

This is a translation of the original Japanese text of the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2015.” Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

Consolidated Financial Results

for the Fiscal Year Ended March 31, 2015 <Japanese GAAP>

May 12, 2015

Company Name: GLORY LTD. Stock exchange listing: Tokyo (1st Section)
Code Number: 6 4 5 7 URL: <http://www.glory-global.com/>
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Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2015
Scheduled date of dividend payments: June 29, 2015
Scheduled filing date of Annual Securities Report: June 29, 2015
Preparation of earnings supplementary explanatory material: Yes
Holding of earnings presentation: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded downward.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results

(The percentages show the changes from the corresponding period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Year ended March 31, 2015	226,974	3.8	19,179	14.7	22,606	14.4	13,082	31.6
Year ended March 31, 2014	218,632	14.5	16,718	15.6	19,764	44.3	9,939	44.6

(Note) Comprehensive income

Year ended March 31, 2015: ¥18,753 million [(27.3) %]

Year ended March 31, 2014: ¥25,781 million [42.4 %]

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Year ended March 31, 2015	199.16	—	6.7	6.6	8.5
Year ended March 31, 2014	151.31	—	5.6	6.0	7.6

(Reference) Income or loss from investments accounted for by the equity method

Year ended March 31, 2015: ¥— million Year ended March 31, 2014: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2015	346,613	204,544	58.1	3,066.53
As of March 31, 2014	340,943	190,804	55.2	2,865.09

(Reference) Ownership equity

As of March 31, 2015: ¥201,431 million As of March 31, 2014: ¥188,199 million

(TRANSLATION FOR REFERENCE ONLY)

(3) Consolidated Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Year ended March 31, 2015	21,171	(3,485)	(15,749)	64,222
Year ended March 31, 2014	17,623	(4,770)	(18,708)	61,029

2. Dividends

(Record date)	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Year ended March 31, 2014	—	22.00	—	27.00	49.00	3,218	32.4	1.8
Year ended March 31, 2015	—	24.00	—	30.00	54.00	3,547	27.1	1.8
Year ending March 31, 2016 (forecast)	—	27.00	—	27.00	54.00		30.8	

3. Consolidated Financial Forecast for the Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(The percentages show the changes from the corresponding period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Six months ending September 30, 2015	105,000	7.4	6,000	22.2	6,000	(9.9)	3,000	(25.7)	45.67
Full year	230,000	1.3	20,000	4.3	20,000	(11.5)	11,500	(12.1)	175.07

Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries involving a change in the scope of consolidation):
None

(2) Changes in accounting policies and estimates, and restatements

- (a) Changes in accounting policies associated with revisions of accounting standards, etc.: Yes
(b) Changes in accounting policies other than (a): Yes
(c) Changes in accounting estimates: None
(d) Restatements: None

(Note) For more information, please refer to “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policy” on page 22 of the Attachment.

(TRANSLATION FOR REFERENCE ONLY)

(3) Total number of shares issued (common stock)

(a) Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2015: 68,638,210 shares
As of March 31, 2014: 68,638,210 shares

(b) Number of treasury shares at the end of the period

As of March 31, 2015: 2,951,231 shares
As of March 31, 2014: 2,951,091 shares

(c) Average number of shares

Year ended March 31, 2015: 65,687,030 shares
Year ended March 31, 2014: 65,687,334 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated Operating Results

(The percentages show the changes from the corresponding period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Year ended March 31, 2015	134,718	1.6	12,543	(0.5)	18,970	(3.8)	13,744	(6.1)
Year ended March 31, 2014	132,610	4.5	12,611	38.9	19,721	68.3	14,641	96.9

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
Year ended March 31, 2015	209.24	—
Year ended March 31, 2014	222.90	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2015	258,341	168,620	65.3	2,567.04
As of March 31, 2014	259,125	158,155	61.0	2,407.71

(Reference) Ownership equity

As of March 31, 2015: ¥168,620 million As of March 31, 2014: ¥158,155 million

(Note) Status of implementation of audit procedures

These “Consolidated Financial Results” are exempt from the audit procedures required under the Financial Instruments and Exchange Act. As of the date of the release of these Consolidated Financial Results, implementation of audit procedures for consolidated financial statements and non-consolidated financial statements is in progress.

(Note) Explanation regarding the appropriate use of financial forecasts and other special items

The forward-looking statements such as operational forecasts contained in this report are based on the information currently available to the Company and certain assumptions which the Company regards as legitimate, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors. For the assumptions and other related matters concerning the financial forecasts, please refer to “1. Analysis of Operating Results and Financial Position, (1) Analysis of Operating Results” on page 5 of the Attachment.

(TRANSLATION FOR REFERENCE ONLY)

Attachment

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(TRANSLATION FOR REFERENCE ONLY)

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Consolidated operating results for this current fiscal year

In the fiscal year ended March 31, 2015, the Japanese economy showed a trend of gradual recovery driven by improvements in both corporate earnings and the employment situation, despite the weak personal consumption resulting from the prolonged effect from the rise in the consumption tax rate. Looking at the global economy, on the other hand, although the United States maintained a trend toward recovery and Europe also showed signs of rallying, albeit gradually, the growth rate among emerging countries such as China continued to slow down, contributing to an uncertain outlook overall.

Under these conditions, in this final year of its three-year 2014 Medium-Term Management Plan, which started in April 2012, the GLORY Group (the “Group”) proactively implemented the three strategies—Business, Constitutional, and Corporate Management—under its basic policy to “implement a growth strategy and strengthen profitability to achieve the Long-Range Vision 2018.”

In its overseas business, the Group carried out upgrades to its sales and maintenance systems with a view to maximizing the synergies made available by the acquisition of Talaris. At the same time, the Group promoted region-specific strategies according to market characteristics. In its domestic business, the Group launched new products such as new models of “open teller systems,” while striving to open untapped markets where the Group’s products have yet to penetrate, thereby expanding sales and profits. The Group also focused on strengthening its corporate constitution by developing platforms for its technologies to enhance development efficiency, reorganizing its overseas production structure, and other measures.

As a result, net sales totaled ¥226,974 million (up 3.8% year on year) in the current fiscal year. Sales of merchandise and finished goods were ¥162,405 million (up 4.6% year on year) and sales from maintenance services were ¥64,569 million (up 1.9% year on year). Operating income was ¥19,179 million (up 14.7% year on year), ordinary income was ¥22,606 million (up 14.4% year on year), net income was ¥13,082 million (up 31.6% year on year), and comprehensive income was ¥18,753 million (down 27.3% year on year).

Results of operations in business segments were as follows.

