

April 27, 2023



News Release

Company name:	GLORY LTD.
Representative:	Motozumi Miwa, President
Headquarters:	3-1, Shimoteno 1-chome, Himeji, Hyogo, JAPAN
Securities Code:	6457
Stock Exchange:	Tokyo (Prime)
Accounting Term:	March

**Recording of Impairment Loss and Share of Loss of Entities Accounted for Using Equity Method  
and Revision to FY2022 Consolidated Financial Forecast**

GLORY LTD. (the “Company”) hereby announces the recording of impairment loss and share of loss of entities accounted for using equity method for the three-month period of FY2022 (January 1, 2023 to March 31, 2023). Accordingly, the Company has revised its FY2022 consolidated financial forecast announced on February 7, 2023.

1. Recording of extraordinary loss due to partial cancellation of ERP system implementation

The Company has been implementing an ERP (Enterprise Resource Planning) system in order to improve operational efficiency of the Company group through the use of centrally managed information and resources. However, the Company has decided to cancel the implementation of certain areas of the ERP system due to its insufficient performance, and continue using the current system with some add-on development of the current system.

Accordingly, the Company will record an extraordinary loss of 2,126-million-yen as an impairment loss, for the allowance and disposal of add-on software assets developed for the ERP that will no longer be used.

2. Recording of loss of entities accounted for using equity method

(1) Loss on valuation of shares of subsidiaries and associates (Non-consolidated)

The Company will record an extraordinary loss of 2,463-million-yen as loss on valuation of shares of subsidiaries and associates. This is based on the Company’s review on the investment for two of its equity-method affiliates, which is expected to have a longer returning period than assumed at the time of share acquisition.

The loss on valuation of shares of subsidiaries and associates will be recorded as loss of entities accounted for using equity method in the consolidated financial statements as described in (2) below.

(2) Loss of entities accounted for using equity method (Consolidated)

The Company will record 1,779-million-yen loss of entities accounted for using equity method as non-operating expenses in the FY2022 consolidated financial statements.

## 3. Revision to FY2022 consolidated financial forecast (April 1, 2022 to March 31, 2023)

## (1) Details of the revision

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Original forecast (A)	255,000	(500)	(1,000)	(4,500)	(78.12)
Revised forecast (B)	255,800	500	(2,700)	(9,600)	(168.10)
Difference (B-A)	800	1,000	(1,700)	(5,100)	
Percentage increase/decrease (%)	0.3%	-	-	-	
Ref. FY2021 Results (Year ended March 31, 2022)	226,562	10,297	10,507	6,509	107.65

## (2) Reason for the revision

Net sales are expected to be generally in line with the forecast announced on February 7, 2023 and operating income is expected to increase and turn to the profit side as a result of reduced expenditures and revisions to product prices. Ordinary income and net income attributable to owners of parent have been revised downward, due to the recording of loss as described in 2. above.

Note: The forecast is based on the information available at the time of announcement.

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**About GLORY LTD.**

GLORY LTD., headquartered in Himeji, Japan, is a pioneer in the development and manufacture of money handling machines and systems. GLORY provides a variety of products such as money handling machines, cash management systems, vending machines, automatic service equipment, and cash management solutions that are built on its leading-edge recognition/identification and mechatronics technology. Committed to meeting society's wide-ranging needs, GLORY serves the financial, retail, vending machine, amusement and gaming industries in over 100 countries with 11,000 employees worldwide. For more information, please visit the GLORY Group website at <https://corporate.glory-global.com/>

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