

Consolidated Financial Results for the Six Months ended September 30, 2020

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1

Consolidated Financial Results for the Six Months ended September 30, 2020

As of the end of September 2020

Americas	【sales】	Many orders and deliveries are postponed because business activities are restricted. The restrictions are expected to continue due to rising number of COVID-19 infections.
	【Maintenance services】	Maintenance activities are gradually resuming.
EMEA	【sales】	Economic activities in major countries are gradually resuming, but many orders and deliveries are postponed in major countries similarly to the U.S. There is concern over second wave of COVID-19 infections.
	【Maintenance services】	Maintenance activities are gradually resuming.
Asia	【sales】	Many orders and deliveries are postponed because the business activities in major countries are limited. Influence over future business negotiations are expected.
	【Maintenance services】	Maintenance activities in major countries are gradually resuming.
China	【sales】	Sales activities and maintenance services are carried out without major restrictions.
	【Maintenance services】	
Production Base	China	Production and procurement have resumed since April.
	Philippines	Production resumed gradually and product shipment is not delayed.

As of the end of September 2020

Financial Market	Many orders and deliveries are postponed because the business activities were limited.
Retail and Transportation Market	Some orders and deliveries are postponed to 2nd half. Increasing demands for self-service products as a COVID-19 prevention measures.
Amusement Market	Business has resumed in almost all pachinko parlors, but customers are slow to return. Many parlors are cautious about opening new stores and making capital investments. Increasing number of parlors are being closed.

Net Sales

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

Income

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

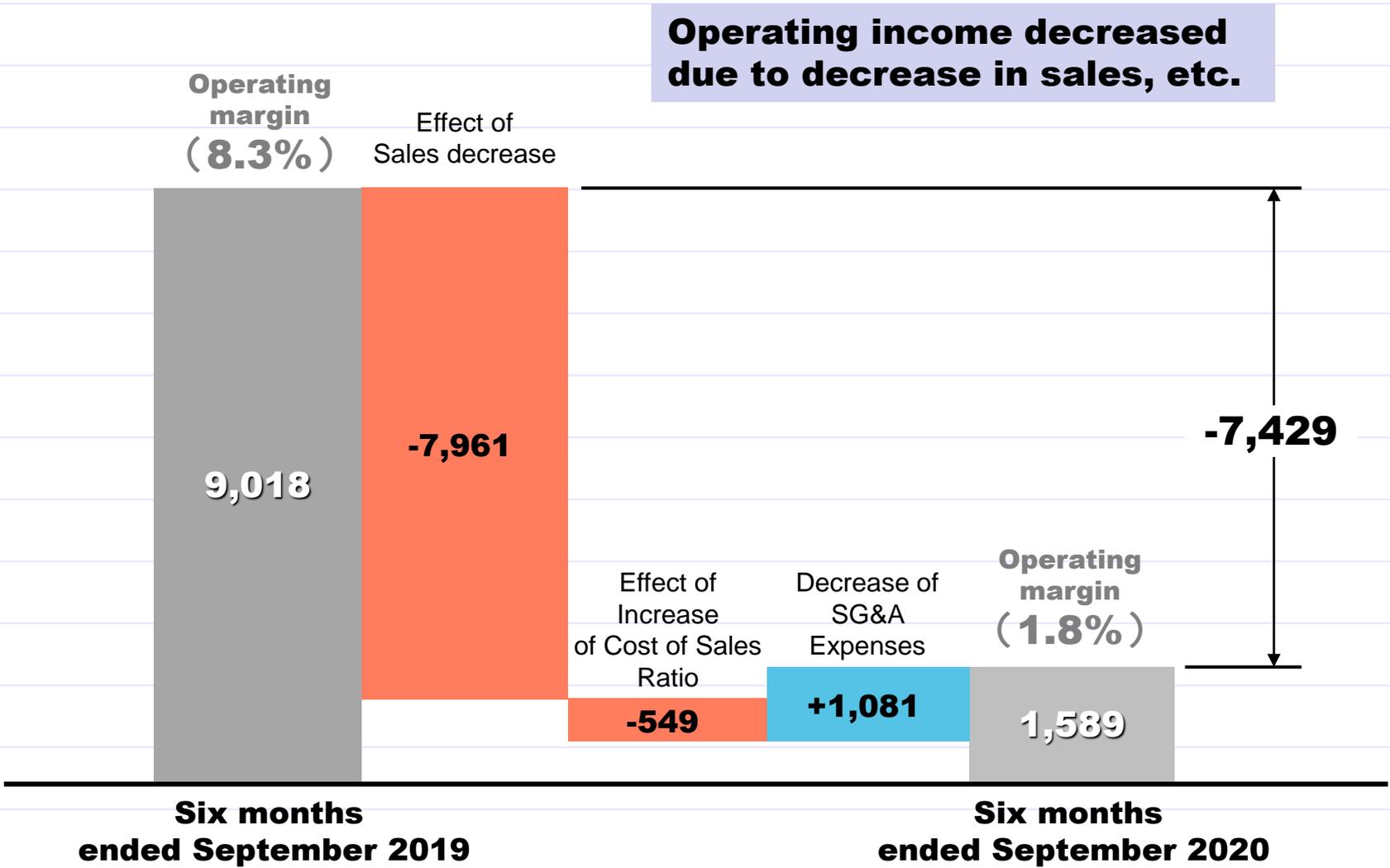
(Millions of yen)	FY2019		FY2020		Y-on-Y
	Six months ended September 30, 2019	Ratio	Six months ended September 30, 2020	Ratio	
Net Sales	108,505	100.0%	88,625	100.0%	-18.3%
Maintenance Services	35,489	32.7%	34,750	39.2%	-2.1%
Operating Income	9,018	8.3%	1,589	1.8%	-82.4%
Ordinary Income	8,316	7.7%	1,913	2.2%	-77.0%
Net Income Attributable to Owners of Parent	4,859	4.5%	-63	-0.1%	-101.3%
* EBITDA	15,772	14.5%	8,906	10.0%	-43.5%
Exchange rate	US\$	¥ 110	¥ 107		
	Euro	¥ 130	¥ 121		

