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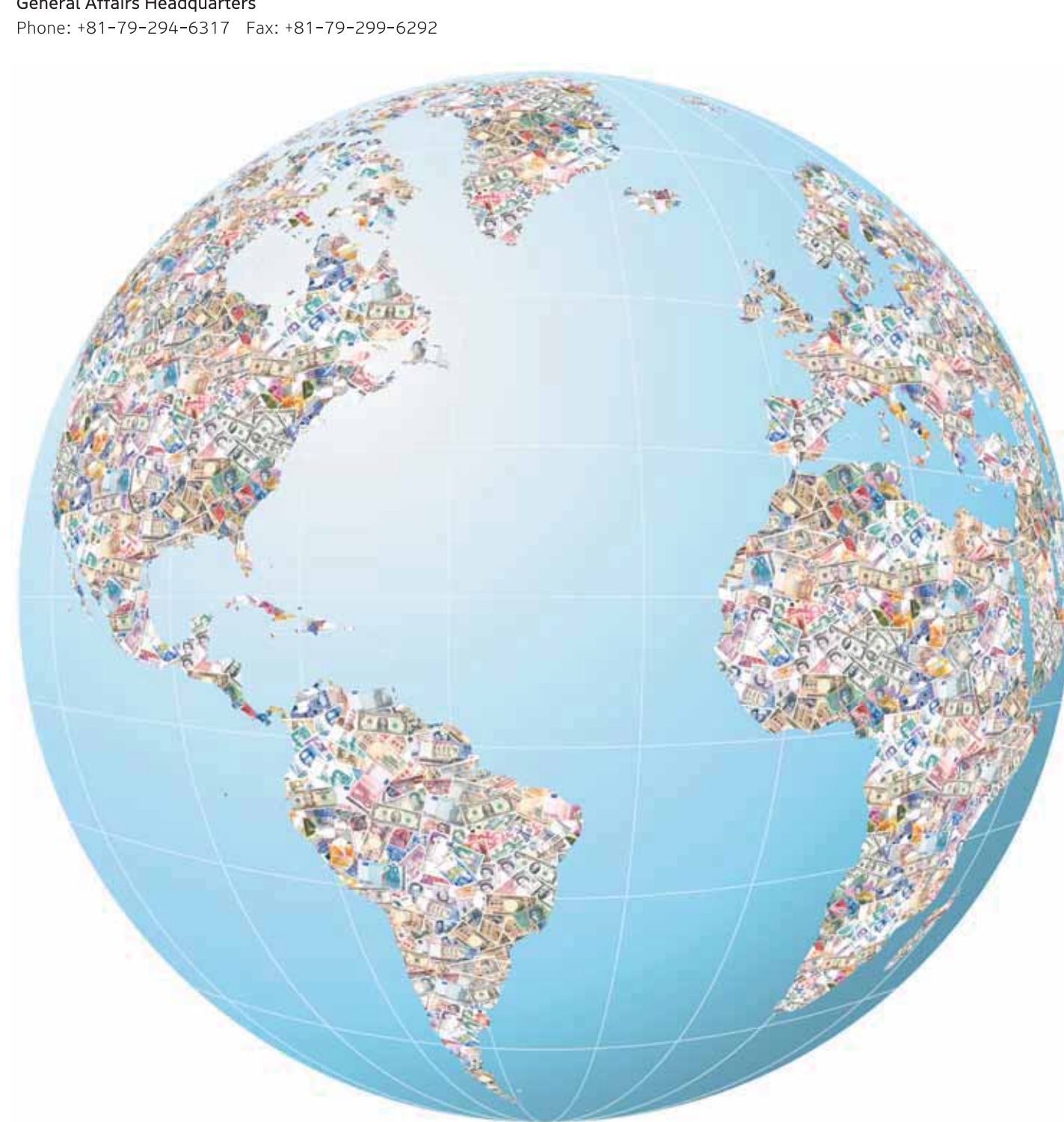
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We Secure the Future

GLORY

GLORY CSR Report 2014



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GLORY at a Glance

Corporate Name	GLORY LTD.	Stock Listings	Tokyo Stock Exchange (1st Section)
Founded	March 1918	No. of Employees	3,349 (Group: 9,002) (as of March 31, 2014)
Incorporated	November 1944	Line of Business	Development, manufacturing, sales and maintenance of money handling machines, peripheral devices with data processing equipment, vending machines, automatic service equipment, etc.
Capital	¥12,892,947,600		

Business Segment

Financial Market



Customers: Financial institutions, OEM clients and others in Japan
Main products and goods: Open teller systems, coin and banknote recyclers for tellers, coin recycling modules for ATMs, multi-functional banknote changers, cash monitoring cabinets, valuable item management systems

Retail and Transportation Market



Customers: Supermarkets, department stores, cash-in-transit companies, railroad companies and others in Japan
Main products and goods: Coin and banknote recyclers for cashiers, sales proceeds deposit machines, multi-functional banknote changers, cash recyclers for gas stations, coin-operated lockers

Amusement Market



Customers: Amusement halls (pachinko parlors) and others in Japan
Main products and goods: Card systems for pachinko parlors, banknote conveyor systems, pachinko prize dispensing machines, pachinko ball counters for each pachinko machines, membership management systems for pachinko parlors, pachinko ball/token counters

Overseas Market



Customers: Financial institutions, cash-in-transit companies, retail stores, casinos, OEM clients and others in overseas
Main products and goods: Banknote recyclers for tellers, banknote sorters, banknote and check deposit modules for ATMs, banknote counters, coin and banknote recyclers, coin wrappers

