

Consolidated financial results

for the second quarter of fiscal year ending March 31, 2009

1 Performance overview

2 Details of performance

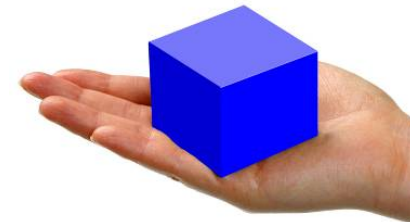
3 Market trends

4 Business forecast for FY2008

5 Other information

We Secure the Future

思いをかなえる 技術で見つめる 確かな未来



This document may contain forward-looking statements which reflect management's current views with respects to certain future events and financial performances. Actual results may differ materially from those projected or implied in the forward-looking statements and from historical trends. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

So please avoid making investment decision relying only on this document. And please note that we may change the contents of the forward-looking statements without advance notice except that we need legal procedures.

Sales

Decreased from the corresponding period of the last year, when there was a large demand for system devices related to postal privatization and cigarette vending machines with an adult identification function.

Income

Decreased as net sales decreased.

(Millions of yen)	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison	Forecast for 6 months ended Sep. 30, 2008 (announced on Aug. 8, 2008)
Net sales	100,351	74,822	- 25.4%	80,000
Operating income	14,853 (14.8%)	6,848 (9.2%)	- 53.9%	7,000 (8.8%)
Ordinary income	14,745 (14.7%)	7,246 (9.7%)	- 50.9%	7,000 (8.8%)
Net income	8,712 (8.7%)	4,661 (6.2%)	- 46.5%	5,000 (6.3%)

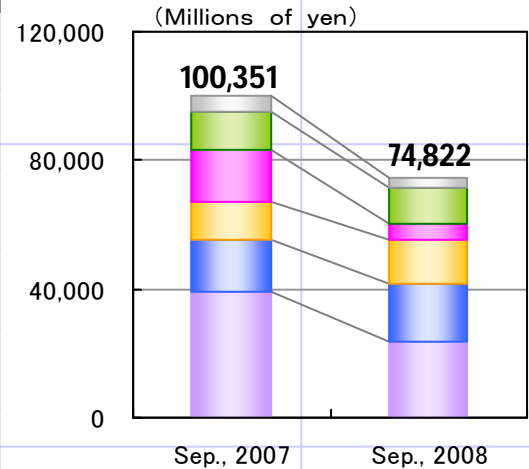
Net sales by market/by segment



(Millions of yen)

By market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on year comparison
Financial institutions	39,411	23,685	- 39.9%
Overseas	15,723	18,014	+ 14.6%
Retail/Transportation	11,928	13,698	+ 14.8%
Vending machines	16,230	4,951	- 69.5%
Amusement	12,094	11,387	- 5.8%
Other	4,965	3,087	- 38.2%

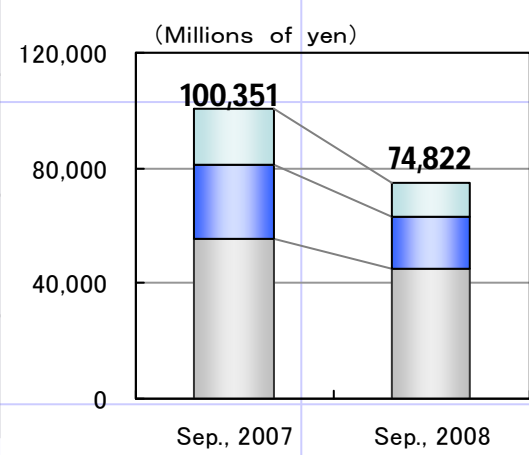
All markets



(Millions of yen)

By segment	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on year comparison
Money handling machines & Cash management systems	55,458	44,997	- 18.9%
Vending machines & Automatic service equipment	25,697	18,284	- 28.8%
Other goods and products	19,195	11,540	- 39.9%

All segments



● Decrease in demand for our core products

In the same term for the previous year, large-scale demand caused by postal privatization improved business performance. However, in this term, sales of open teller systems and banknote/coin depositing and dispensing units for OEM products, which were the products for Japan Post, were dramatically down.

【Year-on-year comparison】-39.3%

Our main products influenced business results

- ↓ Open teller systems “WAVE series”
- ↓ Banknote/coin depositing and dispensing machines “RB series”



Open teller systems
WAVE series



Banknote/coin depositing and
dispensing machines
RB series

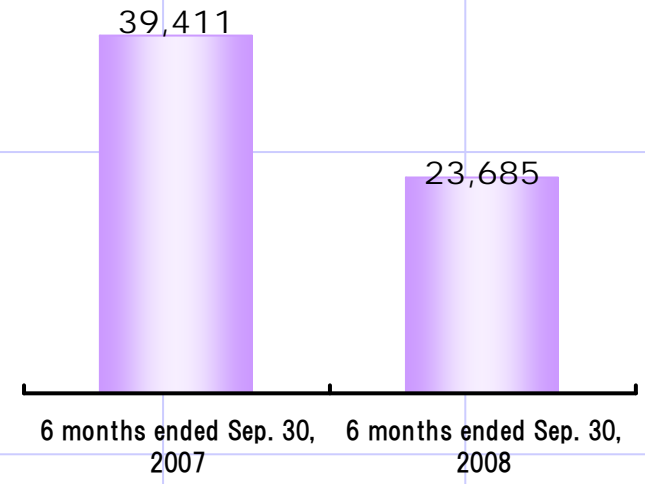
Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison
Financial institutions	39,411	23,685	- 39.9%

Net sales ratio to total sales



Net sales

(Millions of yen)



● Expansion of demand for units for ATMs

Demands for banknote depositing units for ATMs greatly increased. Sales of banknote depositing and dispensing machines remained smoothly except those sales in Spain.

【Year-on-year comparison】+14.6%

Our main products influenced business results

- ↑ Banknote depositing units for ATMs “UD series”
- ↑ Banknote depositing and dispensing machines “RZ series”
- ↓ Banknote depositing and dispensing machines “RBU series”



Banknote depositing units for ATMs UD series



Banknote depositing and dispensing machines RZ series



Banknote depositing and dispensing machines RBU series

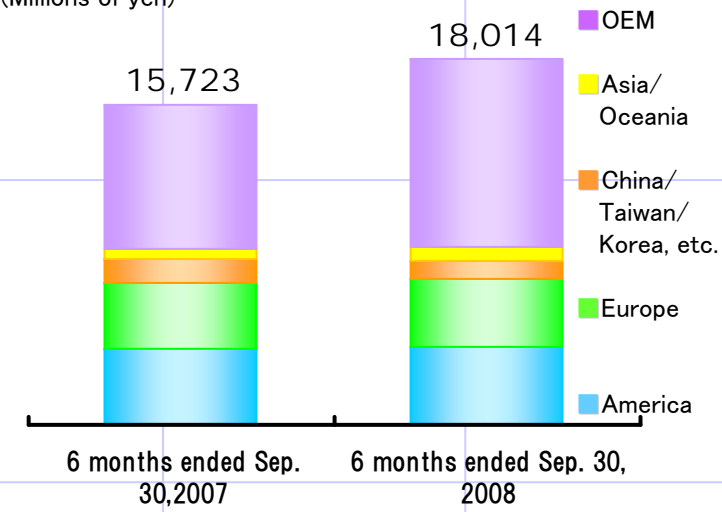
Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison
Overseas	15,723	18,014	+14.6%

Net sales ratio to total sales



Net sales

(Millions of yen)



● Expansion of demand for cash recyclers for cashiers

Demand for cash recycler for cashiers increased mainly in supermarket and specialty stores.

Sales of newly automatic deposit machines remained smoothly.

Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison
Retail/Transportations	11,928	13,698	+14.6%

【Year-on-year comparison】+14.6%

Our main products influenced business results

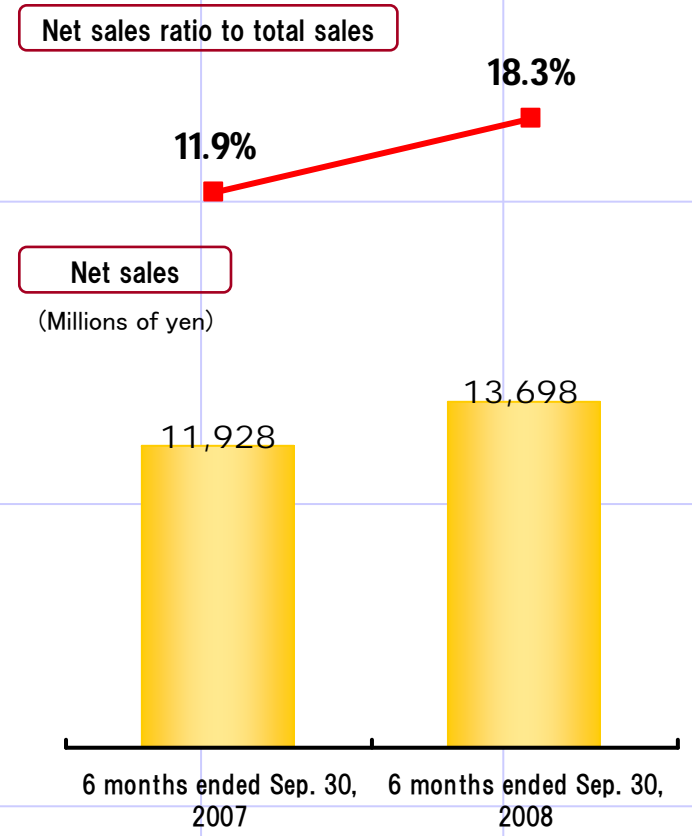
- ↑ Cash recyclers for cashiers “RT/RAD series”
- ↑ Automatic deposit machines “DS-700”



Cash recyclers for cashiers
RT-RAD series



Automatic deposit machines
DS-700



● Decline in demand for cigarette vending machines

Demand for cigarette vending machines with adult identification function had withered by the first quarter period of this fiscal year. In addition, purchase of cigarettes shifted from vending machines to counter selling at convenience store, etc.

【Year-on-year comparison】-69.5%

Our main products influenced business results

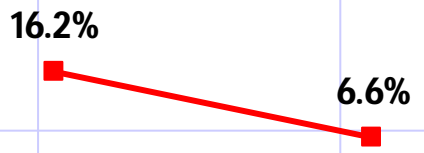
↓ Cigarette vending machines



Cigarette Vending machines TNR series

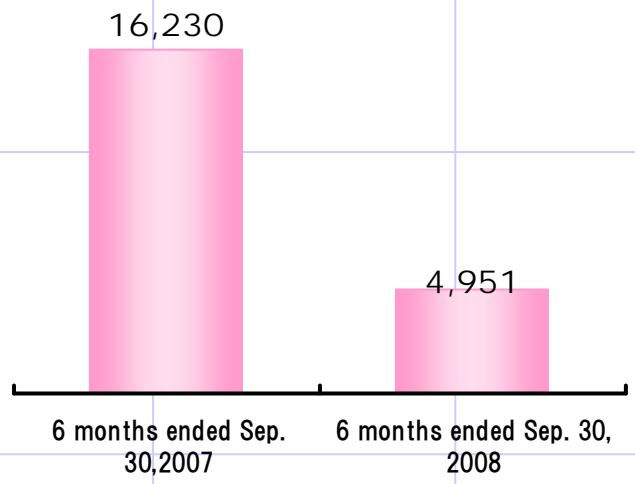
Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison
Vending machines	16,230	4,951	- 69.5%

Net sales ratio to total sales



Net sales

(Millions of yen)



Amusement market

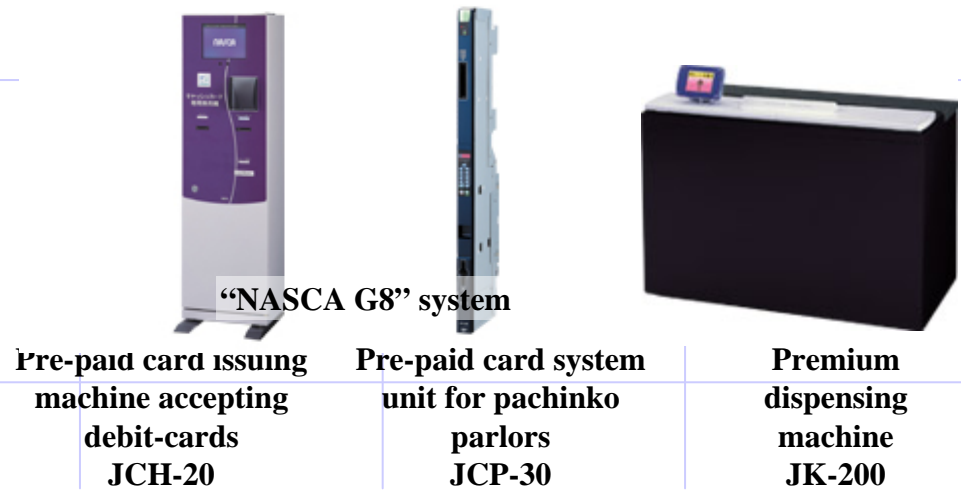
● Decline in capital investment due to industry-wide downturn

Sales of card systems only remained smoothly. Under the circumstances of continued reduced investment, sales of peripheral equipment in pachinko parlors were low.

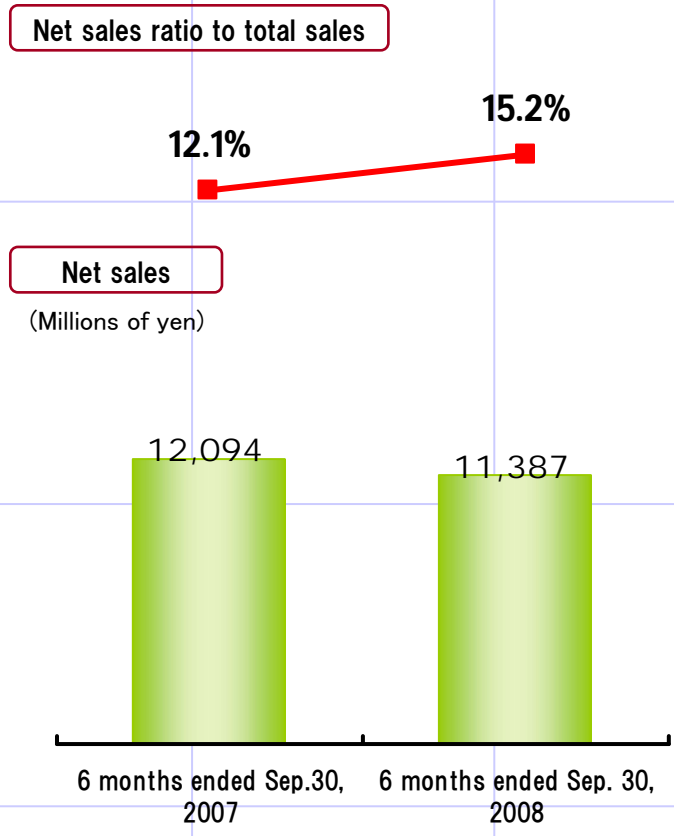
【Year-on-year comparison】-5.8%

Our main products influenced business results

- ↑ IC card system “NASCA G8“
- ↓ Premium dispensing machine



Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison
Amusement	12,094	11,387	- 5.8%



● Decreased sales in automated contract machines

Sales of medical payment kiosk and card-related devices remained smoothly.

Sales of automated contract machines were low.

