

# Consolidated Financial Results

for the fiscal year ended March 31, 2013

## 1 Consolidated Financial Results

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The forecasts for future business contained in this document are based on the information currently available to the company. These forecasts involve some risks or uncertainty of fluctuating in the future, depending on the economic conditions of Japan and elsewhere, industry's trends, demands for the company's products, development of new technologies and other factors.

Accordingly, investments made solely based on the forecasts in this document are not recommended. Please also take note that forecasts in this document may change without prior notice unless required by laws.



# Consolidated Financial Results for FY2012



1) Performance Overview (Y-on-Y)	P 3
2) Factors of Net Sales Change	P 4
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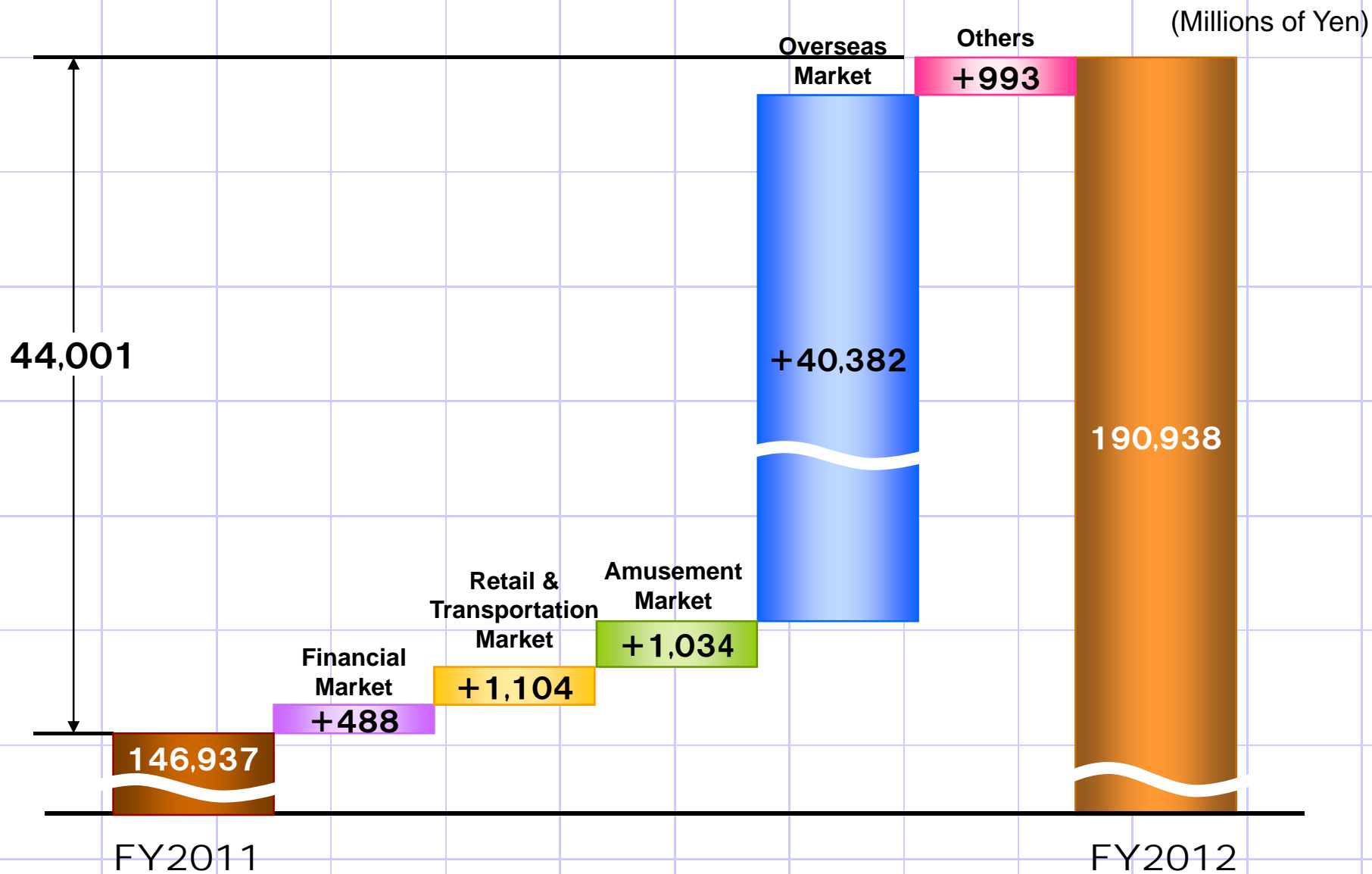
**Net sales** Sales were higher than one year earlier because of increase in domestic sales in Japan and increase of overseas market sales due to contribution of Talaris Topco Limited (“Talaris”).

