

# Consolidated financial results

for the fiscal year ended March 31, 2010

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This document may contain forecasts for future business which reflect management's current views with respect to certain future events and financial performances. Actual results may differ materially from those projected or implied in the forecasts and from historical trends. Further, certain forecasts 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 forecasts without advance notice except that we need legal procedures.

# Financial Results compared with previous fiscal year



## Sales

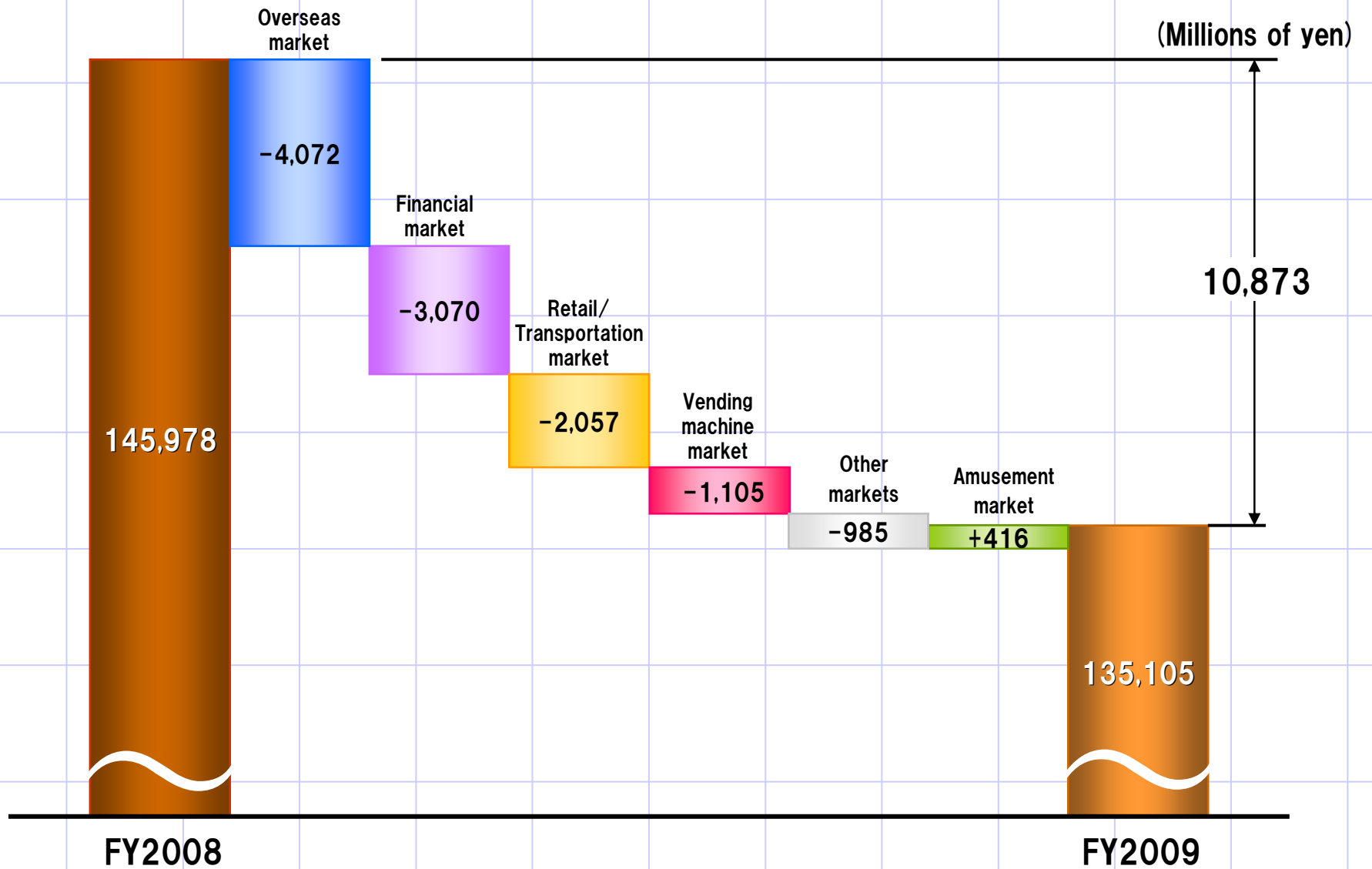
Although the amusement market was solid, sales in the domestic financial market, retail market and overseas market were all sluggish, and net sales decreased from the previous term.

## Income

Despite the Group's efforts in measures for improving efficiency and streamlining, due to the impact of reduction in net sales, income was down from the previous term.

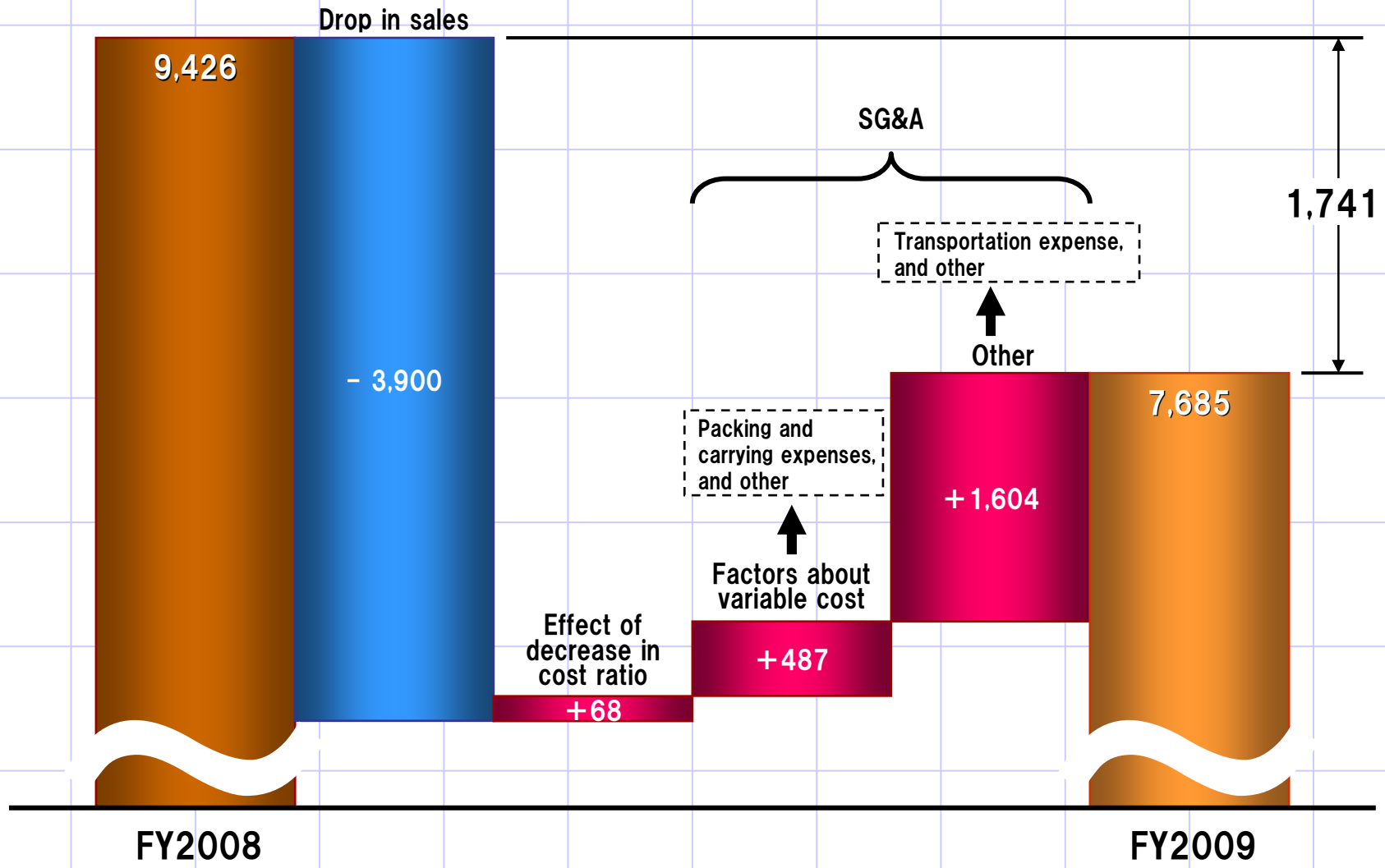
(Millions of yen)	FY2008	FY2009	Year-on-year comparison
<b>Net sales</b>	145,978	135,105	- 7.4%
<div style="border: 1px dashed black; padding: 2px;">Sales from maintenance operation</div>	31,861 (21.8%)	31,682 (23.4%)	- 0.6%
<b>Operating income</b>	9,426 (6.5%)	7,685 (5.7%)	- 18.5%
<b>Ordinary income</b>	9,309 (6.4%)	9,011 (6.7%)	- 3.2%
<b>Net income</b>	5,782 (4.0%)	5,108 (3.8%)	- 11.7%

