

# Consolidated Financial Results

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

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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.



1 Consolidated Financial Results		<b>Performance Overview Year-on-Year</b>		GLORY
<b>Net sales</b>	Sales were higher than one year earlier due to strong sales in all segments except financial markets.			
<b>Income</b>	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	<b>99,469</b>	<b>103,579</b>	<b>+4.1%</b>	
Maintenance service	<b>23,832</b> (24.0%)	<b>25,235</b> (24.4%)	<b>+5.9%</b>	
Operating income	<b>7,401</b> (7.4%)	<b>7,320</b> (7.1%)	<b>-1.1%</b>	
Ordinary income	<b>7,784</b> (7.8%)	<b>7,706</b> (7.4%)	<b>-1.0%</b>	
Quarterly income	<b>4,427</b> (4.5%)	<b>3,646</b> (3.5%)	<b>-17.6%</b>	
※Exchange rate: US\$1 = ¥85 €1 = ¥110				

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## Consolidated Performance in First Three Quarters of Fiscal Year ending March 2012

Sales were higher but earnings decreased compared with the first three quarters of the previous fiscal year.

### [Sales]

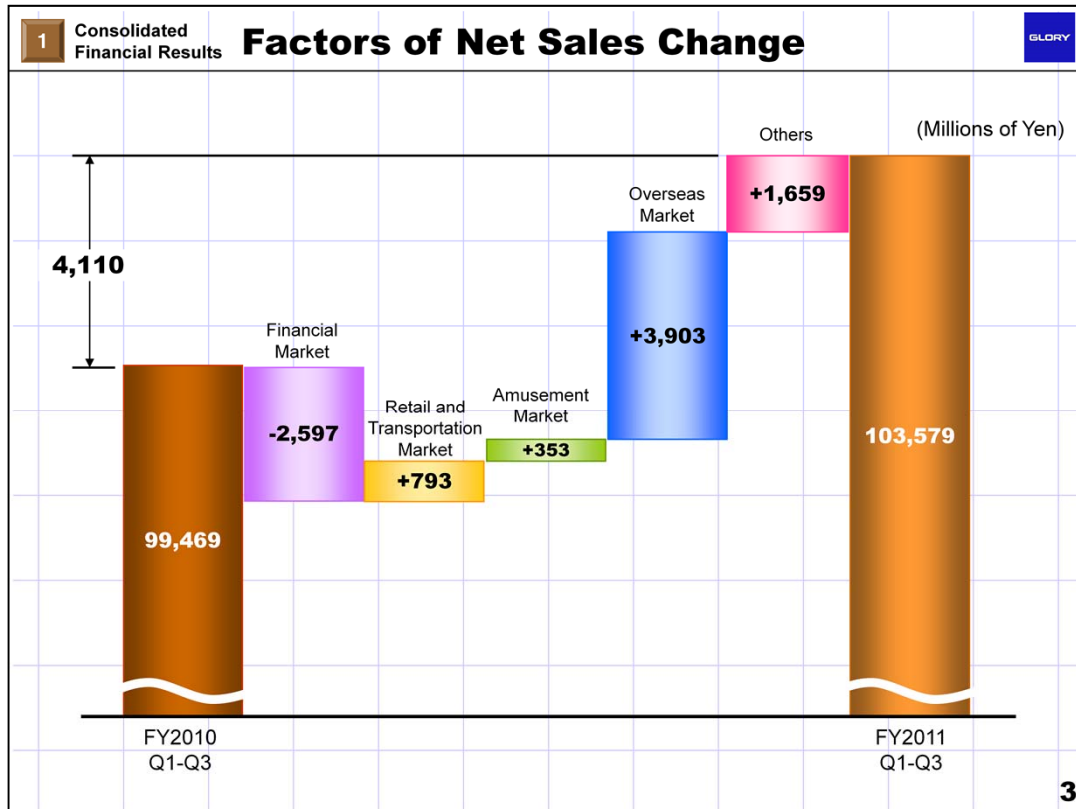
Sales increased 4.1% as sales were higher in four business segments, decreasing only in the financial market segment.

### [Income]

Despite cost-cutting measures such as using overseas production and procurement, operating income decreased 1.1% mainly because of higher expenses for developing new products.

