

# Consolidated Financial Results

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

## 1 Consolidated Financial Results

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Forward-looking statements in this document are based on information that is currently available. These statements incorporate risks and uncertainties, including the possibility of changes in the forecast for company's performance, due to various factors affected by the Japanese and overseas economic conditions, the business climate, supply and demand for GLORY's products, newly developed technologies, and other items.

As a result, individuals are asked to not rely solely on the forward-looking statements in this document when making investment decisions. In addition, information concerning forward-looking statements in this document may be revised without prior notice except in cases where required by law.



**Net sales**

Sales were higher than one year earlier due to strong sales in all segments except financial markets.

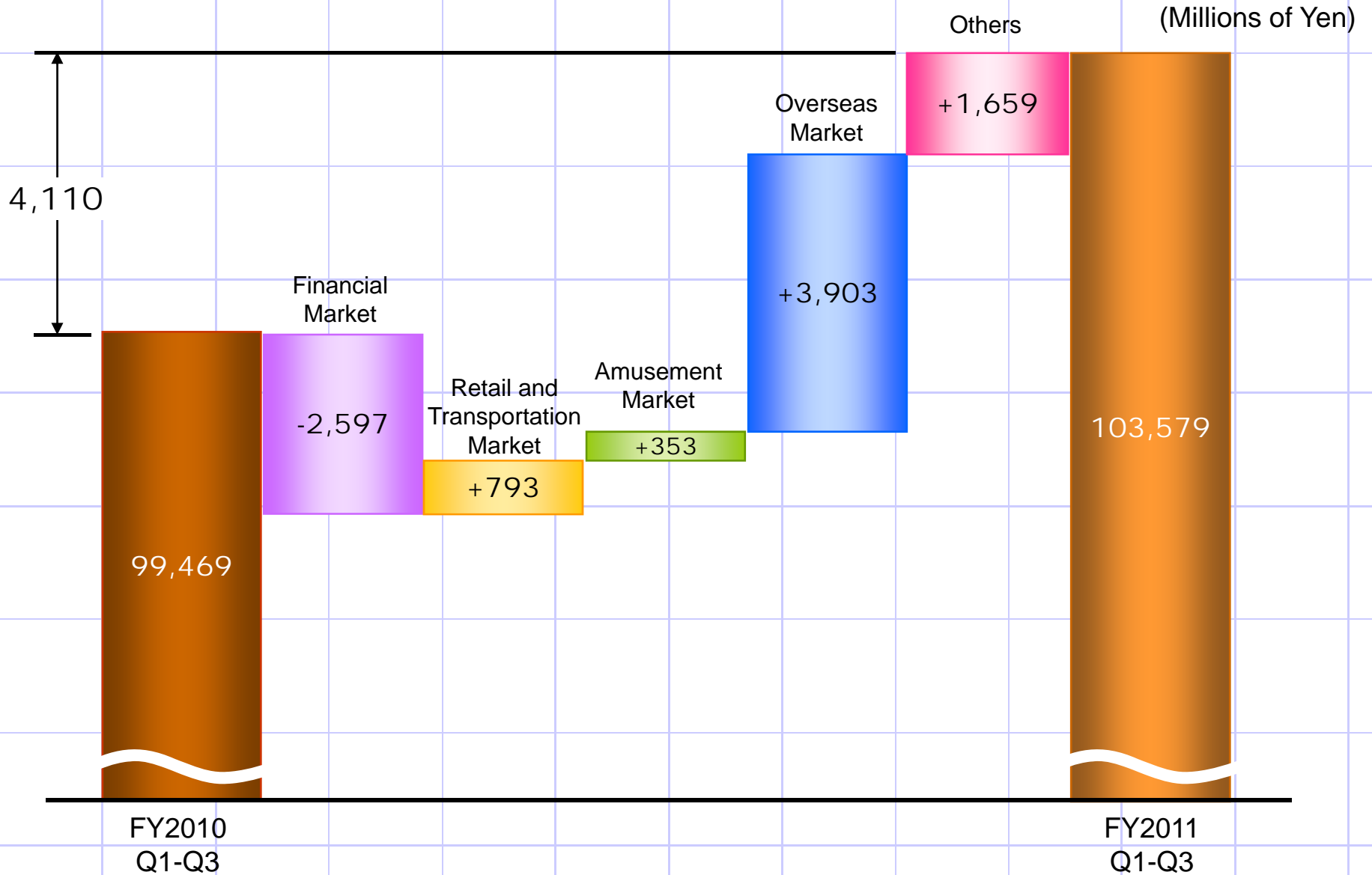
**Income**

Income was down despite improvements in the efficiency of product development programs and productivity and cost-cutting measures such as using overseas production and procurement. Lower income was due mainly to the increase in expenses for developing new products.