# Changing factor of net sales by business segment



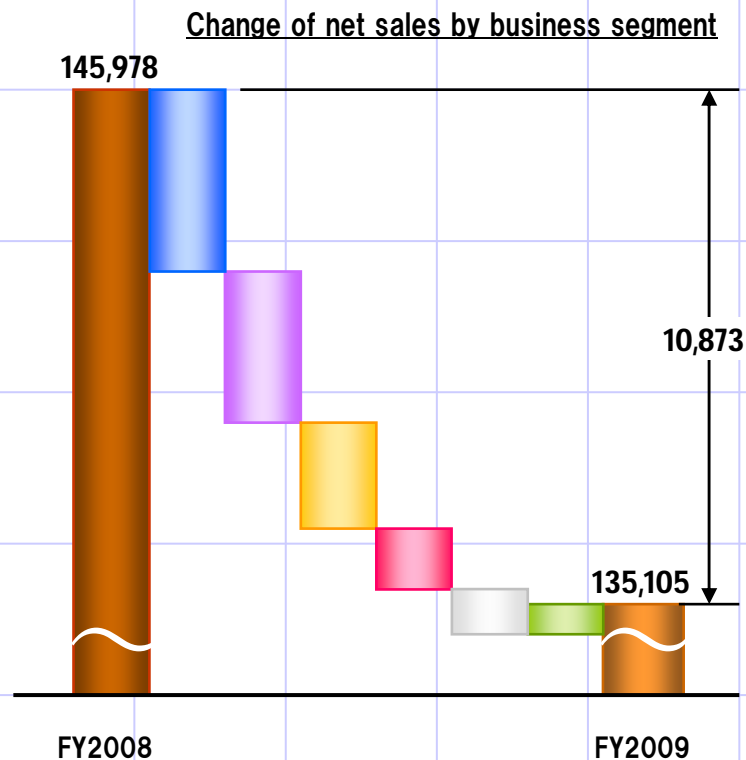
# Changing factor of operating income

(Millions of yen)



(Millions of yen)

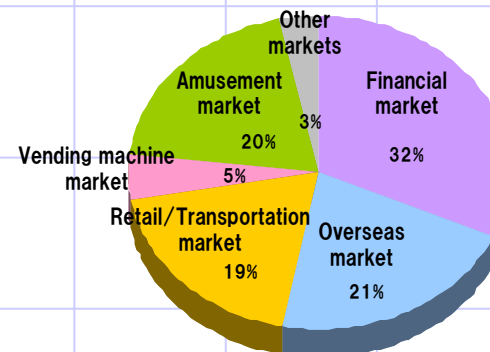
Business segment	FY2008	FY2009	Year-on-year comparison
Financial market	45,829	42,759	- 3,070 (- 6.7%)
Overseas market	32,784	28,712	- 4,072 (- 12.4%)
Retail/Transportation market	28,191	26,134	- 2,057 (- 7.3%)
Vending machine market	7,486	6,381	- 1,105 (- 14.8%)
Amusement market	26,318	26,734	+ 416 (+ 1.6%)
Other markets	5,370	4,385	- 985 (- 18.3%)
<b>Total</b>	<b>145,978</b>	<b>135,105</b>	<b>- 10,873</b> <b>(- 7.4%)</b>



(Millions of yen)

Industry segment	FY2008	FY2009	Year-on-year comparison
Money handling machines & cash management systems	85,927	82,133	- 3,794 (- 4.4%)
Vending machines & automatic service equipment	36,313	35,296	- 1,017 (- 2.8%)
Other goods and products	23,737	17,675	- 6,062 (- 25.5%)

Sales composition ratio by business segment



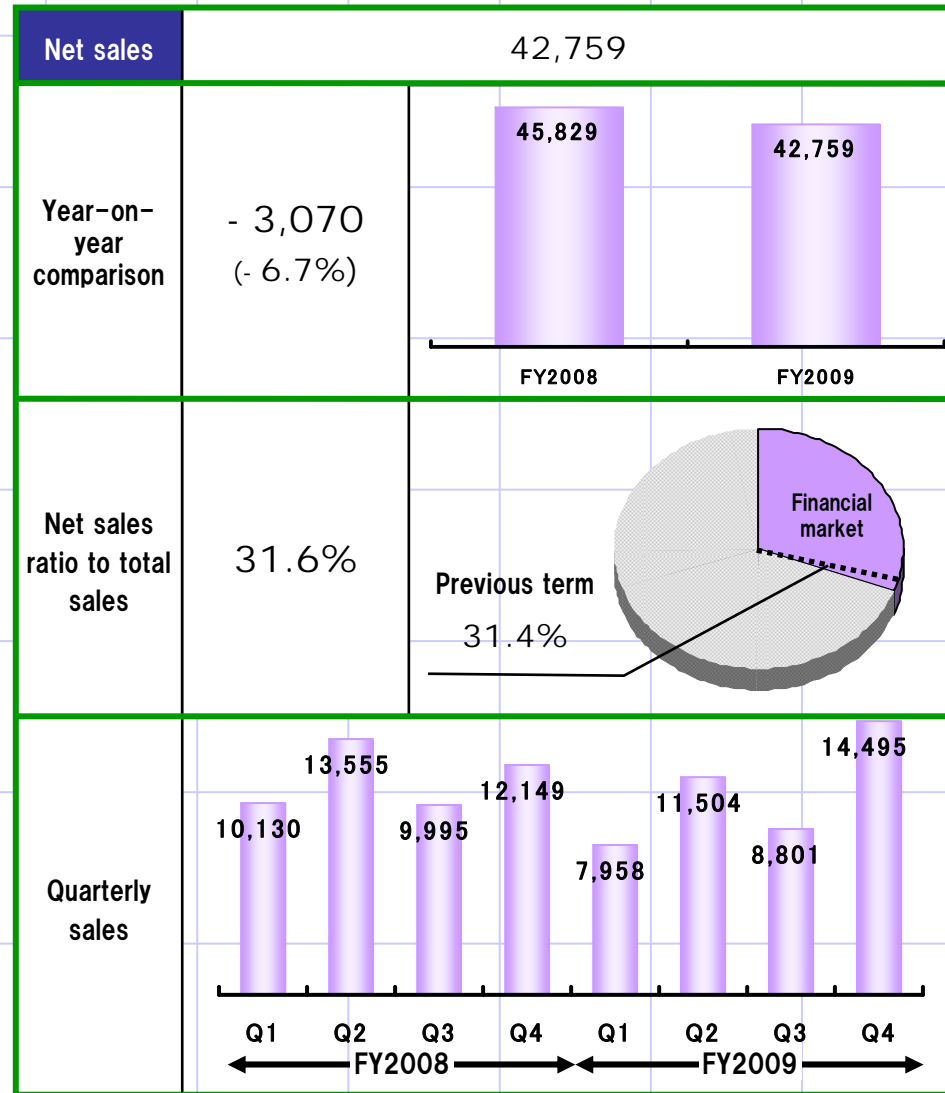
## Sales of OEM product were sluggish

Sales of open teller system, our major product, remained strong, however, unit sales of OEM product banknote and coin recycler for tellers were sluggish, and net sales declined compared to the previous fiscal year.

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



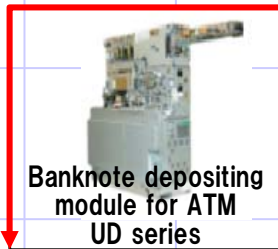
(Millions of yen)



