

Consolidated financial results

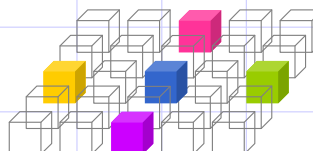
for the first quarter of the fiscal year ending March 31, 2012

1 Consolidated financial results

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This document may contain forecasts for future business which reflect management's current views with respect to certain future events and financial performances. Actual results may differ materially from those projected or implied in the forecasts and from historical trends. Further, certain forecasts are based upon assumptions of future events which may not prove to be accurate.

So please avoid making investment decision relying only on this document. And please note that we may change the contents of the forecasts without advance notice except when required under the relevant laws.

1 Consolidated financial results		Performance overview		GLORY
Net sales		Sluggish sales in amusement market, while favorable sales in overseas market and other business market. Total net sales approximated to those of the previous year.		
Incomes		Operating, ordinary and net income increased on the year due to improvement of development efficiency and productivity, promotion of cost reduction such as increasing overseas production and procurements.		
(Millions of yen)	FY2010 Q1	FY2011 Q1	Year-on-year comparison	
Net sales	30,399	29,989	-1.2%	
Maintenance services	7,879 (25.9%)	8,292 (27.7%)	+5.2%	
Operating income	1,123 (3.7%)	1,306 (4.4%)	+16.3%	
Ordinary income	1,160 (3.8%)	1,588 (5.3%)	+36.9%	
Net income	456 (1.5%)	768 (2.6%)	+68.6%	

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Performance overview

for the first quarter of the fiscal year ending March 31,2012

The GLORY Group decreased sales but increased income for the first quarter of fiscal year ending March 31,2012 compared with the previous fiscal year.

[Net sales]

Net sales decreased 1.2% year-on-year.

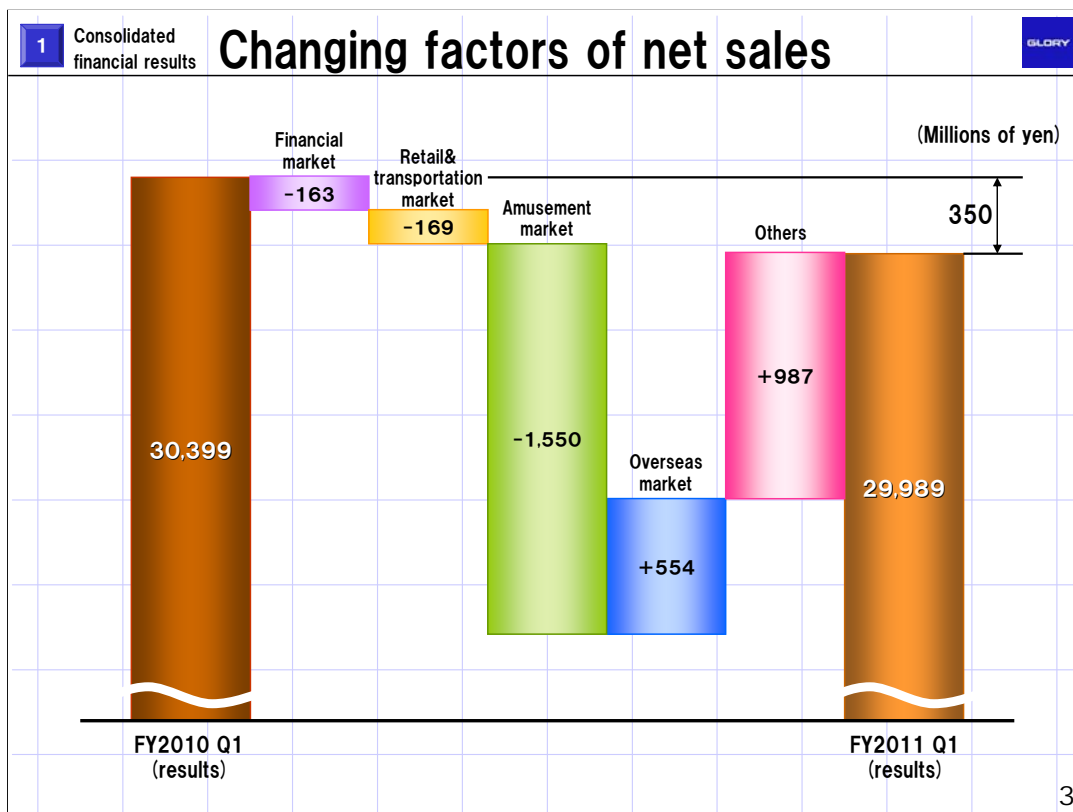
Net sales in Financial, Retail & transportation, and Amusement market decreased, while net sales in Overseas, Other business market were solid.

