

CORPORATE GOVERNANCE

Toru Fujita

Corporate Auditor

Satoshi Hamada

Outside
Corporate Auditor

Joji Iki

Outside Director

Akihiro Harada

Director & Managing
Executive Officer

Motozumi Miwa

Executive Vice
President &
Representative
Director

Hideo Onoe

Director & Senior
Managing Executive
Officer



Hirokazu Onoe

President &
Representative
Director

Shigetoshi Mabuchi

Director & Senior
Managing Executive
Officer

Kaname Kotani

Director & Senior
Managing Executive
Officer

Hiroki Sasaki

Outside Director

Mikio Nakajo

Outside
Corporate Auditor

Masakazu Nagashima

Corporate Auditor



CORPORATE GOVERNANCE

BOARD OF DIRECTORS



Hirokazu Onoe President & Representative Director

Sep. 1970	Joined the Company	Jun. 2006	Director & Managing Executive Officer
Apr. 2000	General Manager, Vending Machine & Amusement Systems Business Div.	Apr. 2009	General Manager, Corporate Strategy Div.
Jun. 2001	Director	Jun. 2010	Director & Executive Vice President
Jun. 2004	Managing Director	Apr. 2011	President & Representative Director (to present)



Motozumi Miwa Executive Vice President & Representative Director

Jun. 2009	Joined the Company	Apr. 2014	Director & Managing Executive Officer; Executive General Manager, Business Management Headquarters, Responsible for General Affairs Headquarters
Mar. 2010	General Manager, Legal Affairs Dept., General Affairs Div.	Apr. 2015	Director & Senior Managing Executive Officer
Jun. 2010	Executive Officer	Apr. 2016	Representative Director & Senior Managing Executive Officer
Apr. 2012	Senior Executive Officer; Executive General Manager, General Affairs Headquarters	Apr. 2017	Executive Vice President & Representative Director (to present); Responsible for Business Management Headquarters (to present)
Jun. 2012	Director & Senior Executive Officer		
Apr. 2013	Responsible for CSR, brand strategy and investor relations functions (to present)		



Hideo Onoe Director

Jan. 1999	Joined the Company	Apr. 2013	Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.
Oct. 2005	General Manager, Supply Chain Management Dept., Production Management Div., Money Handling Systems Business Headquarters	Apr. 2014	Managing Executive Officer of the Company; Executive General Manager, Production Headquarters & Senior General Manager, Purchasing Div.
Oct. 2006	Executive Officer	Jun. 2014	Director & Managing Executive Officer
Jul. 2009	President of GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.)	Apr. 2015	Executive General Manager, Domestic Business Headquarters (to present)
Apr. 2012	Senior Executive Officer of the Company; Executive General Manager, Production Headquarters	Apr. 2017	Director & Senior Managing Executive Officer (to present)



Shigetoshi Mabuchi Director

Apr. 1982	Joined GLORY Shoji Co., Ltd. (now the Company)	Apr. 2014	Managing Executive Officer
Apr. 2005	General Manager, Business Planning Office, Business Planning Div. of GLORY Shoji Co., Ltd.	Jun. 2014	Director & Managing Executive Officer
Apr. 2009	Senior General Manager, Maintenance Business Div., Maintenance Headquarters of the Company	Apr. 2017	Director & Senior Managing Executive Officer (to present)
Jun. 2010	Executive Officer		
Apr. 2012	Senior Executive Officer; Executive General Manager, Service Headquarters (to present)		



Kaname Kotani Director

Jun. 1987	Joined the Company	Apr. 2015	Director & Managing Executive Officer
Jun. 2010	Senior General Manager, Development Div., Money Handling System Business Headquarters	Apr. 2016	Responsible for information security (to present)
Apr. 2011	Deputy Executive General Manager, Development Headquarters	Apr. 2017	Director & Senior Managing Executive Officer (to present)
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		



Akihiro Harada Director

Mar. 1985	Joined the Company	Apr. 2014	Senior Executive Officer of the Company; Responsible for manufacturing, procurement and quality assurance at group companies of Glory Global Solutions Ltd.
Apr. 2003	General Manager, Production Engineering Dept., Himeji Factory, Banking System & Equipment Div.	Apr. 2015	Executive General Manager, International Business Headquarters of the Company (to present)
Jan. 2006	President of GLORY (PHILIPPINES), INC.	Jun. 2015	Director & Senior Executive Officer
Apr. 2009	General Manager, Management Planning Dept., Corporate Strategy Div. of the Company	Apr. 2017	Director & Managing Executive Officer (to present)
Apr. 2012	Executive Officer; Project Leader, International Business Integration Project Management Office		
Jul. 2012	Director of Glory Global Solutions Ltd.		



