

# Consolidated financial results

for the first quarter of fiscal year ending March 31, 2011

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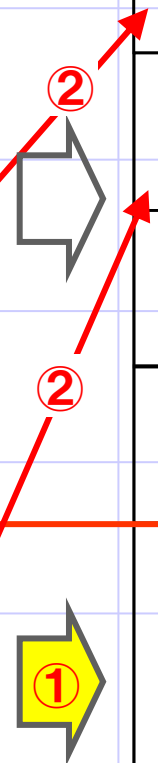
This document may contain forecasts for future business which reflect management's current views with respect to certain future events and financial performances. Actual results may differ materially from those projected or implied in the forecasts and from historical trends. Further, certain forecasts are based upon assumptions of future events which may not prove to be accurate.

So please avoid making investment decision relying only on this document. And please note that we may change the contents of the forecasts without advance notice except that we need legal procedures.

# Change of classification of business segments

- ※① To switch “vending machine market” into “others”
- ※② To switch some customers of “others” & some products of “vending machines” to suitable markets
- ※③ To summarize some customers

~FY2009			FY2010~	
Markets	Customers	Main products	Markets	Customers ③
Financial market	Financial institutions, life and non-life insurance companies, securities firms, computer manufacturers, etc	Open teller systems, banknote and coin recyclers for tellers, etc.	Financial market	Domestic financial institutions, Japan Post Bank, OEM clients, etc.
Retail & transportation market	Department stores, super-markets, specialty stores, C.I.T.s, railroad companies, etc.	Coin and banknote recyclers, sales proceeds deposit machines, etc.	Retail & transportation market	Domestic supermarkets, department stores, C.I.T.s, railway companies, etc.
Amusement market	Pachinko parlors and other amusement establishments	Prepaid card systems, premium dispensing machines, banknote conveyor systems, etc.	Amusement market	Domestic amusement halls (pachinko parlors, etc.)
Overseas market	Overseas financial institutions, C.I.T.s, casinos, computer manufacturers, etc.	Banknote recyclers for tellers, banknote sorters, banknote deposit modules for ATMs, etc.	Overseas market	Financial institutions abroad, C.I.T.s, casinos, OEM clients, etc.
Other markets	Government offices, hospitals, leisure facilities, general companies <b>consumer finance companies etc.</b>	Ballot sorters for handwritten ballots, medical payment kiosks for hospitals, RFID self-checkout systems for cafeterias, etc.	Others	Hospitals, government offices, companies, etc.
Vending machine market	Tobacco companies, tobacco kiosks, railway companies, etc.	Cigarette vending machines, ticket vending machines, <b>coin-operated lockers, etc.</b>	Vending machine market	Tobacco kiosks in Japan, and tobacco companies, etc.



# Overview of financial results compared with previous fiscal year

## Net sales

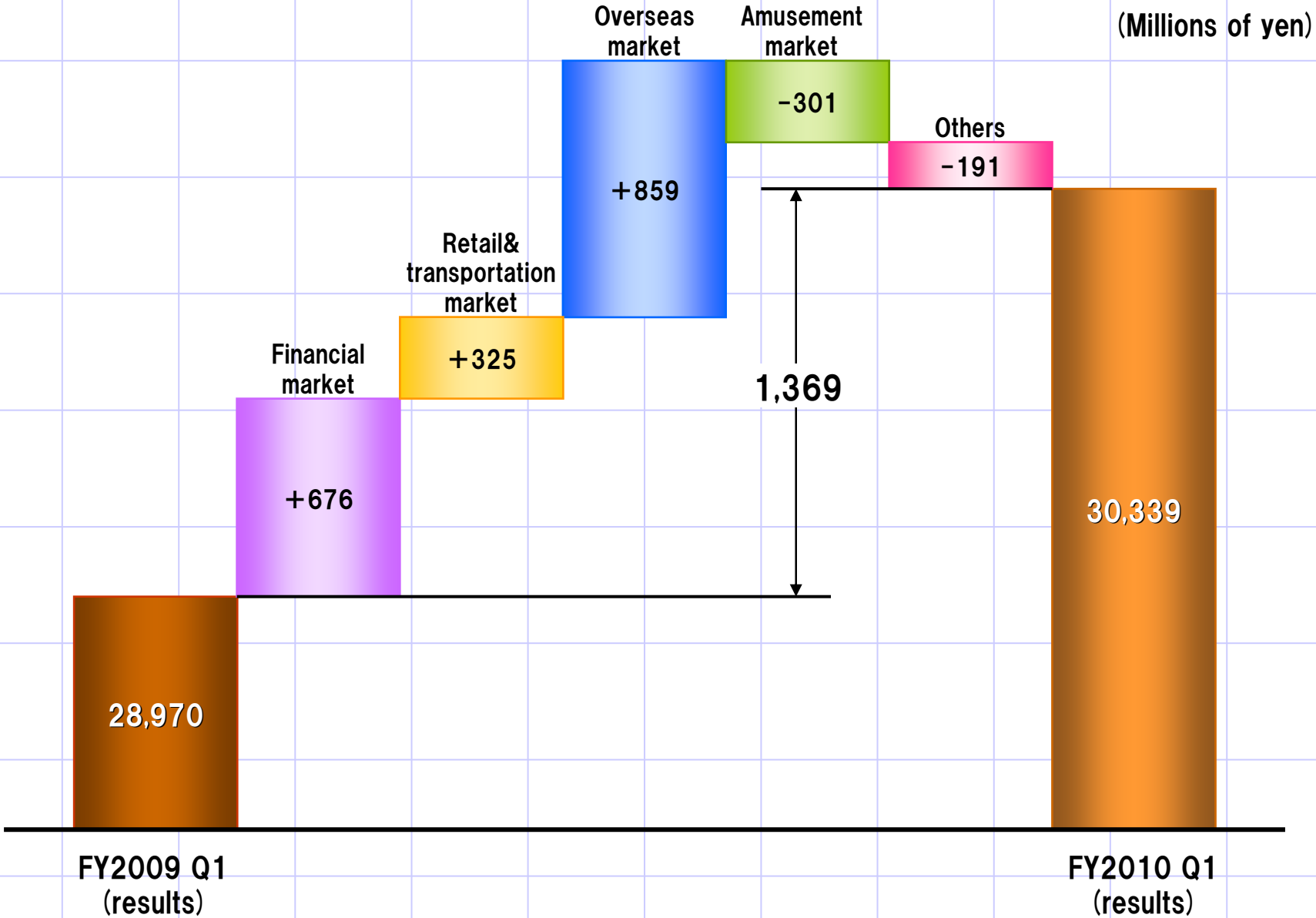
Although sales of products in amusement market were sluggish, sales in overseas market, financial market, retail and transportation market are favorable. Total sales have increased compared to the same period last year.