【Year-on-year comparison】-38.2%

Our main products influenced business results

- Medical payment kiosk “FKS series”
- Card-related devices
- Self-service contract machines “FVK series”



Medical payment kiosk
FKS series



Card-related devices
IC card cafeteria system



Self-service contract
machines
FVK series

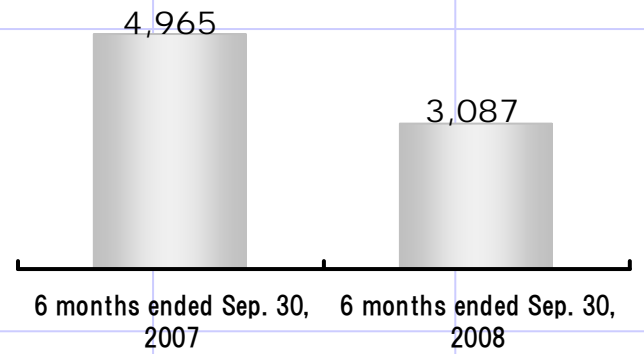
Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on-year comparison
Others	4,965	3,087	- 38.2%

Net sales ratio to total sales



Net sales

(Millions of yen)



● Decreased sales in remodeling operation for an adult identification function

As sales from maintenance operation of open teller systems increased, sales from maintenance operations remained smoothly.
Sales from maintenance operations of remodeling operation for an adult identification function decreased.

【Year-on-year comparison】-16.5%

Our main products influenced business results

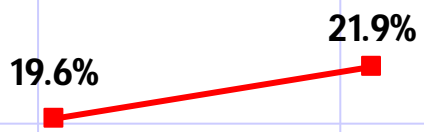
↓ Remodeling operation of cigarette vending machines



Maintenance staff remodeling operation of cigarette vending machines

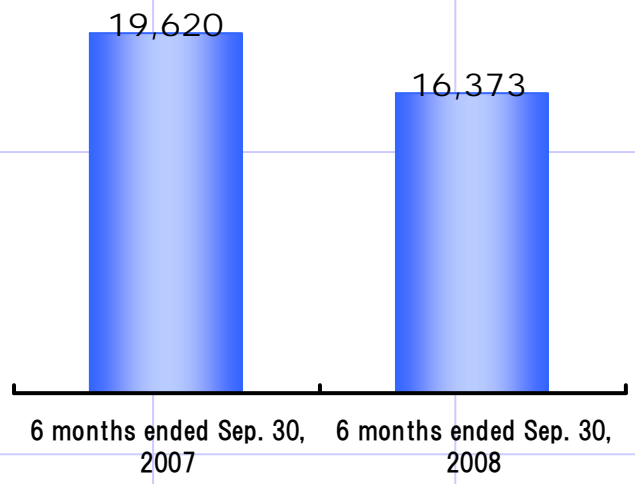
Market	6 months ended Sep. 30, 2007	6 months ended Sep. 30, 2008	Year-on year comparison
Maintenance	19,620	16,373	- 16.5%

Net sales ratio to total sales

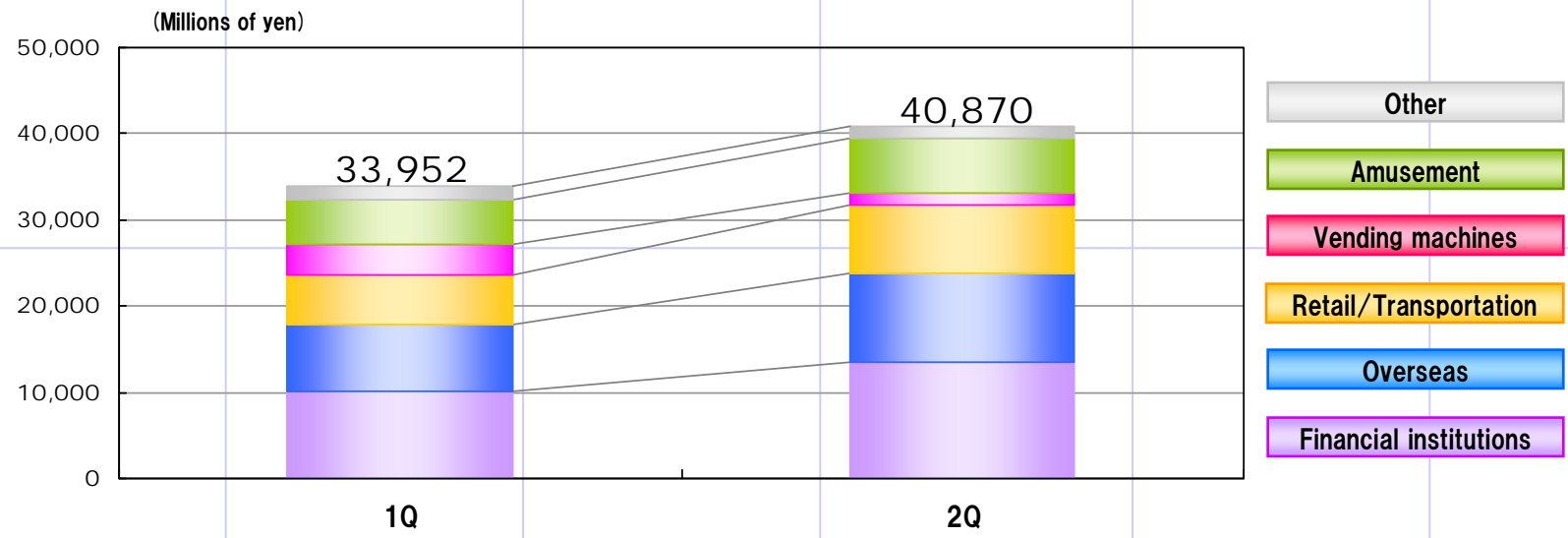


Net sales

(Millions of yen)



Quarterly net sales by market



FY2008	1st Quarter	2nd Quarter	6 months ended Sep., 2008
Financial institutions [Domestic]	10,130(29.8%)	13,555(33.2%)	23,685(31.7%)
[Overseas]	7,665(22.6%)	10,348(25.3%)	18,014(24.1%)
Financial institutions [Total]	17,796(54.2%)	23,903(58.5%)	41,699(55.7%)
Retail/Transportations	5,902(17.4%)	7,796(19.1%)	13,698(18.3%)
Vending machines	3,522(10.4%)	1,429(3.5%)	4,951(6.6%)
Amusement	5,074(14.9%)	6,313(15.4%)	11,387(15.2%)
Other	1,658(4.9%)	1,429(3.5%)	3,087(4.1%)
Total	33,952(100.0%)	40,870(100.0%)	74,822(100.0%)

※() indicates sales composition ratio.

Statements of income

(Millions of yen)

(Millions of yen)	6 months ended Sep., 2008	Ratio (%)	6 months ending Sep., 2009	Ratio (%)	Rate of change
Net sales	100,351	100.0	74,822	100.0	- 25,529
Cost of sales	63,335	63.1	46,470	62.1	- 16,865 ①
SG&A	22,162	22.1	21,504	28.7	- 658
Operating income	14,853	14.8	6,848	9.2	8,005
Non-operating income	881	0.9	829	1.1	- 52
Non-operating expenses	989	1.0	431	0.6	- 558 ②
Ordinary income	14,745	14.7	7,246	9.7	- 7,499
Extraordinary income	35	0.0	43	0.1	8
Extraordinary loss	442	0.4	351	0.5	- 91 ③
Income before income taxes and minority interests	14,337	14.3	6,938	9.3	- 7,399
Income taxes—deferred	5,491	5.5	2,276	3.0	- 3,215
Net income	8,712	8.7	4,661	6.2	- 4,015