Hiroki Sasaki

Outside Director

Independent Director

- | | | | |
|-----------|--|-----------|--|
| Apr. 1965 | Joined Fuji Iron & Steel Co., Ltd. (now Nippon Steel & Sumitomo Metal Corporation) | Jun. 2007 | Director & Senior Adviser of Sanyo Special Steel Co., Ltd. |
| Jun. 1995 | Director of Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation) | Jun. 2008 | Outside Director of the Company (to present) |
| Apr. 1999 | Managing Director of Nippon Steel Corporation | Jun. 2009 | Outside Corporate Auditor of KITZ Corporation |
| Jun. 2001 | Vice President & Representative Director of Sanyo Special Steel Co., Ltd. | | |
| Jun. 2002 | President & Representative Director of Sanyo Special Steel Co., Ltd. | | |



Joji Iki

Outside Director

Independent Director

- | | | | |
|-----------|---|-----------|---|
| Apr. 1977 | Joined Kawasaki Heavy Industries, Ltd. ("KHI") | Apr. 2015 | Representative Director & Senior Executive Vice President; Assistant to the President, in charge of Technology, Sales and Procurement department of KHI |
| Nov. 2002 | Senior Manager, Aero-Dynamic Machinery Department, Machinery Division, Gas Turbine & Machinery Company 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. 2009 | Executive Officer; General Manager, Machinery Division, Gas Turbine & Machinery Company of KHI | Apr. 2017 | Director of KHI |
| Apr. 2012 | Managing Executive Officer; President, Gas Turbine & Machinery Company of KHI | Jun. 2017 | Outside Director of the Company (to present) |
| Jun. 2012 | Representative Director & Senior Vice President of KHI | | |

BOARD OF CORPORATE AUDITORS



Masakazu Nagashima

Corporate Auditor

- | | |
|-----------|--|
| Jan. 1983 | Joined the Company |
| Oct. 2006 | General Manager, Business Planning Dept., Retail & Media Industries Systems Company |
| Apr. 2011 | General Manager, Internal Audit Dept. |
| Jun. 2015 | Corporate Auditor (to present) |
| Jun. 2016 | Corporate Auditor of GLORY NASCA Ltd. (to present)
Corporate Auditor of Hokkaido GLORY Co., Ltd. (to present) |



Toru Fujita

Corporate Auditor

- | | |
|-----------|---|
| Sep. 1988 | Joined the Company |
| Apr. 2011 | General Manager, Accounting Dept., Business Managing Div. |
| Apr. 2012 | General Manager, Accounting Dept., Business Managing Headquarters |
| Jun. 2014 | Corporate Auditor, GLORY Products Ltd. (to present) |
| Jun. 2017 | Corporate Auditor of the Company (to present) |



Mikio Nakajo

Outside Corporate Auditor

Independent Corporate Auditor

- | | |
|-----------|--|
| Apr. 1998 | Registered as attorney-at-law
Joined Sawada Kikui Law Office (now Sawada Nakajo Law Office) |
| Apr. 2005 | Partner and Attorney-at-Law of Sawada Nakajo Law Office (to present) |
| Apr. 2009 | Vice President of Hyogo-ken Bar Associations |
| Jun. 2010 | Outside Corporate Auditor of NISHISHIBA ELECTRIC CO., LTD. (to present) |
| Jun. 2011 | Outside Corporate Auditor of the Company (to present) |



Satoshi Hamada

Outside Corporate Auditor

Independent Corporate Auditor

- | | |
|-----------|--|
| Apr. 1976 | Joined Chuo Audit Corporation |
| Aug. 1981 | Joined Asahi & Co. (now KPMG AZSA LLC) |
| Nov. 1981 | Registered as certified public accountant |
| Sep. 1984 | President, Satoshi Hamada Accounting Office (to present) |
| May 1994 | Outside Corporate Auditor of NISHIMATSUYA CHAIN Co., Ltd. (to present) |
| Jun. 2005 | Outside Corporate Auditor of WDB Co., Ltd. (now WDB Holdings Co., Ltd.) (to present) |
| Sep. 2014 | Representative, Hamada Certified Tax Accountant Office (to present) |
| Jun. 2015 | Outside Corporate Auditor of the Company (to present) |
| May 2016 | Outside Director of NISHIMATSUYA CHAIN Co., Ltd. (to present) |

