

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

GLORY

GLORY LTD.

Interactions

Annual Report 2019

For the year ended March 31, 2019



Serving Society through Innovation and Communication

For over a century, Glory has been able to thrive by maintaining intellectual value with exclusive and original technologies, building human value by treasuring our employees, and providing structural value by integrating our operations and communicating with each customer as a member of our team.

Net Results in FY2018

¥235.7 billion

Overseas Sales Ratio

44%

1918

Kokuei Machinery Manufacturing (now GLORY LTD.) founded in Himeji, Japan as a repair factory for light bulb manufacturing machines.

1944

Kokuei Machinery Manufacturing becomes an incorporated company.

1957

Sales and after-service functions of Kokuei Machinery separated as an independent company, Kokuei Shoji Co., Ltd.

1969

Kokuei Shoji Co., Ltd. renamed as GLORY SHOJI CO., LTD.

1971

Kokuei Machinery Manufacturing Co., Ltd. renamed as GLORY LTD.

1982

GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.) established in California as the first overseas subsidiary for sales and service.

1983

Glory stock listed on the Second Section of the Osaka Securities Exchange.

1991

GLORY GmbH (now Glory Global Solutions (Germany) GmbH) established in Germany to control European operations.

1994

GLORY (PHILIPPINES), INC. established as the company's first overseas manufacturing subsidiary.

2000

Glory stock listed on the First Section of the Osaka Securities Exchange and the First Section of the Tokyo Stock Exchange.

2003

GLORY Denshi Kogyo (Suzhou) Ltd., a manufacturing subsidiary, established in Suzhou, China.

2006

GLORY SHOJI CO., LTD. merged with GLORY LTD.

2010

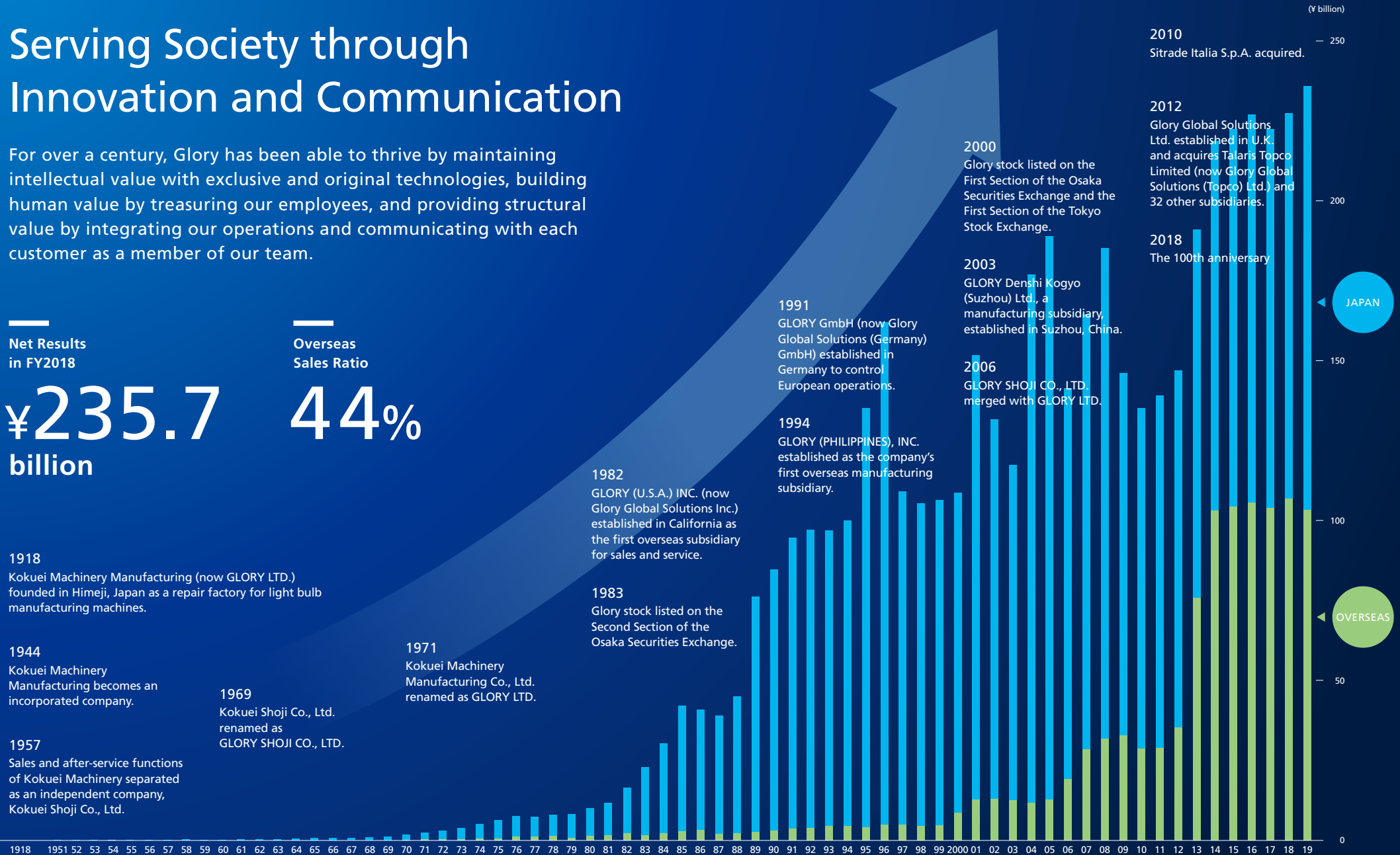
Sittrade Italia S.p.A. acquired.

2012

Glory Global Solutions Ltd. established in U.K. and acquires Talaris Topco Limited (now Glory Global Solutions (Topco) Ltd.) and 32 other subsidiaries.

2018

The 100th anniversary



Delivering a Positive Impact through Collaboration

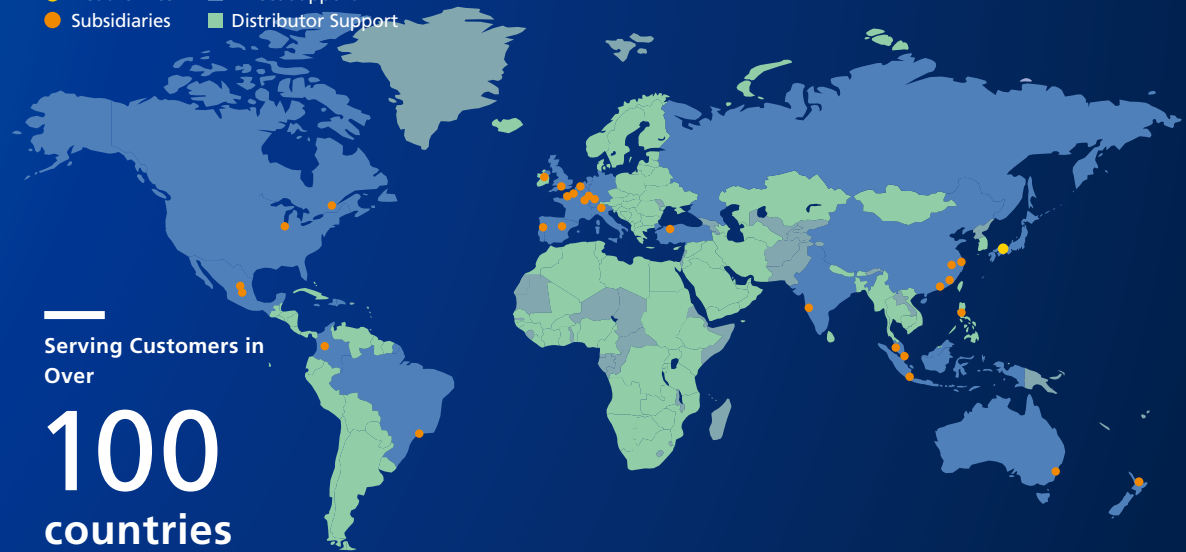
At Glory we strive to have our innovative solutions translate into greater confidence in business interactions. We reach these solutions as a unified team interacting in real time across borders, cultures, and perspectives.

Group Employees Approx.

10,000 people



- Head Office
- Subsidiaries
- Direct Support
- Distributor Support



Serving Customers in Over

100 countries

At the core of our business are the people and the connections that make possible our vision of enabling a confident world. By nurturing the interactions between people at our bases around the world, we are able to expand both our products and solutions in over 100 countries in order to provide for the needs of our customers at a local level. Through our innovation, we are helping business owners create a more secure and profitable business, which can continue to support its consumers, offer job stability to its employees, and achieve continuous financial growth.

Our Group structure is a full circle with the ability to integrate all stages of manufacturing from product planning to maintenance within the Group. Each time we listen to business

owners and create solutions in different regions, we are able to rely on our "spirit of continuous development" to plan, create, and maintain products that satisfy customers. We strive to meet their diverse needs through strong technical development conducted from their perspective.

Combining a solid business foundation with a passion for solving customer needs will ensure that Glory can provide the best solutions while maintaining the resources to address customers' future concerns.

Discovering New Value through Relationships

Since our founding, partnerships still remain the core of our value creation story—both internally, through close cooperation among sales, development, and production, and externally, as we search for solutions to broad social issues and specific customer needs.

Input (FY2018)

Diverse Human Resources

- Total number of Group employees: 9,674
- Percentage of overseas employees: 39.6%
- Percentage of female managers: 1.39%

Relationship Assets

- Strong customer base
- Open innovation with business partners

Top-level R&D Capabilities

- R&D bases: 11 factories in 7 countries
- R&D investment: ¥13 billion
- Core technologies: Recognition/identification and mechatronics
- Number of patents (including overseas): 2,053

Optimal Production

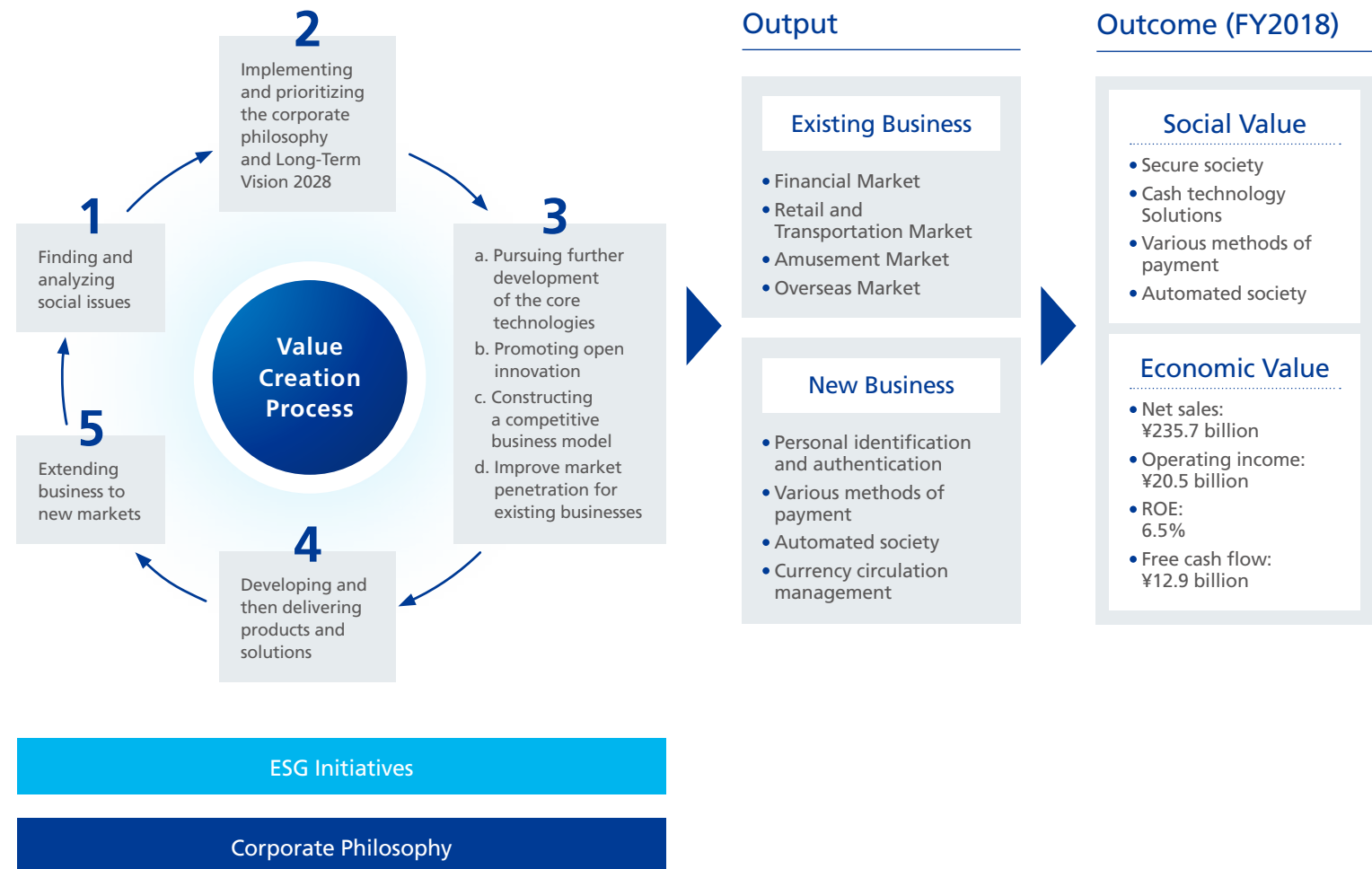
- Production bases: 7 facilities in 3 countries