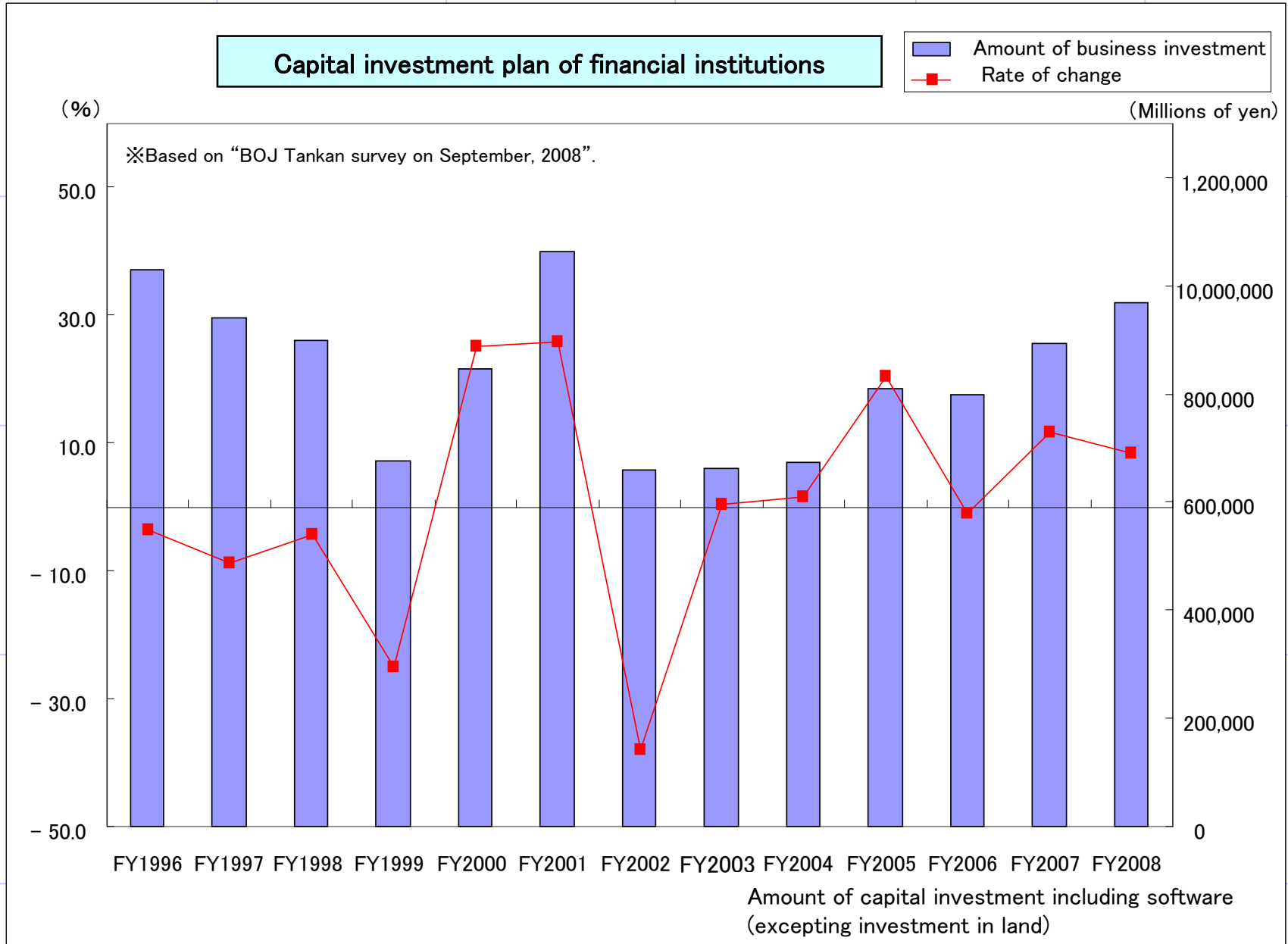
① Sales cost ratio : Decreased as a result of the activities for cost reduction and finishing remodeling operation of cigarette vending machines

② Non-operating expense : ◇ Loss on foreign exchange loss: 197 million yen

③ Extraordinary loss : ◇ Loss on valuation of investment securities: 186 million yen

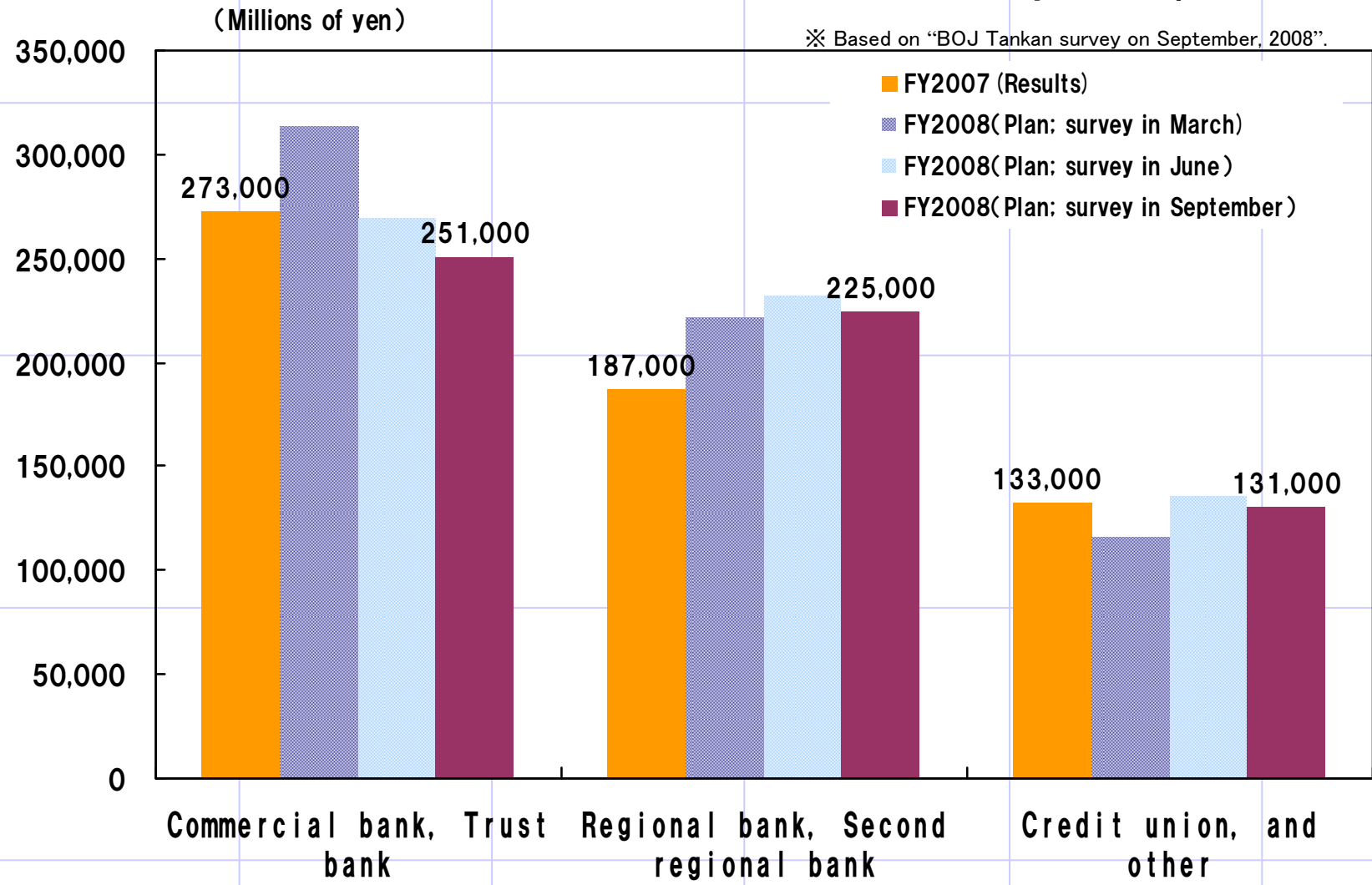
◇ Loss on removal of property, plant and equipment: 144 million yen

