

**Consolidated Financial Results**

for the Third Quarter of the Fiscal Year Ending March 31, 2009

February 9, 2009

Company Name: GLORY LTD. Stock exchange listings: Tokyo and Osaka ( 1<sup>st</sup> Sections )  
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(Amounts less than one million yen are rounded downward.)

1 . Consolidated Business results for the third quarter ended December 31, 2008 (from April 1, 2008 to December 31, 2008)

## ( 1 ) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Nine months ended December 31, 2008	109,045	—	8,940	—	8,709	—
Nine months ended December 31, 2007	144,109	17.6	20,388	112.5	20,552	96.6

  

	Net income		Net income per share	Fully diluted net income per share
	(millions of yen)	(%)	(yen)	(yen)
Nine months ended December 31, 2008	5,667	—	79.73	—
Nine months ended December 31, 2007	11,256	75.7	153.89	—

## ( 2 ) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of December 31, 2008	200,432	147,555	73.6	2,160.73
As of March 31, 2008	209,236	151,734	72.3	2,110.69

(Reference) Equity capital

As of December 31, 2008: 147,555 million yen As of March 31, 2008: 151,315 million yen

## 2 . Dividends

(Record date)	Dividends per share				
	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	—	15.00	—	—	—
Year ending March 31, 2009 (forecast)	—	—	—	15.00	30.00

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

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Full Year	145,000	- 21.7	9,500	- 58.4	9,000	- 58.3	6,000	- 48.8	85.24

(Note) Revisions to consolidated business forecast in the current quarter: Yes

4 . Other

- ( 1 ) Changes in significant subsidiaries during the period (changes in specified subsidiaries involving a change in the scope of consolidation):  
None
- ( 2 ) Adoption of simplified accounting method and accounting methods specific to preparation of the quarterly consolidated financial statements: Yes  
(Note) Please refer to “4. Other information” of [Qualitative Information and Financial Statements, etc.] on pages 6 and 7 for details.
- ( 3 ) Changes in accounting principles, procedures, presentation methods, etc. for preparation of the quarterly consolidated financial statements.  
(a) Changes associated with revision of accounting standards, etc.: Yes  
(b) Changes other than (a): Yes  
(Note) Please refer to “4. Other information” of [Qualitative Information and Financial Statements, etc.] on pages 6 through 9 for details.
- ( 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 December 31, 2008: 72,838,210 shares  
As of March 31, 2008: 72,838,210 shares  
(b) Number of treasury shares at the end of the period  
As of December 31, 2008: 4,548,517 shares  
As of March 31, 2008: 1,148,123 shares  
(c) Average number of shares  
Nine months ended December 31, 2008: 71,075,167 shares  
Nine months ended December 31, 2007: 73,146,542 shares

(Notes) Explanation regarding the appropriate use of business forecasts and other special items

1. The above forecasts have been prepared based on information available as of the date of this report. Actual performances may differ greatly from these forecasts due to various present and future factors. For the assumptions and other related matters concerning the business forecast, please refer to [Qualitative Information and Financial Statements, etc.] on pages 5 and 6.
2. Beginning this fiscal year, GLORY LTD. and its consolidated subsidiaries have adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement No.12, issued on March 14, 2007) and the “Implementation Guidance for Accounting Standards for Quarterly Financial Reporting” (ASBJ Guidance 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 nine-month period ended December 31, 2008 (from April 1, 2008 to December 31, 2008), the Japanese economy rapidly deteriorated, with declining corporate business results due to the world-wide demand decrease and drastic rise in the yen caused by the spreading financial crisis, with suppressed business investment and serious employment adjustments leading to gloomy consumer spending.

In such circumstances, in the final year of the “2006 Medium-term Management Plan,” the GLORY Group strove to establish the GLORY brand in the market and further enhance corporate value to achieve its management vision of “GLORY as world’s top brand!”

