

GLORY Medium-Term Management Plan

(FY2009-FY2011)

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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.

Previous Medium-Term Management Plan (FY2006-2008)

2011 Medium-Term Management Plan (FY2009-2011)

Position

A plan for upgrading our corporate value by merger with GLORY Shoji

A plan for constructing a solid foundation for the subsequent growth stage

- Strategy**
- Merger with GLORY Shoji
 - Introducing company system
 - Promoting “Growth strategy”, “Efficiency strategy” and “Governance strategy”

- Heavy investment in overseas operation
- Strengthening revenue base and profitability
- Strengthening and streamlining of group structure

Corporate Philosophy

We will contribute to the development of a more secure society through a striving spirit and cooperative effort.

Management Creed

- Though a spirit of continuous development, we will provide products and services our customers can rely on.
- We will build a vigorous corporate group through respect for the individual and teamwork.
- We will endeavor to act as a responsible corporate citizen and coexist harmoniously with society at-large.

Vision

GLORY as world's top brand !

“Top brand”

- 【For customers】** Provision of trusted products and services
- 【For shareholders】** • Returning profit through sound corporate activity
• Prompt and accurate information disclosure
- 【For employees】** Enhancement of employee satisfaction
- 【For business partner】** Establishment of relationship of trust and contribution to mutual advancement through fair transactions
- 【For local community】** Making a contribution to the social development through community service
- 【For environment】** Proactive stance in reduction of environmental impact and protection of resources

Basic principle of 2011 Medium-Term Management Plan

Capitalize on new business opportunities with a global vision
and accelerate to a period of new growth!

[Slogan] **"GET INTO GLOBAL 2011"**

Profit targets for FY2011

【Consolidated net sales】	170 billion yen
【Overseas sales】	51 billion yen (Overseas sales ratio: 30%)
【Consolidated operating income】	15 billion yen (Operating margin : 8.8%)

Business strategy

- Growth business (Overseas operations)
- Core business (Domestic operations)
- Future new business (New operations)

Constitutional strength strategy

- Product development reform
- Production and procurement reform
- Inventory reform
- Sales reform

