

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.

1 Consolidated Financial Results		Performance Overview		Year-on-Year		GLORY
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						
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Sales and earnings in the first three quarters of the fiscal year were higher than one year earlier.

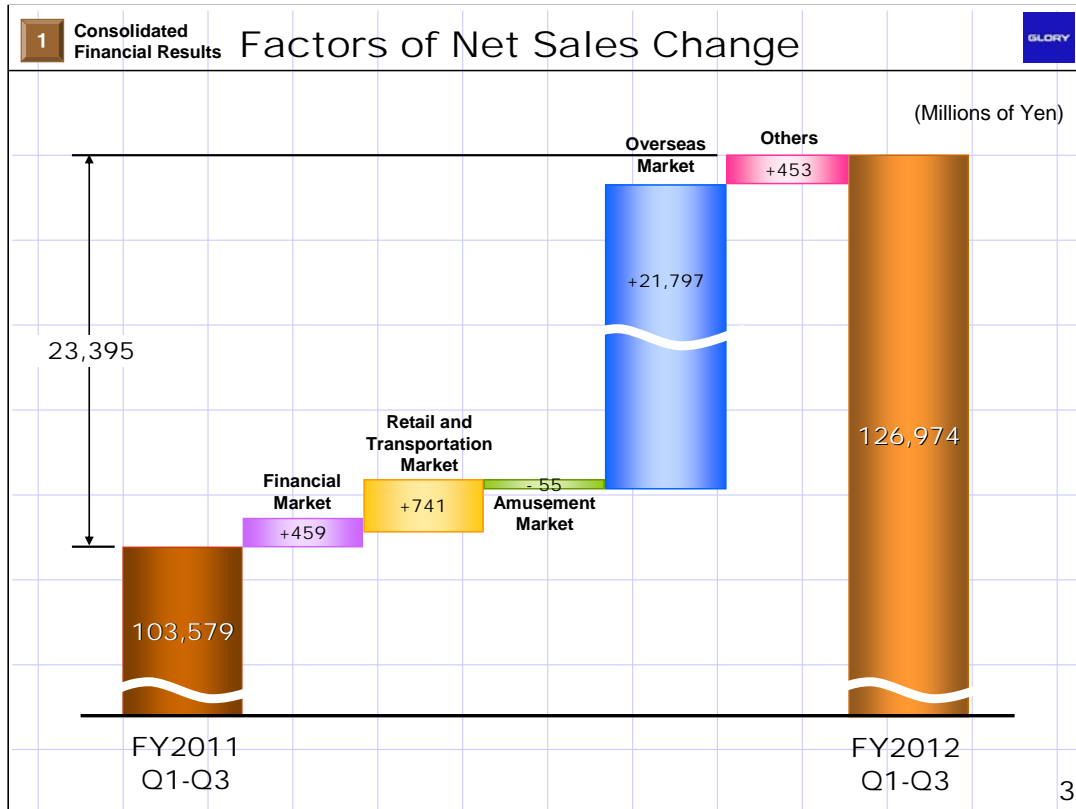
[Net sales]

Net sales increased 22.6% to ¥126,974 million. The acquisition of Talaris contributed to this growth and all business segments except the amusement market performed well.

[Income]

Operating income increased 17.1% to ¥8,571 million. The main reasons were higher sales due to the Talaris acquisition and cost reductions from overseas production and procurement operations and other measures.

Ordinary income increased 19.5% to ¥9,280 million and net income increased 36.3% to ¥4,971 million.



Net sales in the first three quarters increased ¥23,395 million from one year earlier.

[Segment with lower sales]

Amusement market: Down by ¥55 million

[Segments with higher sales]

