

Consolidated Financial Results for the Three Months ended June 30, 2016

1 Consolidated Financial Results

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Net Sales

Sales were higher thanks to sales growth in Overseas and Financial Markets.

Income

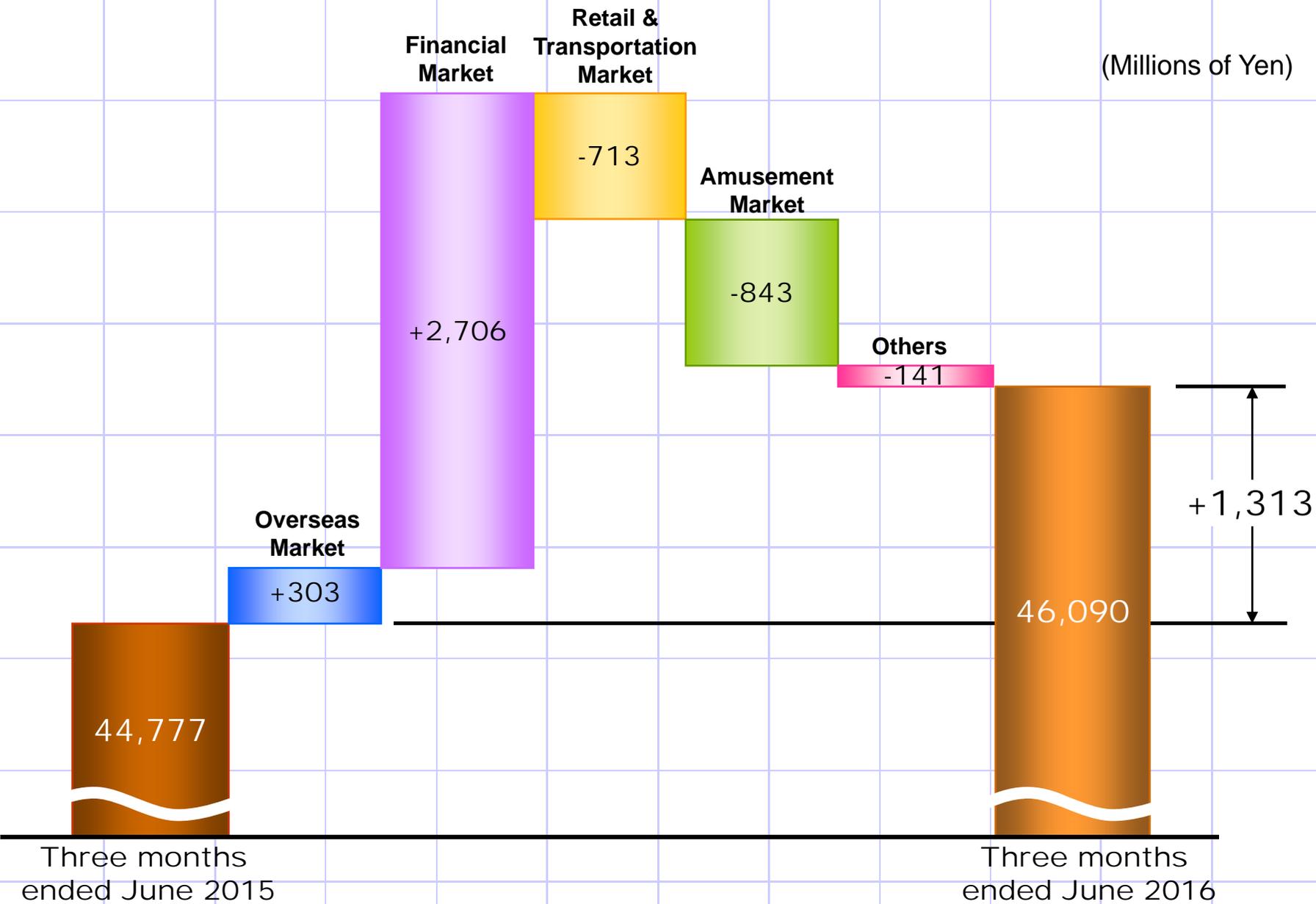
Operating income increased year-on-year mainly due to effects of cost reducing measures and improvement of product mix in Overseas Market and sales increase in Financial Market.

(Millions of yen)	FY2015		FY2016		Y-on-Y
	Three months ended June 30, 2015	Ratio	Three months ended June 30, 2016	Ratio	
Net Sales	44,777	100.0%	46,090	100.0%	+2.9%
Maintenance Services	15,931	35.6%	15,660	34.0%	-1.7%
Operating Income	924	2.1%	2,683	5.8%	+190.4%
Ordinary Income	2,659	5.9%	-751	-1.6%	-
Net Income Attributable to Owners of Parent	1,114	2.5%	-860	-1.9%	-
* EBITDA	4,607	10.3%	5,969	13.0%	+29.6%
Exchange rate	US\$	¥ 121	¥ 108		
	Euro	¥ 134	¥ 127		
	GBP	¥ 186	¥ 155		