Financial market

Sales of main product in this segment “open teller systems” were favorable for the series overall, such as the standard models including a new model released in November 2014 and the compact model for small- and medium-sized financial outlets. Furthermore, sales of “multi-functional banknote changers” were strong due to capturing of demand for replacements.

As a result, net sales in this segment were ¥48,116 million (up 5.4% year on year) and operating income was ¥5,502 million (up 36.5% year on year).

Retail and transportation market

Sales of “sales proceeds deposit machines” in the cash-in-transit market were strong but sales of this segment’s main product, “coin and banknote recyclers” for cashiers, were sluggish. Therefore, sales were at a similar level to the previous year for the overall market.

As a result, net sales in this segment were ¥29,886 million (down 3.6% year on year) and operating income was ¥2,463 million (down 29.9% year on year).

Amusement market

Although sales of “membership management systems” and “pachinko prize dispensing machines” were slow primarily due to a decline in new pachinko parlor openings, sales of this segment’s main products, such as “card systems,” were robust. Therefore, sales were largely unchanged year on year for the overall market.

As a result, net sales in this segment were ¥25,432 million (up 2.5% year on year), while operating income was ¥2,460 million (up 26.3% year on year).

Overseas market

Although sales of “banknote deposit modules” for ATMs were sluggish, sales of this segment’s main product, “banknote recyclers,” were robust in the United States and Asia. Therefore, sales for the overall market were steady, with the added effect of the yen’s depreciation.

As a result, net sales in this segment were ¥108,859 million (up 5.7 % year on year) and operating income was ¥8,542 million (up 14.5% year on year).

In the “other” business segment, which is excluded from the reportable segments, net sales were ¥14,679 million (up 3.7% year on year) and operating income was ¥210 million (operating loss of ¥241 million in the previous year).

All amounts in this section do not include consumption taxes.

(TRANSLATION FOR REFERENCE ONLY)

Forecast for the next fiscal year

For the next fiscal year, ending March 31, 2016, the forecast is for the Japanese economy to continue on a recovery trend against a backdrop of improvements in the environment for employment and personal incomes. Meanwhile, the forecast for the global economy is for an overall, moderate trend of recovery despite concern over the impacts of the tapering of monetary easing in the United States, instability of the political and economic situation in Europe, and the weakening trend of economic growth in the emerging economies such as China.

In this business environment, the Group has now entered the first year of the three-year 2017 Medium-Term Management Plan that commenced in April 2015, as described in “(3) Medium- to Long-Term Management Strategies and Issues to Be Addressed by the Company” under “3. Management Policy,” and the Group is aggressively carrying through with the various measures of the plan.

Based on the above, for the fiscal year ending March 31, 2016, the Group forecasts consolidated business results as follows; net sales of ¥230,000 million, operating income of ¥20,000 million, ordinary income of ¥20,000 million and net income attributable to owners of parent of ¥11,500 million. The forecast uses exchange rate assumptions of US\$1=¥120, 1 euro=¥130, and 1 sterling pound=¥175.

(2) Analysis of Financial Position

Total assets at the end of the current fiscal year were ¥346,613 million, an increase of ¥5,670 million compared with the end of the previous fiscal year.

Liabilities were ¥142,069 million, a decrease of ¥8,069 million compared with the end of the previous fiscal year.

Cash and cash equivalents (“cash”) at the end of the current fiscal year increased ¥3,193 million from one year earlier to ¥64,222 million.

The following is a summary of cash flows:

Cash flows from operating activities

Net cash provided by operating activities was ¥21,171 million, an increase of ¥3,547 million year on year. This was mainly due to income before income taxes and minority interests of ¥22,558 million, depreciation expenses of ¥10,434 million and amortization of goodwill of ¥4,988 million partly offset by an increase in notes and accounts receivable - trade of ¥5,516 million and income taxes paid of ¥8,223 million.

Cash flows from investing activities

Net cash used in investing activities was ¥3,485 million, a decrease of ¥1,284 million year on year. This result reflects payments of ¥7,371 million for purchases of property, plant, and equipment, which were offset by proceeds from sales and redemption of investment securities of ¥4,213 million. The purchases of property, plant and equipment were mainly molds, tools and other equipment used to manufacture products.

Cash flows from financing activities

Net cash used in financing activities was ¥15,749 million, a decrease of ¥2,959 million from the previous fiscal year. This was mainly due to a net decrease of ¥9,303 million in short-term loans payable, repayments of long-term loans payable of ¥8,636 million, cash dividends paid of ¥3,351 million, and cash dividends paid to minority shareholders of ¥482 million, which were offset by proceeds from long-term loans payable of ¥6,026 million.

Cash flow indices

	March 2011	March 2012	March 2013	March 2014	March 2015
Ownership equity ratio	75.0%	74.0%	52.2%	55.2%	58.1%
Ownership equity ratio based on market value	60.7%	58.6%	46.5%	54.5%	63.5%
Debt repayment ratio (years)	1.2	1.0	5.7	4.1	2.9
Interest coverage ratio	50.8	67.2	24.5	24.8	24.6

Notes: Ownership equity ratio: (Shareholders' equity + Valuation and translation adjustments) / Total assets

Ownership equity ratio based on market value: Market capitalization / Total assets

Debt repayment ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

* All indices are calculated using financial data on a consolidated basis.

* Market capitalization is calculated by multiplying the closing price on the balance sheet date by the number of shares issued, net of treasury shares, on the balance sheet date.

(TRANSLATION FOR REFERENCE ONLY)

* Operating cash flow represents cash flow from operating activities per the consolidated statement of cash flows. Interest-bearing liabilities consist of all liabilities on the consolidated balance sheet for which interest is being paid.
Interest payments consist of interest expenses paid as presented on the consolidated statement of cash flows.

(3) Basic Policy on Profit Distributions and Dividends for the Current and Next Fiscal Years

The Company considers the return of profits to shareholders to be an important management task and retains a policy to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. The Company has been employing the target of attaining a dividend payout ratio of 25% or higher and a DOE (dividends on equity) ratio of at least 1.8%, both on a consolidated basis.

In accordance with the above policy, the Company plans a year-end dividend of ¥30 per share for the fiscal year ended March 31, 2015 (the 69th term). Together with the interim-period dividend of ¥24 per share, the result will be an annual dividend of ¥54 per share, a DOE ratio of 1.8% and a dividend payout ratio of 27.1% on a consolidated basis.

For the fiscal year ending March 31, 2016, adhering to the above basic policy, the Company has revised the target indicator to focus on dividend payout ratio and lifted the target to 30% or higher on a consolidated basis. Based on this policy, the Company plans to pay dividend of ¥54 per share for the fiscal year ending March 31, 2016 (an interim-period dividend of ¥27 and a year-end dividend of ¥27).

