

November 29, 2021



News Release

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

### **Notice regarding Acquisition of Revolution Retail Systems, LLC**

GLORY LTD. (the “Company”) hereby announces that, Glory Global Solutions Inc. (headquartered in Lisle, Illinois, USA; hereinafter “GGSI”), a consolidated subsidiary of the Company, decided to acquire 100% ownership of Revolution Retail Systems, LLC (headquartered in Dallas, Texas, USA; hereinafter “Revolution Retail Systems”), a company engaged in the business of cash handling recyclers for the US retail market, (the “Acquisition”), and that signings of all contracts necessary for the Acquisition were completed today, as described below.

As a result of the Acquisition, Revolution Retail Systems will become a specified subsidiary of the Company.

#### **1. Purpose of the Acquisition**

The Company has been promoting the 2023 Medium-Term Plan in efforts to realize the Long-Term Vision 2028: ‘We enable a confident world’. Based on a policy set in the Plan: ‘Automation of cash processing’, which supports the expansion of the Group’s core foundation business, the Company has decided to acquire Revolution Retail Systems with the aim to capture the opportunity for further growth in North America.

Revolution Retail Systems is a market leader in the area of cash handling recyclers for the retail market in North America. Leveraging its solid customer base and excellent solution proposal capabilities, Revolution Retail Systems provides its products and services to major retailers, convenient stores and hotels, with more than 9,000 units of cash recyclers installed across the US and Canada. Revolution Retail Systems contributes to stable and effective cash management with its 24/7 - 365 support center and online monitoring services.

Utilizing the customer base and the sales and service network of Revolution Retail Systems, the Company expects to accelerate the Group’s sales in the US retail market where further growth is anticipated. Expected synergies include business growth by cross-selling back-office and front-office solutions to the customer base of each company group, and enhanced services with improved operational efficiencies based on the integrated service network to be gained through the Acquisition.

#### **2. Method of the Acquisition**

The Acquisition will be carried out through a merger between Revolution Retail Systems and a new subsidiary to be established by GGSI for the Acquisition (hereinafter the “SPC”) in the form of a so-called “reverse triangular merger”. Specifically, GGSI will pay the merger consideration to the existing owners of Revolution Retail Systems, and thereafter, a merger will be implemented with Revolution Retail Systems as a surviving company and SPC as a dissolving company. Through these procedures for the Acquisition, the surviving company, Revolution Retail Systems, will become a wholly owned subsidiary of GGSI.

The closing of the Acquisition is subject to any required regulatory clearances under the applicable laws in the US and the fulfillment of other conditions precedent stipulated in the merger agreement.

**3. Outline of Revolution Retail Systems (A company to become a subsidiary)**

(1) Company name	Revolution Retail Systems, LLC		
(2) Address of Headquarters	1400 Valwood Parkway, Suite 100 Carrollton, Texas, USA		
(3) Representative	Mark Levenick, CEO		
(4) Principal business	Development, manufacture, sales and service of cash handling recyclers designed for back-office operations in retail markets		
(5) Member's Equity	49,372 thousand USD (as of September 30, 2021)		
(6) Date of establishment	November 2, 2011		
(7) Major owners and equity ratios	VALENS OFFSHORE SPV II, CORP. 37.2% CALLIOPE CAPITAL CORPORATION 29.0% VALENS U.S. SPV I, LLC 18.8% Current and former members of Revolution Retail Systems management team (24 persons in total) 15.0%		
(8) Relationship with the Company	None		
(9) Consolidated financial condition and results of operations of Revolution Retail Systems for the last three years	(Unit: thousands of USD)		
As of / Fiscal year ended	September 2018	September 2019	September 2020
Consolidated net assets	37,993	47,142	47,560
Consolidated total assets	68,889	86,800	102,422
Consolidated net sales	90,370	112,368	105,737
Consolidated operating income	2,075	13,252	8,609
Consolidated income before tax	2,114	13,306	8,071
Consolidated net income	1,953	13,245	7,930

