



News Release

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Securities Code: 6457
Stock Exchange: Tokyo (1st Section)

Notice of establishment of the 2023 Medium-Term Management Plan

GLORY LTD. hereby announces the establishment of the 2023 Medium-Term Management Plan for the three-year period from FY2021 to FY2023.

Under the concept of "Core and New businesses powering growth together," we aim to make core and new business domains grow together rather than promote them separately.

1. Consolidated Performance Targets (Fiscal 2023)

Net sales: 300.0 billion yen
Operating income: 30.0 billion yen (35.0 billion yen before goodwill amortization)
ROE: 9.5% or more (12.0% or more before goodwill amortization)
(Forex assumptions: 1 USD = JPY 110, 1 EUR = JPY 120)

2. Basic Policies

Policy 1: Accelerate business growth to develop "next generation"

- (1) Expand business domain having a high affinity with core business domain (kiosk services, data management platform <DMP>, electronic settlement, etc.)
- (2) Improve profits in biometric/image recognition business and robot business by utilizing the sales channels of domestic business

Under Policy 1, we will maximize the use of our customer base, proprietary technologies, and other strengths to expand sales of new business domain that has a high affinity with core business domain that we worked on during 2020 Medium-Term Management Plan, such as kiosk services, DMP, and electronic settlement, thus developing new mainstay businesses. For the biometric/image recognition business and robot business, we will utilize our sales expertise and channels in Japan to expand and monetize them.

Policy 2: Maximize core business profits by innovation

- (1) Provide the product/service lines that cater to the need for contact-free, self-services devices
- (2) Release the latest-model products, including teller cash recyclers (TCRs) and coin and banknote recyclers for cashiers
- (3) Seize the replacement demand to coincide with new banknotes issue in Japan

Under Policy 2, we will optimize our product lineup that caters to the market need for contact-free and self-services devices on the back of the ongoing trend toward labor-saving and operational efficiency, while at the same time developing a new business model. With these measures, we aim to expand sales in the overseas retail markets and emerging countries. In Japan, we aim to broaden our reach to new customer bases, in addition to larger accounts, which have traditionally been our primary targets. Furthermore, we will continue to promote operational efficiency and reduce costs, thus reforming our business structure. In the domestic market, we will fulfill our corporate mission of supporting social infrastructure in

preparation for the new banknotes issue, which is scheduled for 2024, and focus on capturing replacement demand.

Policy 3: Establish management base to support sustainable growth

- (1) Enhance cash-generating ability to support growth investment and fulfilling shareholder returns
- (2) Promote digital transformation (DX) for speedy management decisions such as by introducing a new enterprise resource planning (ERP) system
- (3) Improve employee engagement

Under Policy 3, we will enhance business management focusing on cash flow to support growth investment and shareholder returns. We will also bolster the business administration system by promoting DX that supports prompt management decisions, business transformation, and productivity improvement. Further we will put our management resources to effective use through portfolio management. By working on the above-mentioned measures, we will strive to enhance our corporate value.

For the sake of the well-being of employees, our most important management resource, we will improve employee engagement in the belief that the employee satisfaction is the wellspring of business growth.

3. Sustainability Policy

- (1) Reduce CO₂ emissions by 15% (vs. fiscal 2013) to contribute to decarbonized society
- (2) Respect human rights and diversity
- (3) Strengthen corporate governance

Under Sustainability Policy, we will contribute to the sustainable growth of society and enhance our corporate values by engaging in the activities more oriented toward solving the social issues through our business. In particular, we will focus on the reduction of CO₂ emissions in pursuit of a decarbonized society, respect for human rights and diversity, and strengthen corporate governance.

4. Investment Plan (Cumulative amount for the 2023 Medium-Term Management Plan period)

- (1) Strategic investment: 45.0 billion yen (Mainly for M&As to expand the core and new business domains)
- (2) Capital expenditures: 30.0 billion yen
- (3) Development investment: 45.0 billion yen

5. Shareholder Returns

We consider the return of profits to shareholders to be an important management task and retain a policy to continue stable dividends while striving to maintain and enhance a sound financial position in preparation for future business growth.

Dividend payments for the three fiscal years during the 2023 Medium-Term Management Plan period will be based on the dividend payout ratio before goodwill amortization on a consolidated basis, with a view of future shifting to International Financial Reporting Standards. In addition, we aim for a three fiscal years average dividend payout ratio before goodwill amortization on a consolidated basis of 30% or more.

<Formula>

$$\begin{array}{l} \text{Target payout ratio (\%)} \\ \text{(three fiscal years average} \\ \text{payout ratio before goodwill on a} \\ \text{consolidated basis)} \end{array} = \frac{\text{Total dividends paid over the three fiscal years}}{\text{Three fiscal years total of "Net income attributable} \\ \text{to owners of parent + Goodwill amortization"}} \times 100$$

Note: This news release has been prepared based on currently available information and include various risks and uncertainties. The Company cautions that a number of factors could cause actual results to differ materially from these forward-looking statements.

About GLORY LTD.

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

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