

Consolidated Financial Results

for the Three Quarter ended December 31, 2012

1 Consolidated Financial Results

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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.

Net sales

Sales were higher than one year earlier because of strong sales in Japan and increase of overseas market sales due to contribution of Talaris.

Income

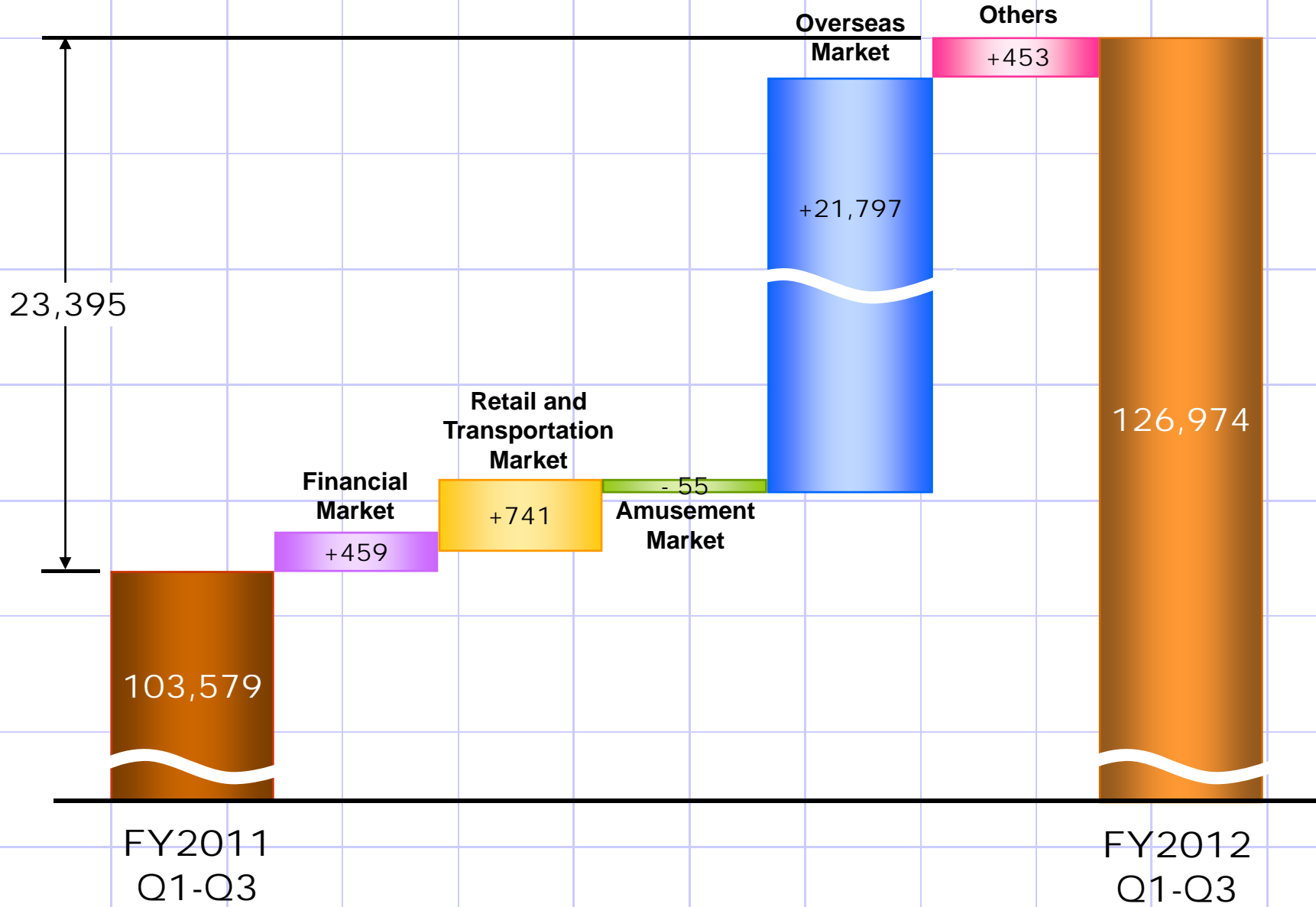
Earnings increased from one year earlier as sales rose due primarily to contribution of Talaris, and also to cost-reduction measures such as overseas production and procurement.

