

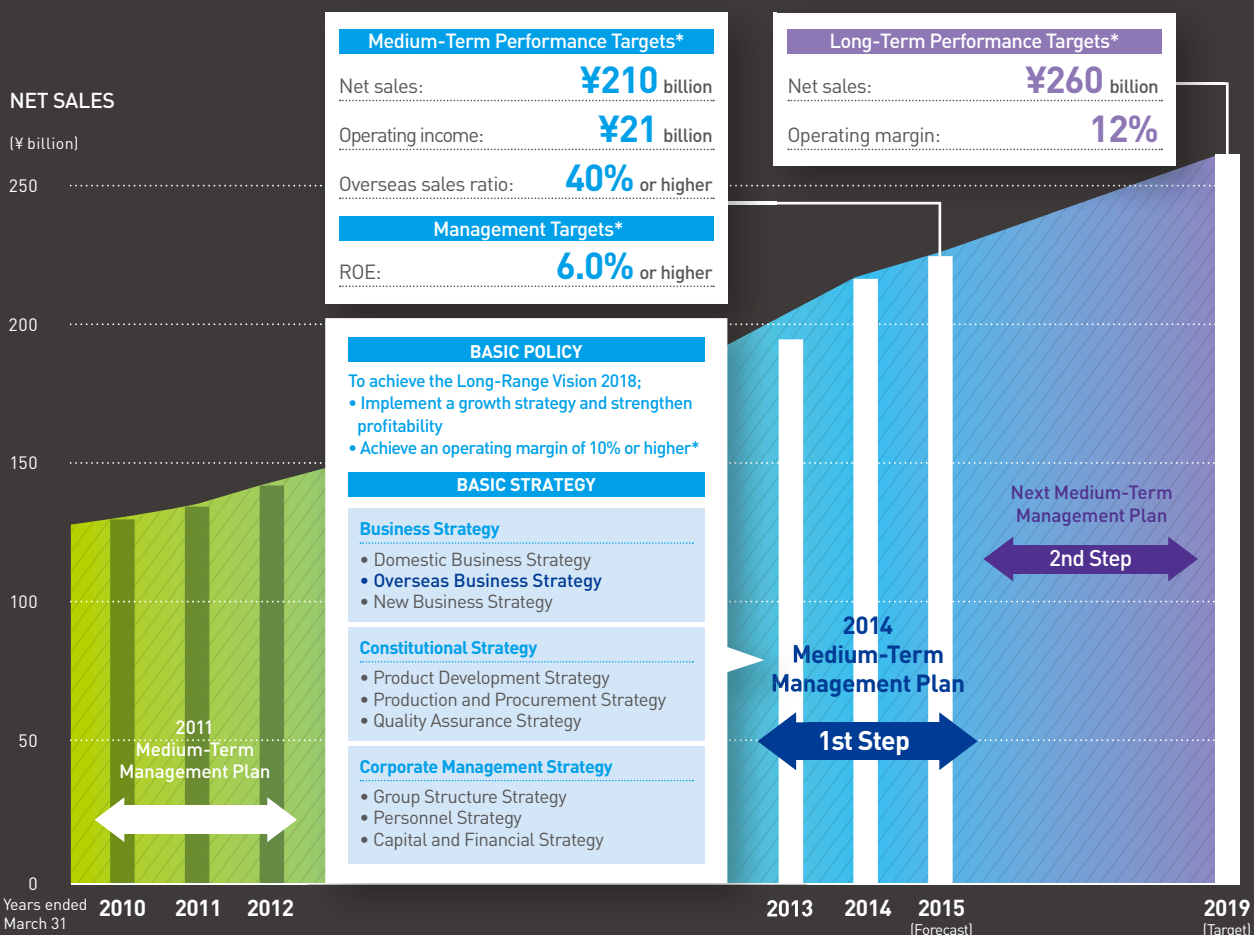
# THE KEY COMPONENT OF LONG-TERM GROWTH

Fiscal year ending March 31, 2015 is the final year of the 2014 Medium-Term Management Plan, which is the action plan for realization of Long-Range Vision 2018. GLORY group continues to aggressively pursue specific strategies to achieve our vision. Particularly, we views the overseas business as the linchpin to our target achievement and continuous growth. In the pages to follow, we review our overseas strategies and market conditions by region.

