Consolidated Financial Results
for the First Quarter of Fiscal Year Ending March 31, 2009

August 8, 2008

Company Name: GLORY LTD. Stock exchange listings: Tokyo, Osaka (1st Section)
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(Amounts less than one million yen have been omitted.)

1. Business results for the first quarter ended June 30, 2008 (April 1, 2008 through June 30, 2008)

(1) Consolidated Operating Results

(The percentages show an increase or decrease from the corresponding period of the previous year.)

	Net sales		Operating profit		Ordinary profit	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Three months ended June 30, 2008	33,952	—	2,690	—	3,257	—
Three months ended June 30, 2007	50,183	46.0	8,019	201.5	8,532	192.2

	Net income		Net income per share	Fully diluted net income per share
	(millions of yen)	(%)	(yen)	(yen)
Three months ended June 30, 2008	1,955	—	27. 28	—
Three months ended June 30, 2007	5,146	125.7	69. 69	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of June 30, 2008	200,143	151,734	75.8	2,115. 75
As of March 31, 2008	209,236	151,734	72.3	2,110. 69

(Reference) Equity capital
As of June 30, 2008: 151,677 million yen As of March 31, 2008: 151,315 million yen

2. Dividends

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2008	—	14.00	—	26.00	40.00
Year ending March 31, 2009	—	—	—	—	—
Year ending March 31, 2009 (forecast)	—	15.00	—	—	—

(Note) Revisions to dividend forecast in the current quarter: None

3. Consolidated business forecast for the year ending March 31, 2009 (April 1, 2008 through March 31, 2009)

(The percentages show an increase or decrease from the corresponding period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Six months ending September 30, 2008	80,000	—	7,000	—	7,000	—	5,000	—	69. 74
Full Year	165,000	－10.9	15,000	－34.3	15,000	－30.5	10,000	－14.6	139. 49

(Note) Revisions to consolidated business forecast in the current quarter: None

4. Other

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of simplified accounting method and accounting methods specific to preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures, presentation methods etc. for preparation of quarterly consolidated financial statements.

(a) Changes associated with revision of accounting standards etc. : Yes

(b) Changes other than (a) : Yes

(4) Number of shares issued and outstanding (common stock)

(a) Number of shares issued at the end of the period (including treasury stock)

As of June 30, 2008: 72,838,210 shares As of March 31, 2008: 72,838,210 shares

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

As of June 30, 2008: 1,148,223 shares As of March 31, 2008: 1,148,123 shares

(c) Average number of shares (quarterly cumulative period)

Three months ended June 30, 2008: 71,689,998 shares

Three months ended June 30, 2007: 73,842,433 shares

(Note)

1. 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 performance may differ greatly from these estimates due to various factors going forward.
2. From the current fiscal year, GLORY LTD. and its consolidated subsidiaries have applied the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No.12, issued on March 14, 2007) and the "Implementation Guideline for Accounting Standards for Quarterly Financial Reporting" (ASBJ Guideline No.14, issued on March 14, 2007). The current quarterly financial statements were prepared in accordance with Quarterly Consolidated Financial Statement Regulations.

[Qualitative Information and Financial Statements, etc.]

1. Qualitative Information on the Consolidated Operating Results

During the first quarter of FY2008, the Japanese economy continued to slow down, with sluggish consumer spending and business investment affected by soaring raw material costs and the slowing U.S. economy.

Under such circumstances, the GLORY Group strove to establish the GLORY brand in the market and further enhance corporate value in the last year of '2006 Medium-term Management Plan' to achieve its management vision "GLORY as world's top brand!"

However, despite solid overseas sales of equipment, net sales for the first quarter of FY2008 decreased over the same period last year when there was a large demand for equipment for postal privatization and cigarette vending machines equipped with an adult identification function. At the same time, operating income decreased due to a decrease in net sales.

As a result, our net sales for the first quarter of FY2008 decreased by 32.3% year-on-year, to ¥33,952 million. Out of this, sales of products and merchandise were ¥25,570 million (down 35.7% year-on-year), and maintenance sales were ¥8,381 million (down 19.5% year-on-year). Overseas sales were ¥7,665 million (down 2.0% year-on-year). Moreover, due to the decrease of net sales, income was down: operating income decreased by 66.5% year-on-year, to ¥2,690 million (decreased), ordinary income decreased by 61.8% year-on-year, to ¥3,257 million (decreased), and net income for the current quarter was ¥1,955 million, a 62.0% decrease year-on-year.

Outline by Segment

Net sales by segment are as follows:

[Money handling machines and cash management system]

The primary markets for this segment are the financial market, the overseas market and the distribution market.

