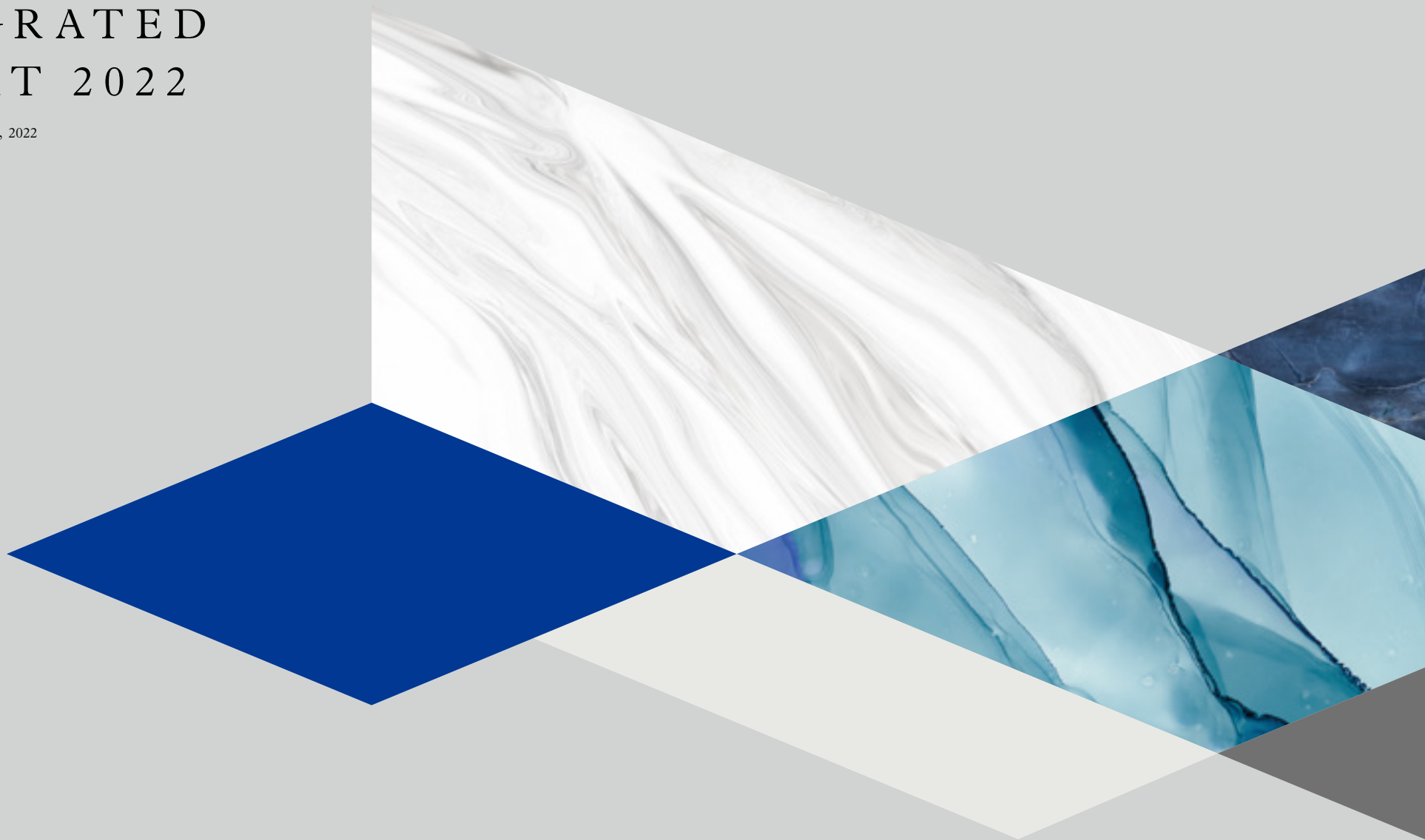


The logo consists of the word "GLORY" in a white, bold, sans-serif font, centered within a solid blue square.

INTEGRATED REPORT 2022

For the year ended March 31, 2022



We enable a confident world

Safe and secure transactions are critical to your business,
and your customers.

We deliver secure, efficient payment systems and instant,
highly accurate identity verification and authentication solutions
that enable confidence in transactions and other interactions
between businesses and people.

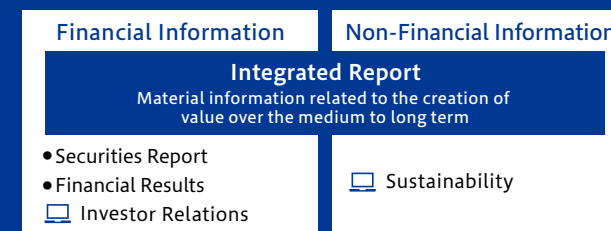
Our innovative technologies, our experienced professionals
and our commitment to the success of our customers,
partners and communities create a safe, confident path forward.

We are Glory—we enable a confident world for a better tomorrow.

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About the Integrated Report



Editorial Policy

This Integrated Report summarizes the Glory Group's efforts to resolve social issues and enhance corporate value from both financial and non-financial perspectives in a bid to further garner the trust of customers, shareholders, investors, and other stakeholders.

In compiling this report, we have referred to the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade, and Industry (METI).

We are guided by a corporate philosophy that states: 'We will contribute to the development of a more secure society through a striving spirit and cooperative efforts.' We will continue to convey details of our business model and value creation process in an easy-to-understand manner until we realize its vision: 'We enable a confident world.'



Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements that are based on management's judgment at the time the report was prepared and includes risks and uncertainties. As a result, actual results might differ materially from forward-looking statements due to a variety of factors.

(Reporting Period)

Fiscal 2021, from April 1, 2021, to March 31, 2022 (including certain details of business and other activities occurring in or after April 2022)

(Scope of the Report)

GLORY LTD.(the 'Company') and its subsidiaries (the 'Group')

About the Cover

Marble, the motif for the cover of this report, is a natural stone that has been used in historical buildings since ancient times as a symbol of prosperity. Blue marble, which is rarely seen as a natural color, is extremely precious and conjures an image of an endless sky.

The cover was designed to symbolize the trust and future expectations befitting the Company's history and efforts to emerge as a leading company that realizes its vision: 'We enable a confident world.'



Glory's Philosophy



Corporate Philosophy Structure

Corporate Philosophy

We will contribute to the development of a more secure society through a striving spirit and co-operative efforts

Our corporate philosophy represents Glory's corporate goal and raison d'être. 'Striving spirit' includes our desire that 'we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible.' It represents the eternal origin of Glory all through the ages that we can do a great job only when we combine the 'power of everyone' who shares the 'striving spirit.' Keeping the origin in mind, Glory will contribute to the creation of a safe and secure society from now on.

Management Creed

- Through a spirit of continuous development, we will provide products and services our customers can rely on.
- We will build a vigorous corporate group through respect for the individual and teamwork.
- We will endeavor to act as responsible corporate citizens and coexist harmoniously with society at large.

Our managerial creed expresses what Glory should aspire to and our management stance. In short, it constitutes our basic philosophy of management. The three components of the managerial creed express our stance toward our customers and business operations, toward our employees, and toward society as a whole.

Glory's Trajectory of Growth

The Glory Group is endeavoring to solve social issues by providing products and solutions that meet the needs of a changing environment and market.

■ Domestic sales ■ Overseas sales

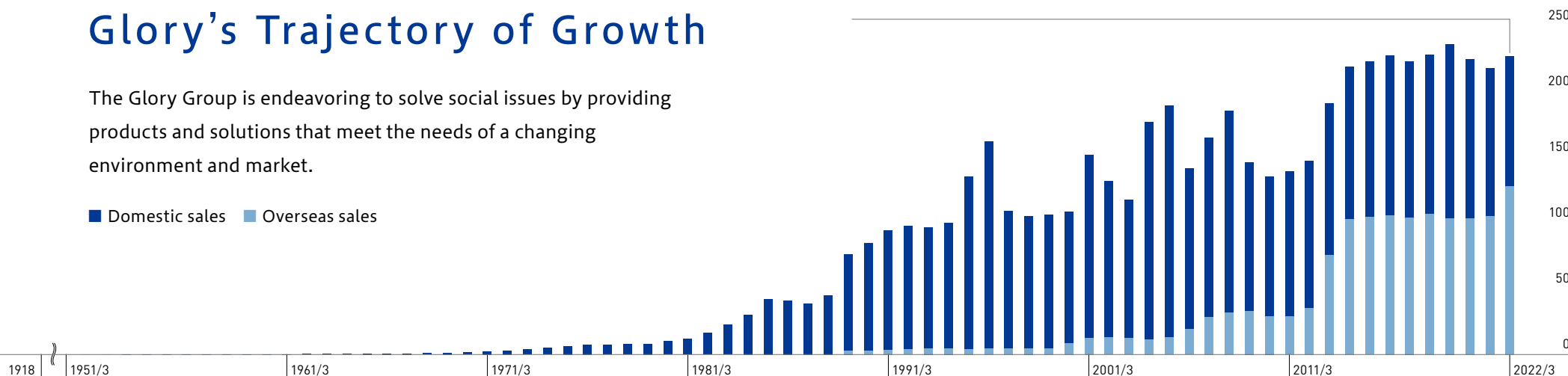
Consolidated net sales

¥226.5billion

Overseas sales ratio

56.4%

(Billions of yen)



1918



1950
Coin counter for Japan Mint
(First in Japan)
▶Contributing to labor-saving and highly reliable financial processing

1958
Cigarette vending machine
(First in Japan)
▶Contributing to the spread of vending machines



1950

1960

1986
Open teller system
(First in Japan)
▶Contributing to operational efficiency at financial institutions



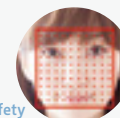
1990

1992
Coin recycler for cashiers
(First in Japan)
▶Dramatically increased checkout operating efficiency



2000

2003
High-precision technology for facial recognition
▶Contributing to the improvement of social safety and convenience through a variety of applications

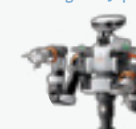


2011
CASHINFINITY™ System
▶Contributing to rigorous cash management at overseas distribution stores



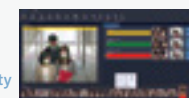
2010

2017
Entered the Robotic System Integration (SI) Business
▶Creating a collaborative environment for humans and robots to help solve labor shortages in Japan



2020

2020
New walk-through facial recognition system
▶Helping realize social safety and security by increasing the precision of recognition



2021
Developed a coin and banknote recycler for tellers
▶Enables self-operation where customers visiting financial institutions can make cash deposits and withdrawals themselves



1918
Founded Kokuei Machinery Manufacturing Co., Ltd. (now Glory Ltd.)
▶Starting business as a repair factory for light bulb manufacturing machines



1957
Established Kokuei Shoji Co., Ltd.
▶Strengthening sales and after-sales service systems



1982
Established GLORY (U.S.A.) INC. in the United States (now Glory Global Solutions Inc.)
▶Establishing a sales network in the United States



1994
Established GLORY (PHILIPPINES), INC., in the Philippines
▶Establishing overseas production bases



2006
Changed the Company's name to Glory Ltd.
▶Integrating the production and sales functions



2012
Established Glory Global Solutions Ltd. in the United Kingdom
▶Expanding maintenance and sales network overseas



2020
Acquired Acrelec Group S.A.S.
▶Expanding diverse payment methods overseas



2021
Acquired Revolution Retail Systems, LLC
▶Strengthening introduction of retail products in the Americas



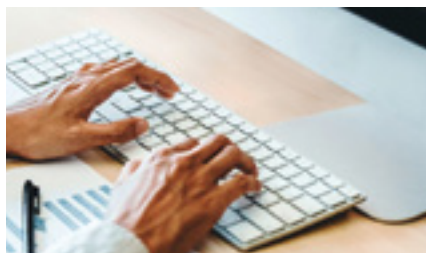
Glory's Core Strengths

We enable a confident world

Since its founding, Glory has been engaged in the creation of products and solutions oriented to address social issues. Leveraging the key strengths that we have acquired over the years, we endeavor to 'enable a confident world' for a better tomorrow.

01 Core Technologies

Our core technologies are recognition/identification to accurately distinguish coins and banknotes, and mechatronics to handle individual banknotes with speed and accuracy. We have been working to further develop these technologies to distinguish a wide range of items in and beyond the markets we serve. We will continue our efforts to perfect our core technologies and to promote digital transformation (DX) based on the use of data analytics to deliver new value for our customers, aiming to contribute to a safer and more secure society.



R&D facilities

15 in **8** countries

02 Problem-Solving Capabilities

Supported by our core technologies, Glory has built the trust of customers through our products and services that effectively address the market needs. With our knowledge and experience combined with DX, we will continue to create new solutions, thus further 'enable a confident world' for all.



R&D personnel

Approx. **1,400**

03 Customer Base

Glory has built a wide-ranging customer base in more than 100 countries around the world, delivering products and solutions that enable efficient and rigorous operations for financial institutions and retail stores, which are our core customers. We aim to extend our customer base through the shift from product-based businesses to solution-based businesses, and provide value-added services that help solve social and business management issues with the aim of building a sustainable society.



Business in more than

100 countries

04 Financial Base

Glory's financial policy is designed to maintain the stability of the Group's finance and to strategically allocate management resources for enhancing corporate value. Specifically, we aim to establish a robust risk management structure and acquire a credit rating of 'A' or higher as given by R&I (Rating and Investment Information Inc.). In addition, based on our debt redemption capacity enabled by sufficient operating cash flows, we aim to reduce capital cost and to increase capital efficiency with the effective use of debt under strict financial discipline.



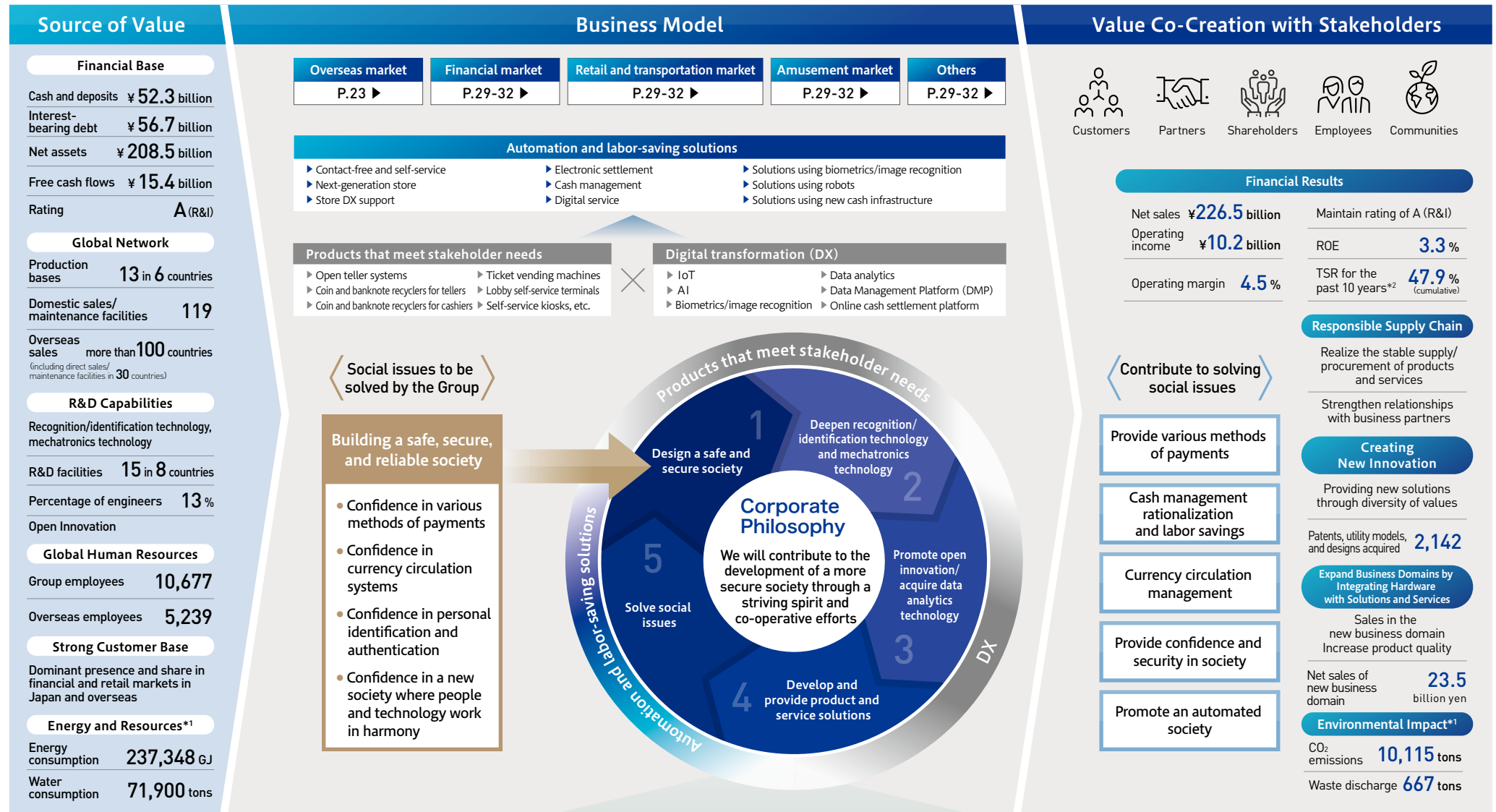
Rating and Investment Information, Inc.

A rating

Long-Term Vision 2028

We enable a confident world

By expanding our business domains, we aim to be a company that creates 'enables confidence' in a wide range of fields in addition to the confidence we have gained to date



(as of March 31, 2022)

*1 Including the Company and its domestic subsidiaries (with ISO 14001 certifications).

ESG management

*2 TSR (Total Shareholders' Return): Total return on investment including capital gains and dividends

Material issues

Creating new value through business
P.17, P.23 ▶

Fostering environmental initiatives
P.39 ▶

Implementing human resources initiatives
P.42, P.43 ▶

Supply chain management
P.45 ▶

Improving customer satisfaction
P.46 ▶

Engaging stakeholders
P.52 ▶

Strengthening governance
P.47 ▶

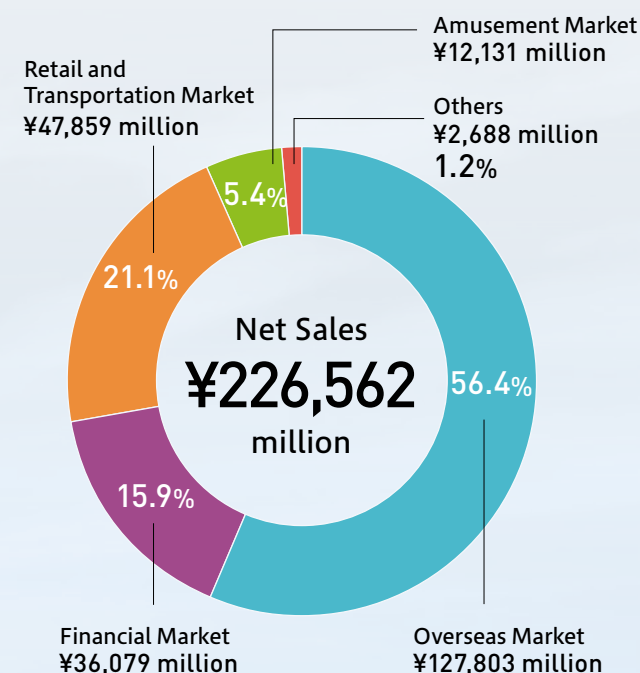
Glory's Business

The Group is active in the financial, retail and transportation, amusement, and overseas markets while also handling other products and services that fall outside of these four reportable segments. With this as our base, we are building a business model based on recognition/identification, mechatronics, and data analytics technologies.

We will work diligently to increase customer value and profitability by developing a comprehensive strategy for each market. By providing optimal products and solutions, our objective is to meet ever-changing customer needs as well as social and environmental trends. In addition, we will further accelerate open innovation with various partners to create new value, with the aim of emerging as a leading company that realizes the spirit of confidence expressed in our Long-Term Vision 2028: 'We enable a confident world.'

	Segment Outline	Main Products and Goods
▶ Financial Market	Sales and maintenance services to financial institutions, OEM clients, and others in Japan	<ul style="list-style-type: none"> • Open teller systems • Coin and banknote recyclers for tellers • Coin recycling modules for ATMs • Multifunctional banknote changers • Cash monitoring cabinets • Security storage systems • Key management systems • Banknote recycling modules for horse race ticket vending machines
▶ Retail and Transportation Market	Sales and maintenance services to supermarkets, department stores, cash-in-transit companies, railroad companies, tobacco companies, hospitals, local governments, and others in Japan	<ul style="list-style-type: none"> • Coin and banknote recyclers for cashiers • Sales proceeds deposit machines • Multifunctional banknote changers • Cash recyclers for gas stations • Coin-operated lockers • Ticket vending machines • Cigarette vending machines • Medical payment kiosks • RFID self-checkout system for cafeterias • Ballot sorters for handwritten ballots
▶ Amusement Market	Sales and maintenance services to amusement halls (pachinko parlors) and others in Japan	<ul style="list-style-type: none"> • Card systems for pachinko parlors • Banknote conveyor systems • Pachinko prize dispensing machines • Pachinko ball counters for individual pachinko machines • Membership management systems for pachinko parlors • Pachinko ball/token counters
▶ Overseas Market	Sales and maintenance services to financial institutions, cash-in-transit companies, retail stores, OEM clients, and others overseas	<ul style="list-style-type: none"> • Banknote recyclers for tellers • Banknote sorters • Banknote and check deposit modules for ATMs • Banknote counters • Coin and banknote recyclers for cashiers • Sales proceeds deposit machines • Coin wrappers • Self-service kiosks
▶ Others	Sales and maintenance services that do not belong to the reportable segments listed on the above	Products and goods that do not belong to the reportable segments listed on the above

Net Sales by Business Segment (FY2021)





We will achieve sustainable growth in corporate value based on the concept of 'Core and new businesses powering growth together'

President

Motozumi Miwa

In February 2022, the Company discovered an incident of embezzlement by a former employee of a consolidated subsidiary. We sincerely apologize to our shareholders and other stakeholders for any inconvenience this matter might have caused. As a corporate group engaged in the cash handling machine business, we take seriously this situation that allowed the theft of a large amount of money over many years. We will steadily implement the measures announced in May 2022 to prevent recurrence and restore the trust of stakeholders.

Progress of the 2023 Medium-Term Management Plan

In April 2021, the Group launched its three-year 2023 Medium-Term Management Plan, based on the concept of 'Core and new businesses powering growth together.' The plan has three basic policies: 'Accelerate business growth to develop the next generation,' 'Maximize core profits by innovation,' and 'Establish a management base to support sustainable growth.'

In fiscal 2021, the first year of the plan, the operating environment remained uncertain due to new outbreaks of COVID-19, delays in sales due to difficulties in procuring semiconductors and other components, and soaring component prices, as well as supply chain disruptions from the Russia-Ukraine situation and the lockdown in Shanghai. Despite such challenges, our investments in the overseas retail industry, an area of focus, bore fruit with overseas sales surpassing domestic sales for the first time.

In our core business, sales to financial institutions and the retail industry were both strong in the overseas market. In particular, sales increased in the retail industry for coin and banknote recyclers for cashiers and coin and banknote recyclers for back offices. This was largely attributable to a growing need for contact-free and self-service solutions to prevent COVID-19 infections and the need for rigorous cash management. In the United States, with the aim of expanding sales to the retail industry, we acquired Revolution Retail Systems, LLC, which sells cash processing machines for retail back office operations. In the domestic market, while large-scale demand for the financial market in the previous year has run its course, sales increased in the retail and transportation market, supported by products such

as self-service coin and banknote recyclers for cashiers, in response to labor shortages and the need for contact-free and self-service solutions. To expand our customer base to include new customer groups, we launched a service enabling sales of coin and banknote recyclers for cashiers on a Hardware as a Service (HaaS) subscription basis.

In new businesses, the self-service kiosk-related business being expanded by Acrelec Group S.A.S. in overseas markets performed strongly. We also focused on extending our business domains by investing in OneBanks, which provides shared services for bank branch operations within United Kingdom retail outlets. In the Japanese market, we formed a capital and business alliance with TOUCH TO GO Co., Ltd., which is currently developing unstaffed stores. We also deepened our alliance with AdInte Co., Ltd., and launched the BUYZO data utilization service, which seeks to support DX for retailers and restaurants by increasing the impact of marketing and promotions through the collection and analysis of data on customer behavior. Furthermore, we worked to create new services that make use of data gathered from smartphones. We achieved this by partnering with a mobile order services provider, Showcase Gig Inc., to open a new BOPIS (Buy Online Pickup In Store)-style store exclusively for beverages, where the customer orders the merchandise in advance using a smartphone and collects it from a locker. In the biometric/image recognition business, we developed a fall detection system using skeletal recognition technology and 3D cameras, and started PoC (Proof of Concept) studies for its use in nursing facilities. The PoC was conducted to ensure the privacy of room occupants and verify that the system operates in both light and dark conditions, and a comfortable sleeping environment can be maintained by reducing the amount of light emitted by sensors.

Second-year initiatives of the 2023 Medium-Term Management Plan

In fiscal 2022 (ending March 2023), the second year of the 2023 Medium-Term Management Plan, we will continue implementing the basic policies set forth in the plan. The outlook remains uncertain due to ongoing difficulties in procuring parts for semiconductors and other products and continuing sharp rises in the cost of materials. However, demand for contact-free and self-service solutions is expected to remain strong both in Japan and overseas.

Basic policy 1 Accelerate business growth to develop the next generation

We will develop businesses in areas with a high affinity with our core business, making the most of our existing customer base and technologies.

In the biometric/image recognition and robot businesses, we will select and concentrate on themes to focus on and aim for early profitability. In biometric/image recognition, we will concentrate investment resources on expanding our business related to skeletal recognition technology. This technology, which does not identify individuals, is expected to find applications in various areas, such as fall and injury detection in nursing care facilities and shoplifting prevention in stores. In the robot business, we will promote standardization and uniformity of products and leverage the Group's customer base and maintenance service network to advance our business while advancing our system integration technologies.

Basic policy 2 Maximize core business profits by innovation

We will seek to increase income from cash handling machines and other core business. In particular, there is growing demand for contact-free and self-service solutions amid the spread of COVID-19 and a rising need for labor-saving solutions to combat labor shortages. In response, we will expand our range of self-service products and solutions and introduce the latest models of our mainstay products on the market, with the aims of broadening our business and maximizing profits.

In the overseas market, we will continue focusing on sales growth in the retail and financial industries, particularly in Europe and the United States. At the same time, we will promote UBIQULAR™, a new global digital service that supports remote monitoring of equipment operational status and efficient store operations.

In Japan, we will strive to increase sales of self-service products while diversifying and streamlining sales channels to capture new customer segments. We will also emphasize operational efficiency and cost reductions to build a strong earnings base. To address the issuance of new banknotes scheduled for 2024, we will focus on fulfilling our social responsibility to support social infrastructure while capturing replacement demand for new products.

Basic policy 3 Establish a management base to support sustainable growth

We will promote cash flow management that supports growth-oriented investments and enhances shareholder returns. We will also strengthen our business management system by promoting DX, which supports speedy management decisions, business innovation, and productivity improvement. At the same time, we will optimize the allocation of management resources and increase corporate value according to our business portfolio management policy. Adopting ROIC as a performance indicator, we will focus on businesses that do not meet our standards within a certain time and make decisions on potential withdrawals.

Deepening ESG management

As companies are being urged to address climate change, we are working to reduce the environmental impact of our business activities, products, and services. Committed to helping realize carbon neutrality, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in fiscal 2021. We also set our long-term goal of achieving carbon neutrality, with targets of a 50% reduction in CO₂ emissions by 2030 (compared with fiscal 2013) and net-zero emissions by 2050. To achieve these goals, we have upgraded the status of the CSR Committee and renamed it the Sustainability Committee, which will spearhead our efforts to address climate change.

With respect to our human resource strategy, we are revamping our talent management and company-wide training systems while reviewing our personnel system to achieve fairer evaluations. We will also provide career development support to employees who will lead the next generation so they can envision their own career future and grow toward that vision, while at the same time actively recruiting career professionals.

Corporate group that supports social infrastructure

As a leading manufacturer of cash handling machines, the Group has focused on wide-ranging businesses in such areas as cash handling and payments. Indeed, our raison d'être is to support society's trust in cash and payments. Our corporate activities and purpose are summarized in our corporate philosophy: 'We will contribute to the development of a more secure society through a striving spirit and cooperative efforts.' This philosophy, which is firmly rooted in the heart of every employee, will remain unchanged and be passed on to the next generation even as our business content and core areas change.

Seizing commercial opportunities in the cashless domain

The Glory Group's business, centered on cash handling machines, is sometimes seen as being the opposite of cashless. However, the progression of cashless transactions will provide significant commercial opportunities for the Group over the medium to long term, thanks to the diversification of payment methods and the development of self-service solutions. Within the huge global market, there are many untapped segments where we see opportunities for growth. Here, the mechatronics and recognition/identification technologies we have developed in the cash handling machines business, together with our service network covering all major world regions, give us a good advantage. Many products operating in the market are currently being upgraded to IoT-enabled devices, and valuable information obtained from such devices is being used for advancements in data, retail media, and other businesses, promising further expansion of our business domains.

Through efforts based on the concept of 'Core and new businesses powering growth together,' we will target sustainable enhancement of corporate value and ask our stakeholders for their continued support.

Even in the face of uncertainty,
we will strengthen
our commitment to
'Core and new businesses
powering growth together.'



Enhancing human and intellectual capital in preparation for the achievement of growth strategy



Enhance efficiency and nurture human resources, reinforcing our development base to support sustainable growth

Director & Senior Managing Executive Officer
Executive General Manager of Development Headquarters

Kaname Kotani

Q. What are the core technologies that underpin Glory's intellectual capital?

While Glory has developed a variety of products, including cash handling machines, the core technologies that have supported our businesses are recognition/identification and mechatronics. I believe that both technologies are now well-established and fast reaching maturation. With respect to recognition/identification technology, Glory's greatest strength is its ability to distinguish the authenticity of banknotes and coins. In some countries, significantly soiled or torn banknotes, deformed coins, and banknotes and coins with faded images due to the passage of time remain in circulation. I believe that the Group's recognition/identification technology is one of the best in the world and can handle currencies in any state. Meanwhile, mechatronics which is a sophisticated fusion of mechanics and electronics engineering, enables complex movements of mechanisms, such as counting, sorting, and bundling of banknotes and coins. The Group's mechatronics technology has evolved not only through technological research but also by adapting to handle various currencies around the world.

Q. How do you plan to expand the core technologies, developed for cash handling, into new businesses?

Glory's currency recognition/identification technology uses software to determine the authenticity of the data read by sensors. We are also applying this technology to areas other than currency handling. For example, we have developed image processing technology that reads information from handwritten text, as well as facial recognition technology that enables strict personal authentication. We will further enhance our biometric and image-recognition technologies in the future with a view to expanding into the medical and nursing care fields.

The Group will shift its emphasis from a product-based business model to a solution-based model. This means providing solutions for customers to create new businesses centered on user experiences through collaboration with companies with strengths in data-related businesses. Acquiring the technologies and human resources needed to focus on this data business is another important mission of the Development Headquarters.

Q. Tell us about the human capital that supports your core technology.

Glory's core technology development is underpinned by around 1,400 engineers in Japan and overseas. Our core technologies related to hardware and firmware are developed mainly by engineers in Japan, while engineers in five other nations (United States, Germany, Switzerland, Portugal, and China) are responsible for developing software and applications to be tailored to customers in more than 100 countries around the world.

To advance its data business, the Group needs to further enhance its team of IT engineers. As competition for IT engineers intensifies around the world, we are working to enhance our human resources by reskilling and training existing engineers. As for AI, we have engineers who have accumulated AI knowledge through recognition/identification and other cash handling technologies. Utilizing open software and the like, they will take charge of enhancing our core technologies.

We also believe that data scientists, who perform everything from statistical data analysis to proposals for business applications, have many overlapping areas of knowledge with AI engineers. To this end, we collaborate with AdInte Co., Ltd. In addition to using its data analytics technology, our AI engineers are currently working with AdInte's data scientists to acquire data analytics technology at AGIFT Co., Ltd., a joint venture we established with AdInte in January 2022. As for data scientists, we expect to fill the number of positions needed to advance our data business as envisioned by the Group by the end of fiscal 2023. Of course, we will consider further increases of data scientists as our business grows in the future.

