

GLORY LTD.

Consolidated Financial Results

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

1 Consolidated Financial Results

- 1) Performance Overview ...P. 2
- 2) Net Sales Fluctuation Factors ...P. 3
- 3) Operating Income Fluctuation Factors ...P. 4

2 Details of Performance

- 1) Sales & Operating income by Business Segment (Y-on-Y) ...P. 5
- 2) Sales & Operating income by Business Segment (Comparison with Target) ...P. 12
- 3) Capital Investment and other expenses ...P. 13
- 4) Analysis of Consolidated Statements of Income and Comprehensive Income ...P. 14

3 Market Environment and Business Plan for Second Half

- 1) Overseas Market ...P. 15
- 2) Financial Market ...P. 17
- 3) Retail and Transportation Market ...P. 18
- 4) Amusement Market ...P. 19
- 5) New Business ...P. 20

4 Financial Forecast for FY2011

- 1) Financial Forecast for FY2011 ...P. 21
- 2) Sales & Operating Income Forecast by Business Segment ...P. 22

5 Other Information

- 1) Dividend Forecast ...P. 23

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.

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



Performance Overview Year-on-Year



Net Sales

Sales at amusement market were sluggish, while overseas and other markets were favorable, resulting the same level compared to previous year.

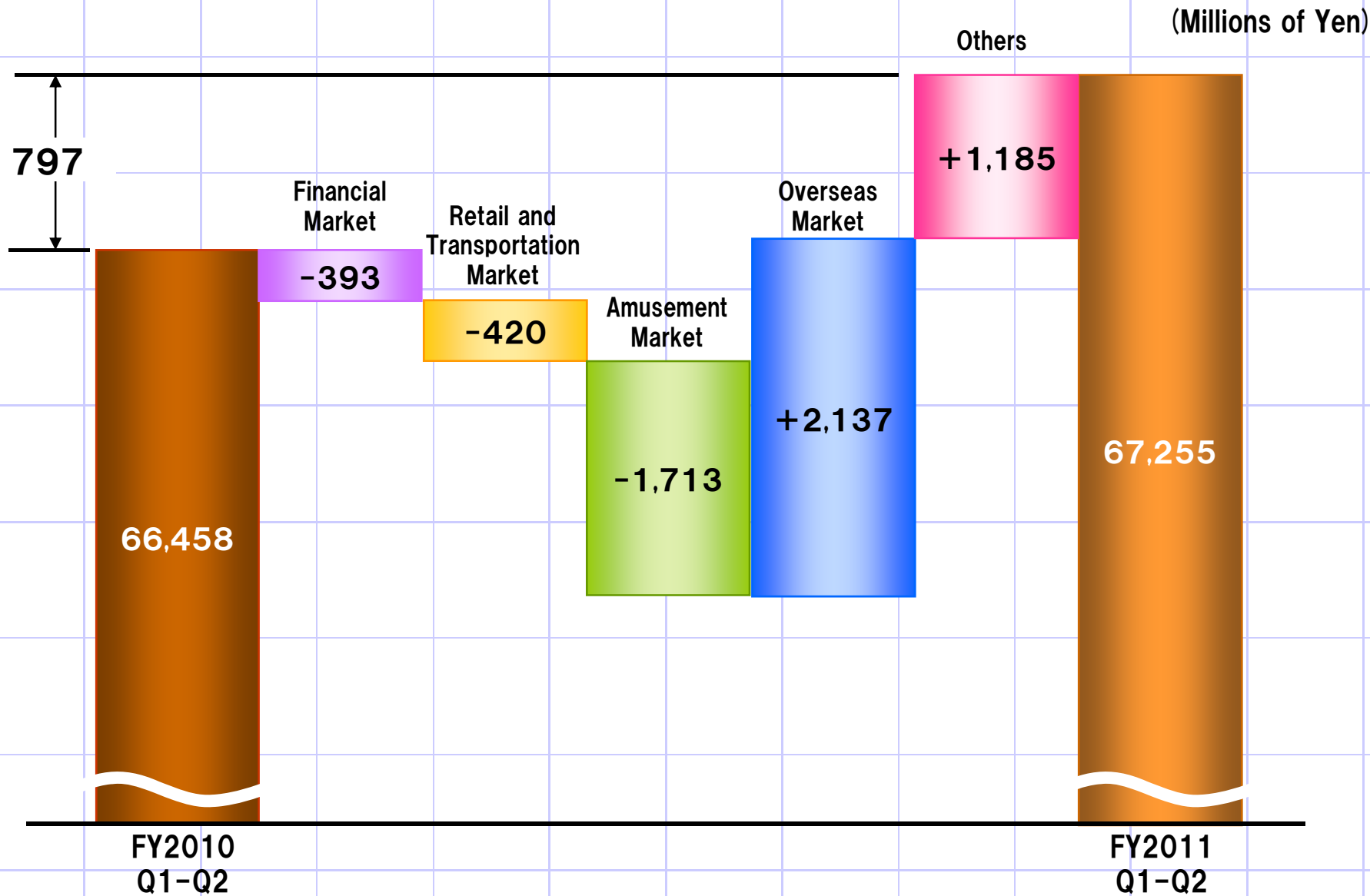
Incomes

While improving efficiency in development, productivity, cost-cutting through overseas procurement/production, cost increase in developing new products has resulted income decrease compared to previous year.

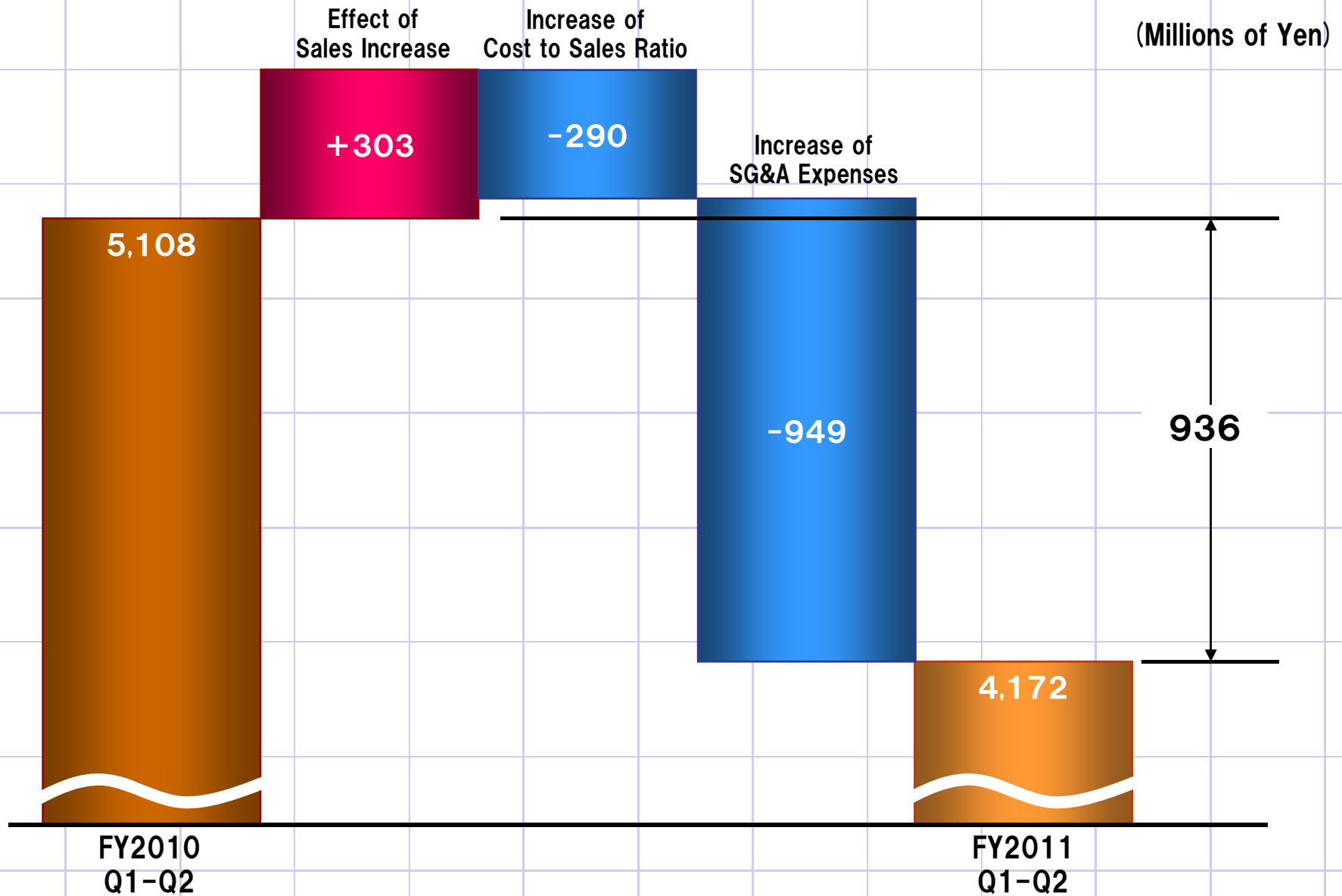
(Millions of yen)	FY2010 Q1-Q2	FY2011 Q1-Q2	Year-on-year comparison
Net sales	66,458	67,255	+1.2%
<div style="border: 1px dashed red; padding: 2px;">Maintenance service</div>	15,913 (23.9%)	16,849 (25.1%)	+5.9%
Operating income	5,108 (7.7%)	4,172 (6.2%)	▲18.3%
Ordinary income	5,515 (8.3%)	4,391 (6.5%)	▲20.4%
Quarterly income	2,935 (4.4%)	2,228 (3.3%)	▲24.1%