**LONG-RANGE VISION 2018**

**Basic Policy**

- Create new value through “superb manufacturing technique” and pursue dreams for the future
- Seek sustained corporate growth together with society through CSR activities



\*Performance targets (consolidated bases) are for the final years of the plan or the vision based on the plan assumed exchange rate ¥125/GBP.



AN INTERVIEW WITH  
**TETSU  
YOSHIOKA**  
Director & Senior Managing Executive  
Officer, Executive General Manager,  
International Business Headquarters



## REAPING MAJOR

**Q1** What progress have you made on your overseas business strategies under the 2014 Medium-Term Management Plan?

One of our priorities under the 2014 Medium-Term Management Plan has been to integrate our overseas operations with those of the Talaris Group in order to generate synergy benefits from the acquisition of Talaris, and to strengthen the capabilities of various functions of our business operations.

A year has passed since we integrated sales operations of both groups and the benefits of overseas business integration are gradually starting to emerge. Synergy benefits include the expansion of our sales in Africa, which was previously an untapped market, and the use of our expanded direct-sales network to boost market share of GLORY products in the North American market. In addition, by

shifting to a by-region business administration structure, we have been able to execute strategies based on regional characteristics more flexibly. From a development perspective, we have largely completed the integration of development sites and themes, and we are also making progress toward the integration of other functions, including the optimization of production locations.

We have taken various steps to strengthen our capabilities. For example, we are focusing on the improvement of our ability to offer systems solutions as part of our efforts to strengthen our marketing capabilities. Thanks to the business integration with Talaris, we are now able

to offer integrated solutions encompassing both hardware and software. Furthermore, our wide-area direct sales and service networks allow us to build closer customer communications, which is a key advantage as

we work to provide solutions and systems that will help to optimize each customer's business operations. We will further strengthen our ability to supply teller systems and banking solutions by building on this strength.

**Q2** What will be your priority initiatives in the year ending March 2015, which will be the final year of the current plan?

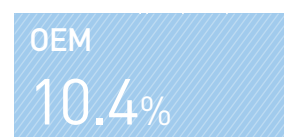
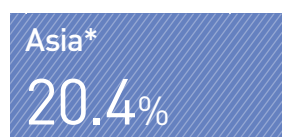
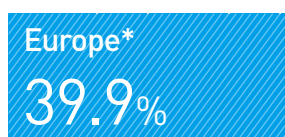
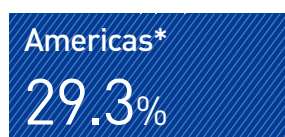
We will identify geographical areas and market sectors for priority focus, and actively invest management resources with the aim of accelerating our business processes and expanding our earnings. One of our priority areas will be emerging economies, where we will focus primarily on the introduction of banknote sorters and banknote recyclers for tellers.

The retailing sector is a priority market. We will also focus on this sector and target expansion into other regions in addition to Europe, where we are already active in the sector.

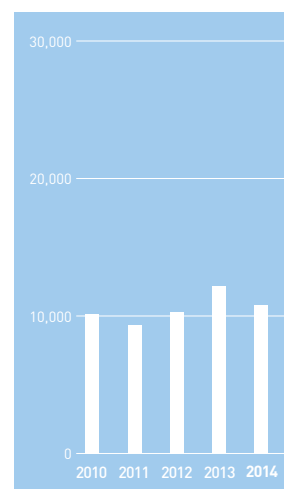
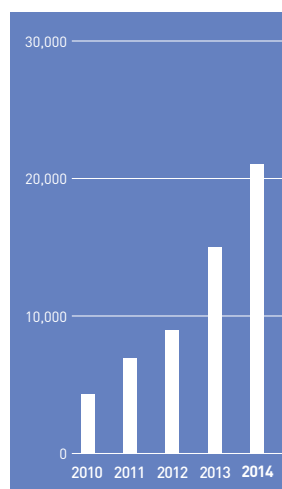
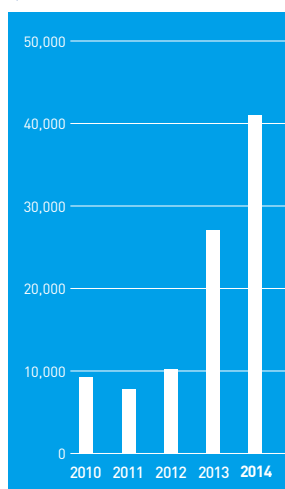
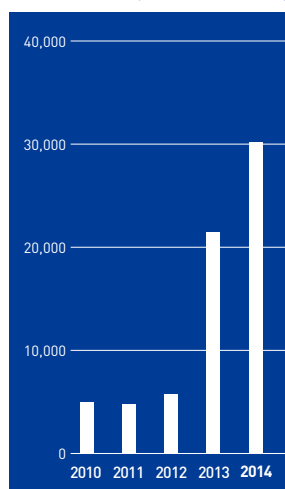
# SYNERGY BENEFITS



