

# Consolidated Financial Results

for the first quarter of the fiscal year ending March 31, 2013

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※Notes on presentation:

Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.

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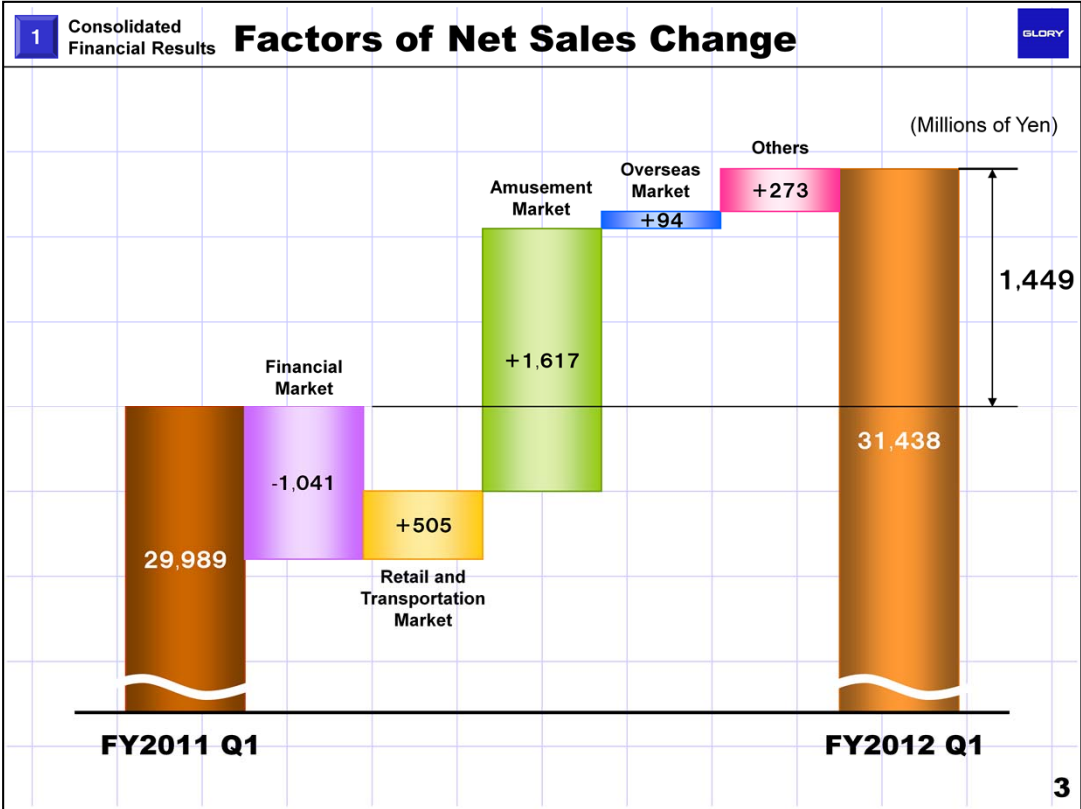
The forecasts for future business contained in this document are based on the information currently available to the company. These forecasts involve some risks or uncertainty of fluctuating in the future, depending on the economic conditions of Japan and elsewhere, industry's trends, demands for the company's products, development of new technologies and other factors.

Accordingly, investments made solely based on the forecasts in this document are not recommended. Please also take note that forecasts in this document may change without prior notice unless required by laws.

