

(TRANSLATION FOR REFERENCE ONLY)

This is a translation of the original Japanese text of the "Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2014." Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

## Consolidated Financial Results

for the Third Quarter of Fiscal Year Ending March 31, 2014 <Japanese GAAP>

February 5, 2014

Company Name: GLORY LTD. Stock exchange listing: Tokyo (1<sup>st</sup> Section)  
 Code Number: 6 4 5 7 URL: <http://www.glory-global.com/>  
 Representative: Hirokazu Onoe President & Representative Director  
 Contact person: Osamu Tanaka Senior Managing Executive Officer /  
 Executive General Manager, Business Management Headquarters  
 TEL +81-79-297-3131

Scheduled filing date of Quarterly Securities Report: February 13, 2014  
 Scheduled date of dividend payments: —  
 Preparation of quarterly earnings supplementary explanatory material: Yes  
 Holding of 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 of Fiscal Year Ending March 31, 2014 (from April 1, 2013 to December 31, 2013)

(1) Consolidated Operating Results (cumulative)

(The percentages show the changes from the corresponding period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Nine months ended December 31, 2013	148,623	17.0	8,894	3.8	12,187	32.4	5,473	10.1
Nine months ended December 31, 2012	126,974	22.6	8,571	17.1	9,208	19.5	4,971	36.4

(Note) Comprehensive income

Nine months ended December 31, 2013: ¥21,496 million [ 70.6 %]  
 Nine months ended December 31, 2012: ¥12,602 million [ 248.6 %]

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
Nine months ended December 31, 2013	83.32	—
Nine months ended December 31, 2012	75.69	—

(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, 2013	329,186	186,652	56.0	2,808.13
As of March 31, 2013	319,077	168,464	52.2	2,537.23

(Reference) Ownership equity

As of December 31, 2013: ¥184,458 million As of March 31, 2013: ¥166,664 million

(TRANSLATION FOR REFERENCE ONLY)

2. Dividends

(Record date)	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2013	—	21.00	—	23.00	44.00
Year ending March 31, 2014	—	22.00	—		
Year ending March 31, 2014 (forecast)				22.00	44.00

(Note) Revisions to the latest dividend forecast: None

3. Consolidated Financial Forecast for the Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(The percentages show the changes 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	210,000	10.0	17,000	17.6	17,000	24.1	8,500	23.7	129.40

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

Notes:

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

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

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

- (a) Changes in accounting policies associated with revisions 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 December 31, 2013: 68,638,210 shares

As of March 31, 2013: 68,638,210 shares

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

As of December 31, 2013: 2,950,973 shares

As of March 31, 2013: 2,950,749 shares

(c) Average number of shares

Nine months ended December 31, 2013: 65,687,395 shares

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

(Note) Status of implementation of quarterly review procedures

These “Consolidated Financial Results” are exempt from the quarterly review procedures required under the Financial Instruments and Exchange Act. As of the date of the release of these Consolidated Financial Results, the quarterly review procedures required under the Financial Instruments and Exchange Act for quarterly consolidated financial statements have not been completed.

(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 the Company and certain assumptions which the Company regards 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. For the assumptions and other related matters concerning the financial forecasts, please refer to “1. Qualitative Information on the Financial Statements, (2) Consolidated Financial Forecasts and Other Forward-looking Statements” on page 5 of the Attachment.

(TRANSLATION FOR REFERENCE ONLY)

**Attachment**

**Contents**

<b>1. Qualitative Information on the Financial Statements</b> .....	4
(1) Operating Results.....	4
(2) Consolidated Financial Forecasts and Other Forward-looking Statements.....	5
<b>2. Supplementary Information on the “Notes”</b> .....	5
(1) Changes in Significant Subsidiaries During the Period.....	5
(2) Application of Accounting Methods Specific to Preparation of the Quarterly Consolidated Financial Statements.....	5
(3) Changes in Accounting Policies and Estimates, and Restatements.....	5
<b>3. Quarterly Consolidated Financial Statements</b> .....	6
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	8
Quarterly Consolidated Statements of Income.....	8
Quarterly Consolidated Statements of Comprehensive Income.....	9
(3) Notes to Quarterly Consolidated Financial Statements.....	10
Notes Regarding Assumption of a Going Concern.....	10
Notes for Significant Change in the Amount of Shareholders’ Equity.....	10
Segment Information.....	10

(TRANSLATION FOR REFERENCE ONLY)

## 1. Qualitative Information on the Financial Statements

### (1) Operating Results

In the nine months ended December 31, 2013, the Japanese economy was put on track for a moderate recovery, reflecting signs of improvement in corporate earnings and personal consumption on the back of further yen depreciation and share price rises resulting from the government's economic policies. Looking at the global economy, on the other hand, although the United States maintained a trend toward recovery and Europe also started to move toward recovery albeit at a moderate pace, growth in China and other emerging economies was on a downward trend, contributing to an uncertain outlook overall.