Despite favorable overseas sales, net sales for the nine-month period decreased from the same period last year, when there was large-scale demand for postal privatization related equipment and cigarette vending machines with an adult identification function. In addition, there were also effects from suppressed business investments as a result of the deterioration of the market environment after we entered the third quarter, and the rise of the yen.

As a result, net sales for the nine-month period were ¥109,045 million (down 24.3% year-on-year). Out of this, sales of products and merchandise were ¥84,998 million (down 26.1% year-on-year), and sales from maintenance operations were ¥24,047 million (down 17.5% year-on-year). Meanwhile, overseas sales was ¥25,371 million (up 3.9% year-on-year). As for income, operating income was ¥8,940 million (down 56.1% year-on-year), ordinary income was ¥8,709 million (down 57.6% year-on-year), and net income for the nine-month period was ¥5,667 million (down 49.7% year-on-year).

### **Outline by Business Segment**

Net sales viewed on a business segment basis, were as follows.

#### **[Money handling machines and cash management systems]**

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

In the financial market, although there is still a strong need to tighten up and improve operational efficiency, sales of open teller systems and OEM banknote/coin depositing and dispensing units were dramatically down, compared with the same period of the previous year, when there were large-volume orders related to postal privatization. Restraint in purchasing due to the financial crises was also seen.

In the overseas market, sales of banknote depositing units for ATMs and sales of banknote sorting

machines have held steady. In addition, sales of banknote depositing and dispensing machines for overseas retailers also increased.

In the distribution market, sales of cash recyclers for cashiers, our primary product in this market, greatly increased in supermarkets and specialty stores such as drugstores and consumer-electronics mass retailers, etc. Meanwhile, sales of small-sized depositing machines for major supermarkets held steady.

As a result, net sales for this segment, including net sales for other markets, amounted to ¥64,343 million (down 18.5% year-on-year). Operating income was ¥5,369 million (down 58.6% year-on-year).

#### **[Vending machines and automatic service equipment]**

The primary markets for this segment are the “vending machine market” and the “amusement market,” as well as the financial market and the distribution market.

In the vending machine market, sales decreased drastically as the demand for cigarette vending machines with an adult identification function had withered by the first quarter, as purchases of cigarettes shifted from vending machines to counter sales at convenience stores, etc.

In the amusement market, although restrained capital investment in the industry continued, sales of pre-paid card systems for pachinko parlors held favorably.

As a result, net sales of this segment were ¥28,374 million (down 29.2% year-on-year). Operating income was ¥1,872 million (down 60.2% year-on-year).

#### **[Other goods and products]**

This segment includes products other than those in the above primary segments, as well as products, parts and accessories purchased from companies outside the GLORY group. Due to a decrease of security-related products and accessories, sales for this segment decreased compared to the same period of the previous year. As a result, net sales for this segment were ¥16,327 million (down 35.1% year-on-year). Operating income was ¥1,694 million (down 37.6% year-on-year).

The operating income amounts for each segment are before elimination of unrealized gains, etc. related to internal transfers of fixed assets.

Results of Geographical Segments are as follows:

Net sales in Japan were ¥89,617 million and operating income was ¥8,611 million. Net sales in the Americas were ¥3,961 million and operating income was ¥84 million. In Europe, net sales were ¥14,436 million and operating income was ¥176 million, and in Asia, net sales were ¥1,028 million and operating

income was ¥68 million.

The above amounts do not include consumption taxes.

## **2. Qualitative Information on the Consolidated Financial Position**

Total assets at the end of the third quarter was ¥200,432 million, a decrease of ¥8,804 million compared with the end of the previous consolidated fiscal year.

Liabilities were ¥52,877 million, a decrease of ¥4,624 million compared with the end of the previous consolidated fiscal year.

Net assets of the Group were ¥147,555 million, a decrease of ¥4,179 million compared with the end of the previous consolidated fiscal year.