## Income

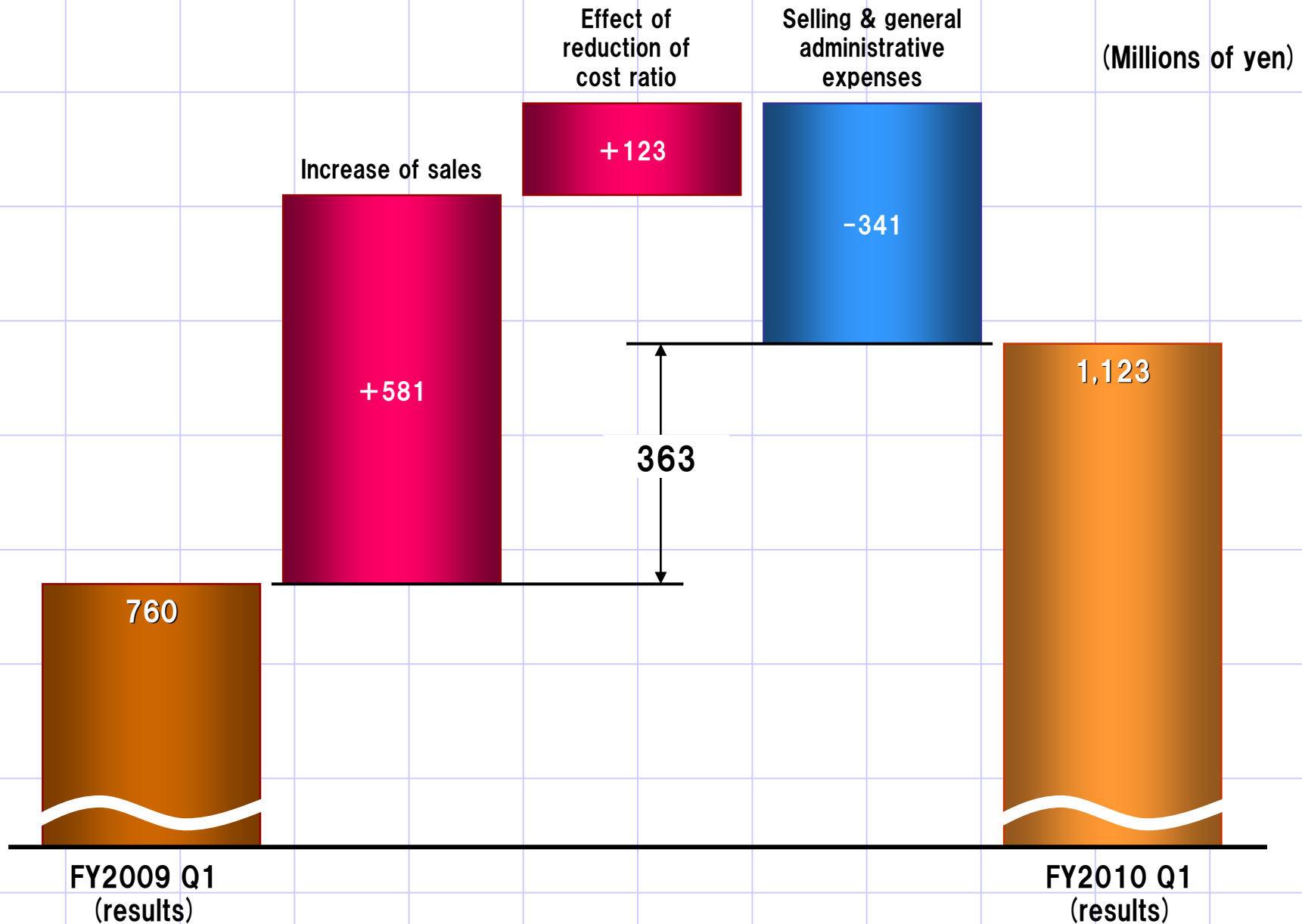
Income has increased compared to the same period last year due to the increase of sales, reduction of cost by expanding overseas production and procurement and other positive measures.

