

Securities Code: 6457

June 6, 2018

To our shareholders,

Hirokazu Onoe
President
GLORY LTD.
3-1, Shimoteno 1-chome,
Himeji City, Hyogo

Notice of the 72nd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 72nd Ordinary General Meeting of Shareholders of GLORY LTD. (the “Company”), which will be held as described below (the “Shareholders Meeting”).

In the event that you are unable to attend the Shareholders Meeting in person, you are kindly requested to review the attached Reference Materials for the Shareholders Meeting, and exercise your voting rights by stating your approval or disapproval for each of the proposals in the enclosed Voting Card. Please return the Voting Card to the Company, or vote via the Company’s voting site* at <<https://evote.tr.mufg.jp/>>. Whichever method you use, we ask that you please exercise your voting rights no later than 5:15 p.m., Tuesday, June 26, 2018 (Tokyo time).

*Available only in the Japanese language.

1. **Date & Time** Wednesday, June 27, 2018, 10:00 a.m.
2. **Place** Conference Room
 GLORY LTD. Headquarters
 3-1 Shimoteno 1-chome,
 Himeji City, Hyogo

3. **Agenda**

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the Reports of Independent Auditors and the Audit & Supervisory Board on the Consolidated Financial Statements for the 72nd term (from April 1, 2017 to March 31, 2018)
2. The Financial Statements for the 72nd term (from April 1, 2017 to March 31, 2018)

Proposals to be acted upon:

- | | |
|----------------|--|
| Proposal No. 1 | Distribution of Retained Earnings |
| Proposal No. 2 | Partial Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Eight (8) Directors |
| Proposal No. 4 | Payment of Bonuses to Directors |
| Proposal No. 5 | Revision of the Amount of Cash Compensation for Directors and Audit & Supervisory Board Members |
| Proposal No. 6 | Revision of the Amount and Other Contents of Performance-Based Stock Compensation Plan for Directors |

This is a partial translation of the original Japanese text of the “Notice of the 72nd Ordinary General Meeting of Shareholders” prepared for the convenience of shareholders. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

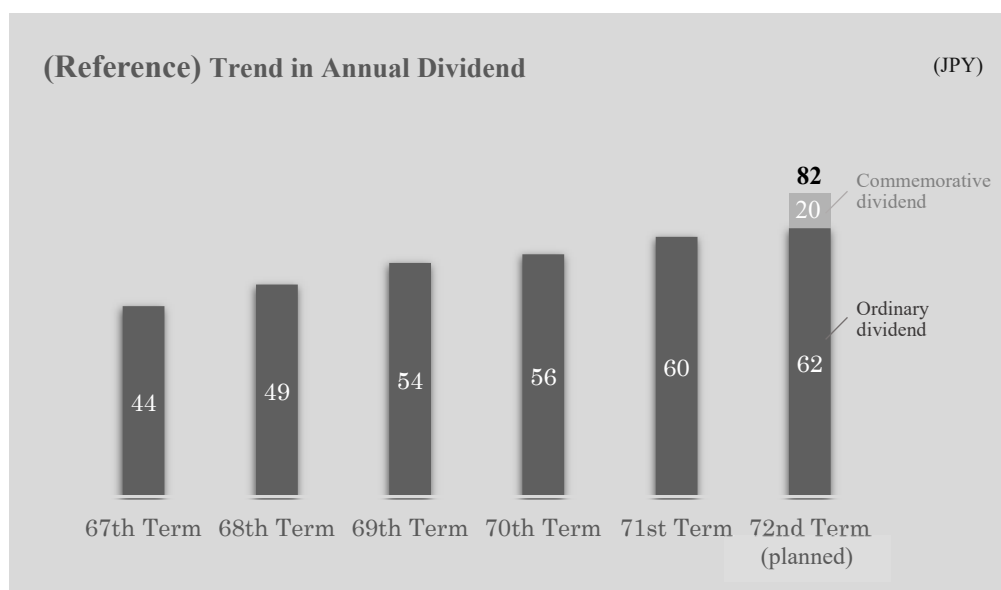
REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposal No. 1 Distribution of Retained Earnings

Considering the return of profits to shareholders to be an important management task, the Company's policy in regard to distribution of profits is to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. The Company has set the target of attaining a dividend payout ratio of 30% or higher on a consolidated basis.