**Income** Earnings increased from one year earlier as sales rose due primarily to contribution of Talaris, and also to cost-reduction measures such as overseas production and procurement.

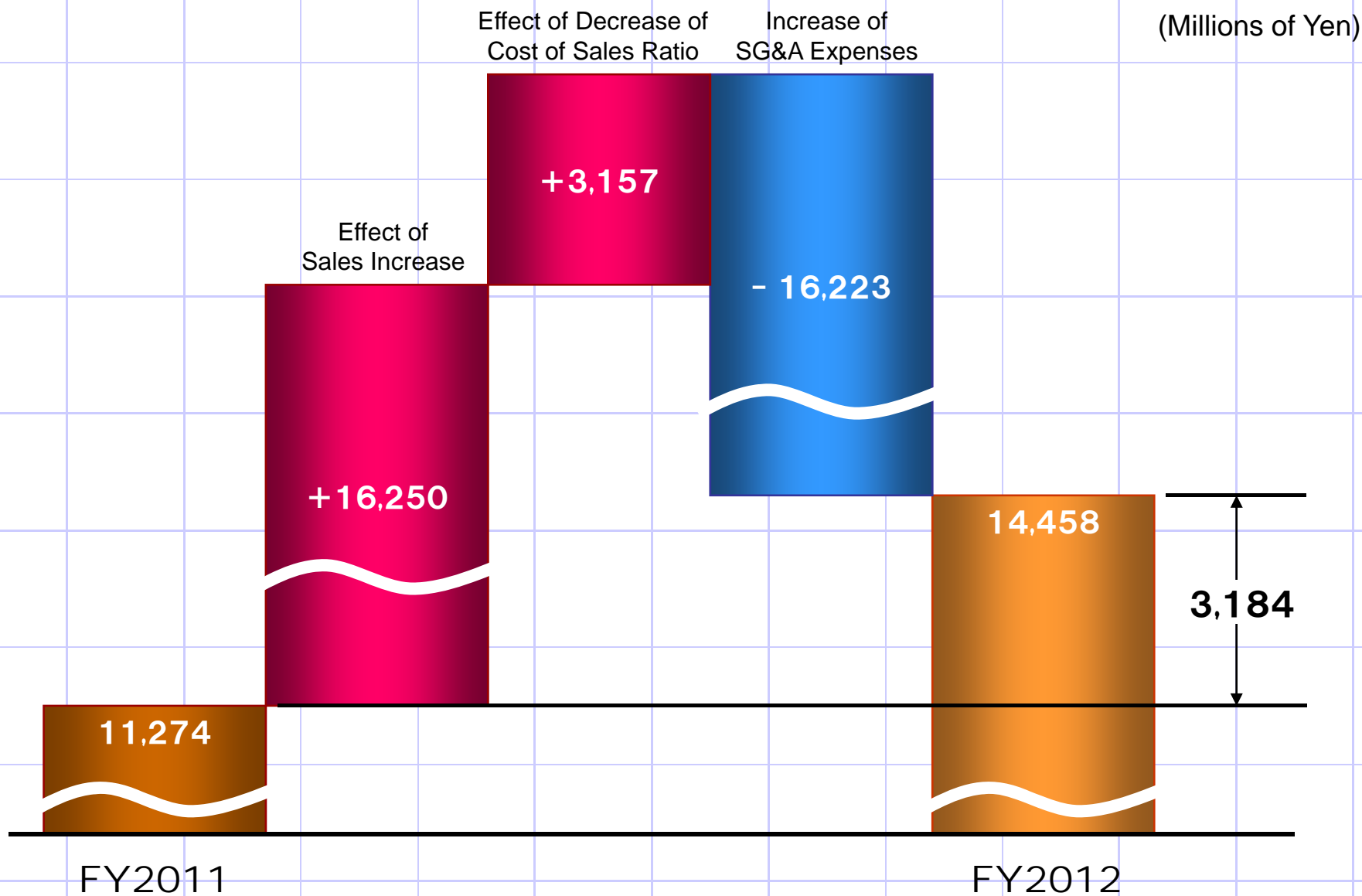
(Millions of yen)	FY2011	FY2012	Year-on-year comparison
Net sales	146,937	190,938	+29.9%
Maintenance service	33,944 (23.1%)	50,766 (26.6%)	+49.6%
Operating income	11,274 (7.7%)	14,458 (7.6%)	+28.2%
Ordinary income	11,908 (8.1%)	13,695 (7.2%)	+15.0%
Net income	6,246 (4.3%)	6,873 (3.6%)	+10.0%

