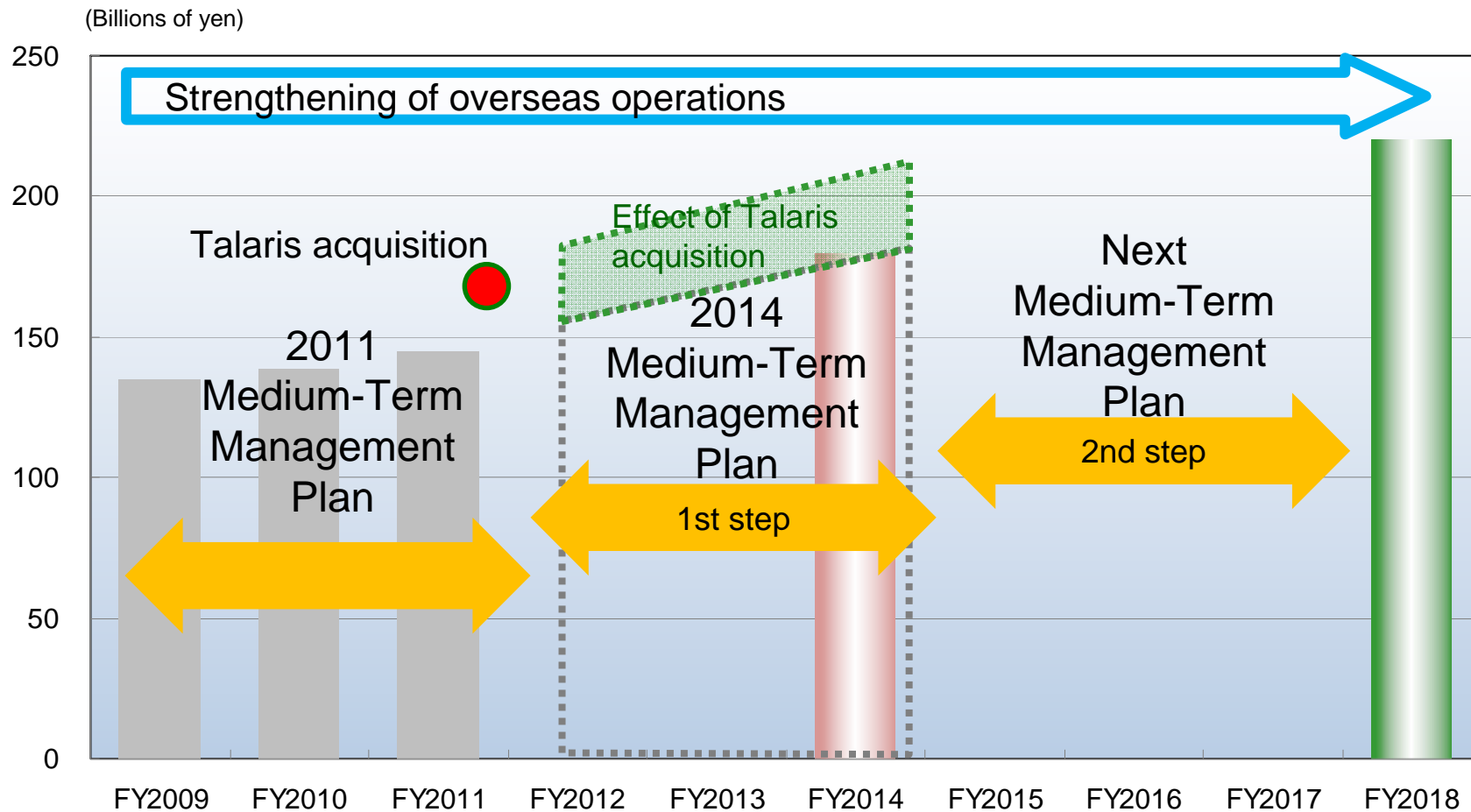




The 2014 Medium-Term Management Plan (Revised)



To account for the impact of the Talaris acquisition in July 2012 on GLORY Group's business.