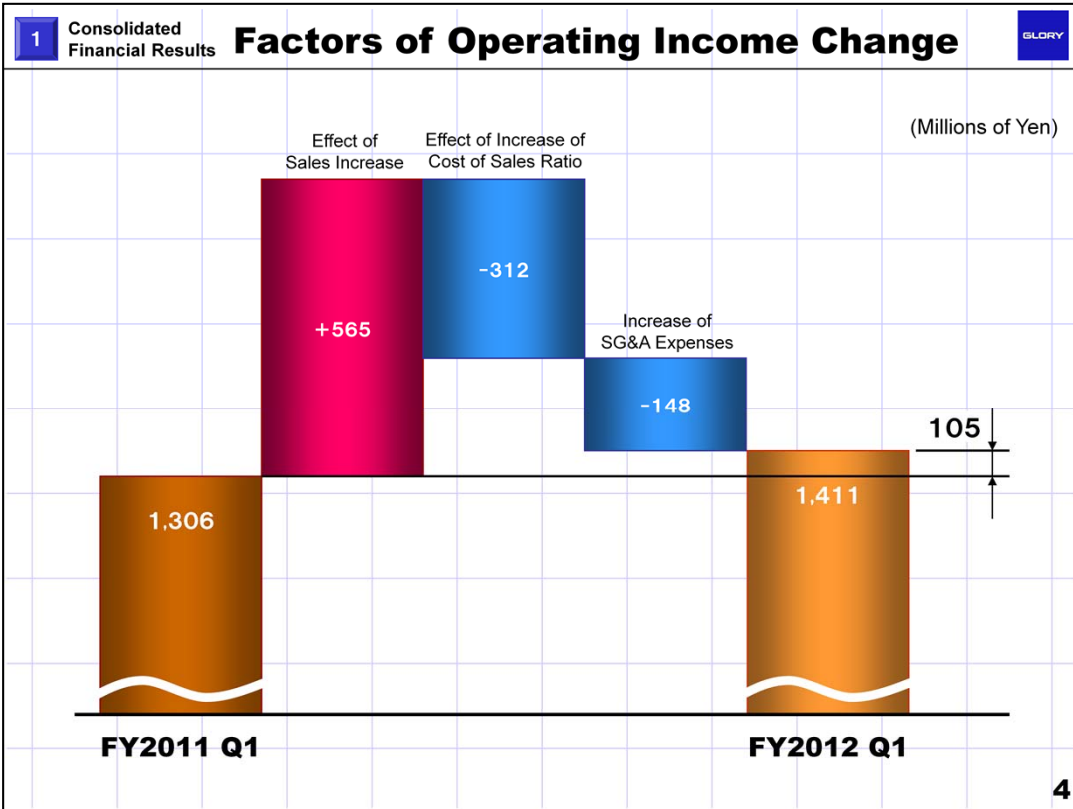
1 Consolidated Financial Results		<b>Performance Overview Year-on-Year</b>		GLORY
<b>Net sales</b>	First quarter sales were higher than one year earlier as increases in sales in the retail and transportation market and amusement market offset weakness in the financial market.			
<b>Income</b>	Earnings increased from one year earlier due to cost reductions resulting from growth in overseas production and procurement and to the increase in sales.			
(Millions of yen)	FY2011 Q1	FY2012 Q1	Year-on-year comparison	
Net sales	<b>29,989</b>	<b>31,438</b>	<b>+4.8%</b>	
Maintenance service	<b>8,292</b> (27.7%)	<b>8,405</b> (26.7%)	<b>+1.4%</b>	
Operating income	<b>1,306</b> (4.4%)	<b>1,411</b> (4.5%)	<b>+8.0%</b>	
Ordinary income	<b>1,588</b> (5.3%)	<b>1,657</b> (5.3%)	<b>+4.3%</b>	
Net income	<b>768</b> (2.6%)	<b>922</b> (2.9%)	<b>+20.1%</b>	

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First quarter sales and earnings were higher than one year earlier.



First quarter sales increased ¥1,449 million year on year.



First quarter operating income is ¥105 million higher than one year earlier.