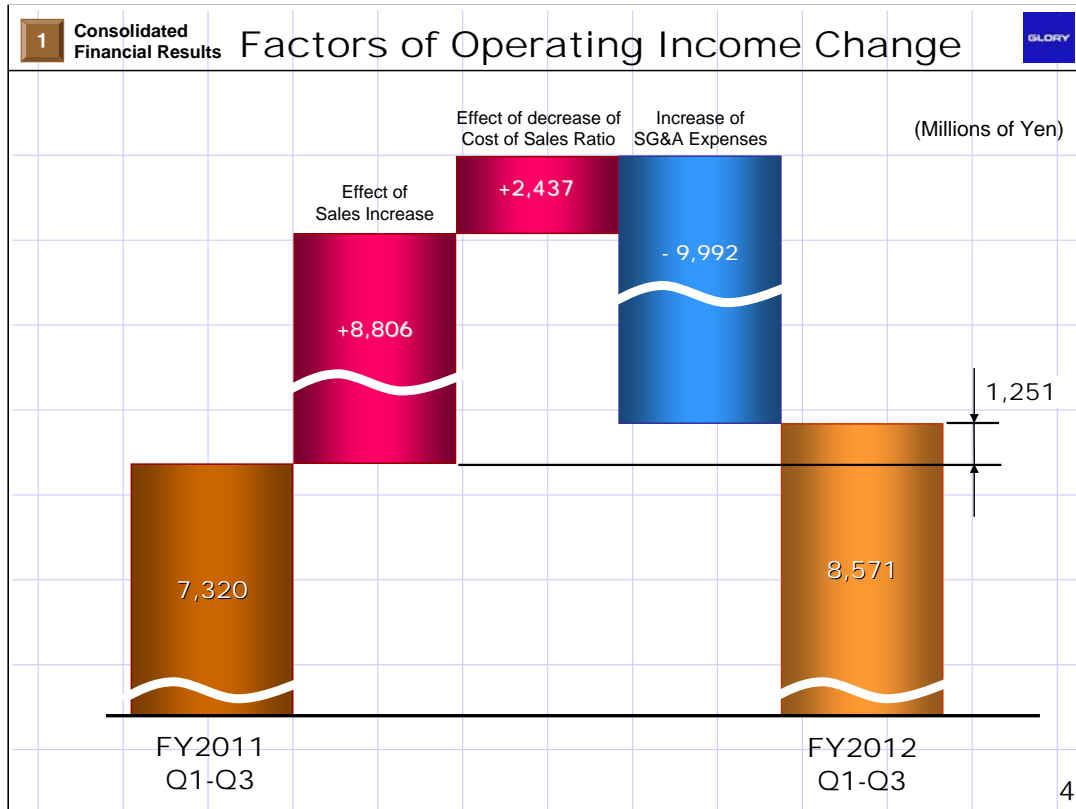
Financial market: Up by ¥459 million

Retail and transportation market: Up by ¥741 million

Overseas market: Up by ¥21,797 million

Others: Up by ¥453 million

In the second quarter, financial market sales started to recover and amusement market sales began to weaken.



Operating income was ¥1,251 million higher than one year earlier.

[Major positive factors]

Sales growth raised operating income by ¥8,806 million.

A lower cost of sales ratio raised operating income by ¥2,437 million.

[Major negative factor]

Higher SG&A expenses lowered operating income by ¥9,992 million.

The main reason for the increase in SG&A expenses was the inclusion of Talaris in the consolidated financial statements.

(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%)

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Sales were higher in all segments except the amusement market.

Operating income was higher in all segments except the retail and transportation market.

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 net sales	27.5%	28.6%	+1.1%
Operating margin	6.7%	8.1%	+1.4%

Sales increased 1.5% to ¥30,338 million.

Operating income increased 21.8% to ¥2,450 million.

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



(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 net sales	34.1%	25.5%	- 8.6%
Operating margin	12.5%	10.5%	- 2.0%

Sales increased 3.7% to ¥20,729 million.

Operating income decreased 12.3% to ¥2,186 million.

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



(Millions of yen)

	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 net sales	20.1%	17.4%	- 2.7%
Operating margin	7.4%	7.6%	+0.2%

Sales decreased 0.3% to ¥19,736 million.

Operating income increased 1.6% to ¥1,491 million.

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

(Millions of yen)

	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 net sales	21.0%	27.5%	+6.5%
Operating margin	6.5%	5.2%	- 1.3%

Sales increased 92.7% to ¥45,307 million.

Operating income increased 53.2% to ¥2,355 million.

(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

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[Americas]

Direct sales by GLORY were strong and the Talaris acquisition contributed to sales. The result was a 150.6% increase to ¥15,188 million.

[Europe]

Direct sales by GLORY were weak, but there was an 81.6% increase to ¥21,884 million because of the Talaris acquisition.

[Asia]

Direct and OEM sales by GLORY were both strong and sales further benefited from the Talaris acquisition. The result was a 52.5% increase to ¥8,234 million.

(Millions of yen)


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

	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 net sales	-	1.0%	-
Operating margin	-	0.8%	-

Sales increased 4.4% to ¥10,862 million.

Operating income was ¥88 million.

(For reference: Operating loss of ¥189 million one year earlier)

(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>2,498</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	2,498	1,472
FY11 (2Q)	FY11 (3Q)	FY11 (4Q)	FY12 (1Q)	FY12 (2Q)	FY12 (3Q)											
1,947	1,411	2,163	1,861	2,498	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											

2 Detail of Performance		Consolidated Statements of Income and Comprehensive Income				GLORY
(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	*1
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	*2
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 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)

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[Operating income]

Up 17.1% year-on-year to ¥8,571 million

Cost of sales ratio down 2.0%

SG&A expense ratio up 2.2%

[Ordinary income]

Up 19.5% year-on-year to ¥9,208 million

Non-operating income includes an ¥846 million foreign exchange gains.

Non-operating expenses include a commission for bridge loan of ¥455 million associated with the Talaris acquisition.

