

(TRANSLATION FOR REFERENCE ONLY)

This is a translation of the original Japanese text of the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2016.”
 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 Fiscal Year Ended March 31, 2016 <Japanese GAAP>

May 12, 2016

Company Name: GLORY LTD. Stock exchange listing: Tokyo (1st Section)
 Code Number: 6457 URL: <http://www.glory-global.com/>
 Representative: Hirokazu Onoe President & Representative Director
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Scheduled date of Ordinary General Meeting of Shareholders: June 24, 2016
 Scheduled date of dividend payments: June 27, 2016
 Scheduled filing date of Annual Securities Report: June 27, 2016
 Preparation of earnings supplementary explanatory material: Yes
 Holding of 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Year ended March 31, 2016	226,952	2.1	20,552	9.9	17,583	(20.8)	8,829	(31.5)
Year ended March 31, 2015	222,356	—	18,693	—	22,211	—	12,887	—

(Note) Comprehensive income

Year ended March 31, 2016: ¥(3,512) million [— %]
 Year ended March 31, 2015: ¥18,753 million [— %]

	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, 2016	134.38	—	4.5	5.3	9.1
Year ended March 31, 2015	196.19	—	6.6	6.5	8.4

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

Year ended March 31, 2016: ¥— million Year ended March 31, 2015: ¥— million

(Note) The financial figures provided for the fiscal year ended March 31, 2015 are the figures after the retrospective application which was carried out in accordance with changes in the accounting policy. The percentage changes from the corresponding period of the previous year are not provided for the fiscal year ended March 31, 2015.

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(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, 2016	321,672	198,287	60.6	2,966.22
As of March 31, 2015	346,613	204,544	58.1	3,066.53

(Reference) Ownership equity

As of March 31, 2016: ¥194,840 million As of March 31, 2015: ¥201,431 million

(3) Consolidated Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Year ended March 31, 2016	28,142	(7,714)	(16,844)	67,133
Year ended March 31, 2015	21,106	(3,425)	(15,749)	64,222

(Note) The financial figures provided for the fiscal year ended March 31, 2015 are the figures after the retrospective application which was carried out in accordance with changes in the accounting policy.

2. Dividends

(Record date)	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Year ended March 31, 2015	—	24.00	—	30.00	54.00	3,547	27.5	1.8
Year ended March 31, 2016	—	27.00	—	29.00	56.00	3,689	41.7	1.9
Year ending March 31, 2017 (forecast)	—	28.00	—	28.00	56.00		35.0	

3. Consolidated Financial Forecast for the Year Ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Six months ending September 30, 2016	105,000	0.8	6,000	(10.8)	5,500	(17.8)	2,000	(33.7)	30.44
Full year	230,000	1.3	20,500	(0.3)	19,500	10.9	10,500	18.9	159.81

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Notes:

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

(2) 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): Yes
 (c) Changes in accounting estimates: None
 (d) Restatements: None

(Note) For more information, please refer to “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policy” on page 23 of the Attachment.

(3) Total number of shares issued (common stock)

(a) Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2016: 68,638,210 shares
 As of March 31, 2015: 68,638,210 shares

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

As of March 31, 2016: 2,749,737 shares
 As of March 31, 2015: 2,951,231 shares

(c) Average number of shares

Year ended March 31, 2016: 65,703,764 shares
 Year ended March 31, 2015: 65,687,030 shares

(Note) In addition to the number of treasury shares as of March 31, 2016, there also existed 30,000 shares owned by the “Board Incentive Plan (BIP) Trust Account” as assets in trust for a stock compensation plan for directors, and 172,000 shares owned by the “Employee Stock Ownership Plan (ESOP) Trust Account” as assets in trust for an incentive plan for senior managers.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Non-consolidated Operating Results

(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)	(%)
Year ended March 31, 2016	139,538	3.6	11,488	(8.4)	14,018	(26.1)	10,036	(27.0)
Year ended March 31, 2015	134,718	1.6	12,543	(0.5)	18,970	(3.8)	13,744	(6.1)

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
Year ended March 31, 2016	152.75	—
Year ended March 31, 2015	209.24	—

(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, 2016	249,560	174,094	69.8	2,650.39
As of March 31, 2015	258,341	168,620	65.3	2,567.04

(Reference) Ownership equity

As of March 31, 2016: ¥174,094 million As of March 31, 2015: ¥168,620 million

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(Note) Status of implementation of audit procedures

These “Consolidated Financial Results” are exempt from the audit procedures required under 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 and non-consolidated financial statements is 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 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. Analysis of Operating Results and Financial Position, (1) Analysis of Operating Results” on page 6 of the Attachment.

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Attachment

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Consolidated operating results for this current fiscal year

In the fiscal year ended March 31, 2016, the Japanese economy showed a trend of gradual recovery driven by firm personal consumption as well as improvements in corporate earnings and the employment situation. The outlook of the global economy, on the other hand, has been uncertain overall; while the United States maintained a trend toward recovery and Europe continued to move toward recovery at a moderate pace, in Asia, China's economy remained in a state of slowing down, and the sharp yen appreciation continued from the start of the year.

Under these conditions, in this first year of its three-year 2017 Medium-Term Management Plan, which started in April 2015, the GLORY Group (the "Group") proactively implemented the three strategies—Business, Constitutional, and Corporate Management—under its basic policy to "Realize business growth through 'customer-oriented superb manufacturing' and enhance profitability to achieve the Long-Range Vision 2018."

In its overseas business, the Company executed regional strategies matched to the characteristics of local markets, working to win replacement demand and actively open up the retail market, in addition to focusing on upgrading and expanding its sales and maintenance structures, such as through the acquisition of a New Zealand sales and service company.

In its domestic business, as well as steadily winning replacement demand for the main products of "open teller systems" and "coin and banknote recyclers" for cashiers, the Company worked to expand revenue by opening up new markets where its products have not yet been adopted. It also focused on strengthening its corporate constitution by developing platforms for its technologies to enhance development efficiency and by upgrading production structures both in Japan and overseas.