※Exchange rate: 1US\$ = ¥85 1Euro = ¥110

Net Sales Fluctuation Factors








Operating Income Fluctuation Factors



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

(Millions of yen)

Business Segment	Net Sales			Operating Income		
	FY2010 Q1-Q2	FY2011 Q1-Q2	Year-on-Year comparison	FY2010 Q1-Q2	FY2011 Q1-Q2	Year-on-Year comparison
 Financial Market	21,579	21,186	-393 (-1.8%)	2,178	1,839	-339 (-15.6%)
 Retail & Transportation Market	13,571	13,151	-420 (-3.1%)	1,180	1,724	+544 (+46.1%)
 Amusement Market	12,166	10,453	-1,713 (-14.1%)	528	129	-399 (-75.6%)
 Overseas Market	13,486	15,623	+2,137 (+15.8%)	1,137	736	-401 (-35.3%)
 Others	5,654	6,839	+1,185 (+21.0%)	84	-258	-342 (-407.1%)
Total	66,458	67,255	+797 (+1.2%)	5,108	4,172	-936 (-18.3%)

● Favorable Sales of Main Products

Sales of main products, open teller systems, were favorable, while sales of banknote and coin recycling modules for tellers were sluggish due to temporarily suspended demand for replacement. Total sales in this market resulted the same level compared to previous year.

Outline of the Segment

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

Main Products



Open teller systems
WAVE series



banknote and coin
recyclers for tellers,
sold as OEM products



Cash and monitoring
cabinets
BW series

(Millions of yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	Y-on-Y
Sales	21,579	21,186	-393 (-1.8%)
Ratio to total sales	32.5%	31.5%	-1.0%
Operating income	2,178	1,839	-339 (-15.6%)
Ratio to total operating income	42.6%	44.1%	+1.5%
Operating margin	10.1%	8.7%	-1.4%

● Favorable Sales of Coin and Banknote Recyclers for Cashiers

Sales of coin and banknote recyclers were favorable, while sales of OEM sales proceeds deposit machines were sluggish, resulting the same level of total sales as previous year. Operating income increased mainly due to the increase in cost reduction from overseas production.

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



Coin and banknote recycler RT/RAD series



Sales proceeds deposit machine DS-DSS series



Multi-functional cash management station DSR series

(Millions of yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	Y-on-Y
Sales	13,571	13,151	-420 (-3.1%)
Ratio to total sales	20.4%	19.6%	-0.8%
Operating income	1,180	1,724	+544 (+46.1%)
Ratio to total operating income	23.1%	41.3%	+18.2%
Operating margin	8.7%	13.1%	+4.4%

(Millions of yen)

● Sluggish Sales of Card Systems

Sales of pachinko ball/token dispensers were favorable, while sales of card systems and other equipment declined due to intensified competition with rivals.

Outline of the Segment

Sales and maintenance at amusement halls (pachinko parlors), and others at domestic market in Japan.

Main Products

Card systems



Management terminals



Pachinko ball dispenser with card reader



Smart card systems



Pachinko prize dispensing machine JK series

	FY2010 Q1-Q2	FY2011 Q1-Q2	Y-on-Y
Sales	12,166	10,453	-1,713 (-14.1%)
Ratio to total sales	18.3%	15.5%	-2.8%
Operating income	528	129	-399 (-75.6%)
Ratio to total operating income	10.3%	3.1%	-7.2%
Operating margin	4.3%	1.2%	-3.1%

● Favorable Sales of Banknote Sorters etc.

(Millions of yen)

Americas market: Sales of OEM unites for ATMs were favorable.

Asian market: Sales of banknote sorters constantly favorable especially in China.

European market: Total sales were firm due to positive effect from the acquisition of the distributor in Italy.

