

# Consolidated Financial Results for the Nine Months ended December 31, 2020

## 1 Consolidated Financial Results

- 1) Performance Overview (Y-on-Y) P 3
- 2) Factors of Operating Income Change P 4
- 3) Sales & Operating Income by Business Segment P 5

## 2 Details of Performance

- 1) Sales & Operating Income by Business Segment P 7

## 3 Financial / Dividend Forecast for FY2020

- 1) Financial Forecast for FY2020 P13
- 2) Sales & Operating Income Forecast P14
- by Business Segment P15
- 3) Sales Forecast by Geographical P16
- Segment of Overseas Market
- 4) Revision of Dividend Forecast

## TOPICS

- 1) Promotion of DX at retail stores and foodservices by introducing IoT of ticket-vending machines and KIOSKs P 18
- 2) Expansion of biometric / Image recognition technology into the medical and nursing fields P 21

## Reference

- FY2020 3rd Quarter(October 1 - December 31)
  - Sales & Operating Income by Business Segment P23
  - Sales by Geographical Segment of Overseas Market P24
- Nine Months ended December 31, 2020
  - Consolidated Statement of Income / Statement of Comprehensive Income P25
  - Consolidated Balance Sheet P26
  - Capital Expenditures, etc. P27
- Financial Forecast for FY2020
  - Sales & Operating Income Forecast by Business Segment P28
  - Capital Expenditures, etc. P29



1

# **Consolidated Financial Results for the Nine Months ended December 31, 2020**

**Net Sales**

Sales decreased due to restrictions on business activity from COVID-19 .

**Income**

Income decreased significantly from the corresponding period of the previous year due to decline in sales, etc.

(Millions of yen)	FY2019		FY2020		Y-on-Y
	Nine months ended December 31, 2019	Ratio	Nine months ended December 31, 2020	Ratio	
Net Sales	<b>160,785</b>	100.0%	<b>145,966</b>	100.0%	<b>-9.2%</b>
Maintenance Services	<b>53,302</b>	33.2%	<b>57,418</b>	39.3%	<b>+7.7%</b>
Operating Income	<b>12,697</b>	7.9%	<b>7,403</b>	5.1%	<b>-41.7%</b>
Ordinary Income	<b>11,950</b>	7.4%	<b>7,244</b>	5.0%	<b>-39.4%</b>
Net Income Attributable to Owners of Parent	<b>7,237</b>	4.5%	<b>3,156</b>	2.2%	<b>-56.4%</b>
<b>EBITDA</b>	<b>23,011</b>	14.3%	<b>18,719</b>	12.8%	<b>-18.7%</b>

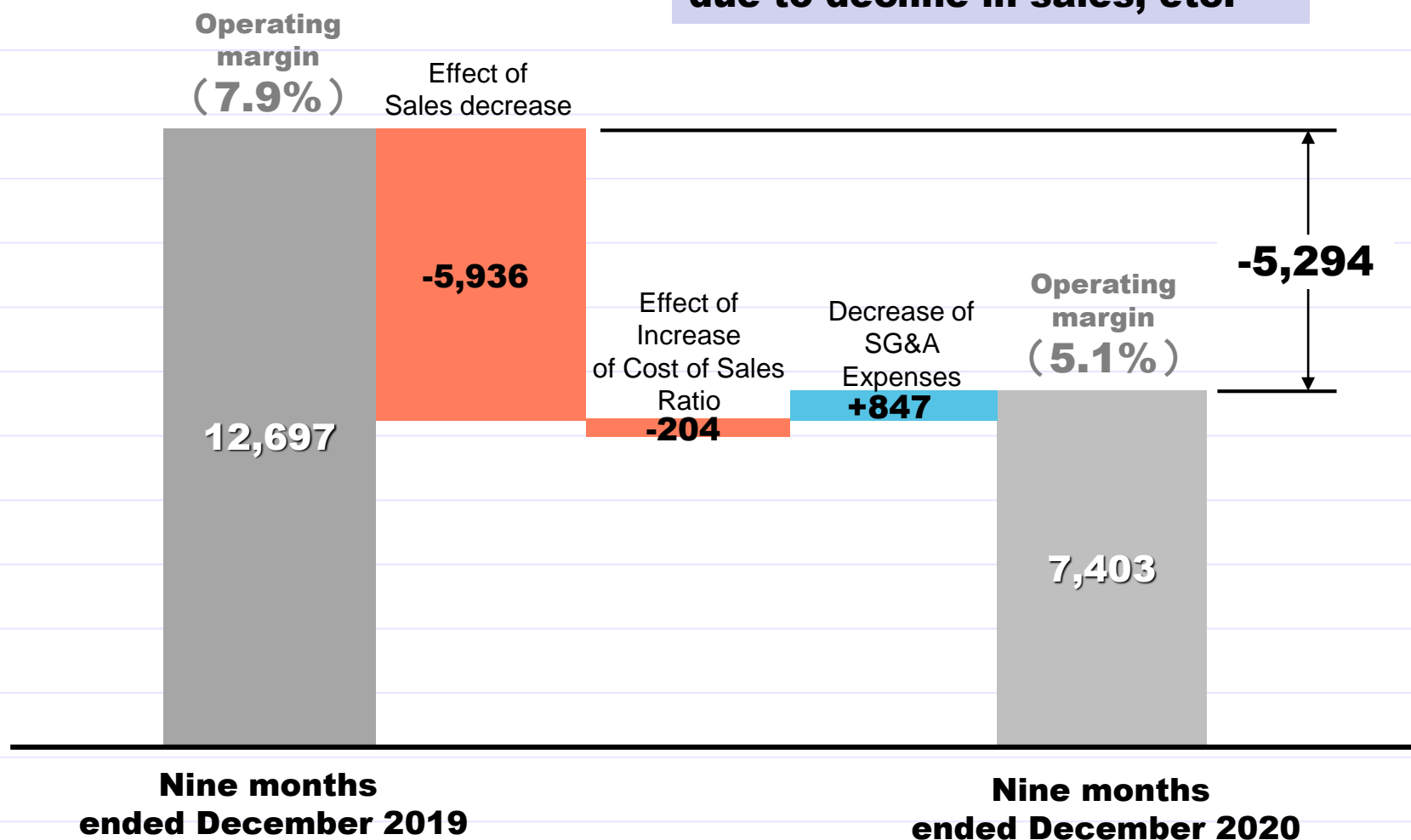
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Exchange rate	US\$	¥ 109	¥ 106
	Euro	¥ 121	¥ 122