As a result, net sales in the current fiscal year totaled ¥226,952 million (up 2.1% year on year). Of this, sales of merchandise and finished goods came to ¥161,338 million, rising 1.4% year on year, while sales from maintenance services increased by 3.8% year on year to ¥65,613 million. Operating income was ¥20,552 million (up 9.9% year on year), but due to foreign exchange losses etc. ordinary income fell 20.8% over the previous year to ¥17,583 million, resulting in net income attributable to owners of the parent of ¥8,829 million (down 31.5% year on year). Due to volatility in foreign exchange and the fall in long-term interest rates etc., comprehensive income posted a loss of ¥3,512 million compared to a comprehensive income of ¥18,753 million in the previous fiscal year. For net sales and operating income, this was the sixth consecutive year of higher sales and higher profits.

Results of operations in business segments were as follows.

Financial market

For this segment's main product, "open teller systems," sales were strong for compact models for small- and medium-sized financial outlets, while sales of "key management systems" were also robust, driven by replacement demand.

As a result, net sales in this segment were ¥51,338 million (up 6.7% year on year) and operating income was ¥6,741 million (up 22.5% year on year).

Retail and transportation market

Sales of "coin and banknote recyclers" for cashiers, the main product in this segment, were strong. Moreover, sales of "sales proceeds deposit machines" for the retail market and "sales proceeds deposit machines" for the cash-in-transit market were robust due to our capturing of replacement demand.

As a result, net sales in this segment were ¥38,615 million (up 29.2% year on year) and operating income was ¥3,657 million (up 48.4% year on year).

Amusement market

Sales of this segment's main products such as "card systems" were sluggish, mainly reflecting constraint toward capital expenditure in pachinko parlors.

As a result, net sales in this segment were ¥21,506 million (down 15.4% year on year), while operating income was ¥1,112 million (down 54.8% year on year).

Overseas market

Although sales of "banknote sorters" were slow in Europe and Asia, sales of this segment's main product, "banknote recyclers," were strong in the Americas and Europe. In Europe, sales of "sales proceeds deposit machines" for the retail market were robust and sales for the market as a whole were maintained at the level of the previous fiscal year.

As a result, net sales in this segment came to ¥105,595 million (up 1.3% year on year) and operating income was ¥9,224 million, up 14.5% year on year due to improvements in product mix and cost reductions etc.

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In the other business segment, net sales were ¥9,895 million (down 32.6% year on year) and there was an operating loss of ¥183 million, compared to operating income of ¥210 million in the corresponding period of the previous fiscal year.

All amounts in this section do not include consumption taxes.

Forecast for the next fiscal year

For the next fiscal year ending March 31, 2017, although there are uncertainties such as sudden appreciation of the yen and volatility in stock prices, the forecast is for the Japanese economy to continue on a recovery trend against a backdrop of improvements in the environments for employment and personal incomes. Meanwhile, despite a moderate recovery driven by economic expansion in the United States, the forecast for the global economy is one of continued poor visibility, caused in part by concerns over weakening growth in China and stagnating economies in emerging countries.

In this business environment, the Group entered the second year of the three-year 2017 Medium-Term Management Plan that commenced in April 2015, as described in “(3) Medium- to Long-Term Management Strategies and Issues to Be Addressed by the Company” under “3. Management Policy,” and is aggressively implementing the various measures of the plan.

Based on the above, for the fiscal year ending March 31, 2017, the Group forecasts consolidated business results as follows; net sales of ¥230,000 million, operating income of ¥20,500 million, ordinary income of ¥19,500 million and net income attributable to owners of parent of ¥10,500 million. The forecast uses exchange rate assumptions of US\$1=¥110, 1 euro=¥125, and 1 sterling pound=¥160.

(2) Analysis of Financial Position

Total assets at the end of the current fiscal year were ¥321,672 million, a decrease of ¥24,941 million compared with the end of the previous fiscal year.

Liabilities were ¥123,385 million, a decrease of ¥18,683 million compared with the end of the previous fiscal year.

Cash and cash equivalents (“cash”) at the end of the current fiscal year increased ¥2,910 million from one year earlier to ¥67,133 million.

The following is a summary of cash flows:

Cash flows from operating activities

Net cash provided by operating activities was ¥28,142 million, an increase of ¥21,106 million year on year. The main components of cash used were an increase in inventories of ¥2,429 million and income taxes paid of ¥7,818 million, while this was offset by income before income taxes of ¥17,766 million, depreciation of ¥10,327 million, amortization of goodwill of ¥5,053 million, an increase in net defined benefit liability of ¥3,522 million and a decline in notes and accounts receivable - trade of ¥3,511 million.

Cash flows from investing activities

Net cash used in investing activities was ¥7,714 million, compared to ¥3,425 million in the previous fiscal year. The main components were proceeds from sales and redemption of investment securities of ¥3,407 million, while payments for purchases of property, plant and equipment came to ¥8,410 million. The purchases of property, plant and equipment consisted mainly of molds, jigs and tools etc. used to manufacture products and rebuild the Company’s factories.

Cash flows from financing activities

Net cash used in financing activities was ¥16,844 million (¥15,749 million in the previous fiscal year). The main components were a net decrease in short-term loans payable of ¥2,500 million, repayments of long-term loans payable of ¥9,987 million, cash dividends paid of ¥3,749 million and dividends paid to non-controlling interests of ¥605 million.

Cash flow indices

	March 2012	March 2013	March 2014	March 2015	March 2016
Ownership equity ratio	74.0%	52.2%	55.2%	58.1%	60.6%
Ownership equity ratio based on market value	58.6%	46.5%	54.5%	63.5%	78.1%
Debt repayment ratio (years)	1.0	5.7	4.1	3.0	1.7
Interest coverage ratio	67.2	24.5	24.8	24.6	41.6

Notes: Ownership equity ratio: (Shareholders’ equity + Valuation and translation adjustments) / Total assets

Ownership equity ratio based on market value: Market capitalization / Total assets

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Debt repayment ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

- * All indices are calculated using financial data on a consolidated basis.
- * Market capitalization is calculated by multiplying the closing price on the balance sheet date by the number of shares issued, net of treasury shares, on the balance sheet date.
- * Operating cash flow represents cash flow from operating activities per the consolidated statement of cash flows. Interest-bearing liabilities consist of all liabilities on the consolidated balance sheet for which interest is being paid. Interest payments consist of interest expenses paid as presented on the consolidated statement of cash flows.

