

(TRANSLATION FOR REFERENCE ONLY)

This is a translation of the original Japanese text of the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2013.” Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

## Consolidated Financial Results

for the Fiscal Year Ended March 31, 2013 <Japanese GAAP>

May 10, 2013

Company Name: GLORY LTD. Stock exchange listings: Tokyo and Osaka (1<sup>st</sup> Sections)  
Code Number: 6 4 5 7 URL: <http://www.glory-global.com/>  
Representative: Hirokazu Onoe President & Representative Director  
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Scheduled date of Ordinary General Meeting of Shareholders: June 21, 2013  
Scheduled date of dividend payments: June 24, 2013  
Scheduled filing date of Annual Securities Report: June 24, 2013  
Preparation of earnings supplementary explanatory material: Yes  
Holding of earnings presentation: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded downward.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Consolidated Operating Results

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

|                              | Net sales         |      | Operating income  |      | Ordinary income   |      | Net income        |      |
|------------------------------|-------------------|------|-------------------|------|-------------------|------|-------------------|------|
|                              | (Millions of yen) | (%)  | (Millions of yen) | (%)  | (Millions of yen) | (%)  | (Millions of yen) | (%)  |
| Year ended<br>March 31, 2013 | 190,938           | 29.9 | 14,458            | 28.2 | 13,695            | 15.0 | 6,873             | 10.0 |
| Year ended<br>March 31, 2012 | 146,937           | 5.7  | 11,274            | 9.2  | 11,908            | 8.0  | 6,246             | 0.3  |

(Note) Comprehensive income

Year ended March 31, 2013: ¥18,102 million [ 183.8%]  
Year ended March 31, 2012: ¥6,378 million [ 19.2%]

|                              | Net income per share | Fully diluted net income per share | Return on equity | Ordinary income to total assets | Operating income to net sales |
|------------------------------|----------------------|------------------------------------|------------------|---------------------------------|-------------------------------|
|                              | (Yen)                | (Yen)                              | (%)              | (%)                             | (%)                           |
| Year ended<br>March 31, 2013 | 104.64               | —                                  | 4.3              | 5.2                             | 7.6                           |
| Year ended<br>March 31, 2012 | 95.09                | —                                  | 4.2              | 5.9                             | 7.7                           |

(Reference) Income or loss from investments accounted for by the equity method

Year ended March 31, 2013: ¥— million Year ended March 31, 2012: ¥— million

(2) Consolidated Financial Position

|                      | Total assets      | Net assets        | Ownership equity ratio | Net assets per share |
|----------------------|-------------------|-------------------|------------------------|----------------------|
|                      | (Millions of yen) | (Millions of yen) | (%)                    | (Yen)                |
| As of March 31, 2013 | 319,077           | 168,464           | 52.2                   | 2,537.23             |
| As of March 31, 2012 | 205,244           | 153,333           | 74.0                   | 2,312.33             |

(Reference) Ownership equity

As of March 31, 2013: ¥166,664 million As of March 31, 2012: ¥151,891 million

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(3) Consolidated Cash flows

|                           | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                           | (Millions of yen)                    | (Millions of yen)                    | (Millions of yen)                    | (Millions of yen)                          |
| Year ended March 31, 2013 | 14,704                               | (52,336)                             | 40,604                               | 63,314                                     |
| Year ended March 31, 2012 | 11,018                               | (2,429)                              | (2,761)                              | 58,430                                     |

2. Dividends

| (Record date)                         | Dividends per share |                |               |          |        | Total dividends (annual) | Dividend payout ratio (consolidated) | Dividends to net assets ratio (consolidated) |
|---------------------------------------|---------------------|----------------|---------------|----------|--------|--------------------------|--------------------------------------|--|
|                                       | First quarter       | Second quarter | Third quarter | Year-end | Annual |                          |                                      |  |
|                                       | (Yen)               | (Yen)          | (Yen)         | (Yen)    | (Yen)  | (Millions of yen)        | (%)                                  | (%)  |
| Year ended March 31, 2012             | —                   | 20.00          | —             | 22.00    | 42.00  | 2,758                    | 44.2                                 | 1.8  |
| Year ended March 31, 2013             | —                   | 21.00          | —             | 23.00    | 44.00  | 2,890                    | 42.0                                 | 1.8  |
| Year ending March 31, 2014 (forecast) | —                   | 22.00          | —             | 22.00    | 44.00  |                          | 34.0                                 |  |

3. Consolidated Financial Forecast for the Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(The percentages show the increase or decrease from 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)                |
| Six months ending September 30, 2013 | 90,000            | 14.1 | 5,000             | 8.0  | 4,500             | (0.9) | 2,500             | 9.3  | 38.06                |
| Full year                            | 200,000           | 4.7  | 16,000            | 10.7 | 15,000            | 9.5   | 8,500             | 23.7 | 129.40               |

Notes:

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

Yes

Newly consolidated: 5 companies: Glory Global Solutions Ltd.  
Talaris Topco Limited  
Talaris Midco Limited  
Talaris Holdings Limited  
Talaris Limited

Exclusion: None

(Note) For more information, please refer to “2. Group Position” on page 8 of the Attachment.

(2) Changes in accounting policies and estimates, and restatements

- |   |      |
|---|------|
| (a) Changes in accounting policies associated with revisions of accounting standards, etc.: | Yes  |
| (b) Changes in accounting policies other than (a):  | None |
| (c) Changes in accounting estimates:  | Yes  |
| (d) Restatements:   | None |

(Note) The changes in the method used for depreciation starting with the current fiscal year falls under “a case where it is difficult to make a distinction between changes in an accounting policy and changes in an accounting estimate” as provided for under a relevant regulation. For more information, please refer to “4. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policy That Are Difficult to Make a Distinction from Changes in Accounting Estimates” on page 22 of the Attachment.

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- (3) Total number of shares issued (common stock)
- (a) Total number of shares issued at the end of the period (including treasury stock)
- |                       |                   |
|-----------------------|-------------------|
| As of March 31, 2013: | 68,638,210 shares |
| As of March 31, 2012: | 68,638,210 shares |
- (b) Number of treasury shares at the end of the period
- |                       |                  |
|-----------------------|------------------|
| As of March 31, 2013: | 2,950,749 shares |
| As of March 31, 2012: | 2,950,450 shares |
- (c) Average number of shares
- |                            |                   |
|----------------------------|-------------------|
| Year ended March 31, 2013: | 65,687,596 shares |
| Year ended March 31, 2012: | 65,687,834 shares |

**(Reference) Summary of Non-consolidated Financial Results**

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Non-consolidated Operating Results

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

|                              | Net sales         |     | Operating income  |       | Ordinary income   |       | Net income        |       |
|------------------------------|-------------------|-----|-------------------|-------|-------------------|-------|-------------------|-------|
|                              | (Millions of yen) | (%) | (Millions of yen) | (%)   | (Millions of yen) | (%)   | (Millions of yen) | (%)   |
| Year ended<br>March 31, 2013 | 126,844           | 6.0 | 9,081             | 15.7  | 11,720            | 24.9  | 7,435             | 27.3  |
| Year ended<br>March 31, 2012 | 119,616           | 5.8 | 7,847             | (2.7) | 9,382             | (8.7) | 5,838             | (9.0) |

|                              | Net income per share | Fully diluted net income per share |
|------------------------------|----------------------|------------------------------------|
|                              | (Yen)                | (Yen)                              |
| Year ended<br>March 31, 2013 | 113.19               | —                                  |
| Year ended<br>March 31, 2012 | 88.89                | —                                  |

(2) Non-consolidated Financial Position

|                      | Total assets      | Net assets        | Ownership equity ratio | Net assets per share |
|----------------------|-------------------|-------------------|------------------------|----------------------|
|                      | (Millions of yen) | (Millions of yen) | (%)                    | (Yen)                |
| As of March 31, 2013 | 257,683           | 146,260           | 56.8                   | 2,226.61             |
| As of March 31, 2012 | 177,812           | 141,266           | 79.4                   | 2,150.57             |

(Reference) Ownership equity

|                       |                  |                       |                  |
|-----------------------|------------------|-----------------------|------------------|
| As of March 31, 2013: | ¥146,260 million | As of March 31, 2012: | ¥141,266 million |
|-----------------------|------------------|-----------------------|------------------|

(Note) Status of implementation of audit procedures

These “Consolidated Financial Results” are exempt from the audit procedures pursuant to the Financial Instruments and Exchange Act. As of the date of the release of these Consolidated Financial Results, implementation of audit procedures for consolidated financial statements is in progress.

(Note) Explanation regarding the appropriate use of financial forecasts and other special items

The forward-looking statements such as operational forecasts contained in this report are based on the information currently available to GLORY LTD. and certain assumptions which are regarded as legitimate, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors. For the assumptions and other related matters concerning the financial forecasts, please refer to “1. Operating Results, (1) Analysis of Operating Results” on page 5 of the Attachment.

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**Attachment**

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## 1. Operating Results

### (1) Analysis of Operating Results

#### Consolidated operating results for this current fiscal year

In the fiscal year that ended on March 31, 2013, the outlook for the Japanese economy remained uncertain due to such factors as stagnation in consumer spending and the ongoing fears of a slowing in global economic growth arising from the prolonged debt crisis in Europe. Early in 2013, however, signs of economic recovery began to be seen, including a shift to a weaker yen and recovering share prices, which were brought about by expectations of a loosening of monetary policy that followed a change of government.

Under these conditions, in this first year of its three-year 2014 Medium-Term Management Plan, the GLORY Group (the “Group”) proactively implemented the three strategies—Business, Constitutional, and Corporate Management—that form its basic policy to “implement a growth strategy and strengthen profitability to achieve the Long-Range Vision.” With a view to expanding overseas business in particular, in July 2012 GLORY LTD. (the “Company”) acquired Talaris Topco Limited (Currently, Glory Global Solutions (Topco) Ltd., hereinafter “Talaris”), a U.K. company that provides cash handling equipment and software solutions, and worked toward the early realization of synergies of the acquisition. In the domestic market, the Group conducted active business expansion, such as by launching new products and increasing sales by entering the untapped markets.

