

Consolidated Financial Results

for the Third Quarter of Fiscal Year Ending March 31, 2013 <Japanese GAAP>

February 5, 2013

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Scheduled filing date of Quarterly Security Report: February 13, 2013
 Scheduled date of dividend payments: —
 Quarterly earnings supplementary explanatory material: Yes
 Quarterly earnings presentation: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2012 (from April 1, 2012 to December 31, 2012)

(1) Consolidated Operating Results (cumulative)

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

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Nine months ended December 31, 2012	126,974	22.6	8,571	17.1	9,208	19.5
Nine months ended December 31, 2011	103,579	4.1	7,320	(1.1)	7,706	(1.0)

(Note) Comprehensive income

Nine months ended December 31, 2012: 12,602 million yen [248.6 %]

Nine months ended December 31, 2011: 3,614 million yen [(5.8) %]

	Net income		Net income per share	Fully diluted net income per share
	(Millions of yen)	(%)	(Yen)	(Yen)
Nine months ended December 31, 2012	4,971	36.4	75.69	—
Nine months ended December 31, 2011	3,646	(17.6)	55.51	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2012	308,588	162,964	52.3	2,458.68
As of March 31, 2012	205,244	153,333	74.0	2,312.33

(Reference) Ownership equity

As of December 31, 2012: ¥161,504 million

As of March 31, 2012: ¥151,891 million

2. Dividends

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2012	—	20.00	—	22.00	42.00
Year ending March 31, 2013	—	21.00	—		
Year ending March 31, 2013 (forecast)				21.00	42.00

(Note) Revisions to the latest dividend forecast: None

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 corresponding period of the previous 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)
Full Year	185,000	25.9	14,500	28.6	13,500	13.4	7,500	20.1	114.18

(Note) Revisions to the latest consolidated financial forecast: None

Notes:

(1) Changes in significant subsidiaries during the quarter (changes in specified subsidiaries involving a change in the scope of consolidation): Yes

Newly consolidated: 5 companies; GLORY Global Solutions Ltd.

Talaris Topco Limited

Talaris Midco Limited

Talaris Holdings Limited

Talaris Limited

Exclusion: None

(Note) For more information, please refer to "2. Supplementary Information on the "Notes", (1) Changes in Significant Subsidiaries During the Period" on page 5 of the Attachment.

(2) Application of accounting methods specific to preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and estimates, and restatement

(a) Changes in accounting policies associated with a revision of accounting standards, etc.: Yes

(b) Changes in accounting policies other than (a): None

(c) Changes in accounting estimates: Yes

(d) Restatements: None

(Note) The changes in the method used for depreciation starting with the first quarter of the current fiscal year falls under "a case where it is difficult to make a distinction between changes in an accounting policy and changes in an accounting estimate" as provided for under a relevant regulation. For more information, please refer to "2. Supplementary Information on the "Notes", (3) Changes in Accounting Policies and Estimates, Restatement" on page 5 of the Attachment.

(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 December 31, 2012: 68,638,210 shares

As of March 31, 2012: 68,638,210 shares

(b) Number of treasury shares at the end of the period

As of December 31, 2012: 2,950,731 shares

As of March 31, 2012: 2,950,450 shares

(c) Average number of shares

Nine months ended December 31, 2012: 65,687,640 shares

Nine months ended December 31, 2011: 65,687,858 shares

(Note) Status of implementation of quarterly review procedures

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

(Note) 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, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors.

Attachment

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1. Qualitative Information on the Financial Statements

Consolidated Operating Results

In the nine months ended December 31, 2012, the Japanese economy showed positive signs including the shift to a weaker yen and the recovery of stock prices thanks to expectations for the easy monetary policy in the wake of the change of government at the end of 2012, in addition to active demand associated with recovery activities following the Great East Japan Earthquake. However, the economic outlook is still unclear because of continued concerns over stagnation in consumer spending, slowing global economic growth due to the prolonged European debt problem and other factors. Despite the difficult environment, in this first year of the three-year 2014 Medium-Term Management Plan that started in April 2012, the GLORY Group has implemented the Business Strategy, the Constitutional Strategy and the Corporate Management Strategy based on the plan's basic principle: Implement a growth strategy and strengthen profitability to achieve the Long-Range Vision 2018. Further, GLORY completed the acquisition of Talaris Topco Limited of the UK through GLORY Global Solutions Ltd., a UK subsidiary on July 10, 2012. Accordingly, starting with the first half of this fiscal year, GLORY Global Solutions and its subsidiaries are included in the scope of the Company's consolidation.