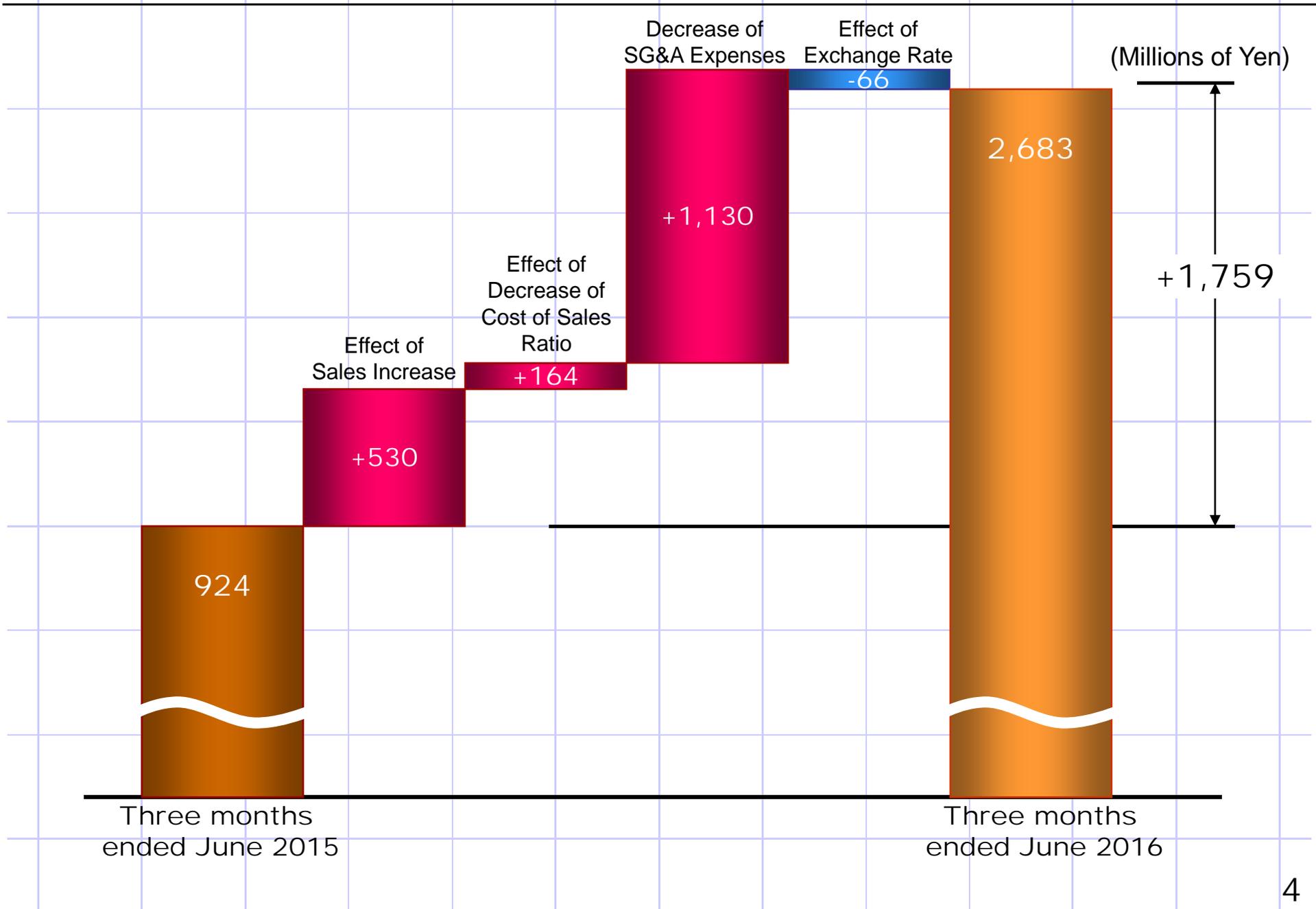
*EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

