



GLORY LTD.

Progression

Annual Report 2020

For the year ended March 31, 2020



Securing Everyday Interactions, Enabling Confidence in an Interconnected World



For over a century, Glory has prioritized partnering with customers to help them cope with change and pursue their business with confidence. By building upon each interaction, we have grown into a global company that delivers products and solutions for the financial, retail, security, and high-tech manufacturing sectors in more than 100 countries around the world.

Our legacy is tightly interwoven with the challenges and achievements of our customers and the society we and they both serve. In today's interconnected world, Glory reaches across cultures and borders with competitive talent, technological excellence, and innovative perspective—instilling confidence in each relationship and endeavor.

CONTENTS

Forward-Looking Statements in this annual report, other than historical facts, are forward-looking statements based on management's assumptions and beliefs in light of the information currently available, and thus involve a certain element of risk and uncertainty. Actual events and results may differ materially from those anticipated in these statements.

Our corporate philosophy states that “we will contribute to the development of a more secure society through a striving spirit and cooperative efforts.” Under this philosophy, the Glory Group will continue to contribute to the realization of a sustainable society by applying its accumulated core technologies and developing innovative technologies with the potential to create new value to solve social issues.

Corporate Philosophy

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

Our corporate philosophy represents Glory’s corporate goal and raison d’être. “Striving spirit” includes our desire that “we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible.” It represents the eternal origin of Glory all through the ages that we can do a great job only when we combine the “power of everyone” who shares the “striving spirit.” Keeping the origin in mind, Glory will contribute to the creation of a safe and secure society from now on.

Management Creed

- Through 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 responsible corporate citizens and co-exist harmoniously with society at large.

Our managerial creed expresses what Glory should aspire to and our management stance. In short, it constitutes our basic philosophy of management. The three components of the managerial creed express our stance toward our customers and business operations, toward our employees, and toward society as a whole.

Corporate Philosophy Structure



Long-Term Vision 2028



We enable a confident world

Safe and secure transactions are critical to your business, and your customers.

We deliver secure, efficient payment systems and instant, highly accurate identity verification and authentication solutions that enable confidence in transactions and other interactions between businesses and people.

Our innovative technologies, our experienced professionals and our commitment to the success of our customers, partners, and communities create a safe, confident path forward.

We are Glory—we enable a confident world for a better tomorrow.

Our Milestones Tell the Story

Since its founding, Glory has grown and evolved by contributing intellectual value based on exclusive and original technologies, building human value by treasuring our employees, and providing structural value by integrating our operations and communicating with each customer as a member of our team. Through this approach we have become better and better at contributing to society through our products and solutions. Key products along the way illustrate our progress and evolution of our social contributions.

Social contribution through products and solutions

Company events

1950 ▶

1950
Coin Counter for Japan
Mint—First in Japan

▼
Contributing to labor-saving
and high-reliability financial
processing.



1953
Commercialized Coin
Counter—First in Japan

▼
Promoting rationalization
of operations at financial
institutions.

1958
Cigarette Vending
Machine
—First in Japan

▼
Contributing to the
spread of vending
machines.



1960 ▶

1965
Coin-operated Locker
with Extendable Time
Limits —First in Japan

▼
Contributing to the
convenience and spread
of coin lockers.

1980 ▶

1986
Open Teller System—First
in Japan

▼
Contributing to operational
efficiency at financial
institutions.



1918
Founded Kokuei Machinery
Manufacturing (now GLORY LTD.)

▼
Starting the business
as a repair factory
for light bulb
manufacturing
machines.



1957
Established Kokuei Shoji Co., Ltd.

▼
Strengthening sales and
after-sales service
systems.



1982
Established GLORY (U.S.A) INC.
in the U.S. (now Glory Global
Solutions Inc.)

▼
Establishing a sales
network in the U.S.



1990 ▶

1992
Coin Recycler for Cashiers—
First in Japan

▼
Making checkout operations
dramatically more efficient.



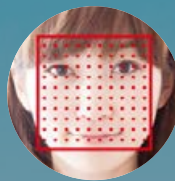
1999
Automatic Handwritten Ballot
Sorter—First in the industry

▼
Helping to reduce the time
and labor required for
vote counting.

2000 ▶

2003
High-Precision Technology
for Facial Recognition

▼
Contributing to the
improvement of social safety
and convenience through a
variety of applications.



2010 ▶

2011
CASHINFINITY™ System

▼
Contributing to rigorous
cash management at
overseas distribution stores.



2012
Banknote Recycler for Tellers

▼
Helping to improve the
operational efficiency of
financial institutions, not only
in developed countries, but
also in emerging countries.



2020 ▶

2017
Entered the Robotic System
Integration (SI) Business

▼
Creating a collaborative
environment for humans and
robots to help solve labor
shortages in Japan.



2019
Provided a Foreign Currency
Exchange System

▼
Contributing to the effective
operation of foreign-currency
exchange shops.

1991
Established GLORY GmbH
in Germany
(now Glory Global Solutions
(Germany) GmbH)

▼
Establishing sales network
in Europe.



2003
Established GLORY Denshi
Kogyo (Suzhou) Ltd. in China

▼
Expanding overseas
production bases.



2010
Acquired Sitrade Italia S.p.A.

▼
Focusing on business
expansion in Europe.



2019
Acquired Cash Payment
Solutions GmbH

▼
Focusing on creating new
payment services.



1994
Established GLORY
(PHILIPPINES), INC. in the
Philippines

▼
Establishing overseas
production bases.



2006
GLORY SHOJI CO., LTD. is
merged into GLORY LTD.

▼
Integrating manufacturing
and sales functions.



2012
Established Glory Global
Solutions Ltd. in the U.K.

▼
Expanding maintenance and
sales networks overseas.



2020
Acquired Acrelec
Group S.A.S.

▼
Expanding diversity
of payment methods
overseas.



Value Creation Outline

As can be expected, partnerships are also at the core of our value creation story—both internally (through close cooperation among development, production, sales, and maintenance), and externally—as we search for solutions to broad social issues and specific customer needs. New relationships expand the opportunities for collaboration, broaden our perspective, multiply the applicability of our existing solutions, and inspire new solutions.

Input (FY2019)

Diverse Human Resources

- Total number of Group employees: 10,267
- Percentage of overseas employees: 41.7%
- Percentage of female managers: 1.57%

Relationship Assets

- Strong customer base
- Open innovation with business partners

Top-level R&D Capabilities

- R&D bases: 11 factories in 7 countries
- R&D investment: ¥14 billion
- Number of patents (including overseas): 2,173

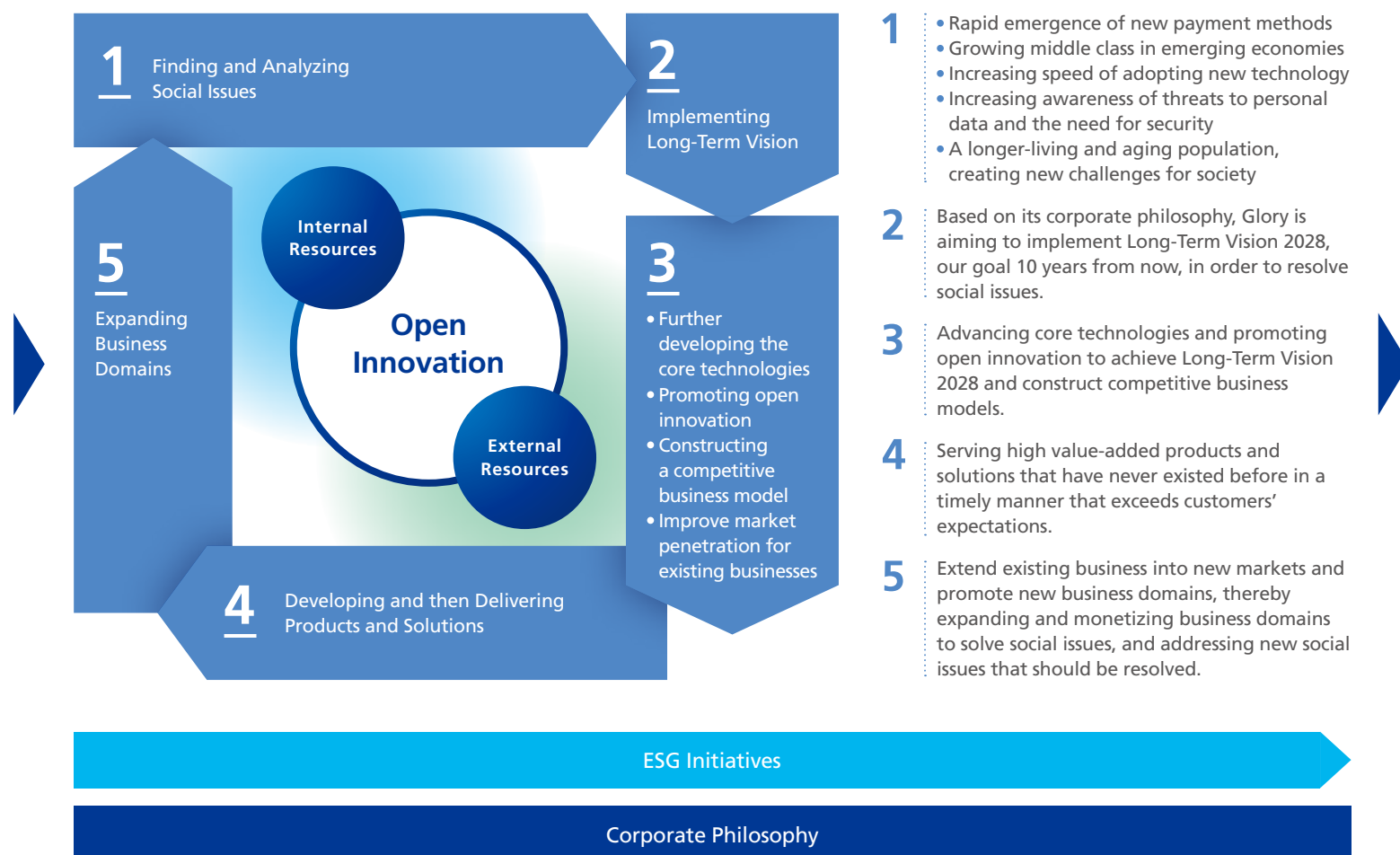
Optimal Production

- Production bases utilizing each region's strength: 7 facilities in 3 countries

Sound Financial Base

- Net assets: ¥187.1 billion
- Credit rating: A

Value Creation Process



Output

Build Foundations for Realizing Sustainable Business Management

■ Overseas business strategy

- Further growth of the financial market by expanding sales of self-operating machines and acceleration of business in the retail industry

■ Domestic business strategy

- Promotion of solution proposals, which flexibly respond to market changes
 - Realization of next-generation branch concepts
 - Expansion of non-cash business areas

Strengthen Collaboration with Various Partners to Solve Social Issues

■ Automated society

- Realize the collaborative environment between robots and humans through the provision of robot SI services

■ Personal identification and authentication

- Promote open innovation to provide secure solutions using personal identification and authentication

■ Various methods of payments

- Reinforce service infrastructure for the realization of various methods of payment

■ Currency circulation management

- Realize more efficient cash cycles* (new access and cycling of cash)

*Infrastructure to replace bank counters, ATMs, cash out functions

● Financial Market ● Retail Market ● OEM
● Retail and Transportation Market ● Amusement Market

Outcome (FY2019)

Social Value

- Providing an environment in which society can use currency safely and reliably by determining cash authenticity through our cash handling machines
- Contributing to improved productivity by providing robotic system engineering that emphasizes human-robot cooperation in diverse fields
- Building a secure society by providing a wide range of high-precision and secure personal authentication services
- Providing a variety of payment methods by leading innovation in settlement systems, such as the elimination of cash registers at stores
- Building a scheme that enables the management of currency life cycles by tracking currency circulation



Economic Value

Consolidated performance results

Net sales:	¥224.1 billion
Operating income:	¥17.9 billion
Operating margin:	8.0%
ROE:	4.8%

ESG Initiatives

- Creating countermeasures for reducing the impact of climate change
- Promoting activities for biodiversity preservation
- Respecting human rights and diversity
- Preparing a work environment where employees can work safely and in good health
- Promoting CSR-oriented procurement worldwide
- Strengthening corporate governance
- Determining and managing risks from a global perspective
- Addressing corporate ethics, compliance, and anti-corruption measures



SRI (Socially Responsible Investment) and ESG Investment Indexes

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- MSCI Japan ESG Select Leaders Index: AA
- S&P/JPX Carbon Efficient Index



THE INCLUSION OF GLORY LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF GLORY LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Accelerating Global Presence

As technology has shrunk the world, Glory's technology has enabled it to create a growing portfolio of competitive solutions for more and more new markets and customers. Glory's partnering approach, which also extends throughout its organization, has enabled it to attract local talent and resources on which to build a global network that links engineering expertise in Japan, Europe, the U.S., and Asia with each other as well as with marketing specialists and maintenance technicians in the field. These strengths, among many others, have enabled Glory to maintain its sound financial base throughout the years.

FY2019

Net Sales
¥224.1 billion

Overseas Sales Ratio
46.2%



Key Figures at a Glance

2020 Performance Trends

Net Sales

4.9%

DOWN

Sales increased in all segments other than the Financial Market, where a year-on-year decrease resulted from the large-scale demand for open teller systems of the previous year having run its course.

Operating Income

12.9%

DOWN

Sales decreased year on year due to a decline in sales in the Financial Market, despite an increase in sales from maintenance services in the Overseas Market and improvements in the product mix.

Net Income Attributable to Owners of Parent

26.9%

DOWN

In addition to a decrease in operating income, net income attributable to owners of parent decreased year on year with the inclusion of a share of loss of entities accounted for using the equity method due to stagnation in the stock market.

Operating Margin

8.0%

Decreased 0.7% year on year.

ROE

4.8%

Decreased 1.7% year on year.

Cash Dividends per Share

¥66

Year-on-year increase of ¥2, for an ordinary dividend of ¥66. Dividend payout ratio is at 44.5%.

Key Figures at a Glance

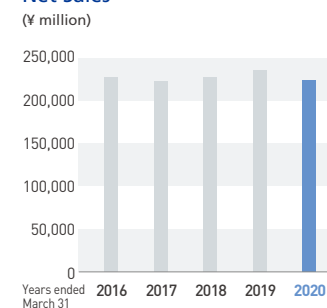
Consolidated Financial Highlights

GLORY LTD. and consolidated subsidiaries, years ended March 31

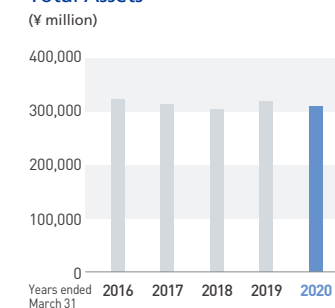
For the year:	Millions of yen				Thousands of U.S. dollars*	
	2016	2017	2018	2019	2020	2020
Net sales	¥ 226,952	¥ 222,581	¥ 227,361	¥ 235,762	¥ 224,170	\$ 2,060,196
Operating income	20,552	20,365	19,615	20,576	17,927	164,755
Net income attributable to owners of parent	8,829	10,382	9,892	12,256	8,961	82,354
Capital expenditure	8,881	8,043	8,706	8,322	10,687	98,217
R&D expenses	12,590	13,965	14,119	13,171	14,082	129,418
Depreciation and amortization	10,327	9,469	9,450	8,945	10,133	93,125
At year-end:						
Total assets	¥ 321,672	¥ 312,821	¥ 302,825	¥ 318,228	¥ 308,763	\$ 2,837,634
Total equity	198,287	191,443	192,165	193,257	187,143	1,719,906
Interest-bearing debt	51,556	50,412	37,188	49,492	49,604	455,877
Per share data:						
	Yen				U.S. dollars	
Net income	¥ 134.38	¥ 160.35	¥ 155.96	¥ 198.71	¥ 148.31	\$ 1.36
Dividend (annual)	56.00	60.00	82.00	64.00	66.0	0.60

*The U.S. dollar amounts are converted, for convenience only, at the rate of ¥108.81=US\$1, the approximate exchange rate at March 31, 2020.

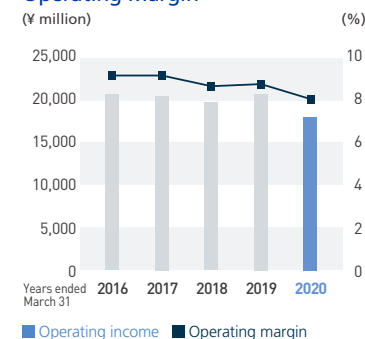
Net Sales



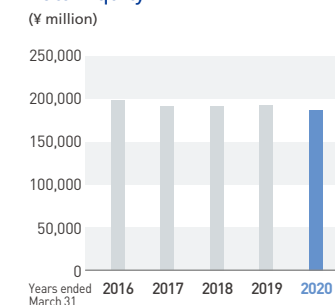
Total Assets



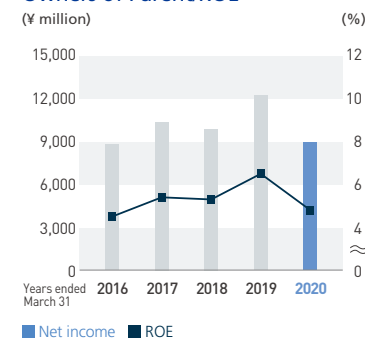
Operating Income/ Operating Margin



Total Equity



Net Income Attributable to Owners of Parent/ROE



Cash Dividends/Payout Ratio



Non-financial Highlights

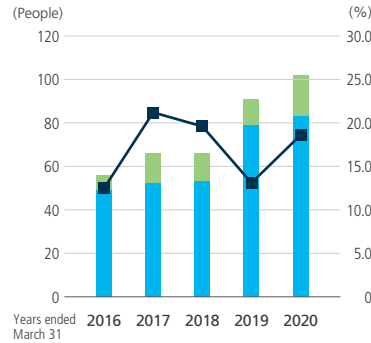
G GLORY Ltd.