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/USF series



Banknote deposit units for ATMs UD series

	FY2010 Q1-Q2	FY2011 Q1-Q2	Y-on-Y
Sales	13,486	15,623	+2,137 (+15.8%)
Ratio to total sales	20.3%	23.2%	+2.9%
Operating income	1,137	736	-401 (-35.3%)
Ratio to total operating income	22.3%	17.6%	-4.7%
Operating margin	8.4%	4.7%	-3.7%

Sales by Geographical Segment



(Millions of yen)

Sales by geographical segment (overseas)	FY2010 Q1-Q2	FY2011 Q1-Q2	Year-on-Year Comparison
Americas	2,628	3,896	+1,268
Europe	7,816	8,224	+408
Asia	3,042	3,502	+460
China	1,145	1,265	+120
Total	13,486	15,623	+2,137
OEM	5,673	4,662	-1,011

● Favorable Sales of Main Products

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

Outline of the Segment

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

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-Q2	FY2011 Q1-Q2	Y-on-Y
Sales	5,654	6,839	+1,185 (+21.0%)
Ratio to total sales	8.5%	10.2%	+1.7%
Operating income	84	-258	-342 (-407.1%)
Ratio to total operating income	1.6%	-6.2%	-7.8%
Operating margin	1.5%	-3.8%	-5.3%

Sales & Operating Income by Business Segment (Comparison with the Plan)

(Millions of Yen)

Business segments	FY2011 Q1-Q2					
	Sales			Operating income		
	Plan	Result	Comparison	Plan	Result	Comparison
 Financial Market	21,000	21,186	+186 (+0.9%)	800	1,839	+1,039 (+129.9%)
 Retail & Transportation Market	13,000	13,151	+151 (+1.2%)	1,300	1,724	+424 (+32.6%)
 Amusement Market	9,000	10,453	+1,453 (+16.1%)	-400	129	+529 (+132.3%)
 Overseas Market	16,000	15,623	-377 (-2.4%)	900	736	-164 (-18.2%)
 Others	6,000	6,839	+839 (+14.0%)	-100	-258	-158 (-158.0%)
Total	65,000	67,255	+2,255 (+3.5%)	2,500	4,172	+1,672 (+66.9%)

Capital Investment etc.



(Millions of Yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	Year-on-Year	Quarterly Transition
Capital Investment	3,441	3,134	-307 (-8.9%)	<p>1,672 1,323 1,730 1,187 1,947</p> <p>FY10 (Q2) FY10 (Q3) FY10 (Q4) FY11 (Q1) FY11 (Q2)</p>
Depreciation & Amortization	3,180	3,236	+56 (+1.8%)	<p>1,582 1,728 1,809 1,555 1,681</p> <p>FY10 (Q2) FY10 (Q3) FY10 (Q4) FY11 (Q1) FY11 (Q2)</p>
R&D Investments	4,151	5,087	+936 (+22.5%)	<p>2,250 2,155 2,372 2,354 2,733</p> <p>FY10 (Q2) FY10 (Q3) FY10 (Q4) FY11 (Q1) FY11 (Q2)</p>

Analysis of Consolidated Statements of Income and Comprehensive Income

(Millions of Yen)

	FY2010 Q1-Q2	Percent (%)	FY2011 Q1-Q2	Percent (%)	Increase/ Decrease
Net sales	66,458	100.0	67,255	100.0	+797
Cost of sales	41,170	61.9	41,954	62.4	+784
SG&A expenses	20,179	30.4	21,128	31.4	+949
Operating income	5,108	7.7	4,172	6.2	-936
Non operating income	880	1.3	600	0.9	-280
Non operating expenses	474	0.7	382	0.6	-92
Ordinary income	5,515	8.3	4,391	6.5	-1,124
Extraordinary income	180	0.3	69	0.1	-111
Extraordinary loss	942	1.4	239	0.4	-703
Income before income taxes	4,753	7.2	4,221	6.3	-532
Total income taxes	1,818	2.7	1,733	2.6	-85
Net income	2,935	4.4	2,228	3.3	-707
Income before minority interests	2,935	4.4	2,487	3.7	▲448
Total other comprehensive income	▲667	▲1.0	356	0.5	1,023
Comprehensive income	2,268	3.4	2,844	4.2	576

① Cost-to-sales ratio : Increased by 0.5% from previous year due to cost increase from new product development

② Non-operating income and expenses : Foreign exchange loss (¥225 million)

(¥335 million of foreign exchange loss was posted in the same period last year.)

