive officer without a concurrent director position, auditor, employee, advisor, consultant, or any other equivalent position within the Company or its subsidiaries during the Transfer Restriction Period. However, if the eligible Director loses any position within the Company or its subsidiaries as a director, executive officer, executive officer without a concurrent director position, auditor, employee, advisor, consultant, or any other equivalent position before the Transfer Restriction Period expires due to term expiration, death, or any other reason deemed legitimate by the Company's Board of Directors, the number of Allocated Shares for which the transfer restrictions will be lifted and the timing of lifting the restrictions will be reasonably adjusted as necessary. Furthermore, in accordance with the above provisions, the Company will automatically acquire the Allocated Shares that remain subject to transfer restrictions, without compensation, immediately after the transfer restrictions have been lifted.

(4) Handling in Cases of Organizational Restructuring, etc.

If a merger agreement in which the Company will become the disappearing company, a share exchange agreement in which the Company will become a wholly owned subsidiary, a share transfer plan, or any other matter related to organizational restructuring is approved at the Company's General Meeting of Shareholders (or at the Board of Directors meeting if shareholder approval is not required for the organizational restructuring), the Company will lift the transfer restrictions on a reasonable number of Allocated Shares based on the period from the start date of the Transfer Restriction Period to the date of the approval of the organizational restructuring, through a resolution of the Board of Directors, prior to the effective date of the organizational restructuring. In this case, the Company will automatically acquire the allocated shares that remain subject to transfer restrictions without compensation, immediately after the transfer restrictions have been lifted.

(5) Other Matters

Other matters related to the Allocation Agreement will be determined by the Company's Board of Directors. This proposal, however, can only take effect after Proposal 1 "Amendments to Part of the Articles of Incorporation" takes effect.

Business Report

(from April 1, 2023 to March 31, 2024)

1. Status of the Business Group

(1) Status of business during the fiscal year under review

1) Business progress and results

During the period under review, the global economy showed a more pronounced normalization of socioeconomic activities due to the recovery from the COVID-19 pandemic. On the other hand, we need to keep a constant watch on the economic outlook, including the protracted Russian-Ukrainian conflict, the situation in the Middle East, prolonged global inflation and tight monetary policies of various countries.

In the gaming market, the Group's main market, demand for capital investment in casino hotels and other facilities was brisk against a backdrop of expanding worldwide travel demand, and in the domestic and overseas commercial markets, demand for various products for contactless and non-face-to-face payment settlement, which became mainstream after the COVID-19 pandemic, was further stimulated.

Under these circumstances, we strove to provide a stable supply of products to meet the increasing demand for our products in the gaming market, and conducted multifaceted marketing activities, including various product proposals, such as system products that meet customer needs, and sales promotion activities for new products. In the overseas commercial market, we focused on sales activities that contribute to business growth through the enhancement of local distributors, including the expansion of sales channels for new products, and product proposal activities that meet the diverse needs of each country and market, centered on new bases in North, Central and South America. In the domestic commercial market, the Company also focused on aggressive sales activities of its mainstay products, such as bill recycling units to customers in the retail and transportation markets, against the backdrop of an increase in the number of tourists visiting Japan, and on the development of new products to expand its market share in the future, as well as on stimulating demand associated with the banknote re-issuance scheduled for July of this year.

Furthermore, in the amusement industry equipment market, as pachinko parlors made aggressive capital investments in line with the growing popularity of smart gaming machines (especially smart slot machines), the Company focused on sales of products that are in particularly high demand, such as equipment related to smart gaming machines.

In addition to the above, the effects of shortages in the supply of semiconductors and other materials, which had continued since the second half of the previous fiscal year, were largely resolved during the second half of the current fiscal year, resulting in net sales of 31,610 million yen (up 25.1% YoY) for the period. In terms of profit, operating profit increased to 2,839 million yen (up 356.0% YoY) thanks to the increase in net sales, especially higher sales of profitable products in the Global Gaming and Equipment for the Amusement Industry segments, as well as an increase in profit margins resulting from the resolution of parts supply shortages. Further, due to the foreign exchange gains resulting from the depreciation of the yen, ordinary profit reached 3,568 million yen (up 181.5% YoY), and net profit attributable to owners of parent amounted to 3,281 million yen (up 4.3% YoY) thanks to the recognition of deferred tax assets in line with the recovery in business performance.

During the fiscal year under review, the average exchange rates were 141.20 yen to the U.S. dollar

(132.08 yen in the previous fiscal year) and 153.20 yen to the euro (138.58 yen in the previous fiscal year). Furthermore, the exchange rate on the final day of the fiscal year applied to market valuation at the end of the fiscal year was 151.42 yen per U.S. dollar (133.54 yen at the end of the previous fiscal year).

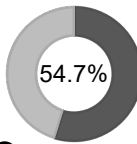
Net sales by segment were as follows.

(Millions of yen)

Category	70th fiscal year From April 1, 2022 to March 31, 2023	The 71st fiscal year (fiscal year under review) From April 1, 2023 to March 31, 2024	Year-on-year change	Percentage change
Global Gaming	14,583	17,279	2,695	18.5%
International Commercial	4,471	5,915	1,444	32.3%
Domestic Commercial	1,857	2,692	834	44.9%
Equipment for the Amusement Industry	4,345	5,723	1,377	31.7%
Total	25,258	31,610	6,351	25.1%

Global Gaming

Net sales composition



Net sales

17,279 million yen

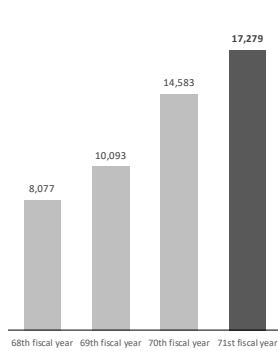


Segment profit

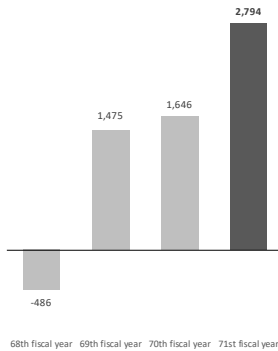
2,794 million yen



Net sales
(Millions of yen)



Segment profit

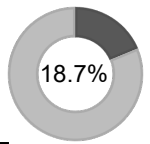


Against the backdrop of booming casino hotel business thanks to the global recovery and expansion of travel demand, capital investment demand at these hotels expanded, and the difficulty in procuring parts and materials that had continued until the first half of the current fiscal year was largely resolved in the second half; sales of bill validator units and printer units for use in casino gaming machines, our mainstay products, increased. As a result, segment sales increased. In terms of profit, segment profit also increased due to the penetration of product price revisions resulting from higher component and raw material prices.

(Note) Figures in parentheses indicate losses.

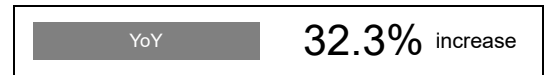
International Commercial

Net sales composition



Net sales

5,915 million yen

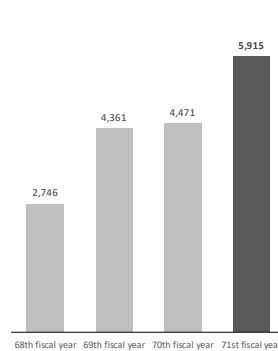


Segment profit

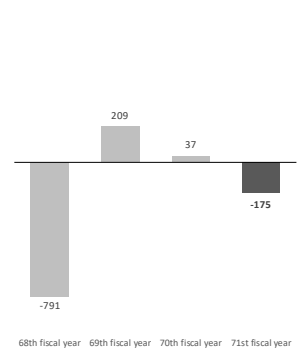
(175) million yen



Net sales
(Millions of yen)



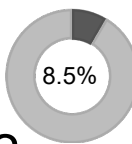
Segment profit



Segment sales increased mainly due to higher sales of bill recycling units installed in self-checkout machines for contactless and non-face-to-face payments, which became standard in the post-COVID-19 era. On the other hand, in terms of profit, the segment posted a loss due to soaring component prices and, unlike the Global Gaming segment, the penetration of higher component prices into product prices did not proceed smoothly.