OJG Including Group companies in Japan and overseas

G
Total New Hires and Ratio of Female Hires*

18.6%

■ Women
■ Men
■ Ratio of female hires

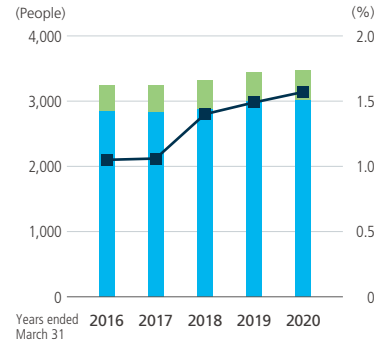


* Hired annually on April 1

G
Number of Male and Female Employees/Ratio of Female Managers

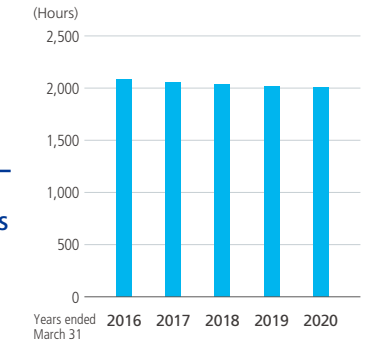
1.57%

■ Women
■ Men
■ Ratio of female managers



G
Annual Average Number of Work Hours per Employee*

2,004 hours

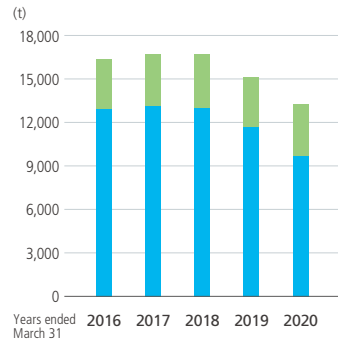


* Full-time employees, excluding managers

OJG
CO₂ Emissions (by Volume)

13,230t

■ Overseas*¹
■ Domestic*²

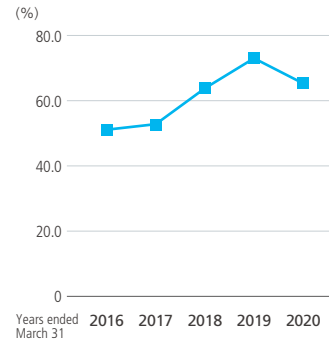


*¹ Covers the following overseas sites that have acquired ISO 14001 certification. GLORY Denshi Kogyo (Suzhou) Ltd. GLORY (PHILIPPINES), INC. Glory Global Solutions (France) S.A.S. Glory Global Solutions (Germany) GmbH Glory Global Solutions Inc.

*² Domestic business sites that have acquired ISO 14001 certification.

G
Environmentally Friendly Product Share of Total Products*

65.3%

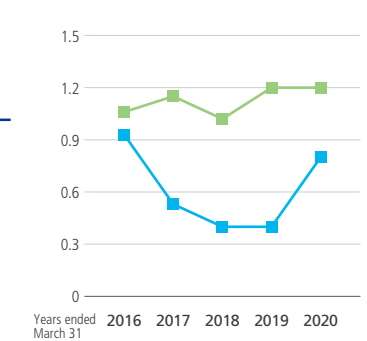


* Environmentally friendly products satisfy certain in-house standards such as reaching a power efficiency that is at least 15% better than that of existing products and compliance with regulations on chemicals contained in the products.

G
Lost Time Injury Frequency Rate*¹

0.8

■ Industry average*²
■ Glory



*¹ This rate indicates the frequency of work-related accidents as calculated from the number of work-related injuries or deaths per one million hours worked. (Lost time injury frequency rate = Number of work-related injuries or deaths/Total number of actual hours worked x 1,000,000)

*² Source: Ministry of Health, Labour and Welfare research on work-related accidents



Motozumi Miwa
President

Staying on Top of Changes Amid Uncertainty

Our View of the Business Environment

Growing Need for Labor-saving Systems Around the World

Glory's business environment has changed significantly over the past few years, and that trend will continue. In Japan, financial institutions are expected to close, consolidate branches, and shift to specialized branches run by small teams of employees. We also anticipate accelerating trends toward self-service, business process rationalization, and fewer staff. Overseas, an increasing amount of financial institutions in Italy and China are switching to self-service operations in their branches, and demand for self-service systems is also likely to expand in Europe, the U.S., and other markets.

There are also signs that the demand for labor-saving systems in retail outlets is growing. In Japan, more and more retailers are responding to labor shortages and the diversification of payment methods by introducing coin and banknote recyclers for cashiers and ticket vending machines. We are also predicting further growth in demand for coin and banknote recyclers for self-checkout terminals, ticket

vending machines, and self-service hospital payment systems, with the aim of preventing infections due to close contact. In other countries, there is already demand for systems to improve the efficiency and rigor of back office cash handling processes. We also anticipate growth in demand for contactless payment services, leading to an uptrend in the installation of coin and banknote recyclers for cashiers.

Once the COVID-19 pandemic has been brought under control, changes in people's value systems and behavior patterns around the world are likely to be accompanied by accelerating trends toward the reduced use and handling of cash by financial institutions and retail outlets, such as through cashless and touchless transactions and streamlined work processes. The Glory Group will continue to adapt appropriately to these changes, while contributing to the realization of a safe and secure society by providing products and solutions to solve the needs of our customers.

Overview of Business Operations in the Year Ended March 2020

Lower Sales and Income Due to a Reactionary Decline from Earlier High-level Demand in the Financial Market

In 2018, we announced Long-Term Vision 2028, which defines our vision for Glory as a leading company that enables a confident world for a better tomorrow. The year ended March 2020 was the second year of the 2020 Medium-Term Management Plan, which represents our first step toward the realization of this vision. We dynamically expanded our business operations under three policies: build foundations for realizing sustainable business management, strengthen collaboration with various partners to solve social issues, and realize higher productivity and robust corporate constitution that directly generate outcome.

Our financial results show sales growth in all segments except the Financial Market. The

reaction from the large-scale demand for open teller systems and banknote recyclers for tellers from major financial institutions having run its course resulted in lower sales and income compared with the previous fiscal year. In Japan, labor shortages were reflected in higher sales of ticket vending machines and sales proceeds deposit machines in the Retail and Transportation Market. Overseas, sales to financial institutions were slower, but the need for more efficient and rigorous ways to manage cash resulted in increased sales to retail industry. The impact of the COVID-19 pandemic on our financial results was negligible because the problem emerged in the second half of the fourth quarter.

Progress under the 2020 Medium-Term Management Plan

Growth Investment Targeted toward the Expansion of Overseas Business

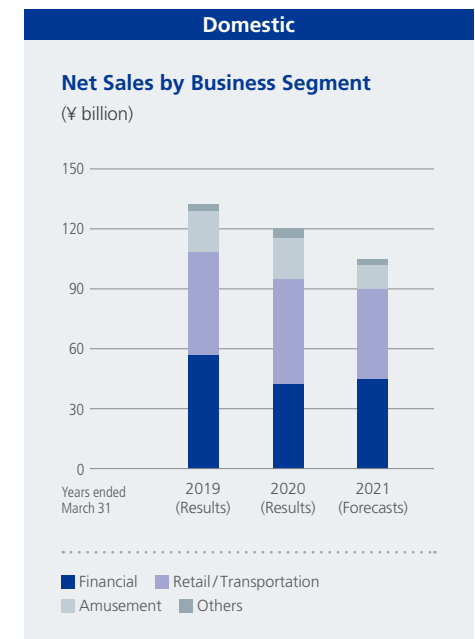
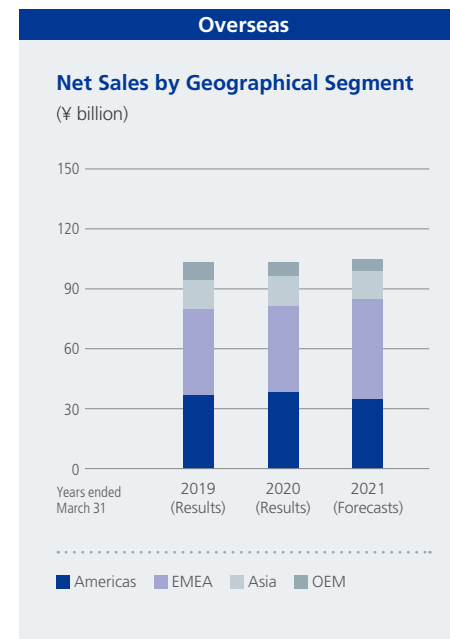
We were able to complete most of our planned initiatives in the year ended March 2020. We acquired the German company Cash Payment Solutions GmbH, which provides a cash settlement platform. We also invested in SOCASH PTE. LTD., a Singapore-based provider of cash out services. At a time when financial institutions are reducing the number of branches and ATMs, we aim to provide new social infrastructure in the

form of cash access points, while also increasing our sales of coin and banknote recyclers for cashiers. We also expanded and strengthened our direct sales and maintenance networks, including the acquisition of a sales and service provider in Mexico and the establishment of a local subsidiary in Austria.

Within Japan, our priority for the Financial Market was to capture replacement demand in

Performance of the 2020 Medium-Term Management Plan

Years ended March 31	2019 (Results)	2020 (Results)	2021 (Forecasts)
Net Sales (¥ billion)	235.7	224.1	210.0
Operating Income (¥ billion)	20.5	17.9	6.0
Operating Margin	8.7%	8.0%	2.9%
ROE	6.5%	4.8%	1.3%
Exchange Rate	1USD=¥111 1EUR=¥128	1USD=¥109 1EUR=¥121	1USD=¥105 1EUR=¥120



Top Message

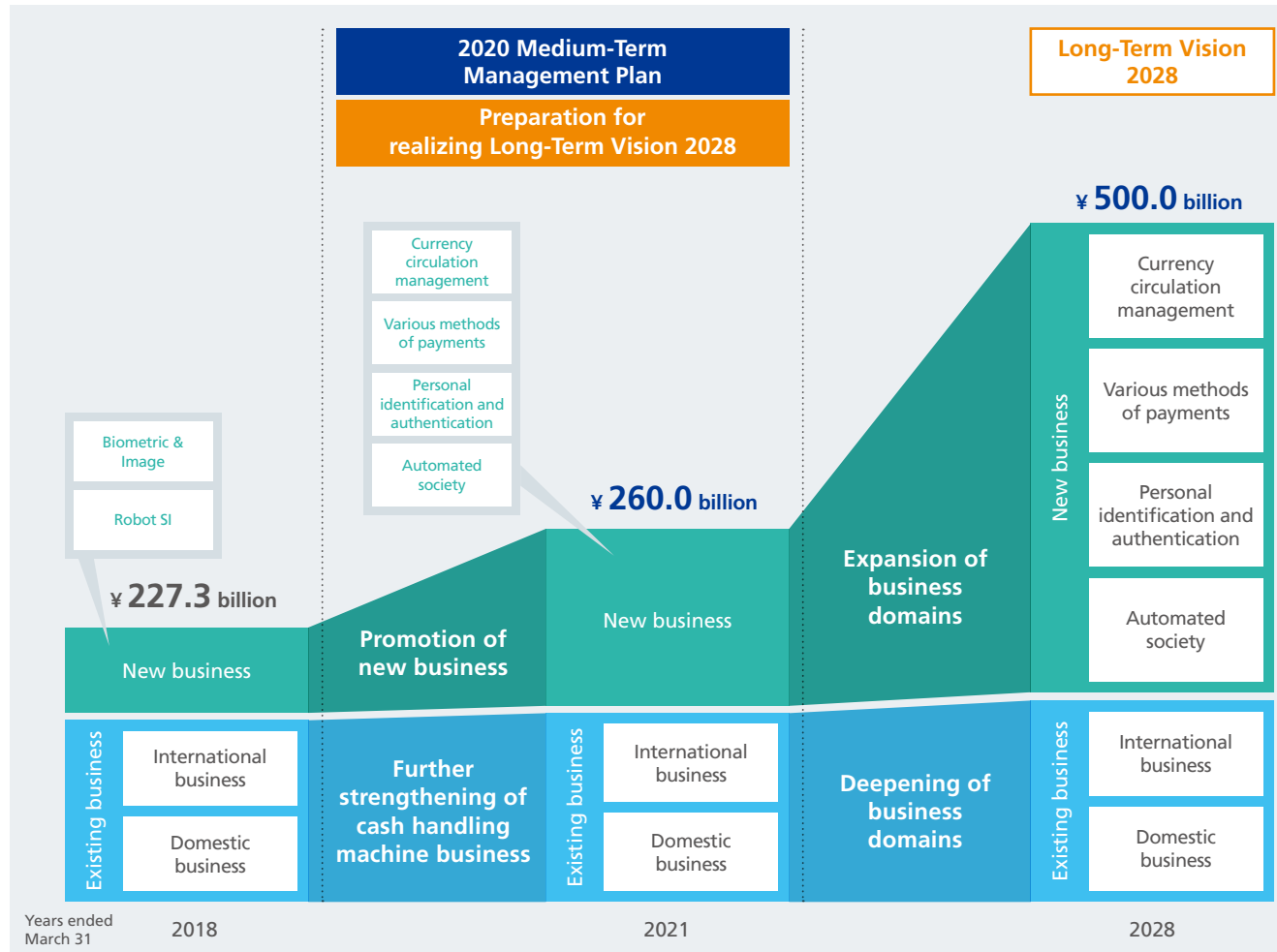
key product categories, such as open teller systems and coin and banknote recyclers for tellers. We also targeted increased sales of non-cash products, such as self-service tax and utilities bill payment stations and security storage

systems. In addition, we further enhanced our design proposal services in response to increasing demand for the introduction and expansion of the next-generation branch style concept. Within the Retail Market, we focused on marketing coin

and banknote recyclers for cashiers and ticket vending machines to meet increasing demand for self-service systems. In new business areas, we continued our efforts to create new solutions, including the development of personal

authentication platforms using biometric recognition technologies. We also expanded the robotic systems integration business.

Position of the 2020 Medium-Term Management Plan



Basic Policy of the 2020 Medium-Term Management Plan

Policy 1 Existing Business	<p>Build foundations for realizing sustainable business management</p> <ul style="list-style-type: none"> ● Overseas business Further growth of financial market and acceleration of retail business ● Domestic business Promote solution proposals
Policy 2 New Business	<p>Strengthen collaboration with various partners to solve social issues</p> <ul style="list-style-type: none"> ● Promote new business domains ● Acquire new core technology ● Proactive allocation of management resources for new business
Policy 3 Management Base	<p>Realize higher productivity and robust corporate constitution that directly generate outcome</p> <ul style="list-style-type: none"> ● Work-style and operational reform to improve productivity ● Organizational climate reform to realize open innovation

Priority Policies for the Year Ending March 2021

Capturing New Demand in a Changing Environment

In the 2020 Medium-Term Management Plan, GLORY LTD. (the “Company”) set targets of sales of ¥260 billion and operating income of ¥25 billion for the year ending March 2021. However, because business activities are expected to be constrained due to the impact of COVID-19 infections, for the year ending March 2021 the Company forecasts sales of ¥210 billion, operating income of ¥6 billion, and net income attributable to owners of parent of ¥2.5 billion. Our Group will unite its strengths to achieve these performance targets and steadily implement the following measures.

Economic conditions in Japan and overseas are likely to remain harsh in the next fiscal year due to the impact of the global COVID-19 pandemic. We also anticipate a variety of social changes, including the increased use of labor-saving systems and a shift away from face-to-face business in order to prevent infection. In overseas financial markets, we will respond to this situation by promoting sales of self-service banknote recyclers and multifunction lobby self-service systems to financial institutions. In the overseas retail market, we will expand sales of CASHINFINITY™ cash recycling systems for tellers, especially to major global retailers. In April 2020, we acquired Acrelec Group S.A.S., a French company specializing in the manufacture and sales of self-service kiosks. By combining Acrelec Group’s non-cash solutions with Glory’s products and solutions, we will be able to create self-order systems for both cash and cashless operations. We will move quickly to achieve

major benefits by collaborating in a wide range of industries, including with global quick service restaurants, which are Acrelec’s major customers.

The goal for our Financial Market segment in Japan is the expansion of sales of products and solutions for use in creating next-generation branches through further rationalization of branch operations. For our Retail and Transportation Market segment in Japan, we anticipate increased demand for self-service products because of the combined impact of existing labor shortages and the emerging need for contactless systems in supermarkets and other retail outlets, and in hospitals. We aim to use these trends as an opportunity to expand sales of coin and banknote recyclers for cashiers, ticket vending machines, medical payment kiosks, and other products. Also, as the introduction of tablet POS registers continues to expand in retail outlets, we will focus on the development of a wider customer base for coin and banknote recyclers for cashiers through the development of relationships with new business categories and customers.

In new business areas, we look forward to expanding business opportunities for our robotic system integration business because of accelerating efforts to reduce labor requirements through the use of robots in production operations for pharmaceuticals, food, cosmetics, and other products. We are determined to achieve further business expansion by capturing demand created by these environmental changes.

“ We see the increased demand for self-service products due to labor shortages and a need for contactless systems. ”





“Under the new structure, we will work to strengthen supervisory functions and enhance decision-making processes.”

Improving Corporate Value

Promotion of ESG Management

The Glory Group aims to contribute to the creation of a sustainable society. To achieve that, we need to respond to social expectations in a number of areas, including the adoption of management systems based on environmental, social, and governance (ESG) perspectives, and the contribution to the solution of international issues through the achievement of the Sustainable Development Goals (SDGs). In 2018, we identified key CSR priorities, which we are now targeting through initiatives linked to the SDGs. In recent years, there has been increasing interest in recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). In this context, Glory recognizes climate change as a vital management issue that we need to

address in every country, region, and industry in which we are involved. We will continue to work proactively under the 2020 Medium-Term Management Plan.

