

Consolidated Financial Results for the Six Months ended September 30, 2014

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Consolidated Financial Results

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Notes

1. Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.
2. The forward-looking statements such as operational forecasts contained in this document 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. The factors includes changes in the economic conditions in the company's principal markets, changes in demand for the company's products, fluctuations of exchange rates, and impacts of changes in various regulations, accounting principles and practices. Please also take note that forecasts in this document may change without prior notice unless required by laws.



Consolidated Financial Results for the Six Months ended September 30, 2014

Net sales

Overall sales were slightly higher than one year earlier: higher sales in the overseas market and amusement market but lower in the financial market and retail & transportation market.

Income

Operating income decreased because of lower sales of major products in the financial market and retail & transportation market.

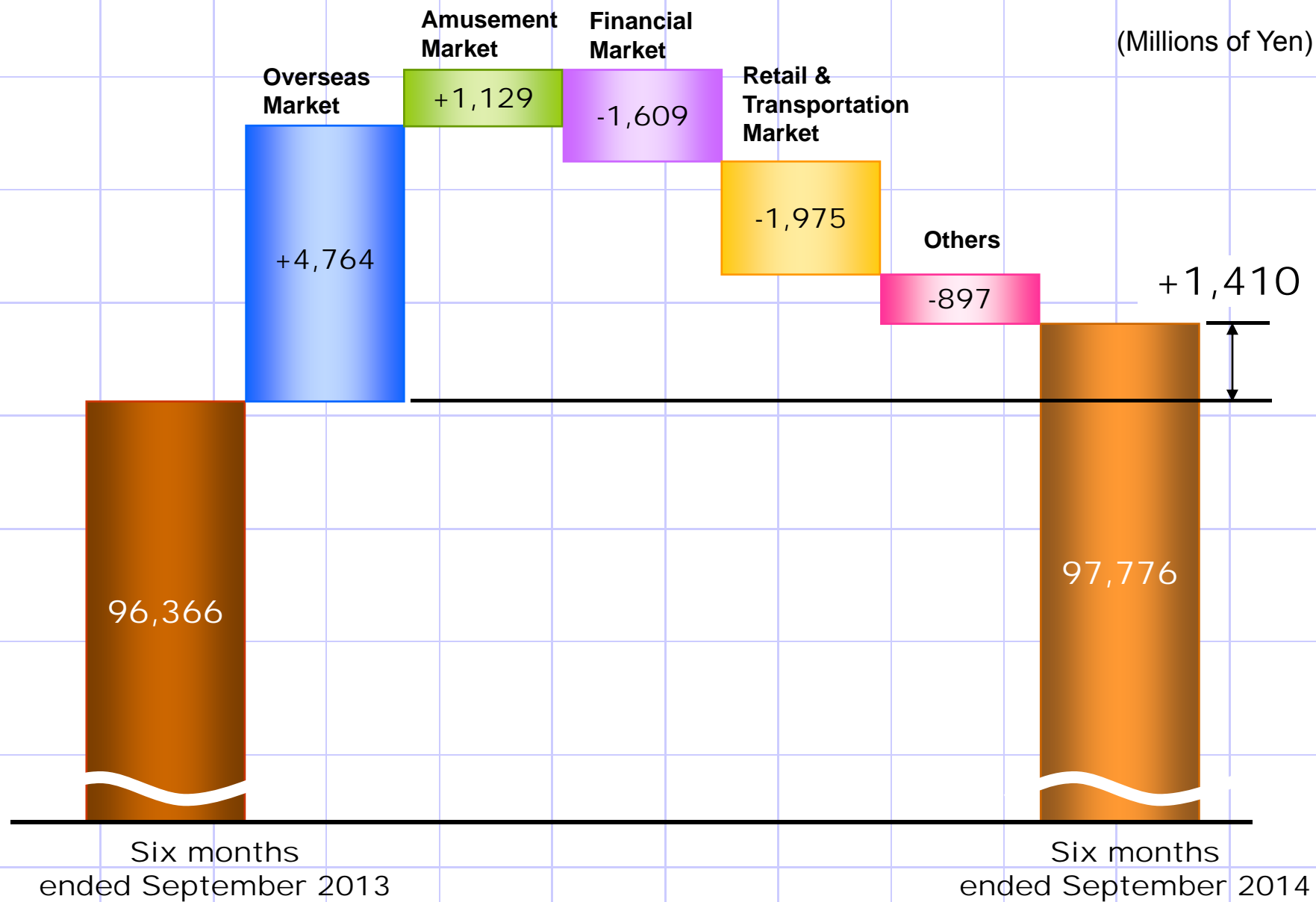
(Millions of yen)	FY2013		FY2014		Y-on-Y
	Six months ended September 2013	Ratio	Six months ended September 2014	Ratio	
Net Sales	96,366	100.0%	97,776	100.0%	+1.5%
Maintenance Services	30,181	31.3%	31,109	31.8%	+3.1%
Operating Income	5,391	5.6%	4,911	5.0%	-8.9%
Ordinary Inome	7,014	7.3%	6,661	6.8%	-5.0%
Net Income	2,539	2.6%	4,037	4.1%	+59.0%
EBITDA	12,456	12.9%	12,471	12.8%	+0.1%

*1 Exchange rate (as of the end of September 2014) : £1= ¥177, US\$1 = ¥109, €1 = ¥138

