



GLORY 2023

Glory Group Medium-Term Management Plan

GLORY Group
2023 Medium-Term Management Plan
(FY2021 ~ FY2023)



GLORY 2020

Glory Group Medium-Term Management Plan

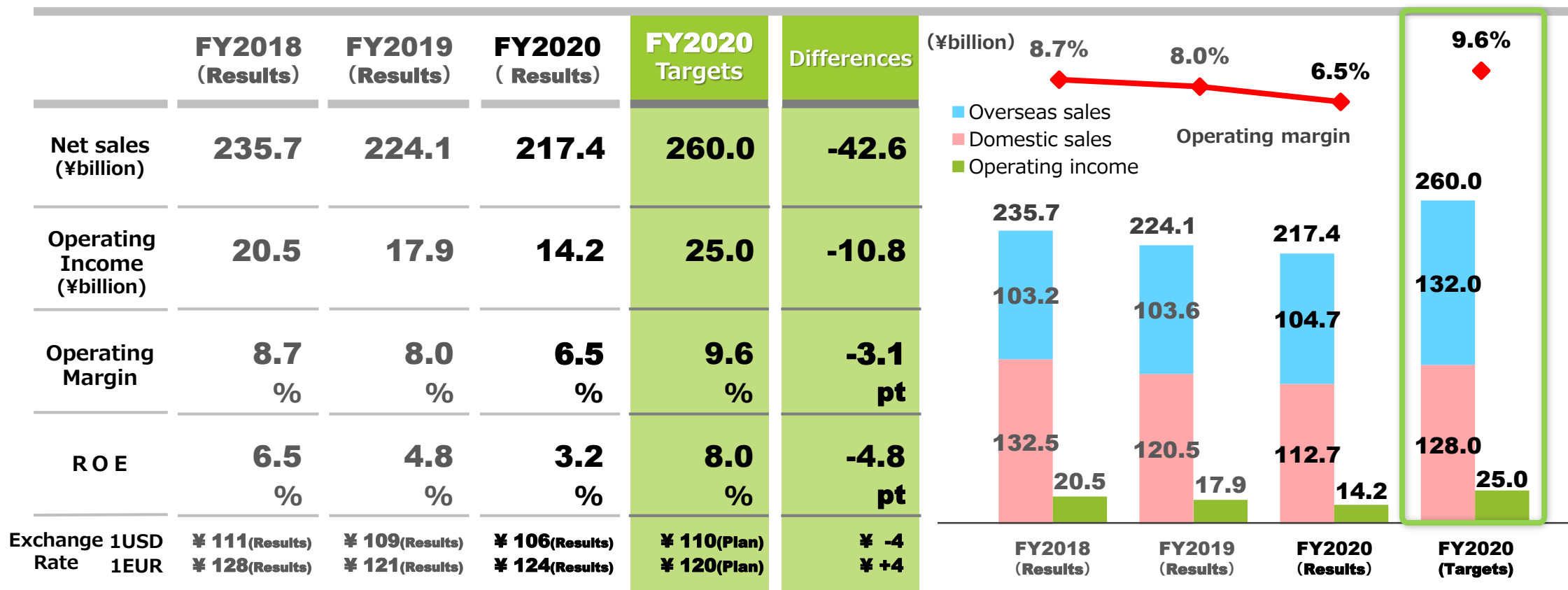
**Review of
2020 Medium-Term Management Plan
(FY2018 ~ FY2020)**

2020 Medium-Term Management Plan

Review of 2020 Medium-Term Management Plan

[Performance targets not achieved due to the spread of COVID-19]

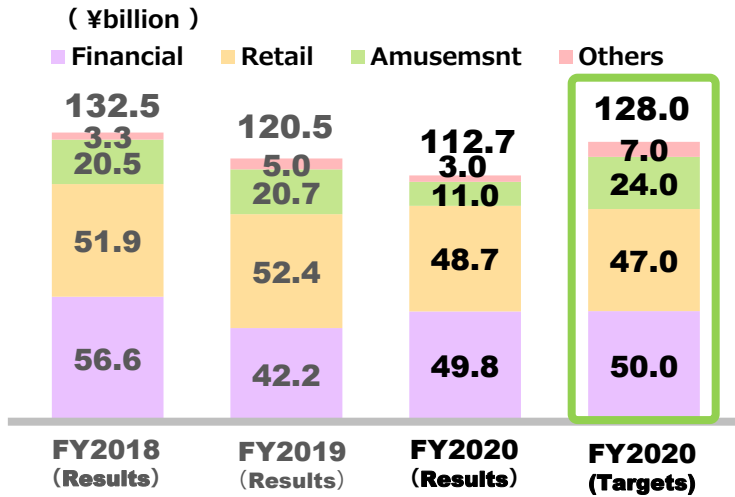
- Domestic: **Sales targets achieved** for financial and retail & transportation markets, underpinned by brisk performance of maintenance services and the expanding needs for contact-free, self-service machines
- Overseas: **Sales targets not achieved** due to prolonged business negotiations and COVID-19
- New businesses: **Business bases developed** to prepare for growth