(3) Basic Policy on Profit Distributions and Dividends for the Current and Next Fiscal Years

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 a sound financial standing in preparation for future business growth. The Company has set a dividend payout ratio of 30% or higher on a consolidated basis.

With regard to the acquisition of treasury shares, the Company will consider an appropriate response after having taken into overall account future business development, investment plans, the level of retained earnings, and performance trends. The Company policy is to maintain the upper limit for holding treasury shares at around 5% of shares issued and to retire any excess.

In accordance with the above policy, for the fiscal year ended March 31, 2016 (the 70th term) the Company plans a year-end dividend of ¥29 per share. Together with the interim dividend of ¥27 per share this will result in an annual dividend of ¥56 per share and a dividend payout ratio of 41.7% on a consolidated basis.

With regard to future dividends, the Company plans to pay a dividend of ¥56 per share for the fiscal year ending March 31, 2017, consisting of an interim dividend of ¥28 and a year-end dividend of ¥28.

(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's business is subject to government authorizations, 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 themes, 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 any 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 a wide range of overseas activities including the production, sale and maintenance of products, and the procurement of parts, etc. If a situation occurs, such as a rapid change in the political or economic situation overseas, or foreign exchange market fluctuations beyond the anticipated scope, the performance of the Group may be adversely affected. In July, 2012, the Company acquired Talaris. However, there remains the possibility that the Company will not achieve the results and effects expected from this acquisition, and that it will take more time than expected to achieve them. The effect of such factors may adversely affect the Group's business and performance.

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2. Group Position

(1) Details of Business

The GLORY Group comprises GLORY LTD., 51 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.

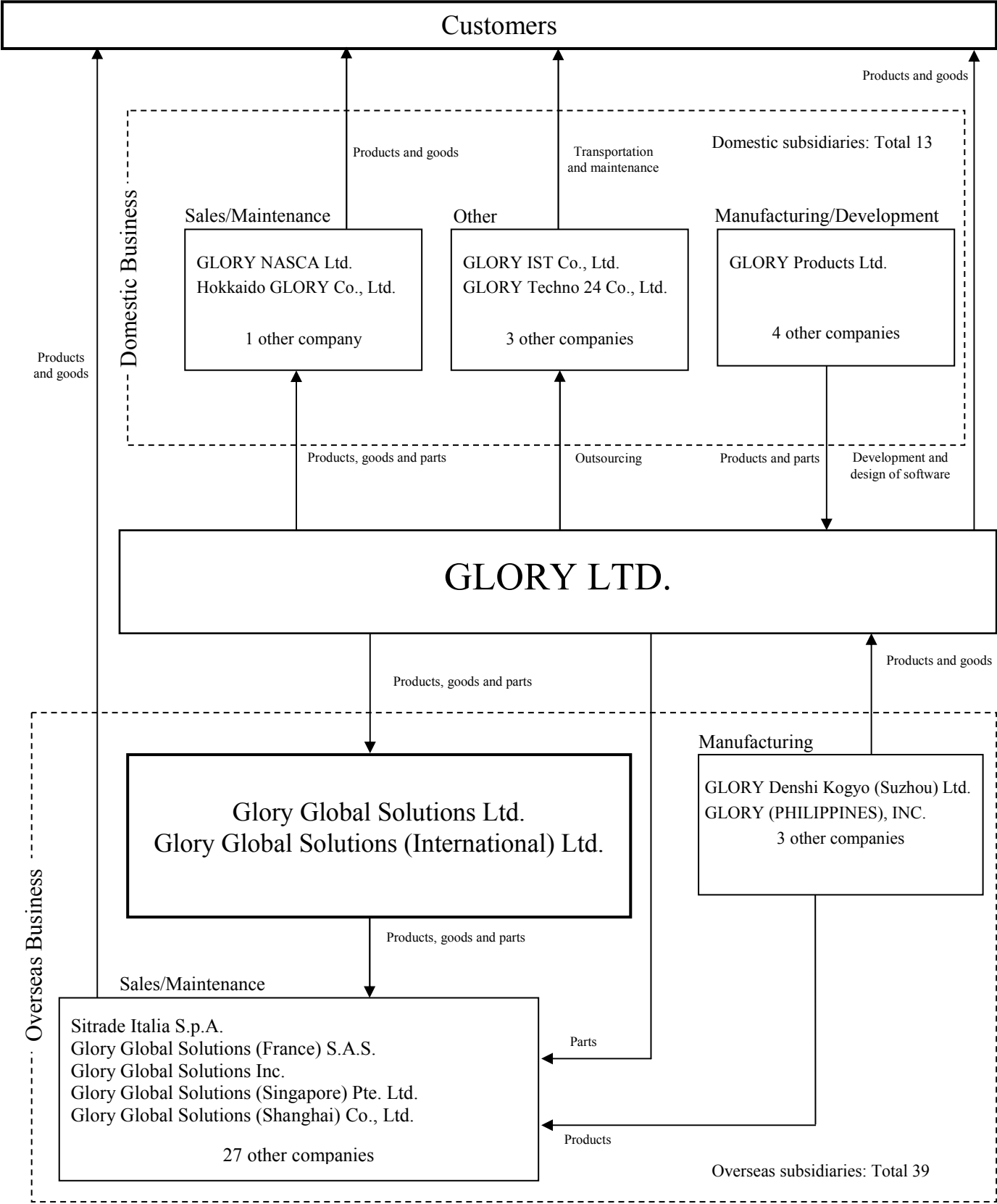
The positions of the Company and key subsidiaries and affiliates involved in the Group business, and their relations to the business divisions are as below.

		Financial market	Retail and transportation market	Amusement market	Overseas market	Other
Domestic	GLORY LTD.	○	○	○	○	○
	GLORY Products Ltd.	○	○	○		
	GLORY NASCA Ltd.			○		
	Hokkaido GLORY Co., Ltd.	○	○			○
Overseas	GLORY Denshi Kogyo (Suzhou) Ltd.				○	
	GLORY (PHILIPPINES), INC.				○	
	Sitrade Italia S.p.A.				○	
	Glory Global Solutions Ltd.				○	
	Glory Global Solutions (International) Ltd.				○	
	Glory Global Solutions (France) S.A.S.				○	
	Glory Global Solutions Inc.				○	
	Glory Global Solutions (Singapore) Pte. Ltd.				○	
Glory Global Solutions (Shanghai) Co., Ltd.				○		

Note: GLORY (PHILIPPINES), INC. has become more important and is included in the table above from the current fiscal year onward.

