

## Consolidated Financial Results

for the Third Quarter of Fiscal Year Ending March 31, 2007

February 6, 2007

Company Name: GLORY LTD.

(URL <http://www.glory.co.jp/> )

Code Number: 6457

Stock Exchange: Tokyo, Osaka ( 1<sup>st</sup> Section )

Representative: Hideto Nishino President

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Contact: Osamu Tanaka Director and Executive Officer /General Manager, Accounting Division

### 1 . Matters concerning preparation of quarterly financial results

Adoption of simplified method in accounting procedure: Yes

(Simplified method of accounting has been partially applied to the calculation of corporate taxes and others.)

Changes in accounting method compared to the latest fiscal year: None

Changes in the number of consolidated subsidiaries and companies accounted for by the equity method: Yes

Consolidated subsidiaries [Anew]: 3 companies

(GLORY AZ SYSTEM CO., LTD. / MARUESU GT CO., LTD. / Reis Eurosystems GmbH)

Companies under the equity method [Exclusion]: 1 company (GLORY AZ SYSTEM CO., LTD.)

### 2 . Business results for the third quarter ended December 31, 2006 (April 1, 2006 through December 31, 2006)

#### ( 1 ) Consolidated Operating Results

(Amounts less than one million yen have been omitted.)

	Net sales		Operating profit		Ordinary profit	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Third Quarter of FY2006	122,517	( 16.5)	9,596	( 95.0)	10,455	( 82.3)
Third Quarter of FY2005	105,190	( - 32.0)	4,921	( - 86.0)	5,736	( - 83.7)
(Reference) FY2005	141,231		5,453		6,132	

	Net income		Net income per share	Fully diluted net income per share
	(millions of yen)	(%)	(yen)	(yen)
Third Quarter of FY2006	6,404	( 100.8)	86.38	
Third Quarter of FY2005	3,190	( - 85.0)	43.03	
(Reference) FY2005	740		9.14	

(Note) The percentages for net sales, operating profit and net income show an increase or decrease from the corresponding period of the previous year.

#### [Qualitative Information about Consolidated Operating Results]

During the third quarter of current fiscal year (April 1, 2006 through December 31, 2006), the Japanese economy tended to recover steadily despite destabilizing factors such as sluggish individual spending.

Under this general business situation, as for the business results for the current term of our company group, in addition to increase in sales of open teller systems as our main product due to the growing needs of accurate affairs in financial institutions and increasing demand of banknote/coin depositing and dispensing units as our OEM products for postal privatization, sales of cash recyclers for supermarkets and retail stores remained smoothly. Also, sales of banknote depositing and dispensing machines for overseas remained favorably.

As a result, net sales of current term were ¥122,517 million (up 16.5% over the previous term), operating profit was ¥9,596 million (up 95.0% over the previous term), ordinary profit was ¥10,455 million (up 82.3% over the previous term), and net income was ¥6,404 million (up 100.8% over the previous term), substantially exceeded the corresponding period of the previous year.

( 2 ) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
Third Quarter of FY2006	210,715	150,818	71.3	2,024.97
Third Quarter of FY2005	211,255	148,447	70.3	2,002.16
(Reference) FY2005	206,361	146,134	70.8	1,970.11

(Note) Net assets for the third quarter of FY2005 and for FY2005 do not include minority shareholders' equity.

【Consolidated Cash Flows】

(millions of yen)

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of the period
Third Quarter of FY2006	9,894	- 5,081	- 10,190	48,335
Third Quarter of FY2005	- 7,525	- 3,173	- 5,089	49,998
(Reference) FY2005	- 2,617	- 4,732	- 5,209	53,300

[Qualitative Information about Consolidated Financial Position]

Total assets were up ¥4,354 million over the end of the previous consolidated fiscal year, to ¥210,715 million. Inventory assets were up ¥2,168 million. Total liabilities were up ¥331 million over the end of the previous consolidated fiscal year, to ¥59,897 million. Net assets were up ¥4,023 million over the end of the previous consolidated fiscal year, to ¥150,818 million.

Cash provided by operating activities amounted to ¥9,894 million. Despite decrease of cash caused by increase in trade receivables of ¥16,264 million, main factors were refunds of ¥5,748 million of corporate taxes and others and increase of ¥7,414 million in purchase liabilities in addition to income before income taxes and others ¥9,987 million. Cash used in investing activities amounted to ¥5,081 million, due in large part to payments of ¥4,085 million for purchase of tangible fixed assets. Purchase of tangible fixed assets is mainly for mold tool used in the manufacture of the products. Cash used in financing activities amounted to ¥10,190 million, due to decrease of ¥8,599 million in loan and payments of ¥1,589 million for dividends. As a result, cash and cash equivalents at the end of current term were down ¥4,964 million from the end of the previous consolidated fiscal year, to ¥48,335 million.

【Reference】

Consolidated business forecast for the year ending March 31, 2007 ( April 1, 2006 through March 31, 2007 )

There is no change in the business forecast announced on November 16, 2006.

(millions of yen)

	Net sales	Ordinary profit	Net income
Full Year	160,000	11,200	7,000

(Reference) Projected net income per share for the year ending March 31, 2007: 94.41 yen

(Note) The above business forecast has been prepared based on information available as of the date when this information was disclosed. In other words, our actual performances may differ greatly from these estimates due to various factors from now on.