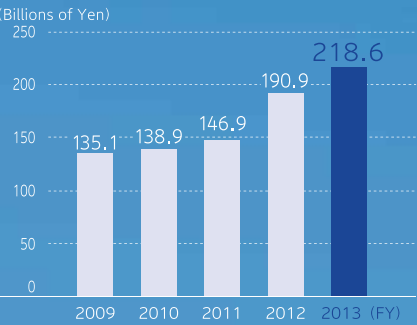
Others



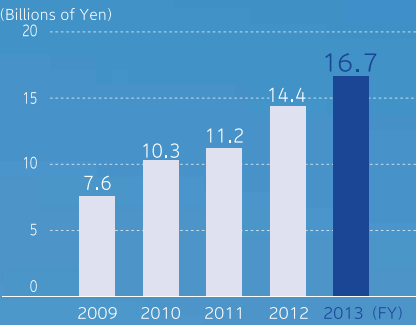
Customers: Tobacco shops, tobacco companies, hospitals, local governments, general companies and others in Japan
Main products and goods: Cigarette vending machines, ticket vending machines, banknote recycling modules for horse race ticket vending machines, medical payment kiosks, RFID self-checkout systems for cafeterias, ballot sorters for handwritten ballots

Financial Data (Consolidated)

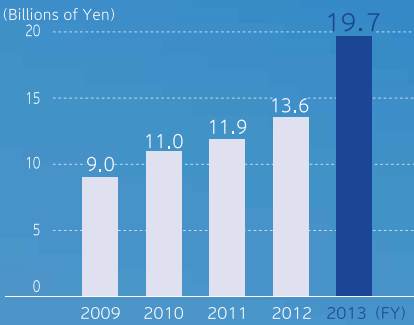
Net Sales



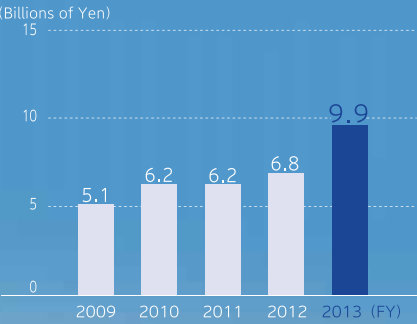
Operating Income



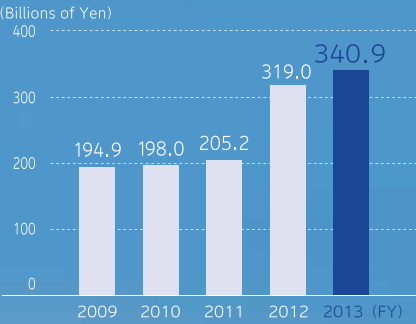
Ordinary Income



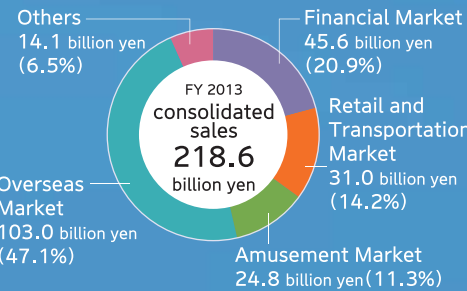
Net Income



Total Assets



Sales by Business Segment



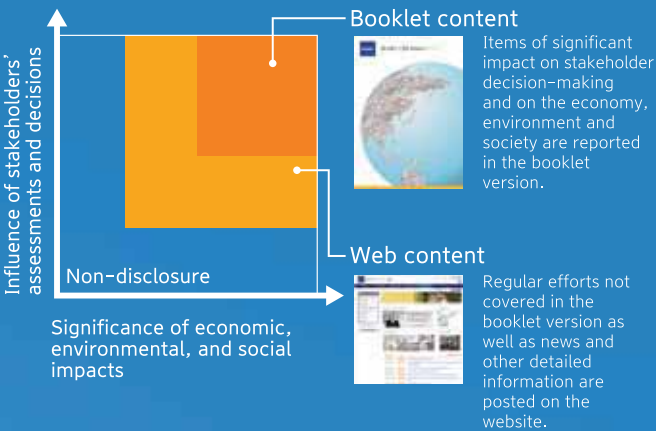
Note: Figures in parentheses indicate a percentage of sales.

Editorial Policy

This CSR report covers the corporate social responsibility (CSR) efforts of GLORY LTD. and certain GLORY Group companies. We believe that we meet our corporate social responsibilities by fulfilling the mission set forth in our corporate philosophy, and this report has been composed to introduce the CSR efforts we pursue through our business.

As a special report in CSR Report 2014, we introduce GLORY's efforts to support secure currency circulation throughout the value chain, from planning and development through servicing. We also report on fiscal 2013 efforts of special note concerning customers, shareholders and investors, business partners, employees, local communities and the environment.

Further details not included in the printed report may be found at our website.



Report Subjects

The report describes the efforts of GLORY LTD.; otherwise, specific company names are provided in descriptions of efforts of the GLORY Group or of particular companies.

Moreover, the report on environmental activities (pages 19–21) covers the ISO 14001-certified offices of GLORY LTD. and GLORY Group companies.

Reporting Period

This report covers fiscal 2013 (April 1, 2013–March 31, 2014). (In some instances reporting on items occurring in or after April 2014 is included.)

Publication Date

August 2014 (Next issue planned for August 2015)

Reference Guideline

Global Reporting Initiative (GRI)
Sustainability Reporting Guideline G3.1

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We are fulfilling our social responsibilities through steady management and ensuring each employee takes part.



GLORY celebrates its centennial in 2018. One of the fundamental policies of Long-Range Vision 2018, which was established in 2012 in anticipation of this milestone, is to “Seek sustained corporate growth together with society through CSR activities.” Irrespective of the times or the environment, as established in the corporate philosophy maintained since its founding in 1918, GLORY has always contributed to developing a safe and secure society by striving to meet the needs of customers and society with an unyielding spirit and by making the impossible possible.

Steady management is the starting point for meeting social responsibilities. Along with thorough corporate governance and compliance, GLORY’s value to society lies in performing its duty to develop revolutionary technologies and constantly offer products and services that contribute to society. Achieving an even higher level of social contribution requires that each employee participates in realizing our corporate philosophy and works to create new values by utilizing the technologies we have developed as the leading company in cash-handling machines.

