

Two men in dark suits and ties stand against a solid blue background. The man on the left is slightly taller and has his hands clasped in front of him. The man on the right has his hands in his pockets.

Mr. Vincent Nakache

Executive Officer, GLORY LTD.
President, EMEA,
Glory Global Solutions

SPECIAL FEATURE:

Regional Leadership Viewpoint

GLOBAL INSIGHTS ON CASH-HANDLING FOR TODAY'S MARKETS

Mr. Chris T. Reagan

Executive Officer, GLORY LTD.
President, Americas,
Glory Global Solutions

On April 3, 2017, we had an opportunity to sit down with the presidents of the Americas and EMEA regions at our Himeji headquarters in Japan to share their experiences and insights on GLORY's emergence as a world leader in cash-handling solutions. We asked them to discuss what is behind the surging growth in their regions and what makes GLORY's solutions competitive.

THE MODERN FACE OF RETAIL

Nakache: The retail world has probably changed more in the last five years than it has in the last twenty-five. Especially in large chain stores like supermarkets, retailers are always looking to speed up their transactions.

With the CASHINFINITY™ system, payment can be handled quickly and because the customer is the one handling the cash this also helps suppress shrinkage. In some vertical markets like bakeries, installing systems like the CASHINFINITY also means employees do not handle cash and this improves in-store hygiene.

Reagan: I am convinced that our customers need us more today than they ever have. Because if they are going to be as efficient as they possibly can, and optimize their cash handling and customer interaction, they have to find a new way to grow. We're there and we can help them. Right now is a great time to be at GLORY.

Nakache: For example, we have been very successful in Europe with companies adopting cash recycling systems. With the traditional pure deposit system, the retailers have to transport their deposits to the bank and cover that associated cost. By contrast, with the closed loop system, retailers can prepare their cash holds for the next day from the cash currently in the store. The retailers' return on

investment (ROI) comes from this decrease in time and cost.

Reagan: Now the cash stays in the store but the retailer gets credit for it at their bank. They can get that immediate credit because with our devices they know precisely how much is sitting in the cassettes.

Nakache: Also we see some banks selling these recycling systems to retailers as part of their full banking service. The cash in transit (CIT) companies are also trying to do the same for their customers.

Reagan: These banks and these CITs all understand that we have the right product, and they try to leverage that because they want to do more for their customers. GLORY's products are well known for their high quality. There's no doubt about that. So it works out great for us because we can either sell directly to retailers or we can sell

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through these other partners to reach other parts of the market.

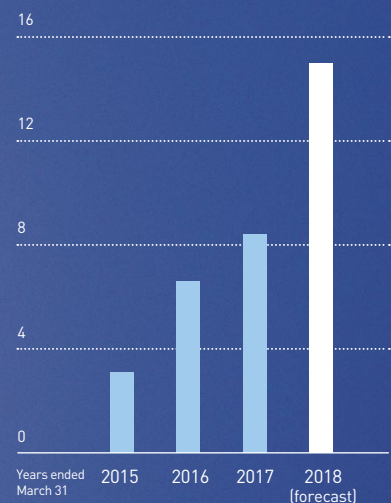
GLORY'S REPUTATION

Nakache: I think you are absolutely right that GLORY means quality in the eyes of our customers. Customers who we could bring to Japan have been very impressed with what GLORY is, and what they saw in factories like the one in Saitama. The Saitama factory is the first ever to use humanoid robots alongside human workers, which is really fantastic to see.

I would add that our best brand ambassadors are the customers that have already adopted our technology. They become fans, and then they are our best salespeople.

Sales of CASHINFINITY

(¥ billion)



I can't disclose the names, but for example one of our biggest clients, a large retailer in Germany, came to us through a customer we already had because the two talked to each other. The new client saw our technology was working absolutely fine for our customer and wanted the same. Honestly, customer feedback is great for us.

Reagan: Definitely. Ten years ago there were a lot fewer competitors. With more rivals, GLORY has to demonstrate its specific set of skills and listen even more carefully to its customers to set itself apart. Years ago, it was all about relationships. Now, you also have to show them convincingly what the ROI is. And, they have to be able to show their board and shareholders that this investment is going to drive their business.

