(TRANSLATION FOR REFERENCE ONLY)

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2011 <Japanese GAAP>

May 12, 2011

Company Name:	GLORY LTD.	Stock exchange listings:	Tokyo and Osaka (1st Sections)
Code Number:	6457	URL:	http://www.glory-global.com/
Representative:	Hirokazu Onoe	President & Representative Director	
Contact person:	Osamu Tanaka	Senior Managing Executive Officer / General Manager, Business Management Division	
	TEL +81-79-297-3131		

Scheduled date of Ordinary General Meeting of Shareholders:	June 24, 2011
Scheduled date of dividend payments:	June 27, 2011
Scheduled filing date of Annual Security Report:	June 27, 2011
Earnings supplementary explanatory material:	Yes
Earnings presentation:	Yes (For institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(1) Consolidated Operating Results

(The percentages show the increase or decrease from 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, 2011	138,964	2.9	10,323	34.3	11,028	22.4	6,229	21.9
Year ended March 31, 2010	135,105	(7.4)	7,685	(18.5)	9,011	(3.2)	5,108	(11.7)

(Note) Comprehensive income

For year ended March 31, 2011: 5,350 million yen, 8.4% For year ended March 31, 2010: 4,936 million yen, —%

	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, 2011	94.83	—	4.2	5.6	7.4
Year ended March 31, 2010	76.00	—	3.5	4.6	5.7

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

For year ended March 31, 2011: — million yen For year ended March 31, 2010: — million yen

(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, 2011	198,019	149,781	75.0	2,260.47
As of March 31, 2010	194,983	145,345	74.5	2,212.63

(Reference) Ownership equity

As of March 31, 2011: 148,485 million yen As of March 31, 2010: 145,345 million yen

(3) Consolidated Cash Flows

(Millions of yen)

	From operating activities	From investing activities	From financing Activities	Cash and cash equivalents at the end of the year
Year ended March 31, 2011	9,346	(7,535)	(2,259)	52,788
Year ended March 31, 2010	18,873	(731)	(8,197)	53,651

2. Dividends

(Record date)	Dividends per share: First quarter	Second quarter	Third quarter	Year-end	Annual	Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Year ended March 31, 2010	—	16.00	—	17.00	33.00	2,209	43.4	1.5
Year ended March 31, 2011	—	17.00	—	20.00	37.00	2,430	39.0	1.7
Year ending March 31, 2012 (forecast)	—	20.00	—	21.00	41.00		—	

3. Consolidated financial forecast for the year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)
The consolidated financial forecast for the year ending March 31, 2012, has not been prepared due to the difficulty of rationally calculating the impact from supply chain disruptions, power supply problems, etc. caused by the Great East Japan Earthquake. The forecast will be announced when it becomes possible to prepare the forecast.

4. Other
(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 principles, procedures, presentation methods, etc. for preparation of the consolidated financial statements.
(a) Changes associated with revision of accounting standards etc.: Yes
(b) Changes other than (a): Yes
(Note) Please refer to "(7) Changes in Significant Matters as Basis for Preparation of Consolidated Financial Statements," "(8) Changes in Presentation Methods," and "(9) Additional Information" of "4. Consolidated Financial Statements" of the [Attachment] on pages 29 to 30 for details.

(3) Total number of shares issued (common stock)
(a) Total number of shares issued at the end of the period (including treasury stock)
As of March 31, 2011: 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 March 31, 2011: 2,950,306 shares
As of March 31, 2010: 4,149,280 shares
(c) Average number of shares during the period
As of March 31, 2011: 65,688,322 shares
As of March 31, 2010: 67,213,705 shares

(Reference) Non-consolidated Financial Results

Financial results for the fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(1) Non-consolidated Operating Results

(The percentages show the increase or decrease from 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, 2011	113,076	2.8	8,069	35.1	10,282	35.8	6,419	26.7
Year ended March 31, 2010	110,006	(8.8)	5,972	(28.6)	7,572	(29.4)	5,065	(27.7)

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
Year ended March 31, 2011	97.72	—
Year ended March 31, 2010	75.36	—

(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, 2011	172,157	137,966	80.1	2,100.34
As of March 31, 2010	169,257	133,930	79.1	2,038.85

(Reference) Ownership equity

As of March 31, 2011: 137,966 million yen As of March 31, 2010: 133,930 million yen

(Note) Status of implementation of audit procedures

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

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

The forward-looking statements such as the financial forecasts contained in this report are based on information currently available to GLORY LTD. and certain assumptions deemed to be reasonable. 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 "(1) Analysis of Operating Results" of "1. Operating Results" of the [Attachment] on page 5.

Attachment Contents

1. Operating Results

(1) Analysis of Operating Results

Consolidated operating results for this current fiscal year

During the year ended March 31, 2011 (from April 1, 2010 to March 31, 2011), the Japanese economy has remained unstable due to the serious employment situation and extended deflation, despite some positive economic movement in improved corporate earnings and pickup in personal spending. Furthermore, the business outlook is in a state of uncertainty because of the influence of the Great East Japan Earthquake which occurred in March.

In this uncertain business environment, in the second year of the 2011 Medium-Term Management Plan, and under the basic principle "Capitalize on new business opportunities with global vision and accelerate to a period of new growth!," the GLORY Group ("Group") has taken positive measures: generating and developing more consumer demand by aggressively developing and introducing new products, reducing costs by expanding overseas procurement and production, increasing operational efficiency by streamlining subsidiary operations, and turning Sitrade Italia S.p.A., the Company's distributor in Europe, into a subsidiary with the objective of further strengthening sales operations in overseas markets.

Consequently, in the fiscal year under review, although the amusement market was sluggish, sales of new products in the financial market were favorable and as a result, net sales increased compared with the previous fiscal year. Income increased compared with the previous fiscal year due to the improvement of development efficiency and productivity, and the implementation of practices to drive down costs by expanding overseas procurement and production.

As for the influence of the Great East Japan Earthquake, though there was minor damage to the buildings of our business offices in the Tohoku and Kanto regions, the impact on our production and sales operations was minimal.

As a result, net sales for the fiscal year totaled ¥138,964 million (up 2.9% year-on-year). Sales of merchandise and finished goods were ¥106,872 million (up 3.3 % year-on-year), and sales from maintenance services were ¥32,092 million (up 1.3% year-on-year). Meanwhile, overseas sales were ¥28,753 million (up 0.1% year-on-year). Operating income was ¥10,323 million (up 34.3% year-on-year), ordinary income was ¥11,028 million (up 22.4% year-on-year), net income for the fiscal year was ¥6,229 million (up 21.9% year-on-year), and comprehensive income was ¥5,350 million (up 8.4% year on year).

Operating Results by Business Segment

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

(Financial market)

As for our main product open teller systems, sales of compact open teller systems for small and mid-sized financial outlets were favorable, and OEM banknote and coin recycling units for tellers met replacement demand firmly and were favorable.

As a result, net sales for this segment amounted to ¥46,936 million (up 10.1 % year-on-year). Operating income was ¥5,586 million (up 107.6 % year-on-year).

(Retail and transportation market)

Despite sluggish sales of OEM sales proceeds deposit machines, sales of our main product coin and banknote recyclers were favorable, and consequently, total sales for this market were favorable.

As a result, net sales for this segment amounted to ¥26,666 million (up 5.8 % year-on-year). Operating income was ¥2,292 million (up 18.6 % year-on-year).

(Amusement market)

Though sales of our new product pachinko prize dispensing machines for pachinko parlors were favorable, restrained capital investments in card systems and other equipment plus the effect of intensified market competition caused overall sluggishness in this market.

As a result, net sales for this segment amounted to ¥24,161 million (down 12.4 % year-on-year). Operating income was ¥824 million (down 69.5 % year-on-year).

(Overseas market)
In Asia, sales of banknote sorters were favorable, in line with expanding markets in China and India. In Europe, although acquisition of a distributor in Italy contributed to our operating results, sales for this fiscal year approximated sales of the previous fiscal year due to the strong yen. In America, sales of OEM banknote deposit units for ATMs decreased and were sluggish.

As a result, net sales for this segment amounted to ¥28,753 million (up 0.1% year-on-year). Operating income was ¥1,349 million (up 3.8 % year-on-year).

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

As a result, net sales for this segment amounted to ¥12,446 million (up 13.6 % year-on-year). Operating income was ¥269 million (the operating loss of ¥943 million for the previous fiscal year).

Beginning with the current fiscal year, 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. In line with this change, the presentation of business performance by segment compared with the previous fiscal year is based on the new segment classifications.

The above amounts do not include consumption taxes.

Forecast for the next fiscal year
Regarding the Japanese economy for the following fiscal year, the business outlook is in a heightened state of uncertainty due to the Great East Japan Earthquake in March which caused serious damage to Japan and the accompanying problems of power supply and nuclear power plant accidents which have greatly affected Japanese economic activities.

In this uncertain business environment, in the final year of the 2011 Medium-Term Management Plan, the GLORY Group will strive to reinforce its management base even further by proactively promoting its Business Strategy, Constitutional Strength Strategy and Group Structure Strengthening Strategy.