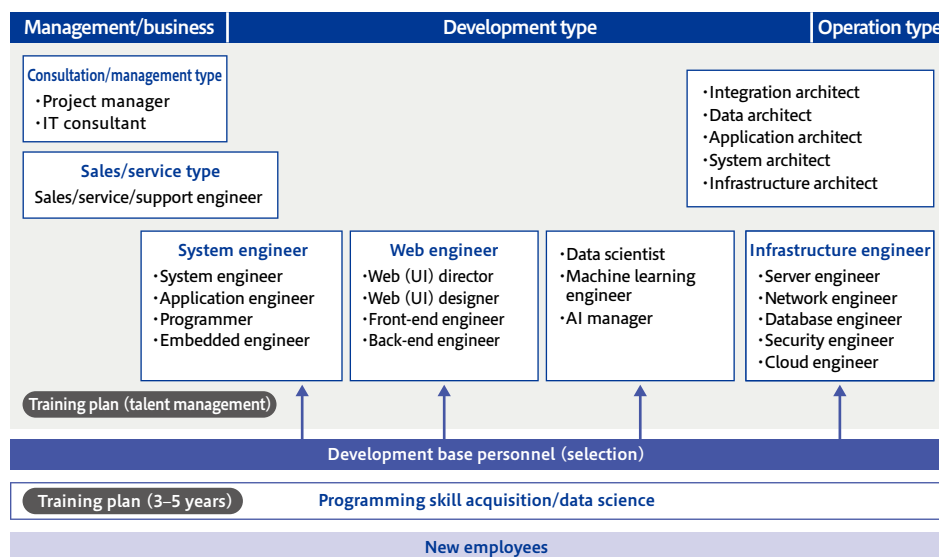


Q. What is your approach to human capital allocation?

As we promote our data business, our system engineers are becoming involved in more areas than ever before, highlighting the growing need for engineers outside of the development process. These include front-end engineers who have contact with customers and consider solutions from the perspective of product planning; data scientists who analyze data collected in hardware; and back-end engineers who provide customers with solutions based on data analysis and provide support afterward. We believe that the Group's abundance of engineers with diverse skills will be a major competitive advantage in promoting our data business.

The Group has around 600 software engineers with various types of expertise. As it becomes increasingly difficult to hire talented engineers worldwide, we are encouraging the reskilling of our software engineers to broaden the scope of their work while shifting personnel from our core business to new domains. In our core business, we are working exhaustively on a framework that enables high-quality development with fewer people and in shorter time periods while maintaining the scale of business we have now. We will continue implementing these human resource strategies beyond the period of the 2023 Medium-Term Management Plan.

■ Talent Management Step



Q. What initiatives are you taking in your ongoing quest to attract talented engineers?

As the general manager of the Development Headquarters, I am committed to creating a climate in which every engineer is highly motivated and has a sense of fulfillment in his/her work. Since I worked as an engineer myself for many years, I feel that engineers in the manufacturing industry are expected to develop defect-free products as a natural requirement. We tend to have little opportunity for our work to be recognized by others. And when there is a claim or defect, it is investigated meticulously.

Talented engineers, especially younger ones, are attracted and motivated by environments where they can pursue their own technical challenges and career growth, rather than working for a company for a long time. For this reason, the Development Headquarters holds interviews with engineers once every three years to facilitate personnel transfers that respect the wishes of the individual. Starting with a questionnaire, we ask each person what technical challenges he/she would like to pursue and how he/she wishes to contribute to the Group. We then select those who we feel are particularly enthusiastic about work to meet with me for one-on-one interviews. This initiative has enabled us to better allocate human resources and help rejuvenate our organization. In April 2022, for example, we established the Digital Solutions Development Division, which brought together around 60 IT engineers, AI engineers, system engineers, and other selected engineers within the Development Headquarters. Meanwhile, we focus on enhancing teamwork and emphasize communication methods that encourage mutual cooperation. Previously, we focused only on progress checks in weekly team-based meetings, but for the past 10 years we have been focusing on managing the progress of individual work and identifying bottlenecks at an early stage. This allows us to share clear visions based on full awareness of the next steps to be taken. I believe this also reflects Glory's corporate philosophy, 'Striving spirit and co-operative efforts.'

In my opinion, two things are essential for an engineer's growth: the experience gained from failure and the sense of accomplishment from succeeding as a team. We have worked hard to make each engineer feel the joy and sense of accomplishment of bringing new products to the world one after another as a team, while at times allowing them to experience failures and setbacks. Thanks to everyone's teamwork, our organization has functioned smoothly with no delays in the development schedule, even after we shifted to teleworking during the pandemic. Our work environment has also improved, with average overtime hours down to 40% of the level 10 years ago.

Q. What are your thoughts on the intellectual property Glory has accumulated?

I think there are both 'aggressive' and 'defensive' intellectual property strategies. In the past, we applied for many patents in the areas of hardware and mechatronics, which are our traditional strong points. About five years ago, we shifted to an 'aggressive' intellectual property strategy, in which we pursue business and solution patents in an assertive manner. For example, when conducting due diligence for a M&A or capital alliance, we look at the patent rights held by the potential partner and consider the benefits to our company. Another feature is that members of our Intellectual Property Department actively engage in creating business model patents and patents for business ideas, in addition to patent application procedures. Because they constantly deal with disclosed intellectual property information from other companies, they have a great deal of knowledge about areas in which applications have not yet been filed or technologies that have not yet been patented. From this perspective, they uncover and file applications for potential ideas within our company.

For more information, see p.17 of our Intellectual Property Strategy.

Q. Finally, what are your thoughts on Glory's sustainable growth?

Charles Darwin said that 'It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.' The Glory Group has been working to reform its business model, and the Development Headquarters needs to change itself without sticking to technologies that have been proven in the past. It takes a lot of courage to develop a new product or make a design change, as problems tend to arise later. In this context, I emphasize that the key factor in developing new products and technologies is 'problem-finding' not 'problem-solving.' The most important factor is how well you can anticipate and deal with potential problems before you start. This is because modifications, version upgrades, and re-prototyping require time and money once development has started.

We will apply this 'problem-finding' development method in all our projects and study each case following principles based on logical thinking. Our aim is to advance the core technologies we have built to a higher level and further strengthen the technological foundation of new business domain.

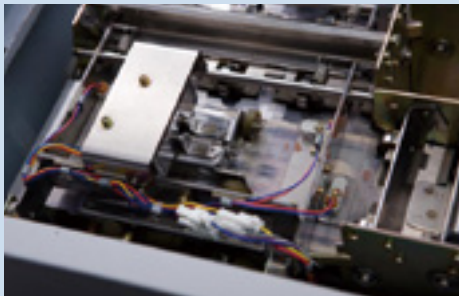
Technology Foundation

Glory's core technologies are recognition/identification to accurately distinguish coins and banknotes, and mechatronics to handle individual banknotes with speed and accuracy. By developing our core technologies further, we give rise to engineering innovation that lead to the creation of new business domain.

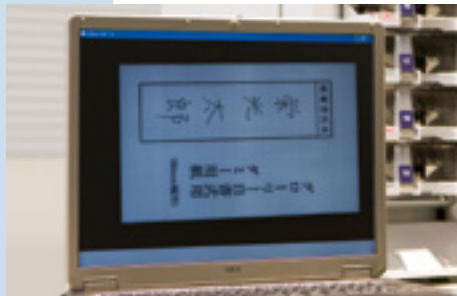
Glory's Core Technologies

Recognition/identification

Glory has devoted itself to the study of recognition/identification in currency processing, where accuracy is required. As a result, we use high-speed arithmetic processing to determine denominations and verify authenticity of up to 1,000 banknotes or 3,000 coins per minute. The technology can be used in fields other than currency processing as well, such as discerning business forms, including receipts for taxes and public fee payments; recognition of handwriting written on election voting forms; and others. Moreover, this technology is being extended to the field of facial recognition, capable of meeting the strict standards for personal authentication.



Bill validator reading banknotes to instantaneously identify denominations and verify authenticity



Recognizes handwritten characters written on election ballots

Mechatronics

By integrating mechanical and electrical engineering, delicate and intricate tasks can be processed at astonishing speeds. Coins from around the world, with their differing thicknesses and sizes, can be counted at a rate of up to 3,000 coins per minute, as well as being sorted and wrapped. By also applying cutting-edge technology to each of the processes of counting, sorting, and bundling, we provide user-friendly products by making products more compact, multifunctional, and energy efficient.



High-speed, large-volume coin transfer



Sealing technique that bundles 100 bank notes of the same denomination with a strip of paper

Technologies That Support New Business Domain

Data analytics

Glory is utilizing data analytics technology as a means to expand its presence in new business domain and is promoting digital transformation for customers that will realize their demands and those of society more generally. In May 2020, Glory executed a capital and business alliance with AdInte, an IoT venture company, with the aim of bolstering data analytics technology. Through the collaboration, in July 2021 we launched 'BUYZO,' a data utilization service that will increase the customer engagement for retailers and restaurants.

Robot/control technology

At the Saitama Factory, we introduced human-style robots into the assembly line with the aim of improving profitability and securing consistent product quality.

Through this initiative, robot solutions emerged. In addition to Glory's core recognition/identification technology, we have designed and developed more than 130 types of appendages that bring together applications such as 'grasping' and 'suction,' as well as peripheral devices. We are developing a robot solutions business that covers a wide array of applications across a diverse range of industries.

Biometric authentication technology (facial and skeleton recognition)

Recognition/identification technology, cultivated through the development of cash-handling machines, is evolving into areas of biometrics such as facial and skeleton recognition technology. In 2019, Glory developed a system that could authenticate a person's anatomical features and detect their posture and position.

This enabled the automation of traffic volume surveys that counted pedestrians on city streets. In addition, our facial recognition system boasts world-class authentication precision. Its possibilities can be expanded to streamlining business tasks, improving customer service, and other areas. In 2019, Glory's facial recognition system was deployed for the 'Shibuya Bookstore Shoplifting Countermeasure Joint Project,' which was carried out at three bookstores in Tokyo's Shibuya district. In December 2020, results were announced showing that losses from shoplifting had been reduced. In 2019, we also developed skeleton-recognition technology that recognizes human skeletal frames and detects postures and positions. We are leveraging this technology to develop a system that detects when a user falls in a nursing home, and are strengthening our efforts to address the nursing care market.

■ DMP business



Assembly line for coin and banknote recyclers for cashiers (Saitama Factory)

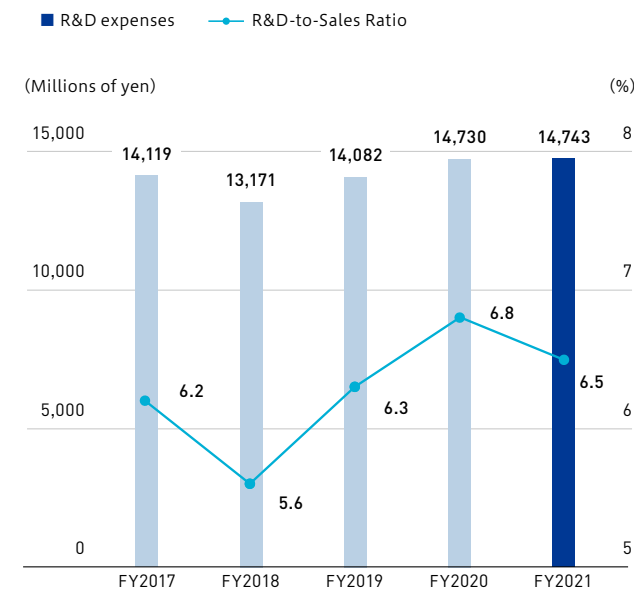


Detects falls using skeletal recognition technology and 3D cameras

R&D System That Supports Technical Innovations

It is our basic R&D policy to thoroughly engage in core recognition/identification technologies. In addition, we actively pursue research related to these, such as facial recognition technology and other biometrics. As of March 31, 2022, approximately 1,400 employees, or 13% of the Group's workforce, perform R&D-related activities, ranging from involvement in basic research fields to product development and design. R&D expenses over the three years of our 2023 Medium-Term Management Plan amounted to ¥45.0 billion. In the first year of the 2023 Medium-Term Management Plan, ¥14.7 billion is set aside for R&D activities.

■ R&D Expenses/R&D-to-Sales Ratio



Intellectual Property Strategy

Basic policy on intellectual property activities

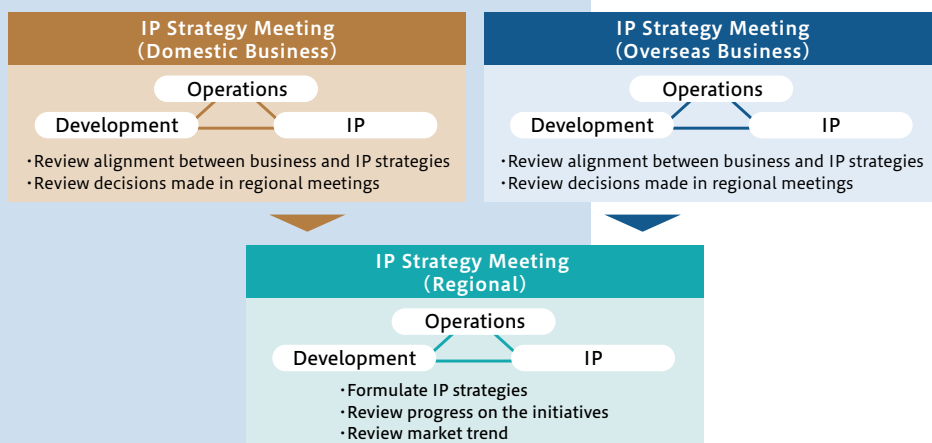
The Glory Group pursues intellectual property (IP) activities in line with its business strategy to maintain a competitive edge on its competitors. Our basic policy is to 'Implement IP initiatives to enable future business profits.' Under this policy, we strive to develop inventions and acquire IP rights in Japan and overseas. At the same time, we work to avoid IP disputes and other risks by investigating the patents of other companies. Through utilizing IP rights, we are enhancing the brand value of the Group.

Our 2023 Medium-Term Management Plan sets forth the concept of 'Core and new businesses powering growth together.' With this in mind, we are advancing IP initiatives with a view to expanding our presence in new business domain while protecting our core technologies.

Framework to promote our IP strategy

We have set up the IP Strategy Conference whereby our business divisions and the Intellectual Property Department work together to ensure the smooth implementation of measures based on our IP strategy.

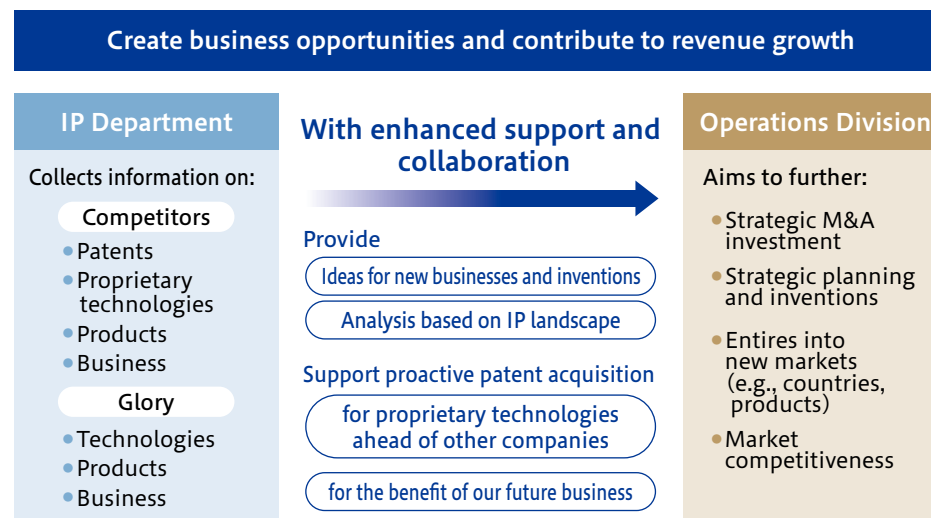
To facilitate effective Group-wide IP activities, the Intellectual Property Department centrally manages the IP rights of all Group companies and supervises overall IP activities. In cooperation with Group companies, the Intellectual Property Department obtains information on market trends and customer needs to be utilized for patent applications.



IP activities contributing to business

We engage in IP landscaping, which means conducting research and analysis on internal and external IP information as well as market and company information. Based on the IP landscaping, the Intellectual Property Department works together with the operations divisions to help create business opportunities, thereby contributing to revenue growth. For example, we share our analysis of technological trends and the like with our management and development departments based on publicly available data, such as information on other companies' patents.

When considering M&As or alliances with other companies, the Intellectual Property Department participates on project teams to conduct due diligence, and researches and analyzes market data and information on competitors' patents and identifies any patents owned by the potential acquisition or alliance partners or infringements of other companies' rights. By providing this information, we present our views from an IP perspective to assist with the decision-making of the projects.



Strategic IP Activities

- Protect proprietary technologies and secure superiority in core business
- Eliminate risks and secure superiority in new businesses
- Utilize IP landscaping
- Develop human resources to improve IP expertise
- Enhance the reward system to raise the motivation to create inventions

Number of Glory's registered patents/ utility models/ designs	Japan	1,085	(as of March 31, 2022)
	Overseas	1,057	
	Total	2,142	

Create Innovation (Value)

Create new automation and
labor-saving solutions
based on core technologies

Develop solutions tailored to
people's lifestyles, social issues,
and market needs

Seize a high share of
markets with Glory's
superior products

We enable
a confident
world

Strengthening the Group's IP capabilities

We conduct training on IP awareness for members of the Group's product planning and development departments. Also, within the Intellectual Property Department, we are working to enhance our expertise in IP areas.

To motivate employees to create new inventions, we are enhancing our Invention Reward System, which pays rewards for outstanding inventions that have contributed to our business.

Deploying IP rights to strengthen market competitiveness

Acquiring IP rights for the Group's proprietary technologies and ideas for future businesses at an early stage enables us to protect our proprietary technologies and secure a business advantage over other companies.

In new businesses, the Intellectual Property Department participates from the project planning stage to eliminate the risk of disputes as well as to file patent applications at the PoC stage, aiming for a superior position in the market.

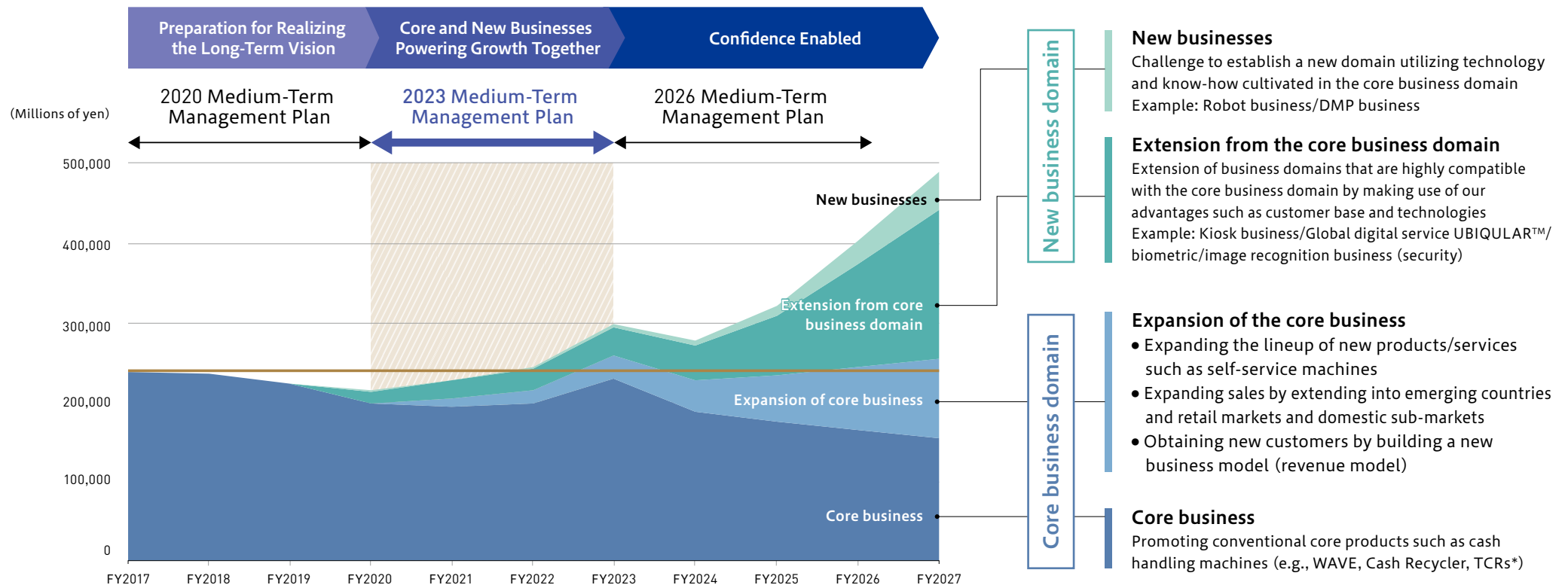
To expand our presence in new business domain, we are building a patent portfolio that is linked to our business strategy, and we have designated patents of particular importance as strategic patents. We aim to increase the ratio of strategic patents to all patent applications by 10 percentage points in fiscal 2023 (compared with fiscal 2020).

Long-Range Vision and Past Medium-Term Management Plan

Long-Range Vision 2018				Create new value through 'superb manufacturing technique,' pursue dreams for the future Seek sustained corporate growth together with society through CSR activities				Long-Term Vision 2028				We Enable a Confident World			
2014 Medium-Term Management Plan (FY2012–FY2014)								2017 Medium-Term Management Plan (FY2015–FY2017)							
Implement a growth strategy and strengthen profitability to achieve the Long-Range Vision 2018 Operating margin of 10% or higher								Realize business growth through 'superb customer-oriented manufacturing' and enhance profitability to achieve the Long-Range Vision 2018							
Positioning								Continuing with the strategy for the 2014 Medium-Term Management Plan, we endeavored to expand the overseas business							
Strategy overview								Preparation for realizing the long-term vision							
[Business Strategy] ● Domestic business: ● Expand profits in each domestic business segment ● Strengthen sales support capabilities and improve employee education schemes ● Create core products for the next generation ● Introduce new products and capture untapped markets through deeper market penetration ● Overseas business: ● Realize synergies from 'One GLORY' ● Pursue global marketing of GLORY products utilizing the direct sales and service network ● New businesses: ● Expand electronic payment services and other new businesses ● Promote commercialization of biometric authentication technology and conversation privacy protection technology [Constitutional Strategy] ● Product development strategy, Production and procurement strategy, and Quality assurance strategy [Corporate Management Strategy] ● Group structure, Personnel strategy, Capital and financial strategy, Fostering of the Group corporate culture								[Business Strategy] ● Enhance profitability by expanding business size/area ● Domestic business: ● Strengthen the sales force ● Expand business by enhancing the ability to meet market needs ● Overseas business: ● Execute region-specific strategies based on exhaustive market analysis ● Expand direct sales/maintenance network aiming for revenue growth ● Explore and promote new businesses leveraging technologies accumulated in the domestic market [Constitutional Strategy] ● Provide timely products and services meeting market needs ● Product development strategy, Production/procurement strategy, and Quality assurance strategy [Corporate Management Strategy] ● Reinforce the Group's management structure ● Group governance strategy, Human resources strategy, Capital/financing strategy, and Information system strategy							
Outcomes								While achieving large-scale orders (Coin and banknote recyclers for tellers, Coin and banknote recyclers for cashiers) and rolling out services that monitor the operating status of equipment, we were unable to foster any new pillar of profitability and did not achieve our target in Japan. Overseas, as a result of focusing efforts on expanding into retail markets, net sales grew roughly fourfold (compared with fiscal 2014), and following financial markets grew into a second pillar for profit. Although by region the United States and Europe showed firm growth, escalating cost competition in emerging markets and OEM impacted expansion. Utilizing in-house-developed production technology, the Company was able to launch a new businesses, the robot system integration business. However, we were unable to generate any other promising new ventures. With regard to functionality, we focused on building a global development system and production framework with the Glory Global Solutions group including upgrading plant facilities in the Philippines and establishing a logistics base in Europe. Moreover, we introduced a global information platform and improved our domestic information network.							
Issues								● Targets not met for net sales, overseas sales ratio, and ROE goals, we fell short of our operating margin target. ● Addressed the need to create products that will become new mainstay items in Japan ● Addressed the need to strengthen our overseas sales structure by region; addressed global development, quality assurance, and other aspects in terms of function							
KPIs								KPIs							
Performance Targets								Performance Targets							
Management target								Management target							
Results								Results							
Results								Results							

Long-Term Vision 2028 Growth

We intend to promote coordination between core and new business domain to accelerate the growth of both businesses to ‘enable a confident world.’ For the core business, we aim to expand the market scale for our existing core business, grow the customer base, and upgrade and expand the lineup of self-service machines. For the new businesses, as a growth strategy, we aim to expand the scale of our business by extending beyond our core business domain to activities that have a high affinity with our core business.



* Figures for FY2024 and beyond are projections.

TCRs (Teller Cash Recyclers): A banknote recycler

2023 Medium-Term Management Plan (FY2021–FY2023)

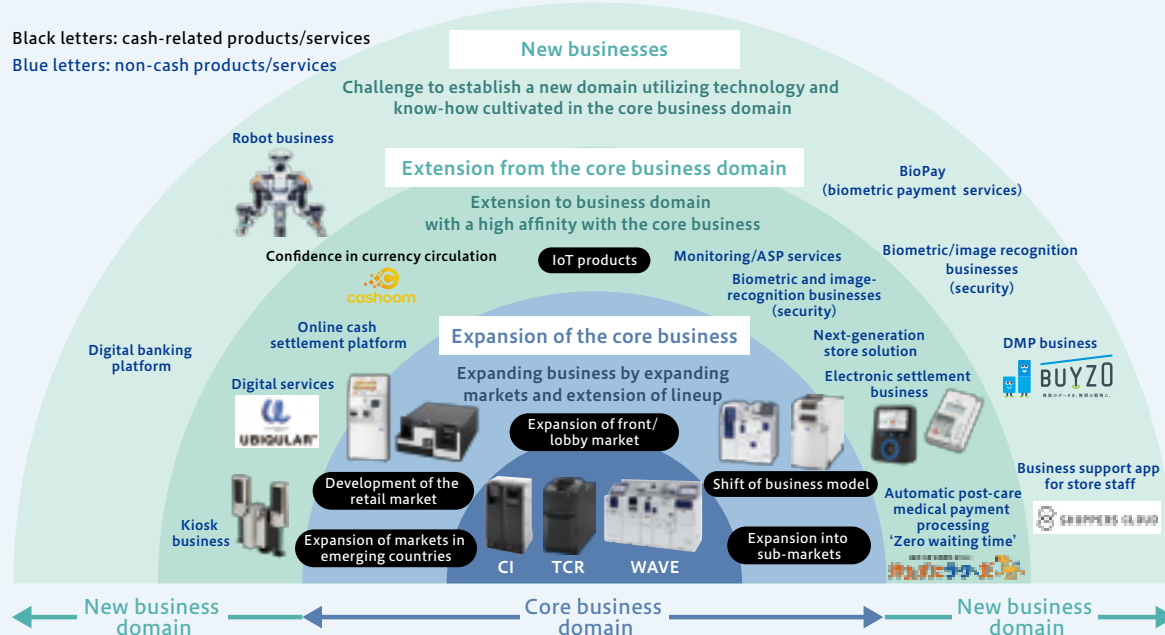
Core and New Businesses Powering Growth Together

The Group is promoting the 2023 Medium-Term Management Plan, which covers the three-year period from April 2021. The Group positions the plan as an intermediate step toward realizing its Long-Term Vision 2028: 'We enable a confident world.' Under this plan, we aim to achieve sustainable growth by combining our core business centered on cash handling machines with new businesses to be realized by combining our accumulated technology and expertise with AI, DX, and other advanced technologies.

The Direction of Growth Strategies

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

Black letters: cash-related products/services
Blue letters: non-cash products/services



Basic Policy and Performance Targets

Concept Core and new businesses powering growth together

Basic Policy

Business Strategy	• Accelerate business growth to develop the next generation
Management Base	• Maximize core business profits by innovation • Establish a 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)

Net sales	Operating income	ROE	Operating margin
¥300.0billion	Before amortization of goodwill ¥35.0billion	Before amortization of goodwill 12.0% or more	10.0%
New business domain ¥40.0billion	After amortization of goodwill ¥30.0billion	After amortization of goodwill 9.5% or more	

Investment Plan

Strategic investment in core and new business domain (including M&A)

(Billions of yen)	2020 Medium-Term Management Plan	2023 Medium-Term Management Plan	Strategic investment (3-year total) ¥45 billion
	45.5	45.0	2020 Medium-Term Management Plan results 3-year investment ¥45.5 billion



Capital expenditure plan

(Billions of yen)	2020 Medium-Term Management Plan	2023 Medium-Term Management Plan	Strategic investment (3-year total) ¥30 billion
	28.7	30.0	2020 Medium-Term Management Plan results 3-year capital expenditure ¥28.7 billion

Development investment plan


(Billions of yen)	2020 Medium-Term Management Plan	2023 Medium-Term Management Plan	Strategic investment (3-year total) ¥45 billion
	41.9	45.0	2020 Medium-Term Management Plan results 3-year R&D expenses ¥41.9 billion

Key Initiatives

	Basic policy	Key initiatives	Main products/services
Business Strategy	I Accelerate business growth to develop the next generation	<ul style="list-style-type: none"> Expand business domains having a high affinity with the core business domain (self-service kiosks, DMP*1/electronic settlement services, etc.) Improve profits in the biometric/image recognition and robot businesses by utilizing domestic business sales channels 	 Self-service kiosks
	II Maximize core business profits through innovation	<ul style="list-style-type: none"> Provide product/service lines that cater to the need for contact-free, self-service devices Release the latest-model products, including teller cash recyclers (TCRs*2) and coin and banknote recyclers for cashiers Seize replacement demand to coincide with the issuance of new banknotes in Japan P.15 Technology Foundation 	 Open teller systems Coin and banknote recyclers for cashiers GLR-series CI-series
Management Base	III Establish a management base to support sustainable growth	<ul style="list-style-type: none"> Enhance cash-generating ability to support growth investment and ensure shareholder returns Promote DX for speedy management decisions through such measures as introducing a new ERP system Improve employee engagement P.43 Human Resources 	

*1 DMP (Data Management Platform): A platform to utilize the AI beacon of AdInte, with which we have a capital and business alliance, to conjugate, divide, and normalize various internal and external data, and preserve and manage it

*2 TCRs (Teller Cash Recyclers): A banknote recycler

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% (compared with FY2013) to contribute to a decarbonized society P.39 Addressing Climate Change Respect human rights and diversity Strengthen corporate governance


Strategies by Business

Overseas Business Strategies

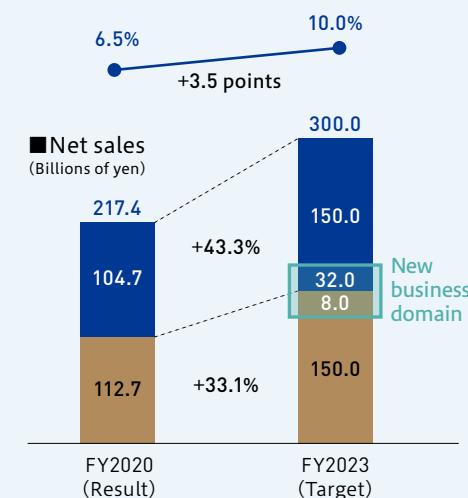
	Market	Key initiatives
Core business domain	Retail	<ul style="list-style-type: none"> Expand sales of coin and banknote recyclers for cashiers capturing needs for self-service machines Enhance global expansion of back office products Boost CI series sales through integration with kiosks and digital services (UBIQULAR™)
	Financial	<ul style="list-style-type: none"> Expand sales of the latest model of TCRs Strengthen sales of self-service products/services (G200 series, TellerInfinity™, etc.)
New 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 solutions using a cloud service (UBIQULAR™)

Domestic Business Strategies

	Segment	Key initiatives
Core business domain	Common	Respond to the issuance of new banknotes <ul style="list-style-type: none"> 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
	Retail and 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
New business domain		DMP business: By combining IoT products and DMP, support promotion of DX at financial institutions, retailers, restaurants, etc.
		Electronic settlement business: Expand sales of the settlement fee business and automatic post-care medical payment processing
		Biometric/image recognition business: Expand into new domains (healthcare, long-term care, railway, logistics, etc.) that utilize biometric/image recognition technology
		Robot business: Provide total solutions by tapping into the customer base gained through the core business

■ Overseas business
■ Domestic business

Operating margin



Overseas Business

In fiscal 2021, the first year of our 2023 Medium-Term Management Plan, we expanded our core cash handling machine business and accelerated our entry into the 'around cash' and non-cash areas, identified as new business domain.

In fiscal 2021, the first year of our 2023 Medium-Term Management Plan, we expanded our core cash handling machine business and accelerated our entry into the 'around cash' and non-cash areas, identified as new business domain.

In the financial market, sales of teller cash recyclers (TCRs) increased thanks to solid replacement demand in Europe and the United States. In the retail market, sales of self-service coin and banknote recyclers for cashiers and coin and banknote recyclers for back offices were strong, reflecting a growing need for contact-free and self-service solutions in the wake of COVID-19. In new business areas, Acrelec Group S.A.S., which operates a self-service kiosk-related business, and UBIQULAR™, a global digital service that began full-scale operation in the year under review, both performed well.

