

Consolidated Financial Results for the fiscal year ended March 31, 2017

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Consolidated Financial Results for FY2016

Net sales

Overall sales were lower than one year earlier due to lower sales in all segments except the Financial Market.

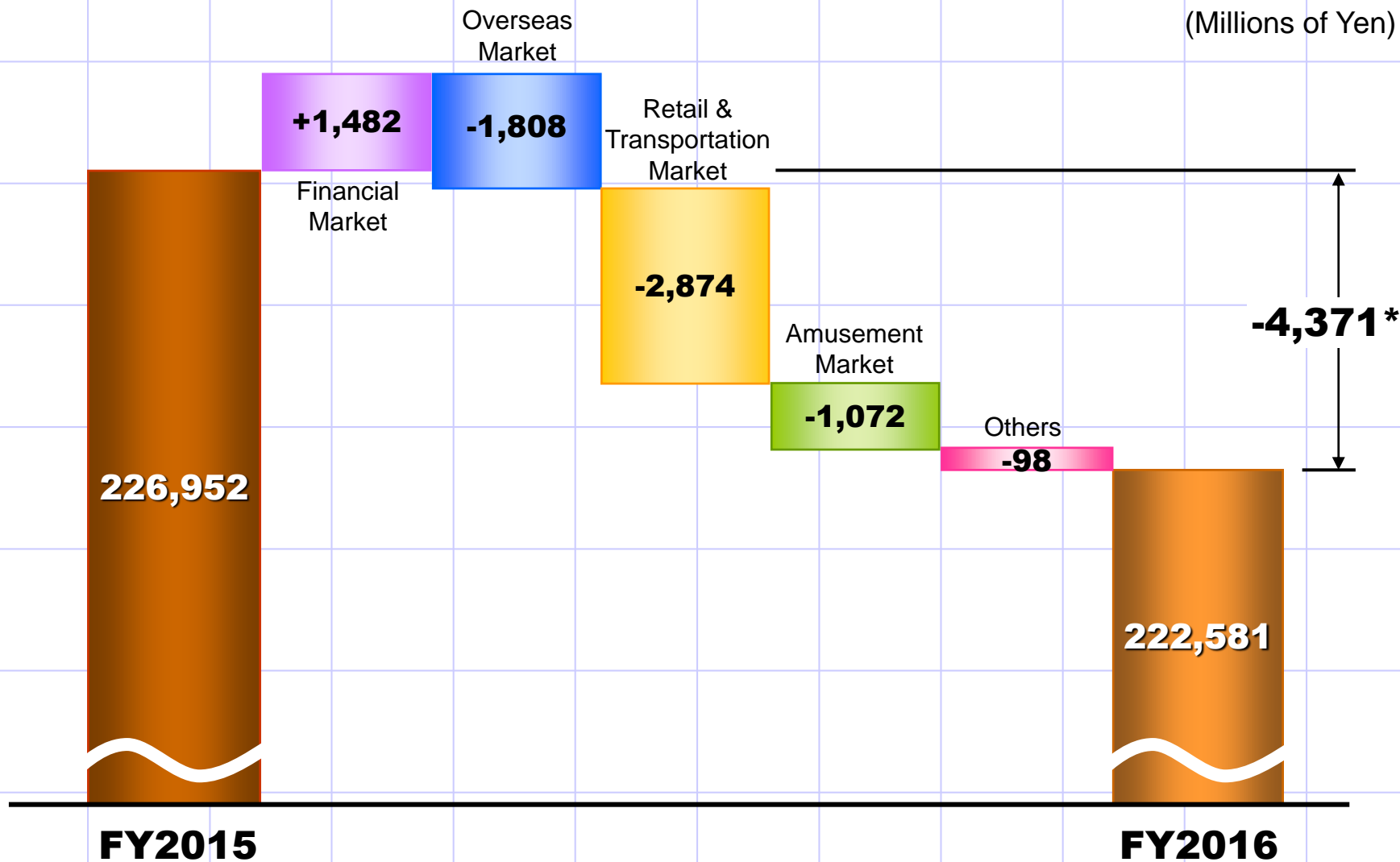
Income

Operating income was on par with the previous fiscal year despite of yen appreciation, mainly due to improvement of product mix.