As a result, net sales totaled ¥190,938 million (up 29.9% year-on-year). Sales of merchandise and finished goods were ¥140,171 million (up 24.1% year-on-year) and sales from maintenance services were ¥50,766 million (up 49.6% year-on-year). Operating income was ¥14,458 million (up 28.2% year-on-year), ordinary income was ¥13,695 million (up 15.0% year-on-year), net income was ¥6,873 million (up 10.0% year-on-year), and comprehensive income was ¥18,102 million (up 183.8% year-on-year).

Results of operations in business segments were as follows.

#### Financial market

Although sales of open teller systems, our main product, were sluggish for conventional models, sales of compact models for small- and medium-sized financial outlets were favorable. Sales of coin and banknote recyclers for tellers and of multi-functional banknote changers were favorable due to replacement demand. Overall financial market sales were thus on par with the previous fiscal year.

As a result, net sales in this segment were ¥44,679 million (up 1.1% year-on-year) and operating income was ¥4,416 million (up 11.7% year-on-year).

#### Retail and transportation market

Sales of sales proceeds deposit machines to the cash-in-transit market were favorable, but sales of coin and banknote recyclers for cashiers, our main product, were sluggish due to a decrease in large-scale demand. Overall retail and transportation market sales were thus on par with the previous fiscal year.

As a result, net sales in this segment were ¥29,670 million (up 3.9% year-on-year) and operating income was ¥3,136 million (down 15.1% year-on-year).

#### Amusement market

Although sales of core products such as our card systems were robust, sales of membership management systems were sluggish. Overall amusement market sales were thus on par with the previous fiscal year.

As a result, net sales in this segment were ¥25,845 million (up 4.2% year-on-year) and operating income was ¥1,728 million (down 15.3% year-on-year).

#### Overseas market

Overseas market sales increased significantly due to favorable sales of banknote sorters and of our new banknote recyclers for tellers as well as the acquisition of Talaris.

As a result, net sales in this segment were ¥75,688 million (up 114.4% year-on-year) and operating income was ¥5,085 million (up 176.7% year-on-year).

In the “others” business segment, net sales were ¥15,055 million (up 7.1% year-on-year) and the operating income was ¥91 million (operating loss of ¥253 million one year earlier).

All amounts in this section do not include consumption taxes.

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### Forecast for the next fiscal year

For the next fiscal year ending March 31, 2014, the forecast is for the Japanese economy to gradually recover against a backdrop of the weakening yen and recovery in share prices. Although the United States is beginning to see the signs of an economic upturn, unpredictable situation is expected to continue in the global economy because the outlook in Europe remains as beset with uncertainty as ever, and in Asia the Chinese economy is beginning to show signs of a slowdown.

In this uncertain business environment, the Group will promote the three-year 2014 Medium-Term Management Plan that commenced in April 2012, as described in “(3) Medium- to Long-Term Management Strategies and Issues to Be Addressed by the Company” under “3. Management Policy.”

The following forecast uses exchange rate assumptions of US\$1=¥90, 1 euro=¥120, and 1 sterling pound=¥140.

Based on the above outlook, for the fiscal year ending in March 2014, the Group forecasts consolidated business results as follows; net sales of ¥200,000 million, operating income of ¥16,000 million, ordinary income of ¥15,000 million and net income of ¥8,500 million.

### (2) Analysis of Financial Position

Total assets at the end of the current fiscal year were ¥319,077 million, an increase of ¥113,833 million compared with the end of the previous fiscal year.

Liabilities were ¥150,612 million, an increase of ¥98,701 million compared with the end of the previous fiscal year.

Cash and cash equivalents (“cash”) at the end of the current fiscal year increased ¥4,883 million from one year earlier to ¥63,314 million due mainly to income before income taxes and minority interests of ¥12,738 million.

The following is a summary of cash flows:

#### Cash flows from operating activities

Net cash provided by operating activities was ¥14,704 million. This was due to income before income taxes and minority interests of ¥12,738 million, depreciation and amortization expenses of ¥8,897 million and amortization of goodwill of ¥4,018 million partly offset by an increase in notes and accounts receivable–trade of ¥4,263 million and income taxes paid of ¥4,639 million.

#### Cash flows from investing activities

Net cash used in investing activities was ¥52,336 million, an increase of ¥49,907 million compared with the previous fiscal year. There were proceeds of ¥4,709 million from sales and redemptions of investment securities but payments of ¥55,687 million for the purchase of investments in subsidiaries in association with the acquisition of Talaris and ¥4,390 million for the purchase of property, plant and equipment. Purchases of property, plant and equipment were mainly molds, tools and other equipment used to manufacture products.

#### Cash flows from financing activities

Net cash provided by financing activities was ¥40,604 million, due to an increase in proceeds from long-term loans payable of ¥50,807 million primarily accompanying the acquisition of Talaris.

#### Cash flow indices

|  | March 2009 | March 2010 | March 2011 | March 2012 | March 2013 |
|--|------------|------------|------------|------------|------------|
| Ownership equity ratio                       | 74.8%      | 74.5%      | 75.0%      | 74.0%      | 52.2%      |
| Ownership equity ratio based on market value | 60.6%      | 78.2%      | 60.7%      | 58.6%      | 46.5%      |
| Debt repayment ratio (years)                 | 5.0        | 0.6        | 1.2        | 1.0        | 5.7        |
| Interest coverage ratio                      | 8.2        | 102.2      | 50.8       | 67.2       | 24.5       |

Notes: Ownership equity ratio: (Shareholders’ equity + Valuation and translation adjustments) / Total assets

Equity capital ratio based on market price: Market capitalization / Total assets

Debt repayment ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

\* All indices are calculated using financial data on a consolidated basis.

\* Market capitalization is calculated by multiplying the closing price on the balance sheet date by the number of shares issued, net of treasury shares, on the balance sheet date.

\* Operating cash flow represents cash flow provided by operating activities per the consolidated statements of cash flows. Interest-bearing liabilities consist of all liabilities on the consolidated balance sheets for which interest is being paid.

Interest payments consist of interest expenses paid as presented on the consolidated statements of cash flows.

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### **(3) Basic Policy on Profit Distributions and Dividends for the Current and Next Fiscal Years**

The Company considers the return of profits to shareholders to be an important management task and retains a policy to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. The Company has set the target of attaining a dividend payout ratio of 25% or higher and DOE (dividends on equity) ratio of at least 1.8%, both on a consolidated basis.

In accordance with the above policy, the Company plans a year-end dividend of ¥23 per share for the fiscal year ended March 31, 2013 (the 67<sup>th</sup> term). Together with the interim-period dividend of ¥21 per share, the result will be an annual dividend of ¥44 per share, a DOE (dividends on equity) ratio of 1.8% and a dividend payout ratio of 42.0% on a consolidated basis.

For the fiscal year ending in March 2014, the Company plans to continue this basic policy and pay an annual dividend of ¥44 per share as the total of interim and year-end dividends of each ¥22 per share.

With regard to the future acquisition of treasury shares, the Company will consider an appropriate response after having taken into overall account future business development, investment plans, the level of retained earnings, and performance trends. The Company policy is to maintain the upper limit for holding treasury stock within 5% of shares issued and retire any excess.

### **(4) Business-Related Risks**

The Group is exposed to various risks that may impact its operating results and financial conditions, including variable factors and other matters considered to be material as disclosed below.

The forward-looking statements as below are based on judgments by the Group as of the end of the current fiscal year.

(i) Extraordinary fluctuations in operating results and financial conditions due to special market environmental factors, etc.

The Group's business is subject to government authorizations, import and export regulations and application of various laws and regulations in countries and regions where the Group is engaged in business activities. When these laws and regulations are revised or repealed, or when new public regulations are established, etc., or if any other special market environmental factors arise, the performance of the Group may be adversely affected.

(ii) High level of reliance on specific industry sector

The composition of the Group sales is highly dependent on the financial markets. If it becomes necessary for financial institutions to cut capital investments due to major operational or financial problems, the performance of the Group may be adversely affected.

(iii) R&D investment

The Group is an R&D-based enterprise and continues to invest in R&D aggressively. However, development of new products always includes risks and, depending on the themes, there is a possibility of development costs becoming large due to prolongation of the development period. If such circumstances were to occur, the performance of the Group may be adversely affected.

(iv) Intellectual property rights

The Group is not aware of any infringement of material intellectual property rights of third parties by the products of the Group. However, it is difficult for an R&D-based company like the Group to completely avoid the occurrence of such intellectual property infringement problems. If such circumstances were to occur, the performance of the Group may be adversely affected.

(v) Overseas business growth

The Group extends into wide-ranging overseas activities including export of products, overseas procurement, local production overseas, etc. If a rapid change occurs in the political or economic situation overseas, or if foreign exchange market fluctuations occur beyond the anticipated scope, the performance of the Group may be adversely affected.

(vi) Acquisition of Talaris

On July 10, 2012, the Company completed the acquisition of Talaris through the Company's U.K. subsidiary Glory Global Solutions Ltd., thereby making Talaris a subsidiary. However, there remains the possibility that the Company will not achieve the accelerated development of business overseas and other results and effects expected from this acquisition and that it will take more time than expected to achieve them. The effect of such factors may adversely affect the Group's performance.

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## 2. Group Position

### (1) Details of Business

The GLORY Group comprises GLORY LTD., 56 subsidiaries and one affiliate, and as a top maker of money handling machines, is engaged primarily in manufacturing, sales, and maintenance services for money handling machines, cash management systems, vending machines and automatic service equipment.