Financial institution market 1

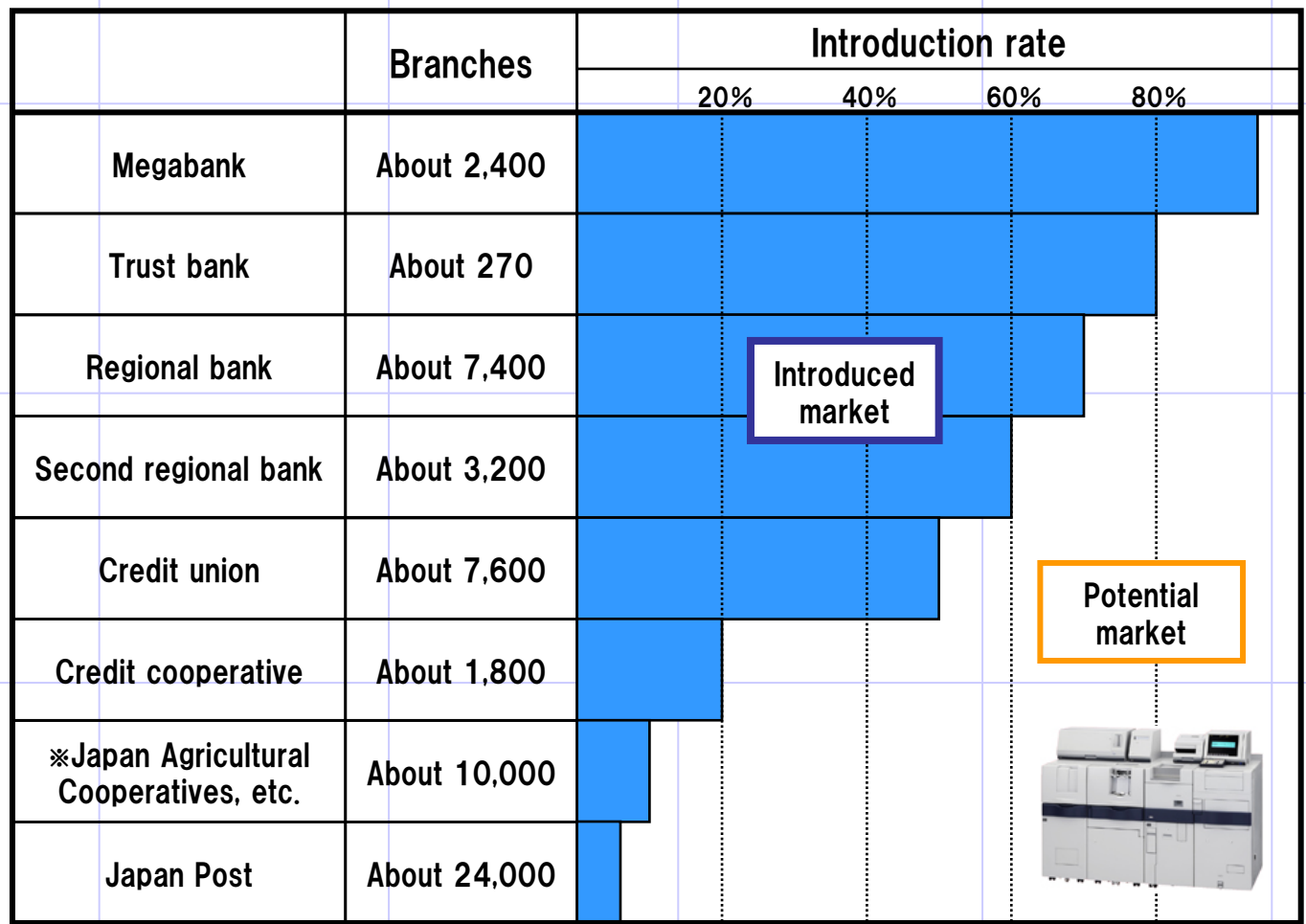


Financial institution market 2

● Amount of capital investment for FY2008 of financial institutions (Year-on-year comparison)

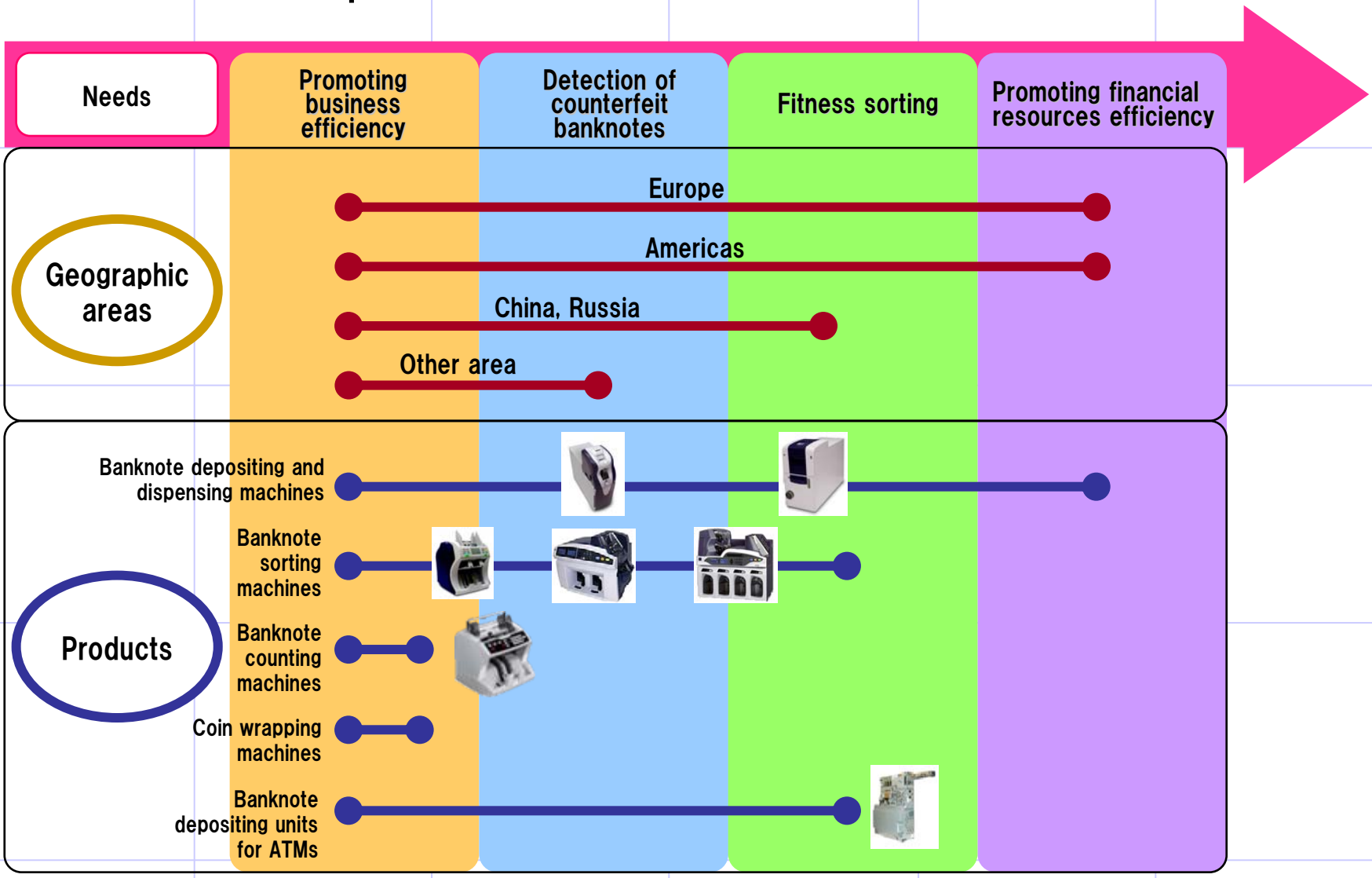


● Potential demand for introduction of open teller system



※"Japan Agricultural Cooperatives, etc." includes labor bank, Shoko Chukin Bank, Norinchukin Bank, etc.

