

Consolidated Financial Results for the Six Months Ended September 30, 2013

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

[Notes to financial forecasts]

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to the company and certain assumptions which the company regards 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. The factors includes changes in the economic conditions in the company's principal markets, changes in demand for the company's products, fluctuations of exchange rates, and impacts of changes in various regulations, accounting principles and practices. Please also take note that forecasts in this document may change without prior notice unless required by laws.



Consolidated Financial Results

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Net sales

Sales were higher than FY2012 (Talaris Group's sales included from Q2) because of inclusion of Talaris Group's sales from Q1 and the strong sales in Japan.

Income

Income increased due to higher sales of main products in Japan, to cost-reduction measures involving overseas production and procurement and other activities.

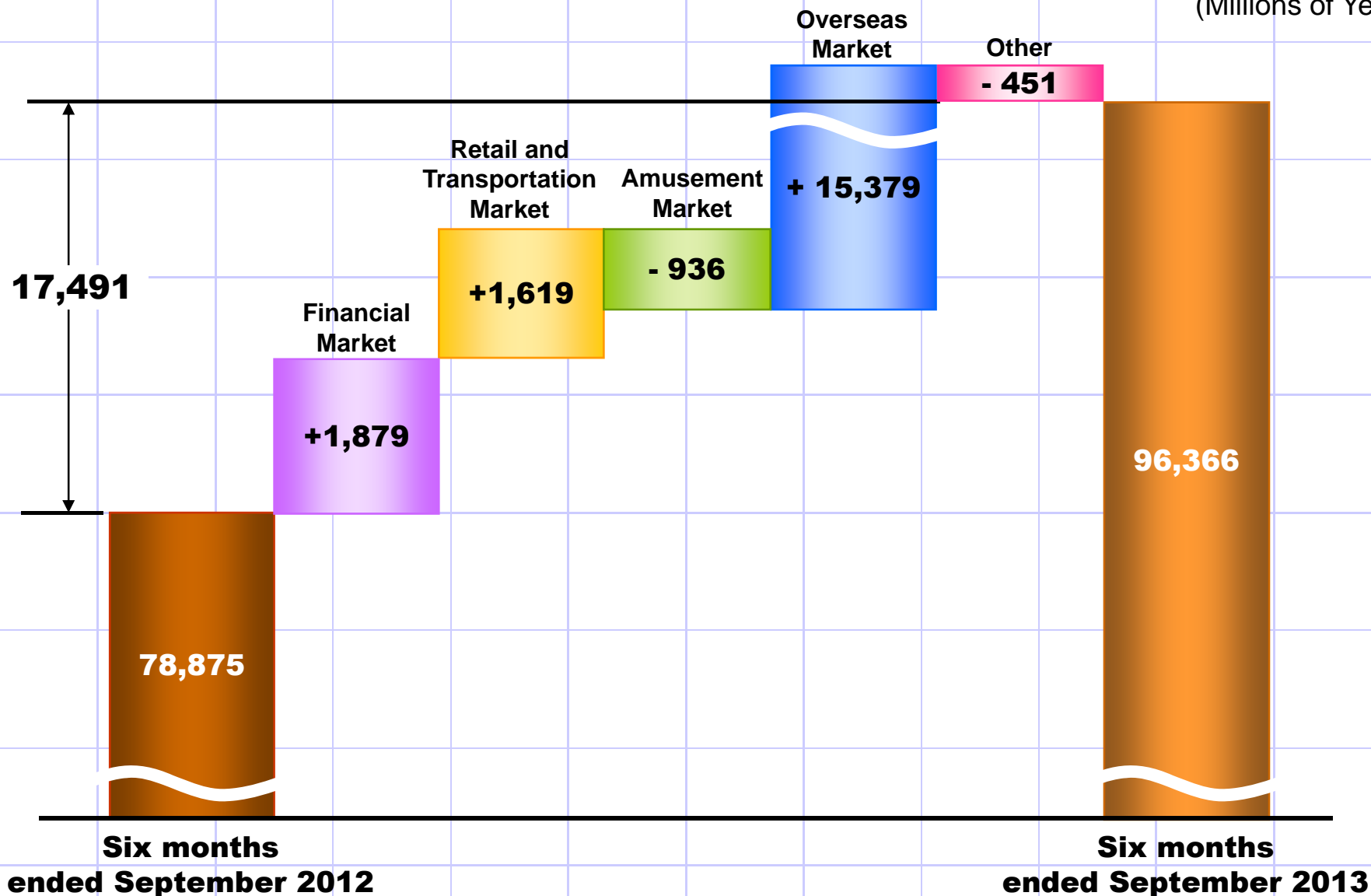
(Millions of yen)	Six months ended September 2012	Six months ended September 2013	Year-on-year comparison
Net sales	78,875	96,366	+22.2%
Maintenance service	21,248 (26.9%)	30,181 (31.3%)	+42.0%
Operating income	4,628 (5.9%)	5,391 (5.6%)	+16.5%
Ordinary income	4,542 (5.8%)	7,014 (7.3%)	+54.4%
Net income	2,288 (2.9%)	2,539 (2.6%)	+11.0%
*EBITDA	9,975 (12.4%)	12,456 (12.9%)	+27.2%

*EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

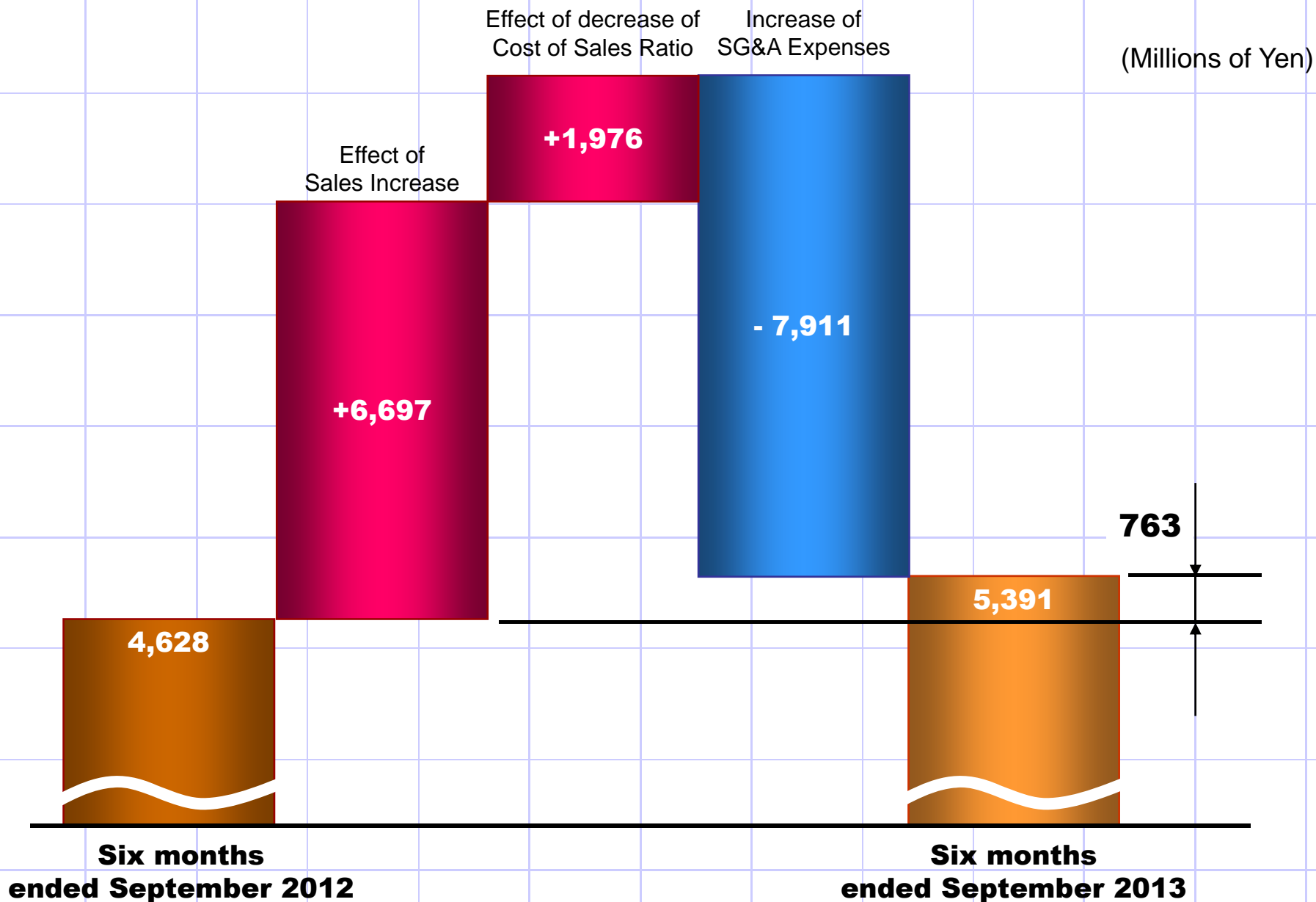
Exchange rates used for six months ended September 2013 : US\$1 = ¥98 €1 = ¥128 £1 = ¥158