Review of Business Strategy

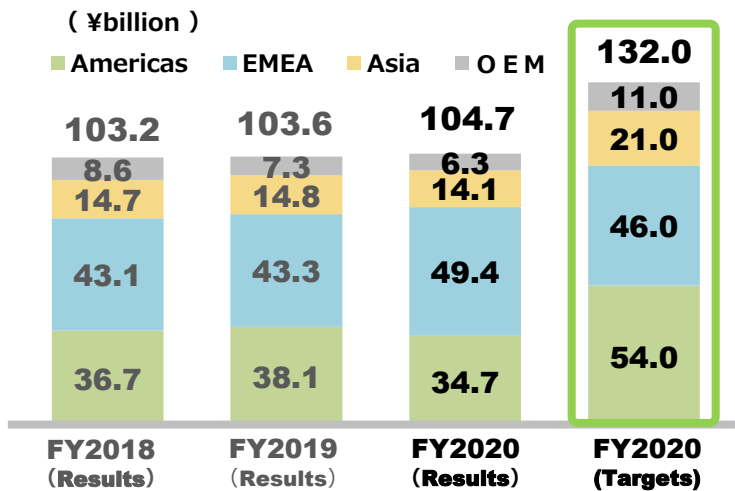
【Domestic Business】 Respond to the market changes flexibly and promote solution proposals

- Realization of next generation branch style, expansion of “non-cash” business sector -



	Key Measures	Review
Financial	<ul style="list-style-type: none"> Expand sales of products that realize next generation branch style Expand main financial product sales 	<ul style="list-style-type: none"> Expanded the self-service product line, etc. in line with customers' visions for “next-generation stores” Acquired large demand for main products, including WAVE and RB Increased sales from maintenance services owing to system modifications required for the scheduled issuance of new 500-yen coins
Retail	<ul style="list-style-type: none"> Expand sales of products for self check-out such as Coin and banknote recyclers for cashiers & Ticket vending machines Expand “non-cash” business sector (electronic settlement, voucher processing, biometric authentication) 	<ul style="list-style-type: none"> Took advantage of the expanding needs for contact-free, self-service machines to expand sales of automated machines, including coin and banknote recyclers for cashiers and ticket vending machines Launched the settlement fee business and automatic post-care medical payment processing
Amusement	<ul style="list-style-type: none"> Increase profitability by strengthen solution proposal 	<ul style="list-style-type: none"> Sales decreased as capital expenditure was curbed due to COVID-19

【Overseas business】 Further growth of financial market by expanding business of self-operation machines & acceleration of retail business



Regions	Key Measures	Review
Americas / EMEA	<p>(Financial) Wider use of banknote recycler for tellers and cultivation of “Self” market</p> <p>(Retail) Reinforce sales to back-office market and entry to front market</p>	<p>(Financial)</p> <p>U.S.: Business negotiations for new/replacement demand prolonged due to COVID-19</p> <p>Europe: Sales of self-service machines expanded despite sluggish TCR sales due to COVID-19</p> <p>(Retail & Transportation)</p> <p>U.S.: Sales in the front market expanded on the back of increased need for self-service machines</p> <p>Europe: Sales expanded both in the back-office and front markets</p>
Asia	<p>(Financial) Expand sales of banknote recycler for tellers in main countries</p> <p>(Retail) Investment in potentially high-growth countries</p>	<p>(Financial)</p> <p>TCR sales slow in Singapore, China, and other key markets due to COVID-19</p> <p>(Retail)</p> <p>Retail sales expanded in Singapore, Australia, and other key markets</p>

Review of Business Strategy

【Total amount of strategic investments】 FY2018-FY2019 : Approx. ¥44.5 billion

1) Expanded and strengthened direct sales & maintenance network (Approx. ¥10 billion)



- Increased ownership ratio of Sitrade to 75%
- Acquired CTS Solutions, a distributor



- Acquired Sortek, a distributor





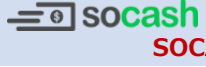



- Established of Austrian Subsidiary

3) Promoted new business domain (Approx. ¥3.5 billion)

BIC Business Innovation Center	<ul style="list-style-type: none"> - Added value to core businesses (short-/long-term) - Created a new business model (mid-/long-term)
Robot	<ul style="list-style-type: none"> - Promoted automation (short-/mid-term)



2) Strengthened retail market (Approx. ¥32 billion)

Acquisition / Alliance	Company	 ACRELEC Acrelec Group S.A.S	 viafintech viafintech GmbH  socash SOCASH PTE. LTD	 FUETREK	 AdInte	 SHOWCASE GiG
	Amount	¥24.2billion	Not available	¥2.6billion	Not available	Not available
Solutions	<ul style="list-style-type: none"> • Store management platform • Non-cash payment • Customer experience 	<ul style="list-style-type: none"> • Expansion of cash access points • Providing a cash payment platform for e-commerce 	<ul style="list-style-type: none"> • Utilizing voice recognition technology • Provision of CRM 	<ul style="list-style-type: none"> • Attracting customers of retail & hospitality industry through data collection & analysis • Web targeting ads 	<ul style="list-style-type: none"> • Improving the ability to attract customers by providing various ordering methods to restaurants 	
Synergies	<ul style="list-style-type: none"> • Expansion of sales of Coin and banknote recyclers for cashiers to largest quick service restaurant • Expansion of sales by utilizing sales channels of both Acrelec & Glory • Realize new services through combined Glory's technology 	<ul style="list-style-type: none"> • Expansion of sales of Coin and banknote recyclers for cashiers & Banknote recyclers. • Expansion of customer base • Realization of low-cost cash cycle 	<ul style="list-style-type: none"> • Provision various payment methods • Provision a high-quality personal authentication system by combining image recognition technology and voice recognition technology 	<ul style="list-style-type: none"> • Provision of analyses & recommendations concerning the improvement of customer service & business flows in retail stores • Provision of solution services based on the use of data analytics technology combining AdInte's data & data from Glory's products. 	<ul style="list-style-type: none"> • Customer and store analysis and proposal for new services attracting and creating customers • Provision of solution services based on the use of data of Glory and Showcase gig. 	



