

Consolidated Financial Results

for the Third Quarter of Fiscal Year Ending March 31, 2006

February 6, 2006

Company Name: GLORY LTD.

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

Code Number: 6457

Stock Exchange: Tokyo, Osaka (1st Section)

Representative: Hideto Nishino President

Te l : (0792) 97 - 3131

Contact: Osamu Tanaka Director and General Manager, Accounting Department

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: 17 companies

Non-consolidated subsidiaries accounted for by the equity method: 1 company

Affiliated companies accounted for by the equity method: None

Consolidated subsidiaries [Anew]: 1 company (NASCA CORP.) [Exclusion]: None

Companies under the equity method [Anew]: None [Exclusion]: None

2 . Business results for the third quarter ended December 31, 2005 (April 1, 2005 through December 31, 2005)

(1) Consolidated Operating Results

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

	Net sales	Change	Operating profit	Change	Ordinary profit	Change
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Third Quarter of FY2005	105,190	- 32.0	4,921	- 86.0	5,736	- 83.7
Third Quarter of FY2004	154,590	35.9	35,215	123.2	35,242	128.4
(Reference) FY2004	188,881		32,554		32,267	

	Net income	Change	Net income per share	Fully diluted net income per share
	(millions of yen)	(%)	(yen)	(yen)
Third Quarter of FY2005	3,190	- 85.0	43.03	
Third Quarter of FY2004	21,228		286.31	
(Reference) FY2004	19,306		257.00	

(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, the Japanese economy tended to recover mildly against the backdrop of increased capital investment due to improvement in capital investment and pickup in personal consumption.

Under this general business situation, as for the business results of our company group, sales of cash recyclers for supermarkets and retail stores, cigarette vending machines, and banknote depositing and dispensing machines for overseas remained smoothly. However, mainly in financial market, demand decreased significantly due to the negative effect of two years of special demand for machines that can handle newly-issued banknotes. Consequently, income and profits decreased significantly from the corresponding period of the previous year. As a result, net sales for the third quarter amounted to ¥105,190 million (down 32.0% from the previous term), substantially fell below the corresponding period of the previous year. As for profits, due to decrease in net sales, operating profit was ¥4,921 million (down 86.0% from the previous term), ordinary profit was ¥5,736 million (down 83.7% from the previous term), and net income of the current term was ¥3,190 million (down 85.0% from the previous term), substantially fell below the corresponding period of the previous year.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	(millions of yen)	(millions of yen)	(%)	(yen)
Third Quarter of FY2005	211,255	148,447	70.3	2,002.16
Third Quarter of FY2004	222,169	148,378	66.8	2,001.21
(Reference) FY2004	217,460	146,657	67.4	1,974.60

【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 FY2005	- 7,525	- 3,173	- 5,089	49,998
Third Quarter of FY2004	16,891	- 13,748	- 906	68,275
(Reference) FY2004	35,073	- 34,252	- 1,147	65,728

[Qualitative Information about Consolidated Financial Position]

Total assets were down ¥6,205 million from the end of the previous consolidated fiscal year, to ¥211,255 million. Mainly because cash and cash equivalents were down ¥16,236 million under the influence of flagging demand due to the negative effect of special demand related to newly-issued banknotes. Total liabilities were down ¥8,712 million from the end of the previous consolidated fiscal year, to ¥62,090 million. Shareholders' equity was up ¥1,790 million over the end of the previous consolidated fiscal year, to ¥148,447 million.

Cash used in operating activities amounted to ¥7,525 million. Although income before income taxes and others was ¥5,465 million, main factors were payments of ¥10,420 million for corporate taxes and others and increase of ¥2,525 million in inventory assets. Cash used in investing activities amounted to ¥3,173 million, due in large part to payments of ¥3,824 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 ¥5,089 million, due in large part to decrease of ¥2,473 million in loan and payments of ¥2,615 million for dividends. As a result, cash and cash equivalents at the end of the third quarter were down ¥15,730 million from the end of the previous consolidated fiscal year, to ¥49,998 million.

3 . Consolidated business forecast for the year ending March 31, 2006 (April 1, 2005 through March 31, 2006)

There is no change in the business forecast announced on November 16, 2005.

【Reference】

(millions of yen)

	Net sales	Ordinary profit	Net income
Year Ending March 31, 2006	138,000	6,500	4,000

(Reference) Projected net income per share for the year ending March 31, 2006: 53.95 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.