

May 29, 2020



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 (1st Section)
Accounting Term: March

Notice of Partial Amendments to the Articles of Incorporation

GLORY LTD. (the “Company”) hereby announces that the Company’s Board of Directors decided at its meeting held today to submit a proposal of “Partial Amendments to the Articles of Incorporation” to the 74th Ordinary General Meeting of Shareholders to be held on June 26, 2020, as follows:

1. Reason for the proposed amendments

- (1) The Company plans to transition to a Company with Audit & Supervisory Committee in order to further promote the strengthening of supervisory function of the Board of Directors and the acceleration of the decision making regarding the management. To implement the planned transition, the Company proposes certain necessary amendments such as; establishing provisions regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee; deleting provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board; changing provisions regarding the number of Directors and; establishing provisions which enable the delegation of decisions on important business execution to Directors.
- (2) Certain provisions are to be changed so that the Board of Directors and shareholders meetings can be conducted in a flexible manner and Directors can fully perform their expected roles.
- (3) In order to enable flexible implementation of capital and dividend policies, certain provisions are to be changed so that dividends of surplus and other related matters can also be decided by a resolution of the Board of Directors.
- (4) Certain other changes are to be made in association with the above amendments, such as changes of article numbers and rewording of provisions.

As to the proposed article 31 (Limitation of Directors’ Liability) of the Articles of Incorporation, the consent of all Audit & Supervisory Board Members has been obtained.

2. Details of amendments

Details of the proposed amendments are described in the Attachment.

3. Time Schedule

Effective date of the proposed amendments of the Articles of Incorporation:

June 26, 2020 (at the conclusion of the shareholders meeting)

(Attachment)

(Amended portions are underlined.)

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
<p align="center">Chapter I: GENERAL PROVISIONS</p> <p>Article 1~Article 3 (Omitted)</p> <p>Article 4 (Governing Bodies) The Company shall have the following governing bodies in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditors</p> <p>Article 5 (Omitted)</p>	<p align="center">Chapter I: GENERAL PROVISIONS</p> <p>Article 1~Article 3 (Same as the present)</p> <p>Article 4 (Governing Bodies) The Company shall have the following governing bodies in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Audit & Supervisory Committee</u> (Deleted) (3) Accounting Auditors</p> <p>Article 5 (Same as the present)</p>
<p align="center">Chapter II: SHARES</p> <p>Article 6~10 (Omitted)</p> <p>Article 11 (Administrator of Shareholders Registry) 1. (Omitted) 2. The administrator of the shareholders registry and the location of its handling office shall be determined <u>by resolution of the Board of Directors</u>, and public notice thereof shall be given. 3. (Omitted)</p> <p>Article 12 (Share Handling Rules) The handling and fees relating to the shares of the Company shall be governed by the Share Handling Rules established by <u>the Board of Directors</u>, as well as applicable laws, ordinances and these Articles of Incorporation.</p>	<p align="center">Chapter II: SHARES</p> <p>Article 6~10 (Same as the present)</p> <p>Article 11 (Administrator of Shareholders Registry) 1. (Same as the present) 2. The administrator of the shareholders registry and the location of its handling office shall be determined <u>by resolution of the Board of Directors or by the Director to whom the Board of Directors has delegated the authority</u>, and public notice thereof shall be given. 3. (Same as the present)</p> <p>Article 12 (Share Handling Rules) The handling and fees relating to the shares of the Company shall be governed by the Share Handling Rules established by <u>the Board of Directors or by the Director to whom the Board of Directors has delegated the authority</u>, as well as applicable laws, ordinances and these Articles of Incorporation.</p>
<p align="center">Chapter III: GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 13~Article 15 (Omitted)</p> <p>Article 16 (Convener and Chairperson) 1. A General Meeting of Shareholders shall be convened by the <u>President of the Company</u>, who shall act as chairperson thereof. 2. When the <u>President</u> is unable to act in the above capacity, another Director appointed in the order determined in advance by resolution of the Board of Directors shall convene such General Meeting of Shareholders and act as the chairperson thereof.</p> <p>Article 17~Article 19 (Omitted)</p>	<p align="center">Chapter III: GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 13~Article 15 (Same as the present)</p> <p>Article 16 (Convener and Chairperson) 1. A General Meeting of Shareholders shall be convened by the <u>Director appointed in advance by resolution of the Board of Directors</u>, who shall act as chairperson thereof. 2. When the <u>Director appointed in accordance with the preceding paragraph</u> is unable to act in the above capacity, another Director appointed in the order determined in advance by resolution of the Board of Directors shall convene such General Meeting of Shareholders and act as the chairperson thereof.</p> <p>Article 17~Article 19 (Same as the present)</p>