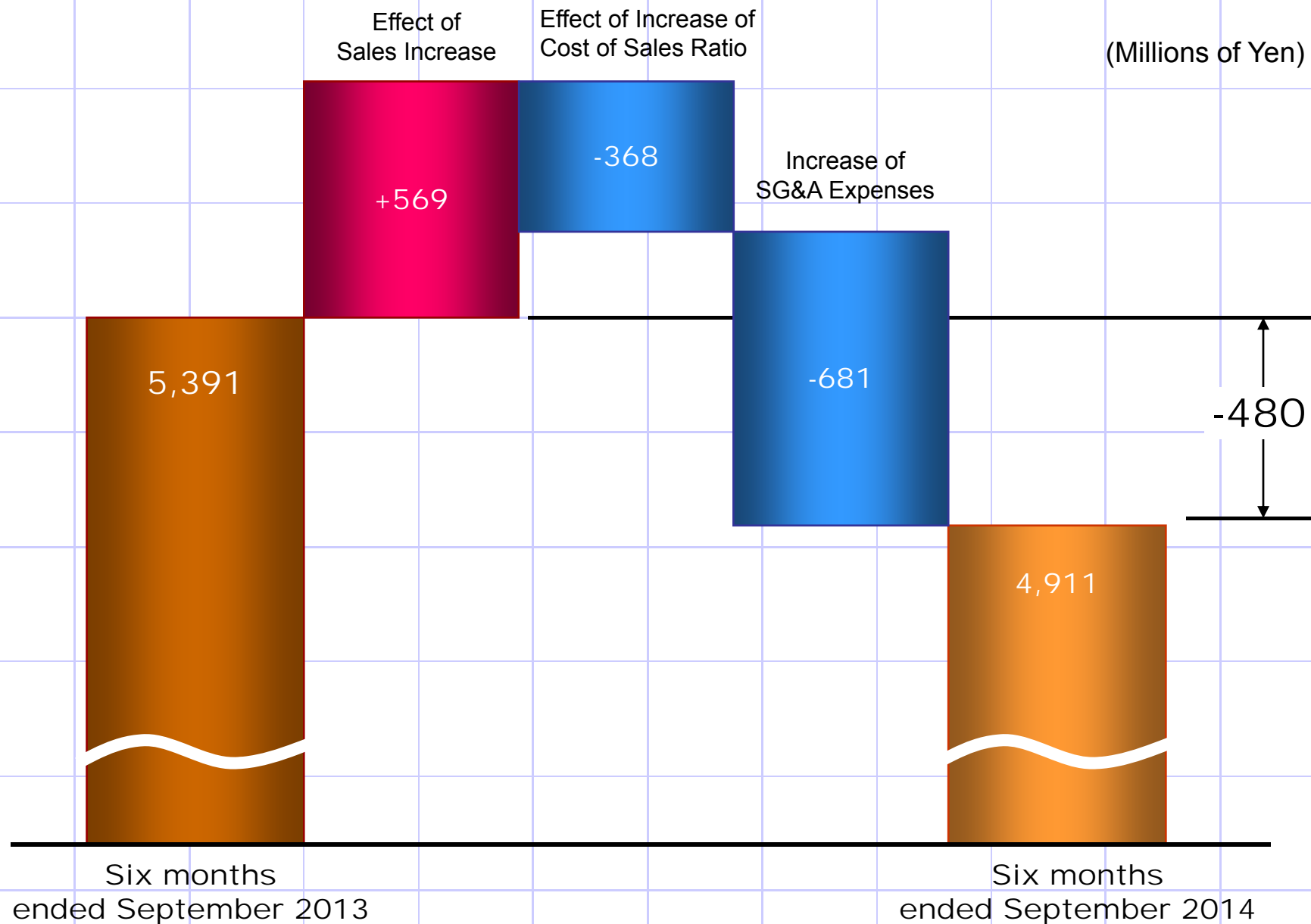
*2 EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

Factors of Net Sales Change

(Millions of Yen)








Factors of Operating Income Change



2

Details of Performance for the Six Months ended September 30, 2014

(Millions of Yen)

	Net Sales			Operating Income		
	Six months ended September 2013	Six months ended September 2014	Y-on-Y	Six months ended September 2013	Six months ended September 2014	Y-on-Y
 Overseas Market	40,772	45,536	+4,764 +11.7 %	984	1,303	+319 +32.4 %
 Financial Market	22,279	20,670	-1,609 -7.2 %	1,872	1,520	-352 -18.8 %
 Retail & Transportation Market	15,536	13,561	-1,975 -12.7 %	1,966	1,038	-928 -47.2 %
 Amusement Market	11,069	12,198	+1,129 +10.2 %	817	1,211	+394 +48.2 %
 Others	6,707	5,810	-897 -13.4 %	-249	-163	+86 - %
Total	96,366	97,776	+1,410 +1.5 %	5,391	4,911	-480 -8.9 %

Higher sales of banknote recyclers

(Millions of Yen)

Although sales of “banknote deposit modules” for ATMs were sluggish, sales of this segment’s main product “banknote recyclers” in the United States and Asia were robust. Therefore, sales for the overall market were favorable, with the effect of yen depreciation further contributing to the performance.