The GLORY Group operates in more than 100 countries. We contribute to every region in which we operate by matching technologies and services to the issues faced by customers and society, and as a good corporate citizen we conduct our work in awareness of the issues of the international community. GLORY signed the United Nations Global Compact (UNGC), an international framework for sustainable development, in March 2014. The UNGC covers 10 principles in four areas—human rights, labour, environment and anti-corruption—and shares the same values expressed in GLORY’s Corporate Action Guidelines. GLORY will proceed with efforts to help resolve issues faced by the international community.

During the same month we added CSR items to our purchasing policy and issued the CSR Procurement Guidebook which contains CSR requests to our suppliers. We would like CSR awareness to be known across the supply chain.

GLORY will continue to contribute to the development of a more secure society and seek sustained growth along with all of its stakeholders.

Hirokazu Onoe
President, GLORY LTD.
August 2014

Corporate Philosophy

We will contribute to the development of a more secure society through a striving spirit and co-operative efforts.

Our corporate philosophy represents GLORY’s corporate goal and raison d’être. “Striving spirit” includes our desire that “we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible”. It represents the eternal origin of GLORY all through the ages that we can do a great job only when we combine the “power of everyone” who shares the “striving spirit”. Keeping the origin in mind, GLORY will contribute to the creation of a safe and secure society from now on.

Management Creed

- Through a spirit of continuous development, we will provide products and services our customers can rely on.
- We will build a vigorous corporate group through respect for the individual and teamwork.
- We will endeavor to act as a responsible corporate citizen and co-exist harmoniously with society at large.

Our managerial creed expresses what GLORY should aspire to and our management stance. In short, it constitutes our basic philosophy of management. The three components of the managerial creed express our stance toward our customers and business operations, toward our employees, and toward society as a whole.

Ten Principles of the United Nations Global Compact

- | | |
|------------------------|---|
| Human Rights | 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
2: make sure that they are not complicit in human rights abuses. |
| Labour | 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4: the elimination of all forms of forced and compulsory labour;
5: the effective abolition of child labour; and
6: the elimination of discrimination in respect of employment and occupation. |
| Environment | 7: Businesses should support a precautionary approach to environmental challenges;
8: undertake initiatives to promote greater environmental responsibility; and
9: encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | 10: Businesses should work against corruption in all its forms, including extortion and bribery. |



GLORY Value Chain Supports Secure Currency Circulation

For details, please visit our website
<http://www.glory-global.com/csr/feature/>

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Responsibilities to Customers

Securing Safety and Security in Every Currency-Related Scenario

The GLORY Group develops and offers cash-handling machines that require accuracy and speed, and also supports jobs such as counting, sorting and bundling notes and coins.

Our reliable quality and technical abilities, as well as detailed service throughout the value chain, from planning and development through servicing, contribute to the safety of money-handling scenarios.

Planning and Development

Technological Development Based on Recognition/identification and Mechatronics

Recognition/identification and mechatronics are the GLORY Group's core technologies in developing products that make currency-related work more accurate and efficient in banks and other businesses around the world. Recognition/identification technology accurately discriminate between notes and coins in terms of denomination and legitimacy, and is indispensable to the stability of a monetary economy. The GLORY Group is constantly making advances in recognition technology by employing a variety of factors. Mechatronics technology is used for handling the delicate and complex tasks of counting, sorting and bundling currency making currency-related tasks more efficient. These core technologies form the foundation for our products to support currency distribution. We will proceed with technological innovations to develop a more secure society.

Helping Resolve Issues Faced by the Visually Impaired

The QN-20 Portable Handy Banknote Reader developed in fiscal 2013, discriminates between notes by denomination and offers audio readout, using recognition/identification technology. The visually impaired and the elderly may find it difficult to sort notes according to denomination that are roughly the same size. Developed along the concept of easy discrimination between denomination, this reader delivers high-speed, high-accuracy recognition capability and is light and small making it highly portable. Also operation buttons are minimally deployed for ease of use, and are designed for operation with either the right or left hand.

In commercializing this product, we consulted with members of the Association of Hyogo Visually Impaired Welfare to learn about the issues they face in sorting notes and their detailed needs in creating a prototype. This input contributed to the final product.



Development of User-Friendly Currency Exchanger for the Chinese Market

Our core technologies were put to use in our first banknote changer for the Chinese market, the ENC-100, which went on sale in July 2014. Many people in China do not use coins but rather accumulate them at home, so the People's Bank of China implemented a coin circulation policy by which these coins are collected by financial institutions and redistributed to supermarkets and other outlets for use as change. The ENC-100 is operated by the individual supplying the coins which it exchanges for notes. It counts a high volume of coins quickly at a rate of five coins per second improving convenience. Due to the anticipated high volume of use, we have improved the device enabling it to handle 200 coins at a time. It is a multi-functional currency exchanger that also issues coins in exchange for notes, meeting all currency exchanging transaction requirements of the user.



Voice



Mitsuhiro Muranaka

Core Technology Development Center, Headquarters

We conduct development that is dedicated to the user's perspective.

The QN-20 Portable Handy Banknote Reader is our first device for consumer use. We considered that we should develop the machine as far as our technology may help those people in need of such machine. In addition to looking at various ways to make this product easy to use, we improved the denomination readout method by adding a vibrating function along with audio improvement.

These are examples of our constant dedication in taking the user's perspective into consideration when developing our products.

Looking at a design drawing and discussing functionality



Procurement



Launch of Procurement Optimization Project

The GLORY Group examines quality, cost and delivery comprehensively to optimize the materials obtained to maintain quality.

We went a step further in fiscal 2014 by launching the Purchasing Integration Project aimed at optimizing overall Group procurement by placing the emphasis on the reform of procurement in response to the increasing globalization of production.

Up until now, procurement was coordinated at individual production sites in Japan and overseas, which does not allow us to take advantage of sharing information about superior materials or economies of scale. This project aims at the stable procurement of materials that meet quality requirements and consists in revising procurement from the standpoints of the supplier, procurement method and part specifications and the optimization of global procurement. The project will firstly be promoted at the purchasing departments of the Himeji Factory, the Saitama Factory, GLORY Products Ltd., and GLORY Denshi Kogyo (Suzhou) Ltd., and will be expanded sequentially to the purchasing departments at all sites.