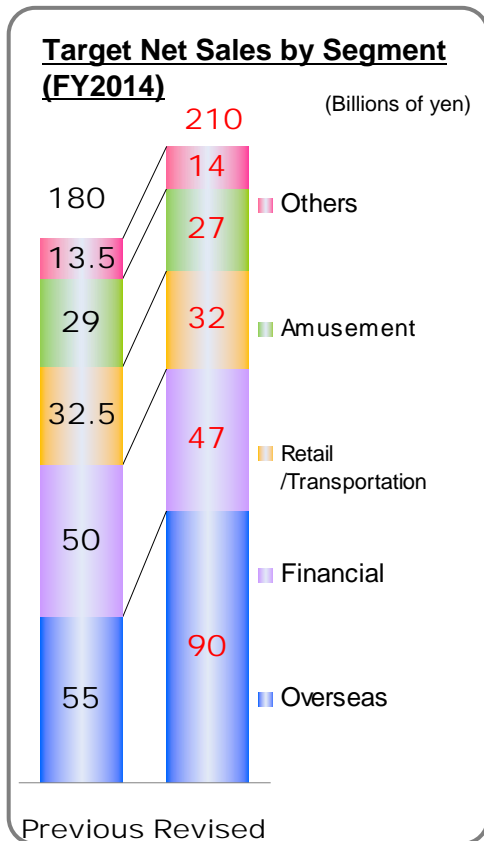
**Long-Range
Vision 2018**

Medium-Term
Management Plan

Basic Policy

to achieve the Long-Range Vision 2018

- Implement a growth strategy and strengthen profitability
- Achieve an operating margin of 10% or higher (Fiscal 2014)





Long-Range
Vision 2018

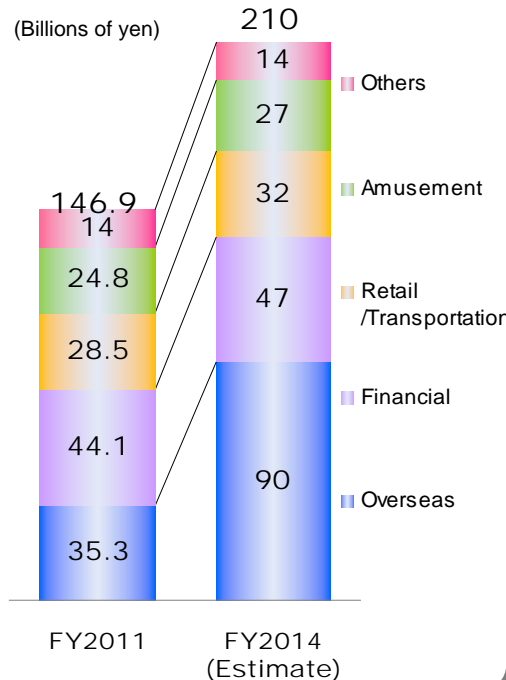
Medium-Term
Management Plan

Basic Policy

to achieve the Long-Range Vision 2018

- Implement a growth strategy and strengthen profitability
- Achieve an operating margin of 10% or higher (Fiscal 2014)

Target Net Sales by Segment



Management Target FY2014)

- **ROE: 6.0% or higher**

Performance Targets (FY2014)

- Consolidated net sales: ¥210 billion
- Consolidated operating income: ¥21 billion
- Overseas sales ratio: 40% or higher

Basic Strategy

Business Strategy

- Overseas Business Strategy
- Domestic Business Strategy
- New Business Strategy

Constitutional Strategy

- Product Development Strategy
- Production and Procurement Strategy
- Quality Assurance Strategy

Corporate Management Strategy

- Group Structure
- Personnel Strategy
- Capital and Financial Strategy



Previous

Revised

Business Strategy

Capture new markets and establish a profit-earning model in emerging economies



- Synergy creation through the early realization of “One GLORY”
- Global product expansion utilizing the direct sales and service network

