



May 11, 2023

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 (Prime)
Accounting Term:	March

### **Execution of Tender Offer Agreement for Shares of FueTrek (Securities Code: 2468) and Dissolution of Capital and Business Alliance with FueTrek**

GLORY LTD. (the “Company”) hereby announces that, at its board of directors’ meeting held today, a resolution was passed to enter into a tender offer agreement (the “Tender Offer Agreement”) with AI, Inc. (“AI”) for its currently held 3,793,200 shares (shareholding ratio: 40.53%) in FueTrek Co., Ltd. (“FueTrek”) in order to participate in a tender offer for the common stock of FueTrek to be conducted by AI (the “Tender Offer”). It was also resolved that the capital and business alliance agreement with FueTrek dated September 28, 2018 (the “Capital and Business Alliance Agreement;” the capital and business alliance based thereon hereinafter to be referred to as the “Capital and Business Alliance”) would be dissolved. If the Tender Offer is successfully completed, FueTrek will no longer be an equity-method affiliate of the Company, and the Capital and Business Alliance will be dissolved.

#### **1. Purpose and Background**

Based on the Capital and Business Alliance Agreement, the Company has continued to work with FueTrek to expand the businesses of both companies through joint research and mutual cooperation in sales and customer development in the fields of recognition and authentication technologies. However, against the background of trends in market needs for new solutions and services that combine the Company’s facial recognition technology with FueTrek’s voice authentication and recognition technology, as well as the improved accuracy of authentication of the Company’s facial recognition technology, the Company has reviewed its business portfolio and come to consider selling the FueTrek shares owned by the Company. As a result, in order to further enhance the corporate value of FueTrek, the Company has concluded that it would be desirable for a third party, whose business domain is closer to that of FueTrek, to acquire shares of FueTrek and realize strong synergies, and for FueTrek to grow under a new capital structure. Therefore, the Company has approached several potential buyers who are believed to be capable of improving the corporate value of FueTrek by acquiring shares of FueTrek.

The Company has now received a proposal from AI, which is engaged in the voice synthesis business that involves a technology similar to that of the speech recognition business operated by FueTrek, regarding possible sale of all shares of FueTrek owned by the Company to AI through the Tender Offer. After careful consideration and discussions, the Company has decided to accept the Tender Offer and sell its shares of FueTrek to AI, as the Company has determined that AI is the most suitable partner for FueTrek with which to leverage synergies in a wide range of fields by utilizing FueTrek’s sales and technological bases.

Consequently, the Company has entered into an agreement with FueTrek to terminate the Capital and Business Alliance Agreement subject to the completion of the Tender Offer (the “Termination Agreement”).

Since the Termination Agreement is subject to the completion of the Tender Offer, the Capital and Business Alliance Agreement will continue if the Tender Offer is not completed.

## 2. Outline of FueTrek

(1)	Name	FueTrek Co., Ltd.																						
(2)	Location	6-1-1 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka, Japan																						
(3)	Title and name of representative	Akihiro Nishida, President & CEO																						
(4)	Description of Business	Planning and offering of services utilizing speech recognition technology and designing of systems for realizing such services																						
(5)	Stated capital	100,000,000 JPY																						
(6)	Date of Incorporation	April 17, 2000																						
(7)	Major Shareholders and Shareholding Ratios (As of September 30, 2022)	<table border="0"> <tr> <td>GLORY LTD.</td> <td>40.53%</td> </tr> <tr> <td>Akira Wada</td> <td>1.47%</td> </tr> <tr> <td>SBI SECURITIES Co., Ltd.</td> <td>1.41%</td> </tr> <tr> <td>Masahiro Watanabe</td> <td>1.03%</td> </tr> <tr> <td>Taizo Omoto</td> <td>0.76%</td> </tr> <tr> <td>Akihiro Nishida</td> <td>0.73%</td> </tr> <tr> <td>FueTrek Director Stock Ownership Association</td> <td>0.70%</td> </tr> <tr> <td>Takeshi Kokubo</td> <td>0.69%</td> </tr> <tr> <td>Kenichiro Kawai</td> <td>0.68%</td> </tr> <tr> <td>Yukiyasu Yoshida</td> <td>0.62%</td> </tr> </table>			GLORY LTD.	40.53%	Akira Wada	1.47%	SBI SECURITIES Co., Ltd.	1.41%	Masahiro Watanabe	1.03%	Taizo Omoto	0.76%	Akihiro Nishida	0.73%	FueTrek Director Stock Ownership Association	0.70%	Takeshi Kokubo	0.69%	Kenichiro Kawai	0.68%	Yukiyasu Yoshida	0.62%
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(8)	Relationship with the Company	Capital Relationship	As of May 11, 2023, the Company holds 3,793,200 shares of FueTrek (Shareholding Ratio: 40.53%).																					
		Personal Relationship	One Senior Executive Officer and one Executive Officer of the Company concurrently serve as Directors (non-Audit and Supervisory Committee Member) of FueTrek, and one employee of the Company concurrently serves as a Director (Audit and Supervisory Committee Member) of FueTrek.																					
		Business Relationship	There is no business relationship that should be noted.																					
		Status as a Related Party	FueTrek is an equity-method affiliate of the Company and is a related party of the Company. The Company has entered into a Capital and Business Alliance Agreement with FueTrek.																					
(9)	Consolidated financial position and operating results of FueTrek for the last three years	(JPY thousand)																						
	As of / Fiscal year ended	March 2021	March 2022	March 2023																				
	Consolidated net assets	2,582,697	2,715,055	1,989,299																				
	Consolidated total assets	3,774,255	3,868,438	3,318,833																				
	Consolidated net assets per share	255.13 JPY	269.51 JPY	193.18 JPY																				
	Consolidated net sales	1,833,733	1,590,642	1,662,556																				
	Consolidated operating income (loss)	(186,780)	122,897	(253,323)																				
	Consolidated ordinary income (loss)	(163,193)	121,366	(235,450)																				
	Net income attributable to owners of parent (loss)	(391,850)	133,273	(663,938)																				
	Consolidated net income (loss) per share	(41.87) JPY	14.24 JPY	(70.95) JPY																				
	Dividends per share	0 JPY	4.00 JPY	3.00 JPY																				