(Millions of yen)	FY2011 Q1 – Q3	FY2012 Q1 – Q3	Year-on-year comparison
Net sales	103,579	126,974	+22.6%
Maintenance service	25,235 (24.4%)	35,575 (28.0%)	+41.0%
Operating income	7,320 (7.1%)	8,571 (6.8%)	+17.1%
Ordinary income	7,706 (7.4%)	9,208 (7.3%)	+19.5%
Net income	3,646 (3.5%)	4,971 (3.9%)	+36.3%

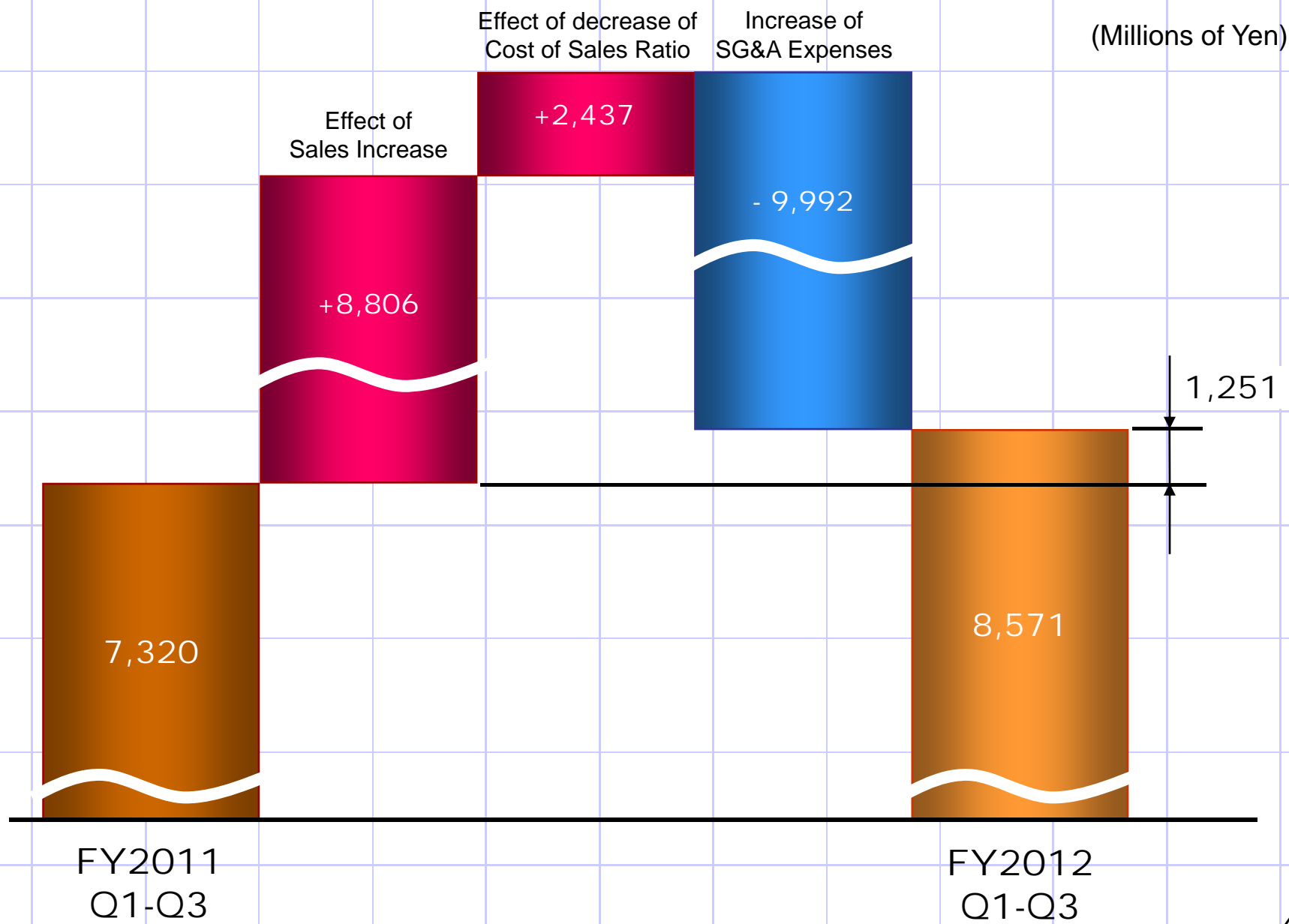
Exchange rate: US\$1 = ¥80 €1 = ¥100

Factors of Net Sales Change






(Millions of Yen)



Factors of Operating Income Change



(Millions of yen)

Business Segments	Sales			Operating Income		
	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Year-on-Year comparison	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Year-on-Year comparison
 Financial Market	29,879	30,338	+459 (+1.5%)	2,011	2,450	+439 (+21.8%)
 Retail & Transportation Market	19,988	20,729	+741 (+3.7%)	2,493	2,186	-307 (-12.3%)
 Amusement Market	19,791	19,736	-55 (-0.3%)	1,468	1,491	+23 (+1.6%)
 Overseas Market	23,510	45,307	+21,797 (+92.7%)	1,537	2,355	+818 (+53.2%)
 Others	10,409	10,862	+453 (+4.4%)	-189	88	+277 (- %)
Total	103,579	126,974	+23,395 (+22.6%)	7,320	8,571	+1,251 (+17.1%)

Replacement demand for main products were solid

Sales of open teller systems, the main product in this segment, were soft for conventional models but strong for compact models sold to small and midsize bank branches. Sales of coin and banknote recyclers for tellers and multi-functional banknote changers were healthy because of replacement demand. Therefore, sales were around the same as one year earlier for the overall market.

Outline of the Segment

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

Main Products



Compact open teller systems
WAVE series



Coin and banknote recyclers for tellers
RB series



Multi-functional banknote changers
EN series

(Millions of yen)

	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Y-on-Y
Sales	29,879	30,338	+459 (+1.5%)
Ratio to total sales	28.8%	23.9%	- 4.9%
Operating income	2,011	2,450	+439 (+21.8%)