In June 2020, Glory transitioned from a Company with Audit & Supervisory Board to a Company with Audit & Supervisory Committee. Under this new structure, we will work to strengthen the supervisory functions of the Board of Directors while further enhancing the speed and efficiency of our decision-making processes. We will also make further improvements to our corporate governance systems. We will continue to implement ESG management policies with the aim of achieving sustainable improvement in the corporate value of the Glory Group.

Shareholder Returns

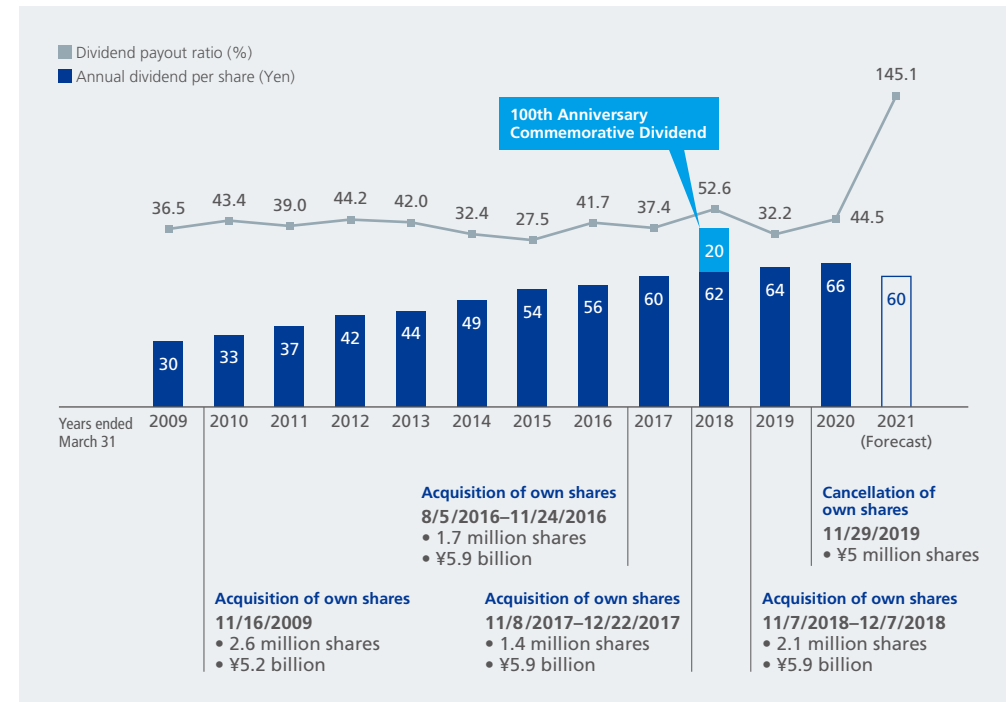
The dividend for the year ended March 2020 has been increased by ¥2 over the previous fiscal year to ¥66 per share. We regard shareholder returns as an important management priority. Our basic policy on profit distribution is to pay stable dividends while maintaining the financial resources needed for future business initiatives, and our target dividend payout ratio is 30% or higher. In accordance with policy, we have set the dividend for the year ended March 2020 at ¥66 per share. We plan to set the dividend for

the year ending March 2021 at ¥60 per share, a decrease of ¥6.

The Glory Group will continue to work toward further improvement of its corporate value by fulfilling its mission as a provider of social infrastructure, including cash handling equipment and services. We look forward to the continuing support and guidance of our stakeholders.

President *Motozumi Miwa*

Trend of Annual Dividend and Payout Ratio



Expanding Our Business Domains to Move to the Next Phase of Our Growth

Progress of Our Overseas Business Expansion

Our overseas business, which is positioned as a growth driver of the Glory Group, significantly accelerated in 2012. At that time, Glory invested approximately ¥80 billion, which was over 50% of its global sales, and acquired Talaris Topco Limited (Talaris), a UK company that is now Glory Global Solutions Ltd. Talaris was a manufacturer formed by the spin-off of the cash processor division of De La Rue, a British company with a 200-year history and a pioneer in the cash handling sector. Talaris launched the world's first automatic cash dispensers used by bank tellers, and they were Glory's biggest competitor. With this acquisition, Glory Group's overseas sales ratio greatly increased from 20% to nearly 50%. Since then, we have continued to expand the scale of our business by combining Glory's product strengths and Talaris's system solutions and top-class marketing capability. Also, in terms of organization, I am proud that we are realizing synergy effects through our direct sales and service structures in more than 20 countries, and a global management organization that controls all functions including marketing, product and solution development, sales, and services.

Furthermore, in 2019, Glory acquired the French company Acrelec Group S.A.S. (Acrelec), and the German company Cash Payment Solutions GmbH (CPS), which helped us make significant progress toward further growth.



Akihiro Harada

Member of the Board
Senior Managing Executive Officer,
Head of International business

➔ Market Environment, Achievement of the 2020 Medium-Term Management Plan, and Initiatives for Its Final Year

Accelerating Self-service Operation for Financial Institutions

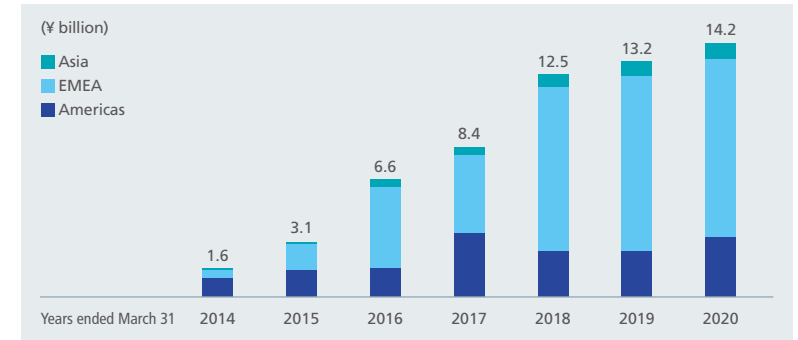
There are primarily two types of core products for financial institutions. One type includes single-function devices such as counters and sorters. The other is banknote recyclers for tellers, which have been widely used in developed countries, and Glory has captured an 80% market share in the U.S. and 60% in European countries. However, single-function devices are still popular in emerging and developing countries such as those in Asia, Latin America, and the Middle East. We will accelerate the replacement of single-function devices with banknote recyclers for tellers, which will help banks improve efficiency in their operations, and this will lead to the opportunity for further business expansion. Also, the business environment at financial institutions in developed countries is becoming even more challenging because of increasing labor costs that lead to staff shortages, and the negative interest rates introduced in Europe in 2014. Given these circumstances, there is increasing demand for financial institutions to improve the efficiency of their branch operations, so we are focusing on proposing self-operation products that bank customers, rather than bank staff, can operate themselves.

Expanding Sales to the U.S. for the Retail Industry with the Sales Know-how and Brand Value Gained in Europe

Initially, Glory's overseas business expanded into financial institutions, however, we also found business opportunities to provide optimized cash handling solutions at retail stores. In 2011, we launched a strategic product in the European market called CASHINFINITY™, which is a system consisting of coin and banknote recyclers for cashiers and sales proceeds deposit machines. Demands for rigorous cash management processes and labor-saving at retail stores encouraged favorable sales growth of CASHINFINITY, and the sales increased to approximately ¥14 billion in March 2020. Sales to the retail industry have grown to be the second pillar of our overseas business, following financial institutions.

Sales to the retail industry started in Europe prior to other regions, and CASHINFINITY has been installed in numerous world-leading retailers such as Edeka in Germany. The adoption of Glory products by these major retailers has expanded Glory brand recognition to the global retail market. Currently, we are focusing on activities to expand sales to the

Sales Trend of Retail Products (CASHINFINITY Series)



Top 20 Retailers from the "Global Powers of Retailing Top 250" List

	Retailer	FY2018 Retail Revenue(US\$)	Number of Outlet*
1	Wal-Mart Stores, Inc.	514,405	approx. 11,500
2	Costco Wholesale Corporation	141,576	785
3	Amazon.com, Inc.	140,211	Mainly e-commerce
4	Schwarz Group	121,581	12,100
5	The Kroger Co.	117,527	2,757
6	Walgreens Boots Alliance, Inc.	110,673	approx. 18,750
7	The Home Depot, Inc.	108,203	2,291
8	Aldi Einkauf GmbH & Co. oHG	106,175	10,728
9	CVS Health Corporation	83,989	approx. 9,900
10	Tesco PLC	82,799	7,005
11	Target Corporation	74,433	1,868
12	Ahold Delhaize (formerly Koninklijke Ahold N.V.)	74,076	6,967
13	Aeon Co., Ltd.	71,446	10,094
14	Lowe's Companies, Inc.	71,309	approx. 2,200
15	JD.com, Inc.	62,875	Mainly e-commerce
16	Edeka Group	62,054	11,207
17	Albertsons Companies, Inc.	60,535	2,260
18	Auchan Holding SA (formerly Groupe Auchan SA)	59,304	2,293
19	Seven & i Holdings Co., Ltd.	59,101	69,200
20	Rewe Group	56,435	15,828

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Retailing 2020.

*Outlet: From each company's website



“ We are already receiving an increasing number of inquiries from major quick service restaurants and supermarkets. ”

major retailers known as the “Global Powers of Retailing Top 250” by utilizing the sales know-how and brand value we have gained through sales activities in Europe. In particular, we are accelerating deployment in the U.S. and we are already receiving an increasing number of inquiries from major quick service restaurants and supermarkets. We will strive to complete ongoing demonstrations of CASHINFINITY to ensure that actual orders are received. Moreover, CASHINFINITY is currently able to detect the coins of approximately 20 countries, but we are expanding it to be compatible with the currency of 60 countries. With this development, the countries within our sales target will be expanded gradually beginning



Please follow this URL to see a video about our CASHINFINITY system, which is currently being used in an Edeka store in Germany. (Video is in German.)



https://www.youtube.com/watch?v=ql7DTAj502I&feature=emb_title



2021 and I am also expecting further expansion of sales in the future.

Enhancing the Foundation for Expanding Business Domains through Aggressive M&A

In addition to the expansion of existing businesses mentioned earlier, we are enhancing the business foundation through

aggressive M&A and establishing business models for new business areas as stated for the overseas business in 2020 Medium-Term Management Plan. In the year ended March 2020, we acquired two overseas companies and formed one capital alliance. In particular, the acquisition of Acrelec was the largest project since Talaris.

The self-service kiosk that Acrelec develops, manufactures, sells, and maintains



GLORY

ACRELEC



OBJECTIVES

- Advance our business beyond cash technology and in to societal automation
- Growth engine for our retail business
- Increase cash technology sales through self-service kiosks and self-checkout systems
- Increase information technology capability: business intelligence, digital customer experience

OBJECTIVES

- Leverage in-place global sales/service network to grow sales during period of rapid market expansion
- Secure partner for expansion in self-checkout systems marketplace
- Support Acrelec's entry into the Japanese home market
- Benefit from Glory's reach and scale to ensure cost-competitiveness and operational capability

EXPECTED SYNERGIES

- Expand interactive kiosk and cash technology sales by utilizing sales channels of both Acrelec and Glory
- Create customer value by integrating Acrelec kiosk and software with Glory's currency technology
- Realize new services through a combined store management platform



Company Overview

Company Name	Acrelec Group S.A.S.
Location of Headquarters	France
Representatives	CEO Jacques Mangeot, CEO Jalel Souissi
Principal Business	Manufacture, sales, and service of self-service kiosks, drive-through kiosks, digital menu boards, customer interaction software, and other restaurant and retail store customer experience solutions
Stated Capital	84.938 million
Date of Incorporation	2004
Number of Employees	850

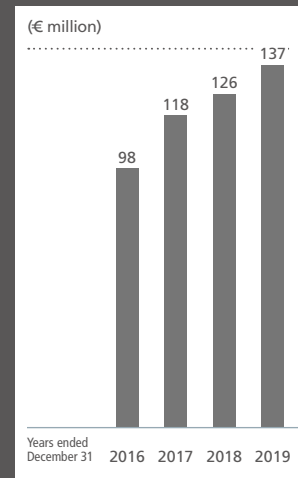
Network

A worldwide implantation: more than 20 implantations and distributing to more than 80 countries



*Provide broader regional geographic coverage through partnerships with local distributors/installers

Trends of Performance



Customers

- MCDONALD'S
- PATHE GAUMONT CINEMAS
- TACO BELL
- OCINE
- KFC
- LEROY MERLIN
- DUNKIN' DONUTS
- COSTA
- CARL'S JR.
- BURGER KING
- STARBUCKS
- WALMART
- MAMAGO

is an information device that customers can operate themselves from order to payment. Installation of the kiosk has been expanded mainly to large quick service restaurant chains in European countries and the U.S. due to increasing labor costs. We will promote sales of self-ordering systems, which combine self-service kiosks and Glory's coin and banknote recyclers for cashiers, to restaurant chains and retailers around the world by utilizing sales channels of both the Glory Group and Acrelec.

We also expect that demand for self-service kiosks will increase in financial institutions due to the need to reduce operation costs and improve customer satisfaction. Because of this, the Glory Group's customer base can be utilized. In addition, I believe that the biggest collaborative effort of this acquisition will be the ability to enter new business areas which were not part of our customer base in the past, such as sport stadiums, hotels, trains, airports, and others. Glory also acquired CPS, a FinTech company that delivers cash management solutions through the use of mobile phones. The consolidation of bank branches and the reduction of ATMs have reduced cash access points, and this environment has become inconvenient for users. Our idea is to expand the cash access locations to include retailers and not just financial institutions and ATMs. We are using functions on a mobile phone to enable money deposit and withdrawal from bank accounts and for making various payments such as utility charges at retail cashiers. CPS has connected these systems with bank accounts and has structured

networks that connect financial institutions and retailers. Connections with financial institutions and retailers are also one of Glory's strengths, so collaborating with CPS will create positive effects.

For M&A, based on the basic policies for the growth of the overseas business, we define and implement specific goals such as expanding further into the retail market and investing in new businesses. After an acquisition, we create a "90-day Plan." Within these 90 days, each regional head and the specialists working on the deal gather and create specific projects, the management structures and specific synergies to be generated from each M&A. In the year ended March 2021, we will complete the business plans for Acrelec and other acquisitions and quickly put them into action.

Seeking Out New Business Domains

The acquisition of Acrelec and collaborations with other companies are moves into an area already strongly connected with existing business, however, it is necessary to enter into novel business areas in order to realize consolidated sales of ¥500 billion as set out in Glory's Long-Term Vision 2028. We asked our offices around the world to submit plans for new business and many ideas were collected in the year ended March 2020. The ideas that meet the needs of society and are compatible with the Glory Group have been selected and we are now starting trials in Europe and the U.S.

→ Concept for the 2023 Medium-Term Management Plan

Expanding Existing Business to Gain Immediate M&A Results

Based on the progress of the current medium-term management plan, 2020 Medium-Term Management Plan, we will focus on the following three pillars in the next plan, 2023 Medium-Term Management Plan:

- (1) Change models of banknote recyclers for tellers, which are highly functional recyclers for financial institutions. Ensure replacements in Europe and the U.S., and also launch self-service machines for financial institutions to meet customers' needs. Accelerate the deployment of banknote recyclers for tellers in emerging countries where single-function devices are popular.
- (2) For the retail industry, launch a new model of CASHINFINITY with the ability to handle a wider range of coins. Expand sales territories from approximately 20 countries to 60.
- (3) Ensure the generation of synergy with Acrelec and CPS, and expand sales and income in new business areas.

→ Taking Advantage of Our Strength to Move to the Next Growth Phase

Our Strength is Our Worldwide Direct Sales and Service Networks and Reliable High-quality Products and Services

It has been nearly 10 years since our expansion overseas has fully begun. We have the top share in the financial market worldwide, and the roll out has been expanding in the overseas retail market year by year.

Major retailers operate stores not only in their countries, but also globally, so they require the capabilities to deliver reliable service anywhere in the world. I believe that the biggest reason Glory is chosen by our customers is because the Glory Group has direct sales and maintenance networks capable of meeting customers' needs, and we plan to continue to increase the number of bases in the future.

In addition, high-quality, "Made in Japan" products are another great strength. The high evaluation of our products and services that we have received from our customers has now become a major driving force for business expansion.

By acquiring CPS, which accelerates the expansion of cash access points to include retailers, and Acrelec, which designs self-service kiosks that will allow us to enter new business areas, Glory's overseas business has entered a new growth phase. In order to realize Long-Term Vision 2028 and become a "leading company that enables a confident world for a better tomorrow," we will work together with members from all over the world to expand our overseas business.

“The high evaluations that we receive from our customers are a major driving force for business expansion.”





Segment Information

Efficiency and Security for Diverse Industries

Glory is global—the world is interconnected, and so are we. Glory responds—to the individuality of security needs of our customers, combining the specific elements of speed, efficiency, and reliability they need to secure their business and serve their customers fully. Glory is flexibly structured—our business segments are organized to help us focus our common technologies to accommodate regional, industry specific, and business-specific solutions.



Overseas Market

Glory's main customers in this segment include financial institutions, retailers, cash-in-transit companies, and casinos. Our flagship products include banknote recyclers used by tellers to process deposits and disbursements over the counter in financial institution branches, banknote sorters used by financial institutions and cash-in-transit companies to eliminate counterfeit currency and sort banknotes, and CASHINFINITY™ cash management systems for retailers. We also supply banknote recycling modules for ATMs on an OEM basis.