**RATIO OF OVERSEAS SALES BY GEOGRAPHICAL SEGMENT** (Year ended March 31, 2014)



**NET SALES** (Years ended March 31) (¥ million)



\*Each geographical sales does not include sales to OEM customers.

## SPECIAL FEATURE—OVERSEAS ACTIVITIES

# REGIONAL MARKET TRENDS

### POTENTIAL IN FINANCIAL MARKET

 High-demand regions



**1.2 million**  
branches\*

\* Total for commercial banks, credit unions and financial cooperatives  
(Source: IMF Financial Access Survey)

## → ABUNDANT AND EXPANDING



The United States is gradually recovering from the economic slump triggered by the 2008 global financial crisis. In the banking sector, more and more financial institutions are replacing their banknote dispensers with banknote recyclers capable of handling both deposits and dispensing. This pattern is expected to continue as banks strive to ensure operating efficiency and rigor. In the retail sector, companies are expected to introduce coin and banknote recyclers or banknote deposit machines in their back offices. The U.S. financial sector is a massive market, with financial institutions having approximately 100,000 branches, which is around double the Japanese total. The retail

market is also large, and we see significant potential in both.

In Brazil and other South American countries, economic growth is reflected in increases in the number of bank accounts opened and in the money supply. These trends are expected to result in expanding demand for money handling machines.



## EUROPE



Amid continuing economic stagnation due to the impact of the European debt crisis, signs of recovery have started to emerge in Europe. In the retail market, there is a growing need for cash management as a way of reducing labor requirements and improving efficiency, and we anticipate further growth in the use of cash recycling systems. Furthermore, the introduction of new euro banknotes has begun, and eventually all euro denominations will be replaced with new designs. This is expected to result in demand for replacement and software modifications for money handling machines.

In Russia, there is a growing need for money handling machines, such as banknote deposit machines. The vast size of Russia's territory is reflected in the large number of bank branches, and continuing demand growth is anticipated.

In Middle Eastern and African nations, we are predicting growth in demand for banknote counters and banknote recyclers due to increasing amounts of paper currency that are handled.



# OPPORTUNITIES OVERSEAS

## ASIA



Despite moderately slower economic growth in China and India, Asia as a whole is expected to achieve continuing economic expansion. In China, the use of ATMs continues to expand, and by 2013 China led the world in terms of the number of ATMs in operation. This trend is expected to lead to increasing demand for banknote sorters and other equipment because of the mandate by the People's Bank of China, China's central bank, for serial number recording and sorting banknotes for fitness when stocking ATMs. In addition, demand for coin-related equipment is likely to expand because of the efforts of the People's Bank to encourage the circulation of coins.

There is strong demand for automation in other Asian countries because of the large amounts of banknotes in circulation. In India, the Central Bank has made the detection of damaged banknotes mandatory, and more and more outlets are installing banknote sorters because of the need to recover unfit notes.

The quantity of banknotes in circulation is high in Indonesia, where vacuum-type banknote counters are being used extensively. As in other Asian countries, however, there is now a growing need for other types of money handling machines because of an increasing focus on the detection of counterfeits and banknote fitness sorting.