Group structure strengthening strategy

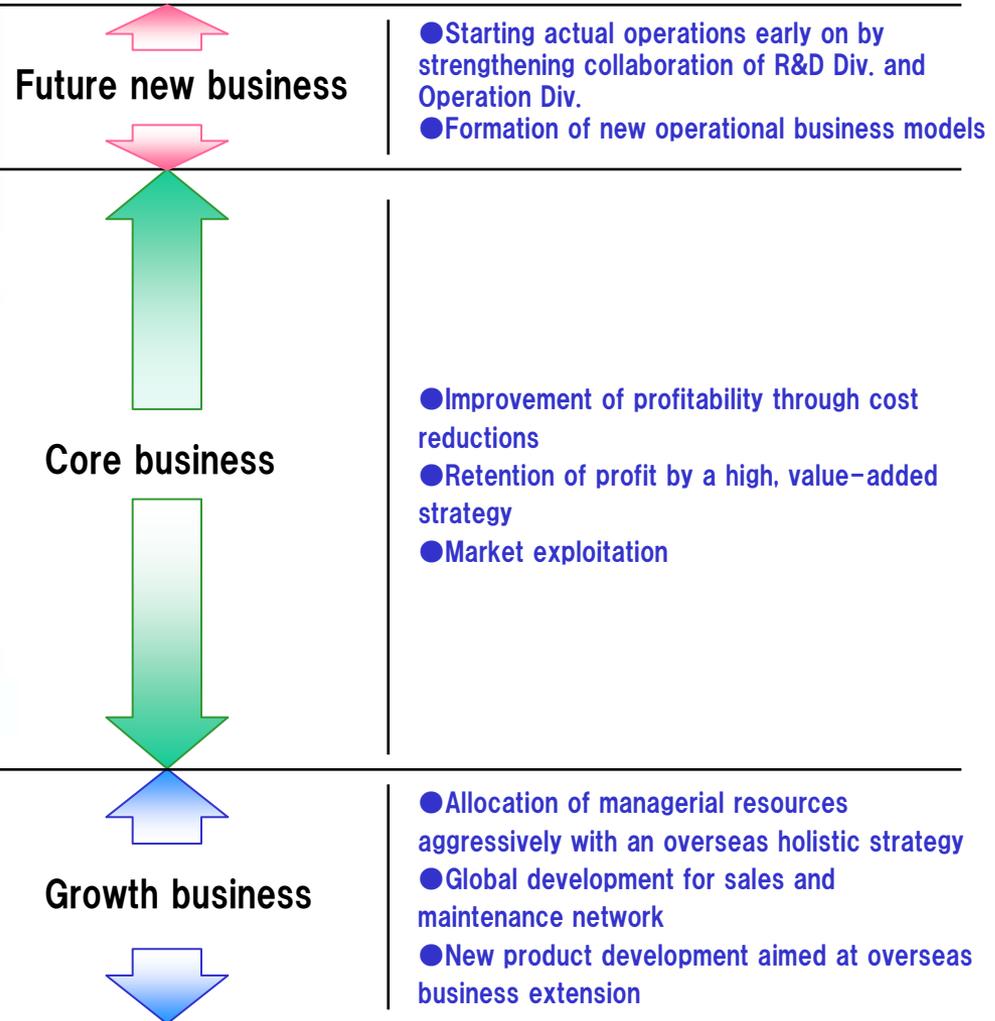
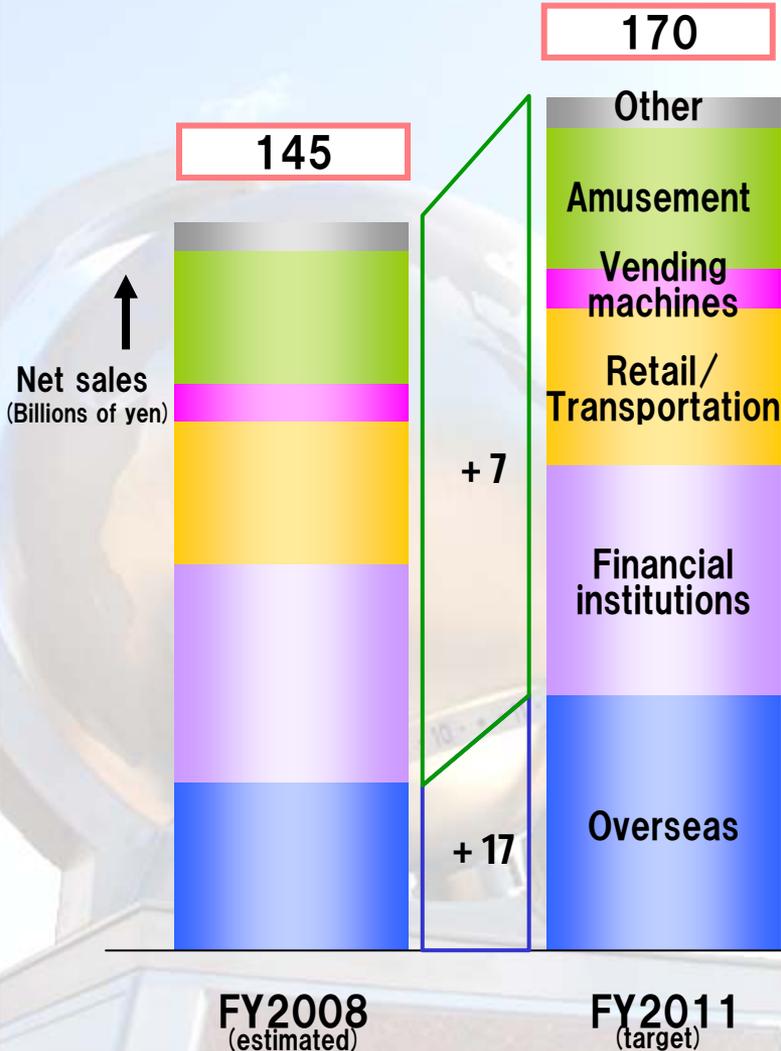
- Corporate governance strategy
- Group governance strategy
- Personnel strategy
- Capital asset strategy

