

# Consolidated financial results

for the third quarter of fiscal year ending March 31, 2010

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This document may contain forward-looking statements which reflect management's current views with respects to certain future events and financial performances. Actual results may differ materially from those projected or implied in the forward-looking statements and from historical trends. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

So please avoid making investment decision relying only on this document. And please note that we may change the contents of the forward-looking statements without advance notice except that we need legal procedures.

Industry Segments		Business Segments	Customers	Main Products and Goods
Money handling machines and cash management systems		 Financial market	Financial institutions, insurance companies, securities firms, major computer manufacturers.	Open teller system, coin wrapper, banknote/coin recycler for tellers.
		 Overseas market	Overseas financial institutions, armored transport companies, casinos, major computer manufacturers.	Banknote recycler for tellers, banknote sorter, banknote depositing units for ATMs.
		 Retail/Transportation market	Department stores, supermarkets, armored transport companies, railroad companies.	Sales proceeds deposit machines, cash recycler for cashiers.
Vending machines and automatic service equipment		 Other markets	Government offices, hospitals, leisure facilities, general companies.	Ballot counting machines, medical payment kiosks for hospitals, RFID self-check out system for cafeterias.
		 Vending machine market	Japan and overseas tobacco companies, railroad companies.	Cigarette vending machines, ticket vending machines, coin-operated lockers.
Other goods and products		 Amusement market	Pachinko parlors.	Pre-paid card system, premium dispensing machines, pachinko ball/token dispensing machines and counting machines.

**Sales**

Were decreased compared to the same period last year due to the sluggish sales in financial, retail and overseas markets despite favorable sales of equipment to the amusement market.

**Income**

Was decreased compared to the same prior year period despite our cost cutting efforts and restrained business investment.

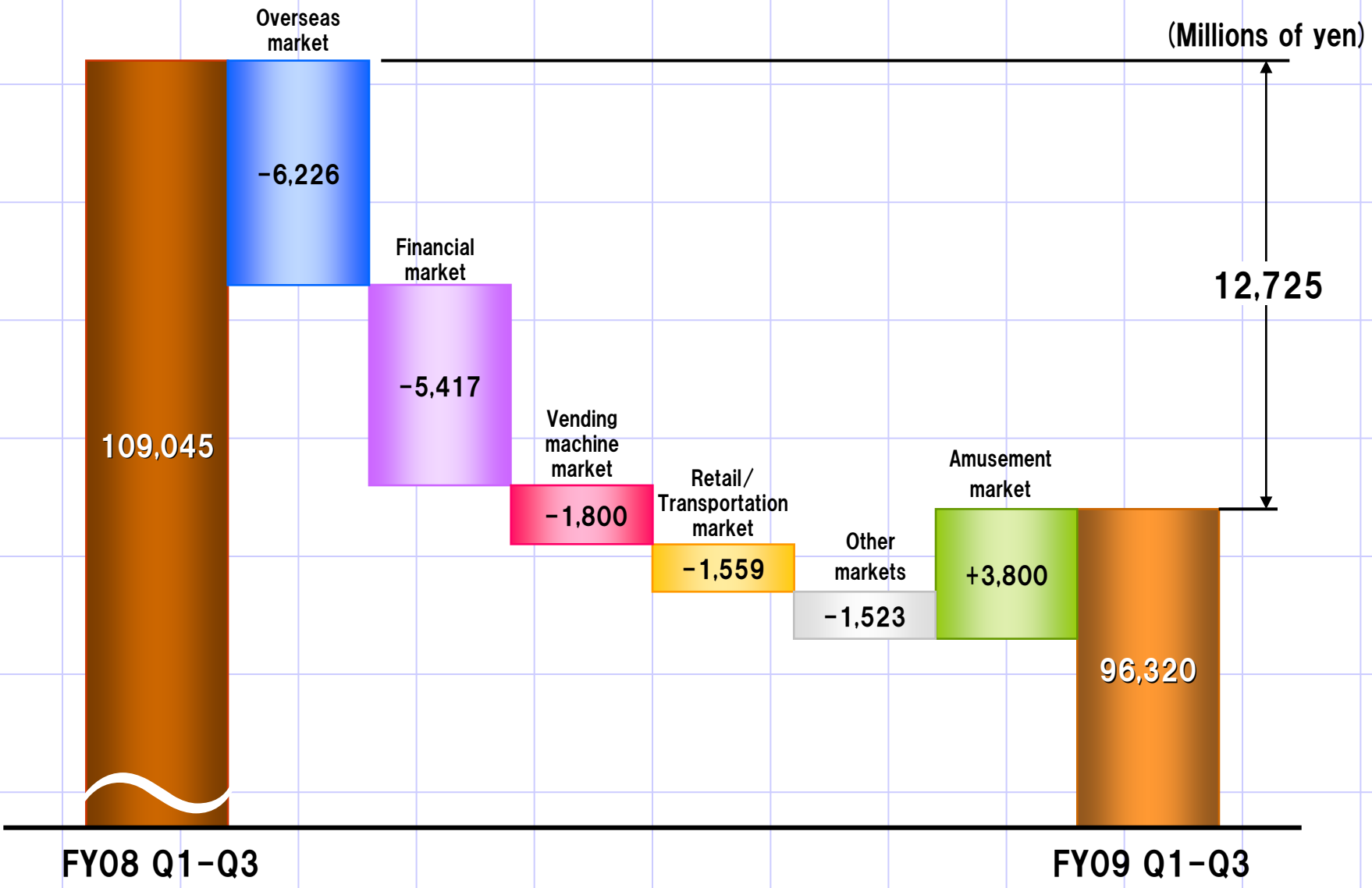
(Millions of yen)	FY08 Q1-Q3	FY09 Q1-Q3	Year-on-year comparison
<b>Net sales</b>	109,045	96,320	- 11.7%
<div style="border: 1px dashed black; padding: 2px;">Sales from maintenance operation</div>	24,047 (22.1%)	23,566 (24.5%)	- 2.0%
<b>Operating income</b>	8,940 (8.2%)	5,185 (5.4%)	- 42.0%
<b>Ordinary income</b>	8,709 (8.0%)	6,359 (6.6%)	- 27.0%
<b>Net income</b>	5,667 (5.2%)	3,626 (3.8%)	- 35.9%

Y-on-Y  
comparisonComparison  
with Q2

Although net sales decreased, restrained business investment and cost cutting efforts contributed to the improvement of operating income.