\*EBITDA=Operating income(loss) + Depreciation and amortization + Goodwill amortization

(Millions of Yen)

**Operating income decreased  
due to decline in sales, etc.**

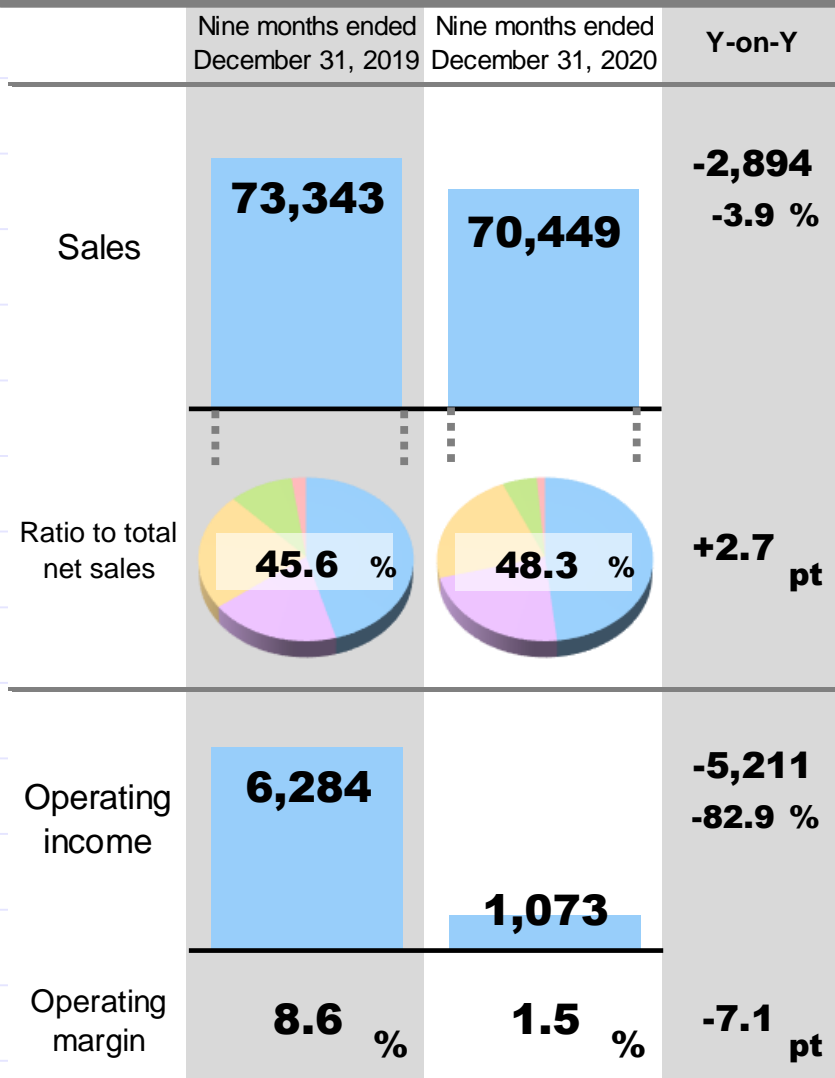


(Millions of yen)	Sales			Operating Income		
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y
 Overseas Market	<b>73,343</b>	<b>70,449</b>	<b>-2,894</b> -3.9 %	<b>6,284</b>	<b>1,073</b>	<b>-5,211</b> -82.9 %
 Financial Market	<b>30,654</b>	<b>32,907</b>	<b>+2,253</b> +7.3 %	<b>2,519</b>	<b>5,779</b>	<b>+3,260</b> +129.4 %
 Retail & Transportation Market	<b>37,252</b>	<b>32,948</b>	<b>-4,304</b> -11.6 %	<b>3,875</b>	<b>2,455</b>	<b>-1,420</b> -36.6 %
 Amusement Market	<b>15,956</b>	<b>7,811</b>	<b>-8,145</b> -51.0 %	<b>1,873</b>	<b>-159</b>	<b>-2,032</b> - %
 Others	<b>3,579</b>	<b>1,849</b>	<b>-1,730</b> -48.3 %	<b>-1,854</b>	<b>-1,744</b>	<b>+110</b> - %
Total	<b>160,785</b>	<b>145,966</b>	<b>-14,819</b> -9.2 %	<b>12,697</b>	<b>7,403</b>	<b>-5,294</b> -41.7 %

**2**

## **Details of Performance for the Nine Months ended December 31, 2020**

## Sales of main products were lower



### Highlights

- Sales are steady for retail industry, but sluggish for the financial institutions in Europe and U.S.
- Performance of Acrelec is recovering gradually although operating loss (including goodwill) was posted due to impact of COVID-19

### Outline of the Segment

Sales and maintenance services to financial institutions, cash-in-transit companies, retail stores, casinos, OEM clients and others in overseas.