Net cash used in operating activities was ¥3,690 million. Income before income taxes and minority interests of ¥8,705 million and depreciation expense of ¥5,506 million were offset by cash decreases for income taxes paid of ¥9,390 million. Net cash used in investing activities was ¥13,352 million, primarily due to the acquisition of shares of CREATION CARD CO. LTD. (¥4,215 million) resulting in a change of consolidation scope; transfers of receivables (¥1,820 million); and acquisition of property, plant and equipment (¥4,837 million). Property, plant and equipment acquired primarily consisted of molds and tools related to manufacturing of products. Net cash used in financing activities was ¥9,217 million, primarily due to acquisition of treasury stock of ¥5,756 million, and dividend payments of ¥2,897 million.

As a result of the above, the ending balance of cash and cash equivalents for the third quarter of the current fiscal year was ¥39,319 million, a decrease of ¥26,792 million compared with the end of the previous consolidated fiscal year.

## **3. Qualitative Information on the Consolidated Business Forecast**

Affected by the worldwide financial crisis, the economy has rapidly deteriorated and, in the Company's primary markets including the financial markets, there has been a reluctance to buy, further deepening restrained capital spending. In view of the yen's rapid rise, the Company reconsidered the assumed exchange rate as of the previous forecast, and revised downward the business forecast announced on October 29, 2008, as disclosed today in the "Notice Concerning Revision of Business Forecast for the Fiscal Year Ending March 2009."

#### 4. Other Information

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries involving a change in the scope of consolidation)

None

- (2) Adoption of simplified accounting methods and accounting methods specific to preparation of the quarterly consolidated financial statements.

(i) Simplified accounting methods

- 1) Calculation method for estimating bad debt of general receivables

Since the bad debt ratio at the end of this third quarter was recognized not to differ significantly from the percentage calculated at the end of the previous fiscal year, the estimated bad debt amount was calculated using the historical rate of bad debt at the end of the previous fiscal year.

- 2) Inventory evaluation method

A physical inventory count of inventories was omitted at the end of the current third quarter. Inventories were primarily calculated using a rational method based on the physical inventory count at the end of the previous fiscal year.

As for devaluation of inventory carrying values, net sales values were estimated and the carrying values were written down, only for inventories clearly having lower realizability.

- 3) Calculation method for deferred tax assets and deferred tax liabilities

For assessment of the recoverability of deferred tax assets, no significant changes in the business environment and the status of temporary differences, etc. were deemed to have occurred and accordingly, the projections of future performance and tax planning used at the end of the previous fiscal year were utilized.

(ii) Accounting methods specific to preparation of the quarterly consolidated financial statements

Tax expense is calculated by rationally estimating the effective tax rate after application of tax-effect accounting to net income before income taxes for the consolidated fiscal year including this cumulative third quarter, and then multiplying the cumulative net income through the third quarter by the estimated effective tax rate.

“Income taxes deferred” are included and presented in “income taxes.”

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

(i) Adoption of “Accounting Standards for Quarterly Financial Statements”

Beginning this fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Implementation Guidance for Accounting Standards for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Additionally, the current quarterly consolidated financial statements were prepared in accordance with the “Quarterly Consolidated Financial Statements Regulations.”

(ii) Adoption of “Accounting Standards for Measurement of Inventories”

Inventories for ordinary sales purposes were previously generally stated at cost, determined by the average method; however, as “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) has been applied since the three-month period ended June 30, 2008, inventories for ordinary sales were generally stated at cost based on the average method (carrying values are written down based on declines in realizability).

As a result of this change, operating income, ordinary income and net income before income taxes for the nine-month period ended December 31, 2008, each decreased by ¥490 million.

The impact on segment information is described in the relevant sections.

(iii) Adoption of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Beginning this first quarter, the Company adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force No. 18, May 17, 2006) and made the revisions required for consolidated accounting.

The impact of this change on operating income, ordinary income and net income before income taxes for the nine-month period ended December 31, 2008 was immaterial.