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The following chart shows the Group positions.



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(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.	Kanzaki-gun, Hyogo	80	Financial market Retail and transportation market Amusement market	100.0	Manufacturing of products of the Company. Interlocking officers: yes
GLORY NASCA Ltd. (Note: 5)	Sumida-ku, Tokyo	2,000	Amusement market	100.0	Sales and maintenance of amusement-related products 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 Denshi Kogyo (Suzhou) Ltd. (Note: 6)	Jiangsu Province, China	Thousand US\$ 5,200	Overseas market	100.0	Manufacturing and sales of products of the Company. Interlocking officers: yes
GLORY (PHILIPPINES), INC. (Note: 7)	Cavite, Philippines	Thousand US\$ 1,600	Overseas market	100.0	Manufacturing of products of the Company. 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
Glory Global Solutions Ltd. (Note: 5)	Basingstoke, U.K.	Thousand £ 438,000	Overseas market	100.0	No operating transactions Financial support(s): yes Interlocking officers: yes
Glory Global Solutions (International) Ltd. (Note: 5)	Basingstoke, U.K.	Thousand £ 18,442	Overseas market	100.0 (100.0)	Control of business of sales and maintenance of products of the Company in overseas. Interlocking officers: yes
Glory Global Solutions (France) S.A.S. (Note: 5)	Marne-la-Vallée, France	Thousand EURO 14,567	Overseas market	100.0 (100.0)	Sales and maintenance of products of the Company in France. Interlocking officers: none
Glory Global Solutions Inc. (Note: 8)	Illinois, 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 Global Solutions (Singapore) Pte. Ltd.	Singapore	Thousand S\$ 4,000	Overseas market	100.0	Sales, maintenance and parts procurement of products of the Company in Asia. Interlocking officers: yes
Glory Global Solutions (Shanghai) Co., Ltd.	Shanghai, China	Thousand US\$ 1,000	Overseas market	100.0	Sales and maintenance of products of the Company in China. Interlocking officers: yes
27 other companies					

- Notes: 1. The applicable business segments are stated in the primary business column.
2. The voting rights ratio within parentheses indicates the indirectly held voting rights ratio.
3. Interlocking officers indicate whether or not executives or employees of the Company also serve as officers of subsidiaries or affiliates.
4. There are no subsidiaries filing a securities registration statement or an annual securities report.
5. This company is categorized as a specified subsidiary under Japanese law.
Besides the list above, there are three specified subsidiaries listed below.
- Glory Global Solutions (Topco) Ltd.
 - Glory Global Solutions (Midco) Ltd.
 - Glory Global Solutions (Holdings) Ltd.
6. GLORY Denshi Kogyo (Suzhou) Ltd. received an increase in capital of US\$ 1,000,000 effective August 21, 2015, leaving it with capital of US\$ 5,200,000.

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7. GLORY (PHILIPPINES), INC. has become more important and is included in the table above from the current fiscal year onward.
8. The ratio of the net sales of Glory Global Solutions Inc. (excluding consolidated intercompany sales) to consolidated net sales exceeded 10%.

Glory Global Solutions Inc.

Significant profit and loss information

(1) Net sales	¥32,831 million
(2) Ordinary income	¥541 million
(3) Net income	¥66 million
(4) Net assets	¥720 million
(5) Total assets	¥20,648 million

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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 Group has put in place the “Corporate Philosophy Structure,” and determined a Corporate Philosophy and Managerial Creed. Aiming at achieving the enhancement of corporate value as the overall 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>>

- Through 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) Medium- to Long-Term Management Strategies and Issues to Be Addressed by the Company

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

As the final step in realizing this Long-Range Vision 2018, the Group has initiated the 2017 Medium-Term Management Plan, covering the three years from April 2015 to March 2018. Under the basic policy of “Realize business growth through ‘customer-oriented superb manufacturing’ and enhance profitability to achieve the Long-Range Vision 2018,” the Group, is implementing measures based around the three strategies of Business, Constitutional, and Corporate Management. In the next fiscal year, which will be the second year of the Plan, the Group will undertake the following important measures:

(i) Business Strategy

Under this strategy, the Group will undertake the following strategies with the goal of “enhancing profitability by expanding business size/area”:

Under the Domestic Business Strategy, as well as steadily winning replacement demand by strengthening its sales force and pushing to open up new markets, the Group will take steps to create new business models and future core products suitable for changing market environments by enhancing its ability to meet market needs.

Under the Overseas Business Strategy, as well as executing region-specific strategies based on exhaustive market analysis, the Group will propose and promote solutions that match customer needs and enhance profitability by leveraging the newly acquired direct sales and maintenance networks. In addition, by reinforcing sales systems and expanding product lineups in the retail market, the Group will grow the retail market into a pillar of overseas business second only to the financial market.

(TRANSLATION FOR REFERENCE ONLY)

(ii) Constitutional Strategy

Under this strategy, the Group will undertake the following strategies in an effort to “provide timely products and services meeting market needs”:

Under the Product Development Strategy, the Group will focus on the development of new technology that will lead to next-generation products and reinforce the product development structure in Japan and overseas.

Under the Production/Procurement Strategy, the Group will establish a global production structure and promote global procurement to enhance its cost competitiveness.

Under the Quality Assurance Strategy, the Group will work to enhance the quality assurance function for overseas markets, which are becoming more important as the overseas business expands.

(iii) Corporate Management Strategy

Under this strategy, the Group will undertake the following strategies in an effort to “reinforce the group management infrastructure”:

Under the Group Governance Strategy, the Group will promote management adhering to the corporate philosophy and enhance management capability on a global level. In addition, while promoting management that conforms to the “Corporate Governance Guidelines” established in February 2016, the Group will continue to take initiatives to reinforce corporate governance.