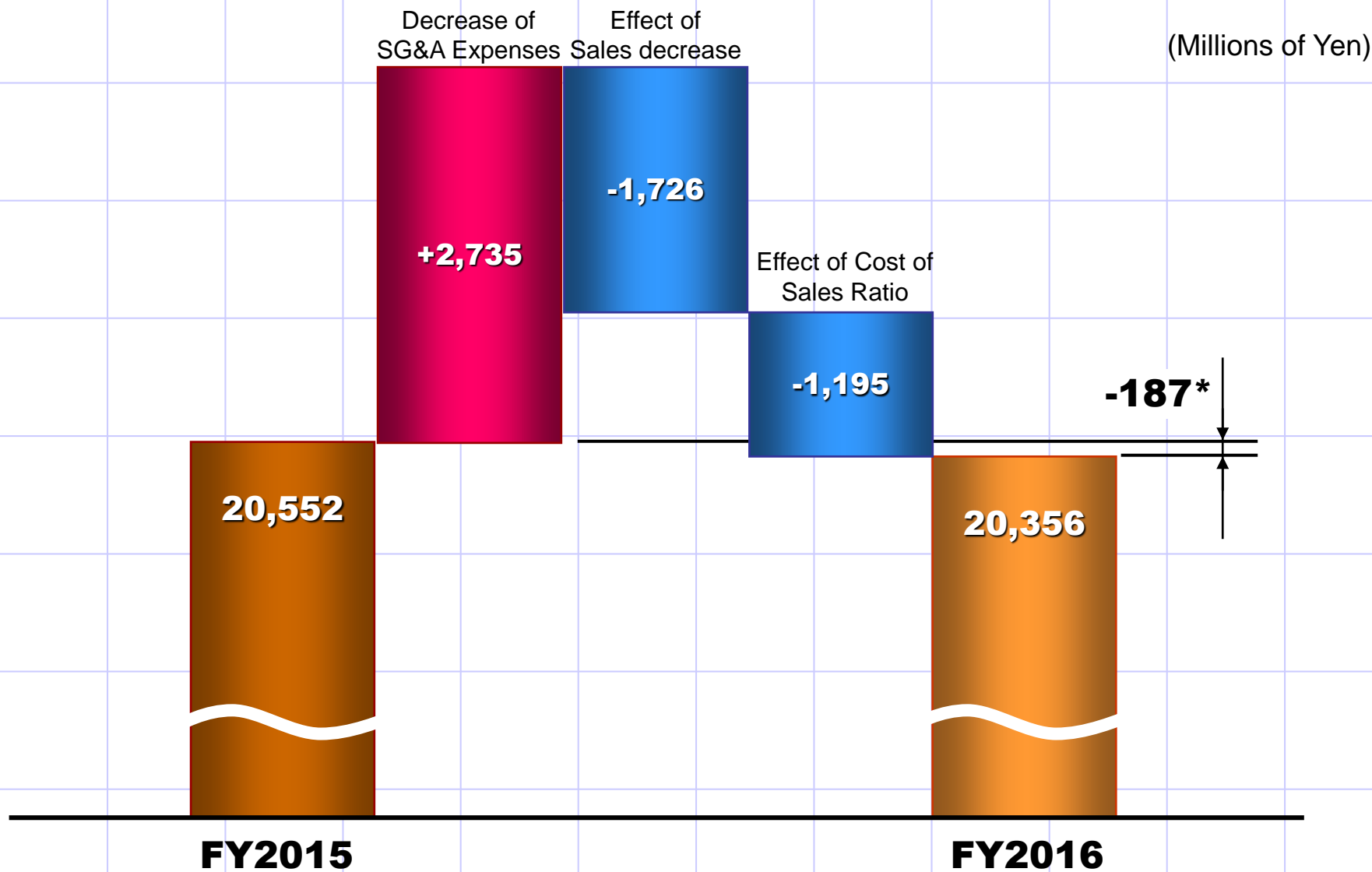
(Millions of yen)	FY2015		FY2016		Y-on-Y
	Full year	Ratio	Full year	Ratio	
Net Sales	226,952	100.0%	222,581	100.0%	*-1.9%
Maintenance Services	65,613	28.9%	63,921	28.7%	-2.6%
Operating Income	20,552	9.1%	20,365	9.1%	*-0.9%
Ordinary Income	17,583	7.7%	17,205	7.7%	-2.1%
Net Income Attributable to Owners of Parent	8,829	3.9%	10,382	4.7%	+17.6%
EBITDA	35,931	15.8%	33,906	15.2%	-5.6%

Exchange rate	US\$	¥ 120	¥ 108	
	Euro	¥ 134	¥ 119	
	GBP	¥ 181	¥ 142	

*Net sales will increase by about ¥14.2 billion (+6.3%), and operating income by about ¥1.7 billion (+8.2%), year-on-year if effects of exchange rate fluctuations are excluded.



*Net sales will increase by about ¥14.2 billion (+6.3%) year-on-year if effects of exchange rate fluctuations (about - ¥18.6 billion) are excluded.








*Operating income will increase by about ¥1.7 billion (+8.2%) year-on-year if effects of exchange rate fluctuations (about -¥1.9 billion) are excluded.



Details of Performance for FY2016

Sales & Operating Income by Business Segment (Y-on-Y)

(Millions of yen)	Net sales			Operating income		
	FY2015	FY2016	Y-on-Y	FY2015	FY2016	Y-on-Y
	Full year	Full year		Full year	Full year	
 Overseas Market	105,595	103,787	-1,808 -1.7 %	9,224	9,900	+676 +7.3 %
 Financial Market	51,819	53,301	+1,482 +2.9 %	6,773	6,510	-263 -3.9 %
 Retail & Transportation Market	45,531	42,657	-2,874 -6.3 %	3,764	3,468	-296 -7.9 %
 Amusement Market	21,506	20,434	-1,072 -5.0 %	1,112	737	-375 -33.7 %
 Others	2,498	2,400	-98 -3.9 %	-322	-251	+71 - %
Total	226,952	222,581	-4,371 -1.9 %	20,552	20,365	-187 -0.9 %

Favorable sales on a local currency basis

(Millions of Yen)

Highlights

- ☑ Banknote recyclers
 - ☑ Sales proceeds deposit machines for retail market
 - ☑ Sales of banknote recycling units for ATMs (OEM) increased
- Sales increased in Europe and US

Outline of the Segment

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

Main Products



Banknote recyclers
for tellers
<RBG series>



Banknote sorters
<UW series>



Sales proceeds
deposit machines
<CI-100 series>

	FY2015	FY2016	Y-on-Y
Sales	105,595	103,787	-1,808 -1.7 %
Ratio to total net sales	46.5%	46.6%	+0.1 pt
Operating income	9,224	9,900	+676 +7.3 %
Ratio to total operating income	44.9%	48.6%	+3.7 pt
Operating margin	8.7%	9.5%	+0.8 pt

