



Based on its corporate philosophy, Glory is pursuing sound and efficient business management that earns the trust and support of all stakeholders.

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.

Corporate Governance Framework

Glory adopts an audit and supervisory board system. This means the company's Board of Directors, which includes two outside directors, makes decisions on important matters and oversees business execution, while the Audit and Supervisory Board oversees the actions of the Board of Directors. An executive officer system allows the company to separate the management supervisory and business executive functions, thereby enabling speedy and efficient business administration. In addition, committees such as the Nomination Advisory Committee and the Compensation Advisory Committee serve to boost transparency and objectivity when making important management decisions.

Furthermore, to maintain and improve the efficacy of its Board of Directors, every year Glory conducts periodic

analysis and evaluation related to the Board's effectiveness. In fiscal year 2017, based on past evaluation results, under a review of the "Rules of the Authority of Final Decision," Glory conducted a transfer of authority in order to optimize management and ensure that it conducts speedy decision-making.

Glory's basic policy on corporate governance is set out in the Corporate Governance Guidelines.

Risk Management

Glory has a Risk Management Committee, which is chaired by the President and which has the purpose of maintaining and strengthening risk management for the entire Glory Group. The committee regularly conducts risk assessments and determines the divisions and individuals responsible for each risk item. It works with these divisions and individuals to implement precautionary measures against risks during normal times and to secure and improve a system that can respond promptly in times of crisis.

In fiscal year 2017, as well as undertaking a review of the company's risk management rules and risk evaluation standards, each group company also completed an analysis and evaluation of its own operations, using those same standards. Through measures such as these, Glory has strengthened its group-wide risk management structure.

Compliance

Glory has a Compliance Committee as one way to maintain and improve its compliance framework. This committee—which is chaired by the President and which includes two outside experts (attorneys at law)—deliberates on important compliance-related issues concerning the Glory Group. Glory also has in place four compliance helplines (including one outside helpline) in Japan. These helplines enable Glory to detect and correct problems at an early stage, while protecting those seeking consultations.

In addition, Glory provides education to employees to thoroughly familiarize them with compliance. In fiscal year 2017, Glory also held e-learning and group training sessions for group companies to further reinforce information management and harassment prevention.



At a compliance training session

Message from an outside director

By keeping CSR in mind as we carry out core operations, we can further enhance Glory's raison d'être.



Outside Director
Joji Iki
 Previously served as Gas Turbine & Machinery Company president and representative director and vice president at Kawasaki Heavy Industries, Ltd. June 2017, appointed outside director at Glory
 Nomination Advisory Committee member
 Compensation Advisory Committee member

Offering objective support based on own experience as a manager and engineer

At Glory, we feel that, as we head toward the 100th anniversary of the company's foundation, we are entering a period of dramatic change. Drawing out the potential of our engineering and our personnel is key to achieving sustainable growth, and our Board of Directors conducts very active and meaningful discussions on this topic. From a standpoint of not participating in business execution, I regard being able to share my opinion from an objective point of view as my most important role. I am requesting the deepening of Glory's management strategy, such as the creation of new business and changes to business models. I want to help push forward the company's initiatives by offering advice based on my experience as a manager and an engineer.

Governance amid continued globalization

Social demands regarding corporate governance have become stricter in the last few years. At Glory

we assess our governance to be functioning appropriately, but such demands are growing along with the times. Furthermore, because the common sense that forms the standard of governance varies according to country and region, we must integrate each nation's laws and culture into Glory's governance. In society now, if a problem occurs it spreads instantly and often becomes a bigger issue than it really is. From the saying "problems arise at the edges," even our group companies in Japan and overseas must pay careful attention.

It is important to contribute to society via our core business

In recent years there has been an increase in corporate initiatives in line with Sustainable Development Goals (SDGs) or Environmental, Social, and Governance (ESG). I believe that we can make the greatest contribution to realizing a sustainable society via our most socially influential operations, which is our core business. For Glory, its offering of accurate, easy-to-use products and services that contribute to improved production efficiency will result in a contribution to society. I believe that Glory can improve its social raison d'être by pleasing stakeholders and remaining conscious of CSR while engaging in its core business.

Corporate Governance Framework (As of June 27, 2018)