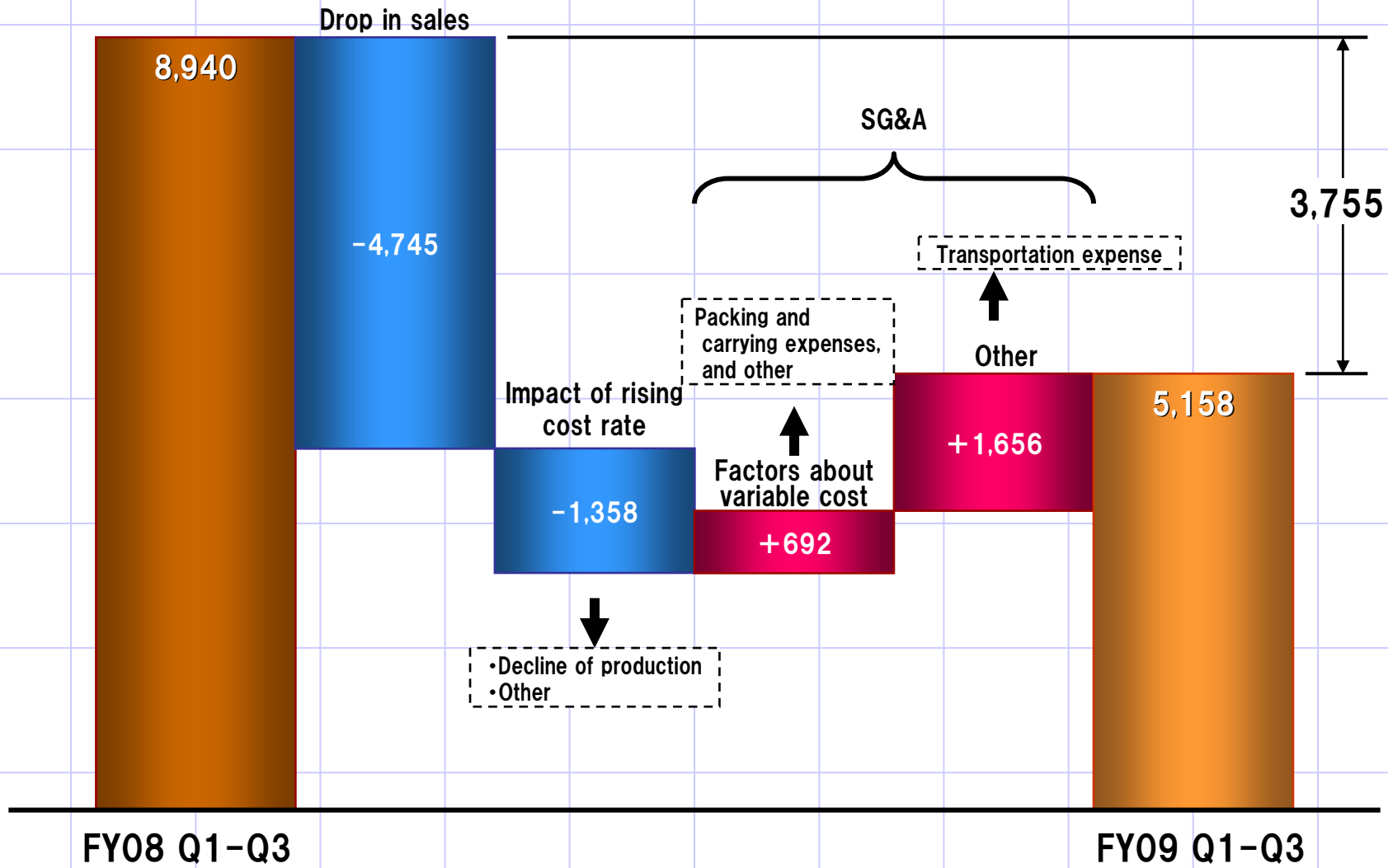
(Millions of yen)	FY08 Q3	FY09 Q3	Year-on-year comparison	FY09 Q2	Comparison with FY09 Q2
<b>Net sales</b>	34,223	32,181	- 6.0%	35,169	- 8.5%
<div style="border: 1px dashed black; padding: 2px;">Sales from maintenance operation</div>	7,673 (22.4%)	7,922 (24.6%)	+3.2%	7,787 (22.1%)	+1.7%
<b>Operating income</b>	2,092 (6.1%)	2,542 (7.9%)	+21.5%	1,883 (5.4%)	+35.0%
<b>Ordinary income</b>	1,463 (4.3%)	2,592 (8.1%)	+77.2%	2,183 (6.2%)	+18.7%
<b>Net income</b>	1,006 (2.9%)	1,403 (4.4%)	+39.5%	1,551 (4.3%)	- 9.5%

# Changing factor of net sales by business segments



# Changing factor of operating income

(Millions of yen)



↓  
 •Decline of production  
 •Other

Packing and carrying expenses, and other

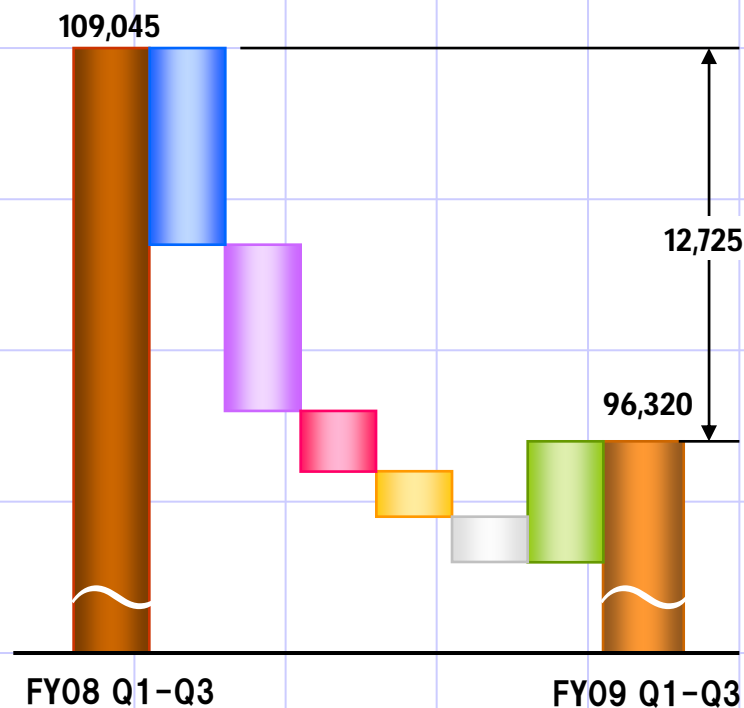
Transportation expense

Changing factor

(Millions of yen)

Business segment	FY08 Q1-Q3	FY09 Q1-Q3	Year-on-year comparison
Financial market	33,681	28,264	- 5,417 (- 16.1%)
Overseas market	25,371	19,145	- 6,226 (-24.5%)
Retail/ Transportation market	20,509	18,950	- 1,559 (- 7.6%)
Vending machine market	6,340	4,540	- 1,800 (- 28.4%)
Amusement market	18,744	22,544	+3,800 (+ 20.3%)
Other markets	4,400	2,877	- 1,523 (- 34.6%)
Total	109,045	96,320	- 12,725 (- 11.7%)

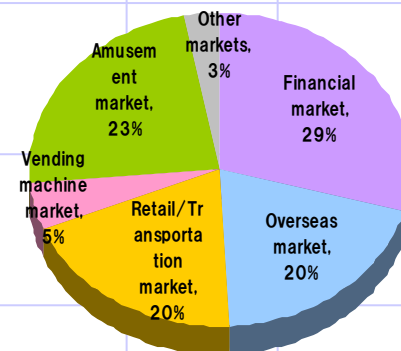
Change of net sales by business segment



(Millions of yen)

Industry segment	FY08 Q1-Q3	FY09 Q1-Q3	Year-on-year comparison
Money handling machines & cash management systems	64,344	55,510	- 8,834 (- 13.7%)
Vending machines & automatic service equipment	28,374	28,719	+ 345 (+ 1.2%)
Other goods and products	16,327	12,091	- 4,236 (- 25.9%)

Sales composition ratio by business segment



## ● Sales of our main products decreased

Because of the need to tighten up and improve operational efficiency, sales of our main product, the open teller system, were successful. However, sales of OEM banknote and coin recyclers were drastically down year on year.