In addition, parts quality improvement depends on maintaining a close relationship with the suppliers. For example, informal discussions and quality meetings are held with suppliers at GLORY Denshi Kogyo (Suzhou) Ltd. and GLORY IPO China Ltd. in China with the aim of continually driving mutual development.

Sales



Introduce First Coin and Banknote Recyclers for Cashiers at Convenience Stores in Japan

The GLORY Group focuses on understanding the needs and issues faced by customers in making proposals for streamlining and improving accuracy in cash handling. One example of this is the installation of coin and banknote recyclers for cashiers at Ministop Co., Ltd., stores in June 2011, a first for the convenience store industry. Use of such equipment had not made any progress in the industry up until then due to small-scale stores and franchise business models.

GLORY therefore conducted interviews about the needs and issues faced by stores. As a result, we learned from Ministop that due to the increasing amount of food cooked in stores there was a particular need to speed up the cash register process to enable additional time for cooking. Our proposal for the use of coin and banknote recyclers for cashiers to streamline the cash register process was accepted. Installation of the equipment at 90 stores provided positive effects to the users, resulting in installation to additional stores on an "as required" basis from April 2014.



Voice



Daisuke Teranishi

Sales Department 4,
Retail Market Sales
Division, Domestic
Business Headquarters

We are working to offer proposals to enhance customer convenience.

Positive feedback was received from store owners regarding the coin and banknote recyclers for cashiers, together with the comments such as "We no longer have excess or too little cash in the register," "The work involved in cash settlement, inspection and collection has been reduced making it easier to focus on assisting our customers." We will continue to offer proposals that enhance customer convenience.

Offering Solutions to Meet Overseas Needs

We also offer solutions to meet the requirements of overseas markets.

For example, our CASHINFINITY (CI) System for retailers is used at supermarkets across Europe. The CI System allows customers in stores to make a payment and collect the change for themselves, streamlining cashier time and strengthening cash controls. In addition, use of the CI System in the back office contributes to the greater accuracy of cash handling including collecting cash and replenishing change.

"Expert Dojo" was established at Headquarters in April 2013 as a training facility for marketing coordinators, sales coordinators and reps in each country. In addition to strengthening their product knowledge, course enrollees share information about market needs and proposal methods in each country and learned to use proposals more closely in line with customer needs. In fiscal 2013, 62 people from over 20 countries came to Japan to study at the "Expert Dojo."

Voice



Kenichi Tagashira

Product Management
Retail Group,
Glory Global Solutions
Ltd.

We are creating links among sales coordinators through training.

Sales coordinators in various countries feel a strong need for training in CI Systems since it is the first distribution market product for sales persons in every country. Also, training allows the Japanese staff to gain an understanding of the characteristics of each country and advising what they have learned as feedback will improve new product planning and solutions.

Maintenance



Achieving Stable Product Operation through Preventative Maintenance

The GLORY Group operates around 100 after-sales service sites throughout Japan, so in the event of a problem our technical staff can respond promptly and accurately.

We also conduct Preventative Maintenance Activities for regular inspections so customers are able to use products with confidence. Product data logs are analyzed and parts showing signs of a possible future failure are adjusted or replaced. Inspections that help to emphasize the particular characteristics of the customer's operation are also set up separately which can prevent product malfunction. Examples of past malfunctions are analyzed and used as feedback in product development, to reduce product downtime.

We also work to improve technical staff skills through inspection training and repair know-how classes, to conduct surefire preventative maintenance. We aim to reduce any inconvenience to customers by ensuring that our technical staff has a deep knowledge of the product used by each customer enabling them to provide demonstrations of the product operation when visiting customer site.

We will continue to provide preventative maintenance that exceeds customer expectations, offering features and improvements from the customer's perspective, constantly striving to ensure we remain aware of the ongoing challenge of realizing value and taking customer requirements into consideration.

Quality presentation in China



Explaining product functions to a customer at a showroom



Supermarket where a CI system has been introduced



Performing a close check of a product during maintenance operations



Responsibilities to Customers

Gaining Customer Confidence and Satisfaction

We implement thorough quality control in our production processes to ensure the manufacture of high-quality products. In our efforts to meet expanding demand in overseas markets, we are developing Japanese Quality Craftsmanship at our overseas companies to continue manufacturing products that gain customer confidence and satisfaction.

For details, please visit our website
<http://www.glory-global.com/csr/stakeholder/customer.html>

Japanese “Mother Factories” Taking the Worldwide Quality Lead

The Japanese production sites are driving craftsmanship by serving as role models in the “mother factories” that take the lead in global production quality. Our Himeji Factory, Saitama Factory and Group manufacturing companies are themselves acquiring ISO 9001 international standard quality management system and conducting thorough quality control.

Production departments have established quality targets for each product and aim to increase product quality by using the PDCA cycle while analyzing the previous fiscal year’s results. For example, great care is taken to avoid damage to electrical parts within the factory by installing anti-static equipment to prevent damage to electrical parts or circuit boards. In the event a bug is discovered at the final inspection stage, thorough efforts are made to

locate the source and corrective measures are employed to prevent any recurrence. In addition to the standard checking process, the department managers conduct a weekly quality inspection tour to confirm the effectiveness of corrective measures. By conducting these efforts repeatedly we can achieve a reliable quality improvement.

We are making progress in implementing the latest in fabrication technology and equipment to take the lead in achieving an even higher level of quality. An example of our latest fabrication technology is the adoption of the humanoid robot called “NEXTAGE” at our Saitama Factory, which is used in our automated assembly line of the coin and banknote recyclers for cashiers. On June 19, 2014, Japan’s Prime Minister, Shinzo Abe, visited the Saitama Factory to see a location where the robots, which are indispensable for Japan’s next growth strategy, are operating. He witnessed our employees working alongside humanoid robots in our assembly line, incorporated into our cutting-edge fabrication technology.