Outline of the Segment

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

Main Products



Banknote recyclers for tellers <RBG series>



Banknote sorters <UW series>



Banknote deposit modules for ATMs <UD series>

	Sex months ended Sep. 30, 2013	Sex months ended Sep. 30, 2014	Y-on-Y
Sales	40,772	45,536	+4,764 +11.7 %
Ratio to total net sales	42.3%	46.6%	+4.3
Operating income	984	1,303	+319 +32.4 %
Ratio to total operating income	18.3%	26.5%	+8.2
Operating margin	2.4%	2.9%	+0.5

(Millions of Yen)

	Six months ended September 2013	Six months ended September 2014	Y-on-Y
Americas	10,387	14,076	+3,689 +35.5 %
Europe	18,943	19,449	+506 +2.7 %
Asia	6,266	8,419	+2,153 +34.4 %
China	3,159	3,101	-58 -1.8 %
Total direct sales	35,596	41,946	+6,350 +17.8 %
OEM	5,175	3,590	-1,585 -30.6 %
Total overseas sales	40,772	45,536	+4,764 +11.7 %

Sales of main products declined

(Millions of Yen)

Sales of the “multi-functional banknote changers” were strong due to our capturing of demand for replacement. However, sales of this segment’s main products “open teller systems” and “coin and banknote recyclers” for tellers were slow.

Outline of the Segment

Sales and maintenance services to financial institutions, OEM clients and others in Japan.

Main Products



Open teller systems
<WAVE series>



Coin and banknote
recyclers for tellers
<RB series>



Multi-functional
banknote changers
<EN series>

	Sex months ended Sep. 30, 2013	Sex months ended Sep. 30, 2014	Y-on-Y
Sales	22,279	20,670	-1,609 -7.2 %
Ratio to total net sales	23.1%	21.1%	-2.0
Operating income	1,872	1,520	-352 -18.8 %
Ratio to total operating income	34.7%	31.0%	-3.7
Operating margin	8.4%	7.4%	-1.0

Sales of coin and banknote recyclers for cashiers declined (Millions of Yen)

Sales of “sales proceeds deposit machines” in the cash-in-transit market were strong but sales of “sales proceeds deposit machines” in the retail market and this segment’s main product “coin and banknote recyclers” for cashiers were sluggish.

Outline of the Segment

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

Main Products



Coin and banknote recyclers for cashiers <RT / RAD series>



Sales proceeds deposit machines <DSS series>



Multi-functional cash management stations <DSR series>

	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Y-on-Y
Sales	15,536	13,561	-1,975 -12.7 %
Ratio to total net sales	16.1%	13.9%	-2.2
Operating income	1,966	1,038	-928 -47.2 %
Ratio to total operating income	36.5%	21.1%	-15.4
Operating margin	12.7%	7.7%	-5.0

Sales of card systems increased

(Millions of Yen)

Although sales of “membership management systems” and “pachinko prize dispensing machines” were slow primarily due to a decline in new pachinko parlor openings, sales of this segment’s main products such as “card systems” were robust.

Outline of the Segment

Sales and maintenance services to amusement halls (pachinko parlors) and others in Japan.

Main Products



	Sex months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Y-on-Y
Sales	11,069	12,198	+1,129 +10.2 %
Ratio to total net sales	11.5%	12.5%	+1.0
Operating income	817	1,211	+394 +48.2 %
Ratio to total operating income	15.2%	24.7%	+9.5
Operating margin	7.4%	9.9%	+2.5

Sales of main products declined

(Millions of Yen)

Sales of ticket vending machines, medical payment kiosks, ballot sorters for handwritten ballots were weak due to an adverse reaction from large demand in the same period of FY2013.

Outline of the Segment






Sales and maintenance services to tobacco shops, tobacco companies, hospitals, local governments, general companies and others in Japan.

Main Products



	Sex months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	Y-on-Y
Sales	6,707	5,810	-897 -13.4 %
Ratio to total net sales	7.0%	5.9%	-1.1
Operating income	-249	-163	+86 - %
Ratio to total operating income	-	-	-
Operating margin	-	-	-