### Main products (Year-on-year comparison)



Open teller system  
WAVE series



Banknote and coin  
recyclers

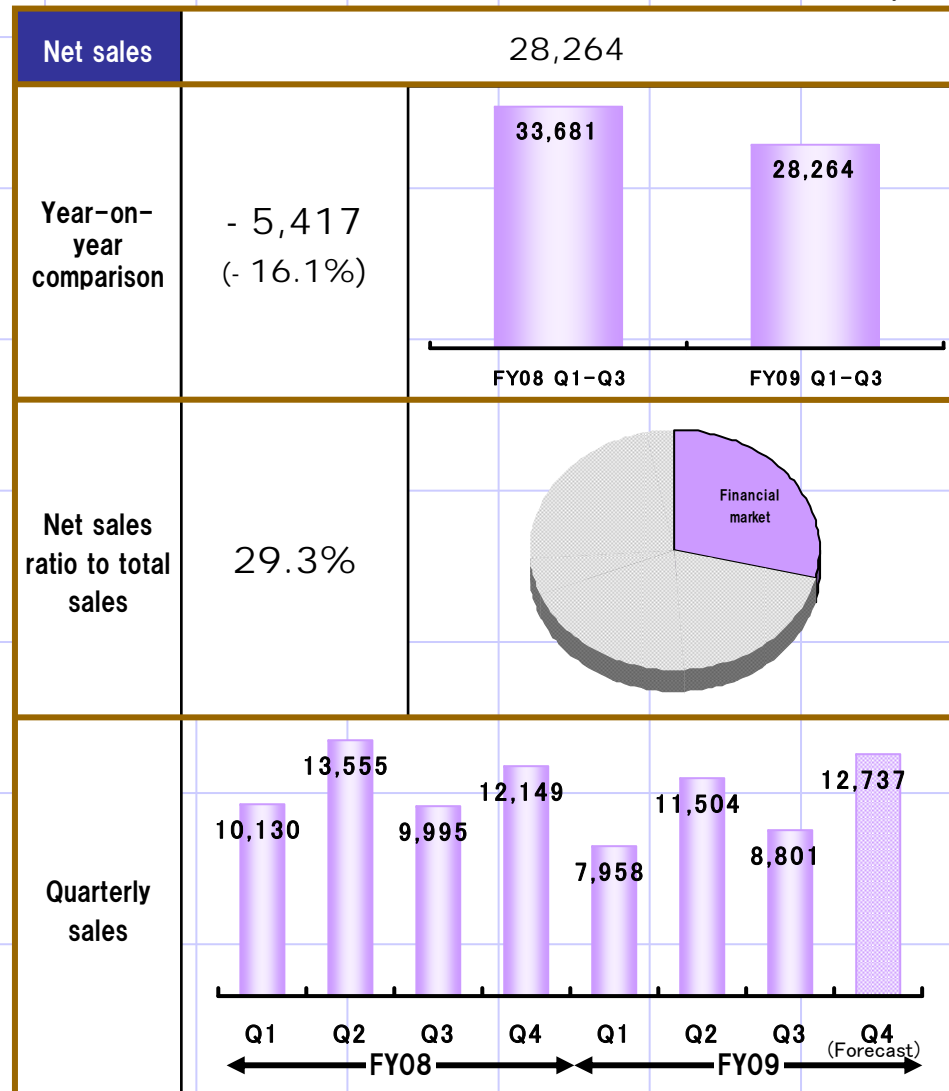


Open teller system  
WAVE-C series



Auto cash cabinet  
BW series

(Millions of yen)



## ● Demand for OEM products decreased

As the trend toward restrained business investment increased, sales of OEM banknote depositing units for ATMs, banknote recyclers and banknote sorters decreased significantly.

### Main products (Year-on-year comparison)



Banknote depositing  
unit for ATMs  
UD series



Banknote recycler  
RZ series

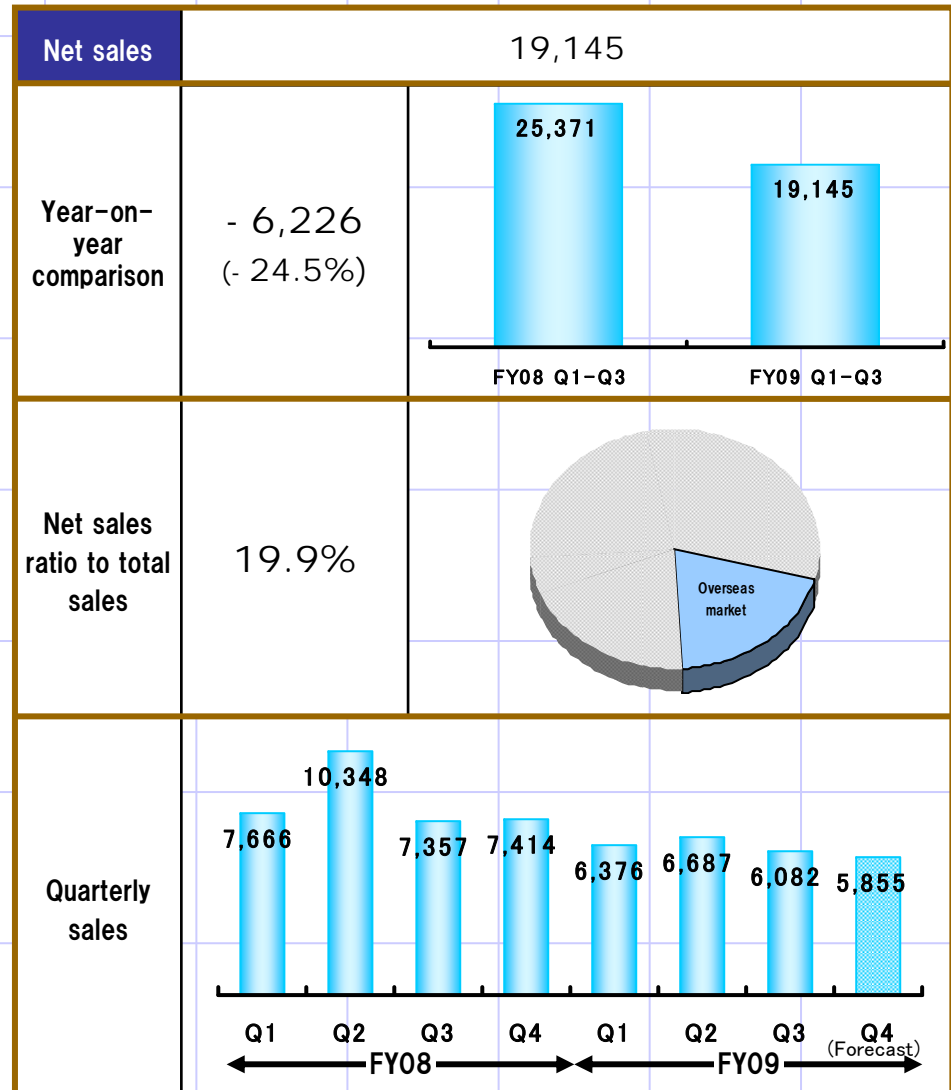


Banknote sorter  
UW series



Small-sized banknote  
value counter  
GFS series

(Millions of yen)



## ● Sale of our main products were sluggish

Sales were favorable for small-sized cash management machines for railway ticket counters and OEM sales proceeds deposit machines for armored transport companies. However, sales of cash recyclers for cashiers and small-sized deposit machines, our main products in this market, were sluggish due to restrained new store openings from the impact of deteriorating corporate performance in the retail industry sector overall.