The consolidated financial forecast for the year ending March 31, 2012, has not been prepared due to the difficulty of rationally calculating the impact from supply chain disruptions, power supply problems, etc. caused by the Great East Japan Earthquake. The forecast will be announced when it becomes possible to prepare the forecast.

(2) Financial Position

Total assets at the end of the current fiscal year were ¥198,019 million, an increase of ¥3,036 million compared with the end of the previous consolidated fiscal year.

Liabilities were ¥48,238 million, a decrease of ¥1,399 million compared with the end of the previous consolidated fiscal year.

Cash and cash equivalents ("cash") at the end of the current consolidated fiscal year, decreased by ¥863 million from the previous consolidated fiscal year end to ¥52,788 million, due to the purchase of stock of a European sales distribution affiliate of ¥2,168 million resulting in this entity becoming a subsidiary.

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥9,346 million, primarily due to income before income taxes and minority interests of ¥10,127 million and depreciation expense of ¥6,717 million offset by an increase in inventories of ¥3,171 million and income taxes paid of ¥3,112 million.

(Net cash used in investing activities)

Net cash used in investing activities was ¥7,535 million, primarily due to purchases of investment securities of ¥6,633 million, a purchase of investments in subsidiary of ¥2,168 million resulting in a change in scope of consolidation, and acquisition of property, plant and equipment of ¥3,116 million, offset by proceeds of ¥4,625 million from sales and redemptions of investment securities. The acquired property, plant and equipment primarily consisted of molds and tools related to the manufacturing of products.

(Net cash used in financing activities)

Net cash used in financing activities was ¥2,259 million, primarily due to dividend payments of ¥2,232 million.

Cash flow indices

	March 2007	March 2008	March 2009	March 2010	March 2011
Equity capital ratio	69.2%	72.3%	74.8%	74.5%	75.0%
Equity capital ratio based on market price	78.4%	72.6%	60.6%	78.2%	60.7%
Debt to annual cash flow (years)	0.7	0.6	5.0	0.6	1.2
Interest coverage ratio	78.3	65.8	8.2	102.2	50.8

Notes: Equity capital ratio: (Shareholders’ equity + Valuation and translation adjustments) / Total assets
Equity capital ratio based on market price: Market capitalization / Total assets
Debt to annual cash flow: Interest-bearing liabilities / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments

* All indices are calculated on a consolidated basis.
* Market capitalization: Closing price on the balance sheet date X Number of shares issued (net of treasury shares) on the balance sheet date.
* Operating cash flow represents cash flow provided by operating activities per the consolidated statements of cash flows.
Interest-bearing liabilities consist of all liabilities on the balance sheets for which interest is being paid.
Interest payments consist of interest expense paid as presented on the consolidated statements of cash flows.

(3) Basic Policy on Profit Distributions and Dividends for the Current and Following Fiscal Year

GLORY considers the return of profits to shareholders to be an important management task and retains a policy to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. GLORY has set the target of attaining a dividend payout ratio of 25% or higher and a DOE (dividends on equity) ratio of at least 1.5%, both on a consolidated basis.

In accordance with the above policy and considering consolidated financial results and its financial condition, GLORY plans a year-end dividend of ¥20 per share for the fiscal year ended March 31, 2011 (the 65^{th} term). Together with the interim-period dividend of ¥17 per share, the result will be an annual dividend of ¥37 per share, a DOE (dividends on equity) ratio of at least 1.7% and a dividend payout ratio of 39.0%.

With respect to dividends for the next fiscal year, GLORY is considering raising the DOE (dividends on equity) ratio to at least 1.8% while keeping the dividend payout ratio unchanged at 25% or higher, both on a consolidated basis, in an effort to further increase the return to shareholders. In accordance with the above policy, GLORY plans to distribute an annual dividend of ¥41 per share (the interim-period dividend of ¥20 and the year-end dividend of ¥21) next fiscal year.

In addition, GLORY will also consider from time to time, the purchase of treasury stock to improve capital efficiency and to have an agile capital policy to respond to the operating environment. Treasury stock holdings will be maintained at around 5% of the total number of issued shares, with excessive holdings retired as deemed appropriate.

2. Group Position

(1) Details of the Business

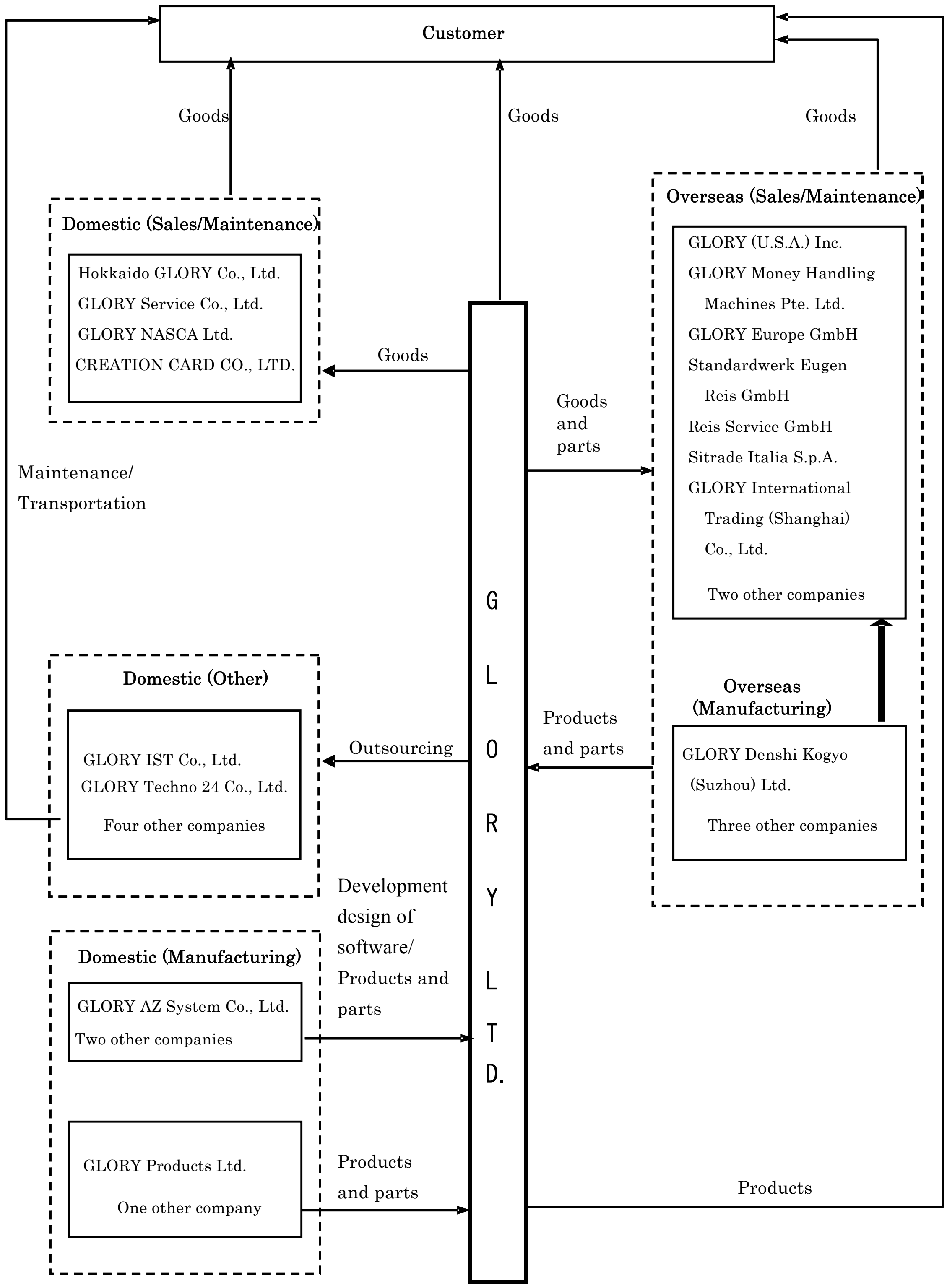
The GLORY Group comprises GLORY LTD. (the "Company"), 27 subsidiaries and 1 affiliate, and as a top maker of money handling machines, is engaged primarily in manufacturing, sales, and maintenance services for money handling machines, cash management systems, vending machines and automatic service equipment.

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
Domestic	GLORY LTD.	○	○	○	○
	GLORY Products Ltd.	○		○	
	Hokkaido GLORY Co., Ltd.	○	○		
	GLORY NASCA Ltd. (Note: 1)			○	
	CREATION CARD CO., LTD. (Note: 1)			○	
	GLORY Service Co., Ltd.		○		
Overseas	GLORY (U.S.A.) Inc.				○
	GLORY Money Handling Machines Pte. Ltd.				○
	Standardwerk Eugen Reis GmbH				○
	GLORY Europe GmbH (Note: 2)				○
	Reis Service GmbH (Note: 2)				○
	Sitrade Italia S.p.A. (Note: 3)				○
	GLORY Denshi Kogyo (Suzhou) Ltd.			○	○
	GLORY International Trading (Shanghai) Co., Ltd.				○

Notes: 1. CREATION CARD CO., LTD. was merged into GLORY NASCA Ltd. and dissolved as of April 1, 2011.
2. Reis Service GmbH was merged into GLORY Europe GmbH and dissolved as of January 1, 2011.
3. Sitrade Italia S.p.A. became a subsidiary as of October 1, 2010, and was included in the scope of consolidation.