Supporting Japanese Quality Overseas

The GLORY Group’s 2014 Medium-Term Management Plan calls for expanding its overseas business, including efforts to expand production at overseas companies in response to an increase in demand mainly in Asia.

Up until now, we had first made prototypes and conducted a manufacturing trial in Japan of products made in China or the Philippines for overseas markets, since fiscal 2013 we have strengthened the overseas production functions so they can handle the process locally from the prototype stage. These efforts reduce the number of processes accompanying production transfer and are also aimed at improving local factory quality, cost and delivery (QCD).

Engineers with experience working at a local company serving as the transfer destination, work as intermediaries with the Japanese factory in production transfers and provide guidance in production technology and quality control to local staff. Further efforts will also be made to support quality equal to that in Japan by subdividing assembly work and creating easy guide manuals.

Since 2002, a number of people from GLORY (PHILIPPINES), Inc., have traveled to Japan to spend a year learning the assembly technology based on Japanese quality standards at the Himeji Factory. After returning to the Philippines, these employees apply their training in providing quality guidance.

Voice

We aim for zero bugs by increasing the quality consciousness of each individual.

We aim to produce higher-quality products through thorough multi-faceted inspections of parts and products, as well as by holding daily meetings to discuss issues and increase employee quality consciousness.

Koichi Nakamura

Director, Factory Manager
GLORY (PHILIPPINES), INC.

Voice

In the Philippines, I am spreading the high degree of quality improvement consciousness learnt in Japan.

The impressive aspect of training in Japan is the way parts or product problems are immediately checked and corrected. The consciousness of the importance of improving even minor items is something I’d like to encourage in the Philippines.

Wennie Bala Bagayas

Line Leader, Production 2
GLORY (PHILIPPINES), INC.



Responsibilities to Shareholders and Investors

Sound Corporate Management

We aim to add corporate value continuously through sound efficient management and appropriate disclosure.

For details, please visit our website
<http://www.glory-global.com/csr/stakeholder/investor.html>



Emphasis on Strengthening the Management Platform and Appropriate Disclosure

We seek to co-exist harmoniously with society in accordance with our corporate philosophy, to enable us to implement sound and efficient corporate management to gain the trust and support of all our stakeholders. One aspect of this is our strengthening of corporate governance, stronger monitoring and work execution functions, swifter decision-making, and greater transparency and objectivity. We also view compliance as a serious management issue, and our Compliance Committee, which is chaired by the President, is engaged in developing thorough legal compliance measures.

We view the active disclosure of information to improve transparency as an important duty to our shareholders and investors, our basic disclosure policy is to provide information in a timely and fair manner. Under this policy, we put our effort into providing

explanations of resolutions and reported matters at general meetings of shareholders along with the use of images. We also hold tours of our showrooms and factories to improve an understanding of the GLORY Group's business.

In addition to holding results conferences twice annually for our institutional investors, we conduct teleconferences once financial results for the first and third quarters are released. We hold company information sessions and IR events for all individual investors and strive to develop a deeper understanding of the company's business by providing information via the website. GLORY views mutual communications with shareholders and investors as very important in its efforts to build trust-based relationships.

Responsibilities to Business Partners

Strengthening Partnerships

The GLORY Group emphasizes partnerships with suppliers and we seek to build trust-based relationships by conducting fair and open trading in compliance with relevant laws and regulations.

For details, please visit our website
<http://www.glory-global.com/csr/stakeholder/partner.html>

CSR Procurement throughout the Supply Chain

The GLORY Group views suppliers as partners in ensuring reliable quality, so we hold Supplier Conferences and Quality Improvement Activity Workshops and also dialog with suppliers to build structures for cooperation.

In recent years, it has been necessary to fulfill social responsibilities across the supply chain, as called for in the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and other measures. We published the GLORY Group CSR Procurement Guidebook in March 2014 to get in line with this trend. The guidebook clarifies requests made of suppliers concerning our basic CSR position, human rights, safety and health and the environment. There are also repeated requests to inspect for conflict minerals (minerals that are a source of funding for warring factions in and around the Democratic Republic of the Congo).

We have also created a CSR Self-Evaluation Checklist to confirm the CSR activities of the supplier itself. In

fiscal 2014 we intend to see social responsibilities met throughout the supply chain through the correction of items needing improvement found through the use of the Checklist.

Voice We are spreading CSR through the understanding and cooperation of our suppliers.

The cooperation of our suppliers is vital to GLORY's CSR procurement. The Supplier Conference held in March was an opportunity to explain CSR procurement. We spread responsible procurement within supply chain through the understanding and cooperation of our suppliers and work with them to help resolve social issues.

Yoshikazu Tsukushi
 General Manager,
 Purchasing Control Department,
 Purchasing Division,
 Production Headquarters



Responsibilities to Employees

Creating a Pleasant Workplace

We are trying to create a pleasant working environment where employees maintain a positive attitude and approach work with energy and enthusiasm.

For details, please visit our website
<http://www.glory-global.com/csr/stakeholder/employee.html>



Cafeteria at Headquarters



Workplace (Headquarters)



Participating to a marathon race (Okinawa Office)



Summer festival (Saitama Factory)

Greater Support for Health Management Structures

The GLORY Employee Standard of Behavior calls for employees to “Maintain a positive attitude and approach work with energy and enthusiasm,” so we can support employee health management that we view as fundamental for staff.

In fiscal 2013, we created a database for unified management of medical examination results to make it easy for employees to see those results over the years and confirm them online. Knowing one’s own condition is vital to early detection and treatment of illness. Up until now, it had been difficult for transferred employees to understand changes in values due to the testing facilities changing with each transfer. Creating one database makes it possible to confirm trends even when the testing facility has changed.

Also, employees whose results require attention to physical health can obtain secondary examinations through consultations with doctors via the company health plan. We began encouraging these secondary examinations through subsidies in fiscal 2012, and we also regularly post information recommending secondary examinations on the intranet so that employees are fully aware. We will continue to engage in these and a variety of other activities to improve the health of employees.



