(TRANSLATION FOR REFERENCE ONLY)

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012

May 10, 2012

Company Name:	GLORY LTD.	Stock exchange listings:	Tokyo and Osaka (1st Sections)
Code Number:	6 4 5 7	URL:	http://www.glory-global.com/

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Scheduled date of Ordinary General Meeting of Shareholders:	June 22, 2012
Scheduled date of dividend payments:	June 25, 2012
Scheduled filing date of Annual Security Report:	June 25, 2012
Earnings supplementary explanatory material:	Yes
Earnings presentation:	Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded downward.)

1. Consolidated financial results for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated Operating Results

(The percentages show the increase or decrease from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Year ended March 31, 2012	146,937	5.7	11,274	9.2	11,908	8.0	6,246	0.3
Year ended March 31, 2011	138,964	2.9	10,323	34.3	11,028	22.4	6,229	21.9

(Note) Comprehensive income

Year ended March 31, 2012: 6,378 million yen (19.2 %) Year ended March 31, 2011: 5,350 million yen (8.4 %)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Year ended March 31, 2012	95.09	—	4.2	5.9	7.7
Year ended March 31, 2011	94.83	—	4.2	5.6	7.4

(Reference) Income or loss from investments accounted for by the equity method

Year ended March 31, 2012: — million yen Year ended March 31, 2011: — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2012	205,244	153,333	74.0	2,312.33
As of March 31, 2011	198,019	149,781	75.0	2,260.47

(Reference) Ownership equity

As of March 31, 2012: 151,891 million yen As of March 31, 2011: 148,485 million yen

(3) Consolidated Cash Flows (Millions of yen)

	From operating activities	From investing activities	From financing Activities	Cash and cash equivalents at the end of the year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Year ended March 31, 2012	11,018	(2,429)	(2,761)	58,430
Year ended March 31, 2011	9,346	(7,535)	(2,259)	52,788

2. Dividends

(Record date)	Dividends per share: First quarter	Second quarter	Third quarter	Year-end	Annual	Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Year ended March 31, 2011	—	17.00	—	20.00	37.00	2,430	39.0	1.7
Year ended March 31, 2012	—	20.00	—	22.00	42.00	2,758	44.2	1.8
Year ending March 31, 2013 (forecast)	—	21.00	—	21.00	42.00		39.4	

3. Consolidated financial forecast for the year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(The percentages show the increase or decrease from the previous full year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(yen)
Six months ending September 30, 2012	70,000	4.1	4,000	(4.1)	4,000	(8.9)	2,000	(10.3)	30.45
Full Year	155,000	5.5	12,000	6.4	12,000	0.8	7,000	12.1	106.56

Notes:

(1) Changes in significant subsidiaries during the quarter (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements
- (a) Changes in accounting policies associated with a revision of accounting standards, etc.: None
- (b) Changes in accounting policies other than (a): None
- (c) Changes in accounting estimates: None
- (d) Restatements: None

(4) Total number of shares issued (common stock)
- (a) Total number of shares issued at the end of the period (including treasury stock)
  - As of March 31, 2012: 68,638,210 shares
  - As of March 31, 2011: 68,638,210 shares
- (b) Number of treasury shares at the end of the period
  - As of March 31, 2012: 2,950,450 shares
  - As of March 31, 2011: 2,950,306 shares
- (c) Average number of shares during the term
  - As of March 31, 2012: 65,687,834 shares
  - As of March 31, 2011: 65,688,322 shares

(Reference) Non-consolidated Financial Results
Financial results for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)
(1) Non-consolidated Operating Results

(The percentages show the increase or decrease from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Year ended March 31, 2012	119,616	5.8	7,847	(2.7)	9,382	(8.7)	5,838	(9.0)
Year ended March 31, 2011	113,076	2.8	8,069	35.1	10,282	35.8	6,419	26.7

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
Year ended March 31, 2012	88.89	—
Year ended March 31, 2011	97.72	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2012	177,812	141,266	79.4	2,150.57
As of March 31, 2011	172,157	137,966	80.1	2,100.34

(Reference) Ownership equity
As of March 31, 2012: 141,266 million yen   As of March 31, 2011: 137,966 million yen

(Note) Status of implementation of audit procedures
These "Consolidated Financial Results" are not subject to the audit procedures set forth in the Financial Instruments and Exchange Act. As of the date of the release of these Consolidated Financial Results, implementation of audit procedures for consolidated financial statements were in progress.

(Notes) Explanation regarding the appropriate use of financial forecasts and other special items
The forward-looking statements such as operational forecasts contained in this report are based on the information currently available to GLORY LTD. and certain assumptions which are regarded as legitimate. Actual performance may differ greatly from these forecasts due to various present and future factors.

Attachment Contents

1. Operating Results	5
(1) Analysis of Operating Results	5
(2) Analysis of Financial Position	7
(3) Basic Policy on Profit Distributions and Dividends for the Current and Following Fiscal Year	8
(4) Business-related risks	8
2. Group Position	9
(1) Details of the Business	10
(2) Subsidiaries and Affiliates	12
3. Management Policy	14
(1) Corporate Management Basic Policy	14
(2) Target Management Indices	14
(3) Mid-to-long Term Management Strategies and Issues to be Addressed by the Company	14
(4) Other Important Matters Related to Company Management	15
4. Consolidated Financial Statements	16
(1) Consolidated Balance Sheets	16
(2) Consolidated Statements of Income and Comprehensive Income	18
Consolidated Statements of Income	18
Consolidated Statements of Comprehensive Income	19
(3) Consolidated Statements of Changes in Equity	20
(4) Consolidated Statements of Cash Flows	22
(5) Notes Relating to Assumption as a Going Concern	24
(6) Additional Information	24
(7) Notes to Consolidated Financial Statements	24
(Notes to Consolidated Balance Sheets)	24
(Notes to Consolidated Statements of Income)	25
(Notes to Consolidated Statement of Changes in Equity)	26
(Segment Information)	28
(Notes to Tax Effect Accounting)	32
(Notes to Retirement Benefit System)	34
(Per Share Information)	36
(Significant Subsequent Events)	37

1. Operating Results

(1) Analysis of Operating Results

Consolidated operating results for this current fiscal year

In the fiscal year that ended on March 31, 2012, although Japan's economy slowly recovered from the stagnation caused by the Great East Japan Earthquake, the outlook remains uncertain because of slowing global economic growth along with the debt crisis in Europe, the higher cost of crude oil and other events.

The past fiscal year was the final year of the 2011 Medium-Term Management Plan, a three-year plan that the GLORY Group ("Group") started in April 2009 and, in line with the plan's basic principle of "Capitalize on new business opportunities with global vision and accelerate to a period of new growth!," the Group took many actions during the plan. In Japan market, the Group generated more customer demand by aggressively developing and introducing new products with the goal of becoming more competitive and improving profitability in all market sectors. In overseas market, the Group worked on developing new products, increasing production capacity, and establishing and enlarging sales networks, and although initial target for overseas sales in the 2011 Medium-Term Management Plan was not achieved, sales in Asia increased significantly. Furthermore, the Group has been focusing on the expansion of overseas operations such by the acquisition of GLORY distributor Sitrade Italia S.p.A. in the fiscal year that ended in March 2011 and the approval by the GLORY Board of Directors of a resolution* in February 2012 to acquire Talaris Topco Limited, headquartered in Basingstoke, UK, a provider of cash handling equipment and software solutions. In addition, numerous initiatives were carried out to build a stronger foundation for the Group's operations, including cutting costs by expanding overseas production and procurement and increasing operational efficiency by streamlining subsidiary operations.

As a result, net sales totaled ¥146,937 million (up 5.7% year-on-year). Sales of merchandise and finished goods were ¥112,993 million (up 5.7% year-on-year) and sales from maintenance services were ¥33,944 million (up 5.8% year-on-year). Operating income was ¥11,274 million (up 9.2% year-on-year), ordinary income was ¥11,908 million (up 8.0% year-on-year), net income was ¥6,246 million (up 0.3% year-on-year), and comprehensive income was ¥6,378 million (up 19.2% year-on-year).