### Main Products



Banknote recycler  
for tellers  
<RBG series>



Self-service kiosks



Banknote sorters  
<UW series>

(Millions of Yen)

(Millions of yen)	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y	
				Local currency basis
Americas	26,254	22,790	-3,464 -13.2 %	-11.1%
EMEA	30,734	31,652	+918 +3.0 %	+1.9%
Asia	10,906	10,920	+14 +0.1 %	-
China	4,589	4,654	+65 +1.4 %	+2.5%
OEM	5,447	5,085	-362 -6.6 %	-6.6%
Total overseas sales	73,343	70,449	-2,894 -3.9 %	-

## Americas

## EMEA

## Asia

## China

## OEM

Sales of products for retail industry were on a recovery trend.

Sales of products for financial institutions were lower.

... Sales of products for financial institutions were steady.

... Sales of banknote recycling units for ATMs were lower.

## Acrelec Sales by Geographical Segment

(Millions of Yen)	Nine months ended December 31, 2020
Americas	785
Europe	3,897
Asia	415
Total	5,097



## Sales of main products were steady

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y
Sales	30,654	32,907	+2,253 +7.3 %
Ratio to total net sales	19.1 %	22.5 %	+3.4 pt
Operating income	2,519	5,779	+3,260 +129.4 %
Operating margin	8.2 %	17.6 %	+9.4 pt

### Highlights

- Capturing of replacement demands for main products
- Increase of sales from maintenance services due the system modifications required in connection with the expected issuance of new 500-yen coins

### Outline of the Segment

Sales and maintenance services to financial institutions, OEM clients and others in Japan.

### Main Products



Open teller systems  
<WAVE series>



Coin and banknote  
recyclers for tellers  
<RB series>



Multi-functional  
banknote changers  
<EN series>

## Sales of main products were lower

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y
Sales	37,252	32,948	-4,304 -11.6 %
Ratio to total net sales	23.2 %	22.6 %	-0.6 pt
Operating income	3,875	2,455	-1,420 -36.6 %
Operating margin	10.4 %	7.5 %	-2.9 pt

### Highlights

- Sales of coin and banknote recycler for cashiers were steady excluding large-scale orders of the previous year. Need for contactless and self-service systems expanded
- Increase of sales from maintenance services due to the system modifications required in connection with the expected issuance of new 500-yen coins

### Outline of the Segment

Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies, tobacco companies, hospitals, local governments and others in Japan.

### Main Products



Coin and banknote recyclers  
for cashiers  
<RT / RAD series>



Sales proceeds  
deposit machines  
<DS / DSS series>



Sales proceeds  
deposit machines  
<DS series>

## Sales of main products were lower

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y
Sales	15,956	7,811	-8,145 -51.0 %
Ratio to total net sales	9.9 %	5.4 %	-4.5 pt
Operating income	1,873	-159	-2,032 - %
Operating margin	11.7 %	- %	- pt

### Highlights

- Lower sales reflecting constraint toward investment in pachinko parlors due to decrease of the number of customers caused by re-spread of COVID-19

### Outline of the Segment

Sales and maintenance services to amusement halls (pachinko parlors and others) in Japan.

### Main Products

#### Card systems



Management terminals



Pachinko ball counters



Prepaid card systems for pachinko parlors



Pachinko prize dispensing machines <JK series>

**3**

## **Financial Forecast for FY2020**

**Revised consolidated financial forecast because sales of main products in Financial Market and Retail & Transportation Market are expected to be higher than original expectation. Also, sales from maintenance services are predicted to be higher due to the system modifications required in connection with the expected issuance of new 500-yen coins**

(Millions of yen)	FY2019		FY2020		Y-on-Y
	Full Year	Ratio	Full Year (Forecast)	Ratio	
Net Sales	<b>224,170</b>	100.0%	<b>210,000</b> <b>213,000</b>	100.0%	<b>-5.0%</b>
Maintenance Services	<b>71,099</b>	31.7%	<b>73,000</b> <b>78,500</b>	36.9%	<b>+10.4%</b>
Operating Income	<b>17,927</b>	8.0%	<b>8,000</b> <b>11,000</b>	5.2%	<b>-38.6%</b>
Ordinary Income	<b>15,657</b>	7.0%	<b>8,000</b> <b>10,000</b>	4.7%	<b>-36.1%</b>
Net Income Attributable to Owners of Parent	<b>8,961</b>	4.0%	<b>3,500</b> <b>4,500</b>	2.1%	<b>-49.8%</b>
Exchange rate	US\$	¥ 109	¥ 105		
	Euro	¥ 121	¥ 120		

\*Upper row: Released on November 6, 2020  
Lower row: Released on February 4, 2021

(Millions of yen)	Sales			Operating Income		
	FY2019 Full Year	FY2020 Full Year (Forecast)	Y-on-Y	FY2019 Full Year	FY2020 Full Year (Forecast)	Y-on-Y
Overseas Market	103,621	103,000 101,000	-2,621 -2.5 %	9,780	1,500 2,500	-7,280 -74.4 %
Financial Market	42,262	46,500 50,000	+7,738 +18.3 %	3,314	6,500 8,000	+4,686 +141.4 %
Retail & Transportation Market	52,487	46,000 48,500	-3,987 -7.6 %	5,198	3,000 3,500	-1,698 -32.7 %
Amusement Market	20,753	11,500 10,500	-10,253 -49.4 %	1,998	-500	-2,498 - %
Others	5,045	3,000	-2,045 -40.5 %	-2,364	-2,500	-136 - %
Total	224,170	210,000 213,000	-11,170 -5.0 %	17,927	8,000 11,000	-6,927 -38.6 %