● Market needs and products

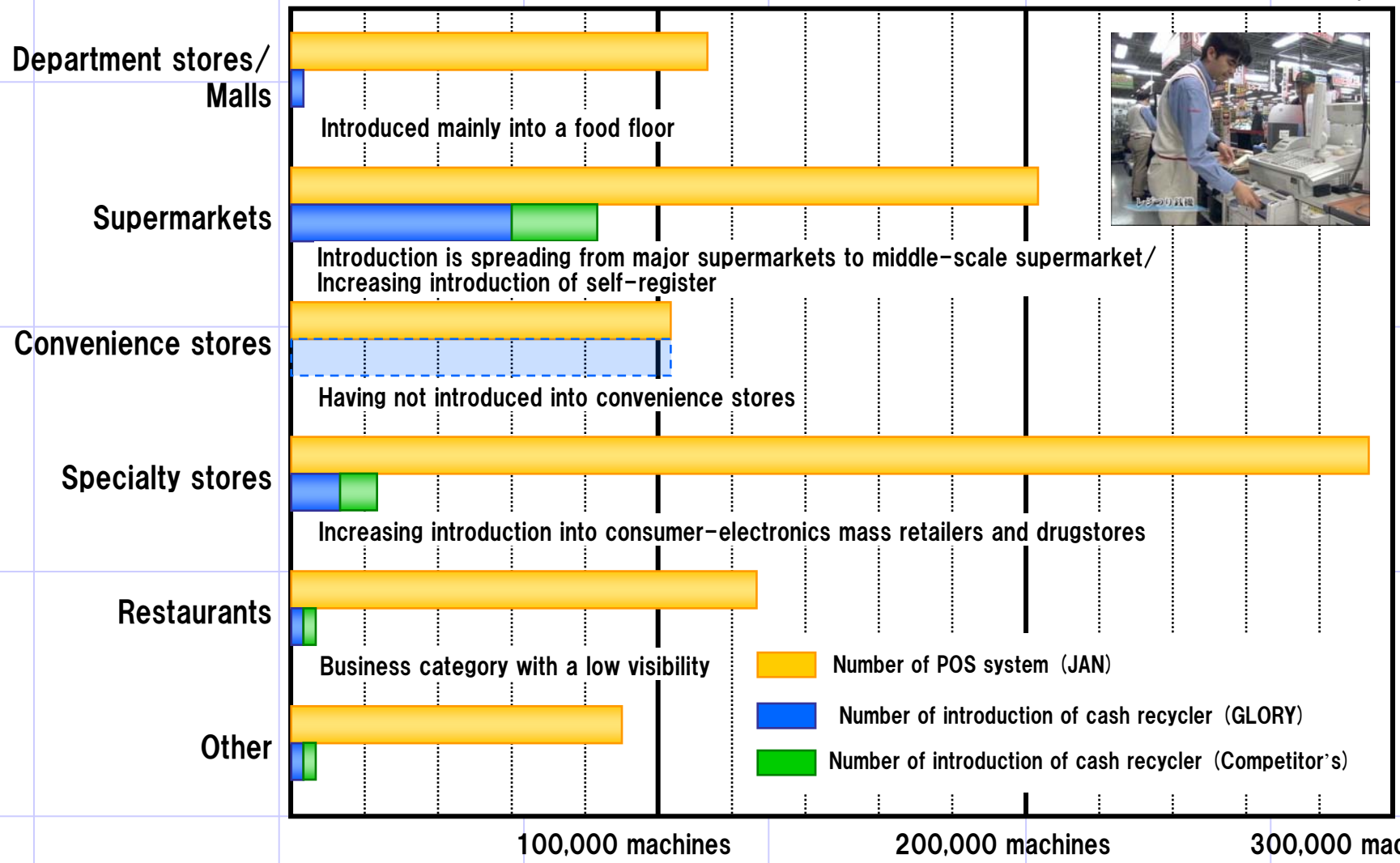


Retail/Transportation market

● Potential demand for cash recycler for cashiers

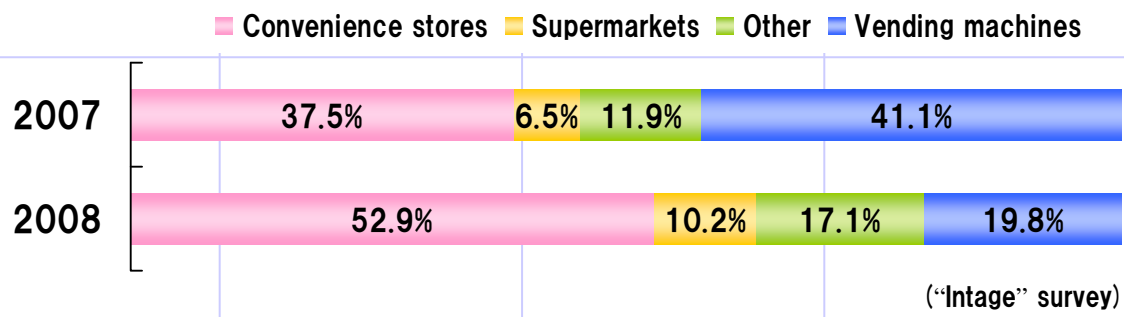
Introduction of cash recycler for cashiers

(GLORY survey)



● Trend of cigarette vending machine market

Change of place purchased cigarette after introduction of taspo
 (Comparison July to August, 2007 with the same period of 2008)

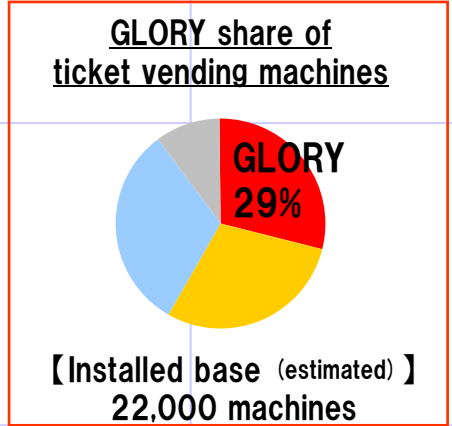


■ taspo (As of the end of October, 2008)

- Number of issued
About 8,350,000 cards
- Adoption rate
About 32% (26,000,000 smoking people)
- Number of cigarette vending machines
: About 420,000 machines

● Trend of ticket vending machine market

Started manufacturing ticket vending machines within GLORY group
 Constructing integrated system of products from planning to maintenance



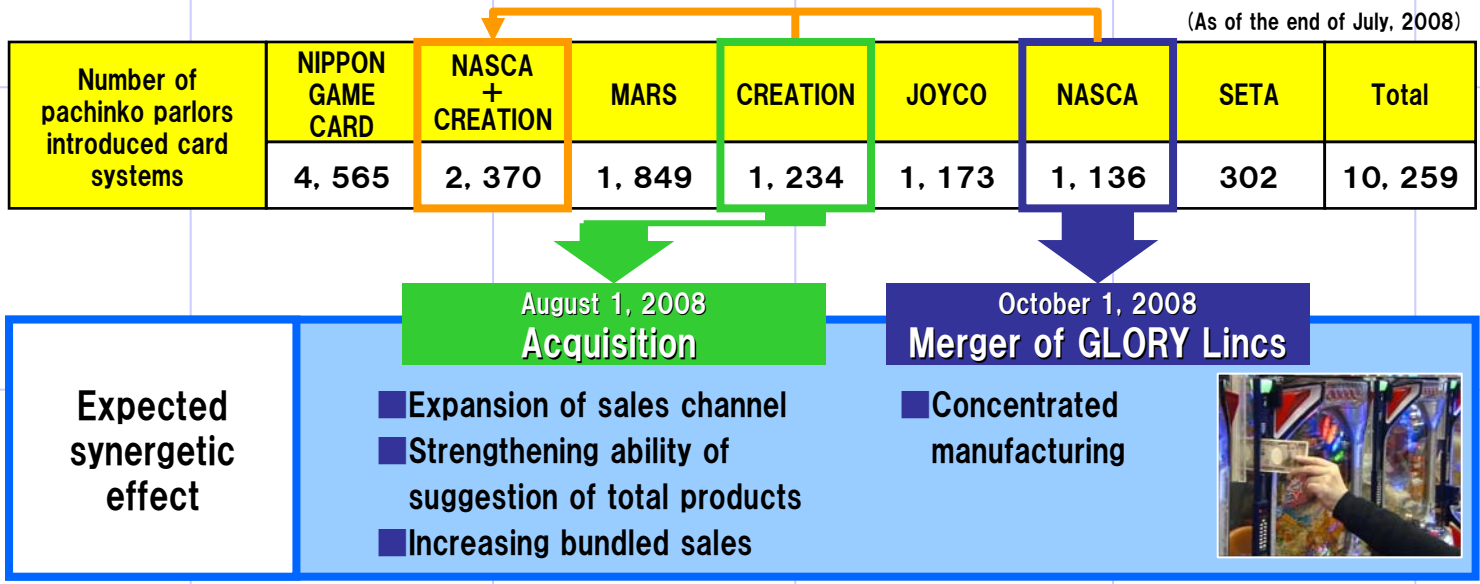
As of September, 2008, GLORY survey



VT series released on July, 2008

● Trend of pre-paid card systems

GLORY has 2nd largest share in this market due to acquisition of CREATION CARD CO., LTD.