Environmental Preservation

- Smaller environmental footprint

Sound Financial Base

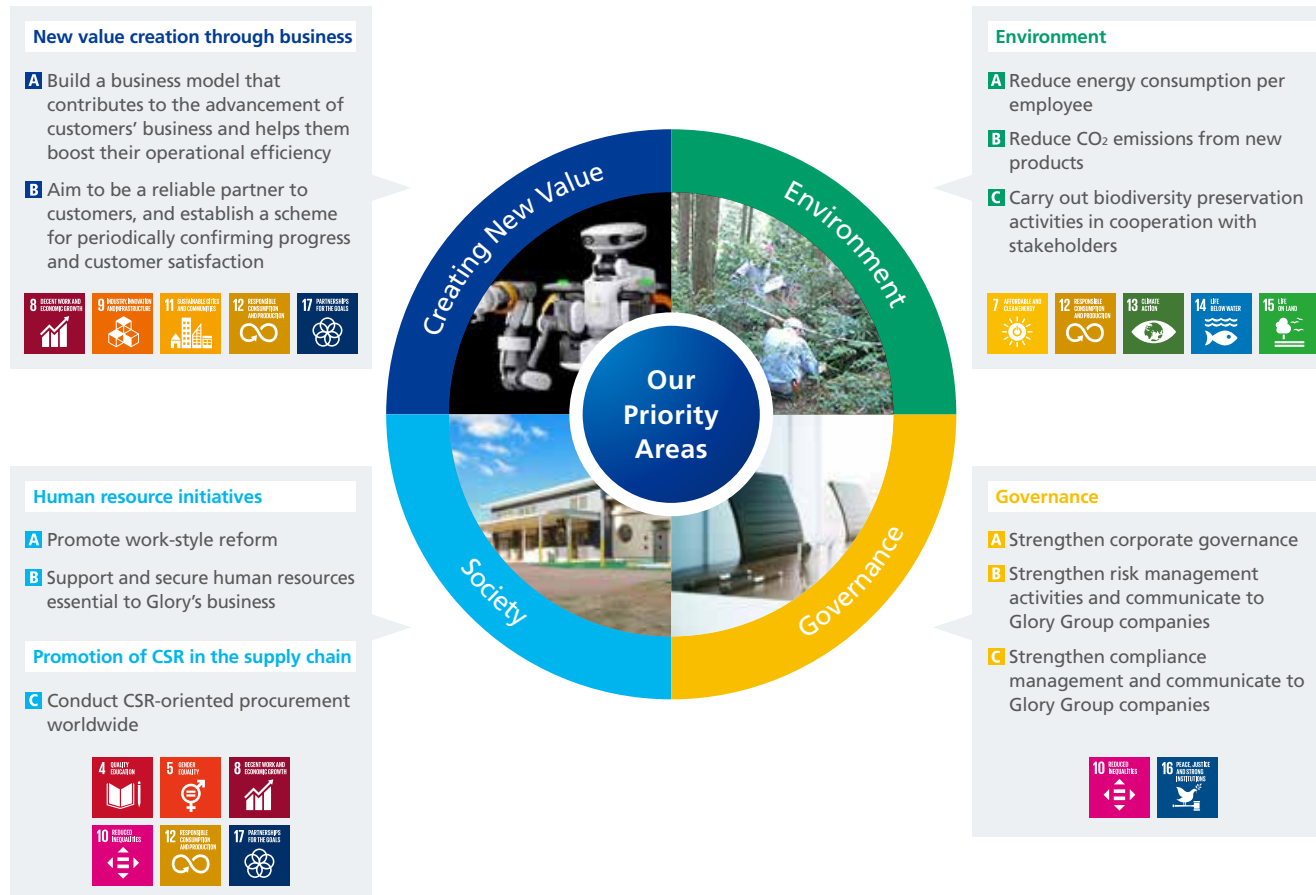
- Net assets: ¥192.1 billion
- Credit rating: A



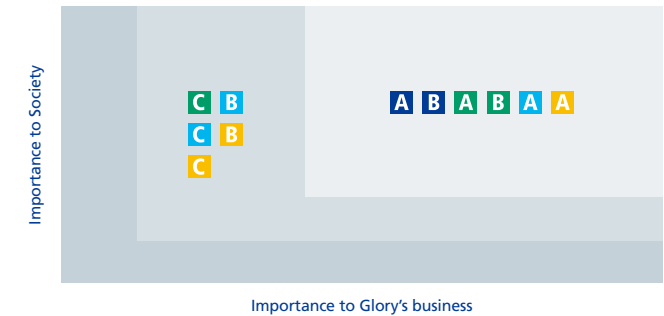
Committing to Material Issues and the SDGs

We strive to take action on important societal challenges by building solutions for stakeholders in light of a much broader group of needs defined by the 17 Sustainable Development Goals (SDGs) set by the United Nations in 2015. We want our solutions to provide comprehensive and positive contributions to the realization of sustainable society.

Material Issues Identified at Glory








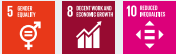





Materiality Matrix



Process for Identifying Material Issues

- STEP 1 Find and Extract CSR Issues**
Based on international standards such as the Global Reporting Initiative (GRI) guidelines and ISO 26000, the social impact in all stages of the value chain (planning, development, procurement, manufacturing, sales, maintenance, others) were assessed, and CSR issues were found and selected.
- STEP 2 Assess the Materiality of CSR Issues from the Standpoint of Both Glory and Its Stakeholders**
A questionnaire was administered in both the business and corporate departments to assess materiality. Responders ranked the priority of CSR issues from the two standpoints of "materiality in businesses" and "level of impact on stakeholders".
- STEP 3 Experts Assess Validity**
Two outside experts assessed the validity of materiality. Based on these assessment results, a materiality map was created and issues were sorted out.
- STEP 4 Identifying Material Issues**
Based on the materiality map, 11 items considered material issues at Glory were chosen and these were classified into five priority CSR themes. Following approval from management, these were identified as material issues.
- STEP 5 Associated with SDGs**
Associated identified material issues with SDGs.

CSR Material Issues

Category	Priority CSR Themes	Material Issues	Targets for Fiscal Year 2018	Results for Fiscal Year 2018	Targets for Fiscal Year 2019	Linkage to SDGs
Creating new value	New value creation through business	<ul style="list-style-type: none"> Build a business model that contributes to the advancement of customers' business and helps them boost their operational efficiency 	<ul style="list-style-type: none"> Build solutions using diverse data 	<ul style="list-style-type: none"> Planning of an identity verification authorization platform through the combination of facial recognition and voice recognition Development of a prescription input support system based on optical character reading (OCR) technology for insurance pharmacies Participation in "S Coin" trial 	<ul style="list-style-type: none"> Build solutions using diverse data 	
		<ul style="list-style-type: none"> Aim to be a reliable partner to customers, and establish a scheme for periodically confirming progress and customer satisfaction 	<ul style="list-style-type: none"> Select model customers and periodically review 	<ul style="list-style-type: none"> Selection of "model customers," quarterly review meetings (July, September, November, March) 	<ul style="list-style-type: none"> Select model customers and periodically review 	
Environment	Environmental protection	<ul style="list-style-type: none"> Reduce energy consumption per employee 	<ul style="list-style-type: none"> Reduce energy consumption per employee by 1% (base year: fiscal year 2010) 	<ul style="list-style-type: none"> Annual average energy consumption per employee reduced by 2.2% (base year :fiscal year 2010) 	<ul style="list-style-type: none"> Reduce energy consumption per employee by 1% (base year: fiscal year 2010) 	
		<ul style="list-style-type: none"> Reduce CO2 emissions from new products 	<ul style="list-style-type: none"> Improve energy efficiency of newly developed products by at least 15% compared to previous models 	<ul style="list-style-type: none"> Average reduction of 16.1% (targets achieved for 14 out of 32 models, which were approved as G-Eco products) 	<ul style="list-style-type: none"> Improve energy efficiency of newly developed products by at least 15% compared to previous models 	
		<ul style="list-style-type: none"> Carry out biodiversity preservation activities in cooperation with stakeholders 	<ul style="list-style-type: none"> Carry out 100% of activities planned for this fiscal year 	<ul style="list-style-type: none"> 100% achievement ratio for yearly plans Himeji: Glory Yumesaki Forest - Forest conservation activity (83 participants, including 16 from three suppliers) - Nature experience event for families (94 participants including nine from one customer) Kanto area: Kamikawa in Hachioji, Tokyo (designated greenery conservation area) - Forest conservation activity (54 participants, including three from one supplier) Arakawa riverside in Tokyo - Riverside clean-up project (28 participants) 	<ul style="list-style-type: none"> Carry out 100% of activities planned for this fiscal year 	
Society	Human resource initiatives	<ul style="list-style-type: none"> Promote work-style reform 	<ul style="list-style-type: none"> Implement and verify new ways of working Boost operational efficiency 	<ul style="list-style-type: none"> Trial implementation of teleworking (mobile work, working at home) Consideration of flextime, preparations for trial implementation Introduction of new system to reduce the administrative burden of travel expenses and reimbursements 	<ul style="list-style-type: none"> Implement and verify new ways of working 	
		<ul style="list-style-type: none"> Support and secure human resources essential to Glory's business 	<ul style="list-style-type: none"> Offer job-level-specific training and support candidates who can lead the company in the future 	<ul style="list-style-type: none"> Implementation of Glory Business College training for future executives (total of five programs) 	<ul style="list-style-type: none"> Offer job-level-specific training and support candidates who can lead the company in the future 	
	Promotion of CSR in the supply chain	<ul style="list-style-type: none"> Conduct CSR-oriented procurement worldwide 	<ul style="list-style-type: none"> Continue to use the CSR voluntary checklist, and work to improve assessment score 	<ul style="list-style-type: none"> Implementation of survey using the CSR voluntary checklist (452 primary suppliers), feedback to companies that responded (approximately 96% response rate) Implementation of survey by GLORY Products Ltd. using the CSR voluntary checklist (95 primary suppliers), feedback to companies that responded (100% response rate) Preparation for implementation of CSR voluntary checklist survey at overseas sites 	<ul style="list-style-type: none"> Continue to use the CSR voluntary checklist, and work to improve assessment scores Spread activities to overseas sites 	
Governance	Strengthening of governance	<ul style="list-style-type: none"> Strengthen corporate governance 	<ul style="list-style-type: none"> Conduct activities in line with the Corporate Governance Guidelines 	<ul style="list-style-type: none"> Amendment of Corporate Governance Guidelines Revision of remuneration system for directors (improvement of linkage with performance) Analysis and assessment of the effectiveness of the Board of Directors, implementation of improvements 	<ul style="list-style-type: none"> Conduct activities in line with the Corporate Governance Guidelines 	
		<ul style="list-style-type: none"> Strengthen risk management activities and communicate to Glory Group companies 	<ul style="list-style-type: none"> Conduct risk management from a global perspective and communicate activities to Glory Group companies 	<ul style="list-style-type: none"> Risk assessment using a standard Group assessment method Implementation of countermeasures against significant risks 	<ul style="list-style-type: none"> Conduct risk management from a global perspective and communicate activities to Glory Group companies 	
		<ul style="list-style-type: none"> Strengthen compliance management and communicate to Glory group companies 	<ul style="list-style-type: none"> Conduct job-level-specific compliance education, and strengthen collaboration with Glory Group companies 	<ul style="list-style-type: none"> Implementation of compliance education (e-learning) for Glory and Group companies in Japan (attendance: 100%) Formulation and implementation of compliance improvement plan for group companies in Japan Introduction of measures to strengthen harassment prevention, extension of the measures to group companies in Japan 	<ul style="list-style-type: none"> Conduct job-level-specific compliance education, and strengthen collaboration with Glory Group companies 	

Key Figures at a Glance

2019 Performance Trends

Net Sales

3.7% ↗

UP

Another year of record high sales. Main contributing factors included the successful capture of both significant replacement demand for open teller systems in the Financial Market and demand for coin and banknote recyclers for convenience stores in the Retail and Transportation Market.

Operating Income

4.9% ↗

UP

Although there was a decrease associated with the continuation of ineffective product mix for the Overseas Market, the effect of higher domestic sales resulted in an overall increase year on year.

Net Income Attributable
to Owners of Parent

23.9% ↗

UP

Overall increase year on year due to higher operating income and an increase in ordinary income, which was the result of a significant decrease in foreign exchange losses.

Operating Margin

8.7%

Increased 0.1% year on year.

ROE

6.5%

Increased 1.2% year on year.

Cash Dividends
per Share

¥64

Year-on-year increase of ¥2 for an ordinary dividend of ¥64. Dividend payout ratio is at 32.2%.

Key Figures at a Glance

Consolidated Financial Highlights

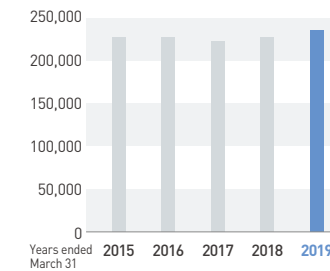
GLORY LTD. and consolidated subsidiaries, years ended March 31

For the year:	Millions of yen				Thousands of U.S. dollars*	
	2015	2016	2017	2018	2019	2019
Net sales	¥ 222,356	¥ 226,952	¥ 222,581	¥ 227,361	¥ 235,762	\$ 2,123,981
Operating income	18,693	20,552	20,365	19,615	20,576	185,369
Net income attributable to owners of parent	12,887	8,829	10,382	9,892	12,256	110,414
Capital expenditure	8,499	8,881	8,043	8,706	8,322	74,972
R&D expenses	12,869	12,590	13,965	14,119	13,171	118,657
Depreciation and amortization	10,350	10,327	9,469	9,450	8,945	80,585
At year-end:						
Total assets	¥ 346,613	¥ 321,672	¥ 312,821	¥ 302,825	¥ 318,228	\$ 2,866,918
Total equity	204,544	198,287	191,443	192,165	193,257	1,741,054
Interest-bearing debt	64,982	51,556	50,412	37,188	49,492	445,873
Per share data:						
	Yen				U.S. dollars	
Net income	¥ 196.19	¥ 134.38	¥ 160.35	¥ 155.96	¥ 198.71	\$ 1.79
Dividend (annual)	54.00	56.00	60.00	82.00	64.00	0.58

*The U.S. dollar amounts are converted, for convenience only, at the rate of ¥111.00=US\$1, the approximate exchange rate at March 31, 2019.