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(FY2021 ~ FY2023)

Concept

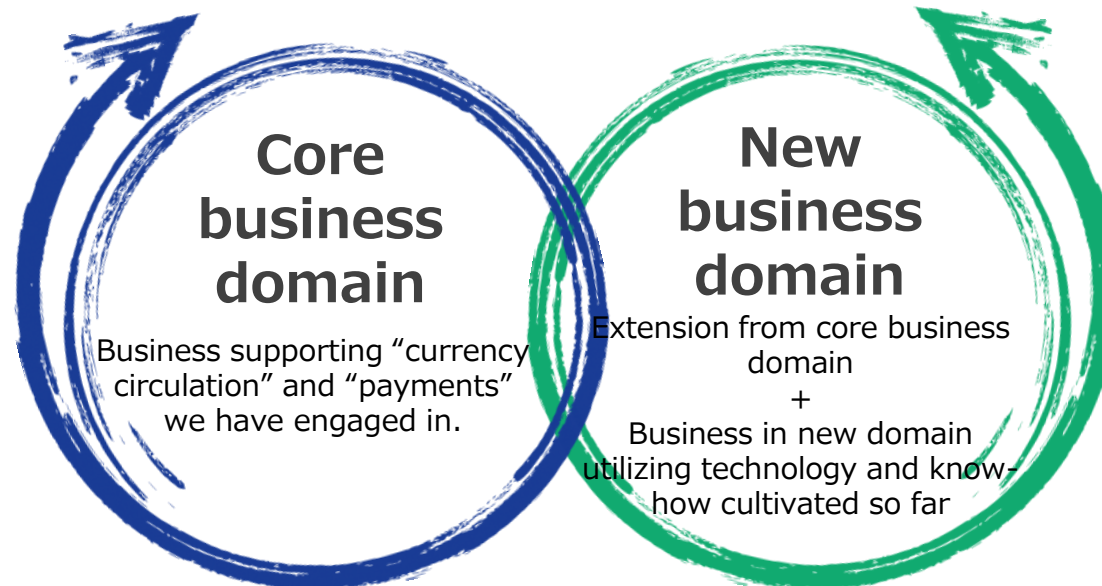
Core and New businesses powering growth together

Intention/
thought

Core business domain: Build stable revenue base by maintaining/expanding sales, and by innovating business processes

New business domain: Expand and commercialize new business domain

Growth together: Make core and new business domains grow together

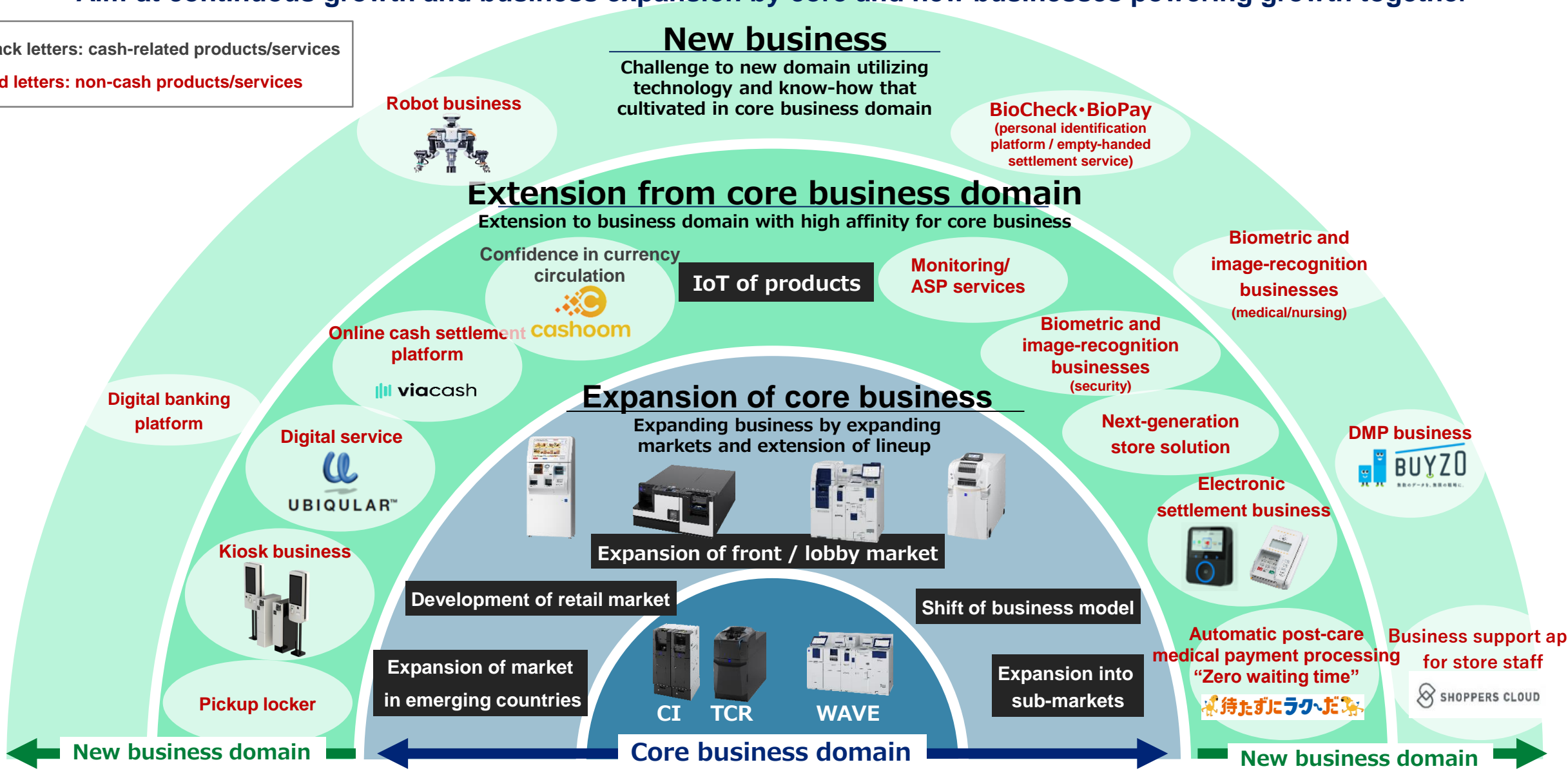


Direction of Growth Strategy

Aim at continuous growth and business expansion by core and new businesses powering growth together