Factors of Net Sales Change

(Millions of Yen)



Factors of Operating Income Change








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Details of Performance

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Sales & Operating Income by Business Segment (Y-on-Y)

(Millions of yen)

Business Segments	Sales			Operating Income		
	Six months ended September 2012	Six months ended September 2013	Year-on-Year comparison	Six months ended September 2012	Six months ended September 2013	Year-on-Year comparison
 Financial Market	20,400	22,279	+1,879 (+9.2%)	1,644	1,872	+228 (+13.9%)
 Retail & Transportation Market	13,917	15,536	+1,619 (+11.6%)	1,332	1,966	+634 (+47.6%)
 Amusement Market	12,005	11,069	- 936 (- 7.8%)	526	817	+291 (+55.3%)
 Overseas Market	25,393	40,772	+15,379 (+60.6%)	1,148	984	- 164 (- 14.3%)
 Others	7,158	6,707	- 451 (- 6.3%)	- 23	- 249	- 226 (-)
Total	78,875	96,366	+17,491 (+22.2%)	4,628	5,391	+763 (+16.5%)

Steady sales of open teller systems

(Millions of yen)

Sales of our main product “open teller systems” were steady for both conventional models and compact models for small- and medium-sized financial outlets. Sales of “coin and banknote recyclers” for tellers were favorable due to our capturing of replacement demand.

Outline of the Segment

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

Main Products



Open teller systems
<WAVE series>



Coin and banknote recyclers for tellers,
< RB series >



Multi-functional banknote changers
< EN series >

	Six months ended September 2012	Six months ended September 2013	Y-on-Y
Sales	20,400	22,279	+1,879 (+9.2%)
Ratio to total net sales	25.9%	23.1%	- 2.8%
Operating income	1,644	1,872	+228 (+13.9%)
Ratio to total operating income	35.5%	34.7%	- 0.8%
Operating margin	8.1%	8.4%	+0.3%

Sales higher for coin and banknote recyclers for cashiers and sales proceeds deposit machines

(Millions of yen)

Sales of “coin and banknote recyclers” for cashiers, our main products, as well as “banknote changers” to the retail market, were strong, while sales of “sales proceeds deposit machines” to the cash-in-transit market were favorable.

Outline of the Segment

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

Main Products



Coin and banknote recyclers for cashiers <RT / RAD series>



Sales proceeds deposit machines < DS / DSS series >



Multi-functional cash management stations < DSR series >

	Six months ended September 2012	Six months ended September 2013	Y-on-Y
Sales	13,917	15,536	+1,619 (+11.6%)
Ratio to total net sales	17.6%	16.1%	- 1.5%
Operating income	1,332	1,966	+634 (+47.6%)
Ratio to total operating income	28.8%	36.5%	+7.7%
Operating margin	9.6%	12.7%	+3.1%

Sales of card systems declined

(Millions of yen)

Sales of main products such as “card systems” were sluggish, mainly reflecting declining popularity of pachislot in Japan.
Operating income increased mainly due to improvement in the product mix.