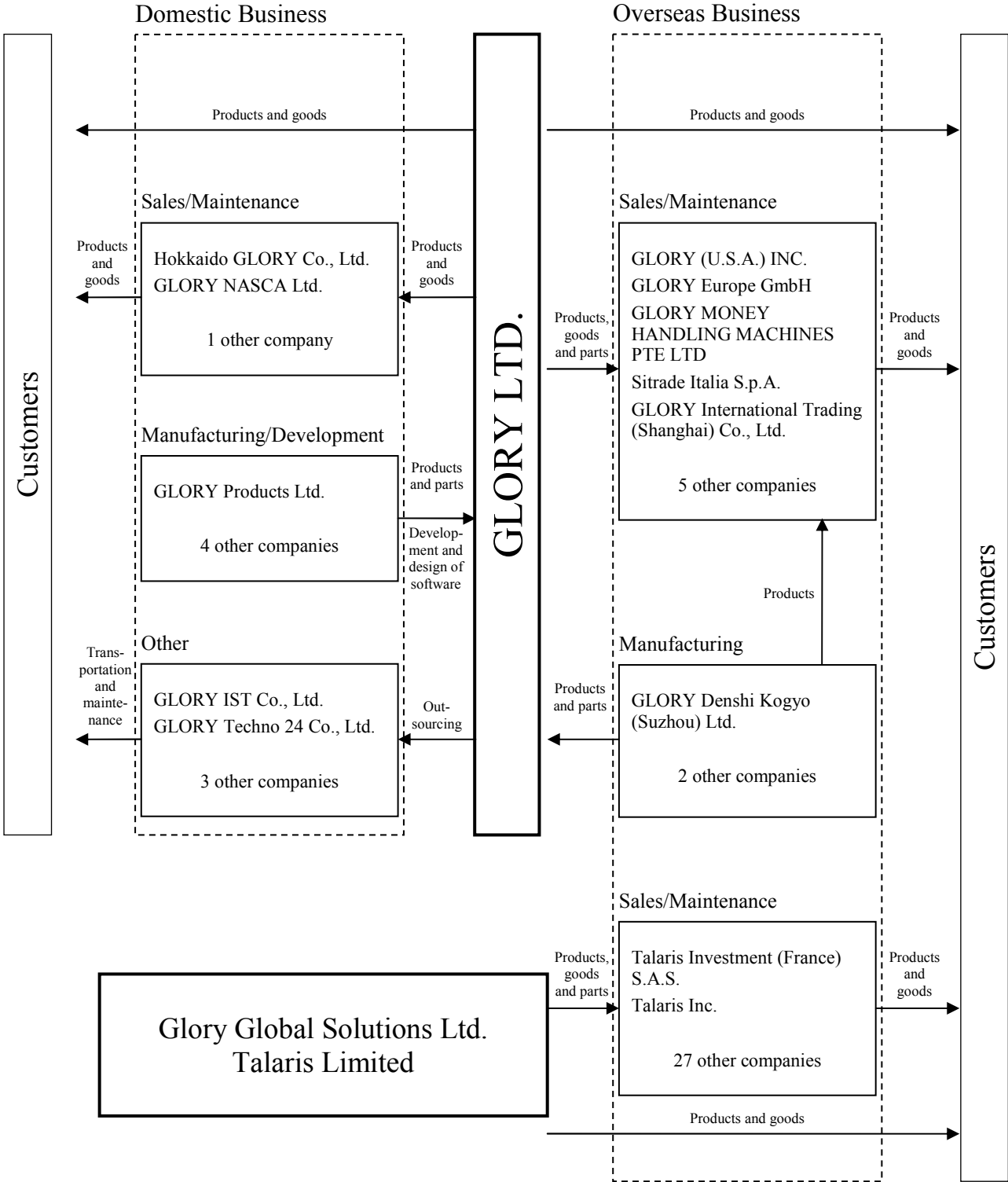
The positions of the Company and key subsidiaries and affiliates involved in the Group business and their relations to the business divisions are as below.

|          |  | Financial market | Retail and transportation market | Amusement market | Overseas market | Other |
|----------|--|------------------|----------------------------------|------------------|-----------------|-------|
| Domesti  | GLORY LTD.                                       | ○                | ○                                | ○                | ○               | ○     |
|          | GLORY Products Ltd.                              | ○                |                                  | ○                |                 | ○     |
|          | GLORY NASCA Ltd.                                 |                  |                                  | ○                |                 |       |
|          | Hokkaido GLORY Co., Ltd.                         | ○                | ○                                |                  |                 | ○     |
| Overseas | GLORY (U.S.A.) INC.                              |                  |                                  |                  | ○               |       |
|          | GLORY Europe GmbH                                |                  |                                  |                  | ○               |       |
|          | GLORY MONEY HANDLING MACHINES PTE LTD            |                  |                                  |                  | ○               |       |
|          | GLORY Denshi Kogyo (Suzhou) Ltd.                 |                  |                                  |                  | ○               |       |
|          | GLORY International Trading (Shanghai) Co., Ltd. |                  |                                  |                  | ○               |       |
|          | Sitrade Italia S.p.A.                            |                  |                                  |                  | ○               |       |
|          | Glory Global Solutions Ltd.                      |                  |                                  |                  | ○               |       |
|          | Talaris Limited                                  |                  |                                  |                  | ○               |       |
|          | Talaris Investment (France) S.A.S.               |                  |                                  |                  | ○               |       |
|          | Talaris Inc.                                     |                  |                                  |                  | ○               |       |



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The following chart shows the Group positions.



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**(2) Subsidiaries and Affiliates**

The Company acquired on July 10, 2012 all of the outstanding shares of Talaris Topco Limited, a UK company which manufactures and sells money handling machines, through the Company's subsidiary Glory Global Solutions Ltd., making Talaris and its subsidiaries into subsidiaries of the Company. As a result, the number of consolidated subsidiaries of the Company increased by 31 year on year, totaling 46 as of March 31, 2013.

| Name  | Address                    | Common stock or capital (millions of yen) | Primary business   | Voting rights ratio (%) | Details of relationship  |
|---|----------------------------|---|--|-------------------------|--|
| Consolidated subsidiaries                                     |                            |   |  |                         |  |
| GLORY Products Ltd.   | Kanzaki-gun, Hyogo         | 80  | Financial market<br>Amusement market<br>Other                  | 100.0                   | Manufacturing of products of the Company.<br>Leasing of land and buildings owned by the Company.<br>Interlocking officers: yes   |
| GLORY NASCA Ltd.<br>(Notes: 5, 6, 15)                         | Sumida-ku, Tokyo           | 2,000                                     | Amusement market   | 100.0                   | Sales and maintenance of amusement-related products of the Company.<br>Leasing buildings owned by the Company.<br>Leasing building to the Company.<br>Interlocking officers: yes |
| Hokkaido GLORY Co., Ltd.                                      | Chuo-ku, Sapporo           | 50  | Financial market<br>Retail and transportation market<br>Others | 100.0                   | Sales and maintenance of products of the Company in Hokkaido Prefecture.<br>Interlocking officers: yes   |
| GLORY (U.S.A.) INC.<br>(Note: 13)                             | New Jersey, U.S.A.         | Thousand US\$ 5,000                       | Overseas market  | 100.0                   | Sales and maintenance of products of the Company in the US.<br>Interlocking officers: yes  |
| GLORY Europe GmbH<br>(Note: 10)                               | Frankfurt am Main, Germany | Thousand EURO 3,900                       | Overseas market  | 100.0                   | Sales and maintenance of products of the Company in Europe.<br>Interlocking officers: yes  |
| GLORY MONEY HANBLING MACHINES PTE LTD<br>(Note: 14)           | Singapore                  | Thousand S\$ 4,000                        | Overseas market  | 100.0                   | Sales, maintenance and parts procurement of products of the Company in Southeast Asia.<br>Interlocking officers: yes   |
| GLORY Denshi Kogyo (Suzhou) Ltd.                              | Jiangsu Province, China    | Thousand US\$ 4,200                       | Overseas market  | 100.0                   | Manufacturing and sales of products of the Company.<br>Interlocking officers: yes  |
| GLORY International Trading (Shanghai) Co., Ltd.<br>(Note: 9) | Shanghai, China            | Thousand US\$ 700                         | Overseas market  | 100.0                   | Sales and maintenance of products of the Company in China.<br>Interlocking officers: yes   |
| Sitrade Italia S.p.A.   | Milano, Italy              | Thousand EURO 620                         | Overseas market  | 51.0                    | Sales and maintenance of products of the Company in Italy.<br>Interlocking officers: yes   |
| Glory Global Solutions Ltd.<br>(Notes: 5, 7, 8)               | Basingstoke, U.K.          | Thousand £ 438,000                        | Overseas market  | 100.0                   | No operating transactions<br>Interlocking officers: yes  |
| Talaris Limited<br>(Notes: 5, 10, 11)                         | Basingstoke, U.K.          | Thousand £ 18,442                         | Overseas market  | 100.0<br>(100.0)        | No operating transactions<br>Interlocking officers: none   |
| Talaris Investment (France) S.A.S.<br>(Note: 12)              | Marne-la-Vallée, France    | Thousand EURO 10,017                      | Overseas market  | 100.0<br>(100.0)        | No operating transactions<br>Interlocking officers: none   |
| Talaris Inc.<br>(Note: 13)                                    | Delaware, U.S.A.           | US\$ 33                                   | Overseas market  | 100.0<br>(100.0)        | No operating transactions<br>Interlocking officers: none   |
| 33 other companies  |                            |   |  |                         |  |

- Notes:
- The applicable business segments are stated in the primary business column.
  - The voting rights ratio within parentheses indicates the indirectly held voting rights ratio.
  - Interlocking officers indicate whether or not executives or employees of the Company also serve as officers of subsidiaries or affiliates.
  - There are no subsidiaries filing a securities registration statement or an annual securities report.

