

Consolidated Financial Results

for the First Quarter of Fiscal Year Ending March 31, 2011 <Japanese GAAP>

August 5, 2010

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 Scheduled date of dividend payments: —
 Quarterly earnings supplementary explanatory material: Yes
 Quarterly earnings presentation: Yes (For institutional investors)

(Amounts less than one million yen are rounded downward.)

1. Consolidated financial results for the first quarter ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

(1) Consolidated Operating Results

(The percentages show the increase or decrease from the previous year.)

	Net sales		Operating income		Ordinary income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
First quarter ended June 30, 2010	30,339	4.7	1,123	47.6	1,160	(26.8)
First quarter ended June 30, 2009	28,970	(14.7)	760	(71.7)	1,584	(51.4)

	Net income		Net income per share	Fully diluted net income per share
	(millions of yen)	(%)	(yen)	(yen)
First quarter ended June 30, 2010	456	(36.0)	6.94	—
First quarter ended June 30, 2009	712	(63.6)	10.43	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of June 30, 2010	191,256	144,345	75.5	2,197.42
As of March 31, 2010	194,983	145,345	74.5	2,212.63

(Reference) Ownership equity

As of June 30, 2010: 144,345 million yen

As of March 31, 2010: 145,345 million yen

2. Dividends

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2010	—	16.00	—	17.00	33.00
Year ending March 31, 2011	—				
Year ending March 31, 2011 (forecast)		17.00	—	17.00	34.00

(Note) Revisions to the dividend forecast in the current quarter: None

3. Consolidated financial forecast for the year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)

(The percentages show the increase or decrease from the corresponding period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Six months ending September 30, 2010	65,000	1.3	3,000	13.5	3,000	(20.4)	2,000	(10.0)	30.45
Full Year	145,000	7.3	10,000	30.1	10,000	11.0	6,000	17.5	91.34

(Note) Revisions to consolidated financial forecast in the current quarter: None

4. Other (Please refer to "2. Other Information" of the [Attachment] on page 5 for details.)

(1) Changes in significant subsidiaries during the quarter: None

(Note) This refers to changes in specified subsidiaries involving a change in the scope of consolidation during the quarter.

(2) Application of simplified accounting methods and special accounting methods: Yes

(Note) This refers to application of simplified accounting methods and accounting methods specific to preparation of the quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures, presentation methods, etc.

(a) Changes associated with revision of accounting standards, etc.: Yes

(b) Changes other than (a): Yes

(Note) This refers to changes in accounting principles, procedures, presentation methods, etc. for preparation of the quarterly consolidated financial statements to be stated in "Changes in significant matters fundamental to preparation of the quarterly consolidated financial statements."

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

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

As of June 30, 2010: 68,638,210 shares

As of March 31, 2010: 69,838,210 shares

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

As of June 30, 2010: 2,949,562 shares

As of March 31, 2010: 4,149,280 shares

(c) Average number of shares

First quarter ended June 30, 2010: 65,688,743 shares

First quarter ended June 30, 2009: 68,289,533 shares

(Note) Status of Implementation of Quarterly Review Procedures

These "Consolidated Financial Results" are not subject to the quarterly review procedures set forth in the Financial Instruments and Exchange Act. As of the date of the release of these Consolidated Financial Results, implementation of quarterly review procedures for consolidated quarterly financial statements were in progress.

(Note) Explanation regarding the appropriate use of financial forecasts and other special items

The above forecasts were prepared based on information available as of the date of this report. 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 forecast, please refer to "(2) Qualitative Information on the Consolidated Financial Forecast" of "1. Qualitative Information and Financial Statements, etc." of the [Attachment] on page 5.

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1. Qualitative Information and Financial Statements, etc.

(1) Qualitative Information on the Consolidated Operating Results

During the first quarter ended June 30, 2010, Japan's economy has been on a moderate recovery phase due to increasing exports in line with the economic growth of developing countries and due to economic stimulus measures taken by the Japanese government. However, Japan still faces an uncertain business outlook due to price increases of oil and raw materials and continued deflation which have caused concerns regarding the influence on corporate profits.

In this uncertain business environment, in the second year of "The 2011 Medium-Term Management Plan," and under the basic medium-term management policy "Capitalize on new business opportunities with global vision and accelerate to a period of new growth!," the GLORY Group ("Group") has taken positive measures: strengthening sales operations by improving sales networks, generating and developing more consumer demand by promoting sales of newly-developed products, reducing costs by expanding overseas procurement and production, and increasing operational efficiency by streamlining subsidiary operations.