Market Environment and Operating Results

There were signs of a trend toward the installation of self-service systems by financial institutions and retailers, especially in Europe and the U.S., which sought to rationalize their branch operations and improve efficiency in response to labor shortages. Glory pursued regional strategies shaped by the characteristics of local markets. Our main priorities were the capture of replacement demand for banknote recyclers for tellers in the financial market, and the expansion of sales of coin and banknote recyclers in the retail industry.

In the U.S., sales to financial institutions of banknote recyclers for tellers were slow, but there was a strong trend in sales of coin and banknote recyclers for the retail industry.

In Europe, a slow trend in sales to financial institutions of banknote recyclers for tellers contrasted with steady sales of coin and banknote recyclers to users in retail industry.

In Asia, sales of banknote sorters to financial institutions in China were similar to the previous year's level, while OEM sales of banknote recycle units for ATMs were slow.

Net sales in this segment in the year ended March 2020 amounted to ¥103,621 million, a year-on-year increase of 0.3%. Operating income was 11.6% higher at ¥9,780 million, mainly because of an increase in software sales resulting from the introduction of redesigned banknotes in Europe, and growth in maintenance sales.

Strategies and Initiatives Going Forward

Financial institutions, especially in Europe and the U.S., are increasingly shifting to self-service operations. We will continue to strengthen our marketing of related devices, such as banknote recyclers. In the retail industry, we aim to expand sales of coin and banknote recyclers and other products, focusing primarily on

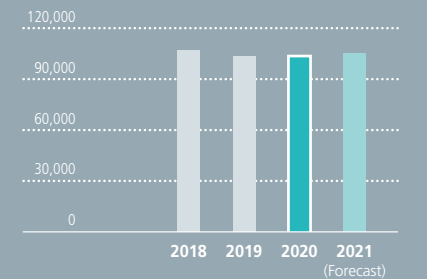
major world-leading retailers. In cooperation with the French company Acrelec Group S.A.S., which we acquired in April 2020, we will aim to generate early synergy benefits by targeting growth in sales of self-service kiosks, coin and banknote recyclers, and other products to restaurants, including quick service restaurants.

Contribution to
Total Net Sales
(Year ended March 31, 2020)

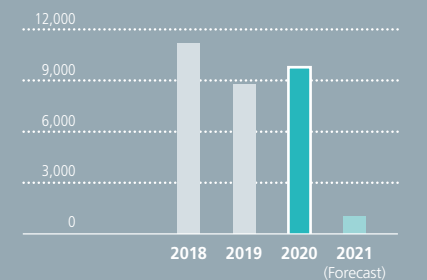
46.2%



Net Sales
(Years ended March 31) (¥ million)



Operating Income
(Years ended March 31) (¥ million)





Products for Financial Institutions

Self-Service Products to Allow Branches to Operate With Reduced Staff



TellerInfinity™

Enhance proposals for branch solutions utilizing TellerInfinity operated by customers themselves

Major functions

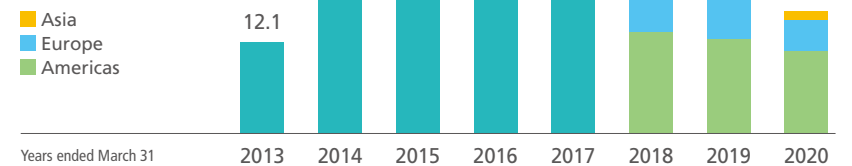
- Input/output of coins and banknotes
- Input/output of checks
- Internal/external money transfers
- Payment for utility and other bills



Coin and banknote recyclers for tellers
Enhance proposals for branch solutions utilizing banknote recyclers for tellers

Sales of coin and banknote recyclers for tellers

(¥ billion)



Years ended March 31

Products for Retailers

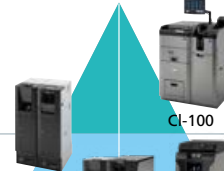
Thanks to the extensive lineup of CASHINFINITY series products, Glory can offer optimal cash management solutions to match the scale and format of any retail outlet. In addition to marketing of cash recyclers designed to improve the efficiency of back office cash management, we will also collaborate with Acrelec Group and the FinTech companies such as Cash Payment Solutions and SOCASH on the expansion of sales of coin and banknote recyclers for cashiers with enhanced self-service and automation capabilities. We will also explore various sales methods, such as rental and leasing.

Creation of Synergies with Acquired Companies

Sales expansion of retail products
< Wide product lineup >

CASHINFINITY series

Large-scale stores



Middle-scale stores



Small-scale stores



Front

Back office

Building new business model
< Creation of early synergies >

Acrelec (France)

Servicing major brands including many of the largest quick service restaurant

- Expand sales by utilizing sales channels of Glory
- Create customer value by integrating with Glory's currency technology
- Realize new services through combined store management platform



CPS (Germany)

Development and provision of online cash settlement platform in Europe through POS registers in retail shops.



SOCASH (Singapore)

Development and provision of cash out service through POS registers in retail shops.





Financial Market

Glory's main customers in this segment are financial institutions in Japan. Our flagship products include open teller systems, used to manage receipts and disbursements in branches, and coin and banknote recyclers for tellers to support banking processes. Other products include banknote changers installed in lobbies and other locations for use by customers. In addition to these flagship products, we also supply electronic data entry tablets that allow the paperless creation of forms, security storage systems for the storage and management of important forms and documents other than cash, and image scanners used to convert forms into digital data. We also supply OEM products to leading system manufacturers and other users.

Market Environment and Operating Results

Financial institutions in Japan continue to prioritize improvements in the efficiency of branch operations. Glory sought to capture replacement demand in key product categories, including open teller systems and coin and banknote recyclers for tellers, while also working to expand sales of products for non-cash fields, such as self-service tax and utilities bill payment stations and security storage systems.

Sales of open teller systems and coin and banknote recyclers for tellers were slower because of the reaction from the large-scale demand having run its course. Sales of products for non-cash fields also slowed, in part because of the postponement of orders.

Total net sales in this segment were 25.4% lower year on year at ¥42,262 million.

Operating income declined by 51.0% to ¥3,314 million.

Strategies and Initiatives Going Forward

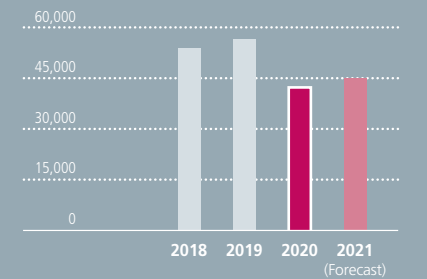
Within Japan, financial institutions are expected to accelerate innovations leading toward the creation of next-generation branches. Glory uses its accumulated expertise in the area of branch administration to offer next-generation branch concepts, while focusing on sales of products and services that reflect user needs. We will also target growth in sales of products for non-cash fields.

Contribution to
Total Net Sales
(Year ended March 31, 2020)

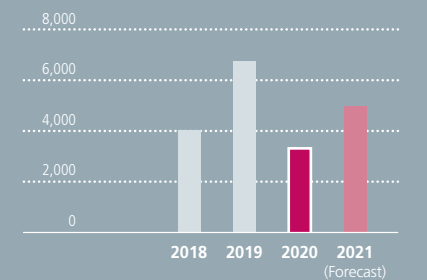
18.9%



Net Sales
(Years ended March 31) (¥ million)



Operating Income
(Years ended March 31) (¥ million)





“EvolBranch” Concept – A 10-year Scenario for the Evolution of Japanese Financial Institutions

Glory has started to offer the “EvolBranch” concept as a specific scenario for the evolution of branches of financial institutions in Japan over the next 10 years. Through this concept, we aim to help financial institutions develop next-generation branches and further improve the efficiency of their banking operations, resulting in higher earnings for financial institutions and enhanced convenience for their customers.



EvolBranch
The logo is the combined image of analogue and digital technologies.

Three-step Proposal for Branch Optimization

Step 1

Smart Branch

(Branch image 1 to 3 years from now)

We will reconstruct branch networks, review customer traffic flow, reduce back office tasks, and strengthen operations by categorizing a branch into four types. We will also consider daily visitor numbers and site characteristics.

Types	Large Branches	Medium Branches	Small Branches	Automated Branches
Branch Category	Regional main branch, Full-service branch	Small transactions	Personal consultation	Self-service

Point 1 A concierge is arranged for large and medium branches in order to understand the purpose of the customer’s visit and to provide appropriate guidance.

Point 2 Install open teller systems and security storage systems to achieve branches with no tellers or vault. Also go paperless by adopting multi-document scanners to transmit business transactions to a centralized location.

Step 2

Digital Branch

(Branch image 6 years from now)

We will reduce office space, expand the lobby area, remove counters, and install a booth to perform various transactions while communicating with customers. Additionally, we will transform branches to enable business transactions and consultations.

Step 3

IoT Branch

(Branch image 10 years from now)

We will create an unmanned branch with the latest technologies. Robots provide customer guidance, while AI provides consultations for asset management.



Retail and Transportation Market

Glory's main customers in this segment are supermarkets and cash-in-transit companies. Our main products for this market include coin and banknote recyclers for cashiers, which help to ensure rigorous cash management while also reducing checkout waiting times in supermarkets and other retailers, and sales proceeds deposit machines, which are used to manage proceeds in department stores and shopping malls.

Glory also supplies a range of products for railroad companies, including cash recyclers, which count and deposit cash received and dispense change at ticket counters, and coin-operated lockers.

Market Environment and Operating Results

Solutions for labor shortages and adaptation to diversified payment methods were key priorities for companies in the Retail and Transportation Market in the year ended March 2020. Glory responded to this situation by marketing banknote recyclers and ticket vending machines to meet the growing demand for self-service systems. Sales of banknote recyclers for cashiers were slower in the wake of large-scale orders in the previous year, but there were strong trends in sales of ticket vending machines and sales proceeds deposit machines for use in the cash-in-transit market. Total net sales in this segment increased by 1.0% over the previous year's figure to ¥52,487 million, and operating income by 12.7% to ¥5,198 million.

Strategies and Initiatives Going Forward

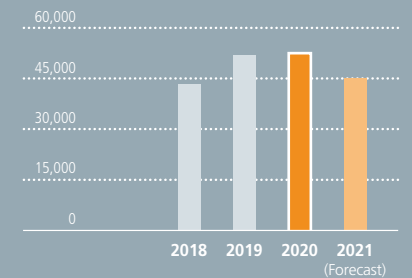
The spread of COVID-19 infections is expected to lead to further growth in demand for self-service banknote recyclers, ticket vending machines, medical payment kiosks, and other self-service systems. We will further expand our marketing of products and services in these areas. Another priority will be the expansion of the potential user base for banknote recyclers through the development of customers in new business categories and customers, in addition to our existing customer base.

Contribution to
Total Net Sales
(Year ended March 31, 2020)

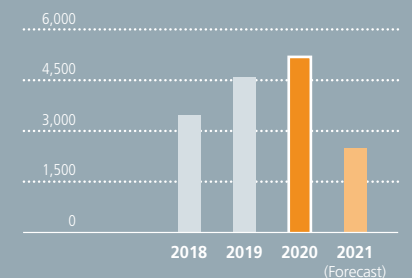
23.4%



Net Sales
(Years ended March 31) (¥ million)



Operating Income
(Years ended March 31) (¥ million)





RETAIL AND
TRANSPORTATION MARKET
TOPICS

Products to Support Self-service and Automated Payment Systems

For Retailers

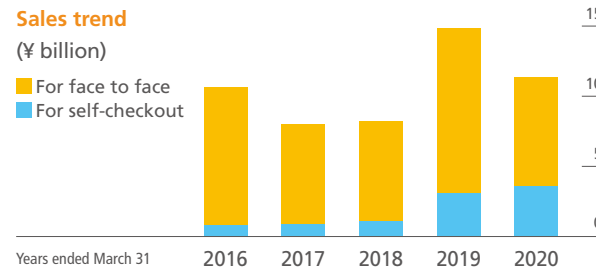
Coin and Banknote Recyclers for Self-checkout Terminals

Self-service payment systems based on Glory products help to reduce cash register waiting times in supermarkets, restaurants, bars, and specialty stores.



Sales trend
(¥ billion)

■ For face to face
■ For self-checkout

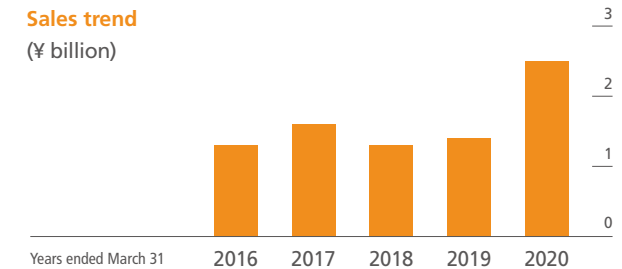


Ticket Vending Machines

Glory products are used to create self-service ordering and payment systems in restaurants, bars, and leisure facilities.



Sales trend
(¥ billion)



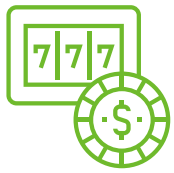
For Medical Institutions

Medical Payment Kiosks

Glory supplies self-service payment systems for hospitals, pharmacies, and related facilities. We also propose solutions based on combinations of the products with our automatic post-care payment processing "Zero Waiting Time." This system allows patients to pay the doctor visit fee without waiting at the clinic for the bill.



*This system utilizes the interfaces of medical payment kiosks and medical accounting systems. The patient's credit card details and other information are registered using a medical payment kiosk, allowing payments to be processed after treatment.



Amusement Market

Glory's main customers in this segment are amusement halls (pachinko parlors). Our core products are peripheral equipment other than actual amusement machines, including pachinko ball/token dispensers and counters, pachinko prize dispensing machines, control computers, and pachinko card systems used to control sales in amusement facilities.

Market Environment and Operating Results

In the amusement sector, a growing range of leisure activities and lower numbers of players are reflected in a decline in the number of pachinko parlors. Another fact leading to a gradual worsening of the business environment for pachinko parlor operators is the amendment of the Act on Control and Improvement of Amusement Businesses, requiring operators to install machines with a reduced gambling element. In the year ended March 2020, we responded to this situation through marketing efforts targeting card systems, which are Glory's main products in this segment, and peripheral equipment, such as pachinko prize dispensing machines.

Sales were slower in some product categories, such as card systems. However, there was a strong trend in sales of parlor equipment, especially smoking booths, which are being installed in pachinko parlors under the revised Health Promotion Act.

Net sales in this segment increased by 1.2%

year on year to ¥20,753 million. Operating income was 2.0% higher at ¥1,998 million.

Strategies and Initiatives Going Forward

We will continue to work steadily toward closer collaboration with Group companies and partner companies, and the timely release of new products. We will also target further

sales growth by strengthening our capacity to propose solutions based on the use of our various products and services to improve the operating efficiency of amusement facilities. These efforts will focus in particular on card systems, which are our flagship products in this segment. At the same time, we will continue to monitor the activities of the government and related organizations.

Pachinko Parlors



Pachinko parlors are casino-like recreation facilities unique to Japan. People go to pachinko parlors to amuse themselves by playing two types of game machines: "pachinko" and "pachislot." Pachinko machines resemble vertical pinball machines and pachislot machines are like casino slot machines.

As one of Japan's flagship leisure industries, pachinko and pachislot claims a major share of the country's leisure market. This market accounts for roughly 30% of the leisure market, revenues of ¥20.7 trillion,* and 9.5 million players*.

*Source: White Paper on Leisure Industry 2019 Japan Productivity Center

Contribution to
Total Net Sales
(Year ended March 31, 2020)

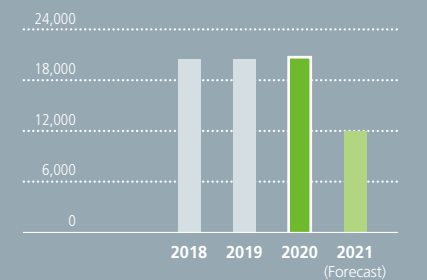
9.3%



Net Sales

(Years ended March 31)

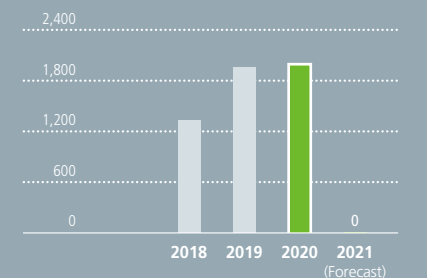
(¥ million)

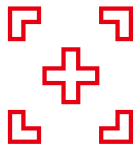


Operating Income

(Years ended March 31)

(¥ million)





Others

This segment consists of products not included in Glory's four reportable segments, as well as business activities relating to the creation of new business under Glory's Long-Term Vision 2028.

Market Environment and Operating Results

We have devoted considerable effort to the creation of new solutions, including the development of personal authentication platforms based on biometric recognition technology, and the expansion of the scope of Glory's robotic system integration business.

Net sales in this segment in the year ended March 2020 reached 51.0% of the previous year's level at ¥5,045 million, and there was an operating loss of ¥2,364 million, compared with a loss of ¥1,521 million in the previous year.

Strategies and Initiatives Going Forward

In the area of personal authentication, we are currently trialing a biometric payment service based on facial features and voice characteristics. We are working toward the early commercialization of this technology, which is tune with today's emphasis on touchless and contactless processes. We are also marketing a new walk-through facial recognition system that can recognize people even when they are wearing masks.

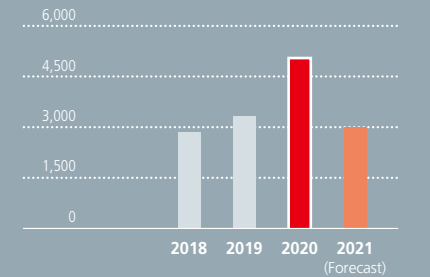
Our recognition and identification technology is also used in our robotic integration business. We will step up our marketing in this area in anticipation of accelerating moves toward the reduced use of human workers in production operations with the aim of enhancing security and safety. Other priorities include the acquisition of data analytics expertise as a new core technology, as well as strategic investment in new business creation and expansion of our business areas.