*On February 23, 2012, the Company reached an agreement with the shareholders of Talaris Topco Limited to acquire all of the outstanding shares of Talaris Topco Limited and executed the share purchase agreement. Completion of the acquisition is subject to receipt of all regulatory clearances required under the applicable laws in all relevant jurisdictions. Examination for the regulatory clearances currently under way and it is not clear at this time when the clearances will be obtained.

Operating Results by Business Segment
Results of operations in reportable business segments were as follows.

(Financial market)
Sales of open teller systems, the main product in this segment, were weak because of a decline in large orders of compact open teller systems from large-scale users. For OEM products, sales of coin recycling modules for ATMs were favorable but sales of banknote and coin recycling modules for tellers were weak due to delay in the emergence of expected replacement demand.
As a result, net sales in this segment were ¥44,191 million (down 5.8% year-on-year) and operating income was ¥3,954 million (down 29.2% year-on-year).

(Retail and transportation market)
Although sales of OEM sales proceeds deposit machines were sluggish, this segment was healthy overall because of favorable sales of coin and banknote recyclers for cashiers, the main product in this segment, owing to a recovery in capital expenditures and the receipt of large-scale orders.
As a result, net sales in this segment were ¥28,566 million (up 7.1% year-on-year) and operating income was ¥3,695 million (up 61.2% year-on-year).

(Amusement market)
Sales of card systems and equipment, the main product in this segment, and other associated equipment were sluggish due in part to the impact of more intense competition but the segment overall was healthy because of favorable sales of pachinko ball/token dispensers along with the recovery in the popularity of pachislot.
As a result, net sales in this segment were ¥24,811 million (up 2.7% year-on-year) and operating income was ¥2,039 million (up 147.3% year-on-year), including a contribution from the collection of claims provable in bankruptcy.

(Overseas market)

In the Americas, sales of OEM bulk banknote and check deposit units for ATMs were favorable. In Asia, sales of banknote sorters were firm, especially in China, and in Europe, sales were firm due to the contribution from the acquisition of Sitrade Italia S.p.A., a distributor in Italy.
As a result, net sales in this segment were ¥35,306 million (up 22.8% year-on-year) and operating income was ¥1,837 million (up 36.1% year-on-year).

In the "others" business segment, net sales were ¥14,062 million (up 13.0% year-on-year) and the operating loss was ¥253 million (operating income of ¥269 one year earlier).

All amounts in this section do not include consumption taxes.

Forecast for the next fiscal year

In the fiscal year ending in March 2013, Japan's economy is expected to recover at a moderate pace backed by demand associated with earthquake recovery activity and by solid consumer spending, but prospects for a full-scale recovery are uncertain because of concerns about Japan's electricity supply, the prolonged debt crisis in Europe and other problems that have been continuing for some time.
In this environment, the Group started the 2014 Medium-Term Management Plan in April 2012 with the basic principle of "pursuing growth strategies and improving profitability to achieve the long-term vision" and, in accordance with this principle, we are moving forward with a Business Strategy, a Constitutional Strategy and a Corporate Strategy.
The following forecast uses exchange rate assumptions of US$1=¥75 and 1 euro=¥105.
Based on the above outlook, for the fiscal year ending in March 2013, we forecast consolidated business results as follows; net sales of ¥155,000 million, operating income of ¥12,000 million, ordinary income of ¥12,000 million and net income of ¥7,000 million.
As noted earlier, the examinations are under way in relevant countries regarding the regulatory clearances of the acquisition of Talaris Topco Limited and it is not clear at this time when the clearances will be obtained. Consequently, the above forecast does not include the financial impact of this acquisition to financial result. The Company will make announcement promptly if any information involving this acquisition needs to be disclosed.

(2) Analysis of Financial Position

Total assets at the end of the current fiscal year were ¥205,244 million, an increase of ¥7,224 million compared with the end of the previous consolidated fiscal year.

Liabilities were ¥51,910 million, a increase of ¥3,672 million compared with the end of the previous consolidated fiscal year.

Cash and cash equivalents (“cash”) at the end of the fiscal year increased ¥5,642 million from one year earlier to ¥58,430 million due mainly to income before income taxes and minority interests of ¥11,642 million and a ¥2,745 million increase in notes and accounts payable-trade.

The following is a summary of cash flows:

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥11,018 million. This was primarily due to income before income taxes and minority interests of ¥11,642 million and depreciation expense of ¥6,842 million offset by an increase in notes and accounts receivable-trade of 5,170 million and income taxes paid of ¥3,767 million.

(Net cash used in investing activities)

Net cash used in investing activities was ¥2,469 million. There were proceeds of ¥2,873 million from sales and redemptions of securities but payments of ¥1,520 million for the purchase of investment securities and ¥3,228 million for the purchase of property, plant and equipment. Purchases of property, plant and equipment were mainly molds, tools and other equipment used to manufacture products.

(Net cash used in financing activities)

Net cash used in financing activities was ¥2,429 million, primarily due to dividend payments of ¥2,628 million.

Cash flow indices

	March 2008	March 2009	March 2010	March 2011	March 2012
Equity capital ratio	72.3%	74.8%	74.5%	75.0%	74.0%
Equity capital ratio based on market price	72.6%	60.6%	78.2%	60.7%	58.6%
Debt to annual cash flow (years)	0.6	5.0	0.6	1.2	1.0
Interest coverage ratio	65.8	8.2	102.2	50.8	67.2

Notes: Equity capital ratio: (Shareholders’ equity + Valuation and translation adjustments) / Total assets
Equity capital ratio based on market price: Market capitalization / Total assets
Debt to annual cash flow: Interest-bearing liabilities / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments

* All indices are calculated on a consolidated basis.
* Market capitalization: Closing price on the balance sheet date X Number of shares issued (net of treasury shares) on the balance sheet date.
* Operating cash flow represents cash flow provided by operating activities per the consolidated statements of cash flows.
Interest-bearing liabilities consist of all liabilities on the balance sheets for which interest is being paid.
Interest payments consist of interest expense paid as presented on the consolidated statements of cash flows.

(3) Basic Policy on Profit Distributions and Dividends for the Current and Following Fiscal Year

The Company considers the return of profits to shareholders to be an important management task and retains a policy to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. The Company has set the target of attaining a dividend payout ratio of 25% or higher and DOE (dividends on equity) ratio of at least 1.8%, both on a consolidated basis.

In accordance with the above policy, the Company plans a year-end dividend of ¥22 per share for the fiscal year ended March 31, 2012(the 66th term). Together with the interim-period dividend of ¥20 per share, the result will be an annual dividend of ¥42 per share, a DOE (dividends on equity) ratio of 1.8% and a dividend payout ratio of 44.2%.

For the fiscal year ending in March 2013, the Company plans to continue this basic policy and pay an annual dividend of ¥42 per share, the total of interim-period and year-end dividends of ¥21 per share.

In addition, the Company will also consider from time to time, the purchase of treasury stock to improve capital efficiency and to have an agile capital policy to respond to the operating environment. Treasury stock holdings will be maintained at around 5% of the total number of issued shares, with excessive holdings retired as deemed appropriate.

(4) Business-related risks

The Group is exposed to various risks that may impact its operating results and financial conditions, including variable factors and other matters considered to be material as disclosed below.
The forward-looking statements as below are based on judgments by the Group as of the end of the current fiscal year.

(i) Extraordinary fluctuations in operating results and financial conditions due to special market environmental factors, etc.
The Group is subject to authorizations for business, import and export regulations and application of various laws and regulations in countries and regions where the Group is engaged in business activities. When these laws and regulations are revised or repealed, or when new public regulations are established, etc., or if any other special market environmental factors arise, the performance of the Group may be adversely affected.

(ii) High level of reliance on specific industry sector
The composition of the Group sales is highly dependent on the financial markets. If it becomes necessary for financial institutions to cut capital investments due to major operational or financial problems, the performance of the Group may be adversely affected.

(iii) R&D investment
The Group is an R&D-based enterprise and continues to invest in R&D aggressively. However, development of new products always includes risks and, depending on the concept, there is a possibility of development costs becoming large due to prolongation of the development period. If such circumstances were to occur, the performance of the Group may be adversely affected.

(iv) Intellectual property rights
The Group is not aware of infringement of material intellectual property rights of third parties by the products of the Group. However, it is difficult for an R&D-based company like the Group to completely avoid the occurrence of such intellectual property infringement problems.
If such circumstances were to occur, the performance of the Group may be adversely affected.