With regard to the future acquisition of treasury shares, the Company will consider an appropriate response after having taken into overall account future business development, investment plans, the level of retained earnings, and performance trends. The Company policy is to maintain the upper limit for holding treasury shares within 5% of shares issued and retire any excess.

(4) Business-Related Risks

The Group is exposed to various risks that may impact its operating results and financial conditions, including variable factors and other matters considered to be material as disclosed below.

The forward-looking statements as below are based on judgments by the Group as of the end of the current fiscal year.

(i) Extraordinary fluctuations in operating results and financial conditions due to special market environmental factors, etc.

The Group's business is subject to government authorizations, import and export regulations and application of various laws and regulations in countries and regions where the Group is engaged in business activities. When these laws and regulations are revised or repealed, or when new public regulations are established, etc., or if any other special market environmental factors arise, the performance of the Group may be adversely affected.

(ii) High level of reliance on specific industry sector

The composition of the Group sales is highly dependent on the financial markets. If it becomes necessary for financial institutions to cut capital investments due to major operational or financial problems, the performance of the Group may be adversely affected.

(iii) R&D investment

The Group is an R&D-based enterprise and continues to invest in R&D aggressively. However, development of new products always includes risks and, depending on the themes, there is a possibility of development costs becoming large due to prolongation of the development period. If such circumstances were to occur, the performance of the Group may be adversely affected.

(iv) Intellectual property rights

The Group is not aware of any infringement of material intellectual property rights of third parties by the products of the Group. However, it is difficult for an R&D-based company like the Group to completely avoid the occurrence of such intellectual property infringement problems. If such circumstances were to occur, the performance of the Group may be adversely affected.

(v) Overseas business growth

The Group extends into a wide range of overseas activities including the production, sale and maintenance of products, and the procurement of parts, etc. If a situation occurs, such as a rapid change in the political or economic situation overseas, or foreign exchange market fluctuations beyond the anticipated scope, the performance of the Group may be adversely affected. In July, 2012, the Company acquired Talaris. However, there remains the possibility that the Company will not achieve the results and effects expected from this acquisition, and that it will take more time than expected to achieve them. The effect of such factors may adversely affect the Group's business and performance.

(TRANSLATION FOR REFERENCE ONLY)

2. Group Position

(1) Details of Business

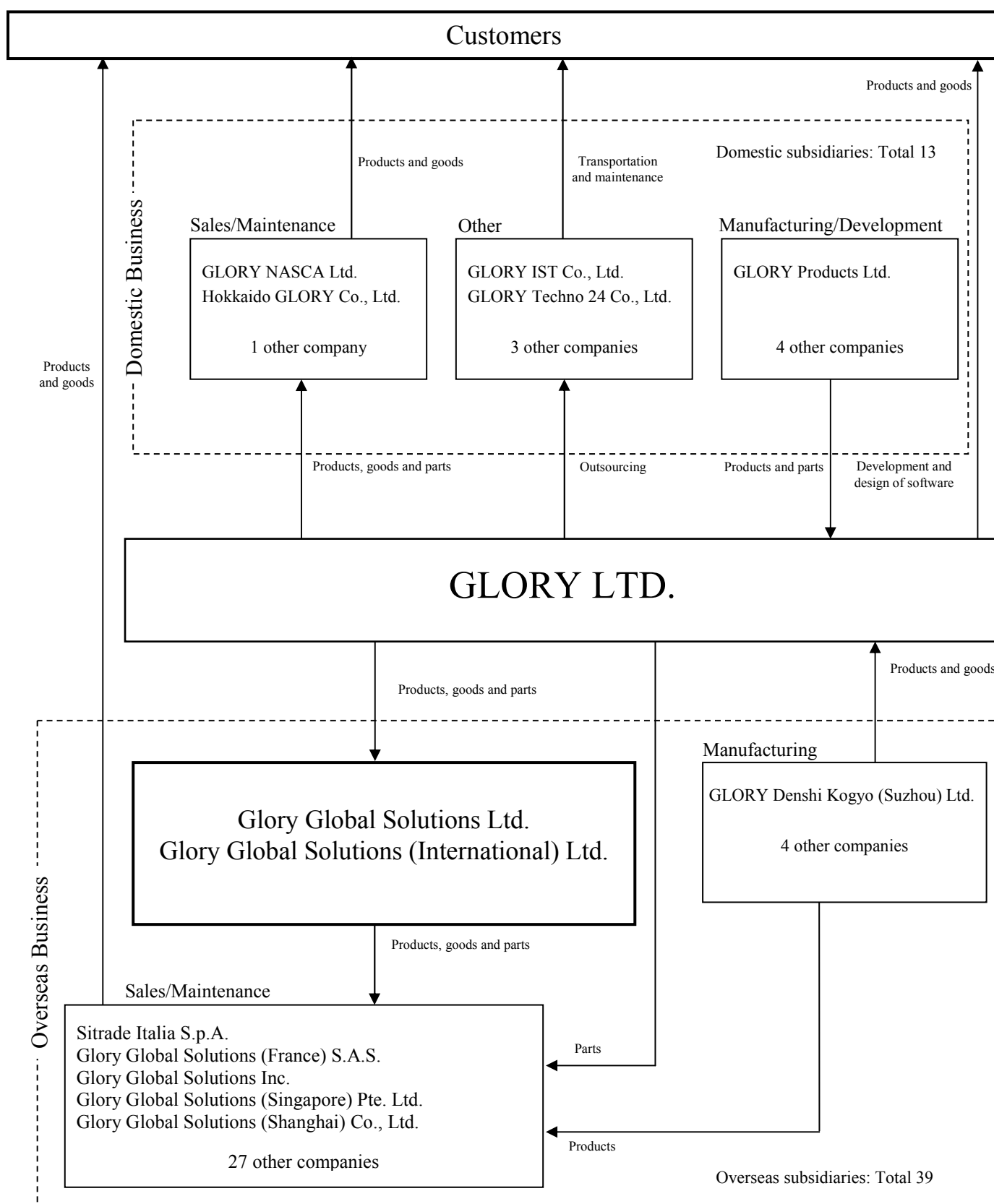
The GLORY Group comprises GLORY LTD., 51 subsidiaries and one affiliate, and as a top maker of money handling machines, is engaged primarily in manufacturing, sales, and maintenance services for money handling machines, cash management systems, vending machines and automatic service equipment.

The positions of the Company and key subsidiaries and affiliates involved in the Group business and their relations to the business divisions are as below.