The following chart shows the group positions.



(2) Subsidiaries and Affiliates

Name	Address	Common stock or capital (millions of yen)	Primary business	Voting rights ratio	Details of relationship
Consolidated subsidiaries					
Hokkaido GLORY Co., Ltd.	Chuo-ku, Sapporo	50	Financial market Retail and transportation market	100.0	Sales and maintenance of products of the Company in Hokkaido Prefecture. Interlocking officers: yes
GLORY Service Co., Ltd.	Kita-ku, Osaka	40	Retail and transportation market	100.0	Sales, maintenance and operation of coin-operated lockers. Leasing buildings owned by the Company. Interlocking officers: yes
GLORY IST Co., Ltd.	Koto-ku, Tokyo	20	Financial market Others	100.0	Transportation, delivery, installation of products of the Company. Interlocking officers: yes
GLORY Techno 24 Co., Ltd.	Chuo-ku, Osaka	30	Financial market Retail and transportation market	100.0	Maintenance of the products of the Company. Leasing buildings owned by the Company. Interlocking officers: yes
GLORY NASCA Ltd. (Notes: 2, 6, 9)	Taito-ku, Tokyo	2,000	Amusement market	100.0	Sales and maintenance of amusement card system and amusement-related equipment. Leasing buildings owned by the Company. Leasing building to the Company. Interlocking officers: yes
GLORY AZ System Co., Ltd.	Nishinomiya City, Hyogo	50	Financial market	100.0	Development design of software and manufacturing of products of the Company. Interlocking officers: yes
CREATION CARD CO., LTD. (Note: 6)	Naniwa-ku, Osaka	200	Amusement market	100.0	Sales and maintenance of amusement card systems and amusement-related equipment. Leasing buildings owned by the Company Interlocking officers: yes
GLORY Products Ltd. (Note: 2)	Kanzaki-gun, Hyogo	80	Financial market Amusement market	100.0	Manufacturing of products of the Company. Leasing of land and buildings owned by the Company. Interlocking officers: yes

Name	Address	Common stock or capital	Primary business	Voting rights ratio	Details of relationship
Consolidated subsidiaries					
GLORY (U.S.A.) Inc.	New Jersey, 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 Money Handling Machines Pte. Ltd.	Singapore	Thousand S$ 1,000	Overseas market	100.0	Sales, maintenance and parts procurement of products of the Company in Southeast Asia. Interlocking officers: yes
GLORY Europe GmbH (Note: 7)	Frankfurt am Main, Germany	Thousand EURO 3,900	Overseas market	100.0	Sales and maintenance of products of the Company in Europe. Interlocking officers: yes
Reis Service GmbH (Notes: 4, 7)	Bruchsal, Germany	Thousand EURO 100	Overseas market	100.0 (100.0)	Maintenance of money handling machines. Interlocking officers: yes
Standardwerk Eugen Reis GmbH (Note: 4)	Bruchsal, Germany	Thousand EURO 2,406	Overseas market	100.0 (100.0)	Development, manufacturing and sales of money handling machines. Interlocking officers: yes
Sitrade Italia S.p.A. (Note: 8)	Milano, Italy	Thousand EURO 620	Overseas market	51.0	Sales and maintenance of products of the Company in Italy. Interlocking officers: yes
GLORY Denshi Kogyo (Suzhou) Ltd.	Jiangsu Province, China	Thousand US$ 4,200	Overseas market Amusement market	100.0	Manufacturing of products of the Company. Interlocking officers: yes
GLORY International Trading (Shanghai) Co., Ltd.	Shanghai, China	Thousand US$ 700	Overseas market	100.0	Sales and maintenance of products of the Company in China. Interlocking officers: yes

Notes: 1. The applicable business segments are stated in the primary business column.
2. This company is a specified subsidiary.
3. There are no subsidiaries filing a security registration statement or securities report.
4. The voting rights ratio within parentheses indicates the indirectly held voting rights ratio.
5. Interlocking officers indicate whether or not executives or employees of the Company also serve as officers of subsidiaries or affiliates.
6. CREATION CARD CO., LTD. was merged into GLORY NASCA Ltd. and dissolved as of April 1, 2011.
7. Reis Service GmbH was merged into GLORY Europe GmbH and dissolved as of January 1, 2011.
8. Sitrade Italia S.p.A. became a subsidiary as of October 1, 2010, and was included in the scope of consolidation.
9. The ratio of the net sales of GLORY NASCA Ltd. (excluding consolidated intercompany sales) to consolidated net sales exceeded 10%.

Significant profit and loss information		GLORY NASCA Ltd.
	(1) Net sales	19,955 million yen
	(2) Ordinary income	251 million yen
	(3) Net income	186 million yen
	(4) Net assets	5,631 million yen
	(5) Total assets	17,427 million yen

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 GLORY Group has put in place the "Corporate Philosophy System," and determined a Corporate Philosophy and Managerial Creed. Aiming at achieving the enhancement of corporate value as the overall GLORY Group, we at GLORY 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

Though 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 GLORY 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 assets (ROA).

(3) Mid-to-long Term Management Strategies and Issues to be Addressed by the Company

The GLORY Group is determined to tackle the following issues as crucial tasks.

Measures against the Great East Japan Earthquake

The GLORY Group will contribute greatly to fulfill corporate social responsibility by cooperating with financial institutions, distributors and retailers, and transportation companies damaged by the Great East Japan Earthquake, trying to speed recovery of money handling operations.

Impact on our business due to supply chain disruptions for securing parts and supplying products and power supply problems can be expected, but GLORY will thrive to minimize the influence.

Medium-Term Management Plan

The GLORY Group considers the expansion of overseas business with larger market scale to be essential and since April 2009 has been promoting the 2011 Medium-Term Management Plan with a main focus on global expansion.

Specifically, GLORY has deployed various measures such as reinforcement of the functions of development, production and sales, etc., exploration of new markets, and enhancement of corporate culture through structural reforms and reduction of fixed expenses, centering on Business Strategy, Constitutional Strength Strategy and Group Structure Strengthening Strategy.

However, overseas operations regarded as a primary area of growth remain stalled, and the uncertain business outlook for Japan has become more serious due to the impact of the Great East Japan Earthquake.

In such severe circumstances, in the following period, which is the final year of the 2011 Medium-Term Management Plan, GLORY will work on the following measures as key issues.

(i) Business Strategy aiming at strengthening growth potential

The growth strategy aims at strengthening growth potential even further, to expand measures centering on "growth business," "core business" and "future business."

Concerning overseas operations, regarded as a primary area of growth, in order to realize earlier the goal of an "overseas sales ratio of 30% to net sales" and to speed up business operations and to improve sales operations, GLORY has newly organized the International Business Headquarters to aggressively promote development and quick release of new products, enhancement of production capability, expansion of our sales network, and improvement of maintenance service business. GLORY intends to further grow overseas markets by locating marketing divisions in each geographic segment, Europe, America, and Asia to promote clearer marketing strategies and to work in closer cooperation with local subsidiaries, so that GLORY can carefully identify and respond to a variety of customer needs particular to each country.

To provide a concrete action, in Europe, GLORY can utilize the sales know-how of Sitrade Italia S.p.A., a distributor in Italy which was bought into the GLORY Group in October 2010, to expand sales throughout Europe. In Americas, GLORY will promote sales of system products such as banknote recyclers for tellers at financial institutions, and promote new business model proposals for cash processing for the retail market.

In Asia, GLORY regards China and India as key markets and will concentrate management resources there. In China, in order to develop products meeting local needs in a short time period, GLORY will promote the local design of products to accelerate sales of high-value-added products such as banknote sorters and system products. In India, GLORY will set up marketing offices, and roll out a market-focused strategy.

In domestic operations, which are positioned as our core business, in the financial market GLORY intends to grow further by aggressively offering solutions to our customers' problems from their perspective such as opening new outlets without a "strong room" but with compact open teller systems or cash monitoring cabinets or valuable item management systems for small and mid-sized financial outlets.

In the retail and transportation market, GLORY will aggressively promote our main product coin and banknote recyclers to convenience stores where they have not yet installed the products and to expand sales to specialty shops.

In the amusement market, GLORY will aggressively increase sales of pachinko ball counters, which contribute to labor saving at pachinko parlor branches, and new pachinko prize dispensing machines for pachinko parlors, whose aim is to manage premiums strictly and efficiently.

In new businesses that we are positioning as "future business," GLORY will work toward early-stage commercialization of technologies in R&D, such as security-related technologies and creation of new business models, etc.

(ii) Constitutional Strength Strategy aiming at strengthening our business constitution through functional reforms
This strategy comprises efforts toward enhancing our constitutional strength centering on product development reform, production and procurement reform, distribution reform, and sales reform.

For product development reform, globalization of core technologies and unit standardization, as we strive to develop eco-friendly products.

For production and procurement reform, we have promoted expansion of production in China and the Philippines and reorganization of domestic manufacturing subsidiaries to respond to changes in the business environment. In the future, through these actions, GLORY will further improve productivity and enhance cost-competitiveness.