EXECUTIVE OFFICERS

Senior Managing Executive Officer
Hideo Onoe

Senior Executive Officer
Tokuya Shimizu

Senior Executive Officer
Katsunori Yamamoto

Executive Officer
Masato Ishida

Executive Officer
Chris T. Reagan

Senior Managing Executive Officer
Shigetoshi Mabuchi

Senior Executive Officer
Hirokazu Sekino

Executive Officer
Tsutomu Iwata

Executive Officer
Masashi Michishita

Executive Officer
Vincent Nakache

Senior Managing Executive Officer
Kaname Kotani

Senior Executive Officer
Satoshi Baba

Executive Officer
Makoto Ueda

Executive Officer
Yoshihiro Takada

Executive Officer
Yoshifumi Kawabata

Managing Executive Officer
Norio Murakami

Senior Executive Officer
Hirofumi Kameyama

Executive Officer
Toshihiko Kayama

Executive Officer
Hiroshi Uemura

Managing Executive Officer
Akihiro Harada

Senior Executive Officer
Hideto Tanaka

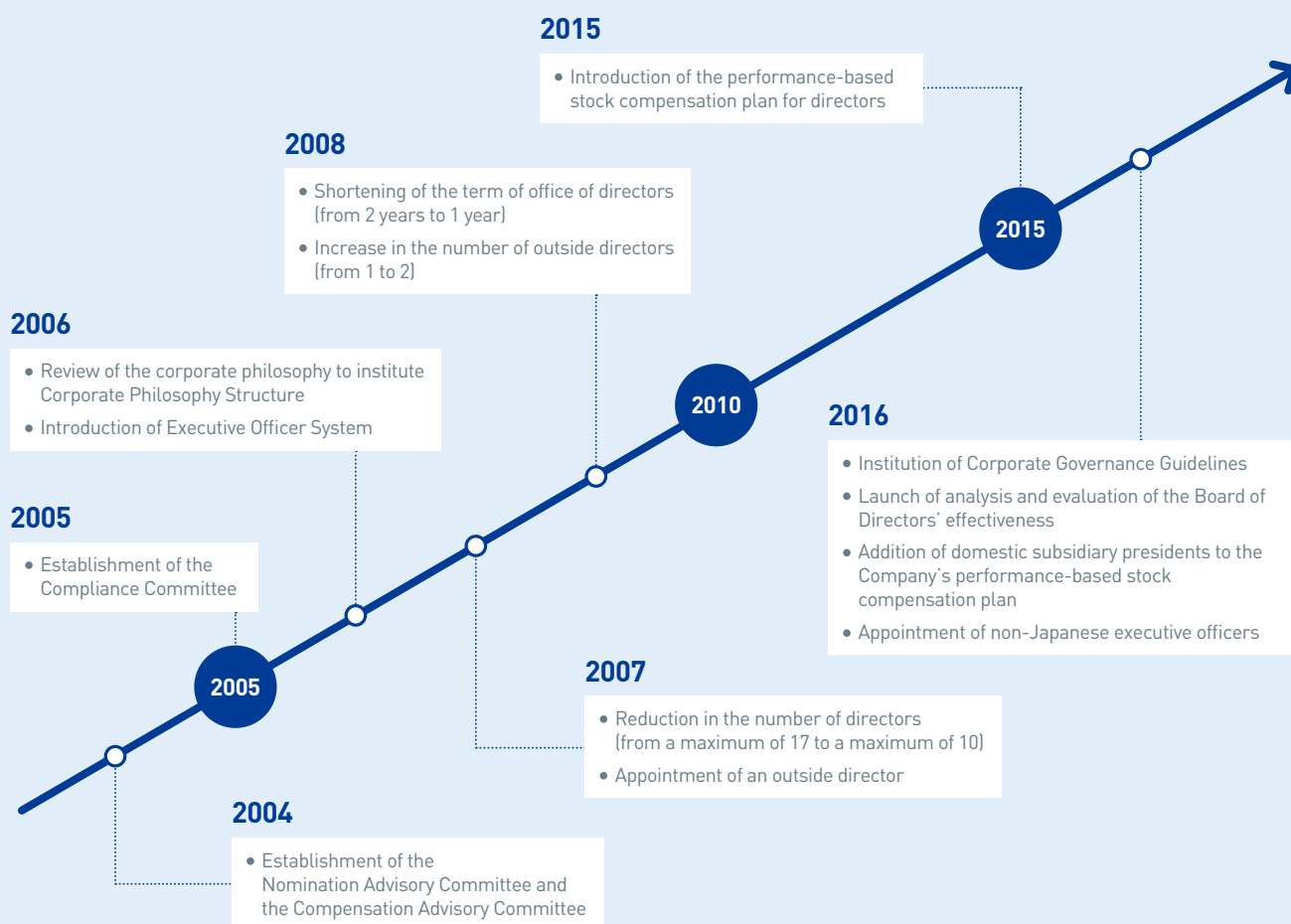
Executive Officer
Taneyoshi Ebashi

Executive Officer
Tetsuya Bogaki

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.



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

