

(TRANSLATION FOR REFERENCE ONLY)

This is a translation of the original Japanese text of the “Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016.” Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

## Consolidated Financial Results

for the Second Quarter of Fiscal Year Ending March 31, 2016 <Japanese GAAP>

November 5, 2015

Company Name: GLORY LTD. Stock exchange listing: Tokyo (1<sup>st</sup> Section)  
 Code number: 6 4 5 7 URL: <http://www.glory-global.com/>  
 Representative: Hirokazu Onoe President & Representative Director  
 Contact person: Motozumi Miwa Director & Senior Managing Executive Officer /  
 Executive General Manager, Business Management Headquarters  
 TEL +81-79-297-3131

Scheduled filing date of Quarterly Securities Report: November 12, 2015  
 Scheduled date of dividend payments: December 4, 2015  
 Preparation of quarterly earnings supplementary explanatory material: Yes  
 Holding of quarterly earnings presentation: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016 (from April 1, 2015 to September 30, 2015)

(1) Consolidated Operating Results (cumulative)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Six months ended September 30, 2015	104,146	7.8	6,725	34.8	6,691	(0.3)	3,016	(26.0)
Six months ended September 30, 2014	96,567	—	4,987	—	6,708	—	4,073	—

(Note) Comprehensive income

Six months ended September 30, 2015: ¥4,433 million [(28.9) %]  
 Six months ended September 30, 2014: ¥6,238 million [ — %]

	Net income per share	Fully diluted net income per share
	(Yen)	(Yen)
Six months ended September 30, 2015	45.89	—
Six months ended September 30, 2014	62.02	—

(Note) The financial figures provided for the six months ended September 30, 2014 are the figures after the retrospective application which was carried out in accordance with changes in the accounting policy. The percentage changes from the corresponding period of the previous year are not provided for the six months ended September 30, 2014.

(2) Consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of September 30, 2015	336,572	208,017	60.9	3,123.01
As of March 31, 2015	346,613	204,544	58.1	3,066.53

(Reference) Ownership equity

As of September 30, 2015: ¥205,139 million As of March 31, 2015: ¥201,431 million

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2. Dividends

(Record date)	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2015	—	24.00	—	30.00	54.00
Year ending March 31, 2016	—	27.00			
Year ending March 31, 2016 (forecast)			—	27.00	54.00

(Note) Revisions to the latest dividend forecast: None

3. Consolidated Financial Forecast for the Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	230,000	3.4	20,000	7.0	20,000	(10.0)	11,500	(10.8)	174.98

(Note) Revisions to the latest consolidated financial forecast: None

The percentage changes from the corresponding period of the previous year were calculated based on the figures of the fiscal year ended March 31, 2015 after retrospective application which was carried out in accordance with changes in the accounting policy.

Notes:

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

(2) Application of accounting methods specific to preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and estimates, and restatements

(a) Changes in accounting policies associated with revisions of accounting standards, etc.: None

(b) Changes in accounting policies other than (a): Yes

(c) Changes in accounting estimates: None

(d) Restatements: None

(Note) For more information, please refer to “2. Supplementary Information on the “Notes” (3) Changes in Accounting Policies and Estimates, and Restatements” on page 6 of the Attachment.

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

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

As of September 30, 2015: 68,638,210 shares

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

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

As of September 30, 2015: 2,951,614 shares

As of March 31, 2015: 2,951,231 shares

(c) Average number of shares (cumulative from the beginning of the period)

Six months ended September 30, 2015: 65,721,024 shares

Six months ended September 30, 2014: 65,687,054 shares

(Note) Included in the number of treasury shares as of September 30, 2015 are shares of the Company owned by The Master Trust Bank of Japan, Ltd. (30,000 shares in BIP trust account and 172,000 shares in ESOP trust account).

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(Note) Status of implementation of quarterly review procedures

These “Consolidated Financial Results” are exempt from the quarterly review procedures required under the Financial Instruments and Exchange Act. As of the date of the release of these Consolidated Financial Results, the quarterly review procedures required under the Financial Instruments and Exchange Act for quarterly consolidated financial statements have not been completed.

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

The forward-looking statements such as operational forecasts contained in this report are based on the information currently available to the Company and certain assumptions which the Company regards as legitimate, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors. For the assumptions and other related matters concerning the financial forecasts, please refer to “1. Qualitative Information on the Financial Statements, (2) Consolidated Financial Forecasts and Other Forward-looking Statements” on page 6 of the Attachment.

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**Attachment**

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## 1. Qualitative Information on the Financial Statements

### (1) Operating Results

In the six months ended September 30, 2015, the Japanese economy showed a trend of gradual recovery driven by firm personal consumption, and improvements in both corporate capital investment and the employment situation. The outlook of the global economy, on the other hand, has been uncertain overall despite the United States maintaining a trend toward recovery and Europe moving toward recovery at a moderate pace, largely due to circumstances in Asia where the slowdown in China's economy is beginning to affect neighboring countries.