As for distribution reform, in line with the expansion of overseas procurement and production, GLORY will increase the efficiency of distribution, reduce and maintain inventories at an optimum level by designing a distribution strategy ranging from shipments to sales of parts, units and products.

For sales reform, the GLORY Group will implement a competitive sales style by building sales systems with more customer viewpoints and regional orientations.

(iii) Group Structure Strengthening Strategy to strengthening our structure to support globalization
This strategy is to promote further our system to sustain global expansion, centering on corporate governance strategy, group governance strategy, and personnel strategy.

For corporate governance strategy, we will reinforce group governance, including overseas subsidiaries, and promote penetration and thorough implementation of compliance management for reinforcing a Group system that can sustain global expansion.

For group governance strategy, in accordance with the mission of each group company, GLORY has been promoting reorganization and integration of Group companies inside and outside Japan. Following the integration of the three manufacturing subsidiaries in April last year, GLORY merged two sales subsidiaries in the amusement segment and started up newborn GLORY NASCA Ltd. in April this year. GLORY seeks to further reinforce sales in the amusement market through these integrations.

For personnel strategy, GLORY will aggressively develop global human resources oriented to reinforcement of overseas operations, and focus assignment of human resources to growth fields.

(4) Other Important Matters Related to Company Management

Not applicable.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2010)	Current Fiscal Year (As of March 31, 2011)
ASSETS		
CURRENT ASSETS:		
Cash and deposits	37,417	33,706
Notes and accounts receivable-trade	30,687	29,794
Lease investment assets	2,995	2,756
Short-term investment securities	18,789	22,340
Merchandise and finished goods	12,625	14,359
Work in process	5,612	6,163
Raw materials and supplies	5,256	6,018
Deferred tax assets	4,594	4,331
Other	2,167	1,383
Allowance for doubtful accounts	(524)	(335)
Total current assets	119,621	120,520
NONCURRENT ASSETS:		
PROPERTY, PLANT AND EQUIPMENT:		
Buildings and structures	34,831	31,154
Accumulated depreciation	(20,315)	(17,976)
Buildings and structures, net	14,516	13,177
Machinery, equipment and vehicles	9,673	9,403
Accumulated depreciation	(8,095)	(8,089)
Machinery, equipment and vehicles, net	1,577	1,314
Tools, furniture and fixtures	46,635	49,033
Accumulated depreciation	(39,107)	(41,532)
Tools, furniture and fixtures, net	7,528	7,501
Land	11,630	12,348
Construction in progress	356	112
Net property, plant and equipment	35,609	34,454
INTANGIBLE ASSETS:		
Software	3,309	3,696
Goodwill	2,681	4,238
Other	286	188
Total intangible assets	6,277	8,123
INVESTMENTS AND OTHER ASSETS:		
Investment securities	*1 18,505	*1 19,476
Deferred tax assets	5,468	5,555
Other	*1 11,381	*1 11,484
Allowance for doubtful accounts	(1,881)	(1,594)
Total investments and other assets	33,474	34,921
TOTAL NONCURRENT ASSETS	75,361	77,499
TOTAL ASSETS	194,983	198,019

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2010)	Current Fiscal Year (As of March 31, 2011)
LIABILITIES		
CURRENT LIABILITIES:		
Notes and accounts payable-trade	13,272	13,362
Short-term loans payable	11,060	11,064
Income taxes payable	1,789	2,221
Provision for bonuses	3,631	3,903
Provision for directors' bonuses	71	80
Provision for loss on guarantees	217	187
Provision for loss on cancellation of lease	209	103
Other	11,044	9,522
Total current liabilities	41,295	40,445
NONCURRENT LIABILITIES:		
Lease obligations	2,019	1,473
Provision for retirement benefits	3,196	3,293
Other	3,126	3,026
TOTAL NONCURRENT LIABILITIES	8,342	7,792
Total liabilities	49,637	48,238
NET ASSETS:		
Shareholders’ equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	120,636	122,267
Treasury stock	(8,178)	(5,815)
Total shareholders’ equity	145,981	149,974
VALUATION AND TRANSLATION ADJUSTMENTS:		
Valuation difference on available-for-sale securities	(165)	(312)
Foreign currency translation adjustment	(470)	(1,176)
Total valuation and translation adjustments	(635)	(1,489)
Minority interests		1,295
TOTAL NET ASSETS	145,345	149,781
TOTAL LIABILITIES AND NET ASSETS	194,983	198,019

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
NET SALES	*1 135,105	*1 138,964
COST OF SALES	*2, *4 87,074	*2, *4 86,757
Gross profit	48,031	52,207
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	*3, *4 40,345	*3, *4 41,883
Operating income	7,685	10,323
NON-OPERATING INCOME:		
Interest income	365	365
Dividends income	220	427
Insurance return	635	201
Other	440	323
Non-operating income-net	1,661	1,318
NON-OPERATING EXPENSES:		
Interest expenses	194	180
Foreign exchange losses	17	326
Other	123	106
Non-operating expenses-net	335	613
Ordinary income	9,011	11,028
EXTRAORDINARY INCOME:		
Gain on sales of noncurrent assets	*5 10	*5 147
Reversal of allowance for doubtful accounts	13	101
Gain on sale of investment securities	222	
Reversal of provision for loss on cancellation of lease contracts	80	62
Other	96	93
Total extraordinary income	425	405
EXTRAORDINARY LOSS:		
Loss on sales of noncurrent assets	*6 12	*6 30
Loss on retirement of noncurrent assets	*7 426	*7 166
Loss on valuation of investment securities	152	240
Retirement benefit expenses		257
Impairment loss	119	358
Other	220	252
Total extraordinary loss	931	1,306
INCOME BEFORE INCOME TAXES	8,505	10,127
Income taxes-current	2,569	3,522
Income taxes-deferred	827	330
Total income taxes	3,397	3,852
Income before minority interests		6,274
MINORITY INTERESTS IN INCOME		45
NET INCOME	5,108	6,229

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
Income before minority interests		6,274
OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities		(147)
Foreign currency translation adjustment		(776)
Total other comprehensive income		*2 (924)
COMPREHENSIVE INCOME		*1 5,350
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent		5,376
Comprehensive income attributable to minority interests		(25)

(3) Consolidated Statements of Changes in Equity

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
Shareholders' equity		
Capital stock		
Balance, as of the end of previous fiscal year	12,892	12,892
Changes of items during the year		
Total changes of items during the year		
Balance, as of the end of current fiscal year	12,892	12,892
Capital surplus		
Balance, as of the end of previous fiscal year	20,629	20,629
Changes of items during the year		
Total changes of items during the year		
Balance, as of the end of current fiscal year	20,629	20,629
Retained earnings		
Balance, as of the end of previous fiscal year	117,068	120,636
Changes of items during the year		
Dividends from surplus	(2,116)	(2,233)
Net income	5,108	6,229
Disposal of treasury stock	(0)	(2,365)
Change of scope of consolidation	577	
Total changes of items during the year	3,568	1,630
Balance, as of the end of current fiscal year	120,636	122,267
Treasury stock		
Balance, as of the end of previous fiscal year	(2,951)	(8,178)
Changes of items during the year		
Purchase of treasury stock	(5,227)	(2)
Disposal of treasury stock	0	2,365
Total changes of items during the year	(5,227)	2,363
Balance, as of the end of current fiscal year	(8,178)	(5,815)
Total shareholders' equity		
Balance, as of the end of previous fiscal year	147,640	145,981
Changes of items during the year		
Dividends from surplus	(2,116)	(2,233)
Net income	5,108	6,229
Purchase of treasury stock	(5,227)	(2)
Disposal of treasury stock	0	
Change of scope of consolidation	577	
Total changes of items during the year	(1,659)	3,993
Balance, as of the end of current fiscal year	145,981	149,974

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance, as of the end of previous fiscal year	(12)	(165)
Changes of items during the year		
Net changes of items other than shareholders' equity	(152)	(147)
Total changes of items during the year	(152)	(147)
Balance, as of the end of current fiscal year	(165)	(312)
Foreign currency translation adjustment		
Balance, as of the end of previous fiscal year	(451)	(470)
Changes of items during the year		
Net changes of items other than shareholders' equity	(18)	(706)
Total changes of items during the year	(18)	(706)
Balance, as of the end of current fiscal year	(470)	(1,176)
Total valuation and translation adjustments		
Balance, as of the end of previous fiscal year	(463)	(635)
Changes of items during the year		
Net changes of items other than shareholders' equity	(171)	(853)
Total changes of items during the year	(171)	(853)
Balance, as of the end of current fiscal year	(635)	(1,489)
Minority interests		
Balance, as of the end of previous fiscal year		
Changes of items during the year		
Net changes of items other than shareholders' equity		1,295
Total changes of items during the year		1,295
Balance, as of the end of current fiscal year		1,295
Total net assets		
Balance, as of the end of previous fiscal year	147,176	145,345
Changes of items during the year		
Dividends from surplus	(2,116)	(2,233)
Net income	5,108	6,229
Purchase of treasury stock	(5,227)	(2)
Disposal of treasury stock	0	
Change of scope of consolidation	577	
Net changes of items other than shareholders' equity	(171)	442
Total changes of items during the year	(1,830)	4,436
Balance, as of the end of current fiscal year	145,345	149,781