### Main products (Year-on-year comparison)



Cash recycler for cashiers  
RT/RAD series



Sales proceeds deposit machines  
DSS series

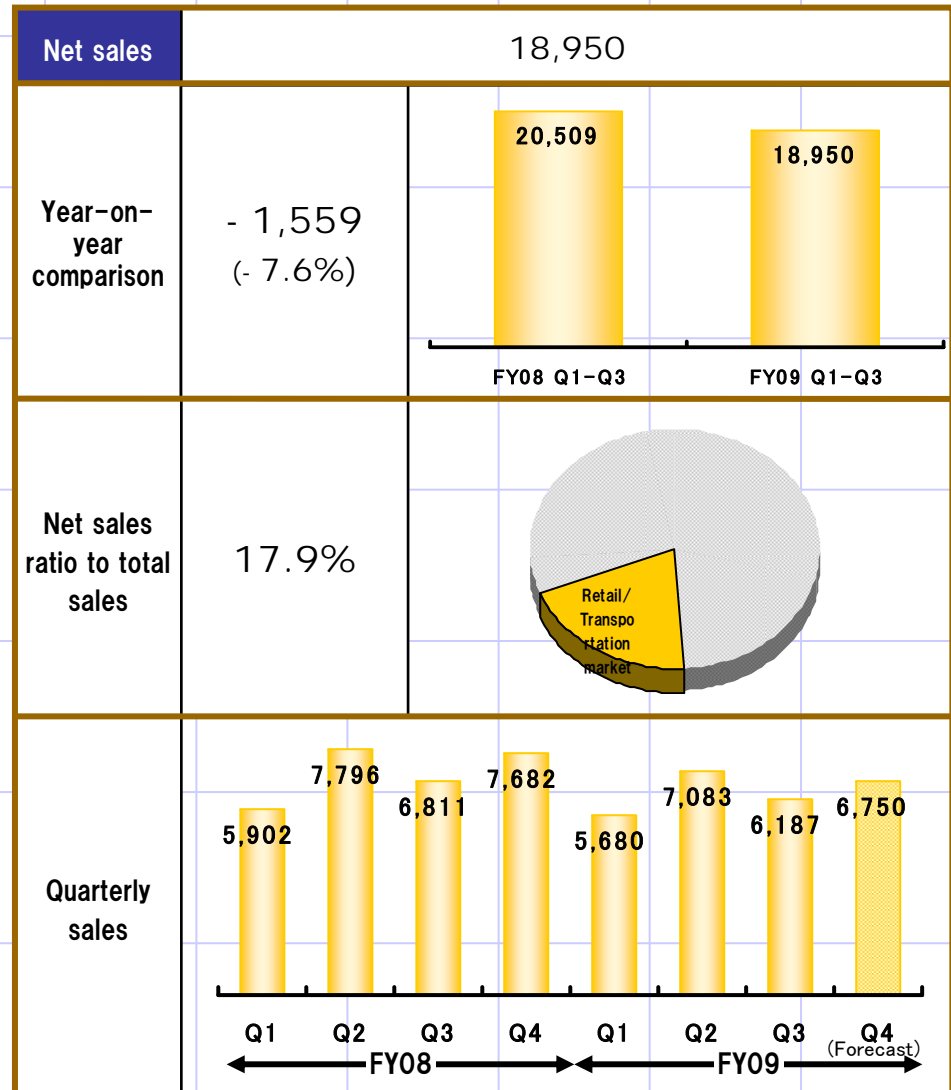


Cash management machines  
RH series



Cash management machines  
DSR series

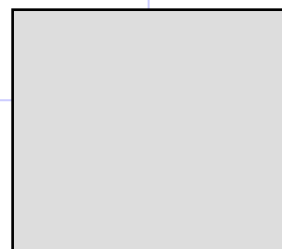
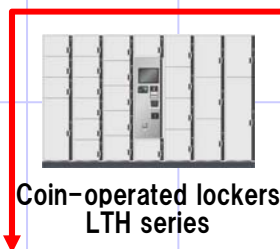
(Millions of yen)



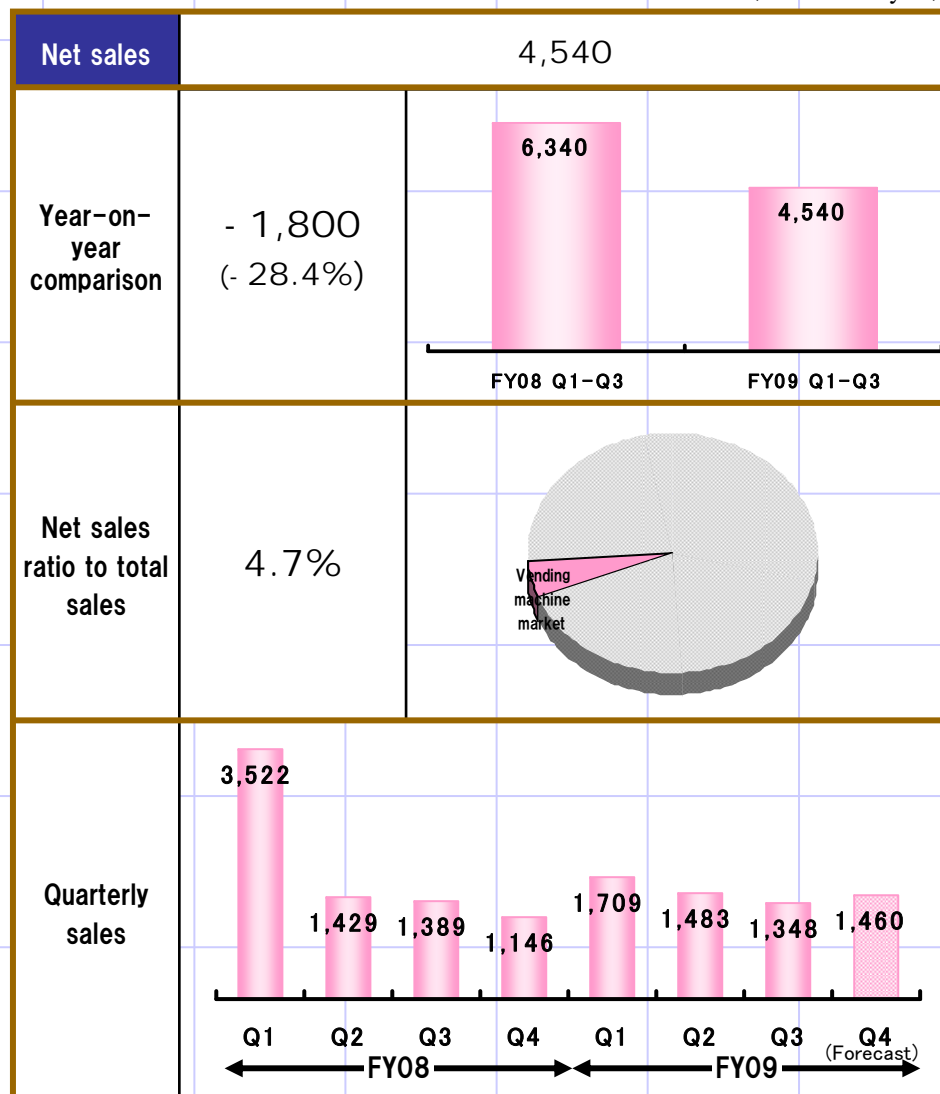
## ● Demand for cigarette vending machines declined dramatically

As cigarette purchases shifted from vending machines to store counter sales, and demand for cigarette vending machines declined dramatically.

### Main products (Year-on-year comparison)



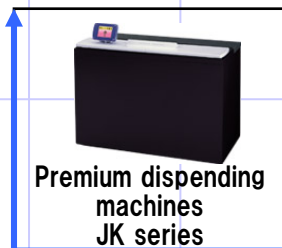
(Millions of yen)



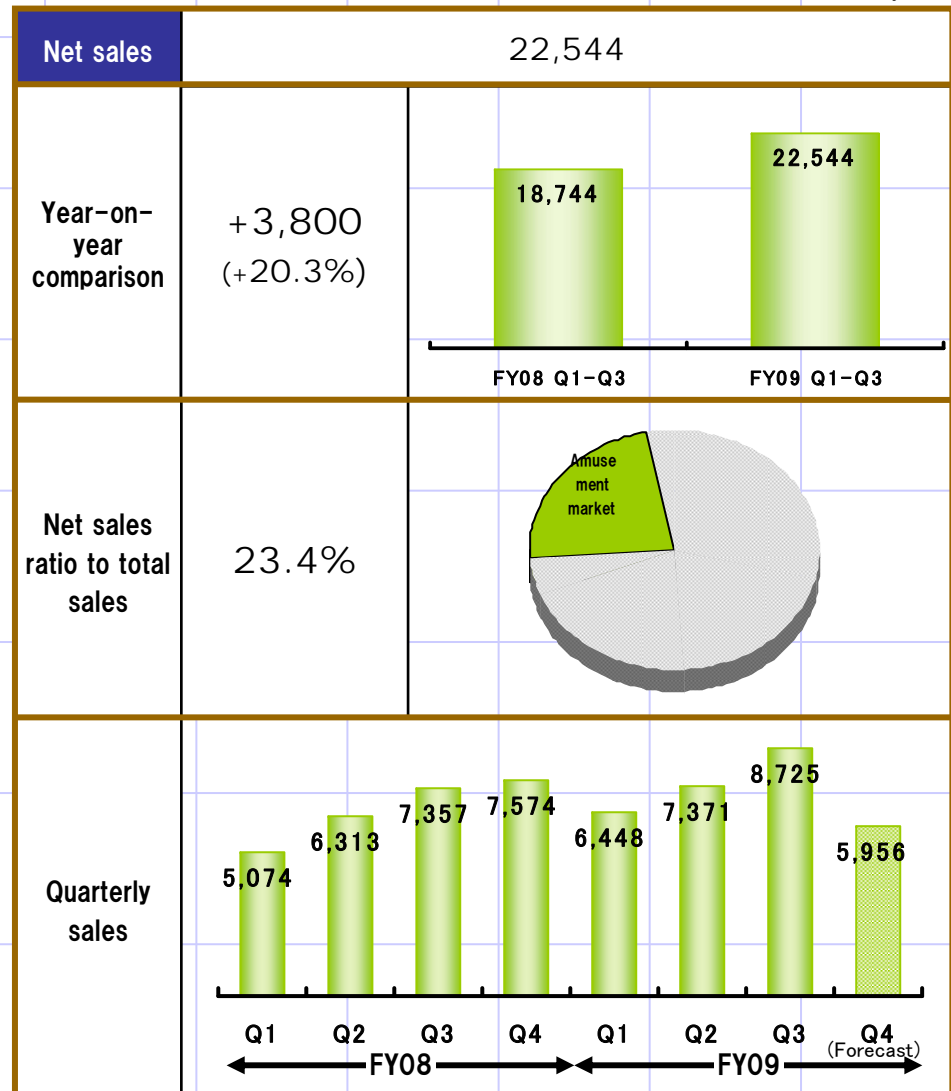
## ● Sales of pre-paid card system for pachinko parlors held favorably