As a result, net sales in this nine-month period totaled ¥126,974 million (up 22.6% year-on-year). Sales of merchandise and finished goods were ¥91,399 million (up 16.7% year-on-year) and sales from maintenance services were ¥35,575 million (up 41.0% year-on-year). Operating income was ¥8,571 million (up 17.1% year-on-year), ordinary income was ¥9,208 million (up 19.5% year-on-year), net income was ¥4,971 million (up 36.4% year-on-year), and comprehensive income was ¥12,602 million (up 248.6% year-on-year).

Results of operations in business segments were as follows.

(Financial market)

Sales of open teller systems, the main product in this segment, were soft for conventional models but strong for compact models sold to small and midsize bank branches. Sales of coin and banknote recyclers for tellers and multifunctional banknote changers were healthy because of replacement demand. Therefore, sales were around the same as one year earlier for the overall market.

As a result, net sales in this segment were ¥30,338 million (up 1.5% year-on-year) and operating income was ¥2,450 million (up 21.8% year-on-year).

(Retail and transportation market)

Sales of sales proceeds deposit machines and multi-functional cash management station to cash-in-transit companies were strong but sales of coin and banknote recyclers for cashiers, the main product in this segment, were weak because of a decline in large orders. Therefore, sales were around the same as one year earlier for the overall market.

As a result, net sales in this segment were ¥20,729 million (up 3.7% year-on-year) and operating income was ¥2,186 million (down 12.3% year-on-year).

(Amusement market)

Although sales of card systems, the main product in this segment, were steady, sales of membership management systems were slow. Therefore, sales were around the same as one year earlier for the overall market.

As a result, net sales in this segment were ¥19,736 million (down 0.3% year-on-year) and operating income was ¥1,491 million (up 1.6% year-on-year).

(Overseas market)

Sales increased significantly from a year earlier due to brisk sales of banknote sorters and banknote recyclers for tellers, a new product, as well as the acquisition of Talaris Topco Limited.

As a result, net sales in this segment were ¥45,307 million (up 92.7% year-on-year) and operating income was ¥2,355 million (up 53.2% year-on-year).

In the "others" business segment, net sales were ¥10,862 million (up 4.4% year-on-year) and the operating income was ¥88 million (operating loss of ¥189 million one year earlier).

All amounts in this section do not include consumption taxes.

2. Supplementary Information on the “Notes”

(1) Changes in Significant Subsidiaries During the Period:

On July 10, 2012, GLORY purchased all of the outstanding shares of Talaris Topco Limited (“Talaris”) through GLORY Global Solutions Ltd., a special purpose company that was established to acquire the shares.

GLORY Global Solutions, Talaris and the three wholly owned subsidiaries of Talaris (Talaris Midco Limited, Talaris Holdings Limited and Talaris Limited) have become “specified subsidiaries” of GLORY because the capital of each company is one-tenth or more of the capital of GLORY.

(2) Application of Accounting Methods Specific to Preparation of the Quarterly Consolidated Financial Statements

Tax expense is calculated by rationally estimating the effective tax rate after application of tax-effect accounting to income before income taxes for the fiscal year including this third quarter, and then multiplying the income before income taxes for the period by the estimated effective tax rate.

(3) Changes in Accounting Policies and Estimates, and Restatement

(Changes in accounting policy that are difficult to distinct from changes in accounting estimates)