Overseas Market

Business Strategy

Explore overseas market by geographical area to expand international business

Americas

- Capital investment curtailed due deteriorating economy in U.S.
- Demand expanded in Latin America for automated cash handling.

▶ Expanding sales of RGB series, cash recyclers to retail stores

Cash recycler for retail stores
RBG-300
(released in September,2011)



Europe

- Sluggish economy due to financial crisis in Europe
- Demand expanded for cash recycling system

▶ Enhancing business of banknote recyclers for tellers

Banknote recycler for tellers
RZ-100



Installation image of Cash Recycling System

Asia

- Solid capital investment by major banks in China
- Expanding demand for banknote sorters in India, Indonesia

▶ Targeting major banks in China
▶ Reinforcing subsidiary in India

Banknote sorter
USF-50
(released in December,2010)

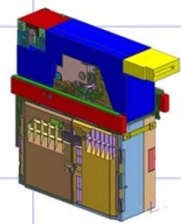


OEM

- Strong demand for Banknote/Check deposit units for ATMs in US

▶ Strengthening relations with OEM Customers

Banknote and check deposit units for ATMs
SCDM series



Business Strategy

Explore overseas market by geographical area to expand international business

Established a New Subsidiary Office in India (June 2011)

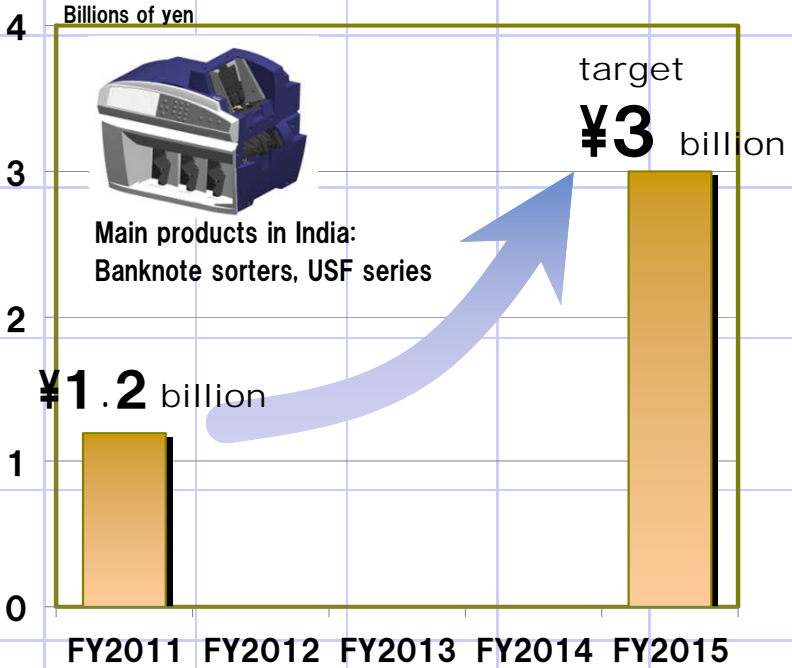
“ GLORY Currency Automation India Pvt. Ltd. ”



Established a new subsidiary office in India to pursue drastic sales increase in the second largest market following China.



Subsidiary Office in India (New Delhi)



Business Strategy

Re-explore domestic market, and keep expanding its business fields

Expanding Sales of Open Teller System

1. Promote Demand for Replacement

Encourage users to replace over 10 years old machines

2. Expand the Market

Focus on untapped market to expand domestic market share

- Solid replacement demand for WAVE
- Demand for compact WAVE expanded at target market
- ▶ Strengthen business activities at target market



WAVE C30 series

Expand sales at Non-Cash Market

1. Expand DP (Document Processing) business

- Explore business activities in new fields
- Develop new products
- ▶ Discover demands at new fields



DP station with built-in PC
FU-500
To be released in December, 2011

Business Strategy

Re-explore domestic market, keep expanding its business fields

■ Promote sales at areas where no coin and banknote recyclers introduced yet

1. Make introductory sales to untapped market (CVS & others)

- Start trials at CVS
- Expand demand at specialty stores, restaurants etc.

▶ Strengthen business activities to CVS, specialty stores, restaurants etc.