Ratio to total operating income	27.5%	28.6%	+1.1%
Operating margin	6.7%	8.1%	+1.4%

Sales of coin and banknote recyclers were strong

Sales of sales proceeds deposit machines and multi-functional cash management station to cash-in-transit companies were strong but sales of coin and banknote recyclers for cashiers, the main product in this segment, were weak because of a decline in large orders. Therefore, sales were around the same as one year earlier for the overall market.

Outline of the Segment

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

Main Products



Coin and banknote recyclers RT/RAD series



Sales proceeds deposit machines DS / DSS series



Multi-functional cash management stations DSR series

(Millions of yen)

	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Y-on-Y
Sales	19,988	20,729	+741 (+3.7%)
Ratio to total sales	19.3%	16.3%	- 3.0%
Operating income	2,493	2,186	- 307 (- 12.3%)
Ratio to total operating income	34.1%	25.5%	- 8.6%
Operating margin	12.5%	10.5%	- 2.0%

(Millions of yen)

Sales of card systems were strong

Although sales of card systems, the main product in this segment, were steady, sales of membership management systems were slow. Therefore, sales were around the same as one year earlier for the overall market.

Outline of the Segment

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

Main Products

Card systems



Management terminals



Pachinko ball dispensers with card readers



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines JK series

	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Y-on-Y
Sales	19,791	19,736	- 55 (- 0.3%)
Ratio to total sales	19.1%	15.5%	- 3.6%
Operating income	1,468	1,491	+23 (+1.6%)
Ratio to total operating income	20.1%	17.4%	- 2.7%
Operating margin	7.4%	7.6%	+0.2%

(Millions of yen)

Main products performed well

Sales increased significantly from a year earlier due to brisk sales of banknote sorters and banknote recyclers for tellers, a new product, as well as the acquisition of Talaris Topco Limited.

