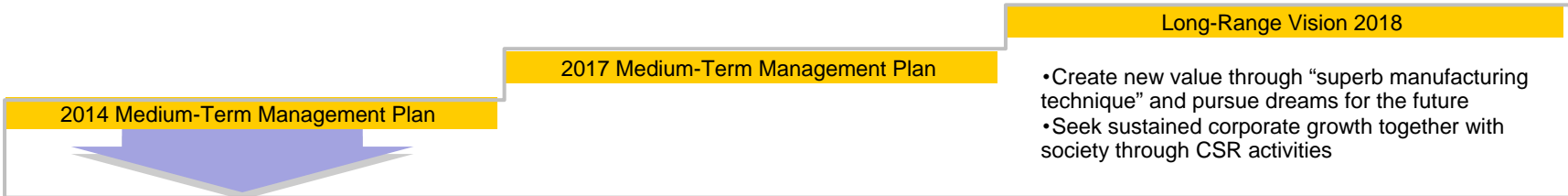
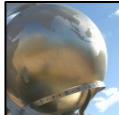




2014 Medium-Term Management Plan

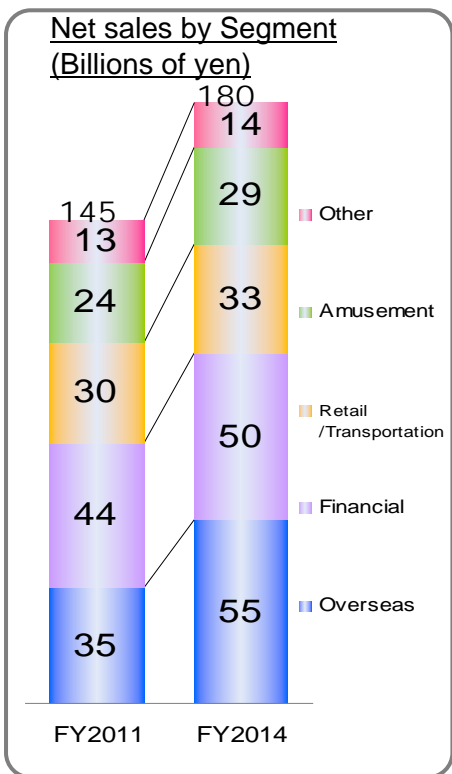
(FY2012–FY2014)



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)



Management Target (FY2014)

- ROE: 6.0% or higher

Performance Targets (FY2014)

- Consolidated net sales: ¥180 billion
- Consolidated operating income: ¥18 billion
- Overseas sales ratio: 30% or higher

Basic Strategy

Business Strategy	Constitutional Strategy	Corporate Management Strategy
<ul style="list-style-type: none"> • Overseas Business Strategy • Domestic Business Strategy • New Business Strategy 	<ul style="list-style-type: none"> • Product Development Strategy • Production and Procurement Strategy • Quality Assurance Strategy 	<ul style="list-style-type: none"> • Group Structure • Personnel Strategy • Capital and Financial Strategy