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

Factors of Operating Income Change

(Millions of Yen)

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



(Millions of yen)	Sales			Operating Income		
	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y
*  Overseas Market	47,564	42,409	-5,155 -10.8 %	4,047	9	-4,038 -99.8 %
 Financial Market	22,335	19,208	-3,127 -14.0 %	2,068	1,893	-175 -8.5 %
 Retail & Transportation Market	25,483	20,933	-4,550 -17.9 %	2,919	1,164	-1,755 -60.1 %
 Amusement Market	10,543	4,874	-5,669 -53.8 %	1,293	-279	-1,572 - %
 Others	2,578	1,199	-1,379 -53.5 %	-1,309	-1,197	+112 - %
Total	108,505	88,625	-19,880 -18.3 %	9,018	1,589	-7,429 -82.4 %

*Acrelec Group is consolidated since Q2/FY2020.

2

Details of Performance for the Six Months ended September 30, 2020

Sales of main products were lower

*Acrelec Group is consolidated since Q2/FY2020.

	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y
Sales	47,564	42,409	-5,155 -10.8 %
Ratio to total net sales	43.8 %	47.9 %	+4.1 pt
Operating income	4,047	9	-4,038 -99.8 %
Ratio to total operating income	44.9%	- %	- pt
Operating margin	8.5 %	0.0 %	-8.5 pt

Highlights

- Banknote recyclers for tellers
- Sales proceeds deposit machines for retail industries

➔ Lower sales in Europe and the U.S.

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 recyclers
for tellers
<RBG series>



Sales proceeds
deposit machines
<CI-100 series>



Banknote sorters
<UW series>

(Millions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y	
				Local currency basis
Americas	16,954	13,374	-3,580 -21.1 %	-19.9%
EMEA	20,345	19,222	-1,123 -5.5 %	-5.4%
Asia	6,511	6,359	-152 -2.3 %	-
China	2,265	2,535	+270 +11.9 %	+15.0%
OEM	3,753	3,453	-300 -8.0 %	-8.0%
Total overseas sales	47,564	42,409	-5,155 -10.8 %	-

Americas ... Sales of products for retail industry and financial institutions were lower.

EMEA ... Sales of products for retail industry and financial institutions were lower.
Acrelec Group is consolidated since Q2/FY2020.

Asia ... Sales of products for financial institutions were lower.

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

OEM ... Sales of banknote recycling units for ATMs were steady.

Sales of main products were lower

	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y
Sales	22,335	19,208	-3,127 -14.0 %
Ratio to total net sales	20.6%	21.7%	+1.1 pt
Operating income	2,068	1,893	-175 -8.5 %
Ratio to total operating income	22.9%	- %	- pt
Operating margin	9.3 %	9.9 %	+0.6 pt

Highlights

- ☑ Open teller systems
 - ☑ Coin and banknote recyclers for tellers
- ➔ Lower sales due to restrictions on sales activities.

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

	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y
Sales	25,483	20,933	-4,550 -17.9 %
Ratio to total net sales	23.5%	23.6%	+0.1 pt
Operating income	2,919	1,164	-1,755 -60.1 %
Ratio to total operating income	32.4%	- %	- pt
Operating margin	11.5 %	5.6 %	-5.9 pt

Highlights

- ☑ Coin and banknote recyclers for cashiers
 - ☑ Sales proceeds deposit machines
- ➔ Lower sales due to restrictions on sales activities.