**4. Outline of the counterparty to the acquisition of equity interest (1)**

(1) Name	VALENS OFFSHORE SPV II, CORP.	
(2) Location	New York, USA	
(3) Basis of establishment, etc.	A Delaware corporation	
(4) Purpose of formation	Investment vehicle	
(5) Date of formation	August 28, 2007	
(6) Total investment amount	91 million USD (as of September 30, 2021)	
(7) Investors and investment ratio	Valens Offshore SPV I, Ltd., 100%	
(8) Overview of operating partners	Name	Valens Capital Management, LLC
	Location	New York, USA
	Representatives	Eugene Grin, Principal & Fund Manager
	Nature of business	Business activities for managing the operation of VALENS OFFSHORE SPV II, CORP.
(9) Overview of Japanese agent	None	
(10) Relationship with the Company	Relationship between the Company and the entity	None
	Relationship between the Company and the said managing partner	None

**Outline of the counterparty to the acquisition of equity interest (2)**

(1) Company name	CALLIOPE CAPITAL CORPORATION	
(2) Location	Delaware, USA	
(3) Basis of establishment, etc.	A Delaware corporation	
(4) Purpose of formation	Investment vehicle	
(5) Date of formation	May 9, 2006	
(6) Total investment amount	523 million USD (as of October 14, 2021)	
(7) Investor	Laurus Master Fund, Ltd., 100%	
(8) Overview of operating partners	Name	Russell Smith, BDO CRI (Cayman) Ltd.
	Location	Cayman Islands
	Representatives	Russell Smith, Director
	Nature of business	Business activities for managing the operation of CALLIOPE CAPITAL CORPORATION
(9) Overview of Japanese agent	None	
(10) Relationship with the Company	Relationship between the Company and the entity	None
	Relationship between the Company and the said managing partner	None

**Outline of the counterparty to the acquisition of equity interest (3)**

(1) Name	VALENS U.S. SPV I, LLC	
(2) Location	New York, USA	
(3) Basis of establishment, etc.	A Delaware limited liability company	
(4) Purpose of formation	Investment vehicle	
(5) Date of formation	April 5, 2007	
(6) Total investment amount	42 million USD (as of September 30, 2021)	
(7) Investors and investment ratio	Valens U.S. Fund, LLC, 100%	
(8) Overview of operating partners	Name	Valens Capital Management, LLC
	Location	New York, USA
	Representatives	Eugene Grin, Principal & Fund Manager
	Nature of business	Business activities for managing the operation of VALENS U.S. SPV I, LLC
(9) Overview of Japanese agent	None	
(10) Relationship with the Company	Relationship between the Company and the entity	None
	Relationship between the Company and the said managing partner	None

**Outline of the counterparties to the acquisition of equity interest (4)**

(1) Name	Mark Levenick, the CEO of Revolution Retail Systems, and other current and former members of its management team (24 persons in total)
(2) Relationship with the Company	None

**5. Ratio of ownership interest to be acquired, acquisition cost, and ratio of equity interest before and after the Acquisition**

(1) Ratio of equity interest before the Acquisition	0 units (Ratio of equity held: 0%)								
(2) Ownership interest to be acquired	1,612,796 units (Ratio of equity to be held: 100%)								
(3) Acquisition costs	<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Acquisition price</td> <td style="text-align: right;">182 million USD</td> </tr> <tr> <td>Advisory fees, etc.(Estimated amount)</td> <td style="text-align: right;">3 million USD</td> </tr> <tr> <td>Total (Estimated amount)</td> <td style="text-align: right;">185 million USD</td> </tr> <tr> <td></td> <td style="text-align: right;">(approx. 21 billion JPY)*</td> </tr> </table>	Acquisition price	182 million USD	Advisory fees, etc.(Estimated amount)	3 million USD	Total (Estimated amount)	185 million USD		(approx. 21 billion JPY)*
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Advisory fees, etc.(Estimated amount)	3 million USD								
Total (Estimated amount)	185 million USD								
	(approx. 21 billion JPY)*								
(4) Number of equity interest held after the Acquisition	1,612,796 units (Ratio of equity held: 100%)								

\* For the purpose of this Notice, exchange rate of 1 USD = 115 JPY is used.

**6. Schedule**

(1) Approval by the Company	November 29, 2021
(2) Signing of the Contracts	November 29, 2021(November 28, US local time)
(3) Closing of the Acquisition	Not yet determined (subject to all regulatory clearances under the applicable laws in the US)

**7. Financial Impact**

The financial impact of the Acquisition on the Company's consolidated accounts for FY2021 is expected to be minimal. The Company will promptly announce if any event occurs requiring disclosure.

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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 11,000 people worldwide. For more information about GLORY, please visit GLORY Group website at <https://www.glory-global.com/>

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