But everybody who knows what GLORY does, knows that we are the industry leader. GLORY has also built relationships with central banks in various countries. These relationships are something that we have that is



much more than just the right machine to handle cash.

BRANCH BANKING'S LATEST EVOLUTION

Reagan: The move now is toward what we call assisted self-service devices. More financial institutions are trying to move to an environment where they have four or five self-service kiosks for transactions and one teller to assist customers. This allows banks to take tellers doing low-value transactions and move them to where they can help customers who want to do high-value transactions like loans.

Nakache: The downside to the development of pure self-service was that customers were no longer coming into the bank branches. So today we are seeing this hybrid solution that falls between the traditional teller system, which is disappearing, and the full self-service system, which banks no longer consider good for business.

The key is that customers are still looking for the customer experience. People can complete so many financial transactions with apps on their phones that they only go into a branch for a specific reason. And assisted self-service matches those customers' needs. For withdrawing or depositing cash, paying bills, or

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dealing with checks, a customer can interact with a teller machine, but a human teller is nearby to greet customers and for when they need extra support.

SOLUTIONS THROUGH SOFTWARE

Nakache: In the end, it's about selling a solution. GLORY is unique in that it covers the whole solution; our competition is often more focused in what they can do.

Reagan: Right. GLORY is the only company that covers the whole “cash chain” front to back, from the customer’s pocket to the bank and beyond. We have the products, software, and service delivery and repair capability to handle it all.

Nakache: So to me, an area in which we are investing and that is tremendously important is software. We have to enhance our software portfolio to help our customers really get the best out of the technology that we can provide.

We were talking about the CASHINFINITY series in the context of retail earlier, and that includes not only the CI-10 and CI-100 but also the CI-SERVER, the software part of the system. What the customers want to be able to do is remotely monitor a

huge install base and for that we have the CI-SERVER.

Software is also important because it allows us to remotely update any new authentication patterns for banknotes. Our customers require this, because otherwise we would have to waste a lot of their valuable time going to every site and uploading the new pattern set to recognize and authenticate notes.

Reagan: This way we don't have to change anything with the machines, just roll out the new software.

And if a machine were to go down for some reason, with the CI-SERVER retailers can see that remotely too, and they can send in a service technician to repair that device. So again it's a whole solution of hardware, software, and service delivering what they need to run their business in a better way.

INNOVATION FIRST

Nakache: By nature, GLORY really has innovation in its DNA. Our engineers are so inventive and one of our differentiating factors.

Reagan: GLORY is also committed to reinvesting a fixed amount of our revenue into R&D every year, so one of the great things about when we are growing the way we are is that we are able to reinvest to generate new product offering. So we are improving and enhancing our existing products, and we have new products to offer.

A CULTURE OF TEAMWORK

Nakache: When we started retail in EMEA, the support we received from the Japanese team was outstanding. Those of us in sales overseas have a team member at GLORY in Japan that checks in with us often, every week if

there is an important project, and relays questions or concerns to the appropriate individuals. That ambassador helps allay the language barrier, understands the types of issues that we are facing, and ensures efficient communication.

Despite any language or cultural difference, it's fantastic to work with a Japanese company because there really is a spirit of "we" versus "I." It's truly a team approach.

Reagan: In terms of cross-pollination, we are measuring everything and reporting back on any malfunctions or issues. We take customer surveys in the field and submit those too.

GLORY is really customer and quality focused. The GLORY "spirit" is one of collaboration and support—for customers and employees. People seem to like working at GLORY, and that doesn't just happen. We are committed to creating an environment where it is good for people to work. At the end of the day, dedication to happy customers and engaged employees, along with high quality products, will always deliver for shareholders.



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TellerInfinity™

TellerInfinity™ can manage transactions an ATM cannot, retains a “personal-service feeling” while enabling customers to do more for themselves, helps banks optimize their teller resources and makes smaller branches a reality.