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
<DSS series>



Sales proceeds
deposit machines
<DS series>

Sales of main products were lower

	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y
Sales	10,543	4,874	-5,669 -53.8 %
Ratio to total net sales	9.7 %	5.5 %	-4.2 pt
Operating income	1,293	-279	-1,572 - %
Ratio to total operating income	14.3 %	- %	- pt
Operating margin	12.3 %	- %	- pt

Highlights

Card systems

➔ Lower sales due to self-restraint in pachinko parlors

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>

Strategic investment promoted for early commercialization of new businesses

	Six months ended September 30, 2019	Six months ended September 30, 2020	Y-on-Y
Sales	2,578	1,199	-1,379 -53.5 %
Ratio to total net sales	2.4 %	1.4 %	-1.0 pt
Operating income	-1,309	-1,197	+112 - %
Ratio to total operating income	- %	- %	- pt
Operating margin	-	-	- pt

Highlights

- ✓ Promoted strategic investment for new business department.

- ➔ • Proactive allocation of human resources
- Conduct of proof-of-concept studies, etc.

Outline of the Segment

Sales and maintenance service not included in the reportable segments

Main Products



Facial recognition systems



Collaborative
Robotic SI Business

3

Financial Forecast for FY2020

Overseas Market	Anticipate self-checkout needs will increase further for retail industry in Europe and U.S. It is expected it will take some time for overseas business to get into full swing.
Financial Market	Although budget freezes are seen at some financial institutions, capturing of more demands for replacement and increase of sales from maintenance services are expected.
Retail and Transportation Market	Expect increase of sales by capturing growing needs of self-checkout, although there is a risk of closure of restaurants, etc.
Amusement Market	Pachinko parlors are cautious about making capital investments. Increasing number of parlors are being closed.

Net Sales

Lower sales due to restrictions on business activities from COVID-19 during 1st half .

**Operating
income**

Lower income because of a decrease in sales and continuing investments in new businesses

(Millions of yen)	FY2019		FY2020		Y-on-Y
	Full Year	Ratio	Full Year (Forecast) *	Ratio	
Net Sales	224,170	100.0%	210,000	100.0%	-6.3%
Maintenance Sevices	71,099	31.7%	72,000 73,000	34.3%	+2.7%
Operating Income	17,927	8.0%	6,000 8,000	3.8%	-55.4%
Ordinary Income	15,657	7.0%	5,500 8,000	3.8%	-48.9%
Net Income Attributable to Owners of Parent	8,961	4.0%	2,500 3,500	1.7%	-60.9%
Exchange rate	US\$	¥ 109	¥ 105		
	Euro	¥ 121	¥ 120		

*The calculation is based on the assumption that our business performance will gradually recover as economic and social activities resume in stages, although the impact of the COVID-19 varies depending on the country and region.

*Upper row: Released on August 7, 2020
Lower row: Released on November 6, 2020

(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	105,000 103,000	-621 -0.6 %	9,780	1,000 1,500	-8,280 -84.7 %
Financial Market	42,262	45,000 46,500	+4,238 +10.0 %	3,314	5,000 6,500	+3,186 +96.1 %
Retail & Transportation Market	52,487	45,000 46,000	-6,487 -12.4 %	5,198	2,500 3,000	-2,198 -42.3 %
Amusement Market	20,753	12,000 11,500	-9,253 -44.6 %	1,998	0 -500	-2,498 - %
Others	5,045	3,000	-2,045 -40.5 %	-2,364	-2,500	-136 - %
Total	224,170	210,000	-14,170 -6.3 %	17,927	6,000 8,000	-9,927 -55.4 %

*Upper row: Released on August 7, 2020
Lower row: Released on November 6, 2020

(Millions of yen)	FY2019	FY2020	Y-on-Y	Local currency basis
	Full Year	Full Year (Forecast) *		
Americas	38,189	35,000 34,000	-4,189 -11.0 %	-7.8%
EMEA	43,313	50,000	+6,687 +15.4 %	+16.2%
Asia	14,802	14,000	-802 -5.4 %	-
China	5,694	6,000	+306 +5.4 %	+6.3%
OEM	7,316	6,000 5,000	-2,316 -31.7 %	-31.7%
Total overseas sales	103,621	105,000 103,000	-621 -0.6 %	-

*Upper row: Released on August 7, 2020

Lower row: Released on November 6, 2020

4**TOPICS**

Self-checkout Systems

Overseas

Increasing needs for self-checkout systems mainly in Europe and U.S.