The amusement market has been revitalized by trends in the pachinko industry, with parlor operators seeking to attract customers by installing popular game machines and cutting ball rentals to reduce playing costs. As a result, sales of pre-paid card systems were favorable. CREATION CARD CO., LTD. also contributed to the improvement of business results.

### Main products (Year-on-year comparison)



(Millions of yen)



## ● Restrained business investment is continuing in various markets

As the election for the House of Representatives got underway, sales of election-related products remained were favorable.  
Sales of RFID self-check out system for cafeteria were sluggish due to the trend toward restrained business investment in general offices.

### Main products (Year-on-year comparison)

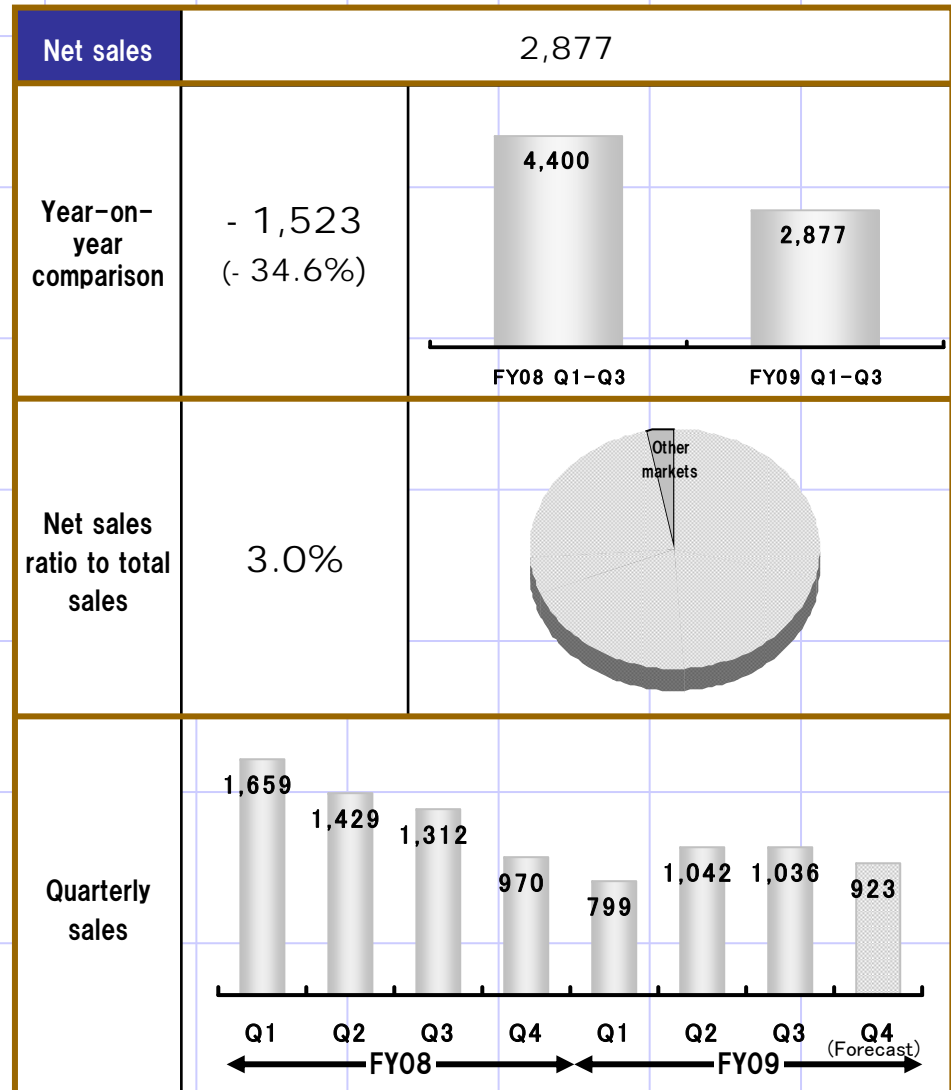


Ballot counting  
machines  
GTS series

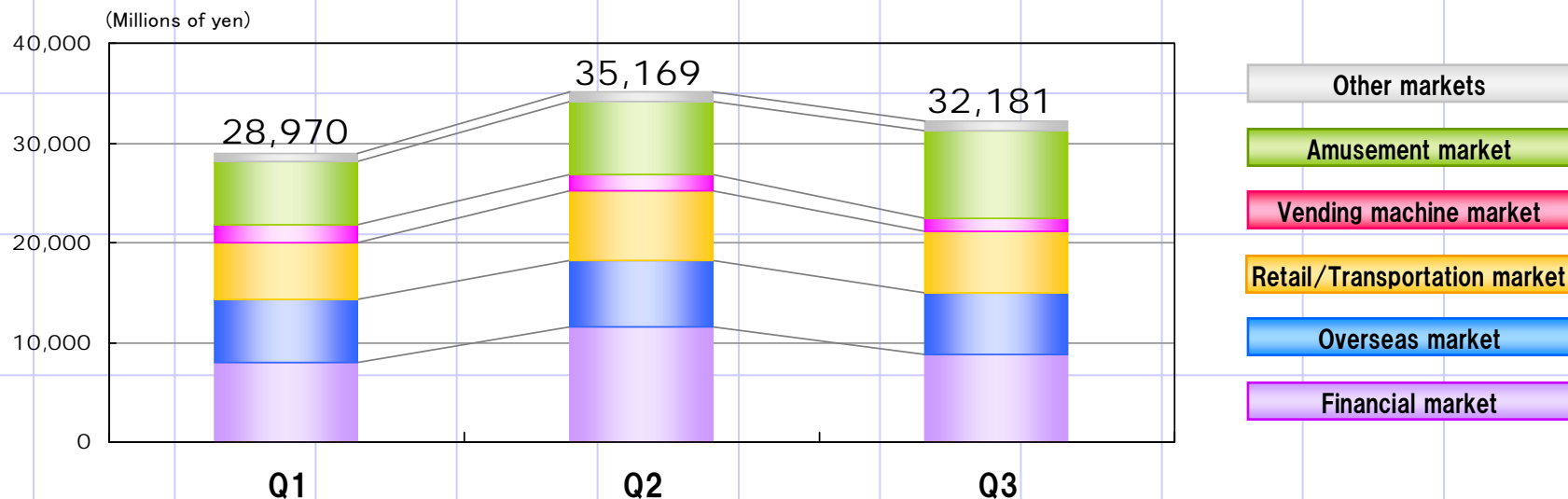


RFID self-check out  
system for cafeterias  
PSA series

(Millions of yen)