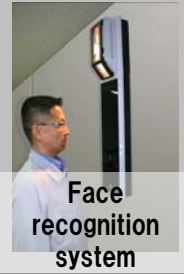
Recent market trends

- Number of pachinko parlors: About 13,160 stores (As of the end of September, 2008)
- Number of pachinko players: 14,500,000 people (From “White Paper on Leisure” in 2008)
- Be focused on system products easing worker’s burden (counting machine for each game machines)
- Increasing number of parlors operating under multiple rates (pachinko-ball: ¥1, ¥2, ¥4) due to attracting customers [Introduced 23% of total number of parlors]

Security



NSD



Face recognition system

■ NSD(New Style Door)

- Released in May, 2008 from YKK ap
- The house-front door with opening and shutting function by electrical assist

■ Face recognition system

- Released in May, 2008
- Introduced in the research facility of university and business center of financial institutions

Card & network business



Pre-paid card issuing machines accepting debit-cards

■ Support service of business

- Expanding demand for research service of electronic public notice due to Electronic Share Certificate System
- Smoothly Increasing support service of cash collecting business to medium-scale cash-in-transit companies

■ Electronic settlement service

Increasing number of parlors introduced settlement equipments for debit-card

■ Support service of securities business

- Expanding business such as counting service of shareholder voting rights and supporting service of investor relations

Card-related devices



IC card cafeteria systems

■ IC card cafeteria systems

- Released the system supporting to metabolic syndrome
- Displaying price, 6 items of nutrient and dietary balance

■ Multi-IC card reader

Supporting by one machine to processing multi-IC cards such as settlement of a variety of electronic money



Multi-IC card reader

Business forecast for FY2008



Sales

Decreased from the corresponding period of the last year due to negative effect of large-demand in last year and reduction of investment in financial institutions results of financial crisis, appreciation of the yen, low sales of cigarette vending machines.

Income

Decreased as net sales decreased.

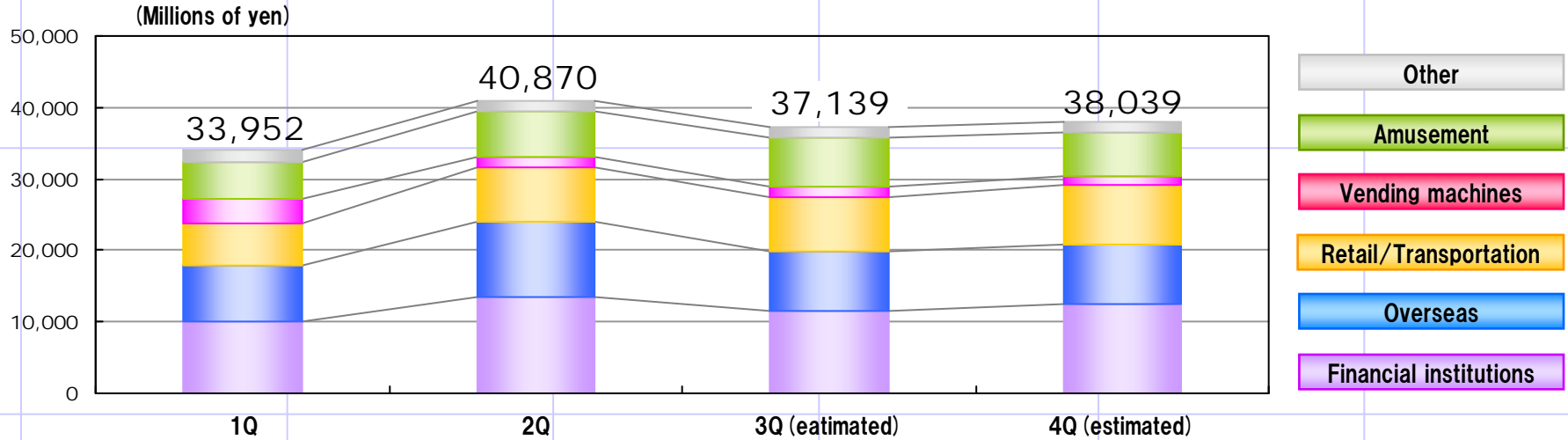
(Millions of yen)	Year ended Mar. 31, 2008	Year ending Mar. 31, 2009 (estimated)	Year-on-year comparison	Year ending Mar. 31, 2009 (Forecast announced on August 8, 2008)
Net sales	185,181	150,000	- 19.0%	165,000
Operating income	22,826 (12.3%)	11,000 (7.3%)	- 51.8%	15,000 (9.0%)
Ordinary income	21,582 (11.6%)	11,500 (7.6%)	- 46.7%	15,000 (9.0%)
Net income	11,711 (6.3%)	7,500 (5.0%)	- 36.0%	10,000 (6.0%)

Projected sales by market

(Millions of yen)	Year ended Mar. 31, 2008		Year ending Mar. 31, 2009 (estimated)		
	Net sales	Sales composition ratio	Net sales	Sales composition ratio	Year-on-year comparison
Financial institutions	68,030	36.7%	54,500 → 47,500	31.7%	- 30.2%
Overseas	31,784	17.2%	39,000 → 35,000	23.3%	+10.1%
Retail/Transportation	26,838	14.5%	29,200 → 29,500	19.7%	+9.9%
Vending machines	27,882	15.1%	10,500 → 7,500	5.0%	- 73.1%
Amusement	21,558	11.6%	23,800 → 24,500	16.3%	+13.6%
Other	9,089	4.9%	8,000 → 6,000	4.0%	- 34.0%