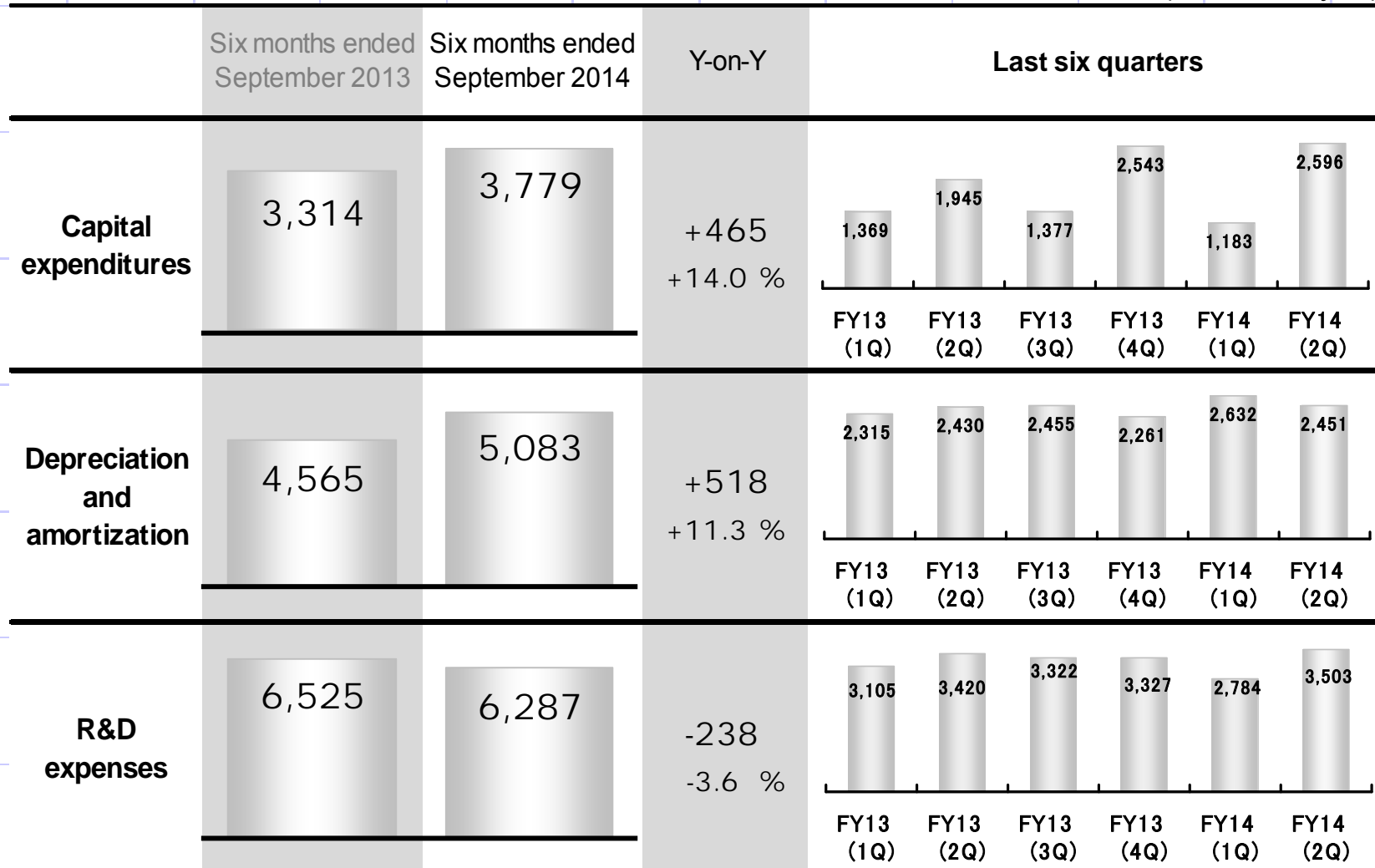
Sales & Operating Income by Business Segment
(Comparison with forecast)

(Millions of yen)	Net Sales			Operating Income		
	Six months ended September 2014		Y-on-Y	Six months ended September 2014		Y-on-Y
	Forecast*	Result		Forecast*	Result	
 Overseas Market	44,000	45,536	+1,536 +3.5 %	1,800	1,303	-497 -27.6 %
 Financial Market	22,500	20,670	-1,830 -8.1 %	1,900	1,520	-380 -20.0 %
 Retail & Transportation Market	15,000	13,561	-1,439 -9.6 %	1,600	1,038	-562 -35.1 %
 Amusement Market	12,500	12,198	-302 -2.4 %	900	1,211	+311 +34.6 %
 Others	6,000	5,810	-190 -3.2 %	-200	-163	+37 - %
Total	100,000	97,776	-2,224 -2.2 %	6,000	4,911	-1,089 -18.2 %

*The forecast announced on May 12, 2014.

Capital Expenditures etc.

(Millions of yen)



(Millions of Yen)

	Six months ended September 2013		Six months ended September 2014		Y-on-Y
		Ratios		Ratios	
Net sales	96,366	100.0%	97,776	100.0%	1,410
Cost of sales	57,490	59.7%	58,699	60.0%	+1,209
Selling, general and administrative expenses	33,484	34.7%	34,165	34.9%	+681
Operating income	5,391	5.6%	4,911	5.0%	-480
Non-operating income	2,162	2.2%	2,625	2.3%	+103
Non-operating expenses	539	0.6%	515	0.5%	-24
Ordinary income	7,014	7.3%	6,661	6.8%	-353
Extraordinary income	10	0.0%	25	0.0%	+15
Extraordinary loss	1,084	1.1%	222	0.2%	-862
Income before income taxes and minority interests	5,940	6.2%	6,463	6.6%	+523
Income taxes	3,078	3.2%	2,031	2.1%	-1,047
Income before minority interests	2,862	3.0%	4,432	4.5%	+1,570
Net income	2,539	2.6%	4,037	4.1%	1,498

Foreign
exchange gains
1,323
(FY2013 Q2: 1,396)

Loss on
liquidation of
business
0
(FY2013 Q2: 973)

Income before minority interests	2,862	3.0%	4,432	4.5%	+1,570
Valuation difference on available-for-sale securities	95		267		+172
Foreign currency translation adjustment	8,086		1,261		-6,825
Remeasurements of defined benefit plans	-		277		+277
Total other comprehensive income	8,181	8.5%	1,805	1.8%	-6,376
Comprehensive income	11,043	11.5%	6,238	6.4%	-4,805

(Millions of Yen)

