

May 12, 2015



News Release

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

**Notice regarding Introduction of
Performance-Based Stock Compensation Plan for Directors of GLORY**

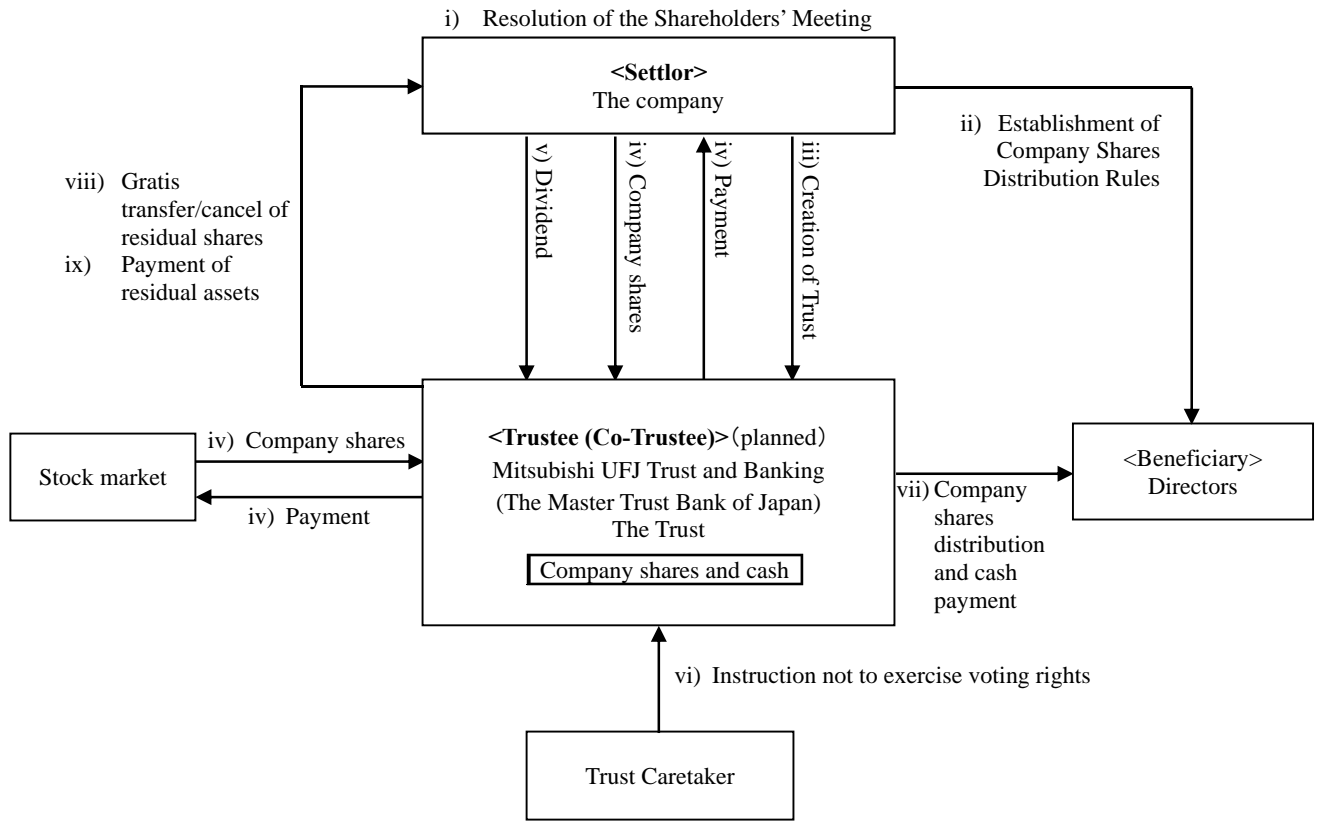
GLORY LTD. (the “Company”) hereby announces that, at its Board of Directors meeting held on May 12, 2015, a resolution was made to introduce a performance-based stock compensation plan (the “Plan”) for the Company’s directors ((excluding the outside directors of the Company); the same shall apply hereinafter) (“Directors”) and to submit a proposal for introduction of the Plan to the 69th Ordinary General Meeting of Shareholders of the Company (the “Shareholders’ Meeting”) to be held on June 26, 2015, as follows:

1. Purpose of introducing the Plan

- (1) The Plan, to be introduced for Directors, is a compensation plan that is closely linked to the Company’s business performance, with high transparency and objectivity. It is designed to enhance the incentives for Directors to improve the Company’s business performance and increase its corporate value over the medium to long term (*).
- (2) The introduction of the Plan is subject to the shareholders’ approval at the Shareholders’ Meeting.
- (3) Under the Plan, the shares of the Company and the cash conversion equivalent thereof (collectively the “Company Shares”) are distributed to Directors on the basis of each Director’s position and the degree of the achievement of business performance goals of the Company.

* After the introduction of the Plan as proposed, compensation for Directors will be comprised of the “fixed compensation”, the performance-related “bonus” and the “stock compensation” under the Plan. In addition, the compensation for the corporate auditors and outside directors of the Company who are independent of the Company’s business executions consists of “fixed compensation” only.

2. Outline of the Plan



- i) The Company will seek to obtain an approval for the proposed Director compensation specified in the Plan at the Shareholders' Meeting.
- ii) The Company plans to institute Company Shares Distribution Rules in regard to the introduction of the Plan, as established by its Board of Directors.
- iii) The Company will, by entrusting an amount of money within the limit of the Shareholders' Meeting approval as per i) above, set up the trust (the "Trust"), beneficiaries of which will be Directors who meet the beneficiary requirements.
- iv) The Trust will, in accordance with instructions from the trust caretaker, use the money entrusted as per iii) above to acquire the Company shares from either the Company (disposal of its treasury shares) or from the stock market. The number of shares to be acquired by the Trust shall be within the limit approved by the Shareholders' Meeting as per i) above.
- v) Distribution of surplus as to the Company shares held by the Trust will be made in the same manner as other shares of the Company.
- vi) Voting rights of the shares of the Company held by the Trust will not be exercised throughout the trust contract period (the "Trust Period").

- vii) During the Trust Period, prescribed evaluation points (“Points”) will be awarded to each of Directors based on his or her position and the degree of achievement of the Company’s business performance goals of each fiscal year. Directors who have satisfied specific beneficiary requirements will receive, at a certain time each year during the Trust Period and upon retirement, the number of shares of the Company equivalent to a pre-set ratio of the points awarded to each of the Directors, and in regards to the number of shares of the Company equivalent to the remaining points, the cash equivalent to the conversion value calculated within the Trust will be paid to the Director at a certain time each year during the Trust Period, and upon retirement.
- viii) If, at the end of the Trust Period, there are residual shares arising from reasons such as non or insufficient achievement of performance goals in each fiscal year, said residual shares will be donated to an organization having no vested interest in the Company and/or with its Directors, or transferred to the Company gratis and thereafter cancelled by a resolution of the Board of Directors of the Company.
- ix) Upon dissolution of the Trust, any residual assets after distribution to beneficiaries will be returned to the Company.

(1) Outline of the Plan

The Company is presently implementing the “2017 Medium-Term Management Plan” covering the three years from the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018 (the “Plan period”). In this connection, the Company is proposing the Plan in which the Company Shares will be distributed as compensation for Directors based on their positions as Directors and the degree of achievement of business performance goals of the Company in each fiscal year during the Plan period.

(2) Procedures for Introduction of the Plan

It is proposed that the Shareholders’ Meeting approve the upper limit of the total amount of money that will be contributed to the Trust during the three years of the Plan period, the upper limit of the total number of Points for each year (set forth in (4)) to be awarded to the Directors, as well as other relevant items deemed necessary.

(3) Plan eligibility (beneficiary requirements)

A Director who has fulfilled the beneficiary requirements stated below will, upon completion of prescribed procedures for determining beneficiaries, be eligible for distribution of a certain number of the Company Shares corresponding to the number of Points set forth in (4) at a certain time within the Trust Period and/or after resignation from office.