Exchange rate: US\$1 = ¥80 €1 = ¥100

# Factors of Net Sales Change



# Factors of Operating Income Change










## Details of Performance for FY2012



MEDIUM-TERM MANAGEMENT PLAN

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(Millions of yen)

Business Segments	Net Sales			Operating Income		
	FY2011	FY2012	Year-on-Year comparison	FY2011	FY2012	Year-on-Year comparison
 Financial Market	44,191	44,679	+488 (+1.1%)	3,954	4,416	+462 (+11.7%)
 Retail & Transportation Market	28,566	29,670	+1,104 (+3.9%)	3,695	3,136	- 559 (- 15.1%)
 Amusement Market	24,811	25,845	+1,034 (+4.2%)	2,039	1,728	- 311 (- 15.3%)
 Overseas Market	35,306	75,688	+40,382 (+114.4%)	1,837	5,085	+3,248 (+176.8%)
 Others	14,062	15,055	+993 (+7.1%)	- 253	91	+344 (-)
Total	146,937	190,938	+44,001 (+29.9%)	11,274	14,458	+3,184 (+28.2%)

(Millions of yen)

## Main products performed well

Although sales of open teller systems, our main product, were sluggish for conventional models, sales of compact models for small- and medium-sized financial outlets were favorable. Sales of coin and banknote recyclers for tellers and of multi-functional banknote changers were favorable due to replacement demand. Overall financial market sales were thus on par with the previous fiscal year.

### Outline of the Segment

Sales and maintenance to financial institutions, OEM clients and others at domestic market in Japan.

### Main Products



Open teller systems  
WAVE series



Coin and banknote  
recyclers for tellers,  
sold as OEM products  
RB series



Coin recycling modules  
for ATMs,  
sold as OEM products  
RCN series

	FY2011	FY2012	Y-on-Y
<b>Sales</b>	44,191	44,679	+488 (+1.1%)
<b>Ratio to total net sales</b>	30.1%	23.4%	- 6.7%
<b>Operating income</b>	3,954	4,416	+462 (+11.7%)
<b>Ratio to total operating income</b>	35.1%	30.5%	- 4.6%
<b>Operating margin</b>	8.9%	9.9%	+1.0%



## Sales of sales proceeds deposit machines were strong

Sales of sales proceeds deposit machines to the cash-in-transit market were favorable, but sales of coin and banknote recyclers for cashiers, our main product, were sluggish due to a decrease in large-scale demand. Overall retail and transportation market sales were thus on par with the previous fiscal year.

### Outline of the Segment

Sales and maintenance for supermarkets, department stores, cash-in-transit companies, railroad companies, and others at domestic market in Japan.

### Main Products



Coin and banknote recyclers RT / RAD series



Sales proceeds deposit machines DS / DSS series



Multi-functional cash management stations DSR series

(Millions of yen)

	FY2011	FY2012	Y-on-Y
<b>Sales</b>	28,566	29,670	+1,104 (+3.9%)
Ratio to total net sales	19.4%	15.5%	- 3.9%
<b>Operating income</b>	3,695	3,136	- 559 (- 15.1%)
Ratio to total operating income	32.8%	21.7%	- 11.1%
<b>Operating margin</b>	12.9%	10.6%	- 2.3%

(Millions of yen)

## Card systems posted higher sales

Although sales of core products such as our card systems were robust, sales of membership management systems were sluggish. Overall amusement market sales were thus on par with the previous fiscal year.