Health Checkups



Medical examination results database

Promoting Internal Communication

In fiscal 2013, we focused on manager training designed to nurture a corporate culture conducive to a lively workplace communication and dialog across rank or organizational boundaries. Participants in this training included 251 managers at section level and above.

In order to realize smooth communication between superiors and subordinates in a workplace, it is important that superiors shall develop trustful relationship with people around, trying to understand different way of thinking and feelings caused by the gap in the position and the generation. This training involves case studies by groups of trainees from

external instructors. Groups share their impressions of issues arising from a lack of communication or the generation gap at the workplace creating a broader sensitivity. Having gained an understanding of the gap between one’s actual state and one’s ideal state as a manager, the training imparts the skills necessary to getting closer to that ideal state. From fiscal 2014, we intend to expand training geared toward improving such communications among managers.

Also we have been promoting “Departmental Communication Activity” as a method to activate internal communications. This activity was started in 2012 to promote interactions among our employees at an environment different from their routine workplaces, and to strengthen the relationship among them. Accordingly, each business office and department have been participating to various events, such as sports events and summer festivals, and have been improving internal communications.

Voice We are working to ensure a pleasant workplace.

We nurture a climate aimed at a smooth mutual understanding irrespective of rank through open communication, building trust-based relationships amongst employees are important in creating a pleasant working environment. There are now greater efforts toward proactive improvement of communications at the workplace due to the reconfirmation of our ideal state through multi-faceted analysis and case studies in the manager training program that was conducted. We will continue with planned “brush-up” training by broadening our scope of the training.

We will also shore up our counseling support system for employees concerned about their career or mental well-being to move forward with improvements to create a pleasant workplace for employees.



Masato Ishida
 General Manager,
 Human Resources
 Department, General
 Affairs Headquarters



Workplace (Himeji Factory)

Responsibilities to Local Communities

As a Good Corporate Citizen

We actively contribute as a good corporate citizen to activities for the sound development of children of the next generation and community revitalization.

For details, please visit our website
Responsibilities to Local Communities
<http://www.glory-global.com/csr/stakeholder/community.html>
Forest Biodiversity Conservation
<http://www.glory-global.com/csr/environment/biodiversity.html>

Social Contribution through Our Own Technologies

We are also actively engaged in social contribution that makes use of our technologies and products.

In March 2014, we donated digital signage with sex-differentiating and age-estimating functions, which can provide appropriate tourist information after determining the sex and age of a person based on their screen image. At the request of the city of Himeji, we placed this digital signage using GLORY technology at the Himeji Tourist Information Desk in JR Himeji Station in 2012. Since the product has received such good reviews we hope it will be used continuously at Himeji Station.

In October 2013, at the request of Yamanashi Prefectural Election Administration Commission and Yamanashi Prefectural Association For Promoting Fair Elections we provided, through our distributor, a GTS-1000 Ballot sorter for use in the Fair Election Lesson conducted by those organizations at a junior high school in the Fujikawa town, Yamanashi Prefecture, to encourage voter awareness. This event consisted of a mock election where junior high school students learned the importance of voting and GLORY employees contributed to voting awareness by attending and providing product explanations.



Donate digital signage with sex-differentiating and age-estimating functions to the city of Himeji

Contributing to the Sound Development of Children

The GLORY Foundation for Elementary School Students, which was founded in 1995, plans and sponsors a number of events in the vicinity of headquarters that seek to nurture the sound development of children. Each year, in addition to the children's science fun activities in the Hands-on Science Class, the Children's Theater that cultivates rich aesthetic sentiments, and the Hands-on Class for Parents and Children so that families have opportunities to share a sense of wonder, we also offer *kendo*, tennis and English conversation classes.

In fiscal 2013, to celebrate the 20th anniversary of the start of the foundation we invited 1,600 children and their guardians to the Happy Dream Circus held in Himeji, Hyogo Prefecture, in January 2014. We also plan to hold special events celebrating the 20th anniversary of the foundation in fiscal 2014.

The Hands-on Science Class and Children's Theater are similarly held at the Saitama Factory, with many children participating.

Support for Social Contribution Worldwide

The GLORY Group operates business sites throughout the world, and in recognition of our duty to contribute to communities in each region we conduct a variety of activities.

Glory Global Solutions Ltd. loaned a Mach 9 coin counter for use in the Children in Need charity program run by the BBC. This charity program is broadcast once annually to raise money for organizations supporting sick, needy or unfortunate children. The Mach 9 is useful in sorting and counting the donated coins.

In Spain, we participated in a campaign donating used mobile phones to be sold with the proceeds going to charities supporting sick or starving children. This campaign not only contributed to society but also helped reduce the environmental impact through recycling.

We also donated to organizations supporting the physically challenged in India, and donated 150 USB mice for use in IT education in Kenya.

In December, Glory Global Solutions Ltd., GLORY LTD. and GLORY (PHILIPPINES), INC. teamed up to donate to the British Red Cross to help with rebuilding and assisting victims of Typhoon Haiyan which caused great devastation.

Voice I am honored that our products are useful to charities.

We have been loaning coin counters to the well-known British charity Children in Need since 2004. I am proud that we are able to contribute our products to this worthy cause. I hope we will continue to do so.

Sarah Tetlow-Statham

Contract Administration
Glory Global Solutions Ltd.



Coin counter used for a charity event



Hot-air balloon ride at the "Hands-on Class for Parents and Children"



"Hands-on Science Class" to learn fun of science through assembling robots



Education on voting at a junior high school in Yamanashi Prefecture

Forest Biodiversity Conservation Efforts

We began forest biodiversity conservation efforts in the GLORY Yumesaki Forest located in Himeji, Hyogo Prefecture, in fiscal 2011. Under the guidance of specialists, the participants thinned the forest and planted saplings, as well as conducting botanical surveys.