(Millions of yen)	FY2009 Q1	FY2010 Q1	Year-on-year comparison
<b>Net sales</b>	28,970	30,339	+4.7%
<div style="border: 1px dashed black; padding: 2px;">           maintenance services         </div>	7,857 (27.1%)	7,879 (26.0%)	+0.3%
<b>Operating income</b>	760 (2.6%)	1,123 (3.7%)	+47.8%
<b>Ordinary income</b>	1,584 (5.5%)	1,160 (3.8%)	- 26.8%
<b>Net income</b>	712 (2.5%)	456 (1.5%)	- 36.0%

# Changing factors of net sales



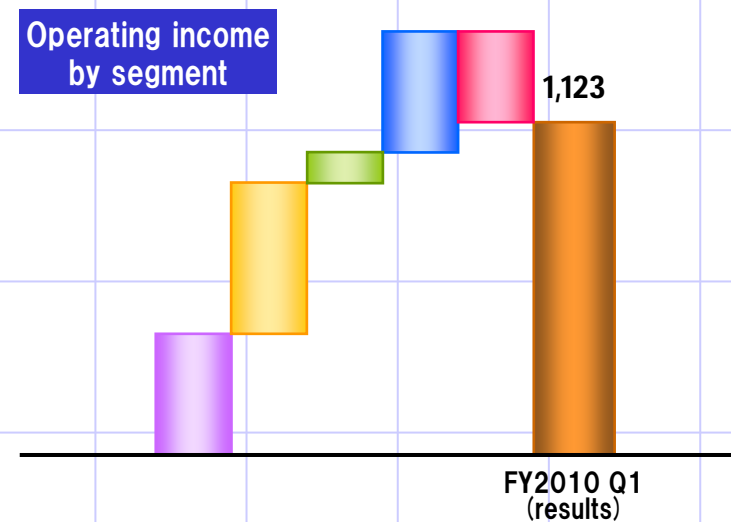
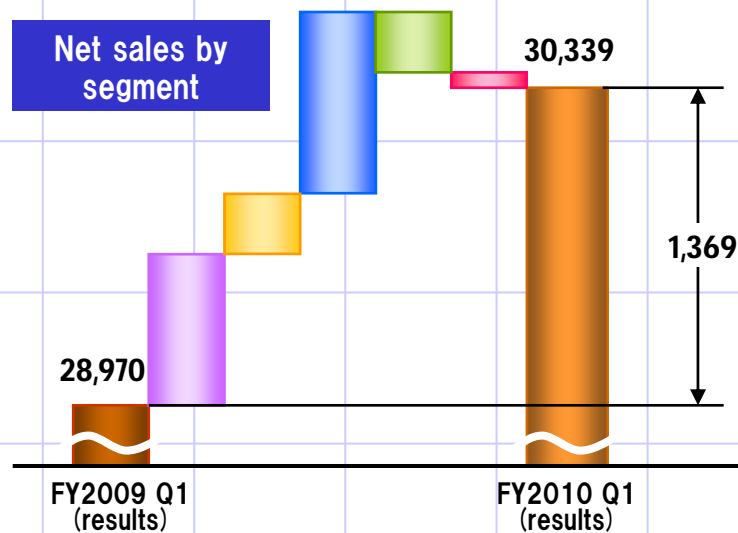
# Changing factors of operating income



# Net sales & operating income by business segment

(Millions of yen)

Business segments	FY2009 Q1	FY2010 Q1	
	Net sales	Year-on-year comparison	Operating income
Financial market	7,958	8,634 (+676(+8.5%))	417
Retail & transportation market	5,680	6,005 (+325(+5.7%))	486
Amusement market	6,448	6,147 (-301(-4.7%))	102
Overseas market	6,376	7,235 (+859(+13.5%))	393
Others	2,508	2,317 (-191(-7.6%))	-276
Vending machine market	1,706	1,097 (-609(-35.7%))	-294
<b>Total</b>	<b>28,970</b>	<b>30,339 (+1,369(+4.7%))</b>	<b>1,123</b>



## ● Favorable selling of main products

Sales of open teller systems, our main products, have been favorable, and OEM banknote and coin recyclers for tellers have also been favorable due to replacement demand.