Contribution to
Total Net Sales
(Year ended March 31, 2020)

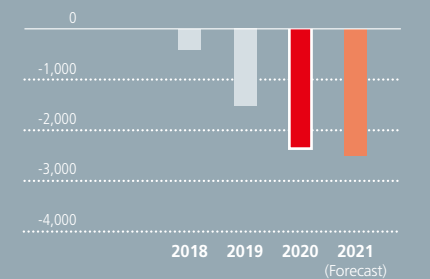
2.2%



Net Sales
(Years ended March 31) (¥ million)



Operating Income
(Years ended March 31) (¥ million)



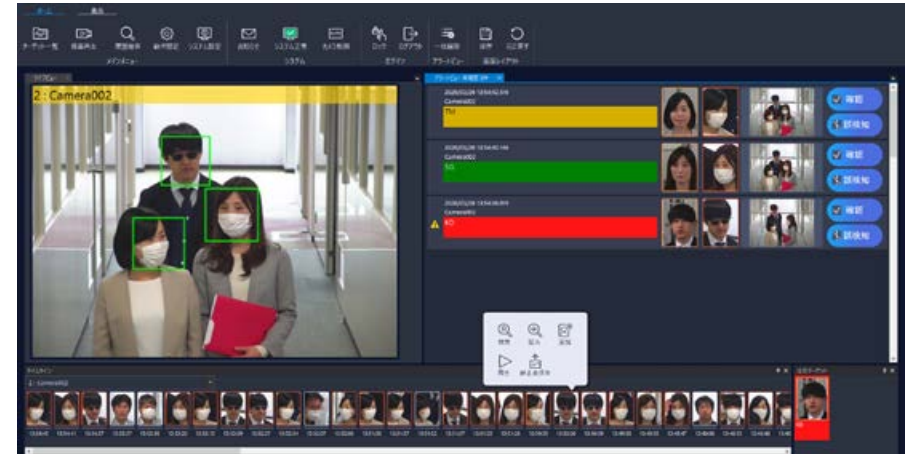
OTHERS
TOPICS

01/

New Facial Recognition Engine



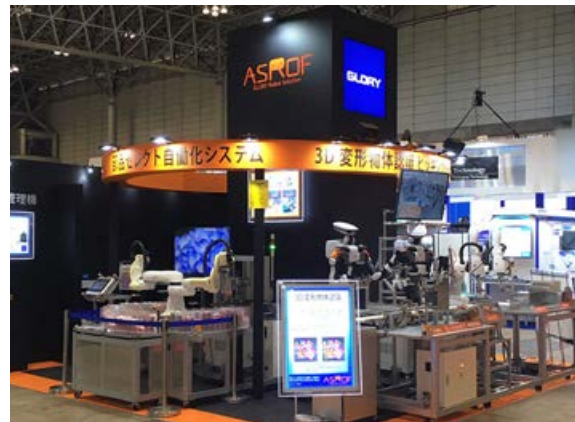
Glory has developed a new facial recognition engine capable of recognizing stored facial data with high accuracy even when the subjects are wearing masks or sunglasses. By using a deep learning method, we have achieved a 10-fold improvement in the accuracy with which this system can recognize individual characteristics, such as the shape of the eyes, the temples, the forehead, or bridge of the nose. In June 2020, we commenced marketing of a walk-through recognition system incorporating this engine.



In-action snapshot of Glory's walk-through facial recognition system

02/

Robotic System Integration Business



NEXTAGE*1 and duAro2*2 assembling, packing, and sealing boxes

Since April 2017, we have been working toward the establishment of a robotic system integration business capable of providing total solutions encompassing all stages from the creation of automated production lines and the installation of peripheral facilities to after-service. We call this system "ASROF" (Automation Smart Robot for Future).

We are currently proposing solutions that focus on product picking and packaging. Key targets include companies in the cosmetics, pharmaceutical, and food industries.

*1 "NEXTAGE" is a humanoid robot developed by Kawada Robotics Corporation, Inc.

*2 "duAro2" is a dual-arm collaborative SCARA robot developed by Kawasaki Heavy Industries, Ltd.

Setting the Glory Team Priorities to Enable a Confident World

Hirokazu Onoe
Chairman of the Board &
Representative Director



Motozumi Miwa
President &
Representative Director



Hideo Onoe
Director & Senior Managing
Executive Officer



Shigetoshi Mabuchi
Director & Senior Managing
Executive Officer



Kaname Kotani
Director & Senior Managing
Executive Officer



Akihiro Harada
Director & Senior Managing
Executive Officer



Joji Iki
Outside Director



Junji Uchida
Outside Director



Toru Fujita
Director (Audit & Supervisory
Committee Member)



Satoshi Hamada
Outside Director
(Audit & Supervisory
Committee Member)



Keiichi Kato
Outside Director
(Audit & Supervisory
Committee Member)



Corporate Governance

Board of Directors (As of June 26, 2020)

Hirokazu Onoe Chairman of the Board & Representative Director

Sep. 1970	Joined the Company	Apr. 2011	President & Representative Director
Apr. 2000	General Manager, Vending Machine & Amusement Systems Business Div.	Apr. 2019	Chairman of the Board & Representative Director (to present)
Jun. 2001	Director		
Jun. 2004	Managing Director		
Jun. 2006	Director & Managing Executive Officer		
Apr. 2009	General Manager, Corporate Strategy Div.		
Jun. 2010	Director & Executive Vice President		

Motozumi Miwa President & Representative Director

Jun. 2009	Joined the Company	Apr. 2015	Director & Senior Managing Executive Officer
Mar. 2010	General Manager, Legal Affairs Dept., General Affairs Div.	Apr. 2016	Representative Director & Senior Managing Executive Officer
Jun. 2010	Executive Officer	Apr. 2017	Executive Vice President & Representative Director; Responsible for Business Management Headquarters
Apr. 2012	Senior Executive Officer; Executive General Manager, General Affairs Headquarters	Apr. 2019	President & Representative Director (to present)
Jun. 2012	Director & Senior Executive Officer		
Apr. 2013	Responsible for CSR, brand strategy, investor relations and legal compliance functions		
Apr. 2014	Director & Managing Executive Officer; Executive General Manager, Business Management Headquarters, Responsible for General Affairs Headquarters		

Hideo Onoe Director

Jan. 1999	Joined the Company	Apr. 2014	Managing Executive Officer of the Company; Executive General Manager, Production Headquarters & Senior General Manager, Purchasing Div.
Oct. 2005	General Manager, Supply Chain Management Dept., Production Management Div., Money Handling Systems Business Headquarters	Jun. 2014	Director & Managing Executive Officer
Oct. 2006	Executive Officer	Apr. 2015	Executive General Manager, Domestic Business Headquarters (to present)
Jul. 2009	President of GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.)	Apr. 2017	Director & Senior Managing Executive Officer (to present)
Apr. 2012	Senior Executive Officer of the Company; Executive General Manager, Production Headquarters		
Apr. 2013	Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.		

Shigetoshi Mabuchi Director

Apr. 1982	Joined GLORY Shoji Co., Ltd. (now the Company)	Apr. 2014	Managing Executive Officer
Apr. 2005	General Manager, Business Planning Office, Business Planning Div. of GLORY Shoji Co., Ltd.	Jun. 2014	Director & Managing Executive Officer
Apr. 2009	Senior General Manager, Maintenance Business Div., Maintenance Headquarters of the Company	Apr. 2017	Director & Senior Managing Executive Officer (to present)
Jun. 2010	Executive Officer		
Apr. 2012	Senior Executive Officer; Executive General Manager, Service Headquarters (to present)		

Kaname Kotani Director

Jun. 1987	Joined the Company	Jun. 2014	Director & Senior Executive Officer
Jun. 2010	Senior General Manager, Development Div., Money Handling System Business Headquarters	Apr. 2015	Director & Managing Executive Officer
Apr. 2011	Deputy Executive General Manager, Development Headquarters	Apr. 2016	Responsible for information security (to present)
Apr. 2012	Executive Officer	Apr. 2017	Director & Senior Managing Executive Officer (to present)
Apr. 2013	Senior Executive Officer; Executive General Manager, Development Headquarters (to present), Responsible for Intellectual Property Dept. (to present)	Apr. 2018	Responsible for new businesses (to present)

Akihiro Harada Director

Mar. 1985	Joined the Company	Apr. 2015	Executive General Manager, International Business Headquarters
Apr. 2003	General Manager, Production Engineering Dept., Himeji Factory, Banking System & Equipment Div.	Jun. 2015	Director & Senior Executive Officer
Jan. 2006	President of GLORY (PHILIPPINES), INC.	Apr. 2017	Director & Managing Executive Officer
Apr. 2009	General Manager, Management Planning Dept., Corporate Strategy Div. of the Company	Apr. 2018	Executive General Manager, International Business Company Unit (to present)
Apr. 2012	Executive Officer; Project Leader, International Business Integration Project Management Office	Apr. 2020	Director & Senior Managing Executive Officer (to present)
Jul. 2012	Director of Glory Global Solutions Ltd.		
Apr. 2014	Senior Executive Officer of the Company; Responsible for manufacturing, procurement and quality assurance at group companies of Glory Global Solutions Ltd.		

Significant concurrent positions

Chairman of the Board & Chief Executive Officer of Glory Global Solutions Ltd.
Chairman of the Board of Sitrade Italia S.p.A.

Joji Iki Outside Director

Independent Director

Apr. 1977	Joined Kawasaki Heavy Industries, Ltd. ("KHI")	Apr. 2016	Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology and Sales department and in charge of Ship & Offshore Structure Company
Nov. 2002	Senior Manager, Aero-Dynamic Machinery Department, Machinery Division, Gas Turbine & Machinery Company	Apr. 2017	Director of KHI
Apr. 2009	Executive Officer; General Manager, Machinery Division, Gas Turbine & Machinery Company	Jun. 2017	Outside Director of the Company (to present)
Apr. 2012	Managing Executive Officer; President, Gas Turbine & Machinery Company		
Jun. 2012	Representative Director & Senior Vice President		
Apr. 2015	Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology, Sales and Procurement department		

Junji Uchida Outside Director

Independent Director

Apr. 1974	Joined NIPPON STEEL CORPORATION ("NSC")	Jul. 2010	Managing Director (Member of the Board); Director, Flat Products Division Project Leader, India Continuous Annealing and Processing Line Project
Jun. 2005	Director (Member of the Board); Director, Construction Products Division Director, Pipe & Tube Division	Apr. 2011	Managing Director (Member of the Board); Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project
Jun. 2006	Director (under the Executive Management system); Director, Construction Products Division Director, Pipe & Tube Division	Apr. 2012	Director (Member of the Board) of NSC Adviser of OSAKA STEEL CO., LTD. ("OSAKA STEEL")
Apr. 2007	Director (under the Executive Management system); Director, Plate Division	Jun. 2012	Representative Director and President of OSAKA STEEL
Apr. 2009	Managing Director (under the Executive Management system); Director, Flat Products Division	Jun. 2017	Director and Senior Advisor of OSAKA STEEL
Jun. 2009	Managing Director (Member of the Board); Director, Flat Products Division	Jun. 2018	Senior Advisor of OSAKA STEEL
		Jun. 2019	Outside Director of the Company (to present)

Corporate Governance

Board of Directors (As of June 26, 2020)

Toru Fujita Director (Audit & Supervisory Committee Member)

Sep. 1988 Joined the Company
 Apr. 2011 General Manager, Accounting Dept., Business Managing Div.
 Apr. 2012 General Manager, Accounting Dept., Business Managing Headquarters
 Jun. 2014 Audit & Supervisory Board ("A&SB") Member, GLORY Products Ltd.
 Jun. 2017 Standing A&SB Member of the Company
 Jun. 2020 Director (Audit & Supervisory Committee Member) (to present),
 A&SB Member, GLORY NASCA Ltd. (to present),
 A&SB Member, Hokkaido GLORY Co., Ltd. (to present)

Significant concurrent positions

A&SB Member, GLORY NASCA Ltd.,
 A&SB Member, Hokkaido GLORY Co., Ltd.

Satoshi Hamada Outside Director (Audit & Supervisory Committee Member)

Independent Director

Apr. 1976 Joined Chuo Audit Corporation
 Aug. 1981 Joined Asahi & Co. (now KPMG AZSA LLC)
 Nov. 1981 Registered as certified public accountant
 Sep. 1984 President, Satoshi Hamada Accounting Office (to present)
 Sep. 2014 Representative, Hamada Certified Tax Accountant Office (to present)
 Jun. 2015 Outside A&SB Member of the Company
 Jun. 2020 Director (Audit & Supervisory Committee Member) (to present)

Significant concurrent positions

President, Satoshi Hamada Accounting Office
 Representative, Hamada Certified Tax Accountant Office
 Outside Director, NISHIMATSUYA CHAIN Co., Ltd.
 External Director (Audit & Supervisory Committee Member),
 WDB Holdings Co., Ltd.

Keiichi Kato Outside Director (Audit & Supervisory Committee Member)

Independent Director

Oct. 2003 Registered as Attorney-at-law
 Joined Harima Law Office
 Jan. 2009 Attorney-at-law and Partner, Harima Law Office (to present)
 Jun. 2018 Outside Corporate Auditor, Sanyo Color Works Ltd. (to present)
 Jun. 2019 Outside A&SB Member of the Company
 Jun. 2020 Director (Audit & Supervisory Committee Member) (to present)

Significant concurrent positions

Attorney-at-law and Partner, Harima Law Office
 Outside Corporate Auditor, Sanyo Color Works Ltd.

Executive Officers

Senior Managing Executive Officer

Hideo Onoe
Shigetoshi Mabuchi
Kaname Kotani
Akihiro Harada

Managing Executive Officer

Katsunori Yamamoto

Senior Executive Officer

Tokuya Shimizu
Hirofumi Kameyama
Hideto Tanaka
Tsutomu Iwata
Masashi Michishita
Toshihiko Kayama
Yoshihiro Takada
Tetsuya Bogaki
Chris T. Reagan
Vincent Nakache

Executive Officer

Makoto Ueda
Taneyoshi Ebashi
Masato Ishida
Hiroshi Uemura
Yoshifumi Kawabata
Yoshihiro Oota
Satoko Fujii
Yukihiro Fujikawa
Nobuo Nakaoka
Ben Thorpe

Messages from Independent Outside Directors

We believe that our outside directors must be independent from Glory. Specifically, they are required to meet not only the conditions stipulated in the Companies Act and the rules of the Tokyo Stock Exchange, but also our own, more stringent criteria. For details concerning the independence requirements for Glory's independent outside directors, please refer to our Corporate Governance Guidelines.



<https://corporate.glory-global.com/groupinfo/governance/>

Director career summaries are on page 31.



Joji Iki

Outside Director
Nomination Advisory Committee Chair
Compensation Advisory Committee Member

In recent years, I have heard various views about the positioning of the Board of Directors and the role of outside directors during discussions about corporate governance. I believe that the mission of an outside director is to supervise the performance of business operations from an independent and objective perspective and support the proposal and implementation of management strategies.

Observance of laws and regulations, the establishment of internal control systems, and the achievement of consistent compliance are all fundamental requirements for the survival of a company. That is why it is so important to ensure comprehensive supervision. We also need to be aware that the level of compliance required will change in step with social change around the world.

Over the past few years, there have been

significant changes in the markets resulting from social change and the evolution of a cashless society due to the use of the IoT. The Glory Group needs to modify its business operations flexibly in line with these changes. The formulation and implementation of management strategies are extremely important from this perspective, because Glory has shifted from an environment in which it could look forward to a certain level of organic growth, to one in which it needs to pioneer products and markets through its own efforts and start up new businesses and new markets.

I believe that outside directors have a responsibility to provide robust advice and support to the executive organization as they work to formulate and implement new group management strategies, including product development for new businesses and markets, market development, and M&A. Participants in the Glory Group's Board of Directors engage in lively discussions, sometimes using IT tools. I look forward to playing a continuing role in the efforts to speed up management decision-making and ensure that everyone can express their views freely and frankly.

The COVID-19 pandemic that emerged in the early months of 2020 is having an enormous impact on the world, including Japan. Despite this, I am determined to work even harder to ensure the sustainable growth of the Glory Group and the achievement of further improvement in its medium- to long-term corporate value.



Junji Uchida

Outside Director
Compensation Advisory Committee Chair
Nomination Advisory Committee Member

As someone with a background in the steel industry, I have built up wide-ranging experience in business and management in a field that is different from Glory's business domain. My career has given me a real understanding of the importance of continuous efforts to enhance corporate value through structural reforms designed to improve competitiveness, as well as through global initiatives, such as overseas expansion. I have learned through my day-to-day work that people and frontline operations are the lifeblood of any company, and that the trust of customers is an asset.

In addition to the powerful product range that it has built up over the years, Glory's emergence as a leading company in its industry also reflects its dynamic expansion into overseas markets. However, a company cannot adapt to the large and rapid market

changes that are now occurring simply by continuing with its existing business activities. Instead it will need to take up new challenges in innovative business areas.

As an outside director, my task in this context is to work on behalf of stakeholders, including shareholders, to further energize management, and to provide an outside perspective that contributes to the fair and appropriate implementation of business operations.

In this fiscal year, Glory made the transition to a new structure as a Company with Audit & Supervisory Committee. As a listed company, Glory is constantly working to strengthen and enhance its governance through progressive initiatives, and this latest change will significantly improve the transparency of its management structure. The Board of Directors can be expected to discuss a variety of themes that will have important implications for Glory's future growth, including innovation in existing business areas, expansion of overseas operations, and expansion into new business areas. Glory's value as a company will also depend on its response to the impact of the COVID-19 pandemic.

