

Expanding Our Business Domains to Move to the Next Phase of Our Growth

Progress of Our Overseas Business Expansion

Our overseas business, which is positioned as a growth driver of the Glory Group, significantly accelerated in 2012. At that time, Glory invested approximately ¥80 billion, which was over 50% of its global sales, and acquired Talaris Topco Limited (Talaris), a UK company that is now Glory Global Solutions Ltd. Talaris was a manufacturer formed by the spin-off of the cash processor division of De La Rue, a British company with a 200-year history and a pioneer in the cash handling sector. Talaris launched the world's first automatic cash dispensers used by bank tellers, and they were Glory's biggest competitor. With this acquisition, Glory Group's overseas sales ratio greatly increased from 20% to nearly 50%. Since then, we have continued to expand the scale of our business by combining Glory's product strengths and Talaris's system solutions and top-class marketing capability. Also, in terms of organization, I am proud that we are realizing synergy effects through our direct sales and service structures in more than 20 countries, and a global management organization that controls all functions including marketing, product and solution development, sales, and services.

Furthermore, in 2019, Glory acquired the French company Acrelec Group S.A.S. (Acrelec), and the German company Cash Payment Solutions GmbH (CPS), which helped us make significant progress toward further growth.



Akihiro Harada

Member of the Board
Senior Managing Executive Officer,
Head of International business

➔ Market Environment, Achievement of the 2020 Medium-Term Management Plan, and Initiatives for Its Final Year

Accelerating Self-service Operation for Financial Institutions

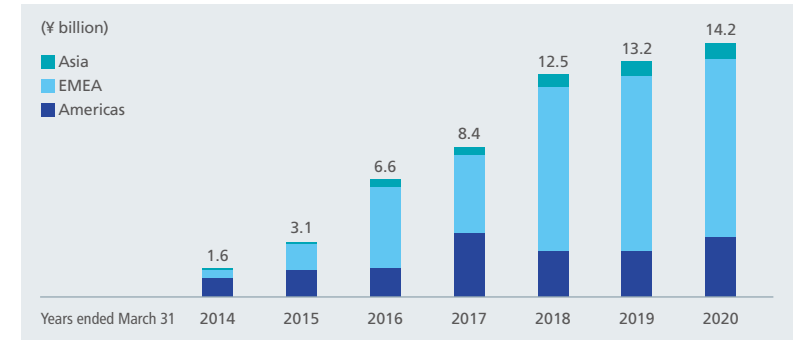
There are primarily two types of core products for financial institutions. One type includes single-function devices such as counters and sorters. The other is banknote recyclers for tellers, which have been widely used in developed countries, and Glory has captured an 80% market share in the U.S. and 60% in European countries. However, single-function devices are still popular in emerging and developing countries such as those in Asia, Latin America, and the Middle East. We will accelerate the replacement of single-function devices with banknote recyclers for tellers, which will help banks improve efficiency in their operations, and this will lead to the opportunity for further business expansion. Also, the business environment at financial institutions in developed countries is becoming even more challenging because of increasing labor costs that lead to staff shortages, and the negative interest rates introduced in Europe in 2014. Given these circumstances, there is increasing demand for financial institutions to improve the efficiency of their branch operations, so we are focusing on proposing self-operation products that bank customers, rather than bank staff, can operate themselves.

Expanding Sales to the U.S. for the Retail Industry with the Sales Know-how and Brand Value Gained in Europe

Initially, Glory's overseas business expanded into financial institutions, however, we also found business opportunities to provide optimized cash handling solutions at retail stores. In 2011, we launched a strategic product in the European market called CASHINFINITY™, which is a system consisting of coin and banknote recyclers for cashiers and sales proceeds deposit machines. Demands for rigorous cash management processes and labor-saving at retail stores encouraged favorable sales growth of CASHINFINITY, and the sales increased to approximately ¥14 billion in March 2020. Sales to the retail industry have grown to be the second pillar of our overseas business, following financial institutions.

Sales to the retail industry started in Europe prior to other regions, and CASHINFINITY has been installed in numerous world-leading retailers such as Edeka in Germany. The adoption of Glory products by these major retailers has expanded Glory brand recognition to the global retail market. Currently, we are focusing on activities to expand sales to the

Sales Trend of Retail Products (CASHINFINITY Series)



