



News Release

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

**Notice of Disposal of Treasury Shares through Third-Party Allotment
for Stock Compensation Plans**

GLORY LTD. (the “Company”) hereby announces that, at its Board of Directors meeting held on November 6, 2018, a resolution was made to dispose of its treasury shares through third-party allotment (the “Disposal of Treasury Shares”) as follows:

1. Outline of disposal

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| (1) Date of disposal: | Monday, December 3, 2018 |
| (2) Type and number of shares to be disposed of: | 217,000 common shares |
| (3) Disposal price: | ¥2,650 per share |
| (4) Total amount of disposal price | ¥575,050,000 |
| (5) Allottees: | The Master Trust Bank of Japan, Ltd. (Board Incentive Plan trust account)
The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan trust account) |
| (6) Other: | The Disposal of Treasury Shares is conditional upon the coming into force of the notification under the Financial Instruments and Exchange Act. |

2. Purpose and reason of disposal

The Board of Directors of the Company previously made resolutions to continue the Board Incentive Plan (the “BIP Trust”) as a stock compensation plan for directors of the Company (excluding the outside directors of the Company; the same shall apply hereinafter) and the presidents of the Company’s subsidiaries (collectively “Directors”) and the Employee Stock Ownership Plan (the “ESOP Trust”) as an incentive plan for executive officers and other management employees of the Company (collectively “Senior Managers”), that are closely linked to the Company’s business performance and have high transparency and objectivity, both of which plans are designed to enhance the incentives for Directors and Senior Managers to improve the Company’s business performance and increase its corporate value over the medium to long term.

Along with the continuation of the BIP Trust and the ESOP Trust, the Company will dispose of its treasury shares by way of third-party allotment to “the Master Trust Bank of Japan, Ltd. (Board

(TRANSLATION FOR REFERENCE ONLY)

Incentive Plan trust account)”, the co-trustee under the agreement for BIP trust entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation, and to “The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan trust account)”, the co-trustee under the agreement for ESOP trust entered into between the same parties.

The number of shares to be disposed of is the number of shares that are expected to be delivered to the Directors and Senior Managers during the trust period in accordance with the Company Share Distribution Rules. The extent of share dilution due to the disposals of these shares is small at 0.32% (rounded to two decimal places) of the total number of shares issued (the ratio to total voting rights of 626,855 units as of September 30, 2018 is 0.35 %).

The Company believes that the impact of this disposal on the trading market will be insignificant and that the number of shares to be disposed of and the extent of share dilution are reasonable because the shares of the Company to be allotted through the disposal will be delivered to the Directors and Senior Managers in accordance with the Company Share Distribution Rules, and it is not expected that the shares from this disposal will flow out to the stock market at once.

<BIP Trust>

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| (1) Type of Trust: | Money trust, an individually operated designated trust of money other than money trust (third party benefit trust) |
| (2) Purpose of Trust: | Provision of incentives to Directors |
| (3) Settler: | the Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation |
| (Co-trustee, | The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiaries: | Directors that meet beneficiary requirements |
| (6) Trust Caretaker: | A third party having no interest in the Company (Certificated public accountant) |
| (7) Trust contract date: | August 28, 2015 |
| (8) Trust Period: | August 28, 2015 to August 31, 2021 (planned) |
| (9) Start of Plan: | September 1, 2015 |
| (10) Exercise of voting rights: | No voting rights to be exercised |

<ESOP Trust>

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| (1) Type of Trust: | Money trust, an individually operated designated trust of money other than money trust (third party benefit trust) |
| (2) Purpose of Trust: | Provision of incentives to Senior Managers |
| (3) Settler: | the Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation |
| (Co-trustee, | The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiaries: | Senior Managers that meet beneficiary requirements |
| (6) Trust Caretaker: | A third party having no interest in the Company (Certificated public accountant) |
| (7) Trust contract date: | August 28, 2015 |
| (8) Trust Period: | August 28, 2015 to August 31, 2021 (planned) |
| (9) Start of Plan: | September 1, 2015 |
| (10) Exercise of voting rights: | The Trustee will exercise the voting rights of the Company shares based on instructions of the trust caretaker that reflects the intention of the candidate beneficiary. |

3. Basis of calculation for disposal price and details thereof

For the disposal price, the average closing price of the Company shares in the period between October 9, 2018 and November 5, 2018 (the one (1) month period immediately preceding the resolution by the Board of Directors on this disposal) on the Tokyo Stock Exchange (“TSE”), which was ¥2,650 (fractions less than one yen were rounded down), was used in consideration of recent share price trends and to eliminate arbitrariness. The average closing price of the Company shares for the most recent one (1) month period immediately preceding the resolution by the Board of Directors was used because the Company has considered that it is more objective and reasonable as a calculation base to use a leveled value, i.e., an average share price over a certain period, rather than using the price at a specific point, since special factors such as temporary fluctuations in the share price are eliminated.

Further, the Company considers that the said disposal price is not particularly favorable to the allottee, because it corresponds to every one of the following: (i) the closing price on the TSE on November 5, 2018 (¥2,695 with fractions less than one yen rounded down), the business day preceding the said resolution by the Board of Directors, multiplied by 98.33% (discount rate 1.67%); (ii) the average closing price (¥2,793 with fractions less than one yen rounded down) in the three (3) months immediately preceding the said resolution (from August 6, 2018 to November 5, 2018) multiplied by 94.88% (discount rate 5.12%); and (iii) the average closing price (¥3,019 with fractions less than one yen rounded down) in the six (6) months immediately preceding the said resolution (from May 7, 2018 to November 5, 2018) multiplied by 87.78% (discount rate 12.22%).

All four (4) audit & supervisory board members (including two (2) outside audit & supervisory board members) who attended the Board of Directors meeting expressed their opinion that the above disposal price was not particularly favorable to the allottee.

4. Procedures under the Code of Corporate Conduct of TSE

In carrying out the Disposal of Treasury Shares, it is not required to obtain an opinion from an independent third party or to take any procedures to confirm the intent of shareholders, as set forth under Article 432 of the Securities Listing Regulations of TSE, because the dilution ratio resulting from this Disposal of Treasury Shares is less than 25% and it does not involve a change in the controlling shareholder.

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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 meet society's wide-ranging needs, GLORY serves the financial, retail, vending machine, amusement and gaming industries in over 100 countries around the world. GLORY employs approximately 9,000 people worldwide. For more information about GLORY, please visit GLORY Group website at <http://corporate.glory-global.com/>

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