Factors of Net Sales Change

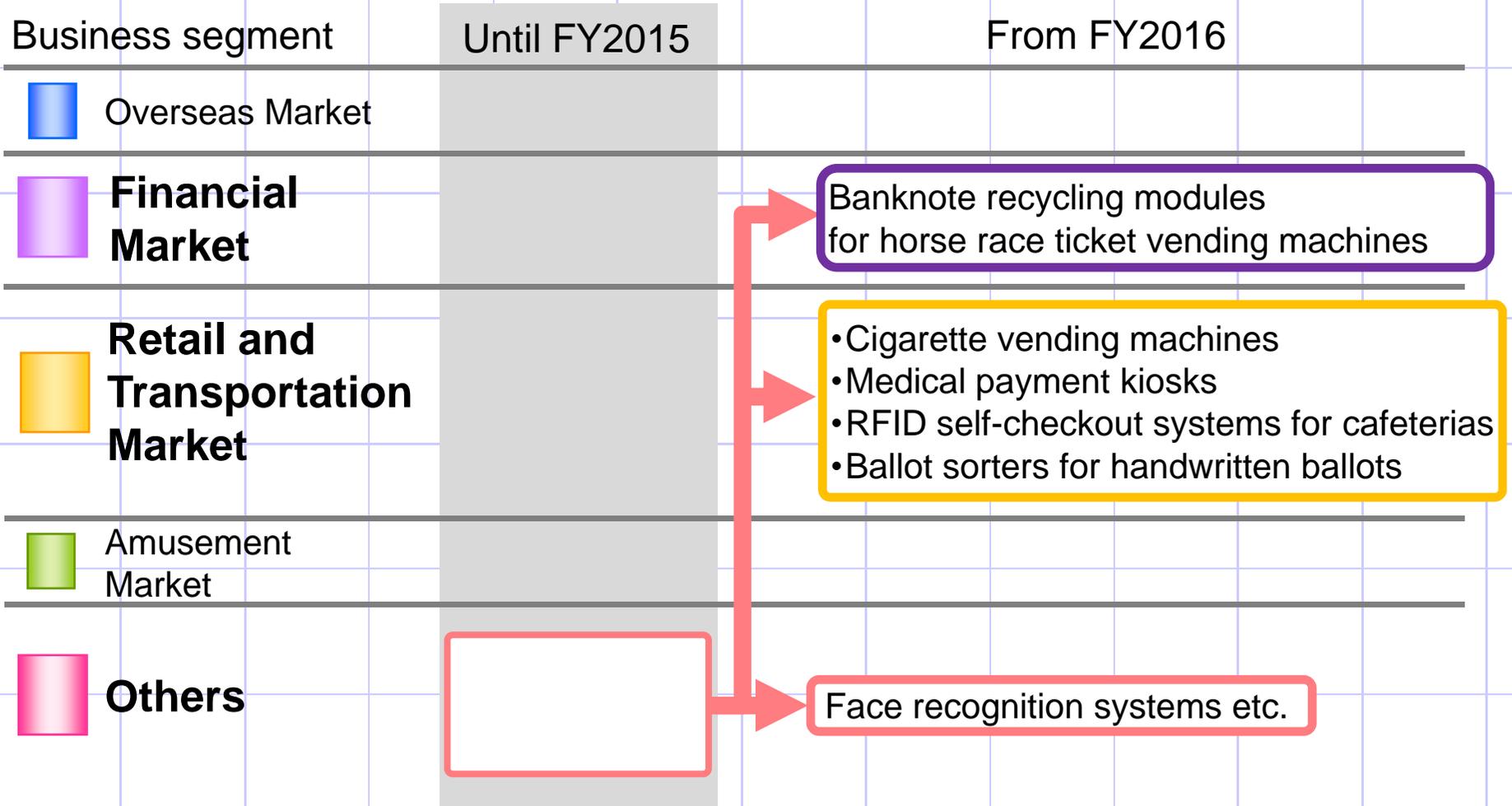
(Millions of Yen)



Factors of Operating Income Change



Reclassification of business segments for main products



(Millions of yen)	Sales			Operating Income		
	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on-Y	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on-Y
 Overseas Market	20,402	20,705	+303 +1.5 %	-936	482	+1,418 - %
 Financial Market	8,670	11,376	+2,706 +31.2 %	574	1,345	+771 +134.3 %
 Retail & Transportation Market	10,393	9,680	-713 -6.9 %	1,061	862	-199 -18.8 %
 Amusement Market	4,677	3,834	-843 -18.0 %	325	90	-235 -72.3 %
 Others	634	493	-141 -22.2 %	-100	-97	+3 - %
Total	44,777	46,090	+1,313 +2.9 %	924	2,683	+1,759 +190.4 %

Strong sales of banknote recyclers

(Millions of Yen)

Although sales of “banknote sorters” were slow in Asia, sales of this segment’s main product, “banknote recyclers,” were steady in Europe, the Americas and Asia. Moreover, sales of “sales proceeds deposit machines” for the retail market were strong in Europe. Sales for the overall market were robust on a local currency basis, however, net sales on a yen basis were on par with the previous fiscal year due to the impact of yen appreciation.

Outline of the Segment

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

Main Products



Banknote recyclers for tellers <RBG series>



Banknote sorters <UW series>



Sales proceeds deposit machines <CI-100 series>

	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on Y
Sales	20,402	20,705	+303 +1.5 %
Ratio to total net sales	45.6%	44.9%	-0.7 pt
Operating income	-936	482	+1,418 - %
Ratio to total operating income	-	18.0%	- pt
Operating margin	-	2.3%	- pt

(Millions of yen)	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on-Y
Americas	7,703	6,823	-880 -11.4 %
Europe	8,782	9,368	+586 +6.7 %
Asia	2,513	2,248	-265 -10.5 %
China	1,358	739	-619 -45.6 %
Total direct sales	18,999	18,439	-560 -2.9 %
OEM	1,402	2,265	+863 +61.6 %
Total overseas sales	20,402	20,705	+303 +1.5 %

Favorable sales of main products

(Millions of Yen)

Sales of this segment's main product, "open teller systems," were strong for compact models for small- and medium-sized financial outlets and sales of "coin and banknote recyclers" for tellers were also robust due to capturing of replacement demand.