Top 20 Retailers from the "Global Powers of Retailing Top 250" List

	Retailer	FY2018 Retail Revenue(US\$)	Number of Outlet*
1	Wal-Mart Stores, Inc.	514,405	approx. 11,500
2	Costco Wholesale Corporation	141,576	785
3	Amazon.com, Inc.	140,211	Mainly e-commerce
4	Schwarz Group	121,581	12,100
5	The Kroger Co.	117,527	2,757
6	Walgreens Boots Alliance, Inc.	110,673	approx. 18,750
7	The Home Depot, Inc.	108,203	2,291
8	Aldi Einkauf GmbH & Co. oHG	106,175	10,728
9	CVS Health Corporation	83,989	approx. 9,900
10	Tesco PLC	82,799	7,005
11	Target Corporation	74,433	1,868
12	Ahold Delhaize (formerly Koninklijke Ahold N.V.)	74,076	6,967
13	Aeon Co., Ltd.	71,446	10,094
14	Lowe's Companies, Inc.	71,309	approx. 2,200
15	JD.com, Inc.	62,875	Mainly e-commerce
16	Edeka Group	62,054	11,207
17	Albertsons Companies, Inc.	60,535	2,260
18	Auchan Holding SA (formerly Groupe Auchan SA)	59,304	2,293
19	Seven & i Holdings Co., Ltd.	59,101	69,200
20	Rewe Group	56,435	15,828

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Retailing 2020.

*Outlet: From each company's website



“ We are already receiving an increasing number of inquiries from major quick service restaurants and supermarkets. ”

major retailers known as the “Global Powers of Retailing Top 250” by utilizing the sales know-how and brand value we have gained through sales activities in Europe. In particular, we are accelerating deployment in the U.S. and we are already receiving an increasing number of inquiries from major quick service restaurants and supermarkets. We will strive to complete ongoing demonstrations of CASHINFINITY to ensure that actual orders are received. Moreover, CASHINFINITY is currently able to detect the coins of approximately 20 countries, but we are expanding it to be compatible with the currency of 60 countries. With this development, the countries within our sales target will be expanded gradually beginning



Please follow this URL to see a video about our CASHINFINITY system, which is currently being used in an Edeka store in Germany. (Video is in German.)



https://www.youtube.com/watch?v=ql7DTAj502I&feature=emb_title



2021 and I am also expecting further expansion of sales in the future.

Enhancing the Foundation for Expanding Business Domains through Aggressive M&A

In addition to the expansion of existing businesses mentioned earlier, we are enhancing the business foundation through

aggressive M&A and establishing business models for new business areas as stated for the overseas business in 2020 Medium-Term Management Plan. In the year ended March 2020, we acquired two overseas companies and formed one capital alliance. In particular, the acquisition of Acrelec was the largest project since Talaris.

The self-service kiosk that Acrelec develops, manufactures, sells, and maintains



OBJECTIVES

- Advance our business beyond cash technology and in to societal automation
- Growth engine for our retail business
- Increase cash technology sales through self-service kiosks and self-checkout systems
- Increase information technology capability: business intelligence, digital customer experience

OBJECTIVES

- Leverage in-place global sales/service network to grow sales during period of rapid market expansion
- Secure partner for expansion in self-checkout systems marketplace
- Support Acrelec's entry into the Japanese home market
- Benefit from Glory's reach and scale to ensure cost-competitiveness and operational capability

EXPECTED SYNERGIES

- Expand interactive kiosk and cash technology sales by utilizing sales channels of both Acrelec and Glory
- Create customer value by integrating Acrelec kiosk and software with Glory's currency technology
- Realize new services through a combined store management platform

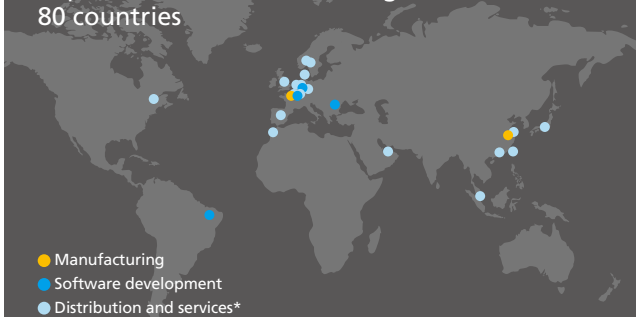


Company Overview

Company Name	Acrelec Group S.A.S.
Location of Headquarters	France
Representatives	CEO Jacques Mangeot, CEO Jalel Souissi
Principal Business	Manufacture, sales, and service of self-service kiosks, drive-through kiosks, digital menu boards, customer interaction software, and other restaurant and retail store customer experience solutions
Stated Capital	84.938 million
Date of Incorporation	2004
Number of Employees	850

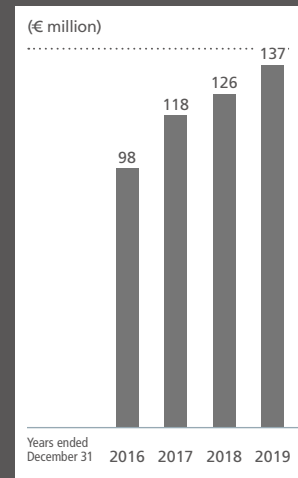
Network

A worldwide implantation: more than 20 implantations and distributing to more than 80 countries