Basic strategy

Aim → Strengthening growth potential

Strategy

Net sales by market



Overseas operations

Basic strategy

1. Allocation of managerial resources aggressively with an overseas holistic strategy
2. Global development for sales and maintenance network
3. New product development aimed at overseas business extension

Measures

1. Business expansion in main products
 - 1) Banknote depositing and dispensing machines
 - 2) Banknote depositing units for ATMs
 - 3) Banknote sorting machines
2. Market exploitation
 - 1) Creation of the retail/security market

Domestic operations

Basic strategy

1. Improvement of profitability through cost reductions
2. Retention of profit by a high, value-added strategy
3. Market exploitation

Measures

1. Expansion of domestic market
 - 1) Extensive research on domestic market
 - 2) Restructuring of vending machine business

Target markets

Financial institutions

Retail/Transportation

Amusement

Vending machines

Financial market

Expansion and cultivating of business domain

1. Expansion of open teller system market

- Creation of new demand with a new model

(Small-scale bank branches, Japan Agricultural Cooperatives, Japan Post)

2. Expanding sales with a new field product

- Expanding sales of 3 new models

3. Expanding sales of document processing devices and security-related systems

- Promoting sales of face recognition system

4. Expansion of outsourcing business

Retail/Transportation market

Expansion of focused business domain

1. Extensive research on cash recycler market

- Strengthening sales to the non-introduced market
- Leading share of convenience stores
- Expanding sales of cash recycler for self-cash registers

2. Expansion of retail/security market

- Increasing sales with a new product

3. Promotion of electronic money related business

- Expanding sales with a new product

Amusement market

Maintaining and expansion of business domain

1. Promoting expansion of sales of prepaid card system taking advantage of cooperation of GLORY NASCA and CREATION CARD
 - Timely release of new product
(Prepaid card systems, Premium dispensing machines)
2. Acquiring the leading share in major pachinko parlors
 - Improving support with meticulous care to each customer
 - Strengthening bundled sales structure

Vending machine market

Maintaining top position in the market share of cigarette vending machine

1. Promoting acquirement of demand for new vending machine after lease end
2. Restructuring of vending machine business

New operation

Basic strategy

1. Starting actual operations early on by strengthening collaboration of R&D Div. and Operations Div.
2. Formation of new operational business model
 - 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

Security



New style door



Face recognition system

Print verification system



Print verification system

Card & network business



Pre-paid card issuing machines accepting debit-cards

Aim → Strengthening business constitution by functional renovations

Product development reform

1. Further improvement in design quality and the relentless pursuit of cost reductions
2. Further improvement in developmental efficiency
3. Globalization of core technology and promotion of unit standardization

Target in FY2011

- Triple the quality, cost reduction 30%
- Improving development efficiency by 30%

Production and procurement reform

1. Drive total cost down by analyzing and implementing strategies for the most effective and efficient production and distribution methods
2. Renovation of productive technology

Target in FY2011

- Overseas production/procurement ratio : 30%
- Improving productivity by 30%

Sales reform

1. Implementation of aggressive sales techniques to overcome difficult competitive environment
2. Functional restructuring of branch offices for customer and regional orientation

Target in FY2011

Structuring new sales style

Inventory reform

1. SCM system integration for reorganizing
2. Reduction of product lead time
3. Maintaining appropriate inventory levels including inventory at overseas subsidiaries

Target in FY2011

Inventory turnover period : one and a half months

Aim → Strengthening structure to support globalization

Corporate governance strategy

1. Enhancement of Group-wide governance system
2. Pervading of compliance in group wide

Group governance strategy

1. Clarification of role and mission of subsidiary companies and realignment of those groups
2. Strengthening the composition of the subsidiary

