

# Consolidated financial results

for the second quarter of fiscal year ending March 31, 2010

**1 Performance overview**

**2 Details of performance**

**3 Market trends**

**4 Financial forecast for FY2009**

**5 Other information**

We Secure the Future

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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

Were down compared to the same period last year despite favorable sales of equipment to the amusement market, due to the sluggish sales in financial, retail and overseas markets.

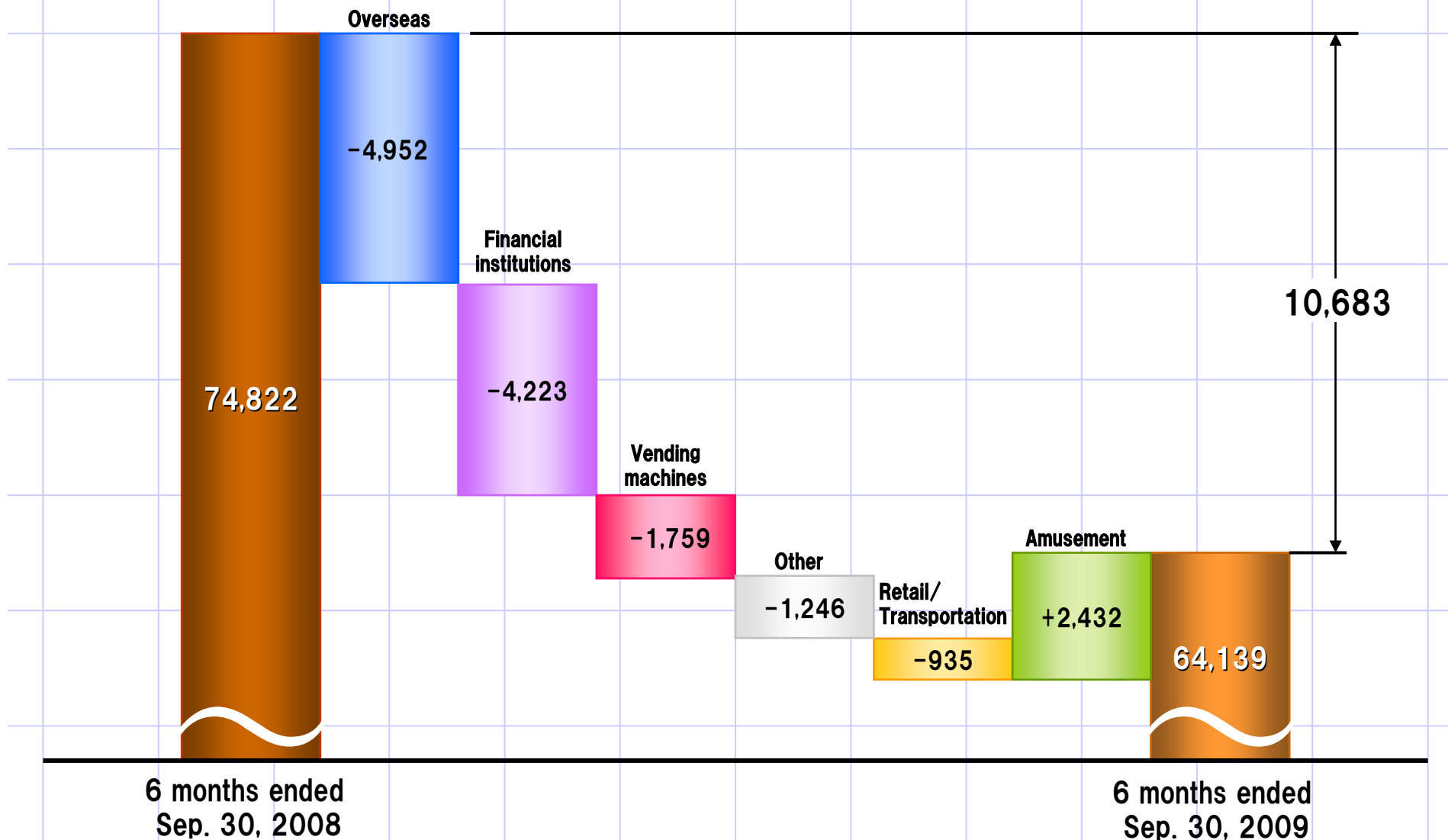
## Income

Was down compared to the same prior year period despite our cost cutting efforts and restrained equipment expenditures.

(Millions of yen)	6 months ended Sep. 30, 2008	6 months ended Sep. 30, 2009	Year-on-year comparison	Forecast for 6 months ended Sep. 30, 2009 (announced on May 14, 2009)
<b>Net sales</b>	74,822	64,139	- 14.3%	65,000
<div style="border: 1px dashed red; padding: 2px;">Sales from maintenance operation</div>	16,373 (21.9%)	15,644 (24.4%)	- 4.5%	16,000 (24.6%)
<b>Operating income</b>	6,848 (9.2%)	2,643 (4.1%)	- 61.4%	2,000 (3.1%)
<b>Ordinary income</b>	7,246 (9.7%)	3,767 (5.9%)	- 48.0%	2,000 (3.1%)
<b>Net income</b>	4,661 (6.2%)	2,223 (3.5%)	- 52.3%	1,500 (2.3%)