(TRANSLATION FOR REFERENCE ONLY)

5. This company is categorized as a specified subsidiary under Japanese law. Besides the above, the three specified subsidiaries listed below changed their trade names on April 1, 2013.
  - Talaris Topco Limited (Current trade name: Glory Global Solutions (Topco) Ltd.)
  - Talaris Midco Limited (Current trade name: Glory Global Solutions (Midco) Ltd.)
  - Talaris Holdings Limited (Current trade name: Glory Global Solutions (Holdings) Ltd.)
6. GLORY NASCA Ltd. moved its head office to Sumida-ku, Tokyo, on September 18, 2012.
7. Having decided to acquire all the outstanding shares of Talaris Topco Limited (“Talaris”), the Company established Glory Global Solutions Ltd. on February 14, 2012.
8. Glory Global Solutions Ltd. completed the acquisition of Talaris on July 10, 2012, and Talaris and its subsidiaries were included in the scope of consolidation of the Company from the second quarter consolidated results onward.
9. On March 29, 2013, Glory International Trading (Shanghai) Co., Ltd. changed its English name to Glory Global Solutions (Shanghai) Co., Ltd.
10. On March 31, 2013, Glory Europe GmbH transferred its business and assets to Talaris Cash Systems (Germany) GmbH and Talaris Limited and ceased business operations.
11. Talaris Limited changed its trade name to Glory Global Solutions (International) Ltd. on April 1, 2013.
12. Talaris Investment (France) S.A.S. changed its trade name to Glory Global Solutions (France) S.A.S. on April 1, 2013.
13. On April 1, 2013, GLORY (U.S.A.) INC. received the business and assets from Talaris Inc. and on that same day changed its trade name to Glory Global Solutions Inc. and moved its head office to Illinois.
14. GLORY MONEY HANDLING MACHINES PTE LTD changed its trade name to Glory Global Solutions (Singapore) Pte. Ltd. on April 1, 2013.
15. The ratio of the net sales of GLORY NASCA Ltd. (excluding consolidated intercompany sales) to consolidated net sales exceeded 10%.

GLORY NASCA Ltd.

|   |                     |                 |
|---|---------------------|-----------------|
| Significant profit and loss information | (1) Net sales       | ¥25,417 million |
|   | (2) Ordinary income | ¥458 million    |
|   | (3) Net income      | ¥206 million    |
|   | (4) Net assets      | ¥9,463 million  |
|   | (5) Total assets    | ¥23,042 million |

(TRANSLATION FOR REFERENCE ONLY)

### 3. Management Policy

#### (1) Corporate Management Basic Policy

As its basic policy for management, activating the spirit and essence of its corporate philosophy to date, the Group has put in place the “Corporate Philosophy Structure,” and determined a Corporate Philosophy and Managerial Creed. Aiming at achieving the enhancement of corporate value as the overall Group, we at the Group will pursue interests as a private company and social contributions as public instruments of society, meeting the expectations of customers through the expression of the personal character of each of our employees.

##### 《Corporate Philosophy》

“We will contribute to the development of a more secure society through a striving spirit and cooperative efforts.”

—“Striving spirit” includes our desire that “we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible.” It represents the eternal origin of GLORY all through the ages, that we can do a great job only when we combine the “power of everyone” who shares the “striving spirit.”

##### 《Managerial Creed》

- Though a spirit of continuous development, we will provide products and services our customers can rely on.
- We will build a vigorous corporate group through respect for the individual and teamwork.
- We will endeavor to act as a responsible corporate citizen and coexist harmoniously with society at-large.

##### 《Corporate Statement》

“We Secure the Future”

- Turning thoughts into reality
- Securing the future through our technology

#### (2) Target Management Indices

The Group aims to enhance corporate value on the basis of good relationships with all stakeholders, and executes operations targeting improvement of the operating profit ratio and return on equity (ROE).

#### (3) Medium- to Long-Term Management Strategies and Issues to Be Addressed by the Company

##### Long-Range Vision and Medium-Term Management Plan

The Group has created the Long-Range Vision 2018 to establish a framework for achieving the Group vision of “GLORY as the world’s top brand” as the Group approaches the 100th anniversary of its founding in 2018. The basic policies are as follows:

- Create new value through “superb manufacturing technique” and pursue dreams for the future
- Seek sustained corporate growth together with society through CSR activities

Since April 2012, the Group has been implementing its 2014 Medium-Term Management Plan as a three-year action plan toward the realization of this Long-Term Vision. Under the basic policy to “implement a growth strategy and strengthen profitability toward achieving the Long-Range Vision 2018,” the Group has been deploying a raft of measures under three key strategies: Business, Constitutional, and Corporate Management. In the fiscal year ending March 31, 2014, the second year of the Plan, the Group will address the following key measures.

##### (i) Business strategy

The Group is implementing the following strategies in order to enable all businesses to grow faster.

The Domestic Business Strategy aims to improve the profitability of all business segments by aggressively entering markets where the Group does not have a presence, launching new products and taking other actions. Creating core products for the Group’s next phase of growth is another goal.

Under its Overseas Business Strategy, the Company acquired Talaris in July 2012 to expand its overseas business and carried out the business restructuring of the overseas subsidiaries. In addition, the Group will endeavor to expand profits by pursuing synergies of the acquisition under the slogan of “One GLORY” and by leveraging Talaris’ strength of direct sales and direct maintenance networks. The Group will also endeavor to expand its areas of business by formulating and promoting region-specific strategies that match the special characteristics of a market.

The New Business Strategy aims to enlarge e-settlement services and commercialize biometric authentication technologies and speech privacy protection technologies.

(TRANSLATION FOR REFERENCE ONLY)

(ii) Constitutional strategy

The Group is implementing the following strategies in order to make each of company functions more competitive and more profitable. The Product Development Strategy aims to reinforce product development capabilities by upgrading development skills for core technologies and creating platforms for these technologies as well as by increasing the use of the common units in many products. With regard to products destined for overseas markets, the Group will work to improve development efficiency by reviewing the product lineup within the Group, including Talaris products, and unifying development themes accordingly.

The Production and Procurement Strategy aims to strengthen mother factory functions as well as to increase overseas production and procurement while enacting structural reforms for the cost of production in Japan. The Group will work to create cost synergies by, for example, promoting global purchasing that leverages the benefits of scale arising from the Talaris acquisition and restructuring of the production system.

The Quality Assurance Strategy aims to establish a quality assurance system for overseas operations.

(iii) Corporate management strategy

The Group is implementing the following strategies for the purpose of building a foundation that can support the Business Strategy and the Constitutional Strategy.

Under the Corporate Management Strategy, the Group will strive to increase management efficiency by means including reorganization of the Group in synch with business development. At the same time the Group will fortify corporate governance on a Group-level basis and work to ensure rigorous penetration of our Corporate Philosophy and Managerial Creed.

The Personnel Strategy aims to strengthen the Group's human resources by using dynamic personnel management systems and training and fully utilizing employees.

The Capital and Financial Strategy aims to use strategic investments and other measures to use capital more efficiently as well as to distribute earnings to shareholders in an appropriate manner.

In addition to steadily carrying out each of the abovementioned measures, the Group will give added impetus to CSR activities, and work for sustained growth as a corporate group that is trusted by its stakeholders by fulfilling its social responsibilities through its business activities.

**(4) Other Important Matters Related to Company Management**

Not applicable.

(TRANSLATION FOR REFERENCE ONLY)

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Millions of yen)

|  | Previous Fiscal Year<br>(As of March 31, 2012) | Current Fiscal Year<br>(As of March 31, 2013) |
|--|--|---|
| <b>Assets</b>                              |  |   |
| Current assets                             |  |   |
| Cash and deposits                          | 42,332   | 60,579  |
| Notes and accounts receivable-trade        | 34,842   | 44,629  |
| Lease investment assets                    | 2,904  | 2,539   |
| Securities                                 | 21,355   | 4,601   |
| Merchandise and finished goods             | 12,932   | 17,458  |
| Work in process                            | 7,043  | 6,312   |
| Raw materials and supplies                 | 6,389  | 8,302   |
| Deferred tax assets                        | 4,095  | 4,365   |
| Other                                      | 1,959  | 3,523   |
| Allowance for doubtful accounts            | (298)  | (442)   |
| <b>Total current assets</b>                | <b>133,556</b>                                 | <b>151,870</b>                                |
| Noncurrent assets                          |  |   |
| Property, plant and equipment              |  |   |
| Buildings and structures                   | 31,287   | 30,844  |
| Accumulated depreciation                   | (18,908)                                       | (18,035)                                      |
| Buildings and structures, net              | 12,378   | 12,808  |
| Machinery, equipment and vehicles          | 9,224  | 10,929  |
| Accumulated depreciation                   | *1 (7,912)                                     | *1 (9,010)                                    |
| Machinery, equipment and vehicles, net     | 1,312  | 1,918   |
| Tools, furniture and fixtures              | 50,965   | 56,768  |
| Accumulated depreciation                   | *1 (44,038)                                    | *1 (48,960)                                   |
| Tools, furniture and fixtures, net         | 6,926  | 7,807   |
| Land                                       | 12,091   | 11,944  |
| Construction in progress                   | 890  | 461   |
| <b>Total property, plant and equipment</b> | <b>33,599</b>                                  | <b>34,941</b>                                 |
| Intangible assets                          |  |   |
| Customer relationships                     | -  | 28,646  |
| Software                                   | 3,842  | 3,874   |
| Goodwill                                   | 3,006  | 69,080  |
| Other                                      | 155  | 3,610   |
| <b>Total intangible assets</b>             | <b>7,004</b>                                   | <b>105,212</b>                                |
| Investments and other assets               |  |   |
| Investment securities                      | *2 16,448                                      | *2 15,708                                     |
| Deferred tax assets                        | 4,070  | 4,969   |
| Other                                      | 10,592   | 6,390   |
| Allowance for doubtful accounts            | (27)   | (14)  |
| <b>Total investments and other assets</b>  | <b>31,084</b>                                  | <b>27,053</b>                                 |
| <b>Total noncurrent assets</b>             | <b>71,688</b>                                  | <b>167,206</b>                                |
| <b>Total assets</b>                        | <b>205,244</b>                                 | <b>319,077</b>                                |