[Incomes]

Operating income increased 16.3% year-on-year due to cost reduction.

Ordinary income increased 36.9% year-on-year due to decrease of foreign exchange loss.

Net income for the first quarter increased 68.6% year-on-year due to disappearance of retirement benefit payment resulted from integration of the group companies in the previous fiscal year.



Changing factors of net sales (year-on-year)

Net sales for the first quarter of the current fiscal year decreased ¥350 million compared with the previous fiscal year.

[Business segments with decreased sales]

Financial market ... ¥163 million

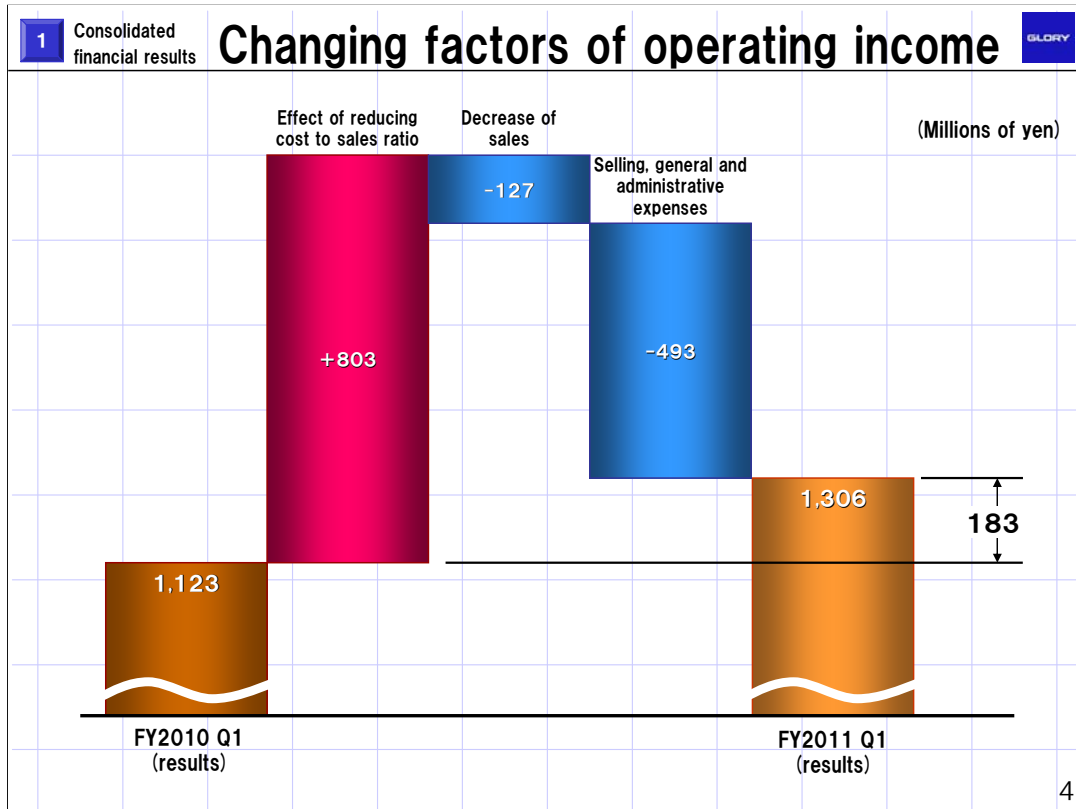
Retail & transportation market ... ¥169 million

Amusement market ... ¥1,550 million

[Business segments with increased sales]

Overseas market ... ¥544 million

Others ... ¥987 million



Changing factors of operating income (year-on-year)

Operating income for the first quarter of the current fiscal year increased ¥183 million.