I have the greatest respect for the corporate culture developed by Glory, and a sense of anticipation about the role that I can play in contributing to its next growth phase.



Satoshi Hamada

Outside Director and
Audit & Supervisory Committee Member

I believe that the role of an outside director is to identify deviations from the Company's basic policies or management strategies and to ascertain whether business risks are being kept within reasonable limits by monitoring the performance of day-to-day business operations by executive directors. I aim to use my past experience as an accounting auditor in several audit corporation and as an outside director in other listed companies to provide appropriate input concerning matters that cannot be assessed or decided solely through internal processes.

Glory's business environment is being transformed by the diversification of payment methods due to the emergence of the cashless society and advances in AI, the IoT, and other technologies. The fundamental management challenge for Glory is to ensure sustainable growth and improvement in its

corporate value over the medium- to long-term future, by further evolving its existing business in its core area of cash handling, and to develop new business domains. One way to achieve these goals might be business restructuring through opportune M&A anywhere around the world. I believe that when M&A or other projects are proposed in Board of Directors meetings, there is a need for oversight from the perspectives of corporate profitability and capital efficiency to ensure that there will be no adverse impact on the interests of stakeholders, including shareholders, or corporate value. During my five years as an outside Audit & Supervisory Board member for Glory, I have deepened my understanding of the Glory Group's business activities and management. I will work to ensure that the expectations of shareholders and investors are fulfilled by further integrating and enhancing the knowledge that I have gained in the past.



Keiichi Kato

Outside Director and
Audit & Supervisory Committee Member

Glory has restructured itself as a Company with Audit & Supervisory Committee. This change is expected to strengthen the supervisory functions of the Board of Directors, while also enhancing the speed and efficiency of management decision-making. It will further reinforce our corporate governance systems.

Under this new structure, I will combine my position as an outside director with my new role as a member of the Audit & Supervisory Committee. I will also audit and supervise the performance of duties by directors from my independent perspective as someone outside of the Company.

The knowledge and experience gained through my many years of work as an attorney, the intuition I developed for management through my experience as an outside corporate auditor for another company, and my position as an outside

Audit & Supervisory Board member for the Glory Group have all helped me to form a deeper understanding of the Glory Group's business and management.

As an outside director, I will work with increased determination to meet the expectations of shareholders and investors by participating in the decision-making processes of the Board of Directors, and by further deepening my knowledge so that I can help Glory to achieve sustainable growth and improvement in its medium- to long-term corporate value by providing effective advice about management policies and improvements to management systems.

Many factors are driving far-reaching changes in the Glory Group's business environment, including the emergence of the cashless society and the diversification of payment methods, as well as country-specific risks overseas where the Company has established operations. However, Glory's management creed includes the following statement: "Through a spirit of continuous development, we will provide products and services our customers can rely on." I believe that by working under this philosophy Glory can adapt to these changes and achieve continuing growth and success by creating products that society needs and taking up the challenge of technological innovation.

Corporate Governance

Glory's corporate philosophy guides its efforts to continuously improve corporate value through sound and efficient business management, so that the Company can exist in harmony with society and earn the trust and support of all stakeholders. None of this can be achieved without a firm commitment to the continuing improvement of corporate governance. Glory will continue its efforts to strengthen the supervisory and executive functions of management, accelerate decision-making, ensure transparency and objectivity, and enhance compliance management to further increase our corporate value.

Corporate Governance Guidelines



Glory's basic policy on corporate governance is set out in the Corporate Governance Guidelines.

<https://corporate.glory-global.com/files/user/ir/Guidelines20200626.pdf>

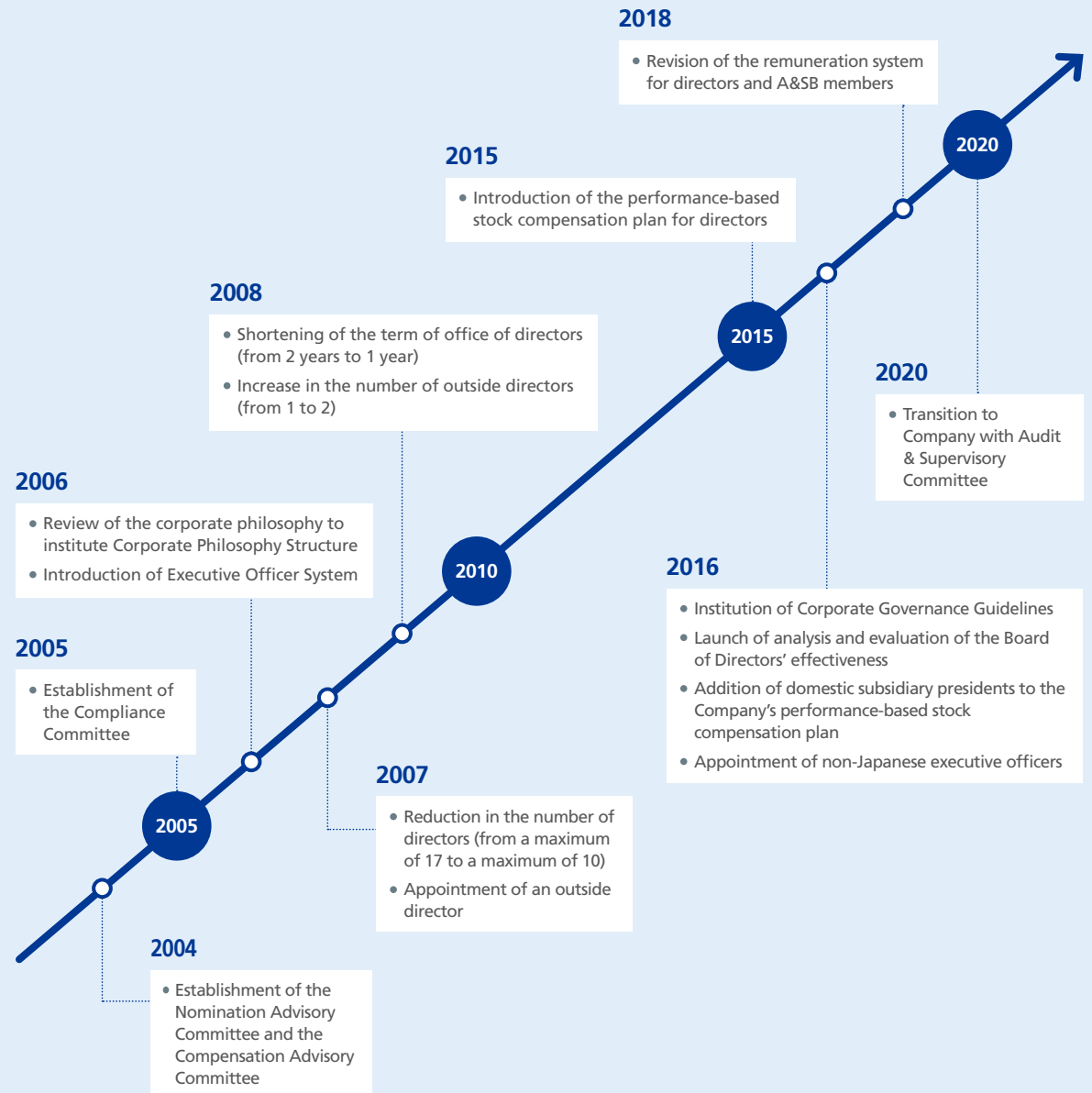
Corporate Governance Report



For more information on our corporate governance code initiatives, see "Corporate Governance Report."

<https://corporate.glory-global.com/files/user/ir/CGReport2020.pdf>

Glory Corporate Governance Chronology



Corporate Governance Structure

Adopted a New Governance Structure

As the Glory Group's business environment changes rapidly, the Company adopted a "Company with Audit & Supervisory Committee" governance structure on June 26, 2020, in order to accelerate and improve the efficiency of decision-making on important management issues and strengthen the supervisory functions of management.

Balance of Inside and Outside Directors (As of March 31, 2020)

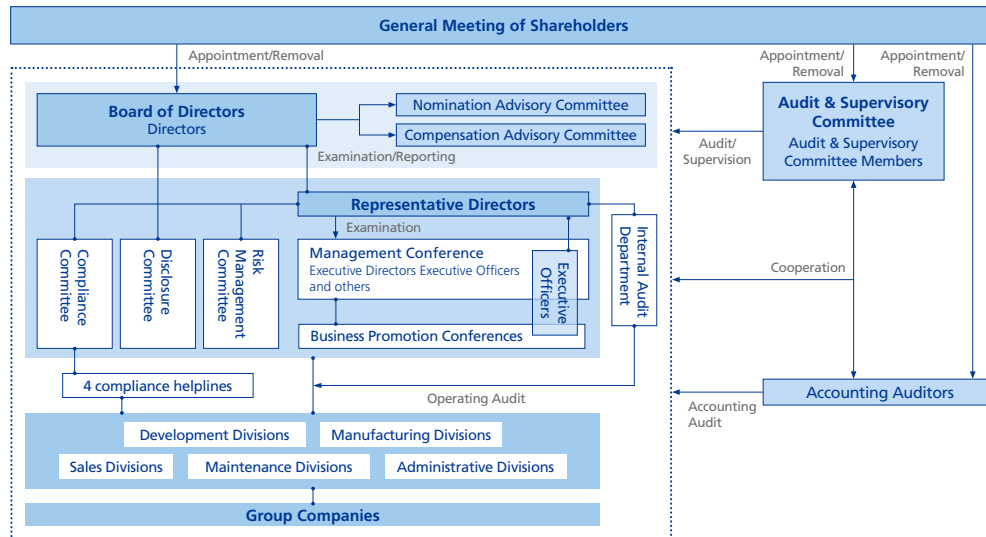
Directors Who are not Audit & Supervisory Committee Members	Total	8 directors (Including 2 outside directors)
	Term of Office	1 year
Directors Who are Audit & Supervisory Committee Members	Total	3 directors (Including 2 outside directors)
	Term of Office	2 years
Total Number of Directors	Total	11 directors
	Percentage of Outside Directors	36.4%

Characteristics of a Company with Audit & Supervisory Committee

- The Board of Directors can delegate important business execution decisions to the directors. By narrowing down the Board of Directors' agenda and securing time for discussion, we can enhance deliberations on important matters.
- Directors who are Audit & Supervisory Committee members hold voting rights in the Board of Directors. The majority of the Audit & Supervisory Committee, which is composed of Directors who are Audit & Supervisory Committee members, are outside directors.
- The Audit & Supervisory Committee, including its two outside directors, is expected to play a role in auditing and is involved in the appointment and dismissal of directors as well as the decisions concerning remuneration for directors. This further strengthens supervisory functions. In addition, four members of the Board of Directors (11 members in total) are outside directors, which will lead to the strengthening of governance functions.

Corporate Governance Framework

Corporate Governance System (As of June 26, 2020)



Glory believes that it is effective for its corporate management to have a governance structure that will achieve accelerated and streamlined decision-making with regard to important management issues and also strengthen the supervisory functions of management. Under such belief, the Company has adopted a "Company with Audit & Supervisory Committee" governance structure so that decisions regarding the execution of important operations are flexibly delegated to directors. It also introduces an executive officer system to enable speedy and efficient business management. In addition, the Company is working to improve the transparency and objectivity of decision-making with regard to important matters of management by enhancing both the supervisory functions of

the Board of Directors, which includes four outside directors, and the audit and supervisory functions of the Audit & Supervisory Committee as well as by establishing committees such as the Nomination Advisory Committee and Compensation Advisory Committee. The governance structure is outlined below.

Analysis and Evaluation on Effectiveness of the Board of Directors

From the year ended March 31, 2016, the Company has annually analyzed and evaluated the effectiveness of its Board of Directors based on its Corporate Governance Guidelines. A summary of the results is published on the Company's website.



<https://corporate.glory-global.com/groupinfo/governance/evaluation>

Remuneration for Directors

Remuneration Structure

Executive Directors

Remuneration for executive directors consists of fixed compensation ("Fixed Compensation"), bonuses linked to short-term business performance ("Bonuses"), and stock compensation ("Stock Compensation"). The proportion of performance-based compensation is determined in stages according to rank. Details of each type of compensation are as follows:

- Fixed Compensation is determined according to the position and responsibilities of the person concerned;
- The ratio between the base amount of cash compensation (Fixed Compensation and Bonuses) and that of Stock Compensation is set approximately at 80% and 20% respectively;

- The ratio between the base amount of Fixed Compensation and that of performance-based compensation (Bonuses and Stock Compensation) is set approximately at 50% for each for the president. For other directors, the ratios are determined proportionately to the ratio for the president, according to the responsibilities, the general level of compensation and other factors;
- The target indicators for Bonuses are consolidated net sales and operating income from among the performance targets in the 2020 Medium-Term Management Plan. The amounts to be paid will be determined according to the degree of achievement toward those targets using a factor between zero times (if achievement degree is less than 60%) and two times (if achievement degree is 140% or more) a predetermined amount; and
- The target indicators for Stock Compensation are consolidated ROE and the operating margin from among the performance targets in the 2020 Medium-Term Management Plan. The number of shares to be allotted will be determined according to a number of points calculated by multiplying the basic number of points by a factor between zero times (if achievement degree is less than 90%) and two times (if achievement degree is 140% or more), depending on rank.
- No retirement benefits are paid to directors.

Outside Directors

Remuneration for outside directors who mainly fulfill management supervisory functions consists only of monthly Fixed Compensation.

Directors Who are Audit & Supervisory Committee Members

Remuneration for Audit & Supervisory Committee members who mainly fulfill auditing and supervisory functions consists only of monthly Fixed Compensation.

Amount of Remuneration for Directors and A&SB Members, and Number of Eligible Persons for the Year Ended March 2020

Category	Amount of Remuneration (Million yen)	Amount of Remuneration by Category (Million yen)			Number of Eligible Persons
		Fixed Compensation	Performance-based Bonuses	Performance-based Stock Compensation	
Directors (Excluding Outside Directors)	192	108	73	11	6
A&SB Members (Excluding Outside A&SB Members)	36	36	—	—	2
Outside Officers	38	38	—	—	6
(Outside Directors)	(24)	(24)	(—)	(—)	(3)
(Outside A&SB Members)	(14)	(14)	(—)	(—)	(3)

Notes:

1. Data shown is before the adoption of the "Company with Audit & Supervisory Committee" governance structure.
2. The amounts paid to Directors do not include employee salary portions for Directors who have concurrent responsibilities as employees.
3. The amount of stock compensation is reserved as a provision for performance-based stock compensation for the year ended March 2020.

Dialogue with Shareholders and Investors

Glory proactively arranges opportunities for dialogue with shareholders and investors to deepen their understanding of the Company.

At meetings with institutional investors and analysts, we actively engage in dialogue on various topics, including shareholder returns and capital policies, as well as our management strategy, business models, and medium- to long-term management plan. In the year ended March 2020, we held meetings with approximately 300 companies.

In terms of information disclosure, we voluntarily hold financial results briefings and conference calls and include supplementary

explanation to further clarify performance by segment and by area. We also extend invitations to IR events such as factory tours and exhibitions so participants can see our work themselves and gain a clearer understanding of our management strategy and business operations.

In addition, we co-host briefings with securities companies to provide individual shareholders and investors with a clear description of our business activities and communicate additional information through shareholder newsletters and our corporate website.

Main Achievements in Dialogues (Year Ended March 31, 2020)

Number of attendees at the 73th Ordinary General Meeting of Shareholders

Approx.
280

Number of meetings with institutional investors and securities analysts

Approx.
300

Number of participants at Company briefings for individual investors (total of seven meetings)

Approx.
380

Risk Information

Since the year ended March 31, 2019, the Glory Group (“the Group”) has had a group-wide risk management system in place, with the Risk Management Committee playing a central role in setting up priority areas and strengthening countermeasures, as well as a system for reporting related information to the Board of Directors. The forward-looking statements made below are based on judgments made by the Group as of the date of the Annual Securities Report submission, and business-related and other risks are not limited to those described in the table to the right.

Business Environment

■ Impact of COVID-19 and other infectious diseases

Since many of the products and services handled by the Group are provided to financial institutions, retail stores, railway companies, and other businesses that are required to continue operating even during an emergency, the impact of the spread of infectious diseases is considered to be limited in the event that the situation returns to normal within a short period of time.

However, since the fourth quarter of the fiscal year under review, the spread of COVID-19 infection has continued on a global scale, and has had an impact on the Group's business activities.

In terms of sales activities, restrictions on negotiations with customers have become a major impediment to active sales activities. While the containment of COVID-19 spread is not yet predicted, this lack of clarity in future has led customers to be less motivated to invest and the decline in demand, resulting in the uncertainty in the future business development of the Group.

In production activities, overseas plants that were forced to temporarily suspend their operations have now resumed their near-normal operations. However, the risk persists mainly in Asia regarding delays in deliveries of raw materials, parts, and other supplies from suppliers.

Thus, should the spread of the infection continue for a prolonged period of time, resulting in plant shutdowns, restrictions on the procurement of certain raw materials and parts, prolonged

restraints on sales activities, or unexpectedly significant changes in customers' interest in investment, the business operation of the Group may be adversely affected, which could have impact on the Group's stable revenue and financial position.

Under these circumstances, the Company has established the COVID-19 Response Task Force in January 2020 which is chaired by the President & Representative Director. The Company is working to share information and assess the impact of the spread of COVID-19 mainly through the task force. In addition, effective countermeasures are discussed and planned at the Management Committee, the Board of Directors and other key management meetings to minimize the impact of the outbreak.

■ Rapid development of cashless economy

While its mainstay business remains in the cash handling machine sector, in order to mitigate the risks inherent in this core business, the Group is also aggressively investing in the non-cash business sector. Should the cashless economy develop drastically and globally in a short time before the Group's non-cash businesses matures, the performance of the Group may be adversely affected.

