

Top Message

Motozumi Miwa
President

Pushing Our Boundaries to Enable a Confident World

With Glory having so recently celebrated the 100th anniversary of its founding in March 2018, I am ready to assume the significant responsibility of guiding our first steps into the next 100 years. Based on the spirit, which has been passed down since our founding, of continuously striving to benefit people by creating products that have never been seen before, we have released a number of products that will help improve the efficiency and rigor of financial institution and retailer operations in Japan and overseas. We are also developing and introducing new business areas to create further value and apply our innovative technologies more broadly.

The current market environment surrounding us is changing. In both Japan and overseas, financial institutions are becoming more automated, and retailers are expanding cashless payment systems due to the evolution of technology. With the expansion of our businesses and the creation of new business areas, we are reaching beyond our boundaries and are applying our expertise in order meet challenging new market needs. We will make every effort to achieve the 2020 Medium-Term Management Plan, and to continue toward the realization of our Long-Term Vision 2028 to be a leading company that enables a confident world for a better tomorrow.



Focusing on Creating New Businesses

In addition to further strengthening our cash handling business, we are focusing on creating new businesses and serving new business areas. With Japan's continuing transition toward more cashless transactions, we can see opportunities for Glory to offer solutions, and deliver secure, efficient systems with a variety of payment options.

Glory's strength lies in our two core technologies of recognition/identification and mechatronics that we have cultivated over the years, as well as the trust we have built with our customers in both financial institutions and

in various retailers in Japan and overseas. As payment methods become more diversified, we believe that it is important to support cashless and cash payments, and to create systems that enable users to perform transactions smoothly and by any means they choose. We are utilizing our strengths to develop future systems and new business as quickly as possible in ways that will give users confidence and enthusiasm about our solutions.

Supporting a Free and Open Corporate Culture

We believe that the most important thing for the growth of a company is to encourage the people who support it. By allowing employees to discuss issues freely and be engaged with their work, they will be more efficient in the workplace. In the fiscal year ended March 2019, we implemented organizational changes to expand our business, including the establishment of the Business Innovation

Center to pursue businesses in new domains and work to create new business opportunities. By providing a working environment in which employees can have a variety of experiences, we will enrich our corporate culture, encourage open innovation, and support business growth.

Progress of the 2020 Medium-Term Management Plan

Measures Implemented for the First Year as Planned

We have finished the first year of the 2020 Medium-Term Management Plan, which spans three years from April 2018. Our primary focus is on solutions and services to achieve sustainable business growth, strengthening our collaborative efforts with our partners in order to resolve many new issues within our society, and realizing both a higher productivity and a robust corporate constitution to generate income.

We were able to progress as planned for the fiscal year ended March 2019, which we consider to be a time of preparation for the realization of the Long-Term Vision 2028. Our overseas business operations have promoted our regional strategies to match the characteristics of local markets in each country, focusing on capturing replacement demand for our banknote recyclers for tellers at financial institutions and our sales proceeds deposit machines for the retail industry. In addition, we have acquired a company in Italy with the aim of strengthening our sales and maintenance network in that country.

In the Japan market, we were concentrating on capturing replacement demand for open teller systems and coin and banknote recyclers for tellers, and we also

worked to expand sales of coin and banknote recyclers for cashiers.

In our new business areas, we pushed forward with initiatives to create new solutions, including the formation of a capital and business alliance with FueTrek Co., Ltd., which has proprietary speech recognition technologies.

Our hard work and dedication throughout the fiscal year ended March 2019 helped us achieve a net sales of ¥235,762 million (up 3.7% year on year), which is a new record-high result continuing from the previous fiscal year. Of this, sales of merchandise and finished goods came to ¥167,565 million (rising 4.9% year on year), and sales from maintenance services increased by 0.8% year on year to ¥68,197 million.

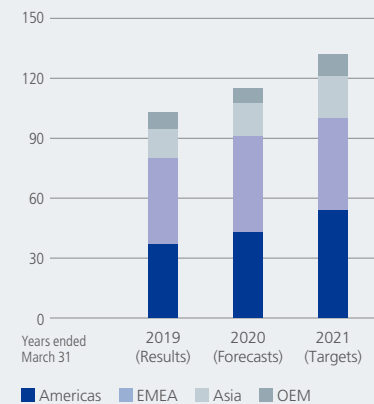
Operating income was ¥20,576 million (up 4.9% year on year), ordinary income rose 17.2% over the previous year to ¥20,575 million, and net income attributable to owners of parent was ¥12,256 million (up 23.9% year on year).