Higher sales on a local currency basis except China

(Millions of yen)	FY2015	FY2016	Y-on-Y	Local currency basis
Americas	37,692	40,230	+2,538 +6.7 %	+18.3%
Europe	42,857	39,659	-3,198 -7.5 %	+4.6%
Asia	15,910	14,590	-1,320 -8.3 %	-
China	7,724	6,437	-1,287 -16.7 %	-0.6%
OEM	9,135	9,306	+171 +1.9 %	+1.9%
Total overseas sales	105,595	103,787	-1,808 -1.7 %	-

Favorable sales of main products

(Millions of Yen)

Highlights

- ☑ Open teller systems
 - ➔ Increased sales of compact type
- ☑ Coin and banknote recyclers for tellers
 - ➔ Increased sales for major banks and Japan Agricultural Cooperatives

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>

	FY2015	FY2016	Y-on-Y
Sales	51,819	53,301	+1,482 +2.9 %
Ratio to total net sales	22.8%	23.9%	+1.1 pt
Operating income	6,773	6,510	-263 -3.9 %
Ratio to total operating income	33.0%	32.0%	-1.0 pt
Operating margin	13.1%	12.2%	-0.9 pt

Weak sales of main products

(Millions of Yen)

Highlights

- ☑ Coin and banknote recyclers for cashiers
 - ☑ Sales proceeds deposit machines
 - ☑ Cigarette vending machines
- Lower sales due to the reaction to the rush demand of the previous year
- Weak sales due to the large-scale demand of the previous year having run its course

Outline of the Segment

Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies, tobacco companies, hospitals, local governments, general companies and others in Japan.

Main Products



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

Sales proceeds deposit machines <DS / DSS series>

Sales proceeds deposit machines <DS series>

	FY2015	FY2016	Y-on-Y
Sales	45,531	42,657	-2,874 -6.3 %
Ratio to total net sales	20.1%	19.2%	-0.9 pt
Operating income	3,764	3,468	-296 -7.9 %
Ratio to total operating income	18.3%	17.0%	-1.3 pt
Operating margin	8.3%	8.1%	-0.2 pt

Lower sales of card systems

(Millions of Yen)

Highlights

☑ Card systems

- ➔ Sales were sluggish, mainly reflecting constraint toward investment in pachinko parlors

Outline of the Segment

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

Main Products

Card systems



Management terminals



Pachinko ball counters



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines <JK series>

	FY2015	FY2016	Y-on-Y
Sales	21,506	20,434	-1,072 -5.0 %
Ratio to total net sales	9.5%	9.2%	-0.3 pt
Operating income	1,112	737	-375 -33.7 %
Ratio to total operating income	5.4%	3.6%	-1.8 pt
Operating margin	5.2%	3.6%	-1.6 pt

Weak sales of main products

(Millions of Yen)

Highlights

- ☑ Face recognition systems
- ➡ Weak sales for commercial facilities

Outline of the Segment

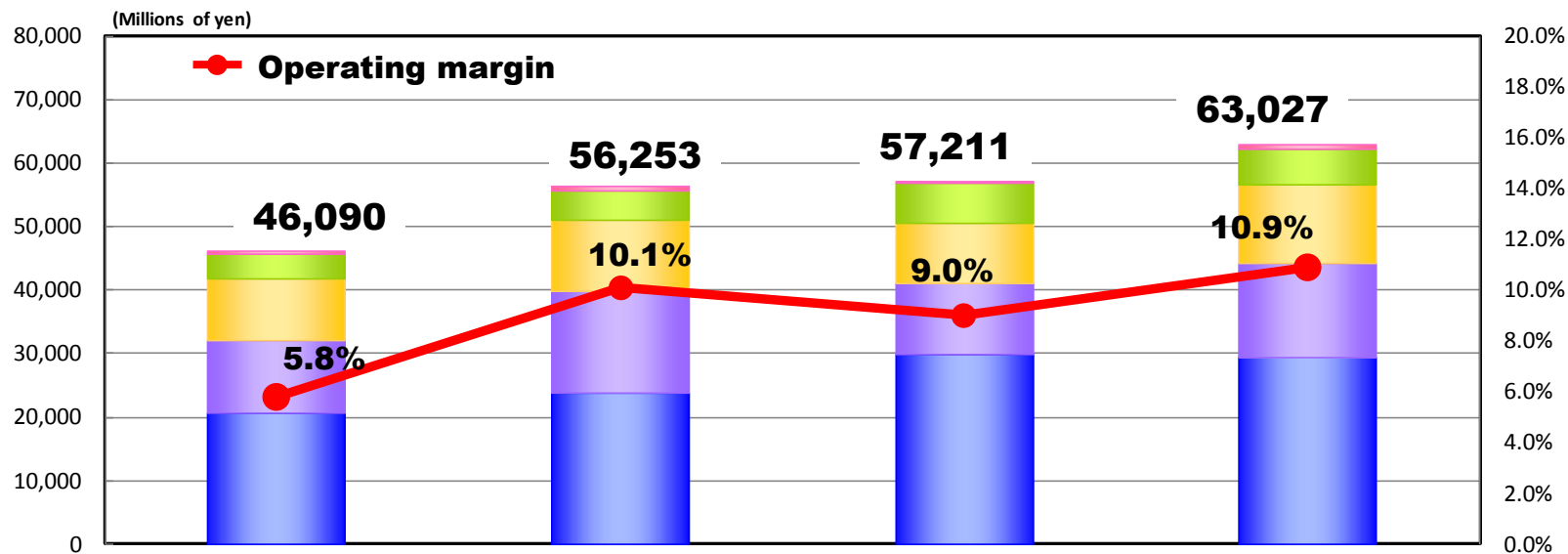
Sales and maintenance service not included in the reportable segments