Ordinary income decreased 1.0% even though the foreign exchange loss was smaller.

Net income was down 17.6%.



### Contributions to Change in Net Sales by Business Segment (Y-on-Y)

Sales in the first three quarters were ¥4,110 million higher than one year earlier.

[Segment with lower sales]

Financial market: decreased ¥2,597 million

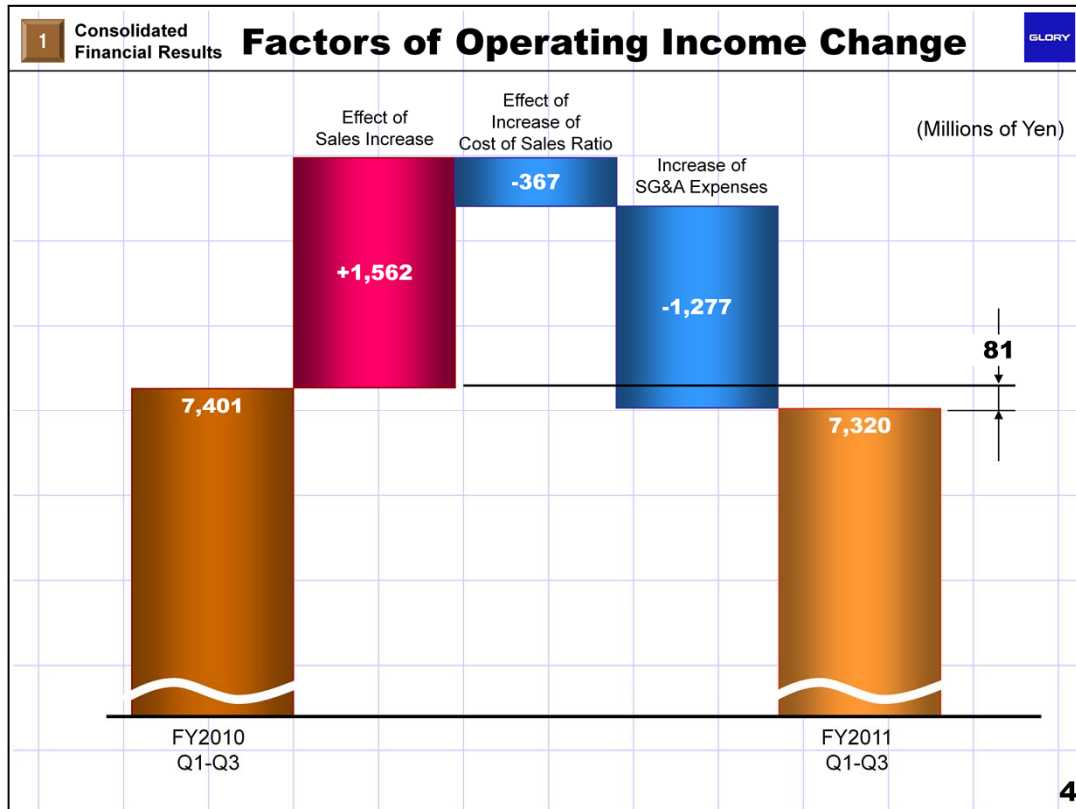
[Segments with higher sales]

Retail & transportation market・・・Sales increased ¥793 million

Amusement market: increased ¥353 million

Overseas market: increased ¥3,903 million

Others: increased ¥1,659 million



### Reasons for Change in Operating Income (Y-on-Y)

Operating income in the first three quarters was ¥81 million less than one year earlier.

[Major positive factor]

Increased by ¥1,562 million thanks to sales growth.

[Major negative factors]

Reduced by ¥367 million due to higher cost of sales ratio, and by ¥1,277 million due to higher SG&A expenses.

2 Details of Performance		Sales & Operating Income by Business Segment (Y-on-Y)					GLORY
(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%)	

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## Sales & Operating Income by Business Segment (Y-on-Y)




### [Sales by business segment]

Financial market sales decreased but sales were higher in the other four business segments.

### [Operating income by business segment]

Operating income decreased in the financial market and “others”.

Operating income increased in the retail & transportation market, amusement market and overseas market segments.