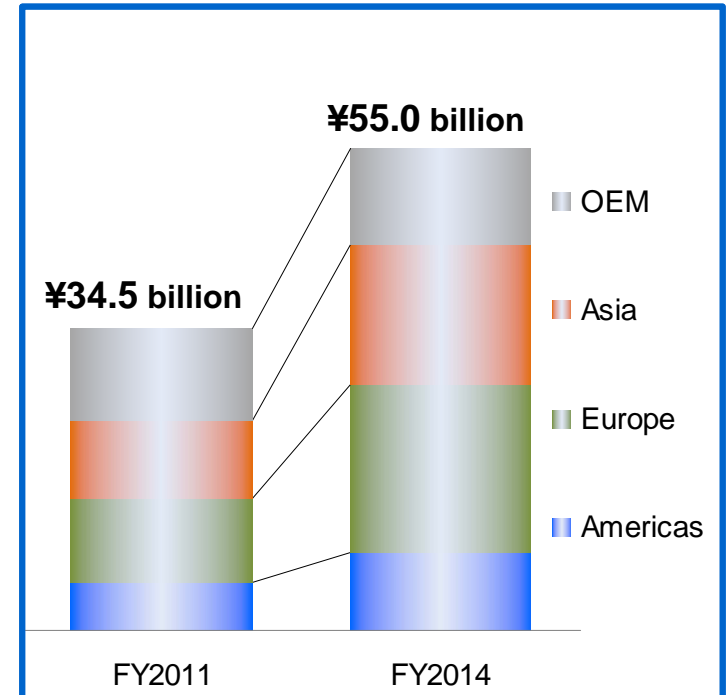


Business Strategy

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

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





By-Region Business Strategy

■ Europe

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

■ The Americas

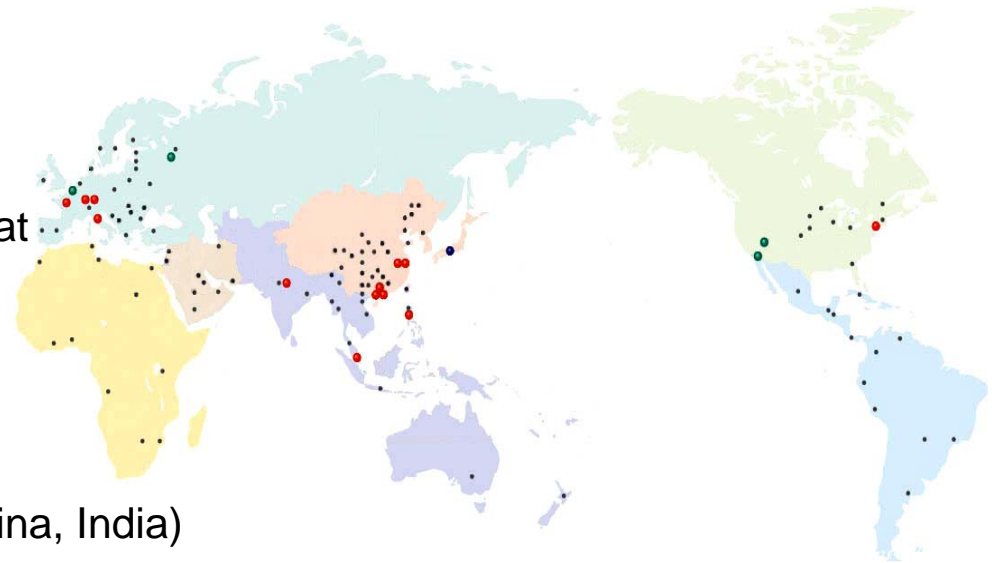
- Expand sales of banknote recyclers at major banks
- Expand sales in emerging countries