(v) Overseas business growth
The Group extends into wide-ranging overseas activities including export of products, overseas procurement, local production overseas, etc. If a rapid change occurs in the political or economic situation overseas, or if foreign exchange market fluctuations occur beyond the anticipated scope, the performance of the Group may be adversely affected.

(vi) Acquisition of Talaris Topco Limited
As explained in "(1) Analysis of Operating Results," the Company's Board of Directors approved a resolution to acquire Talaris Topco Limited in February, 2012. Completion of the acquisition is subject to receipt of all regulatory clearances required under applicable laws in all relevant jurisdictions. If these clearances cannot be obtained, the Company will be unable to complete the acquisition. If this happens, the Group will be unable to accelerate the expansion of overseas

business or obtain the other benefits that are expected from this acquisition. Furthermore, even if the Company will be able to complete the acquisition, it may be unable to obtain the expected benefits or the benefits of the acquisition may take longer than expected to realize. Any of these events may have an adverse effect on, the business operations and performance of the Group.

2. Group Position

(1) Details of the Business

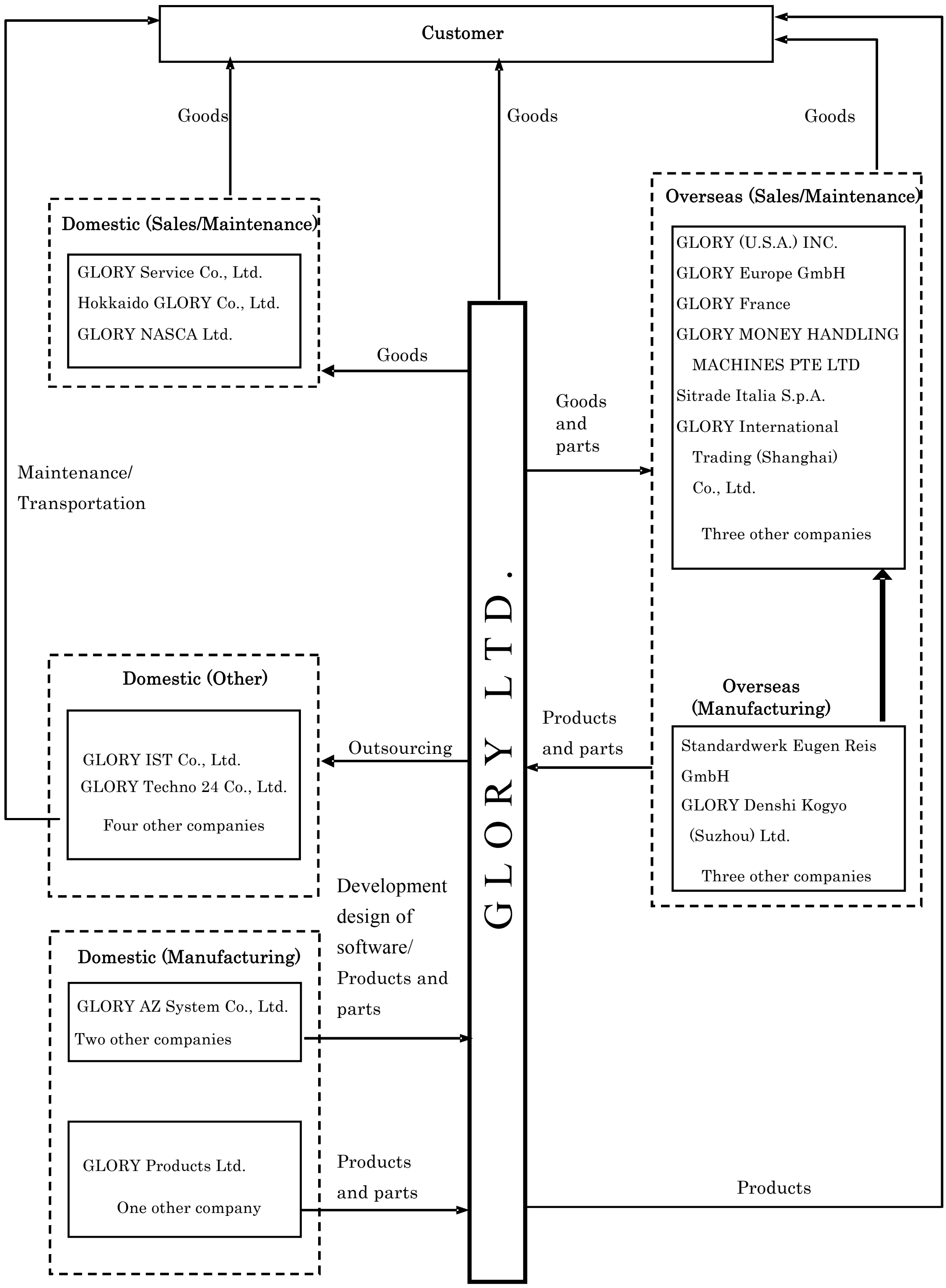
The GLORY Group ("Group") comprises GLORY LTD. (the "Company"), 27 subsidiaries and 1 affiliate, and as a top maker of money handling machines, is engaged primarily in manufacturing, sales, and maintenance services for money handling machines, cash management systems, vending machines and automatic service equipment.

The positions of the Company and key subsidiaries and affiliates involved in the Group business and their relations to the business divisions are as below.

		Financial market	Retail and transportation market	Amusement market	Overseas market
Domestic	GLORY LTD.	○	○	○	○
	GLORY Products Ltd.	○		○	
	GLORY Service Co., Ltd. (Note: 1)		○		
	Hokkaido GLORY Co., Ltd.	○	○		
	GLORY NASCA Ltd.			○	
Overseas	GLORY (U.S.A.) INC.				○
	.GLORY Europe GmbH				○
	Standardwerk Eugen Reis GmbH				○
	GLORY France (Note: 2)				○
	GLORY MONEY HANDLING MACHINES PTE LTD (Note: 2)				○
	GLORY Denshi Kogyo (Suzhou) Ltd.				○
	GLORY International Trading (Shanghai) Co., Ltd.			○	○
	Sitrade Italia S.p.A.				○

Notes: 1. GLORY Service Co., Ltd. merged GLORY F&C Co., Ltd. through a consolidation take-over on April 1, 2012.
2. GLORY France was included in the scope of consolidation starting with the first quarter of the fiscal year ended in March 2012 because of the increasing importance of overseas markets.

The following chart shows the group positions.



(2) Subsidiaries and Affiliates

Name	Address	Common stock or capital (millions of yen)	Primary business	Voting rights ratio	Details of relationship
Consolidated subsidiaries					
GLORY Products Ltd. (Note: 2)	Kanzaki-gun, Hyogo	80	Financial market Amusement market	100.0	Manufacturing of products of the Company. Leasing of land and buildings owned by the Company. Interlocking officers: yes
GLORY AZ System Co., Ltd.	Nishinomiya City, Hyogo	50	Financial market Others	100.0	Development and manufacturing of products of the Company. Interlocking officers: yes
GLORY Service Co., Ltd.	Kita-ku, Osaka	40	Retail and transportation market Others	100.0	Sales, maintenance and operation of coin-operated lockers of the Company. Leasing buildings owned by the Company. Interlocking officers: yes
Hokkaido GLORY Co., Ltd.	Chuo-ku, Sapporo	50	Financial market Retail and transportation market Others	100.0	Sales and maintenance of products of the Company in Hokkaido Prefecture. Interlocking officers: yes
GLORY IST Co., Ltd.	Koto-ku, Tokyo	20	Financial market Others	100.0	Transportation, delivery, installation of products of the Company. Interlocking officers: yes
GLORY NASCA Ltd. (Notes: 2, 6, 9)	Taito-ku, Tokyo	2,000	Amusement market	100.0	Sales and maintenance of amusement-related products of the Company. Leasing buildings owned by the Company. Leasing building to the Company. Interlocking officers: yes
GLORY Techno 24 Co., Ltd.	Chuo-ku, Osaka	30	Financial market Retail and transportation market	100.0	Maintenance of the products of the Company. Leasing buildings owned by the Company. Interlocking officers: yes

