

Questions and Answers at the Investor Conference on  
Earnings Results for the Second Quarter of the Fiscal Year 2012  
and the 2014 Medium-Term Management Plan (Revised)

Date: Monday, November 19, 2012

Speaker: Hirokazu Onoe, President and Representative Director

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**Q1) Why did you change the amortization period for Talaris goodwill from 17 years to 19 years?**

A1) When we announced our first quarter earnings, we calculated our earnings forecast for the current fiscal year incorporating the effect of the Talaris acquisition by tentatively setting a 17-year amortization period. At this time, we have formally set the 19-year amortization period after verifying the number of years over which we can recover this goodwill, based on our outlook for the future earnings of Talaris.

**Q2) Has your performance been affected by slowing economic growth in China and the movement in China to boycott Japanese products? Also, what is the status of Southeast Asian markets for GLORY products?**

A2) There is a tendency that most of our sales in China are recorded near the end of a fiscal year. In the current fiscal year as well, we expect that capital expenditure budgets in China will be used as the fiscal year end nears, so slowing economic growth in this country is having no effect. Regarding the movement to boycott Japanese products, there has been little effect on sales of our products.

In Southeast Asia, demand for our products is increasing along with the growing volume of banknotes in circulation in Indonesia, Thailand, the Philippines and other countries in this region.

**Q3) What will be the impact of issuance of newly designed euro banknotes?**

A3) The European Central Bank has announced that, starting in May 2013, a new design of euro banknotes will be issued for one denomination every year. We will eventually examine how this will affect our performance.