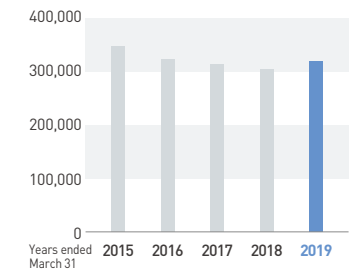
Net Sales

(¥ million)



Total Assets

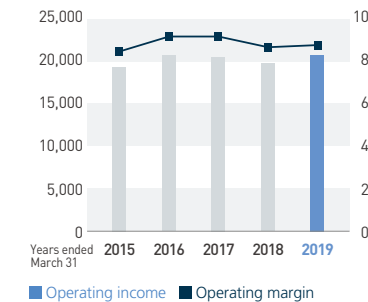
(¥ million)



Operating Income/ Operating Margin

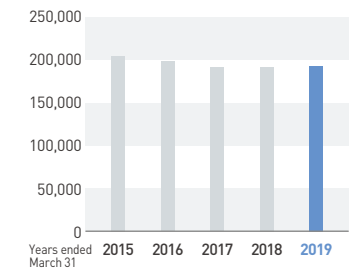
(¥ million)

(%)



Total Equity

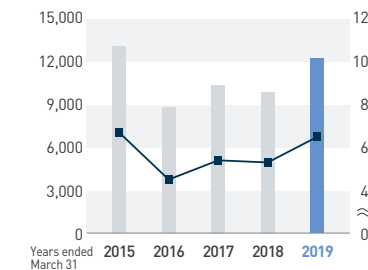
(¥ million)



Net Income Attributable to Owners of Parent/ROE

(¥ million)

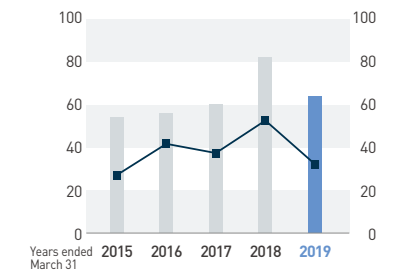
(%)



Cash Dividends/Payout Ratio

(¥)

(%)

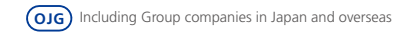


■ Net income ■ ROE

■ Dividend per share ■ Payout ratio

Key Figures at a Glance

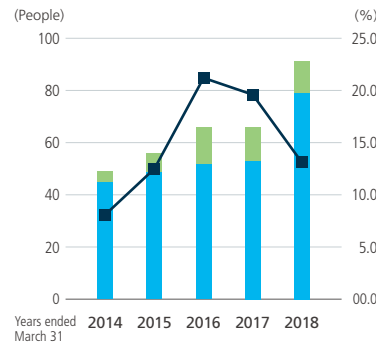
Non-Financial Highlights

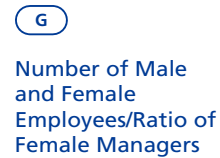

Total New Hires and Ratio of Female Hires*

13.1%

■ Women
■ Men
■ Ratio of female hires



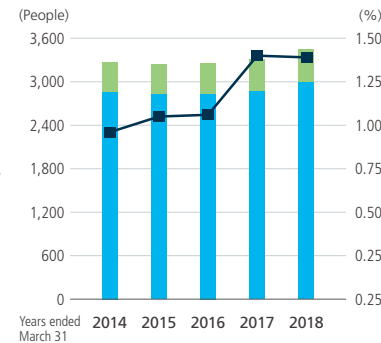
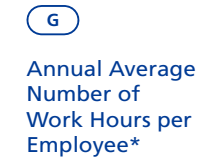
* Hired annually on April 1



Number of Male and Female Employees/Ratio of Female Managers

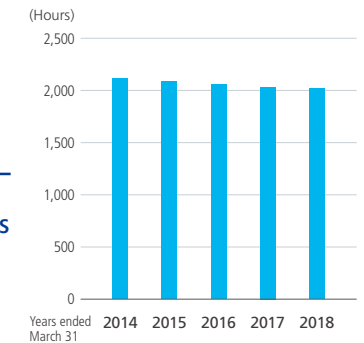
1.39%

■ Women
■ Men
■ Ratio of female managers

Annual Average Number of Work Hours per Employee*

2,020 hours



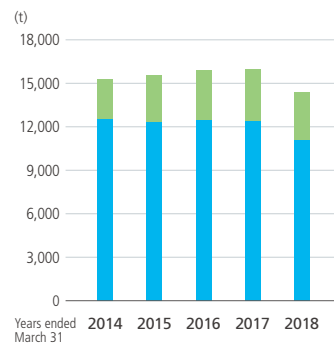
* Full-time employees, excluding managers



CO₂ Emissions (by Volume)

15,135 t

■ Overseas*¹
■ Domestic*²



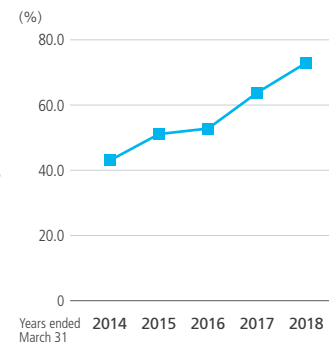
*1 Covers the following overseas sites that have acquired ISO 14001 certification. GLORY Denshi Kogyo (Suzhou) Ltd. GLORY (PHILIPPINES), INC. Glory Global Solutions (France) S.A.S. Glory Global Solutions (Germany) GmbH Glory Global Solutions Inc.

*2 Domestic business sites that have acquired ISO 14001 certification.



Environmentally Friendly Product Share of Total Products*

73.0%



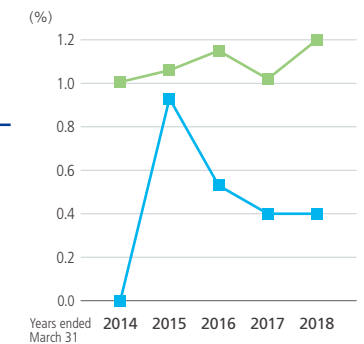
* Environmentally friendly products satisfy certain in-house standards such as reaching a power efficiency that is at least 15% better than that of existing products and compliance with regulations on chemicals contained in the products.



Lost Time Injury Frequency Rate*¹

0.4

■ Industry average*²
■ Glory



*1 This rate indicates the frequency of work-related accidents as calculated from the number of work-related injuries or deaths per one million hours worked. (Lost time injury frequency rate = Number of work-related injuries or deaths/Total number of actual hours worked x 1,000,000)

*2 Source: Ministry of Health, Labour and Welfare research on work-related accidents

Top Message



Motozumi Miwa
President

Pushing Our Boundaries to Enable a Confident World

With Glory having so recently celebrated the 100th anniversary of its founding in March 2018, I am ready to assume the significant responsibility of guiding our first steps into the next 100 years. Based on the spirit, which has been passed down since our founding, of continuously striving to benefit people by creating products that have never been seen before, we have released a number of products that will help improve the efficiency and rigor of financial institution and retailer operations in Japan and overseas. We are also developing and introducing new business areas to create further value and apply our innovative technologies more broadly.

The current market environment surrounding us is changing. In both Japan and overseas, financial institutions are becoming more automated, and retailers are expanding cashless payment systems due to the evolution of technology. With the expansion of our businesses and the creation of new business areas, we are reaching beyond our boundaries and are applying our expertise in order meet challenging new market needs. We will make every effort to achieve the 2020 Medium-Term Management Plan, and to continue toward the realization of our Long-Term Vision 2028 to be a leading company that enables a confident world for a better tomorrow.



Focusing on Creating New Businesses

In addition to further strengthening our cash handling business, we are focusing on creating new businesses and serving new business areas. With Japan's continuing transition toward more cashless transactions, we can see opportunities for Glory to offer solutions, and deliver secure, efficient systems with a variety of payment options.

Glory's strength lies in our two core technologies of recognition/identification and mechatronics that we have cultivated over the years, as well as the trust we have built with our customers in both financial institutions and

in various retailers in Japan and overseas. As payment methods become more diversified, we believe that it is important to support cashless and cash payments, and to create systems that enable users to perform transactions smoothly and by any means they choose. We are utilizing our strengths to develop future systems and new business as quickly as possible in ways that will give users confidence and enthusiasm about our solutions.

Supporting a Free and Open Corporate Culture

We believe that the most important thing for the growth of a company is to encourage the people who support it. By allowing employees to discuss issues freely and be engaged with their work, they will be more efficient in the workplace. In the fiscal year ended March 2019, we implemented organizational changes to expand our business, including the establishment of the Business Innovation

Center to pursue businesses in new domains and work to create new business opportunities. By providing a working environment in which employees can have a variety of experiences, we will enrich our corporate culture, encourage open innovation, and support business growth.

Progress of the 2020 Medium-Term Management Plan

Measures Implemented for the First Year as Planned

We have finished the first year of the 2020 Medium-Term Management Plan, which spans three years from April 2018. Our primary focus is on solutions and services to achieve sustainable business growth, strengthening our collaborative efforts with our partners in order to resolve many new issues within our society, and realizing both a higher productivity and a robust corporate constitution to generate income.

We were able to progress as planned for the fiscal year ended March 2019, which we consider to be a time of preparation for the realization of the Long-Term Vision 2028. Our overseas business operations have promoted our regional strategies to match the characteristics of local markets in each country, focusing on capturing replacement demand for our banknote recyclers for tellers at financial institutions and our sales proceeds deposit machines for the retail industry. In addition, we have acquired a company in Italy with the aim of strengthening our sales and maintenance network in that country.

In the Japan market, we were concentrating on capturing replacement demand for open teller systems and coin and banknote recyclers for tellers, and we also

worked to expand sales of coin and banknote recyclers for cashiers.

In our new business areas, we pushed forward with initiatives to create new solutions, including the formation of a capital and business alliance with FueTrek Co., Ltd., which has proprietary speech recognition technologies.

Our hard work and dedication throughout the fiscal year ended March 2019 helped us achieve a net sales of ¥235,762 million (up 3.7% year on year), which is a new record-high result continuing from the previous fiscal year. Of this, sales of merchandise and finished goods came to ¥167,565 million (rising 4.9% year on year), and sales from maintenance services increased by 0.8% year on year to ¥68,197 million.

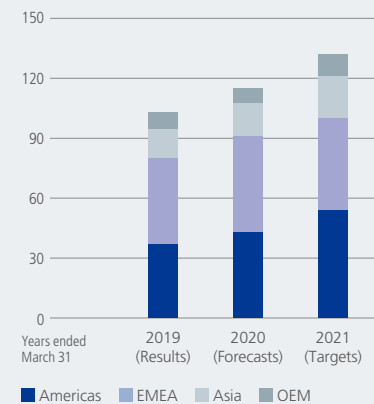
Operating income was ¥20,576 million (up 4.9% year on year), ordinary income rose 17.2% over the previous year to ¥20,575 million, and net income attributable to owners of parent was ¥12,256 million (up 23.9% year on year).

Performance Targets of the 2020 Medium-Term Management Plan

Years ended March 31	2019 (Results)	2020 (Forecasts)	2021 (Targets)
Net Sales (¥ billion)	235.7	230.0	260.0
Operating Income (¥ billion)	20.5	17.0	25.0
Operating Margin	8.7%	7.4%	9.6%
ROE	6.5%	5.4%	8.0%
Exchange Rate	1USD=¥111 1EUR=¥128	1USD=¥111 1EUR=¥125	1USD=¥110 1EUR=¥120

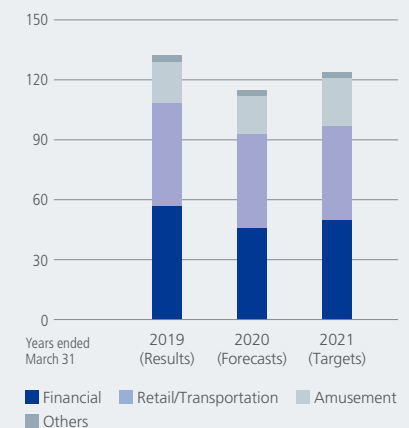
Overseas

Net Sales by Geographical Segment (¥ billion)



Domestic

Net Sales by Business Segment (¥ billion)



Top Message

Policy 1: Existing Business

Build Foundations for Realizing Sustainable Business Management

In our overseas business, we will continue to promote sales of banknote recyclers for tellers and other products to financial institutions as automation progresses, especially in Europe and the U.S., and we will continue to expand our sales in the U.S. and other countries, targeting major global retailers and expanding sales of sales proceeds deposit machines and other products.

In our domestic business, we are promoting solution proposals in response to environmental changes in each market.

Financial institutions in the Financial Market are also experiencing change, looking to improve their management efficiency and are viewing structural changes as a solution. With the “EvolBranch” concept, our next-generation branch reform concept, we are able to propose products and solutions, including non-cash products, to meet the needs of these financial institutions.

In the Retail and Transportation Market, the introduction of tablet POS registers is rapidly expanding in retail stores and others, and the base of the introduction of coin and banknote recyclers for cashiers is expanding. We will focus on developing new business categories and customers.

Policy 2: New Business

Strengthen Collaboration with Various Partners to Solve Social Issues

We will continue to implement strategic investments in the fiscal year ending March

2020, aiming to quickly commercialize the four new businesses set forth in the Long-Term Vision 2028. In this fiscal year, we will focus on establishing the personal identification and authentication business and promoting an automated society. With the help of our collaboration with FueTrek Co., Ltd., we are making efforts to quickly commercialize personal identification and authentication technology, including the expansion of biometric authentication within our recognition/identification core technology. In addition, by encouraging the side-by-side collaboration between people and robots, we are able to begin building connections in other industries relating to the packaging of cosmetics, pharmaceuticals, and food in order to realize further business growth.

Policy 3: Management Base

Realize Higher Productivity and Robust Corporate Constitution that Directly Generate Outcome

What Glory must do is establish a strong management base that can achieve policies 1 and 2, actively promote organizational climate reform to realize open innovation, and to improve productivity through work-style reform and operational reform.

By ensuring that these priority policies are implemented, we will achieve the consolidated performance targets for the fiscal year ending March 2020 and the achievement of the 2020 Medium-Term Management Plan.