Under the Human Resource Strategy, the Group will cultivate and utilize human resources for global business expansion and promote diversity to strengthen its human resources.

Under the Capital/Financing Strategy, the Group will maintain stable shareholder returns and improve capital efficiency.

Under the Information System Strategy, the Group will take steps to establish an information platform underpinning stable business activities and enhance its information security system.

(4) Other Important Matters Related to Company Management

Not applicable.

4. Basic Approach to Selection of Accounting Standard

Given the ongoing convergence between accounting standards, the Group has adopted a policy for the time being of continuing to use the Japanese accounting standard.

Moreover, the Group intends to continue examining the application of International Financial Reporting Standards (IFRS) in light of trends in IFRS adoption among other Japanese companies going forward and the Group’s own international development, and so forth.

(TRANSLATION FOR REFERENCE ONLY)

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	62,022	68,053
Notes and accounts receivable - trade	55,648	50,671
Lease investment assets	2,718	2,916
Securities	4,754	500
Merchandise and finished goods	25,683	25,380
Work in process	6,047	6,526
Raw materials and supplies	9,900	11,462
Deferred tax assets	5,005	4,528
Other	3,435	2,446
Allowance for doubtful accounts	(562)	(675)
Total current assets	174,654	171,811
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,328	34,198
Accumulated depreciation	(18,908)	(19,593)
Buildings and structures, net	12,419	14,604
Machinery, equipment and vehicles	11,576	12,396
Accumulated depreciation	*1 (9,199)	*1 (9,623)
Machinery, equipment and vehicles, net	2,377	2,772
Tools, furniture and fixtures	57,913	58,052
Accumulated depreciation	*1 (50,732)	*1 (51,611)
Tools, furniture and fixtures, net	7,181	6,441
Land	11,916	11,954
Construction in progress	1,614	59
Total property, plant and equipment	35,509	35,832
Intangible assets		
Customer relationships	31,935	27,344
Software	3,534	3,938
Goodwill	74,790	63,796
Other	2,876	2,240
Total intangible assets	113,136	97,320
Investments and other assets		
Investment securities	*2 11,052	*2 8,765
Deferred tax assets	4,054	4,335
Net defined benefit asset	3,898	—
Other	4,337	3,665
Allowance for doubtful accounts	(29)	(59)
Total investments and other assets	23,312	16,707
Total non-current assets	171,958	149,860
Total assets	346,613	321,672

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,366	18,971
Short-term loans payable	19,527	16,885
Current portion of long-term loans payable	9,918	9,424
Income taxes payable	3,796	2,230
Provision for bonuses	6,664	7,786
Provision for directors' bonuses	69	71
Provision for stock grant	-	67
Other	30,031	26,181
Total current liabilities	91,374	81,619
Non-current liabilities		
Long-term loans payable	32,835	22,629
Lease obligations	1,771	1,667
Deferred tax liabilities	10,495	8,443
Net defined benefit liability	3,323	6,607
Provision for stock grant	-	67
Other	2,269	2,350
Total non-current liabilities	50,694	41,766
Total liabilities	142,069	123,385
Net assets		
Shareholders' equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,952
Retained earnings	145,165	151,653
Treasury shares	(5,817)	(6,141)
Total shareholders' equity	172,871	179,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,064	235
Foreign currency translation adjustment	24,962	17,819
Remeasurements of defined benefit plans	2,532	(2,572)
Total accumulated other comprehensive income	28,559	15,483
Non-controlling interests	3,113	3,446
Total net assets	204,544	198,287
Total liabilities and net assets	346,613	321,672

(TRANSLATION FOR REFERENCE ONLY)

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	Previous Fiscal Year (From April 1, 2014 to March 31, 2015)	Current Fiscal Year (From April 1, 2015 to March 31, 2016)
Net sales	*1 222,356	*1 226,952
Cost of sales	*2, *4 134,757	*2, *4 137,357
Gross profit	87,598	89,595
Selling, general and administrative expenses	*3, *4 68,905	*3, *4 69,042
Operating income	18,693	20,552
Non-operating income		
Interest income	228	160
Dividend income	528	295
Foreign exchange gains	2,710	–
Subsidy income	–	319
Other	1,189	621
Total non-operating income	4,656	1,397
Non-operating expenses		
Interest expenses	835	661
Foreign exchange losses	–	3,395
Other	303	309
Total non-operating expenses	1,139	4,366
Ordinary income	22,211	17,583
Extraordinary income		
Gain on sales of non-current assets	*5 325	*5 15
Gain on sales of investment securities	–	283
Other	14	–
Total extraordinary income	340	299
Extraordinary losses		
Loss on sales of non-current assets	*6 105	*6 7
Loss on retirement of non-current assets	*7 195	*7 107
Impairment loss	74	–
Total extraordinary losses	375	115
Income before income taxes	22,176	17,766
Income taxes - current	7,944	6,438
Income taxes - deferred	396	1,231
Total income taxes	8,340	7,670
Net income	13,835	10,096
Net income attributable to non-controlling interests	948	1,267
Net income attributable to owners of parent	12,887	8,829

(TRANSLATION FOR REFERENCE ONLY)

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Previous Fiscal Year (From April 1, 2014 to March 31, 2015)	Current Fiscal Year (From April 1, 2015 to March 31, 2016)
Net income	13,835	10,096
Other comprehensive income		
Valuation difference on available-for-sale securities	666	(828)
Foreign currency translation adjustment	1,618	(7,678)
Remeasurements of defined benefit plans, net of tax	2,632	(5,102)
Total other comprehensive income	4,917	(13,608)
Comprehensive income	18,753	(3,512)
Comprehensive income attributable to		
Owners of parent	17,762	(4,450)
Non-controlling interests	991	938

(TRANSLATION FOR REFERENCE ONLY)

(3) Consolidated Statement of Changes in Equity

Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,892	20,629	137,038	(5,817)	164,744
Cumulative effects of changes in accounting policies			(1,410)		(1,410)
Restated balance	12,892	20,629	135,628	(5,817)	163,333
Changes of items during period					
Dividends of surplus			(3,350)		(3,350)
Net income attributable to owners of parent			12,887		12,887
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					–
Change of scope of consolidation					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	9,537	(0)	9,536
Balance at end of current period	12,892	20,629	145,165	(5,817)	172,871

