

“TEAM ONE” OF “ONE GLORY,”
GUIDING VALUE CREATION ACROSS
ALL CORPORATE SECTORS



Masakazu Nagashima

Corporate Auditor

Satoshi Hamada

Outside
Corporate Auditor

Akira Nijjima

Outside Director

Akihiro Harada

Director & Senior
Executive Officer;
Executive
General Manager,
International
Business
Headquarters

Motozumi Miwa

Representative Director
& Senior Managing
Executive Officer;
Executive General
Manager, Business
Management
Headquarters,
Responsible for Corporate
Communications Dept.

Shigetoshi Mabuchi

Director & Managing
Executive Officer;
Executive General
Manager, Service
Headquarters



Hirokazu Onoe

President &
Representative
Director

Hideo Onoe

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

Kaname Kotani

Director & Managing
Executive Officer;
Executive General
Manager, Development
Headquarters,
Responsible for
Intellectual Property
Dept.,
Responsible for
information security

Hiroki Sasaki

Outside Director

Mikio Nakajo

Outside
Corporate Auditor

Toshihiko Otani

Corporate Auditor

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SEEKING FAIRNESS AND TRANSPARENCY FOR ALL

Basic Policy on Corporate Governance

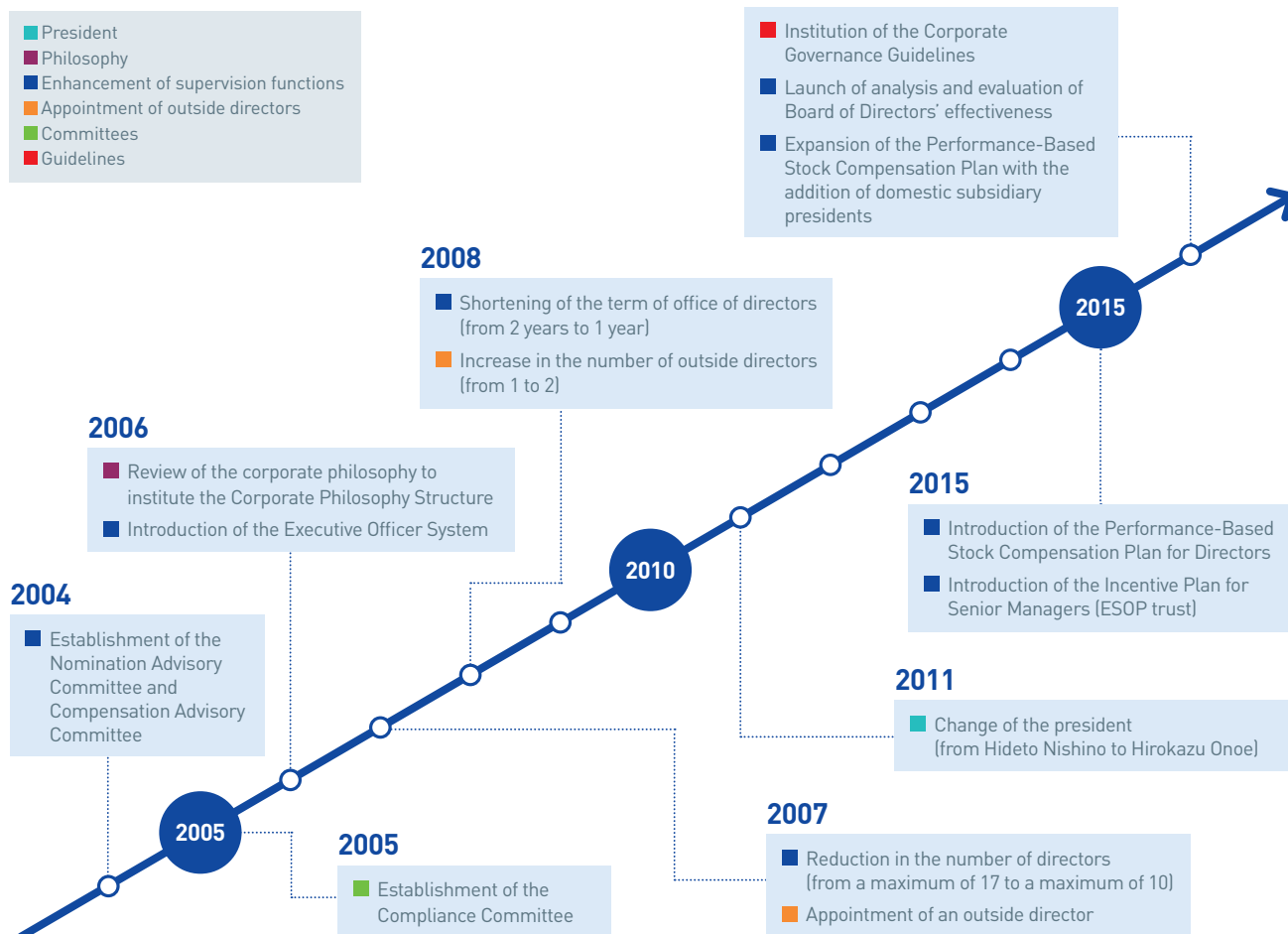
GLORY's corporate philosophy guides its efforts to continuously improve corporate value through sound and efficient business management, so that the company can exist in harmony with society and earn the trust and support of all stakeholders. None of this can be achieved without a firm commitment to 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.