2 Detail of Performance		Sales & Operating Income by Business Segment (Y-on-Y)					GLORY
							(Millions of yen)
Business Segments	Sales			Operating Income			
	FY2011 Q1	FY2012 Q1	Year-on-Year comparison	FY2011 Q1	FY2012 Q1	Year-on-Year comparison	
Financial Market	8,471	7,430	-1,041 (-12.3%)	342	-38	-380 (- %)	
Retail & Transportation Market	5,836	6,341	+505 (+8.7%)	736	728	-8 (-1.1%)	
Amusement Market	4,597	6,214	+1,617 (+35.2%)	-251	406	+657 (- %)	
Overseas Market	7,779	7,873	+94 (+1.2%)	502	446	-56 (-11.2%)	
Others	3,304	3,577	+273 (+8.3%)	-23	-131	-108 (- %)	
Total	29,989	31,438	+1,449 (+4.8%)	1,306	1,411	+105 (+8.0%)	

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Sales were higher in all business segments except the financial market.

Operating income were lower in all segments except the amusement market.

## ● Slow sales of main products

Sales of multifunctional banknote changers increased due to measures to target replacement demand but sales of open teller systems, the main products in this segment, and coin and banknote recyclers for tellers were lower.

### Outline of the Segment

Sales and maintenance to financial institutions, OEM clients and others at domestic market in Japan.

### Main Products



Open teller systems  
WAVE series



Coin and banknote  
recyclers for tellers  
RB series



Multi-functional  
banknote changers  
EN series

(Millions of yen)

	FY2011 Q1	FY2012 Q1	Y-on-Y
Sales	8,471	7,430	-1,041 (-12.3%)
Ratio to total sales	28.2%	23.6%	-4.6%
Operating income	342	-38	-380 (- %)
Ratio to total operating income	26.2%	-2.7%	-
Operating margin	4.0%	-	-

Sales decreased 12.3% to ¥7,430 million.

Operating loss was ¥38 million.

● **Strong sales of coin and banknote recyclers for cashiers**

(Millions of yen)

Sales of coin and banknote recyclers for cashiers, the main product in this segment, were solid and there was an increase in sales of sales proceeds deposit machines to cash-in-transit companies.

**Outline of the Segment**

Sales and maintenance to supermarkets, department stores, cash-in-transit companies, railroad companies, and others at domestic market in Japan.

**Main Products**



	FY2011 Q1	FY2012 Q1	Y-on-Y
Sales	5,836	6,341	+505 (+8.7%)
Ratio to total sales	19.5%	20.2%	+0.7%
Operating income	736	728	-8 (-1.1%)
Ratio to total operating income	56.3%	51.6%	-4.7%
Operating margin	12.6%	11.5%	-1.1%

Sales increased 8.7% to ¥6,341 million.

Operating income decreased 1.1% to ¥728 million.

(Millions of yen)

## Higher sales of card systems

Sales of card systems for pachinko parlors, the main product in this segment, and other products were higher. In particular, there were strong sales of pachislot token dispensers because of the recovery in the popularity of pachislot in Japan.

### Outline of the Segment

Sales and maintenance for pachinko parlors, and others in the domestic market.

### Main Products

#### Card systems



	FY2011 Q1	FY2012 Q1	Y-on-Y
Sales	4,597	6,214	+1,617 (+35.2%)
Ratio to total sales	15.3%	19.8%	+4.5%
Operating income	-251	406	+657 (- %)
Ratio to total operating income	-19.2%	28.8%	-
Operating margin	-	6.5%	-

Sales increased 35.2% to ¥6,214 million.

Operating income was ¥406 million.



**● Growth backed by sales of banknote deposit units for ATMs**

(Millions of yen)

Although sales of OEM bulk banknote and check deposit units for ATMs were sluggish, there were strong sales of banknote deposit units for ATMs.

**Outline of the Segment**

Sales and maintenance to financial institutions, cash-in-transit companies, casinos, OEM customers and others at the overseas market.

**Main products**



Banknote recyclers for tellers RZ series



Banknote sorters UW series



Banknote deposit units for ATMs UD series

	FY2011 Q1	FY2012 Q1	Y-on-Y
Sales	7,779	7,873	+94 (+1.2%)
Ratio to total sales	25.9%	25.0%	-0.9%
Operating income	502	446	-56 (-11.2%)
Ratio to total operating income	38.4%	31.6%	-6.8%
Operating margin	6.5%	5.7%	-0.8%

Sales increased 1.2% to ¥7,873 million.