■ Overseas business conditions

The Group's overseas business activities are wide-ranging, including sales and maintenance of products, and overseas production and procurement. Should the political and/or economic situation rapidly change or the protectionist trade policies expand in countries or regions where the Group operates, or if foreign exchange markets were to fluctuate beyond the anticipated scope, major issues may arise in sales and other activities and the performance of the Group may be adversely affected.

■ Laws and regulations of countries and regions where the Group operates

The Group is subject to business authorizations, import and export regulations, as well as various laws and regulations in the countries and regions where the Group operates. Should these laws and

regulations be revised or repealed, or if new public regulations were to be established, or if any other special factors influencing the market environment were to arise, the performance of the Group may be adversely affected.

■ High level of reliance on the financial industry sector

The composition of the Group's sales is highly dependent on the domestic and overseas financial institutions. While the Group is endeavoring to develop new products in response to the global shift to next-generation store styles in order to provide products that meet the customers' needs, should it become necessary for the financial institutions to cut their capital investments due to their major operational or financial problems, the performance of the Group may be adversely affected.

■ Intensified competition

Should the competition intensify in the business areas in which the Group operates, leading to the competitors' launch of new competitive products and services, aggressive sales activities such as significant price reductions, and/or the shift of demand to lower-priced products, the performance of the Group may be adversely affected.

■ Strategic investments

The Group is proactively allocating its management resources so as to expand its existing businesses and create new businesses, with the aim of continuously improving its corporate value over the medium to long term. As a result, the amounts of goodwill and customer relationships as of March 31, 2020 stood at ¥43,246 million and ¥17,968 million, respectively, accounting for 14.0% and 5.8% of total consolidated assets, respectively. These intangible assets are subject to impairment assessment when their expected results are not achieved due to changes in the business environment, related impairment loss be recorded. Should such circumstances occur, the performance of the Group may be adversely affected.

■ Procurement of parts and materials

While the Group strives for stable procurement of parts and materials by purchasing from multiple suppliers and diversifying procurement locations, certain parts and materials may be procured from a single supplier on a temporary basis due to their specialty. In addition, there may be difficulties in procurement due to natural disasters or accidents that cause suppliers to suspend or interrupt their production activities. Should such unforeseen events occur impacting the production of the Group, the performance of the Group may be adversely affected.

■ Recruitment and development of human resources

As the Group operates its businesses globally, it has employees with a wide variety of nationalities, values, and expertise. The Group's medium- to long-term growth is highly dependent on these human resources, and securing and training talented employees at the right time is indispensable for the sustainable growth of the Group. Thus, if the Group were unable to recruit and train personnel who are well suited to the characteristics and growth stage of each Group company or who are capable of working in development, production, sales, maintenance, management, and other areas as planned over the medium to long term, the performance of the Group may be adversely affected.

Business Operation

■ R&D investment

The Group is an R&D-based enterprise and continues to invest in R&D aggressively. However, depending on the R&D themes, the development period could be longer, and the costs higher, than initially planned. If such circumstances were to occur, the performance of the Group may be adversely affected.

■ Intellectual property rights

The Group constantly conducts research on the products of other companies, in order to prevent infringements by the Group's products on material intellectual property rights of third parties, as well as those by third parties' products on the Group's intellectual property rights. However, it is difficult for an R&D-based corporate group like the Group to completely avoid the occurrence of intellectual property infringement issues. If such circumstances were to occur, the performance of the Group may be adversely affected.

Environment

■ Climate change

The Group recognizes climate change as a key issue for the Group, which operates globally, and is endeavoring to develop environmentally friendly products, taking into account the policies and legal requirements for climate change and the demands of the market. Thus, should these requirements become more stringent than anticipated, leading to increased costs, lost sales opportunities, or a decline in corporate value due to damage to corporate brands, the performance of the Group may be adversely affected. In addition, if extreme weather events such as typhoons and torrential rains, which have been on the rise in recent years due to climate change, or large-scale natural disasters such as earthquakes were to occur, the Group's business activities may be limited and the performance of the Group may be adversely affected.

Glory's CSR Philosophy

» Basic Philosophy

Our corporate philosophy states that “we will contribute to the development of a more secure society through a striving spirit and cooperative efforts.” Under this philosophy, the Glory Group will continue to contribute to the realization of a sustainable society by applying its accumulated core technologies and developing innovative technologies with the potential to create new value to solve social issues.

» CSR Education

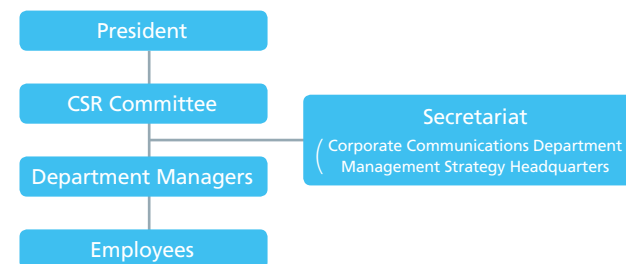
Every employee in the Glory Group receives a copy of the *Guidelines of GLORY* handbook, which contains information such as the corporate philosophy, management creed, and the Corporate Action Guidelines. The handbook is available in eight different languages to ensure that employees around the world have the shared understanding needed to realize Glory's corporate philosophy. Glory also seeks to deepen employee understanding of CSR through an e-learning program and the publication of CSR-related information on its intranet.



Guidelines of GLORY
handbook

» CSR Promotion Framework

CSR efforts in the Glory Group are led by the CSR Committee, which is chaired by the president and made up of management-level employees. The committee convenes twice a year, at which time it deliberates on the basic direction and plans for CSR management and establishes policies for major annual CSR initiatives.



» Participation in the United Nations Global Compact

The Glory Group operates in more than 100 countries. We contribute to every region in which we operate by matching technologies and services to the issues faced by customers and society, and as responsible corporate citizens, we conduct our work with awareness of the issues of the international community. To further clarify our stance on social contribution, Glory signed the United Nations Global Compact, an international framework for sustainable development, in March 2014.

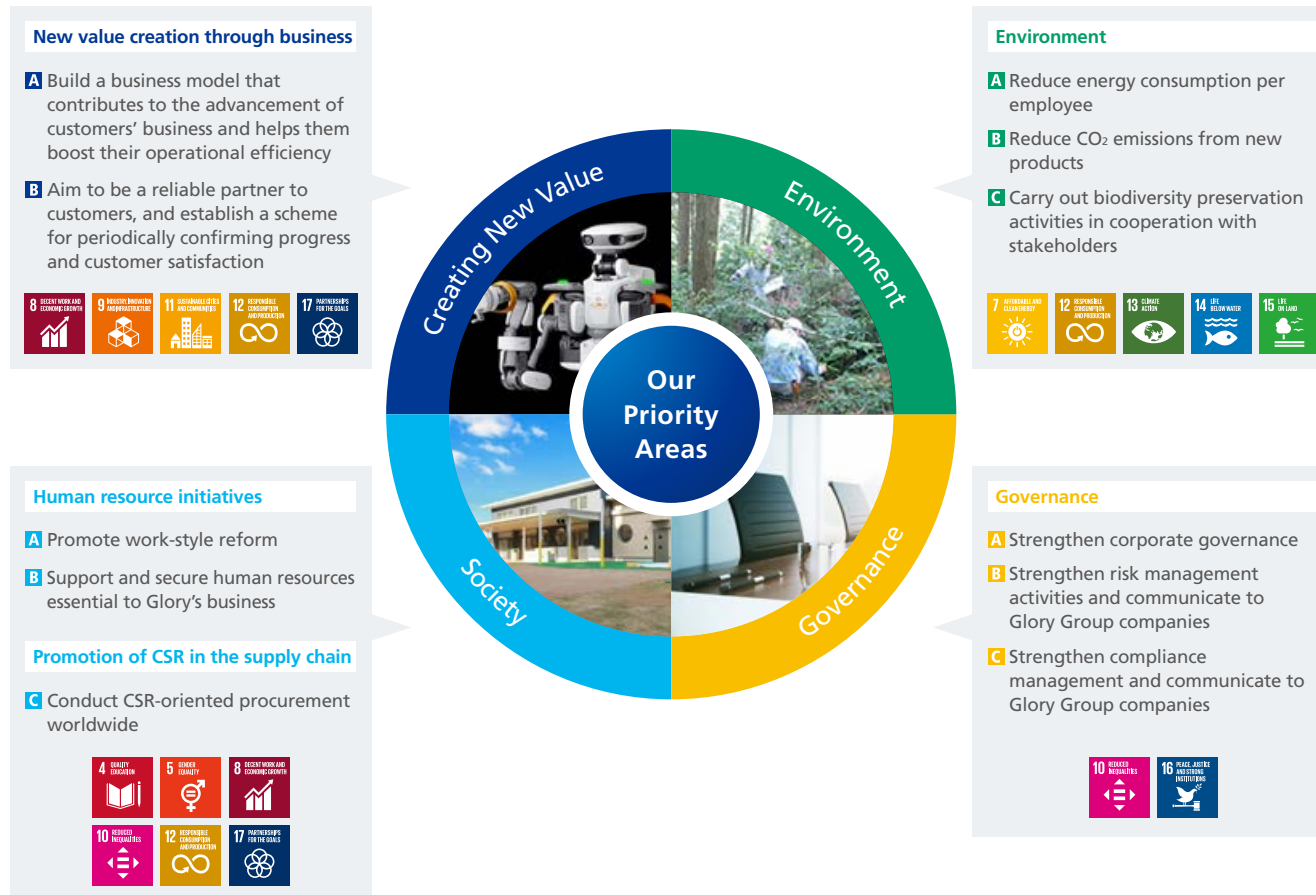


Glory promotes various other CSR Activities.
For further information, please visit our website.
<https://corporate.glory-global.com/csr/>

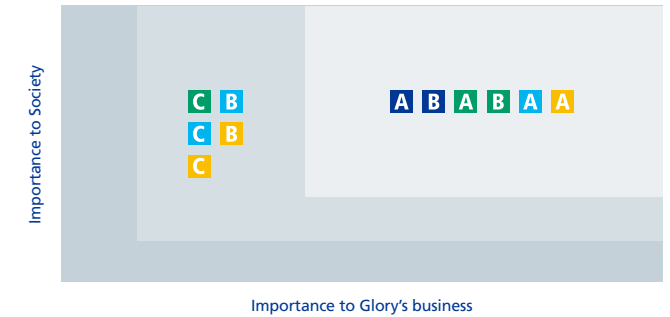
Committing to Material Issues and the SDGs

We strive to take action on important societal challenges by building solutions for stakeholders in light of a much broader group of needs defined by the 17 Sustainable Development Goals (SDGs) set by the United Nations in 2015. We want our solutions to provide comprehensive and positive contributions to the realization of sustainable society.

» Material Issues Identified at Glory



» Materiality Matrix



» Process for Identifying Material Issues

- STEP 1 Find and Extract CSR Issues**
Based on international standards such as the Global Reporting Initiative (GRI) guidelines and ISO 26000, the social impact in all stages of the value chain (planning, development, procurement, manufacturing, sales, maintenance, others) were assessed, and CSR issues were found and selected.
- STEP 2 Assess the Materiality of CSR Issues from the Standpoint of Both Glory and Its Stakeholders**
A questionnaire was administered in both the business and corporate departments to assess materiality. Responders ranked the priority of CSR issues from the two standpoints of "materiality in businesses" and "level of impact on stakeholders."
- STEP 3 Experts Assess Validity**
Two outside experts assessed the validity of materiality. Based on these assessment results, a materiality map was created and issues were sorted out.
- STEP 4 Identifying Material Issues**
Based on the materiality map, 11 items considered material issues at Glory were chosen and these were classified into five priority CSR themes. Following approval from management, these were identified as material issues.
- STEP 5 Associated with SDGs**
Associated identified material issues with SDGs.

CSR Material Issues

Category	Priority CSR Themes	Material Issues	Targets for Fiscal Year 2019	Results for Fiscal Year 2019	Targets for Fiscal Year 2020	Linkage to SDGs
Creating New Value	New value creation through business	<ul style="list-style-type: none"> Build a business model that contributes to the advancement of customers' business and helps them boost their operational efficiency 	<ul style="list-style-type: none"> Build solutions using diverse data 	<ul style="list-style-type: none"> Provision of a prescription input support system based on OCR technology for insurance pharmacies Demonstration of a biometric payment system using a combination of facial recognition and speech recognition for the practical application of personal authentication platform Demonstration of the application, "Rejitomo," a service that aggregates cash register sales through the use of a smartphone Trial launch for the commercialization of store business support application, "Shoppers Cloud" 	<ul style="list-style-type: none"> Implement external proof of concept (PoC) for the facial recognition payment system Provide electronic know your customer (eKYC) solutions 	
		<ul style="list-style-type: none"> Aim to be a reliable partner to customers, and establish a scheme for periodically confirming progress and customer satisfaction 	<ul style="list-style-type: none"> Select model customers and periodically review 	<ul style="list-style-type: none"> Support for store reform by analyzing customer and employee behavior through the use of AI Beacon at model customers' experimental stores 	<ul style="list-style-type: none"> Conduct regular reviews with model customers based on big data analysis 	
Environment	Environmental protection	<ul style="list-style-type: none"> Reduce energy consumption per employee 	<ul style="list-style-type: none"> Reduce energy consumption per employee by 1% (base year: fiscal year 2010) 	<ul style="list-style-type: none"> Annual average energy consumption per employee reduced by 2.2% (base year: fiscal year 2010) 	<ul style="list-style-type: none"> Reduce energy consumption per employee by 1% (base year: fiscal year 2010) 	
		<ul style="list-style-type: none"> Reduce CO2 emissions from new products 	<ul style="list-style-type: none"> Improve energy efficiency of newly developed products by at least 15% compared to previous models 	<ul style="list-style-type: none"> Average reduction of 11.1% (targets achieved for 7 out of 14 models, which were approved as G-Eco products) 	<ul style="list-style-type: none"> Improve energy efficiency of newly developed products by at least 15% compared to previous models 	
		<ul style="list-style-type: none"> Carry out biodiversity preservation activities in cooperation with stakeholders 	<ul style="list-style-type: none"> Carry out 100% of activities planned for this fiscal year 	<ul style="list-style-type: none"> 100% achievement ratio for yearly plans Himeji: - Forest conservation activity (82 participants, including six from one supplier) - Nature experience event for families (82 participants including nine from one supplier) Kanto area: - Kamikawa in Hachioji, Tokyo (designated greenery conservation area) - Forest conservation activity (53 participants, including five from one supplier) - Arakawa riverside in Tokyo - Riverside clean-up project (21 participants) 	<ul style="list-style-type: none"> Carry out 100% of activities planned for this fiscal year 	
Society	Human resource initiatives	<ul style="list-style-type: none"> Promote work-style reform 	<ul style="list-style-type: none"> Implement and verify new ways of working 	<ul style="list-style-type: none"> Introduction of teleworking (mobile work, working at home) Trial of the flextime system 	<ul style="list-style-type: none"> Implement and establish new ways of working Further promote health management 	
		<ul style="list-style-type: none"> Support and secure human resources essential to Glory's business 	<ul style="list-style-type: none"> Offer job-level-specific training and support candidates who can lead the company in the future 	<ul style="list-style-type: none"> Implementation of Glory Business College training for future executives (total of seven programs) 	<ul style="list-style-type: none"> Continue offering job-level-specific training and support candidates who can lead the company in the future 	
	Promotion of CSR in the supply chain	<ul style="list-style-type: none"> Conduct CSR-oriented procurement worldwide 	<ul style="list-style-type: none"> Continue to use the CSR voluntary checklist, and work to improve assessment score Spread activities to overseas sites 	<ul style="list-style-type: none"> Implementation of survey using the CSR voluntary checklist (451 primary suppliers), feedback to companies that responded (98% response rate) Implementation of survey by GLORY Products Ltd. using the CSR voluntary checklist (62 primary suppliers), feedback to companies that responded (95% response rate) Implementation of survey by GLORY IPO Asia Ltd. using the CSR voluntary checklist (80 primary suppliers), feedback to companies that responded (76% response rate) Preparation for further expansion of the CSR voluntary checklist at overseas sites Preparation for the memorandum on CSR procurement 	<ul style="list-style-type: none"> Continue to use the CSR voluntary checklist, and work to improve assessment score Pursue activities at the purchasing division at Glory Global Solutions (Singapore) Pte. Ltd. 	
Governance	Strengthening of governance	<ul style="list-style-type: none"> Strengthen corporate governance 	<ul style="list-style-type: none"> Conduct activities in line with the Corporate Governance Guidelines 	<ul style="list-style-type: none"> Decision to transition to a company with Audit & Supervisory Committee Amendment of the Corporate Governance Guidelines (June 2019) Reinvigorating, streamlining, and digitizing Board meetings through paperless management 	<ul style="list-style-type: none"> Strengthen supervisory functions of the Board and accelerate decision-making in line with the transition to a company with Audit & Supervisory Committee (delegation of authority) Amend the Corporate Governance Guidelines (June 2020) Revitalize Board meetings further and streamline proposals 	
		<ul style="list-style-type: none"> Strengthen risk management activities and communicate to Glory Group companies 	<ul style="list-style-type: none"> Conduct risk management from a global perspective and communicate activities to Glory Group companies 	<ul style="list-style-type: none"> Unification of risk assessment items and criteria with overseas Group companies Implementation of Glory's business continuity plan (BCP) training for emergencies such as major earthquakes and cyberattacks, and reviewing the effectiveness of existing manuals 	<ul style="list-style-type: none"> Develop risk assessment items further with overseas Group companies Respond to the COVID-19 pandemic 	
		<ul style="list-style-type: none"> Strengthen compliance management and communicate to Glory Group companies 	<ul style="list-style-type: none"> Conduct job-level-specific compliance education, and strengthen collaboration with Glory Group companies 	<ul style="list-style-type: none"> Implementation of job-level-specific compliance education for Glory and Group companies in Japan and overseas 	<ul style="list-style-type: none"> Enhance and strengthen legal functions in line with business development Enhance of the global compliance system Implement job-level-specific compliance education for Glory and Group companies in Japan and overseas 	

Environment

Glory Environmental Vision

To promote the reduction of environmental impact and the preservation of natural resources on a global scale, we will contribute to “a solid future” for the global environment.