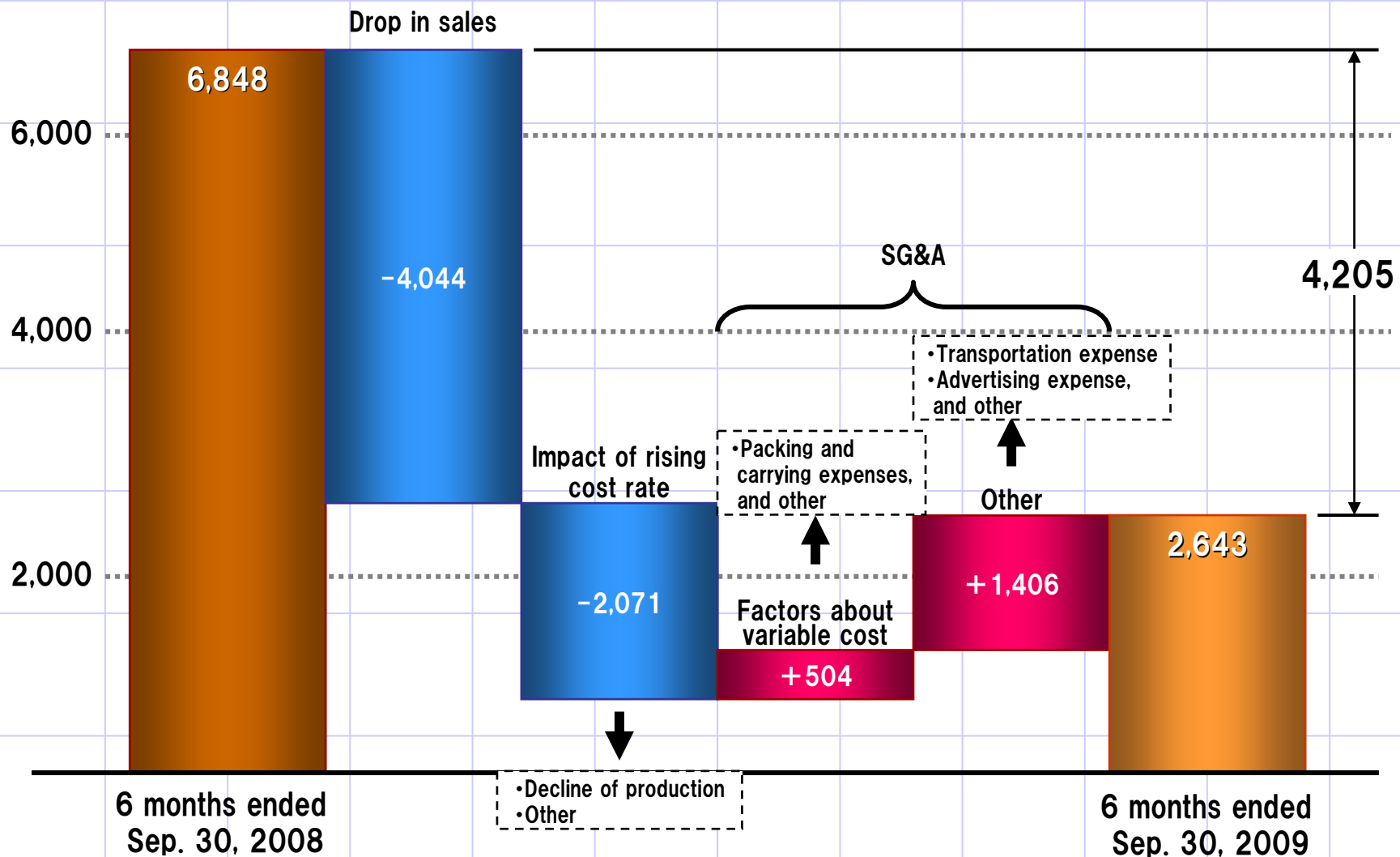
# Changing factor of net sales by market

(Millions of yen)



# Changing factor of operating income

(Millions of yen)



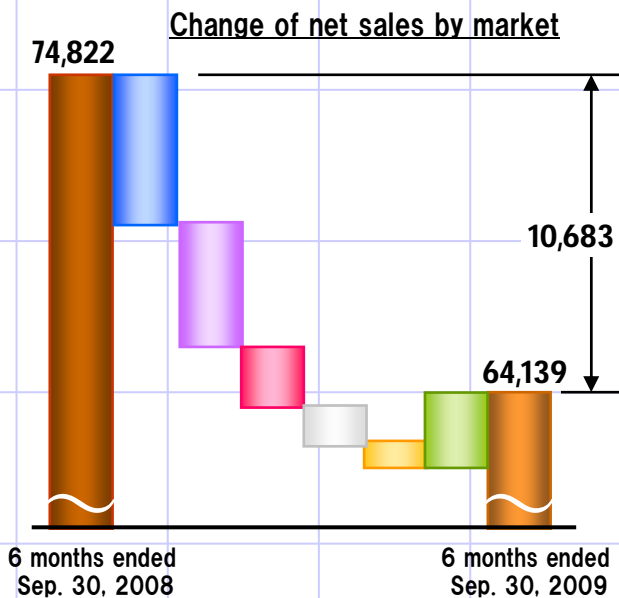
Changing factor

# Net sales by market/by segment



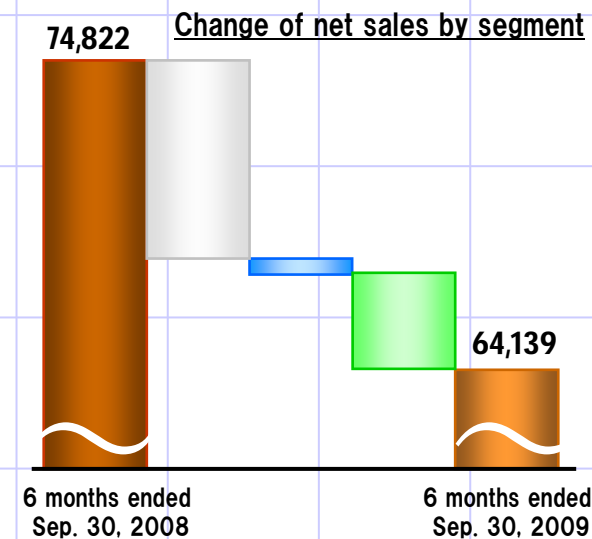
(Millions of yen)

By market	6 months ended Sep. 30, 2008	6 months ended Sep. 30, 2009	Year-on-year comparison
Financial institution	23,685	19,462	- 4,243 (- 17.9%)
Overseas	18,014	13,062	- 4,952 (- 27.5%)
Retail/Transportation	13,698	12,763	- 935 (- 6.8%)
Vending machines	4,951	3,192	- 1,759 (- 35.5%)
Amusement	11,387	13,819	+2,432 (+ 21.4%)
Other	3,087	1,841	- 1,246 (- 40.4%)



(Millions of yen)

By segment	6 months ended Sep. 30, 2008	6 months ended Sep. 30, 2009	Year-on-year comparison
Money handling machines & Cash management systems	44,997	37,665	- 7,332 (- 16.3%)
Vending machines & Automatic service equipment	18,284	17,599	- 685 (- 3.7%)
Other goods and products	11,540	8,875	- 2,665 (- 23.1%)



## ● Sales of our main products decreased

Although there is still a strong need to tighten up and improve operational efficiency, sales of open teller systems and banknote/coin depositing and dispensing units were sluggish, compared with the same prior year period, due to restrained business investments as a result of the financial crisis, and other reasons.