In fiscal 2013, after thinning the cypress stands, participants planted 20 oak and other broadleaf saplings. Saplings grown in Hyogo Prefecture were used, taking into consideration the preservation of the species. A bench was made from thinned cypress and placed on the Group company grounds for use by the children at the neighboring nursery school.

In autumn of 2013 we held the Kids' Nature Workshop event which included 61 participants made up of employees and their families. The children learned how interesting nature and the forest are by handcrafting with pinecones and pine branches, as well as taking walks in the village forests.

We conducted botanical surveys of the plant types and their status to confirm the transition in plant life caused by our forest conservation efforts. The fourth survey was conducted in July 2013, and we found that as a result of the thinning of the evergreens more light was able to reach the forest floor. This led to an increase from 28 to 53 grass species since the 2010 survey, demonstrating that our efforts are useful in improving biodiversity. Botanical surveys up to now have confirmed existence of 235 plant species from 75 families.



Launch of Environmental Conservation Efforts in the Eastern Japan

We launched volunteer conservation efforts for the woods and wetlands around the Eastern Japan business sites in fiscal 2013.

In April, 26 employees from five business sites took part in cypress planting for the Cypress Economic Forest Project sponsored by the Laboratory of Earth Conscious Life, an NPO. Eight participants from the Tokyo Office and the Saitama Factory also participated in forest conservation efforts in Tomi, Nagano Prefecture, sponsored by the same NPO.

In October, 41 employees from GLORY and Group companies together with their families took part in a cleanup of the waters edge in the western section of Tokyo Kasai Kaihin Park, with the goal of conserving the ecology of Tokyo Bay.

Voice Participating in cleanups makes me feel happy.

I took part with my family in the cleanup of Tokyo Kasai Kaihin Park. I had only just been transferred to Tokyo Office, so it gave me a chance to get to know the Tokyo employees a little better and also for my family to familiarize themselves with the Tokyo environment. My two little daughters acted like they were finding treasure when they found trash and we had a fun trash pick-up competition. I realized that children are equipped with the ability to have fun doing anything.

When I took a look at the park we had cleaned up by collecting trash, I had a feeling of accomplishment and sensed that I had also cleaned up my own heart. I had heard that

“picking up trash is picking up happiness.” My family would like to participate in any future cleanup events.



Makoto Kitara
Intellectual
Property Department

Environmental Responsibilities

Contributing to a Prosperous Future

The GLORY Environmental Vision aims at developing a sustainable society, and calls for engaging in environmental conservation based on three concepts: “awareness,” “products” and “business.”

For details, please visit our website
<http://www.glory-global.com/csr/environment/index.html>

The GLORY Environmental Vision



To promote the reduction of environmental load and the preservation of natural resources on a global scale, we will contribute to “a solid future” for the global environment.

Improving Awareness of the Path toward Realizing Our Environmental Vision

The GLORY Group established our Environmental Vision in fiscal 2010 based on three concepts: “awareness,” “products,” and “business.” In 2012, we established the 2014 Medium-Term Environmental Targets as our three-year plan based upon our vision, and we are working toward these targets.

We are also engaged in environmental education so that our employees will have a high level awareness of our vision and medium-term targets in conducting environmental conservation efforts.

In 2013, we launched our e-learning platform enabling 4,625 employees from across GLORY and Group companies to benefit from this educational tool.

Also, in addition to existing environmental design training for new technical employees, we are conducting practitioner training for young, key technical employees. The needs of the participants in this training are solicited by a questionnaire beforehand so that the topics the participants wish to learn about, such as energy conservation design examples from within and outside the Company, can be reflected in the training.

<BK-200> Security Storage System



GLORY began marketing the BK-200, a security storage system for use by financial institutions in storing items such as cash, passbooks, bonds, securities, keys and seals in February 2013. Energy-efficient parts were actively adopted for use in this unit at the development

Power consumption
28% reduction
 (compared to the previous model)

stage, resulting in a broad improvement of 28% greater energy efficiency than the earlier model. In addition, the touch panel has been granted Color Universal Design Certification by an NPO, Color Universal Design Organization for considerations in design made for those with varying degrees of color perception.

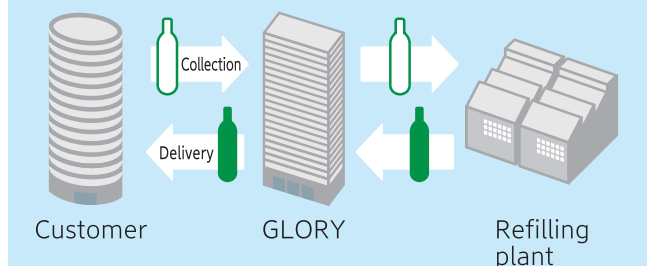
Product Development to Resolve Environmental Issues

The GLORY Group is engaging in the development of environmentally friendly products with reduced environmental impact throughout the product lifecycle. GLORY has set a long-term goal of a 30% reduction in CO₂ emissions compared to 2005 by products during use. We are also working to reduce the environmental impact of product servicing.

The Recycle Jet compressed gas duster that went on sale in November 2011 is an example of an environmentally friendly product. Many of the compressed gas dusters used by customers employ CFC alternatives that have global warming values of potentially 3,000x or greater than CO₂ and are throwaway items. In response GLORY developed a duster that uses compressed CO₂ collected as an industrial by-product and also has a detachable cylinder that can be reused, resulting in a product that contributes to preventing global warming and reduces waste. All technical staff used the prototypes at the development stage and improvements based on their opinions were deployed to ensure the product was made to be more user-friendly.

The used cylinders are collected by technical staff and sent to the CO₂ gas refilling plant, contributing to the recycling society. There is no other refillable compressed gas duster like it and by the end of fiscal 2013 it had reduced CO₂ emissions by around 17,000 tons, contributing to the prevention of global warming.

Used Cylinder Collection Cycle



Voice

We take the customer perspective in aiming to provide services that combine ease of use with environmental conservation.