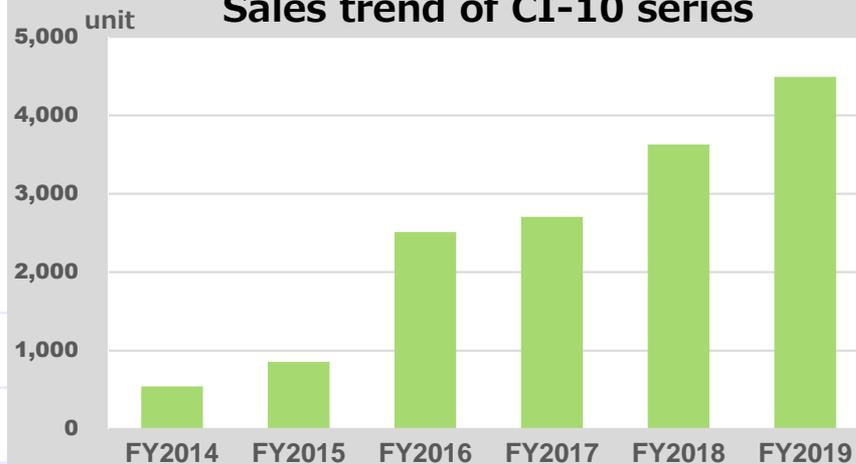


Coin and banknote
recyclers for self-
checkout systems
<CI-10 series >



Coin and banknote
recyclers for back office
<CI-100 series>

Sales trend of CI-10 series



Overseas

Order received from Dollar General, one of America's largest chains of variety stores, for CI-10 coin and banknote recyclers for self-checkout systems

DOLLAR GENERAL®

- Number of stores: Over 15,000 at 44 states in the U.S.
- Sales: \$ 25.6billion (Approx. ¥2.8trillion)
- Number of employees: 135,000
- **Start of delivery of CI-10: Second half of 2020**



Coin and banknote
recyclers
<CI-10 >



Source: Annual Report of DOLLAR GENERAL

Overseas

ACRELEC

- Creation of synergies with GLORY
- Providing “Click & Collect” and “Table service solution” in addition to Kiosk bussiness

Changes in the market environment

Increasing number of “Dark Store*” due to spread of COVID-19.

*Dark Store :

A retail store that introduces non-contact shopping style “Click & Collect”: the goods and foods ordered at the store’s shopping site can be received by customers at the store or drive-through.



Self-checkout Systems



“Click & Collect”

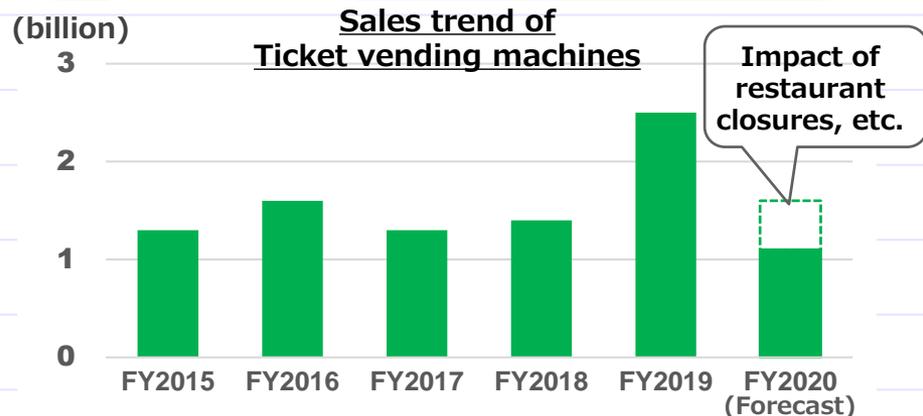
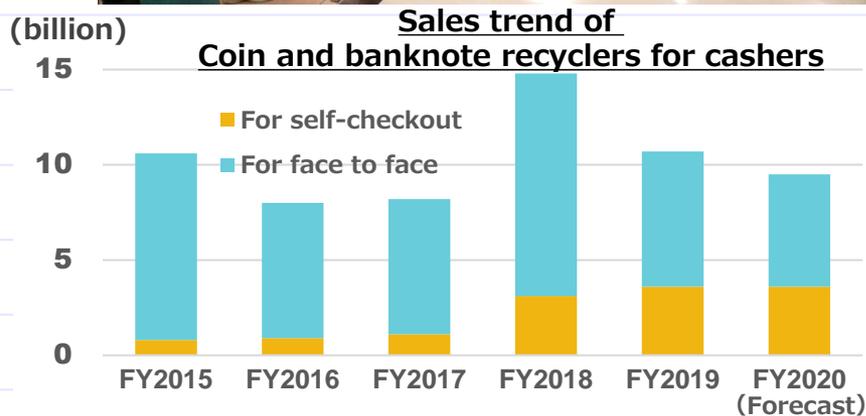
Domestic

Expanding needs of products for self payment

Coin and banknote recyclers
for self-checkout systems at supermarket
<RT/RAD-380>series



Touch panel ticket vending machine supporting
e-money, credit cards, and QR-code payment.
<VT-T20M>series



Domestic

Increasing needs for hospital and clinic system for automatic post-care payment processing



FFH series



FFP-S series

Medical payment systems



会計の待ち時間をゼロに!

