

Special Feature : A Message from Hideo Onoe  
Executive General Manager, Domestic Business Headquarters

# Initiatives to Deepen Our Business in Japan and Build Foundations for New Business Areas

We aim to achieve the targets in our 2020 Medium-Term Management Plan.

Hideo Onoe

Director & Senior Managing Executive Officer  
Executive General Manager,  
Domestic Business Headquarters



In April 2018, we announced the Long-Term Vision 2028 as a blueprint for our efforts over the next 10 years to develop Glory into a leading company that enables confidence in transactions and other interactions between businesses and people. In addition to our existing business, which mainly consists of cash handling machines, we will create new business domains by further developing our core technology resources and pursuing open innovation. The Vision expresses our determination to contribute to the realization of a safe, secure, stable society.

We have positioned the 2020 Medium-Term Management Plan as the stage on our path toward the realization of the Vision. Under that plan we aim to deepen our domestic business, which is my area of responsibility, and to build foundations for new business segments. Our goals include the provision of solutions that will help financial institutions and retailers to improve their efficiency, and the development of infrastructure to ensure the safety and security of payment processes.

The following analysis covers changes, future initiatives, and our results for the year ended March 2019 in Glory's Financial, Retail and Transportation, and Amusement reportable segments as well as progress on new business areas.

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## Market Environments and Results in the First Year of the 2020 Medium-Term Management Plan, Initiatives Going Forward

We recorded solid results and made an excellent start under the 2020 Medium-Term Management Plan.

**F**inancial institutions are making rapid progress toward improving their management efficiency through restructuring. We anticipate accelerating changes in their business operations and roles of branches. We see these changes as an opportunity to develop new business areas for Glory by utilizing our efficiency improvement know-how. In the year ended March 2019 we promoted our "EvolBranch" concept at private

presentations and other events. We use our diverse solutions to present specific visions for various branch styles and sizes, from large-scale branches offering full banking services, to small self-service outlets. We also offer compact-type products and self-operating systems to match each type of branch. By continually refining the "EvolBranch" concept through our ongoing communication with customers, we aim to build a profile for Glory



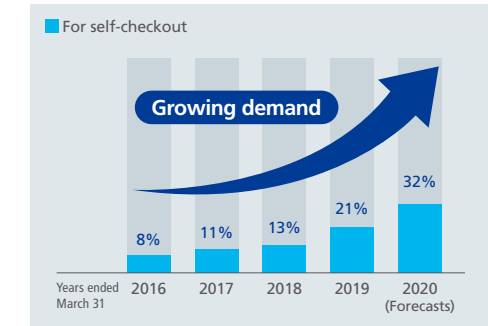
The logo is the combined image of analogue and digital technologies.

For details about Glory's next-generation branch reforms for financial institutions, please see p. 21.



Coin and banknote recyclers for self-checkout terminals

### Sales of coin and banknote recyclers for self-checkout terminals



as a company that helps financial institutions to improve efficiency and rigor in their operations in addition to profitability and corporate value.

An urgent issue for our customers in the retail and transportation market is the labor shortage affecting retail businesses. Glory can contribute to the solution of this problem in many ways. For example, the introduction of coin and banknote recyclers for cashiers would help to reduce the cash register workload and the time required for part-timers and temporary staff to become proficient in store operations. These systems also contribute to customer satisfaction by minimizing the time spent waiting at cash registers. Initially used mainly in large supermarkets, coin and banknote recyclers for cashiers are increasingly being installed in convenience stores, small and medium-sized supermarkets, specialty stores, and other outlets.

In the year ended March 2019, we

completed the installation of coin and banknote recyclers for cashiers for a major convenience store chain. Recently, retailers are increasingly installing self-payment models that allow customers to check out their own items. The range of situations in which coin and banknote recyclers for cashiers are used continues to expand. For example, we expect more retailers to use coin and banknote recyclers for cashiers connected tablet POS registers. Glory will continue to expand the market for coin and banknote recyclers for cashiers by proposing solutions for a wide range of businesses.

Another business area affected by labor shortages is cash-in-transit companies, which collect and manage sales proceeds and supply change. This is reflected in expanding demand for coin and banknote recyclers, which are used to improve the efficiency of cash collection and delivery operations.

A variety of new payment methods are

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emerging in Japan, including credit cards, e-money, and QR-code payment. A major advantage for Glory is our ability to support various methods of payment—not only cash, but also cashless. Our product line-up allows us to offer solutions to meet specific customer needs. For example, our medical payment kiosk and our touchscreen ticket vending machine for restaurants can handle not only cash payments, but also cashless payment methods, such as credit cards and e-money.

In the amusement market, the government

has amended the Act on Control and Improvement of Amusement Businesses, etc., to require operators to replace machines with models that have reduced gambling elements. As a result, the business environment is gradually becoming more difficult for our customers, the pachinko parlor operators. We will continue to offer systems and services that contribute to efficiency improvements for pachinko parlor operators, while monitoring moves by the government and related organizations.

## Progress on the Development of New Business Areas

Glory has started to develop new business segments centering on personal identification and authentication and robotic system integration.


**W**e want to transform Glory into a corporate group that offers not only hardware, but also solutions and services, such as the experiences and value that customers gain by using our products. From this perspective, the creation and development of new business segments will be key to the realization of our Long-Term Vision 2028.

In the year ended March 2019 we made steady progress on the development of our personal identification and authentication, and robotic systems integration businesses. We also began to identify specific approaches that we can take in these fields in the future.

In the personal identification and authentication business, we plan to improve the accuracy and versatility of our services by

combining Glory's facial recognition/authentication technology and speech recognition technology. In the year ending March 2020 we will focus on the development and the experimentation of specific service concepts, in preparation for the roll-out of services in the year ending March 2021. We will accelerate these initiatives with the aim of achieving profitability during the next period covered by the 2023 Medium-Term Management Plan.

In our robotic systems integration business, we have expanded the range of robots handled so that we can offer solutions that are more fine-tuned to meet customers' needs. Another priority going forward will be the development of maintenance service systems.



**By continuing to look and think ahead, we will have solutions ready at hand for the new needs emerging in tomorrow's economy and society.**

## Our Vision for Glory 10 Years in the Future

Glory will expand its presence through enabling a confident world.

**O**ver the next 10 years, we expect to see increased use of cashless payment systems in Japan, leading to the evolution of a society in which both cash-based and cashless payment systems exist side by side. In this environment, Glory should have a significant advantage, since it can provide solutions in both of these areas. We believe that safeguarding customer confidence in payment systems, regardless of the method used, is part of our social responsibility.

Similarly, Glory's new personal

identification and authentication business helps to enable the confidence of its users, while developments made toward an automated society through our robotic system integration business inspire confidence in what robots and people can build together. We consider both of these elements essential to realize a safe and secure future.

Glory works toward the greater realization of this future vision for society through our efforts to enable a confident world.