Performance Targets of the 2020 Medium-Term Management Plan

Years ended March 31	2019 (Results)	2020 (Forecasts)	2021 (Targets)
Net Sales (¥ billion)	235.7	230.0	260.0
Operating Income (¥ billion)	20.5	17.0	25.0
Operating Margin	8.7%	7.4%	9.6%
ROE	6.5%	5.4%	8.0%
Exchange Rate	1USD=¥111 1EUR=¥128	1USD=¥111 1EUR=¥125	1USD=¥110 1EUR=¥120

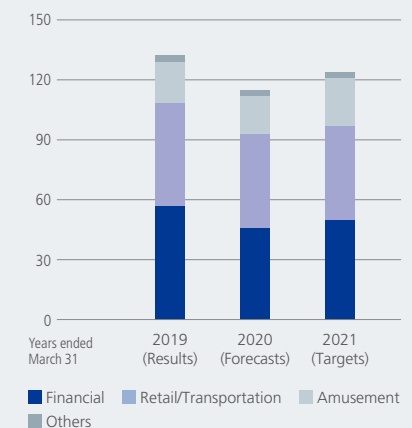
Overseas

Net Sales by Geographical Segment (¥ billion)



Domestic

Net Sales by Business Segment (¥ billion)



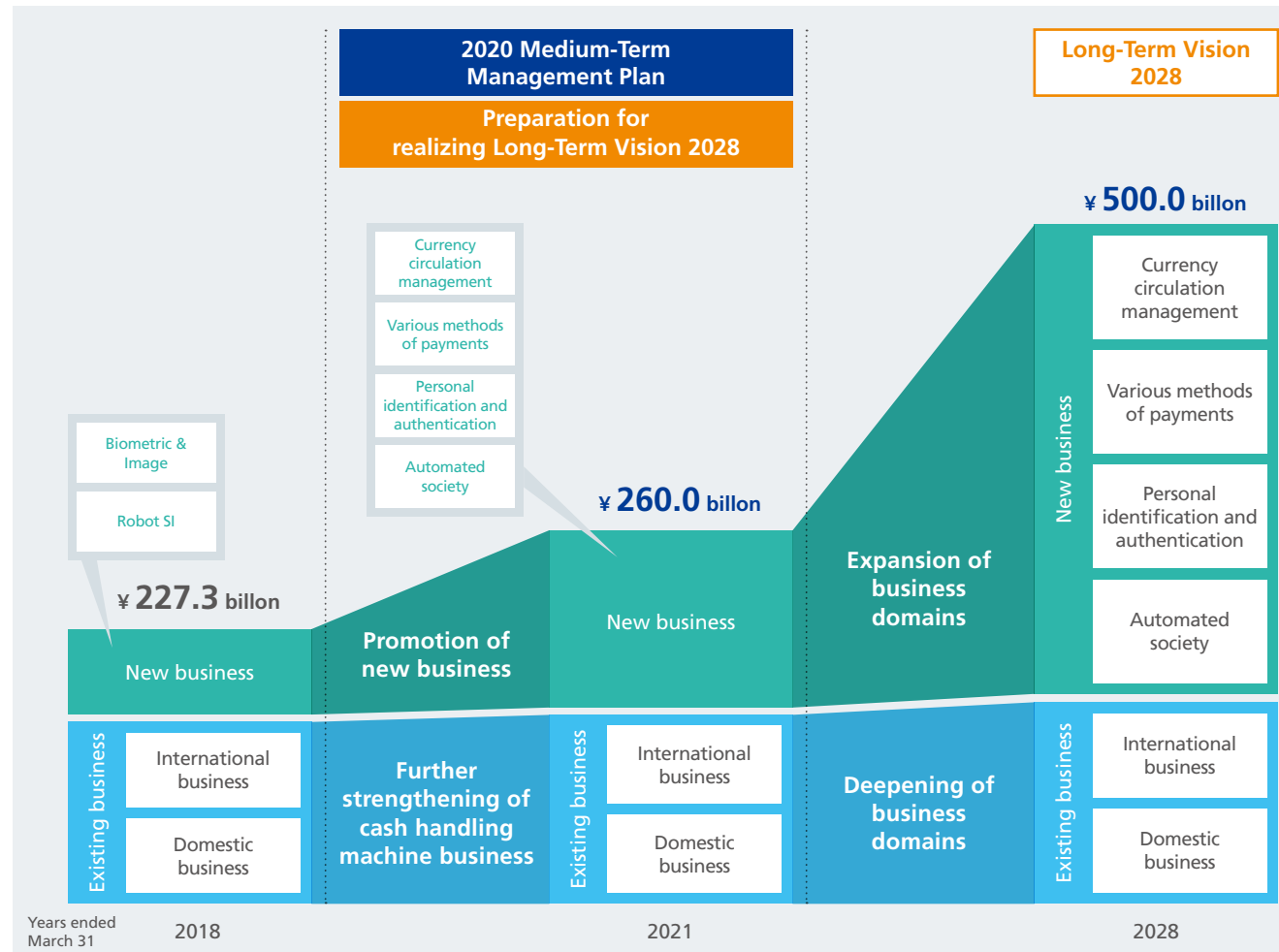
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Consolidated Performance and Priority Measures for the Next Period