Domestic Commercial

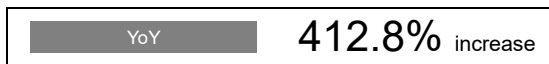
Net sales composition



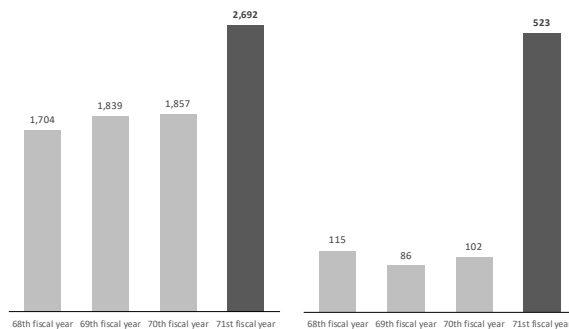
Net sales **2,692** million yen



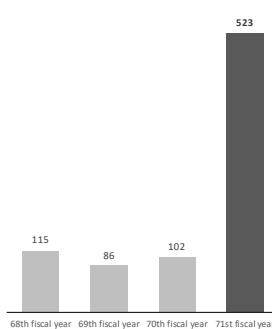
Segment profit **523** million yen



Net sales
(Millions of yen)



Segment profit

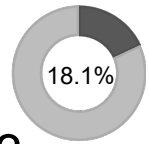


Activities for the domestic commercial market are focused on specific applications, and segment sales and segment profit both increased due to strong sales of bill recycling units for fuel dispensers for self-service gas station and restaurant ticket vending machines, and bill validator units for bus fare boxes, as well as increased demand for renewal of our products, such as bill validator units, due to the re-issuance of banknotes, from the second half of the current fiscal year.

(Note) Figures in parentheses indicate losses.

Equipment for the Amusement Industry

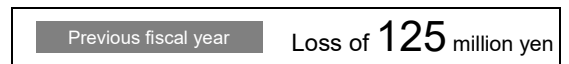
Net sales composition



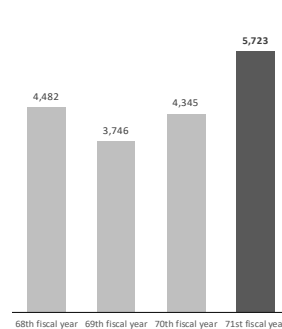
Net sales **5,723** million yen



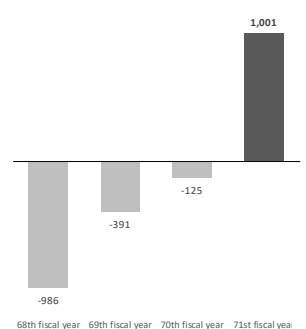
Segment profit **1,001** million yen



Net sales
(Millions of yen)



Segment profit



With the full-scale introduction of smart game machines in pachinko parlors, segment sales increased due to a significant increase in sales and installation work of peripheral equipment, mainly dedicated units required for this purpose. Unlike conventional ball and medal rental machines, dedicated smart gaming machine units were rarely sold at low prices, resulting in a significant increase in segment profit as well.

2) Status of capital investment

The total amount of capital investment in the fiscal year under review was 1,035 million yen.

This was mainly attributable to 414 million yen for production molds.

3) Status of financing

In March 2024, the Company issued its second series of bank-guaranteed private placement bonds (unsecured bonds) in the amount of 4.0 billion yen, with Resona Bank, Limited as the underwriter, for the purpose of securing medium- to long-term funds for development and capital investment. In addition, the Company took out long-term loans totaling 3.3 billion yen from its main financial institutions.

4) Status of transfer of business, absorption-type company splits and incorporation-type company splits

Not applicable.

5) Status of receipt of transfer of business of other companies

Not applicable.

6) Status of assumption of rights and obligations concerning businesses of other corporations, etc. due to absorption-type company mergers or absorption-type company splits

As of October 1, 2023, the Company succeeded to the amusement industry equipment sales business of consolidated subsidiary JCM Systems Co., Ltd. and the management of its business activities through the holding of shares of JCM Meiho Co., Ltd., which was a wholly owned subsidiary of JCM Systems, through an absorption-type company split.

7) Status of acquisition or disposal of other companies shares, other holdings or share acquisition rights, etc.

Not applicable.

(2) Status of property and profits and losses

Category	68th fiscal year From April 1, 2020 to March 31, 2021	69th fiscal year From April 1, 2021 to March 31, 2022	70th fiscal year From April 1, 2022 to March 31, 2023	The 71st fiscal year (fiscal year under review) From April 1, 2023 to March 31, 2024
Net sales (Millions of yen)	17,010	20,040	25,258	31,610
Ordinary profit (loss) (Millions of yen)	(2,902)	1,384	1,267	3,568
Profit (loss) attributable to owners of parent (Millions of yen)	(7,558)	605	3,146	3,281
Profit (loss) per share	(254.83) yen	20.41 yen	106.24 yen	112.59 yen
Total assets (Millions of yen)	31,772	33,144	38,816	47,698
Net assets (Millions of yen)	22,113	23,169	27,163	28,655

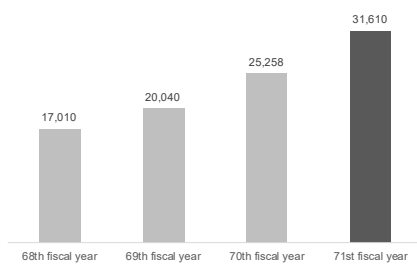
(Notes) 1. Figures in parentheses indicate losses.

2. Profit (loss) per share is calculated based on the average number of issued shares during the period after deducting the number of treasury shares.

(Reference)

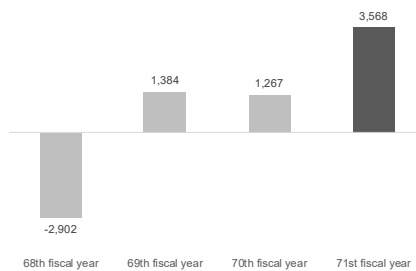
Net sales

(Millions of yen)



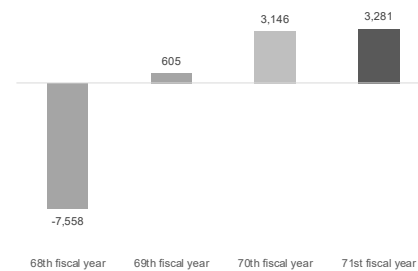
Ordinary profit (loss)

(Millions of yen)



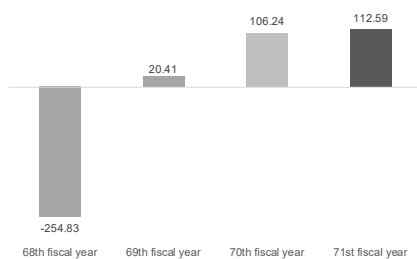
Profit (loss) attributable to owners of parent

(Millions of yen)



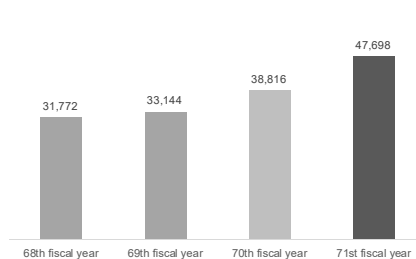
Profit (loss) per share

(Yen)



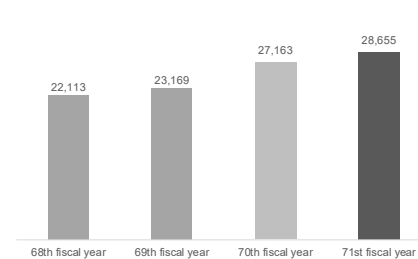
Total assets

(Millions of yen)



Net assets

(Millions of yen)



(3) Status of principal parent company and subsidiaries

1) Relationship with parent company

Not applicable.