As a result, net sales for the first quarter were ¥30,339 million (up 4.7% year-on-year). Of this, sales of merchandise and finished goods were ¥22,460 million (up 6.4% year-on-year), and sales from maintenance services were ¥7,879 million (up 0.3% year-on-year). Operating income was ¥1,123 million (up 47.6% year-on-year), ordinary income was ¥1,160 million (down 26.8% year-on-year), and net income for the first quarter was ¥456 million (down 36.0% year-on-year).

Operating Results by Business Segment

The Group's operating results by reportable business segment were as follows:

(Financial market)

Sales of open teller systems, our key products, have been favorable due to the release of compact open teller systems for small and mid-sized financial outlets. In addition, OEM banknote and coin recycling units for tellers have also been favorable due to replacement demand.

As a result, net sales for this segment amounted to ¥8,634 million. Operating income was ¥417 million.

(Retail and transportation market)

Although sales of cash recyclers for gas stations were sluggish, this market was firm overall due to favorable sales of our major product coin and banknote recyclers for cashiers and activated replacement demand for sales proceeds deposit machines for shops.

As a result, net sales for this segment amounted to ¥6,005 million. Operating income was ¥486 million.

(Amusement market)

Sales of new product pachinko ball counters were favorable, while total sales for this market were stagnant due to restrained business investments for prepaid card systems and other peripheral equipment for pachinko parlors.

As a result, net sales for this segment amounted to ¥6,147 million. Operating income was ¥102 million.

(Overseas market)

Sales of OEM banknote deposit modules for ATMs were favorable, and sales of banknote sorters have increased greatly due to our expanding sales network, especially in China.

As a result, net sales for this segment amounted to ¥7,235 million. Operating income was ¥393 million.

As for other business segments, although sales of OEM banknote recycling units for horse race ticket vending machines were favorable, sales of cigarette vending machines were sluggish.

As a result, net sales for other business segments amounted to ¥2,317 million. The operating loss was ¥276 million.

Beginning with the first quarter ended June 30, 2010, the Company adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information," and changed business segment classifications. We have not presented comparable prior period amounts for each business segment.

The above amounts do not include consumption taxes.

(2) Qualitative Information on the Consolidated Financial Forecast

Forecasts after the second quarter are based on assumed foreign exchange rates of 85 yen to 1 U.S. dollar (maintained) and 110 yen to 1 EURO (previously 130 yen).

As of the present time, the Group will not revise the consolidated financial forecast and dividend forecast for this fiscal year, as announced on May 11, 2010.

2. Other Information

(1) Changes in Significant Subsidiaries During the Quarter:

None

(2) Application of Simplified Accounting Methods and Special Accounting Methods

(a) Simplified accounting methods

1) Calculation method for estimating bad debt of general receivables

The bad debt ratio at the end of this first quarter was recognized not to differ significantly from the ratio calculated at the end of the prior fiscal year. Accordingly, the estimated bad debt amount for the quarter was calculated using the historical rate of bad debt at the end of the prior fiscal year.

2) Inventory valuation method

The physical inventory count was omitted at the end of this first quarter. Inventories were primarily calculated using a rational method based on the physical inventory count at the end of the prior fiscal year.

As for write-downs of inventory carrying values, net sales values were estimated and carrying values written down, only for inventories clearly having decreased profitability.

3) Calculation method for deferred tax assets and deferred tax liabilities

For assessment of the recoverability of deferred tax assets, no significant changes in the business environment and the status of temporary differences, etc. were deemed to have occurred and accordingly, the projections of future financial results and tax planning used at the end of the prior fiscal year were utilized.

(b) Accounting methods specific to preparation of the quarterly consolidated financial statements

Tax expense is calculated by rationally estimating the effective tax rate after application of tax-effect accounting to income before income taxes for the consolidated fiscal year including this first quarter, and then multiplying the income before income taxes for the first quarter by the estimated effective tax rate.

Deferred income taxes are included and presented in "income taxes."

(3) Changes in Accounting Principles, Procedures, Presentation Methods, etc.

(a) Adoption of "Accounting Standard for Asset Retirement Obligations"

Beginning with the first quarter ended June 30, 2010, the Company adopted "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008). The effect of this change on operating income, ordinary income, and income before income taxes for the quarter was immaterial.

