

Consolidated Financial Results

for the First Quarter of Fiscal Year Ending March 31, 2013 <Japanese GAAP>

August 3, 2012

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Scheduled filing date of Quarterly Security Report: August 10, 2012
 Scheduled date of dividend payments: —
 Quarterly earnings supplementary explanatory material: Yes
 Quarterly earnings presentation: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2012 (from April 1, 2012 to June 30, 2012)

(1) Consolidated Operating Results (cumulative)

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

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Three months ended June 30, 2012	31,438	4.8	1,411	8.1	1,657	4.4
Three months ended June 30, 2011	29,989	(1.2)	1,306	16.3	1,588	36.9

(Note) Comprehensive income

Three months ended June 30, 2012: 655 million yen (-50.2 %) Three months ended June 30, 2011: 1,316 million yen (- %)

	Net income		Net income per share	Fully diluted net income per share
	(Millions of yen)	(%)	(Yen)	(Yen)
Three months ended June 30, 2012	922	19.9	14.04	—
Three months ended June 30, 2011	768	68.6	11.71	—

(2) Consolidated Financial Position

	Total assets	Net assets	Ownership equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2012	204,832	152,514	73.8	2,301.42
As of March 31, 2012	205,244	153,333	74.0	2,312.33

(Reference) Ownership equity

As of June 30, 2012: ¥151,174 million As of March 31, 2012: ¥151,891 million

2. Dividends

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2012	—	20.00	—	22.00	42.00
Year ending March 31, 2013	—				
Year ending March 31, 2013 (forecast)		21.00	—	21.00	42.00

(Note) Revisions to the latest dividend forecast: None

3. Consolidated Financial Forecast for the Year Ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Six months ending September 30, 2012	80,000	18.9	4,500	7.8	4,500	2.5	2,500	12.2	38.06
Full Year	185,000	25.9	14,500	28.6	13,500	13.4	7,500	20.1	114.18

(Note) Revisions to the latest consolidated financial forecast: Yes

Notes:

(1) Changes in significant subsidiaries during the quarter (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 restatement

- | | |
|--|------|
| (a) Changes in accounting policies associated with a revision of accounting standards, etc.: | Yes |
| (b) Changes in accounting policies other than (a): | None |
| (c) Changes in accounting estimates: | Yes |
| (d) Restatements: | None |

(Note) The changes in the method used for depreciation starting with the first quarter of the current fiscal year falls under “a case where it is difficult to make a distinction between changes in an accounting policy and changes in an accounting estimate” as provided for under a relevant regulation. For more information, please refer to “2. Other Information (3) Changes in accounting policies and estimates, restatement” on page 4 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 stock)

As of June 30, 2012: 68,638,210 shares

As of March 31, 2012: 68,638,210 shares

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

As of June 30, 2012: 2,950,482 shares

As of March 31, 2012: 2,950,450 shares

(c) Average number of shares

Three months ended June 30, 2012: 65,687,749 shares

Three months ended June 30, 2011: 65,687,904 shares

(Note) Status of implementation of quarterly review procedures

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

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

The forward-looking statements such as operational forecasts contained in this report are based on the information currently available to GLORY LTD. and certain assumptions which are regarded 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 and Financial Statements, etc. (2) Forecast for the Current Fiscal Year” on page 4 of the Attachment.

Attachment

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1. Qualitative Information on the Financial Statements

(1) Consolidated Operating Results

In the first quarter of the current fiscal year, the Japanese economy recovered slowly because of demand associated with Great East Japan Earthquake reconstruction activity and healthy consumer spending, however, the economic outlook remains uncertain due to the European debt problem and strong yen as well as Japan's limited electricity supply and other factors.

Despite the difficult environment, in this first year of the three-year 2014 Medium-Term Management Plan that started in April 2012, the GLORY Group is implementing the Business Strategy, the Constitutional Strategy and the Corporate Management Strategy based on the plan's basic principle; Implement a growth strategy and strengthen profitability to achieve the Long-Range Vision 2018.

As a result, net sales totaled ¥31,438 million (up 4.8% year-on-year). Sales of merchandise and finished goods were ¥23,032 million (up 6.2% year-on-year) and sales from maintenance services were ¥8,405 million (up 1.4 year-on-year). Operating income was ¥1,411 million (up 8.1% year-on-year), ordinary income was ¥1,657 million (up 4.4% year-on-year), net income was ¥922 million (up 19.9% year-on-year), and comprehensive income was ¥655 million (down 50.2% year-on-year).

Results of operations in reportable business segments were as follows.

(Financial market)

Sales of multifunctional banknote changers increased due to measures to target replacement demand but sales of open teller systems, the main product in this segment, and coin and banknote recyclers for tellers were lower.

As a result, net sales in this segment were ¥7,430 million (down 12.3% year-on-year) and there was an operating loss of ¥38 million compared with operating income of ¥342 million yen one year earlier.