[Major factor attributable to increased operating income]

Reduction of cost to sales ratio : ¥803 million

[Major factors attributable to decreased operating income]

Decrease of sales : ¥127 million

Increase of selling, general and administrative expenses : ¥493 million

1 Consolidated financial results		Sales & operating income by business segment					GLORY
							(Millions of yen)
Business segments	Sales			Operating income			
	FY2010 Q1 (results)	FY2011 Q1 (results)	Year-on-year comparison	FY2010 Q1 (results)	FY2011 Q1 (results)	Year-on-year comparison	
Financial market	8,634	8,471	-163 (-1.9%)	417	342	-76 (-18.0%)	
Retail & transportation market	6,005	5,836	-169 (-2.8%)	486	736	+250 (+51.4%)	
Amusement market	6,147	4,597	-1,550 (-25.2%)	102	-251	-353 (-346.1%)	
Overseas market	7,235	7,779	+544 (+7.5%)	393	502	+109 (+27.7%)	
Others	2,317	3,304	+987 (+42.6%)	-276	-23	+253 (+91.7%)	
Total	30,339	29,989	-350 (-1.2%)	1,123	1,306	+183 (+16.3%)	

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Sales and operating income by business segment

[Sales by business segment]

Sales in Financial, Retail & transportation, and Amusement segment were negative, while sales in Overseas, and other business segment were positive compared with the previous fiscal year.

[Operating income by business segment]

Operating income in Financial and Amusement segment were negative, while Retail & transportation, Overseas, and other business segment were positive compared with the previous fiscal year.

1 Consolidated financial results		Financial market		GLORY	
<p>● Favorable sales of main products</p> <p>Although sales of our main product open teller systems were favorable for both conventional systems and compact systems for small and mid-sized financial outlets, total sales for this segment approximated sales for the previous first quarter.</p>		(Millions of yen)			
		FY2010 Q1	FY2011 Q1	Y-on-Y	
<p>Outline of business segments</p> <p>Sales and maintenance services to domestic financial institutions, Japan Post Bank, OEM clients, and others.</p>		<p>Sales</p> <p>8,643</p>	<p>8,471</p>	<p>-163 (-1.9%)</p>	
<p>Main products</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Open teller systems WAVE series</p> </div> <div style="text-align: center;">  <p>Banknote and coin recyclers for tellers, sold as OEM products</p> </div> <div style="text-align: center;">  <p>Cash monitoring cabinets BW series</p> </div> </div>		<p>Ratio</p> <p>28.5%</p>	<p>28.2%</p>	<p>-0.3%</p>	
		<p>Operating income</p> <p>417</p>	<p>342</p>	<p>-75 (-18.0%)</p>	
		<p>Ratio</p> <p>37.1%</p>	<p>26.2%</p>	<p>-10.9%</p>	
		<p>Operating margin</p> <p>4.8%</p>	<p>4.0%</p>	<p>-0.8%</p>	

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Financial market

Sales of open teller systems, our main products, both conventional systems and compact systems were solid and increased 16% year-on-year.

Sales of OEM banknote and coin recycling units for tellers approximated to almost the same as the sales for the previous fiscal year.

Total sales for this market approximated to almost the same as the sales for the previous fiscal year.

[Sales]

¥8,471 million (down 1.9% year-on-year)

[Operating income]

¥342 million (down 18.0% year-on-year)

● Favorable sales of coin and banknote recyclers for cashiers

Favorable sales of banknote and coin recyclers, sluggish sales of OEM banknote depositing modules; total sales for the segment approximated to those of the previous year. Operating income increased due to cost reduction by producing banknote coin recyclers in overseas countries.

Outline of business segments

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

Main products



(Millions of yen)

	FY2010 Q1	FY2011 Q1	Y-on-Y
Sales	6,005	5,836	-169 (-2.8%)
Ratio	19.8%	19.5%	-0.3%
Operating income	486	736	+250 (+51.4%)
Ratio	43.3%	56.3%	+13.0%
Operating margin	8.1%	12.6%	+4.5%

Retail & transportation market

Sales of banknote and coin recyclers, our main products, were favorable (up 8% year-on-year), while sales of OEM banknote depositing modules were sluggish, consequently total sales for this market almost approximated to those of the previous fiscal year.