Operating income decreased 11.2% to ¥446 million.

(Millions of yen)

Sales by geographical segment (overseas)	FY2011 Q1	FY2012 Q1	Year-on-Year Comparison
Americas	2,069	1,836	-233
Europe	3,949	4,244	+295
Asia	1,760	1,793	+33
China	466	681	+215
Total	7,779	7,873	+94
OEM	2,438	2,750	+312

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## [Americas]

Sales of banknote and check deposit units for ATMs, an OEM product, was sluggish. Sales down 11.3% year-on-year to ¥1,836 million .

## [Europe]

Direct sales were weak but sales of banknote deposit units for ATMs, an OEM product, increased.

Sales up 7.5% year-on-year to ¥4,244 million.

## [Asia]

Sales up 1.9% year-on-year to ¥1,793 million.

Sales were higher in China.

● **Strong sales of main products**

Although sales of cigarette vending machines were lackluster, segment sales increased because of growth in sales of horse race winning ticket payment units for public-sector race tracks, an OEM product, and in sales of medical payment kiosks, ticket vending machines and other products.

**Outline of the Segment**

Sales and maintenance to tobacco kiosks, tobacco companies, hospitals, government offices and others in Japan

**Main products**



Medical payment kiosks  
FHP series



Ticket vending  
Machines  
VT series



Banknote recycling units  
for horse race ticket  
vending machines  
RBK series

(Millions of yen)

	FY2011 Q1	FY2012 Q1	Y-on-Y
Sales	3,304	3,577	+273 (+8.3%)
Ratio to total sales	11.0%	11.4%	+0.4%
Operating income	-23	-131	-108 (- %)
Ratio to total operating income	-1.8%	-9.3%	-
Operating margin	-	-	-

Sales increased 8.3% to ¥3,577 million

Operating loss was ¥131 million.

## Capital Expenditures and Other Expenses

(Millions of yen)

	FY2011 Q1	FY2012 Q1	Year-on-Year	Change during the last five years												
Capital Expenditures	1,187	1,861	+674 (+56.8%)	<table border="1"> <tr> <th>Period</th> <th>Value</th> </tr> <tr> <td>FY11 (Q1)</td> <td>1,187</td> </tr> <tr> <td>FY11 (Q2)</td> <td>1,947</td> </tr> <tr> <td>FY11 (Q3)</td> <td>1,411</td> </tr> <tr> <td>FY11 (Q4)</td> <td>2,163</td> </tr> <tr> <td>FY12 (Q1)</td> <td>1,661</td> </tr> </table>	Period	Value	FY11 (Q1)	1,187	FY11 (Q2)	1,947	FY11 (Q3)	1,411	FY11 (Q4)	2,163	FY12 (Q1)	1,661
Period	Value															
FY11 (Q1)	1,187															
FY11 (Q2)	1,947															
FY11 (Q3)	1,411															
FY11 (Q4)	2,163															
FY12 (Q1)	1,661															
Depreciation & Amortization	1,555	1,532	-23 (-1.5%)	<table border="1"> <tr> <th>Period</th> <th>Value</th> </tr> <tr> <td>FY11 (Q1)</td> <td>1,555</td> </tr> <tr> <td>FY11 (Q2)</td> <td>1,681</td> </tr> <tr> <td>FY11 (Q3)</td> <td>1,785</td> </tr> <tr> <td>FY11 (Q4)</td> <td>1,821</td> </tr> <tr> <td>FY12 (Q1)</td> <td>1,532</td> </tr> </table>	Period	Value	FY11 (Q1)	1,555	FY11 (Q2)	1,681	FY11 (Q3)	1,785	FY11 (Q4)	1,821	FY12 (Q1)	1,532
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FY11 (Q1)	1,555															
FY11 (Q2)	1,681															
FY11 (Q3)	1,785															
FY11 (Q4)	1,821															
FY12 (Q1)	1,532															
R&D Expenses	2,354	2,521	+167 (+7.1%)	<table border="1"> <tr> <th>Period</th> <th>Value</th> </tr> <tr> <td>FY11 (Q1)</td> <td>2,354</td> </tr> <tr> <td>FY11 (Q2)</td> <td>2,733</td> </tr> <tr> <td>FY11 (Q3)</td> <td>2,416</td> </tr> <tr> <td>FY11 (Q4)</td> <td>2,431</td> </tr> <tr> <td>FY12 (Q1)</td> <td>2,521</td> </tr> </table>	Period	Value	FY11 (Q1)	2,354	FY11 (Q2)	2,733	FY11 (Q3)	2,416	FY11 (Q4)	2,431	FY12 (Q1)	2,521
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FY11 (Q3)	2,416															
FY11 (Q4)	2,431															
FY12 (Q1)	2,521															