To Our Shareholders

We consider the return of profits to shareholders to be an important management

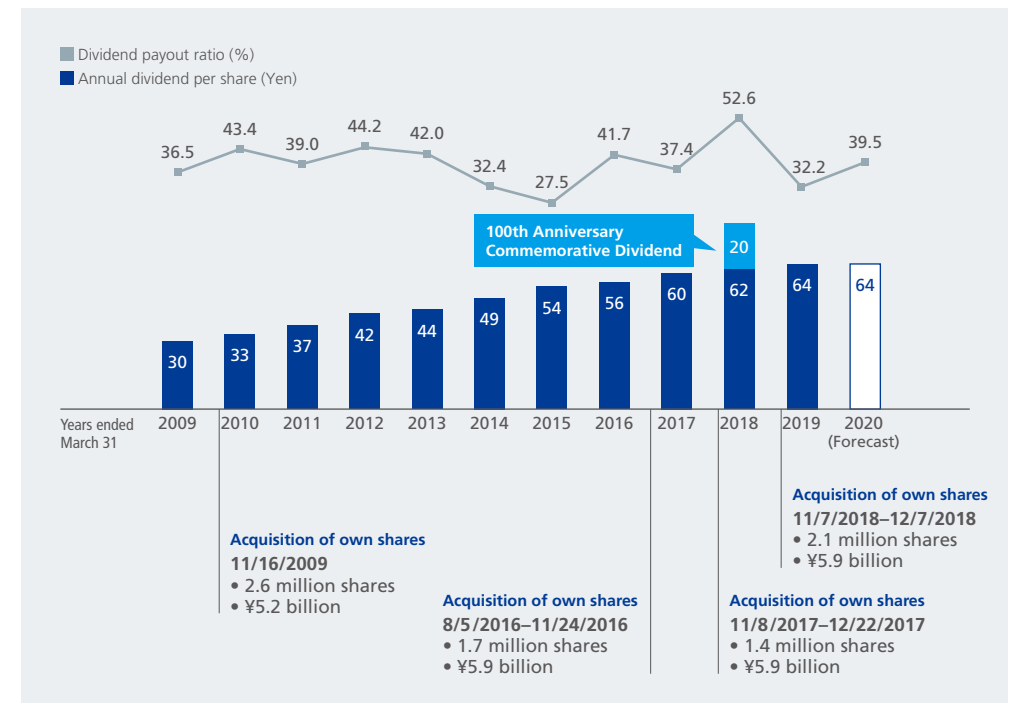
task, and in preparation for future business growth, our basic policy—regarding the distribution of profits—is to continue stable dividends while striving to maintain and enhance sound financial standing. We have set the target of attaining a dividend payout ratio of 30%. Based on this policy, the interim dividend was ¥31 and the dividend at the end of the fiscal year ended March 2019 was ¥33 per share, for a total annual dividend of ¥64. The dividend for the next fiscal year will be ¥64 per share (interim dividend of ¥32 and year-end dividend of ¥32).

Under the new management structure, the Company will fulfill its responsibilities to stakeholders through continuous improvement of corporate value.

We look forward to the continuing support and cooperation of our stakeholders. The relationships we have already made and the ones we will make in the future will continue to carry us on toward a more secure and confident society.

August 2019

President *Yotsumi Miwa*

Trend of Annual Dividend and Payout Ratio

Special Feature : A Message from Hideo Onoe
Executive General Manager, Domestic Business Headquarters

Initiatives to Deepen Our Business in Japan and Build Foundations for New Business Areas

We aim to achieve the targets in our 2020 Medium-Term Management Plan.

Hideo Onoe

Director & Senior Managing Executive Officer
Executive General Manager,
Domestic Business Headquarters



In April 2018, we announced the Long-Term Vision 2028 as a blueprint for our efforts over the next 10 years to develop Glory into a leading company that enables confidence in transactions and other interactions between businesses and people. In addition to our existing business, which mainly consists of cash handling machines, we will create new business domains by further developing our core technology resources and pursuing open innovation. The Vision expresses our determination to contribute to the realization of a safe, secure, stable society.

We have positioned the 2020 Medium-Term Management Plan as the stage on our path toward the realization of the Vision. Under that plan we aim to deepen our domestic business, which is my area of responsibility, and to build foundations for new business segments. Our goals include the provision of solutions that will help financial institutions and retailers to improve their efficiency, and the development of infrastructure to ensure the safety and security of payment processes.

The following analysis covers changes, future initiatives, and our results for the year ended March 2019 in Glory's Financial, Retail and Transportation, and Amusement reportable segments as well as progress on new business areas.

Special Feature : A Message from Hideo Onoe
Executive General Manager, Domestic Business Headquarters

Market Environments and Results in the First Year of the 2020 Medium-Term Management Plan, Initiatives Going Forward

We recorded solid results and made an excellent start under the 2020 Medium-Term Management Plan.

Financial institutions are making rapid progress toward improving their management efficiency through restructuring. We anticipate accelerating changes in their business operations and roles of branches. We see these changes as an opportunity to develop new business areas for Glory by utilizing our efficiency improvement know-how. In the year ended March 2019 we promoted our "EvolBranch" concept at private

presentations and other events. We use our diverse solutions to present specific visions for various branch styles and sizes, from large-scale branches offering full banking services, to small self-service outlets. We also offer compact-type products and self-operating systems to match each type of branch. By continually refining the "EvolBranch" concept through our ongoing communication with customers, we aim to build a profile for Glory



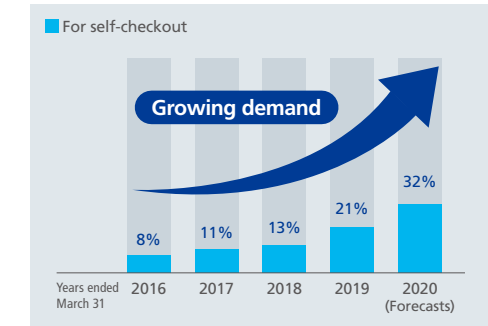
The logo is the combined image of analogue and digital technologies.

For details about Glory's next-generation branch reforms for financial institutions, please see p. 21.



Coin and banknote recyclers for self-checkout terminals

Sales of coin and banknote recyclers for self-checkout terminals



as a company that helps financial institutions to improve efficiency and rigor in their operations in addition to profitability and corporate value.

An urgent issue for our customers in the retail and transportation market is the labor shortage affecting retail businesses. Glory can contribute to the solution of this problem in many ways. For example, the introduction of coin and banknote recyclers for cashiers would help to reduce the cash register workload and the time required for part-timers and temporary staff to become proficient in store operations. These systems also contribute to customer satisfaction by minimizing the time spent waiting at cash registers. Initially used mainly in large supermarkets, coin and banknote recyclers for cashiers are increasingly being installed in convenience stores, small and medium-sized supermarkets, specialty stores, and other outlets.

In the year ended March 2019, we

completed the installation of coin and banknote recyclers for cashiers for a major convenience store chain. Recently, retailers are increasingly installing self-payment models that allow customers to check out their own items. The range of situations in which coin and banknote recyclers for cashiers are used continues to expand. For example, we expect more retailers to use coin and banknote recyclers for cashiers connected tablet POS registers. Glory will continue to expand the market for coin and banknote recyclers for cashiers by proposing solutions for a wide range of businesses.

Another business area affected by labor shortages is cash-in-transit companies, which collect and manage sales proceeds and supply change. This is reflected in expanding demand for coin and banknote recyclers, which are used to improve the efficiency of cash collection and delivery operations.

A variety of new payment methods are

Special Feature : A Message from Hideo Onoe
Executive General Manager, Domestic Business Headquarters

emerging in Japan, including credit cards, e-money, and QR-code payment. A major advantage for Glory is our ability to support various methods of payment—not only cash, but also cashless. Our product line-up allows us to offer solutions to meet specific customer needs. For example, our medical payment kiosk and our touchscreen ticket vending machine for restaurants can handle not only cash payments, but also cashless payment methods, such as credit cards and e-money.

In the amusement market, the government

has amended the Act on Control and Improvement of Amusement Businesses, etc., to require operators to replace machines with models that have reduced gambling elements. As a result, the business environment is gradually becoming more difficult for our customers, the pachinko parlor operators. We will continue to offer systems and services that contribute to efficiency improvements for pachinko parlor operators, while monitoring moves by the government and related organizations.

Progress on the Development of New Business Areas

Glory has started to develop new business segments centering on personal identification and authentication and robotic system integration.


We want to transform Glory into a corporate group that offers not only hardware, but also solutions and services, such as the experiences and value that customers gain by using our products. From this perspective, the creation and development of new business segments will be key to the realization of our Long-Term Vision 2028.

In the year ended March 2019 we made steady progress on the development of our personal identification and authentication, and robotic systems integration businesses. We also began to identify specific approaches that we can take in these fields in the future.

In the personal identification and authentication business, we plan to improve the accuracy and versatility of our services by

combining Glory's facial recognition/authentication technology and speech recognition technology. In the year ending March 2020 we will focus on the development and the experimentation of specific service concepts, in preparation for the roll-out of services in the year ending March 2021. We will accelerate these initiatives with the aim of achieving profitability during the next period covered by the 2023 Medium-Term Management Plan.

In our robotic systems integration business, we have expanded the range of robots handled so that we can offer solutions that are more fine-tuned to meet customers' needs. Another priority going forward will be the development of maintenance service systems.



By continuing to look and think ahead, we will have solutions ready at hand for the new needs emerging in tomorrow's economy and society.

Our Vision for Glory 10 Years in the Future

Glory will expand its presence through enabling a confident world.

Over the next 10 years, we expect to see increased use of cashless payment systems in Japan, leading to the evolution of a society in which both cash-based and cashless payment systems exist side by side. In this environment, Glory should have a significant advantage, since it can provide solutions in both of these areas. We believe that safeguarding customer confidence in payment systems, regardless of the method used, is part of our social responsibility.

Similarly, Glory's new personal

identification and authentication business helps to enable the confidence of its users, while developments made toward an automated society through our robotic system integration business inspire confidence in what robots and people can build together. We consider both of these elements essential to realize a safe and secure future.

Glory works toward the greater realization of this future vision for society through our efforts to enable a confident world.



Overseas Market

Glory's main customers in this segment include financial institutions, retailers, cash-in-transit companies, and casinos. Our flagship products include banknote recyclers used by tellers to process deposits and disbursements over-the-counter in financial institution branches, banknote sorters used by financial institutions and cash-in-transit companies to eliminate counterfeit currency and sort banknotes, and CASHINFINITY™ cash management systems for retailers. We also supply banknote recycling modules for ATMs on an OEM basis.

Market Environment and Operating Results

Financial institutions and retailers, especially in North America and Europe, responded to rising labor costs, the shift to digital technology, and other factors by working to reduce operating costs through efficiency improvements and the rationalization of branch operations.

In the year ended March 2019, Glory's business operations in this environment were based on regional strategies shaped by the characteristics of local markets. Our main goals were to capture replacement demand for banknote recyclers for tellers in the financial institutions of each country, and to expand sales of CASHINFINITY cash management systems for retailers.

In the Americas, sales of banknote recyclers for tellers in financial institutions were slow, while prolonged sales negotiations and other factors pushed down sales of CASHINFINITY.

In Europe, replacement demand from

financial institutions drove steady sales of banknote recyclers for tellers. However, sales of CASHINFINITY were somewhat slower.

In Asia, strong product sales to financial institutions in Indonesia and India contrasted with slower sales to Chinese financial institutions. OEM sales benefited from steady sales of banknote recycling modules for ATMs, but sales of banknote and check deposit modules for ATMs weakened.

As a result of these trends, net sales for this segment in the year ended March 2019 declined by 3.3% to ¥103,287 million. Operating income was 21.5% lower at ¥8,761 million, in part because of deterioration in the product mix.

Strategies and Initiatives Going Forward

We will continue to market banknote recyclers for tellers and other products to financial institutions to take advantage of

an accelerating shift toward self-operation systems, especially in the Americas and Europe. In the retail industry, we will work to enhance our marketing capabilities and expand sales by targeting major retailers in the United States and elsewhere. We will also pursue dynamic M&A strategies and other initiatives with the aim of accelerating the growth of our overseas business operations.

Contribution to
Total Net Sales
(Year ended March 31, 2019)

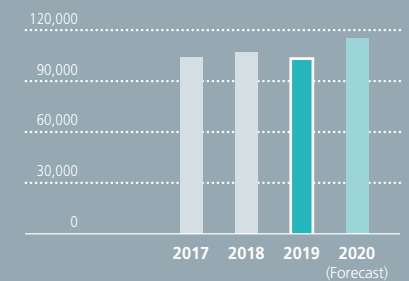
43.8%



Net Sales

(Years ended March 31)

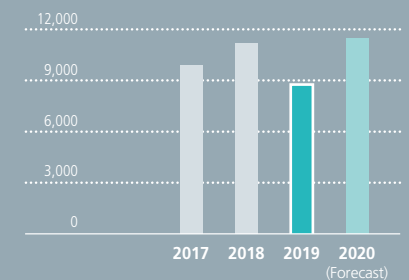
(¥ million)



Operating Income

(Years ended March 31)

(¥ million)





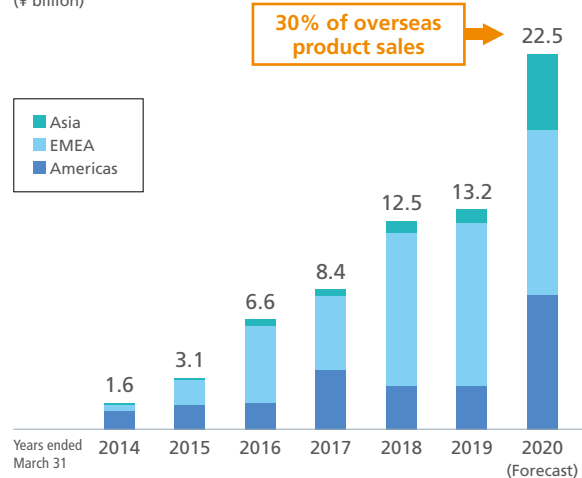
New Model in the CASHINFINITY™ Series — Suitable for Various Store Formats, from Big Retailers to Small, Individual Businesses

Marketing for the CI-5, the small cash recycling system developed by Glory, began in earnest in 2019. By expanding our product lineup, we are able to offer optimized cash handling solutions to suit the scale and type of retail operations.

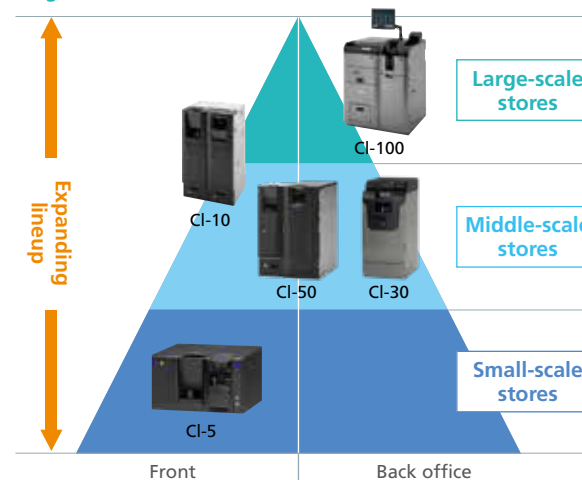
Glory will explore a variety of potential marketing approaches, including rental and leasing arrangements, with the aim of further expanding sales of products in its CASHINFINITY series.

Sales trend of retail products (CI series)

(¥ billion)



Target stores



Case Study

CI-5 in Italy



Antonio Gaeta

CASHINFINITY Product Manager
Sitrade Italia S.p.A.