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
<p align="center">Chapter IV: DIRECTORS AND BOARD OF DIRECTORS</p>	<p align="center">Chapter IV: DIRECTORS, BOARD OF DIRECTORS <u>AND AUDIT & SUPERVISORY COMMITTEE</u></p>
<p>Article 20 (Number of Directors) The Company shall have not more than ten (10) Directors.</p> <p align="center">(Newly established)</p>	<p>Article 20 (Number of Directors) 1. The Company shall have not more than ten (10) Directors <u>who are not Audit & Supervisory Committee Members.</u> 2. <u>The Company shall have not more than five (5) Directors who are Audit & Supervisory Committee Members.</u></p>
<p>Article 21 (Method of Appointment of Directors) 1. Directors shall be appointed at a General Meeting of Shareholders.</p> <p>2. (Omitted) 3. (Omitted)</p>	<p>Article 21 (Method of Appointment of Directors) 1. Directors shall be appointed at a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.</u> 2. (Same as the present) 3. (Same as the present)</p>
<p>Article 22 (Term of Office) The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year from his or her appointment.</p> <p align="center">(Newly established)</p> <p align="center">(Newly established)</p> <p align="center">(Newly established)</p>	<p>Article 22 (Term of Office) 1. The term of office of a Director <u>who is not an Audit & Supervisory Committee Member</u> shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year from his or her appointment. 2. <u>The term of office of a Director who is an Audit & Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years from his or her appointment.</u> 3. <u>The term of office of a Director who is an Audit & Supervisory Committee Member appointed as a substitute for another Director who was an Audit & Supervisory Committee Member retired before the expiration of his or her term of office shall expire at the time of expiration of the term of office of the retired Director.</u> 4. <u>The effective period of the resolution for the election of a substitute Director who is an Audit & Supervisory Committee Member shall expire at the commencement of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years from his or her appointment, unless shortened by such resolution.</u></p>
<p>Article 23 (Representative Directors and Directors with Titles) 1. The Board of Directors shall appoint a Representative Director by its resolution.</p> <p>2. The Board of Directors may appoint one (1) Chairman of the Board and one (1) President by its resolution.</p>	<p>Article 23 (Representative Directors and Directors with Titles) 1. The Board of Directors shall appoint a Representative Director <u>from among Directors who are not Audit & Supervisory Committee Members</u> by its resolution. 2. The Board of Directors may appoint one (1) Chairman of the Board and one (1) President <u>from among Directors who are not Audit & Supervisory Committee Members</u> by its resolution.</p>