Name	Address	Common stock or capital	Primary business	Voting rights ratio	Details of relationship
Consolidated subsidiaries					
GLORY (U.S.A.) INC.	New Jersey, U.S.A.	Thousand US$ 5,000	Overseas market	100.0	Sales and maintenance of products of the Company in the US. Interlocking officers: yes
GLORY Europe GmbH	Frankfurt am Main, Germany	Thousand EURO 3,900	Overseas market	100.0	Sales and maintenance of products of the Company in Europe. Interlocking officers: yes
Standardwerk Eugen Reis GmbH (Note: 4)	Bruchsal, Germany	Thousand EURO 2,406	Overseas market	100.0 (100.0)	Development and manufacturing of money handling machines of the Company. Interlocking officers: yes
GLORY France (Note: 7)	Saint Nom La Breteche, France	Thousand EURO 400	Overseas market	66.7 (66.7)	Sales and maintenance of products of the Company in France. Interlocking officers: no
GLORY MONEY HANBLING MACHINES PTE LTD	Singapore	Thousand S$ 4,000	Overseas market	100.0	Sales, maintenance and parts procurement of products of the Company in Southeast Asia. Interlocking officers: yes
GLORY Denshi Kogyo (Suzhou) Ltd.	Jiangsu Province, China	Thousand US$ 4,200	Overseas market	100.0	Manufacturing and sales of products of the Company. Interlocking officers: yes
GLORY International Trading (Shanghai) Co., Ltd.	Shanghai, China	Thousand US$ 700	Overseas market	100.0	Sales and maintenance of products of the Company in China. Interlocking officers: yes
Sitrade Italia S.p.A.	Milano, Italy	Thousand EURO 620	Overseas market	51.0	Sales and maintenance of products of the Company in Italy. Interlocking officers: yes

Notes:
1. The applicable business segments are stated in the primary business column.
2. This company is a specified subsidiary.
3. There are no subsidiaries filing a security registration statement or securities report.
4. The voting rights ratio within parentheses indicates the indirectly held voting rights ratio.
5. Interlocking officers indicate whether or not executives or employees of the Company also serve as officers of subsidiaries or affiliates.
6. GLORY Service Co., Ltd. merged GLORY F&C Co., Ltd. through a consolidation take-over on April 1, 2012.
7. GLORY France was included in the scope of consolidation starting with the first quarter of the fiscal year ended in March 2012 because of the increasing importance of overseas markets.
8. The ratio of the net sales of GLORY NASCA Ltd. (excluding consolidated intercompany sales) to consolidated net sales exceeded 10%.

Significant profit and loss information

	GLORY NASCA Ltd.
(1) Net sales	24,262 million yen
(2) Ordinary income	1,565 million yen
(3) Net income	784 million yen
(4) Net assets	9,487 million yen
(5) Total assets	23,740 million yen

3. Management Policy

(1) Corporate Management Basic Policy

As its basic policy for management, activating the spirit and essence of its corporate philosophy to date, the GLORY Group (“Group”) has put in place the “Corporate Philosophy System,” and determined a Corporate Philosophy and Managerial Creed. Aiming at achieving the enhancement of corporate value as the overall the Group, we at the Group will pursue interests as a private company and social contributions as public instruments of society, meeting the expectations of customers through the expression of the personal character of each of our employees.

《Corporate Philosophy》
“We will contribute to the development of a more secure society through a striving spirit and cooperative efforts.”
—“Striving spirit” includes our desire that “we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible.” It represents the eternal origin of GLORY all through the ages, that we can do a great job only when we combine the “power of everyone” who shares the “striving spirit.”

《Managerial Creed》
・Though a spirit of continuous development, we will provide products and services our customers can rely on.
・We will build a vigorous corporate group through respect for the individual and teamwork.
・We will endeavor to act as a responsible corporate citizen and coexist harmoniously with society at-large.

《Corporate Statement》
“We Secure the Future”
—Turning thoughts into reality
—Securing the future through our technology

(2) Target Management Indices

The Group aims to enhance corporate value on the basis of good relationships with all stakeholders, and executes operations targeting improvement of the operating profit ratio and return on equity (ROE).

(3) Mid-to-long Term Management Strategies and Issues to be Addressed by the Company

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Long-Range Vision and Medium-Term Management Plan
The Group has created the Long-Range Vision 2018 to establish a framework for achieving the Group vision of “GLORY as the world’s top brand” as the Group approaches the 100th anniversary of its founding in 2018. The basic policies are as follows:

・Create new value through “superb manufacturing technique” and pursue dreams for the future
・Seek sustained corporate growth together with society through CSR activities

To achieve this long-range vision, the Group has started the 2014 Medium-Term Management Plan as an action plan for the period from April 2012 to March 2015, the first three-years leading up to 2018. In accordance with the basic principle of “Implement a growth strategy and strengthen profitability to achieve the long-range vision,” the Group is taking forceful actions involving three strategies: a Business Strategy, a Constitutional Strategy and a Corporate Management Strategy.
Major activities of each strategy are as follows.

(i)**Business Strategy**
The Group is implementing the following strategies in order to enable all businesses to grow faster.
The Domestic Business Strategy aims to improve the profitability of all business segments by aggressively entering markets where the Group does not have a presence, launching new products and taking other actions. Creating core products for the Group’s next phase of growth is another goal.
The Overseas Business Strategy aims to increase earnings by concentrating resources for implementing regional business strategies and enlarging the territory for direct sales and direct maintenance services.
The New Business Strategy aims to enlarge e-settlement services and commercialize biometric authentication technologies and speech privacy protection technologies.

(ii) **Constitutional Strategy**

The Group is implementing the following strategies in order to make each of company functions more competitive and more profitable.
The Product Development Strategy aims to reinforce product development capabilities by upgrading development skills for core technologies and creating platforms for these technologies as well as by increasing the use of the common units in many products.
The Production and Procurement Strategy aims to strengthen mother factory functions as well as to increase overseas production and procurement while enacting structural reforms for the cost of production in Japan.
The Quality Assurance Strategy aims to establish a quality assurance system for overseas operations.

(iii) **Corporate Management Strategy**

The Group is implementing the following strategies for the purpose of building a foundation that can support the Business Strategy and the Constitutional Strategy.
The Group Structure Strategy aims to realign the Group to match business operations, establish a more powerful governance system, including overseas, and make compliance management an even more integral part of the Group's operations.
The Personnel Strategy aims to strengthen the Group's human resources by using dynamic personnel management systems and training and fully utilizing employees.
The Capital and Financial Strategy aims to use strategic investments and other measures to use capital more efficiently as well as to distribute earnings to shareholders in an appropriate manner.

The examinations are under way in relevant countries regarding the regulatory clearances of acquisition of Talaris Topco Limited. It is not clear at this time when the clearances will be obtained, if all regulatory clearances are obtained and the acquisition is completed, the Company will takes actions to quickly realize the expected benefits from the integration of the Group and the Talaris Group.

(4) Other Important Matters Related to Company Management

Not applicable.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2011)	Current Fiscal Year (As of March 31, 2012)
ASSETS		
CURRENT ASSETS:		
Cash and deposits	33,706	42,332
Notes and accounts receivable-trade	29,794	34,842
Lease investment assets	2,756	2,904
Short-term investment securities	22,340	21,355
Merchandise and finished goods	14,359	12,932
Work in process	6,163	7,043
Raw materials and supplies	6,018	6,389
Deferred tax assets	4,331	4,095
Other	1,383	1,959
Allowance for doubtful accounts	(335)	(298)
Total current assets	120,520	133,556
NONCURRENT ASSETS:		
PROPERTY, PLANT AND EQUIPMENT:		
Buildings and structures	31,154	31,287
Accumulated depreciation	(17,976)	(18,908)
Buildings and structures, net	13,177	12,378
Machinery, equipment and vehicles	9,403	9,224
Accumulated depreciation	*1 (8,089)	*1 (7,912)
Machinery, equipment and vehicles, net	1,314	1,312
Tools, furniture and fixtures	49,033	50,965
Accumulated depreciation	*1 (41,532)	(44,038)
Tools, furniture and fixtures, net	7,501	6,926
Land	12,348	12,091
Construction in progress	112	890
Net property, plant and equipment	34,454	33,599
INTANGIBLE ASSETS:		
Software	3,696	3,842
Goodwill	4,238	3,006
Other	188	155
Total intangible assets	8,123	7,004
INVESTMENTS AND OTHER ASSETS:		
Investment securities	*2 19,476	*2 16,448
Deferred tax assets	5,555	4,070
Other	*2 11,484	10,592
Allowance for doubtful accounts	(1,594)	(27)
Total investments and other assets	34,921	31,084
TOTAL NONCURRENT ASSETS	77,499	71,688
TOTAL ASSETS	198,019	205,244

