

April 27, 2023



News Release

Company name: GLORY LTD.
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Headquarters: 3-1, Shimoteno 1-chome, Himeji,
Hyogo, JAPAN
Securities Code: 6457
Stock Exchange: Tokyo (Prime)
Accounting Term: March

**Recording of Impairment Loss and Share of Loss of Entities Accounted for Using Equity Method
and Revision to FY2022 Consolidated Financial Forecast**

GLORY LTD. (the “Company”) hereby announces the recording of impairment loss and share of loss of entities accounted for using equity method for the fourth quarter of FY2022 (January 1, 2023 to March 31, 2023). Accordingly, the Company has revised its FY2022 consolidated financial forecast announced on February 7, 2023.

1. Recording of extraordinary loss due to partial cancellation of ERP system implementation

The Company has been implementing an ERP (Enterprise Resource Planning) system in order to improve operational efficiency through the use of centrally managed information and resources. However, the Company has decided to cancel the implementation of certain areas of the ERP system due to its insufficient performance, and continue using the current system with some add-on functions.

Accordingly, the Company will record an extraordinary loss of 2,126 million yen as an impairment loss, for the allowance and disposal of the add-on software assets developed for the ERP.

2. Recording of share of loss of entities accounted for using equity method

(1) Loss on valuation of shares of subsidiaries and associates (Non-consolidated)

The Company will record an extraordinary loss of 2,463 million yen as loss on valuation of shares of subsidiaries and associates. This is based on the Company’s review of the investment for two of its equity-method affiliates, which is expected to have a longer return period than assumed at the time of the share acquisition.

The loss on valuation of shares of subsidiaries and associates will be recorded as share of loss of entities accounted for using equity method in the consolidated financial statements as described in (2) below.

(2) Share of loss of entities accounted for using equity method (Consolidated)

The Company will record non-operating expenses of 1,779 million yen as share of loss of entities accounted for using equity method in the FY2022 consolidated financial statements.

3. Revision to FY2022 consolidated financial forecast (April 1, 2022 to March 31, 2023)

(1) Details of the revision

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Original forecast (A)	255,000	(500)	(1,000)	(4,500)	(78.12)
Revised forecast (B)	255,800	500	(2,700)	(9,600)	(168.10)
Difference (B-A)	800	1,000	(1,700)	(5,100)	
Percentage increase/decrease (%)	0.3%	-	-	-	
Ref. FY2021 Results (Year ended March 31, 2022)	226,562	10,297	10,507	6,509	107.65

(2) Reason for the revision

Net sales are expected to be generally in line with the forecast announced on February 7, 2023 and operating income is expected to increase and turn to the profit side, as a result of reduced expenditures and revised product prices. Ordinary income and net income attributable to owners of parent have been revised downward due to the recording of loss described in 2. above.

Note: The forecast is based on the information available at the time of announcement.

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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 meeting society's wide-ranging needs, GLORY serves the financial, retail, vending machine, amusement and gaming industries in over 100 countries with 11,000 employees worldwide. For more information, please visit the GLORY Group website at <https://corporate.glory-global.com/>

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