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
<p>Article 24 (Convener and Chairperson of a Meeting of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Except as otherwise provided by applicable laws and ordinances, the <u>President</u> shall convene a meeting of the Board of Directors and act as chairperson thereof. 2. When the <u>President</u> is unable to act in the above capacity, another Director appointed in the order determined in advance by resolution of the Board of Directors shall convene such meetings of the Board of the Directors and act as the chairperson thereof. 	<p>Article 24 (Convener and Chairperson of a Meeting of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Except as otherwise provided by applicable laws and ordinances, the <u>Director appointed in advance by resolution of the Board of Directors</u> shall convene a meeting of the Board of Directors and act as chairperson thereof. 2. When the <u>Director appointed in accordance with the preceding paragraph</u> is unable to act in the above capacity, another Director appointed in the order determined in advance by resolution of the Board of Directors shall convene such meetings of the Board of the Directors and act as the chairperson thereof.
<p>Article 25 (Convocation Notice of a Meeting of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Convocation notice of a meeting of the Board of Directors shall be given to each Director <u>and Audit & Supervisory Board Member</u> at least three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency. 2. Notwithstanding the foregoing, a meeting of the Board of Directors may be convened without following the convocation procedures if the Directors <u>and Audit & Supervisory Board Members</u> unanimously agree to that effect. 	<p>Article 25 (Convocation Notice of a Meeting of the Board of Directors)</p> <ol style="list-style-type: none"> 1. Convocation notice of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency. 2. Notwithstanding the foregoing, a meeting of the Board of Directors may be convened without following the convocation procedures if the Directors unanimously agree to that effect.
<p>(Newly established)</p>	<p>Article 26 (<u>Convocation Notice of a Meeting of the Audit & Supervisory Committee</u>)</p> <ol style="list-style-type: none"> 1. <u>Convocation notice of a meeting of the Audit & Supervisory Committee shall be given to each Director who is an Audit & Supervisory Committee Member at least three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency.</u> 2. <u>Notwithstanding the foregoing, a meeting of the Audit & Supervisory Committee may be convened without following the convocation procedures if the Directors who are Audit & Supervisory Committee Members unanimously agree to that effect.</u>
<p>Article 26 (Omitted)</p>	<p>Article 27 (Same as the present)</p>
<p>(Newly established)</p>	<p>Article 28 (<u>Delegation to Directors</u>)</p> <p><u>Pursuant to the provisions of Paragraph 6 of Article 399-13 of the Companies Act, the Company may delegate decisions regarding the execution of important operations (excluding the matters set forth in items of Paragraph 5 of such Article) to Directors by a resolution of the Board of Directors.</u></p>
<p>Article 27 (Omitted)</p>	<p>Article 29 (Same as the present)</p>

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
<p data-bbox="416 159 644 190">(Newly established)</p> <p data-bbox="180 450 724 510">Article 28 (Limitation of Directors' Liability) (Newly established)</p> <p data-bbox="480 703 592 734">(Omitted)</p> <p data-bbox="180 770 791 987">Article 29 (Remuneration and Other Benefits) The remuneration, bonuses and other monetary benefits to be received by Directors from the Company as consideration for execution of duties (<u>hereinafter referred to as "Remuneration"</u>) shall be determined by resolution of a General Meeting of Shareholders.</p>	<p data-bbox="818 159 1433 219">Article 30 (Rules for the Audit & Supervisory Committee)</p> <p data-bbox="874 226 1433 412"><u>Matters concerning the Audit & Supervisory Committee shall be governed by applicable laws, ordinances and these Articles of Incorporation, as well as by the Rules for the Audit & Supervisory Committee established by the Audit & Supervisory Committee.</u></p> <p data-bbox="818 450 1433 703">Article 31 (Limitation of Directors' Liability) <u>1. In accordance with the provisions of Paragraph 1 of Article 426 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from their liabilities for damages due to negligence of their duties to the legally authorized extent.</u></p> <p data-bbox="863 703 1347 734"><u>2.</u> (Same as the present)</p> <p data-bbox="818 770 1433 1023">Article 32 (Remuneration and Other Benefits) The remuneration, bonuses and other monetary benefits to be received by Directors from the Company as consideration for execution of duties shall be determined by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.</u></p>
<p data-bbox="197 1061 775 1151"><u>Chapter V: AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</u></p> <p data-bbox="180 1189 791 1314">Article 30 (Number of Audit & Supervisory Board Members) <u>The Company shall have not more than four (4) Audit & Supervisory Board Members.</u></p> <p data-bbox="180 1352 791 1733">Article 31 (Method of Appointment of Audit & Supervisory Board Members) <u>1. Audit & Supervisory Board Members shall be appointed by a General Meeting of Shareholders.</u> <u>2. The resolution to appoint Audit & Supervisory Board Members shall be adopted by a majority of the voting rights of the shareholders who are entitled to exercise voting rights and attend the General Meeting of Shareholders, which shareholders having one-third or more of the total voting rights shall attend.</u></p>	<p data-bbox="1114 1061 1225 1093">(Deleted)</p> <p data-bbox="1114 1189 1225 1220">(Deleted)</p> <p data-bbox="1114 1352 1225 1384">(Deleted)</p>