# Quarterly sales by business segment

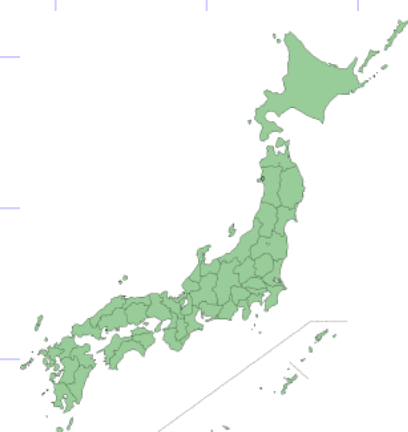


FY2009	Q1	Q2	Q3	Q1-Q3		
	(Results)	(Results)	(Results)	Results	Plan	Variation
Financial market [Domestic]	7,958	11,504	8,802	28,264	28,762	- 498
[Overseas market]	6,376	6,686	6,082	19,145	19,863	- 718
Financial market [Total]	14,334	18,190	14,884	47,409	48,625	-1,216
Retail/Transportation market	5,680	7,083	6,187	18,950	18,563	+ 387
Vending machine market	1,709	1,483	1,348	4,540	4,492	+ 48
Amusement market	6,448	7,371	8,725	22,544	22,619	- 75
Other markets	799	1,042	1,036	2,877	2,641	+ 236
<b>Total</b>	<b>28,970</b>	<b>35,169</b>	<b>32,181</b>	<b>96,320</b>	<b>96,940</b>	<b>- 620</b>

# Net sales by geographic segment

(Millions of yen)

Domestic and overseas sales	FY08 Q1-Q3	FY09 Q1-Q3	Year-on-year comparison
Domestic	83,674 76.7%	77,175 80.1%	- 6,499 - 7.8%
Overseas	25,371 23.3%	19,145 19.9%	- 6,226 - 24.5%
Total	109,045 100.0%	96,320 100.0%	- 12,725 - 11.7%

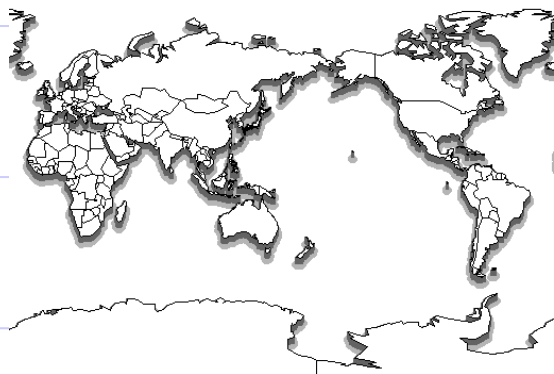


(Millions of yen)

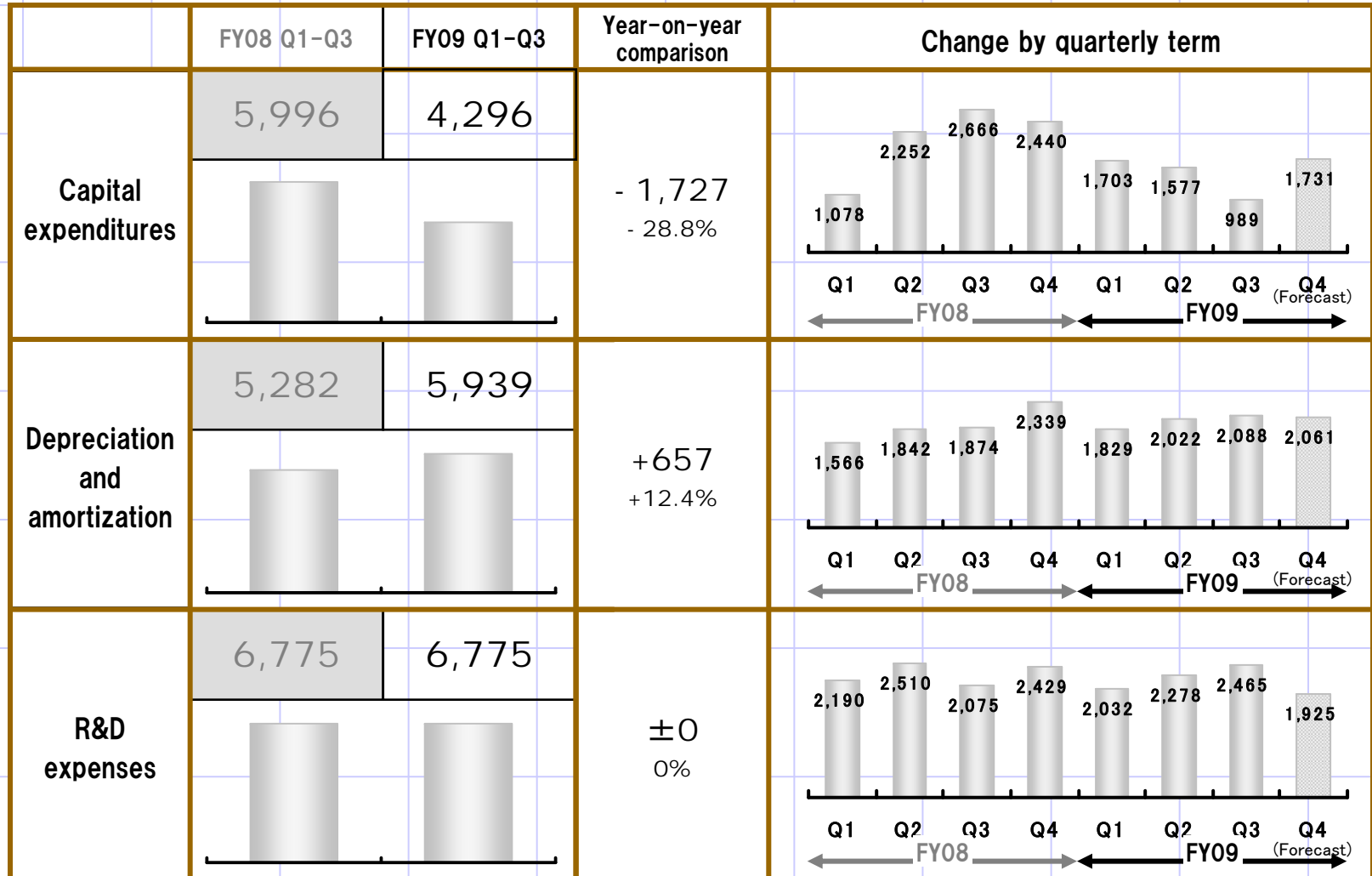
※Figures under “sales” are “sales ratio to total sales”.

Sales by geographic segment	FY08 Q1-Q3	FY09 Q1-Q3	Year-on-year comparison
Americas	4,779 18.08%	3,556 18.6%	- 1,223 - 25.6%
Europe	5,906 23.3%	5,798 30.3%	- 108 - 1.8%
China/Taiwan/Korea, etc.	1,302 5.1%	1,775 9.8%	+473 +36.3%
Asia/Oceania	1,029 4.1%	1,149 5.5%	+120 +11.7%
OEM	12,355 48.7%	6,867 35.9%	- 5,488 - 44.4%
Total	25,371 100.0%	19,145 100.0%	- 6,226 - 24.5%

※Figures under “sales” are “sales ratio to total sales”.



(Millions of yen)



(Millions of yen)	FY08 Q1-Q3	Ratio (%)	FY09 Q1-Q3	Ratio (%)	Rate of change
Net sales	109,045	100.0	96,320	100.0	- 12,725
Cost of sales	68,391	62.7	61,751	64.1	- 6,640
SG&A	31,713	29.1	29,383	30.5	- 2,330 ①
Operating income	8,940	8.2	5,185	5.4	- 4,145
Non-operating income	1,296	1.0	1,424	1.5	+128 ②
Non-operating expense	1,327	1.2	250	0.3	- 1,077
Ordinary income	8,709	8.0	6,359	6.6	- 2,350
Extraordinary income	476	0.4	452	0.4	- 24
Extraordinary loss	479	0.4	712	0.7	- 233 ③
Income before income taxes and minority interests	8,705	8.0	6,098	6.3	- 2,607
Income taxes—deferred	2,998	2.7	2,472	2.5	- 526
Net income	5,667	5.2	3,626	3.8	- 2,041

①SG&A: Decreased as a result of cost cutting efforts

SG&A ratio: Increased due to decline in sales

②Non-operating income: ◇ Insurance return (487 million yen) ◇ Dividend income (218 million yen)

③Extraordinary loss: ◇ Loss on valuation of investment securities (263 million yen)

◇ Loss on retirement of noncurrent assets (192 million yen)

## ● Market trend in financial institutions in China

### Present situation

#### Needs

Demand for banknote sorter is increasing to meet needs of sorting fit/unfit notes due to expansion of ATMs.

