

Consolidated Financial Results for the Three Months ended June 30, 2018

1 Consolidated Financial Results

- | | |
|---------------------------------------|-------|
| 1) Performance Overview (Y-on-Y) | P . 2 |
| 2) Factors of Operating Income Change | P . 3 |

3 Financial Forecast for half year of FY2018

- | | |
|--|---------|
| 1) Sales & Operating Income Forecast
by Business Segment | P . 1 1 |
| 2) Sales Forecast of by Geographical
Segment of Overseas Market | P . 1 2 |

2 Details of Performance

- | | |
|--|---------|
| 1) Sales & Operating Income by Business
Segment | P . 4 |
| 2) Capital Expenditures etc. | P . 1 0 |

Reference

- | | |
|---|---------|
| Three Months ended June 30, 2018 | |
| · Consolidated Statement of Income /
Statement of Comprehensive Income | P . 1 4 |
| · Consolidated Balance Sheet | P . 1 5 |
| Financial Forecast for FY2018 | |
| · Full Year Forecast | P . 1 6 |
| · Sales & Operating Income Forecast
by Business Segment | P . 1 7 |
| · Sales Forecast by Geographical
Segment of Overseas Market | P . 1 8 |
| · Capital Expenditures etc. | P . 1 9 |
| · Topics | P . 2 0 |



Net Sales

Sales were higher thanks to sales growth in Financial and Retail & Transportation Markets.

Income

Although earnings benefited from sales growth, operating income decreased mainly because of an increase in the cost to sales ratio.

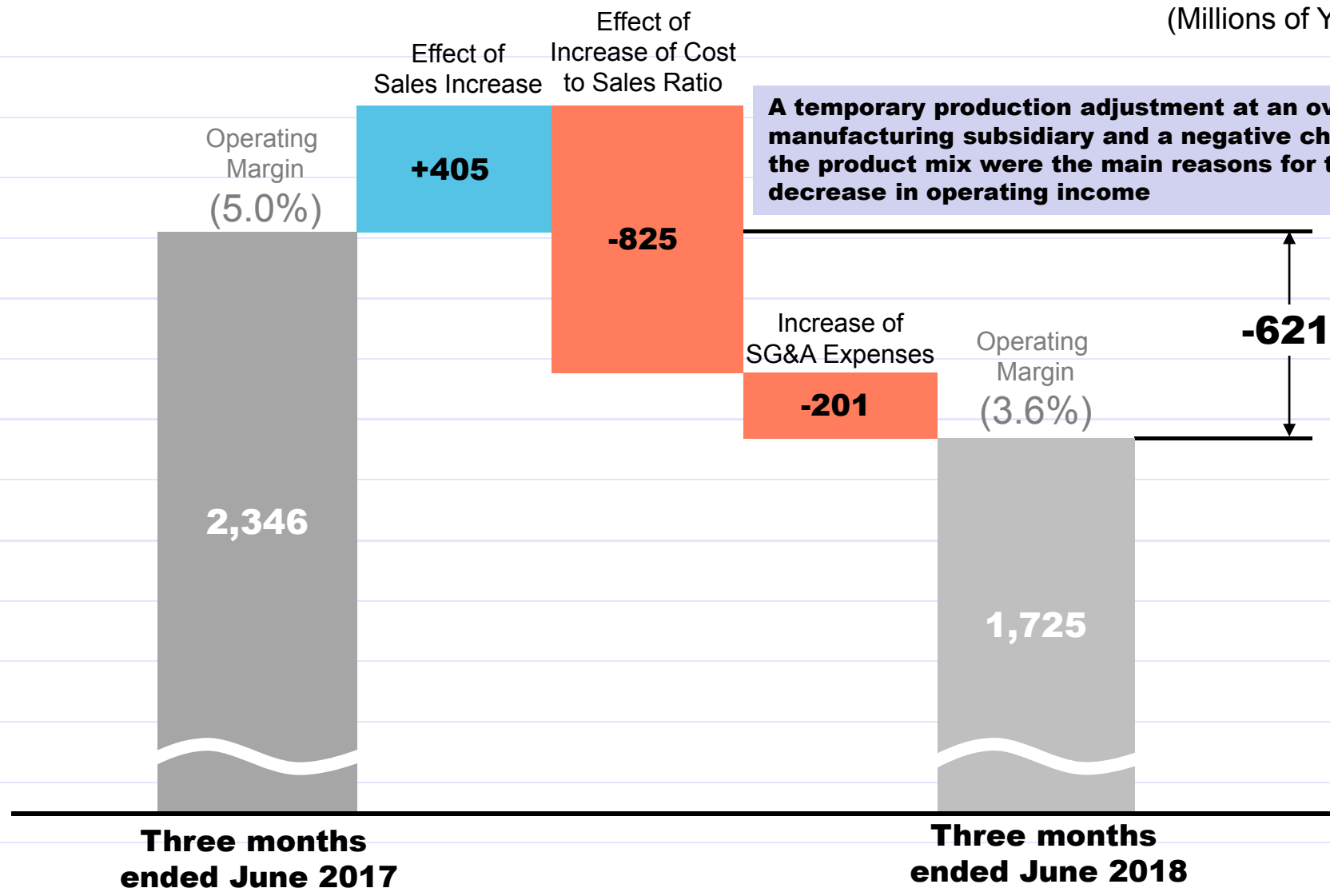
(Millions of yen)	FY2017		FY2018		Y-on-Y
	Three months ended June 30, 2017	Ratio	Three months ended June 30, 2018	Ratio	
Net Sales	47,213	100.0%	48,232	100.0%	+2.2%
Maintenance Sevices	16,407	34.8%	16,819	34.9%	+2.5%
Operating Income	2,346	5.0%	1,725	3.6%	-26.5%
Ordinary Income	1,195	2.5%	1,760	3.6%	+47.3%
Net Income Attributable to Owners of Parent	335	0.7%	684	1.4%	+104.2%
* EBITDA	5,551	11.8%	4,716	9.8%	-15.0%