In accordance with the above policy, the Company is proposing to pay a year-end dividend of ¥51 per share, consisting of an ordinary dividend of ¥31 per share and a commemorative dividend of ¥20 per share in recognition of the 100th anniversary of the Company's founding. As the Company previously paid out ¥31 per share as an interim-period dividend, the total dividend for the 72nd term will be ¥82 per share. Consequently, the payout ratio will be 52.6%.

1. Type of dividend property
Cash
2. Allocation of dividend property and total amount of allocation
¥51 per share of common stock (Ordinary dividend: ¥31, Commemorative dividend: ¥20)
Total amount of payout: ¥3,198,057,255
3. Effective date of dividend payment
June 28, 2018



Proposal No. 2 Partial Amendment to the Articles of Incorporation

1. Reason for the proposed amendment

With the enforcement of the “Act for Partial Revision of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers” (Act No.73 of 2015) on September 30, 2015, the distinction regarding worker dispatching undertaking has been abolished. Consequently, a certain provision of the Company’s present Articles of Incorporation (item (11) Articles 2) is to be changed.

2. Details of change

Details of the proposed amendment are as follows:

(Amended portions are underlined.)

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
Article 2 (Purposes) The purposes of the Company shall be to engage in the following business activities: (1) ~ (10) <Omitted> <u>(11) Specified workers dispatch service</u> (12) ~ (13) <Omitted>	Article 2 (Purposes) The purposes of the Company shall be to engage in the following business activities: (1) ~ (10) <Same as the present> <u>(11) Workers dispatch service</u> (12) ~ (13) <Same as the present>


Proposal No. 3 Election of Eight (8) Directors


At the close of the Shareholders Meeting, the term of office will expire for all eight (8) Directors. Therefore, we would like shareholders to elect eight (8) Directors.

The candidates for the position of Director are as follows:


<i>No</i>	<i>Name (age*)</i>	<i>Positions and responsibilities</i>	<i>Attendance rate at Board of Directors meetings (FY 2017)</i>
1	Reappointment Hirokazu Onoe (70)	President & Representative Director	16/16
2	Reappointment Motozumi Miwa (64)	Executive Vice President & Representative Director; Responsible for CSR, brand strategy, investor relations and legal compliance functions	16/16
3	Reappointment Hideo Onoe (50)	Director & Senior Managing Executive Officer; Executive General Manager, Domestic Business Headquarters	16/16
4	Reappointment Shigetoshi Mabuchi (60)	Director & Senior Managing Executive Officer; Executive General Manager, Service Headquarters	16/16
5	Reappointment Kaname Kotani (58)	Director & Senior Managing Executive Officer; Executive General Manager, Development Headquarters, Responsible for new businesses and information security, Responsible for Intellectual Property Dept.	16/16
6	Reappointment Akihiro Harada (55)	Director & Managing Executive Officer; Executive General Manager, International Business Company Unit	16/16
7	Reappointment Hiroki Sasaki (76) Candidate for Outside Director Candidate for Independent Director	Outside Director (Number of years of service as Director at the conclusion of the Shareholders Meeting : 10 years)	16/16
8	Reappointment Joji Iki (66) Candidate for Outside Director Candidate for Independent Director	Outside Director (Number of years of service as Director at the conclusion of the Shareholders Meeting : 1 year)	13/13 (since assumption of office)

* As of the date of the Shareholders Meeting.


No 1	<i>Name</i>	Reappointment		
	<i>Date of birth (age)</i>	Hirokazu Onoe	<i>Number of shares of the Company owned by the candidate:</i> 27,730 <i>Attendance rate at Board of Directors meetings:</i> 16/16	
<i>Career summary, positions and areas of responsibility in the Company:</i>				
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 (to present)		
<i>Significant concurrent positions:</i> None				
<i>Special interest between the candidate and the Company:</i> None				
<i>Reason for recommending the candidate as Director:</i>				
Mr. Hirokazu Onoe has accumulated considerable experience and achievements in various business sectors of the Company such as the main domestic business divisions and management planning division and, since assuming the position of President, has been fully demonstrating his ability as the top executive of the Company and its group companies (the “Group”). It is our judgment that he has sufficient experience and ability for the role of Director and we thus recommend his election to the board as a Director.				