(Millions of yen)	FY2010 Q1-Q3	FY2011 Q1-Q3	Year-on-year comparison
Net sales	99,469	103,579	+4.1%
Maintenance service	23,832 (24.0%)	25,235 (24.4%)	+5.9%
Operating income	7,401 (7.4%)	7,320 (7.1%)	-1.1%
Ordinary income	7,784 (7.8%)	7,706 (7.4%)	-1.0%
Quarterly income	4,427 (4.5%)	3,646 (3.5%)	-17.6%

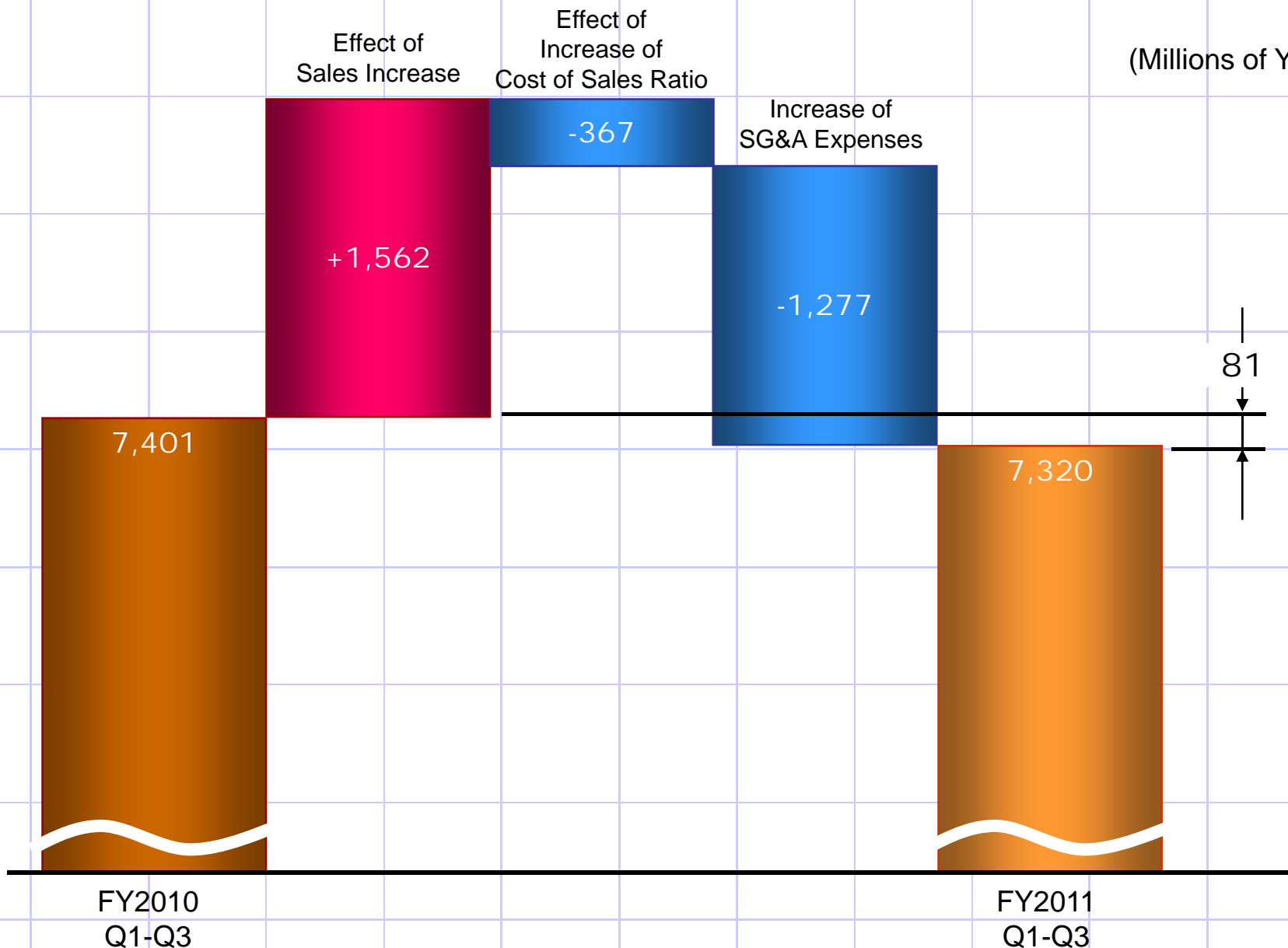
※Exchange rate: US\$1 = ¥85 €1 = ¥110

# Factors of Net Sales Change








# Factors of Operating Income Change

(Millions of Yen)