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

As a result, net sales in this six-month period totaled ¥104,146 million (up 7.8% year on year). Sales of merchandise and finished goods were ¥71,977 million (up 9.0% year on year) and sales from maintenance services were ¥32,169 million (up 5.3% year on year). Operating income was ¥6,725 million (up 34.8% year on year). However, ordinary income was ¥6,691 million (down 0.3% year on year) and net income attributable to owners of parent was ¥3,016 million (down 26.0% year on year), due to the foreign exchange losses, etc. Comprehensive income was ¥4,433 million (down 28.9% year on year).

It should be noted that, from the three months ended June 30, 2015, the Company has applied "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), and "net income" is now presented as "net income attributable to owners of parent."

Results of operations in each business segment are as follows.

#### Financial market

Sales of this segment's main product, "open teller systems," were strong for compact models for small- and medium-sized financial outlets and sales of "coin and banknote recyclers" for tellers were also robust due to our capturing of replacement demand.

As a result, net sales in this segment were ¥23,436 million (up 13.4% year on year) and operating income was ¥2,901 million (up 90.7% year on year).

#### Retail and transportation market

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

As a result, net sales in this segment were ¥18,479 million (up 36.3% year on year) and operating income was ¥2,199 million (up 111.7% year on year).

#### Amusement market

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

As a result, net sales in this segment were ¥10,746 million (down 11.9% year on year), while operating income was ¥847 million (down 30.0% year on year).

#### Overseas market

Although sales of "banknote sorters" were sluggish in Europe and Asia, sales of this segment's main product, "banknote recyclers," were strong in the Americas and Europe. Moreover, sales of "coin and banknote recyclers" for the retail market were strong in Europe. Therefore, sales for the market overall were on par with the corresponding period of the previous year.

As a result, net sales in this segment were ¥46,184 million (up 4.2% year on year) and operating income was ¥891 million (down 35.4% year on year), mainly reflecting intensifying market competition and an increase in preparatory costs in line with overseas business expansion.

In the other business segment, which contains the businesses that are not included in the reportable segments, net sales were ¥5,299 million (down 8.8% year on year) and operating loss was ¥114 million (operating loss of ¥163 million in the corresponding period of the previous year).

All amounts in this section do not include consumption taxes.

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From the first quarter ended June 30, 2015, the Company has changed its method of translating revenue and expense accounts of foreign subsidiaries into Japanese yen. This change in accounting policy has been applied retrospectively; therefore, the comparisons against the corresponding period of the previous year have been calculated based on the figures after the retrospective application.

**(2) Consolidated Financial Forecasts and Other Forward-looking Statements**

No changes have been made to the consolidated financial forecasts for the year ending March 31, 2016 that were announced on May 12, 2015.

**2. Supplementary Information on the “Notes”**

**(1) Changes in Significant Subsidiaries During the Period**

Not applicable.

**(2) Application of Accounting Methods Specific to Preparation of the Quarterly Consolidated Financial Statements**

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

**(3) Changes in Accounting Policies and Estimates, and Restatements**

**Changes in Accounting Policies**

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

The revenue and expense accounts of foreign subsidiaries were previously translated into Japanese yen at the current exchange rate prevailing as of the respective balance sheet date. However, as the foreign subsidiaries are ever increasing in importance and the exchange rates have fluctuated considerably in recent times, from the first quarter ended June 30, 2015, the Company has changed the translation method to one using the average exchange rate for the respective period to more accurately reflect the performances of foreign subsidiaries in the consolidated financial statements.

This change in the accounting policy is retrospectively applied and the quarterly consolidated financial statements for the six months ended September 30, 2014 and the consolidated financial statements for the fiscal year ended March 31, 2015 contained in this report reflect the retrospective application of such change in the accounting policy.

As a result of this change, in the six months ended September 30, 2014, net sales decreased by ¥1,209 million, while operating income increased by ¥75 million. Ordinary income and income before income taxes and minority interests each increased by ¥46 million, and net income attributable to owners of parent increased by ¥36 million. Also, the retrospective application of this change has caused the cumulative effects on the net assets balance at the beginning of the previous fiscal year. Specifically, the retained earnings balance decreased by ¥230 million and the foreign currency translation adjustment balance increased by the same amount, both at the beginning of the previous fiscal year.

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### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	62,022	55,343
Notes and accounts receivable - trade	55,648	47,257
Securities	4,754	3,570
Merchandise and finished goods	25,683	29,349
Work in process	6,047	7,306
Raw materials and supplies	9,900	11,680
Other	11,160	11,769
Allowance for doubtful accounts	(562)	(609)
<b>Total current assets</b>	<b>174,654</b>	<b>165,668</b>
Non-current assets		
Property, plant and equipment	35,509	37,166
Intangible assets		
Customer relationships	31,935	31,660
Goodwill	74,790	73,724
Other	6,411	6,387
<b>Total intangible assets</b>	<b>113,136</b>	<b>111,773</b>
Investments and other assets		
Investment securities	11,052	10,042
Other	12,290	11,947
Allowance for doubtful accounts	(29)	(25)
<b>Total investments and other assets</b>	<b>23,312</b>	<b>21,964</b>
<b>Total non-current assets</b>	<b>171,958</b>	<b>170,903</b>
<b>Total assets</b>	<b>346,613</b>	<b>336,572</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,366	18,882
Short-term loans payable	19,527	18,167
Current portion of long-term loans payable	9,918	10,136
Income taxes payable	3,796	2,573
Provision for bonuses	6,664	6,691
Provision for directors' bonuses	69	31
Provision for stock grant	-	32
Other	30,031	25,426
<b>Total current liabilities</b>	<b>91,374</b>	<b>81,942</b>
Non-current liabilities		
Long-term loans payable	32,835	28,166
Net defined benefit liability	3,323	3,791
Provision for stock grant	-	32
Other	14,536	14,621
<b>Total non-current liabilities</b>	<b>50,694</b>	<b>46,611</b>
<b>Total liabilities</b>	<b>142,069</b>	<b>128,554</b>