2 Details of Performance		Financial Market		GLORY	
<p><b>● Slow sales of main products</b></p> <p>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.</p> <p><b>Outline of the Segment</b></p> <p>Sales and maintenance to financial institutions, OEM clients and others at domestic market in Japan.</p> <p><b>Main Products</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Open teller systems WAVE series</p> </div> <div style="text-align: center;">  <p>Banknote and coin recyclers for tellers, sold as OEM products RB series</p> </div> <div style="text-align: center;">  <p>Coin recycling modules for ATMs, sold as OEM products RCN series</p> </div> </div>		(Millions of yen)			
		FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y	
Sales		<b>32,476</b>	<b>29,879</b>	<b>-2,597 (-8.0%)</b>	
Ratio to total sales		<b>32.6%</b>	<b>28.8%</b>	<b>-3.8%</b>	
Operating income		<b>3,605</b>	<b>2,011</b>	<b>-1,594 (-44.2%)</b>	
Ratio to total operating income		<b>48.7%</b>	<b>27.5%</b>	<b>-21.2%</b>	
Operating margin		<b>11.1%</b>	<b>6.7%</b>	<b>-4.4%</b>	

## Financial Market





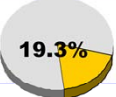

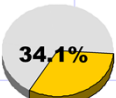
\*Please refer to the slide for an explanation of segment performance.

### [Sales]

Sales decreased 8.0% to ¥29,879 million

### [Operating income]

Operating income decreased 44.2% to ¥2,011 million

2 Details of Performance		Retail and Transportation Market		GLORY	
<p><b>● Strong sales of coin and banknote recyclers for cashiers</b></p> <p>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.</p> <p><b>Outline of the Segment</b></p> <p>Sales and maintenance to supermarkets, department stores, cash-in-transit companies, railroad companies, and others at domestic market in Japan.</p> <p><b>Main Products</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Coin and banknote recyclers RT/RAD series</p> </div> <div style="text-align: center;">  <p>Sales proceeds deposit machines DSS series</p> </div> <div style="text-align: center;">  <p>Multi-functional cash management stations DSR series</p> </div> </div>		(Millions of yen)			
		FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y	
Sales		<b>19,195</b>	<b>19,988</b>	<b>+793 (+4.1%)</b>	
	Ratio to total sales			<b>±0%</b>	
Operating income		<b>1,605</b>	<b>2,493</b>	<b>+888 (+55.3%)</b>	
	Ratio to total operating income			<b>+12.4%</b>	
	Operating margin	<b>8.4%</b>	<b>12.5%</b>	<b>+4.1%</b>	

## Retail & Transportation Market


\*Please refer to the slide for an explanation of segment performance.

### [Sales]

Sales increased 4.1% to ¥19,988 million

### [Operating income]

Operating income increased 55.3% to ¥2,493 million

2 Details of Performance		Amusement Market		GLORY
<p><b>Higher sales of products associated with token machines</b></p> <p>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.</p> <p><b>Outline of the Segment</b></p> <p>Sales and maintenance for pachinko parlors, and others in the domestic market.</p> <p><b>Main Products</b></p> <p>Card systems</p> 		( Millions of yen )		
		FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
Sales		19,438	19,791	+353 (+1.8%)
Ratio to total sales		19.5%	19.1%	-0.4%
Operating income		1,187	1,468	+281 (+23.7%)
Ratio to total operating income		16.0%	20.1%	+4.1%
Operating margin		6.1%	7.4%	+1.3%

## Amusement Market

\*Please refer to the slide for an explanation of segment performance.

### [Sales]

Sales increased 1.8% to ¥19,791 million

### [Operating income]

Operating income increased 23.7% to ¥1,468 million



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Details of Performance

Overseas Market

GLORY

**● 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.

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


**Main products**



Banknote sorters  
UW/USF series



Banknote deposit  
units for ATMs  
UD series



Banknote recyclers  
for tellers  
RZ series

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## Overseas Market

\*Please refer to the slide for an explanation of segment performance.