Outline of the Segment

Sales and maintenance services to amusement halls (pachinko parlors) and others in domestic market of Japan.

Main Products

Card systems



Management terminals



Pachinko ball counters



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines <JK series>

	Six months ended September 2012	Six months ended September 2013	Y-on-Y
Sales	12,005	11,069	- 936 (- 7.8%)
Ratio to total net sales	15.2%	11.5%	- 3.7%
Operating income	526	817	+291 (+55.3%)
Ratio to total operating income	11.4%	15.2%	+3.8%
Operating margin	4.4%	7.4%	+3.0%

Big increase in sales due to addition of the Talaris Group

(Millions of yen)

Although sales of “banknote deposit units” for ATMs, which are OEM products, were sluggish, sales of “banknote sorters” in China and other emerging countries were strong. Furthermore, sales in the six months ended September 30, 2013, benefitted not only from the addition of the Talaris Group’s sales but also the effects of yen depreciation. Consequently, overall overseas market sales increased significantly year on year. Operating income decreased due to amortization expenses of goodwill in association with the acquisition of Talaris.

Outline of the Segment

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

Main Products



Banknote recyclers for tellers <RBG series>



Banknote sorters <UW series>



Banknote deposit units for ATMs <UD series>

	Six months ended September 2012	Six months ended September 2013	Y-on-Y
Sales	25,393	40,772	+15,379 (+60.6%)
Ratio to total net sales	32.2%	42.3%	+10.1%
Operating income	1,148	984	- 164 (- 14.3%)
Ratio to total operating income	24.8%	18.3%	- 6.5%
Operating margin	4.5%	2.4%	- 2.1%

*The Talaris Group was consolidated from the second quarter of the fiscal year ended March 31, 2013.

Sales by Geographical Segment of Overseas Market

(Millions of yen)

Sales by overseas geographical segment	Six months ended September 2012 (H2)	Six months ended September 2013 (H2)	Year-on-Year Comparison	Three months ended September 2012 (2Q)	Three months ended September 2013 (2Q)	Year-on-Year Comparison
Americas	6,593	10,387	+3,794	5,310	5,350	+40
Europe	9,456	18,943	+9,487	7,023	9,356	+2,333
Asia	3,304	6,266	+2,962	1,898	4,135	+2,237
China	1,360	3,159	+1,799	679	1,848	+1,169
OEM	6,039	5,175	- 864	3,289	2,230	- 1,059
Total	25,393	40,772	+15,379	17,520	21,072	+3,552

Sales of cigarette vending machines decreased

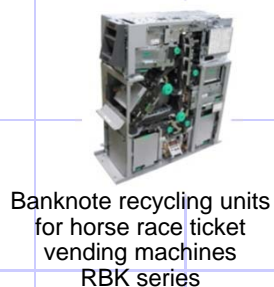
(Millions of yen)

Sales of ticket vending machines, medical payment kiosks and card related products were steady, while sales of cigarette vending machines were sluggish.

Outline of the Segment

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

Main Products



	Six months ended September 2012	Six months ended September 2013	Y-on-Y
Sales	7,158	6,707	- 451 (- 6.3%)
Ratio to total net sales	9.1%	7.0%	- 2.1%
Operating income	- 23	- 249	- 226 (-)
Ratio to total operating income	-	-	-
Operating margin	-	-	-

Sales & Operating Income by Business Segment (Comparison with Target)



(Millions of yen)