Outline of the Segment

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

Main Products



Open teller systems
<WAVE series>



Coin and banknote
recyclers for tellers
<RB series>



Multifunctional
banknote changers
<EN series>

	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on Y
Sales	8,670	11,376	+2,706 +31.2 %
Ratio to total net sales	19.4%	24.7%	+5.3 pt
Operating income	574	1,345	+771 +134.3 %
Ratio to total operating income	-	50.1%	- pt
Operating margin	6.6%	11.8%	+5.2 pt

Weak sales of products other than coin and banknote recyclers for cashiers

(Millions of Yen)

Although sales of “coin and banknote recyclers” for cashiers, the main product in this segment, were on par with the corresponding period of the previous year, sales of “sales proceeds deposit machines” for the retail market were sluggish and large-scale demand for “cigarette vending machines” had run its course . Therefore, sales for the overall market were slow.

Outline of the Segment

Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies, tobacco companies, hospitals, local governments, general companies and others in Japan.

Main Products



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



Sales proceeds deposit machines <DS / DSS series>



Sales proceeds deposit machines <DS series>

	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on Y
Sales	10,393	9,680	-713 -6.9 %
Ratio to total net sales	23.2%	21.0%	-2.2 pt
Operating income	1,061	862	-199 -18.8 %
Ratio to total operating income	-	32.1%	- pt
Operating margin	10.2%	8.9%	-1.3 pt

Weak sales of card systems

(Millions of Yen)

Sales of this segment's main products such as "card systems" were sluggish, mainly reflecting constraint toward investment in pachinko parlors.