No 2	Name	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>																					
	Date of birth (age) Motozumi Miwa June 9, 1954 (64)			Number of shares of the Company owned by the candidate: 10,800 Attendance rate at Board of Directors meetings: 16/16																			
<i>Career summary, positions and areas of responsibility in the Company:</i>																							
<table border="0"> <tr> <td style="padding-right: 20px;">Jun. 2009</td> <td>Joined the Company</td> </tr> <tr> <td>Mar. 2010</td> <td>General Manager, Legal Affairs Dept., General Affairs Div.</td> </tr> <tr> <td>Jun. 2010</td> <td>Executive Officer</td> </tr> <tr> <td>Apr. 2012</td> <td>Senior Executive Officer; Executive General Manager, General Affairs Headquarters</td> </tr> <tr> <td>Jun. 2012</td> <td>Director & Senior Executive Officer</td> </tr> <tr> <td>Apr. 2013</td> <td>Responsible for CSR, brand strategy, investor relations and legal compliance functions (to present)</td> </tr> <tr> <td>Apr. 2014</td> <td>Director & Managing Executive Officer; Executive General Manager, Business Management Headquarters, Responsible for General Affairs Headquarters</td> </tr> <tr> <td>Apr. 2015</td> <td>Director & Senior Managing Executive Officer</td> </tr> <tr> <td>Apr. 2016</td> <td>Representative Director & Senior Managing Executive Officer</td> </tr> <tr> <td>Apr. 2017</td> <td>Executive Vice President & Representative Director (to present); Responsible for Business Management Headquarters</td> </tr> </table>				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 (to present)	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 (to present); Responsible for Business Management Headquarters
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Apr. 2016	Representative Director & Senior Managing Executive Officer																						
Apr. 2017	Executive Vice President & Representative Director (to present); Responsible for Business Management Headquarters																						
<i>Significant concurrent positions:</i> None																							
<i>Special interest between the candidate and the Company:</i> None																							
<i>Reason for recommending the candidate as Director:</i>																							
<p>Besides the considerable experience and knowledge gained in the financial industry, Mr. Motozumi Miwa has accumulated abundant experience and achievements as a top of the Company's corporate affairs functions and, since assuming the position of Executive Vice President, has been fully demonstrating his ability in the management of the Group. It is our judgment that he has sufficient experience and ability for the role of Director and we thus recommend his election to the board as a Director.</p>																							


No 3	<i>Name</i> <i>Date of birth (age)</i> Hideo Onoe October 17, 1967 (50)	Reappointment <i>Number of shares of the Company owned by the candidate:</i> 373,944 <i>Attendance rate at Board of Directors meetings:</i> 16/16	
	<p><i>Career summary, positions and areas of responsibility in the Company:</i></p> <p>Jan. 1999 Joined the Company</p> <p>Oct. 2005 General Manager, Supply Chain Management Dept., Production Management Div., Money Handling Systems Business Headquarters</p> <p>Oct. 2006 Executive Officer</p> <p>Jul. 2009 President of GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.)</p> <p>Apr. 2012 Senior Executive Officer of the Company; Executive General Manager, Production Headquarters</p> <p>Apr. 2013 Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.</p> <p>Apr. 2014 Managing Executive Officer of the Company; Executive General Manager, Production Headquarters & Senior General Manager, Purchasing Div.</p> <p>Jun. 2014 Director & Managing Executive Officer</p> <p>Apr. 2015 Executive General Manager, Domestic Business Headquarters (to present)</p> <p>Apr. 2017 Director & Senior Managing Executive Officer (to present)</p> <p><i>Significant concurrent positions:</i> None</p> <p><i>Special interest between the candidate and the Company:</i> None</p> <p><i>Reason for recommending the candidate as Director:</i></p> <p>Along with a wealth of experience and knowledge accumulated in the production and logistics units of the Group as well as the major domestic business divisions, Mr. Hideo Onoe has rich experience in the management of the Company's overseas subsidiaries. It is our judgment that he has sufficient experience and ability for the role of Director and we thus recommend his election to the board as a Director.</p>		