### Sales of main products (Year-on-year comparison)

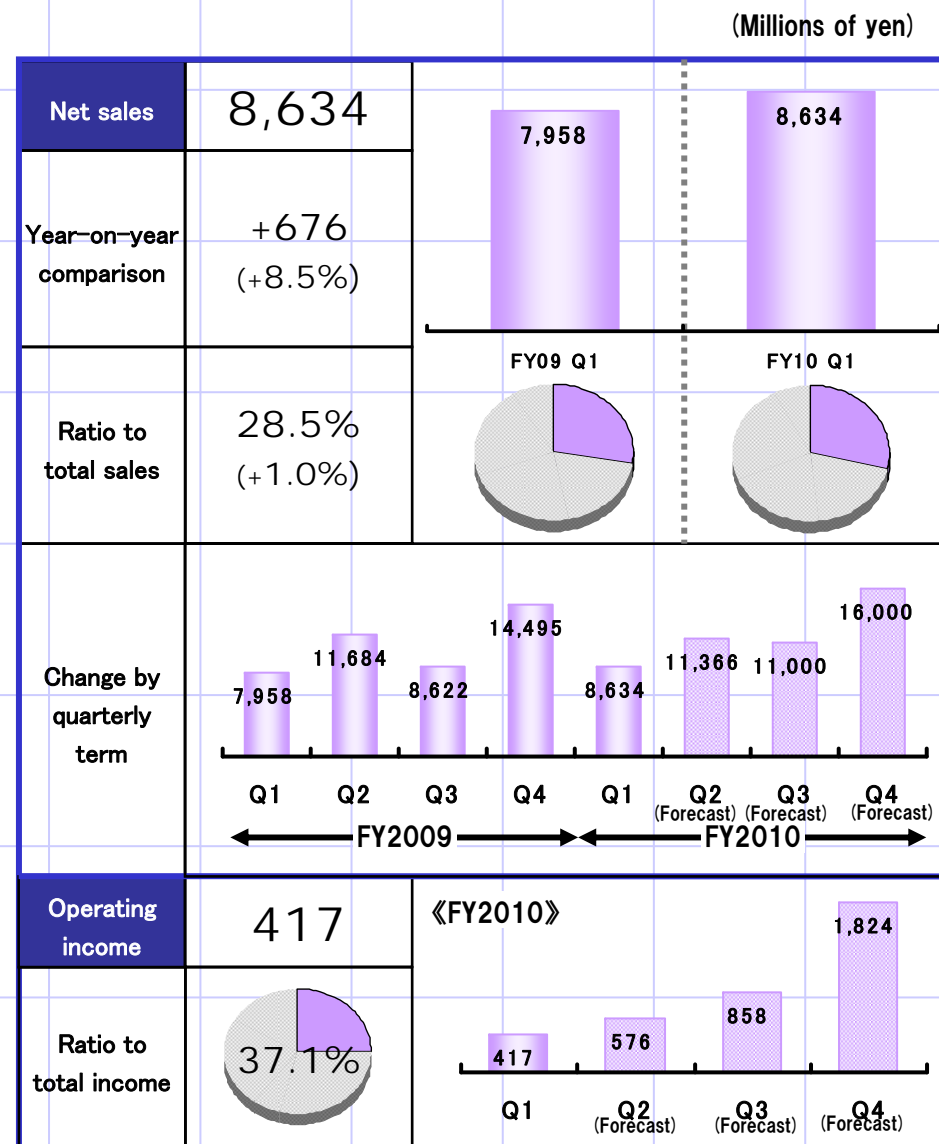
Open teller system WAVE series

Banknote and coin recycler

Open teller system WAVE C series

Auto cash cabinet BW series

※Inclination of an arrow indicates fluctuation of sales compared to the same period last year



## ● Favorable selling of main products

Sales of coin and banknote recyclers for cashiers, our main products, have been favorable, and replacement demand for sales proceeds deposit machines has grown.

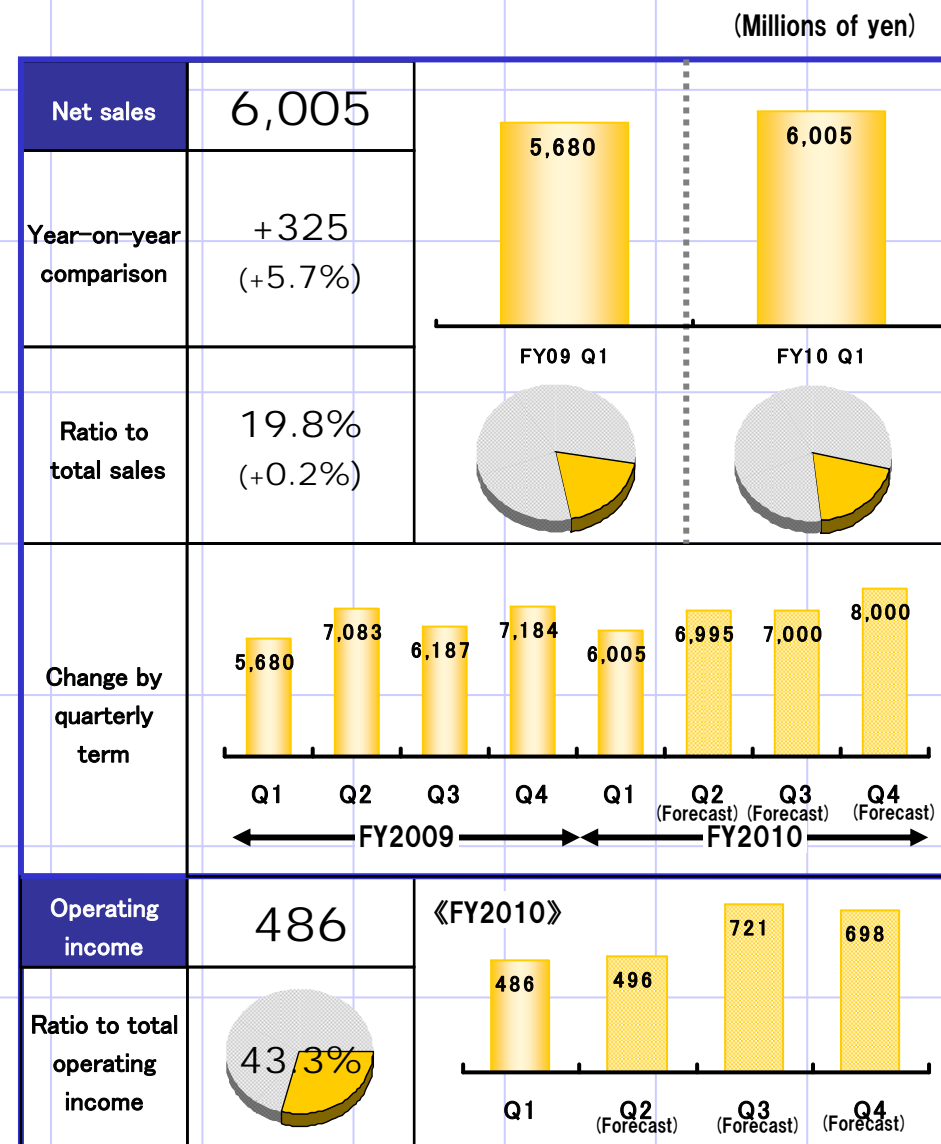
### Sales of main products (Year-on-year comparison)