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 Board of Corporate Auditors monitors the activities of the Board of Directors. Under such belief, GLORY has adopted “Company with Board of Corporate Auditors” as a form of corporate organization under Japan’s Companies Act.

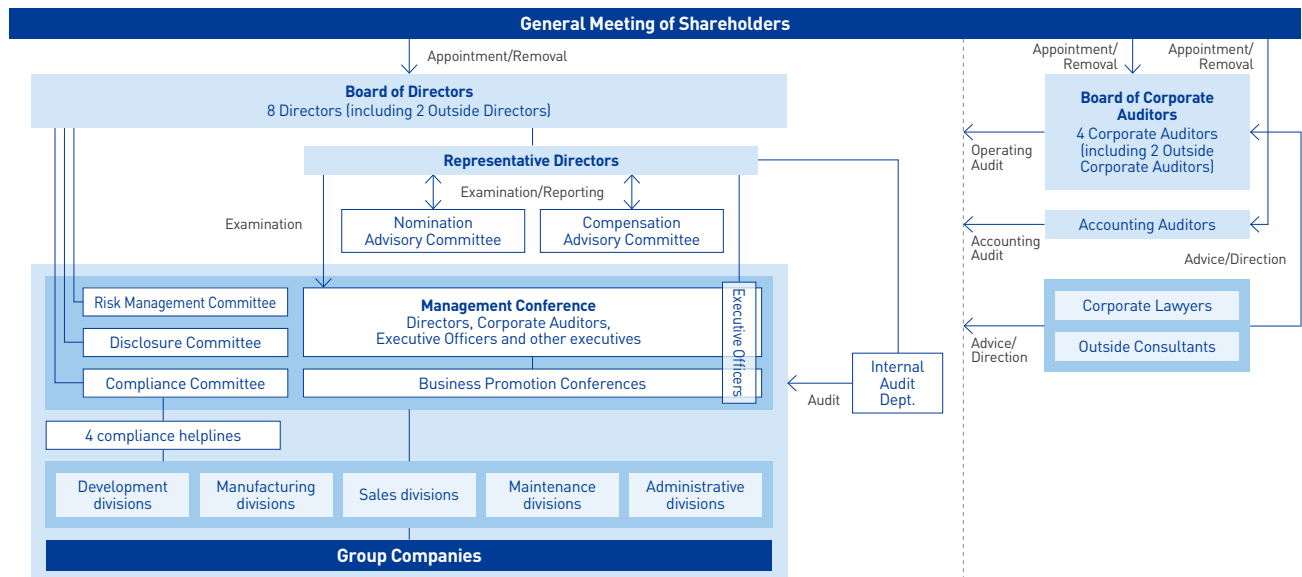
To ensure rapid decision making by, and vitalization of, the Board of Directors, the Company limits the number of directors to no more than ten, including several independent outside directors with qualities that enable them to contribute to sustainable growth and the improvement of corporate value from 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 Board of Corporate Auditors to have a maximum of four members, the majority of whom must be outside corporate auditors. At least one member of this Board must have adequate knowledge of finance and accounting. Currently the Board of Corporate Auditors consists of two internal corporate auditors who are familiar with GLORY’s business operations, and two highly independent outside corporate auditors with extensive experience and expert knowledge of legal affairs, finance and accounting, corporate management, and other fields.