Under these conditions, in this second year of its three-year 2014 Medium-Term Management Plan, which started in April 2012, the GLORY Group (the "Group") implemented the three strategies—Business, Constitutional, and Corporate Management—that form its basic policy to "implement a growth strategy and strengthen profitability to achieve the Long-Range Vision 2018." Looking at overseas business in particular, the Group worked to promptly realize synergies from the acquisition of Talaris in July 2012, mainly through proactive efforts to integrate operations with the Talaris Group. In the domestic market, the Group carried out active business expansion through such means as increasing sales by entering the untapped markets and launching new products.

As a result, net sales in this nine-month period totaled ¥148,623 million (up 17.0% year on year). Sales of merchandise and finished goods were ¥100,877 million (up 10.4% year on year) and sales from maintenance services were ¥47,745 million (up 34.2% year on year). Operating income was ¥8,894 million (up 3.8% year on year), ordinary income was ¥12,187 million (up 32.4% year on year), net income was ¥5,473 million (up 10.1% year on year), and comprehensive income was ¥21,496 million (up 70.6% year on year).

Results of operations in each business segment were as follows.

#### Financial market

Sales of our main product "open teller systems" were on a par with the previous year for compact models for small- and medium-sized financial outlets but sluggish for conventional models. Sales of "coin and banknote recyclers" for tellers were strong due to our capturing of replacement demand. Therefore, sales were largely unchanged year on year for the overall market.

As a result, net sales in this segment were ¥31,143 million (up 2.7% year on year) and operating income was ¥2,087 million (down 14.8% year on year).

#### Retail and transportation market

Sales of "coin and banknote recyclers" for cashiers, the main product in this segment, were at a similar level to the previous year but sales of "banknote changers" to the retail market and "sales proceeds deposit machines" to the cash-in-transit market were strong. Therefore, sales were steady for the overall market.

As a result, net sales in this segment were ¥22,418 million (up 8.1% year on year) and operating income was ¥2,653 million (up 21.3% year on year).

#### Amusement market

Sales of main products such as "card systems" were sluggish, mainly reflecting declining popularity of pachislot in Japan.

As a result, net sales in this segment were ¥17,973 million (down 8.9% year on year), while operating income was ¥1,627 million (up 9.1% year on year), mainly due to a decrease in amortization expenses of goodwill.

#### Overseas market

Although sales of "banknote deposit units" for ATMs, which are OEM products, were sluggish, sales of "banknote sorters" in China and other emerging countries were strong. Furthermore, sales in the nine months ended December 31, 2013, benefitted not only from the addition of the Talaris Group's sales but also the effects of yen depreciation. Consequently, overall overseas market sales increased significantly year on year.

As a result, net sales in this segment were ¥67,447 million (up 48.9% year on year) and operating income was ¥2,929 million (up 24.3% year on year).

In the "other" business segment, which is excluded from the reportable segments, net sales were ¥9,640 million (down 11.2% year on year) and operating loss was ¥403 million (operating income of ¥88 million in the corresponding period of the previous year).

All amounts in this section do not include consumption taxes.

(TRANSLATION FOR REFERENCE ONLY)

**(2) Consolidated Financial Forecasts and Other Forward-looking Statements**

No changes have been made to the consolidated financial forecasts for the year ending March 31, 2014 that were announced on October 30, 2013.

**2. Supplementary Information on the “Notes”**

**(1) Changes in Significant Subsidiaries During the Period**

Not applicable.

**(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 Restatements**

Not applicable.