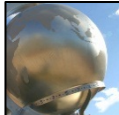
■ Asia

- 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





【Business Strategy】

Capture untapped markets and introduce new products

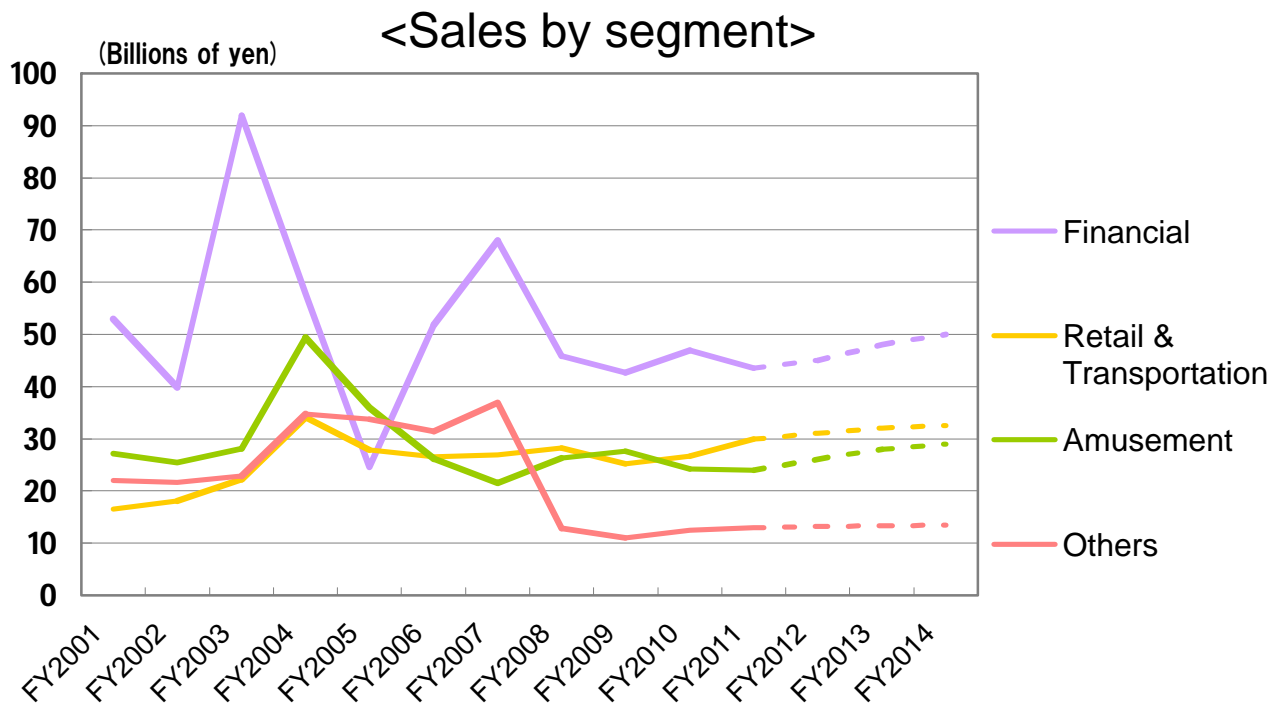
【Domestic Business Segments】

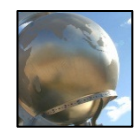
Financial

Retail & Transportation

Amusement

Others





Business Strategy

- Expand the open teller system market and open the non-cash sector
- Strengthen collaboration with systems manufacturers

■ Cash sector: Capture new demand

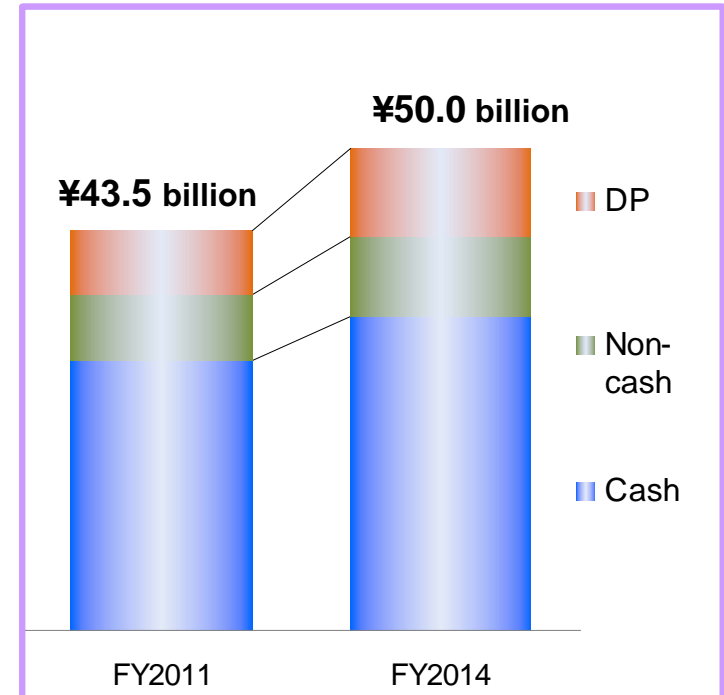
- Expand sales of open teller systems to the target markets
- Penetrate market through proposals for networking
- Develop next generation open teller systems

■ Non-cash sector: Create business with new products

- Expand business in the security sector
- Develop lobby/counter-related products

■ Document processing sector: Challenge for third mainstay business

- Develop software based on new recognition technology
- Expand sales of products for bank branches
- Expand document scanning services