### Our main products influenced business results

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



Open teller systems  
WAVE series



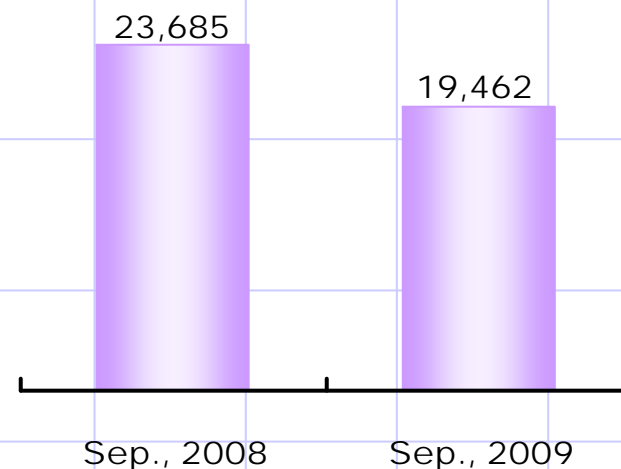
Banknote/coin depositing and  
dispensing units

(Millions of yen)

<b>Net sales</b>	19,462	
<b>Year-on-year comparison</b>	- 17.9%	Sales in this market (6 months ended Sep. 30, 2009) 23,685
<b>Net sales ratio to total sales</b>	30.3%	Sales total of all markets (6 months ended Sep. 30, 2009) 64,139
<b>Quarterly sales</b>	1Q	2Q
	7,958	11,504

### Net sales

(Millions of yen)



## ● Demand for OEM products decreased

The trend toward restrained business investment increased, and sales of OEM product banknote depositing units for ATMs, banknote depositing and dispensing machines and banknote sorting machines decreased significantly.

### 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



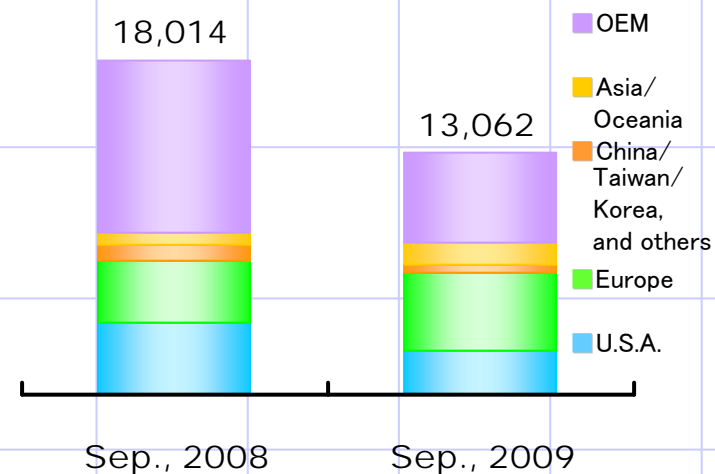
Banknote depositing and dispensing machines RBU series

(Millions of yen)

<b>Net sales</b>	13,062	
<b>Year-on-year comparison</b>	- 27.5%	Sales in this market (6 months ended Sep. 30, 2009)
		18,014
<b>Net sales ratio to total sales</b>	20.4%	Sales total of all markets (6 months ended Sep. 30, 2009)
		64,139
<b>Quarterly sales</b>	1Q	2Q
	6,376	6,686

### Net sales

(Millions of yen)



**● Sale of our main products were sluggish**

Sales of cash recyclers for cashiers and small-sized sales deposit machines, our main products in this market, were sluggish due to restrained new store openings from the impact of deteriorating corporate performance in the retail industry sector overall, as a result of sluggish consumer spending.

**Our main products influenced business results**

- ↓ Cash recyclers for cashiers “RT/RAD series”
- ↓ Sales proceeds deposit machines “DS series” “DSS series”



Cash recyclers for cashiers  
RT-RAD series



Sales proceeds  
deposit machines  
DS series



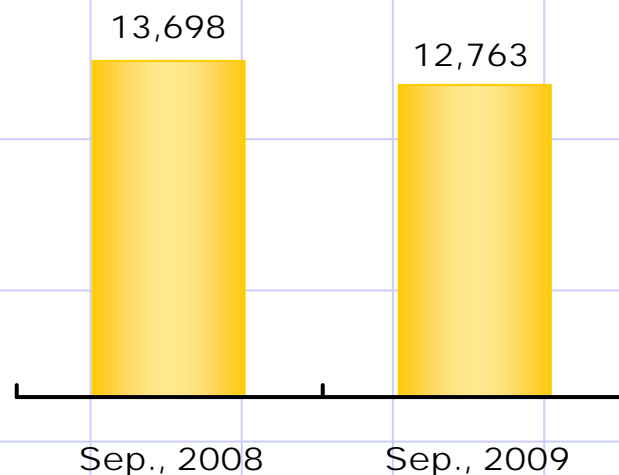
Sales proceeds  
deposit machines  
DSS series

(Millions of yen)

<b>Net sales</b>	12,763	
<b>Year-on-year comparison</b>	- 6.8%	Sales in this market (6 months ended Sep. 30, 2009) 13,698
<b>Net sales ratio to total sales</b>	19.9%	Sales total of all markets (6 months ended Sep. 30, 2009) 64,139
<b>Quarterly sales</b>	1Q	2Q
	5,680	7,083

**Net sales**

(Millions of yen)





# Vending machine market



## ● Demand for cigarette vending machines declined dramatically

Demand for cigarette vending machines with an adult identification function subsided in the prior year first quarter as cigarette purchases shifted from vending machines to store counter sales, and demand for cigarette vending machines declined dramatically.