2) Status of significant subsidiaries

Company name	Share capital	Percentage of voting rights held by the Company	Principal businesses
JCM SYSTEMS Co., LTD.	100,000 thousand yen	100.0	Installation and maintenance of amusement industry equipment, etc.
JCM Meiho Co., Ltd.	50,000 thousand yen	100.0	Sales of amusement machines
JCM AMERICAN CORP.	7,200 thousand USD	100.0	Sales of money-handling machines, etc.
JCM INNOVATION CORP.	1 thousand USD	(100.0)	Management of the manufacturing and sale business of printer units
JCM COMMERCE MECHATRONICS, INC.	500 thousand USD	100.0	Sales of money-handling machines, etc.
JCM COMERCIO MECATRONICA BRASIL LTDA	8,400 thousand BRL	100.0	Sales of money-handling machines, etc.
JCM EUROPE GMBH.	1,650 thousand EUR	100.0	Sales of money-handling machines, etc.
JCM EUROPE (UK) LTD.	127 thousand GBP	(100.0)	Sales of money-handling machines, etc. Sales and repairs of printer units
JCM GOLD (H.K.) LTD.	17,500 thousand HKD	100.0	Manufacture of money-handling machines, etc.
SHAFTY CO., LTD.	7,500 thousand HKD	100.0	Leasing of real estate to affiliates
JCM CHINA CO., LTD.	500 thousand CNY	(100.0)	Support for manufacture of money-handling machines, etc.
J-CASH MACHINE (THAILAND) CO., LTD.	5,000 thousand THB	100.0	Software development
J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC.	154,400 thousand PHP	100.0	Manufacture of money-handling machines, etc.

- (Notes) 1. The Company had 17 subsidiaries including those listed above as of March 31, 2024.
2. The figures in parentheses shown for the percentage of voting rights held by the Company indicate indirect holdings through the Company's subsidiaries.

3) Other

Not applicable.

(4) Issues to be addressed

With regard to the business environment surrounding the Group, while there are growing expectations for economic recovery in various regions around the world, including improvement in employment and income conditions, the outlook is expected to remain uncertain due to the prolonged Russia-Ukraine war, worsening conditions in the Middle East, persistently high resource and raw material prices, and the continued depreciation of the yen.

In the industries related to the Group, the difficulty in procuring materials, especially semiconductors, that had continued until the beginning of the previous fiscal year has largely been resolved, and business confidence among customers in each market is generally favorable, with a continued strong appetite for capital investment, so we expect steady progress in our business activities.

Under these circumstances, in the gaming market, we will strive to expand the scale of sales and market share by diversifying our product lineup to include not only the existing unit products for casino game machines but also system products that contribute to labor saving and automation of operations in casino halls. In the commercial market, in addition to the full-scale launch of new products for new applications, we will strive to further expand the scale of sales in this market by focusing on identifying potential needs among customers in new sales regions and markets, particularly in the North American and Latin American regions. In the market for amusement industry equipment, we expect the spread of smart gaming machines to continue to expand in the next fiscal year, and we will make efforts to boost sales of units dedicated to smart gaming machines.

In addition, we will further expand the market share of our products through development of new products and marketing activities in line with future changes in the business environment in each of our businesses, including the gaming business, the mainstay of the Group. In addition, we will make up-front investments to expand into new business areas in preparation for the future arrival of a cashless society, with the aim of achieving further growth of the Group.

While product sales volume has recovered steadily since the COVID-19 pandemic, an increase in inventory in excess of sales volume has resulted in negative operating cash flow and an increase in external borrowings. We are therefore working to improve cash flow while improving operational efficiency by closely examining future product demand and enhancing the precision of management of production, sales, and inventory processes from a global perspective, taking geopolitical risks into consideration.

Furthermore, as part of our sustainability agenda, on the environmental front, we will continue to address climate change risks and opportunities by reducing CO2 emissions, and on the human capital front, we will strive to sustainably enhance corporate value by creating an environment that promotes the success of a diverse workforce and strengthening employee engagement.

Since the consolidated earnings forecast for the next fiscal year (ending March 31, 2025) announced in May of this year has already exceeded the numerical targets for the final year (ending March 31, 2026) of the ongoing medium-term management plan “JCM Global Vision 2032,” we are currently reviewing this medium-term management plan or considering a rolling update, and will announce new target figures as soon as they are formulated.

We ask our shareholders for their ongoing support and encouragement for the Group.

(5) Principal businesses (As of March 31, 2024)

Major products	Details of product, etc.	Purpose of use, etc.
Money-handling machines * Applicable segments · Global Gaming · International Commercial · Domestic Commercial	Bill validator units	These are used as bill intakes on arcade machines, vending machines, etc.
	Bill recycling units	These are devices for receiving and paying out bills, temporarily storing bills that are received and paying them out as change (recycling), and are used in ATM terminals, etc.
	Printer units	These are mainly used as printers installed on casino slot machines.
	Automatic deposit machines	These are devices that sort different types of bills by type, tally the number of bills and store them, and are used in locations such as taxi service centers.
	Deposit and withdrawal machines, change machines	These are used in locations such as supermarkets where cash is frequently exchanged with customers and accurate and efficient cash management is required.
	Bill validation machines	These are used as a means of identifying authentic and counterfeit bills in locations such as foreign exchange tellers of financial institutions.
	OEM terminals	These are products provided to other companies as an OEM.
Equipment for the Amusement Industry * Applicable segments · Equipment for the Amusement Industry	Automatic token supply system	These are devices for replenishing tokens in slot machines, etc. in pachinko parlors, and automatically collecting and cleaning overflowing tokens.
	Bill transport systems	This system transfers bills inserted by players into ball and token rental machines at pachinko parlors to a vault installed at the end of the pachinko machine row.
	Ball rental machines and token rental machines	These are devices that manage the lending of balls and tokens to gaming customers when they play on pachinko and slot machines at pachinko parlors.
	Dedicated smart game machine units	This device manages the lending of balls and electronic medals when players play on smart pachislot machines and smart pachinko machines at pachinko parlors.
	Prize POS system	A system installed on the counter of a pachinko parlors for the exchange of prizes for balls and tokens obtained by players, and the management of prize inventory.
	Slot machines and pachinko machines	These are used as gaming machines in pachinko parlors.
	Payout machines	These are used for the purpose of paying the relevant amount of currency at prize exchange sites.
Environmental devices	These are used for air purification in pachinko parlors, etc.	

(Note) Due to the many of products handled in each business segment overlapping, this table shows them organized by the major product lines as in the past. The applicable segments indicate the business segments handling each of the major product lines.

(6) Major sales offices and plants (As of March 31, 2024)

Company name	Site name	Location
Japan Cash Machine Co., Ltd. (the Company)	Head Office	Naniwa-ku, Osaka City
	Tokyo Office	Chuo-ku, Tokyo
	Nagahama Plant	Nagahama City, Shiga
JCM SYSTEMS Co., LTD.	Head Office	Hirano-ku, Osaka City
JCM Meiho Co., Ltd.	Head Office	Chuo-ku, Tokyo
JCM AMERICAN CORP.	Head Office	Nevada, U.S.A.
JCM INNOVATION CORP.	Head Office	Nevada, U.S.A.
JCM COMMERCE MECHATRONICS, INC.	Head Office	Illinois, U.S.A.
JCM COMERCIO MECATRONICA BRASIL LTDA	Head Office	Sao Paulo, Brazil
JCM EUROPE GMBH.	Head Office	Dusseldorf, Germany
JCM EUROPE (UK) LTD.	Head Office	Milton Keynes, U.K.
JCM GOLD (H.K.) LTD.	Head Office	Hong Kong
SHAFTY CO., LTD.	Head Office	Hong Kong
JCM CHINA CO., LTD.	Head Office	Guangdong, China
J-CASH MACHINE (THAILAND) CO., LTD.	Head Office	Bangkok, Thailand
J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC.	Head Office	Laguna, Philippines

(Note) The registered head office of JCM SYSTEMS Co., LTD. is in Naniwa-ku, Osaka City.

(7) Status of employees (As of March 31, 2024)

1) Status of employees of the business group

Number of employees	Change from the end of previous fiscal year
564	Increased by 38

- (Notes) 1. These figures do not include 137 quasi-employees (average during the period).
2. The employees are not classified by business segment due to the difficulty in grouping them.

2) Status of the Company's employees

Number of employees	Change from the end of previous fiscal year	Average age	Average years of service
253	Increased by 35	42.7 years old	15.5 years

- (Note) These figures do not include 46 temporary employees and 88 quasi-employees (average during the period).