### Outline of the Segment

Sales and maintenance for pachinko parlors, and others in the domestic market.

### Main Products

#### Card systems



Management terminals



Pachinko ball dispensers with card readers



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines JK series

	FY2011	FY2012	Y-on-Y
<b>Sales</b>	24,811	25,845	+1,034 (+4.2%)
<b>Ratio to total net sales</b>	16.9%	13.5%	-3.4%
<b>Operating income</b>	2,039	1,728	-311 (-15.3%)
<b>Ratio to total operating income</b>	18.1%	12.0%	-6.1%
<b>Operating margin</b>	8.2%	6.7%	-1.5%

(Millions of yen)

## Main products performed well

Overseas market sales increased significantly due to favorable sales of banknote sorters and of our new banknote recyclers for tellers as well as the acquisition of Talaris.

### Outline of the Segment

Sales and maintenance for financial institutions, cash-in-transit companies, casinos, OEM customers and others at the overseas market.

### Main Products



Banknote sorters  
USF / UW series



Banknote deposit  
units for ATMs  
UD series



Banknote recyclers  
for tellers  
RBG series

	FY2011	FY2012	Y-on-Y
<b>Sales</b>	35,306	75,688	+40,382 (+114.4%)
<b>Ratio to total net sales</b>	24.0%	39.6%	+15.6%
<b>Operating income</b>	1,837	5,085	+3,248 (+176.8%)
<b>Ratio to total operating income</b>	16.3%	35.2%	+18.9%
<b>Operating margin</b>	5.2%	6.7%	+1.5%

(Millions of yen)				Comparison on a local currency base		
Sales by overseas geographical segment	FY2011	FY2012	Year-on-year comparison	FY2011	FY2012	Year-on-year comparison
Americas	5,742	21,489	+15,747	<b>\$69.9million</b> (¥82.13/US\$)	<b>\$85.5million</b> (¥94.01/US\$)	<b>+ 22.3%</b>
GLORY	5,742	8,038	+2,296			
Talaris	0	13,451	+13,451			
Europe	10,271	27,046	+16,775	<b>€ 101.9million</b> (¥100.71/€)	<b>€ 104.1million</b> (¥114.67/€) *4	<b>+ 2.2%</b>
GLORY	10,271	11,943	+1,672			
Talaris	0	15,103	+15,103			
Asia	8,984	15,011	+6,027	<b>\$109.3million</b> (¥82.13/US\$)	<b>\$123.4million</b> (¥94.01/US\$)	<b>+ 12.9%</b>
GLORY	8,984	11,610	+2,626			
China	5,523	8,274	+2,751			
Talaris	0	3,401	+3,401			
OEM	10,309	12,141	+1,832	<b>On a yen base</b>		<b>+ 40.0%</b>
GLORY	10,309	9,796	- 513			
Talaris	0	2,346	+2,346			
Total	35,306	75,688	+40,382	<b>On a yen base</b>		<b>+ 29.2%</b>
GLORY	35,306	41,387	+6,081			
Talaris	0	34,301	+34,301			

※Note  
**Exchange rate**  
 US\$ : End March  
 € : End December

Sales of ticket vending machines were strong

Sales of ticket vending machines to the cash-in-transit market were favorable. Margins also increased accompanying rise in sales revenues.

### Outline of the Segment

Sales and maintenance for tobacco kiosks, tobacco companies, hospitals, government offices and others in Japan.