As a result, we achieved our fiscal 2021 targets for both sales and operating income in the overseas market. Indeed, sales in the overseas market reached a record-high level, surpassing domestic sales for the first time. This was despite product shipment delays caused by difficulties in procuring semiconductors and other parts. In fiscal 2022, we face uncertain business conditions due to soaring materials prices and logistics disruptions, in addition to difficulties in procuring semiconductors and other parts. Nevertheless, we will engage the customer base we have built to date and pursue initiatives in new business areas while seeking synergies with our core business, with the aim of achieving further growth.

01 Business Environment

COVID-19 has significantly advanced the global shift to a 'less-cash' society. The impact of this trend, however, differs from region to region. While financial institutions in the United States and Europe are streamlining their branch networks in the push toward increased efficiency, the number of branches and ATMs is expanding in emerging countries. Taking into consideration health and hygiene concerns based on efforts to prevent further infection, retail markets are placing increased emphasis on rigorous cash management and the growing need for automated as well as contact-free and self-service capabilities (non-contact cash processing by store staff).

Recently, we have witnessed an upswing in start-ups handling non-cash transactions. We believe that collaborating with these companies to provide both cash and non-cash payment environments will lead to greater convenience for users and a host of business opportunities.



Member of the Board
Senior Managing Executive Officer
Head of International Business

Akihiro Harada

02 Overseas Business Strengths/Pending Issues

The source of our competitiveness is our world-class product quality and our global direct sales and maintenance network. TCRs, our mainstay products in the financial market, have built a strong position in the global market, and their high-quality craftsmanship and excellent reliability are also major strengths in the expanding retail market. In both the financial and retail markets, we are one of the few companies in the world that can provide not only products and solutions but also maintenance services on a global basis, which gives us a competitive advantage in our overseas business.

Meanwhile, some issues remain to be addressed. First is the difficulty we face in procuring semiconductors and other parts, which is causing delays in production and sales. In response, the entire company is working to expand procurement sources and make design changes so that products and services can be delivered to customers in a timely manner. Our next important issue is the need to attract system engineers (SEs) to help us increase sales of system products and solutions. To strengthen our software development system, in April 2022 we established the DX Technology Development Department under the Development & Quality Assurance Office of the International Business Company. We are also looking at ways to attract SEs on a global basis, rather than limiting recruitment to Japan.

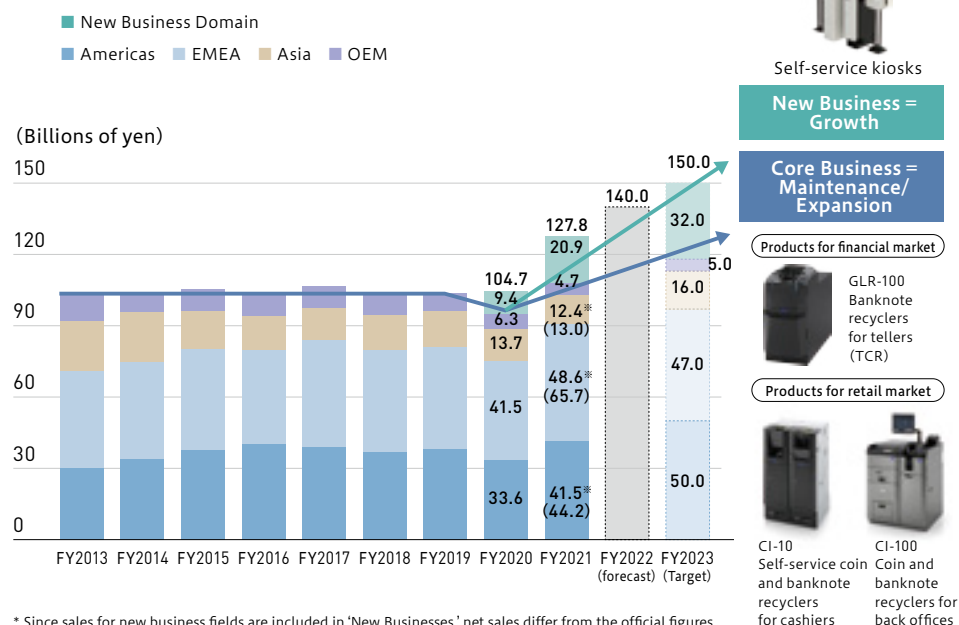
03 Creating New Value in the Overseas Market

In our overseas business, our basic policy is to further expand our core business while leveraging our customer base to develop new businesses.

We believe that financial markets have matured to some extent in Europe and the United States, although there is room for growth in emerging markets. In the retail market, by contrast, our business is steadily expanding in Europe and the United States, and we anticipate growth in Asia in the future. In terms of sales, the retail market has grown to become a mainstay of our business along with the financial market. We will continue reinforcing our retail business as a pillar of our overseas operations with the aim of its expansion growing our overall core business.

In new business domain, we will allocate greater resources to 'around cash' areas and accelerate the launch of new businesses. With respect to innovation-related investments in non-cash areas, we will narrow our focus on specific themes and step up our investment efforts.

■ Sales by Geographical Segment



Core Business Strategies

Accelerate sales in the Americas by further expanding our sales and maintenance network

Financial Market

We expect financial institutions to pursue further automation and self-service solutions in order to improve management and operational efficiency.

In response, we will continue stepping up sales of self-service products, centered on TCRs and lobby self-service products, to financial institutions in both Europe and the United States that are involved in branch transformation programs to streamline their operations, as well as Asia and other emerging countries where institutions are adopting automation to achieve greater operational efficiency.



Image of store with lobby self-service products

Retail Market

Major retailers with global store networks require installation and maintenance of coin and banknote recyclers for cashiers and TCRs in each country where they operate. The Glory Group has a worldwide direct sales and maintenance network, enabling it to provide reliable products and services in any country. For major retailers, we also take a proactive sales approach to the headquarters that controls the individual stores. Since many of these global retailers have headquarters in the United States, the Americas is an important region for the retail market. With this in mind, in December 2021 we acquired Revolution Retail Systems, LLC, which has a strong customer base and an extensive sales and maintenance network in North America. The acquisition will enable us to accelerate the introduction of retail products in the Americas.



New Business Domain Strategies

Leverage the customer bases of the core business to create businesses that will drive our next stage of growth

Acrelec Group, a French company we acquired in 2020, operates a self-service kiosk business that integrates product development, manufacturing, sales, and maintenance services. Its business is growing steadily, and we plan to leverage the customer bases of both Acrelec and Glory Group companies to step up cross-selling of self-service kiosks and self-service coin and banknote recyclers for cashiers.

Support business operations in the food and beverage industry by a rewarding customer experience through Acrelec Omni-Channel



As part of our efforts in 'around cash' areas, in August 2021 we made an investment in U.K.-based OneBanks Hub, a start-up company that provides shared services for bank branch operations. In recent years, the concept of 'financial inclusion,' where everyone can access financial services without being left behind, has been spreading worldwide. By establishing shared-service functions in retail stores, we aim to improve user convenience and help achieve the 'financial inclusion' concept. In the future, we will look to expand this business beyond the United Kingdom to other regions around the world.

In November 2021, we launched UBIQULAR™, a global digital service that uses IoT-enabled cash handling machines to support remote monitoring and store DX. UBIQULAR™ employs cloud-based software to connect the machines to the Internet, enabling the operating status and cash inventory of each machine to be monitored. The collected data can also be analyzed and utilized to help optimize store operations.

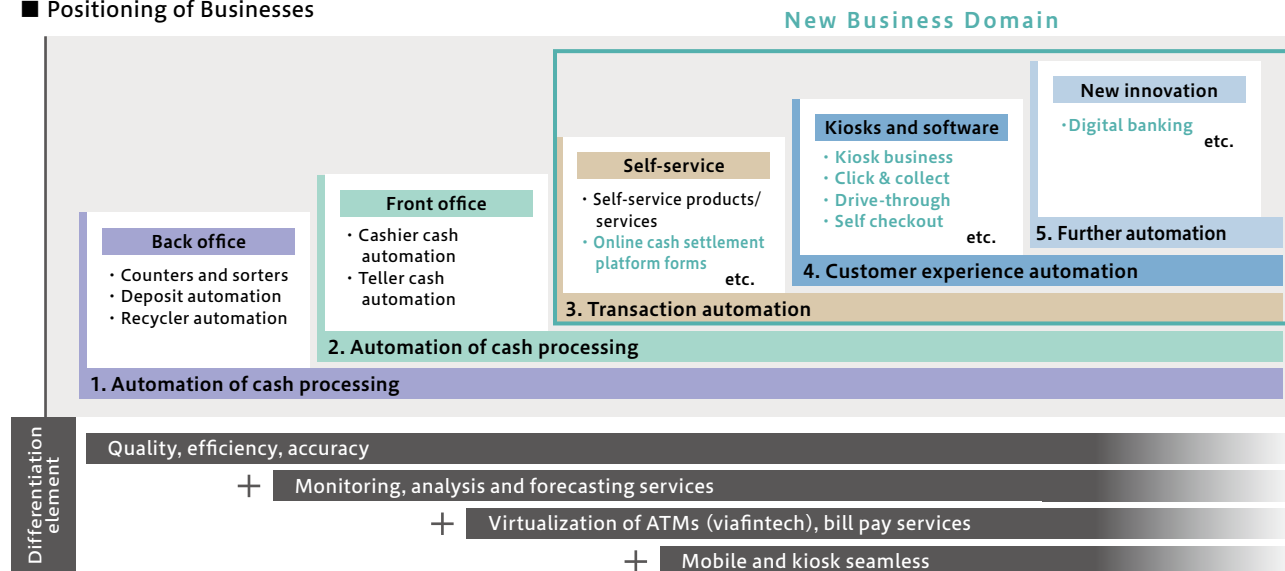


Image of OneBanks Hub

In non-cash areas, we are currently conducting proof of concept (PoC), having narrowed our focus to three initiatives related to retail store automation. Those initiatives are Zugvogel (a brand of food vending machines we are promoting in Germany), High Value Vending (high-priced product management/sales kiosks we are promoting in Germany and Australia), and unmanned payment stores (being rolled out in Europe and Singapore). Since all three enable 24/7 operation, they represent a sales format that meets the needs of today's retail market. Accordingly, we will concentrate our resources on these initiatives.

In new business domain, we will focus on areas where we can leverage our existing business infrastructure while continuing to sow the seeds for the future.

Positioning of Businesses



AMERICAS

Chris T. Reagan

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



Financial Results; Key Management Topics

While the last 24 months have been challenging for everyone and the impact of the Covid-19 pandemic continues to present headwinds with ongoing cost increases and logistic disruptions, we still managed to deliver solid results in fiscal 2021. Our product order intake for the year was a record high and ended up 175% that of the prior year. Based on excellent sales efforts, we enter fiscal 2022 with the largest product backlog in our history by more than 25%. The demand for our products and services is at an all-time high and stretches across all market segments (Financial, Retail, Gaming and Partners). This positions us well for continued growth.

Glory Group Synergies

Three of the main objectives of our long-term plan are to 1) grow our presence in the retail market sector, 2) continue to grow our service delivery capabilities, and 3) increase our digital services capabilities. Based on these objectives, in fiscal 2021 we purchased Revolution Retail Systems.

Revolution helps us achieve each of these three objectives. It has a blue-chip customer base and an excellent service delivery capability with more than 1,000 certified, trained field technicians. Lastly, it has a modern, well-developed digital services platform that Glory will be able to utilize to speed up our digital transformation.

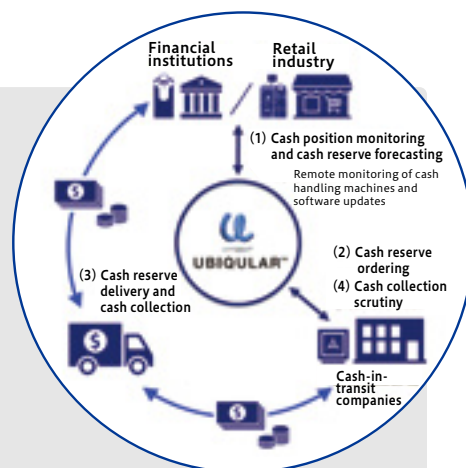
By maximizing these three key areas, we anticipate that our overall growth will accelerate.

Maintenance Services Strategy

Our maintenance services business is an important part of our operation that generates stable income. With the addition of the retail market to the financial market, which has been our mainstay market to date, our maintenance services business is expanding in scale. Retail stores are open for more business days and longer business hours than financial institutions, and some stores require 24/7 services. Going forward, we will leverage our global direct maintenance network and increase profitability through a variety of measures. These include expanding after-hours support and other maintenance systems and providing predictive maintenance services at appropriate times through remote monitoring using UBIQULAR™.

Global digital service using IoT technology: UBIQULAR™

This service remotely monitors cash handling machines and supports the optimal operation of stores. Via the cloud, it remotely monitors the operational status and cash position of various machines, including GLR-100 teller cash recyclers (TCRs) for financial institutions and the CASHINFINITY™ series of cash management systems for retail stores, and analyzes the data thus obtained. Based on such analysis, it predicts and arranges the optimal timing for cash collection and delivery of cash reserves, thereby helping our customers reduce their cash management costs.



Vincent Nakache

Senior Executive Officer, GLORY LTD.
President, EMEA,
Glory Global Solutions (France) S.A.S.



Financial Results; Key Management Topics

I am immensely proud on behalf of the team to report that the EMEA region delivered above our budget. The market conditions have been challenging, with cash usage still impacted by the Covid pandemic and the supply issues we are seeing all over the world. It is testament to the creativity, dedication and resilience of the team that we delivered a highly successful year. Our 'contactless cash' messaging has resonated well with the market, and we have combated well the threat to cash usage. The core FI business has continued to do well despite branch closures accelerating, and in retail, which is our core area of revenue growth, we have been remarkably successful at both the back office, but more so lately in front office with some significant deployments across a range of countries.

The large discount retailers continue to rollout and are adding more countries to their deployment schedules. New complementary areas such as SCO are extremely exciting for us, and the CI front office portfolio is incredibly well positioned here with a market leading reputation. Customers continue to value not only the Glory quality but also the Glory service that is delivered each and every day. We have developed specific new areas of professional services that allow us to integrate more quickly and smoothly and transform pilots into rollouts faster. Customers recognize our capability and expertise and value the total solutions supplied by Glory.

Glory Group Synergies

The recent investments made by Glory Ltd initially with Acrelec and then OneBanks, are great indicators for employees and customers alike about our commitment to continue to innovate and extend our solutions to ensure we continue to meet our customers' needs.

The kiosk market is exciting and diverse, and we are well-positioned with Self-Checkout (SCO). The CI front-office portfolio has been installed in SCO locations across a range of important customers, and with many proofs of concept (PoCs) under way we have many exciting seeding projects that will soon come to fruition. OneBanks is also an exciting investment, and is a significant demonstration of Glory's commitment to ensuring that community access to cash remains possible. With the continued branch closures we are seeing across all geographies, the shared banking concept is filling the gaps left in many communities and we are proud to be a part of that.

Ben Thorpe

Executive Officer, GLORY LTD.
President, Asia Pacific,
Glory Global Solutions (Singapore) Pte Ltd



Financial Results; Key Management Topics

While we did not achieve the budget in fiscal 2021, we were glad to see growth from the previous difficult year. Fiscal 2021 was a challenging year as frequent lockdowns causing significant business disruption, but we were still able to introduce new bank recycling technology to banks in Hong Kong, India, Indonesia, Malaysia, Vietnam, the Philippines, and Singapore while also rolling out retail recycling solutions on a large scale in Australia.

Our service teams were significantly constrained by the COVID situation across the region but performed incredibly well to support customers safely and at the highest standards, thereby growing the business year on year.

Glory Group Synergies

We have had success expanding our business with retail clients across the region while adding more digital services from the UBIQUAR™, including new treasury management service in New Zealand. We have also been working to expand our sales with Acrelec solutions in the retail market, which has generated interest in the current fiscal year. Our software team has grown in size and skill and is taking on more projects with local customers to help customize solutions for the so-called last mile.

Support business operations in the food and beverage industry by a rewarding customer experience through Acrelec Omni-Channel



Mr. Jacques Mangeot
CEO, Acrelec Group S.A.S.



Mr. Jalel Souissi
CEO, Acrelec Group S.A.S.

Market Environment and Trends

Kiosk terminals are becoming more commoditized, especially in the Food & Beverage industry.

We need to promote the software business within the overall mix, while using hardware to enable the innovative features of Acrelec's software to ensure a rewarding customer experience through Acrelec Omni-Channel. Acrelec is investing in software and services.

Products and Service

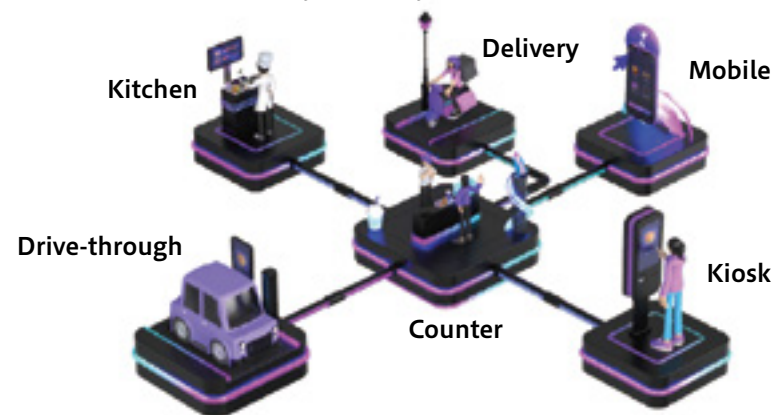
Our customers and society are facing major labor issues (e.g., a shortage of workers and lack of skills). They are also encouraged to customize solutions and become more customer-oriented.

In addition, technology is becoming increasingly advanced and complex, limiting the ability of store staff to stay focused and improve their technical skills.

Self-service kiosks offer a solution to these issues and paved the way for our success in the kiosk business. As AI-driven automation becomes more mainstream, Acrelec will deploy its advanced technologies to provide unparalleled satisfaction to customers based on its omni-channel approach, which addresses customer needs efficiently and in real time.

■ Acrelec Omni-Channel

Customers can order from anywhere, anytime



Our Strengths

Our way of doing business is to share our competence and resources with our customers. Customers love our innovations. Therefore, our primary values are proximity and agility.

We are enthusiastic about helping customers address their business challenges. Our agility allows us to be innovative. We have skilled engineers who can execute quickly.

Innovation means solving customers' problems. This is only possible if we are close enough to the customer to understand their concerns and have the capability (agility and competence) to solve their problems with our hardware/software/service technologies.

Creating Synergies

We have a particularly good relationship with Glory. The challenge we have is a different culture. Glory is a product company that is centrally managed.

Acrelec is a project company managed by its customers, so it is decentralized to give the customer proximity that is essential to that service. Currently, our focus is on common shared services, using the Glory hardware service where we can, and with Glory helping on the buildout of digital services to support the Acrelec software technologies.

Together, we are finding and seeding new segments beyond Food & Beverage.

Future Roles

Acrelec intends to become the No. 1 solution provider in the Quick Service Restaurant segment and a key player in Food & Beverage technologies and, along with Glory, to be a key actor in the self-service retail segment.

Domestic Business

In our domestic business, we are leveraging our customer base to create added value and expand our business domains based on the concept of 'Core and new businesses powering growth together' as set forth in the 2023 Medium-Term Management Plan.

In fiscal 2021, sales and operating income in the financial market declined year on year due to large-scale demand in the previous year having run its course and the completion of modification work associated with the issuance of the new ¥500 coin. In the retail and transportation market, however, we reported an increase in sales of self-service coin and banknote recyclers for cashiers in response to growing demand for contact-free and self-service solutions in the wake of COVID-19. In the DMP (Data Management Platform) business, positioned as a new business domain, we made solid progress in areas with high affinity to our core business, with the launch of the BUYZO data utilization service for retail stores and restaurants.

In fiscal 2022, we anticipate that the need for contact-free and self-service solutions will remain strong and look forward to growing opportunities for the Group to address such need. However, we expect to face ongoing difficulty in procuring semiconductors and other parts at least through the first half of the year. Nevertheless, we will take rigorous steps to minimize the impact on our production and sales activities, and seize business opportunities. In new businesses, we will focus particular attention on expanding our data business and entering the retail media business, which involves targeted distribution of digital advertisements at retail stores. In these ways, we will deploy data utilization services to generate revenue.

With respect to the issuance of new banknotes scheduled for the first half of fiscal 2024, we will take sequential steps to capture replacement demand and undertake smooth modification work.

01 Business Environment

In the financial market, we expect ongoing branch consolidations and closures aimed at enhancing efficiency, while the shift to cashless stores and other function-specific outlets will also continue.

In the retail and transportation market, companies are introducing back office cash management solutions and coin and banknote recyclers for cashiers, especially in supermarkets, to address labor shortages and improve the efficiency of store operations. In addition, the growing need for contact-free and self-service solutions is accelerating the shift to self-service payment systems in specialty stores and restaurants.

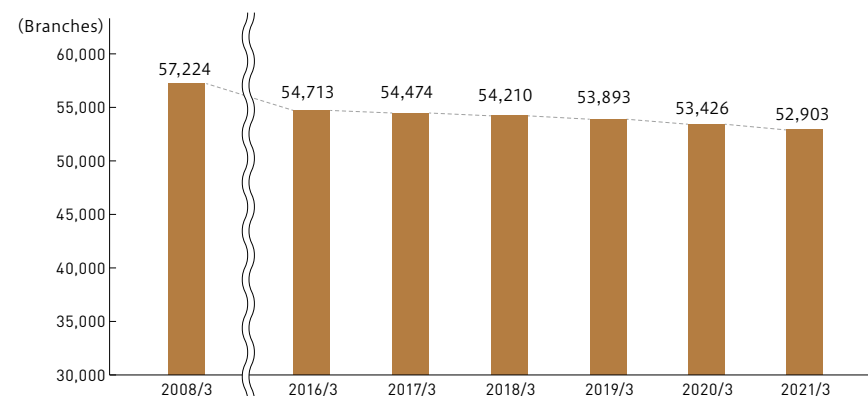


Member of the Board
Senior Managing Executive Officer
Head of Domestic Business

Hideo Onoe

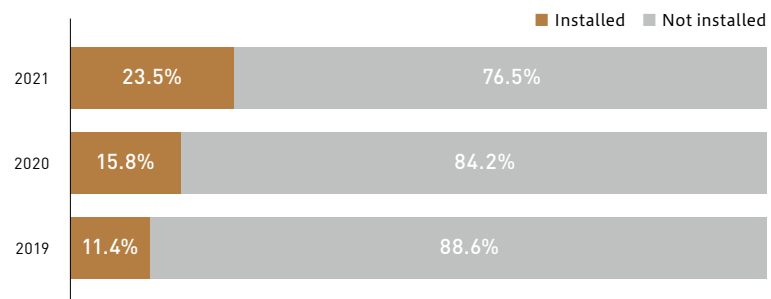
In the amusement market, business conditions for pachinko parlors remain challenging, with customer numbers declining as people refrain from going out due to COVID-19. Moreover, the switch to smart amusement machines is expected to accelerate from the end of 2022 to the beginning of 2023.

■ Number of Financial Institution Branches



Source: The Japan Financial News (Nikkei) Journal 'Financial Map 2021 Edition' special issue, etc.

■ Installation Status of Self-Checkout Systems



Source: Supermarkets in Statistics and Data (http://www.j-sosm.jp/numeral/2021_1_2_1.html)

02 Our Strengths and Challenges

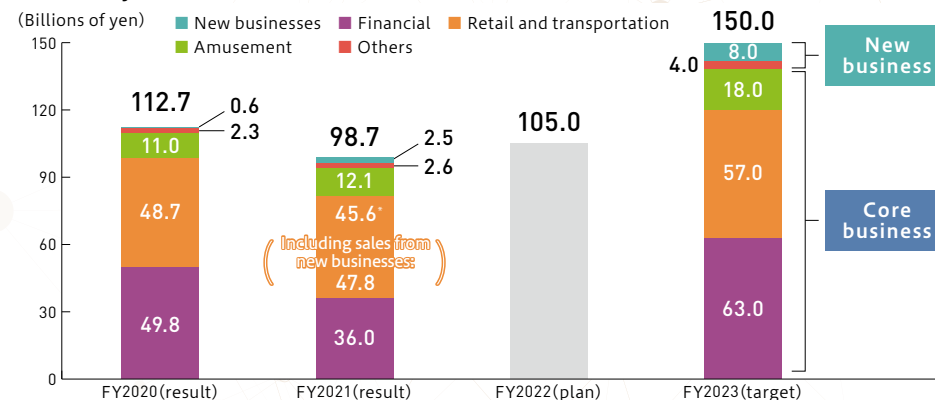
As a leading provider of products and services that support currency circulation and payments, the Glory Group boasts a high market share for many of its products. Our competitiveness stems from our broad lineup of products and services supported by unique technological solutions that reflect the times, such as the need for streamlining and labor-saving at financial institutions and contact-free self-service operations at retailers. We will continue leveraging our relationships of trust with our customers to create products and services that help solve issues faced by financial institutions and retailers.

We see the trend toward a cashless society as a new businesses opportunity. While the number of supermarkets and other stores with self-checkout systems is increasing, we also see diversification of store formats, with the emergence of stores with cashless-only payments, such as electronic money, as well as completely unmanned stores. The Glory Group will meet the needs of various customers with solutions for both cash and non-cash payment environments.

One issue we need to resolve is the difficulty in procuring electronic components and semiconductors. While the situation is expected to gradually improve from the second half of fiscal 2022, we are currently doing our utmost to minimize the impact on our production and sales activities. To enable timely deliveries to our customers, for example, we are modifying designs to include alternative parts. We are also assembling some products without hard-to-find parts and finishing them as soon as such parts become available.

03 Creating Value in the Domestic Market

■ Sales by Market



Note: In this table, sales from new businesses, originally included in sales in the retail and transportation market, is included under 'New businesses.' Accordingly, sales in the retail and transportation market differ from published figures.

Strategies for Core Business

In both the financial and retail and transportation markets, we expect the trend toward contact-free and self-service products and services to remain strong amid the need to address labor shortages and prevent the spread of infections.

For financial institutions, we are actively proposing transformative solutions that will enable branches to operate with fewer employees. These include the creation of next-generation branches with self-service products installed in lobby areas. We are studying specific measures with several financial institutions in the hope of expanding the number of next-generation branches in fiscal 2024 and beyond.

■ Self-service products installed in branch lobbies



■ Next-generation store solutions for financial institutions





For retailers and others, we are focusing on expanding sales of self-service products, such as coin and banknote recyclers for cashiers, ticket vending machines, and medical payment kiosks, to address growing demand for contact-free and self-service solutions. We are also working to develop new customer segments and expand our customer base through various initiatives. In July 2021, for example, we became the first in the industry to launch a subscription service that allows customers to operate coin and banknote recyclers for cashiers without up-front investments (Hardware as a Service). We also launched a new e-commerce site, ALMOTT, that enables customers to purchase banknote counters and ticket vending machines via the Internet.

■ Self-service products for retailers



<RT/RAD series>
Coin and banknote
recyclers for cashiers



<VT-T series>
Ticket vending
machines

■ Expansion of sales methods



POS cash register +
Coin and banknote
recycler subscription
service



E-commerce site
(ALMOTT)

In the amusement market, we see a new businesses opportunity spread of smart amusement machines which allow users to play without touching winning balls or tokens. Smart amusement machines are scheduled for market introduction in the second half of fiscal 2022, and we expect the switchover to proceed over the next five years. To coincide with this rollout of smart amusement machines, we will develop and sell adapted card systems and peripherals. We will also focus on increasing sales of products other than pachinko peripherals. These include our online-to-offline (O2O) member service, which encourages visitors of fan information sites to visit physical stores, as well as our PAPIMO paid service for players.

With respect to the new banknote issuance, we will take steps to capture demand ahead of schedule so that product replacements and modifications will not be overconcentrated on fiscal 2023. To propose accurate product replacement and modification responses for each customer, we will also develop marketing and sales strategies, while working closely with our maintenance teams in such areas as logistics, delivery, and customer support.

Strategies for New Businesses

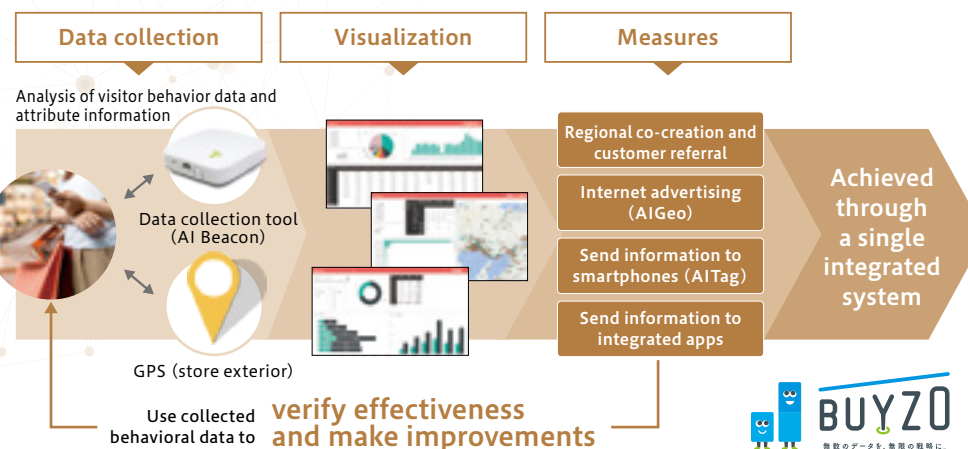
In new domains, we will focus on business development in areas that have a high affinity with our core business. In April 2022, we established a DX department dedicated to spearheading our digital transformation business and promoting the digital transformation of retailers and restaurants. Going forward, we will also strategically allocate resources to our DMP (Data Management Platform) business and establish it as a revenue generator as soon as possible.

In fiscal 2021, we deepened our alliance with AdInte Co., Ltd., which specializes in customer analysis services, and launched the BUYZO data utilization service, which supports the digital transformation of retailers and restaurants by collecting and analyzing data on customer behavior to increase the impact of marketing and promotions. To expand into the retail media business, we will utilize this service mechanism, which involves targeted distribution of digital advertisements at retail stores based on customer attribute analyses.

In December 2021, we opened a next-generation 'fruit smoothie' specialty store, The Label Fruit, in Harajuku, Tokyo, in collaboration with Showcase Gig Inc., a mobile ordering service provider. This BOPIS*-style store epitomizes our efforts to create new services that make use of data collected from smartphones.

* BOPIS (Buy Online, Pickup In Store): New shopping experience where customers order products through a mobile device and pick up their purchase from lockers located in a store.

■ BUYZO Service: Customer Behavior Visualization Tool



Visualize visitor behavior and implement data-based measures

Data Business

The key to advancing our data business is attracting talented human resources. Accordingly, we have been working to hire and train software personnel, and since fiscal 2020 we have focused on developing data scientists.

We also collaborate with external business partners through capital and business alliances aimed at swiftly creating new business domain.

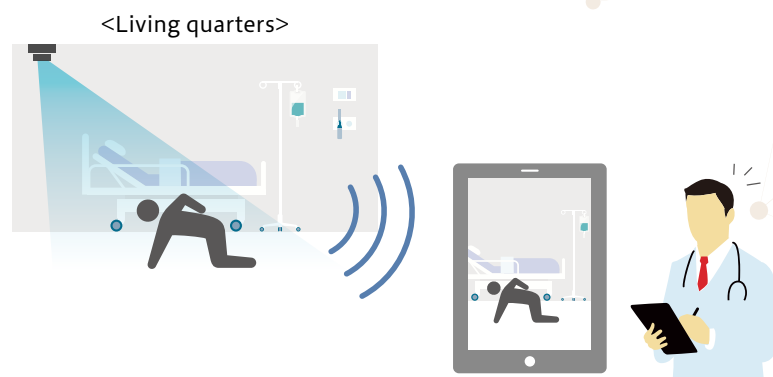
In December 2021, we increased our equity stake in AdInte Co., Ltd., and established AGIFT Co., Ltd., a joint venture funded by both companies. In addition to R&D aimed at advancing the digital transformation of retailers and restaurants, the two companies will engage in technological collaboration to strengthen human resources.

In the biometric/image recognition and robot businesses, we will select and concentrate on priority themes and target the swift generation of profits.

In biometrics and image recognition, we are expanding our solutions to encompass new fields, such as medical and nursing care. For example, in fiscal 2021 we collaborated with EcoNaviSta Co., Ltd., a provider of monitoring services for nursing and welfare facilities, to develop a 'fall detection system' using skeletal recognition technology and 3D cameras. We have already completed Proof of Concept (PoC) at several nursing care facilities and aim to commercialize the system during fiscal 2022.

■ Fall detection system

Detects falls using skeletal recognition technology and 3D cameras



In the robot business, we will concentrate our resources on system integration, mainly in the food, medical, and pharmaceutical fields.