(TRANSLATION FOR REFERENCE ONLY)

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	60,579	46,857
Notes and accounts receivable-trade	44,629	41,781
Securities	4,601	3,696
Merchandise and finished goods	17,458	27,341
Work in process	6,312	7,459
Raw materials and supplies	8,302	9,307
Other	10,428	12,117
Allowance for doubtful accounts	(442)	(450)
<b>Total current assets</b>	<b>151,870</b>	<b>148,110</b>
Noncurrent assets		
Property, plant and equipment	34,941	34,685
Intangible assets		
Customer relationships	28,646	33,421
Goodwill	69,080	79,976
Other	7,484	7,227
<b>Total intangible assets</b>	<b>105,212</b>	<b>120,625</b>
Investments and other assets		
Investment securities	15,708	15,137
Other	11,359	10,641
Allowance for doubtful accounts	(14)	(13)
<b>Total investments and other assets</b>	<b>27,053</b>	<b>25,765</b>
<b>Total noncurrent assets</b>	<b>167,206</b>	<b>181,076</b>
<b>Total assets</b>	<b>319,077</b>	<b>329,186</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	20,096	17,718
Short-term loans payable	35,831	28,692
Current portion of long-term loans payable	6,151	8,656
Income taxes payable	3,023	2,864
Provision for bonuses	4,663	3,757
Other provision	90	64
Other	23,288	26,781
<b>Total current liabilities</b>	<b>93,145</b>	<b>88,535</b>
Noncurrent liabilities		
Long-term loans payable	42,002	38,466
Provision for retirement benefits	3,421	3,494
Other	12,043	12,038
<b>Total noncurrent liabilities</b>	<b>57,467</b>	<b>53,999</b>
<b>Total liabilities</b>	<b>150,612</b>	<b>142,534</b>

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Net assets		
Shareholders' equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	130,055	132,605
Treasury stock	(5,816)	(5,816)
Total shareholders' equity	157,762	160,312
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	185	451
Foreign currency translation adjustment	8,716	23,694
Total accumulated other comprehensive income	8,901	24,146
Minority interests	1,800	2,194
Total net assets	168,464	186,652
Total liabilities and net assets	319,077	329,186

(TRANSLATION FOR REFERENCE ONLY)

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**

**Quarterly Consolidated Statements of Income**

(Millions of yen)

	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)
Net sales	126,974	148,623
Cost of sales	76,744	88,005
Gross profit	50,230	60,617
Selling, general and administrative expenses	41,658	51,723
Operating income	8,571	8,894
Non-operating income		
Interest income	243	209
Dividends income	249	409
Foreign exchange gains	846	3,177
Other	294	353
Total non-operating income	1,633	4,149
Non-operating expenses		
Interest expenses	432	657
Commission for bridge loan	455	-
Other	109	198
Total non-operating expenses	997	856
Ordinary income	9,208	12,187
Extraordinary income		
Gain on sales of noncurrent assets	2	5
Other	7	5
Total extraordinary income	9	11
Extraordinary loss		
Loss on valuation of investment securities	45	-
Loss on liquidation of business	-	1,198
Other	204	117
Total extraordinary losses	249	1,315
Income before income taxes and minority interests	8,968	10,883
Income taxes	3,681	4,896
Income before minority interests	5,287	5,987
Minority interests in income	315	513
Net income	4,971	5,473



(TRANSLATION FOR REFERENCE ONLY)

**Quarterly Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Nine months ended December 31, 2012 (From April 1, 2012 to December 31, 2012)	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)
Income before minority interests	5,287	5,987
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	266
Foreign currency translation adjustment	7,334	15,243
Total other comprehensive income	7,315	15,509
Comprehensive income	12,602	21,496
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	12,289	20,717
Comprehensive income attributable to minority interests	312	779

(TRANSLATION FOR REFERENCE ONLY)

**(3) Notes to Quarterly Consolidated Financial Statements**

**Notes Regarding Assumption of a Going Concern**

Not applicable.

**Notes for Significant Change in the Amount of Shareholders' Equity**

Not applicable.

**Segment Information**

(a) Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)

Information on sales, profit (loss) by reportable segment

(Millions of yen)

	Reportable segments					Other (Note)	Total	Reconcilia- tion	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation 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: "Other" category is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

(b) Nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

Information on sales, profit (loss) by reportable segment

(Millions of yen)

	Reportable segments					Other (Note)	Total	Reconcilia- tion	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	31,143	22,418	17,973	67,447	138,982	9,640	148,623	–	148,623
(2) Intersegment sales or transfers	–	–	–	–	–	–	–	–	–
Total	31,143	22,418	17,973	67,447	138,982	9,640	148,623	–	148,623
Segment profit (loss)	2,087	2,653	1,627	2,929	9,297	(403)	8,894	–	8,894

Note: "Other" category is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.