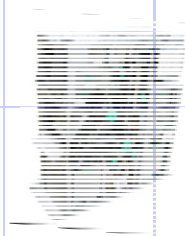
### Main Products



Medical payment kiosks  
FHP series



Ticket vending  
Machines  
VT series



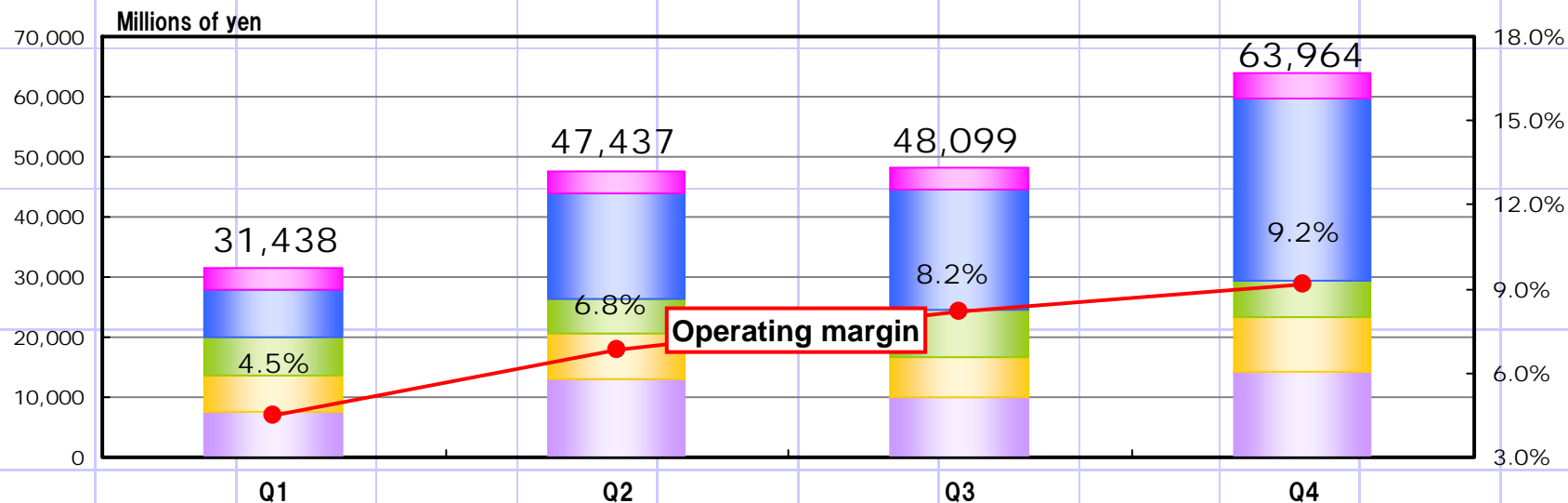
Banknote recycling units  
for horse race ticket  
vending machines  
RBK series

(Millions of yen)

	FY2011	FY2012	Y-on-Y
<b>Sales</b>	14,062	15,055	+993 (+7.1%)
<b>Ratio to total net sales</b>	9.6%	7.9%	- 1.7%
<b>Operating income</b>	- 253	91	+344 ( - )
<b>Ratio to total operating income</b>	—	0.6%	—
<b>Operating margin</b>	—	0.6%	—

**2** Detail of Performance






# Quarterly sales & Operating Income by Business Segment



FY2012	Q1	Q2	Q3	Q4	Full year
Financial market	7,430( -38)	12,970(1,682)	9,938( 806)	14,341(1,966)	44,679(4,416)
Retail & transportation market	6,341( 728)	7,576( 604)	6,812( 854)	8,941( 950)	29,670(3,136)
Amusement market	6,214( 406)	5,791( 120)	7,731( 965)	6,109( 237)	25,845(1,728)
Overseas market	7,873( 446)	17,520( 702)	19,914(1,207)	30,381(2,730)	75,688(5,085)
Others	3,577( -131)	3,581( 108)	3,704( 111)	4,193( 3)	15,055( 91)
<b>Total</b>	<b>31,438(1,411)</b>	<b>47,437(3,217)</b>	<b>48,099(3,943)</b>	<b>63,964(5,887)</b>	<b>190,938(14,458)</b>

Figures in ( ) shows Operating Income

(Millions of yen)