Segments	Six months ended September 2013					
	Sales			Operating income		
	Targets	Results	Comparison with the target	Targets	Results	Comparison with the target
Financial Market	22,000	22,279	+279 (+1.3%)	1,800	1,872	+72 (+4.0%)
Retail & Transportation Market	14,500	15,536	+1,036 (+7.1%)	1,600	1,966	+366 (+22.9%)
Amusement Market	10,000	11,069	+1,069 (+10.7%)	500	817	+317 (+63.4%)
Overseas Market	37,000	40,772	+3,772 (+10.2%)	1,300	984	- 316 (- 24.3%)
Others	6,500	6,707	+207 (+3.2%)	- 200	- 249	- 49 (-)
Total	90,000	96,366	+6,366 (+7.1%)	5,000	5,391	+391 (+7.8%)

The targets announced on August 5, 2013.

Reasons for differences between sales targets and results

- [Financial Market] Higher sales of main products
- [Retail and Transportation Market] Higher sales of main products
- [Amusement Market] Higher sales of pachinko prize dispensing machines and other peripherals
- [Overseas Market] Higher sales of banknote sorters and impact of the weaker yen
- [Others] Higher sales of ticket vending machines and ballot sorters for handwritten ballots

Capital Expenditures and Other Expenses



(Millions of yen)

	Six months ended September 2012	Six months ended September 2013	Year-on-Year	Last six quarters												
Capital Expenditures	4,357 	3,314 	- 1,043 (- 23.9%)	<table border="1"> <tr> <td>FY12 (1Q)</td> <td>FY12 (2Q)</td> <td>FY12 (3Q)</td> <td>FY12 (4Q)</td> <td>FY13 (1Q)</td> <td>FY13 (2Q)</td> </tr> <tr> <td>1,861</td> <td>2,496</td> <td>1,472</td> <td>2,389</td> <td>1,369</td> <td>1,945</td> </tr> </table>	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	FY12 (4Q)	FY13 (1Q)	FY13 (2Q)	1,861	2,496	1,472	2,389	1,369	1,945
FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	FY12 (4Q)	FY13 (1Q)	FY13 (2Q)											
1,861	2,496	1,472	2,389	1,369	1,945											
Depreciation & Amortization	3,824 	4,565 	+741 (+19.4%)	<table border="1"> <tr> <td>FY12 (1Q)</td> <td>FY12 (2Q)</td> <td>FY12 (3Q)</td> <td>FY12 (4Q)</td> <td>FY13 (1Q)</td> <td>FY13 (2Q)</td> </tr> <tr> <td>1,532</td> <td>2,292</td> <td>2,515</td> <td>2,558</td> <td>2,315</td> <td>2,430</td> </tr> </table>	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	FY12 (4Q)	FY13 (1Q)	FY13 (2Q)	1,532	2,292	2,515	2,558	2,315	2,430
FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	FY12 (4Q)	FY13 (1Q)	FY13 (2Q)											
1,532	2,292	2,515	2,558	2,315	2,430											
R&D Expenses	5,523 	6,525 	+1,002 (+18.1%)	<table border="1"> <tr> <td>FY12 (1Q)</td> <td>FY12 (2Q)</td> <td>FY12 (3Q)</td> <td>FY12 (4Q)</td> <td>FY13 (1Q)</td> <td>FY13 (2Q)</td> </tr> <tr> <td>2,521</td> <td>3,002</td> <td>2,810</td> <td>3,758</td> <td>3,105</td> <td>3,420</td> </tr> </table>	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	FY12 (4Q)	FY13 (1Q)	FY13 (2Q)	2,521	3,002	2,810	3,758	3,105	3,420
FY12 (1Q)	FY12 (2Q)	FY12 (3Q)	FY12 (4Q)	FY13 (1Q)	FY13 (2Q)											
2,521	3,002	2,810	3,758	3,105	3,420											

Consolidated Statements of Income and Comprehensive Income

(Millions of Yen)