#### Products



Banknote sorter [UW series]  
 •Used at large-scale branch  
 •Used at cash center



Banknote sorter [USF series]  
 •Used in small-scale branch

#### Results

Products were installed mainly into four major banks (Agricultural Bank of China/China Construction Bank/Industrial and Commercial Bank of China/Bank of China) and Postal Savings Bank of China.

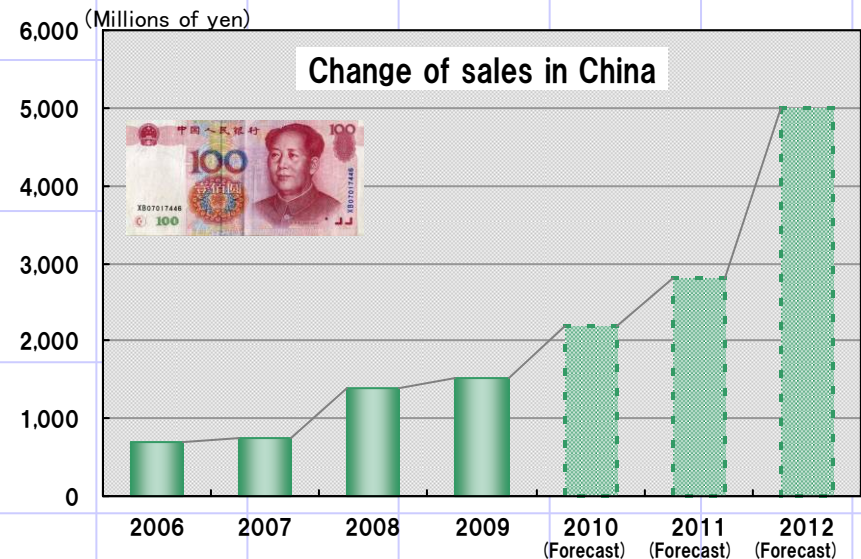
#### Potential

•Number of branches: About 190,000 (included 65,000 branches of four major banks)

### Future strategy

We will supply money handling machines to satisfy demand in bank branches.

- Promoting banknote sorter other than four major banks and PSBC
- Improving sales structure of system products



※Years ended March 31

## ● Retail market trend in Europe

### Present situation

#### Needs

Demand for cash recycler is increasing due to expanding installation of self-checkout terminal into retail stores. Demand for banknote recycler is also increasing due to the needs for higher operating efficiency and cash management discipline.

#### Products



Banknote recycler 【RBW series】  
•Used as a unit of self-checkout terminal



Banknote recycler 【RZ series】  
•Used in retail stores

#### Results

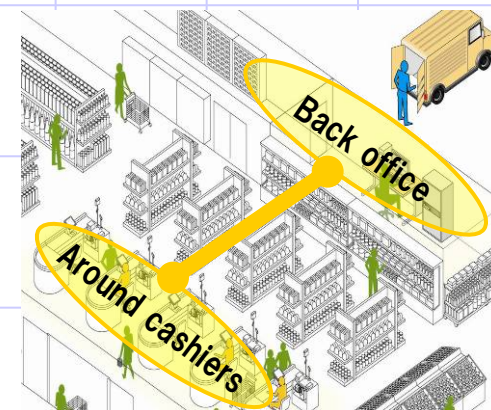
We supplies banknote recyclers to major POS manufacturers. (Used at gas stations in Germany)

#### Potential

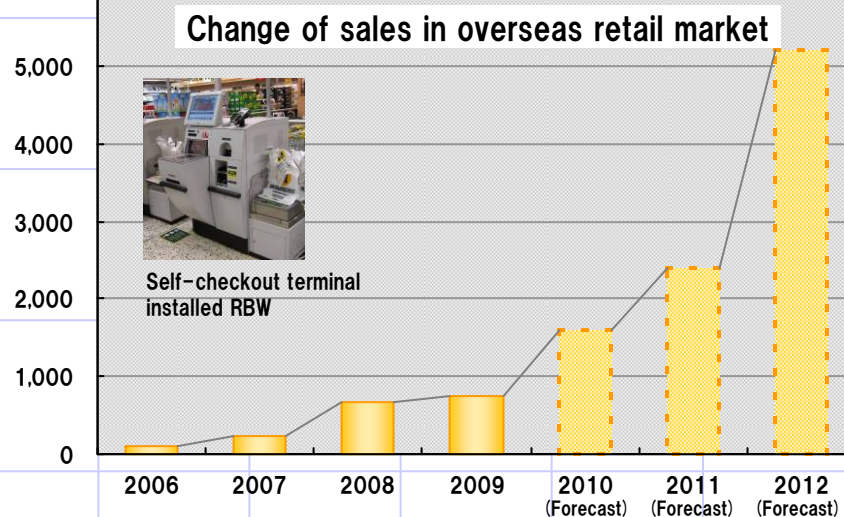
Installation of cash management systems will begin in full-scale for European retail market  
Competitor: SCAN COIN, GUNNEBO, etc.

### Future strategy

We will supply banknote recyclers to meet needs for higher operating efficiency and cash management discipline for whole store.



(Millions of yen)



※Years ended March 31

# Financial forecast for FY2009

## Sales

Will decrease from the same period last year with continuing restrained business investment due to economic sluggishness.

## Income

Will decrease compared to the same prior year period despite our cost cutting efforts and restrained equipment expenditures.

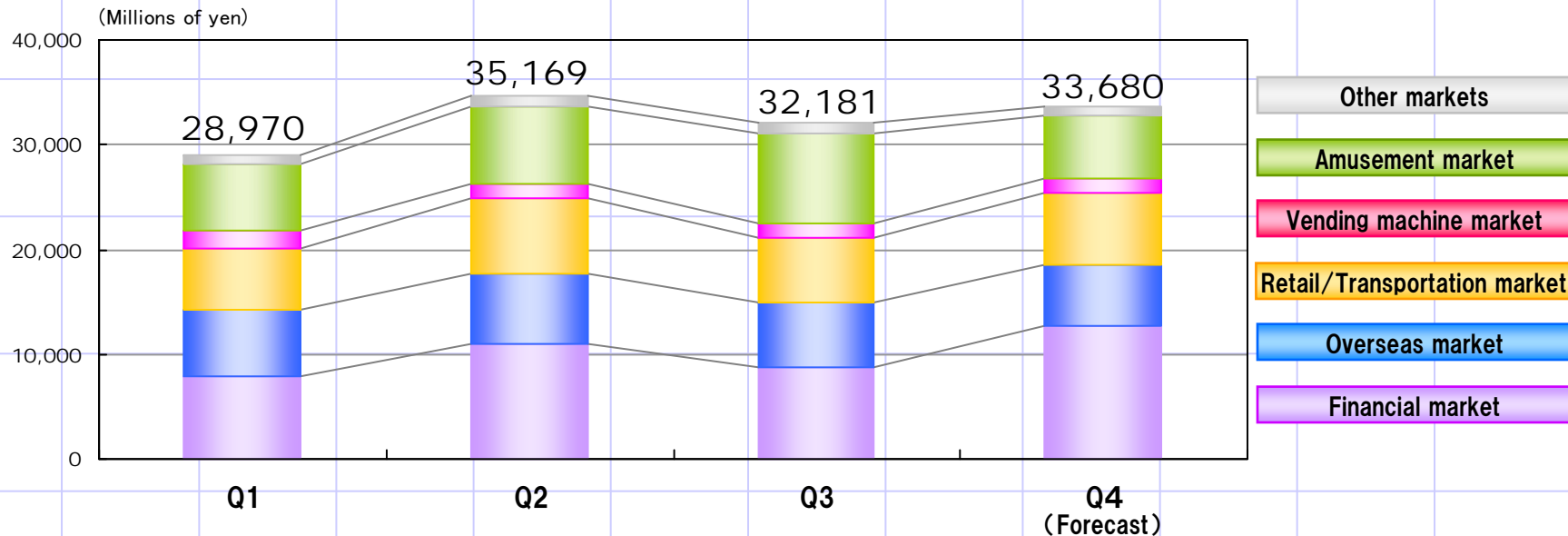
(Millions of yen)	FY08 (Results)	FY09 (Forecast)	Year-on-year comparison
<b>Net sales</b>	145,978	130,000	- 10.9%
<div style="border: 1px dashed black; padding: 2px;">           Sales from maintenance operation         </div>	31,861 (21.9%)	31,500 (24.2%)	- 1.1%
<b>Operating income</b>	9,426 (9.2%)	6,000 (4.6%)	- 36.3%
<b>Ordinary income</b>	9,306 (9.7%)	7,500 (5.8%)	- 19.4%
<b>Net income</b>	5,782 (6.2%)	4,500 (3.5%)	- 22.2%