Coin and banknote recycler for cashiers RT/RAD series

Sales deposit machine DS/DSS series

Cash recycler RH series

Multi-functional cash management station DSR series



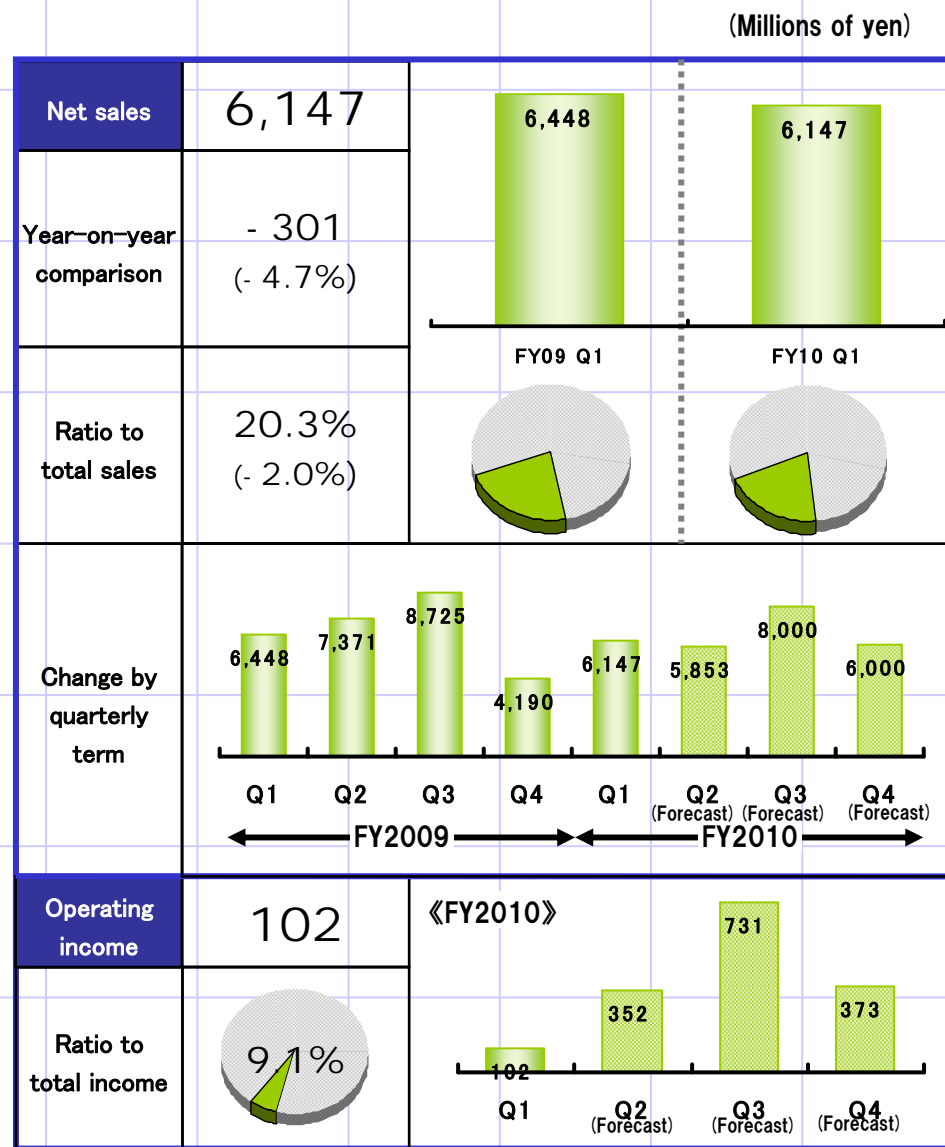
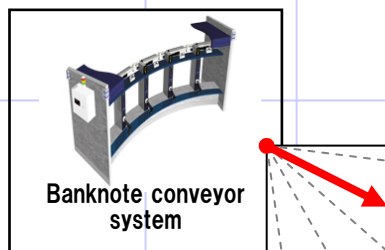
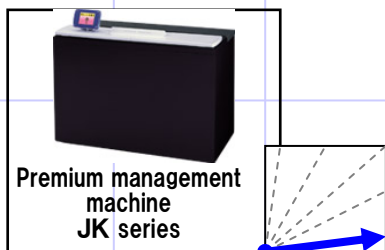
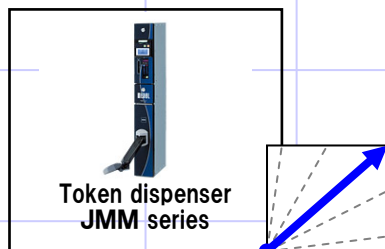
※Inclination of an arrow indicates fluctuation of sales compared to the same period last year



## ● Sales of card systems are sluggish

Sales of pachinko ball counters, our new products, have been favorable, while restrained capital expenses for prepaid card systems has kept the sales sluggish.