Main Products








	FY2015	FY2016	Y-on-Y
Sales	2,498	2,400	-98 -3.9 %
Ratio to total net sales	1.1%	1.1%	-0.0 pt
Operating income	-322	-251	+71 - %
Ratio to total operating income	-	-	- pt
Operating margin	-	-	- pt

Quarterly Sales & Operating Income by Business Segment



(Millions of yen)	Q1		Q2		Q3		Q4		Full year	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Overseas Market	20,705	482	23,762	1,947	29,911	3,014	29,409	4,457	103,787	9,900
Financial Market	11,376	1,345	15,987	2,548	11,095	1,029	14,843	1,588	53,301	6,510
Retail & Transportation Market	9,680	862	11,182	1,247	9,507	726	12,288	633	42,657	3,468
Amusement Market	3,834	90	4,789	61	6,231	375	5,580	211	20,434	737
Others	493	-97	534	-130	465	-1	908	-23	2,400	-251
Total	46,090	2,683	56,253	5,673	57,211	5,143	63,027	6,866	222,581	20,365

Sales & Operating Income by Business Segment (Vs. forecast)

(Millions of yen)	FY2016					
	Net sales		Increase/ Decrease	Net sales		Increase/ Decrease
	Forecasts	Results		Forecasts*	Results	
 Overseas Market	102,000	103,787	+1,787 +1.8 %	8,800	9,900	+1,100 +12.5 %
 Financial Market	53,000	53,301	+301 +0.6 %	6,000	6,510	+510 +8.5 %
 Retail & Transportation Market	43,000	42,657	-343 -0.8 %	3,600	3,468	-132 -3.7 %
 Amusement Market	20,000	20,434	+434 +2.2 %	900	737	-163 -18.1 %
 Others	2,000	2,400	+400 +20.0 %	-300	-251	+49 - %
Total	220,000	222,581	+2,581 +1.2 %	19,000	20,365	+1,365 +7.2 %

*The forecast was announced on February 6, 2017.

Capital Expenditures etc.

(Millions of yen)	FY2015	FY2016	Y-on-Y	Quarterly trend																
Capital expenditures	8,881	8,043	-838 -9.4 %	<table border="1"> <tr> <td>FY15 (Q1)</td> <td>FY15 (Q2)</td> <td>FY15 (Q3)</td> <td>FY15 (Q4)</td> <td>FY16 (Q1)</td> <td>FY16 (Q2)</td> <td>FY16 (Q3)</td> <td>FY16 (Q4)</td> </tr> <tr> <td>1,537</td> <td>3,316</td> <td>1,300</td> <td>2,728</td> <td>1,366</td> <td>2,314</td> <td>2,034</td> <td>2,329</td> </tr> </table>	FY15 (Q1)	FY15 (Q2)	FY15 (Q3)	FY15 (Q4)	FY16 (Q1)	FY16 (Q2)	FY16 (Q3)	FY16 (Q4)	1,537	3,316	1,300	2,728	1,366	2,314	2,034	2,329
FY15 (Q1)	FY15 (Q2)	FY15 (Q3)	FY15 (Q4)	FY16 (Q1)	FY16 (Q2)	FY16 (Q3)	FY16 (Q4)													
1,537	3,316	1,300	2,728	1,366	2,314	2,034	2,329													
Depreciation and amortization	10,327	9,469	-858 -8.3 %	<table border="1"> <tr> <td>FY15 (Q1)</td> <td>FY15 (Q2)</td> <td>FY15 (Q3)</td> <td>FY15 (Q4)</td> <td>FY16 (Q1)</td> <td>FY16 (Q2)</td> <td>FY16 (Q3)</td> <td>FY16 (Q4)</td> </tr> <tr> <td>2,395</td> <td>2,566</td> <td>2,803</td> <td>2,563</td> <td>2,177</td> <td>2,588</td> <td>2,311</td> <td>2,393</td> </tr> </table>	FY15 (Q1)	FY15 (Q2)	FY15 (Q3)	FY15 (Q4)	FY16 (Q1)	FY16 (Q2)	FY16 (Q3)	FY16 (Q4)	2,395	2,566	2,803	2,563	2,177	2,588	2,311	2,393
FY15 (Q1)	FY15 (Q2)	FY15 (Q3)	FY15 (Q4)	FY16 (Q1)	FY16 (Q2)	FY16 (Q3)	FY16 (Q4)													
2,395	2,566	2,803	2,563	2,177	2,588	2,311	2,393													
R&D investment	12,590	13,965	+1375 +10.9 %	<table border="1"> <tr> <td>FY15 (Q1)</td> <td>FY15 (Q2)</td> <td>FY15 (Q3)</td> <td>FY15 (Q4)</td> <td>FY16 (Q1)</td> <td>FY16 (Q2)</td> <td>FY16 (Q3)</td> <td>FY16 (Q4)</td> </tr> <tr> <td>3,003</td> <td>3,849</td> <td>2,566</td> <td>3,172</td> <td>3,175</td> <td>3,584</td> <td>3,537</td> <td>3,669</td> </tr> </table>	FY15 (Q1)	FY15 (Q2)	FY15 (Q3)	FY15 (Q4)	FY16 (Q1)	FY16 (Q2)	FY16 (Q3)	FY16 (Q4)	3,003	3,849	2,566	3,172	3,175	3,584	3,537	3,669
FY15 (Q1)	FY15 (Q2)	FY15 (Q3)	FY15 (Q4)	FY16 (Q1)	FY16 (Q2)	FY16 (Q3)	FY16 (Q4)													
3,003	3,849	2,566	3,172	3,175	3,584	3,537	3,669													