### Our main products influenced business results

↓ Cigarette vending machines



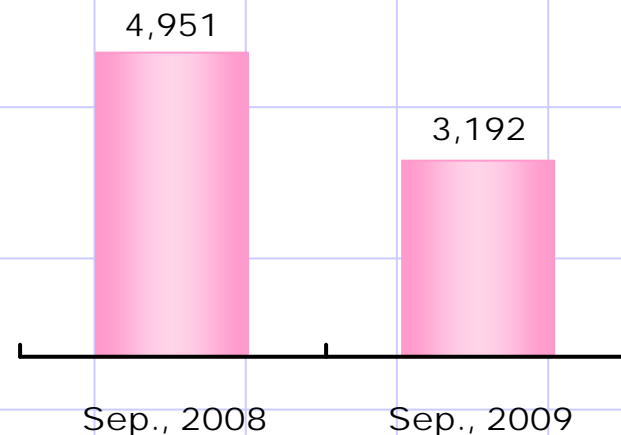
Cigarette Vending machines TNR series

(Millions of yen)

<b>Net sales</b>	3,192	
<b>Year-on-year comparison</b>	- 35.5%	Sales in this market (6 months ended Sep. 30, 2009) 4,951
<b>Net sales ratio to total sales</b>	5.0%	Sales total of all markets (6 months ended Sep. 30, 2009) 64,139
<b>Quarterly sales</b>	1Q	2Q
	1,709	1,483

### Net sales

(Millions of yen)



## ● Sales of pre-paid card systems for pachinko parlors held favorably

The amusement market showed signs of activity as a result of the introduction of popular amusement machines and the spreading of lower-cost ball operations, which keeps play fees in pachinko parlors lower than with the ordinary type. As a result, sales of pre-paid card systems were favorable. The acquisition of CREATION CARD CO., LTD. in August 2008, also contributed to improved results in the amusement market.

### Our main products influenced business results

- ↑ IC card systems
  - NASCA G8
  - CREATION CARD NEO

#### “NASCA G8 / CREATION CARD NEO”



Pre-paid card issuing machine accepting debit-cards JCH-20



Pre-paid card system unit for pachinko parlors JCP-30



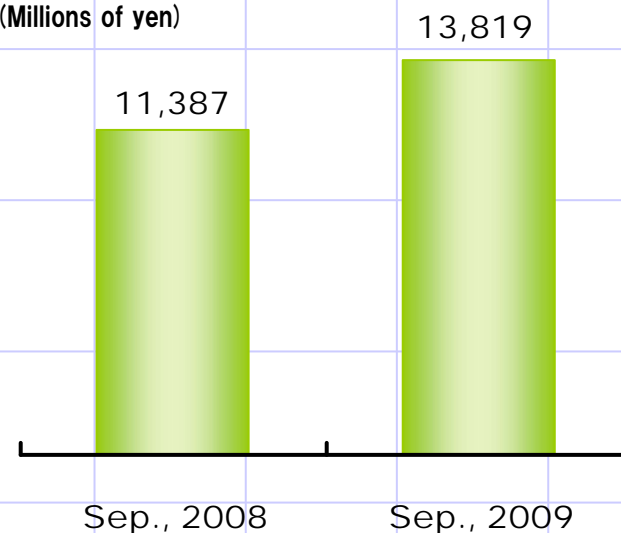
Pachinko-ball counting machines JCT series

(Millions of yen)

<b>Net sales</b>	13,819	
<b>Year-on-year comparison</b>	+21.4%	Sales in this market (6 months ended Sep. 30, 2009) 11,387
<b>Net sales ratio to total sales</b>	21.5%	Sales total of all markets (6 months ended Sep. 30, 2009) 64,139
<b>Quarterly sales</b>	1Q	2Q
	6,448	7,371

### Net sales

(Millions of yen)



## ● Restrained business investment is continuing in various markets

As the election for the House of Representatives got underway, sales of election-related products remained favorable.

Sales of medical payment kiosk for hospitals and RFID self-checkout system for cafeteria were sluggish.

### Our main products influenced business results

- ↑ Ballot paper sorters "GTS series"
- ↓ Medical payment kiosk "FK series"
- ↓ RFID self-checkout system for cafeteria "PSA series"



Ballot paper sorters  
GTS-series



Medical payment kiosk  
FK series



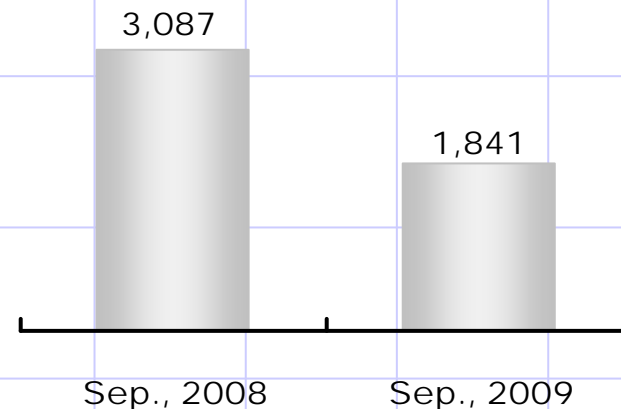
RFID self-checkout system for cafeteria  
PSA series

(Millions of yen)

<b>Net sales</b>	1,841	
<b>Year-on-year comparison</b>	- 40.4%	Sales in this market (6 months ended Sep. 30, 2009)
		3,087
<b>Net sales ratio to total sales</b>	2.9%	Sales total of all markets (6 months ended Sep. 30, 2009)
		64,139
<b>Quarterly sales</b>	1Q	2Q
	799	1,042

### Net sales

(Millions of yen)



# Sales from maintenance operations



● **Sales in remodeling operation for an adult identification function decreased**

Sales from maintenance operation in financial and retail market were favorable as the expansion of stores installed new products.

All sales from maintenance operation were down compared to the same period last year as remodeling operation for an adult identification function had been completed.