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	398	23,156	(99)	23,454	2,605	190,804
Cumulative effects of changes in accounting policies		(68)		(68)		(1,478)
Restated balance	398	23,088	(99)	23,386	2,605	189,325
Changes of items during period						
Dividends of surplus				–	(482)	(3,832)
Net income attributable to owners of parent				–		12,887
Purchase of treasury shares				–		(0)
Disposal of treasury shares				–		–
Change of scope of consolidation				–		–
Net changes of items other than shareholders' equity	666	1,874	2,632	5,173	991	6,164
Total changes of items during period	666	1,874	2,632	5,173	508	15,218
Balance at end of current period	1,064	24,962	2,532	28,559	3,113	204,544

(TRANSLATION FOR REFERENCE ONLY)

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,892	20,629	145,165	(5,817)	172,871
Cumulative effects of changes in accounting policies					–
Restated balance	12,892	20,629	145,165	(5,817)	172,871
Changes of items during period					
Dividends of surplus			(3,749)		(3,749)
Net income attributable to owners of parent			8,829		8,829
Purchase of treasury shares				(722)	(722)
Disposal of treasury shares		322		398	720
Change of scope of consolidation			1,407		1,407
Net changes of items other than shareholders' equity					
Total changes of items during period	–	322	6,487	(324)	6,485
Balance at end of current period	12,892	20,952	151,653	(6,141)	179,357

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,064	24,962	2,532	28,559	3,113	204,544
Cumulative effects of changes in accounting policies				–		–
Restated balance	1,064	24,962	2,532	28,559	3,113	204,544
Changes of items during period						
Dividends of surplus				–	(605)	(4,355)
Net income attributable to owners of parent				–		8,829
Purchase of treasury shares				–		(722)
Disposal of treasury shares				–		720
Change of scope of consolidation		206	(2)	203		1,611
Net changes of items other than shareholders' equity	(828)	(7,349)	(5,102)	(13,280)	938	(12,341)
Total changes of items during period	(828)	(7,143)	(5,105)	(13,076)	332	(6,257)
Balance at end of current period	235	17,819	(2,572)	15,483	3,446	198,287

(TRANSLATION FOR REFERENCE ONLY)

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Fiscal Year (From April 1, 2014 to March 31, 2015)	Current Fiscal Year (From April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Income before income taxes	22,176	17,766
Depreciation	10,350	10,327
Impairment loss	74	–
Amortization of goodwill	4,938	5,053
Increase (decrease) in allowance for doubtful accounts	(50)	158
Increase (decrease) in net defined benefit liability	(754)	3,522
Increase (decrease) in provision for bonuses	357	1,348
Increase (decrease) in provision for stock grant	–	135
Loss (gain) on sales of investment securities	(0)	(283)
Interest and dividend income	(756)	(456)
Interest expenses	835	661
Loss on retirement of non-current assets	195	107
Decrease (increase) in notes and accounts receivable - trade	(5,307)	3,511
Decrease (increase) in inventories	541	(2,429)
Increase (decrease) in notes and accounts payable - trade	(2,699)	(1,707)
Increase (decrease) in lease obligations	37	(59)
Decrease (increase) in lease investment assets	279	(198)
Increase (decrease) in accounts payable - other	(140)	(1,120)
Decrease/increase in consumption taxes receivable/payable	1,198	(1,624)
Other, net	(2,067)	1,458
Subtotal	29,205	36,173
Interest and dividend income received	756	463
Interest expenses paid	(858)	(676)
Income taxes (paid) refund	(7,996)	(7,818)
Net cash provided by (used in) operating activities	21,106	28,142
Cash flows from investing activities		
Payments into time deposits	(390)	(340)
Proceeds from withdrawal of time deposits	1,127	120
Purchase of property, plant and equipment	(7,310)	(8,410)
Proceeds from sales of property, plant and equipment	643	65
Purchase of intangible assets	(1,013)	(1,607)
Purchase of investment securities	(661)	(476)
Proceeds from sales and redemption of investment securities	4,213	3,407
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(449)
Purchase of shares of subsidiaries	(217)	–
Other, net	183	(24)
Net cash provided by (used in) investing activities	(3,425)	(7,714)

(TRANSLATION FOR REFERENCE ONLY)

	(Millions of yen)	
	Previous Fiscal Year (From April 1, 2014 to March 31, 2015)	Current Fiscal Year (From April 1, 2015 to March 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,303)	(2,500)
Proceeds from long-term loans payable	6,026	-
Repayments of long-term loans payable	(8,636)	(9,987)
Cash dividends paid	(3,351)	(3,749)
Dividends paid to non-controlling interests	(482)	(605)
Purchase of treasury shares	(0)	(722)
Proceeds from disposal of treasury shares	-	720
Net cash provided by (used in) financing activities	(15,749)	(16,844)
Effect of exchange rate change on cash and cash equivalents	1,261	(1,644)
Net increase (decrease) in cash and cash equivalents	3,193	1,938
Cash and cash equivalents at beginning of period	61,029	64,222
Increase in cash and cash equivalents from newly consolidated subsidiary	-	972
Cash and cash equivalents at end of period	64,222	67,133

(TRANSLATION FOR REFERENCE ONLY)

(5) Notes to Consolidated Financial Statements

Notes Regarding Assumption of a Going Concern

Not applicable.

Changes in Accounting Policy

(Change in the method of translating revenue and expense accounts of foreign subsidiaries)

The revenue and expense accounts of foreign subsidiaries were previously translated into Japanese yen at the spot market exchange rate prevailing at the respective balance sheet dates. However, as the foreign subsidiaries are increasing in importance and exchange rates have fluctuated considerably in recent times, from the current fiscal year the Company has changed the translation method to one using the average exchange rate for the respective period to more accurately reflect the performance of foreign subsidiaries in the consolidated financial statements.

These changes to accounting policy have been applied retrospectively, such that the financial statements for the previous consolidated fiscal year reflect the effects of this retrospective application.