Personnel strategy

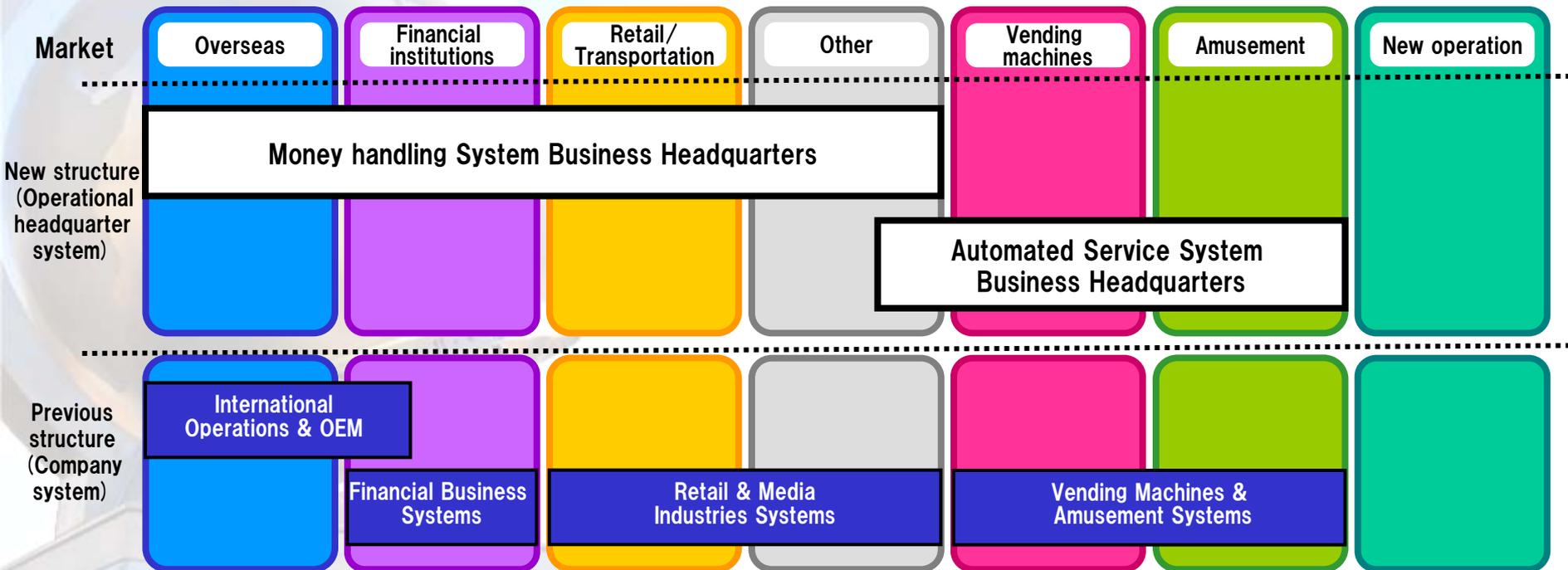
1. Selection and concentration on manpower
2. Personnel strategy for the group as a whole

Capital asset strategy

1. Restructuring of asset components by consolidation of gross assets
2. Stabilization of financial ground
3. Strategic investment and optimization of share holder return

Aim of organizational reform

1. Organizational structure aimed to grow overseas operations
2. Promoting development of products with a global view point and standardized design
3. Improvement response capabilities to production and strengthening cost competitiveness from a global view point
4. Enhancement of aggressive domestic sales techniques (Functional restructuring of branch offices)



Business investment (FY2009-FY2011)