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

|  | Previous Fiscal Year<br>(As of March 31, 2012) | Current Fiscal Year<br>(As of March 31, 2013) |
|--|--|---|
| <b>Liabilities</b>                                     |  |   |
| <b>Current liabilities</b>                             |  |   |
| Notes and accounts payable-trade                       | 15,984   | 20,096  |
| Short-term loans payable                               | 11,046   | 35,831  |
| Current portion of long-term loans payable             | —  | 6,151   |
| Income taxes payable                                   | 1,470  | 3,023   |
| Provision for bonuses                                  | 3,839  | 4,663   |
| Provision for directors' bonuses                       | 77   | 77  |
| Provision for loss on guarantees                       | 16   | 13  |
| Provision for loss on cancellation of lease obligation | 44   | —   |
| Other  | 12,187   | 23,288  |
| <b>Total current liabilities</b>                       | <b>44,668</b>                                  | <b>93,145</b>                                 |
| <b>Noncurrent liabilities</b>                          |  |   |
| Long-term loans payable                                | —  | 42,002  |
| Lease obligations                                      | 1,546  | 1,332   |
| Deferred tax liabilities                               | —  | 7,620   |
| Provision for retirement benefits                      | 2,902  | 3,421   |
| Other  | 2,792  | 3,089   |
| <b>Total noncurrent liabilities</b>                    | <b>7,242</b>                                   | <b>57,467</b>                                 |
| <b>Total liabilities</b>                               | <b>51,910</b>                                  | <b>150,612</b>                                |
| <b>Net assets</b>                                      |  |   |
| <b>Shareholders' equity</b>                            |  |   |
| Capital stock  | 12,892   | 12,892  |
| Capital surplus  | 20,629   | 20,629  |
| Retained earnings                                      | 125,858  | 130,055                                       |
| Treasury stock   | (5,815)  | (5,816)                                       |
| <b>Total shareholders' equity</b>                      | <b>153,565</b>                                 | <b>157,762</b>                                |
| <b>Accumulated other comprehensive income</b>          |  |   |
| Valuation difference on available-for-sale securities  | (206)  | 185   |
| Foreign currency translation adjustment                | (1,468)  | 8,716   |
| <b>Total accumulated other comprehensive income</b>    | <b>(1,674)</b>                                 | <b>8,901</b>                                  |
| <b>Minority interests</b>                              | <b>1,441</b>                                   | <b>1,800</b>                                  |
| <b>Total net assets</b>                                | <b>153,333</b>                                 | <b>168,464</b>                                |
| <b>Total liabilities and net assets</b>                | <b>205,244</b>                                 | <b>319,077</b>                                |

(TRANSLATION FOR REFERENCE ONLY)

**(2) Consolidated Statements of Income and Comprehensive Income**  
**(Consolidated Statements of Income)**

(Millions of yen)

|   | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) |         | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |         |
|---|---|---------|--|---------|
| Net sales   | *1  | 146,937 | *1   | 190,938 |
| Cost of sales                                     | *2,*4   | 92,672  | *2,*4  | 117,266 |
| Gross profit                                      |   | 54,264  |  | 73,671  |
| Selling, general and administrative expenses      | *3,*4   | 42,990  | *3,*4  | 59,213  |
| Operating income                                  |   | 11,274  |  | 14,458  |
| Non-operating income                              |   |         |  |         |
| Interest income                                   |   | 347     |  | 325     |
| Dividends income                                  |   | 293     |  | 256     |
| Other   |   | 584     |  | 551     |
| Total non-operating income                        |   | 1,225   |  | 1,133   |
| Non-operating expenses                            |   |         |  |         |
| Interest expenses                                 |   | 164     |  | 584     |
| Commission for bridge loan                        |   | 195     |  | 455     |
| Foreign exchange losses                           |   | 78      |  | 577     |
| Other   |   | 154     |  | 279     |
| Total non-operating expenses                      |   | 592     |  | 1,896   |
| Ordinary income                                   |   | 11,908  |  | 13,695  |
| Extraordinary income                              |   |         |  |         |
| Gain on sales of noncurrent assets                | *5  | 10      | *5   | 11      |
| Gain on sales of investment securities            |   | 223     |  | –       |
| Other   |   | 7       |  | 12      |
| Total extraordinary income                        |   | 241     |  | 23      |
| Extraordinary loss                                |   |         |  |         |
| Loss on sales of noncurrent assets                | *6  | 29      | *6   | 271     |
| Loss on retirement of noncurrent assets           | *7  | 155     | *7   | 191     |
| Loss on valuation of investment securities        |   | 40      |  | 64      |
| Impairment loss                                   |   | 224     |  | 62      |
| Amortization of goodwill                          |   | –       |  | 140     |
| Loss on liquidation of business                   |   | –       |  | 235     |
| Other   |   | 57      |  | 14      |
| Total extraordinary losses                        |   | 507     |  | 980     |
| Income before income taxes and minority interests |   | 11,642  |  | 12,738  |
| Income taxes-current                              |   | 3,331   |  | 5,878   |
| Income taxes-deferred                             |   | 1,613   |  | (504)   |
| Total income taxes                                |   | 4,945   |  | 5,374   |
| Income before minority interests                  |   | 6,696   |  | 7,364   |
| Minority interests in income                      |   | 449     |  | 490     |
| Net income  |   | 6,246   |  | 6,873   |



(TRANSLATION FOR REFERENCE ONLY)

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

|   | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| Income before minority interests                          | 6,696   | 7,364  |
| Other comprehensive income                                |   |  |
| Valuation difference on available-for-sale securities     | 106   | 391  |
| Foreign currency translation adjustment                   | (424)   | 10,346   |
| Total other comprehensive income                          | (318)   | 10,738   |
| Comprehensive income                                      | 6,378   | 18,102   |
| Comprehensive income attributable to                      |   |  |
| Comprehensive income attributable to owners of the parent | 6,061   | 17,449   |
| Comprehensive income attributable to minority interests   | 316   | 653  |

(TRANSLATION FOR REFERENCE ONLY)

**(3) Consolidated Statements of Changes in Equity**

(Millions of yen)

|  | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|--|---|--|
| <b>Shareholders' equity</b>                |   |  |
| Capital stock                              |   |  |
| Balance at the beginning of current period | 12,892  | 12,892   |
| Changes of items during the period         |   |  |
| Total changes of items during the period   | –   | –  |
| Balance at the end of current period       | 12,892  | 12,892   |
| Capital surplus                            |   |  |
| Balance at the beginning of current period | 20,629  | 20,629   |
| Changes of items during the period         |   |  |
| Total changes of items during the period   | –   | –  |
| Balance at the end of current period       | 20,629  | 20,629   |
| Retained earnings                          |   |  |
| Balance at the beginning of current period | 122,267   | 125,858  |
| Changes of items during the period         |   |  |
| Dividends from surplus                     | (2,627)   | (2,824)  |
| Net income                                 | 6,246   | 6,873  |
| Change of scope of consolidation           | (27)  | –  |
| Increase by merger                         | –   | 148  |
| Total changes of items during the period   | 3,591   | 4,196  |
| Balance at the end of current period       | 125,858   | 130,055  |
| Treasury stock                             |   |  |
| Balance at the beginning of current period | (5,815)   | (5,815)  |
| Changes of items during the period         |   |  |
| Purchase of treasury stock                 | (0)   | (0)  |
| Total changes of items during the period   | (0)   | (0)  |
| Balance at the end of current period       | (5,815)   | (5,816)  |
| Total shareholders' equity                 |   |  |
| Balance at the beginning of current period | 149,974   | 153,565  |
| Changes of items during the period         |   |  |
| Dividends from surplus                     | (2,627)   | (2,824)  |
| Net income                                 | 6,246   | 6,873  |
| Purchase of treasury stock                 | (0)   | (0)  |
| Change of scope of consolidation           | (27)  | –  |
| Increase by merger                         | –   | 148  |
| Total changes of items during the period   | 3,591   | 4,196  |
| Balance at the end of current period       | 153,565   | 157,762  |

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

|   | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| <b>Accumulated other comprehensive income</b>         |   |  |
| Valuation difference on available-for-sale securities |   |  |
| Balance at the beginning of current period            | (312)   | (206)  |
| Changes of items during the period                    |   |  |
| Net changes of items other than shareholders' equity  | 106   | 391  |
| Total changes of items during the period              | 106   | 391  |
| Balance at the end of current period                  | (206)   | 185  |
| Foreign currency translation adjustment               |   |  |
| Balance at the beginning of current period            | (1,176)   | (1,468)  |
| Changes of items during the period                    |   |  |
| Net changes of items other than shareholders' equity  | (291)   | 10,184   |
| Total changes of items during the period              | (291)   | 10,184   |
| Balance at the end of current period                  | (1,468)   | 8,716  |
| Total accumulated other comprehensive income          |   |  |
| Balance at the beginning of current period            | (1,489)   | (1,674)  |
| Changes of items during the period                    |   |  |
| Net changes of items other than shareholders' equity  | (185)   | 10,576   |
| Total changes of items during the period              | (185)   | 10,576   |
| Balance at the end of current period                  | (1,674)   | 8,901  |
| Minority interests                                    |   |  |
| Balance at the beginning of current period            | 1,295   | 1,441  |
| Changes of items during the period                    |   |  |
| Dividends from surplus                                | (241)   | (294)  |
| Net changes of items other than shareholders' equity  | 387   | 653  |
| Total changes of items during the period              | 146   | 358  |
| Balance at the end of current period                  | 1,441   | 1,800  |
| Total net assets                                      |   |  |
| Balance at the beginning of current period            | 149,781   | 153,333  |
| Changes of items during the period                    |   |  |
| Dividends from surplus                                | (2,869)   | (3,118)  |
| Net income  | 6,246   | 6,873  |
| Purchase of treasury stock                            | (0)   | (0)  |
| Change of scope of consolidation                      | (27)  | —  |
| Increase by merger                                    | —   | 148  |
| Net changes of items other than shareholders' equity  | 202   | 11,229   |
| Total changes of items during the period              | 3,551   | 15,131   |
| Balance at the end of current period                  | 153,333   | 168,464  |