(iv) Adoption of “Accounting Standards for Lease Transactions” and related matters

(Lessee)

Previously, finance leases that do not transfer the ownership of the leased property to the lessee at the expiration of the lease were recorded as operating leases, however, since it became possible to adopt “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13 (June 17, 1993 (the First Subcommittee of Business Accounting Council), revised on March 30, 2007)) and “Financial

Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting Standards Committee), revised on March 30, 2007)) for quarterly consolidated financial statements pertaining to consolidated fiscal years starting on or after April 1, 2008, the Group adopted these new accounting standards from the three-month period ended June 30, 2008, and accounted for lease transactions as ordinary sales and purchase transactions. Moreover, lease assets pertaining to the abovementioned finance leases are depreciated using the straight-line method with the lease period regarded as the useful life and a residual value of zero.

Note that for finance leases that do not transfer the ownership of the leased property to the lessee at the expiration of the lease, with transaction commencement dates before the initial year of adoption of these standards, the Company has continued to use the previous method of operating lease accounting.

There was no impact from this change on operating income, ordinary income and net income before income taxes for the nine-month period ended December 31, 2008.

(Lessor)

Previously, finance leases that do not transfer the ownership of the leased property to the lessee at the expiration of the lease were booked as operating leases, however, since it became possible to adopt “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13 (June 17, 1993 (the First Subcommittee of Business Accounting Council), revised on March 30, 2007)) and “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting Standards Committee), revised on March 30, 2007)) for quarterly consolidated financial statements pertaining to consolidated fiscal years starting on or after April 1, 2008, the Group adopted these new accounting standards from the three-month period ended June 30, 2008, and accounted for lease transactions as ordinary sales and purchase transactions. Note that for finance leases that do not transfer the ownership of the leased property to the lessee at the expiration of the lease, with transaction commencement dates before the initial year of adoption of these standards, the Company has continued to use the previous method of operating lease accounting.

The impact of this change on operating income, ordinary income and net income before income taxes for the nine-month period ended December 31, 2008, compared with the hypothetical use of the previous method was immaterial.



(4) Additional information

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

The useful lives of machinery of the Company and its domestic consolidated subsidiaries were previously determined to be 4 to 12 years, however, beginning in the three-month period ended September 30, 2008, this was changed to 7 to 10 years, as a result of reviews of asset use status, etc., based on revisions of the Corporation Tax Law in FY2008.

As a result of this change, operating income, ordinary income and net income before income taxes for the nine-month period ended December 31, 2008, each decreased by ¥128 million.

The impact on segment information is described in the relevant sections.

## 5. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Current Third Quarter (As of December 31, 2008)	Prior Fiscal Year (As of March 31, 2008) (Condensed)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and savings	36,081	45,163
Notes and accounts receivable-trade	35,716	32,787
Marketable securities	11,338	22,835
Merchandise and finished goods	15,841	12,522
Work in process	6,700	5,937
Raw materials and supplies	5,368	4,798
Other	11,071	7,002
Allowance for doubtful accounts	(147)	(171)
<b>Total current assets</b>	<b>121,969</b>	<b>130,875</b>
<b>FIXED ASSETS:</b>		
<b>PROPERTY, PLANT AND EQUIPMENT:</b>		
Net property, plant and equipment	37,113	35,182
<b>INTANGIBLE ASSETS:</b>		
Goodwill	5,406	1,030
Other	3,777	3,249
<b>Total intangible assets</b>	<b>9,183</b>	<b>4,279</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Investment securities	20,951	22,668
Other	13,753	18,857
Allowance for doubtful accounts	(2,538)	(2,626)
<b>Total investment and other assets</b>	<b>32,166</b>	<b>38,899</b>
<b>TOTAL FIXED ASSETS</b>	<b>78,463</b>	<b>78,361</b>
<b>TOTAL ASSETS</b>	<b>200,432</b>	<b>209,236</b>