Black letters: cash-related products/services

Red letters: non-cash products/services



Basic Policy / Performance Targets

Concept

Core and New businesses powering growth together

Basic Policy

Business Strategy

Accelerate business growth to develop “next generation”

Maximize core business profits by innovation

Management Base

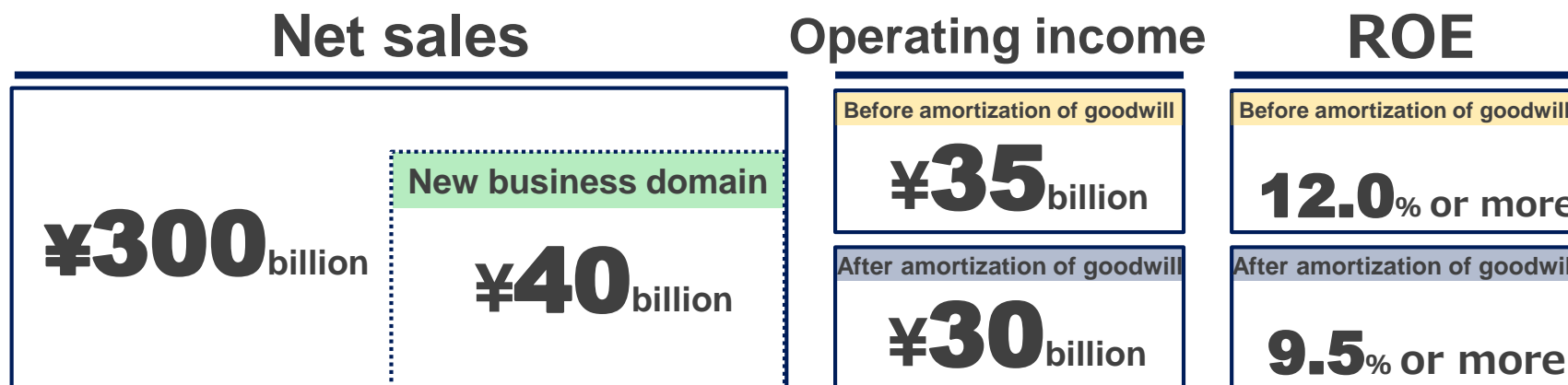
Establish management base to support sustainable growth

Sustainability Policy


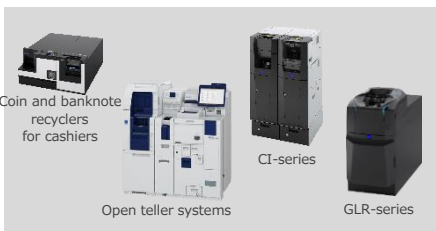

Contribute to the sustainable growth of society and promote measures to improve corporate value