(Million of yen)	FY2015		FY2016		Y-on-Y
		Ratio		Ratio	
Net sales	226,952	100.0%	222,581	100.0%	-4,371
Cost of sales	137,357	60.5%	135,907	61.1%	-1,450
Selling, general and administrative expenses	69,042	30.4%	66,307	29.8%	-2,735
Operating income	20,552	9.1%	20,365	9.1%	-187
Non-operating income	1,397	0.6%	1,196	0.5%	-201
Non-operating expenses	4,362	1.9%	4,355	2.0%	-7
Ordinary income	17,583	7.7%	17,205	7.7%	-378
Extraordinary income	299	0.1%	37	0.0%	-262
Extraordinary loss	119	0.1%	81	0.0%	-38
Income before income taxes and minority interests	17,766	7.8%	17,161	7.7%	-605
Income taxes	7,670	3.4%	5,736	2.6%	-1,934
Net Income	10,096	4.4%	11,424	5.1%	+1,328
Net income attributable to owners of parent	8,829	3.9%	10,382	4.7%	+1,553
Net Income	10,096	4.4%	11,424	5.1%	+1,328
Valuation difference on available-for-sale securities	-828		586		+1,414
Foreign currency translation adjustment	-273		-9,970		-9,697
Remeasurements of defined benefit plans	-5102		1,235		+6,337
Total other comprehensive income	-844	-0.4%	-8,148	-3.7%	-7,304
Comprehensive income	-3,512	-1.5%	3,275	1.5%	+6,787

Includes foreign exchange losses 3,458
(Foreign exchange losses FY2015 : 3,395)

Tax burden rate 33.4%
(FY2015 : 43.2%)

	As of March 31, 2016	As of Dec. 31, 2016	Increase/ Decrease		As of March 31, 2016	As of Dec. 31, 2016	Increase/ Decrease
Cash, deposits and Securities	68,553	77,292	+8,739	Notes and accounts payable-trade	18,971	18,484	(2) -487
Notes and accounts receivable-trade	50,671	47,137	-3,534	Short-term loans payable	26,309	34,445	+8,136
Inventories	43,368	46,125	+2,757	Other	36,339	39,514	+3,175
Other	9,219	10,043	+824	Total current liabilities	81,619	92,443	+10,824
Current assets	171,811	180,597	+8,786	Long-term loans payable	22,629	13,271	(2) -9,358
Property, plant and equipment	35,832	35,657	-175	Other	19,137	15,662	-3,475
Customer relationships	27,344	22,221	-5,123	Noncurrent liabilities	41,766	28,933	-12,833
Goodwill	63,796	51,573	(1) -12,223	Total liabilities	123,385	121,377	-2,008
Other	6,180	5,649	-531	Capital stock	12,892	12,892	0
Intangible assets	97,320	79,443	-17,877	Retained earnings	151,653	158,504	+6,851
Other	16,707	17,121	414	Other	33,742	20,047	-13,695
Total noncurrent assets	149,860	132,223	-17,637	Total net assets	198,287	191,443	-6,844
Total assets	321,672	312,821	-8,851	Total liabilities and net assets	321,672	312,821	-8,851

(1) Customer relationships and Goodwill decreased

(2) Loans decreased mainly due to repayments of long-term loans

Free cash flow increased reflecting higher cash flow from operating activities

(Millions of yen)	FY2014 Full year	FY2015 Full year	Increase/ Decrease
Cash flows from operating activities	28,142	30,087	+1,945
Cash flows from investing activities	-7,714	-6,632	+1,082
Free cash flows	20,428	23,455	+3,027
Cash flows from financing activities	-16,844	-10,964	+5,880
Effect of exchange rate change on cash and cash equivalents	-1,644	-2,055	-411
Net increase (decrease) in cash and cash equivalents	1,938	10,435	+8,497
Cash and cash equivalents at end of period	67,133	77,050	+9,917

* Free cash flow = Net cash provided by (used in) operating activities
+ Net cash provided by (used in) investing activities

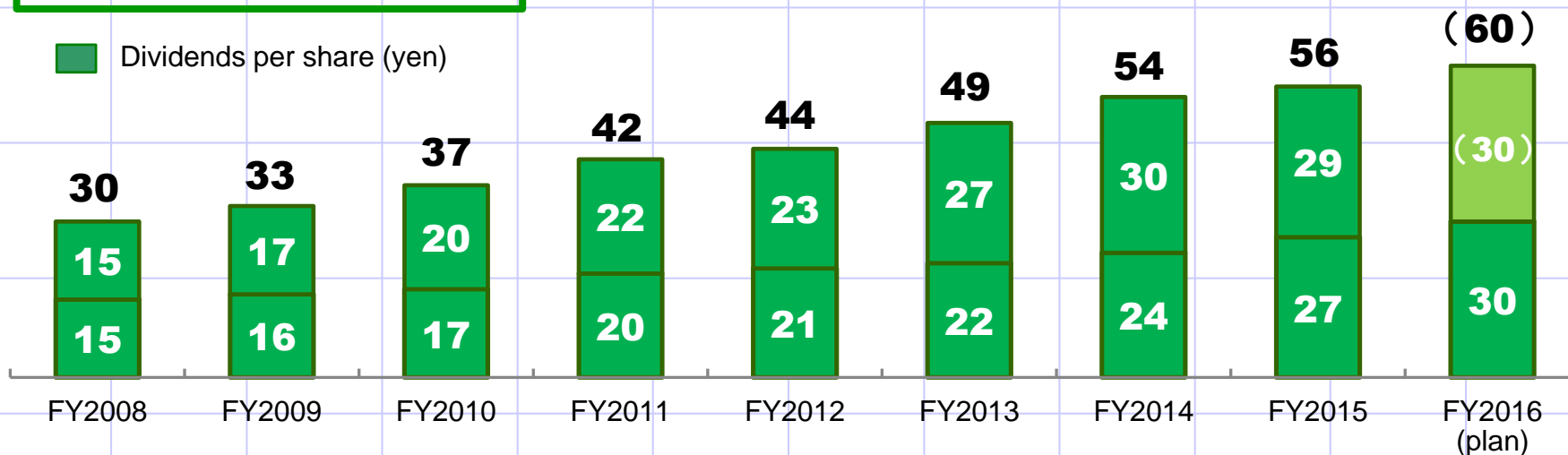
Basic policy on profit distribution

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 a target of dividend payout ratio of 30% or higher on a consolidated basis.