(TRANSLATION FOR REFERENCE ONLY)

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

|   | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| Net cash provided by (used in) operating activities                                   |   |  |
| Income before income taxes and minority interests                                     | 11,642  | 12,738   |
| Depreciation and amortization   | 6,842   | 8,897  |
| Impairment loss   | 224   | 62   |
| Amortization of goodwill  | 1,076   | 4,018  |
| Increase (decrease) in allowance for doubtful accounts                                | (1,594)   | (40)   |
| Increase (decrease) in provision for retirement benefits                              | (390)   | (322)  |
| Increase (decrease) in provision for bonuses  | (63)  | 816  |
| Increase (decrease) in provision for loss on guarantees                               | (170)   | (3)  |
| Increase (decrease) in provision for loss on cancellation of lease obligation         | (58)  | (44)   |
| Loss (gain) on sales of investment securities   | (192)   | –  |
| Loss (gain) on valuation of investment securities                                     | 40  | 64   |
| Interest and dividends income   | (641)   | (581)  |
| Interest expenses   | 164   | 584  |
| Loss on retirement of noncurrent assets   | 155   | 191  |
| Decrease (increase) in notes and accounts receivable-trade                            | (5,170)   | (4,263)  |
| Decrease (increase) in inventories  | (1,810)   | (2,764)  |
| Increase (decrease) in notes and accounts payable-trade                               | 2,745   | (34)   |
| Increase (decrease) in lease obligations  | 238   | (306)  |
| Decrease (increase) in lease investment assets  | (147)   | 364  |
| Increase (decrease) in accounts payable-other   | 1,285   | (66)   |
| Decrease/increase in consumption taxes receivable/payable                             | (5)   | 132  |
| Other, net  | 123   | (94)   |
| Subtotal  | 14,293  | 19,346   |
| Interest and dividends income received  | 656   | 598  |
| Interest expenses paid  | (164)   | (600)  |
| Income taxes (paid) refund  | (3,767)   | (4,639)  |
| Net cash provided by (used in) operating activities                                   | 11,018  | 14,704   |
| Net cash provided by (used in) investing activities                                   |   |  |
| Payments into time deposits   | (270)   | (1,505)  |
| Proceeds from withdrawal of time deposits   | 1,086   | 3,592  |
| Purchase of property, plant and equipment   | (3,228)   | (4,390)  |
| Proceeds from sales of property, plant and equipment                                  | 69  | 545  |
| Purchase of intangible assets   | (1,054)   | (1,440)  |
| Purchase of investment securities   | (1,520)   | (108)  |
| Proceeds from sales and redemption of investment securities                           | 2,873   | 4,709  |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | –   | (55,687)   |
| Purchase of investments in subsidiaries   | (188)   | –  |
| Proceeds from cancellation of insurance funds   | –   | 1,762  |
| Other, net  | (198)   | 186  |
| Net cash provided by (used in) investing activities                                   | (2,429)   | (52,336)   |

(TRANSLATION FOR REFERENCE ONLY)

|  | (Millions of yen)   |  |
|--|---|--|
|  | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
| Net cash provided by (used in) financing activities                      |   |  |
| Net increase (decrease) in short-term loans payable                      | 109   | (4,430)  |
| Proceeds from long-term loans payable                                    | –   | 50,807   |
| Repayment of long-term loans payable                                     | –   | (2,653)  |
| Cash dividends paid  | (2,628)   | (2,823)  |
| Cash dividends paid to minority shareholders                             | (241)   | (294)  |
| Other, net   | (0)   | (0)  |
| Net cash provided by (used in) financing activities                      | (2,761)   | 40,604   |
| Effect of exchange rate change on cash and cash equivalents              | (212)   | 1,910  |
| Net increase (decrease) in cash and cash equivalents                     | 5,615   | 4,883  |
| Cash and cash equivalents at beginning of period                         | 52,788  | 58,430   |
| Increase in cash and cash equivalents from newly consolidated subsidiary | 27  | –  |
| Cash and cash equivalents at end of period                               | 58,430  | 63,314   |

(TRANSLATION FOR REFERENCE ONLY)

**(5) Notes to Consolidated Financial Statements**

**Notes Regarding Assumption of a Going Concern**

Not applicable.

**Changes in Accounting Policy That Are Difficult to Make a Distinction from Changes in Accounting Estimates**

In conjunction with a revision in Japan's Corporation Tax Act, the Company and its consolidated subsidiaries in Japan have changed the method used for depreciation from the current fiscal year. The changed depreciation method, which is based on the revised Corporation Tax Act, is applied to property, plant and equipment purchased on or after April 1, 2012.

As a result of this change, operating income, ordinary income and income before income taxes and minority interests increased by ¥102 million each.

**Notes to Consolidated Balance Sheets**

\*1. Accumulated depreciation of property, plant and equipment includes accumulated impairment loss.

\*2. The following are for non-consolidated subsidiaries and affiliates.

|                               | Previous Fiscal Year<br>(As of March 31, 2012) | Current Fiscal Year<br>(As of March 31, 2013) |
|-------------------------------|--|---|
| Investment securities (stock) | ¥1,105 million                                 | ¥1,036 million                                |

3. Contingent liabilities are as follows.

(1) Guarantees of employee loans from banks (residential loans)

|  | Previous Fiscal Year<br>(As of March 31, 2012) | Current Fiscal Year<br>(As of March 31, 2013) |
|--|--|---|
|  | ¥58 million                                    | ¥51 million                                   |

(2) Guarantees of customer lease obligations

|  | Previous Fiscal Year<br>(As of March 31, 2012) | Current Fiscal Year<br>(As of March 31, 2013) |
|--|--|---|
|  | ¥1,692 million                                 | ¥1,362 million                                |

**Notes to Consolidated Statements of Income**

\*1. The breakdown of net sales is below.

|                                | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|--------------------------------|---|--|
| Merchandise and finished goods | ¥112,993 million  | ¥140,171 million   |
| Maintenance                    | ¥33,944 million   | ¥50,766 million  |
| Total                          | ¥146,937 million  | ¥190,938 million   |

\*2. The breakdown of cost of sales is below.

|                                | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|--------------------------------|---|--|
| Merchandise and finished goods | ¥75,515 million   | ¥90,491 million  |
| Maintenance                    | ¥17,157 million   | ¥26,774 million  |
| Total                          | ¥92,672 million   | ¥117,266 million   |

(TRANSLATION FOR REFERENCE ONLY)

- \*3. Primary expense accounts and amounts that comprised selling, general and administrative expenses are below.

|                                   | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|-----------------------------------|---|--|
| Salaries and allowances           | ¥12,659 million   | ¥18,698 million  |
| Bonuses                           | ¥1,608 million  | ¥2,003 million   |
| Provision for bonuses             | ¥1,537 million  | ¥1,678 million   |
| Provision for retirement benefits | ¥1,197 million  | ¥1,383 million   |
| Depreciation and amortization     | ¥2,342 million  | ¥4,318 million   |
| Rent expenses                     | ¥3,764 million  | ¥4,230 million   |
| Amortization of goodwill          | ¥1,076 million  | ¥3,877 million   |

- \*4. Total amount of R&D expenses included in general and administrative expenses and current manufacturing expenses

|  | Previous Fiscal Year<br>(As of March 31, 2012) | Current Fiscal Year<br>(As of March 31, 2013) |
|--|--|---|
|  | ¥9,934 million                                 | ¥12,091 million                               |

- \*5. The breakdown of gain on sales of noncurrent assets is below.

|                                      | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|--------------------------------------|---|--|
| Buildings and structures             | ¥0 million  | ¥- million   |
| Machinery, equipment and vehicles    | ¥5 million  | ¥5 million   |
| Tools, furniture and fixtures        | ¥3 million  | ¥6 million   |
| Land                                 | ¥0 million  | ¥- million   |
| “Other” investments and other assets | ¥0 million  | ¥- million   |
| Total                                | ¥10 million   | ¥11 million  |

- \*6. The breakdown of loss on sales of noncurrent assets is below.

|                                      | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|--------------------------------------|---|--|
| Buildings and structures             | ¥0 million  | ¥259 million   |
| Machinery, equipment and vehicles    | ¥7 million  | ¥5 million   |
| Tools, furniture and fixtures        | ¥17 million   | ¥2 million   |
| Land                                 | ¥0 million  | ¥3 million   |
| Software                             | ¥2 million  | ¥- million   |
| “Other” investments and other assets | ¥0 million  | ¥- million   |
| Total                                | ¥29 million   | ¥271 million   |

(TRANSLATION FOR REFERENCE ONLY)

\*7. The breakdown of loss on retirement of noncurrent assets is below.

|                                      | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|--------------------------------------|---|--|
| Buildings and structures             | ¥27 million   | ¥92 million  |
| Machinery, equipment and vehicles    | ¥19 million   | ¥14 million  |
| Tools, furniture and fixtures        | ¥88 million   | ¥65 million  |
| Software                             | ¥19 million   | ¥18 million  |
| “Other” intangible assets            | ¥– million  | ¥1 million   |
| “Other” investments and other assets | ¥– million  | ¥0 million   |
| <b>Total</b>                         | <b>¥155 million</b>   | <b>¥191 million</b>  |

### Notes to Consolidated Statements of Changes in Equity

Previous Fiscal Year (from April 1, 2011 to March 31, 2012)

#### 1. Class and total number of issued shares, and class and number of treasury shares

|                     | Number of shares as of<br>the beginning of the<br>current fiscal year<br>(Shares) | Number of shares<br>increased in the<br>current fiscal year<br>(Shares) | Number of shares<br>decreased in the<br>current fiscal year<br>(Shares) | Number of shares as of<br>the end of the current<br>fiscal year (Shares) |
|---------------------|---|---|---|--|
| Issued shares       |   |   |   |  |
| Common stock        | 68,638,210  | –   | –   | 68,638,210   |
| Total               | 68,638,210  | –   | –   | 68,638,210   |
| Treasury stock      |   |   |   |  |
| Common stock (Note) | 2,950,306   | 144   | –   | 2,950,450  |
| Total               | 2,950,306   | 144   | –   | 2,950,450  |

Note: Increase in the number of shares of common stock in treasury of 144 shares is due to the purchase of shares less than one unit.