Performance Targets

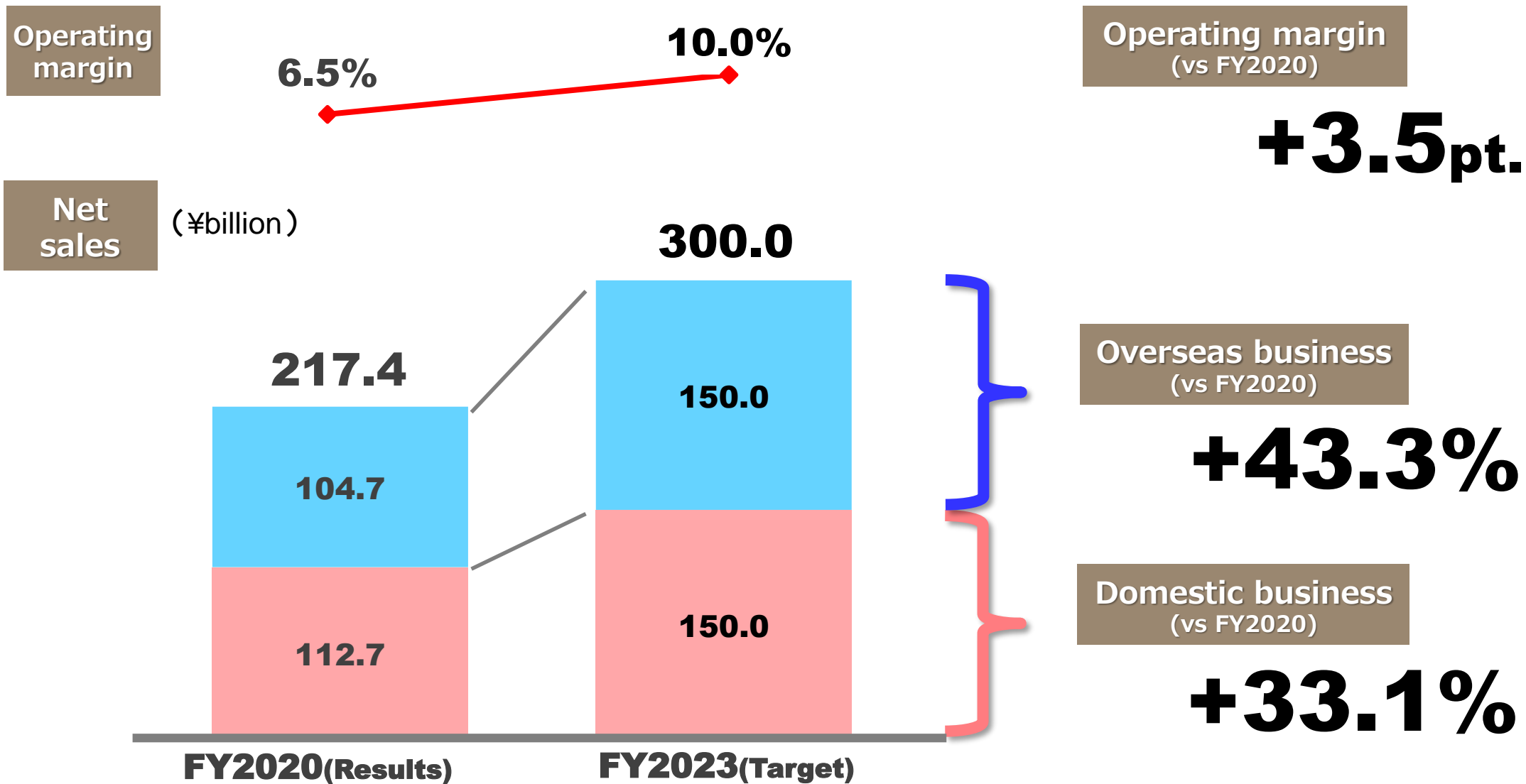
FY2023



Basic Policy / Key Initiatives

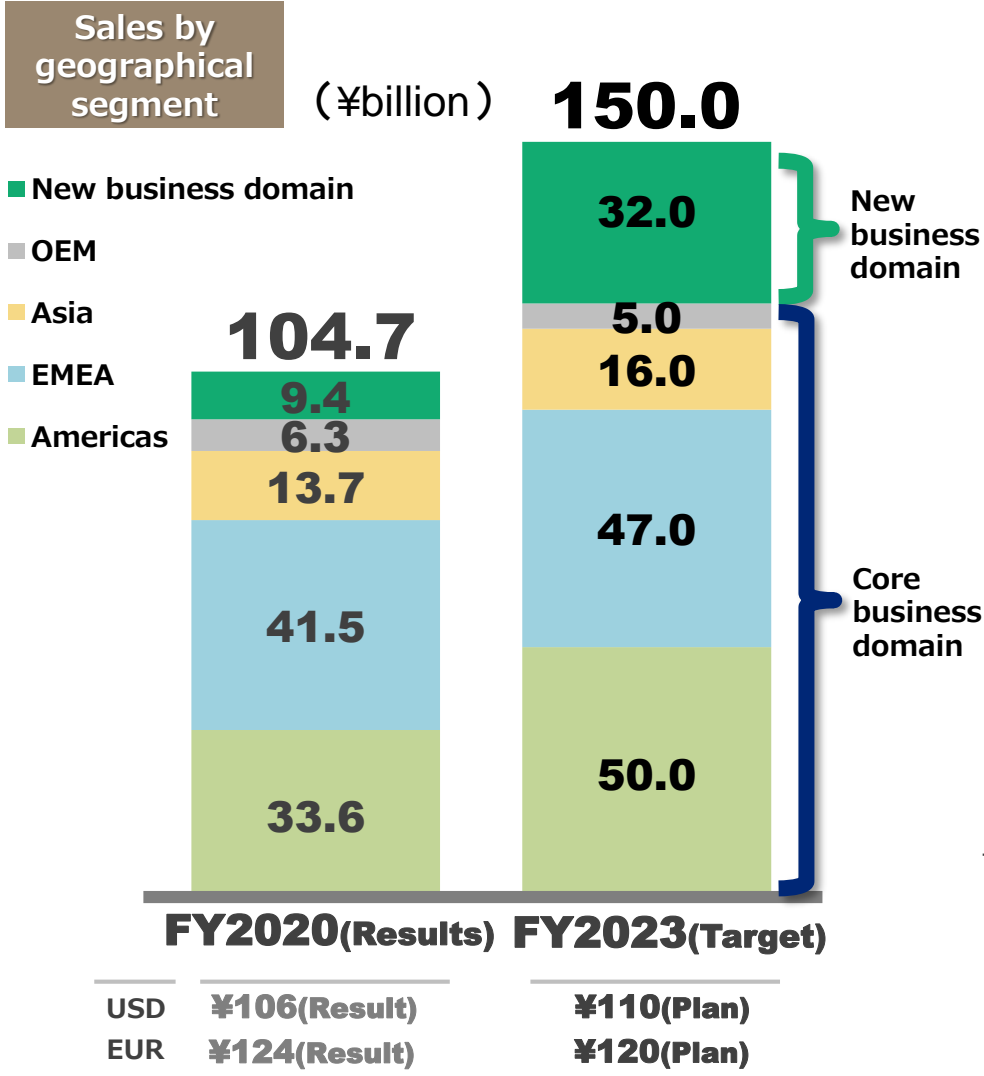
	Basic Policy	Key Initiatives	Main products/services
Business Strategy	I Accelerate Business growth to develop "next generation"	<ul style="list-style-type: none"> Expand business domain having a high affinity with core business domain (kiosk services, data management platform <DMP>, electronic settlement, etc.) Improve profits in biometric/image recognition business and robot business by utilizing the sales channels of domestic business 	
	II Maximize core business profits by innovation	<ul style="list-style-type: none"> Provide the product/service lines that cater to the need for contact-free, self-services devices Release the latest-model products, including teller cash recyclers (TCRs) and coin and banknote recyclers for cashiers Seize the replacement demand to coincide with new banknotes issue in Japan 	
Management base	III Establish management base to support sustainable growth	<ul style="list-style-type: none"> Enhance cash-generating ability to support growth investment and fulfilling shareholder returns Promote DX for speedy management decisions such as by introducing a new ERP system Improve employee engagement 	
Sustainability Policy			
	Contribute to the sustainable growth of society and promote measures to improve corporate value	<ul style="list-style-type: none"> Reduce CO2 emissions by 15% (vs. fiscal 2013) to contribute to decarbonized society Respect human rights and diversity Strengthen corporate governance 	