*Provide broader regional geographic coverage through partnerships with local distributors/installers

Trends of Performance



Customers

- MCDONALD'S
- PATHE GAUMONT CINEMAS
- TACO BELL
- OCINE
- KFC
- LEROY MERLIN
- DUNKIN' DONUTS
- COSTA
- CARL'S JR.
- BURGER KING
- STARBUCKS
- WALMART
- MAMAGO

is an information device that customers can operate themselves from order to payment. Installation of the kiosk has been expanded mainly to large quick service restaurant chains in European countries and the U.S. due to increasing labor costs. We will promote sales of self-ordering systems, which combine self-service kiosks and Glory's coin and banknote recyclers for cashiers, to restaurant chains and retailers around the world by utilizing sales channels of both the Glory Group and Acrelec.

We also expect that demand for self-service kiosks will increase in financial institutions due to the need to reduce operation costs and improve customer satisfaction. Because of this, the Glory Group's customer base can be utilized. In addition, I believe that the biggest collaborative effort of this acquisition will be the ability to enter new business areas which were not part of our customer base in the past, such as sport stadiums, hotels, trains, airports, and others. Glory also acquired CPS, a FinTech company that delivers cash management solutions through the use of mobile phones. The consolidation of bank branches and the reduction of ATMs have reduced cash access points, and this environment has become inconvenient for users. Our idea is to expand the cash access locations to include retailers and not just financial institutions and ATMs. We are using functions on a mobile phone to enable money deposit and withdrawal from bank accounts and for making various payments such as utility charges at retail cashiers. CPS has connected these systems with bank accounts and has structured

networks that connect financial institutions and retailers. Connections with financial institutions and retailers are also one of Glory's strengths, so collaborating with CPS will create positive effects.

For M&A, based on the basic policies for the growth of the overseas business, we define and implement specific goals such as expanding further into the retail market and investing in new businesses. After an acquisition, we create a "90-day Plan." Within these 90 days, each regional head and the specialists working on the deal gather and create specific projects, the management structures and specific synergies to be generated from each M&A. In the year ended March 2021, we will complete the business plans for Acrelec and other acquisitions and quickly put them into action.

Seeking Out New Business Domains

The acquisition of Acrelec and collaborations with other companies are moves into an area already strongly connected with existing business, however, it is necessary to enter into novel business areas in order to realize consolidated sales of ¥500 billion as set out in Glory's Long-Term Vision 2028. We asked our offices around the world to submit plans for new business and many ideas were collected in the year ended March 2020. The ideas that meet the needs of society and are compatible with the Glory Group have been selected and we are now starting trials in Europe and the U.S.

→ Concept for the 2023 Medium-Term Management Plan

Expanding Existing Business to Gain Immediate M&A Results

Based on the progress of the current medium-term management plan, 2020 Medium-Term Management Plan, we will focus on the following three pillars in the next plan, 2023 Medium-Term Management Plan:

- (1) Change models of banknote recyclers for tellers, which are highly functional recyclers for financial institutions. Ensure replacements in Europe and the U.S., and also launch self-service machines for financial institutions to meet customers' needs. Accelerate the deployment of banknote recyclers for tellers in emerging countries where single-function devices are popular.
- (2) For the retail industry, launch a new model of CASHINFINITY with the ability to handle a wider range of coins. Expand sales territories from approximately 20 countries to 60.
- (3) Ensure the generation of synergy with Acrelec and CPS, and expand sales and income in new business areas.

→ Taking Advantage of Our Strength to Move to the Next Growth Phase

Our Strength is Our Worldwide Direct Sales and Service Networks and Reliable High-quality Products and Services

It has been nearly 10 years since our expansion overseas has fully begun. We have the top share in the financial market worldwide, and the roll out has been expanding in the overseas retail market year by year.

Major retailers operate stores not only in their countries, but also globally, so they require the capabilities to deliver reliable service anywhere in the world. I believe that the biggest reason Glory is chosen by our customers is because the Glory Group has direct sales and maintenance networks capable of meeting customers' needs, and we plan to continue to increase the number of bases in the future.

In addition, high-quality, "Made in Japan" products are another great strength. The high evaluation of our products and services that we have received from our customers has now become a major driving force for business expansion.

By acquiring CPS, which accelerates the expansion of cash access points to include retailers, and Acrelec, which designs self-service kiosks that will allow us to enter new business areas, Glory's overseas business has entered a new growth phase. In order to realize Long-Term Vision 2028 and become a "leading company that enables a confident world for a better tomorrow," we will work together with members from all over the world to expand our overseas business.

“The high evaluations that we receive from our customers are a major driving force for business expansion.”