Institution of Corporate Governance Guidelines

To ensure sustainable growth of the GLORY Group and to boost corporate value over the medium and long terms, GLORY formulated the 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. The Corporate Governance Guidelines have been posted on GLORY's corporate website at the link below:

 http://www.glory-global.com/groupinfo/pdf/governance_guidelines.pdf

GLORY CORPORATE GOVERNANCE CHRONOLOGY



AN OPEN ORGANIZATIONAL STRUCTURE THAT FOSTERS TRANSPARENCY



Outside Director
Hiroki Sasaki



Outside Director
Akira Nijima

The Aims of the Corporate Governance Guidelines

In the past, corporate governance focused primarily on defensive aspects, such as the prevention of fraudulent activities. Going forward, we need to achieve a more balanced approach that also encompasses positive aspects, including the continuous improvement of corporate value, and the achievement of growth as global company while fulfilling our social responsibilities. To clearly express this approach, GLORY adopted the Corporate Governance Guidelines in February 2016.

GLORY's growth as a company has been paralleled by the expansion of its areas of activity, and by the global expansion of its markets. Competition has also intensified. In this environment, it is no longer practical for all decisions to be taken by one person at the top. To improve corporate value, we need to take up new challenges dauntlessly, while also working to minimize risks through structures that include the Board of Directors and the Management Conference. These aims are encapsulated in the Corporate Governance Guidelines.

All members of the Board need to share common values based on an understanding and awareness of these

guidelines. Having achieved that, we can then begin first to enhance the effectiveness of the policies and measures that guide business operations, and, second, to consider ways to assess and supervise specific measures. We define our role as outside directors in terms of these two processes.

How we tackle the challenges in the medium-term management plans is the key to continuous improvement in corporate value. We firmly believe that these plans represent commitments to stakeholders, and that we must make every possible effort to ensure their realization. We also need to monitor progress and take appropriate actions when required. We must account for our results transparently within and beyond the company and strive to gain the understanding of stakeholders, and we must reflect those results in future plans. The point that we want to emphasize is this: A company that can continuously maintain these processes is also a company that can achieve sustainable growth and improvement in its corporate value.

A Corporate Culture that Fosters Communication

This is our eighth year as outside

directors of GLORY. In addition to our attendance at Board meetings, we also have opportunities to share views and information with the President. We are also members of the Nomination Advisory Committee and Compensation Advisory Committee. Through these roles, we gain insights into the personal qualities and performance of GLORY's management executives.

We believe that we are able to share information with this high level of transparency because GLORY has an extremely open organizational culture. The use of this organizational culture to deepen communication between management and front-line units will also play an increasingly important role in corporate governance.

A company must consider not only its own interests but also its relationships with various stakeholders, as it works to improve its corporate value through the development of its business activities. As outside directors, we communicate with GLORY's management team from our perspective as a shareholder. However, individual employees are also stakeholders. The management team maintains a high standard of transparency and openness in its day-to-day information sharing and discussions with us as outside directors. By applying the same approach to their interactions with employees and fostering a culture based on good communication, the management team can ensure that policies adopted by top management will be quickly and accurately assimilated by front-line employees.