	Six months ended September 2012	Ratio	Six months ended September 2013	Ratio	Increase/ Decrease
Net sales	78,875	100.0	96,366	100.0	+17,491
Cost of sales	48,673	61.7	57,490	59.7	+8,817
SG&A expenses	25,573	32.4	33,484	34.7	+7,911 *1
Operating income	4,628	5.9	5,391	5.6	+763
Non-operating income	649	0.8	2,162	2.2	+1,513
Non-operating expenses	736	0.9	539	0.6	- 197 *2
Ordinary income	4,542	5.8	7,014	7.3	+2,472
Extraordinary income	9	0.0	10	0.0	+1
Extraordinary loss	260	0.3	1,084	1.1	+824 *3
Income before income taxes and minority interests	4,291	5.4	5,940	6.2	+1,649
Total income taxes	1,829	2.3	3,078	3.2	+1,249
Net income	2,288	2.9	2,539	2.6	+251
Income before minority interests	2,461	3.1	2,862	3.0	+401
Total other comprehensive income	550	0.7	8,181	8.5	+7,631
Comprehensive income	3,011	3.8	11,043	11.5	+8,032

*1 **SG&A expenses** : Includes goodwill amortization associated with the Talaris acquisition

*2 **Non-operating expenses** : Includes foreign exchange gains (¥1,396 million)

*3 **Extraordinary loss** : Includes loss of ¥973 million for restructuring of overseas subsidiaries

3

Progress of Business Plan for FY2013






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[Key Initiatives] Early realization of “One GLORY”

[1] Achievement of business targets through coordination with overseas sales subsidiaries		
Targets	First half results	Second half measures
1.Capture important strategic markets	Strong sales in Europe and Asia	Strengthen sales promotion to targeted users
2.Expand sales of GLORY products utilizing Talaris’s network	Higher sales of retail market products in Europe	Reinforce the sales infrastructure Strengthen promotional activities
  Sales caravan vehicle Product training workshop	Held product training workshop	Continue to hold product training workshop Promote sharing of sales information
[2] Implementation of planned Integration of overseas businesses		
Targets	First half results	Second half measures
1.Streamline product line-ups	Started developing a product roadmap	Complete a product roadmap
2.Reorganize overseas subsidiaries	Glory Global Solutions framework started	Promote reorganization


[Key Initiatives] Improve earnings and expand business domains

Aiming to expand sales by promoting the following actions:


Targets	First half results	Second half measures
<p>Cash sector</p> <p>1. Strength marketing for open teller systems</p> <p>2. Strengthen promotion for networking of GLORY products</p>	<p>1. Sales of the open teller systems <WAVE series> increased</p> <p>2. Sales of the coin and banknote recyclers for tellers <RB series> increased</p>	<p>Capture new customers</p> <p>Compact open teller systems <WAVE C series></p> 
<p>Non-cash sector</p> <p>Promote sales strategies for valuable item management systems</p>	<p>Promoted sales activities for the valuable item management systems <BK series></p>	<p>Strengthen proposals for vault-less financial outlets</p> <p>Valuable item management systems <BK series></p> 
<p>Document processing sector</p> <p>Promote sales strategies for target companies</p>	<p>Sales of the document processing station scanner <FU series> increased</p>	<p>Upgrade proposals for paper-less operation with DP products</p> <p>Document processing stations scanner with a built-in PC <FU series></p> 

[Key Initiatives] Improve earnings and expand business domains

[1] Expand sales of coin and banknote recyclers for cashiers

Targets	First half results	Second half measures
<p>Front-office systems market</p> <p>Promote sales strategies for target companies</p>	<p>[Coin and banknote recyclers for cashiers]</p> <p>1.Expanded sales to untapped business sectors 2.Launched new products <RT/RAD-300 series></p>	<p>Continue to offer proposals to targeted companies</p> <p>Coin and banknote recyclers for cashiers <RT/RAD-300 series></p> 

[2] Expand sales of back-office machines


Targets	First half results	Second half measures
<p>Back-office systems market</p> <p>Promote sales strategies for sales proceeds deposit machines</p>	<p>Sales of sales proceeds deposit machines <DSR series> increased</p>	<p>Strengthen sales promotion activities Deepen ties with partner companies</p> <p>Sales proceeds deposit machines <DSR-200 series></p> 