Business Segments	FY2012					
	Net Sales			Operating Income		
	Targets	Results	Comparison with the target	Targets	Results	Comparison with the target
 Financial Market	45,000	44,679	- 321 (- 0.7%)	4,200	4,416	+216 (+5.1%)
 Retail & Transportation Market	29,500	29,670	+170 (+0.6%)	3,700	3,136	- 564 (- 15.2%)
 Amusement Market	25,500	25,845	+345 (+1.4%)	2,000	1,728	- 272 (- 13.6%)
 Overseas Market	70,000	75,688	+5,688 (+8.1%)	4,500	5,085	+585 (+13.0%)
 Others	15,000	15,055	+55 (+0.4%)	100	91	- 9 (- 0.1%)
Total	185,000	190,938	+5,938 (+3.2%)	14,500	14,458	- 42 (- 0.3%)

(Millions of yen)

	FY2011	FY2012	Year-on-Year	Change during the last five years												
<b>Capital Expenditures</b>	6,708	8,218	+1,510 (+22.5%)	<table border="1"> <tr><th>Fiscal Year</th><td>FY08</td><td>FY09</td><td>FY10</td><td>FY11</td><td>FY12</td></tr> <tr><th>Value</th><td>10,637</td><td>6,713</td><td>6,413</td><td>6,708</td><td>8,218</td></tr> </table>	Fiscal Year	FY08	FY09	FY10	FY11	FY12	Value	10,637	6,713	6,413	6,708	8,218
Fiscal Year	FY08	FY09	FY10	FY11	FY12											
Value	10,637	6,713	6,413	6,708	8,218											
<b>Depreciation &amp; Amortization</b>	6,842	8,897	+2,055 (+30.0%)	<table border="1"> <tr><th>Fiscal Year</th><td>FY08</td><td>FY09</td><td>FY10</td><td>FY11</td><td>FY12</td></tr> <tr><th>Value</th><td>7,621</td><td>8,144</td><td>6,717</td><td>6,842</td><td>8,897</td></tr> </table>	Fiscal Year	FY08	FY09	FY10	FY11	FY12	Value	7,621	8,144	6,717	6,842	8,897
Fiscal Year	FY08	FY09	FY10	FY11	FY12											
Value	7,621	8,144	6,717	6,842	8,897											
<b>R&amp;D Expenses</b>	9,934	12,091	+2,157 (+21.7%)	<table border="1"> <tr><th>Fiscal Year</th><td>FY08</td><td>FY09</td><td>FY10</td><td>FY11</td><td>FY12</td></tr> <tr><th>Value</th><td>9,204</td><td>8,775</td><td>8,998</td><td>9,934</td><td>12,091</td></tr> </table>	Fiscal Year	FY08	FY09	FY10	FY11	FY12	Value	9,204	8,775	8,998	9,934	12,091
Fiscal Year	FY08	FY09	FY10	FY11	FY12											
Value	9,204	8,775	8,998	9,934	12,091											



(Millions of Yen)

	FY2011	ratio	FY2012	ratio	Increase/Decrease
Net sales	146,937	100.0	190,938	100.0	+44,001
<b>Cost of sales</b>	92,672	63.1	117,266	61.4	+24,594
<b>SG&amp;A expenses</b>	42,990	29.3	59,213	31.0	+16,223
Operating income	11,274	7.7	14,458	7.6	+3,184
<b>Non operating income</b>	1,225	0.8	1,133	0.6	- 92
<b>Non operating expenses</b>	592	0.4	1,896	1.0	+1,304 *1
Ordinary income	11,908	8.1	13,695	7.2	+1,787
<b>Extraordinary income</b>	241	0.2	23	0.0	- 218
<b>Extraordinary loss</b>	507	0.3	980	0.5	+473 *2
Income before income taxes	11,642	7.9	12,738	6.7	+1,096
Total income taxes	4,945	3.4	5,374	2.8	+429
Net income	6,246	4.3	6,873	3.6	+627
Income before income taxes and minority interests	6,696	4.6	7,364	3.9	+668
<b>Total other comprehensive income</b>	- 318	- 0.2	10,738	5.6	+11,056
Comprehensive Income	6,378	4.3	18,102	9.5	+11,724

\*1 Non operating expenses : Includes interest expenses (¥584 million) and foreign exchange losses (¥577 million).