\*Upper row: Released on November 6, 2020  
Lower row: Released on February 4, 2021

# Sales Forecast by Geographical Segment of Overseas Market

(Millions of yen)	FY2019	FY2020	Y-on-Y	Local currency basis
	Full Year	Full Year (Forecast)		
Americas	38,189	34,000 34,500	-3,689 -9.7 %	-6.4%
EMEA	43,313	50,000 47,000	+3,687 +8.5 %	+9.3%
Asia	14,802	14,000	-802 -5.4 %	-
China	5,694	6,000	+306 +5.4 %	+6.3%
OEM	7,316	5,000 5,500	-1,816 -24.8 %	-24.8%
Total overseas sales	103,621	103,000 101,000	-2,621 -2.5 %	-

\*Upper row: Released on November 6, 2020

Lower row: Released on February 4, 2021

## Acrelec Sales by Geographical Segment

(Millions of Yen)	FY2021 forecast
Americas	1,300
Europe	6,600
Asia	600
Total	8,500

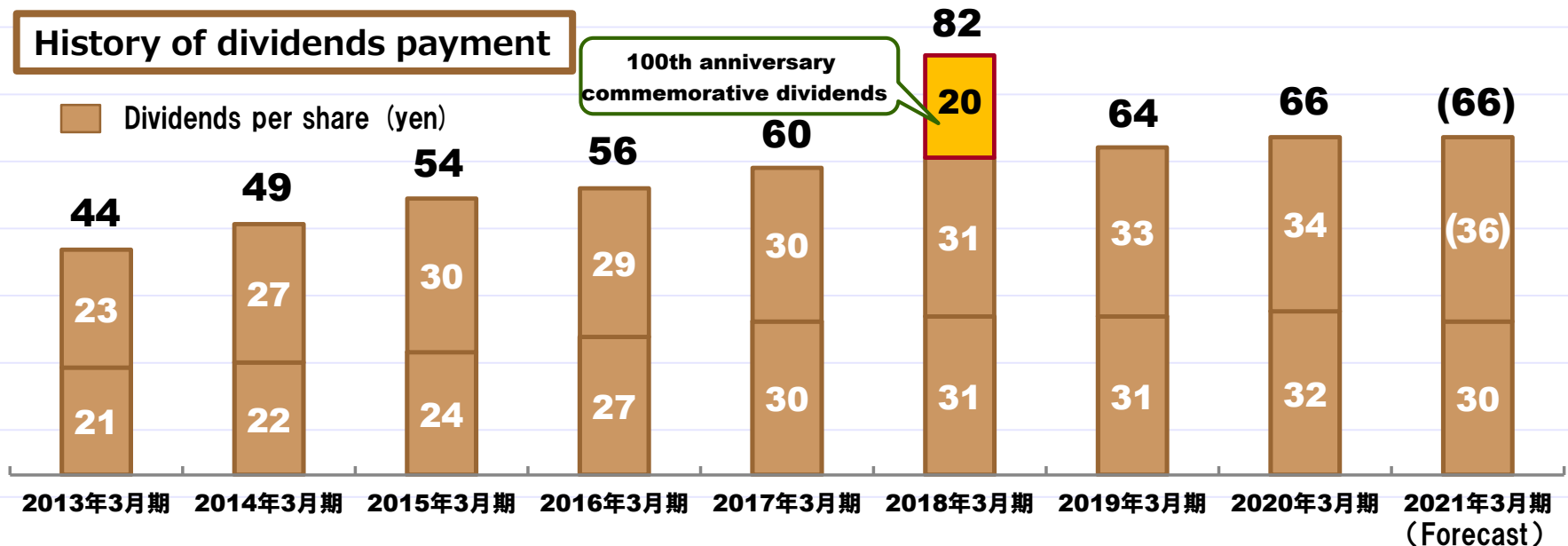
## Year-end dividend for FY2020 has been raised due to upward revision of financial forecast

### Basic policy on profit distribution

GLORY considers the return of profits to shareholders to be an important management task and retains a policy to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. GLORY has set a target of dividend payout ratio of **30%** or higher on a consolidated basis.

	Interim	Year-end (Plan)	Annual (Plan)
Dividends per share	¥30	¥30 → ¥36	¥60 → ¥66

### History of dividends payment





# TOPICS

- Promotion of DX at retail stores and foodservices by introducing IoT of ticket-vending machines and KIOSKs**
- Expansion of biometric / Image recognition technology into the medical and nursing fields**

# Promotion of DX by introducing IoT

## ■ Goals & Purpose of Alliance with Showcase Gig(SGC) ■

- Introduction of IoT and cross-selling of ticket vending machines and KIOSK terminals by integrating with the services provided by SCG
- Provision of new services, such as customer and store analysis in response to the business management issues of retail stores and dining & drinking establishments
- Creation of new solution services for dining and drinking establishments and retail stores through the construction of a joint DMP
- Promotion of BOPIS®\*, using Glory's pick-up lockers