We will also focus on services that utilize our strength in recognition and identification technology to achieve business profitability. In the medical and pharmaceutical fields, we will propose solutions for frontline processes, such as packaging, packing, and inspection, which are currently done mostly by hand. In addition, we will expand this endeavor to production lines and factories of client companies that have already placed orders with us, thereby transforming it into a profit-generating business.

■ Our robot solution strengths



End-effector development



Recognition/identification technologies



Peripheral equipment development

Capital and Financial Strategy



Senior Executive Officer
Executive General Manager,
Finance Headquarters

Yukihiro Fujikawa

Improve profitability and capital efficiency while maintaining financial soundness

Q. Can you please describe your financial achievements so far?

Looking back over the past decade, the acquisition of Talaris in 2012 was a major driving force behind the transformation of Glory's financial structure. This acquisition substantially boosted overseas sales, while allowing the Company to post significant goodwill on its balance sheet. By financing the acquisition through debt funding, Glory's interest-bearing debt increased to ¥86.2 billion. At the same time, the Company's longstanding 'A+' credit rating received from Rating & Investment Information, Inc. (R&I), fell to 'A' in 2012. Subsequently, any cash generated through business activities was used to repay debt from 2013. On this basis, we have been working to reduce the balance of loans outstanding while lowering the average interest on debt. Glory's stable results have recently underpinned the balance of cash and deposits, which we have kept at around the ¥60 billion–¥70 billion level. The nature of our business means comparatively lengthy lead times, so necessary operating funds ballooned to some ¥80 billion due to temporary increases in inventories. Covered by cash and deposits as well as short-term financing, the Company reported a positive cash balance on a net basis since the fiscal year ended March 2015 and has maintained an 'A' credit rating.

Since our acquisition of Talaris, sales have remained mostly flat at around ¥220 billion–¥230 billion. This has been mainly due to a decline in the number of branches of financial institutions, especially in Europe and the United States. In fiscal 2021, despite the impact of soaring material prices and increasing logistics cost, consolidated net sales remained mostly unchanged, at ¥226.5 billion, thanks to strong sales in the overseas market.

In terms of capital efficiency, under the 2023 Medium-Term Management Plan (April 1, 2021–March 31, 2024) we will use leverage to build a more efficient capital structure with a focus on reducing the weighted average cost of capital (WACC). Regarding ROE, one of our performance targets is to achieve ROE before amortization of goodwill of 12.0% or more and ROE after amortization of goodwill of 9.5% or more, both exceeding the assumed cost of shareholders' equity (5%–6%). In fiscal 2021, ROE before amortization of goodwill was just under 6% and ROE after amortization of goodwill was 3.3%, both lower than the assumed cost of shareholders' equity. This was due to the shortage of semiconductors and other parts, which impacted production, as well as rising material prices and supply chain issues, such as tight supply of logistics services. In our quest to improve ROE, we will engage in business portfolio management and take other measures to increase profitability.

Q. Please tell us about your business portfolio management policy.

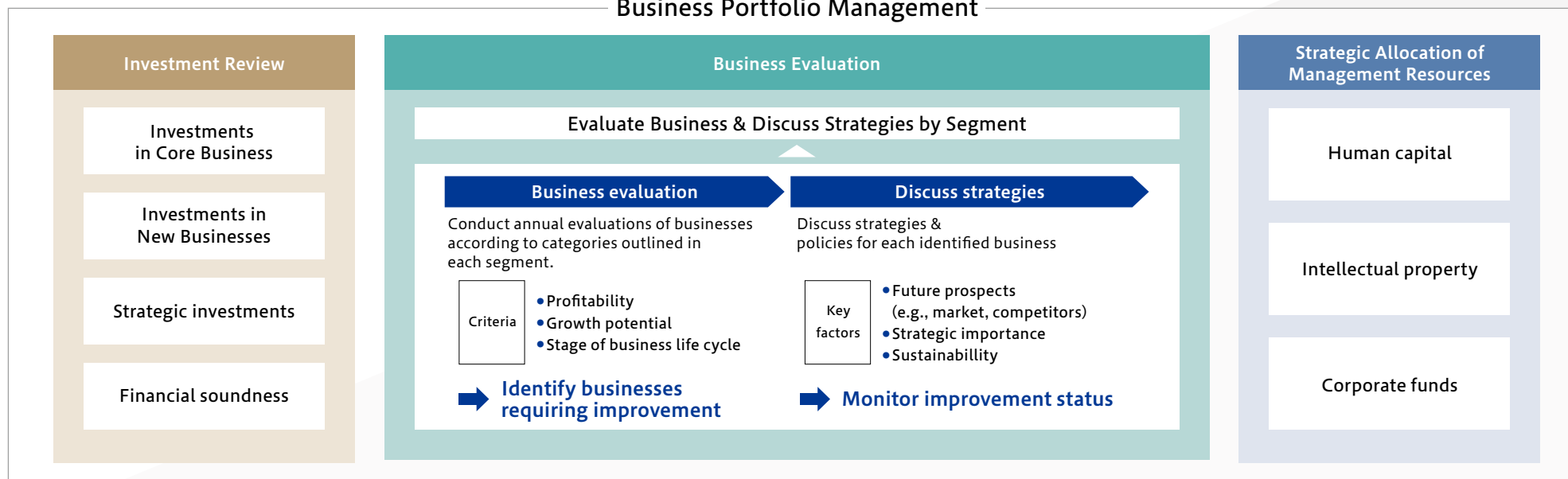
Our basic policy is to improve profitability and capital efficiency by engaging in business portfolio management, which involves three approaches: the investment review process, the business evaluation process, and management resource allocation. In the investment review process, we make decisions based on investment decision criteria for new business areas, strategic investments (such as M&As and business/capital alliances), and development investments in core business, on the condition that financial soundness is maintained. In the business evaluation process, we emphasize business restructuring and a policy of selection and concentration. In addition to evaluating each segment, we identify businesses within each segment that require close attention and evaluate them from the perspectives of profitability, growth potential, and stage of business development. If a business is deemed to require improvement, we consider various options, including strategic restructuring and business withdrawal, from the perspectives of future potential, business strategy importance, and sustainability. Through these efforts, we will optimize our business portfolio and the allocation of management resources, thereby enhancing corporate value.



**Enhance corporate value with improved profitability and capital efficiency.
(ROE to exceed cost of equity)**

■ Business Portfolio Structure

Business Portfolio Management



Handling cash management and foreign exchange risks (including overseas subsidiaries)

With the goal of streamlining financing within the Group, we introduced a cash management system (CMS) in 2020. By consolidating the surplus funds of subsidiaries in and outside Japan at the Company's headquarters, we have heightened the degree of our funding freedom. At our overseas locations, we employed this CMS to effectively utilize U.S. dollars by consolidating U.S. dollar and euro funds in Japan. This has in turn strengthened the efficiency of funds management. Potential risk, having been an issue for many years, is minimized for foreign currency gains and losses using derivatives at Glory on a non-consolidated basis. On this basis, we have eliminated the negative impact from foreign exchange fluctuations from fiscal 2018. At overseas locations, specifically Glory Global Solutions (International) Ltd. (GGSi) in the United Kingdom, risk is mitigated by formulating a potential risk management policy and clarification of hedging instruments. We will continue working with GGSi's finance team to strengthen our foreign exchange risk management on a global basis.

Basic policy on financial strategy

The Company's financial strategy reflects its basic philosophy of first securing financial soundness and then making aggressive investments for growth while providing robust shareholder returns. Under the 2023 Medium-Term Management Plan and based on maintaining an 'A' credit rating, the guidelines for financial soundness are measured as an equity ratio of 50% or more and a D/E ratio of 0.6 times or less. We position our capital policy as a balance between growth investments and shareholder returns, and although we plan to maintain a dividend payout ratio of 30% or more before amortization of goodwill, there could be situations in which it is necessary to focus our attention on investments for growth.

Capital and Financial Strategies

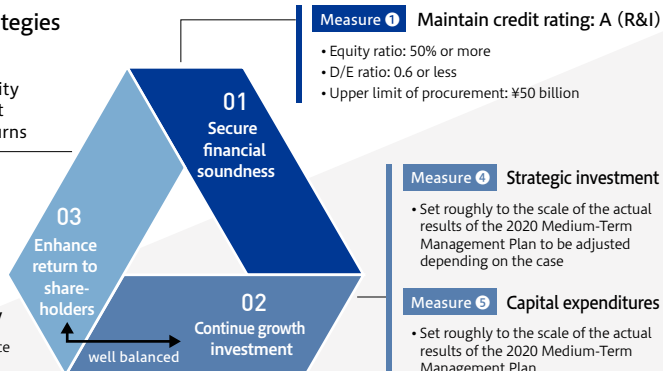
- Adoption of IFRS assumed
- Enhance cash-generating ability to support growth investment and fulfilling shareholder returns

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



Approach to resource allocation for medium- to long-term value creation

We consider the allocation of cash generated by business activities from the perspectives of investments in growth and capital investments, returning profits to shareholders and employees, and raising capital efficiency, so making proposals for such management is a mission of the utmost importance. Also, in terms of an optimal capital structure during the 2023 Medium-Term Management Plan, given the thinking that financial soundness is based on operating cash flow above roughly ¥70 billion, we will consider newly procuring funds from external sources with an upper limit of ¥50 billion, as a guide. Allocation of that cash will go to the repayment of borrowings and bond redemption (¥15 billion) and capital investment (¥30 billion), as well as strategic investment and shareholder returns (¥45 billion). We are scheduling the redemption of ¥10 billion in five-year corporate bonds in December 2023 and at that stage plan to undertake refinancing.

¥45 billion strategic investment criteria and basic policy

M&As, both in and outside of Japan, are pivotal as investments for growth. We define investment decision flows and investment standards while keeping medium- to long-term growth, including ventures at the start-up phase, within our sights. Our minimum standard is that return on invested capital (ROIC) and other monitoring indices exceed WACC levels. Based on that standard, for each project that arises, the Alliance Strategy Department in the Management Strategy Headquarters is the driving force, holding investment investigation meetings and investment councils, and making judgments on investment decisions. Key investment areas are those that lead to the expansion of our core business domain, and in addition to settlement and settlement-related areas, this is a domain that covers data management platforms when these are integrated with IT. Investment investigation meetings work to categorize acquisition candidate companies into five stages, namely seed, early, middle, later, and thereafter. Decision-making that leads to the issuance of a letter of intent (LOI) under authority of the president also ensures flexibility. The critical point for the seed and early stages is whether the candidate's business model or concept will complement the domains the Company wishes to reinforce. The middle and following stages, on the other hand, are looked at in consideration of proper discount rates in accordance with discount cash flow (DCF), while decisions are made after deliberations on suitable acquisition price, and after acquisition, considering return on investment.

Investing in intangible assets

In addition to the allocation of goodwill (purchase price allocation, or PPA) at the time of acquisition, we will allocate funds to other intangible assets such as human assets that do not appear on the balance sheet separately from strategic investments.

To develop our data business in the future, we need to expand our human resources, including IT and AI engineers. In addition to strengthening human resource development programs and hiring new graduates and mid-career workers, we will actively pursue M&As and capital/business alliances to reinforce our human resources.

Approach to shareholder return

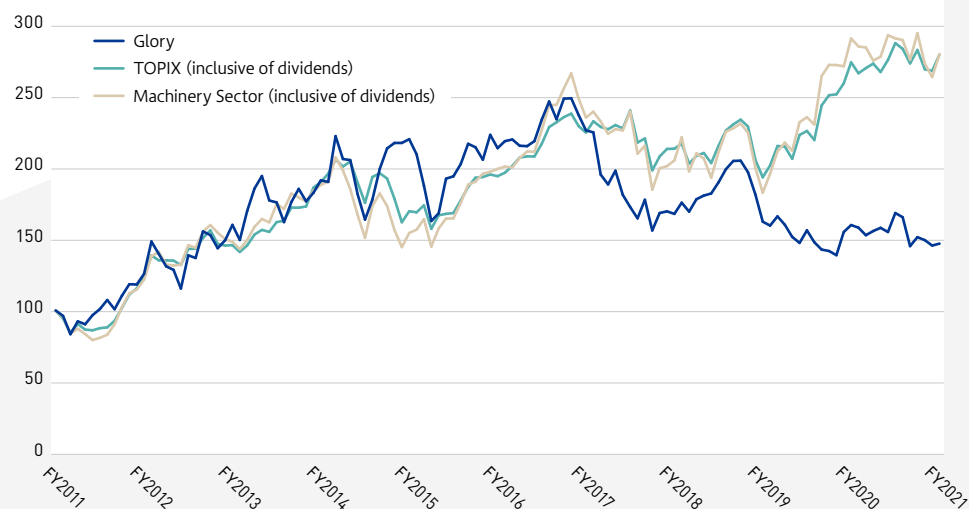
We consider the return of profits to shareholders to be an important management task and retain a policy to continue stable dividends while striving to maintain and enhance a sound financial position in preparation for future business growth. Dividend payments for the three fiscal years during the 2023 Medium-Term Management Plan period will be based on the dividend payout ratio before goodwill amortization on a consolidated basis, with a view to shifting to International Financial Reporting Standards in the future. In addition, we aim for a three fiscal year average dividend payout ratio before goodwill amortization on a consolidated basis of 30% or more. We will maintain a positive attitude toward growth investment, while improving return to shareholders within a range of financial soundness.

■ Total Shareholders' Return (TSR)

Investment period	1-year	3-year		5-year		10-year	
	Cumulative/Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Glory	-10.1%	-14.5%	-5.1%	-33.8%	-7.9%	47.9%	4.0%
TOPIX	2.0%	31.2%	4.0%	44.3%	7.6%	183.3%	11.0%
TOPIX (Machinery Sector)	-3.8%	36.7%	11.0%	40.8%	7.1%	183.7%	11.0%

Notes: 1. TSR (Total Shareholders' Return): Total return on investment including capital gains and dividends
 2. All indexes include dividends
 3. Annualization uses the geometric mean
 4. Prepared by Glory based on data from Bloomberg

■ Glory Stock Performance (10-year period)



Note: Changes in stock indexes inclusive of dividends, where the closing price data on March 31, 2012, is set to 100

Materiality That Contributes to Society

Sustainability Policy

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

The Group aims to realize a sustainable society by working to solve social issues with advanced technologies under Long-Term Vision 2028, which states 'We enable a confident world.'

Linked to non-financial KPIs

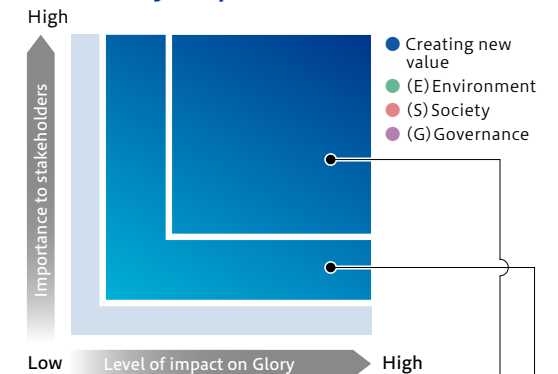
Megatrends and Risks & Opportunities

Notable social issues based on megatrends	Implications for the Company		Key related sustainability themes	2023 Medium-Term Management Plan Basic Policy
	Risks	Opportunities		
Rapid emergence of new payment mechanisms and digital currencies	<ul style="list-style-type: none"> Shrinking demand for cash handling machines with the shift to a cashless economy 	<ul style="list-style-type: none"> Increasing demand for non-cash payment-related products and services amid the shift to a less-cash society Increasing demand for new solutions that combine cash handling machines and non-cash payment solutions Expanding the fintech market 	1 5	I
Growing middle class in emerging economies	<ul style="list-style-type: none"> Impact on business due to laws and regulations of countries and regions, including rapid changes in the political and/or economic situation and protectionist trade policies Impact on business from slowing growth in emerging markets due to geopolitical risks 	<ul style="list-style-type: none"> Expanding demand for cash handling machines and non-cash payment-related products and services in emerging markets 	1 4 7 P.45 Supply Chain Management P.47 Corporate Governance	I II
Increasing speed of new technology adoption	<ul style="list-style-type: none"> Decline in competitiveness due to delays in the development of advanced technologies and their application to products and services Decline in technological competitive advantage due to new entrants Occurrence of unexpected quality issues mainly attributable to uncertainties associated with more sophisticated product and service functions Shortages and price fluctuations of parts and materials Infringement of intellectual property rights Lack of digital human resources 	<ul style="list-style-type: none"> Seizing growth opportunities by acquiring new core technologies Increasing demand for mechanization in financial institutions and retail stores due to advances in AI and robotics technologies Creating new products and services using cloud service and other network technologies 	1 3 4 5 7 P.15 Technology Foundation P.43 Human Resources P.45 Supply Chain Management	I III
Increasing global attention to social and environmental issues	<ul style="list-style-type: none"> Impact on business mainly due to extreme weather events and large-scale natural disasters Impact on business from complying with stricter international environmental regulations Impact on recruitment and retention of human resources due to an aging and declining working population 	<ul style="list-style-type: none"> Increasing demand for environmentally friendly products Increasing demand for mechanization and automation solutions amid a declining working population Increasing demand for medical and nursing care solutions that utilize recognition technology 	1 2 3 4 6 7 P.39 Addressing Climate Change P.43 Human Resources P.45 Supply Chain Management	I II III
Threats to safety and security	<ul style="list-style-type: none"> Impact on business activities mainly due to pandemics of infectious diseases Information system failures and data leaks mainly due to cyberattacks and computer virus infections 	<ul style="list-style-type: none"> Increasing demand for contact-free and self-service products and services due to changes in lifestyle Increasing demand for security-related solutions that use recognition technologies 	1 3 5 7 P.43 Human Resources P.54 Risk Management	I II III

2023 Medium-Term Management Plan Basic Policy

- I Accelerate business growth to develop the next generation
- II Maximize core business profits by innovation
- III Establish management base to support sustainable growth

Materiality Map



- 1 Promote extension from core business domain
- 1 Build and expand new business models
- 1 Promote IP (Intellectual Property) strategies
- 2 Promote businesses contributing to a carbon-free society
- 2 Develop and spread eco-friendly products contributing to a carbon-free society
- 3 Respect for human rights and diversity
- 3 Maintain a healthy and safe workplace
- 4 Further promotion of global sustainable procurement
- 5 Ensure product safety and quality
- 7 Further strengthen corporate governance

- 2 Enhance the contribution to biological diversity preservation
- 6 Stakeholder engagement
- 7 Identify and manage risks from a global perspective
- 7 Measures for corporate ethics, legal compliance, and anti-corruption

2023 Medium-Term Management Plan Non-Financial KPIs

	Key sustainability themes	Key issues	Fiscal 2023 KPIs		Fiscal 2021 results
Creating new value	① Creating new value through business	<ul style="list-style-type: none"> Promote extension from core business domain Build and expand new business models Promote IP (Intellectual Property) strategies 	<ul style="list-style-type: none"> Provide retail solutions that meet contactless and self-service needs Support the promotion of DX in restaurants and retail outlets Number of domestic patents filed/registered Number of overseas patents filed/registered 	Case studies Case studies Disclose results Disclose results	Supported retailers' promotion of self-checkout Active development of the DMP business and the kiosk business Number acquired in Japan: 1,085 cases Number of applications in Japan: 171 cases Number acquired overseas: 1,057 cases Number of applications overseas: 75 cases
Environment E	② Fostering environmental initiatives	<ul style="list-style-type: none"> Promote businesses contributing to a carbon-free society Develop and spread eco-friendly products contributing to a carbon-free society Enhance the contribution to biological diversity preservation 	<ul style="list-style-type: none"> Reduce CO₂ emissions throughout business activities Reduce CO₂ emissions in product usage Biological and botanical survey/Forest conservation activity (plant and thin out trees) 	15% reduction (compared with fiscal 2013) 20,000 tons (compared with fiscal 2013) Disclose results/ Plan achievement rate: 100%	25.9% reduction 8,499 t ・Implementation of vegetation surveys, and 18%/10-year improvement in carbon fixation amounts ・Thinning: 0.94 ha; planting (trees): 13 trees Plan achievement rate: 100%
Society S	③ Implementing human resources initiatives	<ul style="list-style-type: none"> Respect for human rights and diversity 	<ul style="list-style-type: none"> Ensure the diversity of board members Ratio of female employees at time of hire Number of female managers Number of foreign employees (including number of managers) 	Disclose results More than 25% (FY2025) 44 (FY2025) Disclose results	One female board member 15.6% 28 13
			<ul style="list-style-type: none"> Ratio of mid-career hires in management positions Increase in employment rate of people with disabilities Training on human rights* Number of consultations on human rights* *Matters related to harassment 	Disclose results Above 2.3% Attendance rate 100% Disclose results	23.1% 2.46% Attendance rate 99.8% 13 cases
			<ul style="list-style-type: none"> Understanding training costs per employee (education investment) Number of whistleblowing cases Annual actual working hours per employee 	Disclose results Disclose results Disclose results	¥48,203 28 cases 2,025 hours
		<ul style="list-style-type: none"> Maintain a healthy and safe workplace 	<ul style="list-style-type: none"> Promote health management Number of days taken paid leave per employee Lost-time injury frequency rate/severity rate 	Implement measures More than the previous year Less than the previous year	Initiatives such as prevention of and response to COVID-19 and promotion of vaccinations and the like 14 days Frequency rate: 0.52 Severity rate: 0.005
			<ul style="list-style-type: none"> Implement the voluntary checklist 	Response rate of 100%	Response rate of 100%
	④ Supply Chain Management	<ul style="list-style-type: none"> Further promotion of global sustainable procurement 	<ul style="list-style-type: none"> Number of occurrences of serious product accidents (PL)/Number of severe incidents of non-compliance with laws and regulations (product safety)/Number of PL litigations about quality 	0 cases	0 cases
Governance G	⑤ Improving customer satisfaction	<ul style="list-style-type: none"> Ensure product safety and quality 	<ul style="list-style-type: none"> Implementation rate of product safety assessment of newly developed products 	Achievement rate of 100%	100%
	⑥ Engaging stakeholders	<ul style="list-style-type: none"> Stakeholder engagement 	<ul style="list-style-type: none"> Enhance facility tours and dialogue for stakeholders 	Disclose results	Number of implementations such as meetings with investors and others: 216
	⑦ Strengthening governance	<ul style="list-style-type: none"> Further strengthen corporate governance Identify and manage risks from a global perspective Measures for corporate ethics, legal compliance, and anti-corruption 	<ul style="list-style-type: none"> Analysis and evaluation relating to effectiveness of Board of Directors Number of meetings of Board of Directors Number of serious information security incidents Information security education 	Disclose results Disclose results 0 cases Achievement rate of 100%	Implemented third-party evaluations 17 times (including temporary board of directors) 0 cases General training implementation rate 99.8%
			<ul style="list-style-type: none"> Number of serious compliance violations 	0 cases	1 case

Addressing Climate Change



Basic Policy

Glory's Environmental Policies address global warming and set forth a long-term goal to achieve carbon neutrality by 2050.

Specifically, we will work to bring our greenhouse gas emissions closer to zero and achieve carbon neutrality in our supply chains, in support of the 2050 goals agreed upon in the United Nations Framework Convention on Climate Change (Paris Agreement).

Information Disclosure Based on the TCFD Recommendations

Since November 2021, the Glory Group has been supporting the Task Force on Climate-related Financial Disclosures (TCFD). We are committed to disclosing information regarding risks and opportunities that climate change presents to our business.



► Governance

Towards carbon neutrality and sustainable society, we promote sound management practices to reduce the environmental burden in every aspect of our business activities. To ensure sound decision-making and supervision for our business execution, we have put in place the following procedure.

Climate-related issues are first dealt by the Environmental Management Committee, chaired by the executive officer who is delegated the authority and responsibility by the President for environmental management. The Environmental Committee deliberates

upon climate-related matters, of which material issues are reported to and approved by the Sustainability Committee chaired by the President. Finally, these issues are reported to the Board of Directors and this process is stipulated in the Sustainability Committee regulations.

► Strategies

Following are our potential climate-related risks and opportunities.

We will conduct scenario analysis guided by international organizations' reports, through which we will review the impact of the risks and opportunities as per our business models which cover the entire value chains.

Risks and opportunities	Category	Overview
Transition risks	Policies, laws and regulations	Higher energy cost with the introduction of the carbon tax, etc., and increased capital investment to enable greater energy conservation and use of renewable energy Damage to corporate value by violation of country-specific laws and regulations
	Technology development and Market	Loss of sales opportunities due to delays in the development of environmentally friendly products and services
Physical risks	Acute risks	Disruptions to operations at manufacturing and logistics sites due to intensifying natural disasters
	Chronic risks	Rising sea levels impacting low-lying manufacturing and production sites
Opportunities	Products and services	Increased sales supported by the development and distribution of environmentally friendly products and services



► Risk Management

The Risk Management Committee, chaired by the President, extracts and reviews potential risks in all areas including climate change and identifies material issues.

To address these risks, we apply an environmental management system and follow the PDCA cycle in alignment with Glory's business activities.

Identified risks and opportunities are reviewed in the Environmental Management Committee.

► Metrics and Targets

The Glory Group uses CO₂ emissions as the key metrics for climate-related risks and opportunities, and has set the 'FY2050 Environmental Sustainability Goals,' aiming for net-zero CO₂ emissions by fiscal 2050. These goals are aligned with Glory's environmental policies and the idea of a carbon-neutral society. Casting back from the FY2050 Environmental Sustainability Goals, we have set the FY2030 Environmental Sustainability Goals as a milestone to reduce CO₂ emissions by 50% compared with fiscal 2013.

To monitor the KPIs, we have formulated the Medium-Term Environmental Plan with specific targets to be achieved within the three years covered in the plan. In the first year (FY2021), we achieved a 25.9% reduction compared with fiscal 2013.

Going forward, we will start examining the ways to reduce Scope 3 emissions in the supply chain.

Aiming for carbon neutrality in fiscal 2050, we will continue our initiatives, such as planned updates to energy-efficient equipment at manufacturing sites, and increase the use of renewable energy through solar power generation and renewable energy procurement (purchase with Renewable Energy Certificate).

■ Long-Term Environmental Sustainability Goals

FY2030

Reduce CO₂ emissions by 50%
(Compared to FY2013)

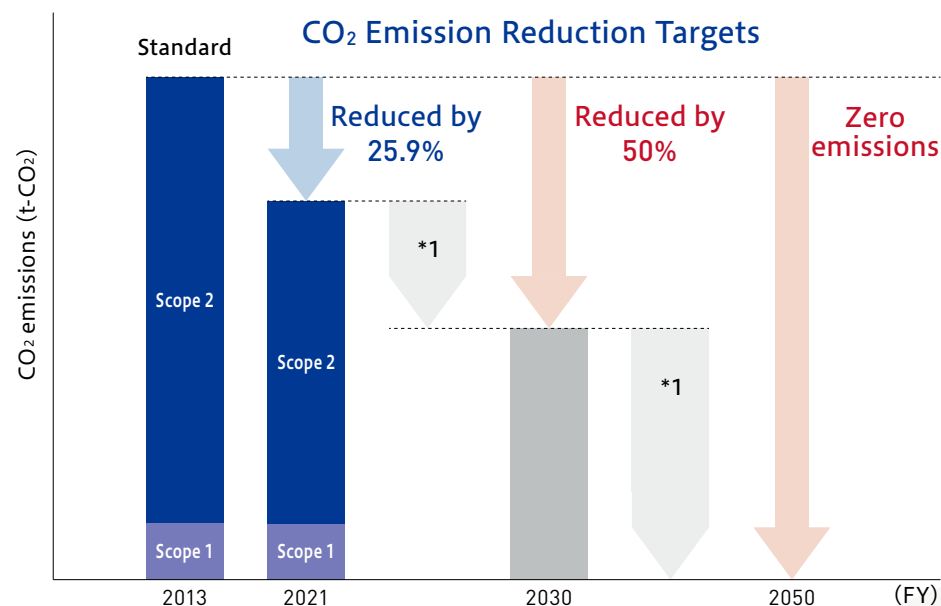
FY2050

Aim for net-zero
CO₂ emissions

* We use the term 'CO₂' as most of our greenhouse gas emissions are CO₂.

* These goals apply to - ISO 14001 certified sites (Glory and its domestic consolidated subsidiaries)

- Scope 1 (Direct emissions by the Glory Group) and Scope 2 (Indirect emissions from purchased electricity)



- *1 1) Promote energy-saving initiatives
 2) Install or upgrade to high-efficiency facilities and equipment
 3) Increase the use of renewable energy
 (e.g., installing solar power generation equipment and securing renewable energy sources)



► Initiatives to Reduce and Control CO₂ Emissions

We monitor our CO₂ emissions regularly and disclose the figures over time for the following:

Scope 1 - Direct emissions from our business activities

Scope 2 - Indirect emissions from purchased electricity

Scope 3 - All other indirect emissions from upstream and downstream activities in supply chains

Reduce Scope 1 and 2 emissions (Domestic & Overseas)

We have established 3-year action plans and annual goals to reduce CO₂ emissions. Our initiatives include installation of an electricity usage monitoring system, LED lighting, and human detection sensors. We have also installed a solar power system on the rooftop of the Head Office buildings for the use of renewable energy.

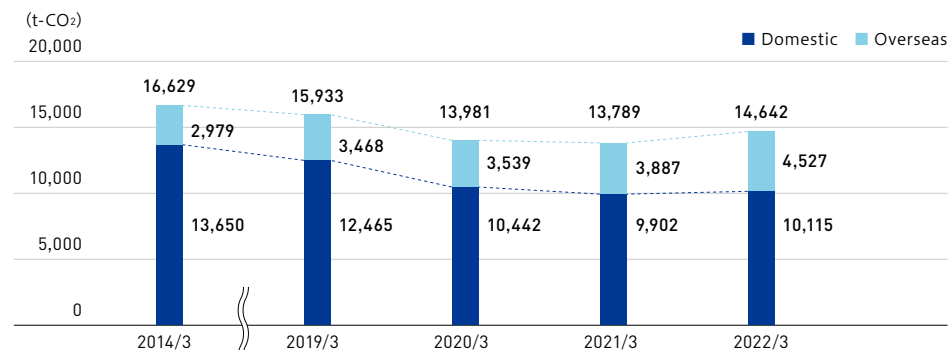
In fiscal 2021, CO₂ emissions from our domestic sites decreased by 25.9% compared to fiscal 2013. The energy usage at our offices decreased as a result of teleworking measure to prevent the spread of COVID-19.

Control Scope 3 emissions (Domestic)

We calculate our CO₂ emissions created by our supply chains to understand the current status and to reduce the environmental impact of our business activities. In Scope 3, we categorize these emissions to visualize the trend to control the CO₂ emissions created outside our business activities.

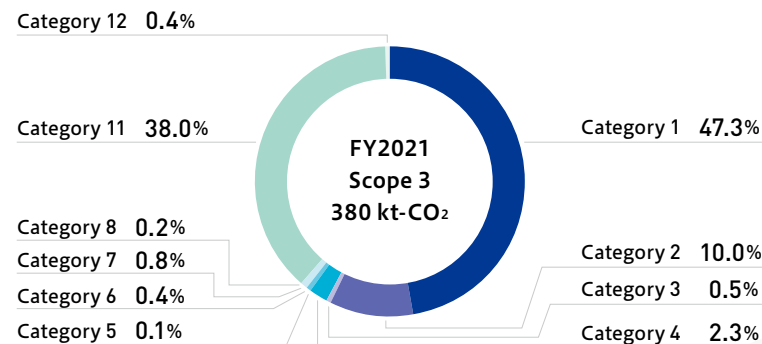
Category 1 (Purchased products and services) and Category 11 (Use of our products) are the main target for CO₂ reduction, as they account for 85% of the Scope 3 emissions.

■ Annual CO₂ Emissions



*ISO 14001 certified sites (Glory and its domestic and overseas consolidated subsidiaries)

■ Percentage of CO₂ Emissions in Scope 3



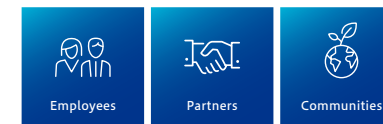
Notes:

1.Scope 3

Category 1: Purchased goods and services; Category 2: Capital goods; Category 3: Fuel and energy-related activities not included in Scope 1 or 2; Category 4: Upstream transportation and distribution; Category 5: Waste generated in operations; Category 6: Business travel; Category 7: Employee commuting; Category 8: Upstream leased assets; Category 11: Use of sold products; Category 12: End-of-life treatment of sold products

2.Categories 9, 10, 13, 14 and 15 are not applicable to our business.