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	8,505	10,127
Depreciation and amortization	8,144	6,717
Impairment loss		358
Increase (decrease) in allowance for doubtful accounts	(632)	(604)
Increase (decrease) in provision for retirement benefits	235	117
Increase (decrease) in provision for bonuses	83	278
Increase (decrease) in provision for loss on guarantees	(41)	(30)
Increase (decrease) in provision for loss on cancellation of lease contracts	(80)	(105)
Loss (gain) on sales of investment securities	(222)	28
Loss (gain) on valuation of investment securities	152	240
Interest and dividends income	(585)	(793)
Interest expenses	194	180
Loss on retirement of noncurrent assets	426	166
Decrease (increase) in notes and accounts receivable-trade	898	1,355
Decrease (increase) in inventories	1,280	(3,171)
Increase (decrease) in notes and accounts payable-trade	(2,270)	348
Increase (decrease) in lease obligations	553	(517)
Decrease (increase) in lease investment assets	(567)	309
Increase (decrease) in accounts payable-other	(449)	(750)
Decrease (increase) in consumption taxes receivable/payable	1,262	(429)
Other	217	(1,960)
Subtotal	17,106	11,865
Interest and dividend income received	607	778
Interest expenses paid	(184)	(184)
Income taxes (paid) refund	1,344	(3,112)
Net cash provided by operating activities	18,873	9,346
INVESTING ACTIVITIES:		
Payments into time deposits	(4,175)	(283)
Proceeds from withdrawal of time deposits	6,890	270
Purchase of property, plant and equipment	(4,015)	(3,116)
Proceeds from sales of property, plant and equipment	18	953
Purchase of intangible assets	(774)	(1,340)
Purchase of investment securities	(8,252)	(6,633)
Proceeds from sales and redemption of securities	9,613	4,625
Purchase of investments in subsidiaries resulting in change in scope of consolidation		(2,168)
Other	(36)	158
Net cash used in investment activities	(731)	(7,535)

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
FINANCING ACTIVITIES:		
Net increase (decrease) in short-term loans payable	(355)	218
Repayments of long-term loans payable	(498)	(242)
Cash dividends paid	(2,116)	(2,232)
Purchase of treasury stock	(5,227)	(2)
Net cash used in financing activities	(8,197)	(2,259)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	59	(415)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,004	(863)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	42,998	53,651
Increase in cash and cash equivalents from newly consolidated subsidiary	648	
CASH AND CASH EQUIVALENTS, END OF YEAR	53,651	52,788

(5) Notes Relating to Assumption as a Going Concern

Not applicable.

(6) Significant Matters as Basis for Preparation of Consolidated Financial Statements

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 17 Name of consolidated subsidiaries are omitted here, as they are already stated in “2. Group Position, (2) Subsidiaries and Affiliates.” From the current fiscal year, GLORY Denshi Kogyo (Suzhou) Ltd. and GLORY International Trading (Shanghai) Co., Ltd. are included in the scope of consolidation, as the significance of these companies has increased. All shares of MARUESU GT CO., LTD. were sold as of September 1, 2009, and accordingly, this former consolidated subsidiary is excluded from the scope of consolidation. GLORY GmbH and GLORY Europe GmbH were former consolidated subsidiaries which merged. GLORY GmbH was subsequently dissolved and therefore excluded from the scope of consolidation. The corporate name after the merger is GLORY Europe GmbH. (2) Major non-consolidated subsidiaries Major non-consolidated subsidiary: GLORY F&C Co., Ltd. (Reasons for exclusion from the scope of consolidation) As the respective totals of total assets, net sales, net income (corresponding to equity), and retained earnings (corresponding to equity) of this non-consolidated subsidiary were insignificant and would not materially influence the consolidated financial statements, this subsidiary was excluded from the scope of consolidation.	(1) Number of consolidated subsidiaries: 16 Name of consolidated subsidiaries are omitted here, as they are already stated in “2. Group Position, (2) Subsidiaries and Affiliates.” Consolidated subsidiary GLORY Kiki Co., Ltd., Harima GLORY Ltd. and GLORY TEC Ltd. merged as of April 1, 2010. Harima GLORY Ltd. and GLORY TEC Ltd. were dissolved, and therefore were excluded from the scope of consolidation. The name of the surviving company was changed to GLORY Products Ltd. Sitrade Italia S.p.A., became a subsidiary as of October 1, 2010, and was newly included in the scope of the consolidation due to its increase in significance. (2) Major non-consolidated subsidiaries Major non-consolidated subsidiary: Same as left (Reasons for exclusion from the scope of consolidation) Same as left

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
2. Application of equity method	(1) Number of non-consolidated subsidiaries accounted for by the equity method: -- companies (2) Non-consolidated subsidiaries and affiliates not accounted for by the equity method Non-consolidated subsidiaries (GLORY F&C Co., Ltd. and other companies) and affiliates (TECHNOLOGY POWER CORPORATION) were excluded from the application of the equity method, since the respective total amounts of net income (corresponding to equity) and retained earnings (corresponding to equity) were immaterial and would not significantly influence the consolidated financial statements.	(1) Number of non-consolidated subsidiaries accounted for by the equity method: -- companies (2) Non-consolidated subsidiaries and affiliates not accounted for by the equity method Same as left
3. Fiscal years of consolidated subsidiaries	Consolidated subsidiaries that use different fiscal year ends from that of the consolidated fiscal year end are as follows: Name / Fiscal Year End GLORY Europe GmbH December 31 Standardwerk Eugen Reis GmbH December 31 Reis Service GmbH December 31 GLORY Denshi Kogyo (Suzhou) Ltd. December 31 GLORY International Trading (Shanghai) Co., Ltd. December 31 As the fiscal year ends of these subsidiaries are within three months of the consolidated fiscal year end, the financial statements of these subsidiaries are used for consolidation. However, necessary adjustments are made to the consolidation for material transactions that occur during the interim period prior to the consolidated fiscal year end.	Consolidated subsidiaries that use different fiscal year ends from that of the consolidated fiscal year end are as follows: Name / Fiscal Year End GLORY Europe GmbH December 31 Standardwerk Eugen Reis GmbH December 31 Reis Service GmbH December 31 Sitrade Italia S.p.A. December 31 GLORY Denshi Kogyo (Suzhou) Ltd. December 31 GLORY International Trading (Shanghai) Co., Ltd. December 31 As the fiscal year ends of these subsidiaries are within three months of the consolidated fiscal year end, the financial statements of these subsidiaries are used for consolidation. However, necessary adjustments are made to the consolidation for material transactions that occur during the interim period prior to the consolidated fiscal year end.

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
4. Accounting standards (1) Standards and methods of valuation of significant assets	(i) Short-term investment securities Bonds held-to-maturity Stated at amortized cost (straight-line method). Available-for-sale securities 1. Other securities for which market quotations are available Stated at fair value at the balance sheet date with unrealized gain or loss, net of applicable taxes reported as a separate component of equity. The cost of securities sold is determined by the moving-average method. 2. Other securities for which market quotations are not available Valued at cost based on the moving-average method (ii) Derivatives Fair value method (iii) Inventories 1 Finished goods and work in process Finished goods and work in process are valued at cost based on the weighted-average method (with book values written down based on decreased profitability of assets). 2 Finished goods, raw materials and supplies Finished goods, raw materials and supplies are generally valued at cost based on the moving-average method (with book values written down based on decreased profitability of assets).	(i) Short-term investment securities Bonds held-to-maturity Same as left Available-for-sale securities 1. Other securities for which market quotations are available Same as left 2. Other securities for which market quotations Same as left (ii) Derivatives Same as left (iii) Inventories 1 Finished goods and work in process Same as left 2 Finished goods, raw materials and supplies Same as left

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
4. Accounting standards (2) Methods of depreciation and amortization for significant depreciable assets	(i) Property, plant and equipment (excluding lease assets) GLORY and its domestic consolidated subsidiaries generally use the declining balance method (except for buildings (excluding their attached facilities) acquired on or after April 1, 1998, for which the straight-line method is used). Foreign consolidated subsidiaries generally use the straight-line method. The useful lives for major property, plant and equipment are as follows: Buildings and structures: 3-50 years Machinery, equipment and vehicles: 7-10 years (ii) Intangible assets (excluding lease assets) GLORY and its domestic consolidated subsidiaries apply the straight-line method based on the in-house service life (5 years) for software for in-house use. For product software, the larger of the amortized amount based on projected sales volume or the pro-rata amount based on the residual effective period (3 years or less) is recorded. For other intangible assets (including foreign consolidated subsidiaries), the straight-line method is applied. (iii) Lease assets Amortization is computed using the straight-line method over the lease period without residual value. Finance leases that do not transfer the ownership of the leased property to the lessee at the expiration of the lease, with transaction commencement dates on or before March 31, 2008, are accounted for as normal operating leases.	(i) Property, plant and equipment (excluding lease assets) Same as left (ii) Intangible assets (excluding lease assets) Same as left (iii) Lease assets Same as left
4. Accounting standards (3) Accounting standards for significant allowances and reserves	(i) Allowance for doubtful accounts For GLORY and its consolidated subsidiaries, estimated uncollectible amounts are provided for losses from bad debts. For general receivables, the estimated uncollectible amounts are calculated by applying historical loss ratios. For loans with a possibility of default and other specific receivables, estimated uncollectible amounts are considered on an individual basis. Overseas consolidated subsidiaries record estimated uncollectible amounts primarily based	(i) Allowance for doubtful accounts Same as left