**Our main products influenced business results**

↓ Remodeling operation of cigarette vending machines



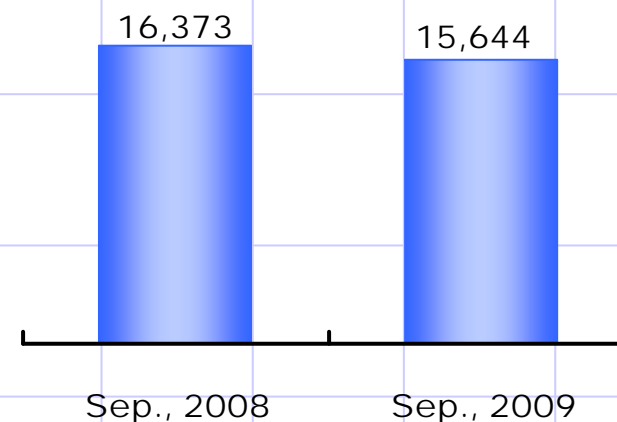
Maintenance call center in Tokyo

(Millions of yen)

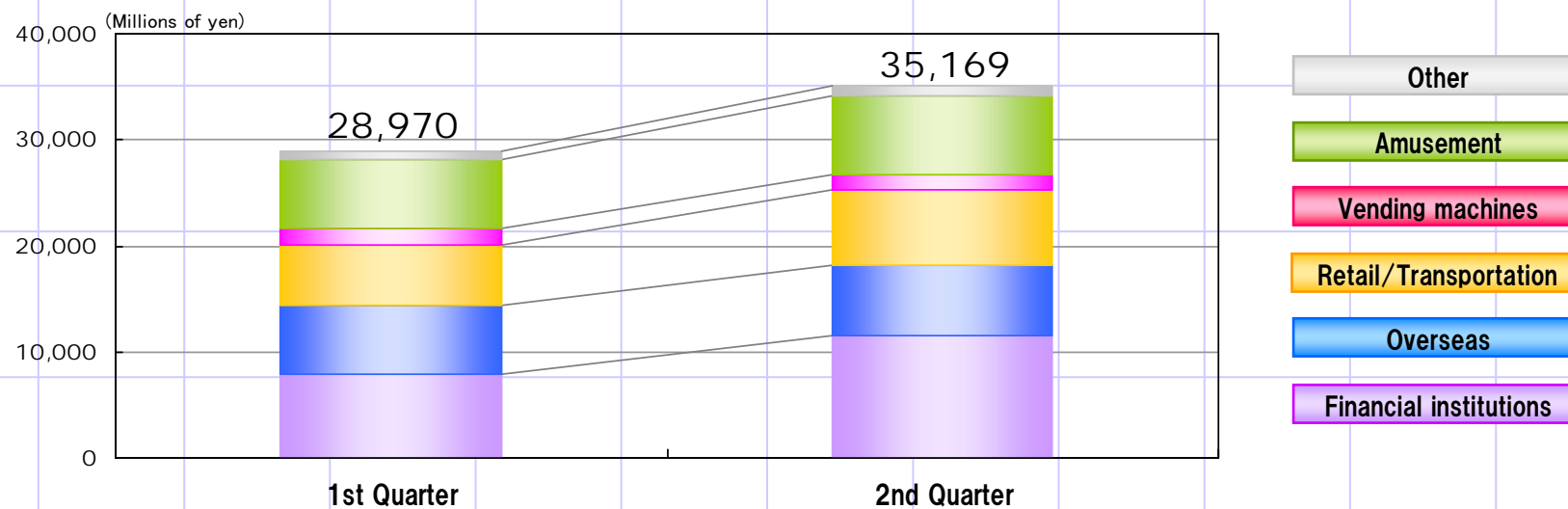
<b>Net sales</b>	15,644	
<b>Year-on-year comparison</b>	- 4.5%	Sales in this market (6 months ended Sep. 30, 2009) 16,373
<b>Net sales ratio to total sales</b>	24.4%	Sales total of all markets (6 months ended Sep. 30, 2009) 64,139
<b>Quarterly sales</b>	1Q	2Q
	7,857	7,787

**Net sales**

(Millions of yen)



# Quarterly sales by market



FY2009	1st Quarter (results)	2nd Quarter (results)	6 months ended Sep. 30, 2009		
			Results	Plan	Variation
Financial institutions [Domestic]	7,958	11,503	19,462	19,300	+ 162
[Overseas]	6,376	6,687	13,062	14,500	- 1,438
Financial institutions [Total]	14,334	18,190	32,524	33,800	- 1,276
Retail/Transportations	5,680	7,083	12,763	13,000	- 237
Vending machines	1,709	1,483	3,192	3,200	- 8
Amusement	6,448	7,371	13,819	13,200	+ 619
Other	799	1,042	1,841	1,800	+ 41
<b>Total</b>	<b>28,970</b>	<b>35,169</b>	<b>64,139</b>	<b>65,000</b>	<b>- 861</b>

# Analysis of statements of income

(Millions of yen)

	6 months ended Sep. 30, 2008	Ratio (%)	6 months ended Sep. 30, 2009	Ratio (%)	Rate of change
<b>Net sales</b>	74,822	100.0	64,139	100.0	- 10,683
<b>Cost of sales</b>	46,470	62.1	41,902	65.3	- 4,569
<b>SG&amp;A</b>	21,504	28.7	19,594	30.5	- 1,910 ①
<b>Operating income</b>	6,848	9.2	2,643	4.1	- 4,205
<b>Non-operating income</b>	829	1.1	1,304	2.0	475 ②
<b>Non-operating expense</b>	431	0.6	180	0.2	- 251
<b>Ordinary income</b>	7,246	9.7	3,767	5.9	- 3,479
<b>Extraordinary income</b>	43	0.1	416	0.6	373
<b>Extraordinary loss</b>	351	0.5	529	0.8	178 ③
<b>Income before income taxes and minority interests</b>	6,938	3.0	3,653	5.7	- 3,285
<b>Income taxes—deferred</b>	2,276	3.0	1,430	2.2	- 846
<b>Net income</b>	4,661	6.2	2,223	3.5	- 2,438

① SG&A: Decreased as a result of cost cutting efforts

SG&A ratio: Increased due to decline in sales

② Non-operating income: ◇ Insurance return (486 million yen) ◇ Dividend income (194 million yen)

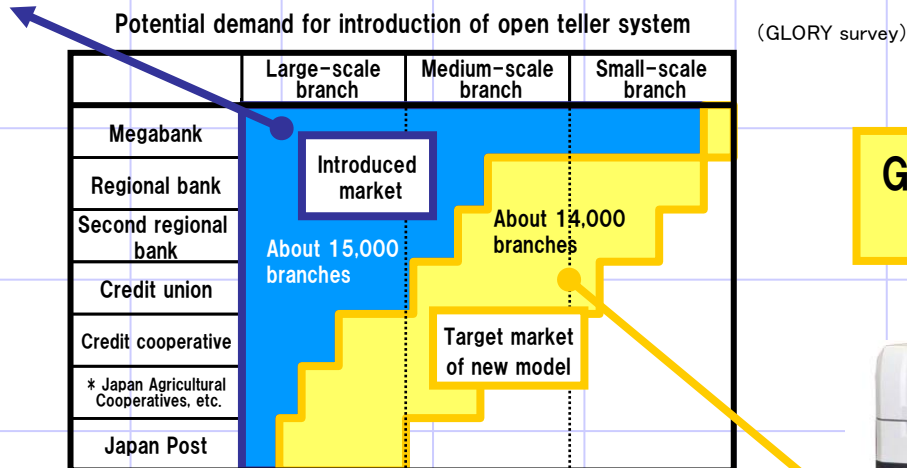
③ Extraordinary loss: ◇ Loss on valuation of investment securities (153 million yen)