In conjunction with a revision in Japan’s Corporation Tax Act, GLORY and its consolidated subsidiaries in Japan have changed the method used for depreciation from the first quarter of the current fiscal year. The changed depreciation method, which is based on the revised Corporation Tax Act is applied to property, plant and equipment purchased on or after April 1, 2012. As a result of this change, operating income, ordinary income and income before income taxes and minority interests increased by ¥57 million each.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	42,332	50,452
Notes and accounts receivable-trade	34,842	36,248
Short-term investment securities	21,355	7,203
Merchandise and finished goods	12,932	20,595
Work in process	7,043	8,057
Raw materials and supplies	6,389	8,329
Other	8,959	10,049
Allowance for doubtful accounts	(298)	(432)
Total current assets	133,556	140,502
Noncurrent assets		
Property, plant and equipment	33,599	35,383
Intangible assets		
Customer relationships	–	28,296
Goodwill	3,006	68,498
Other	3,998	7,384
Total intangible assets	7,004	104,179
Investments and other assets		
Investment securities	16,448	15,725
Other	14,662	12,825
Allowance for doubtful accounts	(27)	(26)
Total investments and other assets	31,084	28,524
Total noncurrent assets	71,688	168,086
Total assets	205,244	308,588
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,984	19,061
Short-term loans payable	11,046	64,612
Income taxes payable	1,470	2,462
Provision for bonuses	3,839	2,484
Other provision	139	70
Other	12,187	20,125
Total current liabilities	44,668	108,816
Noncurrent liabilities		
Provision for retirement benefits	2,902	3,541
Long-term loans payable	–	22,930
Other	4,339	10,336
Total noncurrent liabilities	7,242	36,808
Total liabilities	51,910	145,624

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Net assets		
Shareholders' equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	125,858	128,154
Treasury stock	(5,815)	(5,816)
Total shareholders' equity	153,565	155,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(206)	(225)
Foreign currency translation adjustment	(1,468)	5,869
Total accumulated other comprehensive income	(1,674)	5,643
Minority interests	1,441	1,460
Total net assets	153,333	162,964
Total liabilities and net assets	205,244	308,588

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 (Quarterly Consolidated Statements of Income)
 Nine months ended December 31, 2012

(Millions of yen)

	Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
Net sales	103,579	126,974
Cost of sales	64,592	76,744
Gross profit	38,986	50,230
Selling, general and administrative expenses	31,666	41,658
Operating income	7,320	8,571
Non-operating income		
Interest income	264	243
Dividends income	290	249
Foreign exchange gains	–	846
Other	266	294
Total non-operating income	821	1,633
Non-operating expenses		
Interest expenses	118	432
Commission for bridge loan	–	455
Foreign exchange losses	204	–
Other	113	109
Total non-operating expenses	435	997
Ordinary income	7,706	9,208
Extraordinary income		
Gain on sales of noncurrent assets	8	2
Gain on sales of investment securities	19	–
Other	8	7
Total extraordinary income	36	9
Extraordinary loss		
Loss on retirement of noncurrent assets	–	127
Loss on valuation of investment securities	228	45
Impairment loss	–	62
Other	127	14
Total extraordinary losses	356	249
Income before income taxes and minority interests	7,386	8,968
Income taxes	3,403	3,681
Income before minority interests	3,983	5,287
Minority interests in income	337	315
Net income	3,646	4,971

(Quarterly Consolidated Statements of Comprehensive Income)
 Nine months ended December 31, 2012

(Millions of yen)

	Nine months ended December 31, 2011 (From April 1, 2011 to December 31, 2011)	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	3,983	5,287
Other comprehensive income		
Valuation difference on available-for-sale securities	24	(19)
Foreign currency translation adjustment	(393)	7,334
Total other comprehensive income	(368)	7,315
Comprehensive income	3,614	12,602
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,376	12,289
Comprehensive income attributable to minority interests	237	312

(3) Notes Relating to Assumption as a Going Concern
Not applicable

(4) Notes for Significant Change in the Amount of Shareholders' Equity
Not applicable

(5) Segment Information
(Segment Information)

(a) Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)
Information on sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segments					Others (Note)	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transporta- tion market	Amusemen t market	Overseas market	Total				
Net sales									
(1) Sales to customers	29,879	19,988	19,791	23,510	93,169	10,409	103,579	—	103,579
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	29,879	19,988	19,791	23,510	93,169	10,409	103,579	—	103,579
Segment profit (loss)	2,011	2,493	1,468	1,537	7,510	(189)	7,320	—	7,320

(Note) "Others" consists of business segments not included in reportable segments, and includes sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

(b) Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)
Information on sales and income (loss) by reportable business segment

(Millions of yen)

	Reportable business segments					Others (Note)	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transporta- tion market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	30,338	20,729	19,736	45,307	116,112	10,862	126,974	—	126,974
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	30,338	20,729	19,736	45,307	116,112	10,862	126,974	—	126,974
Segment profit (loss)	2,450	2,186	1,491	2,355	8,483	88	8,571	—	8,571

(Note) "Others" consists of business segments not included in reportable business segments, and includes sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

This is a translation of the original Japanese text of the "Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2013." Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.