No 4	<p data-bbox="300 197 352 219"><i>Name</i></p> <p data-bbox="300 232 464 255"><i>Date of birth (age)</i></p> <p data-bbox="300 268 622 349">Shigetoshi Mabuchi December 19, 1957 (60)</p>	<div data-bbox="1054 203 1254 232" style="background-color: #cccccc; padding: 2px; display: inline-block;">Reappointment</div> 																
<p data-bbox="651 268 1254 297"><i>Number of shares of the Company owned by the candidate:</i> 5,720</p> <p data-bbox="651 306 1254 336"><i>Attendance rate at Board of Directors meetings:</i> 16/16</p> <p data-bbox="215 400 1019 430"><i>Career summary, positions and areas of responsibility in the Company:</i></p> <table border="0" data-bbox="272 456 1420 878"> <tr> <td style="padding-right: 20px;">Apr. 1982</td> <td>Joined GLORY Shoji Co., Ltd. (now the Company)</td> </tr> <tr> <td>Apr. 2005</td> <td>General Manager, Business Planning Office, Business Planning Div. of GLORY Shoji Co., Ltd.</td> </tr> <tr> <td>Apr. 2009</td> <td>Senior General Manager, Maintenance Business Div., Maintenance Headquarters of the Company</td> </tr> <tr> <td>Jun. 2010</td> <td>Executive Officer</td> </tr> <tr> <td>Apr. 2012</td> <td>Senior Executive Officer; Executive General Manager, Service Headquarters (to present)</td> </tr> <tr> <td>Apr. 2014</td> <td>Managing Executive Officer</td> </tr> <tr> <td>Jun. 2014</td> <td>Director & Managing Executive Officer</td> </tr> <tr> <td>Apr. 2017</td> <td>Director & Senior Managing Executive Officer (to present)</td> </tr> </table> <p data-bbox="215 902 729 931"><i>Significant concurrent positions:</i> None</p> <p data-bbox="215 978 995 1008"><i>Special interest between the candidate and the Company:</i> None</p> <p data-bbox="215 1034 815 1064"><i>Reason for recommending the candidate as Director:</i></p> <p data-bbox="269 1072 1415 1254">Mr. Shigetoshi Mabuchi has accumulated considerable experience and achievements in such fields as business planning and maintenance services of the Group and, has been fully demonstrating strong leadership in the business promotion and enhancement of the maintenance service operation. It is our judgment that he has sufficient experience and ability for the role of Director and we thus recommend his election to the board as a Director.</p>			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)
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)																	

No 5	<i>Name</i>	Reappointment		
	<i>Date of birth (age)</i>	Kaname Kotani	<i>Number of shares of the Company owned by the candidate:</i>	
	August 23, 1959 (58)		<i>Attendance rate at Board of Directors meetings:</i>	16/16
<i>Career summary, positions and areas of responsibility in the Company:</i>				
Jun.	1987	Joined the Company		
Jun.	2010	Senior 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)		
<i>Significant concurrent positions:</i>		None		
<i>Special interest between the candidate and the Company:</i>		None		
<i>Reason for recommending the candidate as Director:</i>				
Mr. Kaname Kotani has accumulated considerable experience and achievements in the fields of product development for the domestic and overseas markets as well as intellectual property management and, has been fully demonstrating his ability in strengthening product competitiveness and improving the efficiency of development activities. It is our judgment that he has sufficient experience and ability for the role of Director and we thus recommend his election to the board as a Director.				