[Sales]

Sales increased 19.9% to ¥23,510 million

[Operating income]

Operating income increased 51.7% to ¥1,537 million

(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

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### Sales by Geographical Segment

#### [Americas]




Increased 55.1% to ¥6,060 million because of higher sales of bulk banknote and check deposit units for ATMs, an OEM product.

#### [Europe]

Increased 10.6% to ¥12,050 million thanks to the effect of the acquisition of Sitrade Italia, despite weak sales of OEM products.

#### [Asia]

Increased 12.4% to ¥5,399 million because of steady growth in sales of banknote sorters in China, India and Indonesia.

2 Details of Performance		Others		GLORY	
<p>● <b>Main products post higher sales</b></p> <p>There were strong sales of banknote recycling units for horse race ticket vending machines, an OEM product, and medical payment kiosks.</p>			(Millions of yen)		
			FY2010 Q1-Q3	FY2011 Q1-Q3	Y-on-Y
<p><b>Outline of the Segment</b></p> <p>Sales and maintenance to tobacco kiosks, tobacco companies, hospitals, government offices and others in Japan</p>			<p><b>Sales</b></p> <p>8,750</p>	<p>10,409</p>	<p>+1,659 (+19.0%)</p>
<p><b>Main products</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Banknote recycling units for horse race ticket vending machines RBK series</p> </div> <div style="text-align: center;">  <p>Medical payment kiosks</p> </div> <div style="text-align: center;">  <p>Ticket vending Machines VT series</p> </div> </div>			<p>Ratio to total sales</p> <p>8.8%</p>	<p>10.0%</p>	<p>+1.2%</p>
			<p><b>Operating income</b></p> <p>-11</p>	<p>-189</p>	<p>-178 (-1618.2%)</p>
			<p>Ratio to total operating income</p> <p>-0.1%</p>	<p>-2.6%</p>	<p>-2.5%</p>
			<p><b>Operating margin</b></p> <p>-0.1%</p>	<p>-1.8%</p>	<p>-1.7%</p>

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## Others

\*Please refer to the slide for an explanation of segment performance.

### [Sales]

Sales increased 19.0% to ¥10,409 million

### [Operating income]

Operating loss of ¥189 million

## Capital Expenditures etc.

(Millions of Yen)

	FY2010 Q1-Q3	FY2011 Q1-Q3	Year-on-Year	Quarterly Transition										
Capital Expenditures	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										
Depreciation & Amortization	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										
R&D Expenses	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										

### Capital expenditures etc.

Capital expenditures were ¥4,545 million.

Depreciation and amortization was ¥5,021 million.

R&D expenses were ¥7,503 million.

2 Details of Performance		Analysis of Consolidated Statements of Income and Comprehensive Income				GLORY
(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.)

## Analysis of Consolidated Statements of Income and Comprehensive Income

Operating income decreased 1.1% to ¥7,320 million as the cost of sales ratio was higher and the SG&A expense ratio remained unchanged drastically.

Non-operating expenses includes a foreign exchange loss of ¥204 million.

The result was a 1.0% decrease in ordinary income to ¥7,706 million.

The extraordinary loss included an impairment loss and retirement benefit expenses in the previous fiscal year but there were no significant losses in the current fiscal year. Income before income taxes was ¥7,386 million and, after income taxes, net income was down 17.2% to ¥3,646 million.

Comprehensive income was ¥3,614 million, the combination of income before minority interests of ¥3,983 million and a deduction of ¥368 million for total other comprehensive income.

3 Financial Forecast for FY2011		<b>Financial Forecast for FY2011</b>		GLORY
<b>Net sales</b>	Expected to increase y-o-y through expansion of overseas business and re-exploration of domestic market			
<b>Income</b>	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>	<b>138,964</b>	<b>145,000</b>	<b>+4.3%</b>	
Maintenance services	<b>32,092</b> (23.1%)	<b>33,600</b> (23.2%)	<b>+4.7%</b>	
<b>Operating income</b>	<b>10,323</b> (7.4%)	<b>11,000</b> (7.6%)	<b>+6.6%</b>	
<b>Ordinary income</b>	<b>11,028</b> (7.9%)	<b>11,000</b> (7.6%)	<b>- 0.3%</b>	
<b>Net income</b>	<b>6,229</b> (4.5%)	<b>6,500</b> (4.5%)	<b>+4.4%</b>	
※Exchange rate: US\$1 = ¥85 €1 = ¥110				

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### Financial Forecast for FY2011 ending March 2012

There are no revisions to the forecast that was announced on May 20, 2011.

