

## FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

GLORY LTD. and  
consolidated  
subsidiaries  
March 31, 2014

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents (Note 12)	¥ 61,029	¥ 63,314	\$ 593,206
Short-term investments (Notes 3 and 12)	3,586	1,867	34,856
Receivables (Note 12):			
Trade notes	3,859	4,619	37,510
Trade accounts	44,209	39,986	429,714
Unconsolidated subsidiaries and associated company	1,360	758	13,219
Other	408	1,207	3,966
Investments in leases (Notes 11 and 12)	2,998	2,540	29,141
Inventories (Note 4)	40,833	32,073	396,899
Deferred tax assets (Note 8)	5,375	4,366	52,245
Other current assets	2,230	1,583	21,676
Allowance for doubtful accounts	(592)	(442)	(5,754)
<b>Total current assets</b>	<b>165,295</b>	<b>151,871</b>	<b>1,606,678</b>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>			
Land	12,150	11,945	118,099
Buildings and structures	32,220	30,844	313,180
Machinery and equipment	11,548	10,929	112,247
Furniture and fixtures	57,389	56,768	557,825
Construction in progress	76	461	739
<b>Total</b>	<b>113,383</b>	<b>110,947</b>	<b>1,102,090</b>
Accumulated depreciation	(78,337)	(76,006)	(761,441)
<b>Net property, plant and equipment</b>	<b>35,046</b>	<b>34,941</b>	<b>340,649</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities (Notes 3 and 12)	12,389	14,671	120,422
Investments in and advances to unconsolidated subsidiaries and associated company	1,070	1,090	10,400
Software	3,686	3,875	35,828
Goodwill	77,781	69,081	756,036
Customer relationships	32,498	28,647	315,883
Deferred tax assets (Note 8)	3,394	4,969	32,990
Asset for retirement benefits (Note 6)	2,876		27,955
Other investments and other assets	6,928	9,947	67,340
Allowance for doubtful accounts	(20)	(14)	(194)
<b>Total investments and other assets</b>	<b>140,602</b>	<b>132,266</b>	<b>1,366,660</b>
<b>TOTAL</b>	<b>¥340,943</b>	<b>¥319,078</b>	<b>\$3,313,987</b>

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings (Notes 5 and 12)	¥ 28,271	¥ 35,831	\$ 274,796
Current portion of long-term debt (Notes 5 and 12)	8,552	6,152	83,126
Current portion of long-term lease obligations (Notes 5, 11 and 12)	871	981	8,466
Payables (Note 12):			
Trade notes	3,084	8,557	29,977
Trade accounts	17,880	11,076	173,795
Unconsolidated subsidiaries and associated company	1,750	865	17,010
Other	5,311	4,493	51,623
Income taxes payable (Note 12)	4,293	3,023	41,728
Accrued expenses	15,119	12,198	146,958
Other current liabilities	11,614	9,970	112,888
<b>Total current liabilities</b>	<b>96,745</b>	<b>93,146</b>	<b>940,367</b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt (Notes 5 and 12)	36,242	42,002	352,274
Liability for retirement benefits (Note 6)	4,020	3,422	39,075
Long-term lease obligations (Notes 5 and 12)	1,752	1,332	17,030
Deferred tax liabilities (Note 8)	8,550	7,621	83,107
Other long-term liabilities	2,829	3,090	27,498
<b>Total long-term liabilities</b>	<b>53,393</b>	<b>57,467</b>	<b>518,984</b>
<b>CONTINGENT LIABILITIES (Note 14)</b>			
<b>EQUITY (Notes 7 and 16):</b>			
Common stock,			
Authorized: 150,000,000 shares;			
Issued: 68,638,210 shares in 2014 and 2013	12,893	12,893	125,321
Capital surplus	20,630	20,630	200,525
Retained earnings	137,039	130,056	1,332,028
Treasury stock—at cost	(5,817)	(5,817)	(56,542)
2,951,091 shares in 2014 and 2,950,749 shares in 2013			
Accumulated other comprehensive income:			
Net unrealized gain on available-for-sale securities	398	186	3,869
Foreign currency translation adjustments	23,157	8,716	225,087
Defined retirement benefit plans	(100)		(972)
Total	188,200	166,664	1,829,316
Minority interests	2,605	1,801	25,320
<b>Total equity</b>	<b>190,805</b>	<b>168,465</b>	<b>1,854,636</b>
<b>TOTAL</b>	<b>¥340,943</b>	<b>¥319,078</b>	<b>\$3,313,987</b>



**CONSOLIDATED  
STATEMENT OF  
COMPREHENSIVE  
INCOME**

GLORY LTD. and  
consolidated  
subsidiaries  
Year ended  
March 31, 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
<b>NET INCOME BEFORE MINORITY INTERESTS</b>	<b>¥10,696</b>	¥7,364	<b>\$103,966</b>
<b>OTHER COMPREHENSIVE INCOME (Note 15):</b>			
Net unrealized gain on available-for-sale securities	212	392	2,061
Foreign currency translation adjustments	14,873	10,347	144,566
<b>Total other comprehensive income</b>	<b>15,085</b>	10,739	<b>146,627</b>
<b>COMPREHENSIVE INCOME</b>	<b>¥25,781</b>	¥18,103	<b>\$250,593</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent	¥24,591	¥17,450	\$239,026
Minority interests	1,190	653	11,567

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GLORY LTD. and consolidated subsidiaries  
Year ended March 31, 2014