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2011)	Current Fiscal Year (As of March 31, 2012)
LIABILITIES		
CURRENT LIABILITIES:		
Notes and accounts payable-trade	13,362	15,984
Short-term loans payable	11,064	11,046
Income taxes payable	2,221	1,470
Provision for bonuses	3,903	3,839
Provision for directors' bonuses	80	77
Provision for loss on guarantees	187	16
Provision for loss on cancellation of lease	103	44
Other	9,522	12,187
Total current liabilities	40,445	44,668
NONCURRENT LIABILITIES:		
Lease obligations	1,473	1,546
Provision for retirement benefits	3,293	2,902
Other	3,026	2,792
TOTAL NONCURRENT LIABILITIES	7,792	7,242
Total liabilities	48,238	51,910
NET ASSETS:		
Shareholders’ equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	122,267	125,858
Treasury stock	(5,815)	(5,815)
Total shareholders’ equity	149,974	153,565
VALUATION AND TRANSLATION ADJUSTMENTS:		
Valuation difference on available-for-sale securities	(312)	(206)
Foreign currency translation adjustment	(1,176)	(1,468)
Total valuation and translation adjustments	(1,489)	(1,674)
Minority interests	1,295	1,441
TOTAL NET ASSETS	149,781	153,333
TOTAL LIABILITIES AND NET ASSETS	198,019	205,244

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
NET SALES	*1 138,964	*1 146,937
COST OF SALES	*2, *4 86,757	*2, *4 92,672
Gross profit	52,207	54,264
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	*3, *4 41,883	*3, *4 42,990
Operating income	10,323	11,274
NON-OPERATING INCOME:		
Interest income	365	347
Dividends income	427	293
Insurance return	201	256
Other	323	327
Non-operating income-net	1,318	1,225
NON-OPERATING EXPENSES:		
Interest expenses	180	164
Commission for bridging loan	—	195
Foreign exchange losses	326	78
Other	106	154
Non-operating expenses-net	613	592
Ordinary income	11,028	11,908
EXTRAORDINARY INCOME:		
Gain on sales of noncurrent assets	*5 147	*5 10
Reversal of allowance for doubtful accounts	101	—
Gain on sale of investment securities	—	223
Reversal of provision for loss on cancellation of lease contracts	62	—
Other	93	7
Total extraordinary income	405	241
EXTRAORDINARY LOSS:		
Loss on sales of noncurrent assets	*6 30	*6 29
Loss on retirement of noncurrent assets	*7 166	*7 155
Loss on valuation of investment securities	240	40
Retirement benefit expenses	257	—
Impairment loss	358	224
Other	252	57
Total extraordinary loss	1,306	507
INCOME BEFORE INCOME TAXES	10,127	11,642
Income taxes-current	3,522	3,331
Income taxes-deferred	330	1,613
Total income taxes	3,852	4,945
Income before minority interests	6,274	6,696
MINORITY INTERESTS IN INCOME	45	449
NET INCOME	6,229	6,246

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
Income before minority interests	6,274	6,696
OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	(147)	106
Foreign currency translation adjustment	(776)	(424)
Total other comprehensive income	(924)	(318)
COMPREHENSIVE INCOME	5,350	6,378
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	5,376	6,061
Comprehensive income attributable to minority interests	(25)	316

(3) Consolidated Statements of Changes in Equity

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
Shareholders’ equity		
Capital stock		
Balance at the beginning of current period	12,892	12,892
Changes of items during the year		
Total changes of items during the year	—	—
Balance at the end of current period	12,892	12,892
Capital surplus		
Balance at the beginning of current period	20,629	20,629
Changes of items during the year		
Total changes of items during the year	—	—
Balance at the end of current period	20,629	20,629
Retained earnings		
Balance at the beginning of current period	120,636	122,267
Changes of items during the year		
Dividends from surplus	(2,233)	(2,627)
Net income	6,229	6,246
Disposal of treasury stock	(2,365)	—
Change of scope of consolidation	—	(27)
Total changes of items during the year	1,630	3,591
Balance at the end of current period	122,267	125,858
Treasury stock		
Balance at the beginning of current period	(8,178)	(5,815)
Changes of items during the year		
Purchase of treasury stock	(2)	(0)
Disposal of treasury stock	2,365	—
Total changes of items during the year	2,363	(0)
Balance at the end of current period	(5,815)	(5,815)
Total shareholders’ equity		
Balance at the beginning of current period	145,981	149,974
Changes of items during the year		
Dividends from surplus	(2,233)	(2,627)
Net income	6,229	6,246
Purchase of treasury stock	(2)	(0)
Disposal of treasury stock	0	—
Change of scope of consolidation	—	(27)
Total changes of items during the year	3,993	3,591
Balance, as of the end of current fiscal year	149,974	153,565

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(165)	(312)
Changes of items during the year		
Net changes of items other than shareholders' equity	(147)	106
Total changes of items during the year	(147)	106
Balance at the end of current period	(312)	(206)
Foreign currency translation adjustment		
Balance at the beginning of current period	(470)	(1176)
Changes of items during the year		
Net changes of items other than shareholders' equity	(706)	(291)
Total changes of items during the year	(706)	(291)
Balance, as of the end of current fiscal year	(1,176)	(1,468)
Total valuation and translation adjustments		
Balance at the beginning of current period	(635)	(1,489)
Changes of items during the year		
Net changes of items other than shareholders' equity	(853)	(185)
Total changes of items during the year	(853)	(185)
Balance at the end of current period	(1,489)	(1,674)
Minority interests		
Balance, as of the end of previous fiscal year	—	1,295
Changes of items during the year		
Dividends from surplus	—	(241)
Net changes of items other than shareholders' equity	1,295	387
Total changes of items during the year	1,295	146
Balance at the end of current period	1,295	1441
Total net assets		
Balance at the beginning of current period	145,345	149,781
Changes of items during the year		
Dividends from surplus	(2,233)	(2,869)
Net income	6,229	6,246
Purchase of treasury stock	(2)	(0)
Disposal of treasury stock	0	—
Change of scope of consolidation	—	(27)
Net changes of items other than shareholders' equity	442	202
Total changes of items during the year	4,436	3,551
Balance, as of the end of current fiscal year	149,781	153,333

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011to March 31, 2012)
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	10,127	11,642
Depreciation and amortization	6,717	6,842
Impairment loss	358	224
Amortization of goodwill	842	1,076
Increase (decrease) in allowance for doubtful accounts	(604)	(1,594)
Increase (decrease) in provision for retirement benefits	97	(390)
Increase (decrease) in provision for bonuses	278	(63)
Increase (decrease) in provision for loss on guarantees	(30)	(170)
Increase (decrease) in provision for loss on cancellation of lease contracts	(105)	(58)
Loss (gain) on sales of investment securities	28	(192)
Loss (gain) on valuation of investment securities	240	40
Interest and dividends income	(793)	(641)
Interest expenses	180	164
Loss on retirement of noncurrent assets	166	155
Decrease (increase) in notes and accounts receivable-trade	1,355	(5,170)
Decrease (increase) in inventories	(3,171)	(1,810)
Increase (decrease) in notes and accounts payable-trade	348	2,745
Increase (decrease) in lease obligations	(517)	238
Decrease (increase) in lease investment assets	309	(147)
Increase (decrease) in accounts payable-other	(750)	1,285
Decrease (increase) in consumption taxes receivable/payable	(317)	(5)
Other	(2,894)	123
Subtotal	11,865	14,293
Interest and dividend income received	778	656
Interest expenses paid	(184)	(164)
Income taxes (paid) refund	(3,112)	(3,767)
Net cash provided by operating activities	9,346	11,018
INVESTING ACTIVITIES:		
Payments into time deposits	(283)	(270))
Proceeds from withdrawal of time deposits	270	1,086
Purchase of property, plant and equipment	(3,116)	(3,228)
Proceeds from sales of property, plant and equipment	953	69
Purchase of intangible assets	(1,340)	(1,054)
Purchase of investment securities	(6,633)	(1,520)
Proceeds from sales and redemption of securities	4,625	2,873
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,168)	—
Purchase of investments in subsidiaries	(3)	(188)
Other	161	(198)
Net cash used in investment activities	(7,535)	(2,429)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
FINANCING ACTIVITIES:		
Net increase (decrease) in short-term loans payable	218	109
Repayments of long-term loans payable	(242)	—
Cash dividends paid	(2,232)	(2,628)
Cash dividends paid to minority shareholders	—	(241)
Other	((2)	(0)
Net cash used in financing activities	(2,259)	(2,761)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(415)	(212)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(863)	5,615
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	53,651	52,788
Increase in cash and cash equivalents from newly consolidated subsidiary	—	27
CASH AND CASH EQUIVALENTS, END OF YEAR	52,788	58,430

(5) Notes Relating to Assumption as a Going Concern

Not applicable.