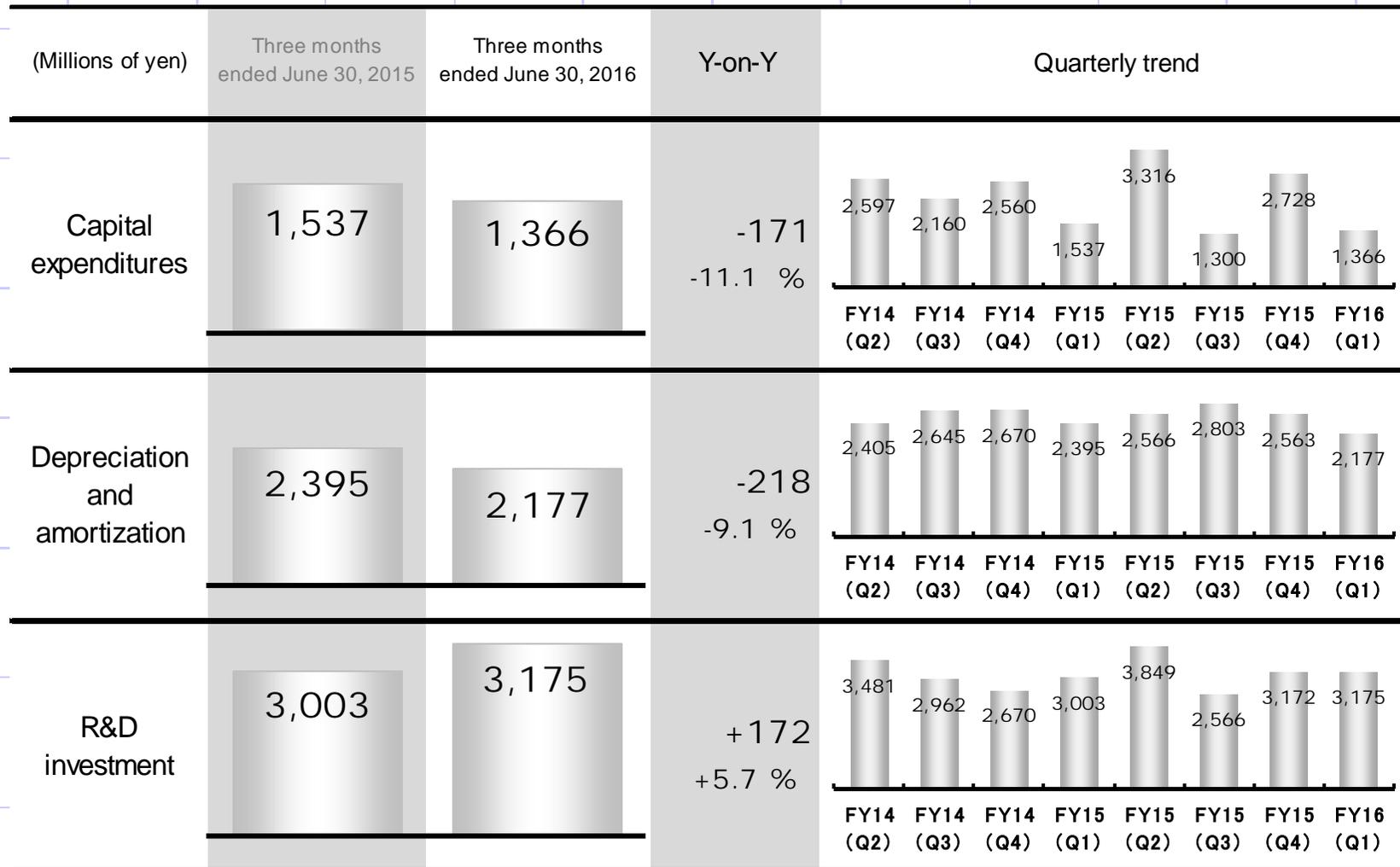
Outline of the Segment

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

Main Products



	Three months ended June 30, 2015	Three months ended June 30, 2016	Y-on Y
Sales	4,677	3,834	-843 -18.0 %
Ratio to total net sales	10.4%	8.3%	-2.1 pt
Operating income	325	90	-235 -72.3 %
Ratio to total operating income	-	3.4%	- pt
Operating margin	6.9%	2.3%	-4.6 pt



Consolidated Statements of Income / Statement of Comprehensive Income



(Millions of yen)	FY2015		FY2016		Y-on-Y
	Q1	Ratio	Q1	Ratio	
Net sales	44,777	100.0%	46,090	100.0%	+1,313
Cost of sales	26,719	59.7%	27,404	59.5%	+685
Selling, general and administrative expenses	17,133	38.3%	16,003	34.7%	-1130
Operating income	924	2.1%	2,683	5.8%	+1,759
Non-operating income	2,011	4.5%	424	0.9%	-1,587
Non-operating expenses	276	0.6%	3,859	8.4%	+3,583
Ordinary income	2,659	5.9%	-751	-1.6%	-3,410
Extraordinary income	2	0.0%	5	0.0%	+3
Extraordinary loss	15	0.0%	5	0.0%	-10
Income before income taxes and minority interests	2,646	5.9%	-751	-1.6%	-3,397
Income taxes	1,238	2.8%	-146	-0.3%	-1,384
Net Income	1,407	3.1%	-605	-1.3%	-2,012
Net income attributable to owners of parent	1,114	2.5%	-860	-1.9%	-1,974

Foreign exchange losses 3,681
(FY2015 Q1: Foreign exchange gains 1,496)

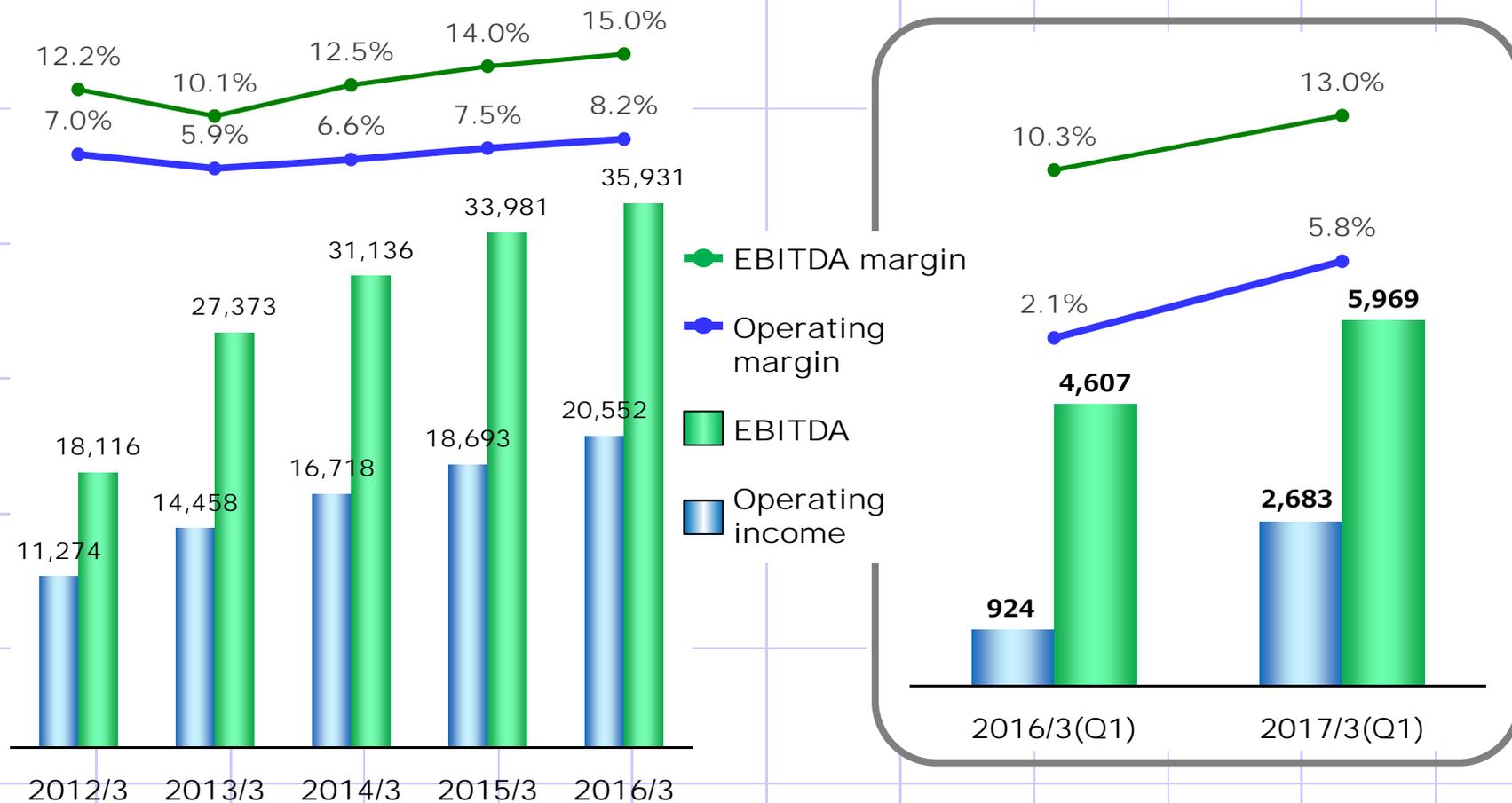
Net Income	1,407	3.1%	-605	-1.3%	-2,012
Valuation difference on available-for-sale securities	329		-233		-562
Foreign currency translation adjustment	6,558		-10,939		-17,497
Remeasurements of defined benefit plans	-387		183		+570
Total other comprehensive income	6,500	14.5%	-10,989	-23.8%	-17,489
Comprehensive income	7,907	17.7%	-11,594	-25.2%	-19,501