(Millions of yen)

セグメント	Net Sales			Operating Income		
	FY2010 Q1-Q3	FY2011 Q1-Q3	Year-on-Year comparison	FY2011 Q1-Q3	FY2011 Q1-Q3	Year-on-Year comparison
 Financial Market	32,476	29,879	-2,597 (-8.0%)	3,605	2,011	-1,594 (-44.2%)
 Retail & Transportation Market	19,195	19,988	+793 (+4.1%)	1,605	2,493	+888 (+55.3%)
 Amusement Market	19,438	19,791	353 (+ 1.8%)	1,187	1,468	+ 281 (+23.7%)
 Overseas Market	19,607	23,510	+3,903 (+19.9%)	1,013	1,537	+ 524 (+ 51.7%)
 Others	8,750	10,409	+1,659 (+19.0%)	-11	-189	-178 (-1618.2%)
Total	99,469	103,579	+4,110 (+4.1%)	7,401	7,320	-81 (-1.1%)

## ● Slow sales of main products

Sales of open teller systems, the main product in this segment, were lower than one year earlier because of a decline in large orders for compact models. OEM products benefited from strong sales of coin recycling modules for ATMs, but sales of banknote and coin recycling modules for tellers were weak due to a delay in the emergence of expected replacement demand.

### Outline of the Segment

Sales and maintenance to financial institutions, 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  
RB series



Coin recycling modules  
for ATMs,  
sold as OEM products  
RCN series

(Millions of yen)

	FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
<b>Sales</b>	32,476	29,879	-2,597 (-8.0%)
<b>Ratio to total sales</b>	32.6%	28.8%	-3.8%
<b>Operating income</b>	3,605	2,011	-1,594 (-44.2%)
<b>Ratio to total operating income</b>	48.7%	27.5%	-21.2%
<b>Operating margin</b>	11.1%	6.7%	-4.4%

● Strong sales of coin and banknote recyclers for cashiers

Sales of sales proceeds deposit machines, which is an OEM product, were soft. But this market segment was healthy overall because of strong sales of coin and banknote recyclers for cashiers, the major product in this segment. The strong sales of these recyclers were supported by a rebound in corporate capital expenditures and the receipt of large orders.

**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 recyclers RT/RAD series



Sales proceeds deposit machines DSS series



Multi-functional cash management stations DSR series

(Millions of yen)

	FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
<b>Sales</b>	19,195	19,988	+793 (+4.1%)
<b>Ratio to total sales</b>	19.3%	19.3%	±0%
<b>Operating income</b>	1,605	2,493	+888 (+55.3%)
<b>Ratio to total operating income</b>	21.7%	34.1%	+12.4%
<b>Operating margin</b>	8.4%	12.5%	+4.1%



● Higher sales of products associated with token machines

Sales of card systems, the primary product in this segment, were slow partly because of intense competition. However, total sales were about the same as one year earlier because of strong sales of token machines due to a rebound in popularity of pachislot.

**Outline of the Segment**

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

**Main Products**

Card systems



( Millions of yen )

	FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
<b>Sales</b>	19,438	19,791	+353 (+1.8%)
Ratio to total sales	19.5%	19.1%	-0.4%
<b>Operating income</b>	1,187	1,468	+281 (+23.7%)
Ratio to total operating income	16.0%	20.1%	+4.1%
<b>Operating margin</b>	6.1%	7.4%	+1.3%



● **Strong performance by OEM products boosts sales**

In the Americas, there were brisk sales of bulk banknote and check deposit units for ATMs. In Asia, there were solid sales of banknote sorters, particularly in China. In Europe, sales benefited from the acquisition of Sitrade Italia S.p.A., a 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 sorters UW/USF series



Banknote deposit units for ATMs UD series



Banknote recyclers for tellers RZ series

(Millions of yen)

	FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
<b>Sales</b>	19,607	23,510	+3,903 (+19.9%)
<b>Ratio to total sales</b>	19.7%	22.7%	+3.0%
<b>Operating income</b>	1,013	1,537	+524 (+51.7%)
<b>Ratio to total operating income</b>	13.7%	21.0%	+7.3%
<b>Operating margin</b>	5.2%	6.5%	+1.3%

## Sales by Geographical Segment

(Millions of yen)

Sales by geographical segment (overseas)	FY2010 Q1-Q3	FY2011 Q1-Q3	Year-on-Year Comparison
Americas	3,906	6,060	+2,154
Europe	10,898	12,050	+1,152
Asia	4,803	5,399	+596
China	1,942	1,950	+8
Total	19,607	23,510	+3,903
OEM	6,771	7,722	+951

● Main products post higher sales

There were strong sales of banknote recycling units for horse race ticket vending machines, an OEM product, and medical payment kiosks.