(8) Status of principal lenders (As of March 31, 2024)

Lender	Borrowings (millions of yen)
Sumitomo Mitsui Banking Corporation	3,250
The Nanto Bank, Ltd.	1,050
Sumitomo Mitsui Trust Bank, Limited	500

- (Note) In addition to the above borrowing amount, there are outstanding private placement bonds (corporate bonds) as follows.

Resona Bank, Limited: 6,000 million yen

(9) Other significant matters concerning the current status of the business group

Not applicable.

2. Current Status of the Company

(1) Status of shares (As of March 31, 2024)

- 1) Total number of authorized shares 118,000,000 shares
- 2) Total number of issued shares 29,672,651 shares
- 3) Number of shareholders 18,104

4) Major shareholders (top ten)

Shareholder name	Number of shares held	Percentage of shares held
Johto Investment and Development Inc.	4,661,713	16.57
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,200,000	7.82
Yojiro Kamihigashi	1,458,283	5.18
Koichiro Kamihigashi	1,217,246	4.33
Yoshiko Kamihigashi	638,600	2.27
Resona Bank, Limited	563,343	2.00
Sumitomo Mitsui Banking Corporation	503,724	1.79
Totor Engineering Co., Ltd.	432,474	1.54
Nippon Life Insurance Company	403,226	1.43
Custody Bank of Japan, Ltd. (Trust Account)	329,000	1.17

(Notes) 1. Although the Company holds 1,535,927 treasury shares, it is excluded from the list of major shareholders above.

2. The ownership of shares has been calculated by deducting treasury shares.

5) Status of shares delivered to the Company's officers as consideration for the execution of duties during the fiscal year under review

	Number of shares	Number of directors eligible for delivery
Director (excluding President and Representative Director, and Outside Director)	3,000	3

(2) Status of share acquisition rights, etc.

1) Status of share acquisition rights held by the Company's officers that are granted as consideration for the execution of duties (as of March 31, 2024)

Not applicable.

2) Status of share acquisition rights granted to employees, etc. as consideration for the execution of duties during the fiscal year under review

Not applicable.

3) Other significant matters concerning share acquisition rights, etc.

Not applicable.

(3) Status of the Company's officers

1) Status of Directors and Audit & Supervisory Board Members (as of March 31, 2024)

Position in the Company	Name	Responsibilities and significant concurrent positions outside the Company
President and Representative Director	Yojiro Kamihigashi	Representative Director of Johto Investment and Development Inc.
Executive Director	Tsuyoshi Takagaki	Senior Executive Officer and Executive General Manager of Corporate Planning Division
Director	Yoshihiro Iuchi	Senior Executive Officer, Executive General Manager of Global Strategy Division, and in charge of Sales
Director	Norihito Nakatani	Senior Executive Officer, Executive General Manager of Production Division, and in charge of Production
Director	Takatomo Imai	Senior Executive Officer, Representative Director of JCM AMERICAN CORP., Deputy Executive General Manager of Corporate Planning Division, Deputy Executive General Manager of Global Strategy Division, and in charge of Global Finance
Director (Outside Director)	Koji Yoshikawa	Attorney (Baba Law Firm) Outside Audit & Supervisory Board Member of NCS&A CO., LTD.
Director (Outside Director)	Tatsuhiko Saruwatari	Outside Director of NORITAKE CO., LIMITED (Audit & Supervisory Committee member)
Full-time Audit & Supervisory Board Member	Michimasa Teraoka	
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Hiroshi Morimoto	Attorney (Representative of Kitahama Partners and CEO of Kitahama Group) Outside Auditor of IwaiCosmo Holdings, Inc.
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yoko Sato	Certified Public Accountant (Representative of Yoko Sato Certified Public Accountant Office) Outside Director of TOCALO Co., Ltd. Outside Director of Sanyo Electric Railway Co., Ltd.

- (Notes)
1. Director Koji Yoshikawa and Director Tatsuhiko Saruwatari are Outside Directors as provided for in Article 2, item (xv) of the Companies Act.
 2. Audit & Supervisory Board Member Hiroshi Morimoto and Audit & Supervisory Board Member Yoko Sato are Outside Audit & Supervisory Board Members as provided for in Article 2, item (xvi) of the Companies Act.
 3. Audit & Supervisory Board Member Yoko Sato is qualified as a certified public accountant, and has considerable knowledge of finance and accounting.
 4. The Company has designated Director Koji Yoshikawa, Director Tatsuhiko Saruwatari, Audit & Supervisory Board Member Hiroshi Morimoto, and Audit & Supervisory Board Member Yoko Sato as independent officers as defined by the Tokyo Securities Exchange, and has provided notification to the aforementioned exchange.

5. The Company has introduced an executive officer system to rejuvenate the Board of Directors by separating decision making and supervision from execution. There are 13 Executive Officers and the following 9 Executive Officers do not concurrently serve as Directors.

Name	Principal responsibilities
Mitsuhiro Ueno	Senior Executive Officer and Representative Director of JCM EUROPE GMBH.
Yasuyuki Fujiwara	Senior Executive Officer and Representative Director of J-CASH MACHINE (THAILAND) CO., LTD., Executive General Manager of R&D Division, and in charge of Development
Makoto Hasegawa	Executive Officer, Representative Director of JCM COMMERCE MECHATRONICS INC.
Toshi Yamasaki	Executive Officer, Director of JCM COMMERCE MECHATRONICS INC.
Noriyuki Kanno	Executive Officer, Deputy Executive General Manager of R&D Division
Kazuo Nakatake	Executive Officer, Representative Director of JCM SYSTEMS Co., LTD.
Masato Onomura	Executive Officer, Executive General Manager of Quality Division, and in charge of Quality Division
Yuji Kanzaki	Executive Officer, Representative Director of J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC.
Osamu Hishinuma	Executive Officer, Deputy Executive General Manager of Global Strategy Division

2) Directors and Audit & Supervisory Board Members who left office or resigned during the fiscal year under review

Not applicable.

3) Details and summary, etc. of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured under the insurance policy includes the Company's officers (Directors and Audit & Supervisory Board Members) and domestic and overseas subsidiaries' officers (Directors and Audit & Supervisory Board Members, etc.), and the insured do not bear the cost of insurance premiums. The insurance policy will cover damages incurred by the insured (compensation for damages and litigation expenses (attorneys' fees, etc.) incurred as an individual.) However, in order to ensure that the insured's fitness for duty is not impaired, certain exclusions apply, such as not covering damages caused by criminal acts by the insured or damages caused by acts committed with knowledge that the acts are in violation of the laws and regulations.

4) Remuneration, etc. of Directors and Audit & Supervisory Board Members

(i) Policy on determination of the content of remuneration, etc. of Directors

The Company resolved the policy on determination of the content of remuneration, etc. for individual Directors in the meeting of the Board of Directors held on March 25, 2021. To pass the resolution, the Board of Directors consulted the Nomination and Remuneration Advisory Committee about the content in advance, and received its recommendations.

Furthermore, with regard to the remuneration, etc. for individual Directors for the current fiscal year, the Board of Directors confirmed that the method of determining the content of remuneration, etc. and the consistency of the content of the determined remuneration, etc., with the basic policy concerning a decision resolved by the Board of Directors. In addition, the Board of Directors confirmed that the recommendations of the Nomination and Remuneration Advisory Committee are respected to the maximum extent, and they are aligned with said policy.

The content of the basic policy, etc., on the determination of the content of remuneration, etc., for individual Directors is as follows.

Basic Policy

The remuneration system shall clarify the commitment to the steady execution of growth strategy, while functioning as sound incentives aimed at improving short-term business performance, as well as medium- to long-term and sustainable corporate value. Also, the remuneration system shall incorporate perspectives of valuing shareholders with whom the Company shall share profit awareness.

The remuneration for the Company's Directors shall be made up of basic remuneration, bonuses that are short-term performance-linked remuneration, and share-based remuneration that is medium- to long-term performance-linked remuneration.

The basic remuneration shall be a fixed remuneration paid monthly according to the position, reflecting the performance evaluation of each officer within a certain range.