As a result of this change, compared to the consolidated balance sheet for the fiscal year ended March 31, 2015 before retrospective application, retained earnings decreased by ¥425 million, while the foreign currency translation adjustment balance increased by the same amount. In the consolidated statement of income, there were declines of ¥4,618 million in net sales, ¥485 million in operating income, ¥394 million in ordinary income, ¥381 million in income before income taxes and ¥194 million in net income attributable to owners of the parent respectively. The cumulative impact is reflected in the net assets at the start of the previous fiscal year and accordingly, in the Consolidated Statement of Changes in Equity, post-retrospective application retained earnings at the beginning of the current fiscal year decreased by ¥230 million and the post-retrospective application foreign currency translation adjustment increased by the same amount.

Furthermore, the impact on net income per share is negligible.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation of property, plant and equipment includes accumulated impairment loss.

*2. The following are for non-consolidated subsidiaries and affiliates.

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
Investment securities (stock)	¥1,276 million	¥1,111 million

3. Guarantee obligation

(1) Guarantees of employee loans from banks (residential loans)

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
	¥38 million	¥32 million

(2) Guarantees of customer lease obligations

	Previous Fiscal Year (As of March 31, 2015)	Current Fiscal Year (As of March 31, 2016)
	¥851 million	¥566 million

Notes to Consolidated Statement of Income

*1. The breakdown of net sales is below.

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Merchandise and finished goods	¥159,150 million	¥161,338 million
Maintenance	¥63,205 million	¥65,613 million
Total	¥222,356 million	¥226,952 million

(TRANSLATION FOR REFERENCE ONLY)

*2. The breakdown of cost of sales is below.

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Merchandise and finished goods	¥101,419 million	¥104,817 million
Maintenance	¥33,337 million	¥32,539 million
Total	¥134,757 million	¥137,357 million

*3. Primary expense accounts and amounts that comprised selling, general and administrative expenses are below.

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Salaries and allowances	¥22,923 million	¥22,982 million
Bonuses	¥1,965 million	¥1,834 million
Provision for bonuses	¥3,298 million	¥3,903 million
Provision for stock grant	¥-million	¥135 million
Retirement benefit expenses	¥1,550 million	¥1,445 million
Depreciation and amortization	¥4,981 million	¥5,054 million
Rent expenses	¥4,450 million	¥4,651 million
Amortization of goodwill	¥4,938 million	¥5,053 million

*4. Total amount of R&D expenses included in general and administrative expenses and current manufacturing expenses

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
	¥12,869 million	¥12,590 million

*5. The breakdown of gain on sales of non-current assets is below.

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Buildings and structures	¥149 million	¥4 million
Machinery, equipment and vehicles	¥70 million	¥6 million
Tools, furniture and fixtures	¥64 million	¥0 million
Land	¥40 million	¥3 million
Total	¥325 million	¥15 million

*6. The breakdown of loss on sales of non-current assets is below.

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Buildings and structures	¥29 million	¥-million
Machinery, equipment and vehicles	¥0 million	¥7 million
Tools, furniture and fixtures	¥2 million	¥0 million
Land	¥73 million	¥-million
Total	¥105 million	¥7 million

*7. The breakdown of loss on retirement of non-current assets is below.

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Buildings and structures	¥153 million	¥65 million
Machinery, equipment and vehicles	¥16 million	¥13 million
Tools, furniture and fixtures	¥18 million	¥23 million
Land	¥0 million	¥-million
Software	¥5 million	¥3 million
“Other” investments and other assets	¥1 million	¥0 million
Total	¥195 million	¥107 million

(TRANSLATION FOR REFERENCE ONLY)

Notes to Consolidated Statement of Changes in Equity

Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares as of the beginning of the current 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 shares				
Common stock (Note)	2,951,091	140	–	2,951,231
Total	2,951,091	140	–	2,951,231

Note: Increase in the number of shares of common stock in treasury of 140 shares is due to the purchase of shares less than one unit.

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 27, 2014	Common stock	1,773	27	March 31, 2014	June 30, 2014
Board of Directors' Meeting November 5, 2014	Common stock	1,576	24	September 30, 2014	December 5, 2014

(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 26, 2015	Common stock	1,970	Retained earnings	30	March 31, 2015	June 29, 2015

(TRANSLATION FOR REFERENCE ONLY)

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares as of the beginning of the current 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 shares				
Common stock (Note)	2,951,231	506	202,000	2,749,737
Total	2,951,231	506	202,000	2,749,737

- Notes:
- Increase in the number of shares of common stock in treasury of 506 shares is due to the purchase of shares less than one unit.
 - The decrease in the number of shares of common stock in treasury of 202,000 shares is due to declines caused by treasury shares being disposed of in third-party allocation to the “Board Incentive Plan (BIP) Trust Account” and the “Employee Stock Ownership Plan (ESOP) Trust Account.”
 - In addition to the above, there also existed 30,000 shares owned by the “Board Incentive Plan (BIP) Trust Account” as assets in trust for a stock compensation plan for directors, and 172,000 shares owned by the “Employee Stock Ownership Plan (ESOP) Trust Account” as assets in trust for an incentive plan for senior managers.

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 26, 2015	Common stock	1,970	30	March 31, 2015	June 29, 2015
Board of Directors’ Meeting November 5, 2015	Common stock	1,778	27	September 30, 2015	December 4, 2015

Note: Total dividends with a reference date of September 30, 2015 include ¥5 million in dividends for shares owned by the “Board Incentive Plan (BIP) Trust Account” and the “Employee Stock Ownership Plan (ESOP) Trust Account”

(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, 2016	Common stock	1,910	Retained earnings	29	March 31, 2016	June 27, 2016

(TRANSLATION FOR REFERENCE ONLY)

Segment Information

a. Segment information

1. Summary of reportable segments

The Company's reportable 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 segments.

A summary of each reportable segment is as follows:

Financial market:	Sales and maintenance services to financial institutions, OEM clients and others in Japan.
Retail and transportation market:	Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies and others in Japan.
Amusement market:	Sales and maintenance services to amusement halls (pachinko parlors and others) in Japan.
Overseas market:	Sales and maintenance services to financial institutions, cash-in-transit companies, retail stores, casinos, OEM clients and others in overseas.

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

Income by reportable segment is operating income.