	As of March 31, 2014	As of September 30, 2014	Increase/ Decrease		As of March 31, 2014	As of September 30, 2014	Increase/ Decrease
Cash, deposits and Securities	64,614	51,500 ⁽¹⁾	-13,114	Notes and accounts payable-trade	22,244	18,024	-4,220
Notes and accounts receivable-trade	48,240	41,435	-6,805	Short-term loans payable	36,822	33,868 ⁽¹⁾	-2,954
Inventories	40,832	48,721	+7,889	Other	37,679	31,754	-5,925
Other	11,609	12,382	+773	Total current liabilities	96,745	83,646	-13,099
Current assets	165,295	154,038	-11,257	Long-term loans payable	36,241	32,318 ⁽¹⁾	-3,923
Property, plant and equipment	35,046	34,942	-104	Other	17,151	18,142	+991
Customer relationships	32,497	32,810	+313	Noncurrent liabilities	53,392	50,460	-2,932
Goodwill	77,780	77,083	-697	Total liabilities	150,138	134,106	-16,032
Other	7,122	6,583	-539	Capital stock	12,892	12,892	0
Intangible assets	117,400	116,478	-922	Retained earnings	137,038	138,122	+1,084
Other	23,201	22,253	-948	Other	40,874	42,591	+1,717
Total noncurrent assets	175,648	173,674	-1,974	Total net assets	190,804	193,605	+2,801
Total assets	340,943	327,712	-13,231	Total liabilities and net assets	340,943	327,712	-13,231

(1) Decreased as a result of repayments of loans



Progress of Business Plan by Business Segment for FY2014



Overseas Market

Americas In North America, capital expenditures at financial institutions are recovering.

Europe In Western Europe, financial institutions are cautious about capital expenditures.

Asia In China, competition with local manufacturers is intense.
Capital expenditures by financial institutions in India are strong.

OEM ATM demand is increasing, primarily in emerging countries.

Financial market

Financial institutions are becoming more selective about capital expenditures.

Retail & transportation market

Retailers are working on cutting costs and boosting earnings.

Amusement market

The number of pachinko players is declining, creating challenges for pachinko parlor operators.




Others

The number of cigarette vending machines in Japan is decreasing.

[Overseas Business Basic Policy]

Maximize synergies as “One GLORY” organization




■ [Key initiatives] Expand sales and profit including synergy effect

Targets	First half performance	Second half measures
<p>Americas</p> <ul style="list-style-type: none"> •Expand presence in the financial market •Expand presence in the retail market •Increase sales in Central and South America 	<ul style="list-style-type: none"> •Increased banknote recycler sales in U.S. and Canada •Worked with other companies to develop new customers •Promoted market development in Brazil 	<ul style="list-style-type: none"> •Capture large orders •Expand sales activities •Strengthen sales capabilities in Brazil 
<p>Europe</p> <ul style="list-style-type: none"> •Promote sales of strategic products •Establish and expand presence in the retail market 	<ul style="list-style-type: none"> •Received large orders for banknote recyclers •Started trial installation of products at a large retailer 	<ul style="list-style-type: none"> •Target replacement demand •Strengthen the sales system 
<p>Asia</p> <ul style="list-style-type: none"> •Strengthen the sales system •Expand business domains in China 	<ul style="list-style-type: none"> •Increased sales in Southeast Asia •Developed new products for bank branches 	<ul style="list-style-type: none"> •Strengthen sales activities •Boost sales to regional banks, Expand sales of new products 
<p>OEM</p> <ul style="list-style-type: none"> •Increase sales of ATM modules 	<ul style="list-style-type: none"> •Slow sales of banknote deposit modules for ATMs 	<ul style="list-style-type: none"> •Work more closely with ATM manufacturers

[Domestic Business Basic Policy]

Develop future core products and expand business domain

■ [Key initiatives] Expand sales of key products

Targets	First half performance	Second half measures
<p>Cash sector</p> <ul style="list-style-type: none"> • Open teller systems • Coin and banknote recyclers for tellers 	<ul style="list-style-type: none"> • Weak sales of compact models • Weak sales due to postponement of large orders 	<ul style="list-style-type: none"> • Launch new products • Encourage customers to update equipment 
<p>Non-cash sector</p> <ul style="list-style-type: none"> • Security storage systems 	<ul style="list-style-type: none"> • Sales increased due to promotion activities 	<ul style="list-style-type: none"> • Strengthen proposal-based sales 
<p>Document processing sector</p> <ul style="list-style-type: none"> • Image scanners • Electronic data entry tablets 	<ul style="list-style-type: none"> • Weak sales due to postponement of large orders • Users are gradually increasing 	<ul style="list-style-type: none"> • Capture large orders • Continue sales promotion activities 

Open Teller System <WAVE Pro>

released in November 2014



**[Main features]**

1. Manages drafts, checks, unfit banknotes and unfit coins utilizing an optical image processing capability - an industry first.
2. Realizes the conventionally difficult function of automatic verification for the balance of new clean banknotes by a newly designed currency transport mechanism - an industry first.
3. Adopts touch panel display and newly designed structural layout.