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
	upon reviews of the collectability of specific receivables. (ii) Provision for bonuses The provision for bonuses is calculated based on estimates of bonuses payable to employees. (iii) Provision for retirement benefits The reserve for retirement benefits is calculated based on estimates of retirement benefit obligations and pension assets as of the end of the consolidated fiscal year. Prior service costs are amortized by the declining-balance method over a period (15 years), not greater than the average remaining years of employee service at the time such liabilities were incurred. Actuarial differences are amortized in the year following the year in which the gain or loss was recognized, by the declining-balance method over a period (15 years), not greater than the average remaining years of employee service at the time such differences were recognized. (Changes in accounting policy) From the current fiscal year, GLORY and its consolidated subsidiaries applied "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)", (ASBJ Statement No. 19, July 31, 2008). (iv) Provision for directors' bonuses The provision for directors' bonuses is calculated based on estimates of bonuses payable to directors. (v) Provision for loss on cancellation of leases To provide for losses from lease cancellations, estimated losses are recorded for specific lease cancellation losses and general losses using historical ratios. (vi) Provision for loss on guarantees To provide for losses on guarantees, estimated losses are recorded for specific losses due to guarantee performance and general losses using historical ratios.	 (ii) Provision for bonuses Same as left (iii) Provision for retirement benefits The reserve for retirement benefits is calculated based on estimates of retirement benefit obligations and pension assets as of the end of the consolidated fiscal year. Prior service costs are amortized by the declining-balance method over a period (15 years), not greater than the average remaining years of employee service at the time such liabilities were incurred. Actuarial differences are amortized in the year following the year in which the gain or loss was recognized, by the declining-balance method over a period (15 years), not greater than the average remaining years of employee service at the time such differences were recognized. (iv) Provision for directors' bonuses Same as left (v) Provision for loss on cancellation of leases Same as left (vi) Provision for loss on guarantees Same as left

Disclosures other than the above have been omitted as there have been no significant changes from the disclosures in the most recent securities report (filed June 28, 2010).

(7) Changes in Significant Matters as Basis for Preparation of Consolidated Financial Statements

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
(Accounting standards concerning construction contracts) From the current fiscal year, GLORY and its consolidated subsidiaries applied "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007), and "Guidance of Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). There was no impact on net sales and income for this fiscal year as a result of this change.	(Accounting standard concerning asset retirement obligations) From the current fiscal year, GLORY and its consolidated subsidiaries applied " 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). There was no material impact on the Group’s consolidated financial statements for this fiscal year as a result of this change.
―――――	(Accounting standard concerning business combinations and others) From the current fiscal year, GLORY and its consolidated subsidiaries applied "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 "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

(8) Changes in Presentation Methods

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
(Consolidated Balance Sheet) Lease obligations were included in "Other fixed liabilities" until the previous fiscal year. Beginning this current fiscal year, these amounts exceeded 1/100 of the total assets, and accordingly, were presented separately. Lease obligations in the previous fiscal year were ¥1,719 million.	(Consolidated Balance Sheet) ―――――
(Consolidated Statements of Income) ―――――	(Consolidated Statements of Income) From the current fiscal year, based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), GLORY and its consolidated subsidiaries applied "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No. 5, March 24, 2009). As a result, “Income before minority interests” was included in the consolidated financial statements for the current fiscal year.
(Consolidated Statements of Cash Flows) ―――――	(Consolidated Statements of Cash Flows) Impairment loss under net cash provided by (used in) operating activities was included in "Other" in the previous fiscal year. Beginning this current fiscal year, due to increase in significance, such amount was presented separately. Impairment loss under net cash provided by (used in) operating activities in the previous fiscal year was ¥119 million.

(9) Additional Information

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
―――――	(Change of calculation method by consolidated subsidiaries for retirement benefit obligations under retirement lump-sum payment systems) Harima GLORY Ltd. and GLORY TEC Ltd., former consolidated subsidiaries of the Company, changed the calculation method for retirement benefit obligations under their retirement lump-sum payment system, from the simplified method to the principle method. This change was made because these two subsidiaries became subject to the principle method in connection with their absorption into GLORY Products Ltd. (former GLORY Kiki Co., Ltd.) via merger. As a result of this change, the difference between these two methods of ¥257 million was recorded as an extraordinary loss in this current fiscal year.
―――――	(Accounting standard concerning presentation of comprehensive income) Commencing this current fiscal year, GLORY and its consolidated subsidiaries applied "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, June 30, 2010). However, prior consolidated fiscal year amounts for "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" are stated as "Valuation and translation adjustments" and "Total valuation and translation adjustments."

(10) Notes to Consolidated Financial Statements
(Notes to Consolidated Balance Sheets)

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
*1 The following are for non-consolidated subsidiaries and affiliates. (Millions of yen) Investment securities (stock) 932 Investment and other assets (other) 35 (Investments in capital)	*1 The following are for non-consolidated subsidiaries and affiliates. (Millions of yen) Investment securities (stock) 935 Investment and other assets (other) 28 (Investments in capital)
2 Contingent liabilities (1) Guarantees of employee loans (residential loans): 70 million yen (2) Guarantees of customer lease obligations: 2,818 million yen	2 Contingent liabilities (1) Guarantees of employee loans (residential loans): 64 million yen (2) Guarantees of customer lease obligations: 2,124 million yen

(Notes to Consolidated Statements of Income)

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
*1 The breakdown of net sales is below. Millions of yen Merchandise and finished goods 103,423 Maintenance 31,682 Total 135,105	*1 The breakdown of net sales is below. Millions of yen Merchandise and finished goods 106,872 Maintenance 32,092 Total 138,964
*2 The breakdown of cost of sales is below. Millions of yen Merchandise and finished goods 71,416 Maintenance 15,658 Total 87,074	*2 The breakdown of cost of sales is below. Millions of yen Merchandise and finished goods 70,445 Maintenance 16,312 Total 86,757
*3 Selling, general and administrative expenses primarily consisted of the below expense accounts. Millions of yen Salaries and allowances 12,275 Bonuses 1,345 Provision for bonuses 1,523 Provision for retirement benefits 1,445 Depreciation and amortization 2,543 Rent expenses 3,706	*3 Selling, general and administrative expenses primarily consisted of the below expense accounts. Millions of yen Salaries and allowances 12,190 Bonuses 1,546 Provision for bonuses 1,761 Provision for retirement benefits 1,122 Depreciation and amortization 2,271 Rent expenses 3,730
*4 R&D expenses included in general and administrative expenses and current manufacturing expenses 8,775 million yen	*4 R&D expenses included in general and administrative expenses and current manufacturing expenses 8,678 million yen
*5 The breakdown of gain on sales of noncurrent assets is below. Millions of yen Machinery, equipment and vehicles 1 Tool, furniture and fixtures 8 Total 10	*5 The breakdown of gain on sales of noncurrent assets is below. Millions of yen Buildings and structures 28 Machinery, equipment and vehicles 4 Tool, furniture and fixtures 11 Land 102 "Other" investments and other assets 0 Total 147
*6 The breakdown of loss on sales of noncurrent assets is below. Millions of yen Buildings and structures 8 Tools, furniture and fixtures 3 "Other" intangible assets 0 Total 12	*6 The breakdown of loss on sales of noncurrent assets is below. Millions of yen Buildings and structures 18 Machinery, equipment and vehicles 3 Tools, furniture and fixtures 0 Land 7 Total 30
*7 The breakdown of loss on retirement of noncurrent assets is below. Millions of yen Buildings and structures 55 Machinery, equipment and vehicles 13 Tools, furniture and fixtures 349 Software 7 "Other" intangible assets 0 "Other" investments and other assets 0 Total 426	*7 The breakdown of loss on retirement of noncurrent assets is below. Millions of yen Buildings and structures 80 Machinery, equipment and vehicles 9 Tools, furniture and fixtures 67 "Other" investments and other assets 8 Total 166

(Notes to Consolidated Statements of Comprehensive Income)

Current fiscal year (from April 1, 2010 to March 31, 2011)

*1 Comprehensive income for the current fiscal year

	Millions of yen
Comprehensive income attributable to shareholders of the parent	4,936
Comprehensive income attributable to minority interests	
Total	4,936

*2 Other comprehensive income for the current fiscal year

	Millions of yen
Valuation difference on available-for-sale securities	(152)
Foreign currency translation adjustment	(18)
Total	(171)

(Notes to Consolidated Statement of Changes in Equity)

Previous fiscal year (from April 1, 2009 to March 31, 2010)

1. Matters concerning class and total number of issued shares, and class and number of treasury shares.

	Number of shares as of the end of the previous 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	69,838,210			69,838,210
Total	69,838,210			69,838,210
Treasury stock				
Common stock (Notes: 1,2)	1,548,504	2,600,802	26	4,149,280
Total	1,548,504	2,600,802	26	4,149,280

Notes: 1. Increase in treasury stock of common stock of 2,600,802 shares is due to the purchase of 2,600,000 shares of treasury stock based on a resolution adopted by the Board of Directors Meeting, and the purchase of 802 odd-lot shares.