		Financial market	Retail and transportation market	Amusement market	Overseas market	Other
Domestic	GLORY LTD.	○	○	○	○	○
	GLORY Products Ltd.	○	○	○		
	GLORY NASCA Ltd.			○		
	Hokkaido GLORY Co., Ltd.	○	○			○
Overseas	GLORY Denshi Kogyo (Suzhou) Ltd.				○	
	Sitrade Italia S.p.A.				○	
	Glory Global Solutions Ltd.				○	
	Glory Global Solutions (International) Ltd.				○	
	Glory Global Solutions (France) S.A.S.				○	
	Glory Global Solutions Inc.				○	
	Glory Global Solutions (Singapore) Pte. Ltd.				○	
	Glory Global Solutions (Shanghai) Co., Ltd.				○	

(TRANSLATION FOR REFERENCE ONLY)

The following chart shows the Group positions.



(TRANSLATION FOR REFERENCE ONLY)

(2) Subsidiaries and Affiliates

Name	Address	Common stock or capital (millions of yen)	Primary business	Voting rights ratio (%)	Details of relationship
Consolidated subsidiaries					
GLORY Products Ltd.	Kanzaki-gun, Hyogo	80	Financial market Retail and transportation market Amusement market	100.0	Manufacturing of products of the Company. Leasing of land and buildings owned by the Company. Interlocking officers: yes
GLORY NASCA Ltd. (Notes: 5, 6)	Sumida-ku, Tokyo	2,000	Amusement market	100.0	Sales and maintenance of amusement-related products of the Company. Leasing buildings owned by the Company. Interlocking officers: yes
Hokkaido GLORY Co., Ltd.	Chuo-ku, Sapporo	50	Financial market Retail and transportation market Others	100.0	Sales and maintenance of products of the Company in Hokkaido Prefecture. Interlocking officers: yes
GLORY Denshi Kogyo (Suzhou) Ltd.	Jiangsu Province, China	Thousand US\$ 4,200	Overseas market	100.0	Manufacturing and sales of products of the Company. Interlocking officers: yes
Sitrade Italia S.p.A.	Milano, Italy	Thousand EURO 620	Overseas market	51.0	Sales and maintenance of products of the Company in Italy. Interlocking officers: yes
Glory Global Solutions Ltd. (Note: 5)	Basingstoke, U.K.	Thousand £ 438,000	Overseas market	100.0	No operating transactions Financial support(s): yes Interlocking officers: yes
Glory Global Solutions (International) Ltd. (Note: 5)	Basingstoke, U.K.	Thousand £ 18,442	Overseas market	100.0 (100.0)	Control of business of sales and maintenance of products of the Company in overseas. Interlocking officers: none
Glory Global Solutions (France) S.A.S. (Note: 5)	Marne-la-Vallée, France	Thousand EURO 14,567	Overseas market	100.0 (100.0)	Sales and maintenance of products of the Company in France. Interlocking officers: none
Glory Global Solutions Inc. (Notes: 6)	Illinois, U.S.A.	Thousand US\$ 5,000	Overseas market	100.0	Sales and maintenance of products of the Company in the US. Interlocking officers: none
Glory Global Solutions (Singapore) Pte. Ltd.	Singapore	Thousand S\$ 4,000	Overseas market	100.0	Sales, maintenance and parts procurement of products of the Company in Asia. Interlocking officers: yes
Glory Global Solutions (Shanghai) Co., Ltd.	Shanghai, China	Thousand US\$ 1,000	Overseas market	100.0	Sales and maintenance of products of the Company in China. Interlocking officers: yes
27 other companies					

- Notes: 1. The applicable business segments are stated in the primary business column.
2. The voting rights ratio within parentheses indicates the indirectly held voting rights ratio.
3. Interlocking officers indicate whether or not executives or employees of the Company also serve as officers of subsidiaries or affiliates.
4. There are no subsidiaries filing a securities registration statement or an annual securities report.
5. This company is categorized as a specified subsidiary under Japanese law.
Besides the list above, there are three specified subsidiaries listed below.
•Glory Global Solutions (Topco) Ltd.
•Glory Global Solutions (Midco) Ltd.
•Glory Global Solutions (Holdings) Ltd.
6. The ratio of the net sales of GLORY NASCA Ltd. and Glory Global Solutions Inc. (excluding consolidated intercompany sales) to consolidated net sales exceeded 10%.

(TRANSLATION FOR REFERENCE ONLY)

GLORY NASCA Ltd.

Significant profit and loss information

(1) Net sales	¥25,039 million
(2) Ordinary income	¥689 million
(3) Net income	¥290 million
(4) Net assets	¥9,014 million
(5) Total assets	¥21,796 million

Glory Global Solutions Inc.

Significant profit and loss information

(1) Net sales	¥31,151 million
(2) Ordinary income	¥410 million
(3) Net income	¥(94 million)
(4) Net assets	¥702 million
(5) Total assets	¥23,360 million

(TRANSLATION FOR REFERENCE ONLY)

3. Management Policy

(1) Corporate Management Basic Policy

As its basic policy for management, activating the spirit and essence of its corporate philosophy to date, the Group has put in place the “Corporate Philosophy Structure,” and determined a Corporate Philosophy and Managerial Creed. Aiming at achieving the enhancement of corporate value as the overall Group, we at the Group will pursue interests as a private company and social contributions as public instruments of society, meeting the expectations of customers through the expression of the personal character of each of our employees.

<<Corporate Philosophy>>

“We will contribute to the development of a more secure society through a striving spirit and cooperative efforts.”

—“Striving spirit” includes our desire that “we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible.” It represents the eternal origin of GLORY all through the ages, that we can do a great job only when we combine the “power of everyone” who shares the “striving spirit.”

<<Managerial Creed>>

- Through a spirit of continuous development, we will provide products and services our customers can rely on.
- We will build a vigorous corporate group through respect for the individual and teamwork.
- We will endeavor to act as a responsible corporate citizen and coexist harmoniously with society at-large.

<<Corporate Statement>>

“We Secure the Future”

—Turning thoughts into reality

—Securing the future through our technology

(2) Target Management Indices

The Group aims to enhance corporate value on the basis of good relationships with all stakeholders, and executes operations targeting improvement of the operating profit ratio and return on equity (ROE).

(3) Medium- to Long-Term Management Strategies and Issues to Be Addressed by the Company

Long-Range Vision and Medium-Term Management Plan

The Group has created the Long-Range Vision 2018 to establish a framework for achieving the Group vision of “GLORY as the world’s top brand” as the Group approaches the 100th anniversary of its founding in 2018. The basic policies are as follows:

- Create new value through “superb manufacturing technique” and pursue dreams for the future
- Seek sustained corporate growth together with society through CSR activities

As the final step in realizing this Long-Range Vision 2018, the Group has initiated the 2017 Medium-Term Management Plan, covering the three years from April 2015 to March 2018. Under the basic policy of “Realize business growth through ‘customer-oriented superb manufacturing’ and enhance profitability to achieve the Long-Range Vision 2018,” the Group will steadily implement the three strategies – Business, Constitutional, and Corporate Management – as it aims to reach its targets.