No 6	<i>Name</i> <i>Date of birth (age)</i> Akihiro Harada March 10, 1963 (55)	<div style="text-align: right; border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div> <i>Number of shares of the Company owned by the candidate:</i> 3,340 <i>Attendance rate at Board of Directors meetings:</i> 16/16																							
<p><i>Career summary, positions and areas of responsibility in the Company:</i></p> <table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">Mar. 1985</td> <td>Joined the Company</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2003</td> <td>General Manager, Production Engineering Dept., Himeji Factory, Banking System & Equipment Div.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jan. 2006</td> <td>President of GLORY (PHILIPPINES), INC.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2009</td> <td>General Manager, Management Planning Dept., Corporate Strategy Div. of the Company</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2012</td> <td>Executive Officer; Project Leader, International Business Integration Project Management Office</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jul. 2012</td> <td>Director of Glory Global Solutions Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2014</td> <td>Senior Executive Officer of the Company; Responsible for manufacturing, procurement and quality assurance at group companies of Glory Global Solutions Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2015</td> <td>Executive General Manager, International Business Headquarters of the Company</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun. 2015</td> <td>Director & Senior Executive Officer</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2017</td> <td>Director & Managing Executive Officer (to present)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2018</td> <td>Executive General Manager, International Business Company Unit (to present)</td> </tr> </table> <p><i>Significant concurrent positions:</i></p> <p style="padding-left: 40px;">Chairman of the Board & Chief Executive Officer of Glory Global Solutions Ltd. Chairman of the Board of Sitrade Italia S.p.A.</p> <p><i>Special interest between the candidate and the Company:</i> None</p> <p><i>Reason for recommending the candidate as Director:</i></p> <p>Along with a wealth of experience and achievements in the fields of production operations of the Group and management planning division, Mr. Akihiro Harada has been fully demonstrating strong leadership as a top executive of the Company's overseas subsidiaries. It is our judgment that he has sufficient experience and ability for the role of Director and we thus recommend his election to the board as a Director.</p>				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 of the Company	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)
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No	Name Date of birth (age)	Reappointment		
		Candidate for Outside Director	Candidate for Independent Director	
7	Hiroki Sasaki February 15, 1942 (76)			
		Number of shares of the Company owned by the candidate:	6,600	
		Number of years of service as Director:	10 years	
		Attendance rate at Board of Directors meetings:	16/16	
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Apr. 1965	Joined Fuji Iron & Steel Co., Ltd. (now Nippon Steel & Sumitomo Metal Corporation)		
	Jun. 1995	Director of Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation)		
	Apr. 1999	Managing Director of Nippon Steel Corporation		
	Jun. 2001	Vice President & Representative Director of Sanyo Special Steel Co., Ltd.		
	Jun. 2002	President & Representative Director of Sanyo Special Steel Co., Ltd.		
	Jun. 2007	Director & Senior Adviser of Sanyo Special Steel Co., Ltd.		
	Jun. 2008	Outside Director of the Company (to present)		
	Jun. 2009	Outside Corporate Auditor of KITZ Corporation		
<i>Significant concurrent positions:</i> None				
<i>Special interest between the candidate and the Company:</i> None				
<i>Matters concerning "Independent Directors":</i>				
Mr. Hiroki Sasaki has been notified to Tokyo Stock Exchange as "Independent Director".				
<i>Reason for recommending the candidate as Outside Director:</i>				
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 and we thus recommend his election to the board as an Outside Director.				
<i>Regarding agreements limiting the liability of Directors:</i>				
To enable him to fully perform his expected role as an Outside Director, the Company has concluded an agreement with Mr. Hiroki Sasaki to the effect that liability of Directors be limited. Under the terms of this agreement, the amount of liability for damages is up to the minimum amount stipulated in Paragraph 1, Article 425 of the Companies Act. The Company will maintain the existing agreement with him if he is reelected as Director as proposed.				