[Domestic Business Basic Policy]

Develop future core products and expand business domain



■ [Key initiatives] Expand sales of main products

Targets	First half performance	Second half measures
<p>Front-office systems market</p> <ul style="list-style-type: none"> •Coin and banknote recyclers for cashiers 	<ul style="list-style-type: none"> •Weak sales because of decline in large orders 	<ul style="list-style-type: none"> •Capture new customers 
<p>Back-office systems market</p> <ul style="list-style-type: none"> •Multi-functional cash management stations •Sales proceeds deposit machines 	<ul style="list-style-type: none"> •Promoted proposal-based sales activities for target users •Conducted joint sales activities with cash-in-transit companies 	<ul style="list-style-type: none"> •Reinforce proposal-based sales activities •Capture replacement demand 

[Domestic Business Basic Policy]




Develop future core products and expand business domain

■ [Key initiatives] Increase earnings

Targets	First half performance	Second half measures
<p>Sales</p> <ul style="list-style-type: none"> • Increase sales of pachinko parlor total systems 	<ul style="list-style-type: none"> • Increased card system sales by strengthening sales activities for products compatible with the higher consumption tax rate 	<ul style="list-style-type: none"> • Increase sales of new products  <p>クラウド型ホールータルシステム 詳しくはこちらへ</p>
<p>Products</p> <ul style="list-style-type: none"> • Enlarge the product lineup 	<ul style="list-style-type: none"> • Worked on developing new products compatible with the higher consumption tax rate 	<ul style="list-style-type: none"> • Launch new products compatible with the higher consumption tax rate  <p>EXSIM 倍率調整方式</p>

[Domestic Business Basic Policy]

Develop future core products and expand business domain

Targets	First half performance	Second half measures
<p>Medical payment kiosks</p> <ul style="list-style-type: none"> • Promote sales activities 	<ul style="list-style-type: none"> • Promoted development of first-time users 	<ul style="list-style-type: none"> • Enhance competitiveness with new products
<p>Ticket vending machines</p> <ul style="list-style-type: none"> • Deepen penetration into the market 	<ul style="list-style-type: none"> • Promoted sales activities to capture replacement demand 	<ul style="list-style-type: none"> • Strengthen proposal-based sales activities by working with partner companies
<p>Cigarette vending machines</p> <ul style="list-style-type: none"> • Strengthen sales activities to tobacco companies 	<ul style="list-style-type: none"> • Captured large orders 	<ul style="list-style-type: none"> • Encourage customers to replace cigarette vending machines
<p>New business</p> <ul style="list-style-type: none"> • Expand biometric authentication and electronic settlement businesses 	<ul style="list-style-type: none"> • Expanded business domains for face recognition authentication systems 	<ul style="list-style-type: none"> • Increase activities to sell products to new customers

4

Financial Forecast for FY2014

Net sales

Higher sales due to overseas business growth and deeper market penetration in Japan

Income

Higher earnings due to benefits of overseas business integration and cost-cutting measures

(Millions of yen)	FY2013		FY2014		Y-on-Y
	Full year	Ratio	Full year (forecast) ^{*1}	Ratio	
Net Sales	218,632	100.0%	225,000 225,000	100.0%	+2.9%
Maintenance Services	63,388	29.0%	62,000 62,000	27.6%	-2.2%
Operating Income	16,718	7.6%	22,500 20,500	9.1%	+22.6%
Ordinary Income	19,764	9.0%	22,000 21,000	9.3%	+6.3%
Net Income	9,939	4.5%	12,000 12,000	5.3%	+20.7%

*1 FY2014 forecast;

Upper row : announced on May 12, 2014

Under row : announced on November 5, 2014

*2 Exchange rate: £1 = ¥170 US\$1 = ¥100 €1 = ¥135

4

Financial Forecast for FY2014

Sales & Operating Income Forecast by Business Segment (Full Year)



(Millions of yen)	Net Sales			Operating Income		
	FY2013 Full Year	FY2014 Full year *1	Y-on-Y	FY2013 Full Year	FY2014 Full year *1	Y-on-Y
Overseas Market	103,002	102,000 105,000	+1,998 +1.9 %	7,464	10,000 8,900	+1,436 +19.2 %
Financial Market	45,654	49,000 48,000	+2,346 +5.1 %	4,031	5,000 5,000	+969 +24.0 %
Retail & Transportation Market	31,007	33,000 31,000	-7 0.0 %	3,516	4,000 3,300	-216 -6.1 %
Amusement Market	24,811	27,000 26,000	+1,189 +4.8 %	1,948	3,300 3,100	+1,152 +59.1 %
Others	14,156	14,000 15,000	+844 +6.0 %	-241	200 200	+441 - %
Total	218,632	225,000 225,000	+6,368 +2.9 %	16,718	22,500 20,500	+3,782 +22.6 %