Performance Target by Business Segment



Overseas Business Strategy

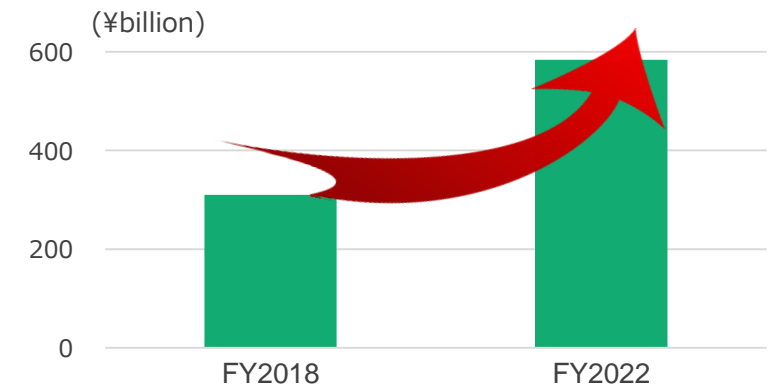
Expanding Beyond Cash !!



	[Retail] Key Initiatives	[Financial] Key Initiatives
Core business domain	<ul style="list-style-type: none"> - Expand sales of coin and banknote recyclers for cashiers capturing needs for self-services machines - Enhance global expansion of back-office products - Boost CI Series sales through integration with kiosks and digital services (UBIQULAR) 	<ul style="list-style-type: none"> - Expand sales of the latest model of TCRs - Strengthen sales of self-service products/services (G200 Series, Teller Infinity, etc.)
Core business domain	<ul style="list-style-type: none"> - Realize synergy with Acrelec early - Provide cash infrastructure in place of ATMs (viacash, etc.) - Expand sales of new digital service solution using cloud service (UBIQULAR) (Provided cloud-based services such as remote monitoring, business analysis, money management) 	

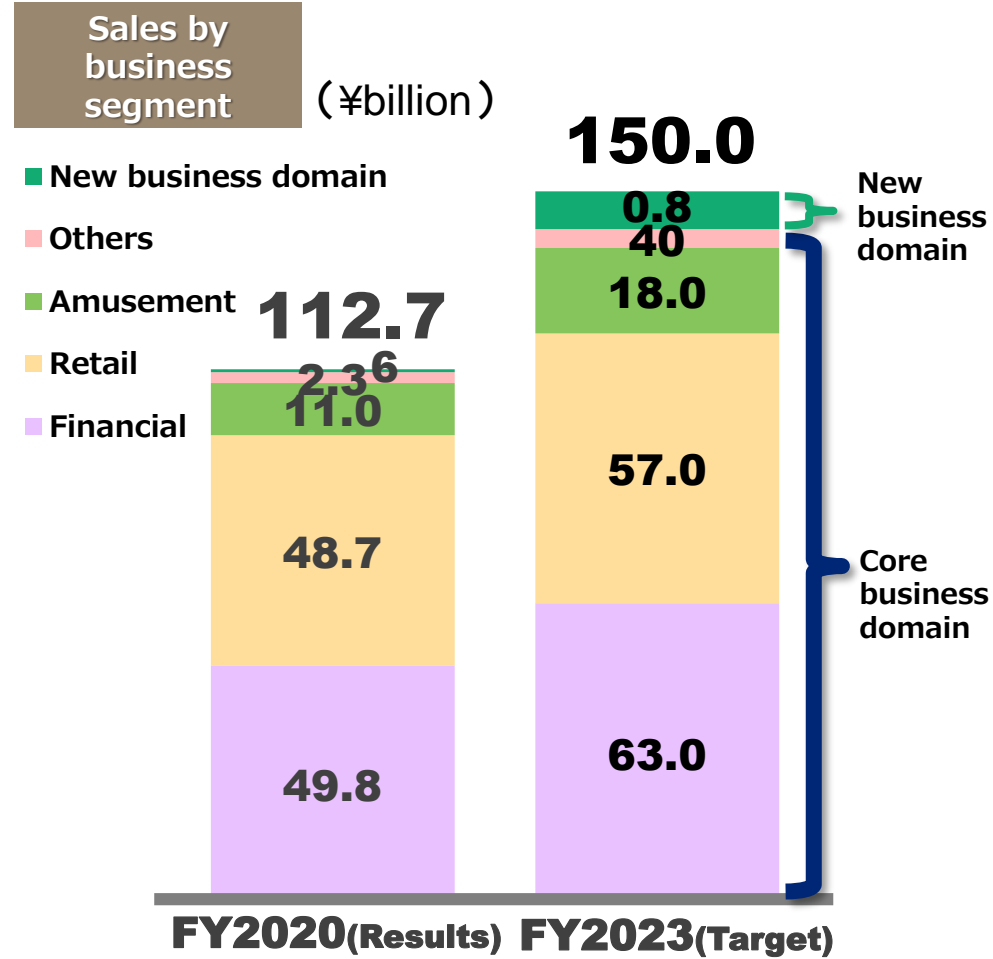
Kiosk market growth potential

Five-year average growth ratio: 14% or higher (current as of 2018)