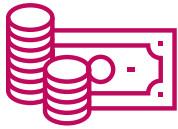
Italy has many small retailers, such as bars, tobacco shops, and cafés. These outlets need to process numerous small cash transactions, and because of the time required for manual processing of these transactions, queues tend to form at the cash registers. For this reason, we selected Italy as the first country in which to market the CI-5 as an answer to the need for improved efficiency in the cash management processes of small retailers.

CI-5 systems were recently installed by the My Chef café chain to receive cash and make change for items rung up by staff at the counter. These self-service systems have been welcomed as a hygienic and efficient way to handle transactions.

We will continue to respond to growing market needs by proposing solutions based on CASHINFINITY technology for a variety of retail outlets.



A My Chef café chain outlet in Italy



Financial Market

Glory's main customers in this segment are financial institutions in Japan. Our flagship products include open teller systems, used to manage receipts and disbursements in branches, and coin and banknote recyclers for tellers to support banking processes. Other products include banknote changers installed in lobbies and other locations for use by customers. In addition to these flagship products, we also supply electronic data entry tablets that allow the paperless creation of forms, security storage systems for the storage and management of important forms and documents other than cash, and image scanners used to convert forms into digital data. We also supply OEM products to leading system manufacturers and other users.

The financial market is our main market segment in Japan. We have built market shares of 60% or higher for our core products.

Market Environment and Operating Results

Financial institutions responded to challenges in their business environment by targeting further improvements in the efficiency and rigor of branch operations. Our priority in this environment was the expansion of sales of open teller systems and coin and banknote recyclers for tellers. We achieved strong sales in these product categories by capturing replacement demand from financial institutions. In the non-cash category, we recorded excellent sales of security storage systems.

Net sales in this segment amounted to ¥56,636 million, a year on year increase of 4.9%. Operating income was 67.3% higher at ¥6,764 million.

Strategies and Initiatives Going Forward

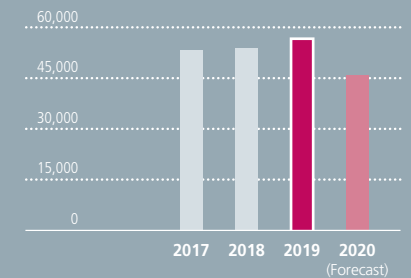
Financial institutions in Japan are reviewing the role of branches as they adopt new channels for interaction with customers, such as Internet banking. We expect this trend to result in accelerating innovation toward the development of next-generation branches. We aim to expand our sales by using Glory's accumulated expertise in the area of branch operations to propose new concepts for these next-generation branches and create products and services to meet new needs.

Contribution to
Total Net Sales
(Year ended March 31, 2019)

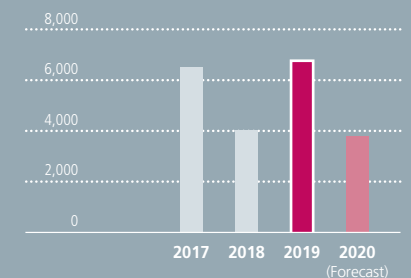
24.0%



Net Sales
(Years ended March 31) (¥ million)



Operating Income
(Years ended March 31) (¥ million)





“EvolBranch” Concept — A 10-year Scenario for the Evolution of Japanese Financial Institutions

Glory has started to offer the “EvolBranch” concept as a specific scenario for the evolution of branches of financial institutions in Japan over the next 10 years. Through this concept, we aim to help financial institutions develop next-generation branches and further improve the efficiency of their banking operations, resulting in higher earnings for financial institutions and enhanced convenience for their customers.



EvolBranch

The logo is the combined image of analogue and digital technologies.





Three-step Proposal for Branch Optimization

Step 1

Smart Branch

(Branch Image 1 to 3 Years from Now)

We will reconstruct branch networks, review customer traffic flow, reduce back office tasks, and strengthen operations by categorizing a branch into four types. We will also consider daily visitor numbers and site characteristics.

Types	Large Branches	Medium Branches	Small Branches	Automated Branches
Branch Category	Regional main branch, Full-service branch	Small transactions	Personal consultation	Self-service
				



A concierge is arranged for large and medium branches in order to understand the purpose of the customer’s visit and to provide appropriate guidance.



Install open teller systems and security storage systems to achieve branches with no tellers or vault. Also go paperless by adopting multi-document scanners to transmit business transactions to a centralized location.

Step 2

Digital Branch

(Branch Image 6 Years from Now)

We will reduce office space, expand the lobby area, remove counters, and install a booth to perform various transactions while communicating with customers. Additionally, we will transform branches to enable business transactions and consultations.

Step 3

IoT Branch

(Branch Image 10 Years from Now)

We will create an unmanned branch with the latest technologies. Robots provide customer guidance, while AI provides consultations for asset management.

Segment Information



Retail and Transportation Market

Glory's main customers in this segment are supermarkets and cash-in-transit companies. Our main products for this market include coin and banknote recyclers for cashiers, which help to ensure rigorous cash management while also reducing checkout waiting times in supermarkets and other retailers, and sales proceeds deposit machines, which are used to manage proceeds in department stores and shopping malls.

Glory also supplies a range of products for railroad companies, including cash recyclers, which count and deposit cash received and dispense change at ticket counters, and coin-operated lockers.

Market Environment and Operating Results

In the Retail and Transportation Market, we are responding to the increasing demand for mechanization solutions, specifically for the alleviation of labor shortages and finding more efficient ways to handle complex cash management processes. In the year ended March 2019, Glory worked in this environment to expand sales of coin and banknote recyclers for cashiers for use in convenience stores and other outlets.

In addition to the introduction of coin and banknote recyclers for cashiers in convenience stores, we also made strong progress toward the development of new customers, such as specialty retailers. Sales of sales deposit machines to cash-in-transit companies were also strong thanks to our success in capturing replacement demand for these products.

As a result, net sales in this segment were 20.3% higher year on year at ¥51,985 million.

Operating income increased by 32.7% to ¥4,611 million.

Strategies and Initiatives Going Forward

We anticipate that retailers will continue to invest in equipment and facilities in order to compensate for labor shortages, streamline cash handling operations, and adapt to non-cash payment methods. Our strategy in this environment will be to expand the use of our coin and banknote recyclers, not only by focusing on our existing customer base, but also by developing new business areas and cultivating new customers. We will also target sales growth in non-cash business areas, such as electronic payment systems for credit cards, electronic money and debit cards, and electronic payment services.



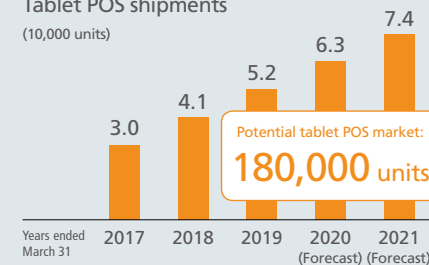
TOPICS



Increasing Our Presence in the Tablet POS Market

An increasing number of restaurants and other small retail outlets are adopting tablet POS registers. We expect this trend to continue in the future because these systems are much easier to install compared to the conventional POS cash register systems. We aim to improve settlement efficiency by integrating tablet POS checkout systems with our coin and banknote recyclers for cashiers.

Tablet POS shipments (10,000 units)



Contribution to Total Net Sales
(Year ended March 31, 2019)

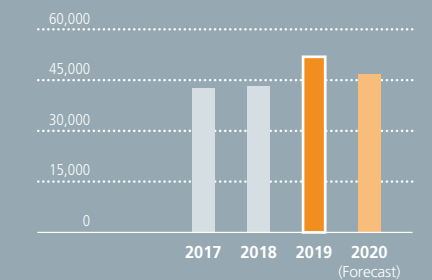
22.1%



Net Sales

(Years ended March 31)

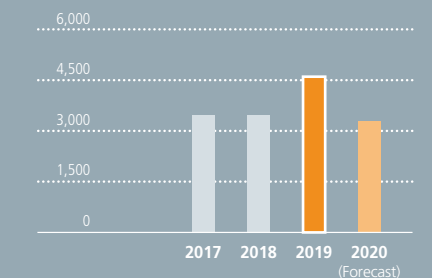
(¥ million)



Operating Income

(Years ended March 31)

(¥ million)



Segment Information



Amusement Market

Glory's main customers in this segment are amusement hall (pachinko parlors). Our core products are peripheral equipment other than actual amusement machines, including pachinko ball/token dispensers and counters, pachinko prize dispensing machines, control computers, and pachinko card systems used to control sales in amusement facilities.

Market Environment and Operating Results

A key trend in the Amusement Market is a decline in the number of pachinko parlors because of the diversification of leisure activities, a shrinking player population, and other trends. Another factor that is having a negative impact on the business environment for pachinko parlors is the amendment of the Act on Control and Improvement of Amusement Businesses, etc., which now requires operators to install pachinko machines with a reduced gambling element. In the year ended March 2019, Glory continued its efforts to expand sales of its card systems—which is one of its major products for this sector—prize dispensers, and other peripheral equipment used in pachinko parlors.

Replacement demand was reflected in firm sales of card systems, and sales of pachinko prize dispensing machines were also strong. However, sales of ball/token counters were slower.

Net sales in this segment were 0.3% lower year on year at ¥20,511 million, while

operating income increased by 47.2% to ¥1,959 million.

Strategies and Initiatives Going Forward

We will continue to work steadily toward our key goals for this segment, including closer collaboration with group companies and partner companies, and the timely release of new products. We also aim to expand sales

by proposing better solutions that improve the efficiency of amusement facilities through combinations of multiple products and services, including our flagship range of card systems. We will also continue to monitor moves by the government and related organizations.

Pachinko Parlors



Pachinko parlors are casino-like recreation facilities unique to Japan. People go to pachinko parlors to amuse themselves by playing two types of game machines: "pachinko" and "pachislot." Pachinko machines resemble vertical pinball machines and pachislot machines are like casino slot machines.

As one of Japan's flagship leisure industries, pachinko and pachislot claims a major share of the country's leisure market. This market accounts for roughly 30% of the leisure market, with revenues of ¥20.4 trillion, and 9.0 million players. (Source: White Paper on Leisure Industry 2018 Japan Productivity Center.)

Contribution to
Total Net Sales
(Year ended March 31, 2019)

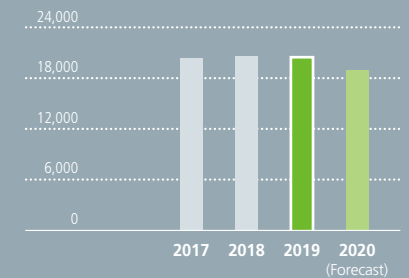
8.7%



Net Sales

(Years ended March 31)

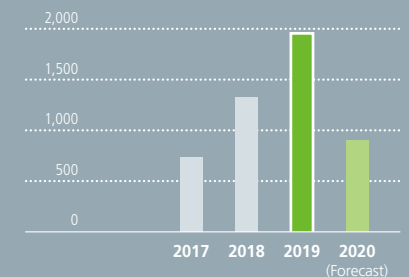
(¥ million)



Operating Income

(Years ended March 31)

(¥ million)



Segment Information



Others

This segment consists of products not included in Glory's four reportable segments, as well as business activities relating to the creation of new business under Glory's Long-Term Vision 2028.

Market Environment and Operating Results

We undertook various initiatives toward the creation of new solutions in the personal identification and authentication business, including the establishment of a capital and business alliance with FueTrek Co., Ltd. In the robotic system integration business, we responded to the need for production line automation, especially for manufacturers of cosmetics, pharmaceuticals, and food.

Net sales in this segment increased by 17.4% year on year to ¥3,341 million. There was an operating loss of ¥1,521 million, compared with an operating loss of ¥403 million in the previous fiscal year.

Strategies and Initiatives Going Forward

In the personal identification and authentication business, we will aim to achieve early commercialization by combining the technologies and expertise of Glory and FueTrek. Our strategy for the robotic system integration business calls for expansion of sales channels through collaboration with other companies, so that we develop new customers by capturing opportunities for sales negotiations.

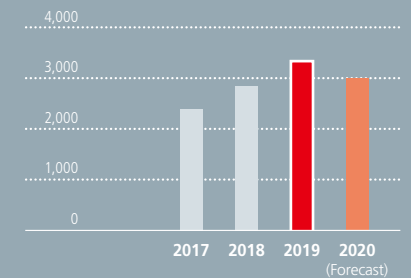
We will continue to invest strategically in the creation of new businesses and the expansion of our business areas, while also focusing on the acquisition of data analytics technology as a new core technology.

Contribution to
Total Net Sales
(Year ended March 31, 2019)

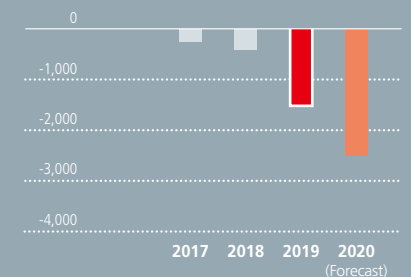
1.4%



Net Sales
(Years ended March 31) (¥ million)



Operating Income
(Years ended March 31) (¥ million)





01

Personal Identification and Authentication Business



Glory was ranked third in the “Resolution of Tokyo Residents’ Needs” category of the Tokyo Financial Awards*¹ with a proposal for a customer verification platform designed to improve the efficiency of verification processes in financial institutions and retail stores.

Based on a smartphone application, the system would combine facial recognition and speech recognition*² to enhance the accuracy of online personal identification. This would allow customers to carry out address changes and other processes without visiting a branch. As a first step toward the creation of this service, Glory is working to develop a biometric payment system. With biometric payment, customers will be able to make payments by using the application to verify their facial images and voices, which will be pre-registered on the platform. We plan to conduct a trial of the system during fiscal 2019 in employee welfare facilities within the Glory complex.



*1 Tokyo Financial Awards

The Tokyo Metropolitan Government established this award program as part of its efforts to develop Tokyo as an international financial center. Awards are given to financial companies in recognition of the development and provision of innovative financial products and services that help to solve problems affecting Tokyo residents and meet their needs, and also in recognition of efforts to promote ESG investment.

*2 The speech recognition technology was developed by FueTrek Co., Ltd.