**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



Medical payment kiosks



Ticket vending Machines VT series

(Millions of yen)

	FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
<b>Sales</b>	8,750	10,409	+1,659 (+19.0%)
<b>Ratio to total sales</b>	8.8%	10.0%	+1.2%
<b>Operating income</b>	-11	-189	-178 (-1618.2%)
<b>Ratio to total operating income</b>	-0.1%	-2.6%	-2.5%
<b>Operating margin</b>	-0.1%	-1.8%	-1.7%

# Capital Expenditures etc.



(Millions of Yen)

	FY2010 Q1-Q3	FY2011 Q1-Q3	Year-on-Year	Quarterly Transition										
<b>Capital Expenditures</b>	4,683	4,545	-138 (-2.9%)	<table border="1"> <tr> <td>FY10 (3Q)</td> <td>FY10 (4Q)</td> <td>FY11 (1Q)</td> <td>FY11 (2Q)</td> <td>FY11 (3Q)</td> </tr> <tr> <td>1,323</td> <td>1,730</td> <td>1,187</td> <td>1,947</td> <td>1,411</td> </tr> </table>	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	FY11 (2Q)	FY11 (3Q)	1,323	1,730	1,187	1,947	1,411
FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	FY11 (2Q)	FY11 (3Q)										
1,323	1,730	1,187	1,947	1,411										
<b>Depreciation &amp; Amortization</b>	4,908	5,021	+113 (+2.3%)	<table border="1"> <tr> <td>FY10 (3Q)</td> <td>FY10 (4Q)</td> <td>FY11 (1Q)</td> <td>FY11 (2Q)</td> <td>FY11 (3Q)</td> </tr> <tr> <td>1,728</td> <td>1,809</td> <td>1,555</td> <td>1,681</td> <td>1,785</td> </tr> </table>	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	FY11 (2Q)	FY11 (3Q)	1,728	1,809	1,555	1,681	1,785
FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	FY11 (2Q)	FY11 (3Q)										
1,728	1,809	1,555	1,681	1,785										
<b>R&amp;D Expenses</b>	6,306	7,503	+1,197 (+19.0%)	<table border="1"> <tr> <td>FY10 (3Q)</td> <td>FY10 (4Q)</td> <td>FY11 (1Q)</td> <td>FY11 (2Q)</td> <td>FY11 (3Q)</td> </tr> <tr> <td>2,155</td> <td>2,372</td> <td>2,354</td> <td>2,733</td> <td>2,416</td> </tr> </table>	FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	FY11 (2Q)	FY11 (3Q)	2,155	2,372	2,354	2,733	2,416
FY10 (3Q)	FY10 (4Q)	FY11 (1Q)	FY11 (2Q)	FY11 (3Q)										
2,155	2,372	2,354	2,733	2,416										

(Millions of Yen)

	FY2010 Q1-Q3	ratio	FY2011 Q1-Q3	ratio	Increase/ Decrease
Net sales	99,469	100.0	103,579	100.0	+4,110
Cost of sales	61,677	62.0	64,592	62.4	+2,915
SG&A expenses	30,389	30.6	31,666	30.6	+1,277
Operating income	7,401	7.4	7,320	7.1	-81
Non operating income	1,051	1.1	821	0.8	-230
Non operating expenses	668	0.7	435	0.4	-233
Ordinary income	7,784	7.8	7,706	7.4	-78
Extraordinary income	301	0.3	36	0.0	-265
Extraordinary loss	1,091	1.1	356	0.3	-735
Income before income taxes	6,994	7.0	7,386	7.1	+392
Total income taxes	2,567	2.6	3,740	3.6	+1,173
Net income	4,427	4.5	3,646	3.5	-781
Income before minority interests	4,427	4.5	3,983	3.8	-444
Total other comprehensive income	-589	-0.6	-368	-0.4	+221
Comprehensive income	3,837	3.9	3,614	3.5	-223

\*1 Non-operating expenses : Foreign exchange loss(¥204 million)  
(As compared with ¥480 million one year earlier.)