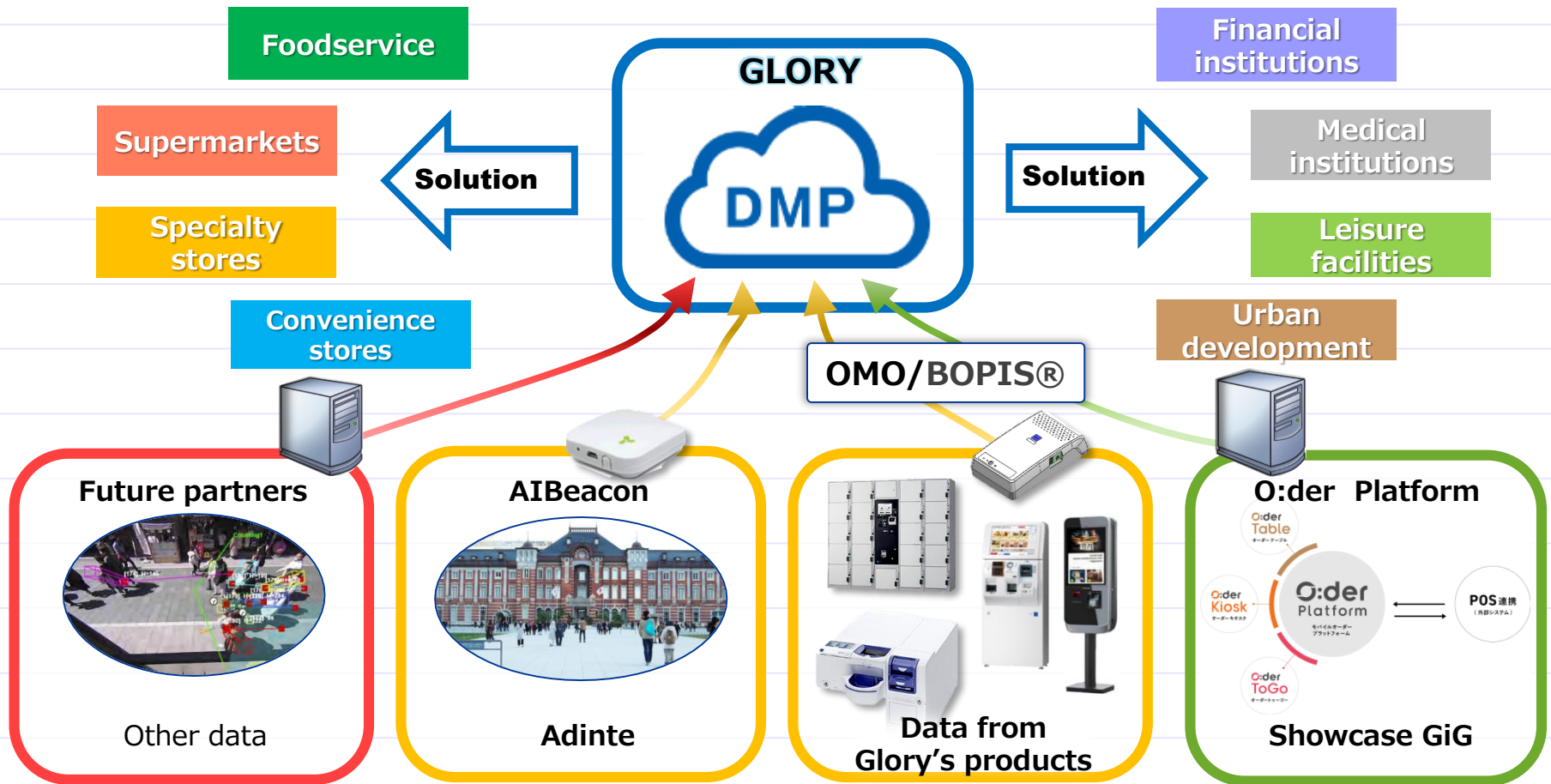
\*BOPIS®: Stands for "Buy Online, Pick up In Store".  
BOPIS® is a trademark or registered trademark of Showcase Gig Inc.



# Promotion of DX by introducing IoT

## Growth Strategy of DMP\*

To aim for expansion of our customers' sales by helping them attract customers and create new ones through the provision of solutions of social issues including serious labor-shortage and covid-19 using digital transformation strategy



\*A data management platform (DMP) is a data business platform used to manage accumulated online data and offline data, such as records of behavior by consumers who visit real-world stores, allowing that data to be used for action plans, etc., for streamed advertising.

EcoNaviSta  
エコナビスタ株式会社



## Expand health monitoring services for care and welfare facilities

### Step1

Glory's facial-recognition-driven system collaborated on a EcoNaviSta's service "LifuRhythmNavi+Dr." have been installed at major care facilities.

If a resident tries to leave the facility, the facial-recognition system installed will detect them.



TSUKUI NONOAOYAMA



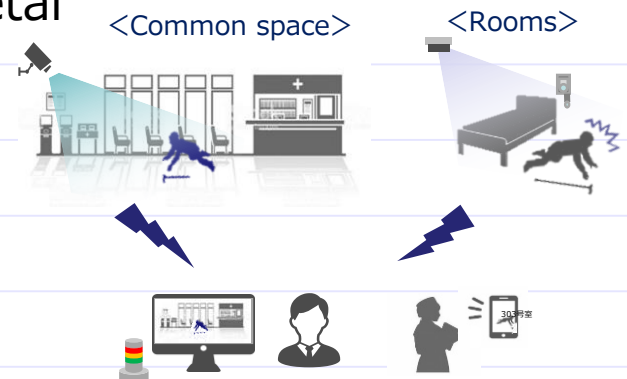
CHARM CARE (To be installed in April)

### Step2






Launching of "Fall detection system", using skeletal recognition technology and 3D cameras.