In terms of consolidated earnings for the next fiscal year ending March 31, 2020, we expect

sales and profits in the Overseas Market will increase, but anticipate a decline in the Financial Market and the Retail and Transportation Market due to the large-scale demand of the previous year having run its

course. Under these circumstances, we will work on the following priority policies.

Position of the 2020 Medium-Term Management Plan**Basic Policy of the 2020 Medium-Term Management Plan**

Policy 1

Existing Business

Build foundations for realizing sustainable business management

- Overseas business
Further growth of financial market and acceleration of retail business
- Domestic business
Promote solution proposals

Policy 2

New Business

Strengthen collaboration with various partners to solve social issues

- Promote new business domains
- Acquire new core technology
- Proactive allocation of management resources for new business

Policy 3

Management Base

Realize higher productivity and robust corporate constitution that directly generate outcome

- Work-style and operational reform to improve productivity
- Organizational climate reform to realize open innovation

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Policy 1: Existing Business

Build Foundations for Realizing Sustainable Business Management

In our overseas business, we will continue to promote sales of banknote recyclers for tellers and other products to financial institutions as automation progresses, especially in Europe and the U.S., and we will continue to expand our sales in the U.S. and other countries, targeting major global retailers and expanding sales of sales proceeds deposit machines and other products.

In our domestic business, we are promoting solution proposals in response to environmental changes in each market.

Financial institutions in the Financial Market are also experiencing change, looking to improve their management efficiency and are viewing structural changes as a solution. With the “EvolBranch” concept, our next-generation branch reform concept, we are able to propose products and solutions, including non-cash products, to meet the needs of these financial institutions.

In the Retail and Transportation Market, the introduction of tablet POS registers is rapidly expanding in retail stores and others, and the base of the introduction of coin and banknote recyclers for cashiers is expanding. We will focus on developing new business categories and customers.

Policy 2: New Business

Strengthen Collaboration with Various Partners to Solve Social Issues

We will continue to implement strategic investments in the fiscal year ending March

2020, aiming to quickly commercialize the four new businesses set forth in the Long-Term Vision 2028. In this fiscal year, we will focus on establishing the personal identification and authentication business and promoting an automated society. With the help of our collaboration with FueTrek Co., Ltd., we are making efforts to quickly commercialize personal identification and authentication technology, including the expansion of biometric authentication within our recognition/identification core technology. In addition, by encouraging the side-by-side collaboration between people and robots, we are able to begin building connections in other industries relating to the packaging of cosmetics, pharmaceuticals, and food in order to realize further business growth.

Policy 3: Management Base

Realize Higher Productivity and Robust Corporate Constitution that Directly Generate Outcome

What Glory must do is establish a strong management base that can achieve policies 1 and 2, actively promote organizational climate reform to realize open innovation, and to improve productivity through work-style reform and operational reform.

By ensuring that these priority policies are implemented, we will achieve the consolidated performance targets for the fiscal year ending March 2020 and the achievement of the 2020 Medium-Term Management Plan.

To Our Shareholders

We consider the return of profits to shareholders to be an important management

task, and in preparation for future business growth, our basic policy—regarding the distribution of profits—is to continue stable dividends while striving to maintain and enhance sound financial standing. We have set the target of attaining a dividend payout ratio of 30%. Based on this policy, the interim dividend was ¥31 and the dividend at the end of the fiscal year ended March 2019 was ¥33 per share, for a total annual dividend of ¥64. The dividend for the next fiscal year will be ¥64 per share (interim dividend of ¥32 and year-end dividend of ¥32).

Under the new management structure, the Company will fulfill its responsibilities to stakeholders through continuous improvement of corporate value.

We look forward to the continuing support and cooperation of our stakeholders. The relationships we have already made and the ones we will make in the future will continue to carry us on toward a more secure and confident society.

August 2019

President *Yotsumi Miwa*

Trend of Annual Dividend and Payout Ratio