The bonuses shall be performance-linked remuneration paid annually based on the level of achievement of the consolidated profit target set out each fiscal year in addition to qualitative elements, such as strengthening a management foundation. The bonuses shall be paid on the day immediately following the date the Ordinary General Meeting of Shareholders is held, which coincides with the yearly expiry of the term of office.

The share-based remuneration shall be the issuance of the Company's common stocks with a specified transfer restriction period to the Directors, excluding Outside Directors, depending on their positions, to provide an incentive to achieve sustainable enhancement of the Company's and shareholder values over medium- to long-term.

(Summary, etc. of composition and method of calculation of remuneration)

Type of remuneration, etc.		Key performance indicator (KPI)	Method of calculation, etc.	Summary of calculation method
Monetary remuneration	Fixed	-	Remuneration amount	[Basic remuneration limit] The limit on basic remuneration for Directors shall be within 180 million yen per year (including short-term performance-linked remuneration) (Note 3). (Not including employee wages.)
			Method of calculation of amount paid to eligible Directors	[Per person] Monthly individual remuneration payment amount shall be calculated using an amount of 1,500,000 yen per month as a base, multiplied by the following coefficient. (i) Directors Within the range of 100-130% of the base amount of basic remuneration according to evaluation. (ii) Senior Directors (Chairman, President, Executive Director) Within the range of 150-250% of the base amount of basic remuneration according to position, evaluation and results.
	Variable	Profit attributable to owners of parent (Note 2)	Remuneration amount	[Remuneration amount] Within the general range of 30-40% of the amount of fixed basic remuneration.
Payment conditions			Paid when a profit is recorded each fiscal year, and not paid when a loss is recorded.	
Method of calculation of amount paid to eligible Directors			[Maximum total amount paid] Within the range of 1-2% of profit attributable to owners of parent. [Individual distribution] Based on the individual's percentage of the total amount of fixed basic remuneration according to the evaluation of the level of contribution to earnings performance, and calculated within the range of ±30%.	
Non-monetary	Medium- to long-term performance-linked remuneration (Note 1) (Restricted share-based remuneration)	-	Remuneration amount	[Remuneration limit] Within 70 million yen per year (Note 4)
			Method of calculation of amount paid to eligible Directors	[Maximum total amount paid] Equivalent to around 10% of the amount of fixed basic remuneration. The Company's common shares with restrictions on transfer for a fixed period are provided according to position.

- (Notes) 1. Directors excluding Outside Directors are eligible for short-term performance-linked remuneration and medium- to long-term performance-linked remuneration.
2. The index for short-term performance-linked remuneration is net income attributable to shareholders of the parent company. The reason for selecting this index is that the Company has determined that it is appropriate as an index to increase the linkage between directors' compensation and business performance and to share a profit mindset with shareholders. Actual results related to this indicator are shown in the Consolidated Statements of Income.
3. Determined by resolution of the 68th Ordinary General Meeting of Shareholders held on June 24, 2021.
4. Determined by resolution of the 66th Ordinary General Meeting of Shareholders held on June 26, 2019.

(ii) Total amount of remuneration, etc. for the fiscal year under review

Category	Number of recipients	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type		
			Basic remuneration (millions of yen)	Variable performance-linked remuneration	Restricted share-based remuneration (millions of yen)
				Bonuses (millions of yen)	
Directors	7	162	123	36	3
(Outside Directors included therein)	(2)	(16)	(16)	(-)	(-)
Audit & Supervisory Board Members	3	32	32	-	-
(Outside Audit & Supervisory Board Members included therein)	(2)	(16)	(16)	(-)	(-)
Total	10	194	155	36	3
(Outside Officers included therein)	(4)	(33)	(33)	(-)	(-)

- (Notes) 1. The total amount of remuneration, etc., for Directors does not include the employee salary for employees who concurrently serve as a Director.
2. The limit on remuneration for Directors was resolved to be within 180 million yen per year (not including employee salary) in the 68th Ordinary General Meeting of Shareholders held on June 24, 2021 (the number of those who are eligible at the time of the conclusion of the General Meeting of Shareholders was six), of which the maximum amount of remuneration for Outside Directors is 20 million yen per year. Furthermore, a separate framework has been resolved by the 66th Ordinary General Meeting of Shareholders held on June 26, 2019 (the number of those who are eligible at the time of the conclusion of the General Meeting of Shareholders was seven) to limit the amount of remuneration under the restricted share-based remuneration plan to within 70 million yen per year. The amount of payment of bonuses to four Directors (excluding Outside Directors) has been resolved at the meeting of the Board of Directors held on May 23, 2023, after consulting with the Nomination and Remuneration Advisory Committee and receiving its advice.
3. The limit on remuneration for Audit & Supervisory Board Members was resolved to be within 45 million yen per year in the 68th Ordinary General Meeting of Shareholders held on June 24, 2021 (the number of those who are eligible at the time of the conclusion of the General Meeting of Shareholders was three).

5) Matters concerning Outside Officers

(i) Status of significant positions concurrently held in other corporations, etc. and relationships with other corporations

- Outside Director Koji Yoshikawa is an attorney (Baba Law Firm), but there is no special relationship between the Company and Baba Law Firm. Furthermore, he concurrently serves as Outside Audit & Supervisory Board Member of NCS&A CO., LTD., and the Company outsources the maintenance and management operations of internal computer systems to NCS&A CO., LTD.
- Outside Director Tatsuhiko Saruwatari concurrently serves as an Outside Director (an Audit & Supervisory Committee member) of NORITAKE CO., LIMITED, but there is no special relationship between the Company and NORITAKE CO., LIMITED. He retired from the position of Outside Audit & Supervisory Board Member of NORITAKE CO., LIMITED as of June 23, 2023, and assumed the position of Outside Director (an Audit & Supervisory Committee member) of NORITAKE CO., LIMITED as of the same date.

- Outside Audit & Supervisory Board Member Hiroshi Morimoto is an attorney (Representative of Kitahama Partners and CEO of Kitahama Group), and the Company has concluded an advisory agreement with Kitahama Partners. Furthermore, he concurrently serves as an Outside Auditor of IwaiCosmo Holdings, Inc., but there is no special relationship between the Company and IwaiCosmo Holdings.
- Outside Audit & Supervisory Board Member Yoko Sato is a certified public accountant (Representative of Yoko Sato Certified Public Accountant Office), but there is no special relationship between the Company and Yoko Sato Certified Public Accountant Office. Furthermore, she also concurrently serves as an Outside Director of TOCALO Co., Ltd. and Sanyo Electric Railway Co., Ltd., but there are no special relationships between the Company and these companies.

(ii) Status of major activities during the fiscal year under review

a. Attendance at meetings of the Board of Directors and the Audit & Supervisory Board

Name, etc.	Board of Directors		Audit & Supervisory Board	
	Number of meetings attended	Attendance (%)	Number of meetings attended	Attendance (%)
Outside Director Koji Yoshikawa	18 out of 18 meetings	100.0	—	—
Outside Director Tatsuhiko Saruwatari	18 out of 18 meetings	100.0	—	—
Outside Audit & Supervisory Board Member Hiroshi Morimoto	18 out of 18 meetings	100.0	15 out of 15 meetings	100.0
Outside Audit & Supervisory Board Member Yoko Sato	18 out of 18 meetings	100.0	15 out of 15 meetings	100.0