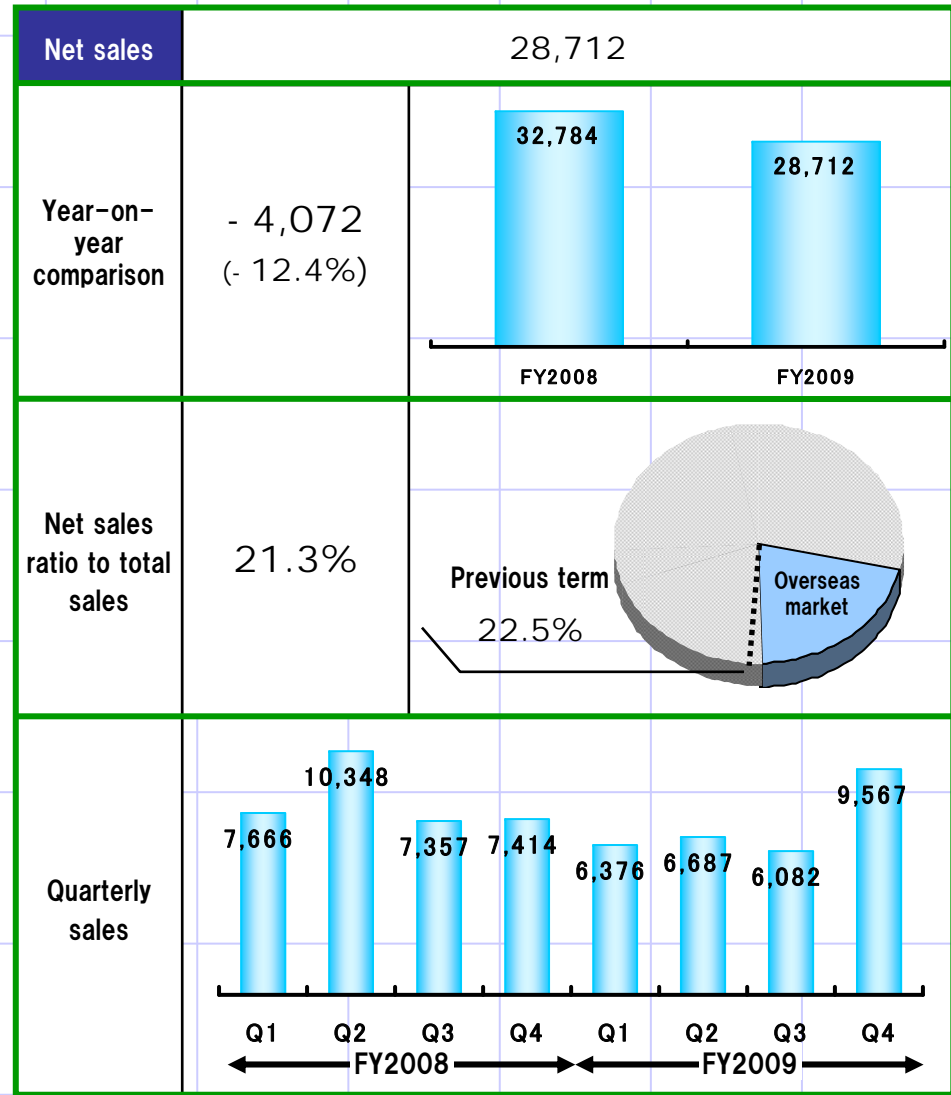
## ● Sales of major products were sluggish

Due to the impact of restrained capital investment accompanying the worldwide economic recession, sales of OEM product, banknote depositing modules for ATMs and banknote sorters has been sluggish, and net sales decreased greatly compared to the previous fiscal year.

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



(Millions of yen)



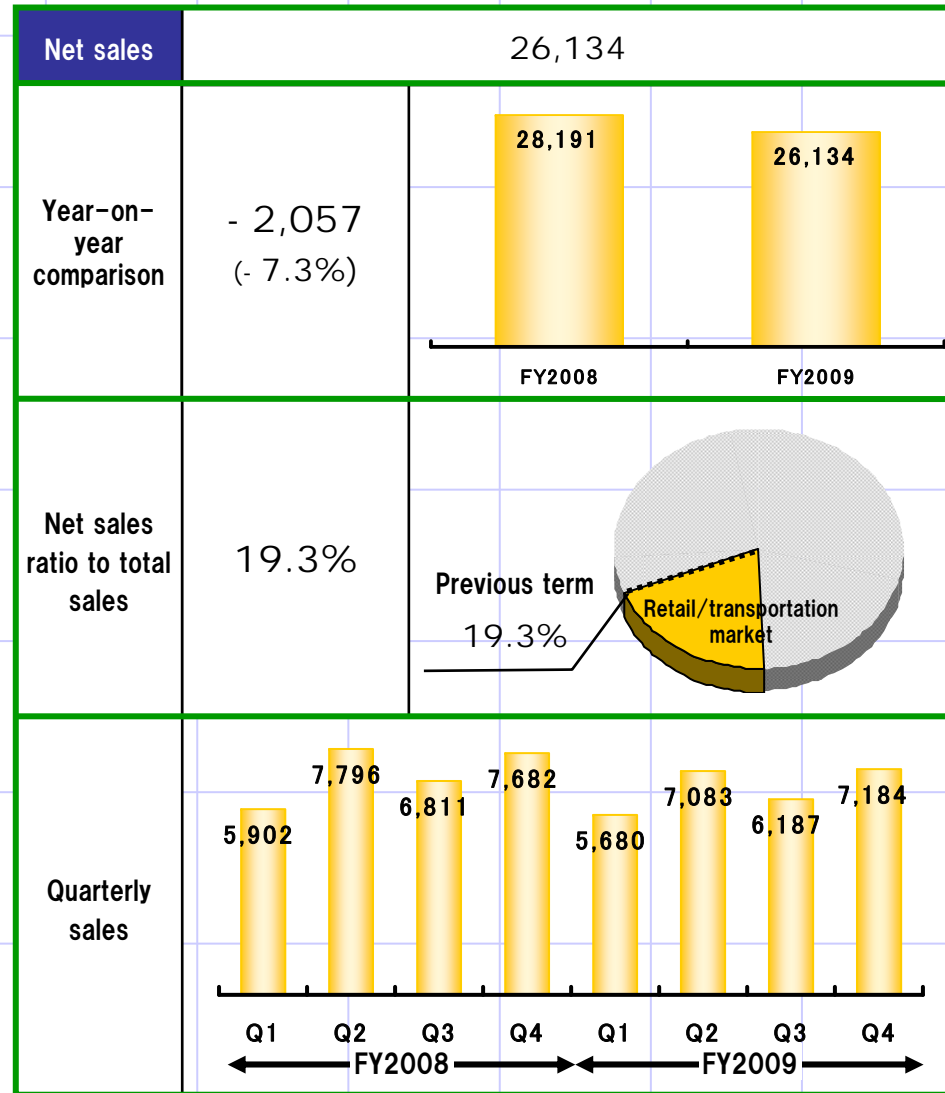
● Demands for major product were stagnant

Sales of cash recyclers for ticket counters oriented to public transportation were favorable, however, bulk orders for coin and banknote recyclers, our major products, were stagnant and sales also decreased compared to the previous fiscal year.

Main products (Year-on-year comparison)



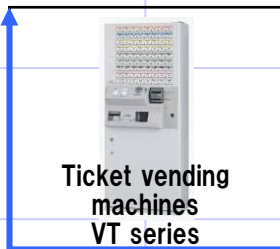
(Millions of yen)



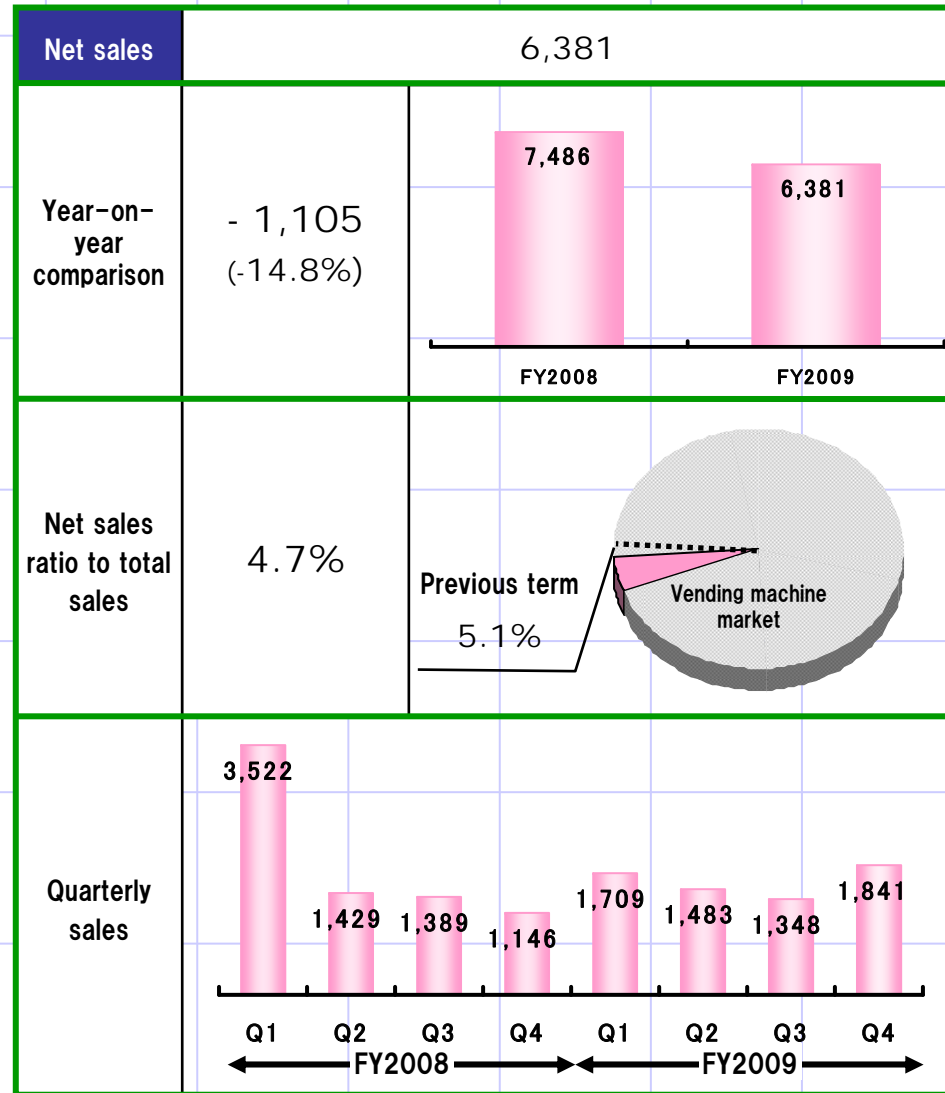
**● Demand for cigarette vending machines declined**

As purchases of cigarettes shifted from vending machines to counter sales, demand for cigarette vending machines declined, and sales decreased compared to the previous fiscal year.