Foreign currency translation adjustment -10,939

(Millions of yen)	As of March 31, 2016	As of June 30, 2016	Increase/ Decrease		As of March 31, 2016	As of June 30, 2016	Increase/ Decrease
Cash, deposits and Securities	68,553	82,921	+14,368	Notes and accounts payable-trade	18,971	18,047	-924
Notes and accounts receivable-trade	50,671	41,725	-8,946	Short-term loans payable	26,309	44,660	+18,351 (2)
Inventories	43,368	47,810	+4,442	Other	36,339	33,115	-3,224
Other	9,219	10,191	+972	Total current liabilities	81,619	95,822	+14,203
Current assets	171,811	182,647	+10,836	Long-term loans payable	22,629	18,796	-3,833
Property, plant and equipment	35,832	34,991	-841	Other	19,137	17,136	-2,001
Customer relationships	27,344	23,028	-4,316 (1)	Noncurrent liabilities	41,766	35,932	-5,834
Goodwill	63,796	53,919	-9,877	Total liabilities	123,385	131,755	+8,370
Other	6,180	5,534	-646	Capital stock	12,892	12,892	0
Intangible assets	97,320	82,481	-14,839	Retained earnings	151,653	149,211	-2,442
Other	16,707	16,156	-551	Other	33,742	22,419	-11,323
Total noncurrent assets	149,860	133,629	-16,231	Total netassets	198,287	184,522	-13,765
Total assets	321,672	316,277	-5,395	Total liabilities and net assets	321,672	316,277	-5,395

- (1) Customer relationships and Goodwill decreased due to yen appreciation
(2) Loans increased due to increase of foreign currency deposit

(Millions of Yen)



※1 : EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

※2 : EBITDA margin=(Operating income(loss) + Depreciation and amortization + Goodwill amortization) / Net sales

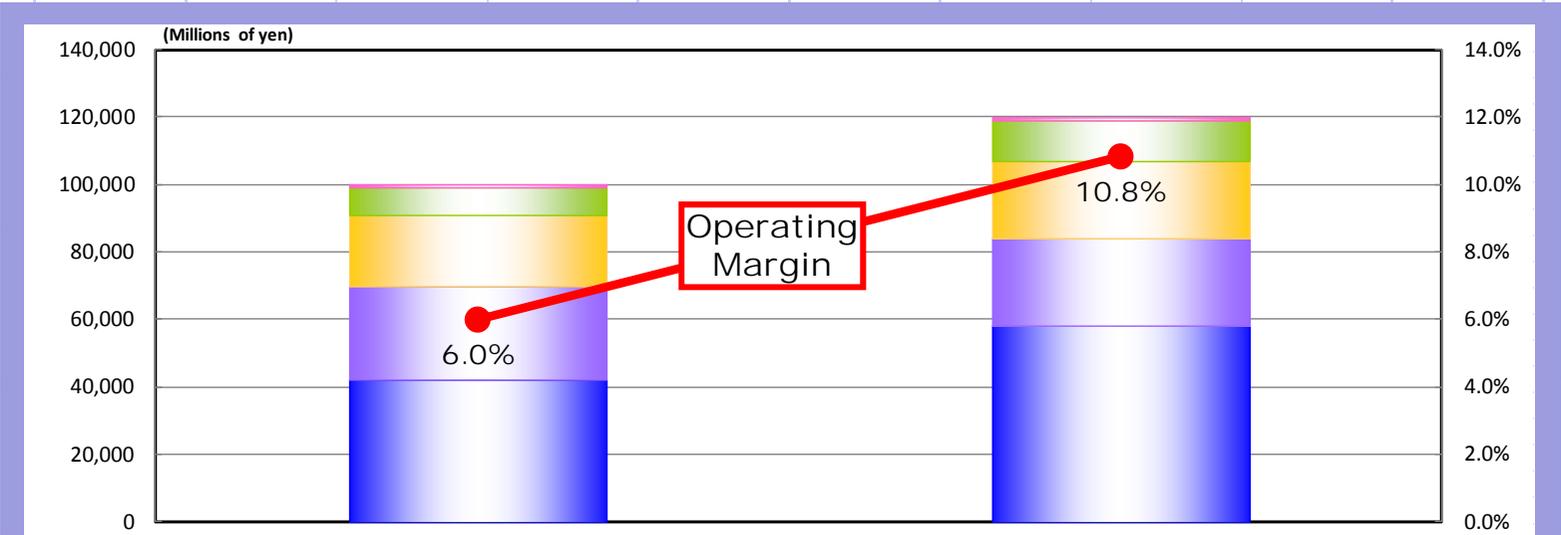
※3 : Applicable exchange rate: until FY2013 - current exchange rate as of end of fiscal year,
from FY2014 - average exchange rate for fiscal year