Net sales up 4.3% to ¥145.0 billion

Operating income up 6.6% to ¥11.0 billion

Ordinary income down 0.3% to ¥11.0 billion

Net income up 4.4% to ¥6.5 billion

		FY2011					
		Q1-Q2 (results)		Q3-Q4 (forecast)		Full Year (forecast)	
(Millions of yen)		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
Total		67,255	4,172	77,745	6,828	145,000	11,000

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### Sales & Operating Income Forecast by Business Segment

Forecasts for the financial market, amusement market and overseas market segments that were announced at the time of the first half of the fiscal year have been revised due to market conditions and other reasons.

#### [Financial market]

Sales・・・ Revised downward from ¥46.0 billion to ¥43.5 billion

Operating income・・・ Revised downward from ¥4.6 billion to ¥3.4 billion

#### [Amusement market]

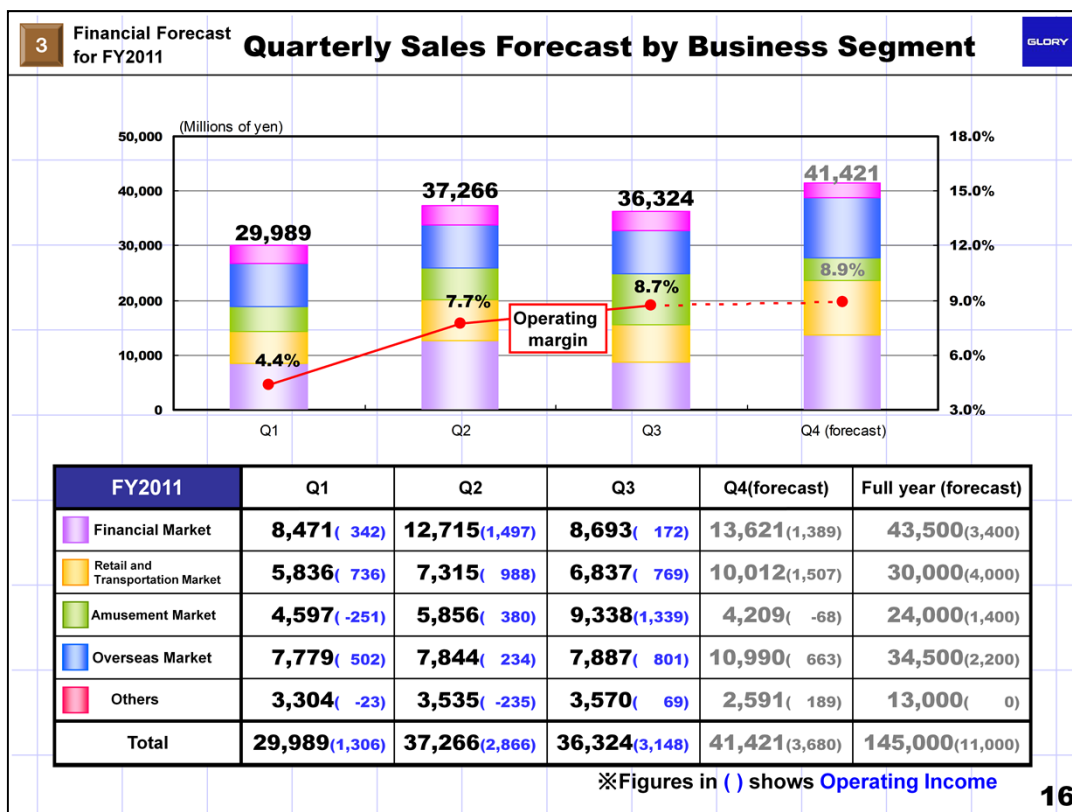
Sales・・・ Revised upward from ¥22.0 billion to ¥24.0 billion