CORPORATE GOVERNANCE SYSTEM (As of June 23, 2017)



MECHANISMS TO ENHANCE GOVERNANCE

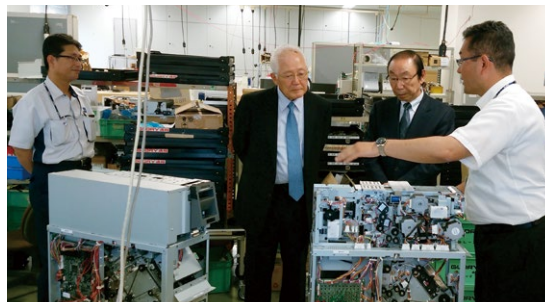
Nomination Advisory Committee and Compensation Advisory Committee

To ensure transparency and objectivity in the appointment and remuneration of directors, corporate auditors and other officers, GLORY has established the Nomination Advisory Committee and the Compensation Advisory Committee as

advisory bodies to the Board of Directors. Both of these Committees are chaired by independent outside directors, and half of their members are independent outside directors.

INDEPENDENT OUTSIDE DIRECTORS AND OUTSIDE CORPORATE AUDITORS

We believe that our outside directors and outside corporate auditors 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.



Outside director factory inspection tour

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

INFORMATION ON OUTSIDE DIRECTORS AND OUTSIDE CORPORATE AUDITORS (As of March 31, 2017)

Outside Director	Reason of Appointment	Attendance rate at Board of Directors meetings
Hiroki Sasaki Nomination Advisory Committee chair Compensation Advisory Committee chair	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.	16/16
Akira Nijjima	Mr. Akira Nijjima has accumulated considerable experience and valuable global knowledge in both international and domestic businesses at an R&D oriented company similar to the Company and has been playing an important role as an outside director in 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 as an outside director.	16/16

Outside Corporate Auditor	Reason of Appointment	Attendance rate	
		Board of Directors meetings	Board of Corporate Auditors meetings
Mikio Nakajo	Mr. Mikio Nakajo possesses extensive knowledge and experience as an attorney-at-law and has been playing an important role, as an outside corporate auditor, 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. We thus recommend his election as an outside corporate auditor for another term.	15/16	16/17
Satoshi Hamada	Mr. Satoshi Hamada possesses extensive knowledge and experience in corporate management as a certified public accountant. It is our judgment that we can ensure compliance and adequacy in the Company's management by receiving his audit based on his experience and specialized knowledge. We thus recommend his election as an outside corporate auditor.	16/16	17/17

ANALYSIS AND EVALUATION ON EFFECTIVENESS OF THE BOARD OF DIRECTORS

The Company analyzed and evaluated the effectiveness of the Board of Directors in the year ended March 2017 for the purpose of strengthening the functions of the Board as a whole. The Company has posted details of the evaluation results on the corporate website at the link below:



<http://corporate.glory-global.com/groupinfo/governance/#analyses>

COMPENSATION FOR DIRECTORS AND CORPORATE AUDITORS

(1) Basic Policy on Compensation

The compensation of directors and corporate auditors 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.

(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 paid 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.

COMPENSATION FOR DIRECTORS AND CORPORATE AUDITORS FOR THE YEAR ENDED MARCH 2017

Recipient	Basic compensation		Bonuses	
	No. of persons	Amount	No. of persons	Amount
Directors (Outside Directors)	9 (2)	¥101 million (¥19 million)	6 (—)	¥68 million (—)
Corporate Auditors (Outside Corporate Auditors)	4 (2)	¥43 million (¥12 million)	— (—)	— (—)

Notes:

1. Basic compensation for the year ended March 2017 includes the amount paid to one director who retired at the conclusion of the 70th General Meeting of Shareholders held on June 24, 2016.
2. Amounts paid to directors do not include employee salary portions for directors who have concurrent responsibilities as employees.
3. A maximum amount of compensation for directors of ¥150 million per annum (including a maximum of ¥20 million for outside directors) was approved at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007. This amount does not include employee salary portions for directors who have concurrent responsibilities as employees.
4. A maximum amount of compensation for corporate auditors of ¥50 million per annum was approved at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007.
5. In addition to the above, the amount of ¥17 million was reserved as a provision for performance-based stock compensation for the year ended March 2017 for six executive directors.
6. Bonuses pertaining to the year ended March 2017 were approved by resolution of the 71st Ordinary General Meeting of Shareholders held on June 23, 2017.