◇ Loss on retirement of noncurrent assets (160 million yen)

## ● Strengthening of open teller system market



WAVE 730 series



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

Get in new lineup to "WAVE series"



WAVE C30 series

■ Downsized

◇ Installation space ⇒ Downsized by half (least in the industry)

【C30】 990 (W) mm × 1,320 (H) mm × 720 (L) mm

【Standard (730)】 1,700 (W) mm × 1,200 (H) mm × 820 (L) mm

■ Cash-recycling

Coin and banknote can be recycled just like the standard model

## ● Enhancement of overseas operating organization

### ■ Promotion of project for overseas system products

- Promoting the project for North American major bank
- Promoting the project for European retail market is
- Private exhibition was hold in major cities in China (In the first half of FY2009)

### ■ Reinforcing and expanding sales channels

Seeking for new dealers [8 countries/16 dealers]  
(In the first half of FY2009)

## ● Strategy of new products for overseas

### ■ New products release

Small-sized banknote value counting machines  
"GFS-100 series"  
(Released in July, 2009)

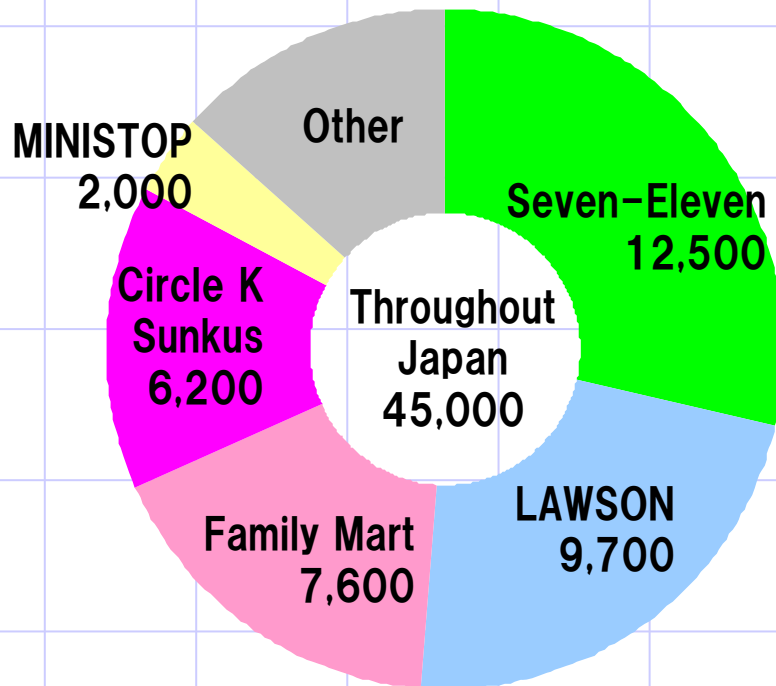




## ● Promoting sales of cash recycler to the non-introduced market

### ■ Convenience stores

※ Convenience stores select business fields for investments carefully as severe business environment although strong needs for cash recyclers.



Potential [Number of stores]  
(As of November 1, 2009 : GLORY survey)

### 【For your reference】

#### Survey of the installation of POS system (JAN) in FY2008

(From the website of the Distribution Systems Research Institute)

- Number of newly-installed stores : Decreased
- Number of newly-installed POS systems : Decreased
- Cycle of replacement of POS systems : Extended

- Number of installed POS systems : 107,838  
(Year-on-year : -16,641)
- > Number of newly-installed POS systems : 19,000  
(Year-on-year : -24,000)
- > Number of replacement of POS systems : 88,838  
(Year-on-year : +7,359)

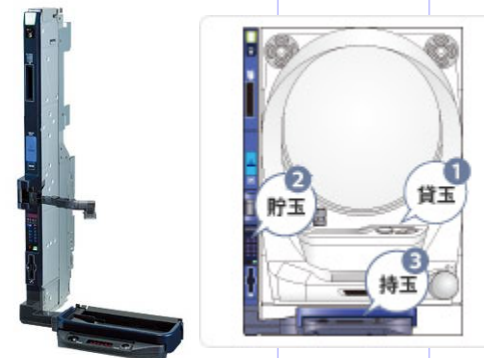
Total : 1,115,000 (Year-on-year : +19,000)

- Increasing business categories to be installed  
Cosmetic stores, auto supply stores,  
home center/DIY/garden center, and others

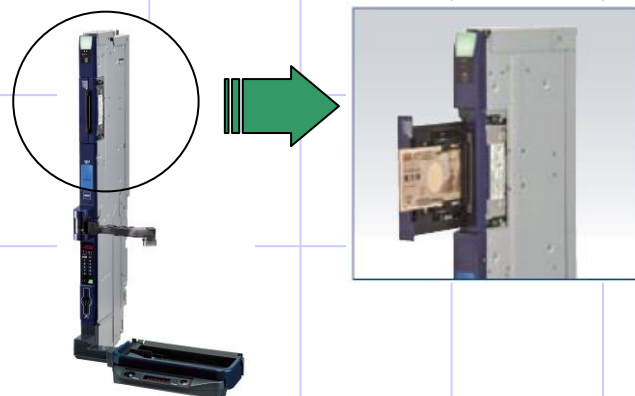
## Promoting expansion of market shares of card systems

### New products release

- ”NASCA G8 PAPIMO” Pachinko-ball counting machines
  - ”CREATION CARD NEO”
- (Released in July, 2009)



- Card system units (Banknote-stocking type)
- (Released in October, 2009)



The product was released for pachinko parlors which don't have much space enough to install banknote carrier system.

\*Such as...