No	Name Date of birth (age)	Candidate for Outside Director	Reappointment Candidate for Independent Director																			
8	Joji Iki September 5, 1951 (66)	Number of shares of the Company owned by the candidate: Number of years of service as Director: Attendance rate at Board of Directors meetings:	1,000 1 year 13/13																			
<i>Career summary, positions and areas of responsibility in the Company:</i>																						
<table border="0"> <tr> <td style="vertical-align: top; padding-right: 20px;">Apr. 1977</td> <td>Joined Kawasaki Heavy Industries, Ltd. (“KHI”)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Nov. 2002</td> <td>Senior Manager, Aero-Dynamic Machinery Department, Machinery Division, Gas Turbine & Machinery Company of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Apr. 2009</td> <td>Executive Officer; General Manager, Machinery Division, Gas Turbine & Machinery Company of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Apr. 2012</td> <td>Managing Executive Officer; President, Gas Turbine & Machinery Company of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Jun. 2012</td> <td>Representative Director & Senior Vice President of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Apr. 2015</td> <td>Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology, Sales and Procurement department of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Apr. 2016</td> <td>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 of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Apr. 2017</td> <td>Director of KHI</td> </tr> <tr> <td style="vertical-align: top; padding-right: 20px;">Jun. 2017</td> <td>Outside Director of the Company (to present)</td> </tr> </table>					Apr. 1977	Joined Kawasaki Heavy Industries, Ltd. (“KHI”)	Nov. 2002	Senior Manager, Aero-Dynamic Machinery Department, Machinery Division, Gas Turbine & Machinery Company of KHI	Apr. 2009	Executive Officer; General Manager, Machinery Division, Gas Turbine & Machinery Company of KHI	Apr. 2012	Managing Executive Officer; President, Gas Turbine & Machinery Company of KHI	Jun. 2012	Representative Director & Senior Vice President of KHI	Apr. 2015	Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology, Sales and Procurement department of KHI	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 of KHI	Apr. 2017	Director of KHI	Jun. 2017	Outside Director of the Company (to present)
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Jun. 2017	Outside Director of the Company (to present)																					
<i>Significant concurrent positions:</i> None																						
<i>Special interest between the candidate and the Company:</i> None																						
<i>Matters concerning “Independent Directors”:</i>																						
Mr. Joji Iki has been notified to Tokyo Stock Exchange as “Independent Director”.																						
<i>Reason for recommending the candidate as Outside Director:</i>																						
Mr. Joji Iki has long been leading business management 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 experience and ability for the role of Outside Director and we thus recommend his election to the board as an Outside Director.																						
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To enable him to fully perform his expected role as an Outside Director, the Company has concluded an agreement with Mr. Joji Iki to the effect that liability of Directors be limited. Under the terms of this agreement, the amount of liability for damages is up to the minimum amount stipulated in Paragraph 1, Article 425 of the Companies Act. The Company will maintain the existing agreement with him if he is reelected as Director as proposed.																						

(Reference)

Independence Standards for Independent Outside Directors

Independent outside directors must not fall under any of the following.

1. Any person who is currently, or at any point in the past ten years has been, an executive of the Company or any of its subsidiaries.
2. Any person who is a major client or supplier*¹ of the Company or for whom the Company is a major client or supplier (or any executing person of the said major client or supplier if the client or supplier is a legal entity).
3. Any consultant, accounting or legal professional who receives a large amount*² of monetary consideration or any other property from the Company besides compensation as a director (or a person belonging thereto if the consultant, accounting or legal professional is a legal entity).
4. Any person who receives a large amount*² of financial contributions or support from the Company (or a person belonging thereto if the person is a legal entity).
5. Any person who is a major shareholder of the Company (or any executive of the said major shareholder if the shareholder is a legal entity).
6. Any person who has fallen under any of 2. through 5. above in the past three years.
7. A spouse or any family member within the second degree of kinship of any person (excluding those not in material positions*³) listed in 1. through 5. above.

- *1
- (i) A client or supplier with whom the Company's average transaction value for the past three business years exceeds 2% of the consolidated net sales of the most recent business year of the Company or the client or supplier; or
 - (ii) A financial institution from which the Company is borrowing money and from which the average of the amount borrowed by the Company as of the last day of the past three business years exceeds 2% of the consolidated total assets as of the last day of the most recent business year of GLORY.

- *2
- The average amount received during the past three business years exceeds (i) 10 million yen per year in the case of individuals or (ii) 2% of the gross revenue of the most recent business year of the said legal entity in case of a legal entity.

- *3
- "Material positions" means directors (other than outside directors), audit & supervisory board members (other than outside audit & supervisory board members), executive officers or employees with senior management positions (such as division heads).

Proposal No. 4 Payment of Bonuses to Directors

We propose to pay a total amount of ¥70,219,000 as bonuses to six (6) executive Directors out of eight (8) Directors who were in office as of the end of the 72nd term taking into consideration the Company's business performance of the year.

The above amount is calculated according to the Company's policy of setting the total amount of bonuses at a fixed ratio of net income attributable to owners of parent. The bonuses for each Director will be determined by a resolution of the Board of Directors.

Proposal No. 5 Revision of the Amount of Cash Compensation for Directors and Audit & Supervisory Board Members

At its 61st Ordinary General Meeting of Shareholders held on June 28, 2007, the Company obtained an approval for the present amount of compensation for Directors that is paid within the limit of 150 million yen per year (including 20 million yen for Outside Directors) and for Audit & Supervisory Board members (“A&SB members”) that is paid within the limit of 50 million yen per year.