Operating income・・・ Revised upward from ¥0.7 billion to ¥1.4 billion

#### [Overseas market]

Sales・・・ Revised upward from ¥34.0 billion to ¥34.5 billion

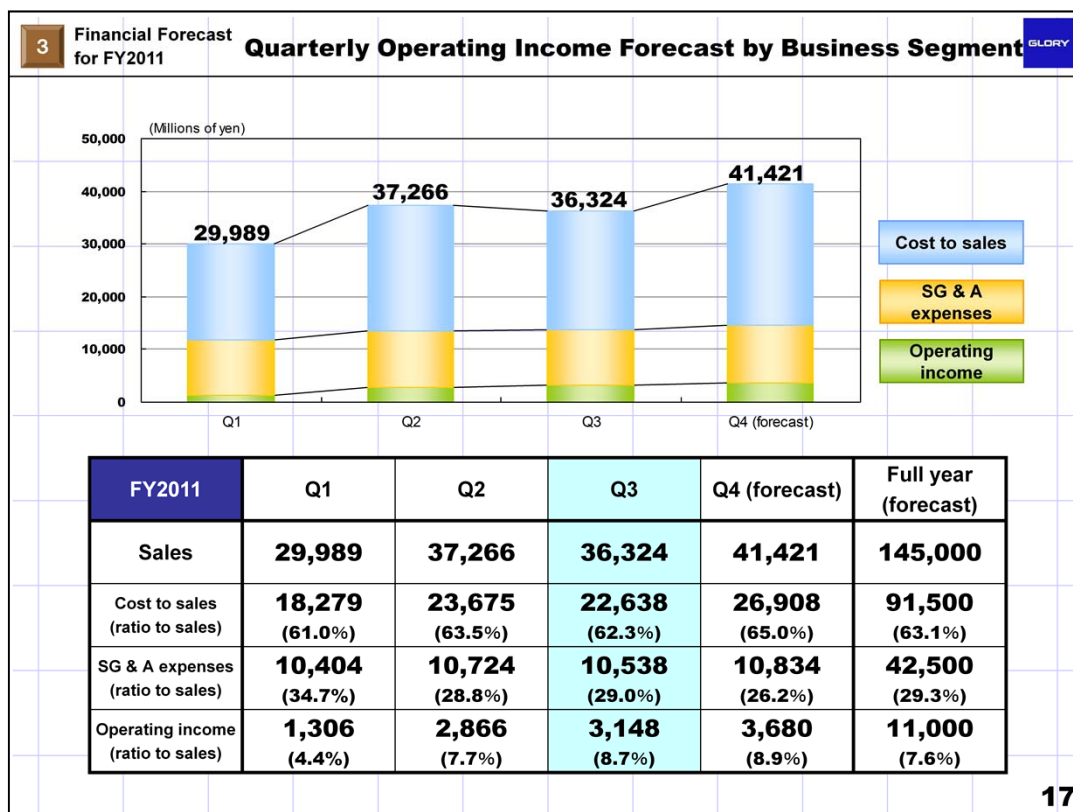
Operating income・・・ Revised upward from ¥1.7 billion to ¥2.2 billion



### Quarterly Sales by Business Segment

In the coming fourth quarter, sales is expected to be the highest, but fees paid, SG&A expenses and other items are anticipated to increase, as in previous fiscal years.





### Quarterly Cost of Sales, SG&A Expenses and Operating Income

[Fourth quarter]

There will be a large volume of payments in this quarter, including development expenses paid to outside design companies.

The cost of sales ratio and SG&A expenses are usually higher than in the third quarter in each fiscal year.

Expect the operating margin to be about the same as in the third quarter due to cost-cutting measures and other activities.

Overseas market

## Currency Recycler for Financial Institutions **RGB-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



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## New Product

The RGB-100 Currency Recycler was launched in late January 2012, a product that is sold to financial institutions in overseas markets.

### [Features]

The unit processes banknotes for deposits and withdrawals and is designed for placement at the service counters of financial institution branches. It can store as many as 17,000 banknotes, the largest volume in the industry and count at the highest counting speed in the industry

### [Sales areas and target]

GLORY plans to start selling the RGB-100, new addition to currency recycler, in the United States and expand marketing activities to Asia and developing countries. The target is sales of \$40 million over the next three years.