(i) Business Strategy

Under this strategy, the Group will undertake the following strategies with the goal of “enhancing profitability by expanding business size/area”:

Under the Domestic Business Strategy, the Group will grow sales by strengthening its sales force, and take steps to create new business models and the future core products by enhancing its ability to meet market needs.

Under the Overseas Business Strategy, the Group will proceed to execute region-specific strategies based on exhaustive market analysis and expand its direct sales/maintenance network aiming for revenue growth, as well as aiming to explore and promote new businesses leveraging technologies accumulated in the domestic market.

(TRANSLATION FOR REFERENCE ONLY)

(ii) Constitutional Strategy

Under this strategy, the Group will undertake the following strategies in an effort to “provide timely products and services meeting market needs”:

Under the Product Development Strategy, the Group will enhance its development capabilities of core technologies and reinforce its product development structure for overseas markets.

Under the Production/Procurement Strategy, the Group will establish a global production system and promote global procurement to enhance its cost competitiveness.

Under the Quality Assurance Strategy, the Group will strengthen the quality assurance function for overseas markets.

(iii) Corporate Management Strategy

Under this strategy, the Group will undertake the following strategies in an effort to “reinforce the group management infrastructure”:

Under the Group Governance Strategy, the Group will promote management adhering to the corporate philosophy and enhance management capability on a global level.

Under the Human Resource Strategy, the Group will cultivate and utilize human resources for global business expansion and promote diversity of human resources to strengthen its human resources.

Under the Capital/Financing Strategy, the Group will maintain stable shareholder returns and improve capital efficiency.

Under the Information System Strategy, the Group will take steps to establish an information platform underpinning stable business activities and enhance its information security system.

In addition to steadily carrying out each of the abovementioned measures, the Group will give added impetus to CSR activities, and work for sustained growth as a corporate group that is trusted by its stakeholders by fulfilling its social responsibilities through its business activities.

(4) Other Important Matters Related to Company Management

Not applicable.

4. Basic Approach to Selection of Accounting Standard

Given the ongoing convergence between accounting standards, the Group has adopted a policy for the time being of continuing to use the Japanese accounting standard.

Moreover, the Group intends to continue examining the application of International Financial Reporting Standards (IFRS) in light of trends in IFRS adoption among other Japanese companies going forward and the Group’s own international development, and so forth.

(TRANSLATION FOR REFERENCE ONLY)

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	59,767	62,022
Notes and accounts receivable - trade	48,240	55,648
Lease investment assets	2,997	2,718
Securities	4,847	4,754
Merchandise and finished goods	24,069	25,683
Work in process	6,771	6,047
Raw materials and supplies	9,992	9,900
Deferred tax assets	5,374	5,005
Other	3,824	3,435
Allowance for doubtful accounts	(591)	(562)
Total current assets	165,295	174,654
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,219	31,328
Accumulated depreciation	(19,089)	(18,908)
Buildings and structures, net	13,130	12,419
Machinery, equipment and vehicles	11,547	11,576
Accumulated depreciation	*1 (9,333)	*1 (9,199)
Machinery, equipment and vehicles, net	2,214	2,377
Tools, furniture and fixtures	57,389	57,913
Accumulated depreciation	*1 (49,914)	*1 (50,732)
Tools, furniture and fixtures, net	7,475	7,181
Land	12,150	11,916
Construction in progress	76	1,614
Total property, plant and equipment	35,046	35,509
Intangible assets		
Customer relationships	32,497	31,935
Software	3,686	3,534
Goodwill	77,780	74,790
Other	3,436	2,876
Total intangible assets	117,400	113,136
Investments and other assets		
Investment securities	*2 13,437	*2 11,052
Deferred tax assets	3,394	4,054
Net defined benefit asset	2,875	3,898
Other	3,514	4,337
Allowance for doubtful accounts	(20)	(29)
Total investments and other assets	23,201	23,312
Total non-current assets	175,648	171,958
Total assets	340,943	346,613

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,244	21,366
Short-term loans payable	28,270	19,527
Current portion of long-term loans payable	8,552	9,918
Income taxes payable	4,293	3,796
Provision for bonuses	6,180	6,664
Provision for directors' bonuses	86	69
Other	27,118	30,031
Total current liabilities	96,745	91,374
Non-current liabilities		
Long-term loans payable	36,241	32,835
Lease obligations	1,751	1,771
Deferred tax liabilities	8,550	10,495
Net defined benefit liability	4,020	3,323
Other	2,828	2,269
Total non-current liabilities	53,392	50,694
Total liabilities	150,138	142,069
Net assets		
Shareholders' equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	137,038	145,590
Treasury shares	(5,817)	(5,817)
Total shareholders' equity	164,744	173,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	398	1,064
Foreign currency translation adjustment	23,156	24,537
Remeasurements of defined benefit plans	(99)	2,532
Total accumulated other comprehensive income	23,454	28,134
Minority interests	2,605	3,113
Total net assets	190,804	204,544
Total liabilities and net assets	340,943	346,613

(TRANSLATION FOR REFERENCE ONLY)

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Net sales	*1 218,632	*1 226,974
Cost of sales	*2, *4 131,512	*2, *4 137,806
Gross profit	87,119	89,168
Selling, general and administrative expenses	*3, *4 70,401	*3, *4 69,988
Operating income	16,718	19,179
Non-operating income		
Interest income	290	232
Dividend income	414	528
Foreign exchange gains	2,866	2,716
Other	693	1,195
Total non-operating income	4,264	4,672
Non-operating expenses		
Interest expenses	881	836
Other	337	409
Total non-operating expenses	1,218	1,246
Ordinary income	19,764	22,606
Extraordinary income		
Gain on sales of non-current assets	*5 8	*5 312
Other	67	14
Total extraordinary income	76	327
Extraordinary losses		
Loss on sales of non-current assets	*6 13	*6 105
Loss on retirement of non-current assets	*7 122	*7 195
Loss on liquidation of business	1,520	—
Impairment loss	2	74
Other	178	—
Total extraordinary losses	1,836	375
Income before income taxes and minority interests	18,004	22,558
Income taxes - current	7,368	8,122
Income taxes - deferred	(60)	363
Total income taxes	7,307	8,486
Income before minority interests	10,696	14,072
Minority interests in income	757	990
Net income	9,939	13,082