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



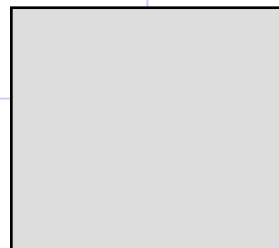
(Millions of yen)



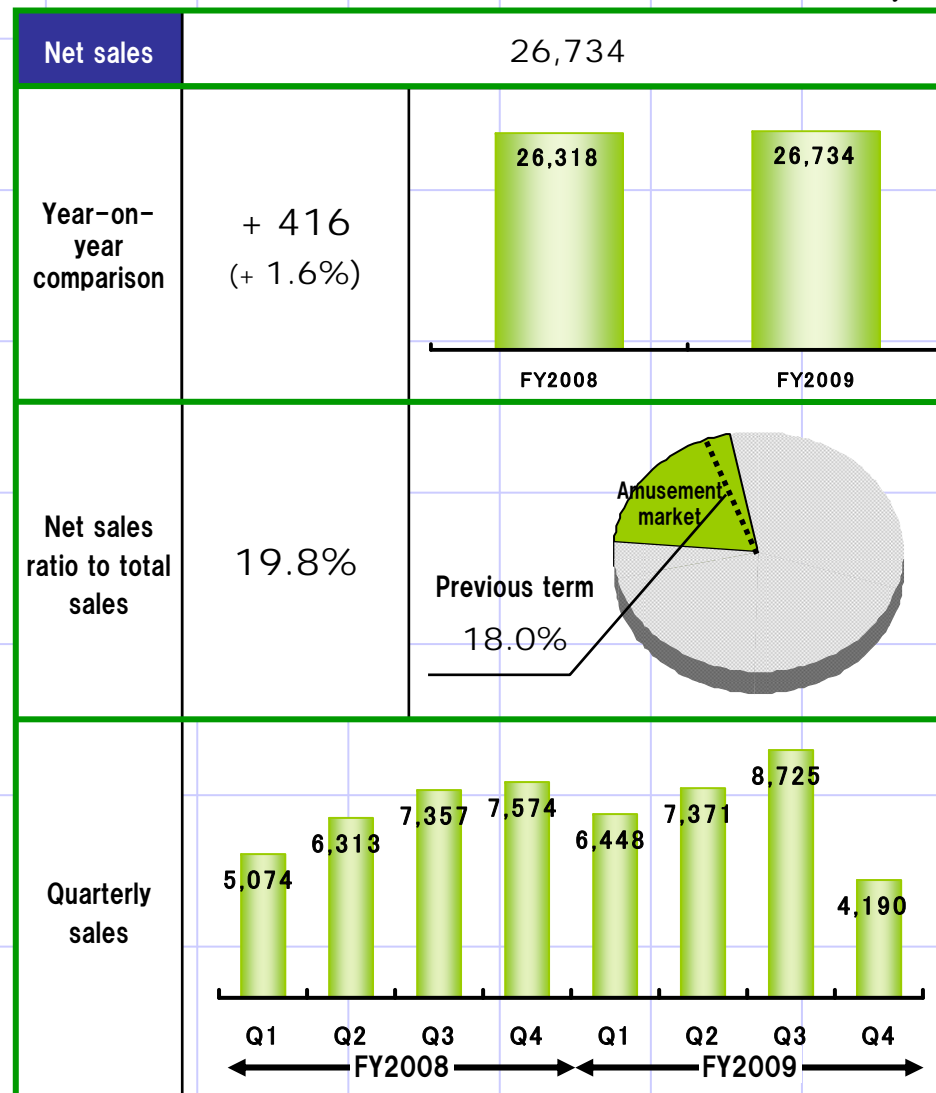
## Sales of card systems held steady

Thanks to spread of cutting ball rentals, which hold play charges down lower than usual, the market showed a trend of revitalization, and in addition, due to the impact of the introduction of new products such as pachinko ball counters and cell phone-based ball saving systems, sales of card systems remained steady, and sales increased from the previous fiscal year.

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



(Millions of yen)



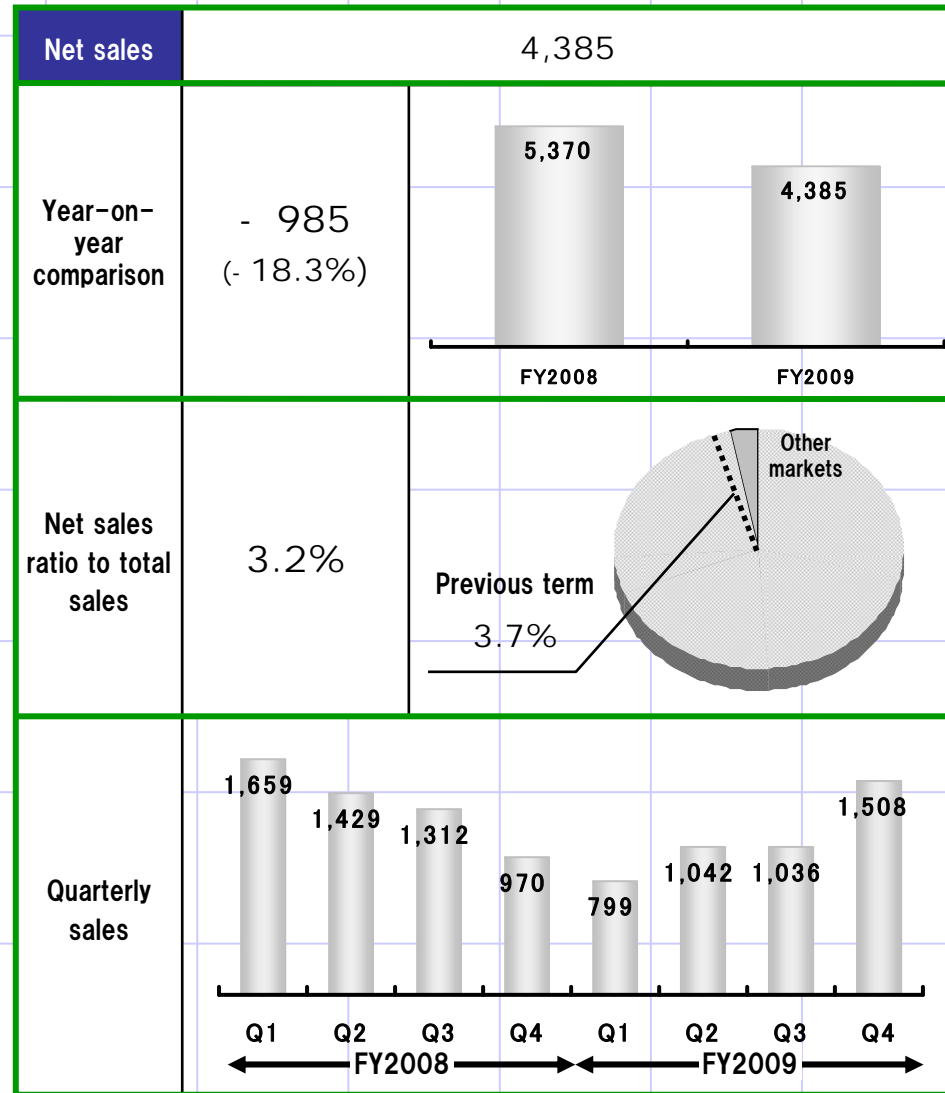
## Investment has been shrinking in any fields

Although sales of election-related products remained strong thanks to the General Election, sales of RFID self-checkout system for cafeterias has been sluggish due to the restrained capital investment in private companies, and net sales decreased compared to the previous term.