Human Rights



Basic Concept

All employees must abide by Glory's Corporate Action Guidelines, which stipulate rules on respect for individuals, talent development, and workplace safety. They also clearly call for respect for other employees' diversity, personalities, individual differences, and—above all—human rights. In addition, the Glory Legal Code of Conduct governing the laws and codes of ethics, which all Glory Group employees and business partners are expected to follow, stipulate the protection of human rights, including prohibition of discrimination and harassment, to ensure that human rights are respected while conducting business and in the work environment. We also recognize various international rules related to human rights, such as the International Bill of Human Rights and the Guiding Principles on Business and Human Rights, as well as the respective laws of each nation or region.

Furthermore, the Glory Group has signed and participates in the UN Global Compact, which advocates universal principles covering the four areas of human rights, labor, the environment, and anti-corruption. The Group will continue to promote respect for human rights as a cornerstone of its management.

Initiatives for Respect for Human Rights in the Supply Chain

The Glory Group stipulates rules on respect for human rights, such as the prohibition of child labor and forced labor, the payment of appropriate wages, and restrictions on working hours in the Glory Supplier Code of Conduct to ensure respect for human rights throughout the supply chain and promote initiatives for compliance with business partners. Also, we set up a 'Supplier Compliance Hotline,' and accept consultations including human rights issues from business partners.

Furthermore, the Group accepts foreign technical intern trainees and is committed to ensuring that appropriate technical training is given from the viewpoint of respect for human beings based on our Corporate Action Guidelines, in accordance with the relevant laws and regulations and the purpose of the technical intern training system.

In addition, Glory Global Solutions (International) Ltd. discloses a statement on initiatives with business partners to prevent forced labor, human trafficking, and other prohibited actions, as resolved by the Board of Directors and in compliance with the U.K. government's Modern Slavery Act 2015.

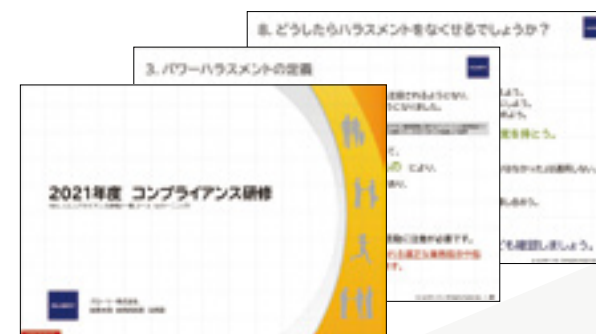
In fiscal 2021, no cases of child labor or forced labor were identified.

Prevention of Human Rights Issues such as Discrimination and Harassment within the Group

Glory has set up internal and external consultation services or helplines to handle inquiries and feedback, from regular and non-regular employees, related to all compliance matters in the Group, including human rights and harassment. When any problem related to human rights is identified through these services, the Legal Affairs Department, the Human Resources Department, and other relevant departments work together to address the problem and prevent future incidents. In fiscal 2021, 28 inquiries including harassment allegations were received and appropriately handled with information from the consultations.

Glory is striving to raise employee awareness of human rights, such as the prohibition of discrimination and prevention of harassment.

We focused on training to eradicate harassment for newly appointed managers and through an e-learning program for all domestic Group employees.



E-learning materials on a screen

Human Resources



Basic Policy

The Glory Group aims to create an environment where all employees can maximize their potential and play an active role regardless of their nationality, race, religion, gender, age, or disability.

Policy for developing human resources and establishing a work environment to embrace the diversity of our core human resources

We are committed to establishing a work environment that can nurture and develop the abilities of our diverse employees. We believe that the growth and development of our employees will support the sustainable growth of the Company and the enhancement of our corporate value.

Diversity and Inclusion

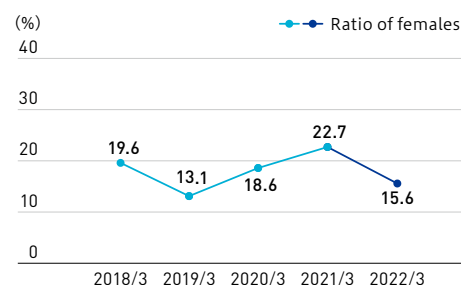
►Equal Opportunities for Women and More Women in Management Positions

We hire and train talented personnel regardless of gender and are working to create an environment where all employees can fully demonstrate their abilities. To promote equal opportunities for women, we are implementing action plans based on Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace. We are also working to establish a more supportive workplace through 'work-style reform' and support employees to achieve a work-life balance.

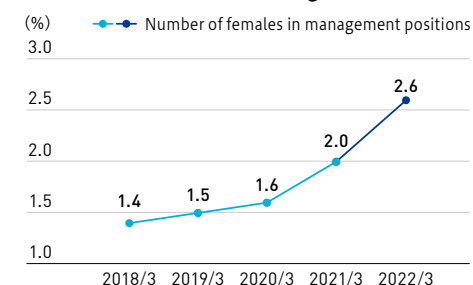
Specifically, we aim for a minimum of 25% of new graduate hires to be filled by females by fiscal 2025. Also, with the aim of doubling the number of female employees in management positions, we are continuously implementing training and the like aimed at developing career awareness among our female employees to further promote female employees to management positions.

The percentage of females for our new graduate positions was 15%, and the number of female managers was 28, as of March 2022.

■Ratio of Females in New Graduate Positions



■Number of Females in Management Positions



►Promotion of Mid-Career Hires

We actively recruit personnel with a wide range of knowledge and skills who can become immediate forces within the Company. We are currently promoting the recruitment of core personnel with high management skills, as well as personnel who can contribute to our new businesses fields with their specialized IT and DX skills. We also promote the assignment of such personnel to management or specialist positions.

As of March 2022, the percentage of mid-career hires in management positions was 23%.

►Recruitment and Promotion of Foreign Nationals

As our business grows globally, we promote the recruitment of global talent including foreign nationals in Japan, as well as their promotion to management positions, under the policy to encourage the recruitment of talented personnel regardless of nationality.

In the corporate and overseas business divisions, foreign nationals with diverse cultural backgrounds play active roles. As of March 2022, 13 foreign nationals from five nations, including China and Australia, were working in the headquarters in Japan.

The Glory Group has more than 5,000 non-Japanese employees (approximately 49%), and our subsidiaries are managed mainly by locals in general or senior management positions.



►Employment of Persons with Disabilities

To promote the independence of persons with disabilities, the Glory Group offers employment opportunities. For example, at the special-purpose subsidiary GLORY Friendly Co., Ltd., employees are engaged in tasks such as cleaning and greening. We are working to extend a range of positions to best suit the individuality and capabilities of each employee.

►Re-Employment Provision for Retirees

In accordance with the Act on Stabilization of Employment of Elderly Persons, Glory offers re-employment opportunities for employees over 60, and those who wish to continue to work can do so until the age of 65.

In fiscal 2021, 81 of 89 eligible employees used this provision.

Creating Pleasant Working Environments

►Promoting Health Management

Glory believes that maintaining employee well-being is a key management concern for corporate activities and therefore established the Health Management Declaration to promote initiatives for maintaining employees' health.



G Kids Home



'Kurumin' mark

►Promotion of a Work-Life Balance

To make it easier for our employees to work and achieve their full potential and career, the Group promotes telework to improve their work-life balance and supports flexible work styles that are unconstrained by location or time. We also promote the creation of an environment where both work and childcare are possible, by setting up an in-house daycare center and offering subsidies to hire childcare services.

Human Resource Development

►Core Human Resource Development

We are developing training programs for the next generation of core human resources at all levels, from mid-level employees to managers.

In fiscal 2021, we held the Business Leader Training Program for employees to achieve cross-growth in core and new businesses. Eighteen people selected from various occupations learned skills and business perspectives as leaders on the theme of considering new businesses.



Participants in the Training

Also, we held training for the purpose of acquiring the management skills required by branch managers in nine branches for the further growth of our domestic business. During the 10-month training, 22 branch managers and branch manager candidates were targeted for programs aimed at changing role perceptions and acquiring management skills.

In addition, we implemented the GLORY Business College for employees at the management level. Participants joined in an 8-month program. They learned about basic knowledge such as accounting and business strategies, and the leadership necessary for our ever-changing times.

►Career-Building Initiatives

To realize our employees' career plans, we provide age-appropriate training, career support from our superiors, and professional staff. As a hierarchical training, we conduct self-inquiry training that is appropriate for their onboarding year, and their age, to improve career awareness.

Also, every year, employees are given career interviews in which they discuss their career intentions and suitability with their superiors. Data such as the career orientation, knowledge, skills, and experience of employees discussed in the interviews are registered in the HR Database System and are effectively used for human resource development, personnel changes, and the like. Also, a career consultation has been established where employees can discuss concerns about their career plans, or the like, and career counselors provide support for individual career development.

Supply Chain Management



Basic Policy

We view our business partners as key partners and seek to establish a relationship of trust and mutual growth through fair and open trading, as well as compliance with all laws and ordinances, and promote responsible procurement activities.

Initiatives for Responsible Procurement

►Efforts to Promote Sustainable Procurement

Glory periodically monitors the sustainability efforts of business partners through a survey that includes its voluntary checklist to determine their progress in sustainability efforts.

In fiscal 2021, the Company surveyed 443 domestic primary business partners and findings were reported to the 443 suppliers that responded (response rate: 100%). In addition, 54 domestic primary business partners for GLORY Products Ltd. (response rate: 100%), 55 primary business partners for GLORY IPO Asia Ltd. (response rate: 100%), and 22 primary business partners for Glory Global Solutions (Singapore) Pte. Ltd. (response rate: 91%) were surveyed with the results shared with all business partners.

For our first transaction with a business partner, we ensure that they understand the requirements of our purchasing policy and ask them to comply with the Glory Supplier Code of Conduct and the Green Procurement Standard. In addition, we execute a memorandum of understanding on responsible procurement with business partners, including a request for cooperation on the voluntary checklist.

Also, the Group conducts conflict mineral surveys as part of its responsible sourcing activities. The survey uses a Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI) to identify the presence of minerals of interest and refineries.

►Strengthening Partnerships with Suppliers

We hold the annual Supplier Conference in Japan, where we explain the Company's current situation, strategies, purchasing policy, and sustainability efforts. In fiscal 2021, instead of the conference, we sent a request for cooperation in sustainability initiatives to explain our activities to prevent the spread of COVID-19.



Supplier Conference (FY2022)

We also regularly hold Quality Conferences to share information on quality and manufacturing processes and examine related issues, and Quality Improvement Activity Workshops or Substrate Quality Policy Briefings, during which suppliers present their quality improvement initiatives.

In fiscal 2021, the event was held in an online format to prevent the spread of COVID-19.

In addition, our parts acceptance unit conducts periodic inspection visits to our suppliers for onsite reviews of manufacturing processes and to offer advice for improvements.

►Developing Procurement Staff

The Glory Group focuses on employee education to promote sustainable procurement across its supply chain and ensure fair and open trading. The Group trains domestic and overseas procurement staff through an e-learning program, available in three languages.

In fiscal 2021, we provided e-learning on the Subcontract Act and sustainable procurement to approximately 120 employees in Japan and overseas.

►Supplier Compliance Hotline

The Glory Group operates the Supplier Compliance Hotline as a point of contact to raise concerns about Group compliance violations to further encourage transparent and fair purchasing trading with them. These whistleblowing reports are filed by the relevant department of GLORY LTD., which is independent of Glory's subject procurement department, where they are properly handled through an investigation of the facts and circumstances.

No compliance violations were reported by suppliers in fiscal 2021.

Customer Satisfaction



Basic Concept

Glory established its Quality Policy in 1999 and seeks to ensure uniform quality based on three priority guidelines.

Thorough quality control is implemented throughout all stages of its business operations, from product planning, development, procurement, and manufacturing to sales and maintenance, so that it can respond to customer needs and develop reliable products and services.

Quality Policy	We will provide products and services in a timely manner to win the confidence and satisfaction of customers.
	<div>Three Priority Guidelines</div> <ol style="list-style-type: none"> 1. By sensing advanced market needs, develop products that are attractive to customers. 2. Establish the quality of products at the earliest stage possible. 3. Place importance on customers' first impression of quality and on after-sales services. <p>To achieve the above, our company will satisfy the requirements of laws and regulations and customers' requirements, and continually improve the effectiveness of the quality management system.</p>

Quality Management Framework

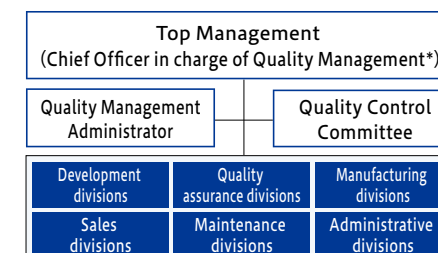
All our business sites and regional offices in Japan have acquired ISO 9001 international standard certification.

We formulate the annual quality control policy and work to improve the quality of our products and services to earn customer trust. Furthermore, we disseminate the annual quality control policy across departments, review the status of the implementation, and horizontally share information on quality problems and countermeasures across departments through the establishment of the Quality Control Committee and a management review.

Regarding our product quality management system, the Quality Assurance Department is responsible for quality assurance from development through to the shipping of products, while the Maintenance Department handles the quality control of all post-shipping maintenance services. We

also established the Quality Control Department for overall quality control, and we continue to improve our entire internal quality management system.

To prevent any recurrence of quality issues, we hold product safety meetings, attended by representatives from the related departments, to periodically evaluate the effectiveness of measures conducted through examination and discussion as well as standardization.



*Chief officer of the quality management system, entrusted by the president with all authority and responsibility to promote and maintain the quality management system.

Executing Consistent Quality Control

All Glory departments, from planning and development through maintenance, closely collaborate with each other and work to create products that satisfy the diverse needs of customers by conducting product and technical development from the client's perspective.

►Quality Assurance at the Planning and Development Stage

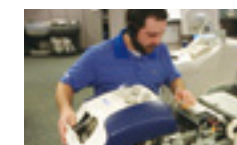
Glory attaches importance to the planning and development stage and focuses on continuous improvement of the development process. The Quality Assurance Department conducts product safety reviews at every stage and ensures that our quality and safety controls are thorough and comprehensive. Also, we maintain quality control standards and conduct thorough training for the development of products that conform to the laws, regulations, and standards of more than 100 countries around the world.



Training session for designers

►Efforts to Improve Maintenance Quality

To ensure that customers can confidently use our products, members of our technical staff constantly improve their technical skills and response capability to provide customers with fast, reliable maintenance service. In Japan, they attend group maintenance training and engage in self-study e-learning classes. At overseas sites, we conduct group skill training and online training by the staff responsible for each product model. And maintenance managers from each region of the world meet to share their initiatives to improve maintenance quality across the entire Glory Group.



Responding to a customer inquiry via telephone support

Corporate Governance

Basic Policy

The 'Corporate Philosophy' of the Group embodies our determination to achieve growth as a sustainable enterprise by contributing to a prosperous society through our uncompromising commitment to product development. Under this philosophy, the Group aims to improve its corporate value by striving to exist in harmony with society and promoting sound and efficient corporate management that is trusted and supported by all stakeholders. To this end, we will strive to improve corporate governance thus further improve our corporate value, by strengthening the supervisory and executive functions of management, ensuring expedited, transparent and objective decision-making, and enhancing compliance management.

Corporate Governance Framework

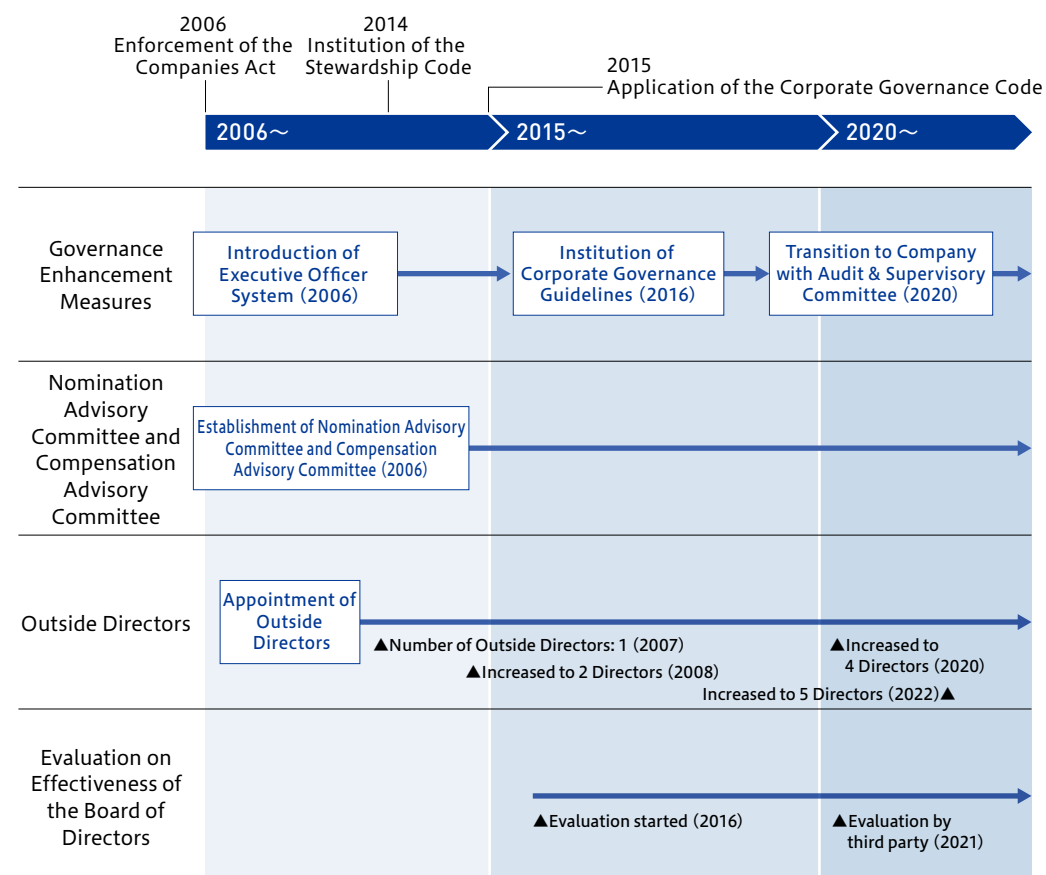
Glory has adopted a 'Company with Audit & Supervisory Committee' as a form of corporate organization to further strengthen the supervisory function of the Board of Directors and increase the efficiency of management decision-making. Decisions on important business execution are flexibly delegated to Directors and an executive officer system is introduced for swift, flexible and efficient business management. Furthermore, we have established committees such as the Nomination Advisory Committee and the Compensation Advisory Committee as consultative bodies for the determination of appointment and remuneration. Glory remains committed to improving the transparency and objectivity of management decision-making by enhancing the supervisory functions of the Board, as well as the audit and supervisory functions of the Audit & Supervisory Committee.

The basic policy and other details on the Glory Group's corporate governance are set out in the Corporate Governance Guidelines.

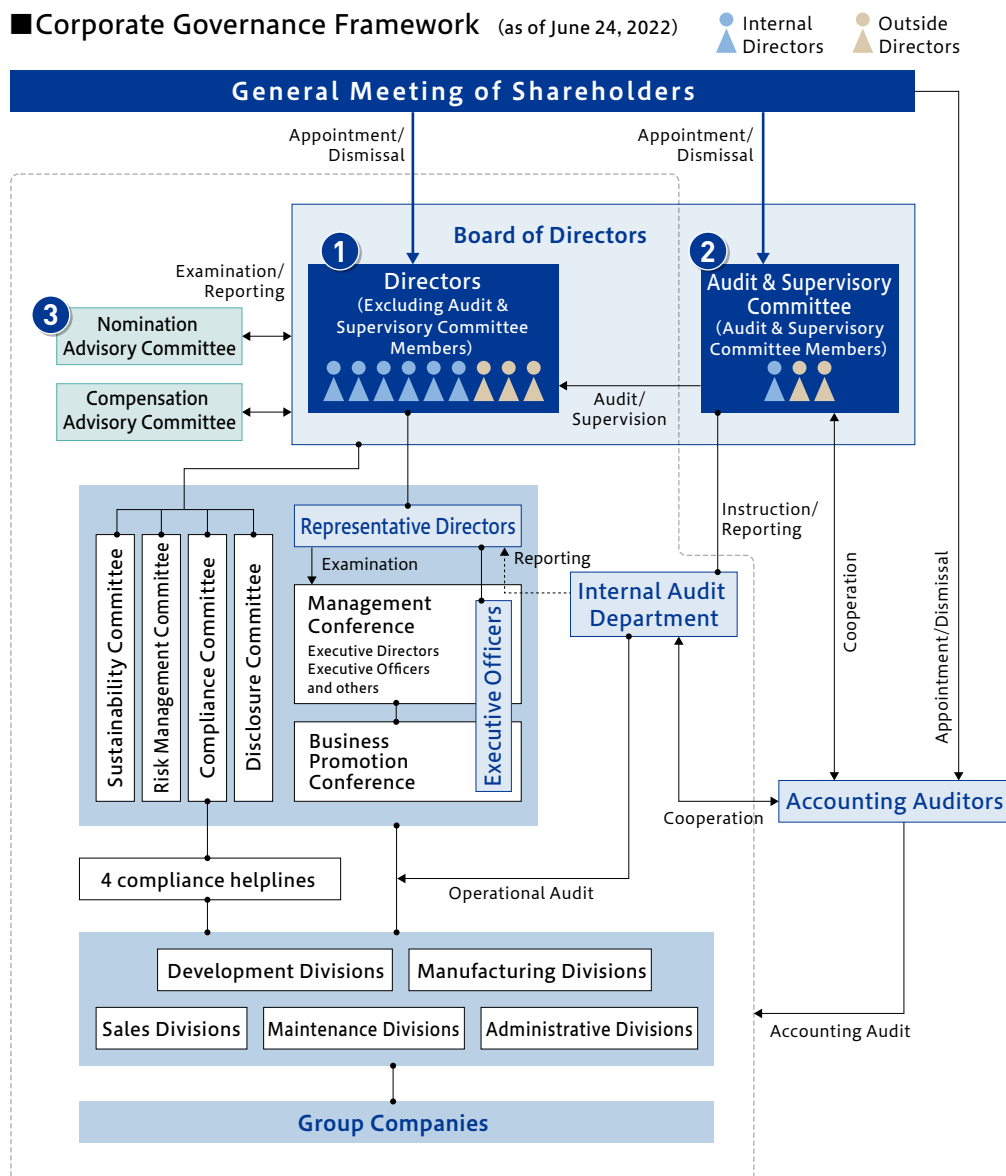
Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee
Maximum Number of Directors Stipulated in the Articles of Incorporation	Directors who are not Audit & Supervisory Committee Members: 10 Directors who are Audit & Supervisory Committee Members: 5
Term of Office Stipulated in the Articles of Incorporation for Directors	Directors who are not Audit & Supervisory Committee Members: 1 year Directors who are Audit & Supervisory Committee Members: 2 years
Chairperson of the Board	President
Appointment of Outside Directors	Appointed
Number of Directors	Male: 11; Female: 1 (Percentage of female Directors: 8.3%)

Glory Corporate Governance Chronology



■ Corporate Governance Framework (as of June 24, 2022)



1 Directors and Board of Directors

The Company's Board of Directors is composed of twelve Directors, nine of which are Directors who are not Audit & Supervisory Committee Members and three Directors who are Audit & Supervisory Committee Members, including five independent Outside Directors.

The Board decides the important business policies of the Company and the Group, supervises business execution, and receives reports on the status of business execution.

Further, in order to expedite decision-making, decisions on important business execution are flexibly delegated to the Directors, thereby enabling expedited and flexible decision-making.

2 Audit & Supervisory Committee

The Company's Audit & Supervisory Committee is composed of three Directors who are Audit & Supervisory Committee Members, including two independent Outside Directors. Audit & Supervisory Committee conducts audits based on an annual corporate audit plan established in accordance with the audit policy and the assignment of duties determined by the Audit & Supervisory Committee. This is executed in accordance with the internal control system by utilizing the Internal Audit Department positioned under the direct control of the Audit & Supervisory Committee, and in close cooperation with the accounting auditor. Based on these audits, at the Audit & Supervisory Committee, they share information regarding the status of implementation and results of the audits and exchange opinions.

■ Cooperation among Audit & Supervisory Committee, Accounting Auditors and Internal Audit Departments

Audit & Supervisory Committee and the Company's accounting auditors work in close collaboration to enhance the efficiency and effectiveness of their respective audits. In addition to the regular meetings held several times each year, they meet on an ad hoc basis, endeavoring to mutually ensure appropriateness and credibility of performance of their duties. This is achieved through such measures as briefing, consultation or inquiries, and confirmation on matters that require special attention, regarding the annual audit plans and site audit plans (including audits of consolidated subsidiaries) prepared at the beginning of each fiscal year.

Further, Audit & Supervisory Committee works in close collaboration with the Internal Audit Department under the direct control of the committee to enhance the efficiency and effectiveness of their respective audits. Audit & Supervisory Committee Members receive and confirm copies of the audit notification stating such matters as the schedule, subject, purpose, method and other matters of the relevant audit which is given from the Internal Audit Department whenever they implement an audit pursuant to the annual audit plan. After completion of the audit, Audit & Supervisory Committee Members receive explanations concerning matters pointed out and status of implementation of improvement by way of the report on implementation of internal audits, based on which mutual exchange of opinions is conducted between Audit & Supervisory Committee Members and the Internal Audit Department personnel.

3 Nomination Advisory Committee and Compensation Advisory Committee

In order to ensure transparency and objectivity in appointing Directors and Executive Officers, and determining remuneration for them, the Company has established two advisory bodies of the Board of Directors, the Nomination Advisory Committee and the Compensation Advisory Committee, each with the chairperson and majority of the members being independent Outside Directors. The chairperson and members of each such committee are appointed by the Board of Directors.

Status of the Board of Directors

● Chairperson ○ Other members

Title	Name	Independent Director	Status of the Board of Directors (Fiscal 2021)				Experience, Knowledge, and Expertise, etc.								
			Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Committee meetings	Attendance at Nomination Advisory Committee meetings	Attendance at Compensation Advisory Committee meetings	Corporate Management	Domestic Business	Development & Production	Technology & DX	Human Resources	Legal & Risk Management	Accounting & Finance	Sustainability	International Experience & Overseas Business
Chairman of the Board & Representative Director	Hirokazu Onoe		○ 100% (17/17)				●	●	●						●
President & Representative Director	Motozumi Miwa		● 100% (17/17)		○ 100% (1/1)	○ 100% (2/2)	●	●			●	●	●	●	●
Director	Hideo Onoe		○ 100% (17/17)				●	●	●	●					●
Director	Kaname Kotani		○ 100% (17/17)				●	●	●	●					●
Director	Akihiro Harada		○ 100% (17/17)				●	●	●	●	●				●
Director	Tomoko Fujita		○ 100% (14/14*1)				●				●	●	●		●
Outside Director	Joji Iki	●	○ 100% (17/17)		● 100% (1/1)	○ 100% (2/2)	●		●	●	●			●	●
Outside Director	Junji Uchida	●	○ 100% (17/17)		○ 100% (1/1)	● 100% (2/2)	●		●		●	●		●	●
Outside Director	Ian Jordan	●	—*2				●			●	●		●	●	●
Director (Full-time Audit & Supervisory Committee Member)	Toru Fujita		○ 100% (17/17)	● 100% (14/14)								●	●		
Outside Director (Audit & Supervisory Committee Member)	Satoshi Hamada	●	○ 94.1% (16/17)	○ 100% (14/14)									●		
Outside Director (Audit & Supervisory Committee Member)	Keiichi Kato	●	○ 100% (17/17)	○ 100% (14/14)								●			

*1 After appointment as Director
*2 Appointed June 24, 2022

Director Appointment/ Dismissal and Succession Planning for President

When appointing Director candidates and Executive Officers or selecting senior management from among Directors, the Board of Directors will (i) decide on Director candidates, Executive Officers, and senior management after taking into consideration the results of deliberations by the Nomination Advisory Committee and (ii) decide on the candidates for Directors who are Audit & Supervisory Committee Members after obtaining the consent of the Audit & Supervisory Committee.

Recognizing that developing succession planning for the position of the President is an important management issue, the Board will determine a successor after having the Nomination Advisory Committee fully deliberate on the criteria for selecting successor candidates and the system for training and evaluating candidates, and other matters. Additionally, the Board will share and supervise succession planning by having the Committee report the results of its deliberations to the Board.

Evaluation on the Effectiveness of the Board of Directors

The Company considers that improving its corporate governance system is one of the important management tasks for achieving sustainable growth and increasing the corporate value of the Company group over the medium to long term. The Company has been carrying out 'analysis and evaluation on the effectiveness of the Board of Directors' based on its 'Corporate Governance Guidelines' established in 2016.

Remuneration for Directors

① Policy and Procedures for Determining Remuneration of Individual Directors

The Company has in place a set of policies on determining remuneration of individual Directors (excluding Directors who are Audit & Supervisory Committee Members) as resolved at the Board of Directors meeting on May 13, 2021. This followed the careful deliberations of the Compensation Advisory Committee, of which the chairman and the majority of members are independent Outside Directors.

For fiscal 2021, the contents of individual remuneration were confirmed by the Compensation Advisory Committee, taking into consideration its fairness and alignment with the policy. The Board respects the results of the confirmation and judges that the contents of remuneration are aligned with the policy.

i) Basic policy

Remuneration for Directors of the Company is designed in such a manner that values can be shared with shareholders and the level is appropriate for their duties. Due consideration is given to incentives for continued improvement of corporate performance and securing of talented human resources.

ii) Policy on remuneration structure

- Remuneration for executive Directors consists of fixed compensation ('Fixed Compensation'), short-term performance-based bonuses ('Bonuses') and mid- to long-term performance-based stock compensation ('Stock Compensation').
- Remuneration for Outside Directors consists only of monthly Fixed Compensation, considering the supervisory functions and independency of such roles.
- No retirement benefits are paid to any Director.

iii) Policy on determining the contents and calculation of amount and numbers of remuneration

- The amount of remuneration for Directors are based on a broad consideration of factors such as performance of the Company and the compensation standard of other companies.
- Fixed Compensation are determined according to the position and responsibilities of the person concerned.
- Bonuses are cash compensation based on short-term business performance and is aimed at improving the Group's business performance for each fiscal year outlined in the medium-term management plan. The target performance indicators for Bonuses are consolidated net sales and operating income set out in the 2023 Medium-Term Management Plan. Bonuses are paid at a certain time every fiscal year in the amount determined according to the level of achievement of those targets, within the range of zero times (achievement rate less than 60%) to two times (achievement rate 140% or more) the predetermined amount. Bonuses will not be paid if net income before goodwill amortization is less than the total amount of dividends (excluding extraordinary dividends) for the previous fiscal year.
- Stock Compensation is non-cash compensation based on mid to- long term business performance and is aimed at improving the Group's business performance for the three fiscal years outlined in the medium-term management plan. The target performance indicators for Stock Compensation are consolidated ROE and operating income (both before goodwill amortization) and net sales in new business domain set in the 2023 Medium-Term Management Plan. Based on the degree of achievement of those targets for the three fiscal years, the number of shares allotted is determined by the number of points given at a certain time during the trust period and upon retirement as stipulated in the Share Distribution Regulations. No shares will be distributed if the degree of achievement against the target for each fiscal year is less than 70%.

iv) Policy on determining compensation ratio by type

- The ratio between the base amount of cash compensation (Fixed Compensation and Bonuses) and that of Stock Compensation is set approximately at 80% and 20% respectively.
- For the President, the ratio between the base amount of Fixed Compensation and that of performance-based compensation (Bonuses and Stock Compensation) is set approximately at 50% and 50% respectively. The ratios for other Directors are determined based on that of the President, taking into consideration their responsibilities and general standard of compensation.

v) Matters on determining remuneration of individual Directors

To ensure transparency and objectivity, total amount of monthly Fixed Compensation and Bonuses paid to individual Directors who are not Audit & Supervisory Committee Members, is deliberated upon by the Compensation Advisory Committee before being determined by a resolution of the Board of Directors within the ranges approved at a general meeting of shareholders. To enable timely decision-making, the authority is delegated to the President, who will then determine the amount for each Director upon confirmation of its fairness by the Committee.

As for Stock Compensation, the number of the Company's shares allotted to Directors is determined by the points given according to the Share Distribution Regulations. These regulations are resolved by the Board of Directors after being confirmed by the Compensation Advisory Committee.

Remuneration for Directors who are Audit & Supervisory Committee Members consists only of monthly Fixed Compensation, as they serve mainly with audits and supervision of corporate management. The amount for each Director who is an Audit & Supervisory Committee Member is determined by deliberations of the Audit & Supervisory Committee Members within the ranges approved at a general meeting of shareholders.

② Performance-based/Non-monetary remuneration

Following shows the performance-based compensation (Bonuses and Stock Compensation) for fiscal 2021 and the performance indicators as the basis of the calculation. See 1) iii. on the previous page for details of the performance indicators.

For this fiscal year, the performance indicators selected as the basis for calculations, their actual performance figures, the calculation methods used, and the amounts for performance-based remuneration (Bonuses and Stock Compensation) are shown below. In addition, see 1) iii. on the left side for information about why these performance indicators were selected.