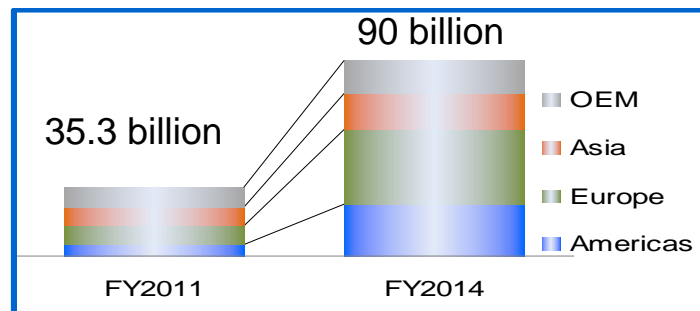
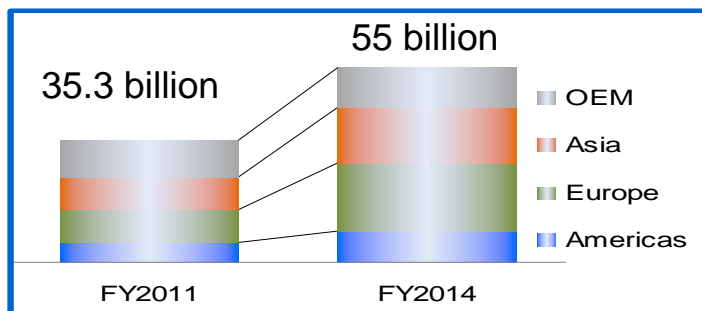
Strengthening of Management Functions

- Develop a tripolar operating structure consisting of Europe, the Americas and Asia
- Expand direct sales and direct maintenance territories
- Strengthen sales through distributors



- Strengthen the direct sales and service network by building region specific operating structure
- Strengthen sales capability through system solutions enhancement
- Enhance cost competitiveness by streamlining development and production

Performance Target





Previous

Revised

Sales Strategy

■ Europe

- Strengthen solutions for bank branches
- Expand sales in emerging countries
- Strengthen retail market business

■ The Americas

- Expand sales of banknote recyclers at major banks
- Expand sales in emerging countries

■ Asia

- Strengthen sales in key markets (China, India)
- Expand sales in emerging countries (ASEAN etc.)
- Strengthen price competitiveness

■ OEM

- Expand collaboration with OEM partners
- Develop new markets and collaborate with customers

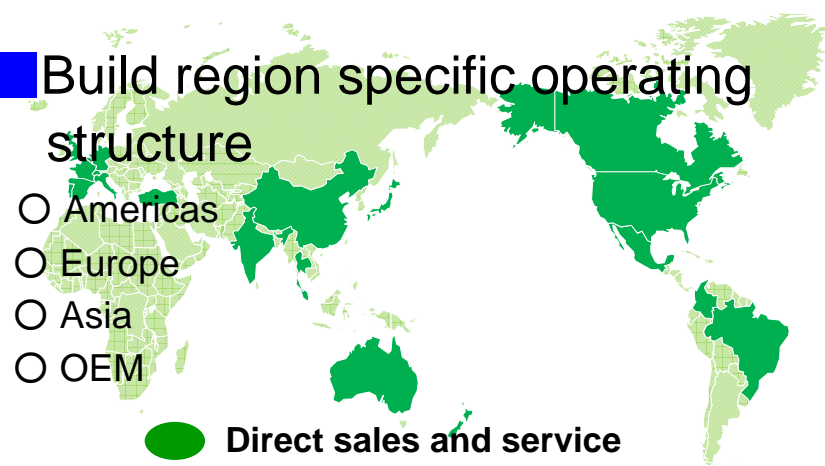


■ Strengthen sales capability by leveraging Group's strengths

- Strengthen branch solution sales targeting banks
- Strengthen sales of banknote recyclers
- Pursue global business development of systems for retail market
- Strengthen sales to emerging economies focusing on the BRICS countries
- Strengthen sales in Asia

■ Build region specific operating structure

- Americas
- Europe
- Asia
- OEM





*Additional items are indicated in red

Product Development Strategy

- Promote profitable product development
- Strengthen development of core technologies
- Pursue global cost competitiveness
- **Improve efficiency through unified development themes across the Group**

Production and Procurement Strategy

- Strengthen functions of the mother factories
- Expand overseas production and reform cost structure in domestic production
- **Realize cost synergies through reorganization of manufacturing operations and global procurement**

Quality Assurance Strategy

- Establish by-region and by-segment systems of quality assurance in overseas market



Previous

Revised

Development Investment (FY2012–FY2014)

**Research and development investment:
Avg. of ¥10.0 billion per year**
(Avg. percentage of consolidated net sales: 6.0%)



**Research and development investment:
Avg. of ¥11.5 billion per year**
(Avg. percentage of consolidated net sales: 6.0%)

*2011 Medium-Term Management Plan
(FY2009–FY2011 estimate)

Research and development investment:
Avg. of ¥9.2 billion per year
(Avg. percentage of consolidated net sales: 6.6%)

Capital Investment (FY2012–FY2014)

Total capital investment: ¥25.5 billion
(Investment in new tooling, buildings, facilities and systems etc.)



