

December 27, 2016



News Release

Company name: GLORY LTD.
Representative: Hirokazu Onoe, President
Headquarters: 3-1, Shimoteno 1-chome, Himeji,
Hyogo, JAPAN
Securities Code: 6457
Stock Exchange: Tokyo (1st Section)
Accounting Term: March

Notice of Capital Reorganization (changes of subsidiaries) of Group Companies

GLORY LTD. (the “Company”) hereby announces that, at its Board of directors’ meeting held today, a resolution was made to implement capital reorganization of group companies accompanied by changes of certain subsidiaries (the “Reorganization”), as follows:

I. Purpose of the Reorganization (changes of subsidiaries)

Since the acquisition of Talaris Topco Limited (“Talaris”), a UK corporation on July 10, 2012, the Company has been conducting its overseas business under the structure built by reorganizing and integrating the Company’s existing subsidiaries, Talaris, and its subsidiaries (the “GGS group”, comprising the group companies under the control of Glory Global Solutions Ltd. (“GGSL”, headquartered in UK)).

Following the implementation of the new system as noted above, the Company has been further considering how best to structure the overseas business and has come to conclusion that reorganizing the capital structure in the manner described below to meet the actual business situation would best contribute toward the achievement of flexible business management and clarification of each group company’s authority.

II. Outline of the Reorganization (changes of subsidiaries)

1. Method of transfer

Both the shares of Glory Global Solution Inc. (“GGS USA”, headquartered in the US) owned by the Company and the shares of Glory Global Solutions (France) S.A.S. (“GGS France” headquartered in France) owned by Glory Global Solutions Holdings Ltd. (“GGSH”, headquartered in UK) will be contributed in kind to Glory Global Solutions (International) Ltd. (“GGSI”, headquartered in UK) which is the business managing company of GGS group. The Company will be granted the allotment of shares of GGSL which is the parent company of GGSI, and GGSH will similarly be granted the allotment of shares of GGSI. As a result of the foregoing, GGS USA and GGS France will become the subsidiaries of GGSI (the “Companies Concerned”, including GGS USA, GGS France, GGSI and GGSH).

2. Number of shares to be transferred, consideration for the transferred shares, and shares owned before/after the transfer

	GGG USA	GGG France
i) Number of shares owned before the transfer (ratio of voting rights owned)	50,000 shares owned by the Company (the Company 100%)	14,567,849 shares owned by GGSH (GGSH 100%)
ii) Number of shares to be transferred	50,000 shares	14,567,849 shares
iii) Consideration for the transferred shares (Total amount)	50,000 preference shares of GGSL (USD 8 million (Approx. 936 million yen ^{*1}))	14,567,849 preference shares of GGSI (EUR 14 million (Approx. 1,777 million Yen ^{*1}))
iv) Number of shares owned after transfer (ratio of voting rights owned)	50,000 shares owned by GGSI (GGSI 100%)	14,567,849 shares owned by GGSI (GGSI 100%)

*1 For the purpose of this section, the following exchange rates are used.

1 USD = 117 yen

1 EUR = 122 yen

2 In addition to iii) above, the Company will incur some advisory fees, though the amount will be insignificant.

3. Outline of the companies concerned

(1) GGSH

1) Company Name	Glory Global Solutions Holdings Ltd.	
2) Headquarters	Infinity View, 1 Hazelwood, lime Tree Way, Chineham, Basingstoke, Hampshire, United Kingdom	
3) Representative	Akihiro Harada, CEO	
4) Principal business	Intermediate holding company of GGS group	
5) Paid-in capital	132 million GBP	
6) Date of establishment	April 17, 2008	
7) Net assets	94 million GBP (as of March 31, 2016)	
8) Total assets	142 million GBP (as of March 31, 2016)	
9) Shareholders	Glory Global Solutions (Midco) Ltd. 100%	
10) Relationship with the Company	Capital relationship	The Company owns 100% shares of GGSH indirectly.
	Personnel relationship	One director and one executive officer of the Company serve concurrently as directors of GGSH.
	Transactional relationship	No business relationship
	“Related party” or not	Related party (Consolidated subsidiary of the Company)

(2) GGSI

1) Company Name	Glory Global Solutions (International) Ltd.
2) Headquarters	Infinity View, 1 Hazelwood, lime Tree Way, Chineham, Basingstoke, Hampshire, United Kingdom
3) Representative	Akihiro Harada, CEO
4) Principal business	Business managing company of GGS group and sales and maintenance of the Company’s products in UK
5) Paid-in capital	18 million GBP
6) Date of establishment	April 17, 2008
7) Net assets	69 million GBP (as of March 31, 2016)
8) Total assets	252 million GBP (as of March 31, 2016)
9) Shareholders	GGSH 100%

10) Relationship with the Company	Capital relationship	The Company owns 100% shares of GGSI indirectly.
	Personnel relationship	One director and one executive officer of the Company concurrently serve as directors of GGSI.
	Transactional relationship	The Company sells its products and parts and loans funds to GGSI.
	“Related party” or not	Related party (Consolidated subsidiary of the Company)