- b. Status of comments in meetings of the Board of Directors and the Audit & Supervisory Board
- Outside Director Koji Yoshikawa provides objective and appropriate advice and suggestions as needed based on his advanced specialized knowledge developed over many years as a prosecutor and attorney.
 - Outside Director Tatsuhiko Saruwatari provides objective and appropriate advice and suggestions as needed based on his abundant experience and extensive insight into corporate management as an officer of a listed company for many years.
 - Outside Audit & Supervisory Board Member Hiroshi Morimoto expresses fair and neutral opinions, and provides advice and suggestions to ensure the appropriateness of decision-making and the legality of the execution of duties of Directors, based on his specialized viewpoint as an attorney.
 - Outside Audit & Supervisory Board Member Yoko Sato expresses fair and neutral opinions, and provides advice and suggestions to ensure the appropriateness of decision-making and the soundness of corporate management, based on her specialized viewpoint as a certified public accountant.
- c. Summary of duties performed in relation to roles expected as Outside Directors
- Koji Yoshikawa
Mr. Yoshikawa is expected to provide objective and appropriate advice based on his experience and expert knowledge as a legal professional.
Since he was appointed as Director in June 2014, the Company has received specific advice and proposals for specific procedures, such as corporate management decisions with a mind to strengthening compliance and risk management, which is essential for business operation in the U.S. casino market that requires thorough legal compliances, as well as, on the establishment of internal systems, and the implementation of preventative measures.
 - Tatsuhiko Saruwatari
Mr. Saruwatari is expected to provide advice and suggestions on the Company's corporate management based on his abundant experience as an executive of a listed company and extensive insight, especially into engineering areas.
Since he was appointed as a Director in June 2020, not only has he attended meetings of the Board of Directors, but he also participated in regular meetings as an observer to discuss engineering, development, and quality aspects of matters as there are his areas of expertise. He has been contributing to many projects by providing advice on decisions about individual projects as necessary.
 - Common matters to both candidates
Both candidates have contributed to making the management system more transparent and sound in involving in shaping opinions to determine candidates for Directors and remuneration as the members of the Nomination and Remuneration Advisory Committee established on January 27, 2021, aimed at further enhancing corporate governance.
In addition, Mr. Saruwatari chairs the committee.

(iii) Summary of limited liability agreements

Pursuant to the provision of Article 427, paragraph (1) of the Companies Act, the Company and each Outside Director and Outside Audit & Supervisory Board Member have entered into an agreement limiting liability for damages specified in Article 423, paragraph (1) of the same Act.

The limit on liability for damages pursuant to the agreement is the higher amount of either 10 million yen or the minimum limit on liability specified in Article 425, paragraph (1) of the Companies Act.

(4) Status of financial auditor

1) Name Ernst & Young ShinNihon LLC

2) Amount of remuneration, etc.

Category	Payment amount (millions of yen)
Amount of remuneration, etc. as financial auditor for the current fiscal year	49
Total amount of cash and other economic benefit to be paid by the Company and its subsidiaries to the financial auditor	49

(Notes) 1. JCM AMERICAN CORP., JCM EUROPE GMBH., JCM GOLD (H.K.) LTD., and J-CASH MACHINE GLOBAL MANUFACTURING (PHILIPPINES) INC. are subject to audits (limited to those pursuant to the provisions of the Companies Act or the Financial Instruments and Exchange Act (including laws and regulations of foreign countries equivalent to these acts)) by certified public accountants or audit firms (including persons with qualifications equivalent to these qualifications in a foreign country) other than the Company's financial auditor.

2. The audit agreement concluded between the Company and the financial auditor does not clearly separate and cannot effectively separate the amounts of audit remuneration, etc., for audits performed pursuant to the Companies Act from audits performed pursuant to the Financial Instruments and Exchange Act. Therefore, the total amount of these amounts of remuneration, etc., for the current fiscal year is stated.

3. The Company's Audit & Supervisory Board has confirmed and examined the analysis and evaluation of audit results for the previous fiscal year, as well as the audit time and staff assignment plans in the audit plan, in addition to the execution of duties of the financial auditor, and the appropriateness of remuneration estimates based on the "Guidelines for Coordination with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. Based on such examination, the Company's Audit & Supervisory Board gave consent to the remuneration of the financial auditor as stipulated in Article 399, paragraph (1) of the Companies Act.

3) Content of non-auditing operations

Not applicable.

4) Policies for determination of dismissal or refusal of reappointment of financial auditor

The Audit & Supervisory Board will determine the details of a proposal on the dismissal or refusal of reappointment of the financial auditor submitted to the General Meeting of Shareholders as deemed necessary by the Audit & Supervisory Board when the execution of the duties of the financial auditor is disrupted.

Furthermore, the Audit & Supervisory Board will dismiss the financial auditor given the consent of all Audit & Supervisory Board Members if the financial auditor is found to fall under any of the items of Article 340, paragraph (1) of the Companies Act. In such a case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report that the financial auditor has been dismissed and the reason for the dismissal at the first General Meeting of Shareholders convened after such a dismissal.

5) Summary of limited liability agreements

Not applicable.

6) Matters concerning disposition in the event that the financial auditor has been subject to a suspension order in the past two years

Not applicable.

(5) Policy on determination of dividends of surplus

The Group's basic policy on the distribution of profit is to strike a balance between two aspects; to increase dividend payment amount as a result of a profit increase through the realization of growth strategies and to return a profit to shareholders through the payment of stable dividends. The Company has decided a consolidated dividend payout ratio of 30% or more by taking into account the ratio of dividends to net assets. Regarding the return of profits for the fiscal year under review, besides the profit distribution based on the above policy, the Company repurchased treasury shares totaling 1,966 million yen in order to implement a flexible capital policy in response to changes in the business environment.

In determining the amount of profit dividends, the Company has decided to exclude one-time profit fluctuation factors, such as foreign exchange gains and losses, and to comprehensively consider other shareholder return measures, such as purchase of treasury shares.

As a result, the year-end dividend for the current fiscal year is 19 yen per share, as previously forecasted, for a total annual dividend of 26 yen per share, including the interim dividend.

(6) Basic policy on control of the Company

1) Summary of the content of the basic policy

The Company understands the people controlling the determination of the policies on the Company's finance and business must understand the source of the Company's corporate value, and should be able to enhance the Company's corporate value so as to enable to continuously and sustainably ensure and enhance shareholders' common interests.

The Company does not deny a large purchase of shares if such a purchase would enhance the Company's value and thus contribute to shareholders' common interests. Furthermore, a decision on whether or not to respond to such a proposal of purchasing a large volume of shares that accompanies a transfer of the control of the Company should be made with the general consensus of shareholders.

However, many purchases of a large quantity of shares do not benefit targeted companies in enhancing corporate value and thus the common interests of shareholders, and such purchases often include those that clearly bring about harm to the companies to enhance their corporate value and thus the common interests of shareholders because the purposes of the purchase are to acquire only a specific area of business, assets, technologies, or knowhow, those that may effectively coerce the sale of shares by shareholders, those that do not set aside an adequate time or information for the board of directors of the target company to make an alternative proposal when the board of directors or general shareholders of the target company deliberate on the large purchase of shares, and those requiring the target company to negotiate with the purchaser to agree on more favorable conditions than those presented by the purchaser.

The source of the Group's corporate value lies in promoting the development, manufacture, and sale of equipment capable of reducing the labor required for processing money for every market worldwide on a broader scale. Such a promotion is possible through the practical implementation of core research and technological development with an eye set on the future, against the backdrop of a stable financial foundation and technological capability of money processing centered on the validation and transportation of bills that the Company has developed over many years.

A person who conducts a purchase of a large quantity of shares without understanding the source of the Company's corporate value, and does not contribute to the enhancement of corporate value and thus the common interests of shareholders, is inappropriate as a person to have control over the determination of

policies on the Company's finance and business, and the Company believes it is necessary to put in place necessary and appropriate measures against such a purchase in order to enhance the Company's corporate value and thus secure the common interests of shareholders.

2) Summary of special initiatives contributing to the realization of the basic policy

The Company has been developing unique businesses as a group that entails the development, manufacture, and sale of equipment capable of reducing the labor required for processing money for every market worldwide on a broader scale, against the backdrop of a stable financial foundation and technological capability of money processing centered on the validation and transportation of bills that the Company has developed since its establishment.

With the unique nature of the businesses, the Company aims to contribute to the development of the economy and society, as well as the creation of a social environment and security system that meet the needs of the time and will ensure the broader recognition and penetration of the Company's products, which boast high quality and high performance, in the markets and various fields.

Furthermore, the Company has a policy of determining returns to shareholders with consideration of the ratio of dividends to net assets based on a consolidated dividend payout ratio of 30% or more, and these will continue to be implemented in accordance with the policy.