### Sales of main products (Year-on-year comparison)

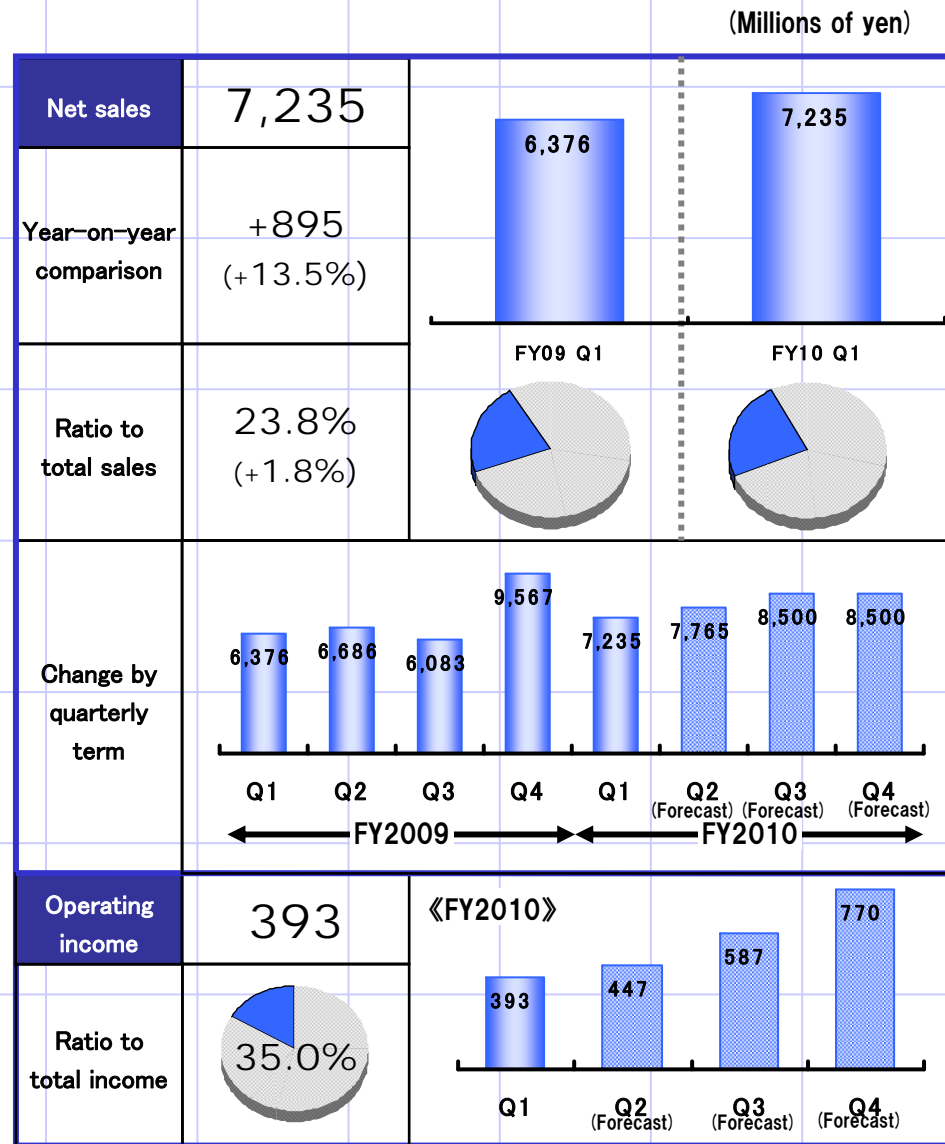
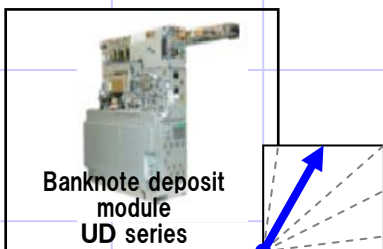


※Inclination of an arrow indicates fluctuation of sales compared to the same period last year

## ● Sales in China is brisk

Sales of OEM banknote deposit modules for ATMs have been favorable, in addition, sales of banknote sorters have increased due to the expansion of sales network especially in China.