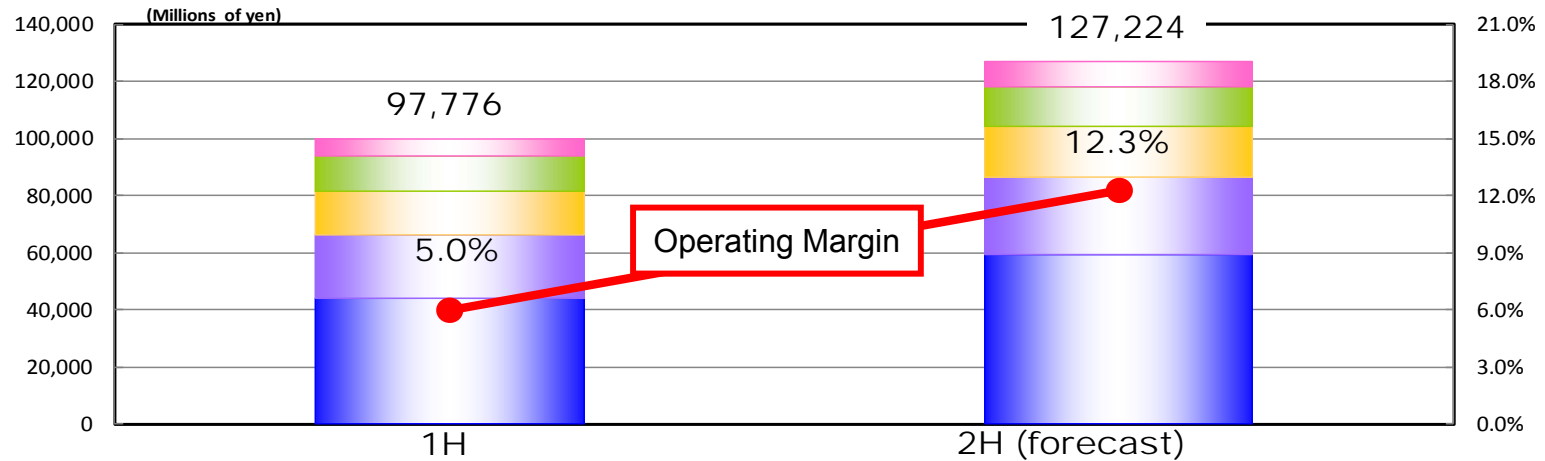
*1 FY2014 forecast;

Upper row : announced on May 12, 2014

Under row : announced on November 5, 2014

4

Financial Forecast Sales & Operating Income Forecast by Business Segment (Half Year) for FY2014



(Millions of yen)	FY2014 Q1-Q2 (result)		FY2014 Q3-Q4 (forecast)		Full year (forecast)	
	Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit
Overseas Market	44,000	1,800	58,000	8,200	102,000	10,000
	45,536	1,303	59,464	7,597	105,000	8,900
Financial Market	22,500	1,900	26,500	3,100	49,000	5,000
	20,670	1,520	27,330	3,480	48,000	5,000
Retail & Transportation Market	15,000	1,600	18,000	2,400	33,000	4,000
	13,561	1,038	17,439	2,262	31,000	3,300
Amusement Market	12,500	900	14,500	2,400	27,000	3,300
	12,198	1,211	13,802	1,889	26,000	3,100
Others	6,000	-200	8,000	400	14,000	200
	5,810	-163	9,190	363	15,000	200
Total	100,000	6,000	125,000	16,500	225,000	22,500
	97,776	4,911	127,224	15,589	225,000	20,500

*Upper row : the forecast announced on May 12, 2014

Under row : the result or forecast announced on November 5, 2014

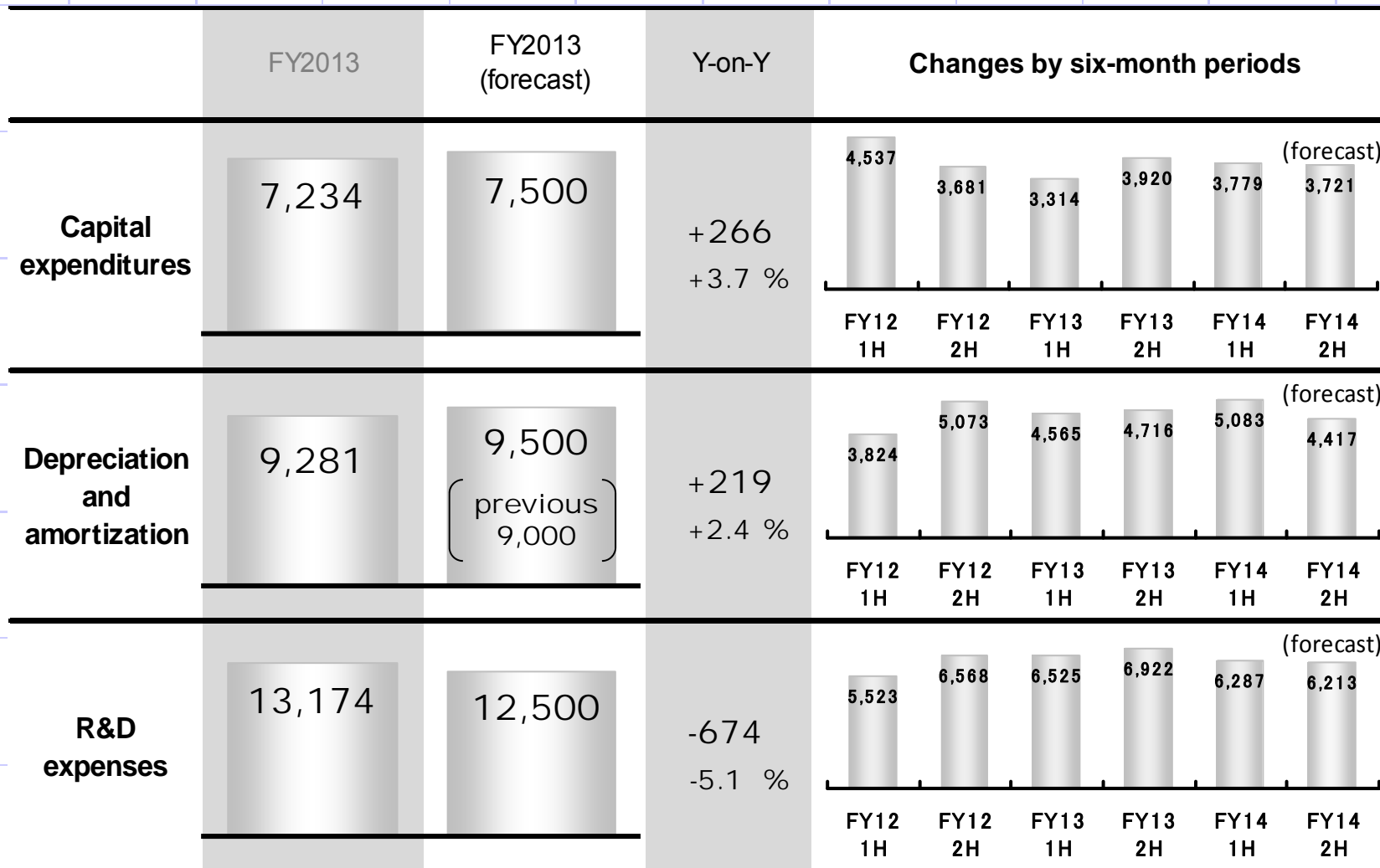
(Millions of Yen)