(6) Additional Information

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
(Change of calculation method by consolidated subsidiaries for retirement benefit obligations under retirement lump-sum payment systems) Harima GLORY Ltd. and GLORY TEC Ltd., former consolidated subsidiaries of the Company, changed the calculation method for retirement benefit obligations under their retirement lump-sum payment system, from the simplified method to the principle method. This change was made because these two subsidiaries became subject to the principle method in connection with their absorption into GLORY Products Ltd. (former GLORY Kiki Co., Ltd.) via merger. As a result of this change, the difference between these two methods of ¥257 million was recorded as an extraordinary loss in this current fiscal year.	(Adoption of accounting standard, etc. concerning accounting changes and error corrections) The Group adopted “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) with respect to accounting changes and prior period error corrections as of the beginning of the first quarter ended June 30, 2011.
(Accounting standard concerning presentation of comprehensive income) Commencing this current fiscal year, GLORY and its consolidated subsidiaries applied "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, June 30, 2010). However, prior consolidated fiscal year amounts for “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” are stated as “Valuation and translation adjustments” and “Total valuation and translation adjustments.”	―――

(7) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheets)

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
*1 The following are for non-consolidated subsidiaries and affiliates. (Millions of yen) Investment securities (stock) 935 Investment and other assets (other) 28 (Investments in capital)	*1 The following are for non-consolidated subsidiaries and affiliates. (Millions of yen) Investment securities (stock) 1,105 Investment and other assets (other) – (Investments in capital)
2 Contingent liabilities (1) Guarantees of employee loans (residential loans): 64 million yen (2) Guarantees of customer lease obligations: 2,124 million yen	2 Contingent liabilities (1) Guarantees of employee loans (residential loans): 58 million yen (2) Guarantees of customer lease obligations: 1,692 million yen

(Notes to Consolidated Statements of Income)

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)		Current Fiscal Year (from April 1, 2011 to March 31, 2012)	
*1 The breakdown of net sales is below.		*1 The breakdown of net sales is below.	
	Millions of yen		Millions of yen
Merchandise and finished goods	106,872	Merchandise and finished goods	112,993
Maintenance	32,092	Maintenance	33,944
Total	138,964	Total	146,937
*2 The breakdown of cost of sales is below.		*2 The breakdown of cost of sales is below.	
	Millions of yen		Millions of yen
Merchandise and finished goods	70,445	Merchandise and finished goods	75,515
Maintenance	16,312	Maintenance	17,157
Total	86,757	Total	92,672
*3 Selling, general and administrative expenses primarily consisted of the below expense accounts.		*3 Selling, general and administrative expenses primarily consisted of the below expense accounts.	
	Millions of yen		Millions of yen
Salaries and allowances	12,190	Salaries and allowances	12,659
Bonuses	1,546	Bonuses	1,608
Provision for bonuses	1,761	Provision for bonuses	1,537
Provision for retirement benefits	1,122	Provision for retirement benefits	1,197
Depreciation and amortization	2,271	Depreciation and amortization	2,342
Rent expenses	3,730	Rent expenses	3,764
*4 R&D expenses included in general and administrative expenses and current manufacturing expenses	8,998 million yen	*4 R&D expenses included in general and administrative expenses and current manufacturing expenses	9,934 million yen
*5 The breakdown of gain on sales of noncurrent assets is below.		*5 The breakdown of gain on sales of noncurrent assets is below.	
	Millions of yen		Millions of yen
Buildings and structures	28	Buildings and structures	0
Machinery, equipment and vehicles	4	Machinery, equipment and vehicles	5
Tool, furniture and fixtures	11	Tool, furniture and fixtures	3
Land	102	Land	0
"Other" investments and other assets	0	"Other" investments and other assets	0
Total	147	Total	10
*6 The breakdown of loss on sales of noncurrent assets is below.		*6 The breakdown of loss on sales of noncurrent assets is below.	
	Millions of yen		Millions of yen
Buildings and structures	18	Buildings and structures	0
Machinery, equipment and vehicles	3	Machinery, equipment and vehicles	7
Tools, furniture and fixtures	0	Tools, furniture and fixtures	17
Land	7	Land	0
Total	30	Software	2
		"Other" investments and other assets	0
		Total	29
*7 The breakdown of loss on retirement of noncurrent assets is below.		*7 The breakdown of loss on retirement of noncurrent assets is below.	
	Millions of yen		Millions of yen
Buildings and structures	80	Buildings and structures	27
Machinery, equipment and vehicles	9	Machinery, equipment and vehicles	19
Tools, furniture and fixtures	67	Tools, furniture and fixtures	88
"Other" investments and other assets	8	Software	19
Total	166	Total	155

(Notes to Consolidated Statement of Changes in Equity)

Previous fiscal year (from April 1, 2010 to March 31, 2011)

1. Matters concerning class and total number of issued shares, and class and number of treasury shares.

	Number of shares as of the end of the previous fiscal year (Shares)	Number of shares increased in the current fiscal year (Shares)	Number of shares decreased in the current fiscal year (Shares)	Number of shares as of the end of the current fiscal year (Shares)
Issued shares				
Common stock (Notes: 1)	69,838,210	―	1,200,000	68,638,210
Total	69,838,210	―	1,200,000	68,638,210
Treasury stock				
Common stock (Notes: 1,2)	4,149,280	1,026	1,200,000	2,950,306
Total	4,149,280	1,026	1,200,000	2,950,306

Notes: 1. Decrease in number of issued shares of common stock of 1,200,000 shares is due to the retirement of treasury stock based on a resolution adopted by the Board of Directors Meeting.

2. Increase in treasury stock of common stock of 1,026 shares is due to the purchase of odd-lot shares.

2. Dividends

(1) Amount of dividend payments

(Resolution)	Class of stock	Total dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 25, 2010	Common stock	1,116	17	March 31, 2010	June 28, 2010
Board of Directors Meeting November 11, 2010	Common stock	1,116	17	September 30, 2010	December 6, 2010

(2) Dividend for which record date is in the current fiscal year with effective date in the following fiscal year.

Resolution	Class of stock	Total dividend (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 24, 2011	Common stock	1,313	Retained earnings	20	March 31, 2011	June 27, 2010

Current fiscal year (from April 1, 2011 to March 31, 2012)

1. Matters concerning class and total number of issued shares, and class and number of treasury shares.

	Number of shares as of the end of the previous fiscal year (Shares)	Number of shares increased in the current fiscal year (Shares)	Number of shares decreased in the current fiscal year (Shares)	Number of shares as of the end of the current fiscal year (Shares)
Issued shares				
Common stock	68,638,210	―	―	68,638,210
Total	68,638,210	―	―	68,638,210
Treasury stock				
Common stock (Note)	2,950,306	144	―	2,950,450
Total	2,950,306	144	―	2,950,450

Note: Increase in treasury stock of common stock of 1,026 shares is due to the purchase of odd-lot shares.

2. Dividends

(1) Amount of dividend payments

(Resolution)	Class of stock	Total dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 24, 2011	Common stock	1,313	20	March 31, 2011	June 27, 2011
Board of Directors Meeting November 4, 2011	Common stock	1,313	20	September 30, 2011	December 5, 2011

(2) Dividend for which record date is in the current fiscal year with effective date in the following fiscal year.