	Interim	Year-end (plan)	Annual (plan)
Dividends per share	¥30	¥30*	¥60 (Dividend payout ratio 37.4%)

*Year-end dividends to be proposed to the 71th Ordinary General Meeting of Shareholders scheduled for June 23, 2017.

History of dividends payment





Business Plan for FY2017

Overseas Market



	Market Environment	Measures
Americas	US financial/retail industries are positive for business investment to maintain and enhance competition.	<ul style="list-style-type: none"> Secure replacement market for financial industry solutions
Europe	Investment for streamlining financial and retail industries is growing in Europe and others.	<ul style="list-style-type: none"> Expand penetration of retail market
Asia	<ul style="list-style-type: none"> Tenders for banknote recyclers for tellers are active in China after confirmation of national standards. Business for solution planning is increasing in each country. 	<ul style="list-style-type: none"> Ensure new products meet market specific needs Pursue growth opportunities in retail industry
OEM	The demand for ATMs with banknote recycling unit is expanding, while the price competition is aggravating.	<ul style="list-style-type: none"> Promote strategies for expanding sales of banknote recycling units for ATMs

Domestic Market



	Market Environment	Measures
Financial Market	Financial industry is focusing capital investment on increasing operational efficiency and labor-savings.	<ul style="list-style-type: none"> • Keep obtaining new and replacement demand for major products.
Retail and Transportation Market	Retail industry focused on mitigating labor shortage and increasing sales growth.	<ul style="list-style-type: none"> • Capture replacement demand and open up new market of “coin and banknote recyclers for cashiers”
Amusement Market	Pachinko Parlors are aggressive in investing for expanding profits and cost saving.	<ul style="list-style-type: none"> • Expand sales of new products that contribute to expanding profits and labor-saving.
Others	<ul style="list-style-type: none"> • Demand for security related products and services is expanding. • Digital transformation by technical innovation and Fintech is growing fast. 	<ul style="list-style-type: none"> • Increase sales of “facial recognition systems” • Cultivate new business field

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Financial Forecast for FY2017

Net sales

Higher sales due to estimated sales increase in overseas and domestic markets.





Income

Higher income due to estimated sales increase in Overseas Market.

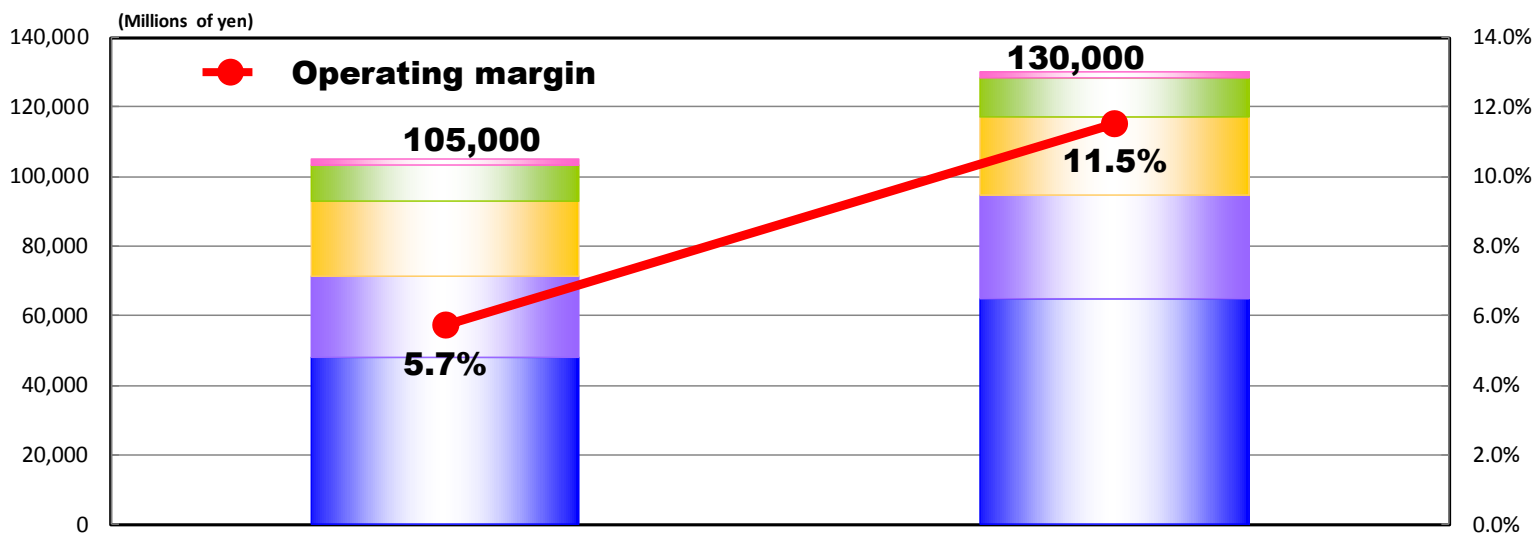
(Millions of yen)	FY2016		FY2017		Y-on-Y
	Full year	Ratio	Full year (forecast)	Ratio	
Net Sales	222,581	100.0%	235,000	100.0%	+5.6%
Maintenance Services	63,921	28.9%	64,000	27.2%	+0.1%
Operating Income	20,365	9.1%	21,000	8.9%	+3.1%
Ordinary Income	17,205	7.7%	21,000	8.9%	+22.1%
Net Income Attributable to Owners of Parent	10,382	3.9%	13,000	5.5%	+25.2%
Exchange rate	US\$	¥ 108	¥ 110		
	Euro	¥ 119	¥ 120		
	GBP	¥ 142	¥ -		

Functional currency of GGS (a sales affiliate in the U.K.) was changed to US\$ from GBP from FY2017.