Outline of the Segment

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

Main Products



Banknote recyclers for tellers RBG series



Banknote sorters USF / UW series



Banknote deposit units for ATMs UD series

	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Y-on-Y
Sales	23,510	45,307	+21,797 (+92.7%)
Ratio to total sales	22.7%	35.7%	+13.0%
Operating income	1,537	2,355	+818 (+53.2%)
Ratio to total operating income	21.0%	27.5%	+6.5%
Operating margin	6.5%	5.2%	- 1.3%

Sales by Geographical Segment of Overseas Market

(Millions of yen)

Sales by geographical segment (overseas)	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Year-on-Year Comparison
Americas	6,060	15,188	+9,128
Europe	12,050	21,884	+9,834
Asia	5,399	8,234	+2,835
China	1,950	2,608	+658
Total	23,510	45,307	+21,797
OEM	7,722	8,585	+863

Main products posted higher sales

Sales of ticket vending machines, medical payment kiosks were brisk.

Outline of the Segment

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

Main Products



Ticket vending Machines VT series



Medical payment kiosks FHP series



Cigarette Vending Machines TSU series

(Millions of yen)

	FY2011 Q1 - Q3	FY2012 Q1 - Q3	Y-on-Y
Sales	10,409	10,862	+453 (+4.4%)
Ratio to total sales	10.0%	8.6%	- 1.4%
Operating income	- 189	88	+277 (- %)
Ratio to total operating income	—	1.0%	—
Operating margin	—	0.8%	—

Capital Expenditures and Other Expenses

(Millions of yen)

	FY2011 Q1 – Q3	FY2012 Q1 – Q3	Year-on-Year	Change during the last five years												
Capital Expenditures	4,545 	5,829 	+1,284 (+28.3%)	<table border="1"> <tr> <td>FY11 (2Q)</td> <td>FY11 (3Q)</td> <td>FY11 (4Q)</td> <td>FY12 (1Q)</td> <td>FY12 (2Q)</td> <td>FY12 (3Q)</td> </tr> <tr> <td>1,947</td> <td>1,411</td> <td>2,163</td> <td>1,861</td> <td>2,496</td> <td>1,472</td> </tr> </table>	FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	1,947	1,411	2,163	1,861	2,496	1,472
FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)											
1,947	1,411	2,163	1,861	2,496	1,472											
Depreciation & Amortization	5,021 	6,339 	+1,318 (+26.2%)	<table border="1"> <tr> <td>FY11 (2Q)</td> <td>FY11 (3Q)</td> <td>FY11 (4Q)</td> <td>FY12 (1Q)</td> <td>FY12 (2Q)</td> <td>FY12 (3Q)</td> </tr> <tr> <td>1,681</td> <td>1,785</td> <td>1,821</td> <td>1,532</td> <td>2,292</td> <td>2,515</td> </tr> </table>	FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	1,681	1,785	1,821	1,532	2,292	2,515
FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)											
1,681	1,785	1,821	1,532	2,292	2,515											
R&D Expenses	7,503 	8,333 	+830 (+11.1%)	<table border="1"> <tr> <td>FY11 (2Q)</td> <td>FY11 (3Q)</td> <td>FY11 (4Q)</td> <td>FY12 (1Q)</td> <td>FY12 (2Q)</td> <td>FY12 (3Q)</td> </tr> <tr> <td>2,733</td> <td>2,416</td> <td>2,431</td> <td>2,521</td> <td>3,002</td> <td>2,810</td> </tr> </table>	FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	2,733	2,416	2,431	2,521	3,002	2,810
FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)											
2,733	2,416	2,431	2,521	3,002	2,810											

(Millions of Yen)