In the financial market, although there is a strong need tighten up operations, sales of open teller systems and banknote/coin depositing and dispensing units for OEM product, for which there were large volume orders from postal privatization in the same term for the previous year, were down.

In the overseas market, sales of banknote depositing units for ATMs use for Europe increased, but banknote counting machines decreased.

In the distribution market, centering on supermarkets and specialty stores, sales of cash recyclers for cashiers, which is the primary product in this market, increased dramatically.

As a result, net sales for this segment resulted at ¥19,789 million (down 27.9% year-on-year), including net sales for other markets. Operating income was ¥2,180 million (down 60.1% year-on-year).

[Vending machines and automatic service equipments]

Primary markets for this segment are the vending machine market and the amusement market, and we also sell to financial markets and distribution markets.

In the vending machine market, since demand for cigarette vending machines equipped with an adult identification function withered by the previous period, sales decreased.

In the amusement market, although the sales of pre-paid card systems for Pachinko and Pchislot parlors increased, due to restrained capital investment in the industry, sales of other equipment were sluggish.

As a result, net sales of this segment were ¥8,582 million (down 37.4% year-on-year), including net sales for other markets. Operating income was ¥264 million (down 83.9% year-on-year).

[Other goods and products]

This segment is about equipment other than the above primary segments and parts, subparts and accessories purchased from companies other than our group companies. Due to the decrease of security-related products and accessories, sales decreased compared to the previous term.

As a result, net sales for this segment were ¥5,579 million (down 38.1% year-on-year). Operating income was ¥251 million (decrease by 72.3% year-on-year).

Operating income for all segments are amounts before deletion of unrealized gains, etc. by internal transfer of fixed assets.

Results of segments by location are as follows:

Net sales in Japan were ¥28,017 million and operating income was ¥2,647 million, net sales in the America were ¥1,792 million and operating income was ¥85 million, net sales in Europe were ¥3,774 million and operating loss was ¥51 million, and net sales in Asia were ¥367 million and operating income was ¥9 million

Note that the above amounts do not include consumption tax, etc.

2. Qualitative Information on the Consolidated Financial Position

Total assets at the end of the first quarter of FY2008 decreased by ¥9,093 million to ¥200,143 million compared with the end of the previous consolidated fiscal year,.

Liabilities decreased by ¥9,092 million to ¥48,409 million compared with the end of the previous consolidated fiscal year.

Net assets of the Group were almost the same as at the end of the previous consolidated fiscal year, ¥151,734 million.

Net cash used in operating activities was ¥8,071 million, due to factors in the decrease of funds such as a decrease in the reserve for bonuses through the payment of bonuses of ¥3,372 million, and payment of corporate tax, etc., of ¥5,426 million. Net cash used in investing activities was ¥2,100 million, due primarily to acquisition of property, plant and equipment, such as molds and tools pertaining to manufacturing of products. Net cash used in financing activities was ¥1,757 million, due primarily to payment of dividends, ¥1,721 million.

As a result, the ending balance of cash and cash equivalent for this quarter decreased by ¥11,857 million year-on-year, to ¥54,254 million.

3. Qualitative Information on the Consolidated Performance Forecast

The difficult situation is forecast to continue, including a slowing trend for the Japanese economy and steep rises in raw material costs, but the Glory Group will unfailingly respond to the need for accurate affairs in financial institutions, and the need for rationalization of the distribution market, and meanwhile to reinforce sales to solid overseas markets, thus working to achieve the initial plan.

Accordingly, at present we have not changed the consolidated performance forecast announced on May 14, 2008. No forecast for the year-end dividend has been made, since it is difficult to make an absolute consolidated performance forecast for the entire fiscal year. It is projected that we will disclose the amount of the dividend forecast as soon as disclosure becomes possible.

4. Other Information

(1) Relocation of significant subsidiary during the term (relocation of specified subsidiary accompanying change of scope of consolidation)

Not applicable.

(2) Application of simple accounting method and accounting particular to creation of quarterly consolidated financial statements.

(i) Simple accounting method

1) Calculation method of forecast amount of bad debt of general claims

Since the actual rate of bad debt at the end of the current first quarter is judged not to differ significantly from the percentage calculated at the end of the previous fiscal year, the forecast bad debt amount is calculated using the actual rate of bad debt at the end of the previous fiscal year.

2) Method of evaluation of inventories

For calculation of inventories at the end of the current first quarter, we omitted a physical inventory count, and primarily used the method of calculation by rational means, based on the physical inventory count at the end of the previous fiscal year.

As for devaluation of the inventories carrying amount, only for those for of which profitability has clearly declined, net sales value was estimated and the carrying amount was devaluated.