2. Decrease in treasury stock of common stock of 26 shares is due to the sale of odd-lot shares.

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, 2009	Common stock	1,024	15	March 31, 2009	June 29, 2009
Board of Directors Meeting November 10, 2009	Common stock	1,092	16	September 30, 2009	December 4, 2009

(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 25, 2010	Common stock	1,116	Retained earnings	17	March 31, 2010	June 28, 2010

Current fiscal year (from April 1, 2010 to March 31, 2011)

1. Matters concerning class and total number of issued shares, and class and number of treasury shares.

	Number of shares as of the end of the previous 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	69,838,210		1,200,000	68,638,210
Total	69,838,210		1,200,000	68,638,210
Treasury stock				
Common stock (Notes: 1,2)	4,149,280	1,026	1,200,000	2,950,306
Total	4,149,280	1,026	1,200,000	2,950,306

Notes: 1. Decrease in number of issued shares of common stock of 1,200,000 shares is due to the retirement of treasury stock based on a resolution adopted by the Board of Directors Meeting.

2. Increase in treasury stock of common stock of 1,026 shares is due to the purchase of odd-lot shares.

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 25, 2010	Common stock	1,116	17	March 31, 2010	June 28, 2010
Board of Directors Meeting November 5, 2010	Common stock	1,116	17	September 30, 2010	December 6, 2010

(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, 2011	Common stock	1,313	Retained earnings	20	March 31, 2011	June 27, 2011

(Segment Information)

a. Business segment information

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Money handling machines and cash management systems	Vending machines and automatic service equipment	Other goods and products	Total	Elimination /Corporate	Consolidated
I. Net sales and operating income/loss						
Net sales						
(1) Sales to customers	82,133	35,296	17,675	135,105		135,105
(2) Intersegment sales or transfers			5,564	5,564	(5,564)	
Total	82,133	35,296	23,240	140,670	(5,564)	135,105
Operating expenses	78,988	31,983	22,052	133,024	(5,604)	127,419
Operating income	3,144	3,312	1,188	7,645	39	7,685
II. Assets, depreciation and amortization, impairment loss, and capital expenditures						
Assets	61,253	49,294	9,772	120,320	74,663	194,983
Depreciation and amortization	4,508	2,805	830	8,144		8,144
Impairment loss	96	18	4	119		119
Capital expenditures	3,543	2,246	923	6,713		6,713

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 for tellers, sales proceeds deposit machines, coin and banknote recyclers, cash recyclers for railway stations, banknote deposit units, banknote sorters, banknote recyclers for tellers, RFID self-checkout systems for cafeterias, medical payment kiosks, 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 machine for pachinko parlors, pachinko ball/token dispensers, pachinko ball/token counters, banknote changers, membership 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.

3. All operating expenses are either directly charged or allocated to the segments.

4. For assets, the amount of companywide assets included in “Elimination/Corporate” was ¥74,663 million for the current fiscal year, and is primarily surplus funds (cash, deposits and short-term investment securities), long-term investment funds (investment securities), and assets related to administrative operations.

5. Long-term prepaid expenses and amortized and disbursed amounts for intangible assets (software) are included respectively in depreciation and amortization, and capital expenditures.

b. Geographic segment information

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania	Total	Elimination/ Corporate	Consolidated
I. Net sales and operating income/loss Net sales							
(1) Sales to customers	118,769	4,461	8,059	3,813	135,105		135,105
(2) Intersegment sales or transfers	6,448	48	120	2,630	9,248	(9,248)	
Total	125,218	4,510	8,180	6,444	144,353	(9,248)	135,105
Operating expenses	118,301	4,417	8,284	5,664	136,668	(9,248)	127,419
Operating income	6,916	92	(104)	780	7,685		7,685
II. Assets	113,548	2,479	4,530	4,455	125,014	69,968	194,983

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. All operating expenses are either directly charged or allocated to the segments.
4. For assets, the amount of companywide assets included in “Elimination/Corporate” was ¥74,663 million for the current fiscal year, and is primarily surplus funds (cash, deposits and short-term investment securities), long-term investments (investment securities), and assets related to administrative operations.

c. Overseas sales

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Americas	Europe	Asia/Oceania	Total
I. Overseas sales	7,806	15,484	5,421	28,712
II. Consolidated net sales				135,105
III. Overseas sales as a percentage of consolidated net sales	5.8	11.5	4.0	21.3

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.

d. Segment information
Current Fiscal Year (from April 1, 2010 to March 31, 2011)
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. Calculation method of sales, income (loss), assets, liabilities and other items by reportable business segment
Accounting methods for reportable business segment are the same as disclosed on "Significant Matters as Basis for Preparation of Consolidated Financial Statements."
Income by reportable business segment is operating income.

3. Information on sales, income (loss), assets, liabilities and other items by reportable business segment
Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Reportable business segments					Other (Note: 1)	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales (1) Sales to customers (2) Intersegment sales or transfers	42,630	25,208	27,592	28,712	124,144	10,961	135,105		135,105
Total	42,630	25,208	27,592	28,712	124,144	10,961	135,105		135,105
Segment operating income (loss) (Note: 2)	2,690	1,933	2,705	1,299	8,629	(943)	7,685		7,685
Segment assets (Note: 3)	44,876	27,100	35,095	37,086	144,158	13,407	157,566	37,417	194,983
Others (1) Depreciation (Note: 4)	2,115	1,368	1,940	1,935	7,359	784	8,144		8,144
(2) Increase of property, plant and equipment and intangible assets (Note: 5)	1,503	1,009	1,966	1,682	6,161	544	6,706		6,706

Current Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other (Note: 1)	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Net sales (1) Sales to customers (2) Intersegment sales or transfers	46,936	26,666	24,161	28,753	126,518	12,446	138,964		138,964
Total	46,936	26,666	24,161	28,753	126,518	12,446	138,964		138,964
Segment operating income (loss) (Note: 2)	5,586	2,292	824	1,349	10,054	269	10,323		10,323
Segment assets (Note: 3)	47,763	32,742	33,547	36,458	150,512	13,800	164,313	33,706	198,019
Others (1) Depreciation (Note: 4)	1,690	1,247	1,861	1,350	6,150	566	6,717		6,717
(2) Increase of property, plant and equipment and intangible assets (Note: 5)	1,416	1,115	2,125	4,310	8,966	482	9,449		9,449

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. All operating expenses are either directly charged or allocated to the segments.
3. The adjustment of ¥37,417 million for the previous fiscal year and ¥33,706 million for the current fiscal year are surplus funds (cash, deposits and short-term investment securities).
4. Depreciation does not include amortization of goodwill.
5. Increase of property, plant and equipment and intangible assets include increase in long-term prepaid expenses.

(Additional information)

Beginning with the current fiscal year, the Company adopted "Revised 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).

e. Relative information

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

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	82,133	35,296	17,675	135,105

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia/Oceania	Americas	Europe	Total
106,393	5,421	7,806	15,484	135,105

(2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major customers

Information by major customers is not shown since outside sales for major customers accounted for less than 10% of operating revenue on the consolidated statements of income.

Current Fiscal Year (from April 1, 2010 to March 31, 2011)

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	89,096	31,237	18,631	138,964

2. Geographic segment information

(1) Sales

(Millions of yen)

Japan	Asia/Oceania	Americas	Europe	Total
110,211	8,054	5,988	14,710	138,964

(2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major customers

Information by major customers is not shown since outside sales for major customers accounted for less than 10% of operating revenue on the consolidated statements of income.

f. Information on impairment loss in noncurrent assets by reportable business segment

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Reportable business segments					Other	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss	41	25	18	25	112	7	119		119

Current Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other (Note)	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Impairment loss						358	358		358

(Note) The amount of "Other" is primarily for assets utilized in the golf business.

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

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Reportable business segments					Other	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill			754	99	854		854		854
Balance at end of period			2,187	493	2,681		2,681		2,681

Current Fiscal Year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reportable business segments					Other	Total	Adjustment	Amounts reported on the consolidated statement of income
	Financial market	Retail and transportation market	Amusement market	Overseas market	Total				
Amortization of goodwill			657	185	842		842		842
Balance at end of period			1,529	2,708	4,238		4,238		4,238

h. Information on negative goodwill by reportable business segment

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)

Not applicable.

Current Fiscal Year (from April 1, 2010 to March 31, 2011)

Not applicable.