# Projected sales by business segment

(Millions of yen)	FY08 (Results)		FY09 (Forecast)		
	Net sales	Sales composition ratio	Net sales	Comparison with forecast announced on Nov. 10, 2009	Year-on-year comparison
Financial market	45,829	31.4%	40,000 → 41,000	+2.5%	- 10.5%
Overseas market	32,784	22.5%	27,000 → 25,000	- 7.4%	- 23.7%
Retail/Transportation market	28,191	19.3%	25,500 → 25,700	+0.7%	- 8.8%
Vending machine market	7,486	5.1%	6,000 → 6,000	—	- 19.9%
Amusement market	26,318	18.0%	28,000 → 28,500	+1.7%	+8.3%
Other markets	5,370	3.7%	3,500 → 3,800	+8.5%	- 29.2%
<b>Total</b>	<b>145,978</b>	<b>100.0%</b>	<b>130,000 → 130,000</b>	<b>—</b>	<b>- 10.9%</b>

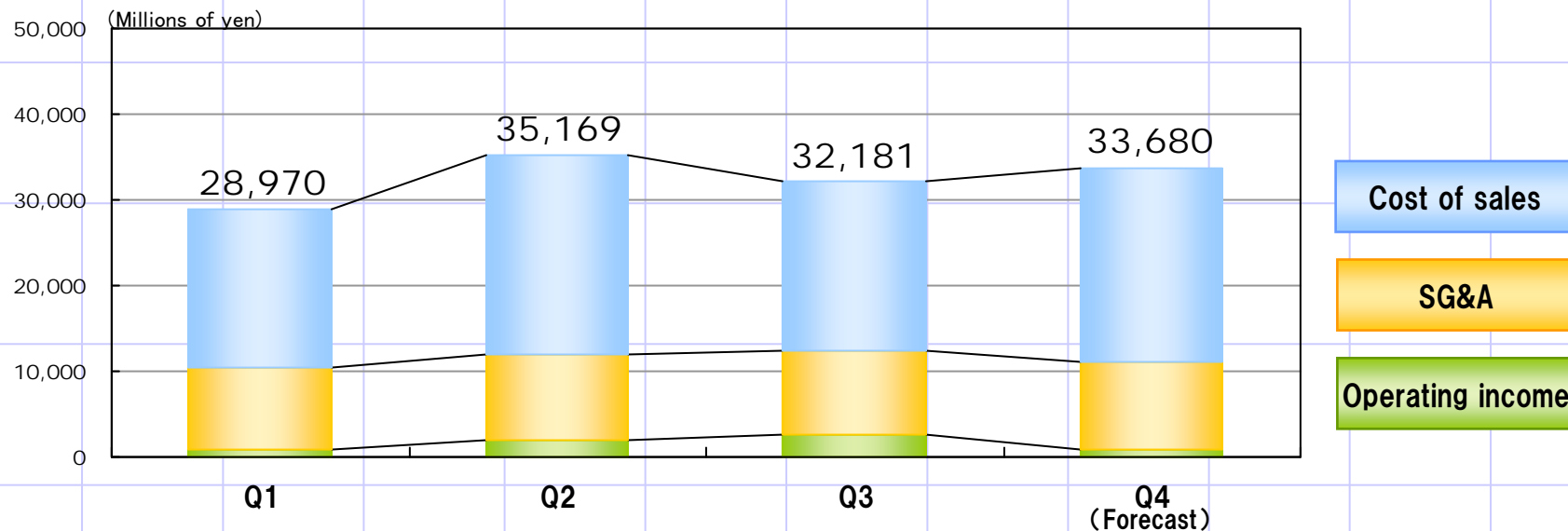
※Figures on the left side are forecasts announced on November 10, 2009.

## Projected quarterly sales by business segment



FY2009	Q1	Q2	Q3	Q4 (Forecast)	Full year (Forecast)
Financial market [Domestic]	7,958	11,504	8,802	12,736	41,000
[Overseas market]	6,376	6,686	6,083	5,855	25,000
Financial market [Total]	14,334	18,190	14,885	18,591	66,000
Retail/Transportation market	5,680	7,083	6,187	6,750	25,700
Vending machine market	1,709	1,483	1,348	1,460	6,000
Amusement market	6,448	7,371	8,725	5,956	28,500
Other markets	799	1,042	1,036	923	3,800
<b>Total</b>	<b>28,970</b>	<b>35,169</b>	<b>32,181</b>	<b>33,680</b>	<b>130,000</b>

# Projected quarterly operating income



FY2009	Q1	Q2	Q3	Q4 (Forecast)	Full year (Forecast)
<b>Net sales</b>	28,970	35,169	32,181	33,680	130,000
<b>Cost of sales</b> (Cost-to-sales ratio)	18,645 (64.4%)	23,262 (66.1%)	19,849 (61.7%)	22,649 (67.2%)	84,400 (64.9%)
<b>SG&amp;A</b> (SG&A ratio)	9,571 (33.0%)	10,024 (28.5%)	9,789 (30.4%)	10,217 (30.3%)	39,600 (30.5%)
<b>Operating income</b> (Operating income ratio)	761 (2.6%)	1,882 (5.4%)	2,542 (7.9%)	815 (2.4%)	6,000 (4.6%)

## ● Projected dividend for Year ending March 31, 2010

### Basic policy on profit distribution

GLORY's basic policy is to continue a stable dividend while striving to maintain and enhance a sound balance sheet in preparation for future business growth. **Specifically, GLORY has a target of returning profits to shareholders at a consolidated dividend payout ratio of 25% or higher, while providing a minimum dividend in any case at the rate of 1.5% of consolidated equity capital.**

Dividend per share	Interim (Results)	Year-end (Forecast)	Annual (Forecast)
<b>FY09</b> (Forecast announced on May 13, 2009)	<b>¥16</b>	<b>¥17</b>	<b>¥33</b> (Dividend payout ratio: 51.6%)

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.

Dividend per share	Interim (Results)	Year-end (Results)	Annual (Results)
<b>FY08</b>	<b>¥15</b>	<b>¥15</b>	<b>¥30</b> (Dividend payout ratio: 36.5%)

## ● Merger among consolidated 3 subsidiaries

### GLORY Products Ltd.

#### Purpose of the merger

GLORY Ltd. will integrate manufacturing functions from parts processing to assembling, and make further enhancement of cost competitiveness by increasing production efficiencies through the merger, which includes effective utilization of the existing facilities and improvement of logistics.

#### Effective date of the merger

April 1, 2010

#### Method of the merger

GLORY Kiki Co., Ltd. will become the surviving company and Harima GLORY Ltd. and GLORY TEC Ltd. will be dissolved.

#### Post-merger situation

(tentative)

【Head office】Fukusaki-cho, Kanzaki-Gun, Hyogo  
 【Line of Business】Manufacturing/Sales/Fixing service of money handling machines  
 【Number of employees】670 people  
 【Capital】¥80 million

### < Subsidiaries >



GLORY Kiki Co., Ltd.



Harima GLORY Ltd.



GLORY TEC Ltd.