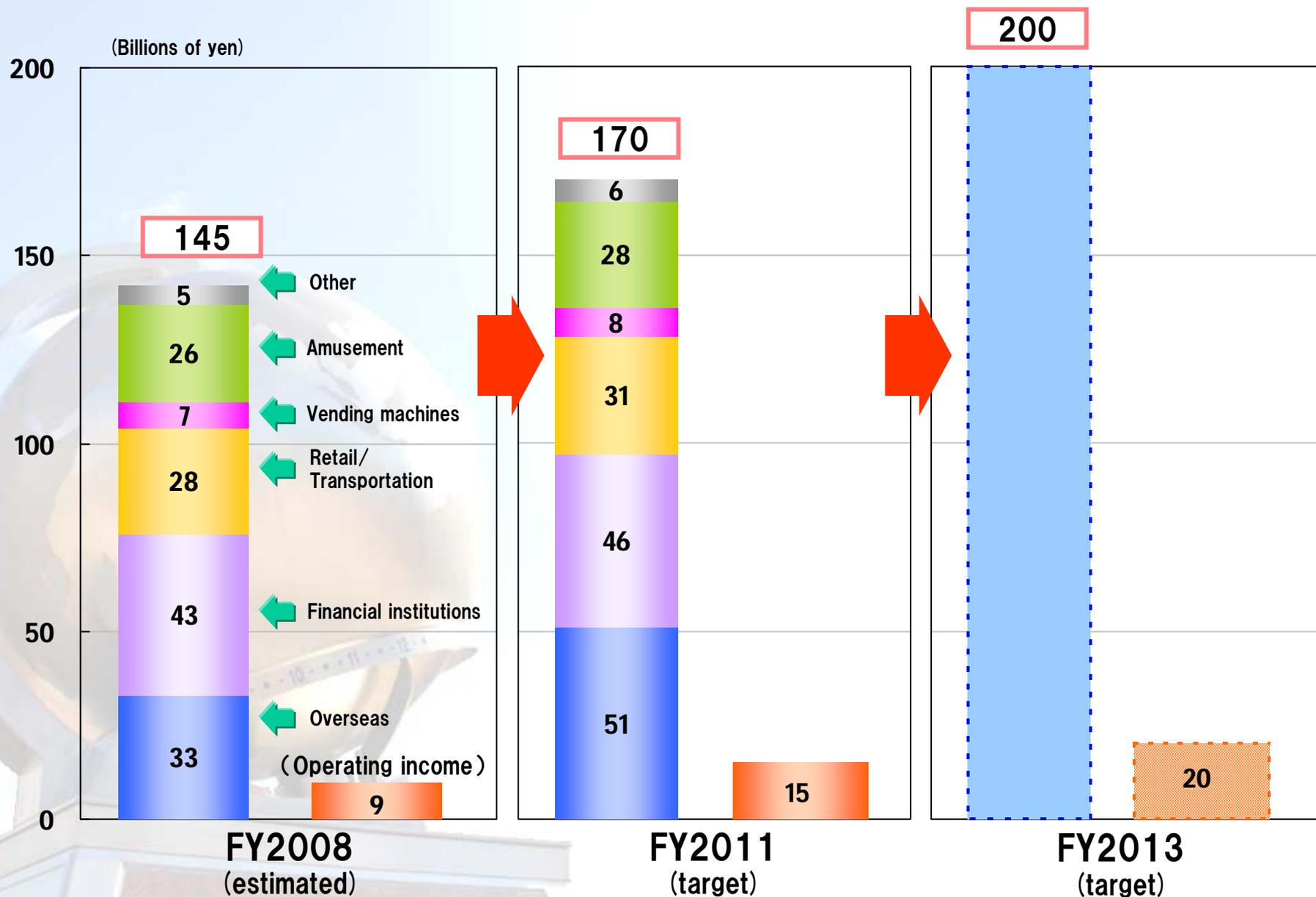
Total Business investment : About 18.5 billion yen
【Field】 Systems , Production facilities , Molds , Plants

Research and development investment (FY2011)

Research and development investment
: 10 billion yen (Sales ratio : 6%)

New products sales ratio (non-consolidated) : Over 30%

Net sales by market/Operating income



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.

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.