#### 2. Dividends

##### (1) Amount of dividend payments

| (Resolution)   | Class of<br>stock | Total dividend<br>(Millions of yen) | Dividend per<br>share (Yen) | Record date        | Effective date   |
|--|-------------------|-------------------------------------|-----------------------------|--------------------|------------------|
| Ordinary General Meeting<br>of Shareholders<br>June 24, 2011 | Common<br>stock   | 1,313                               | 20                          | March 31, 2011     | June 27, 2011    |
| Board of Directors’<br>Meeting<br>November 4, 2011           | Common<br>stock   | 1,313                               | 20                          | September 30, 2011 | December 5, 2011 |

##### (2) Dividend for which record date is in the current fiscal year with effective date in the following fiscal year

| (Resolution)   | Class of<br>stock | Total dividend<br>(Millions of yen) | Source of<br>dividend | Dividend per<br>share (Yen) | Record date    | Effective date |
|--|-------------------|-------------------------------------|-----------------------|-----------------------------|----------------|----------------|
| Ordinary General Meeting<br>of Shareholders<br>June 22, 2012 | Common<br>stock   | 1,445                               | Retained<br>earnings  | 22                          | March 31, 2012 | June 25, 2012  |



(TRANSLATION FOR REFERENCE ONLY)

Current Fiscal Year (from April 1, 2012 to March 31, 2013)

1. Class and total number of issued shares, and class and number of treasury shares

|                     | Number of shares as of the beginning of the current fiscal year (Shares) | Number of shares increased in the current fiscal year (Shares) | Number of shares decreased in the current fiscal year (Shares) | Number of shares as of the end of the current fiscal year (Shares) |
|---------------------|--|--|--|--|
| Issued shares       |  |  |  |  |
| Common stock        | 68,638,210   | –  | –  | 68,638,210   |
| Total               | 68,638,210   | –  | –  | 68,638,210   |
| Treasury stock      |  |  |  |  |
| Common stock (Note) | 2,950,450  | 299  | –  | 2,950,749  |
| Total               | 2,950,450  | 299  | –  | 2,950,749  |

Note: Increase in the number of shares of common stock in treasury of 299 shares is due to the purchase of shares less than one unit.

2. Dividends

(1) Amount of dividend payments

| (Resolution)  | Class of stock | Total dividend (Millions of yen) | Dividend per share (Yen) | Record date        | Effective date   |
|---|----------------|----------------------------------|--------------------------|--------------------|------------------|
| Ordinary General Meeting of Shareholders<br>June 22, 2012 | Common stock   | 1,445                            | 22                       | March 31, 2012     | June 25, 2012    |
| Board of Directors' Meeting<br>November 5, 2012           | Common stock   | 1,379                            | 21                       | September 30, 2012 | December 5, 2012 |

(2) Dividend for which record date is in the current fiscal year with effective date in the following fiscal year

| (Resolution)  | Class of stock | Total dividend (Millions of yen) | Source of dividend | Dividend per share (Yen) | Record date    | Effective date |
|---|----------------|----------------------------------|--------------------|--------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders<br>June 21, 2013 | Common stock   | 1,510                            | Retained earnings  | 23                       | March 31, 2013 | June 24, 2013  |

**Business Combinations**

***Business combination through acquisition***

1. Overview of the business combination

(1) Name and business description of the acquired entities

Name of the acquired entities: Talaris Topco Limited and its subsidiaries (33 companies in total)

Business description: Manufacture, sale and maintenance of cash handling equipment

(2) Principal reason for the business combination

The Company did the acquisition to obtain the massive sales and maintenance networks, the high ability to suggest solutions, a broad customer base, excellent human resources, etc. of a U.K.-based company Talaris Topco Limited and its subsidiaries (33 companies in total), aiming to accelerate the expansion of the Group's overseas business.

(3) Business combination date

July 10, 2012

(4) Legal form of the business combination

Acquisition of stock

(5) Name of the companies after the business combination

There was no change in the names of the acquired entities after the business combination.

(6) Ration of voting rights acquired

100%

(7) Principal basis for deciding the acquired entities

Turning those entities into subsidiaries of the Company through the acquisition of stock in exchange of cash

2. Period in which business results of the acquired entities are included in the consolidated financial statements

From July 10, 2012 to March 31, 2013

(TRANSLATION FOR REFERENCE ONLY)

|  |  |
|--|--|
| 3. Acquisition cost of the acquired entities and the breakdown   |  |
| Compensation for the acquisition   | ¥53,295 million  |
| Expenses directly required for the acquisition (advisory fees, etc.)   | ¥773 million   |
| Acquisition cost   | ¥54,068 million  |
| 4. Amount, cause, and amortization method and period of goodwill incurred  |  |
| (1) Amount of goodwill incurred  | ¥60,071 million  |
| (2) Cause  | The goodwill was incurred in association with future excess earning power that is expected for the business development in the future. |
| (3) Amortization method and period   | Equal amortization over a period of 19 years   |
| 5. Amounts of assets acquired and liabilities assumed on the business combination date and the principal breakdown |  |
| Current assets   | ¥14,727 million  |
| Noncurrent assets  | ¥30,166 million  |
| Total assets   | ¥44,893 million  |
| Current liabilities  | ¥44,460 million  |
| Noncurrent liabilities   | ¥6,436 million   |
| Total liabilities  | ¥50,897 million  |

In the allocation of the acquisition cost, the amount allocated to intangible assets other than goodwill was ¥28,308 million, which mainly consists of customer relationships of ¥25,600 million (amortization period: 20 years).

|  |                  |
|--|------------------|
| 6. Estimated amount of influence that would be exerted on the consolidated statement of income for the current fiscal year if the business combination is assumed to have been completed on the day of commencement of the fiscal year, and calculation method thereof |                  |
| Net sales  | ¥9,046 million   |
| Operating income   | ¥(555) million   |
| Ordinary income  | ¥(785) million   |
| Income before income taxes and minority interests  | ¥(785) million   |
| Net income   | ¥(1,012) million |
| Net income per share   | ¥(15.41)         |

**Calculation method of estimated amount**

The estimated amount of influence indicates the difference between net sales and the profit and loss information calculated by assuming that the business combination has been completed on the day of commencement of the fiscal year and net sales and the profit and loss information on the consolidated statement of income of the acquiring entity. Said difference contains the amount corresponding to amortization of customer relationships and goodwill and others during the period from the day of commencement of the fiscal year to the date of the business combination. Said notes have yet to receive an audit certification.

(TRANSLATION FOR REFERENCE ONLY)

**Transactions under common control**

GLORY Service Co., Ltd., a consolidated subsidiary, and GLORY F&C Co., Ltd., a non-consolidated subsidiary, merged on April 1, 2012.

1. Overview of the business combination

(1) Names and business descriptions of the companies subject to the business combination

(i) Names of the companies subject to the business combination

GLORY Service Co., Ltd. and GLORY F&C Co., Ltd.

(ii) Business descriptions

GLORY Service Co., Ltd.: Sales, maintenance and operation of coin-operated lockers manufactured by the Company.

GLORY F&C Co., Ltd.: Sales of card system equipment, ticket vending machines, etc.

(2) Legal form of the business combination

The merger was conducted in the form of an absorption-type merger after which GLORY Service Co., Ltd. became the surviving company and GLORY F&C Co., Ltd. was dissolved.

(3) Name of the company after the business combination

GLORY Service Co., Ltd.

(4) Purpose of such transaction

(i) Purpose of the merger

To strengthen and improve the efficiency of business activities in the leisure market and employee cafeteria market.

(ii) Effective date of the merger

April 1, 2012

(iii) Merger ratio

As the two companies are wholly-owned subsidiaries, there was no agreement regarding the merger ratio.

2. Accounting treatment

Accounting treatment is based on "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008) as a transaction under common control.

**Segment Information**

**a. Segment information**

1. Summary of reportable segments

The Company's reportable segments are based on those units within the Company where separate financial information is available and where the Board of Directors periodically reviews matters such as the distribution of management resources and financial performance.

The Group operates business activities after formulating comprehensive strategies for the products and services in each market. Accordingly, the Group is comprised of market-specific segments and has established the "Financial market," "Retail and transportation market," "Amusement market," and "Overseas market," as its four reportable segments.

A summary of each reportable segment is as follows:

|                                   |  |
|-----------------------------------|--|
| Financial market:                 | Sales and maintenance services to domestic financial institutions, Japan Post Bank, OEM clients, and others.                           |
| Retail and transportation market: | Sales and maintenance services to domestic supermarkets, department stores, cash-in-transit companies, railroad companies, and others. |
| Amusement market:                 | Sales and maintenance services to domestic amusement halls (pachinko parlors, etc.).   |
| Overseas market:                  | Sales and maintenance services to overseas financial institutions, cash-in-transit companies, casinos, OEM clients, and others.        |

2. Calculation method of sales, income (loss), assets, liabilities and other items by reportable segment

Income by reportable segment is operating income.