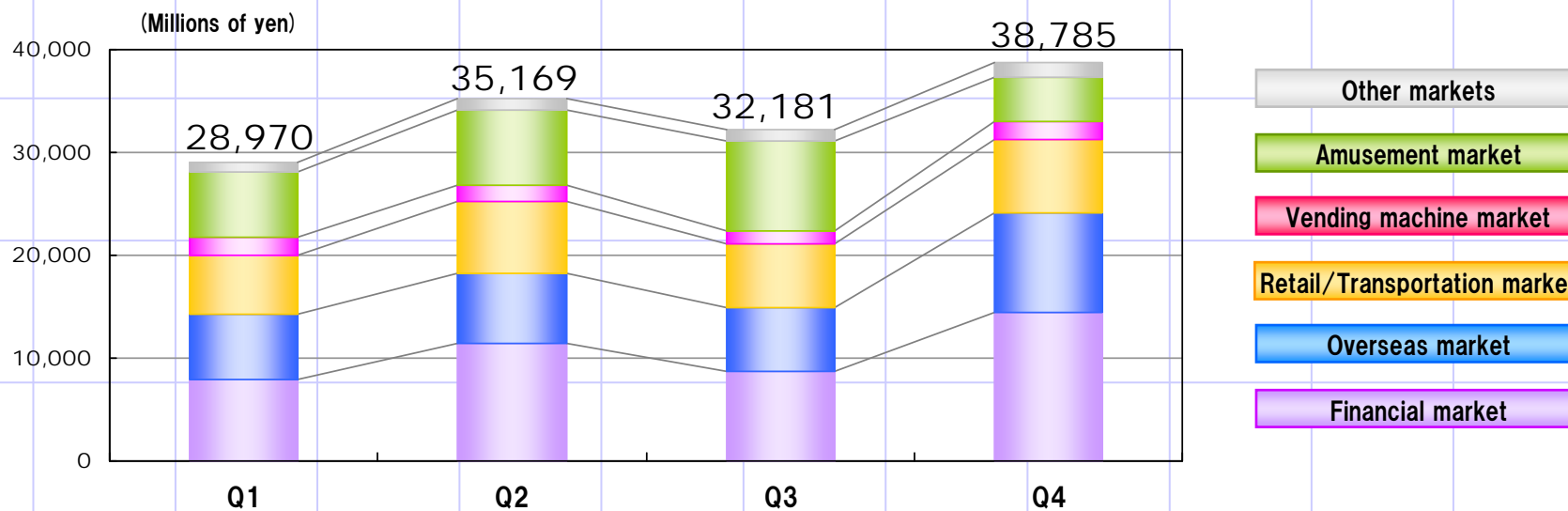
### Main products (Year-on-year comparison)



(Millions of yen)



# Quarterly sales by business segment



FY2009	Q1	Q2	Q3	Q4	Full year		
	(Results)	(Results)	(Results)	(Results)	Results	Plan	Variation
Financial market	7,958	11,504	8,802	14,495	42,759	41,000	+ 1,759
Overseas market	6,376	6,686	6,082	9,567	28,712	25,000	+ 3,712
Total sales of financial market	14,334	18,190	14,884	24,062	71,471	66,000	+ 5,471
Retail/Transportation market	5,680	7,083	6,187	7,184	26,134	25,700	+ 434
Vending machine market	1,709	1,483	1,348	1,841	6,381	6,000	+ 381
Amusement market	6,448	7,371	8,725	4,190	26,734	28,500	- 1,766
Other markets	799	1,042	1,036	1,508	4,385	3,800	+ 585
<b>Total</b>	<b>28,970</b>	<b>35,169</b>	<b>32,181</b>	<b>38,785</b>	<b>135,105</b>	<b>130,000</b>	<b>+ 5,105</b>

# Net sales by geographic segment

(Millions of yen)

Domestic and overseas sales	FY2008	FY2009	Year-on-year comparison
Domestic	113,194 77.5%	106,393 78.7%	- 6,801 - 6.0%
Overseas	32,784 22.5%	28,712 21.3%	- 4,072 - 12.4%
Total	145,978 100.0%	135,105 100.0%	- 10,873 - 7.4%



(Millions of yen)

\* Figures under “sales” indicates “sales ratio to total sales”.



Sales by geographic segment	FY2008	FY2009	Year-on-year comparison
Americas	7,069 22.4%	4,984 17.4%	- 2,085 - 29.5%
Europe	7,974 24.5%	8,151 28.4%	+177 +2.2%
China/Taiwan/Korea, etc.	1,658 7.1%	3,950 13.8%	+2,292 +138.2%
Asia/Oceania	1,387 3.2%	1,494 5.2%	+107 +7.7%
OEM	14,696 42.8%	10,133 35.3%	- 4,563 - 31.0%
Total	32,784 100.0%	28,712 100.0%	- 4,072 - 12.4%

\* Figures under “sales” indicates “sales ratio to total sales”.

(Millions of yen)

	FY2008	FY2009	Year-on-year comparison	Change by quarterly term
Capital expenditures	10,637	6,713	- 3,924 - 36.9%	
Depreciation and amortization	7,621	8,144	+523 +6.9%	
R&D expenses	9,204	8,775	- 429 - 4.7%	

(Millions of yen)	FY2008	Ratio (%)	FY2009	Ratio (%)	Variation
Net sales	145,978	100.0	135,105	100.0	- 10,873
Cost of sales	94,115	64.5	87,074	64.4	- 7,041 ①
SG&A	42,436	29.0	40,345	29.9	- 2,091 ②
Operating income	9,426	6.5	7,685	5.7	- 1,741
Non-operating income	1,416	1.0	1,661	1.2	+245 ③
Non-operating expense	1,533	1.1	335	0.2	- 1,198
Ordinary income	9,309	6.4	9,011	6.7	- 298
Extraordinary income	582	0.4	425	0.3	- 157
Extraordinary loss	1,232	0.8	931	0.7	- 301
Income before income taxes	8,658	5.9	8,505	6.3	- 153
Total income taxes	2,836	1.9	3,397	2.5	+561
Net income	5,782	4.0	5,108	3.8	- 674

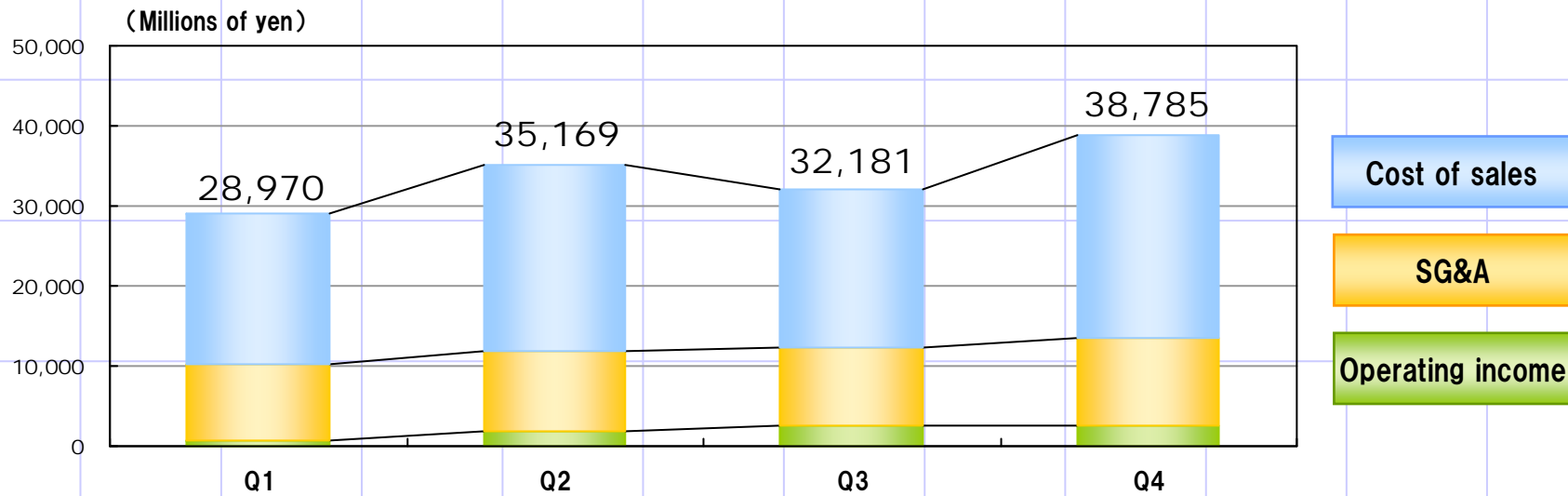
①Cost of sales ratio: Improved by 0.1% as a result of cost cutting efforts despite decline in sales

②SG&A : Decreased as a result of cost cutting efforts

SG&A ratio : Increased as a result of decline in sales

③Non-operating income and expense : Improved by decrease in foreign exchange loss (¥-833 million) and insurance return (¥635 million) , etc.

# Quarterly operating income



FY2009	Q1	Q2	Q3	Q4	Full year
<b>Net sales</b>	28,970	35,169	32,181	33,680 ➔ 38,785	135,105
<b>Cost of sales</b> (Cost-to-sales ratio)	18,645 (64.4%)	23,262 (66.1%)	19,849 (61.7%)	22,649 ➔ 25,323 (67.2%) (65.3%)	87,074 (64.4%)
<b>SG&amp;A</b> (SG&A ratio)	9,571 (33.0%)	10,024 (28.5%)	9,789 (30.4%)	10,217 ➔ 10,962 (30.3%) (28.3%)	40,345 (29.9%)
<b>Operating income</b> (Operating income ratio)	761 (2.6%)	1,882 (5.4%)	2,542 (7.9%)	815 ➔ 2,500 (2.4%) (6.4%)	7,685 (5.7%)

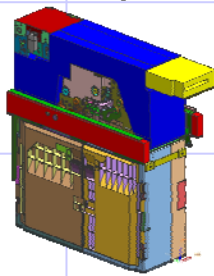
\* Figures on the left side of Q4 are forecasts announced on February 10, 2010.