02

Robotic System Integration Business



NEXTAGE*¹ and duAro2*² assembling, packing, and sealing boxes

Since April 2017, we have been working to establish a robotic system integration business based on Glory’s own production technology. The system, which we call “Automation Smart Robot for Future” (ASROF), encompasses automated production lines, peripheral equipment, and after sales service. Our main focus at present is product picking and packaging, and we are supplying a variety of related solutions.

*1 “NEXTAGE” is a humanoid robot developed by Kawada Robotics Corporation, Inc.

*2 “duAro2” is a dual-arm collaborative SCARA robot developed by Kawasaki Heavy Industries, Ltd.

Glory's CSR Philosophy

Our corporate philosophy states that “we will contribute to the development of a more secure society through a striving spirit and co-operative efforts.” Under this philosophy, the Glory Group will continue to contribute to the realization of a sustainable society by applying its accumulated core technologies and developing innovative technologies with the potential to create new value to solve social issues.

CORPORATE PHILOSOPHY

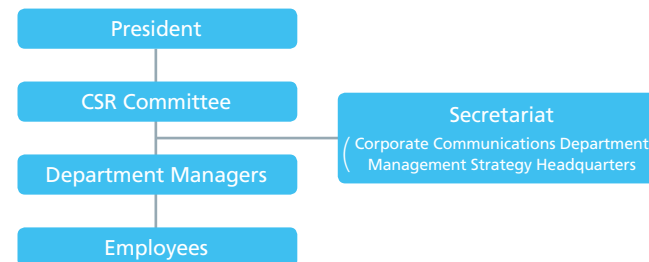
We will contribute to the development of a more secure society through a striving spirit and co-operative efforts.

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 co-exist harmoniously with society at large.

CSR Promotion Framework

CSR efforts in the Glory Group are led by the CSR Committee, which is chaired by the President and made up of management-level employees. The committee convenes twice a year, at which time it deliberates on the basic direction and plans for CSR management and establishes policies for major annual CSR initiatives.



Participation in the United Nations Global Compact

The Glory Group operates in more than 100 countries. We contribute to every region in which we operate by matching technologies and services to the issues faced by customers and society, and as responsible corporate citizens, we conduct our work with awareness of the issues of the international community. To further clarify our stance on social contribution, Glory signed the United Nations Global Compact, an international framework for sustainable development, in March 2014.



Glory promotes various other CSR Activities. For further information, please visit our website. <https://corporate.glory-global.com/csr/>

Environment

Glory Environmental Vision

To promote the reduction of environmental impact and the preservation of natural resources on a global scale, we will contribute to “a solid future” for the global environment.

To create a sustainable society, the Glory Group has formulated an environmental vision with three areas of focus: products, business, and awareness. The themes for our environmental activities are the prevention of global warming, the management and reduction of chemical substances, the effective use of resources, and the preservation of biodiversity. Under our environmental vision, we have created the 2020 Medium-Term Environmental Plan covering the three years from fiscal year 2018. We are now implementing group-wide initiatives based on this plan.

Developing Environmentally Friendly Products

The Glory Group develops environmentally friendly products that minimize environmental impact throughout each product's life cycle—from material procurement and customer use of the product through final disposal.

Glory certifies products as G-Eco products if they satisfy certain in-house standards for environmental friendliness—for example, if they exhibit electric power efficiency at least 15% better than existing products and if they conform to regulations on chemicals contained in products.

Of the G-Eco products developed in fiscal year 2018, the banknote unit of the CI-5 cash recycling system features around 40% less power consumption than previous products, and the coin unit of the product has around 25% less. In addition, we have achieved recyclability ratios of about 91% for the banknote unit and 89% for the coin unit.



Cash Recycling System <CI-5>

Preserving Biodiversity

Since fiscal year 2011, Glory has strived to protect and maintain biodiversity through initiatives such as forest conservation activities and nature appreciation events at the Glory Yumesaki Forest (Himeji City, Hyogo Prefecture), with the aim of conveying to young people the importance of nature. Since fiscal year 2013, we have expanded the scope of these activities to the Kanto area and are engaged in biodiversity activities in collaboration with an NPO.

Another example of group-wide contributions to biodiversity preservation is the participation by employees of GLORY (PHILIPPINES), INC. in the Adopt-A-Tree Park Program since fiscal year 2011.



Tree-planting (in the Philippines)

Society

Human Resource Initiatives

Work-Life Balance

Glory has in place numerous initiatives aimed at promoting a work-life balance. These initiatives enable employees to match their job and work schedule to their lifestyle while maximizing their abilities and career potential.

Balancing Work and Parenthood

We are creating environments in which employees can combine work with parenting, including the establishment of an in-house daycare center, the G-Kids Home, for the children of full-time employees. The facility accepts children from 57 days after birth until they reach elementary school age. We also provide subsidies to hire childcare services for female full-time employees working at locations other than our head office until the child's third year of elementary school.



G-Kids Home

Fostering Human Resources

We have introduced a variety of skill-development and training programs for our diverse work force. These initiatives reflect our belief that personal growth by individual employees leads to corporate growth.

Training for Potential Corporate Executives

We operate the Glory Business College system to train management-level employees for a future role as next-generation corporate executives. Trainees acquire the skills and knowledge needed for a senior executive position by participating in a total of seven programs and attending outside seminars over a seven-month period. Participants also build networks within and beyond the company by taking part in discussions with other participants and meeting people from other industries.



Classroom exercise at Glory Business College

Supply Chain Management

We, the Glory Group, procure parts from our suppliers in a fair and transparent manner in all aspects of our transactions, while strictly observing related laws and regulations, and establishing a relationship built on trust with them as their partner. We also proceed in our procurement activities by taking into consideration the concept of both CSR and environmental conservation for developing sustainable societies.

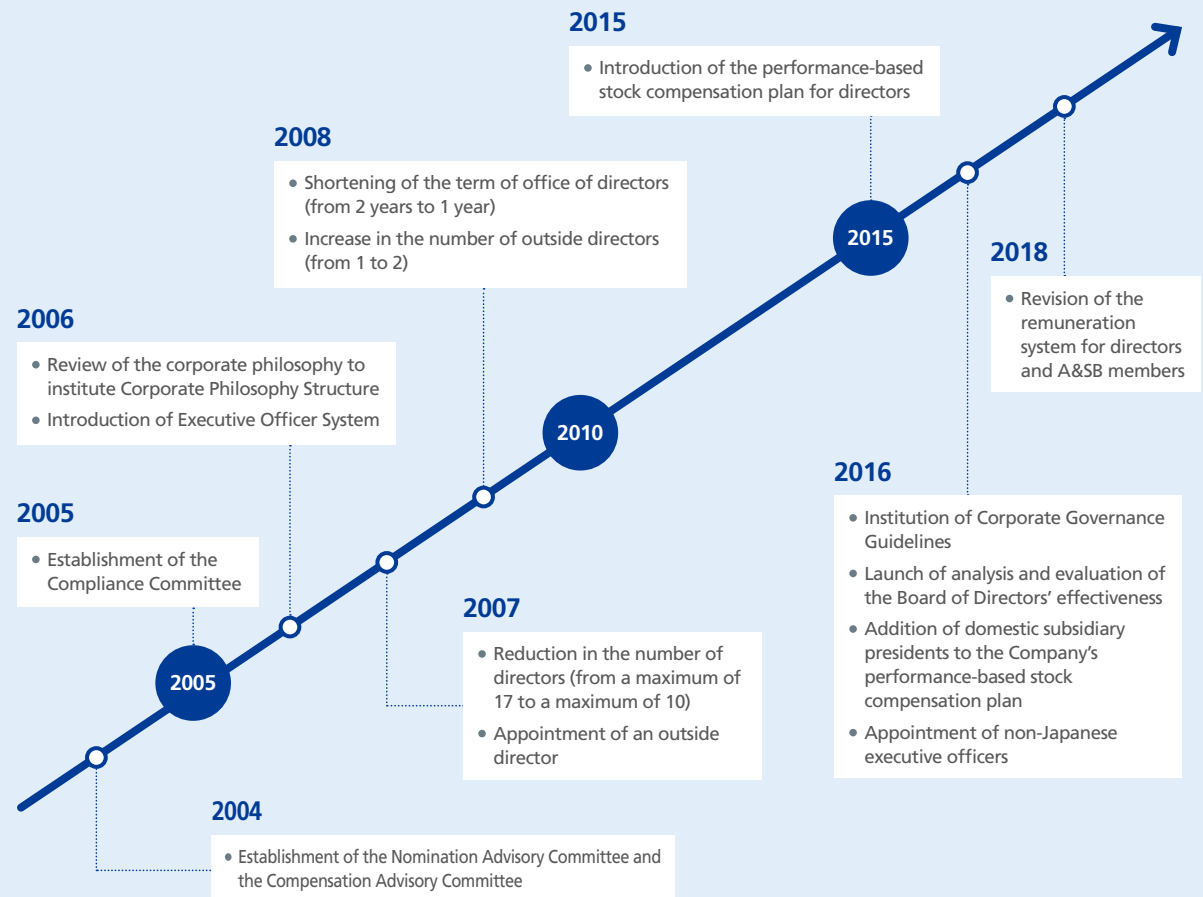
CSR Procurement

In March 2014, we produced the "Glory CSR Procurement Guidebook" with the aim of further enhancing our CSR procurement performance. This Guidebook defines the Glory Group's basic stance on CSR and specifies our requirements for suppliers in relation to human rights and labor, health and safety, the environment, and other areas. We continue to work with our suppliers to implement CSR initiatives in our supply chains.

Corporate Governance

Glory's corporate philosophy guides its efforts to continuously improve corporate value through sound and efficient business management, so that the Company can exist in harmony with society and earn the trust and support of all stakeholders. None of this can be achieved without a firm commitment to the continuing improvement of corporate governance. Glory will continue its efforts to strengthen the supervisory and executive functions of management, accelerate decision-making, ensure transparency and objectivity, and enhance compliance management.

Glory Corporate Governance Chronology



Corporate Governance Guidelines

To ensure sustainable growth of the Group and to boost corporate value over the medium and long terms, Glory formulated Corporate Governance Guidelines in February 2016. The Company is pushing forward with business management in line with these Guidelines and is striving to further strengthen its governance system.



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

Corporate Governance Structure

Glory believes that for effective corporate management, the Board of Directors, having more than one outside director, should make decisions on important management issues and supervise the execution of business, while the Audit & Supervisory Board (“A&SB”) monitors the activities of the Board of Directors. Under such belief, Glory has adopted “Company with Audit & Supervisory Board” as a form of corporate organization under Japan’s Companies Act.

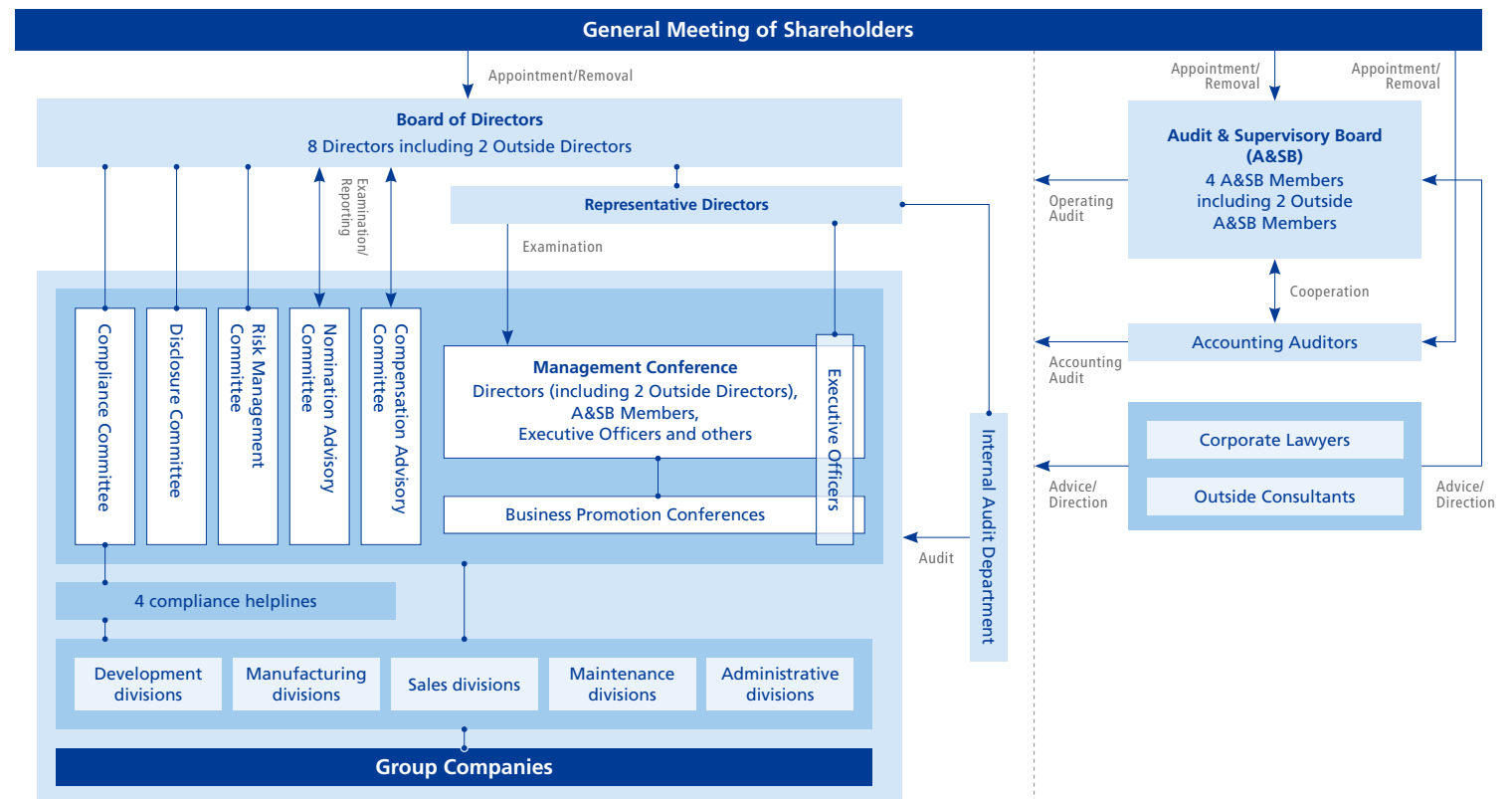
To ensure rapid decision making by, and vitalization of, the Board of Directors, the Company limits the number of directors to no more than ten, including several independent outside directors with qualities that enable them to contribute to sustainable growth and the improvement of corporate value from a medium- to long-term perspective.