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

(Millions of yen)	Sales			Operating Income		
	FY2016	FY2017 (forecast)	Y-on-Y	FY2016	FY2017 (forecast)	Y-on-Y
 Overseas Market	103,787	113,000	+9,213 +8.9 %	9,900	10,800	+900 +9.1 %
 Financial Market	53,301	53,000	-301 -0.6 %	6,510	4,900	-1,610 -24.7 %
 Retail & Transportation Market	42,657	44,000	+1,343 +3.1 %	3,468	4,000	+532 +15.3 %
 Amusement Market	20,434	22,000	+1,566 +7.7 %	737	1,800	+1,063 +144.2 %
 Others	2,400	3,000	+600 +25.0 %	-251	-500	-249 - %
Total	222,581	235,000	+12,419 +5.6 %	20,365	21,000	+635 +3.1 %

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



(Millions of yen)	Q1-Q2 (Forecast)		Q3-Q4 (Forecast)		Full year (Forecast)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Overseas Market	48,000	2,700	65,000	8,100	113,000	10,800
Financial Market	23,500	1,500	29,500	3,400	53,000	4,900
Retail & Transportation Market	21,500	1,500	22,500	2,500	44,000	4,000
Amusement Market	10,500	600	11,500	1,200	22,000	1,800
Others	1,500	-300	1,500	-200	3,000	-500
Total	105,000	6,000	130,000	15,000	235,000	21,000

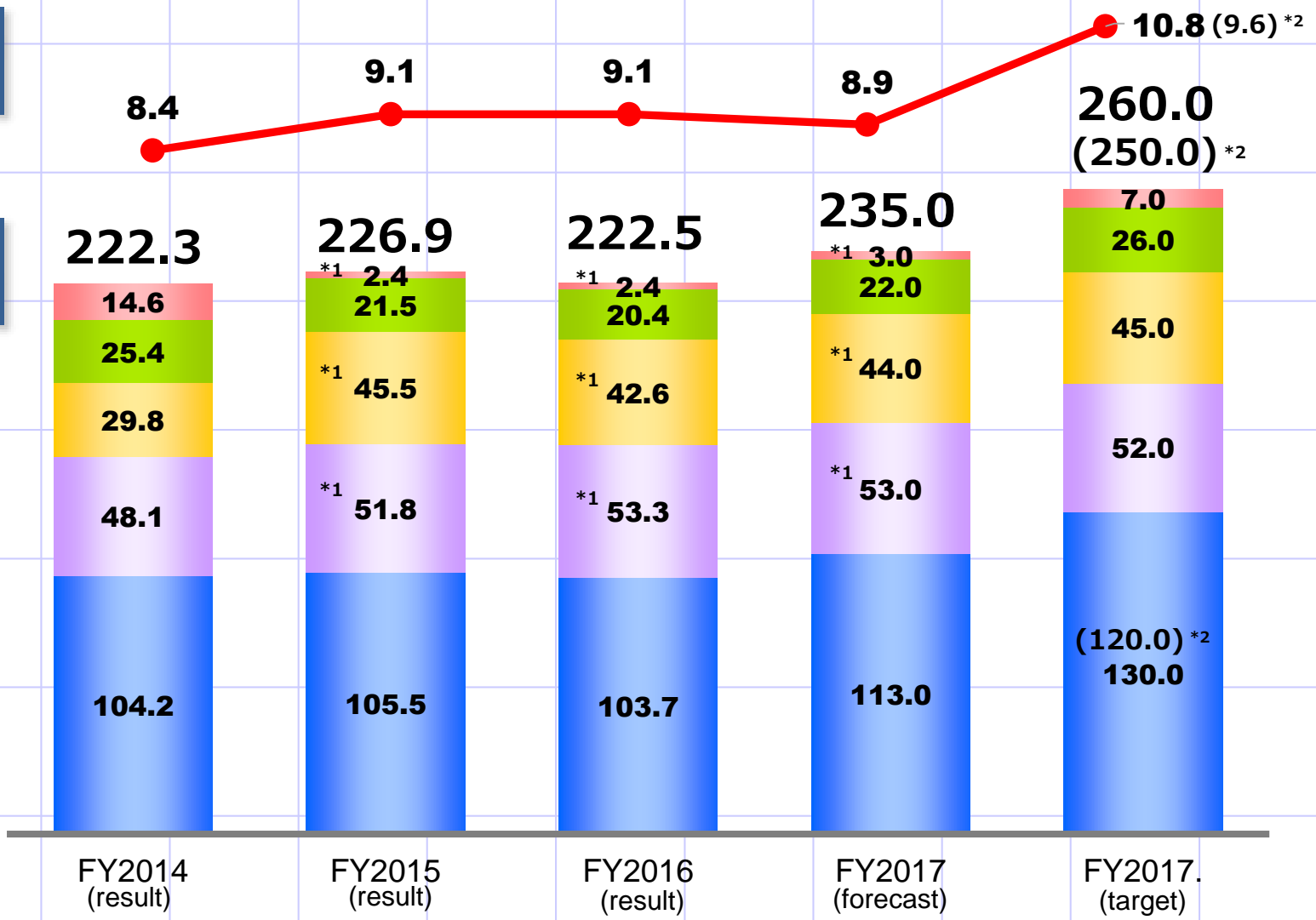
(Millions of yen)	FY2016	FY2017 (forecast)	Y-on-Y	
				Local currency basis
Americas	40,230	42,000	+1,770 +4.4 %	+2.9%
Europe	39,659	42,000	+2,341 +5.9 %	+4.9%
Asia	14,590	17,500	+2,910 +19.9 %	-
China	6,437	7,500	+1,063 +16.5 %	17.3%
OEM	9,306	11,500	+2,194 +23.6 %	23.6%
Total overseas sales	103,787	113,000	+9,213 +8.9 %	- %