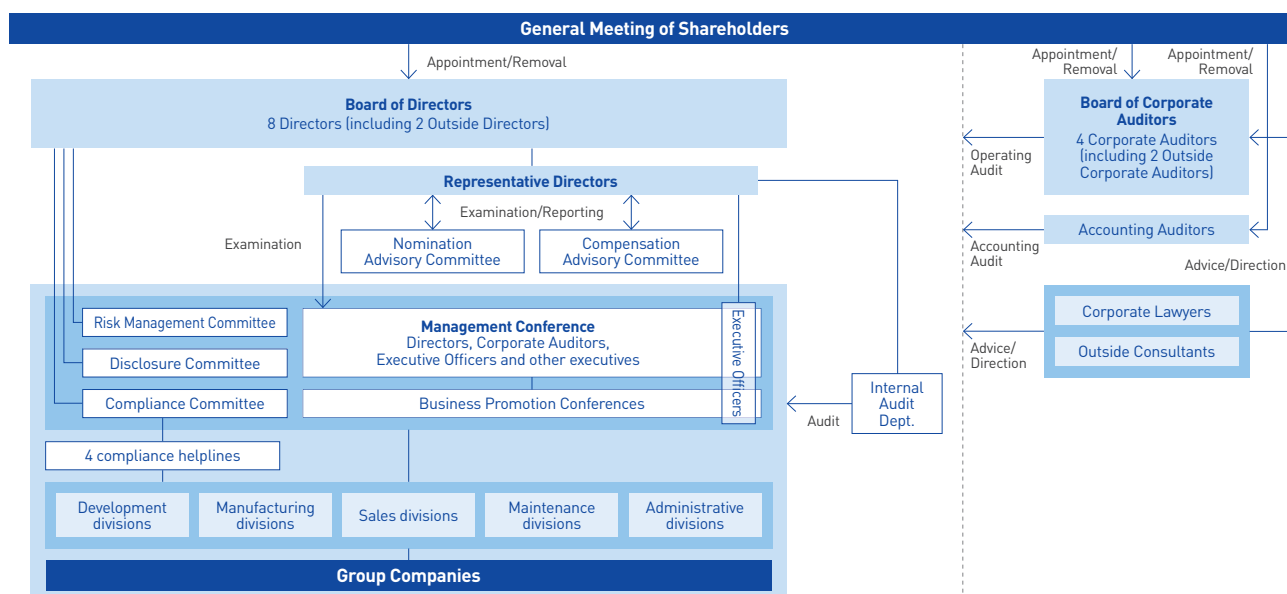
Communication on a more global level became a vital priority following the acquisition of Talaris Topco Limited of the UK in 2012. We hope that GLORY will continue to foster a culture based on global communication so that it can enhance the speed of decision-making and improve its competitiveness as a global company.

CORPORATE GOVERNANCE STRUCTURE

GLORY has adopted a “Company with Corporate Auditors” system under the Companies Act because the Company believes that a system in which the Board of Directors, which includes two outside directors, decides important management issues and supervises the execution of business, and in which the Board of Corporate Auditors oversees the Board of Directors, is effective for management of the Company. In addition, the Company has introduced an Executive Officer System and segregated the management

supervisory function and the business execution function to increase the speed and efficiency of business management. The Company has also established the Nomination Advisory Committee and Compensation Advisory Committee, the voluntary committees, to increase transparency and objectivity in key management issues. The following is an overview of the organizations that support the Company’s corporate governance system.

CORPORATE GOVERNANCE SYSTEM (As of June 24, 2016)



Board of Directors

Decides important management policies of the Company and the Group, oversees business execution, and reports on the status of business execution.

Board of Corporate Auditors

The corporate auditors, including the outside corporate auditors, conduct audits based on an annual corporate audit plan determined in accordance with audit policy and the assignment of duties determined by the Board of Corporate Auditors.

Management Conference

Deliberates important management-related matters and issues for the purpose of discussing business execution policies, plans, and the execution of important operations in accordance with the basic policies decided by the Board of Directors.

Business Promotion Conferences

GLORY holds Business Promotion Conferences for each domestic and overseas operation. The conferences, chaired by the heads of operations, formulate and implement business strategies, confirm progress of business plans, and reinforce various functions.

Nomination Advisory Committee and Compensation Advisory Committee

GLORY has established these committees to ensure transparency and objectivity concerning the appointment of directors and executive officers and decisions on their compensation. These committees consist of the representative directors and two outside directors.

Other Management Committees

The Compliance Committee ensures rigorous legal compliance within the Group; The Risk Management Committee considers response measures to risk events and implements risk prevention measures; and the Disclosure Committee proactively discloses corporate information in a timely and appropriate manner.