Exchange rate	US\$	¥ 111	¥ 109
	Euro	¥ 122	¥ 130

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

Factors of Operating Income Change

(Millions of Yen)



(Millions of yen)	Sales			Operating Income		
	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y
 Overseas Market	21,725	21,447	-278 -1.3 %	1,221	23	-1,198 -98.1 %
 Financial Market	10,015	11,887	+1,872 +18.7 %	348	1,084	+736 +211.5 %
 Retail & Transportation Market	9,607	10,050	+443 +4.6 %	608	677	+69 +11.3 %
 Amusement Market	5,319	4,133	-1,186 -22.3 %	386	238	-148 -38.3 %
 Others	545	713	+168 +30.8 %	-218	-298	-80 - %
Total	47,213	48,232	+1,019 +2.2 %	2,346	1,725	-621 -26.5 %

Sales in the U.S. were lower

(Millions of Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y
Sales	21,725	21,447	-278 -1.3 %
Ratio to total net sales	46.0%	44.5%	-1.5 pt
Operating income	1,221	23	-1,198 -98.1 %
Ratio to total operating income	52.0%	1.3%	-50.7 pt
Operating margin	5.6%	0.1%	-5.5 pt

Highlights

- Banknote recyclers for tellers
 → Lower sales in the U.S. and China
- Sales proceeds deposit machines for retail industry
 → Higher sales in Europe

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>



Sales proceeds deposit machines <CI-100 series>



Banknote sorters <UW series>

(Millions of yen)	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y	
				Local currency basis
Americas	8,602	7,503	-1,099 -12.8 %	-11.2%
Europe	8,994	9,827	+833 +9.3 %	+2.7%
Asia	2,414	2,326	-88 -3.6 %	-
China	858	613	-245 -28.6 %	-32.4%
OEM	1,713	1,790	+77 +4.5 %	+4.5%
Total overseas sales	21,725	21,447	-278 -1.3 %	-

■ **Americas** ... Lower sales of products in the retail industry

■ **Europe** ... Higher sales of products in the retail industry

■ **Asia** ... Steady sales of banknote sorters

■ **China** ... Lower sales of banknote recyclers for tellers

■ **OEM** ... Higher sales of banknote recycling units for ATMs

Operating margin increased mainly due to improvement of product mix

(Millions of Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y
Sales	10,015	11,887	+1,872 +18.7 %
Ratio to total net sales	21.2%	24.6%	+3.4 pt
Operating income	348	1,084	+736 +211.5 %
Ratio to total operating income	14.8%	62.8%	+48.0 pt
Operating margin	3.5%	9.1%	+5.6 pt

Highlights

- Open teller systems
 - ➔ Higher sales mainly for compact type
- Coin and banknote recyclers for tellers
 - ➔ Higher sales 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>