Type of compensation	Performance indicators (consolidated)	Target	Result	Achievement rate
Bonus	Net sales	¥228.3 billion	¥226.5 billion	99.2%
	Operating income	¥9.4 billion	¥10.2 billion	109.5%
Stock Compensation	ROE	4.6%	5.9%	128.2%
	Operating income	¥14.0 billion	¥15.5 billion	111.0%
	Net sales of new business domain	¥23.4 billion	¥23.5 billion	100.6%

③ Remuneration of Directors and Audit & Supervisory Committee Members for FY2021

	Total (million yen)	Total Amount of each compensation (million yen)			Eligible number of Directors
		Fixed Compensation	Performance-based Bonuses	Performance-based Stock Compensation	
Directors (including Outside Directors)	224 (24)	141 (24)	63 (—)	20 (—)	9 (2)
Directors (Audit & Supervisory Committee Members) (including Outside Directors)	37 (16)	37 (16)	—	—	3 (2)

- Notes: 1. The amount paid to Directors who are not Audit & Supervisory Committee Members, does not include employee salaries paid to Directors who have concurrent responsibilities as employees.
2. The maximum total amount of cash compensation for Directors who are not Audit & Supervisory Committee Members is ¥450 million per annum (including maximum of ¥50 million for Outside Directors and excluding employee salary portions for Directors who have concurrent responsibilities as employees) as resolved at the 74th Ordinary General Meeting of Shareholders. In addition, under the Stock Compensation plan, the maximum of ¥300 million is contributed by the Company to the trust set up by the Company and the maximum of 147,000 shares is distributed in each of the three fiscal years from the fiscal year ended March 2019 to the fiscal year ended March 2021 (and for each of the three fiscal years thereafter if the trust continues) as resolved at the 74th Ordinary General Meeting of Shareholders.
3. The maximum total amount of cash compensation for Directors who are Audit & Supervisory Committee Members is set at ¥80 million per annum as resolved at the 74th Ordinary General Meeting of Shareholders.
4. Performance-based Bonuses and Stock Compensation are paid to six executive Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors). The amount of grant allowance for the current fiscal year is stated.

④ Delegation of Authority for Determining an Individual Director's Remuneration

To ensure transparency and objectivity in deciding the amount of monthly Fixed Compensation and Bonuses for individual Directors (excluding Audit & Supervisory Committee Members) for fiscal 2021, an individual amount has been deliberated upon by the Compensation Advisory Committee for its fairness to report the results to the Board. The total amount of monthly Fixed Compensation and Bonuses was then determined by resolution of the Board of Directors in line with a review by the Compensation Advisory Committee and are within the ranges approved at a general meeting of shareholders. To enable timely decision-making, the authority was delegated to the President, Mr. Motozumi Miwa, who then determined the amount for each Director's remuneration for fiscal 2021. The Board requires the President to make these decisions upon the confirmation on its fairness by the Compensation Advisory Committee to ensure such authority is properly exercised.

Cross-Shareholding

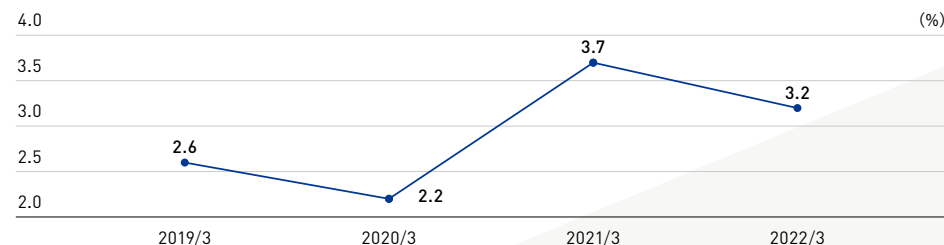
It is our policy to hold shares of listed companies as cross-shareholdings only if, based on a broad consideration of factors such as the business strategies and transaction status of such companies, we judge that maintaining and enhancing the relationship with such companies would increase the corporate value of the Group. To ensure the economic rationale of such holdings, we pay attention to the sound management of such companies and consider the market value of shares as well as the dividends and other returns of such companies.

With respect to each individual cross-shareholding, the Board of Directors annually reviews the purposes, rationale, and considers whether to continue or discontinue such holdings, based on the economic rationale and future outlook as well as risks and returns over the med- to long-term. Additionally, such holding is reconsidered if it is not found to be suitable.

In fiscal 2021, the Board of Directors decided to continue such holdings, after verifying of stock name, purpose and rationale of such holdings. The verification considered the potentials for business synergy with the investee companies and the balance of risks and returns against the capital cost for each holding.

The Company will exercise voting rights on cross-held shares based on broad consideration of factors including the condition of each investee company and on the criteria such as whether or not such exercise is deemed to improve the corporate value of the Company and the investee company.

■ Cross-Shareholding Valuation Ratio to Net Assets



Dialogue with Stakeholders

Glory communicates with stakeholders and appropriately discloses information.

Policies Concerning the Disclosure of Information and Constructive Dialogues

Glory is committed to 'communicating with stakeholders and striving for appropriate information disclosure,' as declared in its Corporate Action Guidelines. With this stance, the Company is dedicated to increasing the transparency of its management through quick, accurate, and fair provision of the latest corporate information and to gaining a better understanding of its management policies and business activities through constructive dialogues, thereby building long-term relationships of trust with shareholders and investors.

A special section for shareholders and investors has been set up on the Glory corporate website to ensure timely and convenient information disclosure. Documents disclosed include quarterly financial reports, shareholder newsletters, and integrated reports. We want our website to be easy to understand and user-friendly with enhanced content.

Opportunities for Dialogue with Stakeholders

Stakeholders	Principal engagement opportunities		
Customers 	When Glory introduces products and solutions in Japan or other parts of the world, it uses these occasions to communicate directly with customers. <ul style="list-style-type: none"> • Daily sales activities • Call centers • Visits for maintenance • Exhibitions • Showroom tours • Factory tours • Glory's official website 		'GLORY Total Solution Fair 2021' online exhibition held
Partners 	Suppliers are key partners that enable Glory to consistently manufacture high-quality products, and therefore the establishment of a system for cooperation is vital. The Glory Group focuses on maintaining trusting relationships that allow the Group and its suppliers to share the common goal of achieving a sustainable society. <ul style="list-style-type: none"> • Customary purchasing activities • Supplier Conferences • Quality Conferences • Showroom tours • Factory tours • Glory's official website 		Supplier Conferences
Shareholders 	Glory seeks to maintain long-term trusting relationships with shareholders and investors. To this end, it engages in constructive dialogue, at times with the Representative Director, other internal Directors and, where appropriate, Outside Directors to deepen the understanding of Glory's management policies and business activities. It also improves management transparency through prompt, accurate, and fair information disclosure. <ul style="list-style-type: none"> • General meeting of shareholders • Financial results briefings • Conference calls • Visits to institutional investors • Small meetings • Showroom tours, factory tours • Briefings for individual investors • IR section of the Glory website 		Discussion with institutional investors
Employees 	Senior executives closely interact with employees to enhance their sense of involvement in business management, boost motivation, and foster a sense of unity across the Glory Group. <ul style="list-style-type: none"> • Held the 'Talk with the President' and 'Talk with Officers' events • Group company visits • Labor-management consultation • Employee awareness surveys • Goals/career interviews • Various training and educational programs • In-house newsletter • Intranet 		Held the 'Talk with the President' online event
Communities 	As a good corporate citizen, Glory actively participates in social contribution and environmental protection activities around the world. <ul style="list-style-type: none"> • Fostering the next generation through the GLORY Foundation for Elementary School Students • Supporting the promotion of sports • Promoting programs to support developing countries • Engaging in forest conservation, tree-planting, and cleanup activities • Hosting nature appreciation events • Collaborating with NPOs 		Held a Glory Children's Theater event

Compliance

Compliance Framework

Glory views legal compliance as an important management issue, and therefore strives to maintain and improve our compliance framework. One measure taken in that regard is the establishment of the Compliance Committee.

The Compliance Committee, chaired by President and consisting of internal Board members, related department heads, and two outside experts (attorneys at law), deliberates on key compliance-related issues in Glory Group, and the outcome is reported to the Board of Directors.

The Chief Compliance Officer, appointed from among the officers in charge, takes the initiative in planning measures to enhance compliance and in engaging in employee education and awareness activities.

We conduct compliance awareness survey for employees on a regular basis.

In fiscal 2021, we verified and analyzed the results, provided feedback to each department, and implemented countermeasures where necessary.

► Whistleblowing System

Glory has set up four compliance helplines advised by (1) one's direct supervisors, (2) the Compliance Committee office, (3) a workplace consultant, and (4) external lawyers to deal with overall compliance issues of the Glory Group. The helplines aid in detecting and addressing issues at an early stage, while protecting those seeking consultation under the Internal Regulations on Consultation.

In fiscal 2021, 28 cases were received through the helplines and efficiently handled. The number of consultations increased compared with the previous fiscal year as a result of survey follow-ups (fiscal 2020 compliance awareness surveys) while the establishment of a temporary consultation desk during the fiscal 2021 Corporate Ethics Month has also contributed to this increase.

In addition to our compliance helplines, we also handle problems related to day-to-day legal and compliance consultations and issues. Furthermore, we make efforts to prevent recurrence by coordinating with related departments, in such ways as sharing problems in internal bulletins and training activities, with the aim of avoiding future issues.

► Compliance Education

We conduct comprehensive training, including at Group companies, to ensure thorough compliance. New employee education includes learning about fundamental legal and ethical issues as well as internal rules. In addition, we conduct e-learning every year during Corporate Ethics Month in October for all domestic group employees to refresh their understanding of basic issues and social trends.

In fiscal 2021, we conducted programs in areas such as the rules of confidential information protection and harassment as stipulated in the Glory Legal Code of Conduct, with a combined total of 6,810 employees taking part in the various programs. Other programs include newly appointed manager training and specialized training to develop a more thorough and precise understanding of issues concerning laws and corporate ethics.

► Personal Information Protection

The Glory Group recognizes the importance of its responsibility to properly manage the personal information of stakeholders, including customers, business partners, and shareholders acquired through our business activities. We therefore ensure the proper management of personal information according to the Privacy Policy.

Also, alongside the enforcement of the Amended Act on the Protection of Personal Information in April 2022, we are implementing initiatives such as maintenance regulations and carrying out training sessions to related departments to ensure proper handling.

In fiscal 2021, Glory discovered an incident of embezzlement by a former employee of its domestic consolidated subsidiary. We immediately established an internal investigation committee, chaired by the company's director (chairman of its Audit & Supervisory Committee) to investigate the facts and causes of the incident with the assistance of external attorneys and CPAs.

We take the outcomes of the investigations seriously and are committed to taking necessary preventive measures based on the proposals made in the committee's investigation report.

The Company will implement the following measures based on the Committees investigation report.

- 1) Enhance internal controls through segregation of duties, planned job rotation, and supportive systems
- 2) Ensure compliance with accounting rules through necessary training
- 3) Enhance management structure by promoting awareness and establishing a system to ensure strict credit approval process for subsidiaries with risk potential
- 4) Enhance the quality of audits by the Audit & Supervisory Committee and the internal audit department, through the formulation of audit plans suited to subsidiaries' business characteristics

*For details, refer to the Press Release.

Risk Management

Risk Management Framework

Glory has established the Risk Management Committee, chaired by the President, to maintain and strengthen risk management for the entire Glory Group. The Glory Group conducts risk assessments periodically, then works with the divisions and individuals responsible for each risk item to regularly implement precautionary measures, while establishing a system that can respond promptly in times of crisis. The committee discusses measures based on the results of these assessments, and a summary of the discussion is reported to the Board of Directors on a regular basis.

In fiscal 2021, Glory developed measures against critical risks in the Risk Management Committee and implemented various activities. We have conducted the same assessment Group-wide to grasp our overall risk status and implemented measures accordingly to mitigate any risks identified therein.

► Risk Identification and Assessment Process

The Glory Group annually revises its list of potential risks and associated management policies and countermeasures, based on changes in the prevailing business environment and progress of our businesses. The Risk Management Committee identifies potential risks in the review based on existing assessment and factors such as internal/external environmental changes. The Committee then conducts assessment and analysis of these risks based on the level of impact and frequency of occurrence, and formulates countermeasures against the risks of high significance. These risks can be disclosed as business risks in Security Reports etc if its financial impacts are considered high.

In February 2022, we discovered an incident of embezzlement by a former employee of a domestic consolidated subsidiary. Although risks related to such incident had previously been identified, their significance had been considered low. With proper recognition of their significance, we are currently working to ensure thorough implementation of preventive measures established in May 2022 throughout the Group.

The COVID-19 pandemic has accelerated the global shift to cashless transactions, which the Group considers as a business risk to be addressed. We are also working to address other risk factors such as parts shortage, high material prices and logistics costs, and sales postponement.

► Business Continuity Plan (BCP)

Glory has developed a BCP to continue its key activities and recover promptly in times of crisis, such as natural disasters. To ensure stable supply of products and services during emergencies, we consistently strengthen our supply chain by diversifying the risk of parts procurement and conduct regular review on emergency manuals and regulations.

In fiscal 2021, we conducted a BCP drill at our domestic subsidiaries with manufacturing capability.

In preparation for contingencies, we have strengthened our countermeasures against potential damage to important network systems that have a major impact on business continuity, introduced a safety confirmation system, installed satellite phones at main business sites, and stocked supplies of food and water. In addition, we regularly conduct disaster drills to ensure the effectiveness of our disaster countermeasures.

Information Security

► Measures for Organizational Safety Management

Under the supervision of the Chief Information Security Officer (CISO), we have established the Information Security Promotion Section as a company-wide cross-sectional organization to improve the level of information security for the entire Group. The section has been making continuous improvements through the PDCA cycle based on the Information Security Policy. Internal audits are also conducted regularly to check the suitability and effectiveness of the system.

► Enhancing Information Security Measures

To safely and appropriately handle the information assets of our customers, the departments concerned with offering systems solutions and services, such as the Service Connect Center (information processing center), have acquired ISO 27001 certification, the international standard for information security.

► Technical Safety Management

We are enhancing information security measures, such as introducing ID management systems and systems to prevent unauthorized entry via the Internet or to limit the use of external storage by device control. In addition, to prevent unauthorized use by a stranger, two-factor authentication has been introduced in the important systems to strengthen authentication.

► Physical Safety Management

We have introduced an entrance and exit management system with ID cards or facial recognition along with a key management system to strictly control access and automatically save records. We also ensure the continuous operation of the IT infrastructure by installing equipment such as private power generators and a UPS (uninterruptible power system).

► Information Security Education

We respond to constantly changing technologies and social circumstances and conduct level-based employee training to prevent information security breaches. We also conduct an annual, Group-wide e-learning program in October during Corporate Ethics Month to strengthen the information security literacy of employees. Due to the increased risk of information leaks from telework, we provide employees with training on risk prevention compliance.

Dialogue with Outside Directors

We will promote active discussions at Board of Directors' meetings for speedy decision-making while leveraging our core strengths to expand our presence in new business areas.



Outside Director

Joji Iki

Outside Director

Junji Uchida

Q.1

What roles do you think you should play as outside directors?

Iki: The main role of outside directors is to supervise management, but it is equally important to provide advice on business execution. Both Director Uchida and I have experience in business execution at other companies. We would like to contribute to Glory's management by sharing the knowledge and experience we have gained, not only with the Board of Directors but also in various interactions with employees.

Uchida: The fundamental role of outside directors is to supervise the execution of management as a monitoring body. Another important role, I believe, is to raise issues that further revitalize the Board of Directors and help the Company achieve its medium- to long-term growth.

Q.2

Looking back on fiscal 2021, tell us about discussions at Board meetings that left an impression on you.

Iki: For me, the most memorable issues discussed were the impact of COVID-19, the shortage of parts, and the Group's response to the emergence of cashless payments.

The spread of COVID-19 and the shortage of parts were problems that the Group could not handle alone, so it was a difficult year for management to navigate. The Board of Directors discussed how to address this uncertain situation and what preparations are necessary, considering both short-term and medium- to long-term perspectives.

When it comes to payment methods, people generally refer to only two categories: cash and cashless. In practice, however, the situation is slightly different. At our



company, we believe that business opportunities exist in the areas ‘around cash’ and ‘beyond cash.’ In addition, payment systems also differ by region and country, so it is important to allocate resources and build organizational structures that take these factors into account.

Uchida: The concept of Glory’s 2023 Medium-Term Management Plan is ‘Core and new businesses powering growth together.’ A material challenge under this concept is to accelerate the development of new businesses. However, we cannot grow such businesses overnight. At Board meetings held in fiscal 2021, we reanalyzed the strengths of our core business, which underpin the foundation the Group has built over the years. After numerous discussions, we now share the view that we need to leverage the synergies of these strengths to advance into new businesses.

I think we are making investments that align well with our overseas business strategy. These include our acquisitions of Acrelec in France and Revolution Retail Systems in the United States.

In Japan, we are also making future-oriented investments, including in our Data Management Platform (DMP) business, and we will closely monitor the progress of these investments.

Q.3

What are the key factors for Glory to achieve medium- to long-term growth?

Uchida: To achieve growth in both core and new businesses, we need to reaffirm our key strengths in recognition/identification technologies and use these strengths to develop new customers and uncover potential customer needs. Our challenge is to create new businesses by aligning these strengths with customer needs. Here, marketing and software development capabilities will play a critical role, so we need to further strengthen such capabilities.

Iki: The most important factor for medium- to long-term growth is the speed of management decision-making. To expedite such decision-making, we need to create a climate in which a sense of urgency is shared by both management and individual employees. I would like to stimulate internal communication to make this happen.

Uchida: In addition to the speed of decision-making, it is important to create more dynamism in our constant pursuit of innovation. To this end, we should foster a culture in

which employees, regardless of national or international frameworks or divisions, can spearhead more active interactions and exchanges of opinions.

Iki: To achieve this, we need to further increase engagement. In fiscal 2021, we were pleased to have opportunities to engage in discussions with employees who are potential candidates for our next generation of leaders. Taking advantage of these opportunities, I’d like to serve as a catalyst to foster the revitalization of the Group. Flexible and resilient management is also key to adapting to the uncertain times ahead. We cannot grow if we are always apprehensive about risk. I believe it is important to make choices that dare to take risks while minimizing the impact of such risks.

Uchida: It might be easier to understand risk by comparing it to the sport of soccer. In Japanese soccer, some teams seem to choose only safe passes to keep possession of the ball. With this kind of game management, a team cannot win and its players cannot grow. A more forward-thinking attitude is needed.

Iki: Indeed, the real appeal of sports lies in the attitude of players who constantly challenge their opponents and move forward while considering the inherent risks. It’s the same in business.

Q.4

To conclude, what are your expectations for Glory?

Iki: I feel that Glory is at a major turning point and is undergoing a positive transformation. The driving forces behind this are our overseas business and our new businesses. The entire Group is about to undergo a major change, and I have very high hopes.

Uchida: I believe that the power of Glory lies in its spirit of tackling things that other companies do not challenge. We achieved success in product development during our early years and business expansion, including overseas, in recent years. This was the result of our spirit of challenge in confronting unknown areas.

I hope that all employees will again take this spirit to heart and actively embrace challenges.



Dialogue with Outside Directors

Acutely aware of stakeholder perspectives, we are committed to enhancing the effectiveness of corporate governance.



Outside Director (Audit &
Supervisory Committee Member)

Satoshi Hamada

Outside Director (Audit &
Supervisory Committee Member)

Keiichi Kato

Q.1

Tell us your thoughts on the role of outside directors.

Hamada: I believe that the main role of outside directors should be to supervise management. Another role is to reflect the voices of shareholders and other stakeholders in the Company's management. Our shareholders range from individuals to institutional investors and we must recognize that their values differ. With regard to shareholder return, for example, some focus on the dividend payout ratio and some on dividends on equity (DOE) .

Kato: I am aware of my position as an 'outsider' and value the perspective of stakeholders. Even in Board discussions, the 'internal' perspective alone can lead to complacency. When discussing proposals related to new business areas, for example, I try to think about the timing of market entry, as well as exit strategies after entry, from an outsider's point of view. I also use my perspective as a legal professional to advise on each case and its potential risks. How about you, Mr. Hamada?

Hamada: My material role is to provide advice based on my accounting knowledge and check for conflicts of interest in the execution of business operations.



Q.2

Looking back on fiscal 2021, what challenges did the Company face?

Hamada: The biggest challenge was a case of embezzlement committed by a former employee of our consolidated subsidiary. In addition to the amount of money involved, we regret that we could not identify this misconduct for 13 years.

Kato: I feel the same way. The details of this matter have been revealed in an investigation report by our internal investigation committee. From a perspective of corporate governance, we have an internal control system in place for the entire Glory Group. However, there was inadequacy in the management of details. For example, a single person was managing cash and book balance.

Hamada: Despite having an internal control system in place, this operational problem arose at a Group company. It was not organized fraud but rather an individual act with a simple methodology. The fact that it was not discovered for 13 years suggests that there was a problem with the checking function, as well as the operational aspect of the internal control system.

Kato: Although Glory's Audit Department conducted periodic internal audits, there were superficial checks in accordance with checklists, and the depth of such checks was inadequate. Going forward, the Audit Department will take the lead in formulating measures to improve the effectiveness of audits, but it is also important to be more vigorous, for example, by digging deeper into areas that could become issues.

At the same time, I feel the Company was effective in enforcing governance to handle the situation after the incident was discovered. We were swift to act, from establishing an internal investigation committee consisting of outside attorneys and CPAs to executing the investigation. Going forward, an important role of the Audit & Supervisory Committee will be to verify the implementation and effectiveness of measures to prevent recurrence, and to continue ensuring thorough Group governance.

Hamada: We need to use the incident as an opportunity to meticulously reexamine governance at Group companies both in Japan and overseas.

Q.3

In recent years, there has been a growing focus on the importance of non-financial information. What are your thoughts on this trend?

Kato: Although they are viewed separately, the value of financial and non-financial information in a company is fundamentally close. We should consider both when making management decisions for corporate growth over the medium to long term.

Hamada: The International Integrated Reporting Framework defines six types of capital related to corporate value. Among them, investments in intellectual capital and human capital have a trade-off relationship with earnings in the short term from an accounting perspective. For example, investments in R&D and education and training do not translate into revenue in the same fiscal year, but they are crucial for sustainable growth. When evaluating the effectiveness of these investments, therefore, we need to take a medium- to long-term perspective.

Q.4

As Audit & Supervisory Committee members, what should you focus on in the future?

Hamada: To accurately grasp the value of the Group, we need to look at our financial figures from a medium- to long-term perspective, not just from a short-term perspective, such as year-on-year changes. For example, it is important to compare five years' worth of financial statements to verify that previous management targets have been achieved. Recently, I have spoken at Board meetings with this perspective in mind. I would like to continue providing new insights like this to the executive side.













Kato: The aforementioned incident reaffirmed to me the importance of narrowing the focus and depth of audits. I will continue making improvements while sharing issues in cooperation with the Internal Audit Department and the corporate auditors of each group company to enhance the quality of Group-wide governance.



(This interview was conducted on May 31, 2022.)

Board of Directors and Executive Officers (as of June 24, 2022)

Directors

 <p>Hirokazu Onoe Chairman of the Board & Representative Director</p>	 <p>Motozumi Miwa President & Representative Director</p>	 <p>Hideo Onoe Director & Senior Managing Executive Officer Company President, Domestic Business Company</p>	 <p>Kaname Kotani Director & Senior Managing Executive Officer Executive General Manager, Development Headquarters Chief Information Security Officer Responsible for digital solution technology Responsible for Intellectual Property Department</p>
 <p>Akihiro Harada Director & Senior Managing Executive Officer Company President, International Business Company</p>	 <p>Tomoko Fujita Director Responsible for the corporate governance of non-Japanese subsidiaries</p>	 <p>Joji Iki Outside Director Chairman of the Nomination Advisory Committee</p>	 <p>Junji Uchida Outside Director Chairman of the Compensation Advisory Committee</p>
 <p>Ian Jordan Outside Director</p>	 <p>Toru Fujita Director (Full-Time Audit & Supervisory Committee Member) Chairman of Audit & Supervisory Committee</p>	 <p>Satoshi Hamada Outside Director (Audit & Supervisory Committee Member)</p>	 <p>Keiichi Kato Outside Director (Audit & Supervisory Committee Member)</p>

Directors

Hirokazu Onoe

Chairman of the Board & Representative Director

Number of shares owned: 33,520 shares
Years served as Member of the Board: 21 years

Sep. 1970	Joined the Company	Apr. 2019	Chairman of the Board & Representative Director (to present)
Apr. 2000	General Manager, Vending Machine & Amusement Systems Business Div.	Mar. 2021	Director (Outside) of Noritz Corporation (to present)
Jun. 2001	Director		
Jun. 2004	Managing Director		
Jun. 2006	Director & Managing Executive Officer		
Apr. 2009	General Manager, Corporate Strategy Div.		
Jun. 2010	Director & Executive Vice President		
Apr. 2011	President & Representative Director		

Motozumi Miwa

President & Representative Director

Number of shares owned: 20,110 shares
Years served as Member of the Board: 10 years

Jun. 2009	Joined the Company	Apr. 2014	Director & Managing Executive Officer; Executive General Manager, Business Management Headquarters, Responsible for General Affairs Headquarters
Mar. 2010	General Manager, Legal Affairs Dept., General Affairs Div.	Apr. 2015	Director & Senior Managing Executive Officer
Jun. 2010	Executive Officer	Apr. 2016	Representative Director & Senior Managing Executive Officer
Apr. 2012	Senior Executive Officer; Executive General Manager, General Affairs Headquarters	Apr. 2017	Executive Vice President & Representative Director; Responsible for Business Management Headquarters
Jun. 2012	Director & Senior Executive Officer	Apr. 2019	President & Representative Director (to present)
Apr. 2013	Responsible for CSR, brand strategy, investor relations and legal compliance functions		

Hideo Onoe

Director & Senior Managing Executive Officer;
Company President, Domestic Business Company

Number of shares owned: 377,444 shares
Years served as Member of the Board: 8 years

Jan. 1999	Joined the Company	Apr. 2014	Managing Executive Officer of the Company; Executive General Manager, Production Headquarters & Senior General Manager, Purchasing Div.
Oct. 2005	General Manager, Supply Chain Management Dept., Production Management Div., Money Handling Systems Business Headquarters	Jun. 2014	Director & Managing Executive Officer
Oct. 2006	Executive Officer	Apr. 2015	Executive General Manager, Domestic Business Headquarters
Jul. 2009	President of GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.)	Apr. 2017	Director & Senior Managing Executive Officer (to present)
Apr. 2012	Senior Executive Officer of the Company; Executive General Manager, Production Headquarters	Apr. 2021	Company President, Domestic Business Company (to present)
Apr. 2013	Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.		

Kaname Kotani

Director & Senior Managing Executive Officer;
Executive General Manager, Development Headquarters
Chief Information Security Officer
Responsible for digital solution technology
Responsible for Intellectual Property Department

Number of shares owned: 9,420 shares
Years served as Member of the Board: 8 years

Jun. 1987	Joined the Company	Jun. 2014	Director & Senior Executive Officer
Jun. 2010	Senior General Manager, Development Div., Money Handling System Business Headquarters	Apr. 2015	Director & Managing Executive Officer
Apr. 2011	Deputy Executive General Manager, Development Headquarters	Apr. 2016	Chief Information Security Officer (to present) Director (Member of the Board) of Glory Global Solutions Ltd. (to present)
Apr. 2012	Executive Officer	Apr. 2017	Director & Senior Managing Executive Officer (to present)
Apr. 2013	Senior Executive Officer; Executive General Manager, Development Headquarters (to present), Responsible for Intellectual Property Dept. (to present)	Apr. 2018	Responsible for new businesses
		May 2021	Responsible for digital solution technology (to present)

Akihiro Harada

Director & Senior Managing Executive Officer;
Company President, International Business Company

Number of shares owned: 5,710 shares
Years served as Member of the Board: 7 years

Mar. 1985	Joined the Company	Apr. 2015	Executive General Manager, International Business Headquarters
Apr. 2003	General Manager, Production Engineering Dept., Himeji Factory, Banking System & Equipment Div.	Jun. 2015	Director & Senior Executive Officer
Jan. 2006	President of GLORY (PHILIPPINES), INC.	Jan. 2016	Chairman of the Board of Sitrade Italia S. p. A. (to present)
Apr. 2009	General Manager, Management Planning Dept., Corporate Strategy Div. of the Company	Apr. 2016	Chairman of the Board & Chief Executive Officer of Glory Global Solutions Ltd. (to present)
Apr. 2012	Executive Officer; Project Leader, International Business Integration Project Management Office	Apr. 2017	Director & Managing Executive Officer
Jul. 2012	Director (Member of the Board) of Glory Global Solutions Ltd.	Apr. 2018	Company President, International Business Company (to present)
Apr. 2014	Senior Executive Officer of the Company; Responsible for manufacturing, procurement and quality assurance at group companies of Glory Global Solutions Ltd.	Apr. 2020	Director & Senior Managing Executive Officer (to present)

Tomoko Fujita

Director;
Responsible for the corporate governance of non-Japanese subsidiaries

Number of shares owned: 0 shares
Years served as Member of the Board: 1 year

Apr. 1985	Joined The Nikko Securities Co., Ltd. (now SMBC Nikko Securities Inc.)	Apr. 2014	Director, Business Coordination of GGS
May 1991	Nikko Europe Plc.	Apr. 2015	Director, Corporate Development & Business Planning of GGS (to present)
Dec. 1998	Nikko Principal Investments Limited *Name changed to Citigroup Capital UK Limited in 2009	Apr. 2018	Director (Member of the Board) of GGS (to present)
May 2012	Joined the Company	Jun. 2021	Director (to present) Responsible for the corporate governance of non-Japanese subsidiaries (to present)
Dec. 2012	Transferred to Glory Global Solutions Ltd. ('GGS')		

Directors

Joji Iki

Outside Director
Chairman of the Nomination Advisory CommitteeNumber of shares owned: 1,000 shares
Years served as Member of the Board: 5 years

Apr. 1977	Joined Kawasaki Heavy Industries, Ltd. ('KHI')	Apr. 2015	Representative Director & Senior Executive Vice President;
Nov. 2002	Senior Manager, Aero-Dynamic Machinery Department, Machinery Division, Gas Turbine & Machinery Company		Assistant to the President, in charge of Technology, Sales and Procurement department
Apr. 2009	Executive Officer; General Manager, Machinery Division, Gas Turbine & Machinery Company	Apr. 2016	Representative Director & Senior Executive Vice President;
Apr. 2012	Managing Executive Officer; President, Gas Turbine & Machinery Company		Assistant to the President, in charge of Technology and Sales department and in charge of Ship & Offshore Structure Company
Jun. 2012	Representative Director & Senior Vice President	Apr. 2017	Director of KHI
		Jun. 2017	Outside Director (to present)

Junji Uchida

Outside Director
Chairman of the Compensation Advisory CommitteeNumber of shares owned: 1,300 shares
Years served as Member of the Board: 3 years

Apr. 1974	Joined NIPPON STEEL CORPORATION ('NSC')	Jul. 2010	Managing Director (Member of the Board); Director, Flat Products Division
Jun. 2005	Director (Member of the Board); Director, Construction Products Division		Project Leader, India Continuous Annealing and Processing Line Project
Jun. 2006	Director (under the Executive Management system); Director, Construction Products Division	Apr. 2011	Managing Director (Member of the Board); Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project
Apr. 2007	Director (under the Executive Management system); Director, Plate Division	Apr. 2012	Director (Member of the Board) of NSC Adviser of OSAKA STEEL CO., LTD. ('OSAKA STEEL')
Apr. 2009	Managing Director (under the Executive Management system); Director, Flat Products Division	Jun. 2012	Representative Director and President of OSAKA STEEL
Jun. 2009	Managing Director (Member of the Board); Director, Flat Products Division	Jun. 2017	Director and Senior Advisor of OSAKA STEEL
		Jun. 2018	Senior Advisor of OSAKA STEEL
		Jun. 2019	Outside Director (to present)

Ian Jordan

Outside Director

Number of shares owned: 0 shares
Years served as Member of the Board: -

Jun. 1987	Joined Hoskyns Group Plc (now Capgemini Inc.) Senior Analyst	Oct. 2007	Joined Avanade Inc. Executive Officer; CEO, Avanade UK & Ireland
Jan. 1993	Vice President; General Manager in Dallas and Atlanta	Jan. 2010	Executive Officer; Member of the Executive Board, Head of Global Sales, Marketing, Alliances & Innovation (Seattle, US)
Jan. 1997	Executive Officer; CEO, Southeast Region of the US		
Jan. 2000	Senior Vice President; Responsible for Retail sector (UK & Ireland)	Sep. 2013	CEO & Area President, Responsible for Growth Markets (Asia, Australasia, Africa and Latam)
Jan. 2002	Senior Vice President; Head of sales and marketing (UK & Ireland)		
Jan. 2004	Executive Officer; CEO, Management Consulting in UK & Ireland	Dec. 2016	Executive Officer; CEO, Avanade Global Management consulting
Nov. 2005	Executive Officer; Group Management Board, Head of Global Transformation (Paris, France)	Jun. 2017	Outside Director of Glory Global Solutions Ltd. (to present)

Toru Fujita

Director (Full-Time Audit & Supervisory Committee Member)
Chairman of Audit & Supervisory CommitteeNumber of shares owned: 4,100 shares
Years served as Member of the Board: 2 years

Sep. 1988	Joined the Company	Jun. 2020	Director (Full-Time Audit & Supervisory Committee Member) (to present),
Apr. 2011	General Manager, Accounting Dept., Business Managing Div.		Corporate Auditor, GLORY NASCA Ltd. (to present),
Apr. 2012	General Manager, Accounting Dept., Business Managing Headquarters		Corporate Auditor, Hokkaido GLORY Co., Ltd. (to present)
Jun. 2014	Corporate Auditor, GLORY Products Ltd.		
Jun. 2017	Full-Time Audit & Supervisory Board Member of the Company (to present)		

Satoshi Hamada

Outside Director (Audit & Supervisory Committee Member)

Number of shares owned: 3,200 shares
Years served as Member of the Board: 2 years

Apr. 1976	Joined Chuo Audit Corporation	May. 2016	Outside Director of NISHIMATSUYA CHAIN Co., Ltd.
Aug. 1981	Joined Asahi & Co. (now KPMG AZSA LLC)	Jun. 2018	External Director (Audit and Supervisory Committee Member), WDB Holdings Co., Ltd. (to present)
Nov. 1981	Registered as certified public accountant		
Sep. 1984	President, Satoshi Hamada Accounting Office (to present)	Jun. 2020	Outside Director (Audit & Supervisory Committee Member) (to present)
May. 1994	Audit & Supervisory Board Member, NISHIMATSUYA CHAIN Co., Ltd.	May. 2021	Outside Director Serving as Audit & Supervisory Committee Member, NISHIMATSUYA CHAIN Co., Ltd (to present)
Jun. 2005	External Statutory Auditor, WDB Co., Ltd. (now WDB Holdings Co., Ltd.)		
Sep. 2014	Representative, Hamada Certified Tax Accountant Office (to present)		
Jun. 2015	Outside Audit & Supervisory Board Member		

Keiichi Kato

Outside Director (Audit & Supervisory Committee Member)

Number of shares owned: 2,300 shares
Years served as Member of the Board: 2 years

Oct. 2003	Registered as Attorney-at-law Joined Harima Law Office		
Jan. 2009	Attorney-at-law and Partner, Harima Law Office (to present)		
Jun. 2018	Outside Corporate Auditor, Sanyo Color Works Ltd. (to present)		
Jun. 2019	Outside Audit & Supervisory Board Member		
Jun. 2020	Outside Director (Audit & Supervisory Committee Member) (to present)		

Executive Officers

Hideo Onoe

Director & Senior Managing Executive Officer;
Company President, Domestic Business Company

Kaname Kotani

Director & Senior Managing Executive Officer;
Executive General Manager, Development Headquarters
Chief Information Security Officer
Responsible for digital solution technology
Responsible for Intellectual Property Department

Akihiro Harada

Director & Senior Managing Executive Officer;
Company President, International Business Company

Katsunori Yamamoto

Managing Executive Officer;
Executive General Manager, General Affairs Headquarters
Responsible for legal compliance function, sustainability promotion,
environment management

Hirofumi Kameyama

Managing Executive Officer;
Senior General Manager, Research & Development Center

Tokuya Shimizu

Senior Executive Officer;
Deputy Executive General Manager and Senior General Manager of Retail Market Sales Div.,
Sales Headquarters, Domestic Business Company

Yoshihiro Takada

Senior Executive Officer;
Executive General Manager, Sales Headquarters, Domestic Business Company

Tetsuya Bogaki

Senior Executive Officer;
Head of DX Kiosk Office, International Business Company

Chris T. Reagan

Senior Executive Officer;
President, Americas, Glory Global Solutions Inc.