(Retail and transportation market)

Sales of coin and banknote recyclers for cashiers, the main product in this segment, were solid and there was an increase in sales of sales proceeds deposit machines to cash-in-transit companies.

As a result, net sales in this segment were ¥6,341 million (up 8.7% year-on-year) and operating income was ¥728 million (down 1.1% year-on-year).

(Amusement market)

Sales of card systems for pachinko parlors, the main product in this segment, and other products were higher. In particular, there were strong sales of pachislot token dispensers because of the recovery in the popularity of pachislot in Japan.

As a result, net sales in this segment were ¥6,214 million (up 35.2% year-on-year) and operating income was ¥406 million compared with a loss of ¥251 million one year earlier.

(Overseas market)

Although sales of OEM bulk banknote and check deposit units for ATMs were sluggish, there were strong sales of banknote deposit units for ATMs.

As a result, net sales in this segment were ¥7,873 million (up 1.2% year-on-year) and operating income was ¥446 million (down 11.2%).

In the other business segments, net sales were ¥3,577 million (up 8.2% year-on-year) and the operating loss was ¥131 million compared with a ¥23 million loss one year earlier.

All amounts in this section do not include consumption taxes.

(2) Forecast for the Current Fiscal Year

GLORY completed the acquisition of Talaris Topco Limited headquartered in Basingstoke, UK, ("Talaris") on July 10, 2012.

As a result of this acquisition, GLORY's consolidated financial statement will include the performance of Talaris and its subsidiaries starting from second quarter of the fiscal year ending in March 2013. Therefore, in the light of the performance of Talaris Group, the current market trend surrounding GLORY Group and other factors, GLORY has revised its consolidated financial forecasts for the first six months and the full year of the fiscal year ending March 31, 2013. For more information, please see the press release of this date titled "Notice of Revisions to the Financial Forecast."

2. Supplementary Information on the “Notes”

(1) Changes in Significant Subsidiaries During the Quarter:

None

(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 consolidated fiscal year including this third quarter, and then multiplying the income before income taxes for the period by the estimated effective tax rate.

Deferred income taxes are included and presented in “income taxes.”

(3) Changes in Accounting Policies and Estimates, and Restatement

(Changes in accounting policy that is difficult to distinct from changes in accounting estimates)

In conjunction with a revision in Japan’s Corporation Tax Act, GLORY and its consolidated subsidiaries in Japan have changed the method used for depreciation starting with the first quarter of the current fiscal year. The changed depreciation method, which is based on the revised Corporation Tax Act is applied to property, plant and equipment purchased on or after April 1, 2012. This change had only a negligible effect on earnings in the first quarter under review.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2012) (Condensed)	Current First Quarter (As of June 30, 2012)
ASSETS		
CURRENT ASSETS:		
Cash and deposits	42,332	59,177
Notes and accounts receivable-trade	34,842	30,721
Short-term investment securities	21,355	6,505
Merchandise and finished goods	12,932	15,853
Work in process	7,043	7,746
Raw materials and supplies	6,389	6,662
Other	8,959	8,929
Allowance for doubtful accounts	(298)	(307)
Total current assets	133,556	135,289
NONCURRENT ASSETS:		
Property, plant and equipment:		
Net property, plant and equipment	33,599	34,061
Intangible assets:		
Goodwill	3,006	2,894
Other	3,998	3,928
Total intangible assets	7,004	6,822
Investment and other assets:		
Investment securities	16,448	15,584
Other	14,662	13,099
Allowance for doubtful accounts	(27)	(26)
Total investment and other assets	31,084	28,658
Total noncurrent assets	71,688	69,542
TOTAL ASSETS	205,244	204,832
LIABILITIES		
CURRENT LIABILITIES:		
Notes and accounts payable-trade	15,984	14,255
Short-term loans payable	11,046	11,774
Income taxes payable	1,470	760
Provision for bonuses	3,839	2,100
Other provision	139	65
Other	12,187	14,098
Total current liabilities	44,668	43,054
NONCURRENT LIABILITIES:		
Provision for retirement benefits	2,902	2,875
Long-term loans payable	—	2,250
Other	4,339	4,136
Total noncurrent liabilities	7,242	9,262
TOTAL LIABILITIES	51,910	52,317

(TRANSLATION FOR REFERENCE ONLY)

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2012) (Condensed)	Current First Quarter (As of June 30, 2012)
NET ASSETS		
SHAREHOLDERS' EQUITY:		
Capital stock	12,892	12,892
Capital surplus	20,629	20,629
Retained earnings	125,858	125,485
Treasury stock	(5,815)	(5,815)
Total shareholders' equity	153,565	153,192
VALUATION AND TRANSLATION ADJUSTMENTS:		
Valuation difference on available-for-sale securities	(206)	(380)
Deferred gains or losses on hedges	—	(599)
Foreign currency translation adjustment	(1,468)	(1,037)
Total valuation and translation adjustments	(1,674)	(2,017)
Minority interests	1,441	1,340
TOTAL NET ASSETS	153,333	152,514
TOTAL LIABILITIES AND NET ASSETS	205,244	204,832