Operating Margin

Net Sales
(¥billion)

- Others
- Amusement
- Retail/ Transportation
- Financial
- Overseas



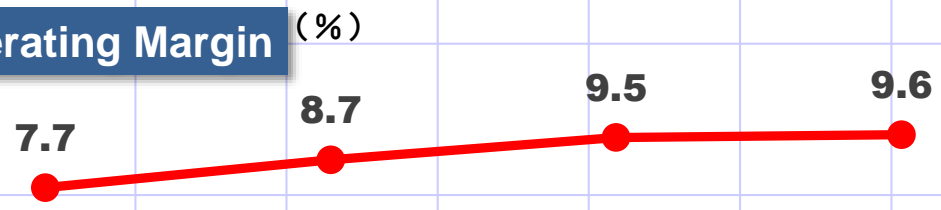
*1The company has changed the classifications for main products in the reportable segments beginning in the year ending March 2017. Financial figures of FY2015 and FY2016 are based on the segment classifications after the change and FY2017 does not apply this change.

*2The figures in () are calculated based on the estimated rate for FY2017.

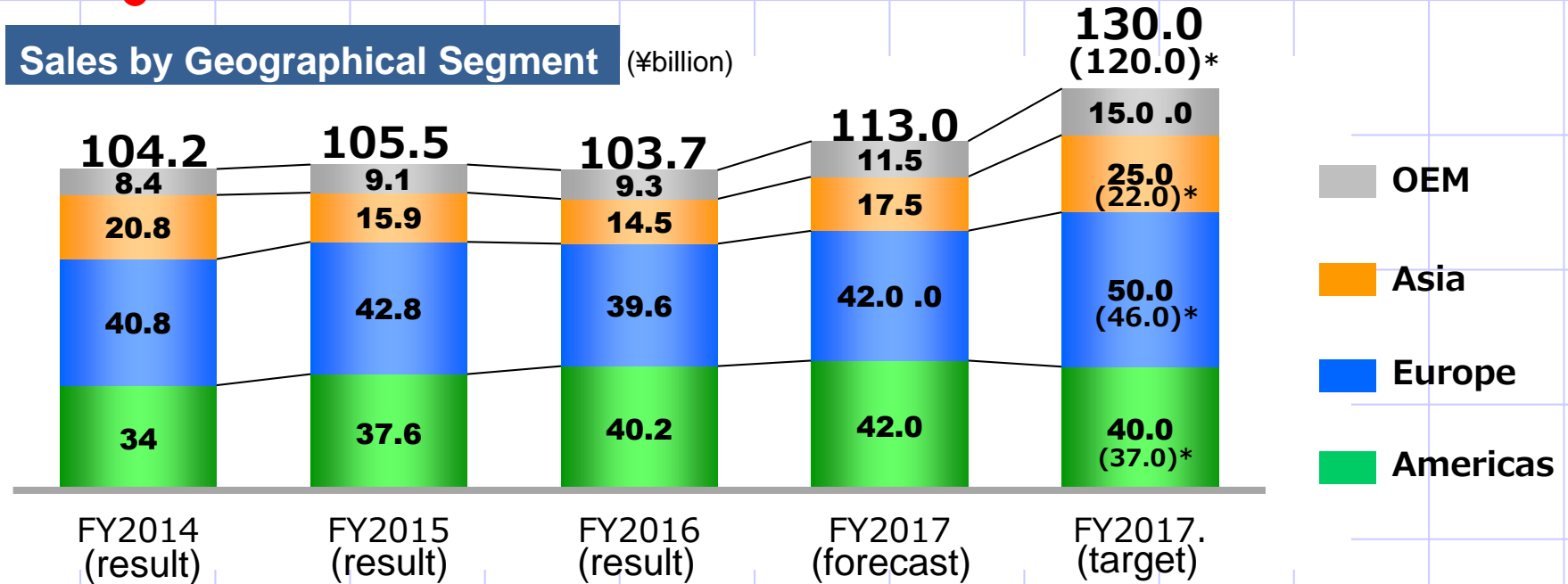
[Difference of Exchange Rate]

	Assumption rate for 2017 Mid-Term Plan	Assumption rate for FY2017 forecast	Difference
US\$	¥120	¥ 110	¥ -10
Euro	¥ 130	¥ 120	¥ -10
GBP	¥ 175	¥ 140	¥ -35

Operating Margin (%)



Sales by Geographical Segment (¥billion)



* The figures in () are calculated based on the estimated rate for FY2017.

<Notes>

1. 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.

2. Revenue and expense accounts of consolidated foreign subsidiaries were previously translated into Japanese yen at the “current exchange rate”. From the first quarter of FY2015, the translation method has been changed to the one using the “average exchange rate” which change has been applied retrospectively. In this material, the financial figures for FY2014 are based on the “average exchange rate”.

3. Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.