(Note) The above major shareholders and shareholding ratios are quoted from the amendment report for the second quarter of the 23rd period filed by FueTrek on February 22, 2023.

### 3. Outline of AI

(1) Name	AI, Inc.	
(2) Location	1-15-15 Nishikata, Bunkyo-ku, Tokyo	
(3) Title and name of representative	Shinichi Hiroi, President and Representative Director	
(4) Description of Business	Providing and developing voice synthesis systems and consulting business related to these systems	
(5) Stated capital	151,481,320 JPY	
(6) Date of Incorporation	April 1, 2003	
(7) Major Shareholders and Shareholding Ratios (as of September 30, 2022)	Shinichi Hiroi 17.67% Daisuke Yoshida 12.89% YOSHIDA Jimusho G.K. 11.55% Solxyz Co., Ltd. 5.02% Taishi Yoshida 3.01% Kayo Kamei 2.91% TIS Inc. 2.01% Rakuten Securities, Inc. 1.15% Akira Yoshida 0.96% SBI SECURITIES Co., Ltd. 0.71%	
(8) Relationship with the Company	Capital Relationship	Not applicable
	Personal Relationship	Not applicable
	Business Relationship	Not applicable
	Status as a Related Party	Not applicable

(Note) The above major shareholders and shareholding ratios are quoted from the report for the second quarter of the 20th period filed by AI on November 11, 2022.

### 4. Number of shares to be tendered to the Tender Offer and Transfer price

- |  |   |
|--|---|
| (1) Number of shares intended to be tendered | 3,793,200 shares (all shares held by the Company) |
| (2) Transfer price                           | 857,263 thousand JPY (Note) (226 JPY per share)   |

(Note) The “transfer price” stated above is the price that will apply in case the Tender Offer is successfully completed.

### 5. Timeline for the Tender Offer

- |   |                                   |
|---|-----------------------------------|
| (1) Execution of the Tender Agreement           | May 11, 2023                      |
| (2) Tender Offer Period                         | From May 12, 2023 to June 8, 2023 |
| (3) Announcement of Results of the Tender Offer | June 9, 2023                      |
| (4) Commencement Date of Settlement             | June 15, 2023                     |

### 6. Timeline for dissolution of the Capital and Business Alliance

- |   |              |
|---|--------------|
| (1) Date of resolution by the Board of Directors of the Company     | May 11, 2023 |
| (2) Date of agreement to dissolve the Capital and Business Alliance | May 11, 2023 |

### 7. Future Prospects

In case the Tender Offer is completed, upon acceptance of the Tender Offer pursuant to the Tender Agreement, FueTrek will no longer be an equity-method affiliate of the Company. The financial impact of this transaction on the Company’s consolidated accounts for FY2023 is expected to be minimal. The Company will promptly announce if any material impact on the forecast of such accounts requiring disclosure occurs.

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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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