### Target

Goal is to sell 10,000 systems to about 28,000 facilities by FY2024.



# References

(Millions of yen)	Sales			Operating Income		
	FY2019 3rd Quarter (October 1 - December 31)	FY2020 3rd Quarter (October 1 - December 31)	Y-on-Y	FY2019 3rd Quarter (October 1 - December 31)	FY2020 3rd Quarter (October 1 - December 31)	Y-on-Y
 Overseas Market	<b>25,779</b>	<b>28,040</b>	<b>+2,261</b> +8.8 %	<b>2,237</b>	<b>1,064</b>	<b>-1,173</b> -52.4 %
 Financial Market	<b>8,319</b>	<b>13,699</b>	<b>+5,380</b> +64.7 %	<b>451</b>	<b>3,886</b>	<b>+3,435</b> +761.6 %
 Retail & Transportation Market	<b>11,769</b>	<b>12,015</b>	<b>+246</b> +2.1 %	<b>956</b>	<b>1,291</b>	<b>+335</b> +35.0 %
 Amusement Market	<b>5,413</b>	<b>2,937</b>	<b>-2,476</b> -45.7 %	<b>580</b>	<b>120</b>	<b>-0,460</b> - %
 Others	<b>1,001</b>	<b>650</b>	<b>-351</b> -35.1 %	<b>-545</b>	<b>-547</b>	<b>-2</b> - %
Total	<b>52,280</b>	<b>57,341</b>	<b>+5,061</b> +9.7 %	<b>3,679</b>	<b>5,814</b>	<b>+2,135</b> +58.0 %

(Millions of yen)	FY2019 3rd Quarter (October 1 - December 31)	FY2020 3rd Quarter (October 1 - December 31)	Y-on-Y	Local currency basis
Americas	9,300	9,416	+116 +1.2 %	-
EMEA	10,389	12,430	+2,041 +19.6 %	-
Asia	4,395	4,561	+166 +3.8 %	-
China	2,324	2,119	-205 -8.8 %	-
OEM	1,694	1,632	-62 -3.7 %	-
Total overseas sales	25,779	28,040	+2261 +8.8 %	-

## Acrelec Sales by Geographical Segment

(Millions of Yen)	FY2021 forecast
Americas	456
Europe	2,252
Asia	252
Total	2,957



# Consolidated Statement of Income / Statement of Comprehensive Income

(Millions of yen)	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Y-on-Y
		Ratio		Ratio	
Net sales	<b>160,785</b>	100.0%	<b>145,966</b>	100.0%	<b>-14,819</b>
Cost of sales	<b>96,382</b>	59.9%	<b>87,703</b>	60.1%	<b>-8,679</b>
Selling, general and administrative expenses	<b>51,706</b>	32.2%	<b>50,859</b>	34.8%	<b>-847</b>
Operating income	<b>12,697</b>	7.9%	<b>7,403</b>	5.1%	<b>-5,294</b>
Non-operating income	<b>602</b>	0.4%	<b>1,095</b>	0.8%	<b>+493</b>
Non-operating expenses	<b>1,349</b>	0.8%	<b>1,254</b>	0.9%	<b>-95</b>
Ordinary income	<b>11,950</b>	7.4%	<b>7,244</b>	5.0%	<b>-4,706</b>
Extraordinary income	<b>6</b>	0.0%	<b>23</b>	0.0%	<b>+17</b>
Extraordinary loss	<b>135</b>	0.1%	<b>104</b>	0.1%	<b>-31</b>
Income before income taxes and minority interests	<b>11,821</b>	7.4%	<b>7,163</b>	4.9%	<b>-4,658</b>
Income taxes	<b>3,813</b>	2.4%	<b>3,552</b>	2.4%	<b>-261</b>
Net Income	<b>8,008</b>	5.0%	<b>3,611</b>	2.5%	<b>-4,397</b>
Net income attributable to owners of parent	<b>7,237</b>	4.5%	<b>3,156</b>	2.2%	<b>-4,081</b>

Net Income	<b>8,008</b>	5.0%	<b>3,611</b>	2.5%	<b>-4,397</b>
Valuation difference on available-for-sale securities	<b>28</b>		<b>572</b>		<b>+544</b>
Foreign currency translation adjustment	<b>-1,795</b>		<b>-902</b>		<b>+893</b>
Remeasurements of defined benefit plans	<b>101</b>		<b>256</b>		<b>+155</b>
Total other comprehensive income	<b>-1,664</b>	-1.0%	<b>-68</b>	0.0%	<b>+1,596</b>
Comprehensive income	<b>6,344</b>	3.9%	<b>3,542</b>	2.4%	<b>-2,802</b>