The beneficiary requirements are as follows:

<In case the Company Shares are distributed at a certain time each year>

- i) A Director is incumbent as of the last day of March of each year.
- ii) A Director has not committed specific illegal acts during incumbency.
- iii) Number of Points awarded to a Director shall have been determined according to (4) below.
- iv) Other requirements deemed necessary to attain the aims of stock compensation for Directors.

<In case the Company Shares are distributed upon retirement>

- i) A Director has been incumbent during the Plan period.
- ii) A Director has left office. (*)
- iii) A Director has not committed specific illegal acts during incumbency.
- iv) Number of Points awarded to a Director shall have been determined according to (4) below.
- v) Other requirements deemed necessary to attain the aims of stock compensation for Directors.

* If the Trust Period is extended as per (6) below and any Director remains in office as a potential beneficiary of the Plan at the expiration of the extended period, then the Trust shall terminate and the number of the Company Shares corresponding to such Director's Accumulated Points (defined below) will be distributed.

(4) The Company Shares to be distributed to Directors

The number of the Company Shares to be distributed to Directors will be determined as follows:

For each fiscal year in the Trust Period, Directors will be awarded Points according to the point awarding method on the last day of May of the following fiscal year based on their positions as Directors and the degree of the achievement of business performance goals in the fiscal year ended 31 March of that year (the "Assessment Target Year").

The number of the Company Shares corresponding to 50% of the Points awarded each year will be distributed in that year and the remaining 50% of the Points will be accumulated each year (the "Accumulated Points"), and the number of the Company Shares corresponding to the Accumulated Points will be distributed when the Director leaves office.

The Points are converted to the Company shares on a one to one basis. If, during the Trust Period, there is an event such as share split or consolidation of the shares of the Company which would justify an adjustment of the Points, such adjustment will be made in accordance with the ratio of the share split or consolidation, or other method.

Sale of the Company shares acquired through the Plan will not be permitted in principle during a Director's incumbency from the viewpoint of value sharing with shareholders and of ensuring the link with the mid to long term performance of the Company.

(Point awarding method)

With the target value for fiscal year 2017, which is the final year of the “2017 Medium-Term Management Plan,” as a benchmark, each Director will be awarded a certain number of points which is calculated by multiplying his or her position-based basic points for each fiscal year under review by the performance-based indicator which is calculated in relation to the degree of the achievement of business performance goals for the fiscal year under review. The performance-based indicator is determined in stages according to the achievement level of the consolidated sales and operating income forecast which is published in the summary of financial results at the beginning of each fiscal year. Each indicator will be within the range between 0 (if less than 90% of forecast achieved) and 1.2 (if 130% or more of forecast achieved).

Targets for fiscal year 2017 are as follows:

- Consolidated Net Sales 260 billion yen
- Consolidated Operating Income 28 billion yen

(5) Timing for distribution of the Company Shares

A Director who has satisfied the beneficiary requirements will, upon completing prescribed beneficiary setting procedures, receive, in June of each year during the Trust Period, and when leaving office, 70% of the Company shares corresponding to the number of Points awarded as described below (10 shares as a unit, and shares less than 10 shares are rounded down), from the Trust, and the remaining Company shares will be converted within the Trust to an equivalent cash value, and paid to the Director.

i) Distribution at a certain time each year

The number of the Company Shares corresponding to 50% of the Points awarded each year on the last day of May during the Trust Period as per (4) will be distributed in June of each year.

ii) Distribution upon leaving office

The number of the Company Shares corresponding to the number of the Accumulated Points will be distributed when a Director leaves office.

(6) Trust Period

The Trust Period will be for three years from August 2015 (planned) to August 2018 (planned). However, if there are Directors still in office at the end of the Trust Period who may possibly satisfy the beneficiary requirements, the Trust Period may be extended for a maximum of 10 years until the completion of the distribution of the Company Shares to such Directors, although there will be no further point awarding.