Multi-functional banknote changers
<EN series>

Sales of main products were steady

(Millions of Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y
Sales	9,607	10,050	+443 +4.6 %
Ratio to total net sales	20.3%	20.8%	+0.5 pt
Operating income	608	677	+69 +11.3 %
Ratio to total operating income	25.9%	39.2%	+13.3 pt
Operating margin	6.3%	6.7%	+0.4 pt

Highlights

- Coin and banknote recyclers for cashiers
 - ➔ Higher sales mainly for convenience stores
- Sales proceeds deposit machines
 - ➔ Lower sales for cash-in-transit companies

Outline of the Segment

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

Main Products



Sales of main products were lower

(Millions of Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Y-on-Y
Sales	5,319	4,133	-1,186 -22.3 %
Ratio to total net sales	11.3%	8.6%	-2.7 pt
Operating income	386	238	-148 -38.3 %
Ratio to total operating income	16.5%	13.8%	-2.7 pt
Operating margin	7.3%	5.8%	-1.5 pt

Highlights

- Card systems
 - ➔ Lower sales
- Pachinko prize dispensing machines
 - ➔ Higher sales due to capturing of replacement demand

Outline of the Segment

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

Main Products

Card systems




Management terminals



Pachinko ball counters

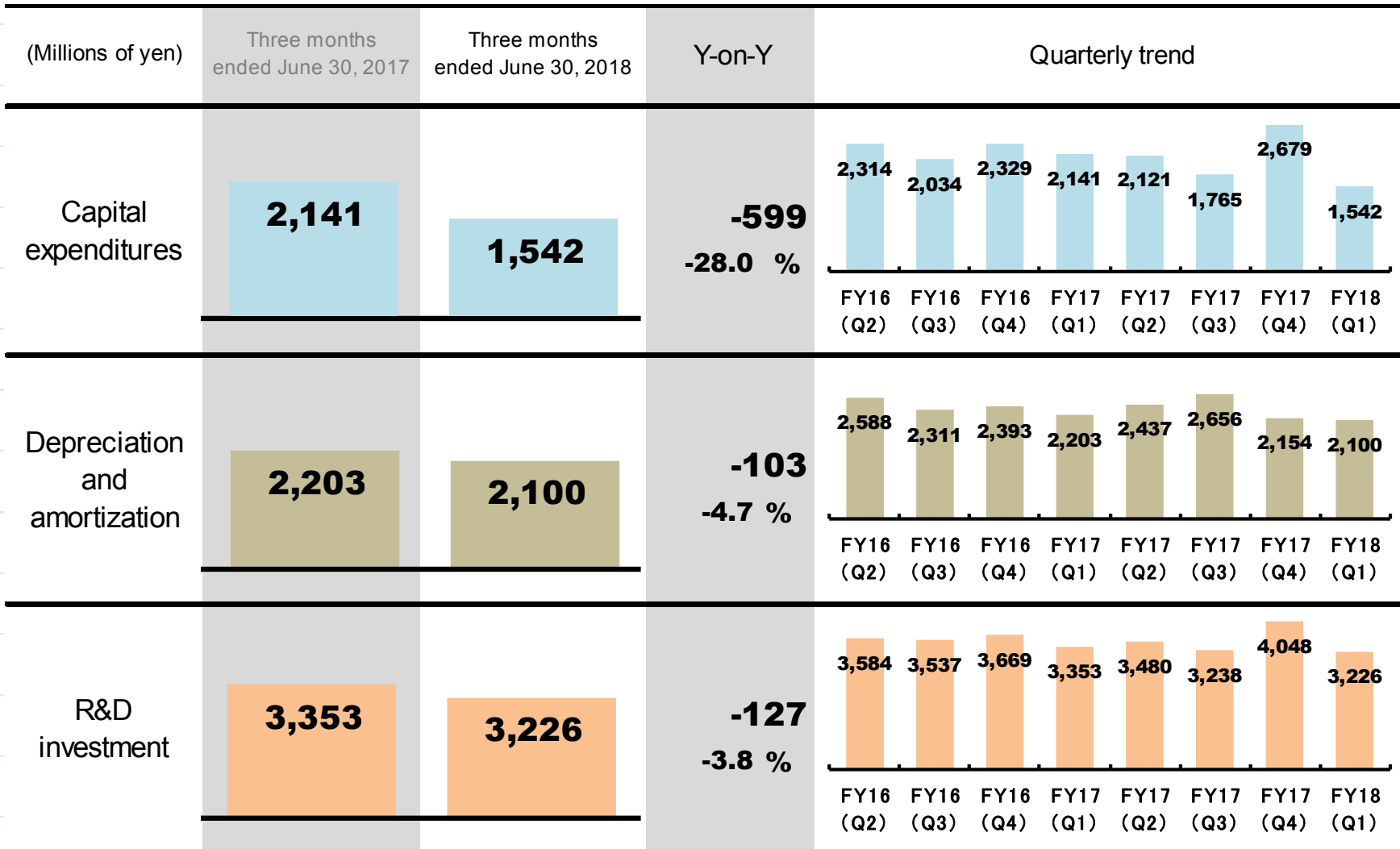


Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines <JK series>

Capital Expenditures etc.



【Market Conditions】

Overseas Market Increasing demand for retail industry products

Financial Market Strong sales of open teller systems targeting replacement demand

Retail & Transportation Market Solid sales of coin and banknote recyclers for cashiers for convenience stores

Amusement Market Decreasing capital expenditures by pachinko parlors due to new regulations

(Millions of yen)	FY2018				
	Q1 (Result)	Q2 (Forecast)	First Half (Forecast)	Second Half (Forecast)	Full Year (Forecast)
Overseas Market	21,447 23	30,553 2,977	*2 52,000 3,500 → 3,000	61,000 8,000	*2 113,000 11,500 → 11,000
Financial Market	11,887 1,084	16,113 1,916	28,000 3,000	29,000 3,500	57,000 6,500