Banknote and coin recyclers for cashiers
RT/RAD200 series



■ Expand sales at existing market

1. Promote sales of new products

- July 2011: Released new cash management station

▶ Expand sales to supermarkets

Cash management station for retail stores
DSR200 series



Business Strategy

Re-explore domestic market, keep expanding its business fields

■ **Strengthen corporate structure to quickly respond to market environment**

1. Accelerate to bring positive effect from the merger of two subsidiaries (GLORY NASCA Ltd. & CREATION CARD CO., LTD.)

• Recovering popularity of pachislots expected to expand demand for related products.

▶ Strengthen selling power through reorganization of sales network

2. Expand product line-up by releasing new products

September 2011: Released banknote conveyor system

▶ Offering new products to expand sales



Banknote conveyor system

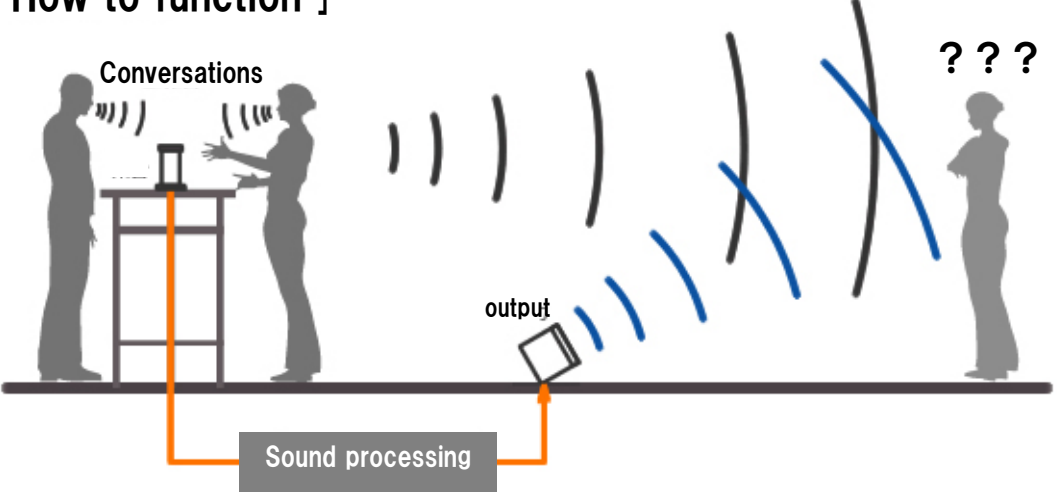


GLORY's Voice Protection Intelligent System, Voice Guard "QG-11" (Released in September, 2011)



Voice Guard "QG-11" prevents the confidential conversation from being overheard in the open space. **【Locations】** Pharmacies, Banks etc.

[How to function]



Installation image in pharmacy

- Protect conversations without major renovation of existing facilities
- No voice-protecting sound emitted when there is no conversation, which keeps silence in the open space

Net sales

Expected to increase y-o-y through expansion of overseas business and re-exploration of domestic market

Income

Expected to increase y-o-y through measures to be taken for sales expansion and cost-cutting

(Millions of yen)	FY2010	FY2011	Year-on-year
Net sales	138,964	145,000	+4.3%
<div style="border: 1px dashed red; padding: 2px;">Maintenance services</div>	32,092 (23.1%)	33,600 (23.2%)	+4.7%
Operating income	10,323 (7.4%)	11,000 (7.6%)	+6.6%
Ordinary income	11,028 (7.9%)	11,000 (7.6%)	-0.3%
Net income	6,229 (4.5%)	6,500 (4.5%)	+4.4%

※Exchange rate: 1US\$ = ¥85 1Euro = ¥110

Sales & Operating Income forecast by Business Segment



(Millions of yen)	FY2011					
	Q1-Q2 (results)		Q3-Q4 (forecast)		Full Year (forecast)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Financial Market	21,186	1,839	24,814	2,761	46,000	4,600
Retail and Transportation Market	13,151	1,724	16,849	2,276	30,000	4,000
Amusement Market	10,453	129	11,547	571	22,000	700
Overseas Market	15,623	736	18,377	964	34,000	1,700
Others	6,839	-258	6,161	258	13,000	0
Total	67,255	4,172	77,745	6,828	145,000	11,000

Dividend Forecast

Policy on
profit distribution

Dividend Forecast for FY2011

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 (forecast)	Year-end (forecast)	Annual (forecast)
FY2011 (announced on May 12, 2011)	¥20	¥21	¥41

(Reference)

FY2010 (announced on February 4, 2011)	¥17	¥20	¥37 (Dividend payout ratio: 39.0%)
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In addition, GLORY will also consider, from time to time, the purchase of treasury stock to improve capital efficiency and to have an agile capital policy to respond to the operating environment.