### Sales of main products (Year-on-year comparison)

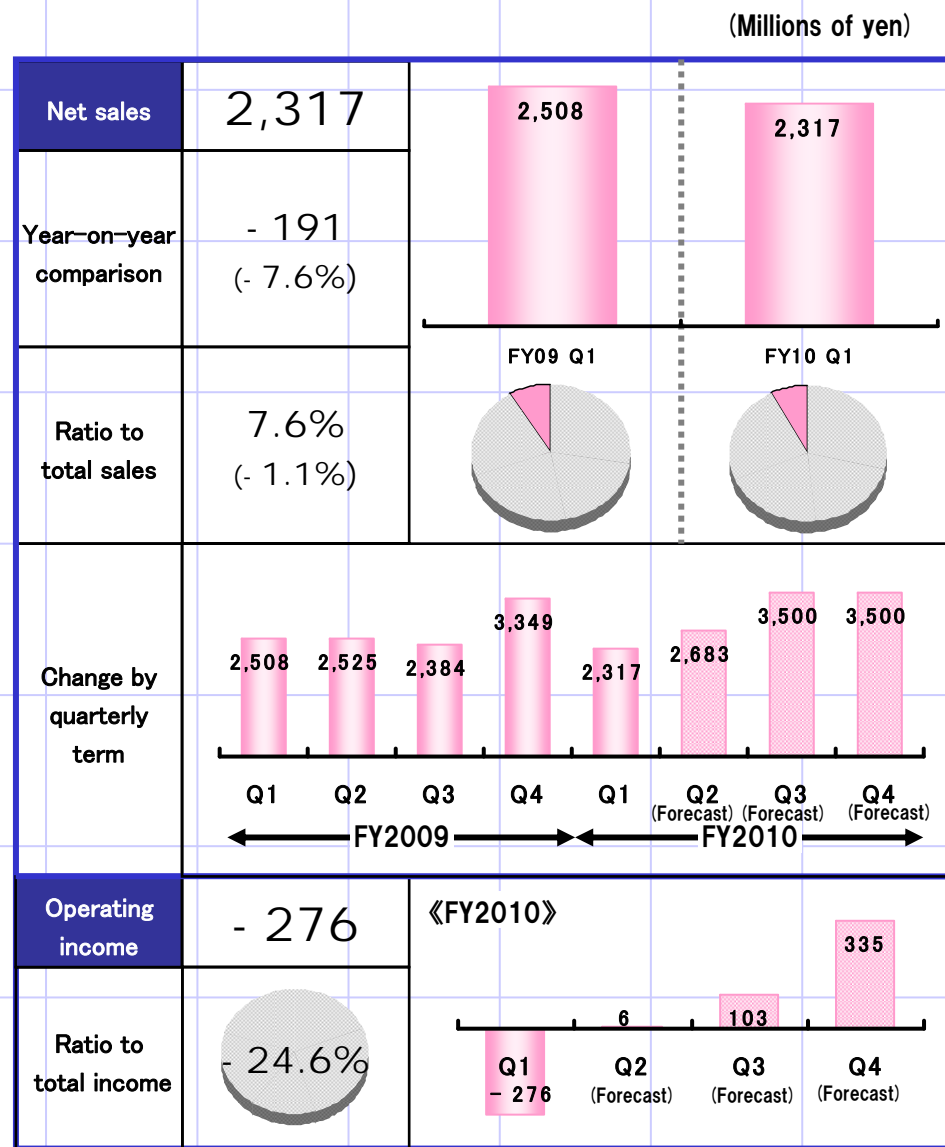
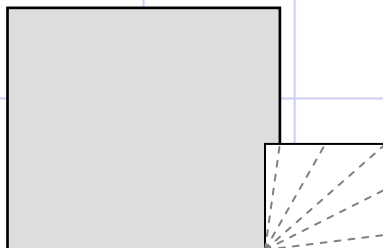
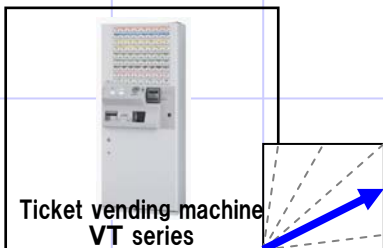
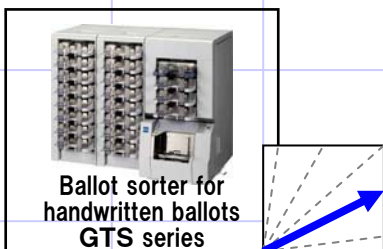


※Inclination of an arrow indicates fluctuation of sales compared to the same period last year

**Sales of cigarette vending machines are sluggish**

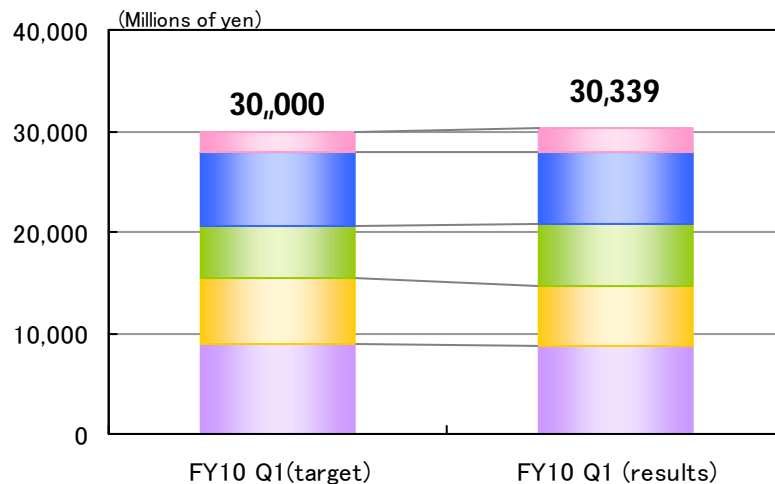
Sales of OEM banknote recycling units for horse race ticket vending machines have been favorable, while sales of cigarette vending machines have been sluggish.

**Sales of main products (Year-on-year comparison)**



※Inclination of an arrow indicates fluctuation of sales compared to the same period last year

# Net sales & operating income compared with target



Net sales by business segment (comparison with target)

(Millions of yen)

Business segments	FY2010 Q1			
	Sales (target)	Sales (results)	Difference	Operating income
Financial market	9,000	8,634	- 366(- 4.1%)	417
Retail & transportation market	6,500	6,005	- 495(- 7.6%)	486
Amusement market	5,000	6,147	+1,147(+22.9%)	102
Overseas market	7,500	7,235	- 265(- 3.5%)	393
Others	2,000	2,317	+317(+ 16.9%)	- 276
Vending machine market	1,000	1,097	+97(+ 9.7%)	- 294
<b>Total</b>	<b>30,000</b>	<b>30,339</b>	<b>+339(+ 1.1%)</b>	<b>1,123</b>

# Net sales by geographical segment

(Millions of yen)