	FY2013	FY2014 (forecast) *	Y-on-Y
Americas	30,157	32,000	+2,843
		33,000	+9.4 %
Europe	41,053	39,000	947
		42,000	+2.3 %
Asia	21,012	21,000	-12 -0.1 %
China	12,736	13,000	-1,236
		11,500	-9.7 %
Total direct sales	92,222	92,000	+3,778
		96,000	+4.1 %
OEM	10,778	10,000	-1,778
		9,000	-16.5 %
Total overseas sales	103,002	102,000	+1,998
		105,000	+1.9 %

*1 FY2014 forecast;

Upper row : announced on August 5, 2014, Under row : announced on November 5, 2014

(Millions of Yen)



*The forecast for depreciation and amortization has been revised from the previous forecast announced on May 12, 2014.



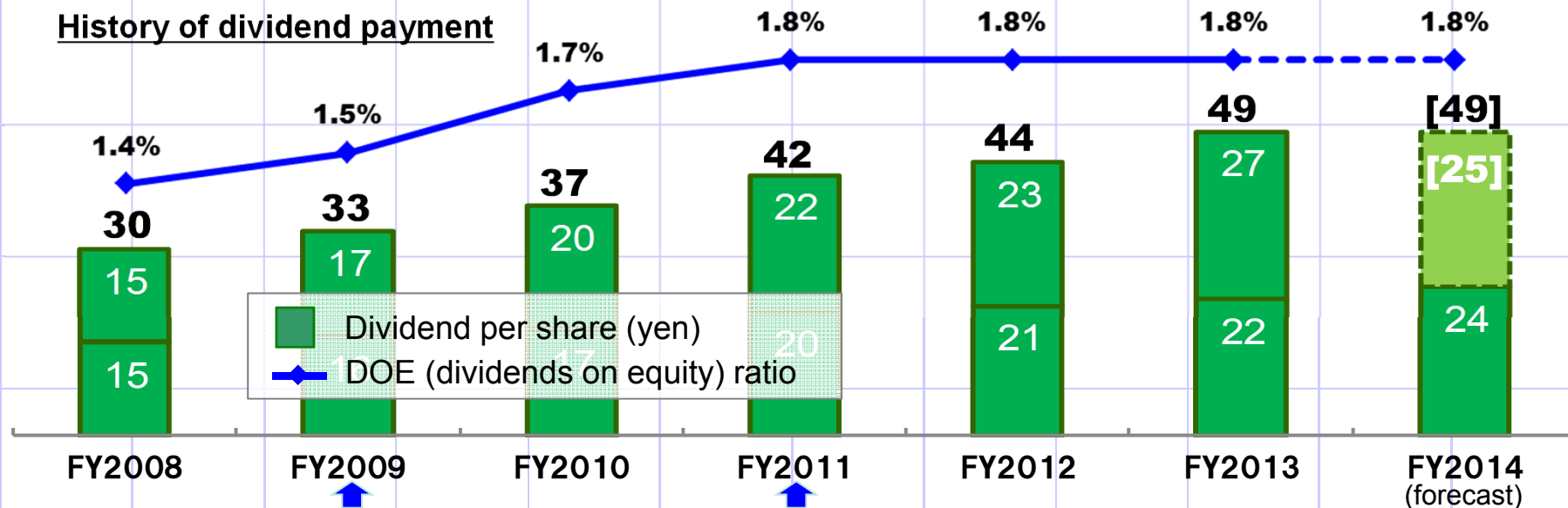
Other Information

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 for FY2014	Interim	Year-end (forecast)	Annual (forecast)
	¥24	¥25	¥49 (Dividend payout ratio 26.8%)

History of dividend payment



Established clear targets for total dividend payments:
 · Minimum of 1.5% of consolidated equity
 · Consolidated payout ratio of at least 25%

Raised minimum consolidated equity payout ratio to 1.8%