(Notes to Tax Effect Accounting)

Previous Fiscal Year (March 31, 2010)		Current Fiscal Year (March 31, 2011)	
1. Breakdown by major item for causes of deferred tax assets and deferred tax liabilities		1. Breakdown by major item for causes of deferred tax assets and deferred tax liabilities	
Deferred tax assets	(Millions of yen)	Deferred tax assets	(Millions of yen)
Retirement benefits, currently not deductible	3,016	Retirement benefits, currently not deductible	2,912
Provision for bonuses	1,476	Provision for bonuses	1,571
Asset adjustment account	1,276	Research and development expenses	1,023
Research and development expenses	1,019	Asset adjustment account	893
Unrealized gain elimination equivalent	753	Allowance for doubtful accounts	628
Allowance for doubtful accounts	602	Excess depreciation	615
Excess depreciation	471	Unrealized gain elimination equivalent	466
Inventories	282	Inventories	271
Loss on valuation of investment securities	191	Loss on valuation of investment securities	197
Other	2,267	Other	2,701
Deferred tax assets subtotal	11,357	Deferred tax assets subtotal	11,280
Valuation reserve	(1,019)	Valuation reserve	(1,230)
Deferred tax assets total	10,337	Deferred tax assets total	10,049
Deferred tax liabilities		Deferred tax liabilities	
Valuation difference on available-for-sale securities	(160)	Valuation difference on available-for-sale securities	(96)
Other	(114)	Other	(66)
Total deferred tax liabilities	(274)	Total deferred tax liabilities	(163)
Net deferred tax assets	10,062	Net deferred tax assets	9,886
2. Breakdown by major item for causes of material differences between the normal effective statutory tax rate and the actual tax rate after application of tax effect accounting		2. Breakdown by major item for causes of material differences between the normal effective statutory tax rate and the actual tax rate after application of tax effect accounting	
	(%)		(%)
Normal effective statutory tax rate	40.6	Normal effective statutory tax rate	40.6
Adjustments:		Adjustments:	
Permanent differences such as entertainment expenses	2.7	Permanent differences such as entertainment expenses	2.1
Special deduction from income taxes such as research costs	(7.0)	Special deduction from income taxes such as research costs	(7.1)
Amortized goodwill	4.1	Amortized goodwill	3.4
Other	(0.5)	Other	(0.9)
Actual effective tax rate after application of tax effect accounting	39.9	Actual effective tax rate after application of tax effect accounting	38.0

(Notes to Retirement Benefit System)

1. Outline of retirement benefit system the Company has adopted

GLORY and its domestic consolidated subsidiaries have adopted, as defined benefit plans, the fund-type defined benefit corporate pension system, the contract-type defined benefit corporate pension system, the qualified retirement pension system, and the retirement lump-sum payment system. As to the fund-type defined benefit corporate pension system, as of October 1, 2006, the pension benefit rate was reduced and changed to the quasi-cash balance system. Upon retirement of an employee, additional retirement payments which are not subject to retirement benefit obligations by actuarial calculations in accordance with the retirement benefit accounting, may be paid.

Although GLORY adopted the qualified retirement pension system in March 1967, taking advantage of the merger with GLORY Shoji Co., Ltd. as of October 1, 2006, it changed to the contract-type corporate pension system in accordance with the Defined Benefit Corporate Pension Law, and introduced a quasi-cash balance system upon reducing the pension benefit rate. In addition, as of November 30, 2007, the Company set up a retirement benefit trust for the fund-type defined benefit corporate pension system and the retirement lump-sum payment system. In addition, as of June 1, 2009, GLORY integrated the retirement lump-sum payment system with the fund-type defined benefit corporate pension system.

As of the end of current fiscal year, our consolidated subsidiaries have retirement lump-sum payment systems for three companies, one association-type fund for the fund-type defined benefit corporate pension system, one contract-type defined benefit corporate pension plan, and three qualified retirement pension plans.

2. Matters related to retirement benefit obligations

(Millions of yen)

		Previous Fiscal Year (March 31, 2010)	Current Fiscal Year (March 31, 2011)
(1)	Retirement benefit obligations	(32,621)	(34,384)
(2)	Pension assets (including retirement benefit trust)	26,612	28,579
(3)	Unreserved retirement benefit obligations (1) + (2)	(6,009)	(5,805)
(4)	Unrecognized actuarial differences	5,386	5,199
(5)	Unrecognized past service costs (Note 2)	(2,194)	(1,959)
(6)	Net consolidated balance sheet amount (3) + (4) + (5)	(2,816)	(2,565)
(7)	Prepaid pension costs	379	727
(8)	Provision for retirement benefits (6) - (7)	(3,196)	(3,293)

Previous Fiscal Year (As of March 31, 2010)	Current Fiscal Year (As of March 31, 2011)
Notes: 1. Some consolidated subsidiaries adopt the simplified method for calculation of retirement benefit obligations.	Notes: 1. Same as left
2. Due to system changes reducing pension benefit levels for the contract-type defined benefit corporate pension and fund-type defined benefit corporate pension of the Company and some consolidated subsidiaries, past service costs have been accrued (a decrease in liabilities).	2. Same as left

3. Matters related to retirement benefit expenses

(Millions of yen)

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
(1) Service costs	1,741	1,659
(2) Interest costs	615	639
(3) Expected return		30
(4) Amortized actuarial differences	1,514	741
(5) Amortized past service costs	(363)	(324)
(6) Retirement benefit expenses (1) + (2) + (3) + (4) + (5)	3,508	2,747

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
Notes: 1. Employees' contribution amounts to the corporate pension funds are deducted.	Notes: 1. Same as left
2. Retirement benefit expenses of consolidated subsidiaries that have adopted the simplified method are presented in (1) Service costs.	2. Same as left

4. Matters related to basis for calculation of retirement benefit obligations

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
(1) Periodic allocation method of projected retirement benefit amount	Straight-line method	Same as left
(2) Discount rate (%)	2.0	Same as left
(3) Expected return rate (%)	0.0	Same as left
(4) Number of years for amortization of past service costs	15 years (amortized by the declining-balance method over a certain period within the average remaining term of employee service as of the year in which the gain or loss is recognized.)	Same as left
(5) Number of years of amortization for actuarial differences	15 years (amortized in the year following the year in which the gain or loss is recognized by the declining-balance method over a certain period within the average remaining term of employee service.)	Same as left

(Per Share Information)

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
Net assets per share 2,212.63 yen Net income per share 76.00 yen Diluted net income per share is not disclosed because dilutive shares are not issued.	Net assets per share 2,260.47 yen Net income per share 94.83 yen Same as left

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

	Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
Net income per share		
Net income (Millions of yen)	5,108	6,229
Amount not attributable to common shareholders (Millions of yen)		
Net income pertaining to common stock (Millions of yen)	5,108	6,229
Average number of shares during the fiscal year (Shares)	67,213,705	65,688,322

(Significant Subsequent Events)

Previous Fiscal Year (from April 1, 2009 to March 31, 2010)	Current Fiscal Year (from April 1, 2010 to March 31, 2011)
(Transactions under common control) GLORY Kiki Co., Ltd., Harima GLORY Ltd. and GLORY TEC Ltd., which were consolidated subsidiaries, merged as of April 1, 2010. 1. Former names of the companies for the business combination and details of their business, legal form, name of the company after the business combination, and overview of the business combination including purpose of the business combination (1) Former names of the companies for the business combination and details of their business (i) Former names of the companies for the business combination GLORY Kiki Co., Ltd., Harima GLORY Ltd. and GLORY TEC Ltd. (ii) Details of their business GLORY Kiki Co., Ltd. : Manufacturing, sales and maintenance of money handling machines. Harima GLORY Ltd. : Manufacturing, sales and maintenance of money handling machines. GLORY TEC Ltd. : Manufacturing and sales of sheet-metal parts. (2) Legal form of the business combination The merger was conducted in the form of an absorption via merger after which GLORY Kiki Co., Ltd. became the surviving company and Harima GLORY Ltd. and GLORY TEC Ltd. were dissolved. (3) Name of the company after the business combination GLORY Products Ltd. (4) Overview of the business combination including purpose of the business combination (i) Purpose of the merger The merger aims at enhancing the cost competitiveness of GLORY's products through upgraded production efficiency, which will be made possible through integration of manufacturing functions from parts processing to assembling, effective utilization of existing facilities and improvement of logistics. (ii) Effective date of the merger April 1, 2010 (iii) Merger ratio As the three companies were wholly-owned subsidiaries, there was no agreement regarding the merger ratios. 2. Accounting treatment Accounting treatment is based on "Accounting Standard for Business Combinations" and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" as a transaction under common control.	(Transactions under common control) GLORY NASCA Ltd. and CREATION CARD CO., LTD., which were consolidated subsidiaries, merged as of April 1, 2011. 1. Former names of the companies for the business combination and details of their business, legal form, name of the company after the business combination, and overview of the business combination including purpose of the business combination (1) Former names of the companies for the business combination and details of their business (i) Former names of the companies for the business combination GLORY NASCA Ltd. and CREATION CARD CO., LTD., (ii) Details of their business GLORY NASCA Ltd. : Sales and maintenance of amusement card system and amusement-related equipment. CREATION CARD CO., LTD. : Sales and maintenance of amusement card system and amusement-related equipment. (2) Legal form of the business combination The merger was conducted in the form of an absorption via merger after which GLORY NASCA Ltd. became the surviving company and CREATION CARD CO., LTD. was dissolved. (3) Name of the company after the business combination GLORY NASCA Ltd. (4) Overview of the business combination including purpose of the business combination (i) Purpose of the merger The merger aims at expanding and strengthening the amusement market segment. (ii) Effective date of the merger April 1, 2011 (iii) Merger ratio As the two companies are were wholly-owned subsidiaries, there was no agreement regarding the merger ratio. 2. Accounting treatment Accounting treatment is based on "Accounting Standard for Business Combinations" and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" as a transaction under common control.