Overseas business operations have expanded dramatically since the acquisition of Talaris Topco Limited in 2012. This is reflected in the composition of our Board of Directors, which includes two representative directors, four executive directors with extensive knowledge of the business or corporate operations of Glory, and two outside directors with the ability to provide appropriate expert advice based on knowledge of global corporate management and other fields. While we review the governance structure as needed, we believe this is the optimal board structure system for Glory at present, since it provides both balance and diversity in terms of knowledge, experience and ability of the Board as a whole.

The Company requires the A&SB to have a maximum of four members, the majority of whom must be outside A&SB members. At least one member of this Board must have adequate knowledge of finance and accounting. Currently the A&SB consists of two internal A&SB members who are familiar

with Glory’s business operations, and two highly independent outside A&SB members with extensive experience and expert knowledge of legal affairs, finance and accounting, corporate management and other fields.

Corporate Governance System (As of March 31, 2019)



Independent Outside Directors and Outside A&SB Members

We believe that our outside directors and outside A&SB members must be independent from Glory. Specifically, they are required to meet not only the conditions stipulated in the Companies Act and the rules of the Tokyo Stock Exchange, but also our own, more stringent criteria. For details concerning the independence requirements for Glory's independent outside directors, please refer to our Corporate Governance Guidelines.



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



Outside directors attending technology presentations

Information on Outside Directors and Outside A&SB Members (As of March 31, 2019)

Outside Director	Reason of Appointment	Attendance rate at Board of Directors meetings (the year ended March 2019)	
		Board of Directors meetings	A&SB meetings
Hiroki Sasaki Nomination Advisory Committee Chair Compensation Advisory Committee Chair Independent Director	Mr. Hiroki Sasaki possesses considerable experience and global knowledge as a management executive at other companies and has been playing an important role as an outside director in strengthening supervisory function, ensuring and enhancing transparency and fairness in the Company's management. It is our judgment that he has sufficient experience and ability for the role of outside director.	16/16	
Joji Iki Nomination Advisory Committee Member Compensation Advisory Committee Member Independent Director	Mr. Joji Iki possesses considerable experience and global knowledge as a management executive at another company, and has been playing an important role as an outside director in strengthening supervisory function, ensuring and enhancing transparency and fairness in the Company's management. It is our judgment that he has sufficient ability and insight for the role of outside director.	16/16	
Outside A&SB Member	Reason of Appointment	Attendance rate (the year ended March 2019)	
		Board of Directors meetings	A&SB meetings
Mikio Nakajo Independent A&SB Member	Mr. Mikio Nakajo possesses extensive knowledge and experience as an attorney-at-law and has been playing an important role, as an outside A&SB member in ensuring and enhancing compliance and adequacy in the Company's management. It is our judgment that we can strengthen the Company's management organization further by receiving his audit based on his experience and specialized knowledge from an independent standpoint.	16/16	15/15
Satoshi Hamada Independent A&SB Member	Mr. Satoshi Hamada is a certified public accountant and possesses considerable knowledge regarding finance and accounting as well as corporate management. He has been playing important role as Outside A&SB member in ensuring legitimacy and adequacy in the Company's business management. It is our judgment that he has sufficient experience and ability for the role of A&SB member.	16/16	15/15

Analysis and Evaluation on Effectiveness of the Board of Directors

From the fiscal year ended March 31, 2016, the Company has annually analyzed and evaluated the effectiveness of its Board of Directors (the "Board") based on its Corporate Governance Guidelines. In the past three examinations, while it was judged that "the effectiveness of the Board is ensured sufficiently as a whole and that the current status of the Board is consistent with the Company's Corporate Governance Guidelines," we considered that there were some points for which "continuous efforts for improvement are required."

Therefore, in the most recent examination, for the fiscal year ended March 31, 2018 and 2019, the Company focused on those matters falling in the category of "continuous efforts for improvement are required."

As a result of analyzing and evaluating the anonymous self-evaluation questionnaires, some improvement was made from the previous year, though some issues remain to be solved. These issues include narrowing the Board's focus to more strategic items, ensuring sufficient time for consideration, clarifying the main points of

documents and utilizing IT tools (e.g. a paperless multimedia conference system) at the Board meetings. Additional issues include readjusting roles and relationships between the Board and other managerial bodies, etc. and further delegating authority to such conferences.

Based on the most recent results, the Company will strive to increase the effectiveness of discussions at Board meetings regarding the setting of broad agendas for the corporate managerial and business strategies. Furthermore, in the light of expected

acceleration of overseas business development and entry into new businesses fields, the Company will maintain steady measures to improve the corporate governance structure by such means as securing appropriate composition and management of the Board, so as to ensure greater diversity.



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

Remuneration for Directors and A&SB Members

Remuneration Structure

Remuneration for Directors

1. Remuneration for executive directors consists of fixed compensation ("Fixed Compensation"), bonuses linked to short-term business performance ("Bonuses"), and stock compensation linked to medium- to long-term business performance ("Stock Compensation"). The proportion of performance-based compensation is determined in stages according to rank. Details of each type of compensation are as follows.

- Fixed Compensation is determined according to the position and responsibilities of the person concerned.

- 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.
- The ratio between the base amount of Fixed Compensation and that of performance-based compensation (Bonuses and Stock Compensation) is set approximately at 50% for each for the president. For other directors, the ratios are determined proportionately to the ratio for the president, according to the responsibilities, the general level of compensation and other factors.
- The target indicators for Bonuses are consolidated net sales and operating income from among the performance targets in the 2020 Medium-Term Management Plan.

The amounts to be paid will be determined according to the degree of achievement toward those targets using a factor between zero times (if achievement degree is less than 60%) and two times (if achievement degree is 140% or more) a predetermined amount.

- The target indicators for Stock Compensation are consolidated ROE and the operating margin from among the performance targets in the 2020 Medium-Term Management Plan. The number of shares to be allotted will be determined according to a number of points calculated by multiplying the basic number of points by a factor between zero times (if achievement degree is less than 90%) and two times (if achievement degree is 140% or more), depending on rank.
2. No retirement benefits are paid to directors.

3. Remuneration for outside directors, who mainly perform supervisory functions, will consist only of a monthly Fixed Compensation.

Remuneration for A&SB members

Remuneration for A&SB members, who mainly fulfill auditing functions, will consist only of a monthly Fixed Compensation.

Amount of Remuneration for Directors and A&SB Members, and Number of Eligible Persons for the year ended March 2019

Category	Amount of remuneration (million yen)	Amount of remuneration by category (million yen)			Number of eligible persons
		Fixed Compensation	Performance-based Bonuses	Performance-based Stock Compensation	
Directors (excluding Outside Directors)	189	103	68	17	6
A&SB Members (excluding Outside A&SB Members)	36	36	—	—	2
Outside Officers	38	38	—	—	4
(Outside Directors)	(24)	(24)	(—)	(—)	(2)
(Outside A&SB Members)	(14)	(14)	(—)	(—)	(2)

Notes:

- Amounts paid to directors do not include employee salary portions for directors who have concurrent responsibilities as employees.
- The maximum amount of compensation for directors was set at ¥450 million per annum (including a maximum of ¥50 million for outside directors) under a resolution adopted at the 72nd Ordinary General Meeting of Shareholders held on June 27, 2018. This amount does not include employee salary portions for directors who have concurrent responsibilities as employees.
- The maximum amount of compensation for A&SB members was set at ¥80 million per annum under a resolution adopted at the 72nd Ordinary General Meeting of Shareholders held on June 27, 2018.
- The following resolutions were adopted at the 73rd Ordinary General Meeting of Shareholders held on June 21, 2019 concerning Stock Compensation for directors in the year ended March 2019.
 - Period: three fiscal years from the year ended March 2018 to the year ending March 2020
 - Total amount to be entrusted: ¥300 million for the period concerned (includes funds used to acquire shares by the trust during the period concerned, and trust fees and expenses)
 - Number of shares to be acquired by the trust: 147,000 shares for the period concerned.

The above amount represents the provision reserved for the year ended March 2019. The Company Shares Distribution Rules stipulate that shares, etc. should be allotted to directors at specific times during the trust period (50%) and at the time of retirement (50%). This means that the amounts include shares, etc. for which entitlements have not been confirmed.

Corporate Governance

Board of Directors (As of June 21, 2019)


Hirokazu Onoe Chairman of the Board & Representative Director

Sep. 1970 Joined the Company
Apr. 2000 General Manager, Vending Machine & Amusement Systems Business Div.
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
Apr. 2019 Chairman of the Board & Representative Director (to present)


Kaname Kotani Director

Jun. 1987 Joined the Company
Jun. 2010 General Manager, Development Div., Money Handling System Business Headquarters
Apr. 2011 Deputy Executive General Manager, Development Headquarters
Apr. 2012 Executive Officer
Apr. 2013 Senior Executive Officer; Executive General Manager, Development Headquarters (to present), Responsible for Intellectual Property Dept. (to present)

Jun. 2014 Director & Senior Executive Officer
Apr. 2015 Director & Managing Executive Officer
Apr. 2016 Responsible for information security (to present)
Apr. 2017 Director & Senior Managing Executive Officer (to present)
Apr. 2018 Responsible for new businesses (to present)


Motozumi Miwa President & Representative Director

Jun. 2009 Joined the Company
Mar. 2010 General Manager, Legal Affairs Dept., General Affairs Div.
Jun. 2010 Executive Officer
Apr. 2012 Senior Executive Officer; Executive General Manager, General Affairs Headquarters
Jun. 2012 Director & Senior Executive Officer
Apr. 2013 Responsible for CSR, brand strategy, investor relations and legal compliance functions

Apr. 2014 Director & Managing Executive Officer; Executive General Manager, Business Management Headquarters, Responsible for General Affairs Headquarters
Apr. 2015 Director & Senior Managing Executive Officer
Apr. 2016 Representative Director & Senior Managing Executive Officer
Apr. 2017 Executive Vice President & Representative Director; Responsible for Business Management Headquarters
Apr. 2019 President & Representative Director (to present)


Akihiro Harada Director

Mar. 1985 Joined the Company
Apr. 2003 General Manager, Production Engineering Dept., Himeji Factory, Banking System & Equipment Div.
Jan. 2006 President of GLORY (PHILIPPINES), INC.
Apr. 2009 General Manager, Management Planning Dept., Corporate Strategy Div. of the Company
Apr. 2012 Executive Officer; Project Leader, International Business Integration Project Management Office
Jul. 2012 Director of Glory Global Solutions Ltd.

Apr. 2014 Senior Executive Officer of the Company; Responsible for manufacturing, procurement and quality assurance at group companies of Glory Global Solutions Ltd.
Apr. 2015 Executive General Manager, International Business Headquarters
Jun. 2015 Director & Senior Executive Officer
Apr. 2017 Director & Managing Executive Officer (to present)
Apr. 2018 Executive General Manager, International Business Company Unit (to present)


Hideo Onoe Director

Jan. 1999 Joined the Company
Oct. 2005 General Manager, Supply Chain Management Dept., Production Management Div., Money Handling Systems Business Headquarters
Oct. 2006 Executive Officer
Jul. 2009 President of GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.)
Apr. 2012 Senior Executive Officer of the Company; Executive General Manager, Production Headquarters

Apr. 2013 Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.
Apr. 2014 Managing Executive Officer of the Company; Executive General Manager, Production Headquarters & Senior General Manager, Purchasing Div.
Jun. 2014 Director & Managing Executive Officer
Apr. 2015 Executive General Manager, Domestic Business Headquarters (to present)
Apr. 2017 Director & Senior Managing Executive Officer (to present)


Joji Iki Outside Director

Independent Director

Apr. 1977 Joined Kawasaki Heavy Industries, Ltd. ("KHI")
Nov. 2002 Senior Manager, Aero-Dynamic Machinery Department, Machinery Division, Gas Turbine & Machinery Company
Apr. 2009 Executive Officer; General Manager, Machinery Division, Gas Turbine & Machinery Company
Apr. 2012 Managing Executive Officer; President, Gas Turbine & Machinery Company
Jun. 2012 Representative Director & Senior Vice President

Apr. 2015 Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology, Sales and Procurement department
Apr. 2016 Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology and Sales department and in charge of Ship & Offshore Structure Company
Apr. 2017 Director of KHI
Jun. 2017 Outside Director of the Company (to present)


Shigetoshi Mabuchi Director

Apr. 1982 Joined GLORY Shoji Co., Ltd. (now the Company)
Apr. 2005 General Manager, Business Planning Office, Business Planning Div. of GLORY Shoji Co., Ltd.
Apr. 2009 Senior General Manager, Maintenance Business Div., Maintenance Headquarters of the Company
Jun. 2010 Executive Officer

Apr. 2012 Senior Executive Officer; Executive General Manager, Service Headquarters (to present)
Apr. 2014 Managing Executive Officer
Jun. 2014 Director & Managing Executive Officer
Apr. 2017 Director & Senior Managing Executive Officer (to present)


Junji Uchida Outside Director

Independent Director

Apr. 1974 Joined NIPPON STEEL CORPORATION ("NSC")
Jun. 2005 Director (Member of the Board); Director, Construction Products Division Director, Pipe & Tube Division
Jun. 2006 Director (under the Executive Management system); Director, Construction Products Division Director, Pipe & Tube Division
Apr. 2007 Director (under the Executive Management system); Director, Plate Division
Apr. 2009 Managing Director (under the Executive Management system); Director, Flat Products Division
Jun. 2009 Managing Director (Member of the Board); Director, Flat Products Division

Jul. 2010 Managing Director (Member of the Board); Director, Flat Products Division Project Leader, India Continuous Annealing and Processing Line Project
Apr. 2011 Managing Director (Member of the Board); Project Leader, Shanghai-Baoshan Cold-rolled & Coated Sheet Products Project
Apr. 2012 Director (Member of the Board) of NSC Adviser of OSAKA STEEL CO., LTD. ("OSAKA STEEL")
Jun. 2012 Retired from Director (Member of the Board) of NSC Assumed office of Representative Director and President of OSAKA STEEL
Jun. 2017 Director and Senior Advisor of OSAKA STEEL
Jun. 2018 Senior Advisor
Jun. 2019 Outside Director of the Company (to present)

Audit & Supervisory Board (A&SB) (As of June 21, 2019)



