



Hirokazu Onoe.

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into our corporate philosophy: "We will contribute to the development of a more secure society through a striving spirit and cooperative efforts."

In addition to our core proprietary technologies in recognition/identification and mechatronics, one of our greatest strengths is the ability to respond promptly to customer needs. We do so through a consistent group structure that integrates every stage of the product process, including planning, development, procurement, manufacturing, sales, and maintenance. We also believe that our overseas M&A activities have enabled us to enhance our presence in the global market by strengthening our sales and maintenance capabilities.

Strategy for Meeting Diversified Needs and Creating New Value

Looking towards our centennial in 2018, we have formulated the Long-Range Vision 2018 as a shared target for achieving the group vision of "GLORY as the world's top brand"—that is, making ourselves the world's leading brand in our field. We have set a long-term basic policy of "Create new value through 'superb manufacturing technique' and pursue dreams for the future." Under this policy, we have focused on expanding business in areas where we can make the most of our core technologies. One such area is biometric authentication incorporating facial recognition. GLORY embarked on the development of facial recognition technology in 2000. We utilized the recognition/identification technologies that we had cultivated while developing money handling machines and applied them to R&D in facial recognition. In 2003, we successfully brought the new technology to market. Today, GLORY's facial recognition boasts some of the highest levels of recognition technology and accuracy in the industry. As featured on pages 9 to 11 of this report, GLORY's facial recognition has already been successfully applied in a wide range of fields, including hospitals and hotels. We expect to see it incorporated into many more areas in the near future, as we move towards a safer and more convenient society.

Meanwhile, a shortage of labor has become a pressing issue in Japan. One way to solve this problem is to use robots. In April 2017, GLORY launched a system integration business that makes use of humanoid robots. The aim is to have customers apply to their production sites the production technology know-how that we have cultivated over the years. By introducing robots, customers can reduce the burden on workers and achieve highly efficient manufacturing. GLORY can provide the whole package ranging from setting up an automated robotic production line to developing the

peripheral equipment and operational know-how. Our wish is to help create environments in which humans and robots can work together in harmony.

Achieving a Sustainable Society by Practicing Business Founded on Our Corporate Philosophy

In 2014, GLORY signed the United Nations Global Compact. We believe the 10 principles covering human rights, labor, the environment, and anti-corruption are based on the same values as those underlying our Corporate Action Guidelines. That is why we make every effort to comply with these 10 principles. Our *Guidelines of GLORY* handbook contains our corporate philosophy, management creed, Corporate Action Guidelines, and other information. Produced in eight different languages, this handbook has been distributed to all our worldwide employees.

In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs). The SDGs identify the private sector as one of the parties responsible for tackling issues such as poverty, employment, and environmental protection. Because GLORY does business on a global scale, we are highly aware of the importance of human rights and the environment in our business activities. We comply with all laws, regulations, and international norms, while ensuring that activities across our entire value chain are thoroughly transparent and ethical.

Guided by our corporate philosophy, we will continue to earn the trust of our stakeholders and strive to be a corporate group contributing to the realization of a sustainable society.

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Creating New Value through Manufacturing Technology while Helping to Realize a Sustainable Society

A Consistent Group Structure Allied to Unique Core Technologies That Are Embedded in Our DNA

With the UK voting to split from the EU, Donald Trump's rise to power in the US, and frequent terrorist incidents, world affairs are growing more volatile. The global economy is unpredictable, its future uncertain. Despite all this, GLORY continues to respond to current trends—as we have since our founding in 1918—while taking on the challenge of creating technical innovations and making products that society needs. GLORY is proud of its 100-year history. Our success today can be traced back to 1950, when we delivered a coin counter to the Ministry of Finance's Mint Bureau (now the

Japan Mint). This was the first such product made in Japan, and it was our first step as a pioneer in the money handling machine business. GLORY has since released a string of first-in-Japan products, such as coin wrappers, coin sorters, cigarette vending machines, and coin-operated lockers with extendable time limits.

Over the years, GLORY has achieved many innovations in the cash-related business, and it has expanded the market for money handling products. Underlying all of this is our unceasing effort to benefit people by creating products that have never been seen before. It's something which is in our company DNA and which has been passed down through the generations since our founding. This spirit is incorporated