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Income before minority interests	10,696	14,072
Other comprehensive income		
Valuation difference on available-for-sale securities	212	666
Foreign currency translation adjustment	14,872	1,382
Remeasurements of defined benefit plans, net of tax	–	2,632
Total other comprehensive income	15,085	4,681
Comprehensive income	25,781	18,753
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,591	17,762
Comprehensive income attributable to minority interests	1,189	991

(TRANSLATION FOR REFERENCE ONLY)

(3) Consolidated Statement of Changes in Equity

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,892	20,629	130,055	(5,816)	157,762
Cumulative effects of changes in accounting policies					—
Restated balance	12,892	20,629	130,055	(5,816)	157,762
Changes of items during period					
Dividends of surplus			(2,955)		(2,955)
Net income			9,939		9,939
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	6,983	(0)	6,982
Balance at end of current period	12,892	20,629	137,038	(5,817)	164,744

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	185	8,716	—	8,901	1,800	168,464
Cumulative effects of changes in accounting policies						—
Restated balance	185	8,716	—	8,901	1,800	168,464
Changes of items during period						
Dividends of surplus					(366)	(3,322)
Net income						9,939
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	212	14,440	(99)	14,552	1,170	15,723
Total changes of items during period	212	14,440	(99)	14,552	804	22,339
Balance at end of current period	398	23,156	(99)	23,454	2,605	190,804

(TRANSLATION FOR REFERENCE ONLY)

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,892	20,629	137,038	(5,817)	164,744
Cumulative effects of changes in accounting policies			(1,180)		(1,180)
Restated balance	12,892	20,629	135,858	(5,817)	163,563
Changes of items during period					
Dividends of surplus			(3,350)		(3,350)
Net income			13,082		13,082
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	9,732	(0)	9,731
Balance at end of current period	12,892	20,629	145,590	(5,817)	173,296

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	398	23,156	(99)	23,454	2,605	190,804
Cumulative effects of changes in accounting policies		(298)		(298)		(1,478)
Restated balance	398	22,858	(99)	23,156	2,605	189,325
Changes of items during period						
Dividends of surplus					(482)	(3,832)
Net income						13,082
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	666	1,679	2,632	4,978	991	5,969
Total changes of items during period	666	1,679	2,632	4,978	508	15,218
Balance at end of current period	1,064	24,537	2,532	28,134	3,113	204,544

(TRANSLATION FOR REFERENCE ONLY)

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	18,004	22,558
Depreciation	9,281	10,434
Impairment loss	2	74
Amortization of goodwill	5,137	4,988
Increase (decrease) in allowance for doubtful accounts	92	(46)
Increase (decrease) in net defined benefit liability	356	(751)
Increase (decrease) in provision for bonuses	1,407	346
Loss (gain) on sales of investment securities	146	(0)
Interest and dividend income	(704)	(760)
Interest expenses	881	836
Loss on retirement of non-current assets	122	195
Decrease (increase) in notes and accounts receivable - trade	355	(5,516)
Decrease (increase) in inventories	(6,597)	642
Increase (decrease) in notes and accounts payable - trade	(937)	(2,744)
Increase (decrease) in lease obligations	(126)	44
Decrease (increase) in lease investment assets	(457)	279
Increase (decrease) in accounts payable - other	(1,112)	(155)
Decrease/increase in consumption taxes receivable/payable	262	1,196
Other, net	(3,189)	(2,129)
Subtotal	22,923	29,494
Interest and dividend income received	699	760
Interest expenses paid	(709)	(859)
Income taxes (paid) refund	(5,290)	(8,223)
Net cash provided by (used in) operating activities	17,623	21,171
Cash flows from investing activities		
Payments into time deposits	(343)	(390)
Proceeds from withdrawal of time deposits	870	1,148
Purchase of property, plant and equipment	(5,393)	(7,371)
Proceeds from sales of property, plant and equipment	171	623
Purchase of intangible assets	(1,048)	(1,014)
Purchase of investment securities	(363)	(661)
Proceeds from sales and redemption of investment securities	1,452	4,213
Purchase of shares of subsidiaries	(194)	(217)
Other, net	78	183
Net cash provided by (used in) investing activities	(4,770)	(3,485)

	(Millions of yen)	
	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,109)	(9,303)
Proceeds from long-term loans payable	–	6,026
Repayments of long-term loans payable	(6,276)	(8,636)
Cash dividends paid	(2,954)	(3,351)
Cash dividends paid to minority shareholders	(366)	(482)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(18,708)	(15,749)
Effect of exchange rate change on cash and cash equivalents	3,570	1,257
Net increase (decrease) in cash and cash equivalents	(2,285)	3,193
Cash and cash equivalents at beginning of period	63,314	61,029
Cash and cash equivalents at end of period	61,029	64,222

(TRANSLATION FOR REFERENCE ONLY)

(5) Notes to Consolidated Financial Statements

Notes Regarding Assumption of a Going Concern

Not applicable.

Changes in Accounting Policy

(Application of accounting standard for retirement benefits)

For the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015), the Company has additionally applied the provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits from the current fiscal year and reviewed the calculation method for retirement benefit obligations and service costs. Accordingly, the Company changed the periodic allocation method of projected retirement benefit amount from the straight-line method to the benefit formula method. Concerning the determination method of discount rate, the Company has changed the bond maturity period that forms the basis for the determination of discount rate from one that is based on a period approximate to the average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits, etc. is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effect of the change in the determination of retirement benefit obligations and service costs has been added to or deducted from retained earnings as of the current fiscal year.

As a result of this change, as of the beginning of the current fiscal year, net defined benefit liability increased by ¥806 million, and retained earnings decreased by ¥491 million. In addition, operating income, ordinary income, and income before income taxes and minority interests for the current fiscal year have each decreased by ¥116 million.

Moreover, the impact on the amount of net assets per share and net income per share in the current fiscal year was negligible.

(Early application of accounting standard for business combinations, etc.)

As it became possible to apply the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the start of the fiscal year beginning on or after April 1, 2014, the Company has applied these accounting standards, etc. from the current fiscal year (except for the provisions set forth in Paragraph 39 of the Accounting Standard for Consolidated Financial Statements) and changed the method of recording acquisition-related costs to one in which they are recognized as expenses for the fiscal year in which they occurred.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (3) of the Accounting Standard for Business Combinations, Paragraph 44-5 (3) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (3) of the Accounting Standard for Business Divestitures. Accordingly, the cumulative amount of impact as of the beginning of the current fiscal year, in the case of retrospective application of the new accounting policies to all prior periods has been added to or deducted from retained earnings.