Operating income increased due to cost reduction by producing banknote and coin recyclers in overseas countries.

[Sales]

¥5,836 million (down 2.8% year-on-year)

[Operating income]

¥736 million (up 51.4% year-on-year)

● Sluggish sales of card systems

Sales of our main product card systems were sluggish, as the aftermath of the Earthquake suppressed pachinko parlors managers from making capital investments and they exercised self-restraint in renewing their pachinko parlors.

Outline of business segments

Sales and maintenance services to domestic amusement halls (pachinko parlors), and others.

Main products

Card systems



Management terminals



pachinko ball dispenser with card reader



Smart card systems



Pachinko prize dispensing machines JK series

(Millions of yen)

	FY2010 Q1	FY2011 Q1	Y-on-Y
Sales	6,147	4,597	-1,550 (-25.2%)
Ratio	20.3%	15.3%	-5.0%
Operating income	102	-251	-353 (-346.1%)
Ratio	0.1%	-19.3%	-28.4%
Operating margin	1.7%	—	—

Amusement market




Sales of our main product card systems were sluggish, as the aftermath of the Earthquake suppressed pachinko parlors managers from making capital investments and they exercised self-restraint in renewing their pachinko parlors.

[Sales]

¥4,597 million (down 25.2% year-on-year)

[Operating loss]

¥251 million

1 Consolidated financial results		Overseas market		GLORY	
<p>● Favorable sales of banknote sorters and new products</p> <p>In the U.S.A., sales of OEM bulk banknote and check deposit units for ATMs were favorable. In Asia, sales of banknote sorters were favorable, in line with expanding markets in China and India. In Europe, Sitrade Italia S.p.A., a sales subsidiary in Italy, contributed favorable financial results, although sales of OEM banknote recycling units for ATMs were sluggish.</p> <p>Outline of business segments</p> <p>Sales and maintenance services to financial institutions abroad, cash-in-transit companies, casinos, OEM clients, and others.</p> <p>Main products</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Banknote recyclers for tellers RZ series</p> </div> <div style="text-align: center;">  <p>Banknote sorters UW/USF series</p> </div> <div style="text-align: center;">  <p>Banknote deposit units for ATMs UD series</p> </div> </div>		(Millions of yen)			
		FY2010 Q1	FY2011 Q1	Y-on-Y	
Sales		7,235	7,779	+544 (+7.5%)	
Ratio		23.8%	25.9%	+2.1%	
Operating income		393	502	+109 (+27.7%)	
Ratio		35.0%	38.4%	+3.4%	
Operating margin		5.4%	6.5%	+1.1%	

Overseas market

In the U.S.A., sales of OEM bulk banknote and check deposit units for ATMs were favorable. In Asia, sales of banknote sorters were favorable, in line with expanding markets in China and India. In Europe, Sitrade Italia S.p.A., a sales subsidiary in Italy, contributed favorable financial results, although sales of OEM banknote recycling units for ATMs were sluggish.

- [Sales]
- ¥7,779 million (up 7.5% year-on-year)
- [Operating income]
- ¥502 million (up 27.7% year-on-year)

Favorable sales of main products

Sales of OEM banknote recycling units for horse race ticket vending machines were favorable.

Outline of business segments

Sales of OEM banknote recycling units for horse race ticket vending machines were favorable.

Main products



Banknote recycling units for horse race ticket vending machines RBK series



Ticket vending machines VT series



RFID self-checkout systems for cafeterias PSA series

(Millions of yen)

	FY2010 Q1	FY2011 Q1	Y-on-Y
Sales	2,317	3,304	+987 (+42.6%)
Ratio	7.6%	11.0%	+3.4%
Operating income	-276	-23	+253 (+91.7%)
Ratio	-24.6%	-1.8%	+22.8%
Operating margin	—	—	—

Others

As for other business segments, sales of OEM banknote recycling units for horse race ticket vending machines were favorable.