(Millions of yen)	FY2016 (Forecast)		
	Q1-Q2	Q3-Q4	Full Year
Net Sales	105,000 100,000	125,000 120,000	230,000 220,000
Maintenance Services	32,000 31,000	33,000 31,000	65,000 62,000
Operating Income	6,000	14,500 13,000	20,500 19,000
Ordinary Income	5,500 2,500	14,000 12,500	19,500 15,000
Net Income Attributable to Owners of Parent	2,000 500	8,500 7,500	10,500 8,000

* FY2016 forecast; Upper row : as of May 12, 2016
Under row : as of July 28, 2016

(Millions of yen)	Sales			Operating Income		
	FY2015 Full Year	FY2016 Full Year (Forecast)	Y-on-Y	FY2015 Full Year	FY2016 Full Year (Forecast)	Y-on-Y
 Overseas Market	105,595	107,000 100,000	-5,595 -5.3 %	9,224	9,000 8,200	-1,024 -11.1 %
 Financial Market	51,819	54,000	+2,181 +4.2 %	6,773	6,500	-273 -4.0 %
 Retail & Transportation Market	45,531	44,000	-1,531 -3.4 %	3,764	3,600	-164 -4.4 %
 Amusement Market	21,506	22,500 20,000	-1,506 -7.0 %	1,112	1,400 900	-212 -19.1 %
 Others	2,498	2,500 2,000	-498 -19.9 %	-322	0 -200	+122 - %
Total	226,952	230,000 220,000	-6,952 -3.1 %	20,552	20,500 19,000	-1,552 -7.6 %

* FY2016 forecast; Upper row : as of May 12, 2016
 Under row : as of August 4, 2016

