

Consolidated Financial Results

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

August 7, 2006

Company Name: GLORY LTD.
(URL <http://www.glory.co.jp/>)

Code Number: 6457
Stock Exchange: Tokyo, Osaka (1st Section)

Representative: Hideto Nishino President T e l : (079) 297 - 3131
Contact: Osamu Tanaka Director and Executive Officer
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 [Anew]: 2 companies (GLORY AZ SYSTEM CO., LTD. / MARUESU GT CO., LTD.)
Companies under the equity method [Exclusion]: 1 company (GLORY AZ SYSTEM CO., LTD.)

2 . Business results for the first quarter ended June 30, 2006 (April 1, 2006 through June 30, 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)	(%)
First Quarter of FY2006	34,371	(2.2)	2,659	(- 1.0)	2,920	(- 1.9)
First Quarter of FY2005	33,617	(- 29.8)	2,685	(- 78.8)	2,978	(- 76.7)
(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)
First Quarter of FY2006	2,280	(26.5)	30.76	
First Quarter of FY2005	1,802	(- 76.4)	24.32	
(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 first quarter of current fiscal year (April 1, 2006 through June 30, 2006), the Japanese economy tended to recover steadily despite destabilizing factors such as high-price of crude oil.

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, sales of cash recyclers for supermarkets and retail stores remained smoothly. Export sales also exceeded projected sales mainly of banknote depositing and dispensing machines. In general, net sales remained favorably.

As a result, net sales of current term were ¥34,371 million (up 2.2% over the previous term), operating profit was ¥2,659 million (down 1.0% from the previous term), ordinary profit was ¥2,920 million (down 1.9% from the previous term), and net income was ¥2,280 million (up 26.5% over the previous term).

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
First Quarter of FY2006	210,033	147,835	70.4	1,993.90
First Quarter of FY2005	212,409	146,261	68.9	1,972.66
(Reference) FY2005	206,361	146,134	70.8	1,970.11

(Note) Net assets for the first 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
First Quarter of FY2006	29	- 1,532	- 599	51,470
First Quarter of FY2005	- 4,544	- 2,857	- 3,344	54,970
(Reference) FY2005	- 2,617	- 4,732	- 5,209	53,300

[Qualitative Information about Consolidated Financial Position]

Total assets were up ¥3,672 million over the end of the previous consolidated fiscal year, to ¥210,033 million. Inventory assets were up ¥3,361 million. Total liabilities were up ¥2,632 million over the end of the previous consolidated fiscal year, to ¥62,198 million. Shareholders' equity remained almost the same level as the end of the previous consolidated fiscal year, amounted to ¥144,414 million.

Cash provided by operating activities amounted to ¥29 million. This is mainly because income before income taxes and others was ¥2,843 million and depreciation and amortization were ¥1,485 million, despite increase of ¥3,549 million in trade receivables. Cash used in investing activities amounted to ¥1,532 million, due in large part to payments of ¥1,408 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 ¥599 million, due in large part to payments of ¥758 million for dividends. As a result, cash and cash equivalents at the end of current term were down ¥2,097 million from the end of the previous consolidated fiscal year, to ¥51,470 million.

【Reference】

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

(millions of yen)

	Net sales	Ordinary profit	Net income
Half Year	75,000	5,700	3,800
Full Year	160,000	11,200	7,000

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

[Qualitative Information about Consolidated Business Forecast]

As announced today, we have revised up the consolidated business forecast for the year ending March 31, 2007 announced on May 18, 2006.

(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.