Domestic Business Strategy

Create added values and expand business domain centering on current customers



	Segment	Key Initiatives
New business domain	Common	<ul style="list-style-type: none"> Response to the issuance of new banknotes Fulfill the corporate mission of supporting social infrastructure Seize replacement demand from the issuance of new banknotes
	Financial	<ul style="list-style-type: none"> Strengthen solutions to self-service machines for next-generation stores Create added value by introducing IoT technology to products utilizing B-LINK* <p>(*Promote visualization of branches of financial institutions utilizing cloud-based services)</p>
	Retail / Transportation	<ul style="list-style-type: none"> Expand sales of self-service machines catering to the market needs for contact-free, self-service operations Expand the product line and make inroads into untapped markets by introducing new business models
	Amusement	<ul style="list-style-type: none"> Strengthen sales of products that support amusement machines reducing gambling elements
Core business domain	<ul style="list-style-type: none"> DMP* business <ul style="list-style-type: none"> By combining IoT products and DMP, support promotion of DX at financial institutions, retailers, restaurants, etc. Electronic settlement business <ul style="list-style-type: none"> Expand sales of the settlement fee business and automatic post-care medical payment processing Biometric/image recognition business <ul style="list-style-type: none"> Expand to new domains (healthcare, long-term care, railway, logistics, etc.) that utilizes biometric/image recognition technology Robot business <ul style="list-style-type: none"> Provide total solutions by tapping into the customer base gained through the core business 	

*DMP (=Data Management Platform)

A platform to utilize AI beacon of Adlnte with which we have capital and business alliance, to conjugate, divide, and normalize various data of our own and from outside, and preserve and manage it

Performance
Targets

New business domain **¥40.0**billion

New business
domain
¥40billion



Domestic

Extension from core business domain

- Biometric/image recognition businesses
- Electronic settlement business

- Robot business
- DMP business

New business



Extension from core business domain

Overseas

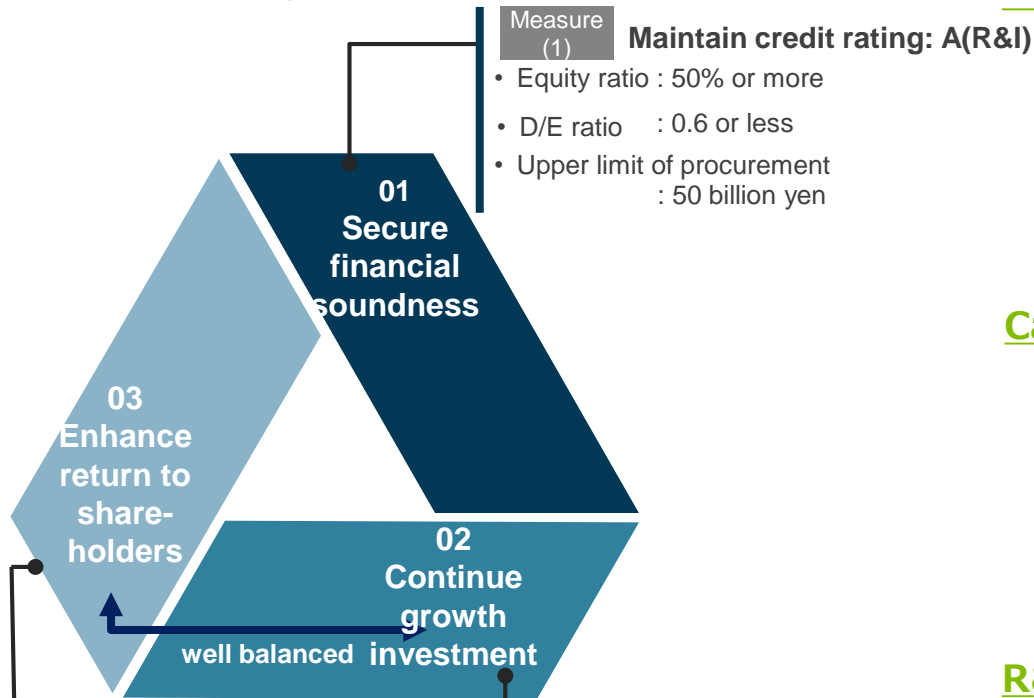
- Kiosk business (Acrelec)
- Provide cash infrastructure in place of ATMs (viacash, etc.)
- Expand sales of new digital service solution using cloud service (UBIQULAR)



Core
business
domain
¥260billion

■ Capital and Financial Strategies ■

- Adoption of IFRS assumed
- Enhance cash-generating ability to support growth investment and fulfilling shareholder returns



Measure (1) **Maintain credit rating: A(R&I)**

- Equity ratio : 50% or more
- D/E ratio : 0.6 or less
- Upper limit of procurement : 50 billion yen

Measure (2) **Dividend policy**

- Realize stable dividends
- Payout ratio before goodwill amortization of 30% or more (average in a period)

Measure (3) **Flexible return policy**

- Based on CF in consideration of balance with growth investment

Measure (4) **Strategic investment**

- Set roughly in the scale of actual results of 2020 Medium-Term Plan to be adjusted depending on the case