Resolution	Class of stock	Total dividend (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 22, 2012	Common stock	1,445	Retained earnings	22	March 31, 2012	June 25, 2012

(Segment Information)

a. Segment information

1. Summary of reportable business segments

The Company's reportable business segments are based on those units within the Company where separate financial information is available and where the Board of Directors periodically reviews matters such as the distribution of management resources and financial performance.

The Group operates business activities after formulating comprehensive strategies for the products and services in each market. Accordingly, the Group is comprised of market-specific segments and has established the "Financial market," "Retail and transportation market," "Amusement market," and "Overseas market," as its four reportable business segments.

A summary of each reportable business segment is as follows:

(Financial market)

Sales and maintenance services to domestic financial institutions, Japan Post Bank, OEM clients, and others.

(Retail and transportation market)

Sales and maintenance services to domestic supermarkets, department stores, cash-in-transit companies, railroad companies, and others.

(Amusement market)

Sales and maintenance services to domestic amusement halls (pachinko parlors, etc.).

(Overseas market)

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

2. Calculation method of sales, income (loss), assets, liabilities and other items by reportable business segment

Income by reportable business segment is operating income.

3. Information on sales, income (loss), assets, liabilities and other items by reportable business segment

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other (Note: 1)	Total	Adjustment	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales (1) Sales to customers	46,936	26,666	24,161	28,753	126,518	12,446	138,964	–	138,964
(2) Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	46,936	26,666	24,161	28,753	126,518	12,446	138,964	–	138,964
Segment operating income (Note: 2)	5,586	2,292	824	1,349	10,054	269	10,323	–	10,323
Segment assets (Note: 3)	47,763	32,742	33,547	36,458	150,512	13,800	164,313	33,706	198,019
Others (1) Depreciation (Note: 4)	1,690	1,247	1,861	1,350	6,150	566	6,717	–	6,717
(2) Increase of property, plant and equipment and intangible assets (Note: 5)	1,416	1,115	2,125	4,310	8,966	482	9,449	–	9,449

Notes: 1. "Other" segments consists of business segments not included in reportable business segments including sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

2. All operating expenses are either directly charged or allocated to the segments.

3. The adjustment of ¥33,706 million is surplus funds (cash and deposits).
4. Depreciation does not include amortization of goodwill.
5. Increase of property, plant and equipment and intangible assets include increase in long-term prepaid expenses.

Current Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other (Note: 1)	Total	Adjustment	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales (1) Sales to customers	44,191	28,566	24,811	35,306	132,875	14,062	146,937	—	146,937
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	44,191	28,566	24,811	35,306	132,875	14,062	146,937	—	146,937
Segment operating income (Note: 2)	3,954	3,695	2,039	1,837	11,527	(253)	11,274	—	11,274
Segment assets (Note: 3)	49,207	35,530	26,063	34,283	145,084	17,827	162,911	42,332	205,244
Others (1) Depreciation (Note: 4)	1,866	1,201	1,813	1,291	6,172	669	6,842	—	6,842
(2) Increase of property, plant and equipment and intangible assets (Note: 5)	1,815	1,177	1,724	1,337	6,054	653	6,708	—	6,708

Notes: 1. "Other" segments consists of business segments not included in reportable business segments including sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.
2. All operating expenses are either directly charged or allocated to the segments.
3. The adjustment of ¥42,332 million is surplus funds (cash and deposits).
4. Depreciation does not include amortization of goodwill.
5. Increase of property, plant and equipment and intangible assets include increase in long-term prepaid expenses.

b. Relative information

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)

1. Products and services information

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total
Sales to customers	89,096	31,237	18,631	138,964

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia/Oceania	Americas	Europe	Total
110,211	8,054	5,988	14,710	138,964

Note: Sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major customers

Information by major customers is not shown since outside sales for major customers accounted for less than 10% of operating revenue on the consolidated statements of income.

Current Fiscal Year (from April 1, 2011 to March 31, 2012)

1. Products and services information

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total
Sales to customers	92,651	33,911	20,375	146,937

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia/Oceania	Americas	Europe	Total
111,631	10,477	8,493	16,335	146,937

Note: Sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major customers

Information by major customers is not shown since outside sales for major customers accounted for less than 10% of operating revenue on the consolidated statements of income.

c. Information on impairment loss in noncurrent assets by reportable business segment

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss	—	—	—	—	—	358	358	—	358

(Note) The amount of “Other” is primarily for assets utilized in the golf business.

Current Fiscal Year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable business segments					Other (Note)	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss	—	—	—	—	—			—	224

Note: The impairment loss of ¥224 million relates to idle assets and was not allocated to any reportable business segment.

d. Information on amortization of goodwill and unamortized balance by reportable business segment

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill	—	—	657	185	842	—	842	—	842
Balance at end of period	—	—	1,529	2,708	4,238	—	4,238	—	4,238

Current Fiscal Year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable business segments					Other	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill	—	—	657	419	1,076	—	1,076	—	1,076
Balance at end of period	—	—	872	2,133	3,006	—	3,006	—	3,006

e. Information on negative goodwill by reportable business segment

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)

Not applicable.

Current Fiscal Year (from April 1, 2011 to March 31, 2012)

Not applicable.

(Notes to Tax Effect Accounting)

Previous Fiscal Year (March 31, 2011)

1. Breakdown by major item for causes of deferred tax assets and deferred tax liabilities

	(Millions of yen)
Deferred tax assets	
Retirement benefits, currently not deductible	2,912
Provision for bonuses	1,571
Research and development expenses	1,023
Asset adjustment account	893
Allowance for doubtful accounts	628
Excess depreciation	615
Unrealized gain elimination equivalent	466
Inventories	271
Loss on valuation of investment securities	197
Other	2,701
Deferred tax assets subtotal	11,280
Valuation reserve	(1,230)
Deferred tax assets total	10,049
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(96)
Other	(66)
Total deferred tax liabilities	(163)
Net deferred tax assets	9,886

2. Breakdown by major item for causes of material differences between the normal effective statutory tax rate and the actual tax rate after application of tax effect accounting

	(%)
Normal effective statutory tax rate	40.6
Adjustments:	
Permanent differences such as entertainment expenses	2.1
Special deduction from income taxes such as research costs	(7.1)
Amortized goodwill	3.4
Other	(0.9)
Actual effective tax rate after application of tax effect accounting	38.0

Current Fiscal Year (March 31, 2012)

1. Breakdown by major item for causes of deferred tax assets and deferred tax liabilities

	(Millions of yen)
Deferred tax assets	
Retirement benefits, currently not deductible	2,293
Provision for bonuses	1,444
Research and development expenses	980
Excess depreciation	540
Unrealized gain elimination equivalent	479
Asset adjustment account	477
Inventories	228
Loss on valuation of investment securities	166
Allowance for doubtful accounts	76
Other	3,005
Deferred tax assets subtotal	9,694
Valuation reserve	(1,344)
Deferred tax assets total	8,349
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(140)
Other	(43)
Total deferred tax liabilities	(183)
Net deferred tax assets	8,165

2. Breakdown by major item for causes of material differences between the normal effective statutory tax rate and the actual tax rate after application of tax effect accounting

	(%)
Normal effective statutory tax rate	40.6
Adjustments:	
Permanent differences such as entertainment expenses	2.5
Dividends income excluded from taxable income	(2.3)
Special deduction from income taxes such as research costs	(5.4)
Amortized goodwill	3.8
Adjusting reduction in year-end deferred tax assets due to change in tax rates	6.4
Tax rate differences with consolidated subsidiaries	(3.8)
Other	0.7
Actual effective tax rate after application of tax effect accounting	42.5