3) Calculation method of deferred tax assets and deferred tax liabilities

For determination of the collectibility of deferred tax assets, since there is judged to be no significant change in the management environment and the status of occurrence of temporary differences, etc., we used the method of making use of the forecast of future results and tax planning used at the end of the previous fiscal year.

(ii) Accounting processing particular to the preparation of quarterly consolidated financial statements

As for tax expenses, the effective tax rate after the application of tax effect accounting for net income before tax for the consolidated fiscal year including this quarter is estimated rationally and then is calculated by multiplying net income for the quarter by the relevant estimated effective tax rate.

"Income taxes deferred" are included and posted under "income taxes."

(3) Change of principles, procedures, presentation methods, etc. for accounting processing pertaining to the quarterly consolidated financial statements

(i) Application of "Accounting Standards for Quarterly Financial Statements"

We applied "Accounting Standards for Quarterly Financial Reporting (ASBJ Statement No. 12)" and "Guidance on Accounting Standard for Quarterly Financial reporting (ASBJ Guidance No. 14)" from the current consolidated fiscal year. Additionally, we prepared quarterly consolidated financial statements in accordance with the "Quarterly Consolidated Financial Statements Rules"

(ii) Application of "Accounting Standards for Evaluation of Inventories"

Inventories retained for ordinary sales purposes were previously stated at cost by average method primarily; however, accompanying the fact that "Accounting Standards Concerning Evaluation of Inventories" (Financial Accounting Standard No. 9, July 5, 2006) is applied from the current quarter, this is calculated primarily using the stated at cost by average method (as for balance sheet value, the method of devaluating carrying amount based on decline of profitability).

As a result of the change, operating income, ordinary income and net income before taxes for the quarter decreased respectively by ¥222 million.

Impact on segment information is described in the relevant parts.

(iii) Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

We applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No. 18, May 17, 2006) from the current quarter, and we performed the modifications necessary for consolidated accounting.

The impact of this change on operating income ordinary income and net income before tax for the quarter compared with the hypothetical use of previous methods was negligible.

(iv) Application of "Accounting Standards for Lease Transactions" and related matters

(lessee)

Finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of lease were booked as operating leases, however, since it becomes possible to adopt "Accounting Standards for Lease Transactions" (Financial Accounting Standards No. 13 (June 17, 1993 (Business Accounting Deliberation Council First Section Board), Revised on March 30, 2007) and "Financial Accounting Standards Implementation Guidelines Concerning Lease Transactions" (Financial Accounting Standards Implementation Guidelines No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountant, Accounting Standards Committee), Revised on March 30, 2007) from the quarterly consolidated financial statements pertaining to the consolidated fiscal year starting on or after April 1, 2008, the Group adopted these new accounting standards, etc. from the first quarter of FY2008, and employed the accounting processing that pertains to normal sale and purchase transactions. Moreover, lease assets pertaining to the abovementioned finance leases are depreciated using the straight-line method with a useful life of lease period as zero residual value.

Note that for finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of the lease and of which transaction commencement date was before the initial year of adoption of this method, we continued to use the previous method of accounting as operating leases.

There is no impact from this change on operating income, ordinary income and net income before tax for the quarter.

(lessor)

Finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of lease were booked as operating leases, however, since it becomes possible to adopt "Accounting Standards for Lease Transactions" (Financial Accounting Standards No. 13 (June 17, 1993 (Business Accounting Deliberation Council First Section Board), Revised on March 30, 2007) and "Financial Accounting Standards Implementation Guidelines Concerning Lease Transactions" (Financial Accounting Standards Implementation Guidelines No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountant, Accounting Standards Committee), Revised on March 30, 2007) from the quarterly consolidated financial statements pertaining to the consolidated fiscal year starting on or after April 1, 2008, the Group adopted these new accounting standards, etc. from the first quarter of FY2008, and employed the accounting processing that pertains to normal sale and purchase transactions.

Note that for finance leases other than those that transfer the ownership of the leased property to the lessee at the conclusion of the lease and of which transaction commencement date was before the initial year of adoption of this method, we continued to use the previous method of accounting as operating leases.

There is no impact from this change on operating income, ordinary income and net income before tax for the quarter.

(4) Additional information

(Change of useful lives of property, plant and equipment)

Useful lives of machinery of Glory and our domestic consolidated subsidiaries were previously determined to be 4 to 12 years, however, from the current quarterly term this was changed to 7 to 10 years, as a result of reexamination of asset use status, etc., taking the opportunity of the revision of the Corporation Tax Law in FY2008.

As a result of the change, operating income, ordinary income and net income before tax for the quarter decreased respectively by ¥37 million.

Impact on segment information is described in the relevant parts.