# Consolidated Balance Sheet

(Millions of yen)	As of March 31, 2020	As of December 31, 2020	Increase/ Decrease		As of March 31, 2020	As of December 31, 2020	Increase/ Decrease
Cash, deposits and Securities	<b>73,583</b>	<b>53,621</b>	<b>-19,962</b>	Notes and accounts payable-trade	<b>18,500</b>	<b>15,214</b>	<b>-3,286</b>
Notes and accounts receivable-trade	<b>51,220</b>	<b>46,060</b>	<b>-5,160</b>	Short-term loans payable	<b>24,951</b>	<b>18,796</b>	<b>-6,155</b>
Inventories	<b>51,681</b>	<b>61,868</b>	<b>+10,187</b>	Other	<b>42,172</b>	<b>43,295</b>	<b>+1,123</b>
Other	<b>4,924</b>	<b>6,709</b>	<b>+1,785</b>	<b>Total current liabilities</b>	<b>85,623</b>	<b>77,305</b>	<b>-8,318</b>
<b>Current assets</b>	<b>181,408</b>	<b>168,258</b>	<b>-13,150</b>	Long-term loans payable	<b>46</b>	<b>7,107</b>	<b>+7,061</b>
Property, plant and equipment	<b>38,503</b>	<b>38,417</b>	<b>-86</b>	Other	<b>35,950</b>	<b>43,757</b>	<b>+7,807</b>
Customer relationships	<b>17,968</b>	<b>17,201</b>	<b>-767</b>	<b>Noncurrent liabilities</b>	<b>35,996</b>	<b>50,864</b>	<b>+14,868</b>
<b>Goodwill</b>	<b>43,246</b>	<b>54,573</b>	<b>+11,327</b> ①	<b>Total liabilities</b>	<b>121,620</b>	<b>128,170</b>	<b>+6,550</b>
Other	<b>6,701</b>	<b>7,773</b>	<b>+1,072</b>	Capital stock	<b>12,892</b>	<b>12,892</b>	<b>0</b>
Intangible assets	<b>67,915</b>	<b>79,547</b>	<b>+11,632</b>	Retained earnings	<b>163,070</b>	<b>162,337</b>	<b>-733</b>
Total investments and other assets	<b>20,935</b>	<b>23,887</b>	<b>+2,952</b>	Other	<b>11,181</b>	<b>6,710</b>	<b>-4,471</b>
<b>Total noncurrent assets</b>	<b>127,354</b>	<b>141,851</b>	<b>+14,497</b>	<b>Total netassets</b>	<b>187,143</b>	<b>181,939</b>	<b>-5,204</b>
<b>Total assets</b>	<b>308,763</b>	<b>310,109</b>	<b>+1,346</b>	<b>Total liabilities and net assets</b>	<b>308,763</b>	<b>310,109</b>	<b>+1,346</b>

① **Goodwill increased due to acquisition of Acrelec.**

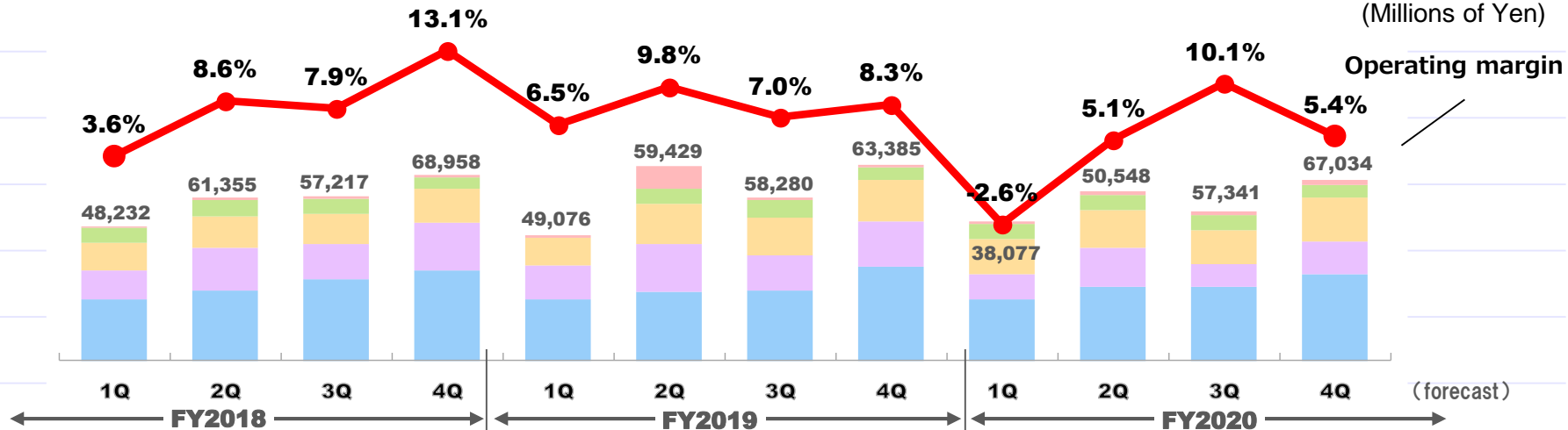
# Capital Expenditures etc.

(Millions of yen)	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Y-on-Y	Quarterly trend
Capital expenditures	6,689	7,240	+551 +8.2 %	<p>1,930 2,683 1,451 3,164 2,074 3,998 1,134 3,572 2,534</p> <p>FY18 (3Q) FY18 (4Q) FY19 (1Q) FY19 (2Q) FY19 (3Q) FY19 (4Q) FY20 (1Q) FY20 (2Q) FY20 (3Q)</p>
Depreciation and amortization	7,455	7,856	+401 +5.4 %	<p>2,326 2,242 2,316 2,535 2,604 2,678 2,333 2,768 2,755</p> <p>FY18 (3Q) FY18 (4Q) FY19 (1Q) FY19 (2Q) FY19 (3Q) FY19 (4Q) FY20 (1Q) FY20 (2Q) FY20 (3Q)</p>
R&D investment	10,219	10,479	+260 +2.5 %	<p>3,228 3,125 3,104 3,559 3,556 3,863 3,185 3,736 3,558</p> <p>FY18 (3Q) FY18 (4Q) FY19 (1Q) FY19 (2Q) FY19 (3Q) FY19 (4Q) FY20 (1Q) FY20 (2Q) FY20 (3Q)</p>