待たずにラクへだ

Automatic post-care payment processing
"Zero waiting time"

- **Tokyo Adventist Hospital** (Jul 2018)
- **Juntendo University Hospital** (Apr 2019)
- **Tokyo Medical And Dental University Medical Hospital** (Apr 2019)
- **University Hospital, Kyoto Prefectural University of Medicine** (Jan 2020)
- **Ibaraki Prefectural Central Hospital** (Mar 2020)

Installations increasing

As of September 2020

Installed in 13 medical institutions

As of March 2020
Installed in 5 medical institutions

Launched

- **Kobe University Hospital** (April 2020)
- **Kansai Medical University Hospital** (April 2020)
- **Osaka University Hospital** (April 2020)
- **Tohoku University Hospital** (Jun 2020)
- **Matsuda Hospital** (Jun 2020)
- **Yokohama Municipal Citizen's Hospital** (Jun 2020)
- **Keiyu Hospital** (Jun 2020)
- **Dokkyo Medical University** (Sep 2020)

References

Consolidated Statement of Income / Statement of Comprehensive Income

(Millions of yen)	Six months ended September 30, 2019		Six months ended September 30, 2020		Y-on-Y
		Ratio		Ratio	
Net sales	108,505	100.0%	88,625	100.0%	-19,880
Cost of sales	65,054	60.0%	53,684	60.6%	-11,370
Selling, general and administrative expenses	34,432	31.7%	33,351	37.6%	-1,081
Operating income	9,018	8.3%	1,589	1.8%	-7,429
Non-operating income	409	0.4%	864	1.0%	+455
Non-operating expenses	1,110	1.0%	541	0.6%	-569
Ordinary income	8,316	7.7%	1,913	2.2%	-6,403
Extraordinary income	0	0.0%	30	0.0%	+30
Extraordinary loss	131	0.1%	79	0.1%	-52
Income before income taxes and minority interests	8,186	7.5%	1,864	2.1%	-6,322
Income taxes	2,715	2.5%	1,651	1.9%	-1,064
Net Income	5,470	5.0%	213	0.2%	-5,257
Net income attributable to owners of parent	4,859	4.5%	-63	-0.1%	-4,922

Net Income	5,470	5.0%	213	0.2%	-5,257
Valuation difference on available-for-sale securities	-191		528		+719
Foreign currency translation adjustment	-2,927		-2,132		+795
Remeasurements of defined benefit plans	68		179		+111
Total other comprehensive income	-3,050	-2.8%	-1,416	-1.6%	+1,634
Comprehensive income	2,419	2.2%	-1,203	-1.4%	-3,622

Consolidated Balance Sheet

(Millions of yen)	As of March 31, 2020	As of September 30, 2020	Increase/ Decrease		As of March 31, 2020	As of September 30, 2020	Increase/ Decrease
Cash, deposits and Notes and accounts	73,583	51,090	-22,493	Notes and accounts payable, trade	18,500	15,077	-3,423
Inventories	51,681	62,109	+10,428	Short-term loans payable	24,951	20,936	-4,015
Other	4,924	6,929	+2,005	Other	42,172	38,520	-3,652
Current assets	181,408	161,760	-19,648	Total current liabilities	85,623	74,533	-11,090
Property, plant and equipment	38,503	38,939	+436	Long-term loans payable	46	7,022	+6,976
Customer relationships	17,968	17,913	-55	Other	35,950	43,186	+7,236
Goodwill	43,246	54,981	① +11,735	Noncurrent liabilities	35,996	50,208	+14,212
Other	6,701	7,418	+717	Total liabilities	121,620	124,741	+3,121
Intangible assets	67,915	80,312	+12,397	Capital stock	12,892	12,892	0
Total investments and other assets	20,935	22,745	+1,810	Retained earnings	163,070	160,940	-2,130
Total noncurrent assets	127,354	141,996	+14,642	Other	11,181	5,183	-5,998
Total assets	308,763	303,757	-5,006	Total netassets	187,143	179,015	-8,128
				Total liabilities and net assets	308,763	303,757	-5,006