ANALYSIS AND EVALUATION ON EFFECTIVENESS OF THE BOARD OF DIRECTORS

As provided in the Corporate Governance Guidelines, the Company analyzed and evaluated the effectiveness of the Board of Directors in the year ended March 2016 for the purpose of strengthening the functions of the Board of Directors as a whole. The analysis and assessment results confirmed that the effectiveness of the Company's Board of Directors has been adequately ensured and that the Board of Directors is consistent with the Corporate Governance Guidelines. The Company has disclosed details of the

evaluation results in a news release published on June 24, 2016 and posted on the corporate website at the link below:



http://www.glory-global.com/groupinfo/pdf/k_160624e.pdf

In light of the analysis and evaluation results, the Company's Board of Directors will actively strive to improve the corporate governance system.

INCENTIVES FOR CORPORATE OFFICERS

(1) Basic Policy on Compensation

The compensation of directors, corporate auditors, and executive officers of the Company will be designed in such a manner that the value can be shared with the shareholders, the level is appropriate for their duties, and due consideration is given to incentives for continued improvement of corporate performance and securing of talented human resources.

(2) Procedure for Determining Compensation

In order to secure transparency and objectivity, the compensation of directors and corporate auditors will be determined by resolution of the Board of Directors or by consultation among the corporate auditors, respectively, in line with a review by the Compensation Advisory Committee and within the ranges approved by the General Meeting of Shareholders. The compensation of executive officers will be determined by resolution of the Board of Directors based on a review by the Compensation Advisory Committee.

(3) Compensation Structure

The compensation of directors will consist of "monthly fixed compensation" as well as performance-based "bonuses" and "stock compensation" as follows:

- The amount of fixed monthly compensation is determined in accordance with the respective position and responsibilities;
- The total amount of bonuses for directors is determined as a fixed percentage of consolidated net income, an indicator linked to business performance;
- As the stock compensation designed to provide incentives to achieve the medium-term financial performance targets, shares of the Company and the cash conversion equivalent thereof (collectively "Company Shares") will be

paid for the three-year period starting from the year ended March 2016. The number of Company Shares to be awarded will be calculated by multiplying his or her position-based basic points for each fiscal year under review by the performance-based indicator which is determined according to the achievement level of the Company's consolidated performance targets (consolidated net sales and operating income) within the range between 0 (if less than 90% achievement rate) to 1.2 (if 130% or more achievement rate); and

- Retirement benefits for directors will not be paid. Compensation of outside directors and corporate auditors who mainly fulfill management supervision functions or auditing functions consists of "monthly fixed compensation" only.

Introduction of Performance-Based Stock Compensation Plan for Directors

In the year ended March 2016, the Company introduced the Performance-Based Stock Compensation Plan for Directors as a highly transparent and objective executive compensation plan that is closely linked to the Company's business performance for the purpose of further increasing motivation to contribute to improvement of medium- and long-term business performance and enhancement of corporate value. In the year ending March 2017, the Company added the presidents of domestic subsidiaries as beneficiaries of the Plan with the view of further enhancing motivation to improve the corporate value of GLORY Group companies as a whole.

BOARD OF DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

(As of June 24, 2016)

BOARD OF DIRECTORS



President*
Hirokazu Onoe



Director*
Motozumi Miwa



Director
Hideo Onoe



Director
Shigetoshi Mabuchi



Director
Kaname Kotani



Director
Akihiro Harada



Outside Director
Hiroki Sasaki



Outside Director
Akira Niijima

CORPORATE AUDITORS



Corporate Auditor
Toshihiko Otani



Corporate Auditor
Masakazu Nagashima



Outside Corporate Auditor
Mikio Nakajo



Outside Corporate Auditor
Satoshi Hamada

EXECUTIVE OFFICERS

Senior Managing Executive Officer
Motozumi Miwa

Managing Executive Officer
Norio Murakami

Senior Executive Officer
Akihiro Harada

Senior Executive Officer
Hirofumi Kameyama

Executive Officer
Makoto Ueda

Executive Officer
Taneyoshi Ebashi

Executive Officer
Yoshihiro Takada

Executive Officer
Chris T. Reagan

Managing Executive Officer
Hideo Onoe

Managing Executive Officer
Kaname Kotani

Senior Executive Officer
Hirokazu Sekino

Executive Officer
Tsutomu Iwata

Executive Officer
Katsunori Yamamoto

Executive Officer
Masato Ishida

Executive Officer
Hiroshi Uemura

Executive Officer
Vincent Nakache

Managing Executive Officer
Shigetoshi Mabuchi

Senior Executive Officer
Tokuya Shimizu

Senior Executive Officer
Satoshi Baba

Executive Officer
Hideto Tanaka

Executive Officer
Toshihiko Kayama

Executive Officer
Masashi Michishita

Executive Officer
Tetsuya Bohgaki

* Indicates that the individual is a Representative Director.