# Sales & Operating Income Forecast by Business Segment (Quarterly)



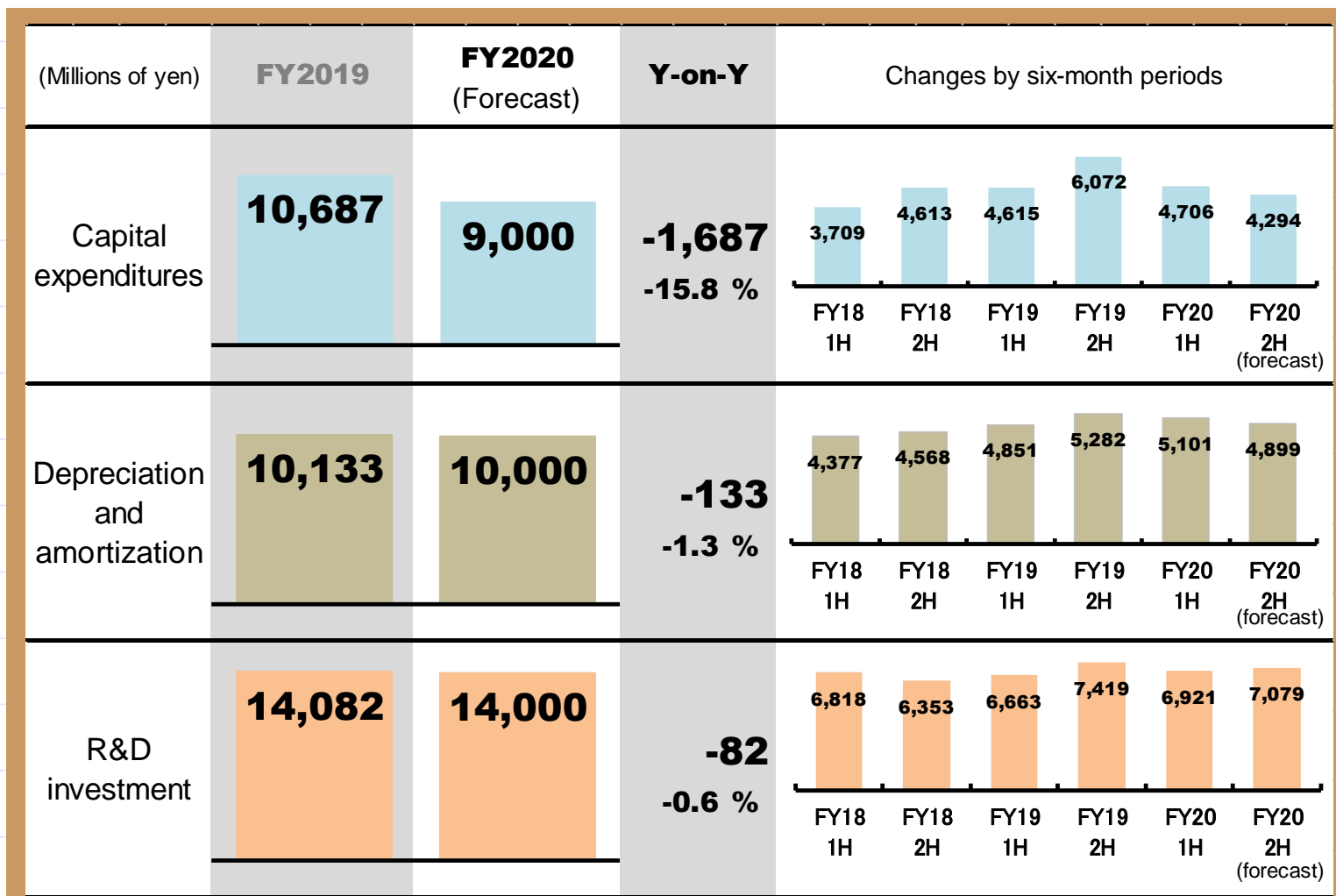
(Millions of Yen)



(Millions of yen)		FY2020				
		Q1	Q2	Q3	Q4 (Forecast)	Full Year (Forecast)
Overseas Market	Net Sales	17,866	24,543	28,040	30,551	101,000
	Operating Income	-402	411	1,064	1,427	2,500
Financial Market	Net Sales	7,829	11,379	13,699	17,093	50,000
	Operating Income	176	1,717	3,886	2,221	8,000
Retail & Transportation Market	Net Sales	9,542	11,391	12,015	15,552	48,500
	Operating Income	268	896	1,291	1,045	3,500
Amusement Market	Net Sales	2,262	2,612	2,937	2,689	10,500
	Operating Income	-316	37	120	-341	-500
Others	Net Sales	576	623	650	1,151	3,000
	Operating Income	-698	-499	-547	-756	-2,500
Total	Net Sales	38,077	50,548	57,341	67,034	213,000
	Operating Income	-972	2,561	5,814	3,597	11,000

\* Upper row is net sales and under row is operating income.

# Capital Expenditures etc.



## <Notes>

1. The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to the company and certain assumptions which the company regards as legitimate, and are not promises regarding the achievement of forecasts. Actual performance may differ greatly from these forecasts due to various present and future factors.

The factors include changes in the economic conditions in the company's principal markets, changes in demand for the company's products, fluctuations of exchange rates, and impacts of changes in various regulations, accounting principles and practices.

Please also take note that forecasts in this document may change without prior notice unless required by laws.

2. Amounts are rounded down to the nearest million yen for calculating percentages of year-on-year changes and composition ratios.