\*2 Extraordinary loss : Valuation loss on securities (¥228 million)  
(As compared with ¥233 million one year earlier.)

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

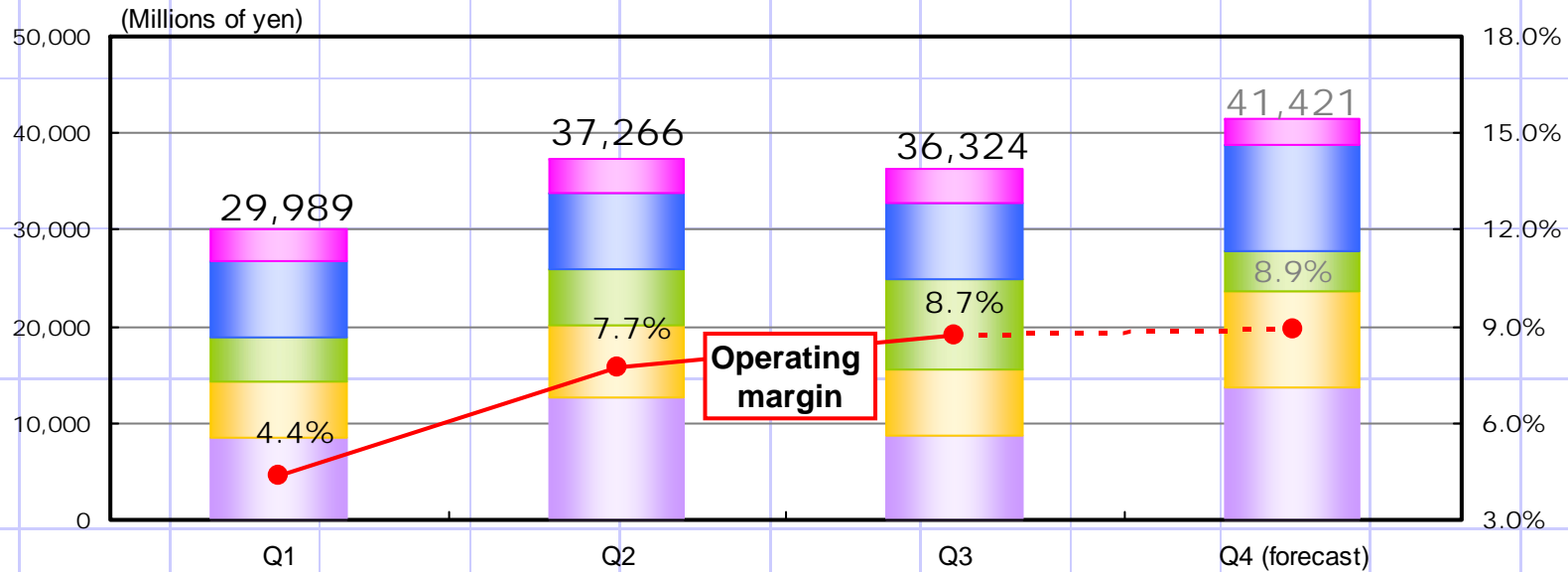
**Income** Expected to increase y-o-y through measures to be taken for sales expansion and cost-cutting

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

※Exchange rate: US\$1 = ¥85 €1 = ¥110

(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	22,314	1,561	43,500	3,400
Retail and Transportation Market	13,151	1,724	16,849	2,276	30,000	4,000
Amusement Market	10,453	129	13,547	1,271	24,000	1,400
Overseas Market	15,623	736	18,877	1,464	34,500	2,200
Others	6,839	-258	6,161	258	13,000	0
<b>Total</b>	<b>67,255</b>	<b>4,172</b>	<b>77,745</b>	<b>6,828</b>	<b>145,000</b>	<b>11,000</b>