- Parlors located in front of the station in an urban area

Number of pachinko parlors introduced card systems and market share

Company name	Pachinko parlors	Market share	
NIPPON CARD GAME	4,306	42%	
NASCA	1,258	12%	23%
CREATION	1,129	11%	
MARS	1,995	20%	
JOYCO	1,174	12%	
SETA	341	3%	
Total	10,203	100%	

(As of end of Aug. 2009)

# Financial forecast for FY2009

## Sales

Will decrease from the same period last year with continuing restrained business investment due to economic sluggishness.

## Income

Will be down compared to the same prior year period despite our cost cutting efforts and restrained equipment expenditures.

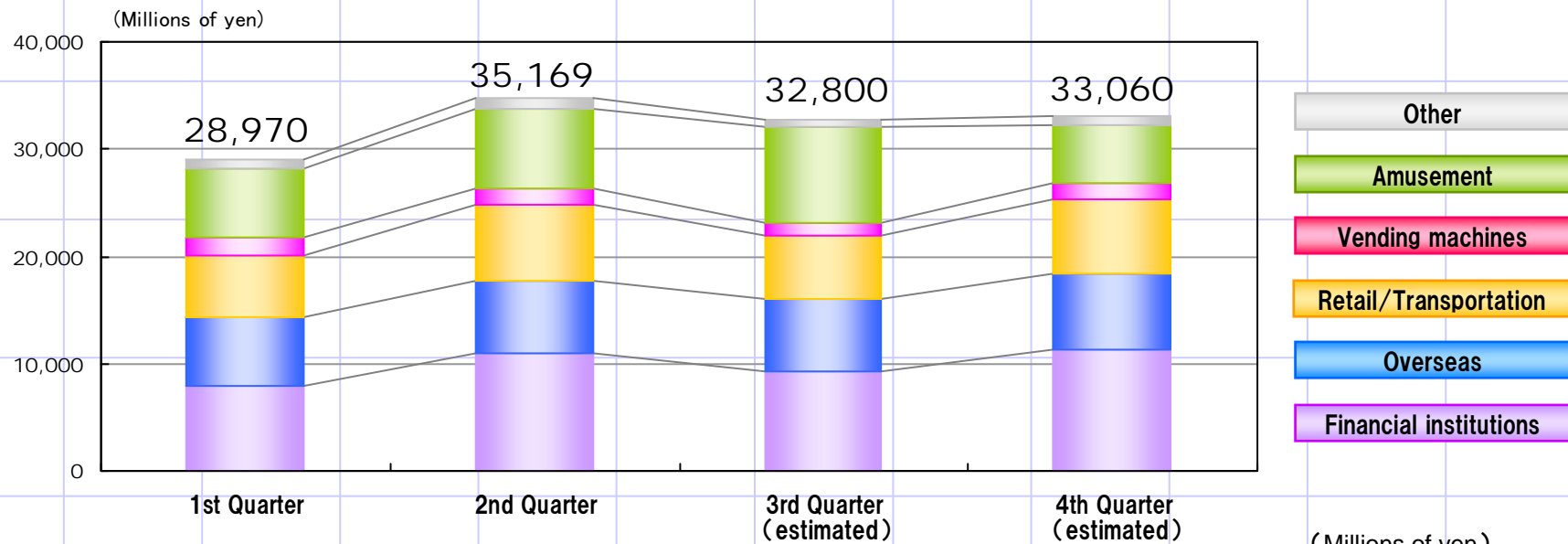
(Millions of yen)	Year ended March 31, 2009	Year ending March 31, 2010	Year-on-year comparison	Forecast for Year ending March 31, 2010 (announced on May 14, 2009)
<b>Net sales</b>	145,978	130,000	- 10.9%	140,000
<div style="border: 1px dashed red; padding: 2px;">Sales from maintenance operation</div>	31,861 (21.9%)	31,500 (24.2%)	- 1.1%	32,000 (22.9%)
<b>Operating income</b>	9,426 (9.2%)	6,000 (4.6%)	- 36.3%	7,500 (5.4%)
<b>Ordinary income</b>	9,306 (9.7%)	7,500 (5.8%)	- 19.4%	7,500 (5.4%)
<b>Net income</b>	5,782 (6.2%)	4,500 (3.5%)	- 22.2%	4,500 (3.2%)

# Projected sales by market

(Millions of yen)	Year ended March 31, 2009		Year ending March 31, 2010		
	Net sales	Sales composition ratio	Net sales	Comparison with forecast announced on Aug. 7, 2009	Year-on-year comparison
Financial institutions	45,829	31.4%	42,200 → 40,000	- 5.2%	- 12.7%
Overseas	32,784	22.5%	32,500 → 27,000	- 16.9%	- 17.6%
Retail/Transportation	28,191	19.3%	27,000 → 25,500	- 5.6%	- 9.5%
Vending machines	7,486	5.1%	6,500 → 6,000	- 7.7%	- 19.9%
Amusement	26,318	18.0%	28,000 → 28,000	—	+6.4%
Other	5,370	3.7%	3,800 → 3,500	- 7.9%	- 34.8%
<b>Total</b>	<b>145,978</b>	<b>100.0%</b>	<b>140,000 → 130,000</b>	<b>- 7.1%</b>	<b>- 10.9%</b>

※Figures on the left side are forecasts announced on August 7, 2009.

# Projected quarterly sales by market



FY2009	1st Quarter	2nd Quarter	3rd Quarter (estimated)	4th Quarter (estimated)	Full year (estimated)
Financial institutions [Domestic]	7,958	11,503	9,300	11,238	40,000
[Overseas]	6,376	6,687	6,800	7,137	27,000
Financial institutions [Total]	14,334	18,190	16,100	18,375	67,000
Retail/Transportations	5,680	7,083	5,800	6,937	25,500
Vending machines	1,709	1,483	1,300	1,508	6,000
Amusement	6,448	7,371	8,800	5,381	28,000
Other	799	1,042	800	859	3,500
<b>Total</b>	<b>28,970</b>	<b>35,169</b>	<b>32,800</b>	<b>33,060</b>	<b>130,000</b>

## ● Projected dividend for Year ending March 31, 2010

### Basic policy on profit distribution

GLORY's basic policy is to continue a stable dividend while striving to maintain and enhance a sound balance sheet in preparation for future business growth. **Specifically, GLORY has a target of returning profits to shareholders at a consolidated dividend payout ratio of 25% or higher, while providing a minimum dividend in any case at the rate of 1.5% of consolidated equity capital.**

Dividend per share	Interim (results)	Year-end (estimated)	Annual (estimated)
Year ending March 31, 2010 (Forecast announced on May 13, 2009)	¥16	¥17	¥33 (Dividend payout ratio: 51.6%)

In addition, GLORY will also consider, from time to time, the purchase of treasury stock to improve capital efficiency and to have an agile capital policy to respond to the operating environment.