	(Millions of yen)	
	Current Third Quarter (As of December 31, 2008)	Prior Fiscal Year (As of March 31, 2008) (Condensed)
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Notes and accounts payable-trade	18,405	14,638
Short-term debt	12,081	12,387
Income taxes payable	226	5,756
Reserve for employee bonuses	1,941	5,458
Other	13,250	14,933
<b>Total current liabilities</b>	<b>45,905</b>	<b>53,173</b>
<b>LONG-TERM LIABILITIES:</b>		
Liability for retirement benefits	3,099	2,931
Other long-term liabilities	3,872	1,397
<b>Total long-term liabilities</b>	<b>6,971</b>	<b>4,328</b>
<b>TOTAL LIABILITIES</b>	<b>52,877</b>	<b>57,502</b>
<b>EQUITY:</b>		
<b>Shareholders' equity:</b>		
Common stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	122,676	119,937
Treasury stock	(8,668)	(2,912)
<b>Total shareholders' equity</b>	<b>147,530</b>	<b>150,548</b>
<b>VALUATION AND TRANSLATION ADJUSTMENTS :</b>		
Unrealized gain on available-for-sale securities	306	734
Foreign currency translation adjustments	(282)	31
<b>Total valuation and translation adjustments</b>	<b>24</b>	<b>766</b>
Minority interests	-	419
<b>TOTAL EQUITY</b>	<b>147,555</b>	<b>151,734</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>200,432</b>	<b>209,236</b>

## (2) Quarterly Consolidated Statements of Income

Nine Months Ended December 31, 2008 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Nine Months Ended December 31, 2008 (from April 1, 2008 to December 31, 2008)
<b>NET SALES</b>	109,045
<b>COST OF SALES</b>	68,391
<b>Gross profit</b>	40,653
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	31,713
<b>Operating income</b>	8,940
<b>NON-OPERATING INCOME:</b>	
Interest income	383
Dividend income	267
Other	445
Non-operating income-net	1,096
<b>NON-OPERATING EXPENSES:</b>	
Interest expense	223
Foreign exchange loss	990
Other	103
Non-operating expenses-net	1,327
<b>Ordinary income</b>	8,709
<b>SPECIAL GAINS:</b>	
Reversal of allowance for doubtful receivables	49
Surrender value of terminated insurance policy	365
Other	61
<b>Total special gains</b>	476
<b>SPECIAL LOSSES:</b>	
Loss on disposal of property, plant and equipment	189
Loss on valuation of investment securities	215
Other	74
<b>Total special losses</b>	479
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	8,705
INCOME TAXES	2,998
MINORITY INTERESTS	40
<b>NET INCOME</b>	5,667

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

Nine Months Ended December 31, 2008  
(from April 1, 2008 to December 31, 2008)

<b>OPERATING ACTIVITIES:</b>	
Income before income taxes and minority interests	8,705
Depreciation and amortization	5,506
Interest and dividend income	(650)
Interest expense	223
Increase (decrease) in reserve for employee bonuses	(3,514)
Decrease (increase) in trade receivables	(3,065)
Decrease (increase) in inventories	(3,741)
Increase (decrease) in trade payables	3,994
Other	(2,196)
Subtotal	5,271
Interest and dividend income received	662
Interest expense paid	(233)
Income taxes paid	(9,390)
<b>Net cash used in operating activities</b>	<b>(3,690)</b>
<b>INVESTING ACTIVITIES:</b>	
Disbursements for purchases of property, plant and equipment	(4,837)
Disbursements for purchases of intangible assets	(1,267)
Disbursements for purchases of investment securities	(756)
Disbursements for purchase of stock of a subsidiary involving a change in consolidation scope	(4,215)
Disbursements for purchase of stock of a subsidiary	(613)
Disbursement for assigned receivables	(1,820)
Other	158
<b>Net cash used in investing activities</b>	<b>(13,352)</b>
<b>FINANCING ACTIVITIES:</b>	
Increase (decrease) in short-term bank loans-net	(31)
Disbursements for repayments of long-term debt	(531)
Disbursements for purchases of treasury stock	(5,756)
Dividends paid	(2,897)
<b>Net cash used in financing activities</b>	<b>(9,217)</b>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS FOR CASH AND CASH EQUIVALENTS</b>	<b>(532)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(26,792)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>66,111</b>
<b>CASH AND CASH EQUIVALENTS, END OF THIRD QUARTER</b>	<b>39,319</b>