The Recycle Jet is a compressed air duster with refillable cylinders that are collected from customers by technical staff. A detailed system of collection procedures and refill timings has been established for stable cylinder provisions and an infrastructure is in place for a reliable service. The technical staff can provide explanations of Recycle Jet use and cleaning methods to customers, and also distribute a User Manual (Daily Care) containing a cleaning guide. These efforts have resulted in the merits of the Recycle Jet becoming well-known, with the product being used by customers at more than 10,000 stores nationwide.

I would like to work together with all technical staff to promote the introduction of further significant efforts to prevent global warming.

CO₂ reduction effect
 Approximately
17,000 tons-CO₂
 (as of March 31, 2014)



Detachable cylinder

Main unit
 Recycle Jet

Kazunori Ishihara

Manager,
 Maintenance Sales Department,
 Management Division,
 Service Headquarters



Environmental design training for new employees





Promoting Energy and Resource Conservation throughout the Group

GLORY has engaged in a variety of efforts toward the Group's goals of global warming prevention, chemical substance controls and reduction, and effective use of resources.

In addition to renewing highly efficient manufacturing equipment and boosting efficiency, we have switched to LED lighting within our offices. As a result, our energy consumption volume (absolute value) was 7.8% lower than in 2009, thereby

achieving the reduction requirements established under the Rational Use of Energy law. In addition, we proceeded with a modal shift in transport by switching from truck to rail, reducing CO₂ emissions in fiscal 2013 by 9 tons compared to truck transport.

We have switched to a hot runner* injection molding method at the Himeji Factory to reduce materials loss when manufacturing plastic parts. This has resulted in a reduction in plastic materials of around 2 tons in fiscal 2013.

* Hot runner: A system for injecting molten plastic into a mold via a channel (runner), so materials do not harden and only the finished product is removed from the mold. This technology delivers efficient use of the plastic in the runner.

Voice We have reduced effluent from coating processes by 10 tons through close water management.

The GLORY Products Ltd. Fukusaki Factory reduced the volume of effluent by about 10 tons in fiscal 2013 through the use of recirculating facility for the solvent cleaning fluid used in the coating processes. Recirculating facility constantly keeps around 80 tons of circulating water which has been reduced to around 70 tons through regular cleaning. The discharge pump can be damaged if the fluid volume drops below the standard level, so close monitoring of the fluid is required.

Solvent coating uses chemical products such as pre-treating chemicals and coatings and organic solvents, making this a high-environmental-impact process due to the emissions of industrial sludge derived from circulating fluid and coating. We will work to minimize the impact by switching to low-impact chemicals, reusing cleanser and reducing organic solvent use.

Masahiro Kimura

Parts Production Department No. 1,
Parts Production Division,
GLORY Products Ltd.



Expert Advice

GLORY LTD. has established CSR as one of the fundamental policies of its Long-Range Vision 2018, and the Company has made particularly notable progress over the past year by engaging in highly commendable efforts, including the formation of a CSR Committee attended by top management, the signing of the UN Global Compact, and the promotion of EICC-compliant CSR Procurement. Steady progress in such efforts should be a major future goal. For example, the Company can use questionnaire surveys of suppliers to ascertain the extent to which management systems are actively in use, which could be expected to lead to even more fruitful efforts.

GLORY is a global company that does business in more than 100 countries. I would like to point out a few issues related to continued Group global growth.

First, there is the transition to key performance indicators (KPIs) for action plans. The setting of KPIs is significant in terms of informing stakeholders about the company's CSR goals and the progress made toward them so far, as well as in the creation of a structure for administering the PDCA cycle.

Second, the Company's good activities in Japan should be extended globally. For example, this report discusses support for employee health management. Not only is the rate of health examinations high, but the report also notes that the Company partially subsidizes the cost of follow-up examinations. While such efforts are modest, they are beneficial to the Company because support for employee health reduces the absentee rate and helps minimize long-term health insurance premium costs. Such good efforts should certainly be extended beyond Japan to the global Group. These efforts honor the pledge in the Corporate Philosophy to "contribute to a secure society."

Third is the development of products using technology to meet social needs from the multistakeholder perspective. CSR is not something engaged in by the CSR Unit alone. Efforts initiated by the business units are significant. The business units tend to focus their awareness on the customers directly before them. Nevertheless, multistakeholder awareness is indispensable to sustaining business. The role of the CSR Unit is to foster awareness so that the multistakeholder perspective is included when business plans are drawn up. Fortunately, we have GLORY's development of the Portable Handy Banknote Reader as an example of success. The Portable Handy Banknote Reader was developed to aid the visually-impaired in discriminating among currency denominations, and is GLORY's first device for consumer use. It is a good example of a product that takes the stakeholder perspective into consideration. I hope GLORY will broaden such efforts, and build its position as a company at the forefront of CSR.

Response to the Expert Advice

We are very grateful to receive the opinion of Mr. Ogawa, who is active in the activation of organizations through CSR, concerning this fiscal year.

The GLORY Group has been making progress in "social contribution through business" since fiscal 2013. We appreciate the advice from Mr. Ogawa concerning how to develop our CSR activities and achieve significance in them. In regard to the KPI noted by Mr. Ogawa, we are aware of the need to evaluate the activities of the Group appropriately so as to achieve our ideal state. We are engaged in establishing a quantitative evaluation index based on international guidelines such as the UN Global Compact and ISO 26000, and we are also developing solutions with an eye toward resolving issues faced by the international community.

Our Group will continue to develop business while always considering what we can do for our stakeholders and remaining receptive to values diversity as we strive to contribute to the development of a secure society.



Mitsuo Ogawa

President
Craig Consulting Ltd.

Profile

Went independent after working at think tanks and foreign consulting companies. Specialist in organizational theory and activation of organizations. Experienced in M&A, strategic business planning and human resources development in addition to CSR consulting. Publications include "ISO 26000 Is Changing In This Way" and "How To Improve CSR Enterprise Value" (also issued by Nikkei Publishing Inc.).



Motozumi Miwa

Director &
Managing Executive Officer
GLORY LTD.