Interest expenses were ¥432 million.

[Net income]

Up 36.3% year-on-year to ¥4,971 million

Includes extraordinary loss of ¥127 million for loss on retirement of noncurrent assets

[Comprehensive income]

Up 248.7% year-on-year to ¥12,602 million

Income before minority interests was ¥5,287 million.

Total other comprehensive income was ¥7,315 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

There are no revisions to our forecasts for the current fiscal year that we announced on August 3.

[Net sales] ¥185,000 million

[Operating income] ¥14,500 million

[Ordinary income] ¥13,500 million

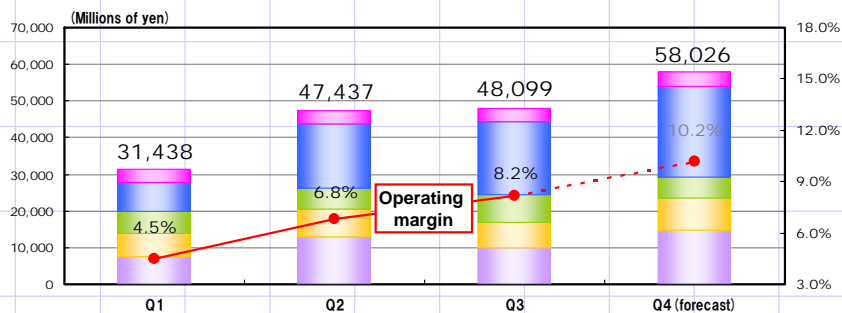
[Net income] ¥7,500 million

(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

After taking into consideration the market environment and other factors, small revisions have been made to the operating income forecasts of November, as follows;

[Retail and transportation market] ¥3,800 million to ¥3,700 million

[Others] ¥0 million to ¥100 million

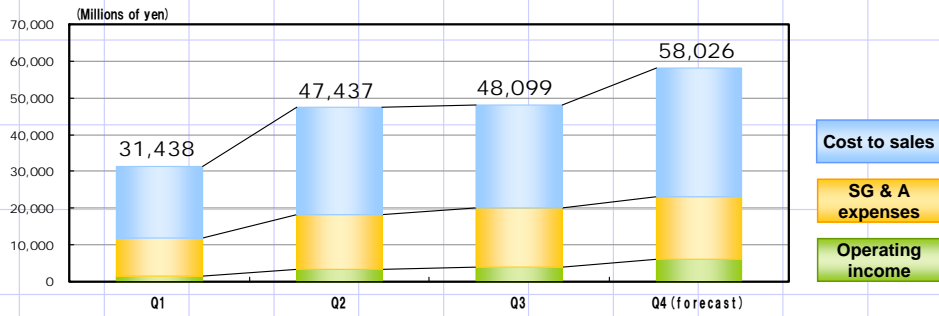





FY2012	Q1	Q2	Q3	Q4(forecast)	Full year (forecast)
Financial Market	7,430(- 38)	12,970(1,682)	9,938(806)	14,662(1,750)	45,000(4,200)
Retail and Transportation Market	6,341(728)	7,576(604)	6,812(854)	8,771(1,514)	29,500(3,700)
Amusement Market	6,214(406)	5,791(120)	7,731(965)	5,764(509)	25,500(2,000)
Overseas 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

In the fourth quarter, record-high sales are expected in all segments except the amusement market.

3 Financial Forecast for FY2012 Quarterly Operating Income Forecast by Business Segment 



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%)

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Increases in the cost of sales ratio and SG&A ratio are expected in the fourth quarter as in the past.

[Sales]

Up 33.8% year-on-year to ¥58,026 million

[Cost to sales ratio]

Down 4.6% year-on-year to 60.2%

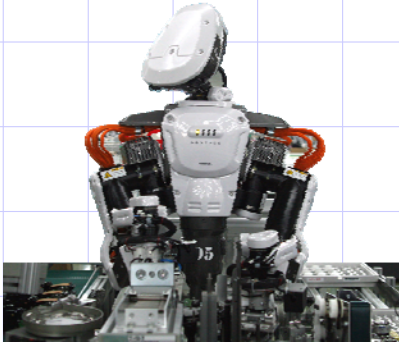
[SG & A expenses]

Up 3.4% year-on-year to 29.5%

[Operating income]

Up 49.9% year-on-year to ¥5,929 million

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.



[Saitama factory production line with robots]

The robot that GLORY uses on this production line won the Special Award for Next-Generation Industry at the Fifth Robot of the Year Award contest held by the Ministry of Economy, Trade and Industry and The Japan Machinery Federation.

GLORY created an assembly line at its Saitama factory that uses the NEXTAGE human-type robot developed by Kawada Industries to enable low-cost, high-quality manufacturing operations in Japan. The factory is attracting much attention as a next-generation plant where "working robots" coexist with people.