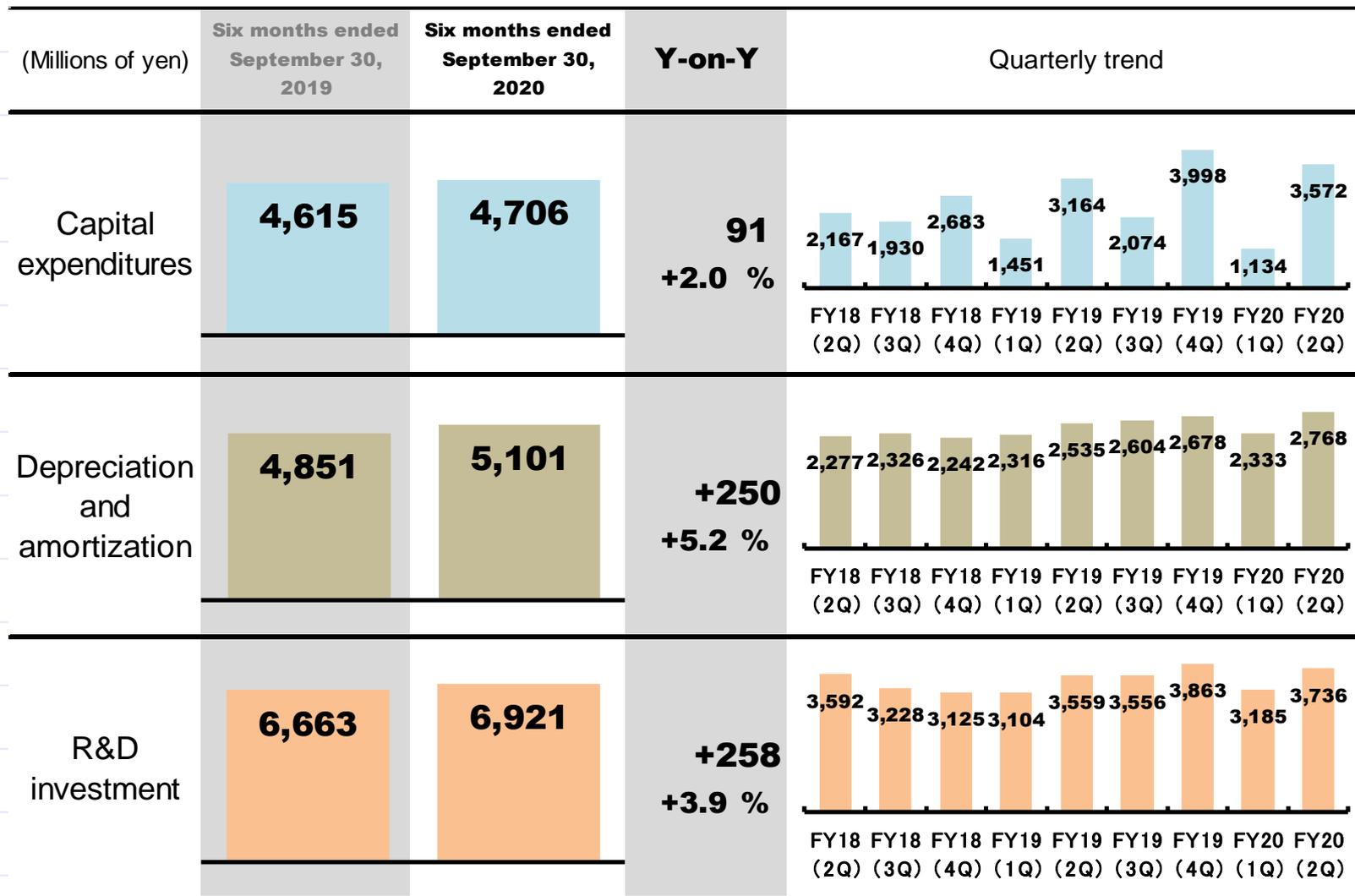
① Goodwill increased due to acquisition of Acrelec.

(Millions of yen)	Six months ended	Six months ended	Increase/Decrease
Cash flows from operating activities	10,266	1,608	-8,658
Cash flows from investing activities	-6,479	-17,815	-11,336
Cash flows from financing activities	-10,248	-4,644	+5,604
Net increase (decrease) in cash and cash equivalents	-7,725	-21,503	-

Free cash flows	3,787	-16,207	-19,994
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*Free cash flows = Cash flows from operating activities + Cash flows from investing activities

Capital Expenditures etc.



(Millions of yen)	FY2019		FY2020		Y-on-Y
	Six months ended September 30, 2019	Ratio	Six months ended September 30, 2020	Ratio	
Net Sales	85,000	100.0%	88,625	100.0%	+3,625 +4.3%
Maintenance Sevices	33,000	38.8%	34,750	39.2%	+1,750 +5.3%
Operating Income	-2,000	-2.4%	1,589	1.8%	+3,589 -
Ordinary Income	-2,000	-2.4%	1,913	2.2%	+3,913 -
Net Income Attributable to Owners of Parent	-3,000	-3.5%	-63	-0.1%	+2,937 -
EBITDA	5,030	5.9%	8,906	10.0%	+3,876 +77.1%
Exchange rate	US\$	¥ 105	¥ 107		
	Euro	¥ 120	¥ 121		

Sales & Operating Income Forecast by Business Segment (vs. Forecast)