If the Plan is to be continuously adopted after the original Plan period, the matter will be proposed to a general meeting of shareholders for its approval. If approved, a renewed Plan period and Trust Period may be extended within the scope of approval, and point awarding for Directors may continue during the extended Trust Period.

(7) Upper limits of money to be contributed to the Trust and the number of Company Shares to be distributed from the Trust

The upper limit of money contributed by the Company to the Trust during the Trust Period will be ¥120 million (*).

The upper limit of the points to be awarded to Directors each year, which is proposed to the Shareholders' Meeting for its approval, will be 10,000 points. If approved, the upper limit of the Company Shares to be distributed to Directors from the Trust will be the number of shares that correspond to the above points. Therefore, the number of shares that the Trust will acquire ("Acquired Shares") is limited to the upper limit of points awarded in each year multiplied by the number of years in the Trust Period of three years (30,000 shares).

* The amount of the trust money is the total of the funds for the acquisition of the Company shares and trust fee/expenses for the Trust during the Trust Period. The upper limit is set in consideration of the level of current Directors' fixed monthly compensation and bonuses.

(8) Method of acquisition of the Company shares by the Trust

It is planned that the Trust will initially acquire the Company shares, either by the Company's disposition of its treasury share or from the stock market, within the upper limits of the Trust money and the number of the Company shares to be acquired as per (7). Upon the approval of Shareholders' Meeting, the Company will determine and disclose details of the share acquisition. If there is a possibility that the number of Acquired Shares may be insufficient for the number of points to be awarded to Directors due to, for example, an increase in the number of Directors during the Trust Period, additional money may be contributed to the Trust and the additional Company shares may be acquired within the upper limits of the Trust money and the number of Acquired Shares approved by the Shareholders' Meeting as per (7) above.

(9) Voting rights of shares in the Trust

In order to maintain neutrality toward management of the Company during the Trust Period, the voting rights of the Company shares in the Trust (namely the Company shares before distributed under (4)) will not be exercised.

(10) Treatment of dividends of the Company shares in the Trust

The dividends pertaining to the Company shares under the Trust will be received by the Trust and used for trust fee/expenses. If there is a remainder of dividend money at the end of the Trust Period after the payment of trust fee/expenses, it will be distributed to the Directors.

(11) Treatment of residual Company shares at the end of the Trust

If, at the end of the Trust, there are residual shares (except for the Company shares to be distributed to the Directors who may possibly satisfy the beneficiary requirement at the end of the Trust) due to non or insufficient achievement of business performance goals in the Assessment Target Years, it is planned that these residual Company shares will be donated to an organization having no vested interest in the Company and/or with its Directors, or transferred to the Company gratis from the Trust upon completion of the Trust or upon completion of the extended period of an extended trust as per (6) above, and cancelled in accordance with a resolution of the Board of Directors of the Company.

(Reference)

Trust contract contents

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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 of the Company |
| (3) Settler: | the Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned) |
| (Co-trustee, | The Master Trust Bank of Japan, Ltd. (planned)) |
| (5) Beneficiaries: | Company Directors or retired Directors of the Company that meet beneficiary requirements |
| (6) Trust Caretaker: | A third party having no interest in the Company (Certificated public accountant) |
| (7) Trust contract date: | August 2015 (planned) |
| (8) Trust Period: | August 2015 (planned) to August 2018 (planned) |
| (9) Start of Plan: | September 2015 (planned) (point-awarding to be commenced based on the fiscal year ending at the end of March 2016) |
| (10) Exercise of voting rights: | No voting rights to be exercised |
| (11) Type of shares to be acquired: | the Company's common shares |
| (12) Upper limit of Trust funds: | ¥120 million (planned) (including trust fee/expenses) |
| (13) Holder of vested rights of Residual Assets: | the Company |
| (14) Residual assets: | Residual assets that can be received by the Company, which is the designated entity to be vested, shall be within the limit of the trust expense reserve, which is calculated by deducting the cost for acquiring the shares from the amount of money entrusted to the Trust. |

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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://www.glory-global.com/>

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