Retail & Transportation Market	10,050 677	13,450 823	23,500 1,500	26,500 2,500	50,000 4,000
Amusement Market	4,133 238	4,367 262	*2 8,500 0 → 500	9,000 0	*2 17,500 0 → 500
Others	713 -298	287 -702	1,000 -1,000	1,500 -1,000	2,500 -2,000
Total	48,232 1,725	64,768 5,275	113,000 7,000	127,000 13,000	240,000 20,000

*1 Upper row is sales and under row is operating income.

*2 Indicates previous forecast.

(Millions of yen)	FY2018				
	Q1 (Result)	Q2 (Forecast)	First Half (Forecast)	Second Half (Forecast)	Full Year (Forecast)
Americas	7,503	10,997	20,000 → * 18,500	25,500	44,000
Europe	9,827	12,673	21,500 → * 22,500	22,500	45,000
Asia	2,326	4,174	6,500	9,500	16,000
China	613	1,387	2,500 → * 2,000	5,000	7,000
OEM	1,790	2,710	4,000 → * 4,500	3,500	8,000
Total overseas sales	21,447	30,553	52,000	61,000	113,000

* Indicates previous forecast.

References

Three Months ended
June 30, 2018

Consolidated Statement of Income / Statement of Comprehensive Income

GLORY

(Millions of yen)	FY2017		FY2018		Y-on-Y
	Q1	Ratio	Q1	Ratio	
Net sales	47,213	100.0%	48,232	100.0%	+1,019
Cost of sales	28,427	60.2%	29,866	61.9%	+1,439
Selling, general and administrative expenses	16,439	34.8%	16,641	34.5%	+202
Operating income	2,346	5.0%	1,725	3.6%	-621
Non-operating income	165	0.3%	212	0.4%	+47
Non-operating expenses	1,317	2.8%	176	0.4%	-1,141
Ordinary income	1,195	2.5%	1,760	3.6%	+565
Extraordinary income	12	0.0%	5	0.0%	-7
Extraordinary loss	3	0.0%	3	0.0%	0
Income before income taxes and minority interests	1,203	2.5%	1,762	3.7%	+559
Income taxes	591	1.3%	744	1.5%	+153
Net Income	612	1.3%	1,018	2.1%	+406
Net income attributable to owners of parent	335	0.7%	684	1.4%	+349
Net Income	612	1.3%	1,018	2.1%	+406
Valuation difference on available-for-sale securities	188		-64		-252
Foreign currency translation adjustment	134		1,686		+1,552
Remeasurements of defined benefit plans	36		18		-18
Total other comprehensive income	359	0.8%	1,640	3.4%	+1,281
Comprehensive income	972	2.1%	2,658	5.5%	+1,686