	FY2011 Q1 - Q3	ratio	FY2012 Q1 - Q3	ratio	Increase/ Decrease
Net sales	103,579	100.0	126,974	100.0	+23,395
Cost of sales	64,592	62.4	76,744	60.4	+12,152
SG&A expenses	31,666	30.6	41,658	32.8	+9,992
Operating income	7,320	7.1	8,571	6.8	+1,251
Non operating income	821	0.8	1,633	1.3	+812
Non operating expenses	435	0.4	997	0.8	+562
Ordinary income	7,706	7.4	9,208	7.3	+1,502
Extraordinary income	36	0.0	9	0.0	- 27
Extraordinary loss	356	0.3	249	0.2	- 107
Income before income taxes and minority interests	7,386	7.1	8,968	7.1	+1,582
Total income taxes	3,740	3.6	3,996	3.1	+256
Net income	3,646	3.5	4,971	3.9	+1,325
Income before minority interests	3,983	3.8	5,287	4.2	+1,304
Total other comprehensive income	▲368	▲0.4	7,315	5.8	+7,683
Comprehensive income	3,614	3.5	12,602	9.9	+8,988

*1

*2

*1 Non-operating income : Includes foreign exchange gains (¥846 million)

Non-operating expenses : Includes commission for bridge loan (¥455 million) and interest expenses (¥432 million)

*2 Extraordinary income : Includes loss on retirement of noncurrent assets (¥127 million)

Net sales

Forecast higher sales because of overseas market expansion through consolidation of Talaris Topco Limited and deeper penetration in the Japanese market.

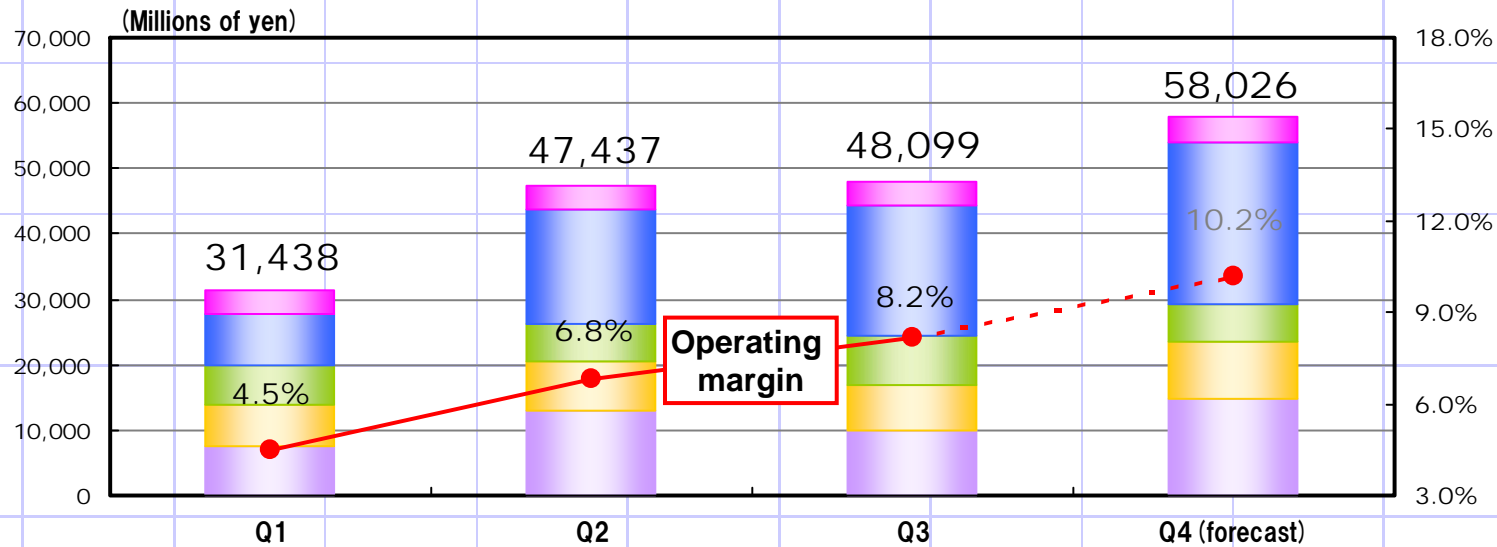
Income

Forecast higher earnings because of benefits of Talaris acquisition and cost-reduction measures.