	Strategies	Results in FY2009	Next approaches
Growth business (Overseas operations)	<ol style="list-style-type: none"> <li>Expansion of business of our major products</li> <li>Development of new market (Overseas retail market)</li> </ol>	<ol style="list-style-type: none"> <li>1-1) Increasing of lineup of banknote depositing module for ATM</li> <li>1-2) Release of banknote counter GTS</li> <li>1-3) Opening up new dealers e.g.) U.S.A. : 3 dealers China : 14 dealers</li> <li>2) Increasing in sales of OEM products</li> </ol>	<ol style="list-style-type: none"> <li>1-1) Promotion of sales of new products</li> <li>1-2) Conducting business strategies by product and geographic segment</li> <li>1-3) Development of new products</li> <li>2. Construction of sales network</li> </ol>
Core business (Domestic operations)	<ol style="list-style-type: none"> <li>Expansion of market</li> </ol>	<ol style="list-style-type: none"> <li>Discovery of potential demand by releasing of new products (Financial market) Compact open teller system (Transportation market) Multi-functional cash management station (Amusement market) Pachinko ball counter</li> </ol>	<p>Promotion of sales to unexplored business sectors</p>
Future new business (New operations)	<ol style="list-style-type: none"> <li>Enhancement of the pursuit of peripheral technology that will interface with the current operations</li> <li>Strengthening in non-cash business markets</li> <li>Integration of internal and external technology</li> </ol>	<p>Development of software for estimating age and sex using facial images</p>	<p>Promotion of measures by a new organization</p>

## Strategies for growth business

1. Expansion of business of our major products
2. Development of new market  
(Overseas retail market)

### 1-1) Increasing of lineup of banknote depositing module for ATM



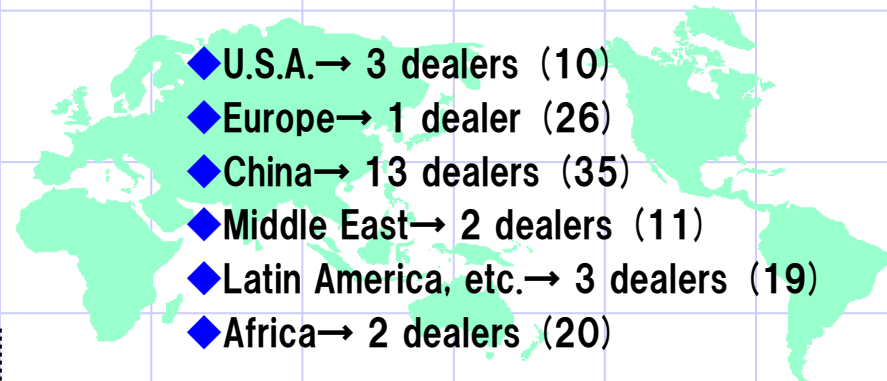
◆ Development of banknote/check depositing module

### 1-2) Release of banknote counter GTS



◆ Sales figure for FY2009 : approx. 4,500

### 1-3) Opening up new dealers



\*Figures in parentheses indicates total number of dealers at the end of March 2010.

### 2) Increasing in sales of OEM products

#### ◆ Beginning full-scale business in Europe

- Banknote recycler RBW series  
Sales figure for FY2009 : approx. 1,500  
\*Introduced in major supermarket as an unit of self-checkout terminal
- Banknote recycler for tellers RZ series  
Sales figure for FY2009 : approx. 1,200  
\*Introduced in the convenience stores attached to gas stations



## Strategies for core business

### 1. Expansion of market

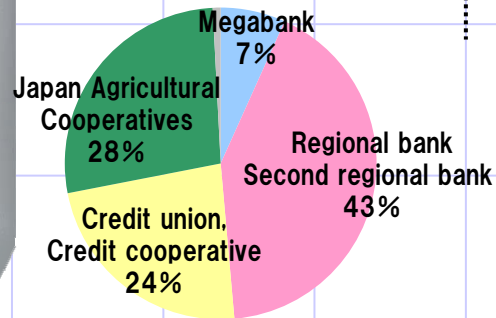
1. Discovery of potential demand by releasing of new products

#### Financial market

##### ◆ Compact open teller system WAVE C30 series



- Released in December 2009
- For small and mid-sized branches of financial institutions



Proportion of product introductions for FY2009

#### Transportation market

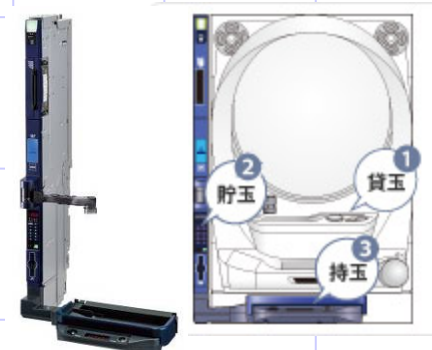
##### ◆ Multi-functional cash management station DSR-100 series



- Released in November 2009
- For railway stations

#### Amusement market

##### ◆ "NASCA G8 PAPIMO" Pachinko ball counter "CREATION CARD NEO"



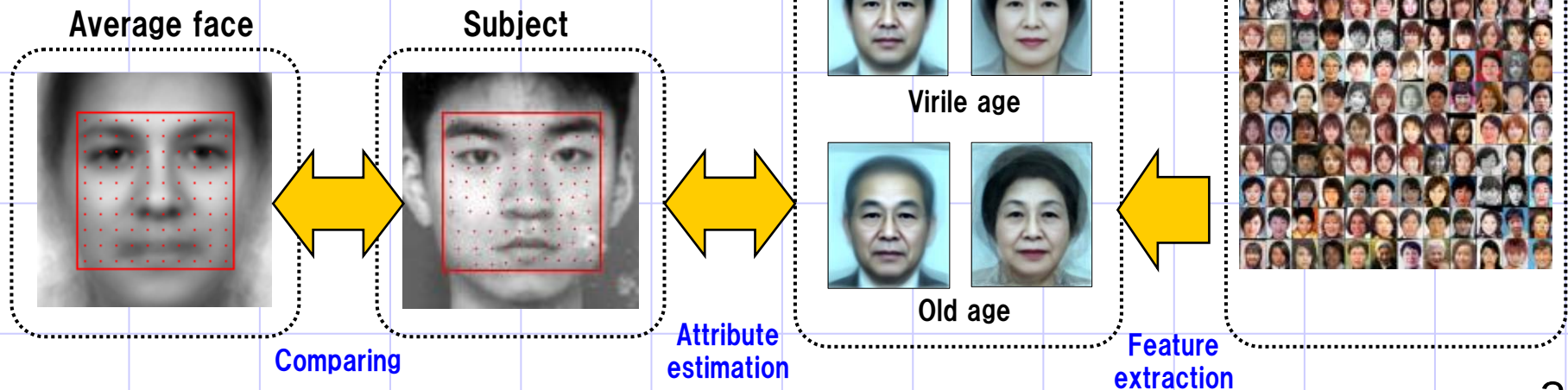
- Released in July 2009
- For pachinko parlors operating with multiple ball rendering rates

## Strategies for future new business

1. Enhancement of the pursuit of peripheral technology that will interface with the current operations
2. Strengthening in non-cash business markets
3. Integration of internal and external technology

### 1. Development of software for estimating age and sex using facial images

Specific features that identify the person are removed from the facial image data so that only features associated with age and sex remain, and this remaining data is used to estimate the person's age and sex.



# Constitutional strength strategy



## Target in production reform

### Construction of global production structure

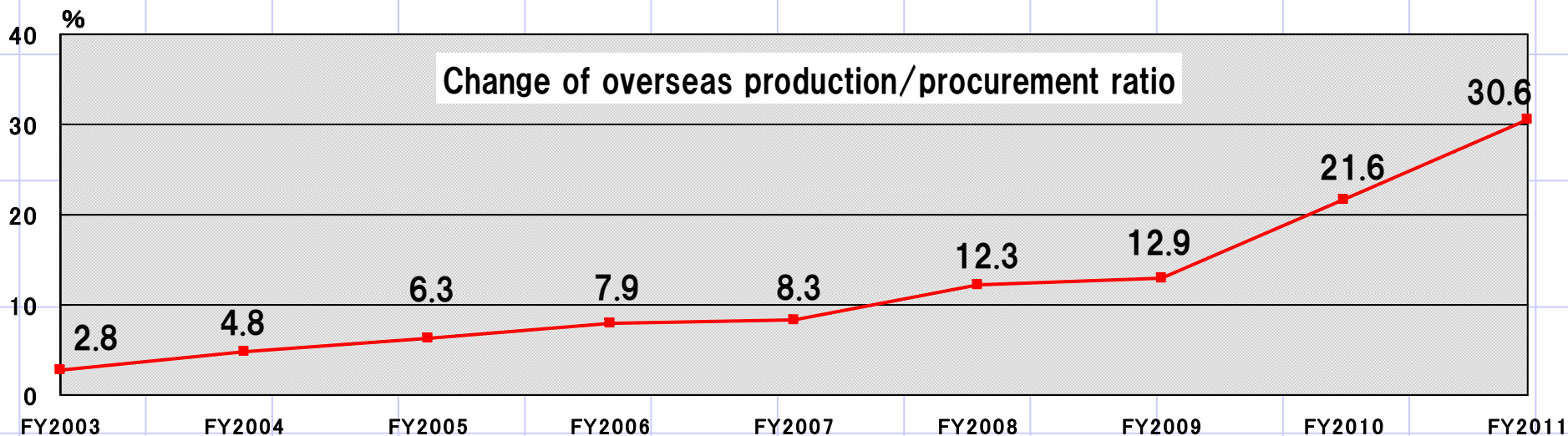
- Improvement of productivity by 30%
- Overseas production/procurement ratio :30%