Vincent Nakache

Senior Executive Officer;
President, EMEA, Glory Global Solutions (France) S.A.S.

Taneyoshi Ebashi

Senior Executive Officer;
Executive General Manager, Quality Assurance Headquarters
Responsible for quality management

Masato Ishida

Senior Executive Officer;
Senior General Manager, General Affairs Div., General Affairs Headquarters

Hiroshi Uemura

Senior Executive Officer;
Senior General Manager, DX Business Promotion Div.,
Sales Headquarters, Domestic Business Company

Yoshifumi Kawabata

Senior Executive Officer;
Deputy Executive General Manager and Senior General Manager of Product
Components Development Div., Development Headquarters

Yoshihiro Oota

Senior Executive Officer;
Executive General Manager, Service Headquarters,
Domestic Business Company

Yukihiro Fujikawa

Senior Executive Officer;
Executive General Manager, Finance Headquarters

Ben Thorpe

Executive Officer;
President, Asia Pacific, Glory Global Solutions (Singapore) Pte Ltd

Shigeo Suzuki

Executive Officer;
Senior General Manager, Management Div.,
Service Headquarters, Domestic Business Company

Yoshihiro Yatsutani

Executive Officer;
Senior General Manager, Human Resources Div.,
General Affairs Headquarters

Akihiko Hosooka

Executive Officer;
Senior General Manager, Business Planning Div.,
Domestic Business Company

Toyofumi Iwami

Executive Officer;
Head of Development & Quality Assurance Office,
International Business Company

Kazumasa Kishiue

Executive Officer,
Executive General Manager, Production Headquarters

Kuniaki Ogawa

Executive Officer;
Executive General Manager and Senior General Manager of Business Innovation Center,
New Business Promotion Headquarters, Domestic Business Company

Yoshinori Minoshima

Executive Officer;
General Manager, Tokyo Regional Office, Domestic Business Company

Kazumi Yamauchi

Executive Officer;
Deputy Executive General Manager and Senior General Manager of System
Development Div., Development Headquarters

Yukiya Tanaka

Executive Officer;
Executive General Manager, Management Strategy Headquarters
Responsible for brand strategies and investor relations



Newly Appointed Board Member's Introduction

Ian Jordan

Outside Director

Customers increasingly demand insight and efficiency from Glory products and in this highly competitive digital market, quality and reliability alone will not be sufficient to prosper.

Together with our existing strength in our core product business, we need to continue to innovate new services and solutions that operate in both cash and cashless worlds. These services are essential as digital technology and the leverage of data become increasingly important to our future market relevance.

To achieve global excellence in new businesses, we need to further invest in developing our software and services teams; establishing a world-class platform of global capability that, alongside our excellence in hardware development, can innovate digital solutions for our future products and services at speed.

I expect to work in the board to encourage the development of both our core business and the acceleration of our new solutions and services portfolio. I will also bring my experience of day-to-day business and operational management to Glory, gained from years of international consulting and technology business leadership.

As the first international non-Japanese member of the Glory board, I will strive hard to contribute to this evolution of our business.

Financial/Non-Financial Highlights

Financial Highlights GLORY LTD. and consolidated subsidiaries

Financial data		(Millions of yen)	FY2011	FY2012* ²	FY2013	FY2014* ³	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net sales			146,937	190,938	218,632	222,356	226,952	222,581	227,361	235,762	224,170	217,423	226,562
(By business segment)* ^{1,4}	Financial market		44,191	44,679	45,654	48,116	51,819	53,301	53,970	56,636	42,262	49,877	36,079
	Retail and transportation market		28,566	29,670	31,007	29,886	45,531	42,657	43,216	51,985	52,487	49,078	47,859
	Amusement market		24,811	25,845	24,811	25,432	21,506	20,434	20,570	20,511	20,753	11,020	12,131
	Overseas market		35,306	75,688	103,002	104,241	105,595	103,787	106,758	103,287	103,621	104,765	127,803
	Others		14,062	15,055	14,156	14,679	2,498	2,400	2,845	3,341	5,045	2,680	2,688
(By geographical segment)* ⁵			111,631	115,250	115,630	118,115	121,357	118,794	120,603	132,475	120,549	112,658	98,759
	EMEA		16,335	33,289	41,053	40,853	42,857	39,659	45,063	43,140	43,313	49,483	44,684
	Americas		8,493	24,499	30,157	34,092	37,692	40,230	39,008	36,728	38,189	34,741	68,967
	Asia Pacific		10,477	17,899	21,012	20,884	15,910	14,590	13,755	14,757	14,802	14,153	14,151
	OEM		10,309	12,141	10,778	8,411	9,135	9,306	8,930	8,661	7,316	6,386	–
Cost of sales			92,672	117,266	131,512	134,757	137,357	135,907	140,174	147,274	137,109	131,962	136,800
Selling, general and administrative expenses			42,990	59,213	70,401	68,905	69,042	66,307	67,570	67,912	69,134	71,259	79,464
Operating income* ²			11,274	14,458	16,718	18,693	20,552	20,365	19,615	20,576	17,927	14,201	10,297
Ordinary income			11,908	13,695	19,764	22,211	17,583	17,205	17,553	20,575	15,514	14,137	10,507
Net income attributable to owners of parent			6,246	6,873	9,939	12,887	8,829	10,382	9,892	12,256	8,486	5,705	6,509
Capital expenditure			6,708	8,218	7,234	8,499	8,881	8,043	8,706	8,322	10,687	9,739	11,423
R&D expenses			9,934	12,091	13,174	12,869	12,590	13,965	14,119	13,171	14,082	14,730	14,743
Depreciation and amortization			6,842	8,897	9,281	10,350	10,327	9,469	9,450	8,945	10,133	10,706	11,952
Cash flows from operating activities			11,018	14,704	17,623	21,106	28,142	30,087	14,585	24,300	24,555	28,443	10,315
Cash flows from investing activities			(2,429)	(52,336)	(4,770)	(3,425)	(7,714)	(6,632)	(8,609)	(11,388)	(13,032)	(21,666)	(25,799)
Free cash flows			8,589	(37,632)	12,853	17,681	20,428	23,455	5,976	12,912	11,523	6,777	(15,484)
Dividends paid			2,758	2,890	3,218	3,547	3,689	3,877	5,186	3,949	4,010	4,010	4,132
Acquisition of treasury shares			0	0	0	0	0	5,999	5,999	5,999	0	0	0
Total assets			205,244	319,077	340,943	346,613	321,672	312,821	302,825	318,228	308,431	330,608	362,786
Total equity			153,333	168,464	190,804	204,544	198,287	191,443	192,165	193,257	186,668	196,332	208,563
Interest-bearing debt			13,530	86,298	75,687	64,982	51,556	50,412	37,188	49,492	49,607	48,296	56,790

Per share data

Net income* ³	(Yen)	95.09	104.64	151.31	196.19	134.38	160.35	155.96	198.71	140.45	94.38	107.65
Equity	(Yen)	2,312.33	2,537.23	2,865.09	3,066.53	2,966.22	2,939.78	3,003.62	3,133.54	3,056.75	3,195.82	3,394.59
Dividend (annual)	(Yen)	42.00	44.00	49.00	54.00	56.00	60.00	82.00	64.00	66.00	66.00	68.00

Financial indicators

Operating margin	(%)	7.7	7.6	7.6	8.4	9.1	9.1	8.6	8.7	8.0	6.5	4.5
Overseas sales ratio	(%)	24.0	39.6	47.1	46.9	46.5	46.6	47.0	43.8	46.2	48.2	56.4
Return on equity (ROE)	(%)	4.2	4.3	5.6	6.6	4.5	5.4	5.3	6.5	4.5	3.0	3.3
Return on assets (ROA)	(%)	5.9	5.2	6.0	6.5	5.3	5.4	5.7	6.6	5.0	4.4	3.0
Equity ratio	(%)	74.0	52.2	55.2	58.1	60.6	60.1	62.0	59.5	59.9	58.4	56.6
D/E ratio	(Times)	0.09	0.52	0.40	0.32	0.26	0.27	0.20	0.26	0.27	0.25	0.28
Payout ratio	(%)	44.2	42.0	32.4	27.5	41.7	37.4	52.6	32.2	47.0	69.9	63.2
Total return ratio	(%)	44.2	42.0	32.4	27.5	41.7	95.1	113.1	81.2	47.0	69.9	63.2
Stock price	(Yen)	1,811	2,259	2,829	3,350	3,825	3,650	3,795	2,656	2,490	2,380	2,072
Price earnings ratio (PER)	(Times)	19.0	21.6	18.7	17.1	28.5	22.8	24.3	13.4	17.7	25.2	19.2
Price book-value ratio (PBR)	(Times)	0.78	0.89	0.99	1.09	1.29	1.24	1.26	0.85	0.81	0.74	0.61
Dividend yield	(%)	2.32	1.95	1.73	1.61	1.46	1.64	2.16	2.41	2.65	2.77	3.28

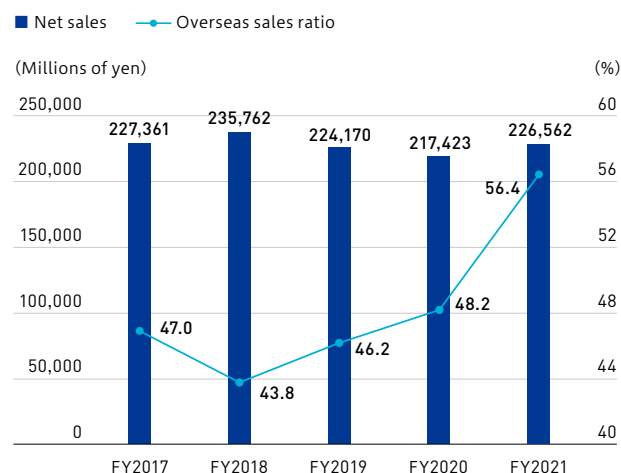
*1 From fiscal 2016, products have been reclassified. The financial figures for fiscal 2015 are based on the new segment classification. *2 The increase in figures for fiscal 2012 compared to fiscal 2011 is primarily due to the acquisition of Talaris Topco Limited in 2012

*3 From fiscal 2015, we have changed the translation method to one using the 'average exchange rate.' This change has been applied retrospectively, so the financial figures for fiscal 2014 are based on the 'average exchange rate.'

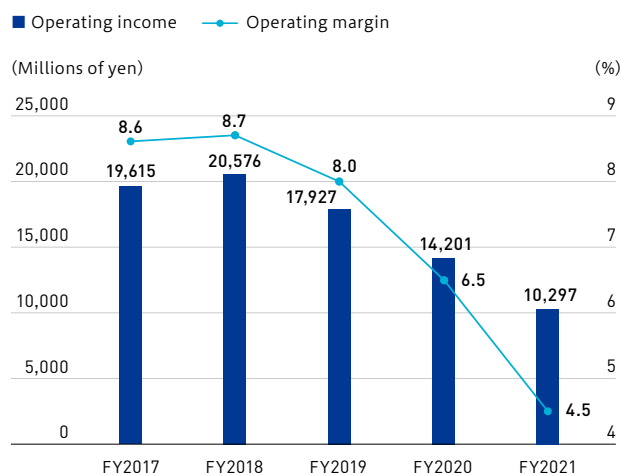
*4 In fiscal 2021, we changed the classification for some biometric and image recognition businesses conventionally included in 'Others,' and a portion of business that contribute to electronic settlements to the 'Retail & Transportation Market' and a portion of new businesses to our Overseas Market, in light of our review of business segments. The financial figures for fiscal 2020 are based on the new segment classification. *5 From fiscal 2021, OEM sales are included in sales in Americas, Europe, and Asia.

Financial Highlights GLORY LTD. and consolidated subsidiaries

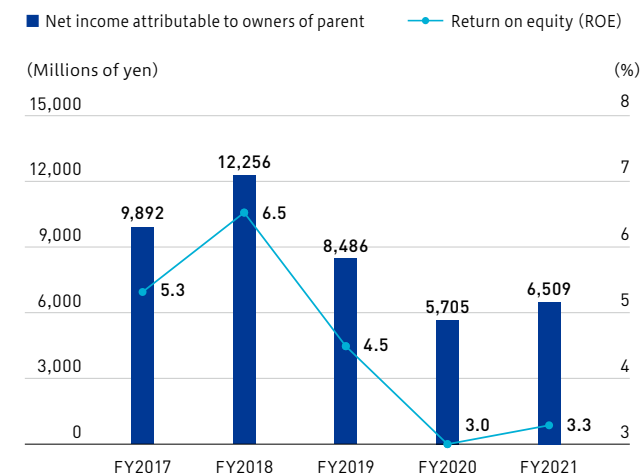
Net Sales/Overseas Sales Ratio



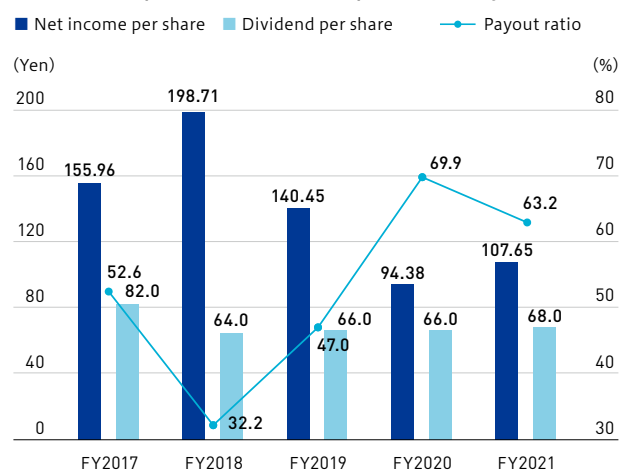
Operating Income/Operating Margin



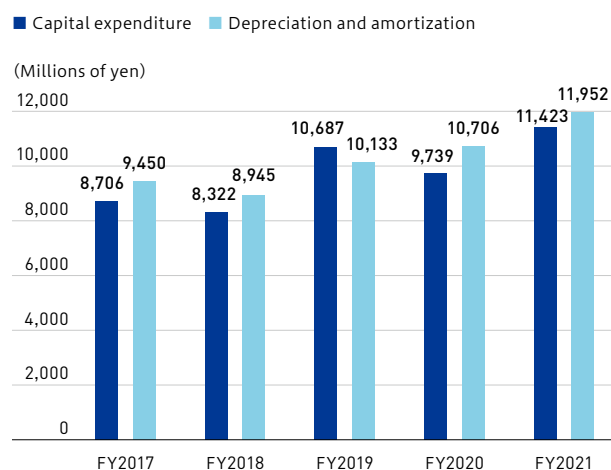
Net Income Attributable to Owners of Parent/Return on Equity (ROE)



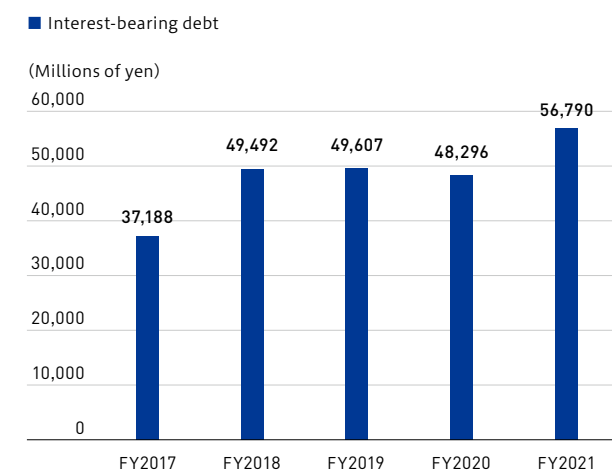
Net Income per Share/Dividend per Share/Payout Ratio



Capital Expenditure/Depreciation and Amortization



Interest-Bearing Debt



Five-Year Non-Financial Highlights

			FY2017	FY2018	FY2019	FY2020	FY2021
E Environment							
CO ₂ emissions from business operations* ¹	Domestic	(t-CO ₂)	13,705	12,465	10,442	9,902	10,115
	Overseas	(t-CO ₂)	3,722	3,468	3,538	3,887	4,527
	Total	(t-CO ₂)	17,427	15,933	13,981	13,789	14,643
CO ₂ emissions for each scope* ²	Scope 1	(t-CO ₂)	1,771	1,822	1,755	1,567	1,525
	Scope 2	(t-CO ₂)	15,656	14,112	12,226	12,222	13,118
	Scope 3	(t-CO ₂)	415,658	432,494	377,072	341,490	380,373
	Total	(t-CO ₂)	433,085	448,428	391,053	355,279	395,016
Waste volume* ¹	Domestic	(t)	696	825	820	609	667
	Overseas	(t)	1,295	891	758	1,707	2,616
	Total	(t)	1,991	1,716	1,578	2,316	3,283
Water use* ¹	Domestic	(Thousand tons)	80	91	82	75	72
	Overseas	(Thousand tons)	41	34	33	32	35
	Total	(Thousand tons)	120	125	116	107	107
S Society							
Permanent employees	Male	(Persons)	2,882	3,000	3,016	3,038	3,034
	Female	(Persons)	432	447	457	465	472
	Total	(Persons)	3,314	3,447	3,473	3,503	3,506
Number of managers	Male	(Persons)	1,055	1,060	1,069	1,042	1,040
	Female	(Persons)	15	16	17	21	28
	Total	(Persons)	1,070	1,076	1,086	1,063	1,068
Ratio of female managers		(%)	1.40	1.49	1.57	1.97	2.62
Number of employees with disabilities* ³		(Persons)	112	112	117	120	124
Ratio of employees with disabilities* ³		(%)	2.24	2.23	2.23	2.39	2.46
Ratio of days taken paid leave		(%)	65.8	66.7	66.7	65.6	66.1
Annual actual working hours per employee		(Hours/year)	2,032	2,020	2,004	2,039	2,025
Training expenditures per employee		(Yen/person)	73,929	71,947	54,420	25,827	48,203
Number of occupational accidents			10	8	11	10	8
G Governance							
Number of whistleblowing cases			14	20	22	16	28
R&D							
Number of patents, utility models, and designs applied for and acquired	Domestic		1,188	1,191	1,213	1,229	1,085
	Overseas		867	862	960	1,114	1,057
	Total		2,055	2,053	2,173	2,343	2,142

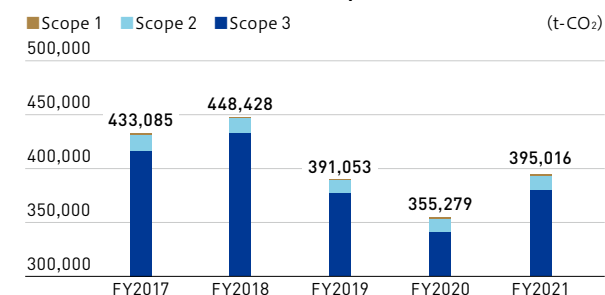
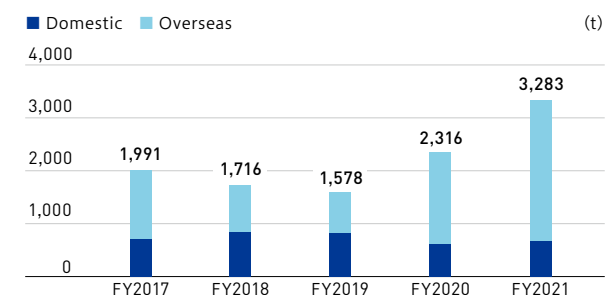
*¹ GLORY LTD. and domestic/overseas consolidated subsidiaries that have acquired ISO 14001 certification*² Boundaries for each scope are as follows.

Scope 1: GLORY LTD. and domestic and overseas Group companies that have acquired ISO 14001 certification (excluding fuels of vehicles owned by the company)

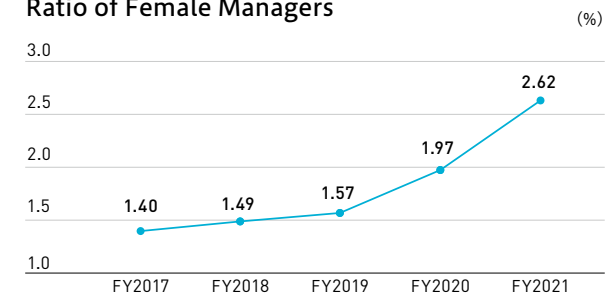
Scope 2: GLORY LTD. and domestic and overseas Group companies that have acquired ISO 14001 certification

Scope 3: 1. Purchased goods and services, 2. Capital goods, 3. Fuel- and energy-related activities not included in Scope 1 or 2, 4. Upstream transportation and distribution, 5.

Waste generated in operations, 6. Business travel, 7. Employee commuting, 8. Upstream leased assets, 11. Use of sold products, and 12. End-of-life treatment of sold products

*³ Includes data from GLORY Products Ltd., GLORY Friendly Co., Ltd., GLORY System Create Ltd., and GLORY Mechatronics Ltd.CO₂ Emissions for Each Scope*²Waste Volume*¹

Ratio of Female Managers



Management's Discussion and Analysis

I Overview of Business Results

Market Environment

In fiscal 2021, ended March 31, 2022, the global economy was affected by the spread of new COVID-19 variants, shortages of semiconductors and other parts, rising materials prices and logistics costs, and supply chain issues, such as tight supply of logistics services. There were also fears of an economic downturn caused by the Russia-Ukraine situation. The U.S. and European economies showed signs of recovery thanks to efforts to normalize economic activities in line with vaccination rollouts, while conditions in Asia remained challenging due to the spread of COVID-19 and delays in vaccination rollouts. In China, where 'zero-COVID' policies remain in force, the pace of the recovery also slowed, with declines in personal consumption and industrial production.

In Japan, the economy showed signs of moderate recovery as capital investment and corporate earnings improved. This was despite strong ongoing downward pressure on the restaurant and hotel sectors, which rely on face-to-face services and were greatly affected by COVID-19.

Performance

In the domestic market, we posted year-on-year declines in both sales and income due to a recoil in demand for maintenance services, which previously increased alongside the issuance of the new ¥500 coin. In the overseas market, however, we reported increases in sales and income thanks to steady sales to financial institutions and the retail industry. In the European and U.S. retail markets, in particular, sales of coin and banknote recyclers for back offices and self-service coin and banknote recyclers for cashiers increased due to growing demand for contact-free and self-service solutions, reflecting the need to prevent infections and ensure rigorous cash management. In new businesses, our self-service kiosk-related business developed by the Acrelec Group performed strongly in the overseas market.

However, the difficulty in procuring semiconductors and other parts from the third quarter affected our production activities and caused postponement of sales. Also, the impact of soaring material prices and tight shipping supply-demand conditions became apparent, forcing us to restrict both domestic and overseas sales activities.

As a result, consolidated net sales increased 4.2% year on year to ¥226,562 million. Of this amount, merchandise and finished goods rose 2.8% to ¥142,667 million and sales from maintenance services climbed 6.6% to ¥83,894 million. Operating income decreased 27.5% to ¥10,297 million, and ordinary income was down 25.7% to ¥10,507 million. Net income attributable to owners of parent increased 14.1% to ¥6,509 million. This was due to the addition of an extraordinary gain from the sale of shares of viafintech GmbH and the subtraction of an extraordinary loss stemming from an incident that occurred at a domestic consolidated subsidiary.

(Millions of yen)	Full year						Year on Year	
	FY2019	Ratio	FY2020	Ratio	FY2021	Ratio		
Net sales	224,170	100.0%	217,423	100.0%	226,562	100.0%	+ 9,139	+4.2%
Maintenance sales	71,099	31.7%	78,675	36.2%	83,894	37.0%	+ 5,219	+6.6%
Operating income	17,927	8.0%	14,201	6.5%	10,297	4.5%	- 3,904	-27.5%
Ordinary income	15,514	6.9%	14,137	6.5%	10,507	4.6%	- 3,630	-25.7%
Net income attributable to owners of parent	8,486	3.8%	5,705	2.6%	6,509	2.9%	+ 804	+14.1%
EBITDA*	31,865	14.2%	29,410	13.5%	27,505	12.1%	- 1,905	-6.5%
Exchange rate	US\$	¥109	¥106		¥112			
	Euro	¥121	¥124		¥131			

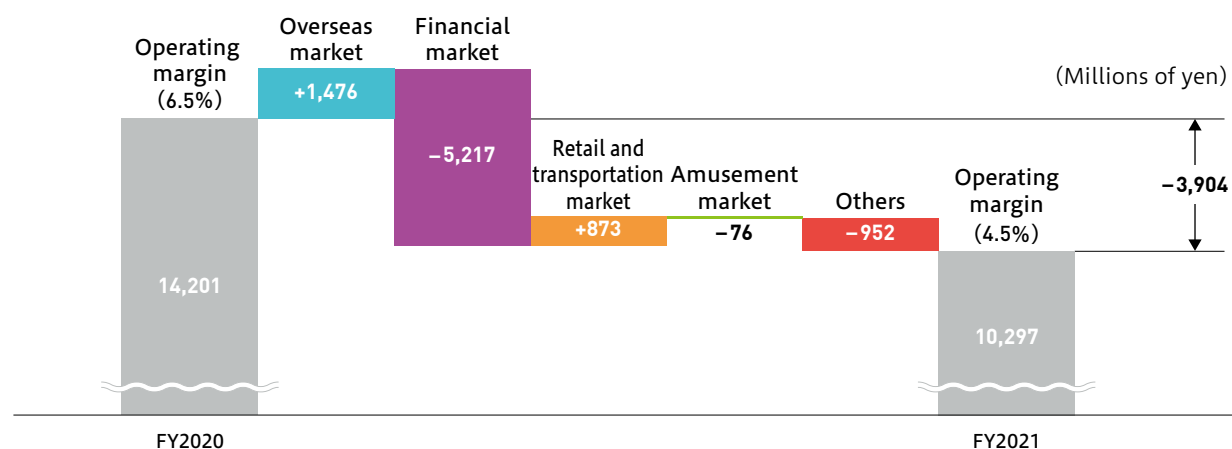
*EBITDA = Operating income + Depreciation and amortization + Goodwill amortization

II Segment Overview

Segment Overview

(Millions of yen)	Net sales					Operating income				
	Full year			Year on Year		Full year			Year on Year	
	FY2019	FY2020	FY2021			FY2019	FY2020	FY2021		
Overseas market	103,621	104,765	127,803	+23,038	+22.0%	9,780	3,417	4,884	+1,467	+42.9%
Financial market	42,262	49,877	36,079	-13,798	-27.7%	3,314	9,861	4,644	-5,217	-52.9%
Retail and transportation market	52,487	49,078	47,859	-1,219	-2.5%	5,198	1,670	2,543	+873	+52.3%
Amusement market	20,753	11,020	12,131	+1,111	+10.1%	1,998	-290	-366	-76	-
Others	5,045	2,680	2,688	+8	+0.3%	-2,364	-456	-1,408	-952	-
Total	224,170	217,423	226,562	+9,139	+4.2%	17,927	14,201	10,297	-3,904	-27.5%

Note: Following a reclassification of our business segments in the first quarter of fiscal 2021, part of the biometric/image business and part of businesses that contribute to our electronic payment services business (both previously included in the 'Others' segment) are now included in the 'Retail and Transportation Market' segment, and part of new businesses are now included in the 'Overseas Market' segment. Figures in the above table for fiscal 2021 have been adjusted to reflect the reclassification.



Overseas Market

In the Americas and Europe, sales of the CI series of sales of coin and banknote recyclers for back offices for the retail industry were steady, and sales of the RBG series of coin and banknote recyclers for financial institutions were also strong. In Asia, sales of the UW series of banknote sorters were sluggish. Furthermore, sales of the Acrelec Group exceeded the pre-COVID level. As a result, both sales and income in this segment increased.

Financial Market

Sales of our mainstay open teller systems were slow, and sales of coin and banknote recyclers for tellers declined following large-scale demand in the previous year. Sales from maintenance services also declined as system modification work related to the issuance of the new ¥500 coin slowed. As a result, both sales and income in this segment declined.

Retail and Transportation Market

Sales of our mainstay coin and banknote recyclers for cashiers and ticket vending machines were firm, but sales of sales proceeds deposit machines to the cash-in-transit market were sluggish. Income increased due to system modification work associated with the issuance of the new ¥500 coin and an improved product mix. As a result, segment sales declined and segment income increased year on year.

Amusement Market

Sales of our main products, including card systems and pachinko prize dispensing machines used in pachinko parlors, increased over the previous year, when we faced downside factors, such as store closures and shortened operating hours. However, a full-scale recovery in demand did not materialize. As a result, the segment posted higher sales but also an increased operating loss.

Overview by Region

In the Americas and EMEA, sales to financial institutions and the retail industry were strong, and in Asia sales to financial institutions were solid in major countries. In China, sales to financial institutions (banknote sorters) were weak. During the year, the Acrelec Group strove to increase sales of self-service kiosks and click-and-collect services to major supermarkets and global fast-food chains. As a result, we posted year-on-year sales growth in all regions.