With the aim of sharing values with the shareholders and increasing incentives to enhance the mid- to long-term business performance and improving the corporate value of the Group, the Company proposes to revise its remuneration system for Directors to consist of the fixed cash compensation (“Cash Compensation”), cash bonuses (“Bonuses”), and the performance-based stock compensation (“Stock Compensation”) thereby enhancing the system’s overall linkage with performance.

In respect to the amount of compensation for Directors, the Company proposes to raise the above limit to 450 million yen per year (including 50 million yen for Outside Director) as a total of Cash Compensation and Bonuses. The amount of the compensation will not, as before, include the salary and bonuses for employees concurrently serving as Directors. Also, Outside Directors who mainly fulfill management supervision functions will be paid Cash Compensation only, as before.

With regard to the amount of compensation for A&SB members, considering the balance with Directors’ compensation, the Company intends to raise the above limit to 80 million yen per year. A&SB members who mainly fulfill management auditing functions will be paid Cash Compensation only, as before.

The number of Directors is 8 at present, and will continue to be 8 (including 2 Outside Directors) if the Proposal No.3 “Election of Eight (8) Directors” is approved as proposed. Also, the number of A&SB members, which is at present 4, will not change after the Shareholders Meeting.

Further, Bonuses for Directors, which the Company has been paying besides the above annual limit of 150 million yen for Directors’ compensation in accordance with approvals of shareholders meetings, will be paid within the above limit of 450 million yen per year if this Proposal is approved as proposed.

Proposal No. 6 Revision of the Amount and Other Contents of Performance-Based Stock Compensation Plan for Directors

1. Reason for the Proposal

The Company has been implementing the performance-based stock compensation plan (the “Plan”) for its Directors excluding Outside Directors (the “Executive Directors”) and the presidents of the Company’s domestic subsidiaries (the Executive Directors and the presidents of the domestic subsidiaries collectively the “Specified Directors”) in accordance with the resolutions at the 69th Ordinary General Meeting of Shareholders held on June 26, 2015 and the 70th Ordinary General Meeting of Shareholders held on June 24, 2016. (The Company and its domestic subsidiaries collectively referred to as the “Specified Companies”). In view of the proposed revision of the remuneration system including cash compensation for officers in the Proposal No. 5 “Revision of the Amount of Cash Compensation for Directors and Audit & Supervisory Board Members”, the Company hereby requests the approval of the shareholders to continue the Plan by amending the upper limit of money to be contributed to the Trust (as stated below) and the number of the Company shares to be distributed, as stated below.

The Plan is designed to improve the Company’s business performance and increase its corporate value over the medium to long term, and the Company believes the Plan is appropriate.

Additionally, the proposed revision and continuation will be conditional on approval by the shareholders meetings of the Company and each of its domestic subsidiaries with respect to the “proposal on revision of the amount and other contents of performance-based stock compensation plan for directors”. The numbers of Directors eligible for the Plan will be six (6) if the Proposal No.3 “Election of Eight (8) Directors” is approved as proposed.

2. Amount and other contents in the revised Plan

(1) Outline of the Plan

The Company has operated the Plan employing a trust set up by the Company (the “Trust”) by entrusting the money contributed by the Specified Companies though FY 2015 to FY 2017 (the period covered by the Plan hereinafter referred to as the “Plan Period”). The Company intends to extend the Plan Period for another three years (from FY 2018 to FY 2020), and to distribute a certain number of shares of the Company and the cash conversion equivalent thereof (collectively the “Company Shares”) to each of the Specified Directors as compensation during such period.

At the expiration of the trust period of the Trust (the “Trust Period”), the Trust may be continued by amending the trust contracts and entrusting additional money instead of setting of a new trust. In this case, the Trust Period will be extended for another three years, and the three fiscal years after the extension will be the renewed Plan Period.

(2) Upper limit of money to be contributed to the Trust by the Specified Companies

The upper limit of money to be contributed to the Trust as compensation for the Specified Directors will be 615 million yen (of which the limit for the Executive Directors will be 300 million yen) during each Plan Period. The limit is the total of the funds for the acquisition of the Company shares and the trust fee/expenses for the Trust during the Plan Period.