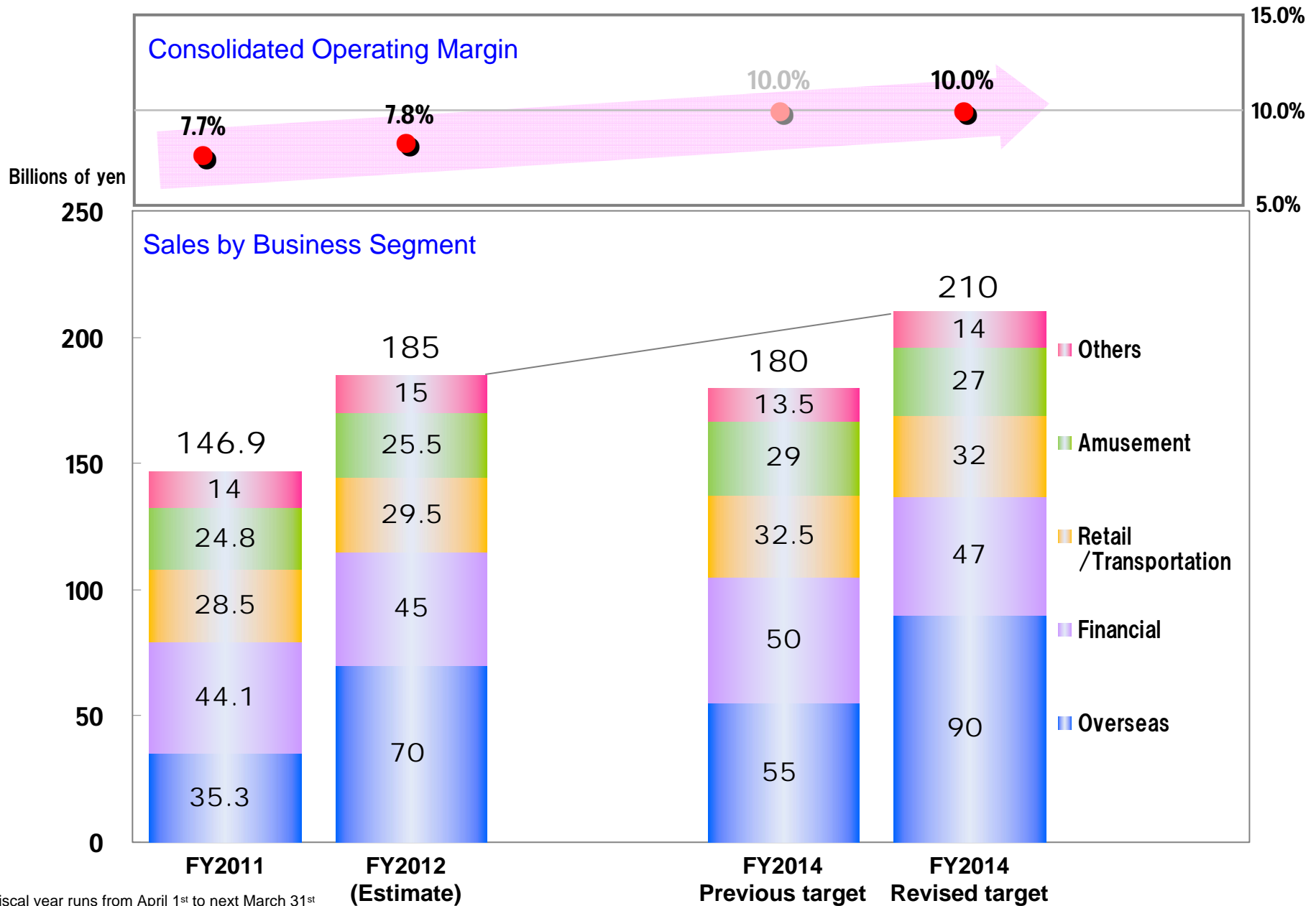
Total capital investment: ¥27.0 billion
(Investment in new tooling, buildings, facilities and systems etc.)