As a result of this change, as of the beginning of the current fiscal year, goodwill decreased by ¥987 million, and retained earnings and foreign currency translation adjustment decreased by ¥689 million and ¥298 million respectively. In addition, operating income, ordinary income and income before income taxes and minority interests for the current fiscal year have each increased by ¥61 million.

The cumulative impact has been reflected on the net assets at the start of the current fiscal year, and in the Consolidated Statement of Changes in Equity, retained earnings at the beginning of the current fiscal year have been decreased by ¥689 million and foreign currency translation adjustment has been decreased by ¥298 million.

Furthermore, the impact on net assets per share and net income per share for the current fiscal year is negligible.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation of property, plant and equipment includes accumulated impairment loss.

*2. The following are for non-consolidated subsidiaries and affiliates.

	Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
Investment securities (stock)	¥1,048 million	¥1,276 million
3. Guarantee obligation		
(1) Guarantees of employee loans from banks (residential loans)		
	Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
	¥45 million	¥38 million

(TRANSLATION FOR REFERENCE ONLY)

(2) Guarantees of customer lease obligations

Previous Fiscal Year (As of March 31, 2014)	Current Fiscal Year (As of March 31, 2015)
¥1,087 million	¥851 million

Notes to Consolidated Statement of Income

*1. The breakdown of net sales is below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Merchandise and finished goods	¥155,244 million	¥162,405 million
Maintenance	¥63,388 million	¥64,569 million
Total	¥218,632 million	¥226,974 million

*2. The breakdown of cost of sales is below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Merchandise and finished goods	¥97,346 million	¥103,760 million
Maintenance	¥34,165 million	¥34,046 million
Total	¥131,512 million	¥137,806 million

*3. Primary expense accounts and amounts that comprised selling, general and administrative expenses are below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Salaries and allowances	¥23,863 million	¥23,348 million
Bonuses	¥1,738 million	¥1,971 million
Provision for bonuses	¥3,083 million	¥3,356 million
Retirement benefit expenses	¥1,545 million	¥1,573 million
Depreciation and amortization	¥5,148 million	¥5,056 million
Rent expenses	¥4,659 million	¥4,492 million
Amortization of goodwill	¥5,137 million	¥4,988 million

*4. Total amount of R&D expenses included in general and administrative expenses and current manufacturing expenses

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
¥13,174 million	¥12,902 million

*5. The breakdown of gain on sales of non-current assets is below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Buildings and structures	¥— million	¥140 million
Machinery, equipment and vehicles	¥6 million	¥66 million
Tools, furniture and fixtures	¥1 million	¥66 million
Land	¥— million	¥38 million
Total	¥8 million	¥312 million

*6. The breakdown of loss on sales of non-current assets is below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Buildings and structures	¥— million	¥29 million
Machinery, equipment and vehicles	¥4 million	¥0 million
Tools, furniture and fixtures	¥2 million	¥2 million
Land	¥1 million	¥73 million
“Other” investments and other assets	¥4 million	¥— million
Total	¥13 million	¥105 million

(TRANSLATION FOR REFERENCE ONLY)

*7. The breakdown of loss on retirement of non-current assets is below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Buildings and structures	¥19 million	¥153 million
Machinery, equipment and vehicles	¥63 million	¥17 million
Tools, furniture and fixtures	¥22 million	¥18 million
Land	¥— million	¥0 million
Software	¥14 million	¥5 million
“Other” investments and other assets	¥1 million	¥1 million
Total	¥122 million	¥195 million

(TRANSLATION FOR REFERENCE ONLY)

Notes to Consolidated Statement of Changes in Equity

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares as of the beginning of the current fiscal year (Shares)	Number of shares increased in the current fiscal year (Shares)	Number of shares decreased in the current fiscal year (Shares)	Number of shares as of the end of the current fiscal year (Shares)
Issued shares				
Common stock	68,638,210	—	—	68,638,210
Total	68,638,210	—	—	68,638,210
Treasury shares				
Common stock (Note)	2,950,749	342	—	2,951,091
Total	2,950,749	342	—	2,951,091

Note: Increase in the number of shares of common stock in treasury of 342 shares is due to the purchase of shares less than one unit.

2. Dividends

(1) Amount of dividend payments

(Resolution)	Class of stock	Total dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 21, 2013	Common stock	1,510	23	March 31, 2013	June 24, 2013
Board of Directors' Meeting November 6, 2013	Common stock	1,445	22	September 30, 2013	December 5, 2013

(2) Dividend for which record date is in the current fiscal year with effective date in the following fiscal year

(Resolution)	Class of stock	Total dividend (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 27, 2014	Common stock	1,773	Retained earnings	27	March 31, 2014	June 30, 2014

(TRANSLATION FOR REFERENCE ONLY)

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares as of the beginning of the current fiscal year (Shares)	Number of shares increased in the current fiscal year (Shares)	Number of shares decreased in the current fiscal year (Shares)	Number of shares as of the end of the current fiscal year (Shares)
Issued shares				
Common stock	68,638,210	—	—	68,638,210
Total	68,638,210	—	—	68,638,210
Treasury shares				
Common stock (Note)	2,951,091	140	—	2,951,231
Total	2,951,091	140	—	2,951,231

Note: Increase in the number of shares of common stock in treasury of 140 shares is due to the purchase of shares less than one unit.

2. Dividends

(1) Amount of dividend payments

(Resolution)	Class of stock	Total dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 27, 2014	Common stock	1,773	27	March 31, 2014	June 30, 2014
Board of Directors' Meeting November 5, 2014	Common stock	1,576	24	September 30, 2014	December 5, 2014

(2) Dividend for which record date is in the current fiscal year with effective date in the following fiscal year

(Resolution)	Class of stock	Total dividend (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 26, 2015	Common stock	1,970	Retained earnings	30	March 31, 2015	June 29, 2015

(TRANSLATION FOR REFERENCE ONLY)

Segment Information

a. Segment information

1. Summary of reportable segments

The Company's reportable segments are based on those units within the Company where separate financial information is available and where the Board of Directors periodically reviews matters such as the distribution of management resources and financial performance.

The Group operates business activities after formulating comprehensive strategies for the products and services in each market. Accordingly, the Group is comprised of market-specific segments and has established the "Financial market," "Retail and transportation market," "Amusement market," and "Overseas market," as its four reportable segments.

A summary of each reportable segment is as follows:

Financial market:	Sales and maintenance services to financial institutions, OEM clients and others in Japan.
Retail and transportation market:	Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies and others in Japan.
Amusement market:	Sales and maintenance services to amusement halls (pachinko parlors and others) in Japan.
Overseas market:	Sales and maintenance services to financial institutions, cash-in-transit companies, retail stores, casinos, OEM clients and others in overseas.