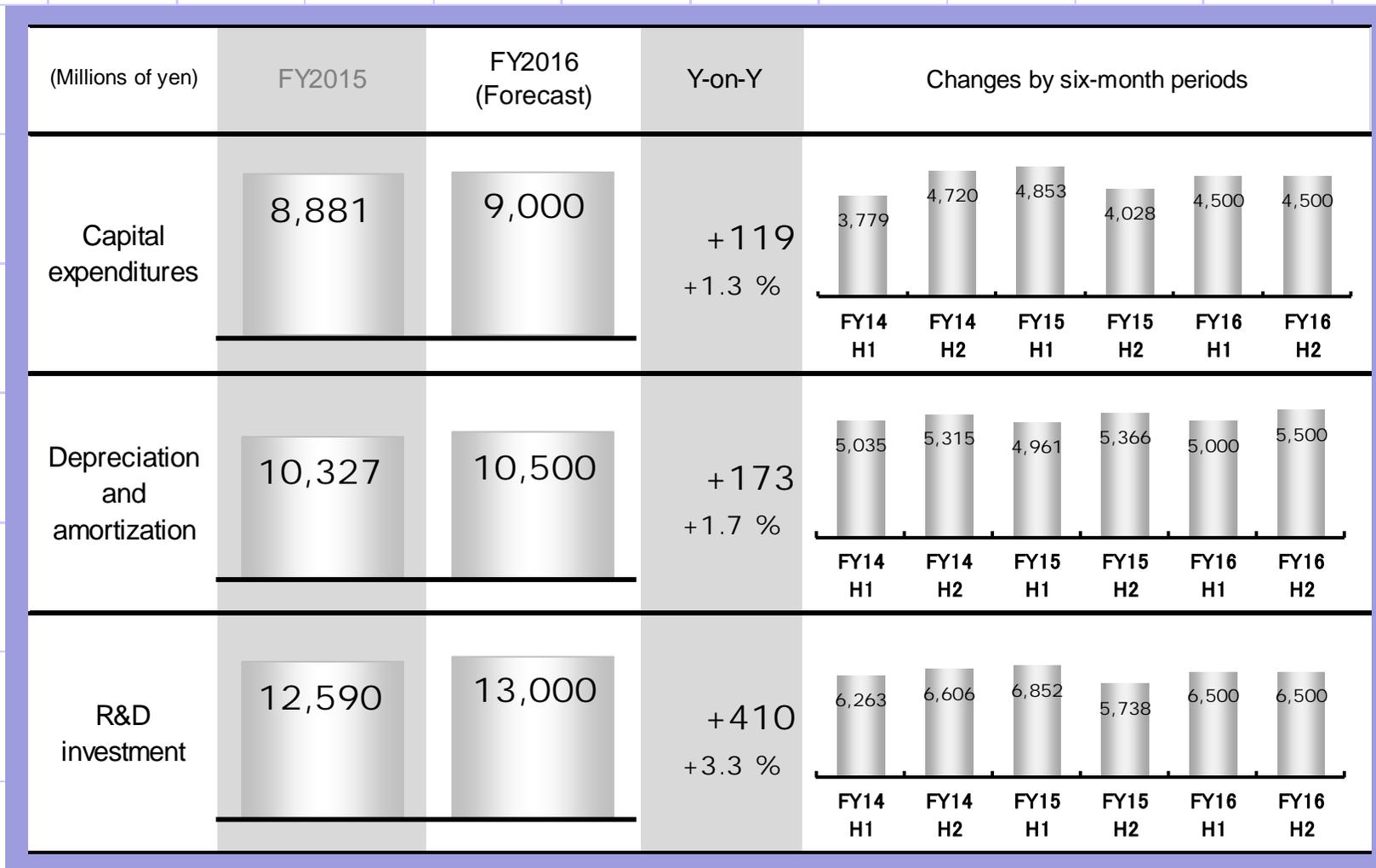


(Millions of yen)	Q1-Q2 (Forecast)		Q3-Q4 (Forecast)		Full Year (Forecast)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Overseas Market	45,000	600	62,000	8,400	107,000	9,000
Financial Market	42,000	900	58,000	7,300	100,000	8,200
Retail & Transportation Market	28,000	3,200	26,000	3,300	54,000	6,500
Amusement Market	21,000	1,700	23,000	1,900	44,000	3,600
Others	10,000	500	12,500	900	22,500	1,400
	8,000	300	12,000	600	20,000	900
	1,000	0	1,500	0	2,500	0
		-100	1,000	-100	2,000	-200
Total	105,000	6,000	125,000	14,500	230,000	20,500
	100,000		120,000	13,000	220,000	19,000

* FY2016 forecast; Upper row : as of May 12, 2016
Under row : as of August 4, 2016

(Millions of yen)	FY2015	FY2016	Y-on-Y
	Full Year	Full Year (Forecast)	
Americas	37,692	38,500 36,500	-1,192 -3.2 %
Europe	42,857	43,500 40,000	-2,857 -6.7 %
Asia	15,910	16,000 15,000	-910 -5.7 %
China	7,724	7,500 7,000	-724 -9.4 %
Total direct sales	96,459	98,000 91,500	-4,959 -5.1 %
OEM	9,135	9,000 8,500	-635 -7.0 %
Total overseas sales	105,595	107,000 100,000	-5,595 -5.3 %

* FY2016 forecast; Upper row : as of May 12, 2016
 Under row : as of August 4, 2016



Glory Global Solutions (Holdings) Ltd. has Acquired Distributor in Russia

Outline of the Company

- | | |
|--------------------|--|
| 1. Company Name | In-Tech, LLC |
| 2. Capital Amount | 10,000 RUB |
| 3. Location | Moscow |
| 4. Business Lineup | Sales and maintenance of cash handling equipment |
| 5. Main Customers | Bank of Russia, Sberbank |



Outlook of the market



Population: 140 million

Number of branches of financial institutions: about 42 thousand

Outline of the Acquisition

1. Purpose

To pursue further expansion of GLORY's overseas business through expanding direct sales and service network in the Russian market.

2. Timetable

(1) Execution of share purchase agreement: July 8, 2016

(2) Transfer of equity interest: July 12, 2016

GLORY plans to acquire its own shares with the aim of shareholders returns, etc.

Outline of the acquisition

Purpose	<ul style="list-style-type: none">• To return earnings to shareholders• To improve capital efficiency
Total number of shares to be acquired	2,000,000 shares (maximum)
Total cost of shares to be acquired	6.0 billion yen (maximum)
Period of share acquisition	From August 5, 2016 to January 31, 2017

<Notes>

1. 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.

2. From FY2016, the following products has been reclassified as below:

1. Banknote recycling modules for horse race ticket vending machines: from "Others" to "Financial market"

2. Cigarette vending machines, medical payment kiosks, RFID self-checkout systems for cafeterias, ballot sorters for handwritten ballots: from "Others" to "Retail and transportation market"

The financial figures for FY2015 are based on the new segment clasffication and, therefore, the percentage changes from the corresponding period of FY2014 are not provided for "Financial market", "Retail and transportation market" and "Others".

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