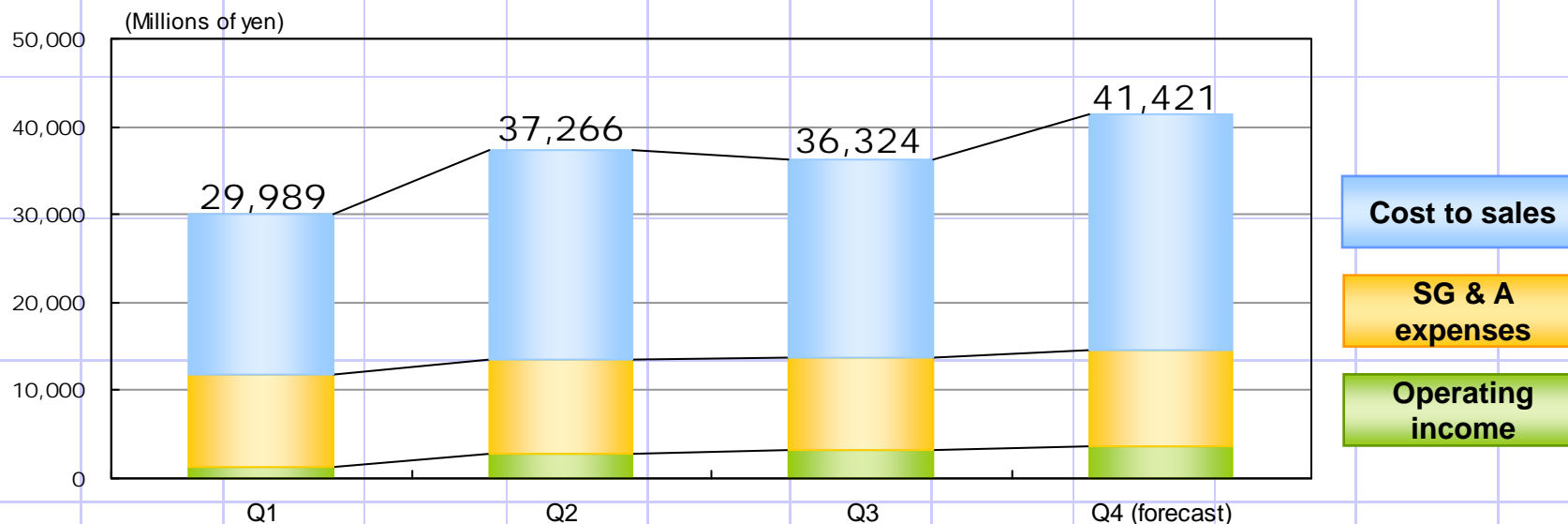


FY2011	Q1	Q2	Q3	Q4(forecast)	Full year (forecast)
Financial Market	8,471( 342)	12,715(1,497)	8,693( 172)	13,621(1,389)	43,500(3,400)
Retail and Transportation Market	5,836( 736)	7,315( 988)	6,837( 769)	10,012(1,507)	30,000(4,000)
Amusement Market	4,597( -251)	5,856( 380)	9,338(1,339)	4,209( -68)	24,000(1,400)
Overseas Market	7,779( 502)	7,844( 234)	7,887( 801)	10,990( 663)	34,500(2,200)
Others	3,304( -23)	3,535( -235)	3,570( 69)	2,591( 189)	13,000( 0)
<b>Total</b>	<b>29,989(1,306)</b>	<b>37,266(2,866)</b>	<b>36,324(3,148)</b>	<b>41,421(3,680)</b>	<b>145,000(11,000)</b>

※Figures in ( ) shows Operating Income

**3 Financial Forecast for FY2011**

**Quarterly Operating Income Forecast by Business Segment**



<b>FY2011</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4 (forecast)</b>	<b>Full year (forecast)</b>
<b>Sales</b>	29,989	37,266	36,324	41,421	145,000
<b>Cost to sales (ratio to sales)</b>	18,279 (61.0%)	23,675 (63.5%)	22,638 (62.3%)	26,908 (65.0%)	91,500 (63.1%)
<b>SG &amp; A expenses (ratio to sales)</b>	10,404 (34.7%)	10,724 (28.8%)	10,538 (29.0%)	10,834 (26.2%)	42,500 (29.3%)
<b>Operating income (ratio to sales)</b>	1,306 (4.4%)	2,866 (7.7%)	3,148 (8.7%)	3,680 (8.9%)	11,000 (7.6%)

Overseas market

# Currency Recycler for Financial Institutions **RBG-100** (Sales began on January 24, 2012)



### Main features

- ▶ Compact size along with a large capacity
  - Small enough to fit underneath a high counter
  - The highest storage capacity in the industry (three times higher than conventional models)
- ▶ Includes a function of recording serial numbers of banknotes
- ▶ The industry's fastest banknote deposit counting speed (10 notes/second)

### Markets

Sold in the United States and in emerging countries with large volumes of banknotes in circulation

### Sales target

\$40 million during the first three years