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
<p>Article 32 (Term of Office)</p> <p><u>1. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years from his or her appointment.</u></p> <p><u>2. The term of office of an Audit & Supervisory Board Member appointed to fill a vacancy following an Audit & Supervisory Board Member retiring before the expiration of his or her term of office shall expire at the time of expiration of the term of office of the retiring Audit & Supervisory Board Member.</u></p>	(Deleted)
<p>Article 33 (Standing Audit & Supervisory Board Members)</p> <p><u>The Audit & Supervisory Board shall appoint Standing Audit & Supervisory Board Member(s) by its resolution.</u></p>	(Deleted)
<p>Article 34 (Convocation Notice of a Meeting of the Audit & Supervisory Board)</p> <p><u>1. Convocation notice of a meeting of the Audit & Supervisory Board shall be given to each Audit & Supervisory Board Member at least three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency.</u></p> <p><u>2. Notwithstanding the foregoing, a meeting of the Audit & Supervisory Board may be convened without following the convocation procedures in case the Audit & Supervisory Board Members agree unanimously to that effect.</u></p>	(Deleted)
<p>Article 35 (Rules for the Audit & Supervisory Board)</p> <p><u>Matters concerning the Audit & Supervisory Board shall be governed by applicable laws, ordinances and these Articles of Incorporation, as well as by the Rules for the Audit & Supervisory Board established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p>Article 36 (Limitation of Audit & Supervisory Board Members' Liability)</p> <p><u>In accordance with the provisions of Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member which shall limit his or her liability for damages as provided for under Paragraph 1 of Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.</u></p>	(Deleted)
<p>Article 37 (Remuneration)</p> <p><u>The Remuneration to be received by Audit & Supervisory Board Members from the Company shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
Chapter VI: ACCOUNTS	Chapter V: ACCOUNTS
<p>Article 38 (Omitted) (Newly established)</p> <p>Article 39 (Record Date for Dividends of Surplus) 1. The Record Date for the year-end dividends of the Company shall be March 31 of each year. (Newly established)</p> <p>2. In addition to the preceding paragraph, the Company may distribute a dividend from retained earnings by a record date other than that in the preceding paragraph.</p> <p>Article 40 (Interim Dividends) <u>The Company may, by resolution of the Board of Directors, distribute interim dividends from retained earnings by the record date of September 30 each year.</u></p> <p>Article 41 (Omitted)</p>	<p>Article 33 (Same as the present)</p> <p>Article 34 (Governing Bodies that Decide Dividends of Surplus, Etc.) <u>Except as otherwise provided by applicable laws and ordinances, dividends of surplus and other matters set forth in each item of paragraph 1 of Article 459 of the Companies Act shall be decided by resolution of a General Meeting of Shareholders or the Board of Directors.</u></p> <p>Article 35 (Record Date for Dividends of Surplus) 1. The Record Date for the year-end dividends of the Company shall be March 31 of each year. <u>2. The Record Date for the interim dividends of the Company shall be September 30 of each year.</u> 3. In addition to the preceding <u>two</u> paragraphs, the Company may distribute a dividend from retained earnings by a record date other than those in the preceding paragraphs.</p> <p>(Deleted)</p> <p>Article 36 (Same as the present)</p>

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

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