

TOP MESSAGE



TURNING PLANS INTO ACHIEVEMENT

We are ALL coming together to find worldwide synergies in product development and manufacturing, sales and service, and create a new generation of unique and innovative products. In the year just concluded, GLORY Group saw the encouraging first fruits of these efforts as we responded to prevailing business conditions by implementing dynamic strategies that resulted in dramatic increases in both sales and income, our fourth straight year of growth.

**A CLEAR AND
STRATEGIC
VISION FOR
THE FUTURE**

In the broadest terms, we are aiming to achieve major growth and ensure continued future success by reinforcing sales in Japan and reaching out to capture key growth opportunities that we see emerging in the greater global economy. To that end, we developed the Long-Range Vision 2018 and, in April 2012, began implementing the 2014 Medium-Term Management Plan as an action plan to achieve the Vision.

**GROWING
SALES IN BOTH
EXISTING AND
NEWLY TARGETED
MARKETS
IN JAPAN**

Under our business strategy for domestic business operations, we are aggressively introducing new products to not only deepen our penetration of existing markets, but also to target promising untapped markets. In the financial market, for example, we launched a new electronic data entry tablet for non-cash operations, which is a priority area for GLORY. In the retail and transportation market, we introduced new coin and banknote recycler for cashiers and energetically marketed our products to potential customers, such as restaurants and specialty stores. In the amusement market, we released the pachinko parlor total system, a new product utilizing cloud computing. Success here depends on how well we can marry technological leadership with our solutions-based approach to customer service.

**WHILE STEADILY
INTEGRATING
BUSINESS
OPERATIONS
OVERSEAS**

In the overseas market, the integration of sales networks and the development of organizational structures following the acquisition of Talaris have been largely completed. We are already seeing a payback in synergy benefits, including the potential for our expanded overseas sales network to drive a further contribution to net sales. We will continue our efforts to maximize such group-level synergies under the “One GLORY” slogan.

**REINFORCING
GLOBAL-CLASS
COMPETITIVE
STRENGTHS**

The functional improvements envisioned by the Constitutional Strategy are also contributing to our competitiveness and earning potential in global markets. In the area of product development, for example, we aim to strengthen our core technologies and promote platform development. We have largely completed the integration of development sites and themes with the Talaris Group, and our focus going forward will be on the creation of new products through the convergence of GLORY and Talaris technologies. In the production area, we aim to strengthen our global production structure and enhance our cost competitiveness in world markets by enhancing our “mother factory” functions, expanding overseas production and procurement, and optimizing production locations.

**STRENGTHENING
OUR ORGANIZATION
AND ABILITY TO
GROW GLOBALLY**

Our third basic strategy is the Corporate Management Strategy. Under this strategy we are implementing measures to build a robust management base to support our Business and Constitutional Strategies. In addition to our efforts to improve capital efficiency, we are also working to strengthen our corporate governance systems and ensure the assimilation and consistent application of our corporate philosophy and management creed throughout the GLORY Group, which has expanded significantly

as a result of the acquisitions. Another important focus of management structure enhancement is nurturing the people needed to drive our global expansion. We are ensuring that our human resource systems are capable of providing opportunities for a diverse range of people, all working side by side, to achieve their full potential.

**LOOKING FORWARD
TO FURTHER GAINS
IN NET SALES
AND OPERATING
MARGIN**

We expect the recovery trend in the Japanese economy to continue in the year ending March 2015, based on the improvement in corporate earnings and employment. Despite negative factors, including the effects of QE3 tapering in the United States, an uncertain economic outlook in Europe, and slower economic growth in China and other emerging countries, we expect the world economy as a whole to follow a gradual recovery trend.

Our policies for the GLORY Group in this environment call for sustained efforts to realize our three basic strategies. We aim not only to expand our net sales, but also to improve our earning potential. Our estimates for consolidated financial results in the year ending March 31, 2015 are net sales of ¥225 billion, operating income of ¥22.5 billion, and net income of ¥12 billion.

**SUBSTANTIAL
DIVIDEND GROWTH
BY ¥5 TO ¥49 PER
SHARE**

Under our basic dividend policy, we aim to maintain a minimum dividend of 1.8% of consolidated equity capital, and a consolidated payout ratio of 25% or higher. We paid a year-end dividend of ¥27 per share for the year ended March 31, 2014. The total dividend, including the interim dividend of ¥22, was ¥5 higher year on year at ¥49 per share. In the coming fiscal year, we plan to pay a dividend of ¥49 per share, consisting of an interim dividend of ¥24 and a year-end dividend of ¥25.

**PICKING UP OUR
PACE IN THE HOME
STRETCH TO 2015
AND BEYOND**

Only eight months remain until the close of the 2014 Medium-Term Management Plan on March 31, 2015. We will continue our efforts to fully realize our strategies under the current plan while also starting work on a new Medium-Term Management Plan as the final step toward the realization of Long-Range Vision 2018, our vision for 2018, when we will celebrate the 100th anniversary of GLORY's founding.

In the years leading up to that milestone, we will focus the total energies of the GLORY Group on initiatives to strengthen our competitiveness in global markets and build a leaner and more robust management structure.

August, 2014

President

Hirokazu Onoe.