## Results in FY2009

- Improvement of productivity by 10%
- Overseas production/procurement ratio : 13%

## Next approach

- Improvement of productivity by 20%
- Improvement of overseas production/procurement ratio by 20%
- Improvement of domestic and overseas infrastructure



# Group structure strengthening strategy



Strengthening of domestic core business

**Merger of GLORY NASCA and CREATION CARD**

April 2011

Disposal of underperforming businesses

• **Transfer of MARUESU GT**

September 2009

• **Transfer and liquidation of GLORY FSM**

May 2010

Improvement of production efficiency

• **Change of primary business of GLORY Engineering**

October 2009

- Change of primary business to repair company from manufacturing company
- Shifting of manufacturing to Saitama factory of GLORY

• **Merger among three manufacturing subsidiaries**



April 2010

- Trade name of surviving company : GLORY Products Ltd.

• **Enhancement of factory in Philippine and China**

Planning

## ● Improvement of business structure for expansion of overseas operation

### ■ Strengthening of our competitiveness by releasing of new products

Increasing of lineup of following products:

- ① Banknote recyclers/banknote sorters
- ② System equipments
- ③ Banknote depositing modules for ATMs



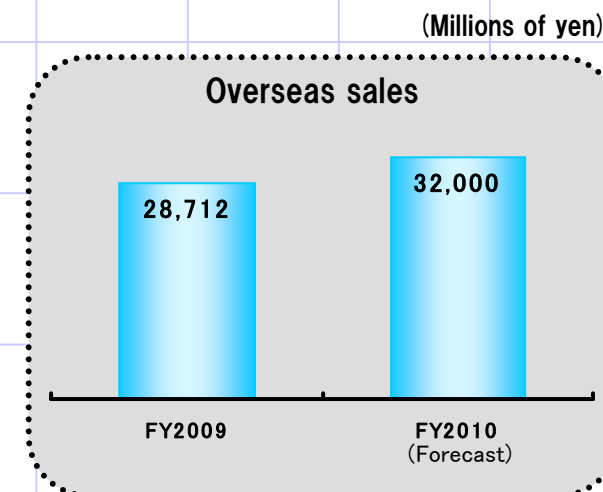
Banknote recycler  
GFS series

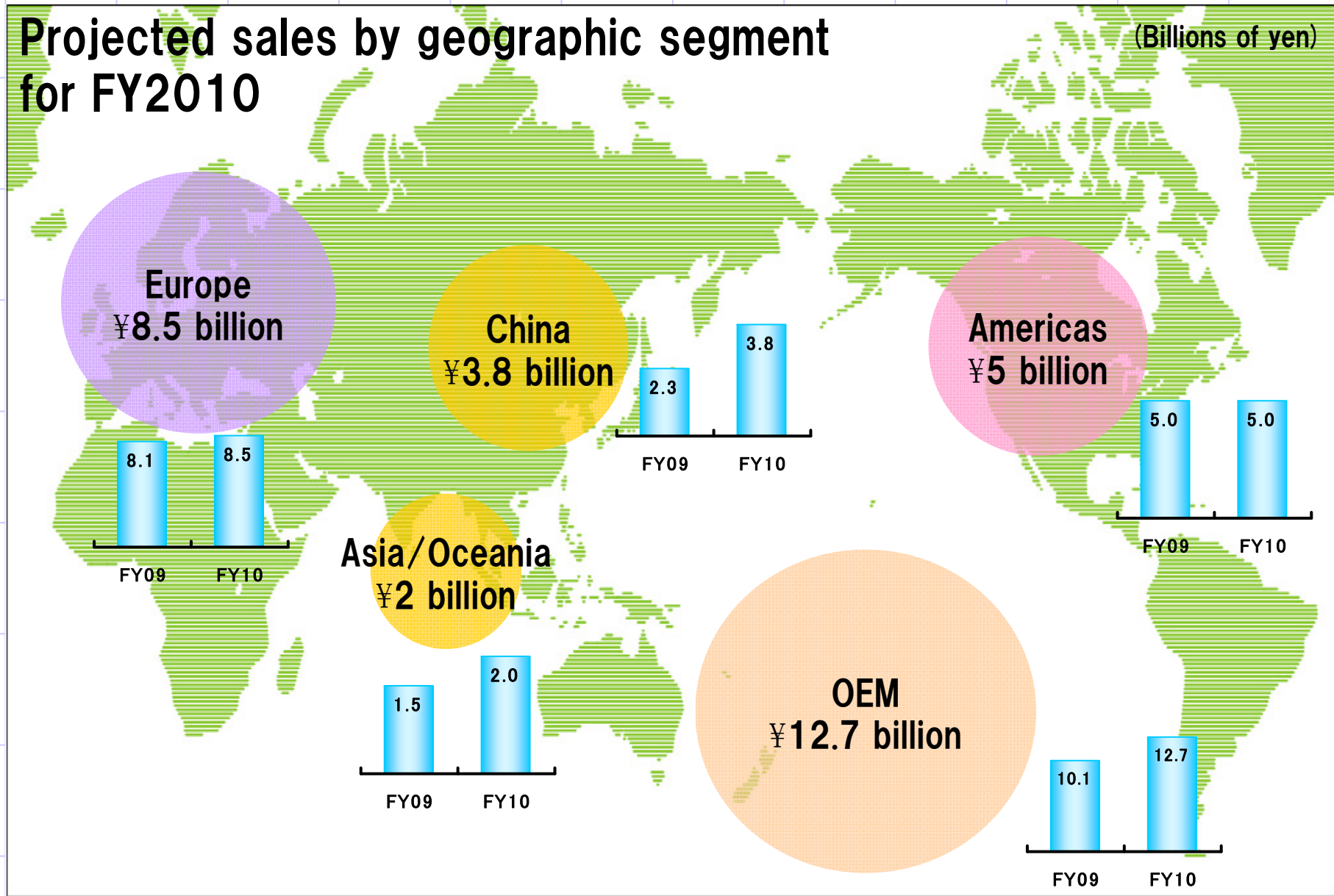
### ■ Development of new markets

- ① Overseas retail market {
  - Major supermarkets
  - Convenience stores, etc.
- ② China market • Five major banks and regional banks

### ■ Promotion of cost-cutting efforts

- ① Enhancement of overseas production capacity





## ● Expansion of domestic operation

### ■ Conducting business strategies by product and geographic segment

- ① Expansion of sales of open teller system
- ② Promotion of sales of coin and banknote recycler to unexplored market
- ③ Strengthening of our competitiveness in amusement market

### ■ Expansion of sales by releasing of new products

#### Financial market



Open teller system  
WAVE-C30 series



Cash monitoring cabinet  
BW-700 series



Valuable item  
management system  
BK-100 series

#### Transportation market



Multi-functional cash  
management station  
DSR-100 series

## Priority objective

# Expansion of sales of open teller systems

## Measures

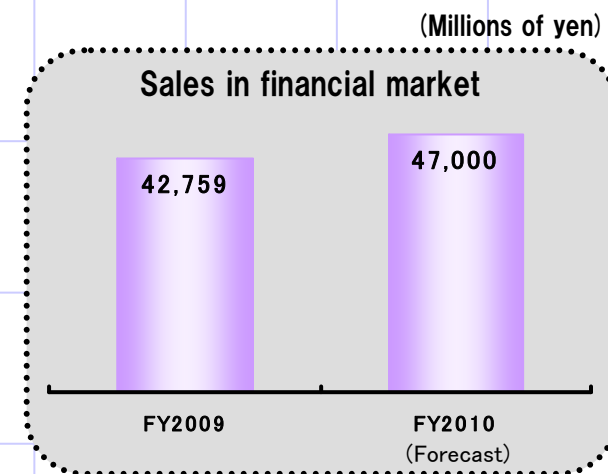
1. Promotion for replacement  
Promotion for replacement to customers who have used open teller system more than ten years
2. Expansion of market  
Increasing market share focusing to unexplored market



WAVE-730 series



WAVE-C30 series



## Priority objective

1. Promotion of sales of coin and banknote recycler to unexplored business sectors
2. Expansion of sales by rolling new products and extensive research on market