(TRANSLATION FOR REFERENCE ONLY)

3. Information on sales, income (loss), assets, liabilities and other items by reportable segment  
 Previous Fiscal Year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

|   | Reportable segments |  |                     |                    |         | Other<br>(Note: 1) | Total   | Reconcilia-<br>tion | Amounts<br>reported on<br>the<br>consolidated<br>financial<br>statements |
|---|---------------------|--|---------------------|--------------------|---------|--------------------|---------|---------------------|--|
|   | Financial<br>market | Retail and<br>transportation<br>market | Amusement<br>market | Overseas<br>market | Total   |                    |         |                     |  |
| Net sales   |                     |  |                     |                    |         |                    |         |                     |  |
| (1) Sales to customers  | 44,191              | 28,566                                 | 24,811              | 35,306             | 132,875 | 14,062             | 146,937 | –                   | 146,937  |
| (2) Intersegment sales<br>or transfers  | –                   | –                                      | –                   | –                  | –       | –                  | –       | –                   | –  |
| Total   | 44,191              | 28,566                                 | 24,811              | 35,306             | 132,875 | 14,062             | 146,937 | –                   | 146,937  |
| Segment profit (Note: 2)  | 3,954               | 3,695                                  | 2,039               | 1,837              | 11,527  | (253)              | 11,274  | –                   | 11,274   |
| Segment assets<br>(Note: 3)   | 49,207              | 35,530                                 | 26,063              | 34,283             | 145,084 | 17,827             | 162,911 | 42,332              | 205,244  |
| Others  |                     |  |                     |                    |         |                    |         |                     |  |
| (1) Depreciation and<br>amortization (Note:<br>4)   | 1,866               | 1,201                                  | 1,813               | 1,291              | 6,172   | 669                | 6,842   | –                   | 6,842  |
| (2) Amortization of<br>goodwill   | –                   | –                                      | 657                 | 419                | 1,076   | –                  | 1,076   | –                   | 1,076  |
| (3) Increase in<br>property, plant and<br>equipment and<br>intangible assets<br>(Note: 5) | 1,815               | 1,177                                  | 1,724               | 1,337              | 6,054   | 653                | 6,708   | –                   | 6,708  |

- Notes: 1. “Other” segment is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.  
 2. All operating expenses are either directly charged or allocated to the segments.  
 3. The reconciliation of ¥42,332 million is surplus funds (cash and deposits) of the Company.  
 4. Depreciation and amortization includes amortization of long-term prepaid expenses.  
 5. Increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

Current Fiscal Year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

|  | Reportable segments |  |                     |                    |         | Other<br>(Note: 1) | Total   | Reconcilia-<br>tion | Amounts<br>reported on<br>the<br>consolidated<br>financial<br>statements |
|--|---------------------|--|---------------------|--------------------|---------|--------------------|---------|---------------------|--|
|  | Financial<br>market | Retail and<br>transportation<br>market | Amusement<br>market | Overseas<br>market | Total   |                    |         |                     |  |
| Net sales  |                     |  |                     |                    |         |                    |         |                     |  |
| (1) Sales to customers   | 44,679              | 29,670                                 | 25,845              | 75,688             | 175,882 | 15,055             | 190,938 | –                   | 190,938  |
| (2) Intersegment sales<br>or transfers   | –                   | –                                      | –                   | –                  | –       | –                  | –       | –                   | –  |
| Total  | 44,679              | 29,670                                 | 25,845              | 75,688             | 175,882 | 15,055             | 190,938 | –                   | 190,938  |
| Segment profit (Note: 2)   | 4,416               | 3,136                                  | 1,728               | 5,085              | 14,366  | 91                 | 14,458  | –                   | 14,458   |
| Segment assets<br>(Note: 3)  | 38,775              | 26,563                                 | 25,383              | 151,733            | 242,457 | 16,042             | 258,499 | 60,579              | 319,077  |
| Others   |                     |  |                     |                    |         |                    |         |                     |  |
| (1) Depreciation and<br>amortization<br>(Note: 4)                                      | 1,648               | 1,051                                  | 1,928               | 3,518              | 8,147   | 750                | 8,897   | –                   | 8,897  |
| (2) Amortization of<br>goodwill  | –                   | –                                      | 657                 | 3,360              | 4,018   | –                  | 4,018   | –                   | 4,018  |
| (3) Increase in property,<br>plant and equipment<br>and intangible<br>assets (Note: 5) | 1,691               | 1,105                                  | 2,210               | 106,395            | 111,403 | 802                | 112,205 | –                   | 112,205  |

- Notes: 1. “Other” segment is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.  
 2. All operating expenses are either directly charged or allocated to the segments.

(TRANSLATION FOR REFERENCE ONLY)

3. The reconciliation of ¥60,579 million is surplus funds (cash and deposits) of the Company.
4. Depreciation and amortization includes amortization of long-term prepaid expenses.
5. Increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

**b. Relative information**

Previous Fiscal Year (from April 1, 2011 to March 31, 2012)

1. Products and services information

(Millions of yen)

|                    | Money handling machines and cash management systems | Vending machines and automatic service equipment | Other goods and products | Total   |
|--------------------|---|--|--------------------------|---------|
| Sales to customers | 92,651  | 33,911   | 20,375                   | 146,937 |

2. Geographic segment information

(1) Sales

(Millions of yen)

| Japan   | Asia   | Americas | Europe | Total   |
|---------|--------|----------|--------|---------|
| 111,631 | 10,477 | 8,493    | 16,335 | 146,937 |

Note: Sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

Information by major customer is not shown since net sales to outside major customers accounted for less than 10% of net sales on the consolidated statements of income.

Current Fiscal Year (from April 1, 2012 to March 31, 2013)

1. Products and services information

(Millions of yen)

|                    | Money handling machines and cash management systems | Vending machines and automatic service equipment | Other goods and products | Total   |
|--------------------|---|--|--------------------------|---------|
| Sales to customers | 136,047   | 36,282   | 18,609                   | 190,938 |

2. Geographic segment information

(1) Sales

(Millions of yen)

| Japan   | Asia   | Americas | Europe | Total   |
|---------|--------|----------|--------|---------|
| 115,250 | 17,899 | 24,499   | 33,289 | 190,938 |

Note: Sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

Information by major customer is not shown since net sales to outside major customers accounted for less than 10% of net sales on the consolidated statements of income.

(TRANSLATION FOR REFERENCE ONLY)

**c. Information on impairment losses of noncurrent assets by reportable segment**

Previous Fiscal Year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

|                 | Reportable segments |  |                     |                    |       | Other | Total | Reconciliation<br>(Note) | Amounts<br>reported on<br>the<br>consolidated<br>statement of<br>income |
|-----------------|---------------------|--|---------------------|--------------------|-------|-------|-------|--------------------------|---|
|                 | Financial<br>market | Retail and<br>transportation<br>market | Amusement<br>market | Overseas<br>market | Total |       |       |                          |   |
| Impairment loss | -                   | -                                      | -                   | -                  | -     | -     | -     | 224                      | 224   |

Note: The impairment loss of ¥224 million relates to idle assets and was not allocated to any reportable segment.

Current Fiscal Year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

|                 | Reportable segments |  |                     |                    |       | Other | Total | Reconciliation<br>(Note) | Amounts<br>reported on<br>the<br>consolidated<br>statement of<br>income |
|-----------------|---------------------|--|---------------------|--------------------|-------|-------|-------|--------------------------|---|
|                 | Financial<br>market | Retail and<br>transportation<br>market | Amusement<br>market | Overseas<br>market | Total |       |       |                          |   |
| Impairment loss | -                   | -                                      | -                   | -                  | -     | -     | -     | 62                       | 62  |

Note: The impairment loss of ¥62 million relates to idle assets and was not allocated to any reportable segment.

**d. Information on amortization of goodwill and unamortized balance by reportable segment**

Previous Fiscal Year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

|                             | Reportable segments |  |                     |                    |       | Other | Total | Reconciliation | Amounts<br>reported on<br>the<br>consolidated<br>financial<br>statements |
|-----------------------------|---------------------|--|---------------------|--------------------|-------|-------|-------|----------------|--|
|                             | Financial<br>market | Retail and<br>transportation<br>market | Amusement<br>market | Overseas<br>market | Total |       |       |                |  |
| Amortization of<br>goodwill | -                   | -                                      | 657                 | 419                | 1,076 | -     | 1,076 | -              | 1,076  |
| Balance at end of<br>period | -                   | -                                      | 872                 | 2,133              | 3,006 | -     | 3,006 | -              | 3,006  |

Current Fiscal Year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

|                             | Reportable segments |  |                     |                    |        | Other | Total  | Reconciliation | Amounts<br>reported on<br>the<br>consolidated<br>financial<br>statements |
|-----------------------------|---------------------|--|---------------------|--------------------|--------|-------|--------|----------------|--|
|                             | Financial<br>market | Retail and<br>transportation<br>market | Amusement<br>market | Overseas<br>market | Total  |       |        |                |  |
| Amortization of<br>goodwill | -                   | -                                      | 657                 | 3,360              | 4,018  | -     | 4,018  | -              | 4,018  |
| Balance at end of<br>period | -                   | -                                      | 214                 | 68,865             | 69,080 | -     | 69,080 | -              | 69,080   |

**e. Information on gain on bargain purchase by reportable segment**

Previous Fiscal Year (from April 1, 2011 to March 31, 2012)

Not applicable.

Current Fiscal Year (from April 1, 2012 to March 31, 2013)

Not applicable.

(TRANSLATION FOR REFERENCE ONLY)

**Per Share Information**

|                      | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|----------------------|---|--|
| Net assets per share | ¥2,312.33   | ¥2,537.23  |
| Net income per share | ¥95.09  | ¥104.64  |

Notes: 1. Diluted net income per share is not disclosed because dilutive shares are not issued.

2. The basis for calculation of the net income per share amount is shown below.

|   | Previous Fiscal Year<br>(from April 1, 2011<br>to March 31, 2012) | Current Fiscal Year<br>(from April 1, 2012<br>to March 31, 2013) |
|---|---|--|
| Net income<br>(Millions of yen)                                     | 6,246   | 6,873  |
| Amount not attributable to common shareholders<br>(Millions of yen) | —   | —  |
| Net income pertaining to common stock<br>(Millions of yen)          | 6,246   | 6,873  |
| Average number of shares during the fiscal year<br>(Shares)         | 65,687,834  | 65,687,596   |

**Significant Subsequent Events**

Not applicable.