(Change in the method of translating revenue and expense accounts of foreign subsidiaries)

As explained in "Changes to Accounting Policy," the revenue and expense accounts of foreign subsidiaries were previously translated into Japanese yen at the spot market exchange rate prevailing at the respective balance sheet dates. However, from the current fiscal year the Company has changed the translation method to one using the average exchange rate for the respective period.

This change in the accounting policy is retrospectively applied and the segment information for the fiscal year ended March 31, 2015 above reflects the retrospective application. As a result of this change, for the fiscal year ended March 31, 2015, net sales decreased by ¥4,618 million and segment profit decreased by ¥485 million in the overseas market.

(TRANSLATION FOR REFERENCE ONLY)

3. Information on sales, income (loss), assets and other items by reportable segment
Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments					Other (Note: 1)	Total	Reconcilia- tion	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	48,116	29,886	25,432	104,241	207,676	14,679	222,356	-	222,356
(2) Intersegment sales or transfers	-	-	-	-	-	-	-	-	-
Total	48,116	29,886	25,432	104,241	207,676	14,679	222,356	-	222,356
Segment profit (Note: 2)	5,502	2,463	2,460	8,057	18,483	210	18,693	-	18,693
Segment assets (Note: 3)	38,634	26,203	22,677	183,077	270,593	13,997	284,591	62,022	346,613
Others									
(1) Depreciation and amortization (Note: 4)	1,928	1,250	1,582	4,790	9,551	798	10,350	-	10,350
(2) Amortization of goodwill	-	-	-	4,938	4,938	-	4,938	-	4,938
(3) Increase in property, plant and equipment and intangible assets (Note: 5)	2,229	1,502	1,501	2,178	7,413	1,086	8,499	-	8,499

- Notes: 1. "Other" segment 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.
2. All operating expenses are either directly charged or allocated to the segments.
3. The reconciliation of ¥62,022 million is surplus funds (cash and deposits).
4. Depreciation and amortization includes amortization of long-term prepaid expenses.
5. Increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segments					Other (Note: 1)	Total	Reconcilia- tion	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	51,338	38,615	21,506	105,595	217,056	9,895	226,952	-	226,952
(2) Intersegment sales or transfers	-	-	-	-	-	-	-	-	-
Total	51,338	38,615	21,506	105,595	217,056	9,895	226,952	-	226,952
Segment profit (Note: 2)	6,741	3,657	1,112	9,224	20,735	(183)	20,552	-	20,552
Segment assets (Note: 3)	36,291	27,535	20,975	158,425	243,227	10,391	253,619	68,053	321,672
Others									
(1) Depreciation and amortization (Note: 4)	1,819	1,316	1,566	5,097	9,799	528	10,327	-	10,327
(2) Amortization of goodwill	-	-	-	5,053	5,053	-	5,053	-	5,053
(3) Increase in property, plant and equipment and intangible assets (Note: 5)	2,006	1,423	1,433	4,033	8,897	679	9,576	-	9,576

- Notes: 1. "Other" segment 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.
2. All operating expenses are either directly charged or allocated to the segments.

(TRANSLATION FOR REFERENCE ONLY)

3. The reconciliation of ¥68,053 million is surplus funds (cash and deposits).
4. Depreciation and amortization includes amortization of long-term prepaid expenses.
5. Increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

b. Relative information

Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

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	164,733	39,954	17,668	222,356

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia	U.S.A.	Americas excluding U.S.A.	Europe	Total
118,115	24,159	30,782	5,292	44,006	222,356

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Americas	Europe	Total
31,257	1,469	1,377	1,404	35,509

3. Information by major customer

Information by major customer is not shown since net sales to outside major customers accounted for less than 10% of net sales on the consolidated statement of income.

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

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	172,606	36,321	18,024	226,952

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia	U.S.A.	Americas excluding U.S.A.	Europe	Total
121,356	19,493	34,053	6,218	45,830	226,952

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

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Americas	Europe	Total
31,256	1,980	1,143	1,452	35,832

3. Information by major customer

Information by major customer is not shown since net sales to outside major customers accounted for less than 10% of net sales on the consolidated statement of income.

(TRANSLATION FOR REFERENCE ONLY)

c. Information on impairment losses of non-current assets by reportable segment

Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments					Other	Total	Reconcilia- tion	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss	26	23	14	–	63	10	74	–	74

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

Not applicable.

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

Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments					Other	Total	Reconcilia- tion	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill	–	–	–	4,938	4,938	–	4,938	–	4,938
Balance at end of period	–	–	–	74,790	74,790	–	74,790	–	74,790

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segments					Other	Total	Reconcilia- tion	Amounts reported on the consolidated financial statements
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill	–	–	–	5,053	5,053	–	5,053	–	5,053
Balance at end of period	–	–	–	63,796	63,796	–	63,796	–	63,796

(TRANSLATION FOR REFERENCE ONLY)

e. Information on gain on bargain purchase by reportable segment

Previous Fiscal Year (from April 1, 2014 to March 31, 2015)

Not applicable.

Current Fiscal Year (from April 1, 2015 to March 31, 2016)

Not applicable.

Per Share Information

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Net assets per share	¥3,066.53	¥2,966.22
Net income per share	¥196.19	¥134.38

Notes: 1. Diluted net income per share is not disclosed because dilutive shares are not issued.

2. In the Net assets section, due to the way that net assets per share are calculated, Company shares remaining in the “Board Incentive Plan (BIP) Trust Account” and “Employee Stock Ownership Plan (ESOP) Trust Account” and recorded as treasury shares, are included in treasury shares subtracted from shares issued as of the end of the period (202,000 shares for the current fiscal year).

Also, due to the way that net income per share is calculated, they are included in the treasury shares subtracted from average number of shares during the period (117,557 shares in the current fiscal year).

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

	Previous Fiscal Year (from April 1, 2014 to March 31, 2015)	Current Fiscal Year (from April 1, 2015 to March 31, 2016)
Net income attributable to owners of parent (Millions of yen)	12,887	8,829
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of parent pertaining to common stock (Millions of yen)	12,887	8,829
Average number of shares during the fiscal year (Shares)	65,687,030	65,703,764

Significant Subsequent Events

Not applicable.