(3) GGS USA

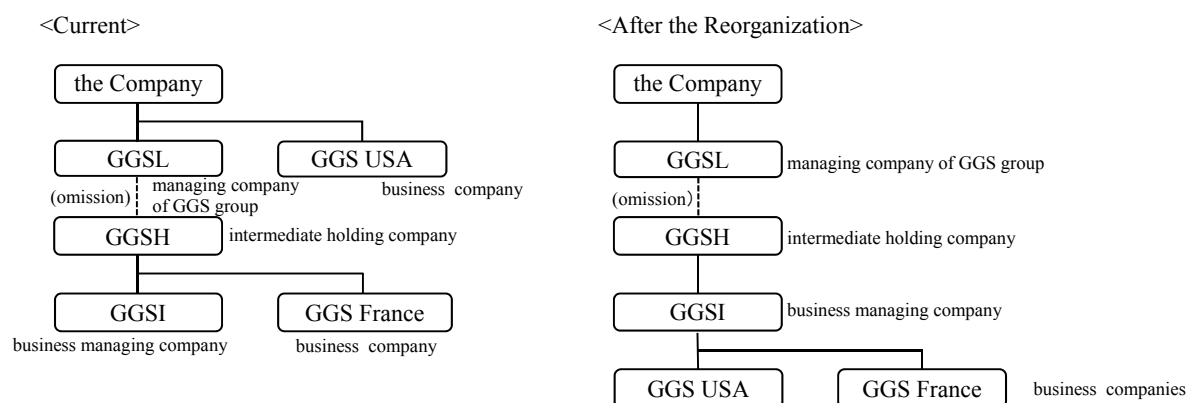
1) Company Name	Glory Global Solutions Inc.		
2) Headquarters	3333 Warrenville Rd., Suite 310, Lisle, IL, U.S.A.		
3) Representative	Chris T. Reagan, President		
4) Principal business	Sales and maintenance of the Company’s products in the US		
5) Paid-in capital	5 million US dollars		
6) Date of establishment	February 1, 1982		
7) Shareholders	Glory Ltd. 100%		
8) Relationship with the Company	Capital relationship	The Company owns 100% shares of GGS USA.	
	Personnel relationship	Representative of GGS USA concurrently serves as executive officer of the Company. An employee of the Company concurrently serves as director of GGS USA.	
	Transactional relationship	The Company sells parts of its products to GGS USA, but the amount is insignificant. In addition, GGS USA sells and provides maintenance for the Company’s products.	
	“Related party” or not	Related party (Consolidated subsidiary of the Company)	
9) Financial condition and results of operations of GGS USA for the last three years (millions of US dollar)			
Fiscal year	March 31, 2014	March 31, 2015	March 31, 2016
Net assets	6	5	6
Total assets	245	223	209
Net sales	239	259	273
Operating income	-1	7	8
Net income	-6	-0	0

(4) GGS France

1) Company Name	Glory Global Solutions (France) S.A.S.		
2) Headquarters	15 rue des Vieilles, Croissy Beaubourg, CEDEX 02, Marne La Vallee, France		
3) Representative	Vincent Nakache, President		
4) Principal business	Sales and maintenance of the Company’s products in France		
5) Paid-in capital	14 million EUR		
6) Date of establishment	May 7, 1997		
7) Shareholders	GGSH 100%		

8) Relationship with the Company	Capital relationship	The Company owns 100% shares of GGS France indirectly.	
	Personnel relationship	Representative of GGS France concurrently serves as executive officer of the Company.	
	Transactional relationship	GGS France has no direct transactions with the Company, but sells and provides maintenance for the Company's products.	
	"Related party" or not	Related party (the consolidated subsidiary of the Company)	
9) Financial condition and results of operations of GGS France for the last three years (millions of EUR)			
Fiscal year	March 31, 2014	March 31, 2015	March 31, 2016
Net assets	7	8	11
Total assets	25	20	22
Net sales	38	35	33
Operating income	1	8	4
Net income	-0	2	1

4. Overview of relationship of the Companies Concerned



III. Schedule

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|--|---------------------------|
| (1) Date of resolution of capital transfer | December 27, 2016 |
| (2) Date of transfer contract execution | April 1, 2017 (scheduled) |
| (3) Date of transfer of shares | April 1, 2017 (scheduled) |

IV. Future Outlook

As the Reorganization is an intragroup restructuring of organization in the form of capital contribution in kind which is conducted between the Company and its wholly-owned subsidiaries, no material impact is expected on the Company's group consolidated financial results. We will announce promptly if any information that requires disclosure arises.

(Reference)

Consolidated financial forecast for the current year (issued on July 28, 2016) and consolidated performance of previous fiscal year (in millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Consolidated financial forecast for the current year (Year ended March 31, 2016)	220,000	19,000	15,000	8,000
Consolidated financial performance for the previous fiscal year (Year ended March 31, 2017)	226,952	20,552	17,583	8,829

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About GLORY LTD.

GLORY LTD., headquartered in Himeji, Japan, is a pioneer in the development and manufacture of money handling machines and systems. GLORY provides a variety of products such as money handling machines, cash management systems, vending machines, automatic service equipment, and cash management solutions that are built on its leading-edge recognition/identification and mechatronics technology. Committed to meet society's wide-ranging needs, GLORY serves the financial, retail, vending machine, amusement and gaming industries in over 100 countries around the world. GLORY employs approximately 9,000 people worldwide. For more information about GLORY, please visit GLORY Group website at <http://www.glory-global.com/>

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