(Millions of yen)	FY2011 results	FY2012 forecast	Year-on-year comparison
Net sales	146,937	185,000	+25.9%
Maintenance service	33,944 (23.1%)	46,500 (25.1%)	+37.0%
Operating income	11,274 (7.7%)	14,500 (7.8%)	+28.6%
Ordinary income	11,908 (8.1%)	13,500 (7.3%)	+13.4%
Net income	6,246 (4.3%)	7,500 (4.1%)	+20.1%

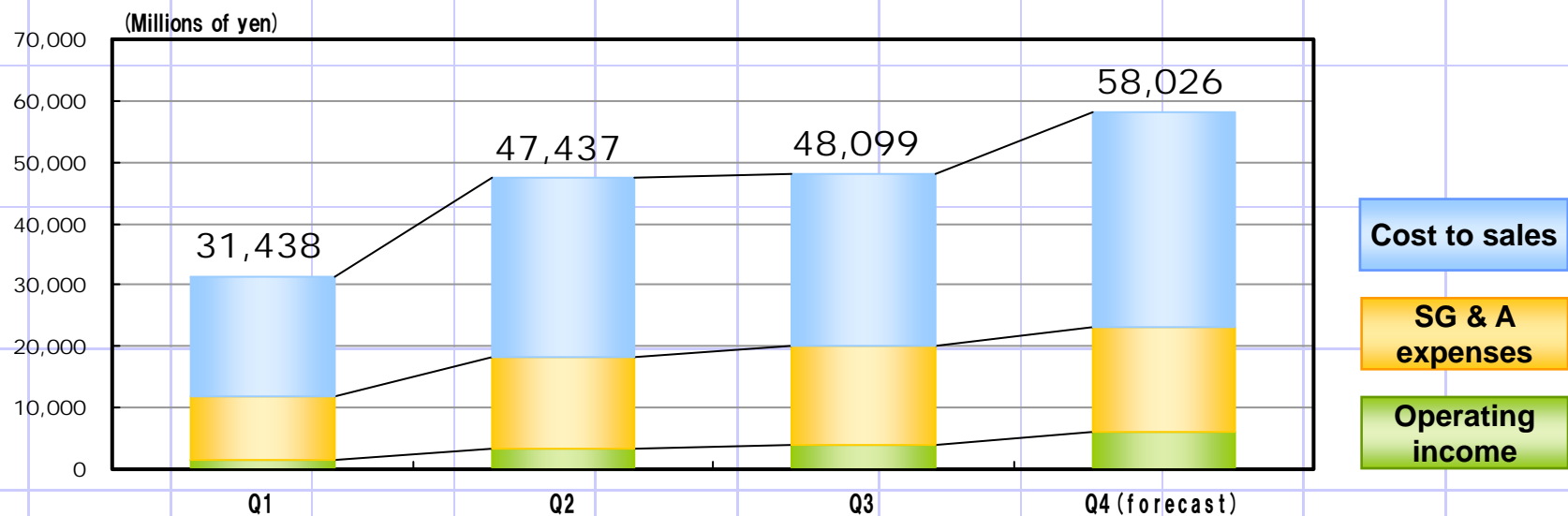
Exchange rate: US\$1 = ¥80 €1 = ¥100

(Millions of yen)	FY2012					
	Q1-Q2(results)		Q3-Q4(forecast)		Full Year (forecast)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Financial market	20,400	1,644	24,600	2,556	45,000	4,200
Retail & transportation market	13,917	1,332	15,583	2,368	29,500	3,800 → 3,700
Amusement market	12,005	526	13,495	1,474	25,500	2,000
Overseas market	25,393	1,148	44,607	3,352	70,000	4,500
Others	7,158	- 23	7,842	123	15,000	0 → 100
Total	78,875	4,628	106,125	9,872	185,000	14,500