(Millions of yen)	Full year			Year on Year		Local currency basis
	FY2019	FY2020	FY2021			
Americas	38,459	34,891	44,271	+9,380 +26.9%	+18.7%	
EMEA	44,119	50,288	65,746	+15,458 +30.7%	+23.3%	
Asia	15,267	14,730	13,032	-1,698 -11.5%	-	
China	5,694	5,521	2,664	-2,857 -51.7%	-56.8%	
OEM	5,775	4,854	4,752	-102 -2.1%	-2.1%	
Total	103,621	104,765	127,803	+23,038 +22.0%	-	

Acrelec sales	Full year		Year on Year	
	FY2020 (Nine months)	FY2021		
	1,125	2,686	+1,561	+138.8%
	7,297	16,301	+9,004	+123.4%
	450	607	+157	+34.9%
	-	-	-	-
	-	-	-	-
	8,873	19,594	+10,721	+120.8%

Notes:
1.Acquisition of Acrelec took place in Q1/FY2020.
2.Acrelec P&L is included in the scope of consolidation from Q2/FY2020.

III Financial Position

Assets, Liabilities, and Net Assets

As of March 31, 2022, total assets amounted to ¥362,786 million, up ¥32,178 million from a year earlier. This was mainly due to increases in inventories and goodwill, which contrasted with a decrease in cash and deposits.

For the year, total liabilities rose ¥19,948 million to ¥154,223 million, mainly due to increases in long-term borrowings and notes and accounts payable—trade.

Equity grew ¥12,230 million to ¥208,563 million, mainly due to increases in foreign currency translation adjustment and retained earnings.

As a result, the ownership equity ratio declined 1.8 percentage points, from 58.4% to 56.6%.

IV Cash Flows and Capital Investment

Cash Flows

Cash and cash equivalents at fiscal year-end stood at ¥52,256 million, down ¥13,801 million from a year earlier.

Net cash provided by operating activities amounted to ¥10,315 million, compared with ¥28,443 million in the previous year. Main inflows included income before income taxes, depreciation, and amortization of goodwill, and main outflows included an increase in inventories and payment of income taxes.

Net cash used in investing activities totaled ¥25,799 million, compared with ¥21,666 million in the previous year. Main outflows included the acquisition of shares in Revolution Retail Systems, LLC; the acquisition of property, plant, and equipment (such as molds and jigs used in product manufacturing); and the acquisition of shares in AdInte Co., Ltd., and other companies, which contrasted with proceeds from the sale of shares in viafintech GmbH.

As a result of the above, free cash flows were minus ¥15,484 million.

Net cash used in financing activities was ¥942 million, compared with ¥2,131 million in the previous year. Main inflows were proceeds from long-term borrowings, and main outflows were repayments of long-term borrowings and payment of dividends.

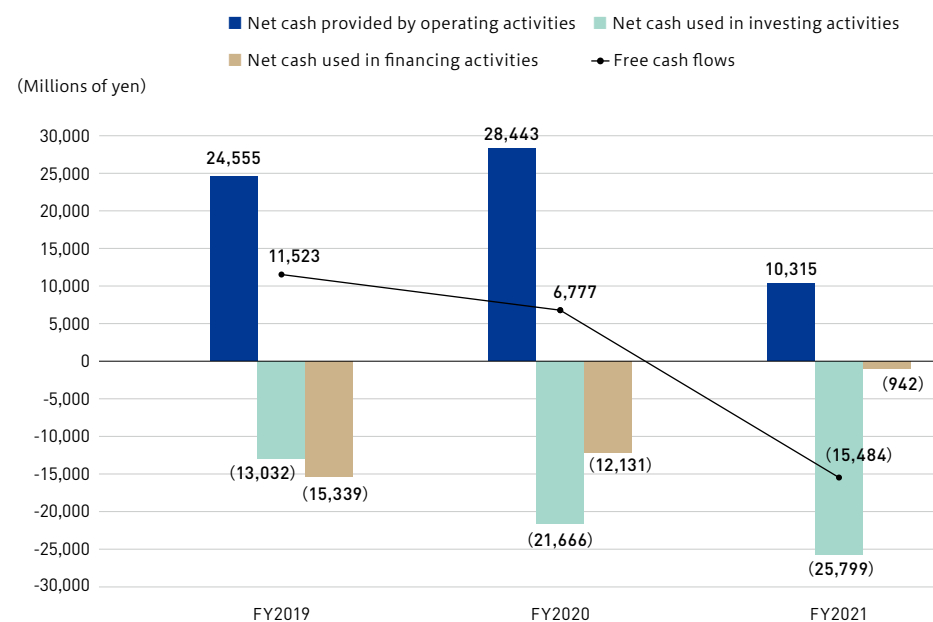
Capital Investment

The Group actively undertakes growth-oriented investments aimed at enhancing corporate value. Over the three-year period of the 2023 Medium-Term Management Plan, which commenced in April 2021, we plan to make a total of ¥75 billion in capital and business investments. Of this amount, we will allocate ¥30 billion to strengthen the foundation of the Group's core business.

In fiscal 2021, capital investments amounted to ¥11,423 million (up 17.3% from the previous fiscal year), allocated mainly to R&D, productivity improvement, and sales and maintenance activities. This included ¥1,214 million for casting and jig tools for new product manufacturing and ¥1,451 million for software required for ERP system implementation.

V Tax Governance Initiatives

The Group recognizes that one of the most fundamental and important social responsibilities for a company expanding its business globally is to fulfill its tax obligations in the countries and regions in which it operates. Under such recognition, the Group ensures that it pays appropriate taxes in compliance with the tax laws of each country. Furthermore, the Group maintains a global tax governance structure to ensure that all tax issues are reported to management, information is shared within the Group in a timely manner, and tax education is provided to employees.



Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Assets		
Current assets		
Cash and deposits	66,188	52,316
Notes and accounts receivable—trade	55,660	—
Notes and accounts receivable—trade, and contract assets	—	52,420
Electronically recorded monetary claims—operating	684	749
Investments in leases	1,074	775
Securities	50	50
Merchandise and finished goods	33,176	38,511
Work in process	6,943	15,658
Raw materials and supplies	12,397	17,599
Other	4,635	12,913
Allowance for doubtful accounts	(1,032)	(1,240)
Total current assets	179,778	189,753
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,424	39,176
Accumulated depreciation	(23,190)	(24,255)
Buildings and structures, net	14,234	14,921
Machinery, equipment and vehicles	13,817	15,434
Accumulated depreciation	(11,529)	(13,130)
Machinery, equipment and vehicles, net	2,288	2,304
Tools, furniture and fixtures	53,582	53,427
Accumulated depreciation	(48,194)	(48,211)
Tools, furniture and fixtures, net	5,387	5,215
Land	11,843	11,877
Right-of-use assets	8,408	10,845
Accumulated depreciation	(3,344)	(4,880)
Right-of-use assets, net	5,063	5,964
Construction in progress	366	201
Total property, plant and equipment	39,183	40,485
Intangible assets		
Customer relationships	22,473	21,335
Software	7,178	8,709
Goodwill	49,800	64,157
Other	1,190	870
Total intangible assets	80,642	95,072
Investments and other assets		
Investment securities	11,228	14,871
Deferred tax assets	8,064	8,266
Retirement benefit asset	7,250	9,660
Other	5,411	6,782
Allowance for doubtful accounts	(951)	(2,106)
Total investments and other assets	31,003	37,474
Total non-current assets	150,829	173,032
Total assets	330,608	362,786

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable—trade	10,543	14,656
Electronically recorded obligations—operating	6,529	6,975
Short-term borrowings	15,656	16,743
Current portion of long-term borrowings	3,130	2,585
Income taxes payable	2,480	1,075
Contract liabilities	—	22,502
Provision for bonuses	7,553	7,373
Provision for bonuses for directors (and other officers)	91	102
Provision for stock grant	—	209
Other	41,811	27,673
Total current liabilities	87,796	99,898
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	3,939	11,187
Lease liabilities	3,820	4,409
Deferred tax liabilities	7,895	8,370
Provision for stock grant	245	247
Retirement benefit liability	2,590	2,327
Other	7,987	7,782
Total non-current liabilities	46,478	54,325
Total liabilities	134,275	154,223
Equity		
Shareholders' equity		
Share capital	12,892	12,892
Capital surplus	12,294	12,286
Retained earnings	164,411	166,665
Treasury shares	(9,241)	(9,191)
Total shareholders' equity	180,357	182,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	680	666
Foreign currency translation adjustment	9,054	17,906
Remeasurements of defined benefit plans	3,109	4,047
Total accumulated other comprehensive income	12,843	22,620
Non-controlling interests	3,131	3,289
Total equity	196,332	208,563
Total liabilities and equity	330,608	362,786

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	217,423	226,562
Cost of sales	131,962	136,800
Gross profit	85,460	89,762
Selling, general and administrative expenses	71,259	79,464
Operating income	14,201	10,297
Non-operating income		
Interest income	271	222
Dividend income	146	149
Foreign exchange gains	—	480
Other	1,171	576
Total non-operating income	1,589	1,429
Non-operating expenses		
Interest expenses	559	638
Foreign exchange losses	238	—
Share of loss of entities accounted for using equity method	700	58
Other	153	522
Total non-operating expenses	1,652	1,219
Ordinary income	14,137	10,507
Extraordinary income		
Gain on sale of non-current assets	4	12
Gain on sale of investment securities	22	1
Gain on sale of shares of subsidiaries and associates	—	4,739
Total extraordinary income	27	4,752
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	32	32
Loss on sale of investment securities	73	—
Loss on valuation of investment securities	421	49
Provision of allowance for doubtful accounts	397	1,171
Impairment losses	648	121
Special investigation expenses	—	100
Total extraordinary losses	1,574	1,476
Income before income taxes	12,590	13,783
Income taxes—current	6,959	6,333
Income taxes—deferred	(885)	(93)
Total income taxes	6,073	6,239
Net income	6,516	7,544
Net income attributable to non-controlling interests	811	1,034
Net income attributable to owners of parent	5,705	6,509

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income	6,516	7,544
Other comprehensive income		
Valuation difference on available-for-sale securities	1,128	(9)
Foreign currency translation adjustment	4,059	8,984
Remeasurements of defined benefit plans, net of tax	5,264	937
Share of other comprehensive income of entities accounted for using equity method	6	7
Total other comprehensive income	10,459	9,920
Comprehensive income	16,976	17,465
Comprehensive income attributable to		
Owners of parent	16,000	16,322
Non-controlling interests	975	1,142

Consolidated Statement of Changes in Equity

Previous Fiscal Year (from April 1, 2020, to March 31, 2021)

(Millions of yen)					
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,892	15,961	162,595	(9,312)	182,137
Cumulative effects of changes in accounting policies					—
Restated balance	12,892	15,961	162,595	(9,312)	182,137
Changes during period					
Dividends of surplus			(3,889)		(3,889)
Net income attributable to owners of parent			5,705		5,705
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				71	71
Change in scope of consolidation					—
Purchase of shares of consolidated subsidiaries					—
Change in put option liabilities written over noncontrolling interests		(3,667)			(3,667)
Net changes in items other than shareholders' equity					
Total changes during period	—	(3,667)	1,815	71	(1,780)
Balance at end of period	12,892	12,294	164,411	(9,241)	180,357

(Millions of yen)						
	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(455)	5,194	(2,154)	2,584	1,946	186,668
Cumulative effects of changes in accounting policies				—		—
Restated balance	(455)	5,194	(2,154)	2,584	1,946	186,668
Changes during period						
Dividends of surplus				—	(741)	(4,631)
Net income attributable to owners of parent				—		5,705
Purchase of treasury shares				—		(0)
Disposal of treasury shares				—		71
Change in scope of consolidation				—	951	951
Purchase of shares of consolidated subsidiaries				—		—
Change in put option liabilities written over noncontrolling interests				—		(3,667)
Net changes in items other than shareholders' equity	1,135	3,859	5,264	10,259	975	11,234
Total changes during period	1,135	3,859	5,264	10,259	1,185	9,664
Balance at end of period	680	9,054	3,109	12,843	3,131	196,332

Consolidated Statement of Changes in Equity

Current Fiscal Year (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,892	12,294	164,411	(9,241)	180,357
Cumulative effects of changes in accounting policies			(1)		(1)
Restated balance	12,892	12,294	164,410	(9,241)	180,356
Changes during period					
Dividends of surplus			(4,254)		(4,254)
Net income attributable to owners of parent			6,509		6,509
Purchase of treasury shares					—
Disposal of treasury shares				49	49
Change in scope of consolidation					—
Purchase of shares of consolidated subsidiaries		(7)			(7)
Change in put option liabilities written over noncontrolling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	—	(7)	2,255	49	2,297
Balance at end of period	12,892	12,286	166,665	(9,191)	182,653

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	680	9,054	3,109	12,843	3,131	196,332
Cumulative effects of changes in accounting policies				—		(1)
Restated balance	680	9,054	3,109	12,843	3,131	196,331
Changes during period						
Dividends of surplus				—	(972)	(5,226)
Net income attributable to owners of parent				—		6,509
Purchase of treasury shares				—		—
Disposal of treasury shares				—		49
Change in scope of consolidation				—		—
Purchase of shares of consolidated subsidiaries				—		(7)
Change in put option liabilities written over noncontrolling interests				—		—
Net changes in items other than shareholders' equity	(13)	8,851	937	9,776	1,130	10,906
Total changes during period	(13)	8,851	937	9,776	157	12,231
Balance at end of period	666	17,906	4,047	22,620	3,289	208,563

Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Income before income taxes	12,590	13,783
Depreciation	10,706	11,952
Impairment losses	648	121
Amortization of goodwill	4,502	5,254
Increase (decrease) in allowance for doubtful accounts	704	1,198
Increase (decrease) in retirement benefit liability	(192)	(419)
Increase (decrease) in provision for bonuses	388	(429)
Increase (decrease) in provision for stock grant	(54)	210
Loss (gain) on sale of investment securities	51	(1)
Loss (gain) on sale of shares of subsidiaries and associates	—	(4,739)
Interest and dividend income	(417)	(372)
Interest expenses	559	638
Loss on retirement of non-current assets	32	32
Decrease (increase) in trade receivables	(852)	9,374
Decrease (increase) in inventories	2,823	(10,927)
Increase (decrease) in trade payables	(3,920)	1,306
Increase (decrease) in lease liabilities	212	(287)
Decrease (increase) in investments in leases	264	299
Decrease (increase) in accounts receivable—other	(73)	(2,600)
Increase (decrease) in accounts payable—other	853	0
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	1,328	(834)
Other, net	3,509	(5,779)
Subtotal	33,665	17,780
Interest and dividends received	419	384
Interest paid	(553)	(624)
Income taxes refund (paid)	(5,088)	(7,225)
Net cash provided by (used in) operating activities	28,443	10,315

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Payments into time deposits	(80)	(60)
Proceeds from withdrawal of time deposits	560	130
Purchase of property, plant and equipment	(4,876)	(4,809)
Proceeds from sale of property, plant and equipment	30	20
Purchase of intangible assets	(3,588)	(3,424)
Purchase of investment securities	(2,726)	(3,938)
Proceeds from sale and redemption of investment securities	2,273	29
Proceeds from distributions from investment partnerships	464	390
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(13,729)	(20,484)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	6,201
Proceeds from sale of shares of subsidiaries and associates	—	156
Other, net	6	(11)
Net cash provided by (used in) investing activities	(21,666)	(25,799)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,323)	148
Proceeds from long-term borrowings	3,447	11,531
Repayments of long-term borrowings	(10)	(5,637)
Repayments of lease liabilities	(1,613)	(1,738)
Dividends paid	(3,889)	(4,253)
Dividends paid to non-controlling interests	(741)	(972)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(20)
Purchase of treasury shares	(0)	—
Net cash provided by (used in) financing activities	(12,131)	(942)
Effect of exchange rate change on cash and cash equivalents	997	2,625
Net increase (decrease) in cash and cash equivalents	(4,357)	(13,801)
Cash and cash equivalents at beginning of period	70,415	66,057
Cash and cash equivalents at end of period	66,057	52,256

Risk Factors

Business Environment

Impact of COVID-19 and other infectious diseases

The Group conducts its business activities on a global scale, which means the emergence of new high-risk variants could have a significant impact on its business in areas such as product sales, maintenance, manufacture, and procurement. Potential examples include disruptions to manufacturing operations due to lockdowns, restrictions on the procurement of certain raw materials and parts, prolonged restrictions on sales activities, and major unexpected changes in customers' investment sentiment. Any of these factors could adversely affect the Group's performance or financial position.

Rapid development of cashless economy/Strong reliance on cash handling machines

The Group's mainstay business in Japan and overseas is heavily dependent on the cash handling machine sector in terms of size of sales. To mitigate the risks inherent in such dependence, the Group aggressively invests in new business domain including non-cash areas. Should the cashless economy develop drastically and globally in a short time (due to the issuance of digital currencies by central banks, for example) before the Group's new business domain matures, the Group's performance could be adversely affected.

Overseas business conditions

The Group has identified several factors that could cause serious problems for its production and sales activities and thus adversely affect its performance. These include sudden changes in political and economic conditions overseas, expansion of protectionist trade policies, social turmoil due to civil strife or war, and exchange rate fluctuations that exceed expectations.

Laws and regulations of countries and regions where the Group operates

The Group is subject to business permits and import and export regulations, as well as various laws and regulations in the countries and regions where it operates. Should these laws and regulations be revised or repealed, or if new public regulations were to be established, or if any other special factors influencing the market environment were to arise, the Group's performance could be adversely affected.

Intensified competition

Intensification of competition in the Group's business areas could lead competitors to launch new products and services or engage in aggressive sales activities such as significant price reductions, and might cause a shift in demand to lower-priced products. Any of these factors could adversely affect the Group's performance.

Strategic investments

The Group strategically allocates its management resources to expanding core business and creating new ones, with the aim of constantly improving corporate value over the medium to long term. As of March 31, 2022, goodwill and customer relationships amounted to ¥64,157 million and ¥21,335 million, respectively, and accounted for 17.7% and 5.9% of total consolidated assets, respectively. These intangible assets are subject to impairment assessment, and if the Group does not achieve expected outcomes due to changes in the business environment, it might incur impairment losses that could adversely affect its performance.

Procurement of parts and materials

In procuring parts and raw materials, the Group strives for stability in purchasing from multiple suppliers and diversifying procurement sources. However, dependence on single suppliers for the procurement of certain parts and raw materials might be necessary due to their special nature. In addition, natural disasters and/or accidents could result in suspension or interruption of production activities at supplier facilities, making it difficult to procure parts and raw materials. Moreover, the global supply/demand balance for semiconductors is tightening and the risk of not being able to procure products on time is increasing. Any of these factors could impact the Group's production activities and adversely affect its performance.

Securing human resources

The Group conducts business activities on a global scale and employs people with a diverse range of nationalities, values, and expertise. Its medium- to long-term growth is highly dependent on these human resources, so attracting new talent and fostering talent among existing employees is indispensable. As such, the Group's performance could be adversely affected if it fails to attract and foster human resources who match the characteristics and growth stage of each Group company, or people with exceptional talents in the areas of development, production, sales, maintenance, and management.

Business Operations**R&D investment**

The Group is an R&D-based enterprise and continues to aggressively invest in R&D. Depending on the R&D themes, however, development periods could be longer, and costs higher, than initially planned. If such circumstances were to arise, the Group's performance could be adversely affected.

Intellectual property rights

The Group constantly conducts research on the products of other companies to prevent infringements by its products on the material intellectual property rights of third parties, as well as those by third parties' products on the Group's intellectual property rights. As an R&D-based enterprise, however, it is difficult for the Group to completely avoid intellectual property infringement issues. If such issues were to materialize, the Group's performance could be adversely affected.

Information security

To maintain its credibility and ensure smooth business operations, the Group considers it essential to prevent leakages of personal and confidential corporate information. Based on this, the Group has taken various measures, such as formulating regulations, conducting thorough in-house training, and establishing an information security system. In the event of an information leakage, however, the Group might not only suffer a loss of credibility but also be liable for damages to customers and other parties.

Furthermore, the Group is implementing security measures for both hardware and software because its business activities are increasingly dependent on information systems. However, there is a possibility that information system failures might occur due to cyberattacks and/or computer virus infections. Any of these factors could adversely affect the Group's performance and/or financial position.

Quality of products and services

The products and services provided by the Group are required to operate in a reliable manner, such as in the case of cash handling at financial institutions and retail stores. To this end, the Group focuses on providing highly reliable products by verifying quality and safety at each stage, including product design, evaluation, component procurement, and manufacturing. In maintenance services, the Group works to prevent serious product quality and safety issues by conducting regular inspections. However, unexpected quality problems might occur during the development, production, and maintenance service processes, such as uncertainties associated with sophisticated product and service functions. Any of these factors could adversely affect the Group's performance.

Environment**Climate change**

The Group aims to realize a sustainable society by leveraging advanced technologies to address social issues. Solving environmental problems is of particular importance. For the Group, which operates globally, the transition to a low-carbon economy has become an urgent and unavoidable issue for realizing the SDGs. The Group endeavors to develop environmentally friendly products while considering government policies and legal requirements for climate change and the demands of the market. If these regulations exceed expectations, however, transition risk might increase, leading to higher costs, lost sales opportunities, and decreased corporate value stemming from damage to the corporate brand, which could adversely affect the Group's performance. In addition, physical risks might increase due to abnormal weather conditions, such as typhoons and torrential rains, which have been on the rise in recent years due to climate change, or earthquakes and other large-scale natural disasters. Any of these factors could restrict the Group's business activities and adversely affect its performance.

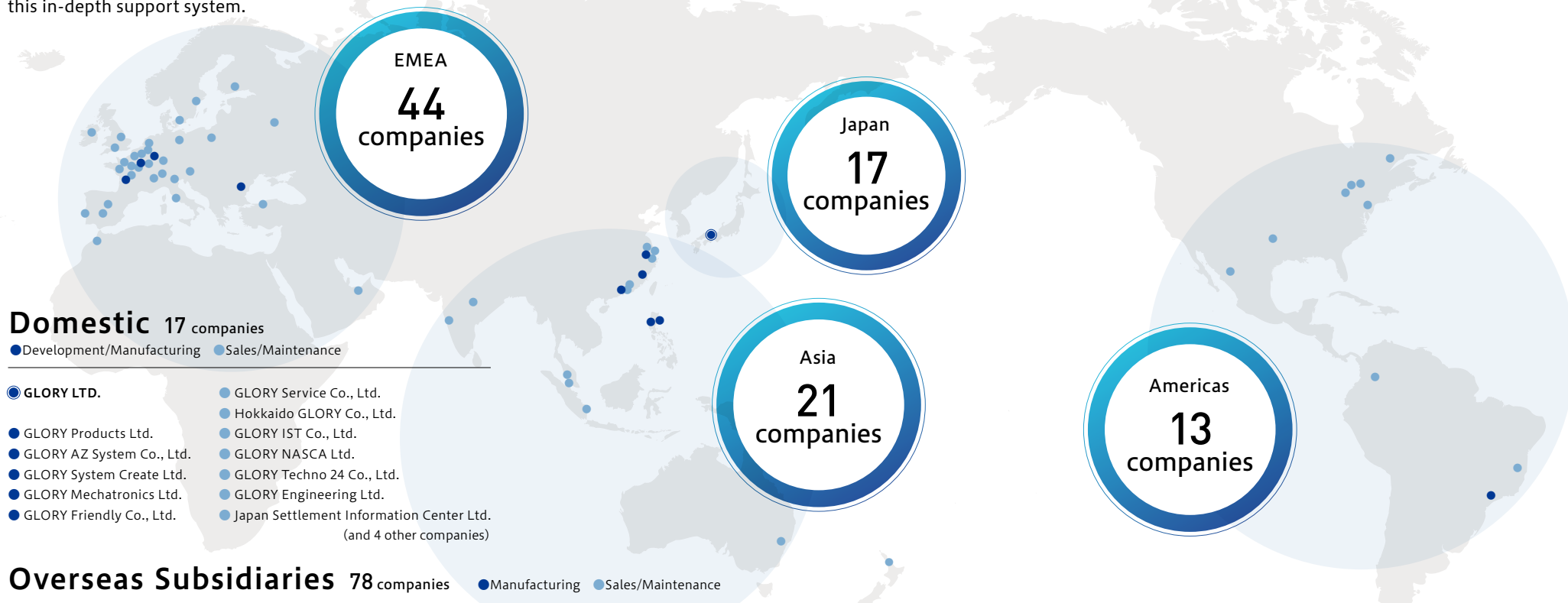
Internal Control**Internal control**

To ensure the accuracy of financial reporting, the Group strives to strengthen its internal control system by documenting operational processes and conducting rigorous internal audits. Even if the Group's internal control system is effective, however, it might cease to function properly in the event of operational errors or fraud on the part of employees or others. Any of these events might require the Group to revise its financial information, which could adversely affect its performance and/or financial position.

Domestic and Overseas Network

In addition to Glory sites in Japan, we are building a network spanning the various regions of the world through collaboration with Group companies.

Glory provides products and solutions to customers in more than 100 countries around the world through this in-depth support system.



Overseas Subsidiaries 78 companies

● Manufacturing ● Sales/Maintenance

EMEA

● Sittrade Italia S.p.A.	〈Italy〉	● Glory Global Solutions (Netherlands) BV	〈Netherlands〉
● Glory Global Solutions Ltd.	〈United Kingdom〉	● Glory Global Solutions (Spain) S.A.	〈Spain〉
● Glory Global Solutions (Topco) Ltd.	〈United Kingdom〉	● Glory Global Solutions (Switzerland) A.G.	〈Switzerland〉
● Glory Global Solutions (Midco) Ltd.	〈United Kingdom〉	● Glory Global Solutions (Portugal) S.A.	〈Portugal〉
● Glory Global Solutions (Holdings) Ltd.	〈United Kingdom〉	● Glory Global Solutions RUS, LLC	〈Russia〉
● Glory Global Solutions (International) Ltd.	〈United Kingdom〉	● Glory Global Solutions (Ireland) Ltd.	〈Ireland〉
● Glory Global Solutions (France) S.A.S.	〈France〉	● Glory Global Solutions (Austria) GmbH	〈Austria〉
● Acrelec Group S.A.S.	〈France〉	● Glory Global Solutions	
● Glory Global Solutions (Belgium) N.V./S.A.	〈Belgium〉	● Nakit Otomasyon Teknolojileri Ltd. Şti.	〈Turkey〉
● Glory Global Solutions (Germany) GmbH	〈Germany〉	● Glory Global Solutions (Poland) Sp. Z.o.o	〈Poland〉

(and 25 other companies)

Americas

● Glory Global Solutions Inc.	〈U.S.A.〉
● Revolution Retail Systems, LLC	〈U.S.A.〉
● Glory Global Solutions (Canada) Inc.	〈Canada〉
● Glory Global Solutions (Brasil) Máquinas e Equipamentos Ltda.	〈Brasil〉
● Glory Global Solutions (Colombia) S.A.	〈Colombia〉
● Glory Global Solutions México, S.A. de C.V.	〈México〉

(and 7 other companies)

Asia

● Glory Global Solutions (Singapore) Pte. Ltd.	〈Singapore〉
● Glory Global Solutions (Australia) Pty. Ltd.	〈Australia〉
● Glory Global Solutions (New Zealand) Ltd.	〈New Zealand〉
● Glory Global Solutions (South Asia) Pvt.Ltd.	〈India〉
● Glory Global Solutions (Malaysia) Sdn.Bhd.	〈Malaysia〉
● PT. Glory Global Solutions Indonesia	〈Indonesia〉
● Glory Global Solutions (Shanghai) Co., Ltd.	〈China〉
● Glory Global Solutions (Hong Kong) Ltd.	〈Hong Kong〉
● GLORY Denshi Kogyo (Suzhou) Ltd.	〈China〉
● GLORY (PHILIPPINES), INC.	〈Philippines〉
● GLORY IPO Asia Ltd.	〈Hong Kong〉
● GLORY IPO China Ltd.	〈China〉

(and 9 other companies)

Corporate Data/Share Information (as of March 31, 2022)

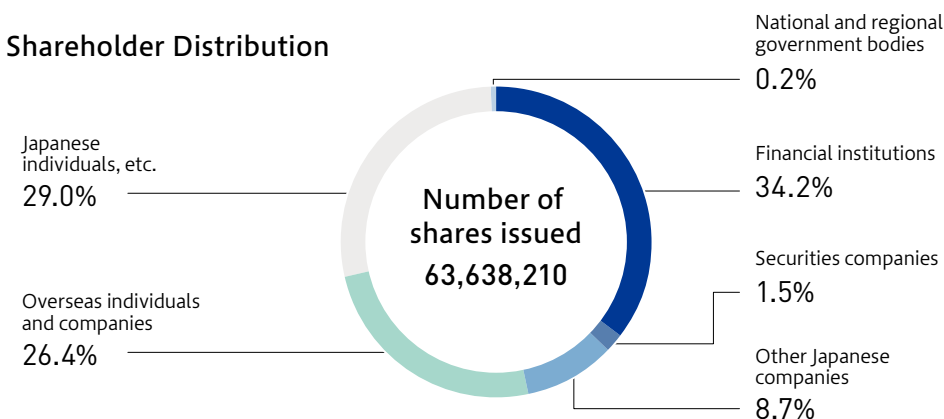
Corporate Data

Corporate name	GLORY LTD.
Established	November 27, 1944
Capital	¥12,892,947,600
Number of employees	3,506 (Consolidated basis: 10,677)
Head office	1-3-1, Shimoteno, Himeji, Hyogo 670-8567, Japan Phone: +81-79-297-3131
Offices	Head Office/Factory, Tokyo Office, Shinagawa Business Place, Saitama Factory, and Himeji Distribution Center Branches and other: 105 locations 94 Group companies (including 78 overseas companies)
Fiscal year-end	March 31
Date of Ordinary General Meeting of Shareholders	Late June
Record dates	Ordinary General Meeting of Shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30 Other such events are conducted from time to time upon sufficient notice to shareholders.
Trading unit	100 shares
Listing	Tokyo Stock Exchange (Prime)
Securities code	6457
Administrator of shareholder registry	Mitsubishi UFJ Trust and Banking Corporation

Share Information

Number of shares authorized	150,000,000
Number of shares issued	63,638,210 (including 2,866,078 shares of treasury stock)
Number of shareholders	11,814 (increase of 198 from previous year)

Shareholder Distribution



Major Shareholders

Shareholder	Number of shares held (Thousands of shares)	Holding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8,627	13.6
Nippon Life Insurance Company	3,427	5.4
GLORY Group Employees' Stock Ownership Association	2,735	4.3
Custody Bank of Japan, Ltd. (Trust account)	2,370	3.7
Sumitomo Mitsui Banking Corporation	2,100	3.3
Tatsumi Fashion Co. Ltd.	1,500	2.4
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	1,463	2.3
GLORY Business Partners' Stock Ownership Association	1,171	1.8
NOMURA CUSTODY NOMINEES LIMITED OMNIBUS-FULLY PAID (CASHPB)	960	1.5
MUFG Bank, Ltd.	879	1.4

In addition to the above, the Company holds 2,866,078 shares of treasury stock.

Inclusion in ESG Indices/Assurances from the Officer in Charge

Inclusion in ESG Indices

FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



MSCI Japan ESG Select Leaders Index

**2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

THE INCLUSION OF GLORY LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF GLORY LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index



Publishing the Integrated Report 2022



Executive Officer
Executive General Manager,
Management Strategy Headquarters

Yukiya Tanaka

As stated in our 2023 Medium-Term Management Plan, the Group aims to realize the concept of 'Core and new businesses powering growth together.' To this end, we are pursuing new initiatives to support the DX efforts of financial institutions and retailers, who represent our main customer base. This report features a special section on strengthening human and intellectual capitals, introducing core technologies that spark innovation and the development of our engineers, as well as other topics. The business strategy of Acrelec, a driving force in new businesses in the overseas market, is also included. In addition, we have expanded content about our initiatives in each aspect of ESG for the sustainable growth of society.

The Corporate Communications Department played a central editorial role in producing this report and received the cooperation of all relevant departments within the Group. As the Executive General Manager responsible for IR, I confirm that both the editing process and the contents of the report are valid.

The Group regards this report as an important tool for communicating with stakeholders, including shareholders and other investors, to deepen their understanding of the value of co-creation. Looking ahead, we will continue practicing management that contributes to enhancing our corporate value and the sustainable growth of society. At the same time, we will work to expand the contents of our Integrated Report. We look forward to your frank comments and suggestions.

Guidance on information disclosure tools

For all stakeholders, we disclose a variety of information on our website.

Investor Relations

<https://corporate.glory-global.com/ir/>

Sustainability

<https://corporate.glory-global.com/csr/>

About GLORY

<https://corporate.glory-global.com/groupinfo/>

Business Fields

https://corporate.glory-global.com/business_fields/



Confidence Enabled

GLORY LTD.

1-3-1, Shimoteno, Himeji City, Hyogo 670-8567, Japan

Phone: +81-79-297-3131

Fax : +81-79-294-6233

<https://corporate.glory-global.com>