2 Detail of Performance		Consolidated Statements of Income and Comprehensive Income				GLORY	
(Millions of Yen)							
	FY2011 Q1	ratio	FY2012 Q1	ratio	Increase/Decrease		
Net sales	29,989	100.0	31,438	100.0	+1,449		
Cost of sales	18,279	61.0	19,473	61.9	+1,194	*1	
SG&A expenses	10,404	34.7	10,552	33.6	+148		
Operating income	1,306	4.4	1,411	4.5	+105		
Non operating income	414	1.4	382	1.2	-32		
Non operating expenses	131	0.4	136	0.4	+5	*2	
Ordinary income	1,588	5.3	1,657	5.3	+69		
Extraordinary income	25	0.1	2	0.0	-23		
Extraordinary loss	88	0.3	52	0.2	-36		
Income before income taxes	1,524	5.1	1,607	5.1	+83		
Total income taxes	643	2.1	582	1.9	-61		
Net income	768	2.6	922	2.9	+154		
Income before minority interests	881	2.9	1,025	3.3	+144		
Total other comprehensive income	434	1.4	-369	-	-803		
Comprehensive income	1,316	4.4	655	2.1	-661		

\*1 Cost to sales ratio : Increased 0.9% despite cost-reduction measures mainly because of higher R&D expenditures.  
 \*2 Non operating expenses : Includes foreign exchange loss (¥64 million)

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### [Operating income]

Up 8.0% year-on-year to ¥1,411 million

Cost of sales ratio up 0.9%

SG&A expense ratio down 1.1%

### [Ordinary income]

Up 4.3% year-on-year to ¥1,657 million

Non-operating expenses include foreign exchange loss of ¥64 million

### [Net income]

Up 20.1% to ¥922 million

### [Comprehensive income]

Income before minority interests of ¥1,025 million and a deduction of ¥369 million for total other comprehensive income, resulted in comprehensive income of ¥655 million

3 Financial Forecast for FY2012		<b>Financial Forecast for FY2012</b>		GLORY
<b>Net sales</b>		Forecast higher sales because of overseas market expansion through acquisition of Talaris and deeper penetration in the Japanese market		
<b>Income</b>		Forecast higher earnings because of benefits of Talaris acquisition and cost-reduction measures		
(Millions of yen)	<b>FY2011 Q1 results</b>	<b>FY2012 Q1-Q2 forecast</b>	<b>FY2012 Forecast</b>	
Net sales	<b>31,438</b>	<b>70,000→ 80,000</b>	<b>155,000→ 185,000</b>	
Maintenance service	<b>8,405</b> (26.7%)	<b>17,000→ 21,100</b> (26.4%)	<b>34,000→ 46,500</b> (25.1%)	
Operating income	<b>1,411</b> (4.5%)	<b>4,000→ 4,500</b> (5.6%)	<b>12,000→ 14,500</b> (7.8%)	
Ordinary income	<b>1,657</b> (5.3%)	<b>4,000→ 4,500</b> (5.6%)	<b>12,000→ 13,500</b> (7.3%)	
Net income	<b>992</b> (2.9%)	<b>2,000→ 2,500</b> (3.1%)	<b>7,000→ 7,500</b> (4.1%)	
Exchange rate: US\$1 = ¥80 €1 = ¥100				

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The financial forecasts for the first six months and the full year of FY2012 have been revised in light of performance of Talaris Topco Limited which became a subsidiary in July 2012, the current market trend surrounding GLORY Group, and other factors.