(b) Adoption of "Accounting Standard for Business Combinations"

Beginning with the first quarter ended June 30, 2010, the Company adopted "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

(c) (Additional information)

The Company changed the calculation method for retirement benefit obligations under the retirement lump-sum grant systems of former subsidiaries Harima GLORY Ltd. and GLORY TEC Ltd., from the simplified method to the

standard method. These changes arose because these two companies became subject to application of the standard method as the result of their merger into GLORY Products Ltd. (previous trade name: GLORY Kiki Co., Ltd.).

As a result of the change, the difference between the simplified method and the standard method of ¥257 million was recognized as an extraordinary loss in the current consolidated fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Current First Quarter (As of June 30, 2010)	Prior Fiscal Year (As of March 31, 2010) (Condensed)
ASSETS		
CURRENT ASSETS:		
Cash and deposits	27,787	37,417
Notes and accounts receivable-trade	29,209	30,687
Short-term investment securities	26,339	18,789
Merchandise and finished goods	14,101	12,625
Work in process	5,739	5,612
Raw materials and supplies	5,789	5,256
Other	9,386	9,757
Allowance for doubtful accounts	(221)	(524)
Total current assets	118,131	119,621
NONCURRENT ASSETS:		
PROPERTY, PLANT AND EQUIPMENT:		
Net property, plant and equipment	35,725	35,609
INTANGIBLE ASSETS:		
Goodwill	2,491	2,681
Other	3,425	3,596
Total intangible assets	5,917	6,277
INVESTMENT AND OTHER ASSETS:		
Investment securities	16,175	18,505
Other	17,411	16,850
Allowance for doubtful accounts	(2,104)	(1,881)
Total investment and other assets	31,482	33,474
TOTAL NONCURRENT ASSETS	73,125	75,361
TOTAL ASSETS	191,256	194,983
LIABILITIES		
CURRENT LIABILITIES:		
Notes and accounts payable-trade	12,993	13,272
Short-term loans payable	10,671	11,060
Income taxes payable	346	1,789
Provision for bonuses	2,006	3,631
Other	13,003	11,542
Total current liabilities	39,020	41,295
NONCURRENT LIABILITIES:		
Provision for retirement benefits	3,412	3,196
Other	4,478	5,145
TOTAL NONCURRENT LIABILITIES	7,890	8,342
Total liabilities	46,911	49,637

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

	Current First Quarter (As of June 30, 2010)	Prior Fiscal Year (As of March 31, 2010) (Condensed)
NET ASSETS:		
Shareholders' equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	117,610	120,636
Treasury stock	(5,813)	(8,178)
Total shareholders' equity	145,319	145,981
VALUATION AND TRANSLATION ADJUSTMENTS:		
Valuation difference on available-for-sale securities	(377)	(165)
Foreign currency translation adjustments	(596)	(470)
Total valuation and translation adjustments	(974)	(635)
TOTAL NET ASSETS	144,345	145,345
TOTAL LIABILITIES AND NET ASSETS	191,256	194,983

(2) Quarterly Consolidated Statements of Income
 First Quarter ended June 30, 2010

(Millions of yen)

	First Quarter ended June 30, 2009 (From April 1, 2009 to June 30, 2009)	First Quarter ended June 30, 2010 (From April 1, 2010 to June 30, 2010)
NET SALES	28,970	30,339
COST OF SALES	18,639	19,304
Gross profit	10,331	11,034
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	9,570	9,911
Operating income	760	1,123
NON-OPERATING INCOME:		
Interest income	90	86
Dividend income	131	336
Insurance refunds	406	12
Foreign exchange losses	78	—
Other	190	78
Non-operating income-net	896	514
NON-OPERATING EXPENSES:		
Interest expense	54	42
Foreign exchange loss	—	405
Other	18	29
Non-operating expenses-net	72	477
Ordinary income	1,584	1,160
EXTRAORDINARY INCOME:		
Gain on sales of noncurrent assets	—	33
Reversal of allowance for doubtful accounts	19	59
Reversal of provision for loss on guarantees	10	12
Reversal of provision for loss on cancellation of lease contracts	—	32
Other	3	—
Total extraordinary income	32	138
EXTRAORDINARY LOSS:		
Loss on retirement of noncurrent assets	12	12
Loss on valuation of investment securities	135	27
Retirement benefit expenses	—	257
Other	37	55
Total extraordinary loss	186	353
INCOME BEFORE INCOME TAXES	1,431	944
Income taxes	718	488
INCOME BEFORE MINORITY INTERESTS	—	456
NET INCOME	712	456