To create a sustainable society, the Glory Group has formulated an environmental vision with three areas of focus: products, business, and awareness. The themes for our environmental activities are the prevention of global warming, the management and reduction of chemical substances, the effective use of resources, and the preservation of biodiversity. Under our environmental vision, we have created the 2020 Medium-Term Environmental Plan covering the three years from fiscal year 2018. We are now implementing group-wide initiatives based on this plan.

» Developing Environmentally Friendly Products



The Glory Group develops environmentally friendly products that minimize environmental impact throughout each product’s life cycle—from material procurement and customer use of the product through final disposal.

Glory certifies products as G-Eco products if they satisfy certain in-house standards for environmental friendliness—for example, if they exhibit electric power efficiency at least 15% better than existing products and if they conform to regulations on chemicals contained in products.

Approximately 22% of the new products that were developed in fiscal year 2019 are certified as G-Eco products, and the power consumption of the coin and banknote recyclers for tellers <RB-700> has been reduced by approximately 20% compared with our traditional series of machines. We have also achieved a recyclability rate of approximately 85% for this model.



Coin and banknote recyclers for tellers <RB-700>

» Preserving Biodiversity



Since the year ended March 2012, Glory has strived to protect and maintain biodiversity through initiatives such as forest conservation activities and nature appreciation events at the Glory Yumesaki Forest (Himeji City, Hyogo Prefecture), with the aim of conveying to young people the importance of nature. Since the year ended March 2014, we have expanded the scope of these activities to the Kanto area and are engaged in biodiversity activities in collaboration with an NPO.

Another example of group-wide contributions to biodiversity preservation is the participation by employees of GLORY (PHILIPPINES), INC. in the Adopt-A-River Project since the year ended March 2014.



Participating in the Adopt-A-River Project

Society

Human Resource Initiatives

We will support flexible work styles for our office workers, promote the health management of our employees, and strive to create an enriching and pleasant work environment.

» Supporting Flexible Work Styles



Glory is promoting teleworking, and in the year ended March 2020, we introduced a work-at-home program for office workers. We are also working to establish a framework of rules and improve the surrounding environment for field workers in order to ensure smooth operation. In addition to improving work-life balance and productivity, we are continuously developing an environment in which employees can work flexibly, regardless of location or time. We believe this is important to business continuity in the event of large-scale disasters, epidemics, or pandemics, as seen in the recent advances to prevent the spread of infection in the COVID-19 crisis.

» Promoting Health Management



Glory has established the “Health Management Declaration,” recognizing that maintaining the health and well-being of its employees is an important management issue in its business activities.

We are promoting various measures to maintain the health of our employees. In March 2020, we were certified as an “Excellent Health Management Corporation 2020” by the Ministry of Economy, Trade and Industry, and recognized by the Nippon Kenko Kaigi (Japan Health Council) in the large enterprise category for the Certified Health & Productivity Management Organization Recognition Program.



https://www.meti.go.jp/english/press/2020/0302_001.html

» Creating a Satisfying Workplace



With the aim of creating a satisfying workplace, Glory conducts employee awareness surveys with executive officers, employees, and managers on topics such as employee engagement, work motivation, harassment awareness, and awareness of CSR activities. This survey will be conducted periodically to monitor current conditions and changes over time, identify issues, work toward the formulation and implementation of improvement measures, and confirm the effectiveness of those measures in subsequent surveys.

TOPIC

Glory Global Solutions Ltd. uses surveys provided by Great Place to Work® to measure the job satisfaction of employees, and uses these to improve employee engagement, the workplace environment, and career development. As a result of these efforts, Glory Global Solutions (International) Ltd., Glory Global Solutions Inc., and Glory Global Solutions (Switzerland) A.G. received the Best Workplaces™ award in the survey for the year ended March 2020.



Supply Chain Management

We, the Glory Group, procure parts from our suppliers in a fair and transparent manner in all aspects of our transactions, while strictly observing related laws and regulations, and establishing a relationship built on trust with them as their partner. We also proceed in our procurement activities by taking into consideration the concept of both CSR and environmental conservation for developing sustainable societies.

» CSR Procurement



In March 2014, we produced the “Glory CSR Procurement Guidebook” with the aim of further enhancing our CSR procurement performance.

This guidebook defines the Glory Group’s basic stance on CSR and specifies our requirements for suppliers in relation to human rights and labor, health and safety, the environment, and other areas. We continue to work with our suppliers to implement CSR initiatives in our supply chains.

Corporate Information (As of June 26, 2020)

Corporate Information

Name:
GLORY LTD.

Headquarters:
1-3-1, Shimoteno, Himeji City,
Hyogo 670-8567, Japan
Phone: +81-79-297-3131

Established:
November 27, 1944

Capital:
¥12,892,947,600

URL:
<https://corporate.glory-global.com>

Number of employees:
3,473
(Consolidated basis: 9,696)
(As of March 31, 2020)

Main Offices:
Hyogo, Tokyo

Factories:
Hyogo, Saitama

Group Companies

EUROPE

Sales

- Sitrade Italia S.p.A.
- Glory Global Solutions Ltd.
- Glory Global Solutions (Topco) Ltd.
- Glory Global Solutions (Midco) Ltd.
- Glory Global Solutions (Holdings) Ltd.
- Glory Global Solutions (International) Ltd.
- Glory Global Solutions (France) S.A.S.
- Glory Global Solutions (Belgium) N.V./S.A.
- Glory Global Solutions (Germany) GmbH
- Glory Global Solutions (Netherlands) BV
- Glory Global Solutions (Spain) S.A.
- Glory Global Solutions (Switzerland) A.G.
- Glory Global Solutions (Portugal) S.A.
- Glory Global Solutions RUS, LLC
- Glory Global Solutions (Ireland) Ltd.
- Glory Global Solutions (Austria) GmbH*3
- Glory Global Solutions Nakit Otomasyon Teknolojileri Ltd. Şti.
- Acrelec Group S.A.S.*1
- Cash Payment Solutions GmbH*2

(and four other companies)

AMERICAS

Sales

- Glory Global Solutions Inc.
- Glory Global Solutions (Canada) Inc.
- Glory Global Solutions (Brasil) Máquinas e Equipamentos Ltda.
- Glory Global Solutions (Colombia) S.A.
- Glory Global Solutions México, S.A. de C.V.*4

(and one other company)

ASIA

Manufacturing

- GLORY Denshi Kogyo (Suzhou) Ltd.
 - GLORY (PHILIPPINES), INC.
 - GLORY IPO Asia Ltd.
 - GLORY IPO China Ltd.
- (and one other company)

Sales

- Glory Global Solutions (Singapore) Pte. Ltd.
- Glory Global Solutions (Australia) Pty. Ltd.
- Glory Global Solutions (New Zealand) Ltd.
- Glory Global Solutions (South Asia) Pvt. Ltd.
- Glory Global Solutions (Malaysia) Sdn. Bhd.
- Glory Global Solutions (Shanghai) Co., Ltd.
- Glory Currency Automation India Pvt. Ltd.
- PT. Glory Global Solutions Indonesia
- Glory Global Solutions (Hong Kong) Ltd.

JAPAN

Manufacturing

- GLORY Products Ltd.
 - GLORY AZ System Co., Ltd.
 - GLORY System Create Ltd.
 - GLORY Mechatronics Ltd.
 - GLORY Friendly Co., Ltd.
- (and one other company)

Sales

- GLORY Service Co., Ltd.
 - Hokkaido GLORY Co., Ltd.
 - GLORY IST Co., Ltd.
 - GLORY NASCA Ltd.
 - GLORY Techno 24 Co., Ltd.
 - GLORY Engineering Ltd.
 - Japan Settlement Information Center Ltd.
- (and one other company)

● Consolidated subsidiaries

*1. On April 3, 2020, 80% of the outstanding shares of Acrelec Group S.A.S. were acquired through Glory Global Solutions (International) Ltd., a U.K. subsidiary. In addition to the above, there are 32 other affiliated companies of Acrelec Group S.A.S.

*2. On January 31, 2020, 53% of the shares of Cash Payment Solutions GmbH were acquired.

*3. On January 10, 2020, Glory Global Solutions (Austria) GmbH was newly established.

*4. On December 19, 2019, Glory Global Solutions (Mexico) S.A.P.I DE C.V. and Grupo Sortek, S.A. de C.V. merged and the company name was changed to Glory Global Solutions México, S.A. de C.V.

Share Information

Share Information (As of March 31, 2020)

Number of shares authorized:
150,000,000

Number of shares issued:
63,638,210
(Including 2,866,029 shares of
treasury stock)

Trading unit:
100 shares

Number of shareholders:
9,064 shareholders
(down 147 year on year)

Listing exchange:
First Section of the
Tokyo Stock Exchange

Securities code:
6457

Administrator of
shareholder registry:
Mitsubishi UFJ Trust and
Banking Corporation

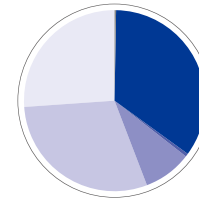
Major Shareholders

Shareholder	Number of Shares Held (Thousands of shares)	Holding Ratio (%)
Nippon Life Insurance Company	3,427	5.4
The Master Trust Bank of Japan, Ltd. (Trust account)	3,271	5.1
GLORY Group Employees' Stock Ownership Association	2,300	3.6
Japan Trustee Services Bank, Ltd. (Trust account)	2,296	3.6
Sumitomo Mitsui Banking Corporation	2,100	3.3
Japan Trustee Services Bank, Ltd. (Trust account 9)	2,004	3.2
Tatsubo Fashion Co. Ltd.	1,500	2.4
STATE STREET CLIENT OMNIBUS ACCOUNT OM44	1,346	2.1
GLORY Business Partners' Stock Ownership Association	1,073	1.7
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,046	1.6

In addition to the above, the Company holds 2,866,029 shares of treasury stock.

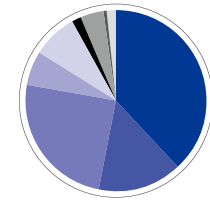
Shareholder Distribution

Distribution by Ownership of Shares



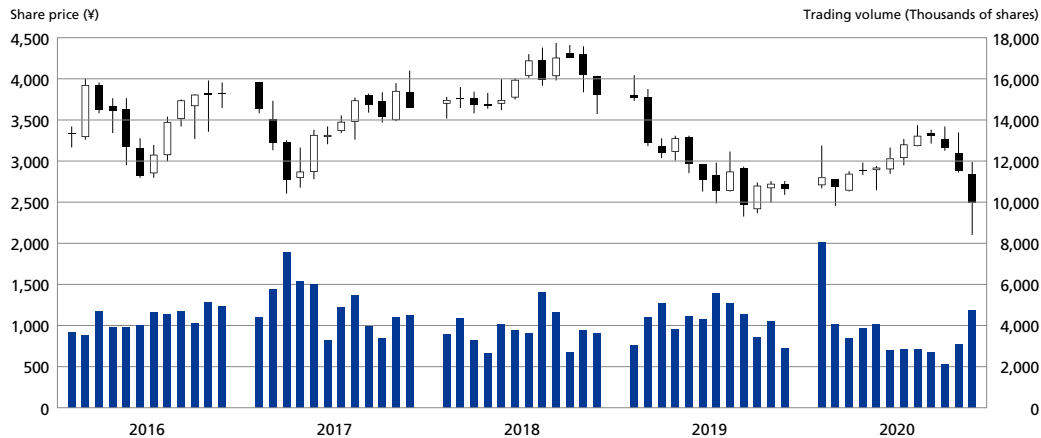
National and regional government bodies	0.2%
Financial institutions	34.8%
Securities companies	0.8%
Other Japanese companies	8.5%
Overseas individuals and companies	29.7%
Japanese individuals, etc.	26.0%

Distribution by Number of Shares



1 million shares or over	38.1%
500,000-999,999 shares	15.2%
100,000-499,999 shares	24.7%
50,000-99,999 shares	6.1%
10,000-49,999 shares	7.9%
5,000-9,999 shares	1.7%
1,000-4,999 shares	4.3%
500-999 shares	0.6%
Less than 500 shares	1.4%

Trends in Share Price and Trading Volume (Years Ended March 31)



	2016	2017	2018	2019	2020
FY-end Share Price (Yen)	3,825	3,650	3,795	2,656	2,490
High (Yen)	4,000	4,095	4,430	4,045	3,430
Low (Yen)	2,796	2,606	3,515	2,322	2,100
Total Trading Volume (Shares)	51,754,300	59,845,600	45,677,300	50,792,900	44,573,100

* The graph, share price and total trading volume from the table above are from Tokyo Stock Exchange.

Disclosure Policy

Policies concerning Disclosure of Information and Constructive Dialogues with Shareholders and Investors

Basic Policy

GLORY LTD. (the "Company") commits to "communicating with stakeholders and striving for appropriate information disclosure" in its Corporate Action Guidelines. Based on this stance, the Company is dedicated to increasing the transparency in its management through quick, accurate and fair means of providing the latest corporate information. The Company strives to achieve a better understanding of its management policies and business activities through constructive dialogues, thereby building long-term relationships of trust with shareholders and investors.

1. Disclosure Policy

(1) Information disclosure

a. Information disclosure standards

The Company discloses its corporate information in accordance with the Companies Act, Financial Instruments and Exchange Act and other laws and regulations, as well as with the timely disclosure rules of the Tokyo Stock Exchange (the "timely disclosure rules"), where the Company's stock is listed. Also, the Company endeavors to voluntarily disclose the information that is not covered by the timely disclosure rules, including non-financial information, taking into consideration the timeliness and fairness of information disclosure, to the extent that the Company believes such disclosure is useful for shareholders and investors to reach investment decisions.

b. Methods of disclosure

In disclosing the corporate information covered by the timely disclosure rules, the Company utilizes the Timely Disclosure Network (TDnet) service provided by the Tokyo Stock Exchange. Also, all corporate information disclosed through TDnet is posted on the Company's website

immediately after TDnet disclosure. Furthermore, with respect to the information not covered by the timely disclosure rules, the Company endeavors to ensure that such information is disseminated with accuracy and fairness through suitable method.

c. Procedures for disclosure

The Company has established a Disclosure Committee to facilitate timely and appropriate disclosure of corporate information. The Committee is chaired by the Chief Information Officer and comprises the managers of several departments to enable cross-sectoral discussions.

The internal procedures for disclosures are as follows: upon occurrence of any "corporate decision," "facts" or "earnings results" (as defined in the timely disclosure rules) concerning the Company or its subsidiaries that could affect investment judgments by shareholders and investors, the Disclosure Committee deliberates on whether to disclose the information and about the timeliness and appropriateness of such disclosure, after which the Company will make disclosure following a resolution of the Board of Directors. Any information that would require urgent disclosure may be disclosed with an approval of the Company president, provided that, upon disclosure, the president will notify the Board of Directors of the contents and the background of the disclosure.

d. Management of insider information

The Company enforces strict control over confidential information based on its internal rules concerning insider information to prevent external leaks of such information and insider trading.

(2) Handling of information on earnings forecast and future outlook

Whenever the Company announces earnings forecasts, future prospects and other forward-looking information, such announcement will be made with cautionary statements to the effect

that such information is based on the facts currently available to the Company and certain assumptions which the Company regards as legitimate; it includes known or unknown risks and uncertainties; and a number of factors could cause actual results to differ materially from those described in such forward-looking statements.

(3) Quiet period

For the purpose of preventing leaks of information on financial results, the Company observes a quiet period from the day following the end of each fiscal quarter until the announcement of financial results for such quarter. During the quiet period, the Company refrains from answering any questions or having interviews involving financial results in the applicable financial period. However, if there was an event covered by the timely disclosure rules during the quiet period, disclosure will be made as to such event in accordance with the rules.

2. Constructive Dialogues

The Company endeavors to streamline and consolidate its framework, and implements activities, for constructive dialogues with shareholders and investors with the aim of ensuring continued growth of the Company and enhancing its corporate value on a medium- and long-term basis, as follows;

- (1) The officer in charge of investor relations (the "IR officer") supervises all activities involving the dialogues. Also, a specialized department ("IR department") is established to take charge of conducting dialogues and coordinating with various sections assisting the dialogues, such as corporate planning, accounting and finance, and legal affairs.
- (2) All requests from shareholders and investors for meetings are complied with by the IR officer or other executives, or the head of the IR department or IR staff, depending on the purposes of requested meetings.
- (3) To increase opportunities for constructive dialogues, the Company proactively plans

various events, such as, holding investor information meetings, in which the Company president and the IR officer will make presentations, arranging meetings with Japanese and foreign investors, and hosting showroom and factory tours after shareholders meetings.

- (4) The IR officer shares opinions and requests received from shareholders and investors with other executives at the Board of Directors meetings and at other appropriate opportunities.

Our IR Organization

The President & Representative Director leads IR activities, and the IR staff within the Corporate Communications Department carries out planning, management, and implementation of IR activities.

IR Team
Corporate Communications Dept.
Management Strategy Headquarters
 Phone: +81-79-297-8077 (Head Office)
 E-mail: ir@ml.glory.co.jp



Confidence Enabled

GLORY LTD.

1-3-1, Shimoteno, Himeji City, Hyogo 670-8567, Japan

Phone : +81-79-297-3131

Fax : +81-79-294-6233

<https://corporate.glory-global.com>