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 (Quarterly Consolidated Statements of Income)
 Three month period ended June 30, 2012

(Millions of yen)

	Three month period ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three month period ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
NET SALES	29,989	31,438
COST OF SALES	18,279	19,473
Gross profit	11,710	11,964
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	10,404	10,552
Operating income	1,306	1,411
NON-OPERATING INCOME:		
Interest income	88	80
Dividends income	260	219
Other	64	82
Non-operating income-net	414	382
NON-OPERATING EXPENSES:		
Interest expenses	38	59
Foreign exchange losses	53	64
Other	39	11
Total non-operating expenses	131	136
Ordinary income	1,588	1,657
EXTRAORDINARY INCOME:		
Gain on sales of noncurrent assets	1	1
Reversal of allowance for doubtful accounts	20	—
Other	3	1
Total extraordinary income	25	2
EXTRAORDINARY LOSS:		
Loss on retirement of noncurrent assets	23	3
Loss on valuation of investment securities	49	48
Other	16	0
Total extraordinary loss	88	52
INCOME BEFORE INCOME TAXES	1,524	1,607
INCOME TAXES	643	582
INCOME BEFORE MINORITY INTERESTS	881	1,025
MINORITY INTERESTS IN INCOME	112	103
NET INCOME	768	922

(Quarterly Consolidated Statements of Comprehensive Income)
 Three month period ended June 30, 2012

(Millions of yen)

	Three month period ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three month period ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Income before minority interests	881	1,025
OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	(32)	(174)
Deferred gains or losses on hedges	—	(599)
Foreign currency translation adjustment	467	403
Total other comprehensive income	434	(369)
COMPREHENSIVE INCOME	1,316	655
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	1,159	578
Comprehensive income attributable to minority interests	156	76

(3) Notes Relating to Assumption as a Going Concern
Not applicable

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

(5) Segment Information
(Segment Information)

(a) Three month period ended June 30, 2011 (from April 1, 2011 to June 30, 2011)
Information on sales and income (loss) by reportable business segment

(Millions of yen)

	Reportable business segments					Others	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	8,471	5,836	4,597	7,779	26,685	3,304	29,989	—	29,989
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	8,471	5,836	4,597	7,779	26,685	3,304	29,989	—	29,989
Segment operating income (loss)	342	736	(251)	502	1,330	(23)	1,306	—	1,306

(Note) "Others" consists of business segments not included in reportable business segments, and includes sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

(b) Three month period ended June 30, 2012 (from April 1, 2012 to June 30, 2012)
Information on sales and income (loss) by reportable business segment

(Millions of yen)

	Reportable business segments					Others	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	7,430	6,341	6,214	7,873	27,860	3,577	31,438	—	31,438
(2) Intersegment sales or transfers	—	—	—	—	—	—	—	—	—
Total	7,430	6,341	6,214	7,873	27,860	3,577	31,438	—	31,438
Segment operating income (loss)	(38)	728	406	446	1,543	(131)	1,411	—	1,411

(Note) "Others" consists of business segments not included in reportable business segments, and includes sales and maintenance services to domestic tobacco shops, tobacco companies, hospitals, local governments, general companies, etc.

(6) Significant Subsequent Events

(Acquisition of company by way of share purchase)

1. Summary

On July 10, 2012, GLORY acquired all of the outstanding shares of Talaris Topco Limited headquartered in Basingstoke, UK (“Talaris”), a provider of cash handling equipment and software solutions, through GLORY Global Solutions Ltd., a GLORY subsidiary located in UK. As a result, Talaris and its 32 subsidiaries (together, “Talaris Group”) became subsidiaries of GLORY.

2. Reason for the acquisition

Acquisition of Talaris will provide GLORY with the wider distribution and maintenance service networks, advanced solution capabilities, a broad customer base and skillful human resources of Talaris Group, and is envisaged to accelerate the growth of GLORY’s overseas business.

3. Names of the sellers of the shares

CEP III Participations S.a.r.l. SICAR and Talaris management team

4. Outline of the company acquired

(1) Company name

Talaris Topco Limited

(2) Principal business

Holding company that manufactures, sells and maintains cash handling machines

(3) Consolidated financial condition and revenue (as of March 31, 2012)

Paid-in capital £ 132 million

Total assets £ 555 million

Revenue £ 330 million

5. Date of the acquisition

July 10, 2012

6. Number of shares acquired, acquisition price and shareholding ratio after the acquisition

Number of shares acquired:

A Ordinary Shares: 522,654

B Ordinary Shares: 3,477,346

Preference Shares: 128,899,777

Acquisition price: £ 438 million

Shareholding ratio: 100%

7. Funds for the acquisition

GLORY’s own resources and financial loans