[First half]

Sales up 19.0% year-on-year to ¥80,000 million

Operating income up 7.9% year-on-year to ¥4,500 million

Ordinary income up 2.5% year-on-year to ¥4,500 million

Net income up 12.3% year-on-year to ¥2,500 million

[Full year]


Sales up 25.9% year-on-year to ¥185,000 million

Operating income up 28.6% year-on-year to ¥14,500 million

Ordinary income up 13.4% year-on-year to ¥13,500 million

Net income up 20.1% year-on-year to ¥7,500 million

3 Financial Forecast for FY2012		Sales & Operating Income Forecast by Business Segment				GLORY	
		(Millions of Yen)					
Business Segments	FY2012						
	FY2012 Q1 results		FY2012 Q1-Q2 forecast		FY2012 forecast		
	Sales	Operating income	Sales	Operating income	Sales	Operating income	
Financial Market	7,430	-38	21,000	1,700	46,000	4,800	
Retail & Transportation Market	6,341	728	13,000	1,300	29,000	3,700	
Amusement Market	6,214	406	12,000	300	25,500	1,600	
Overseas Market	7,873	446	17,500	700	40,000	1,900	
Others	3,577	-131	6,500	0	14,500	0	
Total	31,438	1,411	70,000	4,000	155,000	12,000	
			80,000	4,500	185,000	14,500	

 Upper row shows the forecasts announced previously  
Lower row shows the revised forecasts

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Major revision of forecast was made in the Overseas market:

[First half]


Sales                                    ¥17,500 million to ¥26,500 million

Operating income                    ¥700 million to ¥1,600 million

[Full year]

Sales                                    ¥40,000 million to ¥70,000 million

Operating income                    ¥1,900 million to ¥5,300 million

4 Other Information	<b>Acquisition of Talaris Topco Limited</b>	
<b>1. Summary</b>		
On July 10, 2012, GLORY acquired all of the outstanding shares of Talaris Topco Limited headquartered in Basingstoke, UK ("Talaris"), a provider of cash handling equipment and software solutions, through GLORY Global Solutions Ltd., a GLORY subsidiary located in UK. As a result, Talaris and its 32 subsidiaries (together, "Talaris Group") became subsidiaries of GLORY.		
<b>2. Reason for the acquisition</b>		
Acquisition of Talaris will provide GLORY with the wider distribution and maintenance service networks, advanced solution capabilities, a broad customer base and skillful human resources of Talaris Group, and is envisaged to accelerate the growth of GLORY's overseas business.		
<b>3. Names of the sellers of the shares</b>		
CEP III Participations S.a.r.l. SICAR and Talaris management team		
<b>4. Outline of the company acquired</b>		
(1) Company name Talaris Topco Limited		
(2) Principal business Holding company that manufactures, sells and maintains cash handling machines		
(3) Consolidated financial condition and revenue (as of March 31, 2012)		
Paid-in capital    £ 132 million (¥165 billion)    (*Exchange rate: £ 1 = ¥125)		
Total assets        £ 555 million (¥694 billion)		
Revenue            £ 330 million (¥413 billion)		
<b>5. Date of the acquisition</b>		
July 10, 2012		
<b>6. Acquisition price and shareholding ratio after the acquisition</b>		
Acquisition price:        £ 438 million		
Shareholding ratio:      100%		
<b>7. Funds for the acquisition</b>		
GLORY's own resources and financial loans		
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## Goodwill resulting from acquisition of outstanding shares of Talaris

[Total amount]

Expect to record goodwill of about ¥66 billion

[Amortization period]

The financial forecast for FY2012 is based on a 17-year amortization period for goodwill.