Beginning this fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Implementation Guidance for Accounting Standards for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Additionally, the current quarterly consolidated financial statements were prepared in accordance with the “Quarterly Consolidated Financial Statements Regulations.”

## (4) Notes relating to assumption as a going concern

Not applicable

## (5) Segment information

[Business Segment information]

Nine months ended December 31, 2008 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to customers	64,343	28,374	16,327	109,045	-	109,045
(2) Intersegment sales or transfers	-	-	4,340	4,340	(4,340)	-
Total	64,343	28,374	20,668	113,386	(4,340)	109,045
Operating income	5,369	1,872	1,694	8,936	4	8,940

Notes: 1. Business segments are classified by the functional nature of the goods and products.

2. Primary goods and products for the respective business segments are as follows.

Money handling machines and cash management systems:

Coin counting machines, coin wrapping machines, banknote counting machines, banknote sorting machines, cash adjustment machines, coin depositing and dispensing machines, banknote depositing and dispensing machines, and maintenance services for the relevant products

Vending machines and automatic service equipment:

Cigarette vending machines, ticket vending machines, prepaid card vending machines, coin exchange machines, banknote exchange machines, coin-operated lockers and maintenance services for the relevant products

Other goods and products:

Other goods and products, parts and accessories

### 3. Changes in Accounting Policies

(Accounting Standards for Measurement of Inventories)

As stated in 4. Other Information (3) (ii) of [Qualitative Information and Financial Statements, etc.], “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) were applied from the three-month period ended June 30, 2008. As a result of the change, operating income decreased by ¥343 million for “money handling machines and cash management systems,” by ¥103 million for “vending machines and automatic service equipment,” and by ¥43 million for “other goods and products,” respectively.

### 4. Additional information

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

The useful lives of machinery of the Company and its domestic consolidated subsidiaries were previously determined to be 4 to 12 years, however, beginning in the three-month period ended June 30, 2008, this was changed to 7 to 10 years, as a result of reviews of asset use status, etc., based on revisions of the Corporation Tax Law in FY2008.

As a result of this change, operating income decreased by ¥53 million for “money handling machines and cash management systems,” by ¥74 million for “vending machines and automatic service equipment,” and by ¥0 million for “other goods and products,” respectively.

## [Geographic Segment information]

Nine months ended December 31, 2008 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania	Total	Eliminations / Corporate	Consolidated
Net sales							
(1) Sales to customers	89,617	3,961	14,436	1,028	109,045	-	109,045
(2) Intersegment sales or transfers	16,127	0	2	471	16,602	(16,602)	-
Total	105,745	3,962	14,439	1,500	125,647	(16,602)	109,045
Operating income	8,611	84	176	68	8,940	-	8,940

Notes: 1. Countries and regions are classified by geographic proximity.

2. Major countries and regions affiliated with the respective segments

Americas: United States, Canada, Central and South American countries

Europe: European countries, Middle-eastern and African countries

Asia/Oceania: East Asian and Southeast Asian countries, Oceania countries

## [Overseas sales]

Nine months ended December 31, 2008 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Americas	Europe	Asia/Oceania	Total
Overseas sales	6,752	16,161	2,457	25,371
Consolidated net sales				109,045
Overseas sales as a percentage of consolidated net sales (*)	6.2	14.8	2.3	23.3

Notes: 1. Countries and regions are classified by geographic proximity.