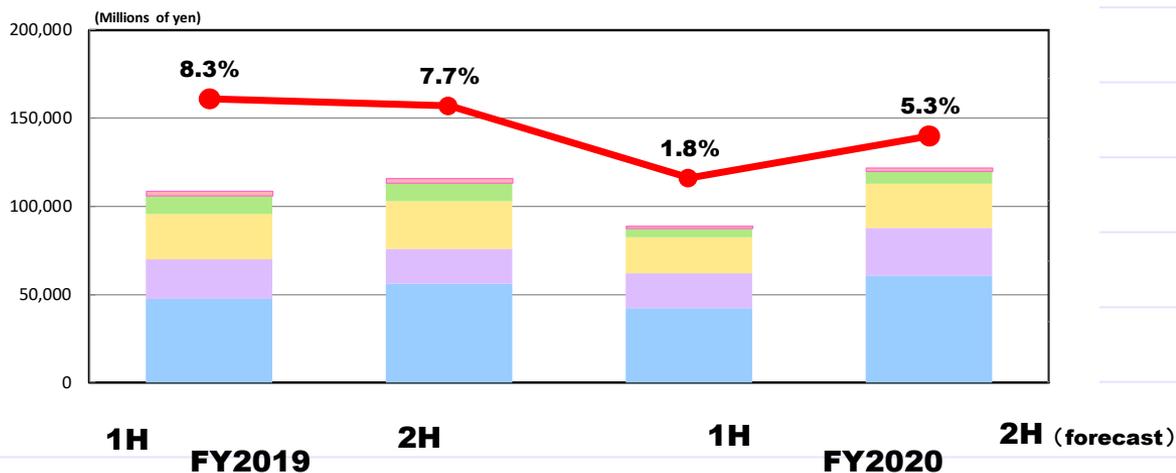
(Millions of yen)	Sales			Operating Income		
	Six months ended September 30, 2020(Forecast)	Six months ended September 30, 2020	vs. forecast	Six months ended September 30, 2020(Forecast)	Six months ended September 30, 2020	vs. forecast
 Overseas Market	40,000	42,409	+2,409 +6.0 %	-2,000	9	+2,009 - %
 Financial Market	19,000	19,208	+208 +1.1 %	1,000	1,893	+893 +89.3 %
 Retail & Transportation Market	20,000	20,933	+933 +4.7 %	500	1,164	+664 +132.8 %
 Amusement Market	4,500	4,874	+374 +8.3 %	-500	-279	+221 - %
 Others	1,500	1,199	-301 -20.1 %	-1,000	-1,197	-197 - %
Total	85,000	88,625	+3,625 +4.3 %	-2,000	1,589	+3,589 - %

Sales by Geographical Segment of Overseas Market (vs. Forecast)



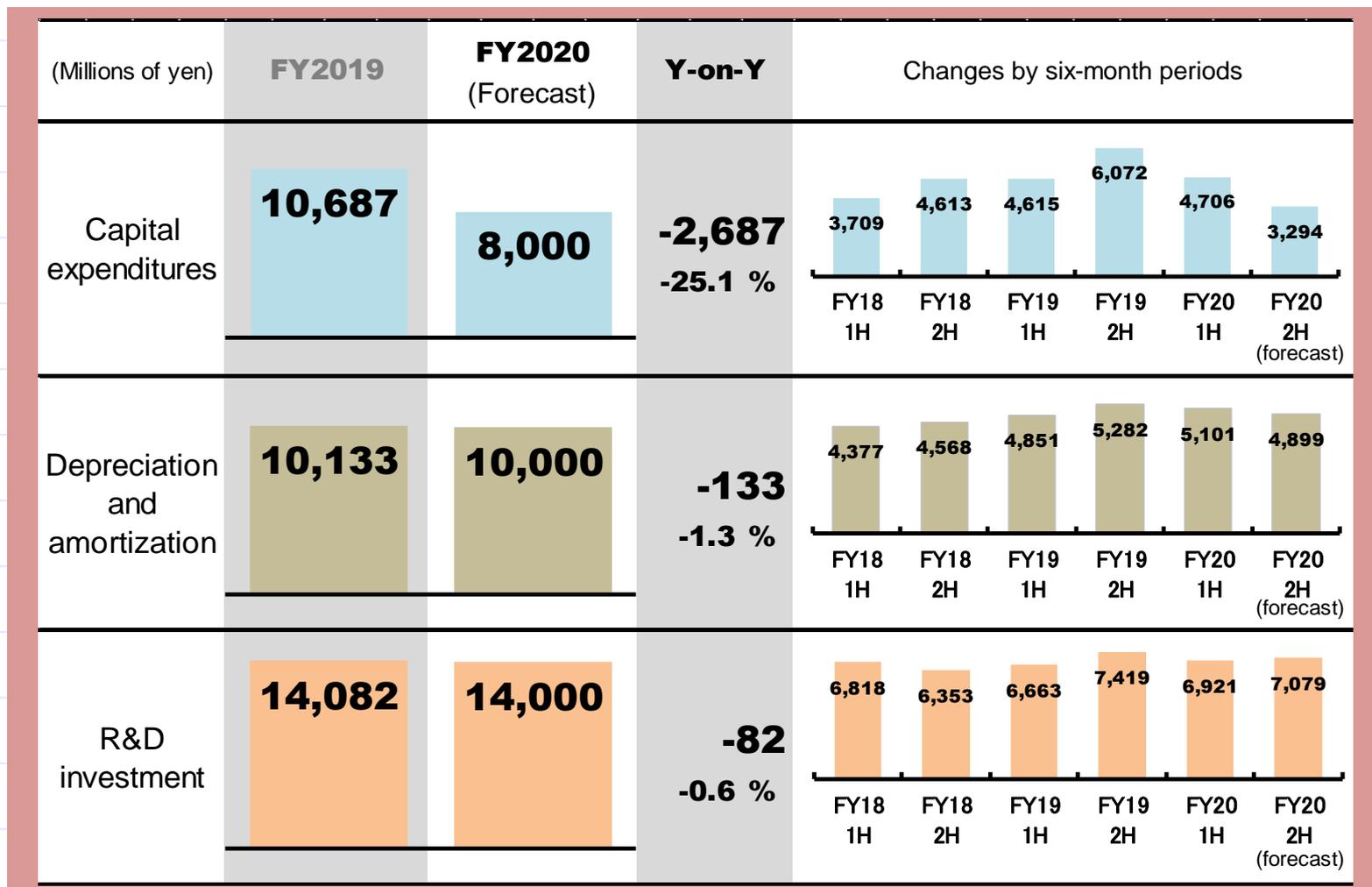
(Millions of yen)		Six months ended September 30, 2020 (forecast)	Six months ended September 30, 2020	Y-on-Y	
					Local currency basis
	Americas	14,000	13,374	-626 -4.5 %	-1.8%
	EMEA	18,000	19,222	+1,222 +6.8 %	-1.1%
	Asia	5,500	6,359	+859 +15.6 %	-
	China	2,700	2,535	-165 -6.1 %	+1.3%
	OEM	2,500	3,453	+953 +38.1 %	-
	Total overseas sales	40,000	42,409	+2,409 +6.0 %	-