The amortization period will be finally determined after internal examinations and consultations.



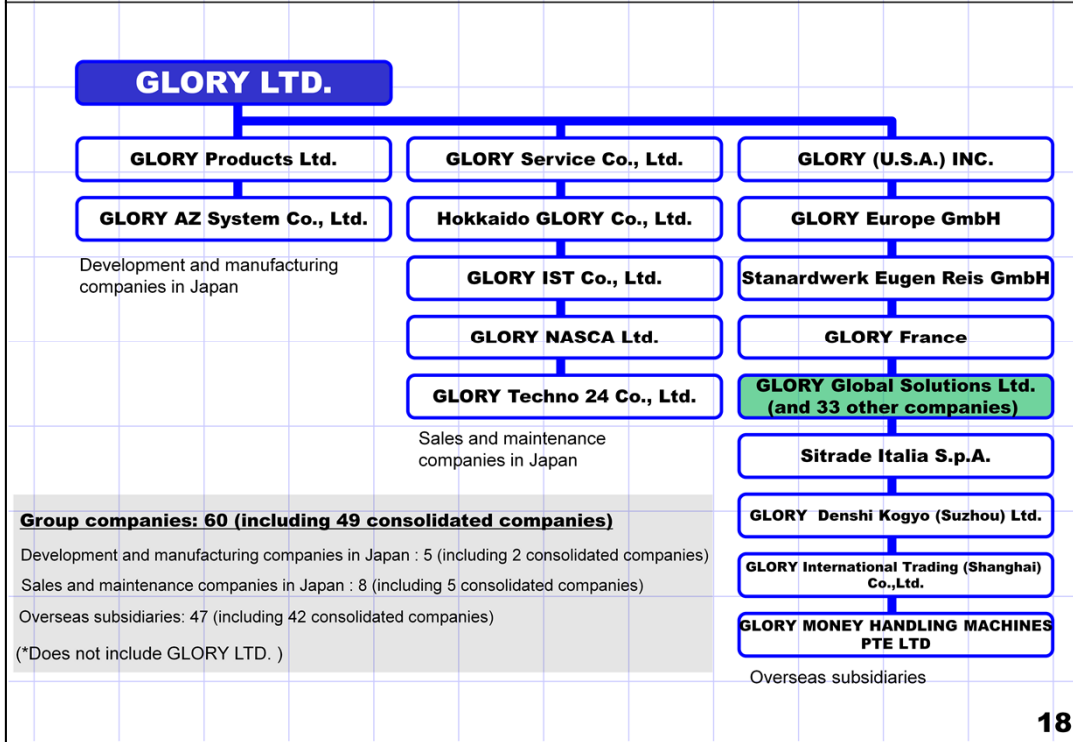
● **Sales Forecast for Overseas Geographic Segments**

(Millions of Yen)

Sales by geographical segment (overseas)	FY2012 Q1-Q2			FY2012		
	Previous forecast	Revised forecast	Difference	Previous forecast	Revised forecast	Difference
Americas	4,000	7,900	3,900	9,000	21,000	12,000
Europe	8,500	13,200	4,700	17,000	31,000	14,000
Asia	5,000	5,400	400	14,000	18,000	4,000
China	2,000	1,700	-300	7,000	7,000	0
Total	17,500	26,500	9,000	40,000	70,000	30,000
OEM	5,000	6,200	1,200	10,500	13,500	3,000

\*Previous forecast is the forecast announced on May 10, 2012

Forecast overseas sales ratio of 38% in the current fiscal year.



As the result of acquisition of Talaris Topco, the number of consolidated companies increased to 49 and the number of group companies to 60.

GLORY will continue to build an even more powerful group with the goal of becoming the world's leading brand in the money-handling field.