Business Strategy

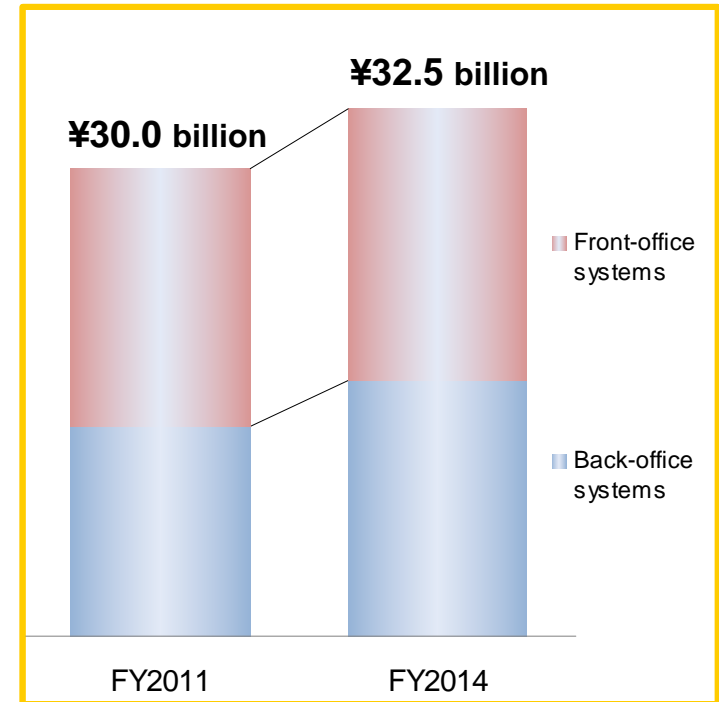
- Expand business domain through pursuit of user needs and increase profit

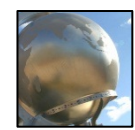
■ Increase sales in the back-office systems market

- Offer high value-added products to increase the efficiency of store operations
- Create new users

■ Expand business domain in the front-office systems market

- Capture demand for new and replacement systems





Business Strategy

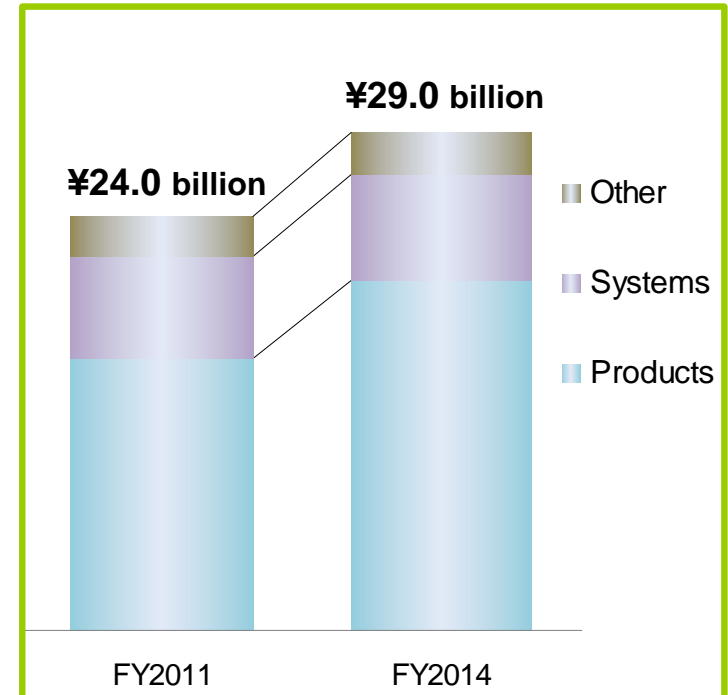
- Develop new systems products for pachinko parlors and create new amusement businesses

■ Strengthen the product line

- Develop new systems products for pachinko parlors
- Strengthen product development for large pachinko parlors

■ Create new amusement businesses

- Wide-ranging search for amusement businesses





Business Strategy

- Create new vending machine businesses
- Penetrate markets and expand business domain
- Establish business in the non-cash sector