*2011 Medium-Term Management Plan
(FY2009–FY2011 estimate)

Total capital investment: ¥19.6 billion



Performance Target



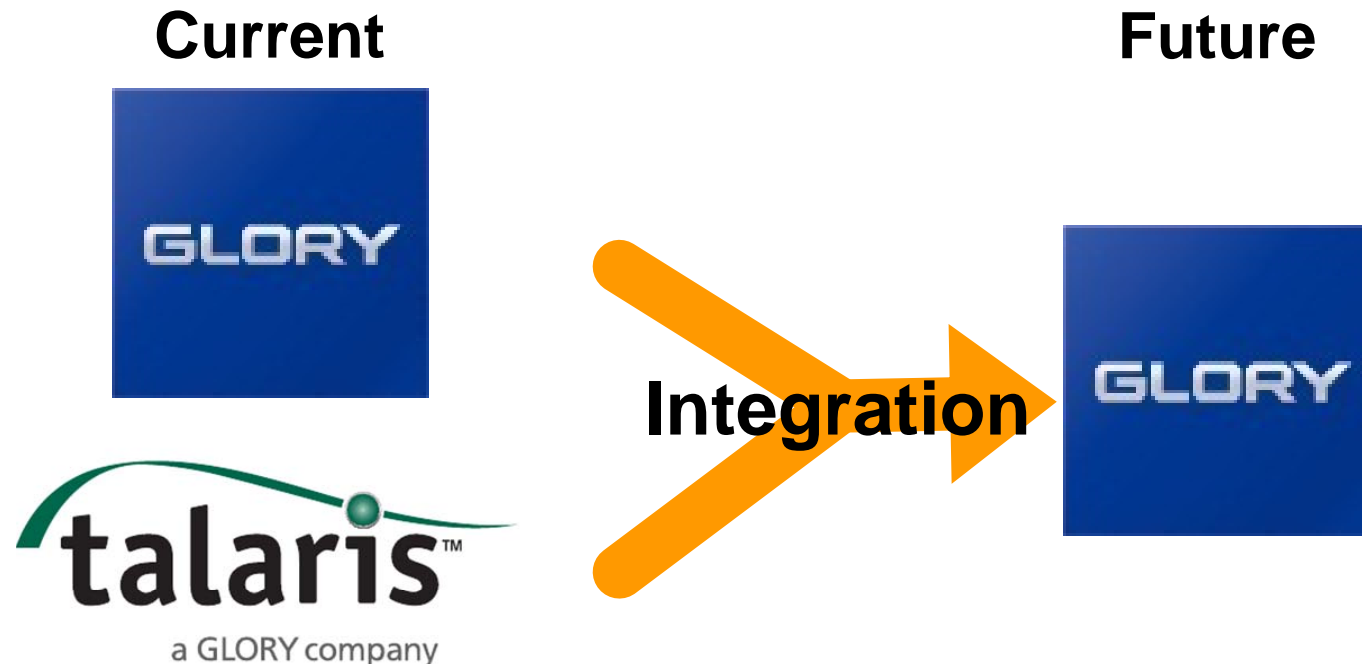


Basic Policy

- A single, united GLORY from the perspective of customers

Brand Integration Policy

- Ultimately, unification of company names and corporate brands under the GLORY name





Effect of Talaris acquisition

£ 1 = ¥125

- Goodwill amortization :3.6 billion yen per year (19 years)
- Loans payable: 77 billion yen

FY2011 (Billions of yen)

Current Assets	133.6	Loans Payable	11.0
Goodwill	3.0	Other Liabilities	40.9
Other Non-Current Assets	68.7	Total Liabilities	51.9
Total Non-Current Assets	71.7	Total Net Assets	153.3
		Equity Capital	151.9
Total Assets	205.2	Total Liabilities and Net Assets	205.2



FY2012 2Q (Billions of yen)

Current Assets	133.8	Loans Payable	84.5
Goodwill	63.1	Other Liabilities	54.8
Other Non-Current Assets	97.3	Total Liabilities	139.3
Total Non-Current Assets	160.4	Total Net Assets	154.9
		Equity Capital	153.6
Total Assets	294.2	Total Liabilities and Net Assets	294.2

<Compared with FY2011>

- Goodwill +¥60 billion
- Total Assets +¥89 billion
- Loans Payable +¥73.5billion