(3) Notes Relating to Assumption as a Going Concern

Not applicable

(4) Segment Information

[Business segment information]

First quarter ended June 30, 2009 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total	Elimination /Corporate	Consolidated
Net sales						
(1) Sales to customers	16,593	8,499	3,877	28,970	—	28,970
(2) Intersegment sales or transfers	—	—	1,146	1,146	(1,146)	—
Total	16,593	8,499	5,023	30,116	(1,146)	28,970
Operating income	61	559	134	755	5	760

Notes: 1. Business segments are classified by the functional nature of the merchandise and finished goods.

2. Primary merchandise and finished goods for the respective business segments are as follows:

Money handling machines and cash management systems:

Open teller systems, coin wrappers, banknote and coin recyclers, sales proceeds deposit machines, coin and banknote recyclers, cash recyclers for ticket counters, banknote counters, banknote deposit modules, banknote sorters, banknote recyclers for tellers, RFID self-checkout systems for cafeterias, medical payment kiosks for hospitals, and ballot sorters for handwritten ballots.

Vending machines and automatic service equipment:

Cigarette vending machines, coin-operated lockers, ticket vending machines, prepaid card systems for pachinko parlors, premium dispensing machines for pachinko parlors, pachinko ball/token dispensers, pachinko ball/token counters, banknote changers, customer management systems for pachinko parlors, multi-functional banknote changers, and remote consulting terminals.

Other goods and products

Teller queuing systems for bank counters, interest-rate board systems, key management systems, and other maintenance parts.

[Geographical segment information]

First quarter ended June 30, 2009 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania	Total	Elimination/Corporate	Consolidated
Net sales							
(1) Sales to customers	25,254	1,015	2,155	545	28,970	—	28,970
(2) Intersegment sales or transfers	976	0	—	503	1,480	(1,480)	—
Total	26,231	1,015	2,155	1,049	30,450	(1,480)	28,970
Operating income (Loss)	860	(82)	(82)	64	760	—	760

Notes: 1. Countries and regions are classified by geographic proximity.

2. Major countries and regions affiliated with the respective segments

Americas: United States, Canada, Central and South American countries

Europe: European countries, Middle-eastern and African countries

Asia/Oceania: East Asian and Southeast Asian countries, Oceania countries

[Overseas sales]

First quarter ended June 30, 2009 (from April 1, 2009 to June 30, 2009)

(Millions of yen)

	Americas	Europe	Asia/Oceania	Total
I. Overseas sales	1,918	3,532	925	6,376
II. Consolidated net sales				28,970
III. Overseas sales as a percentage of consolidated net sales	6.6	12.2	3.2	22.0

Notes: 1. Countries and regions are classified by geographic proximity.

2. Major countries and regions affiliated with the respective segments

Americas: United States, Canada, Central and South American countries

Europe: European countries, Middle-eastern and African countries

Asia/Oceania: East Asian and Southeast Asian countries, Oceania countries

3. Overseas sales are net sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

[Segment information]

1. Summary of reportable business segments

The Company's reportable business segments are based on those units within the Group 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 business segments.

A summary of each reportable business segment is as follows:

Financial market

Sales and maintenance services to domestic financial institutions, Japan Post Bank, OEM clients, and others.

Retail and transportation market

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

Amusement market

Sales and maintenance services to domestic amusement halls (pachinko parlors, etc.).

Overseas market

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

2. Information on sales and income (loss) by reportable business segment
 First quarter ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

(Millions of yen)

	Reportable business segments					Other (Note)1	Total	Adjustment	Consolidated statement of income (Notes)2
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales									
(1) Sales to customers	8,634	6,005	6,147	7,235	28,021	2,317	30,339	—	30,339
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	8,634	6,005	6,147	7,235	28,021	2,317	30,339	—	30,339
Segment operating income (loss)	417	486	102	393	1,399	(276)	1,123	—	1,123

Notes: 1. "Other" segments consists of business segments not included in reportable business segments including sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

2. Segment operating income (loss) is adjusted with operating income on the quarterly consolidated statement of income.

(Additional information)

Beginning with the first quarter ended June 30, 2010, the Company adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

(5) Note for Significant Change in the Amount of Shareholders' Equity
 Not applicable

This is a translation of the original Japanese text of the "Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2011." Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.