2. Major countries and regions affiliated with the respective segments

Americas: United States, Canada, Central and South American countries

Europe: European countries, Middle-eastern and African countries

Asia/Oceania: East Asian and Southeast Asian countries, Oceania countries

3. "Overseas sales" indicates net sales by the Company and its consolidated subsidiaries in



countries or regions other than Japan.

(6) Note for significant change in the amount of shareholders' equity

The Company acquired treasury stock of 3,400,000 shares upon resolution of the Board of Directors from September to December of this year. As a result, during the nine-month period ended December 31, 2008, treasury stock increased by ¥5,756 million, resulting in treasury stock of ¥8,668 million as of the end of the third quarter period.

[Reference]

(1) Prior Year Third Quarter Consolidated Statements of Income (Condensed)

(Millions of yen)

Item	Nine Months Ended December 31, 2007 (from April 1, 2007 to December 31, 2007)
	Amounts
<b>NET SALES</b>	144,109
<b>COST OF SALES</b>	90,575
Gross profit	53,534
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	33,145
Operating income	20,388
<b>NON-OPERATING INCOME</b>	1,255
Interest income	350
Dividend income	171
Foreign exchange gains	154
Other	579
<b>NON-OPERATING EXPENSES</b>	1,090
Interest expense	209
Loss on inventory write-offs	834
Other	47
Ordinary income	20,552
<b>SPECIAL GAINS</b>	42
<b>SPECIAL LOSSES</b>	1,022
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	19,572
<b>INCOME TAXES</b>	8,222
<b>MINORITY INTERESTS</b>	93
<b>NET INCOME</b>	11,256

## (2) Prior Year Third Quarter Consolidated Statements of Cash Flows (condensed)

(Millions of yen)

	Nine Months Ended December 31, 2007 (from April 1, 2007 to December 31, 2007)
Category	Amounts
<b>OPERATING ACTIVITIES</b>	
Income before income taxes and minority interests	19,572
Depreciation and amortization	4,839
Interest and dividend income received	(521)
Interest expense paid	209
Increase (decrease) in liability for retirement benefits	(5,744)
Increase (decrease) in reserve for employee bonuses	(1,966)
Decrease (increase) in trade receivables	(754)
Decrease (increase) in inventories	2,551
Increase (decrease) in trade payables	(317)
Other	1,014
Subtotal	18,882
Interest and dividend income received	512
Interest expense paid	(209)
Income taxes refunded (paid)	(6,329)
<b>Net cash provided by operating activities</b>	<b>12,855</b>
<b>INVESTING ACTIVITIES</b>	
Decrease (increase) in time deposits	42
Disbursements for purchases of property, plant and equipment	(2,641)
Proceeds from sales of property, plant and equipment	22
Disbursements for purchases of intangible fixed assets	(601)
Disbursements for purchases of investment securities	(387)
Other	201
<b>Net cash used in investment activities</b>	<b>(3,364)</b>
<b>FINANCING ACTIVITIES</b>	
Increase (decrease) in borrowings	(63)
Dividends paid	(2,371)
Disbursements for purchases of treasury stock	(3,998)
<b>Net cash used in financing activities</b>	<b>(6,434)</b>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS FOR CASH AND CASH EQUIVALENTS</b>	<b>(18)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,038</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>59,435</b>
<b>CASH AND CASH EQUIVALENTS, END OF THIRD QUARTER</b>	<b>62,473</b>

## (3) Segment Information

[Business segment information]

Prior year third quarter ended December 31, 2007 (from April 1, 2007 to December 31, 2007)

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total	Eliminations / Corporate	Consolidated
Net sales						
(1) Sales to customers	78,902	40,052	25,155	144,109	-	144,109
(2) Intersegment sales or transfers	-	-	7,342	7,342	(7,342)	-
Total	78,902	40,052	32,497	151,451	(7,342)	144,109
Operating income	12,979	4,700	2,716	20,396	(8)	20,388

This is a translation of the original Japanese text of the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2009.” Should there be any discrepancy between any part of this translation and original Japanese text, the latter shall prevail.