Dividend per share	Interim (results)	Year-end (results)	Annual (results)
Year ended March 31, 2009	¥15	¥15	¥30 (Dividend payout ratio: 36.5%)

## ● Repurchase of shares

### ■ Objective

In order to implement flexible capital policies and to return to shareholders

### ■ Details

1. Type of shares repurchased : Common stocks
2. Total number of shares repurchased : About 2,600,000 shares  
(3.7% of number of shares issued and outstanding)
3. Total amount of repurchase : 5,226 million yen
4. Method : Repurchase of shares through J-NET of the Osaka Securities Exchange
5. Date : November 16, 2009

### ※ For your reference

Number of shares (As of November 16, 2009)

- Shares issued and outstanding (including treasury stock) : 69,838,210 shares
- Treasury stock : 4,148,869 shares

## ● Repurchase of shares

### Results of past repurchase and cancellation of shares

1. Details of repurchase of shares	1st	2nd	3rd
1) Period of repurchase	May 18, 2007 through August 16, 2007	February 7, 2008 through March 18, 2008	September 1, 2008 through December 22, 2008
2) Type of shares repurchased	Common stock	Common stock	Common stock
3) Total number of shares repurchased	About 1,398,000 shares (1.88% of number of shares issued and outstanding)	About 1,054,300 shares (1.44% of number of shares issued and outstanding)	About 3,400,000 shares (4.74% of number of shares issued and outstanding)
4) Total amount of repurchase	About 3,996 million yen	About 2,653 million yen	About 6,000 million yen
2. Details of cancellation of shares			
1) Number of shares for cancellation	About 1,398,000 shares (1.88% of number of shares issued and outstanding)	About 3,000,000 shares (4.12% of number of shares issued and outstanding)	
2) Date of cancellation	November 9, 2007	February 20, 2009	
3) Total number of shares issued (including treasury stock) after cancellation	72,838,210 shares	69,838,210 shares	



## Invest heavily in growth business

Shift employees to overseas operation

Total 34 employees

## Shift production-function to overseas

•Shift to GLORY Denshi Kogyo (Suzhou) Ltd.

Small-sized banknote value counting machines “GFS series”  
Banknote depositing and dispensing machines “RBU series”, and other

•Shift to GLORY (PHILIPPINES), INC.

Banknote depositing units for ATMs “UD series”

## Reviewing of our production structure

Consolidation of domestic production sites

GLORY Engineering Ltd.

⇒ •Change to repair plant  
•Shift production-function to Saitama Factory

## Reduction of SG&A

Result of cost cutting efforts (First half)

[6 months ended Sep., 2008]  
2,150 million yen

⇒

[6 months ended Sep., 2009]  
1,960 million yen  
(Variation: -190 million yen)

## Get out of underperforming business

Selling off underperforming subsidiaries

Selling off MARUESU GT Co, LTD.  
(Get out of Tobacco operation business)

## ● Construction of GLORY Denshi Kogyo (Suzhou) Ltd. No.2 Plant (Completed on July, 2009)

- ① Coping with medium and long-term production increase envisaged by expanding sales in fast-growing China.
- ② Making a contribution for cost-reduction in a GLORY group with production commissioned by Head office
- ③ Improving of procurement in China, and making a contribution to reduce variable cost

### 【Production capacity after completion】

Nearly double (Man-hour in a year: 300 thousand hours)



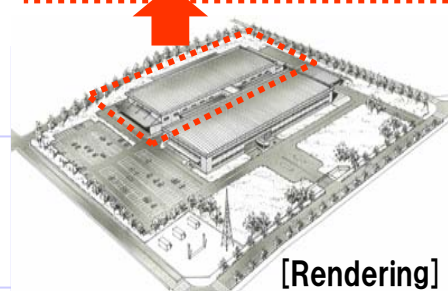
[Rendering]

## ● Construction of Saitama No.2 Plant (Completed on July, 2009)

- ① Coping with production scale of medium-term production plan by expansion of floor space
- ② Using space for stocking parts and units as increasing overseas procurement
- ③ Improving the efficiency of distribution system by using second Saitama Factory as the “Saitama Stock Point” and physical distribution base in eastern Japan

### 【Production capacity after completion】

1.7 times (Output in FY2008: 14.5 billion yen)



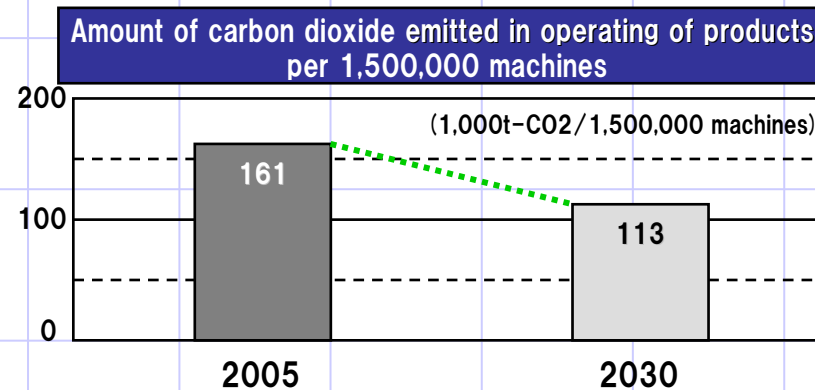
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## 【Environmental Policy of the GLORY Group】

We will act in earth-friendly ways and endeavor to provide earth-conscious products with the consent of the company.

### Eco-friendly products

**Reduce carbon dioxide emitted in operating of products by 30% by 2030 to realize “low-carbon path”**  
 (Comparison with the result in 2005)



#### Product case



Banknote/coin depositing and dispensing units RB-500 series

Power consumption※  
**15% CUT**

**RoHS**



Open teller systems WAVE C30 series

Power consumption※  
**15% CUT**

**RoHS**

※Comparison with our conventional model