	Thousands of Shares						Millions of Yen					
	Common Stock	Treasury Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Minority Interests	Total Equity
							Net Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
<b>BALANCE, APRIL 1, 2012</b>	68,638	(2,950)	¥12,893	¥20,630	¥125,859	¥(5,816)	¥(206)	¥ (1,468)	¥ —	¥151,892	¥1,442	¥153,334
Net income					6,873					6,873		6,873
Cash dividends, ¥43 per share					(2,825)					(2,825)	(294)	(3,119)
Purchase of treasury stock		(1)				(1)				(1)		(1)
Increase by merger					149					149		149
Net change in the year							392	10,184		10,576	653	11,229
<b>BALANCE, MARCH 31, 2013</b>	68,638	(2,951)	12,893	20,630	130,056	(5,817)	186	8,716		166,664	1,801	168,465
Net income					9,939					9,939		9,939
Cash dividends, ¥45 per share					(2,956)					(2,956)	(366)	(3,322)
Purchase of treasury stock		0				0				0		0
Net change in the year							212	14,441	(100)	14,553	1,170	15,723
<b>BALANCE, MARCH 31, 2014</b>	<b>68,638</b>	<b>(2,951)</b>	<b>¥12,893</b>	<b>¥20,630</b>	<b>¥137,039</b>	<b>¥(5,817)</b>	<b>¥ 398</b>	<b>¥23,157</b>	<b>¥(100)</b>	<b>¥188,200</b>	<b>¥2,605</b>	<b>¥190,805</b>

	Thousands of U.S. Dollars (Note 1)										
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Minority Interests	Total Equity	
					Net Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans				
<b>BALANCE, APRIL 1, 2013</b>	\$125,321	\$200,525	\$1,264,152	\$(56,542)	\$1,808	\$ 84,720	\$ —	\$1,619,984	\$17,506	\$1,637,490	
Net income			96,608					96,608		96,608	
Cash dividends, \$0.44 per share			(28,732)					(28,732)	(3,558)	(32,290)	
Purchase of treasury stock				0				0		0	
Net change in the year					2,061	140,367	(972)	141,456	11,372	152,828	
<b>BALANCE, MARCH 31, 2014</b>	<b>\$125,321</b>	<b>\$200,525</b>	<b>\$1,332,028</b>	<b>\$(56,542)</b>	<b>\$3,869</b>	<b>\$225,087</b>	<b>\$(972)</b>	<b>\$1,829,316</b>	<b>\$25,320</b>	<b>\$1,854,636</b>	

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

GLORY LTD. and  
consolidated  
subsidiaries  
Year ended  
March 31, 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and minority interests	¥ 18,004	¥ 12,738	\$ 175,000
Adjustments for:			
Income taxes—paid	(5,290)	(4,639)	(51,419)
Depreciation and amortization	9,281	8,897	90,212
Amortization of goodwill	5,137	4,019	49,932
Provision for doubtful receivables	92	(40)	894
Net loss on sales of investment securities	147		1,429
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:			
Decrease (increase) in trade notes and accounts receivable	355	(4,264)	3,451
Increase in inventories	(6,598)	(2,765)	(64,133)
(Increase) decrease in interest and dividend receivable	(5)	17	(49)
Decrease in notes, accounts and other payable	(2,049)	(102)	(19,916)
Increase (decrease) in interest payable	172	(17)	1,672
Increase (decrease) in liability for retirement benefits	356	(323)	3,460
Decrease in allowance for loss on cancellation of lease obligations		(45)	
Decrease in lease obligations	(126)	(306)	(1,225)
(Increase) decrease in lease investment assets	(458)	364	(4,452)
Increase in accrued consumption taxes	263	132	2,556
Increase in accrued expenses	1,421	795	13,812
Other—net	(3,079)	244	(29,927)
<b>Total adjustments</b>	<b>(381)</b>	<b>1,967</b>	<b>(3,703)</b>
<b>Net cash provided by operating activities</b>	<b>17,623</b>	<b>14,705</b>	<b>171,297</b>
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sales of property, plant and equipment	172	546	1,672
Purchases of property, plant and equipment	(5,393)	(4,390)	(52,421)
Purchases of intangible assets	(1,049)	(1,441)	(10,196)
Proceeds from sales and redemption of investment securities	1,452	4,709	14,114
Purchases of investment securities	(363)	(108)	(3,528)
Increase in time deposits—net	527	2,087	5,122
Acquisition of investments in subsidiaries resulting in change in scope of consolidation		(55,688)	
Acquisition of investments in subsidiaries	(195)		(1,895)
Proceeds from cancellation of insurance funds		1,763	
Decrease in other assets	79	185	767
<b>Net cash used in investing activities</b>	<b>(4,770)</b>	<b>(52,337)</b>	<b>(46,365)</b>
<b>FINANCING ACTIVITIES:</b>			
Decrease in short-term borrowings—net	(9,110)	(4,431)	(88,550)
Proceeds from long-term debt		50,807	
Repayments of long-term debt	(6,277)	(2,653)	(61,013)
Repurchase of treasury stock		(1)	
Dividends paid	(2,955)	(2,824)	(28,723)
Dividends paid for minority shareholders	(366)	(294)	(3,558)
Other, net	(1)		(9)
<b>Net cash (used in) provided by financing activities</b>	<b>(18,709)</b>	<b>40,604</b>	<b>(181,853)</b>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	3,571	1,911	34,711
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,285)</b>	<b>4,883</b>	<b>(22,210)</b>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	63,314	58,431	615,416
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>¥ 61,029</b>	<b>¥ 63,314</b>	<b>\$ 593,206</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Assets acquired		¥ (44,894)	
Liabilities assumed		50,897	
Goodwill		(60,071)	
Minority interests			
Acquisition costs		(54,068)	
Cash dividends paid from newly consolidated subsidiary		(7,864)	
Acquired cash and cash equivalents		6,244	
Acquisition of investments in subsidiaries resulting in change in scope of consolidation		¥ (55,688)	

See notes to consolidated financial statements.