Measure (5) **Capital expenditures**

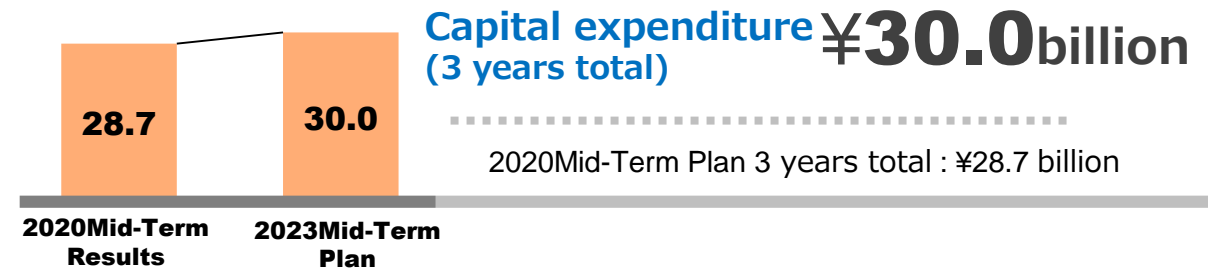
- Set roughly in the scale of actual results of 2020 Medium-Term Plan

■ Investment Plan ■

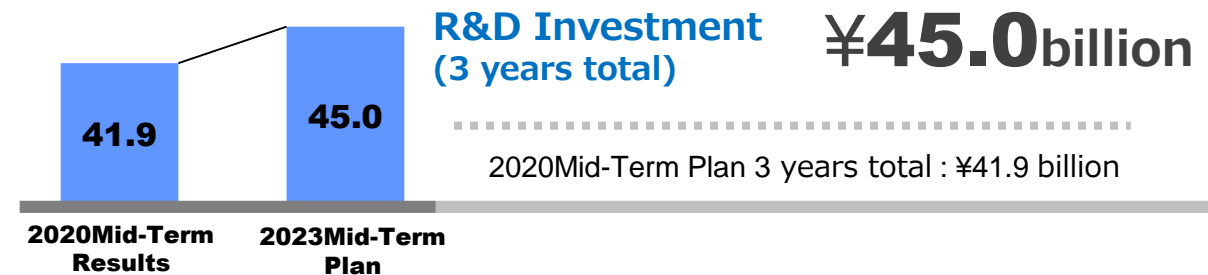
Strategic investment for core and new business domains (including M&A)



Capital expenditure



R&D investment



【Change of Shareholder Return Policy】

Reason

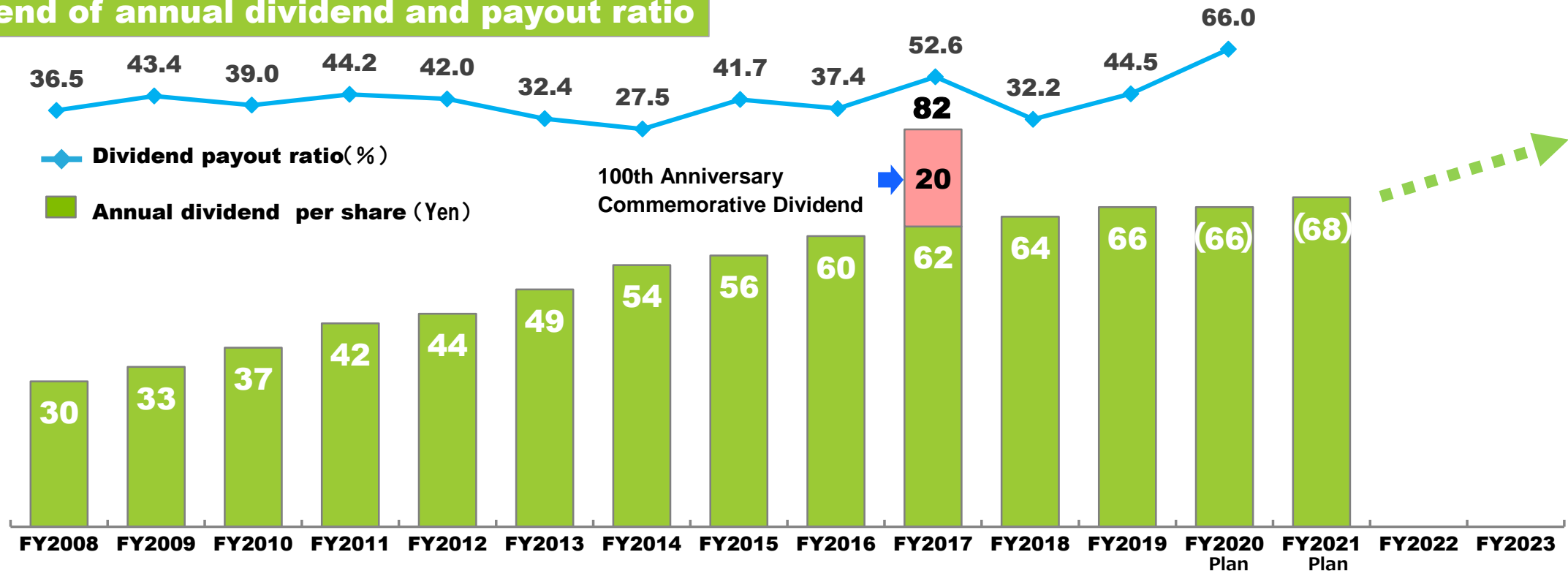
- Change to payout ratio before goodwill amortization based on IFRS
- Continue stable dividends throughout the 2023 Medium-Term Management Plan period

Target

- Payout ratio before goodwill amortization of 30% or higher (three fiscal years average during the 2023MTP period*)

* Total dividends paid over the three years / Three fiscal years total of "Net income attributable to owners of parent + Goodwill amortization"

Trend of annual dividend and payout ratio





Confidence Enabled