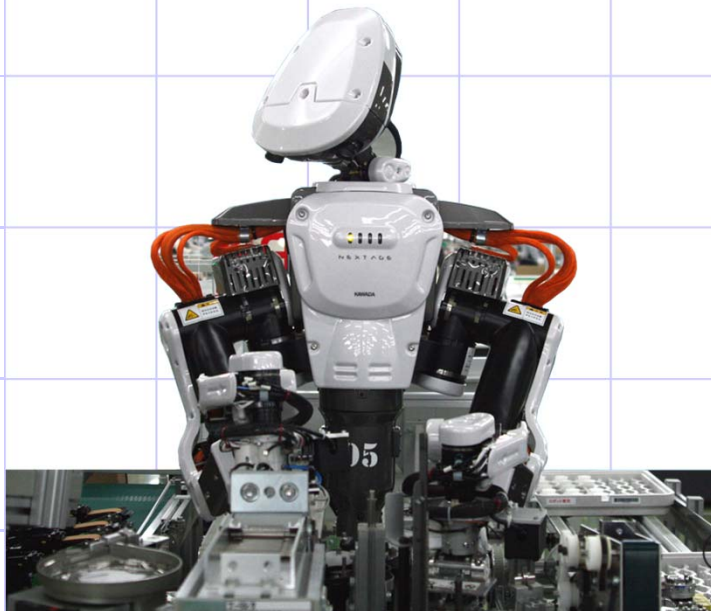
FY2012	Q1	Q2	Q3	Q4(forecast)	Full year (forecast)
Financial Market	7,430(- 38)	12,970(1,682)	9,938(806)	14,662(1,750)	45,000(4,200)
Retail and Transportation Market	6,341(728)	7,576(604)	6,812(854)	8,771(1,514)	29,500(3,700)
Amusement Market	6,214(406)	5,791(120)	7,731(965)	5,764(509)	25,500(2,000)
Overseas Market	7,873(446)	17,520(702)	19,914(1,207)	24,693(2,145)	70,000(4,500)
Others	3,577(- 131)	3,581(108)	3,704(111)	4,138(12)	15,000(100)
Total	31,438(1,411)	47,437(3,217)	48,099(3,943)	58,026(5,929)	185,000(14,500)

※Figures in () shows Operating Income



FY2012	Q1	Q2	Q3	Q4(forecast)	Full year (forecast)
Net sales	31,438	47,437	48,099	58,026	185,000
Cost to sales (ratio to sales)	19,473 (61.9%)	29,200 (61.6%)	28,071 (58.4%)	34,956 (60.2%)	111,700 (60.4%)
SG & A expenses (ratio to sales)	10,552 (33.6%)	15,021 (31.7%)	16,085 (33.4%)	17,142 (29.5%)	58,800 (31.8%)
Operating income (ratio to sales)	1,411 (4.5%)	3,217 (6.8%)	3,943 (8.2%)	5,929 (10.2%)	14,500 (7.8%)

Winner of Special Award for Next-Generation Industry at Robot Award



About the award

The Robot Award of the Year is held every year by the Ministry of Economy, Trade and Industry and The Japan Machinery Federation. GLORY and Kawada Industries, Inc. jointly entered this contest with the NEXTAGE human-type robot that is used at GLORY's Saitama factory. The robot was selected for the Special Award for Next-Generation Industry from among 83 entries in October 2012.

Reason for using NEXTAGE

NEXTAGE enables the production of high-quality products at a low cost in Japan.

Main feature of NEXTAGE

Cameras installed on both arms and the head of the robots provide greater flexibility than with conventional industrial robots, resulting in movements closer to those of a person. Currently, 11 NEXTAGE robots are used at GLORY's Saitama factory.