3) Summary of initiatives to prevent the Company's policy on finance and business being controlled by an inappropriate person in light of the basic policy

The Company received shareholders' approval of the current measures on large purchases of the Company's shares (hereinafter referred to as "the Plan") at the 70th Ordinary General Meeting of Shareholders held on June 27, 2023. The specific details are as follows

- (i) The Company shall request a purchaser, etc. purchasing a holding of 20% or more of the Company's shares to submit a letter of intent prior to the implementation of the purchase, and to provide the information required for shareholders to make a decision and the Company's Board of Directors to form an opinion no later than ten days of receipt of the letter of intent.
- (ii) The Company's Board of Directors shall establish an evaluation period of 60 days or 90 days as needed as a grace period for evaluating and examining the information provided, negotiating with the purchaser, etc., forming opinions on the purchase and alternative proposals.
- (iii) The Company's Board of Directors shall evaluate and examine the content of the purchase, conduct consultations and negotiations with the purchaser, etc., and present an alternative proposal to shareholders during the above evaluation period. If a decision on whether or not to carry out the Plan is not made during the evaluation period, the evaluation period may be extended by up to 30 days (the first day is not included).
- (iv) The Company's Board of Directors shall establish a special committee to ensure the objectivity and rationality of its decision, and make a final decision with maximum respect for its recommendations. If the special committee recommends the convocation of a General Meeting of Shareholders on the execution of the Plan, a General Meeting of Shareholders will be convened in the shortest period possible, and a proposal on the execution of the Plan shall be submitted.
- (v) If the Plan is carried out, the Company shall adopt the method of allotment of share acquisition rights without contribution, and allot the share acquisition rights to shareholders recorded in the final shareholder registry on the record date specified by the Company's Board of Directors at a ratio of at least one right per share held.

- (vi) After the allotment of share acquisition rights, the Company shall acquire all unexercised share acquisition rights held by persons other than non-qualified persons such as those designated as large shareholders, and shall grant one of the Company's common shares per share acquisition right in exchange.

4) Judgment of the Company's Board of Directors on the above initiative and reasons therefor

The Plan was formulated as a specific measure to enhance the Company's corporate value, thereby achieving the continuous and sustained enhancement of the common interests of shareholders, and if a purchase of a large quantity of the Company's shares is conducted, the Plan will allow the Company to have negotiations, etc., with the purchaser, etc., in order to ensure the enhancement of the Company's corporate value and thus the common interests of shareholders and contribute to the realization of the basic policy on control of the company.

Furthermore, this Plan does not harm the common interests of the Company's shareholders and is not for the purpose of maintaining the status of the Company's officers owing to the following reasons: i. this Plan completely satisfies the requirements of the Guidelines on Takeover Defense Measures; ii. this Plan prioritizes the will of shareholders (although the Effective Period is until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026, the Guidelines on Takeover Defense Measures may be abolished based on the intentions of shareholders prior to the expiration of the Effective Period); iii. this Plan stipulates reasonable and objective Trigger Events; iv. This Plan stipulates the establishment of a Special Committee; and v. The takeover defense measures are not a dead-hand and slow-hand takeover defense measure.

Presentation of the Business Report

The methods of presentation of the amounts, percentages, and numbers of shares in the Business Report are as follows.

1. Amounts less than one million yen are rounded down.
2. The percentage change of net sales and profit, the percentage of voting rights held by the Company in significant subsidiaries, the average age and average years of service of employees, and the attendance rate of Directors and Audit & Supervisory Board Members at meetings of the Board of Directors and the Audit & Supervisory Board are rounded to one decimal place, and the percentage of share held by major shareholders is rounded to the nearest two decimal places.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2024)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	40,143,568	Current liabilities	9,260,718
Cash and deposits	12,522,582	Notes and accounts payable - trade	4,583,516
Notes and accounts receivable - trade, and contract assets	6,575,455	Current portion of long-term borrowings	1,260,000
Electronically recorded monetary claims - operating	481,028	Lease liabilities	105,242
Securities	58,404	Income taxes payable	392,121
Merchandise and finished goods	12,209,054	Provision for bonuses	366,624
Work in process	1,195,138	Provision for bonuses for directors (and other officers)	36,000
Raw materials and supplies	6,159,975	Other current liabilities	2,517,213
Other current assets	1,135,852	Non-current liabilities	9,782,017
Allowance for doubtful accounts	(193,922)	Bonds payable	6,000,000
Non-current assets	7,431,539	Long-term borrowings	3,540,000
Property, plant and equipment	3,950,375	Lease liabilities	189,215
Buildings and structures	1,307,940	Other non-current liabilities	52,802
Machinery, equipment and vehicles	112,247	Total liabilities	19,042,736
Land	1,524,397	Net assets	
Leased assets	6,872	Shareholders' equity	27,202,141
Other property, plant and equipment	998,917	Share capital	2,220,316
Intangible assets	219,772	Capital surplus	2,764,839
Software	48,075	Retained earnings	24,570,828
Software in progress	3,266	Treasury shares	(2,353,842)
Other intangible assets	168,429	Accumulated other comprehensive income	1,453,328
Investments and other assets	3,261,392	Valuation difference on available-for-sale securities	287,152
Investment securities	1,010,160	Foreign currency translation adjustment	1,166,175
Retirement benefit asset	745,251	Total net assets	28,655,470
Deferred tax assets	1,078,961		
Other investments, etc.	499,629		
Allowance for doubtful accounts	(72,611)		
Deferred assets	123,098		
Bond issuance costs	123,098		
Total assets	47,698,207	Total liabilities and net assets	47,698,207

Consolidated Statement of Income

(from April 1, 2023 to March 31, 2024)

(Thousands of yen)

Item	Amount	
Net sales		31,610,569
Cost of sales		19,422,282
Gross profit		12,188,287
Selling, general and administrative expenses		9,349,092
Operating profit		2,839,195
Non-operating income		
Interest income	19,254	
Dividend income	40,056	
Foreign exchange gains	810,146	
Other	183,658	1,053,115
Non-operating expenses		
Interest expenses	30,240	
Amortization of bond issuance costs	8,160	
Equity method investment loss	275,708	
Other	10,165	324,275
Ordinary profit		3,568,035
Extraordinary income		
Gain on sale of non-current assets	2,984	
Gain on sales of investment securities	65,563	68,548
Extraordinary losses		
Loss on retirement of non-current assets	2,133	2,133
Profit before income taxes		3,634,449
Income taxes - current	819,494	
Income taxes - deferred	(466,973)	352,521
Profit		3,281,928
Profit attributable to owners of parent		3,281,928

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	22,957,497	Current liabilities	4,470,511
Cash and deposits	7,390,902	Notes payable - trade	14,150
Notes receivable	469,443	Accounts payable - trade	2,046,688
Electronically recorded monetary claims - operating	386,614	Current portion of long-term borrowings	1,260,000
Accounts receivable - trade	2,534,364	Lease liabilities	3,551
Merchandise and finished goods	1,607,519	Accounts payable - other	528,927
Work in process	1,171,166	Income taxes payable	81,545
Raw materials and supplies	4,738,478	Accrued expenses	117,447
Prepaid expenses	115,293	Advances received	40,500
Accounts receivable - other	676,718	Provision for bonuses	318,504
Short-term loans receivable from subsidiaries and associates	3,936,920	Provision for bonuses for directors (and other officers)	36,000
Other current assets	50,543	Other current liabilities	23,196
Allowance for doubtful accounts	(120,468)	Non-current liabilities	9,593,008
Non-current assets	8,717,537	Bonds payable	6,000,000
Property, plant and equipment	3,245,993	Long-term borrowings	3,540,000
Buildings	958,778	Lease liabilities	8,237
Structures	0	Other non-current liabilities	44,770
Machinery and equipment	189	Total liabilities	14,063,520
Vehicles	0	Net assets	
Tools, furniture and fixtures	855,610	Shareholders' equity	17,447,488
Leased assets	6,872	Share capital	2,220,316
Land	1,389,356	Capital surplus	2,764,839
Construction in progress	35,185	Legal capital surplus	2,067,276
Intangible assets	22,939	Other capital surplus	697,562
Software	19,472	Retained earnings	14,816,175
Software in progress	3,266	Legal retained earnings	274,318
Other intangible assets	200	Other retained earnings	14,541,856
Investments and other assets	5,448,604	General reserve	11,234,761
Investment securities	979,759	Retained earnings brought forward	3,307,095
Shares of subsidiaries and associates	1,711,347	Treasury shares	(2,353,842)
Investments in capital	14,920	Valuation and translation adjustments	287,124
Investments in capital of subsidiaries and associates	606,224	Valuation difference on available-for-sale securities	287,124
Membership	52,310	Total net assets	17,734,613
Prepaid pension costs	728,126		
Long-term loans receivable from subsidiaries and associates	1,397,058		
Deferred tax assets	284,820		
Other investments, etc.	178,215		
Allowance for doubtful accounts	(504,176)		
Deferred assets	123,098		
Bond issuance costs	123,098		
Total assets	31,798,133	Total liabilities and net assets	31,798,133