Also, if, at the end of the Trust Period before the extension, there are residual shares, etc. (“Residual Shares”) in the Trust, the renewed Trust will succeed them. The total amount of Residual Shares and the additional money to be contributed to the Trust will be within the limit to be approved by the Shareholders Meeting.

(3) Calculation method and the upper limit of the number of the Company shares to be distributed to the Specified Directors

The upper limit of the Company shares to be distributed to the Specified Directors will be 300,000 shares (of which the limit for the Executive Directors will be 147,000 shares) during the each Plan Period.

The Specified Directors will be awarded evaluation points (the “Points”) as prescribed in the Company Shares Distribution Rules, based on their positions in the fiscal year ending 31 March of the year and the degree of achievement of the fiscal year’s business performance goals and other requirements, basically on the last day of each May of the following fiscal year during the Trust Period.

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

(4) Distribution of Company Shares to the Specified Directors

The Specified Directors who have satisfied the beneficiary requirements will be awarded the Points calculated based on the method described above (3), at a certain time each year prescribed in the Company Shares Distribution Rules.

A certain percentage of the Points awarded will be distributed at a certain time during a Specified Director’s tenure and the remaining Points will be accumulated each year until the time of retirement. The number of the Company shares corresponding to the number of the Points or the accumulated Points will be distributed from the Trust to the Specified Directors during their tenures or upon retirement.

A certain percentage of the Points to be distributed to the Specified Directors during their tenures or upon their retirement will be converted within the Trust to an equivalent cash value, and paid out.

(5) Others

Sale of the Company shares distributed to the Specified Directors through the Plan will not be permitted in principle during his or her incumbency from the viewpoint of value sharing with the shareholders and of ensuring the link with the mid- to long-term performance of the Group.

Other matters of the Plan will be decided by the Board of Directors at the time of setting of the Trust, amending the Trust contracts or entrusting additional money to the Trust.

---End---

(Reference)

If the Proposals No.5 and 6 are approved, the revised remuneration system for officers will be as follows:

1. The upper limit of remuneration**[Remuneration for Directors]**

Type of remuneration		Current limit	Proposed limit
Cash	Fixed Compensation	150 million yen per year (including 20 million yen for Outside Directors)	450 million yen per year (including 50 million yen for Outside Directors)
	Bonuses	Actual amount determined at each General Meeting of Shareholders - Not paid to Outside Directors	
Stock Compensation		<ul style="list-style-type: none"> • 120 million yen per 3 years* • 30,000 shares per 3 years - Outside Directors not eligible for Stock Compensation 	<ul style="list-style-type: none"> • 300 million yen per 3 years* • 147,000 shares per 3 years - Outside Directors not eligible for Stock Compensation

* The upper limit is the total of the funds for the acquisition of the Company shares and trust fee/expenses for the Trust during the Plan Period.

[Remuneration for A&SB members]

Type of remuneration	Current limit	Proposed limit
Fixed Cash Compensation	50 million yen per year	80 million yen per year

Note: A&SB members are not eligible for Bonuses and Stock Compensation.

2. Target performance indicators of Bonuses and Stock Compensation**[Bonuses]**

The following indicators will be set as the target performance indicators for Bonuses. Bonuses will be paid according to the achievement degree of each target set at the beginning of each fiscal year as follows.

Target indicators	Achievement degree	The amount of Bonuses
Net sales	140% or more	200% of the prescribed basic amount
Operating income (Consolidated)	~	~
	Less than 60%	0% of the prescribed basic amount

[Stock Compensation under the Plan]

Among the performance targets of the “2020 Medium-Term Management Plan” of the Company, the following indicators will be set as the performance indicators under the Plan. According to the following achievement degrees of each target set at the beginning of each fiscal year, the Company Shares corresponding to the number of the Points awarded will be distributed.

Target indicators	Achievement degree	The amount of Points
ROE	140% or more	200% of the prescribed position-based basic points
Operating Margin (Consolidated)	~	~
	Less than 90%	0% of the prescribed position-based basic points

*** Performance Targets of “2020 Medium-Term Management Plan” (Consolidated)**

- ROE 8.0%
- Operating Margin 9.6%