Three Months ended
June 30, 2018

Consolidated Balance Sheet

GLORY

(Millions of yen)	As of March 31, 2018	As of June 30, 2018	Increase/ Decrease		As of March 31, 2018	As of June 30, 2018	Increase/ Decrease
Cash, deposits and Securities	63,154	56,666	-6,488	Notes and accounts payable-trade	20,106	19,602	-504
Notes and accounts receivable-trade	54,275	47,206	-7,069	Short-term loans payable	30,751	31,629	*2 +878
Inventories	51,362	57,907	+6,545	Other	40,763	40,753	-10
Other	5,956	5,534	-422	Total current liabilities	91,620	91,984	+364
Current assets	174,747	167,313	-7,434	Long-term loans payable	4,508	1,759	*2 -2,749
Property, plant and equipment	34,509	34,423	-86	Other	14,531	13,209	-1,322
Customer relationships	19,683	20,087	*1 +404	Noncurrent liabilities	19,039	14,968	-4,071
Goodwill	45,113	45,972	+859	Total liabilities	110,660	106,952	-3,708
Other	5,978	5,897	-81	Capital stock	12,892	12,892	0
Intangible assets	70,774	71,956	+1,182	Retained earnings	165,380	162,576	-2,804
Other	22,794	23,276	+482	Other	13,893	14,549	+656
Total noncurrent assets	128,078	129,656	+1,578	Total netassets	192,165	190,017	-2,148
Total assets	302,825	296,970	-5,855	Total liabilities and net assets	302,825	296,970	-5,855

*1 Customer relationships and goodwill increased because of exchange rate fluctuations.

*2 Loans decreased mainly due to repayments of loans.

Net Sales

Higher sales due to estimated sales increase in both domestic and overseas markets.

Income

Higher income mainly due to estimated sales increase in overseas market.

(Millions of yen)	FY2017		FY2018		Y-on-Y
	Full Year	Ratio	Full Year (Forecast)	Ratio	
Net Sales	227,361	100.0%	240,000	100.0%	+5.6%
Maintenance Services	67,677	29.8%	68,000	28.3%	+0.5%
Operating Income	19,615	8.6%	20,000	8.3%	+2.0%
Ordinary Income	17,553	7.7%	20,000	8.3%	+13.9%
Net Income Attributable to Owners of Parent	9,892	4.4%	12,000	5.0%	+21.3%
Exchange rate	US\$	¥ 111	¥ 110		
	Euro	¥ 130	¥ 130		

(Millions of yen)	Sales			Operating Income		
	FY2017 Full Year	FY2018 Full Year (Forecast)	Y-on-Y	FY2017 Full Year	FY2018 Full Year (Forecast)	Y-on-Y
Overseas Market	106,758	113,000	+6,242 +5.8 %	11,167	11,500 → * 11,000	-167 -1.5 %
Financial Market	53,970	57,000	+3,030 +5.6 %	4,043	6,500	+2,457 +60.8 %
Retail & Transportation Market	43,216	50,000	+6,784 +15.7 %	3,476	4,000	+524 +15.1 %
Amusement Market	20,570	17,500	-3,070 -14.9 %	1,331	0 → * 500	-831 -62.4 %
Others	2,845	2,500	-345 -12.1 %	-403	-2,000	-1,597 - %
Total	227,361	240,000	+12,639 +5.6 %	19,615	20,000	+385 +2.0 %