[Key Initiatives] Improve earnings and expand business domains

Increase sales through deeper market penetration and expand business domains with new products

Targets	First half performance	Second half measures
<p>1.Promote of marketing strategies aimed at large pachinko parlors</p>	<p>1. Sales of pachinko ball counters for each pachinko machines increased</p>	<p>1.Strengthen activities to offer proposals of new products</p>
<p>2.Launch new products</p>	<p>2.Launched a new card system for pachinko parlors</p>	<p>2.Sales promotion for upgraded card systems to replace existing systems</p>
<p>Total system for pachinko parlors</p> <p>EXSIM</p>		

[Key Initiatives] Improve earnings and expand business domains

Targets	First half performance	Second half measures
Strengthen sales activities for hospitals	Sales of medical payment kiosks <FHP series> increased	Enhance sales promotion of medical payment kiosks
Deepen penetration into ticket vending machines market	Sales of ticket vending machines for restaurant chains increased	Upgrade sales promotion activities for main models
Promote commercialization of new technologies	Increased sales	Target new opportunities for commercializing new technologies
1. Biometric authentication	1. Sales of face recognition software increased	 <p>Face recognition system</p>
2. Voice (conversation) protection	2. Delivered products to hospitals and banks	
3. Electronic settlements	3. Expanded the adoptions of products at company cafeterias	

4

Financial forecast for FY2013



- | | |
|---|------|
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| 2) Sales & Operating Income Forecast
by Business Segment | P 21 |

Net sales

Forecast higher sales because of overseas market expansion and deeper penetration in the Japanese market.

Income

Forecast higher income because of growth in overseas sales and the benefits of cost-reduction measures.

(Millions of yen)	FY2012 results	FY2013 forecast	Year-on-year comparison
Net sales	190,938	200,000 → 210,000	+10.0%
Maintenance service	50,766 (26.6%)	54,500 → 59,000 (28.1%)	+16.2%
Operating income	14,458 (7.6%)	16,000 → 17,000 (8.1%)	+17.6%
Ordinary income	13,695 (7.2%)	15,000 → 17,000 (8.1%)	+24.1%
Net income	6,873 (3.6%)	8,500 (4.0%)	+23.7%

*The forecast for FY2013 was revised on October 30, 2013.

*Exchange rate assumptions for FY2013 H2 forecast: US\$1 = ¥100 €1 = ¥130 £1 = ¥150

(Millions of Yen)	FY2013					
	Six months ended September 2013 (1H)		Six months ending March 2014 (2H)		FY2013 forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Financial Market	22,000 22,279	1,800 1,872	24,000 23,721	2,800 2,728	46,000 46,000	4,600 4,600
Retail & Transportation Market	14,500 15,536	1,600 1,966	16,500 16,464	1,900 2,034	31,000 32,000	3,500 4,000
Amusement Market	10,000 11,069	500 817	14,000 13,931	1,500 1,283	24,000 25,000	2,000 2,100
Overseas Market	37,000 40,772	1,300 984	48,000 52,228	4,700 5,416	85,000 93,000	6,000 6,400
Others	6,500 6,707	▲200 ▲249	7,500 7,293	100 149	14,000 14,000	▲100 ▲100
Total	90,000 96,366	5,000 5,391	110,000 113,634	11,000 11,609	200,000 210,000	16,000 17,000

Upper row: the forecasts announced on August 5.

Lower row: the results and revised forecasts announced on November 6.

5

Other Information

Dividend Forecast



Basic policy on profit distribution

GLORY 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. GLORY has set the target of attaining a dividend payout ratio of 25% or higher and a DOE (dividends on equity) ratio of at least 1.8%, both on a consolidated basis.

Dividend per share	Interim	Year-end (forecast)	Annual (forecast)
FY2013	¥22	¥22	¥44 <small>(Dividend payout ratio 34.0%)</small>