## Measures

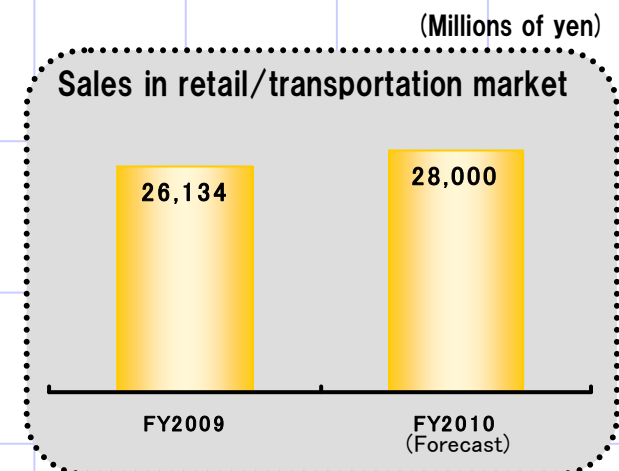
1. Promotion of sales by dedicated sales staff to convenience stores and restaurant, etc.
2. Enhancement of sales for transportation companies



Coin and banknote recycler  
RT/RAD 200 series



Multi-functional cash management station  
DSR-100 series

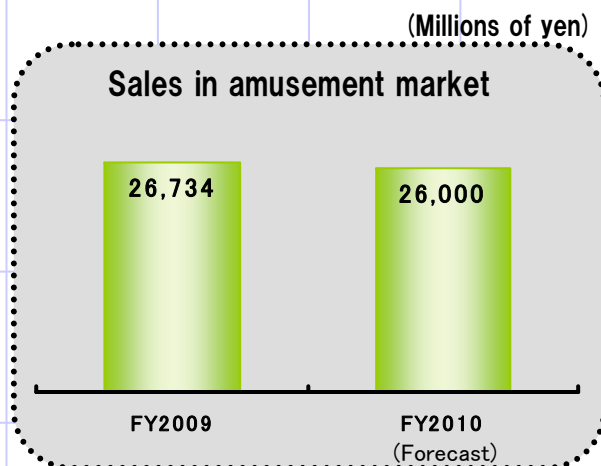
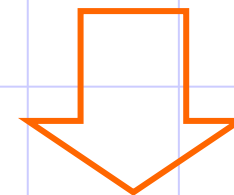


## Priority objective

# Strengthening of our competitiveness in amusement market

## Measures

1. Promotion of merger of two subsidiaries (GLORY NASCA and CREATION CARD)
2. Promotion of development of new management system for pachinko parlors



**Target in FY2013 of the surviving company after merger**

- ① Expansion of sales of GLORY products
- ② Expansion of service revenue

<b>Net sales:</b> over ¥30 billion	<b>Operating income:</b> over ¥2 billion
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# Financial forecast for FY2010



**Sales**

Sales will increase from the previous term due to increasing business investment in line with economic recovery.

**Income**

Income will increase as a result of increase in sales and cost-cutting efforts such as improvement of overseas production/procurement ratio.

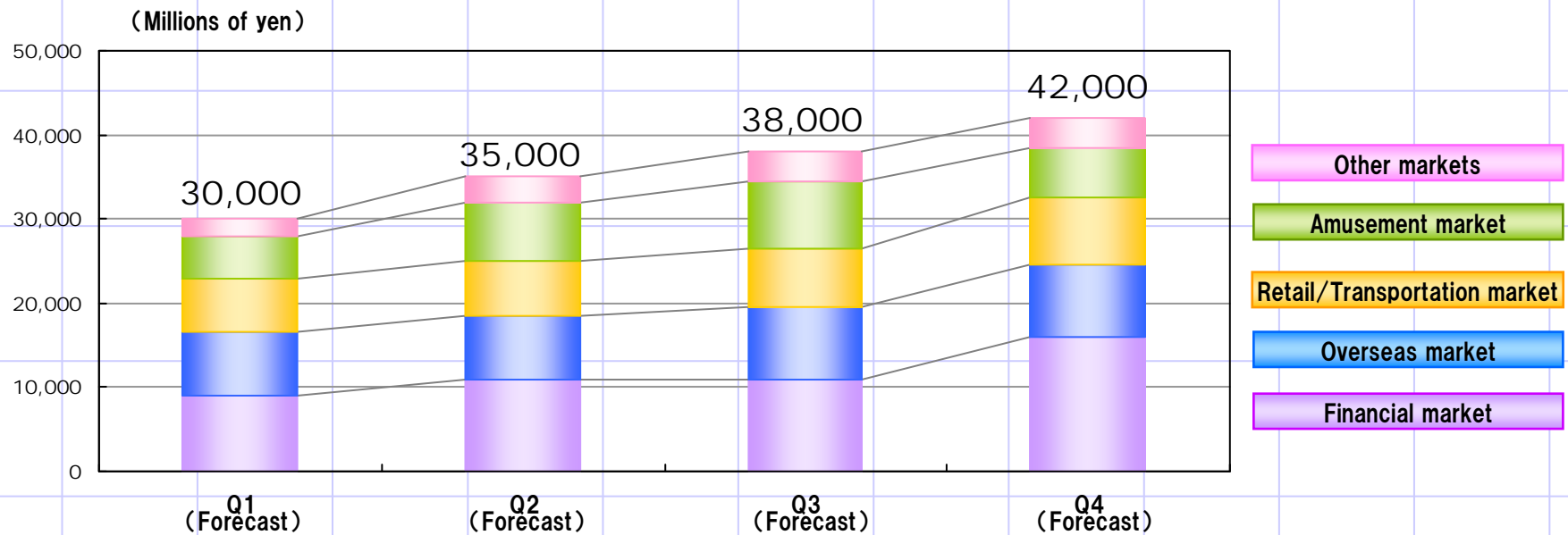
(Millions of yen)	FY2009 (Results)	FY2010 (Forecast)	Year-on-year comparison
<b>Net sales</b>	135,105	145,000	+7.3%
<div style="border: 1px dashed black; padding: 2px;">                     Sales from maintenance operation                 </div>	31,682 (23.4%)	32,000 (22.1%)	+1.0%
<b>Operating income</b>	7,685 (5.7%)	10,000 (6.9%)	+30.1%
<b>Ordinary income</b>	9,011 (6.7%)	10,000 (6.9%)	+11.0%
<b>Net income</b>	5,108 (3.8%)	6,000 (4.1%)	+17.5%

# Projected sales by business segment



(Millions of yen)	FY2009 (Results)		FY2010 (Forecast)		
	Net sales	Sales ratio to total sales	Net sales	Sales ratio to total sales	Year-on-year comparison
Financial market	42,759	31.6%	47,000	32.4%	+9.9%
Overseas market	28,712	21.3%	32,000	22.1%	+11.5%
Retail/Transportation market	26,134	19.3%	28,000	19.3%	+7.1%
Amusement market	26,734	19.8%	26,000	17.9%	- 2.7%
Other markets	10,766	8.0%	12,000	8.3%	+11.5%
<div style="border: 1px dashed black; padding: 2px;">                     Vending machines market                 </div>	6,381	4.7%	6,500	4.5%	+1.9%
<b>Total</b>	<b>135,105</b>	<b>100.0%</b>	<b>145,000</b>	<b>100.0%</b>	<b>+7.3%</b>

# Projected quarterly sales by business segment



FY2010	Q1 (Forecast)	Q2 (Forecast)	Q3 (Forecast)	Q4 (Forecast)	Full year (Forecast)
Domestic financial market	9,000	11,000	11,000	16,000	47,000
Overseas market	7,500	7,500	8,500	8,500	32,000
Total sales of financial market	6,500	6,500	7,000	8,000	28,000
Retail/Transportation market	5,000	7,000	8,000	6,000	26,000
Other markets	2,000	3,000	3,500	3,500	12,000
Vending machine market	1,000	1,500	2,000	2,000	6,500
<b>Total</b>	<b>30,000</b>	<b>35,000</b>	<b>38,000</b>	<b>42,000</b>	<b>145,000</b>

## ● Projected dividend for FY2010

### 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 (Forecast)	Year-end (Forecast)	Annual (Forecast)
<b>FY2010</b> (Forecast announced on May 11, 2010)	<b>¥17</b>	<b>¥17</b>	<b>¥34</b> (Dividend payout ratio: 38.1%)

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.

(For your reference)

Dividend per share	Interim (Results)	Year-end (Forecast)	Annual (Forecast)
<b>FY2009</b>	<b>¥16</b>	<b>¥17</b>	<b>¥33</b> (Dividend payout ratio: 43.4%)

## ● Retirement of treasury stock

Our policy on retaining and retirement of treasury stock

Treasury stock holdings will be maintained at around 5% of the total number of issued shares, with excessive holdings retired as deemed appropriate.

### Retirement of treasury stock

Class of shares to be retired:	Common stock of the Company	—
Number of shares to be retired:	1,200,000 shares	(1.72% of total number of shares issued prior to retirement)
Date of retirement:	May 20, 2010	—
Total number of shares issued after retirement:	68,638,210 shares	—
Projected number of treasury shares after retirement:	2,949,371 shares	(4.30 % of total number of shares issued after retirement)