Masakazu Nagashima A&SB Member

Jan. 1983	Joined the Company	Jun. 2015	A&SB member of the Company (to present)
Oct. 2006	General Manager, Business Planning Dept., Retail & Media Industries Systems Company		A&SB member, GLORY NASCA Ltd. (to present)
Apr. 2011	General Manager, Internal Audit Dept.		A&SB member, Hokkaido GLORY Co., Ltd. (to present)
		Jun. 2019	A&SB member, GLORY Engineering Ltd. (to present)



Toru Fujita A&SB Member

Sep. 1988	Joined the Company	Jun. 2014	A&SB member, GLORY Products Ltd. (to present)
Apr. 2011	General Manager, Accounting Dept., Business Managing Div.	Jun. 2017	A&SB member of the Company (to present)
Apr. 2012	General Manager, Accounting Dept., Business Managing Headquarters		



Satoshi Hamada Outside A&SB Member

Independent A&SB Member

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



Keiichi Kato Outside A&SB Member

Independent A&SB Member

Oct. 2003	Registered as Attorney-at-law Joined Harima Law Office
Jan. 2009	Partner, Harima Law Office (to present)
Jun. 2018	Outside Corporate Auditor of Sanyo Color Works Ltd. (to present)

Executive Officers

Senior Managing Executive Officer
Hideo Onoe*Senior Managing Executive Officer
Shigetoshi Mabuchi*Senior Managing Executive Officer
Kaname Kotani*Managing Executive Officer
Norio MurakamiManaging Executive Officer
Akihiro Harada*Senior Executive Officer
Tokuya ShimizuSenior Executive Officer
Hirofumi KameyamaSenior Executive Officer
Hideto TanakaSenior Executive Officer
Katsunori YamamotoSenior Executive Officer
Tsutomu IwataSenior Executive Officer
Masashi MichishitaSenior Executive Officer
Toshihiko KayamaExecutive Officer
Makoto UedaExecutive Officer
Taneyoshi EbashiExecutive Officer
Masato IshidaExecutive Officer
Yoshihiro TakadaExecutive Officer
Hiroshi UemuraExecutive Officer
Tetsuya BogakiExecutive Officer
Chris T. ReaganExecutive Officer
Vincent NakacheExecutive Officer
Yoshifumi KawabataExecutive Officer
Yoshihiro OtaExecutive Officer
Satoko FujiiExecutive Officer
Yukihiko Fujikawa

* Currently serving as Director

Corporate Information (As of June 21, 2019)**Corporate Information****Name:**

GLORY LTD.

Headquarters:

1-3-1, Shimoteno, Himeji City,
Hyogo 670-8567, Japan
Phone: +81-79-297-3131

Established:

November 27, 1944

Capital:

¥12,892,947,600

URL:<https://corporate.glory-global.com>**Number of employees:**

3,447
(Consolidated basis: 9,217)
(As of March 31, 2019)

Main Offices:

Hyogo, Tokyo

Factories:

Hyogo, Saitama

Group Companies**EUROPE****Sales**

- Sitrade Italia S.p.A.
- Glory Global Solutions Ltd.
- Glory Global Solutions (Topco) Ltd.
- Glory Global Solutions (Midco) Ltd.
- Glory Global Solutions (Holdings) Ltd.
- Glory Global Solutions (International) Ltd.
- Glory Global Solutions (France) S.A.S.
- Glory Global Solutions (Belgium) N.V./S.A.
- Glory Global Solutions (Germany) GmbH
- Glory Global Solutions (Netherlands) BV
- Glory Global Solutions (Spain) S.A.
- Glory Global Solutions (Switzerland) A.G.
- Glory Global Solutions (Portugal) S.A.
- Glory Global Solutions RUS, LLC
- Glory Global Solutions (Ireland) Ltd.
- Glory Global Solutions Nakit
Otomasyon Teknolojileri Ltd. Şti.

(and 4 other companies)

AMERICAS**Sales**

- Glory Global Solutions Inc.
- Glory Global Solutions (Canada) Inc.
- Glory Global Solutions (Brasil)
Máquinas e Equipamentos Ltda.
- Glory Global Solutions (Colombia) S.A.
- Glory Global Solutions (Mexico)
S.A.P.I DE C.V.
- Grupo Sortek, S.A. de C.V.*1

(and one other company)

ASIA**Manufacturing**

- GLORY Denshi Kogyo (Suzhou) Ltd.
 - GLORY (PHILIPPINES), INC.
 - GLORY IPO Asia Ltd.
 - GLORY IPO China Ltd.
- (and one other company)

Sales

- Glory Global Solutions (Singapore) Pte. Ltd.
- Glory Global Solutions (Australia) Pty. Ltd.
- Glory Global Solutions (New Zealand) Ltd.
- Glory Global Solutions (South Asia) Pvt. Ltd.
- Glory Global Solutions (Malaysia) Sdn. Bhd.
- Glory Global Solutions (Shanghai) Co., Ltd.
- Glory Currency Automation India Pvt. Ltd.
- PT. Glory Global Solutions Indonesia*2
- Glory Global Solutions (Hong Kong) Ltd.

(and one other company)

JAPAN**Manufacturing**

- GLORY Products Ltd.
 - GLORY AZ System Co., Ltd.
 - GLORY System Create Ltd.
 - GLORY Mechatronics Ltd.
 - GLORY Friendly Co., Ltd.
- (and one other company)

Sales

- GLORY Service Co., Ltd.
- Hokkaido GLORY Co., Ltd.
- GLORY IST Co., Ltd.
- GLORY NASCA Ltd.
- GLORY Techno 24 Co., Ltd.
- GLORY Engineering Ltd.
- Japan Settlement Information Center Ltd.

(and one other company)

● Consolidated subsidiaries

*1. GLORY LTD., through its subsidiaries Glory Global Solutions (International) Ltd. and Glory Global Solutions (Holdings) Ltd., has acquired Grupo Sortek, S.A. de C.V., which is a sales and service provider of Glory solutions in Mexico.

*2. PT. Glory Global Solutions Indonesia became a consolidated subsidiary in the year ended March 2019.

Share Information

Share Information (As of March 31, 2019)

Number of shares authorized:
150,000,000

Number of shares issued:
68,638,210
(Including 7,865,917 shares of
treasury stock)

Trading unit:
100 shares

Number of shareholders:
9,211 shareholders
(up 2,825 year on year)

Listing exchange:
First Section of the
Tokyo Stock Exchange

Securities code:
6457

Administrator of
shareholder registry:
Mitsubishi UFJ Trust and
Banking Corporation

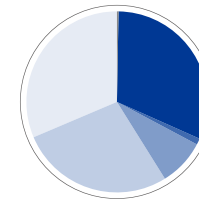
Major Shareholders

Shareholder	Number of shares held (Thousands of shares)	Holding ratio (%)
Nippon Life Insurance Company	3,427	5.0
The Master Trust Bank of Japan, Ltd. (Trust account)	2,739	4.0
Japan Trustee Services Bank, Ltd. (Trust account)	2,227	3.2
GLORY Group Employees' Stock Ownership Association	2,190	3.2
Sumitomo Mitsui Banking Corporation	2,100	3.1
Tatsubo Fashion Co. Ltd.	1,500	2.2
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,433	2.1
STATE STREET CLIENT OMNIBUS ACCOUNT OM44	1,261	1.8
JP MORGAN CHASE BANK 385174	1,123	1.6
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,091	1.6

In addition to the above, the Company holds 7,865,917 shares of treasury stock.

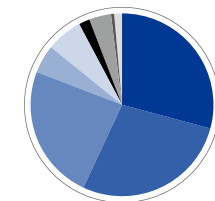
Shareholder Distribution

Distribution by Ownership of Shares



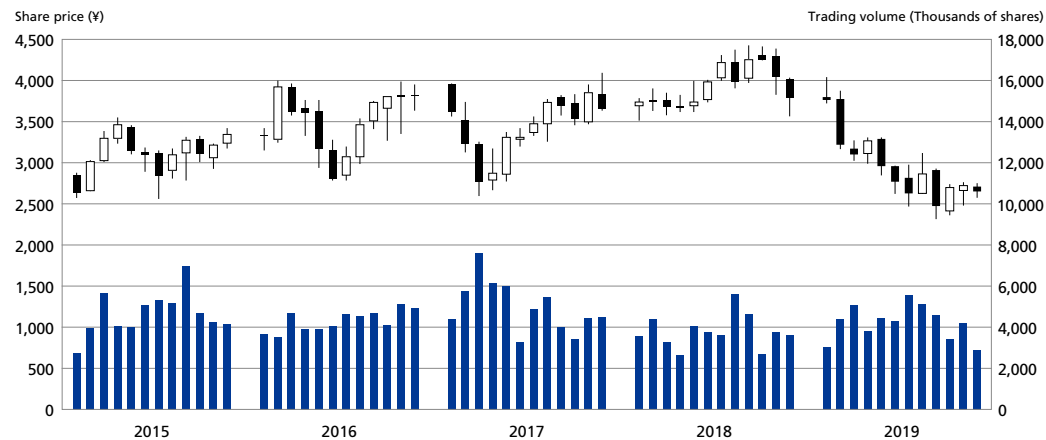
National and regional government bodies	0.2%
Financial institutions	31.5%
Securities companies	1.3%
Other Japanese companies	8.2%
Overseas individuals and companies	27.5%
Japanese individuals, etc.	31.3%

Distribution by Number of Shares



1 million shares or over	29.3%
500,000-999,999 shares	27.7%
100,000-499,999 shares	23.9%
50,000-99,999 shares	5.1%
10,000-49,999 shares	6.4%
5,000-9,999 shares	1.8%
1,000-4,999 shares	3.9%
500-999 shares	0.6%
Less than 500 shares	1.3%

Trends in Share Price and Trading Volume (Years ended March 31)



	2015	2016	2017	2018	2019
FY-end share price (Yen)	3,350	3,825	3,650	3,795	2,656
High (Yen)	3,545	4,000	4,095	4,430	4,045
Low (Yen)	2,562	2,796	2,606	3,515	2,322
Total trading volume (Shares)	56,093,800	51,754,300	59,845,600	45,677,300	50,792,900

* The graph, share price and total trading volume from the table above are from Tokyo Stock Exchange.

Disclosure Policy

Policies concerning Disclosure of Information and Constructive Dialogues with Shareholders and Investors

Basic Policy

Glory (the “Company”) commits to “communicating with stakeholders and striving for appropriate information disclosure” in its Corporate Action Guidelines. Based on this stance, the Company is dedicated to increasing the transparency in its management through quick, accurate and fair means of providing the latest corporate information. The Company strives to achieve a better understanding of its management policies and business activities through constructive dialogues, thereby building long-term relationships of trust with shareholders and investors.

1. Disclosure Policy

(1) Information disclosure

a. Information disclosure standards

The Company discloses its corporate information in accordance with the Companies Act, Financial Instruments and Exchange Act and other laws and regulations, as well as with the timely disclosure rules of the Tokyo Stock Exchange (the “timely disclosure rules”), where the Company’s stock is listed. Also, the Company endeavors to voluntarily disclose the information that is not covered by the timely disclosure rules, including non-financial information, taking into consideration the timeliness and fairness of information disclosure, to the extent that the Company believes such disclosure is useful for shareholders and investors to reach investment decisions.

b. Methods of disclosure

In disclosing the corporate information covered by the timely disclosure rules, the Company utilizes the Timely Disclosure Network (TDnet) service provided by the Tokyo Stock Exchange. Also, all corporate information disclosed through TDnet is posted on the Company’s website

immediately after TDnet disclosure. Furthermore, with respect to the information not covered by the timely disclosure rules, the Company endeavors to ensure that such information is disseminated with accuracy and fairness through suitable method.

c. Procedures for disclosure

The Company has established a Disclosure Committee to facilitate timely and appropriate disclosure of corporate information. The Committee is chaired by the Chief Information Officer and comprises the managers of several departments to enable cross-sectoral discussions.

The internal procedures for disclosures are as follows: upon occurrence of any “corporate decision,” “facts” or “earnings results” (as defined in the timely disclosure rules) concerning the Company or its subsidiaries that could affect investment judgments by shareholders and investors, the Disclosure Committee deliberates on whether to disclose the information and about the timeliness and appropriateness of such disclosure, after which the Company will make disclosure following a resolution of the Board of Directors. Any information that would require urgent disclosure may be disclosed with an approval of the Company president, provided that, upon disclosure, the president will notify the Board of Directors of the contents and the background of the disclosure.

d. Management of insider information

The Company enforces strict control over confidential information based on its internal rules concerning insider information to prevent external leaks of such information and insider trading.

(2) Handling of information on earnings forecast and future outlook

Whenever the Company announces earnings forecasts, future prospects and other forward-looking information, such announcement will be made with cautionary statements to the effect

that such information is based on the facts currently available to the Company and certain assumptions which the Company regards as legitimate; it includes known or unknown risks and uncertainties; and a number of factors could cause actual results to differ materially from those described in such forward-looking statements.

(3) Quiet period

For the purpose of preventing leaks of information on financial results, the Company observes a quiet period from the day following the end of each fiscal quarter until the announcement of financial results for such quarter. During the quiet period, the Company refrains from answering any questions or having interviews involving financial results in the applicable financial period. However, if there was an event covered by the timely disclosure rules during the quiet period, disclosure will be made as to such event in accordance with the rules.

2. Constructive Dialogues

The Company endeavors to streamline and consolidate its framework, and implements activities, for constructive dialogues with shareholders and investors with the aim of ensuring continued growth of the Company and enhancing its corporate value on a medium and long-term basis, as follows;

- (1) The officer in charge of investor relations (the “IR officer”) supervises all activities involving the dialogues. Also, a specialized department (“IR department”) is established to take charge of conducting dialogues and coordinating with various sections assisting the dialogues, such as corporate planning, accounting and finance, and legal affairs.
- (2) All requests from shareholders and investors for meetings are complied with by the IR officer or other executives, or the head of the IR department or IR staff, depending on the purposes of requested meetings.
- (3) To increase opportunities for constructive dialogues, the Company proactively plans

various events, such as, holding investor information meetings, in which the Company president and the IR officer will make presentations, arranging meetings with Japanese and foreign investors, and hosting showroom and factory tours after shareholders meetings.

- (4) The IR officer shares opinions and requests received from shareholders and investors with other executives at the Board of Directors meetings and at other appropriate opportunities.

Our IR Organization

The president & representative director leads IR activities, and the IR staff within the Corporate Communications Department carries out planning, management, and implementation of IR activities.

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Confidence Enabled

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