\*2 Extraordinary loss : Includes loss on sales of noncurrent assets (¥271 million).



# Business Plan by Business Segment for FY2013



1) Overseas market	P 19
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4) Amusement market	P 22
5) Others	P 23

## [Domestic – Key Initiatives] Early realization of “One GLORY”

### ■ Achievement of business targets through coordination with overseas sales subsidiaries

- Capture important strategic markets
- Strengthen operations in the retail market

Banknote recyclers  
for tellers  
RBG series



Coin and banknote  
recyclers  
CI-10 series



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### ■ Implementation of planned Integration of overseas businesses

- Expand sales of GLORY products utilizing Talaris's network  
By holding exhibitions, hosting product study groups, and developing  
new marketing tools
- Streamline product line-ups
- Reorganize overseas subsidiaries



[Domestic – Key Initiatives] **Improve earnings and expand business domains**

Aiming to expand sales by promoting the following:

### Cash sector

- Strength marketing for open teller systems
- Strengthen promotion for networking of GLORY products



Compact open teller systems  
WAVE series

### Non-cash sector

- Promote sales strategies for valuable item management systems
- Reinforce branch renovation/construction business



Valuable item management system  
BK series

### Document processing sector

- Promote sales strategies for target companies



Document processing station  
scanner with a built-in PC  
FU series

[Domestic – Key Initiatives] **Improve earnings and expand business domains**

## Front-office systems market

- Expand sales of coin and banknote recyclers for tellers
  - Promote sales strategies for target companies



Coin and banknote recyclers for tellers  
CI-10 series

## Back-office systems market

- Expand sales of back-office machines
  - Promote sales strategies for sales proceeds deposit machines



Sales proceeds deposit machines  
DSR-200 series

[Domestic – Key Initiatives] **Improve earnings and expand business domains**

■ Increase sales through deeper market penetration  
and expand business domains with new products

- Promote of marketing strategies aimed at large pachinko parlors
- Launch new products
- Develop new markets



[Domestic – Key Initiatives] **Improve earnings and expand business domains**

- Strengthen sales activities for hospitals
- Deeper penetration into ticket vending machines
- Reinforce marketing to cigarette manufacturers
- Promote commercialization of new technologies
  - Biometric authentication
  - Voice (conversation) protection
  - Electronic settlements



# 4 Financial forecast for FY2013



- |   |      |
|---|------|
| 1) Financial Forecast for FY2013  | P 25 |
| 2) Sales & Operating Income Forecast<br>by Business Segment             | P 26 |
| 3) Half-Yearly Sales & Operating Income<br>Forecast by Business Segment | P 27 |



**Net sales**

Forecast higher sales because of overseas market expansion and deeper penetration in the Japanese market.

**Income**

Forecast higher earnings because of benefits of Talaris acquisition and cost-reduction measures.

(Millions of yen)	FY2012	FY2013	Year-on-year comparison
Net sales	190,938	200,000	+4.7%
Maintenance service	50,766 (26.6%)	54,500 (27.3%)	+7.4%
Operating income	14,458 (7.6%)	16,000 (8.0%)	+10.7%
Ordinary income	13,695 (7.2%)	15,000 (7.5%)	+9.5%
Net income	6,873 (3.6%)	8,500 (4.3%)	+23.7%