Net sales by geographical segment (overseas)	FY2009 Q1	FY2010 Q1	Year-on-year comparison
<b>Americas</b>	1,919 30.1%	1,256 17.4%	- 663 - 34.5%
<b>from OEM</b>	827 13.0%	155 2.1%	- 672 - 81.3%
<b>Europe</b>	3,532 55.4%	4,395 60.7%	+863 +24.4%
<b>from OEM</b>	1,222 19.2%	2,712 37.5%	+1,490 +121.9%
<b>Asia</b>	925 14.5%	1,583 21.9%	+658 +71.1%
<b>from China</b>	239 3.7%	769 10.6%	+530 +221.8%
<b>from OEM</b>	293 4.6%	161 2.2%	- 132 - 45.1%
<b>Total</b>	6,376 100.0%	7,235 100.0%	+859 +15.5%
<b>from OEM</b>	2,342 36.7%	3,028 41.9%	+686 +29.3%

※Percentage indicates ratio to total sales.

# Capital expenditures and others

(millions of yen)

	FY2009 Q1	FY2010 Q1	Year-on-year comparison	Change by quarterly term
<b>Capital expenditures</b>	1,703	1,688	- 15 - 0.9%	<p>Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 (Forecast) (Forecast) (Forecast)</p> <p>← FY2009 → ← FY2010 →</p>
<b>Depreciation &amp; amortization</b>	1,829	1,598	- 231 - 12.6%	<p>Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 (Forecast) (Forecast) (Forecast)</p> <p>← FY2009 → ← FY2010 →</p>
<b>R&amp;D expenses</b>	2,032	1,901	- 131 - 6.4%	<p>Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 (Forecast) (Forecast) (Forecast)</p> <p>← FY2009 → ← FY2010 →</p>

# Analysis of Income statements

(Millions of yen)

	FY2009 Q1	Percent (%)	FY2010 Q1	Percent (%)	Increase/Decrease
Net sales	28,970	100.0	30,339	100.0	+1,369
Cost of sales	18,639	64.3	19,304	63.9	+665 ①
SG&A costs	9,570	33.0	9,911	32.6	+341
Operating income	760	2.6	1,123	3.7	+363
Non-operating income	896	3.1	514	1.7	- 382
Non-operating expenses	72	0.2	477	1.6	+405 ②
Ordinary income	1,584	5.5	1,160	3.8	- 424
Extraordinary income	32	0.1	138	0.5	+106
Extraordinary loss	186	0.6	353	1.2	+167 ③
Income before income taxes	1,431	4.9	944	3.1	- 487
Adjustment of income tax	718	2.5	129	0.4	- 589
Net income	712	2.5	456	1.5	- 256

①Ratio of sales cost :Decrease by 0.4 percent due to efforts to reduce cost

②Non-operating expenses : Foreign exchange losses (¥405million) , etc.

[Insurance return (¥406 million) was posted to non-operating income in the same period last year.]

③Extraordinary loss : Retirement benefit expenses loss (¥257million) , etc.

[Result from shifting simplified accounting method of lump sum payment adopted by former Harima GLORY Ltd., and former GLORY TEC Ltd. to ordinary accounting method.]

# Financial forecast for FY2010

Full year

**Net sales**

Net sales will increase compared to the same period last year due to developing markets more due to launching new products.

**Income**

Income will increase compared to the same period last year due to increasing sales and promoting reducing costs.

	FY2010 Q1 (results)	FY2010 Q1-Q2 (forecast)	Full year (forecast)
Net sales	30,339	65,000	145,000
<div style="border: 1px dashed black; padding: 2px;">           maintenance services         </div>	7,879 (26.0%)	16,000 (24.2%)	32,000 (22.1%)
Operating income	1,123 (3.7%)	3,000 (4.6%)	10,000 (6.9%)
Ordinary income	1,160 (3.8%)	3,000 (5.8%)	10,000 (6.9%)
Net income	456 (1.5%)	2,000 (3.5%)	6,000 (4.1%)

(Notes) Foreign exchange rate: 【Q1】¥85 to 1 U.S. dollar, ¥130 to 1 Euro  
→ 【Q2】¥85 to 1 U.S. dollar, ¥110 to 1 Euro



# Projected net sales by business segment

(Millions of yen)	FY2010					
	Q1 (results)		Q1-Q2 (forecast)		Full year (forecast)	
Financial market	8,637	28.5%	20,000	30.8%	47,000	32.4%
Retail & transportation market	6,004	19.8%	13,000	20.0%	28,000	19.3%
Amusement market	6,138	20.2%	12,000	18.5%	26,000	17.9%
Overseas market	7,235	23.8%	15,000	23.0%	32,000	23.7%
Others	2,322	7.7%	5,000	7.7%	12,000	8.3%
Vending machine market	1,101	3.6%	2,500	3.8%	6,500	4.5%
<b>Total</b>	<b>30,339</b>	<b>100.0%</b>	<b>65,000</b>	<b>100.0%</b>	<b>145,000</b>	<b>100.0%</b>

※Percentage indicate ratio to total sales.

# Capital investment

## ● To build the second plant of GLORY(PHILIPPINES), INC.

- ① To meet increase of production in line with expanding sales (mainly OEM products)
- ② To contribute to cost reduction by handling production on consignment as a group company

**【Start】**

August, 2010



**【Completion】**

March, 2011 (planned)

**【Productive capacity】**

Erection capacity : about twice  
(Double the space for production)

**GLORY (PHILIPPINES), INC.**

Net sales : ¥1,716 million  
(non-consolidated)

No. of employees : 409

(As of March 31, 2010)

Architect's conception of the completed plant