※Figures on the left side are forecasts announced on August 8, 2008

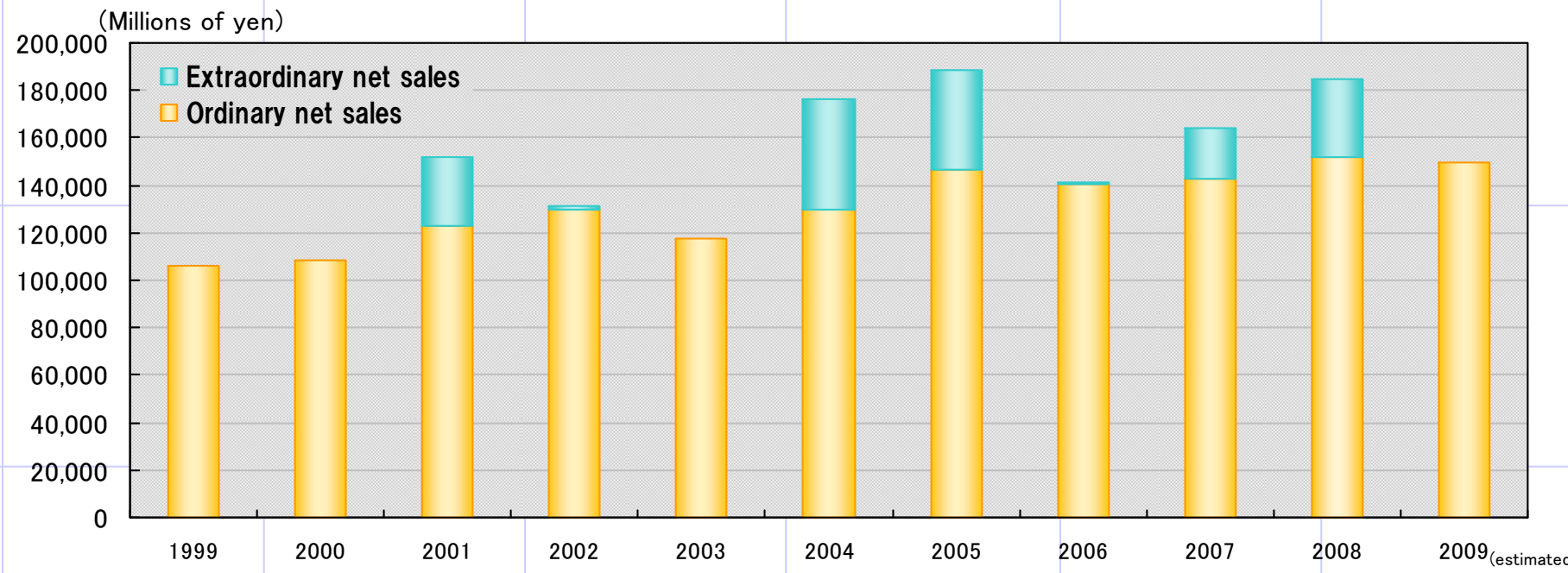
Projected quarterly sales by market



FY2008	1 st Quarter	2 nd Quarter	3 rd Quarter (estimated)	4 th Quarter (estimated)	Full year (estimated)
Financial institutions [Domestic]	10,130(29.8%)	13,555(33.2%)	11,408(30.7%)	12,407(32.6%)	47,500(31.7%)
[Overseas]	7,666(22.6%)	10,348(25.3%)	8,493(22.9%)	8,493(22.3%)	35,000(23.3%)
Financial institutions [Total]	17,796(52.4%)	23,903(58.5%)	19,901(53.6%)	20,901(54.9%)	82,500(55.0%)
Retail/Transportations	5,902(17.4%)	7,796(19.1%)	7,651(20.6%)	8,151(21.4%)	29,500(19.7%)
Vending machines	3,522(10.4%)	1,429(3.5%)	1,275(3.4%)	1,274(3.4%)	7,500(5.0%)
Amusement	5,074(14.9%)	6,313(15.4%)	6,856(18.5%)	6,257(16.4%)	24,500(16.3%)
Other	1,658(4.8%)	1,429(3.5%)	1,456(3.9%)	1,457(3.8%)	6,000(4.0%)
Total	33,952 (100.0%)	40,870 (100.0%)	37,139 (100.0%)	38,039 (100.0%)	150,000 (100.0%)

※() indicates sales composition ratio.

Change of sales in the past decade



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (estimated)
Total net sales	106,200	108,500	151,700	131,600	117,200	176,700	188,800	141,200	164,500	185,100	150,000
Extraordinary net sales	0	0	28,500	1,500	0	47,000	42,500	500	22,000	33,500	0
Ordinary net sales	106,200	108,500	123,200	130,100	117,200	129,700	146,300	140,700	142,500	151,600	150,000

(Years ended March 31)

Demand for
 •2000-yen banknote
 •New 500-yen coin

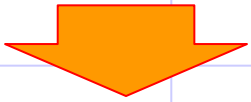
Demand for
 •New 10000-yen banknote
 •New 5000-yen banknote
 •New 1000-yen banknote

Demand for
 •Postal privatization
 •Cigarette vending machines with an adult identification

● Revision of projected dividends

Our dividend policy

We return profits by taking into account the change in the consolidated operational results and other factors (about 25% of consolidated net income) in addition to ordinary annual dividends of ¥30 per share on the basis of equity capital.



Dividend per share

	Interim	Year-end	Annual
Year ending Mar. 31, 2009 (estimated)	¥15	¥15	¥30
Year ended Mar. 31, 2008	¥14	¥26	¥40
	Ordinary dividend ¥14	Ordinary dividend ¥14 Extraordinary dividend ¥12	Ordinary dividend ¥28 Extraordinary dividend ¥12

● Repurchase of shares (Now underway)

Partial change in details of repurchase of shares (Corporate resolution on November 26)

【Reason for change】

We have changed total number of shares to be repurchased in view of current market trends comprehensively

	Before	After
1) Type of shares to be repurchased	Common stocks (No change)	
2) Total number of shares to be repurchased	Up to 2,400,000 shares (3.35% of number of shares issued and outstanding)	Up to 3,400,000 shares (4.74% of number of shares issued and outstanding)
3) Total price of shares to be repurchased	Up to 60 billion yen (No change)	
4) Period to repurchase	September 1, 2008 through December 22, 2008 (No change)	

• Total number of repurchased shares basis for corporate resolution (As of November 26, 2008)

- | | |
|---------------------------------------|-------------------|
| 1. Total number of repurchased shares | 1,232,300 shares |
| 2. Total price of repurchased shares | 2,123,637,300 yen |

• Total number of repurchased shares (As of October 31, 2008)

- | | |
|---|-------------------|
| 1. Number of shares issued and outstanding (excluding treasury stock) | 71,445,399 shares |
| 2. Treasury stock | 1,392,811 shares |

Improvement business structure (Results in first half)



Amusement market business	Acquisition of CREATION CARD CO., LTD.	<ul style="list-style-type: none"> ● <u>Date of acquisition</u> August 1, 2008 ● <u>Purpose</u> <ul style="list-style-type: none"> •Expansion of card system business •Strengthening and Improvement of sales structure 	<ul style="list-style-type: none"> ● <u>Corporate profile</u> <ul style="list-style-type: none"> •Head Office: Naniwa-ku, Osaka City •Number of Employee: about 90 •Paid-in Capital: 2 billion yen
	Merger of GLORY Lincs and NASCA	<ul style="list-style-type: none"> ● <u>Date of merger</u> October 1, 2008 ● <u>Purpose</u> <ul style="list-style-type: none"> •Building comprehensive system of high value 	<ul style="list-style-type: none"> ● <u>Corporate profile</u> <ul style="list-style-type: none"> •Company Name: GLORY NASCA Ltd. •Head Office: Ueno, Taito-ku, Tokyo •Number of Employee: about 300 •Paid-in Capital: 20 billion yen
Development and manufacturing	Merger of Kasai GLORY and Sayo GLORY	<ul style="list-style-type: none"> ● <u>Date of merger</u> October 1, 2008 ● <u>Purpose</u> <ul style="list-style-type: none"> •Improvement of cost competitiveness by concentration of manufacturing function of our group 	<ul style="list-style-type: none"> ● <u>Corporate profile</u> <ul style="list-style-type: none"> •Company Name: Harima GLORY Ltd. •Head Office: Kasai City, Hyogo •Number of Employee: about 200 •Paid-in Capital: 50 million yen
	Establishment of GLORY FSM Ltd.	<ul style="list-style-type: none"> ● <u>Establish Date</u> July 1, 2008 ● <u>Purpose</u> <ul style="list-style-type: none"> •Development and manufacturing of our document processing products 	<ul style="list-style-type: none"> ● <u>Corporate profile</u> <ul style="list-style-type: none"> •Head Office: Zama City, Kanagawa •Number of Employee: about 50 •Paid-in Capital: 3 million yen
	Establishment of procurement basis in China	<ul style="list-style-type: none"> ● <u>Purpose</u> <ul style="list-style-type: none"> •Expansion of parts procurement in China and strengthening cost-competitiveness 	<ul style="list-style-type: none"> ● <u>Corporate profile</u> <ul style="list-style-type: none"> •GLORY IPO ASIA LIMITED (Established on June 17, 2008) •GLORY IPO China Ltd. (Established on July 31, 2008)

● Construction of Himeji Parts Center (Completed on October 30, 2008)

- Using as a repair plant next to Himeji Distribution Center
- Gathering maintenance parts and parts of customer engineering service



● Construction of the second Saitama Factory (Will be completed on July, 2009)

- Dealing with production scale of medium-term plan by increasing floor space
- Using space for stocking parts and units as increasing overseas procurement
- Promoting cost reduction by using second Saitama Factory as the “Saitama Stock Point” and stopping to transfer products left Saitama Factory to Himeji Distribution Center



● Construction of the second factory of GLORY Denshi Kogyo (Suzhou) (Will be completed on March, 2009)

- Dealing with Increasing production scale and medium- and long-term prospect of production increase