Exchange rate: US\$1 = ¥90 €1 = ¥120 £1=140

**4**

**Financial Forecast  
for FY2013**

**Sales & Operating Income by Business Segment**

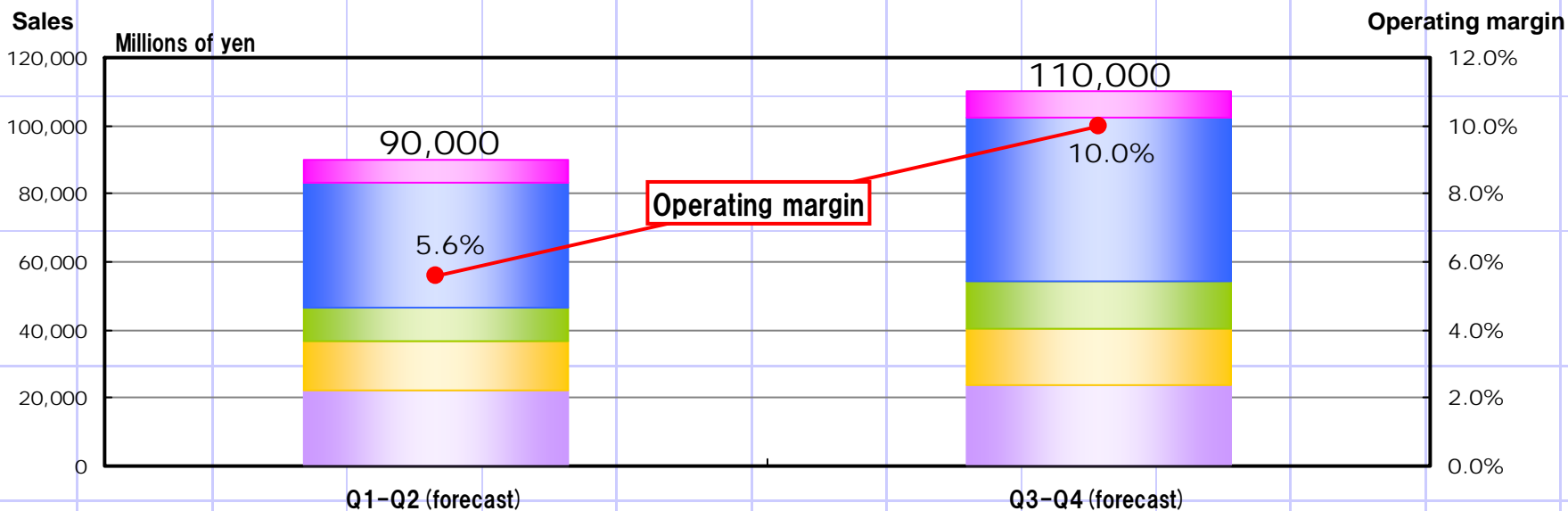


(Millions of yen)	FY2012 (results)		FY2013 (forecast)			
	Sales	Operating income	Sales	Y-on-Y comparison	Operating income	Y-on-Y comparison
Financial market	44,679	4,416	46,000	+3.0%	4,800	+8.7%
Retail & transportation market	29,670	3,136	31,000	+4.5%	3,300	+5.2%
Amusement market	25,845	1,728	24,000	-7.1%	1,800	+4.2%
Overseas market	75,688	5,085	85,000	+12.3%	6,000	+18.0%
Others	15,055	91	14,000	-7.0%	100	+9.9%
<b>Total</b>	<b>190,938</b>	<b>14,458</b>	<b>200,000</b>	<b>+4.7%</b>	<b>16,000</b>	<b>+10.7%</b>

4

Financial Forecast for FY2013

Half-yearly Sales & Operating Income Forecast by Business Segment



Business segments	FY2013 Q1-Q2 (forecast)		FY2013 Q3-Q4 (forecast)		Full year (forecast)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Financial market	22,000	2,000	24,000	2,800	46,000	4,800
Retail & transportation market	14,500	1,400	16,500	1,900	31,000	3,300
Amusement market	10,000	300	14,000	1,500	24,000	1,800
Overseas market	37,000	1,300	48,000	4,700	85,000	6,000
Others	6,500	0	7,500	100	14,000	100
<b>Total</b>	<b>90,000</b>	<b>5,000</b>	<b>110,000</b>	<b>11,000</b>	<b>200,000</b>	<b>16,000</b>

**5**

# Other Information



- Dividend forecast for FY2013

Basic policy on profit distribution

GLORY 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. GLORY has set the target of **attaining a dividend payout ratio of 25% or higher and a DOE (dividends on equity) ratio of at least 1.8%, both on a consolidated basis.**

Dividend per share	Interim (forecast)	Year-end (forecast)	Annual (forecast)
<b>FY2013</b> (announced on May 10, 2013)	¥22	¥22	¥44 (Dividend payout ratio 34.0%)

(Reference)

<b>FY2012</b>	¥21	¥23	¥44 (Dividend payout ratio: 42.0%)
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