[Sales]

¥3,304 million (up 42.6% year-on-year)

[Operating loss]

¥23 million

(Millions of yen)

Sales by geographical segment (overseas)	FY2010 Q1	FY2011 Q1	Year-on-year comparison
Americas	1,265	2,069	+804
Europe	4,395	3,949	- 446
Asia	1,583	1,760	+177
China	769	466	- 303
Total	7,235	7,779	+544
OEM	3,030	2,438	- 682

Sales by geographical segment (overseas)

[Americas]

Sales of OEM bulk banknote and check deposit units for ATMs took the leading role in raising profitability.

[Europe]

Sales of OEM products for Retail market were in a negative trend year-on-year, because we did not win so large orders as we had in the previous year.

[Asia]

Sales of banknote sorters in India and Indonesia steadily expanded, and were in a positive trend year-on-year. In China ratio of sales is expected to become higher in the second half of the fiscal year 2011 than the first half. (as it was in the previous fiscal year.)

(Millions of yen)

	FY2010 Q1	FY2011 Q1	Year-on-year	Change by quarterly term										
Capital expenditures	1,688	1,187	-300 -4.5%	<table border="1"> <tr> <td>FY10 (1Q)</td> <td>FY10 (2Q)</td> <td>FY10 (3Q)</td> <td>FY10 (4Q)</td> <td>FY11 (1Q)</td> </tr> <tr> <td>1,688</td> <td>1,672</td> <td>1,323</td> <td>1,730</td> <td>1,187</td> </tr> </table>	FY10 (1Q)	FY10 (2Q)	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	1,688	1,672	1,323	1,730	1,187
FY10 (1Q)	FY10 (2Q)	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)										
1,688	1,672	1,323	1,730	1,187										
Depreciation & amortization	1,598	1,555	-1,427 -17.5%	<table border="1"> <tr> <td>FY10 (1Q)</td> <td>FY10 (2Q)</td> <td>FY10 (3Q)</td> <td>FY10 (4Q)</td> <td>FY11 (1Q)</td> </tr> <tr> <td>1,598</td> <td>1,582</td> <td>1,728</td> <td>1,809</td> <td>1,555</td> </tr> </table>	FY10 (1Q)	FY10 (2Q)	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	1,598	1,582	1,728	1,809	1,555
FY10 (1Q)	FY10 (2Q)	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)										
1,598	1,582	1,728	1,809	1,555										
R&D expenses	1,901	2,354	-97 -1.1%	<table border="1"> <tr> <td>FY10 (1Q)</td> <td>FY10 (2Q)</td> <td>FY10 (3Q)</td> <td>FY10 (4Q)</td> <td>FY11 (1Q)</td> </tr> <tr> <td>1,901</td> <td>2,250</td> <td>2,155</td> <td>2,372</td> <td>2,354</td> </tr> </table>	FY10 (1Q)	FY10 (2Q)	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	1,901	2,250	2,155	2,372	2,354
FY10 (1Q)	FY10 (2Q)	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)										
1,901	2,250	2,155	2,372	2,354										

Capital expenditures and other expenses

Capital expenditures was ¥1,187 million.

Depreciation & amortization was ¥1,555 million.

Research & development expenses was ¥2,354 million.

1 Consolidated financial results		Analysis of Consolidated Statements of Income/ Consolidated Statements of Comprehensive Income				GLORY
(Millions of yen)						
	FY2010 Q1	Percent (%)	FY2011 Q1	Percent (%)	Increase/Decrease	
Net sales	30,339	100.0	29,989	100.0	-350	
Cost of sales	19,304	63.6	18,279	61.0	-1,025	①
SG&A expenses	9,911	32.7	10,404	34.7	+493	
Operating income	1,123	3.7	1,306	4.4	+183	
Non operating income	514	1.7	414	1.4	-100	
Non operating expenses	477	1.6	131	0.4	-346	②
Ordinary income	1,160	3.8	1,588	5.3	+428	
Extraordinary income	138	0.5	25	0.1	-113	
Extraordinary loss	353	1.2	88	0.3	-265	
Income before income taxes	944	3.1	1,524	5.1	+580	
Total income taxes	488	0.4	643	2.1	+155	
Net income 1 st quarter	456	1.5	768	2.6	+312	
Income before minority interests	—	—	881	2.9	—	
Total other Comprehensive income	—	—	434	1.4	—	
Comprehensive income	—	—	1,316	4.4	—	

① Cost-to-sales ratio : Improved 2.6 percentage due to cost reduction activities
② Non-operating income and expenses : Foreign exchange loss (¥53 million)
(¥405 million of foreign exchange loss was posted in the same period last year.)