Sales & Operating Income Forecast by Business Segment (Half Year)



(Millions of yen)	Q1-Q2 (Forecast)		Q3-Q4 (Forecast)		Full Year (Forecast)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Overseas Market	42,409	9	60,591	1,491	103,000	1,500
Financial Market	19,208	1,893	27,292	4,607	46,500	6,500
Retail & Transportation Market	20,933	1,164	25,067	1,836	46,000	3,000
Amusement Market	4,874	-279	6,626	-221	11,500	-500
Others	1,199	-1,197	1,801	-1,303	3,000	-2,500
Total	88,625	1,589	121,375	6,411	210,000	8,000

Capital Expenditures etc.



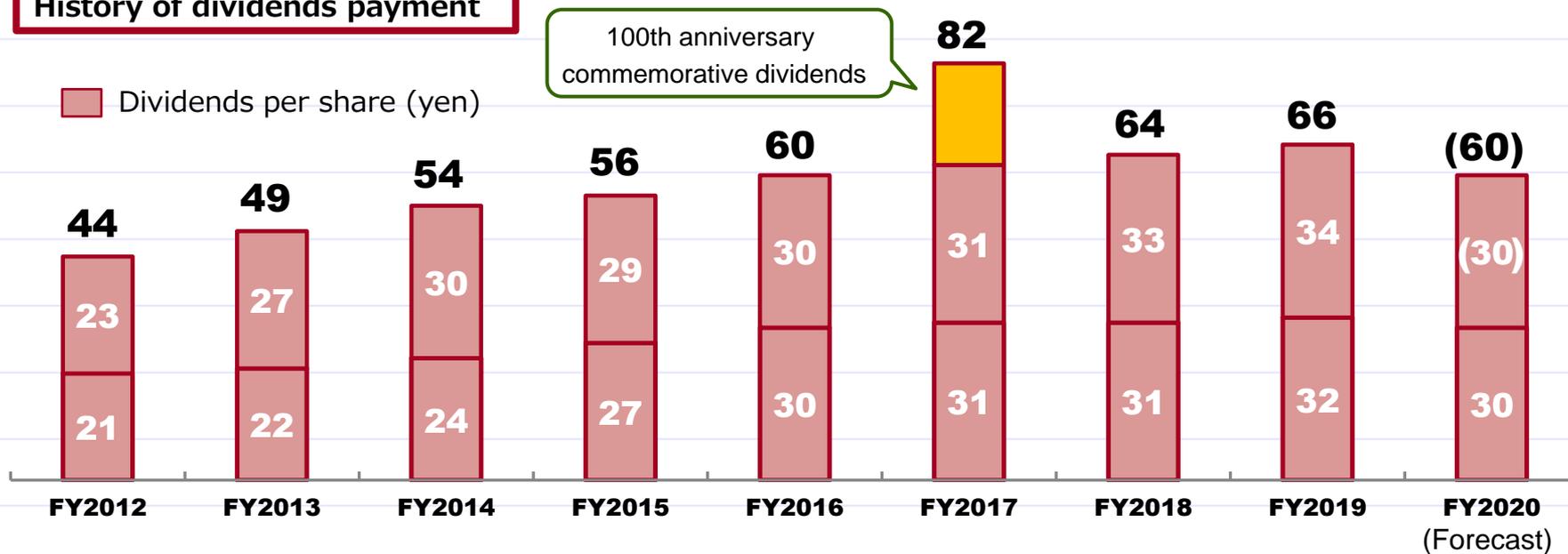
Dividend Forecast for FY2020

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	¥ 60

History of dividends payment



<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 includes 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.