Statement of Income

(from April 1, 2023 to March 31, 2024)

(Thousands of yen)

Item	Amount	
Net sales		
Net sales of merchandise and finished goods	8,317,561	
Service revenue	2,931,426	11,248,987
Cost of sales		6,982,318
Gross profit		4,266,668
Selling, general and administrative expenses		3,442,136
Operating profit		824,532
Non-operating income		
Interest income	353,414	
Dividend income	581,815	
Outsourcing service income	193,837	
Rental income	22,200	
Foreign exchange gains	900,294	
Proceeds from miscellaneous income	112,108	2,163,669
Non-operating expenses		
Interest expenses	11,555	
Interest expenses on bonds	10,829	
Outsourcing service costs	187,967	
Rental costs	22,200	
Provision of allowance for doubtful accounts	451,906	
Miscellaneous losses	6,207	
Other	8,160	698,826
Ordinary profit		2,289,375
Extraordinary income		
Gain on extinguishment of tie-in shares	647,789	
Gain on sales of investment securities	65,407	713,196
Extraordinary losses		
Loss on retirement of non-current assets	2,133	
Loss on valuation of shares of subsidiaries and associates	57,770	
Loss on adjustment of gain on sales of products	7,248	67,152
Profit before income taxes		2,935,420
Income taxes - current	187,410	
Income taxes - deferred	(409,672)	(222,262)
Profit		3,157,682

Audit Report

Financial Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report (Translation)

Japan Cash Machine Co., Ltd.

May 20, 2024

To the Board of Directors

Ernst & Young ShinNihon LLC

Osaka Office

Designated Limited Liability Partner

Engagement Partner

Naotaka Sasayama, Certified Public Accountant

Designated Limited Liability Partner

Engagement Partner

Daiki Takai, Certified Public Accountant

Audit Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Japan Cash Machine Co., Ltd. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), as at March 31, 2024 and for the fiscal year from April 1, 2023 to March 31, 2024 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the Business Report and the accompanying supplemental schedules thereof. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing Directors' execution of duties relating to the design and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other

information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and, in doing so, examine whether the other information is materially inconsistent with the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material misstatement other than such material inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

We have nothing to report regarding the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal control determined by management to be necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.

- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

The independent auditor shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on our compliance with the rules of professional ethics in Japan regarding independence and matters that could reasonably be considered to affect the auditor's independence, as well as any measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Financial Auditor's Report on Non-consolidated Financial Statements

Independent Auditor's Report (Translation)

Japan Cash Machine Co., Ltd.

May 20, 2024

To the Board of Directors

Ernst & Young ShinNihon LLC

Osaka Office

Designated Limited Liability Partner

Engagement Partner

Naotaka Sasayama, Certified Public Accountant

Designated Limited Liability Partner

Engagement Partner

Daiki Takai, Certified Public Accountant

Audit Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the related notes and the accompanying supplemental schedules (collectively, "non-consolidated financial statements, etc.") of Japan Cash Machine Co., Ltd. (the "Company"), as at March 31, 2024 and for the 71st fiscal year from April 1, 2023 to March 31, 2024 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the non-consolidated financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the Business Report and the accompanying supplemental schedules thereof. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing Directors' execution of duties relating to the design and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information and, in doing so, examine whether the other information is materially inconsistent with the non-consolidated

financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material misstatement other than such material inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

We have nothing to report regarding the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal control determined by management to be necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.

- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

The independent auditor shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on our compliance with the rules of professional ethics in Japan regarding independence and matters that could reasonably be considered to affect the auditor's independence, as well as any measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board has conducted discussion and prepared an audit report based on the audit reports prepared by each Audit & Supervisory Board Member concerning the execution of duties of Directors for the 71st fiscal year from April 1, 2023 to March 31, 2024, and reports the following.

1. Method and Content of Audits of Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board specified the audit policy and division of duties, etc., received reports on the status of implementation and results of audits from each Audit & Supervisory Board Member, and also received reports on the status of execution of duties from the Directors, etc. and the financial auditor, and requested explanations as needed.
 - (2) Each Audit & Supervisory Board Member communicated with Directors, the Internal Audit Division and other employees in compliance with the standards for auditing by Audit & Supervisory Board Members specified by the Audit & Supervisory Board and in accordance with the audit policy and division of duties, etc., endeavored to collect information and establish an audit environment, and conducted audits using the following methods.
 - 1) Attended meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from Directors and employees, requested explanations as needed, viewed important approval documents, etc., and investigated the status of operations and property at the head office and principal business locations. Also communicated and exchanged information on subsidiaries with the Directors of subsidiaries, and received business reports from subsidiaries as needed.
 - 2) Received reports from Directors and employees, etc., requested explanations as needed, and expressed opinions on the creation and status of operation of systems for ensuring that the execution of duties of Directors stated in the Business Report conforms with laws, regulations and the articles of incorporation, the content of resolutions of the Board of Directors on the establishment of systems specified in Article 100, paragraph (1) and paragraph (3) of the Regulation for Enforcement of the Companies Act as otherwise being necessary for ensuring the appropriateness of operations of the business group made up of a joint stock company and its subsidiaries, and the systems (internal control systems) established based on said resolutions.
 - 3) Considered the content of the basic policies under Article 118, item (iii)(a) of the Regulations for Enforcement of the Companies Act and the efforts under (b) of the same item stated in the Business Report based on the status of discussion in the Board of Directors and elsewhere.
 - 4) Monitored and examined whether the financial auditor maintained an independent position and implemented appropriate auditing, received reports from the financial auditor on the status of execution of its duties, and requested explanations as needed. Also received notification from the financial auditor that the “systems for ensuring that the performance of the duties” (matters listed in the items of Article 131 of the Regulation on Corporate Accounting) have been established in accordance with the Quality Control Standards for Audit (Business Accounting Council), etc., and requested explanations as needed.

Examined that the Business Report and accompanying notes, the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements) and the accompanying supplemental schedules thereof, and the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements) for the relevant fiscal year based on the above methods.

2. Audit Results

(1) Results of Audit of Business Report, etc.

- 1) The Business Report and the accompanying supplemental schedules thereof were found to accurately indicate the status of the company in accordance with laws, regulations and the articles of incorporation.
- 2) No improper acts concerning the execution of duties of Directors or material facts in violation of laws, regulations or the articles of incorporation were found.
- 3) The content of resolutions of the Board of Directors concerning internal control systems was found to be reasonable. Furthermore, no matters to be pointed out were found regarding the content stated on the Business Report concerning the internal control systems and the execution of duties of Directors.
- 4) No matters to be pointed out were found regarding the basic policy on the persons controlling the determination of policies on the company's finance and business stated in the Business Report. It was found that the efforts set forth under Article 118, item (iii)(b) of the Regulation for Enforcement of the Companies Act were in accordance with the basic policy, did not harm the common interests of the Company's shareholders, and were not for the purpose of maintaining the status of the Company's officers.

(2) Results of Audit of the Non-consolidated Financial Statements and Accompanying Supplemental Schedules
The method and results of the audit by the financial auditor Ernst & Young ShinNihon LLC were found to be reasonable.

(3) Results of the Audit of the Consolidated Financial Statements

The method and results of the audit by the financial auditor Ernst & Young ShinNihon LLC were found to be reasonable.

May 21, 2024

Japan Cash Machine Co., Ltd. Audit & Supervisory Board

Michimasa Teraoka, Full-time Audit & Supervisory Board Member (Seal)

Hiroshi Morimoto, Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) (Seal)

Yoko Sato, Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) (Seal)