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Consolidated Income Statement / Consolidated Statements of Comprehensive Income

Cost-to-sales ratio improved 2.6 percentage points year-on-year due to structural reform.

Sales and administrative cost to sales edged up 2.0 percentage points year-on-year. Consequently operating income was ¥1,306 million. (up 16.3% year-on-year)

Although foreign exchange loss decreased a lot year-on-year, still ¥53 million was posted into non-operating loss.

Consequently ordinary income amounted to ¥1,588 million. (up 36.9% year-on-year)

Impairment losses and retirement benefit payment had been posted into extraordinary loss for the previous fiscal year, however we did not find any big extraordinary loss in the first quarter of the current fiscal year. Consequently income before income taxes was ¥1,524 million, and after deduction of corporate tax, etc. net income for the first quarter totaled ¥768 million. (up 68.4% year-on-year)

Comprehensive income totaled ¥1,316 million (income before minority interests of ¥881 million and other comprehensive income of ¥434 million).

Financial forecast for FY 2011

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Sales increased on the previous year due to cultivation and stimulation of the market by releasing new products.

利益

Income increased on the year due to sales increase and promotion of cost reduction.

(Millions of yen)	FY2011 Q1 (results)	FY2011 Q1-Q2 (forecast)	FY2011 (forecast)
Net sales	29,989	65,000	145,000
Maintenance services	8,292 (27.7%)	16,000 (24.6%)	32,000 (22.1%)
Operating income	1,306 (4.4%)	2,500 (3.8%)	11,000 (7.6%)
Ordinary income	1,558 (5.3%)	2,500 (3.8%)	11,000 (7.6%)
Net income by quarter	768 (2.6%)	1,500 (2.3%)	6,500 (4.5%)

※exchange rate [dollar] 85 yen [euro] 110 yen

Financial forecast for the fiscal year 2011

As of the present time, the Group will not revise the consolidated financial forecast for the current fiscal year, as announced on May 20, 2011.

Net sales : ¥145 billion (up 4.3% year-on-year)

Operating income : ¥11 billion (up 6.6% year-on-year)

Ordinary income : ¥11 billion (down 0.3% year-on-year)

Net income : ¥6.5 billion (up 4.4% year-on-year)

Forecasts are based on an assumed foreign exchange rate of 85 yen to a U.S. dollar, 110 yen to a EURO.

(Millions of yen)	FY2011					
	Q1 (results)		Q1-Q2 (forecast)		Full year (forecast)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Financial market	8,471	342	21,000	800	47,000	4,700
Retail & transportation market	5,836	736	13,000	1,300	30,000	3,900
Amusement market	4,597	-251	9,000	-400	20,000	200
Overseas market	7,779	502	16,000	900	35,000	2,100
Others	3,304	-23	6,000	-100	13,000	100
Total	29,989	1,306	65,000	2,500	145,000	11,000

Sales and operating income forecasts by business segment

[Sales forecast]

Sales forecast is not revised, and it stays as it was announced on May 20, 2011.

[Operating income forecast]

Operating income is revised, taking market conditions for the second quarter of the current fiscal year into consideration.

(comparison with the forecast announced on May 20, 2011)

Financial market ... ¥800 million (down ¥100 million)

Retail & transportation market ... ¥1,300 million (up ¥500 million)

Amusement market ... negative¥400 million (down ¥500 million)

Overseas market ... ¥900 million (up ¥300 million)

Other business market ... negative ¥100 million (down ¥200 million)

Operating income forecast for the second half of the current fiscal year is not revised.