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GLORY LTD. (6457)  
Consolidated Financial Results  
for the Second Quarter of Fiscal Year  
Ending March 31, 2016

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Net assets		
Shareholders' equity		
Capital stock	12,892	12,892
Capital surplus	20,629	20,952
Retained earnings	145,165	147,622
Treasury shares	(5,817)	(6,141)
Total shareholders' equity	172,871	175,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,064	891
Foreign currency translation adjustment	24,962	26,818
Remeasurements of defined benefit plans	2,532	2,103
Total accumulated other comprehensive income	28,559	29,813
Non-controlling interests	3,113	2,877
Total net assets	204,544	208,017
Total liabilities and net assets	346,613	336,572

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**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**

**Quarterly Consolidated Statement of Income**

(Millions of yen)

	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Net sales	96,567	104,146
Cost of sales	57,862	63,378
Gross profit	38,704	40,767
Selling, general and administrative expenses	33,717	34,042
Operating income	4,987	6,725
Non-operating income		
Interest income	115	79
Dividend income	559	253
Foreign exchange gains	1,295	–
Other	264	420
Total non-operating income	2,235	753
Non-operating expenses		
Interest expenses	396	390
Foreign exchange losses	–	252
Other	117	143
Total non-operating expenses	514	786
Ordinary income	6,708	6,691
Extraordinary income		
Gain on sales of non-current assets	10	3
Gain on sales of memberships	14	–
Total extraordinary income	25	3
Extraordinary losses		
Loss on retirement of non-current assets	139	26
Impairment loss	72	–
Other	10	1
Total extraordinary losses	222	28
Income before income taxes and minority interests	6,510	6,667
Income taxes	2,035	3,082
Net income	4,475	3,584
Net income attributable to non-controlling interests	401	568
Net income attributable to owners of parent	4,073	3,016

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**Quarterly Consolidated Statement of Comprehensive Income**

(Millions of yen)

	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Net income	4,475	3,584
Other comprehensive income		
Valuation difference on available-for-sale securities	267	(172)
Foreign currency translation adjustment	1,218	1,450
Remeasurements of defined benefit plans, net of tax	277	(429)
Total other comprehensive income	1,763	848
Comprehensive income	6,238	4,433
Comprehensive income attributable to:		
Owners of parent	5,962	4,063
Non-controlling interests	275	369

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**(3) Notes to Quarterly Consolidated Financial Statements**

**Notes Regarding Assumption of a Going Concern**

Not applicable.

**Notes for Significant Change in the Amount of Shareholders' Equity**

Not applicable.

**Segment Information**

(a) Six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

Information on sales, profit (loss) by reportable segment

(Millions of yen)

	Reportable segments					Other (Note)	Total	Reconcilia- tion	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	20,670	13,561	12,198	44,327	90,756	5,810	96,567	-	96,567
(2) Intersegment sales or transfers	-	-	-	-	-	-	-	-	-
Total	20,670	13,561	12,198	44,327	90,756	5,810	96,567	-	96,567
Segment profit (loss)	1,520	1,038	1,211	1,379	5,151	(163)	4,987	-	4,987

Note: "Other" category is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

(b) Six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

1. Information on sales, profit (loss) by reportable segment

(Millions of yen)

	Reportable segments					Other (Note)	Total	Reconcilia- tion	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	23,436	18,479	10,746	46,184	98,847	5,299	104,146	-	104,146
(2) Intersegment sales or transfers	-	-	-	-	-	-	-	-	-
Total	23,436	18,479	10,746	46,184	98,847	5,299	104,146	-	104,146
Segment profit (loss)	2,901	2,199	847	891	6,839	(114)	6,725	-	6,725

Note: "Other" category is a business segment that is not included in reportable segments and includes businesses such as sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

2. Changes in reportable segments

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

As stated in "Changes in Accounting Policies," the revenue and expense accounts of foreign subsidiaries were previously translated into Japanese yen at the current exchange rate prevailing as of the respective balance sheet date. However, from the first quarter ended June 30, 2015, the Company has changed the translation method to one using the average exchange rate for the respective period.

This change in the accounting policy is retrospectively applied and the segment information for the six months ended September 30, 2014 above reflects the retrospective application. As a result of this change, in the six months ended September 30, 2014, net sales decreased by ¥1,209 million and segment profit increased by ¥75 million in the overseas market.