■ Vending machine market

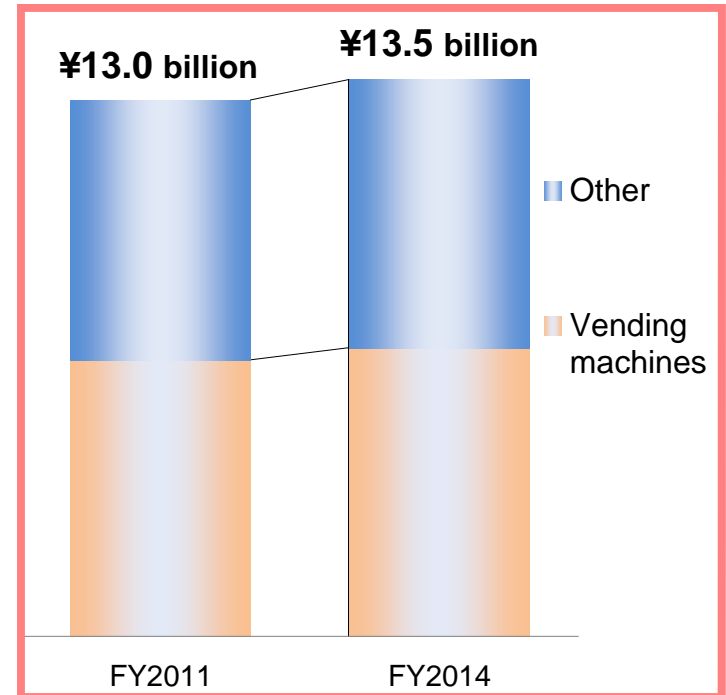
- Strengthen collaboration with cigarette companies
- Enhance competitiveness and expand sales channel for ticket vending machines
- Expand sales of “digital content” vending machines

■ Penetrate markets and expand business domain

- Strengthen sales in the hospital market
- Expand sales of self-checkout system for cafeteria

■ New businesses

- Expand of electronic payment services business
- Sales reinforcement in the biometric authentication field
- Expand sales of speech privacy protection systems
- Strengthen the data center business



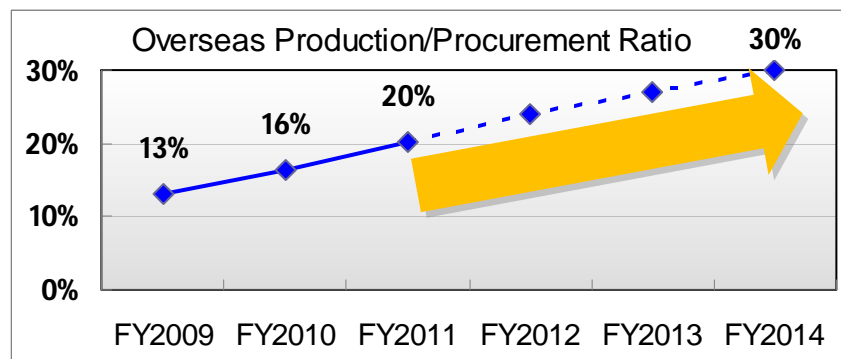


Product Development Strategy

- Promote profitable product development
- Strengthen development of core technologies
- Pursue global cost competitiveness

Production and Procurement Strategy

- Strengthen functions of the mother factories
- Expand overseas production
- reform the cost structure in domestic production



Quality Assurance Strategy

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



Engagement in CSR Activities

- Discharge responsibility to society through core business
 - Build a relationship of trust with society and strive to become a corporate group trusted by stakeholders.
-

Group Structure

- Strengthen corporate governance of the Group
- Realign and strengthen Group structure in accordance with the growth strategy

Personnel Strategy

- Implement dynamic personnel management systems
- Develop and utilize human resources (such as building a diverse workforce)

Capital and Finance Strategy

- Improve capital efficiency and implement appropriate shareholder returns
 - Implement strategic investment plans
(R&D investment, capital investment, M&A investment)
 - Appropriate shareholder returns
 - Consolidated dividend on equity ratio (DOE): 1.8% or higher
 - Consolidated dividend payout ratio: 25% or higher



Development Investment (FY2012–FY2014)

Research and development investment:
Avg. of ¥10.0 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.)

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

Total capital investment: ¥19.6 billion



Performance Target