3. Adjustments to deferred tax assets and deferred tax liabilities due to changes in corporate tax rates

Starting with fiscal years beginning on or after April 1, 2012, corporate tax rates will be lowered and special reconstruction corporate taxes will be applied as the result of the issuance on December 2, 2011, of the Act for Partial Revision of the Income Tax Act., etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures (Act No. 114 of 2011) and the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake (Act No. 117 of 2011). The statutory corporate tax rate used to calculate deferred tax assets and deferred tax liabilities has been lowered from the previous 40.6% to 38.0% for temporary differences expected to reverse from the fiscal year beginning April 1, 2012 through the fiscal year beginning April 1, 2014, and to 35.6% for temporary differences expected to reverse for fiscal years

beginning on or after April 1, 2015. Due to these changes, there was a decrease of ¥766 million in net deferred tax assets (after subtraction of deferred tax liabilities) and a ¥750 million increase in income taxes-deferred.
Furthermore, starting with fiscal years beginning on or after April 1, 2012, deductions of loss carry forward amounts are limited to 80% of taxable income before such deductions. Due to this change, deferred tax assets decreased by ¥3 million and income taxes-deferred increased by ¥3 million

(Notes to Retirement Benefit System)

1. Outline of retirement benefit system the Company has adopted

GLORY LTD. (the Company) and its domestic consolidated subsidiaries have adopted, as defined benefit plans, the fund-type defined benefit corporate pension system, the contract-type defined benefit corporate pension system, the qualified retirement pension system, and the retirement lump-sum payment system. As to the fund-type defined benefit corporate pension system, as of October 1, 2006, the pension benefit rate was reduced and changed to the quasi-cash balance system. Upon retirement of an employee, additional retirement payments which are not subject to retirement benefit obligations by actuarial calculations in accordance with the retirement benefit accounting may be paid.

Although the Company adopted the qualified retirement pension system in March 1967, taking advantage of the merger with GLORY Shoji Co., Ltd. as of October 1, 2006, it changed to the contract-type corporate pension system in accordance with the Defined Benefit Corporate Pension Law, and introduced a quasi-cash balance system upon reducing the pension benefit rate. In addition, as of November 30, 2007, the Company set up a retirement benefit trust for the fund-type defined benefit corporate pension system and the retirement lump-sum payment system. In addition, as of June 1, 2009, the Company integrated the retirement lump-sum payment system with the fund-type defined benefit corporate pension system.

As of the end of current fiscal year, our consolidated subsidiaries have retirement lump-sum payment systems for two companies, one association-type fund for the fund-type defined benefit corporate pension system, one contract-type defined benefit corporate pension plan, and three qualified retirement pension plans.

2. Matters related to retirement benefit obligations

(Millions of yen)

		Previous Fiscal Year (March 31, 2010)	Current Fiscal Year (March 31, 2011)
(1)	Retirement benefit obligations	(34,414)	(34,997)
(2)	Pension assets (including retirement benefit trust)	28,677	30,909
(3)	Unreserved retirement benefit obligations (1) + (2)	(5,736)	(4,088)
(4)	Unrecognized actuarial differences	5,130	3,909
(5)	Unrecognized past service costs (Note 2)	(1,959)	(1,639)
(6)	Net consolidated balance sheet amount (3) + (4) + (5)	(2,565)	(1,818)
(7)	Prepaid pension costs	727	1,084
(8)	Provision for retirement benefits (6) - (7)	(3,293)	(2,902)

Previous Fiscal Year (As of March 31, 2011)	Current Fiscal Year (As of March 31, 2012)
Notes: 1. Some consolidated subsidiaries adopt the simplified method for calculation of retirement benefit obligations.	Notes: 1. Same as left
2. Due to system changes reducing pension benefit levels for the contract-type defined benefit corporate pension and fund-type defined benefit corporate pension of the Company and some consolidated subsidiaries, past service costs have been accrued (a decrease in liabilities).	2. Same as left

3. Matters related to retirement benefit expenses

(Millions of yen)

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
(1) Service costs (Note 1,2)	1,694	1,727
(2) Interest costs	653	686
(3) Expected return	－	－
(4) Amortized actuarial differences	764	779
(5) Amortized past service costs	(324)	(285)
(6) Retirement benefit expenses (1) + (2) + (3) + (4) + (5)	2,788	2,908
(7) Expense associated with the change from the simplified method to the principle method	257	－
Total	3,046	2,908

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
Notes: 1. Employees' contribution amounts to the corporate pension funds are deducted.	Notes: 1. Same as left
2. Retirement benefit expenses of consolidated subsidiaries that have adopted the simplified method are presented in (1) Service costs.	2. Same as left

4. Matters related to basis for calculation of retirement benefit obligations

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
(1) Periodic allocation method of projected retirement benefit amount	Straight-line method	Same as left
(2) Discount rate (%)	2.0	Same as left
(3) Expected return rate (%)	0.0	Same as left
(4) Number of years for amortization of past service costs	15 years (amortized by the declining-balance method over a certain period within the average remaining term of employee service as of the year in which the gain or loss is recognized.)	Same as left
(5) Number of years of amortization for actuarial differences	15 years (amortized in the year following the year in which the gain or loss is recognized by the declining-balance method over a certain period within the average remaining term of employee service.)	Same as left

(Per Share Information)

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
Net assets per share 2,260.47 yen Net income per share 94.83 yen Diluted net income per share is not disclosed because dilutive shares are not issued.	Net assets per share 2,312.33 yen Net income per share 95.09 yen Same as left

Note: The basis for calculation of the net income per share amount is shown below.

	Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
Net income per share		
Net income (Millions of yen)	6,229	6,246
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income pertaining to common stock (Millions of yen)	6,229	6,246
Average number of shares during the fiscal year (Shares)	65,688,322	65,687,834

(Significant Subsequent Events)

Previous Fiscal Year (from April 1, 2010 to March 31, 2011)	Current Fiscal Year (from April 1, 2011 to March 31, 2012)
(Transactions under common control) GLORY NASCA Ltd. and CREATION CARD CO., LTD., which were consolidated subsidiaries, merged as of April 1, 2011. 1. Names and business descriptions of the companies subject to the business combination, legal form of the business combination, company name after the business combination, and overview of the business combination including purpose of such transaction (1) Names and business descriptions of the companies subject to the business combination (i) Names of the companies subject to the business combination GLORY NASCA Ltd. and CREATION CARD CO., LTD., (ii) Business descriptions GLORY NASCA Ltd.: Sales and maintenance of amusement card system and amusement-related equipment. CREATION CARD CO., LTD.: Sales and maintenance of amusement card system and amusement-related equipment. (2) Legal form of the business combination The merger was conducted in the form of an absorption-type merger after which GLORY NASCA Ltd. became the surviving company and CREATION CARD CO., LTD. was dissolved. (3) Name of the company after the business combination GLORY NASCA Ltd. (4) Overview of the business combination including purpose of such transaction (i) Purpose of the merger To expand and strengthen the amusement market segment. (ii) Effective date of the merger April 1, 2011 (iii) Merger ratio As the two companies are were wholly-owned subsidiaries, there was no agreement regarding the merger ratio. 2. Accounting treatment Accounting treatment is based on “Accounting Standard for Business Combinations” and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” as a transaction under common control.	(Transactions under common control) GLORY Service Co., Ltd., a consolidated subsidiary, and GLORY F&C Co., Ltd., a non-consolidated subsidiary, merged on April 1, 2012. 1. Names and business descriptions of the companies subject to the business combination, legal form of the business combination, company name after the business combination, and overview of the business combination including purpose of such transaction (1) Names and business descriptions of the companies subject to the business combination (i) Names of the companies subject to the business combination GLORY Service Co., Ltd. and GLORY F&C Co., Ltd. (ii) Business descriptions GLORY Service Co., Ltd.: Sales, maintenance and operation of coin-operated lockers manufactured by the Company. GLORY F&C Co., Ltd.: Sales of card system equipment, ticket vending machines, etc. (2) Legal form of the business combination The merger was conducted in the form of an absorption-type merger after which GLORY Service Co., Ltd. became the surviving company and GLORY F&C Co., Ltd. was dissolved. (3) Name of the company after the business combination GLORY Service Co., Ltd. (4) Overview of the business combination including purpose of such transaction (i) Purpose of the merger To strengthen and improve the efficiency of business activities in the leisure market and employee cafeteria market. (ii) Effective date of the merger April 1, 2012 (iii) Merger ratio As the two companies are were wholly-owned subsidiaries, there was no agreement regarding the merger ratio. 2. Accounting treatment Accounting treatment is based on “Accounting Standard for Business Combinations” and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” as a transaction under common control.