2. Calculation method of sales, income (loss), assets, liabilities and other items by reportable segment

Income by reportable segment is operating income.

(Application of accounting standard for retirement benefits, etc.)

For the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), the Company has additionally applied the provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits from the current fiscal year, and reviewed the calculation method for retirement benefit obligations and service costs. Accordingly, the Company changed the periodic allocation method of projected retirement benefit amount from the straight-line method to the benefit formula method. Concerning the determination method of discount rate, the Company has changed the bond maturity period that forms the basis for the determination of discount rate from one that is based on a period approximate to the average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

In line with this change, segment profit in the current fiscal year decreased by ¥41 million in the financial market, ¥24 million in the retail and transportation market, ¥23 million in the amusement market, and ¥14 million in the overseas market respectively, compared with the case if the previous method was applied.

(Early application of accounting standard for business combinations, etc.)

As it became possible to apply the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. from the start of the fiscal year beginning on or after April 1, 2014, the Company has applied these accounting standards, etc. from the current fiscal year (except for the provisions set forth in Paragraph 39 of the Accounting Standard for Consolidated Financial Statements) and changed the method of recording acquisition-related costs to one in which they are recognized as expenses for the fiscal year in which they occurred.

In line with this change, segment profit in the current fiscal year increased by ¥61 million in the overseas market, compared with the case if the previous method was applied.

(TRANSLATION FOR REFERENCE ONLY)

3. Information on sales, income (loss), assets, liabilities and other items by reportable segment
Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments					Other (Note: 1)	Total	Reconcilia- tion	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	45,654	31,007	24,811	103,002	204,475	14,156	218,632	—	218,632
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	45,654	31,007	24,811	103,002	204,475	14,156	218,632	—	218,632
Segment profit (Note: 2)	4,031	3,516	1,948	7,464	16,960	(241)	16,718	—	16,718
Segment assets (Note: 3)	35,050	25,700	24,075	182,018	266,845	14,330	281,175	59,767	340,943
Others									
(1) Depreciation and amortization (Note: 4)	1,666	1,068	1,809	4,042	8,586	694	9,281	—	9,281
(2) Amortization of goodwill	—	—	214	4,922	5,137	—	5,137	—	5,137
(3) Increase in property, plant and equipment and intangible assets (Note: 5)	1,750	1,115	1,308	2,313	6,487	746	7,234	—	7,234

- Notes: 1. “Other” segment is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.
2. All operating expenses are either directly charged or allocated to the segments.
3. The reconciliation of ¥59,767 million is surplus funds (cash and deposits) of the Company.
4. Depreciation and amortization includes amortization of long-term prepaid expenses.
5. Increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments					Other (Note: 1)	Total	Reconcilia- tion	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	48,116	29,886	25,432	108,859	212,294	14,679	226,974	—	226,974
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	48,116	29,886	25,432	108,859	212,294	14,679	226,974	—	226,974
Segment profit (Note: 2)	5,502	2,463	2,460	8,542	18,969	210	19,179	—	19,179
Segment assets (Note: 3)	38,634	26,203	22,677	183,077	270,593	13,997	284,591	62,022	346,613
Others									
(1) Depreciation and amortization (Note: 4)	1,928	1,250	1,582	4,874	9,636	798	10,434	—	10,434
(2) Amortization of goodwill	—	—	—	4,988	4,988	—	4,988	—	4,988
(3) Increase in property, plant and equipment and intangible assets (Note: 5)	2,229	1,502	1,501	2,356	7,590	1,086	8,677	—	8,677

- Notes: 1. “Other” segment is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.
2. All operating expenses are either directly charged or allocated to the segments.

(TRANSLATION FOR REFERENCE ONLY)

3. The reconciliation of ¥62,022 million is surplus funds (cash and deposits) of the Company.
4. Depreciation and amortization includes amortization of long-term prepaid expenses.
5. Increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

b. Relative information

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

1. Products and services information

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total
Sales to customers	163,994	36,971	17,665	218,632

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia	U.S.A.	Americas excluding U.S.A.	Europe	Total
115,630	25,009	27,223	5,216	45,552	218,632

Note: Sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Americas	Europe	Total
30,996	1,510	882	1,656	35,046

3. Information by major customer

Information by major customer is not shown since net sales to outside major customers accounted for less than 10% of net sales on the consolidated statement of income.

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

1. Products and services information

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total
Sales to customers	169,351	39,954	17,668	226,974

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia	U.S.A.	Americas excluding U.S.A.	Europe	Total
118,115	25,646	33,329	5,331	44,552	226,974

Note: Sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Americas	Europe	Total
31,257	1,469	1,377	1,404	35,509

3. Information by major customer

Information by major customer is not shown since net sales to outside major customers accounted for less than 10% of net sales on the consolidated statement of income.

(TRANSLATION FOR REFERENCE ONLY)

c. Information on impairment losses of non-current assets by reportable segment

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments					Other	Total	Reconciliation (Note)	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss	—	—	—	—	—	—	—	2	2

Note: The impairment loss of ¥2 million relates to idle assets and was not allocated to any reportable segment.

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments					Other	Total	Reconciliation	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss	26	23	14	—	63	10	74	—	74

d. Information on amortization of goodwill and unamortized balance by reportable segment

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments					Other	Total	Reconciliation	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill	—	—	214	4,922	5,137	—	5,137	—	5,137
Balance at end of period	—	—	—	77,780	77,780	—	77,780	—	77,780

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments					Other	Total	Reconciliation	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill	—	—	—	4,988	4,988	—	4,988	—	4,988
Balance at end of period	—	—	—	74,790	74,790	—	74,790	—	74,790

(TRANSLATION FOR REFERENCE ONLY)

e. Information on gain on bargain purchase by reportable segment

Previous Fiscal Year (from April 1, 2013 to March 31, 2014)

Not applicable.

Current Fiscal Year (from April 1, 2014 to March 31, 2015)

Not applicable.

Per Share Information

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Net assets per share	¥2,865.09	¥3,066.53
Net income per share	¥151.31	¥199.16

Notes: 1. Diluted net income per share is not disclosed because dilutive shares are not issued.

2. The basis for calculation of the net income per share amount is shown below.

	Previous Fiscal Year (from April 1, 2013 to March 31, 2014)	Current Fiscal Year (from April 1, 2014 to March 31, 2015)
Net income (Millions of yen)	9,939	13,082
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income pertaining to common stock (Millions of yen)	9,939	13,082
Average number of shares during the fiscal year (Shares)	65,687,334	65,687,030

Significant Subsequent Events

Not applicable.