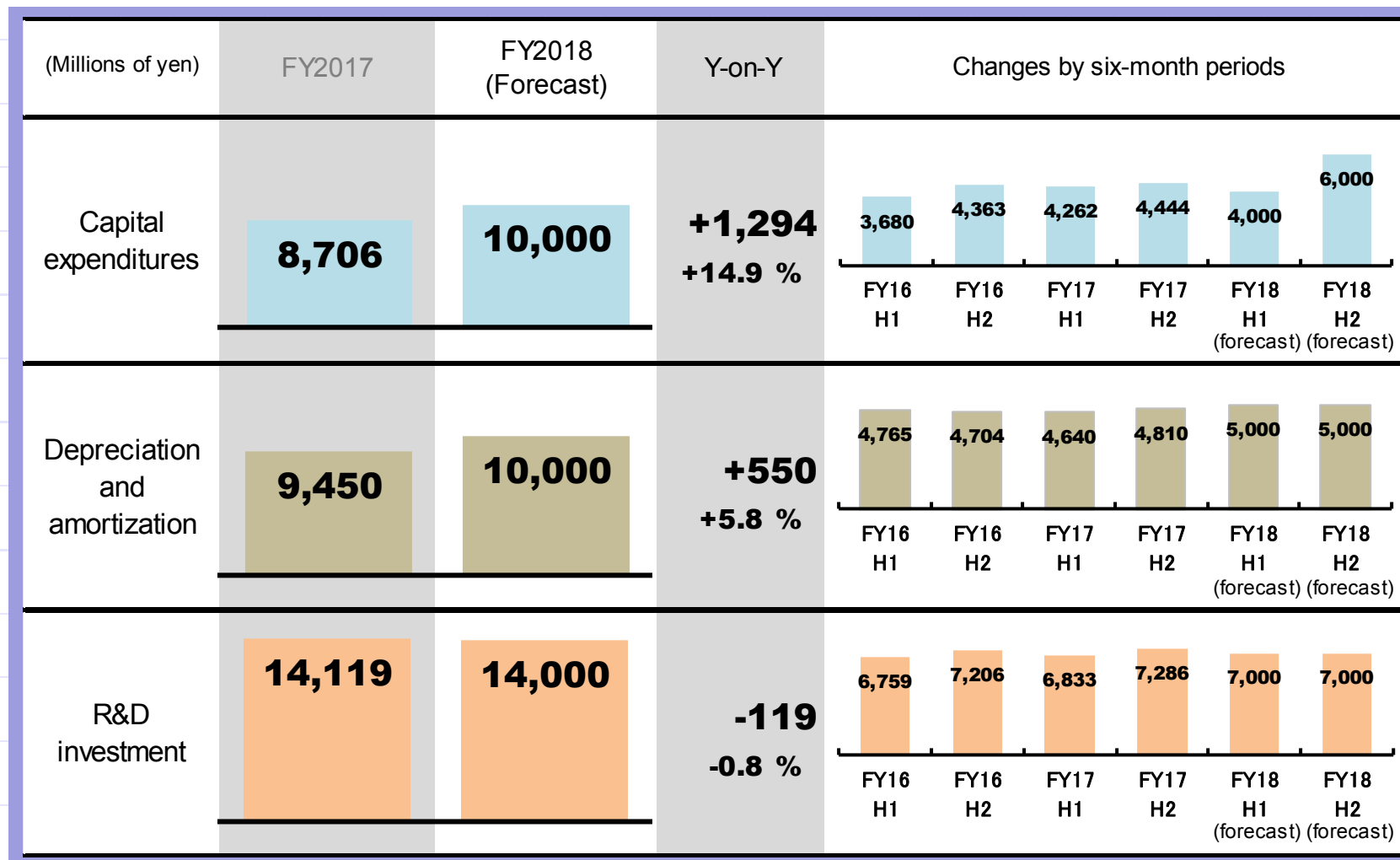
* Indicates previous forecast.

Sales Forecast by Geographical Segment of Overseas Market



(Millions of yen)	FY2017	FY2018	Y-on-Y	
	Full Year	Full Year (Forecast)		Local currency basis
Americas	39,008	44,000	+4,992 +12.8 %	+13.7%
Europe	45,063	45,000	-63 -0.1 %	-0.4%
Asia	13,755	16,000	+2,245 +16.3 %	-
China	5,912	7,000	+1,088 +18.4 %	+16.7%
OEM	8,930	8,000	-930 -10.4 %	-10.4%
Total overseas sales	106,758	113,000	+6,242 +5.8 %	- %

Capital Expenditures etc.



July 12, 2018

Glory is one of the initial members of the Cashless Promotion Conference

Glory is a participant in the Japan Cashless Promotion Council, which was established in July for the growth and advancement of cashless transactions in Japan.

July 10, 2018

Hospital and clinic system for automatic post-care payment processing

Once patient's treatment card number, credit card information and e-mail address are pre-registered, there is no need for any payment procedure after each treatment.

June 21, 2018

Start of an automated cash inspection service (an "inspection-free" solution)

Glory has started offering an inspection date reservation service for fully automated inspections of cash balances by comparing the data for cash in an open teller system with the actual amount of cash.

May 30, 2018

GCAN Center for information processing receives PCI DSS security certification

The GCAN (Glory Card and Network) Center has received certification under the PCI DSS international information security standard concerning the protection of credit card information. Certification demonstrates the high level of protection of customer information and reduces the risk of alterations, fraudulent use, theft and other problems involving this information.

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