

1-3-1 Shimoteno, Himeji, Hyogo 670-8567, Japan
Phone: +81-79-297-3131
Fax: +81-79-294-6233
<http://www.glory-global.com>

For further information:
VI/CSR Group, Public Relations Department,
General Affairs Headquarters
 Phone: +81-79-294-6317 Fax: +81-79-299-6292



Printed with 100% vegetable-based soy ink using a waterless printing process.



GLORY CSR Report 2015

We Secure the Future



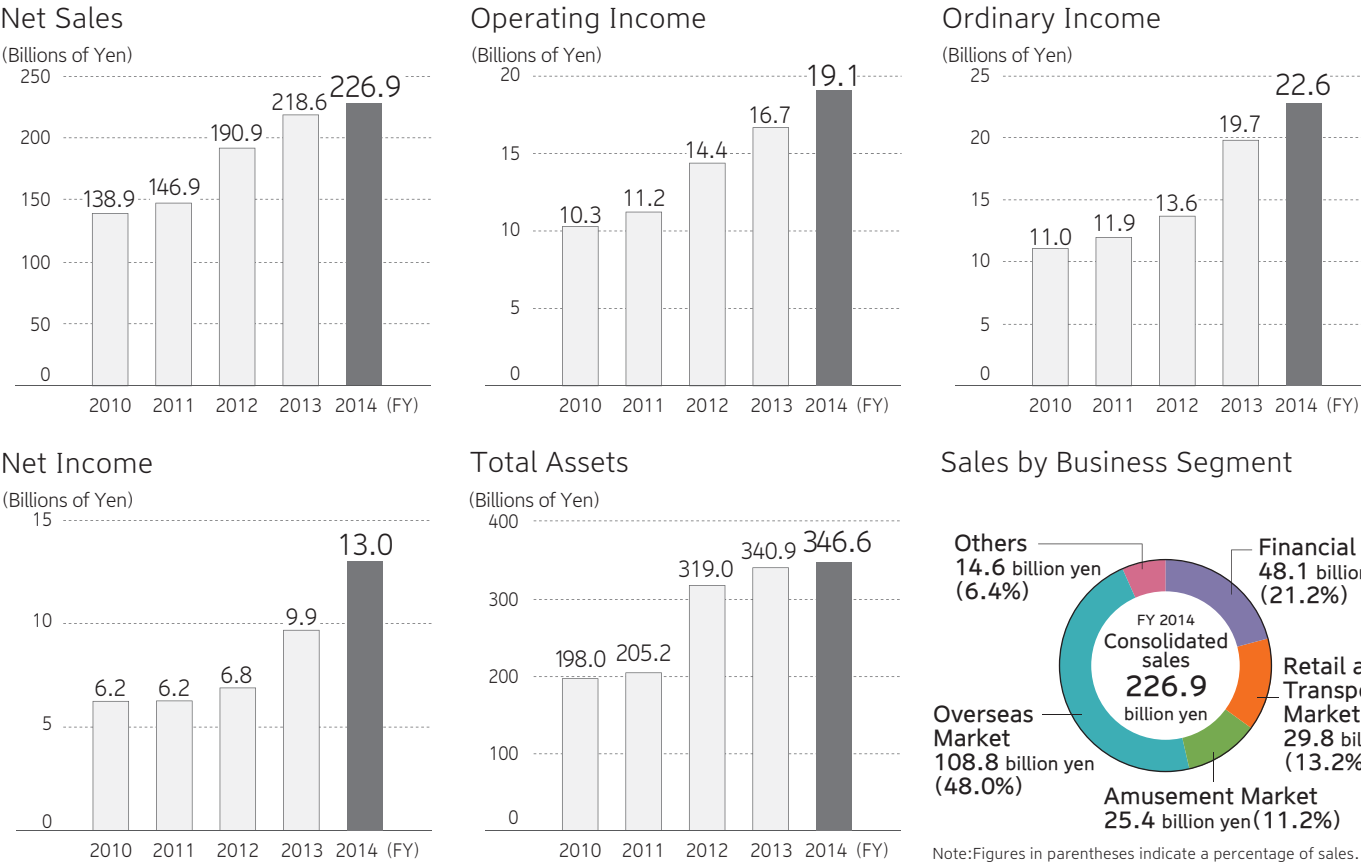
GLORY at a Glance

Corporate Name	／ GLORY LTD.	Stock Listings	／ Tokyo Stock Exchange (1st Section)
Founded	／ March 1918	Number of Employees	／ 3,262 (Group: 9,008) (as of March 31, 2015)
Incorporated	／ November 1944	Line of Business	／ Development, manufacturing, sales and maintenance of money handling machines, peripheral devices with data processing equipment, vending machines, card systems, automatic service equipment, etc.
Capital	／ ¥12,892,947,600		

Business Segment

Financial Market	Retail and Transportation Market	Amusement Market	Overseas Market	Others
 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	 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	 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	 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 and check deposit modules for ATMs, banknote counters, coin and banknote recyclers, coin wrappers.	 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 units for horse race ticket vending machines, medical payment kiosks, RFID self-checkout systems for cafeterias, ballot sorters for handwritten ballots

Financial Data (Consolidated)

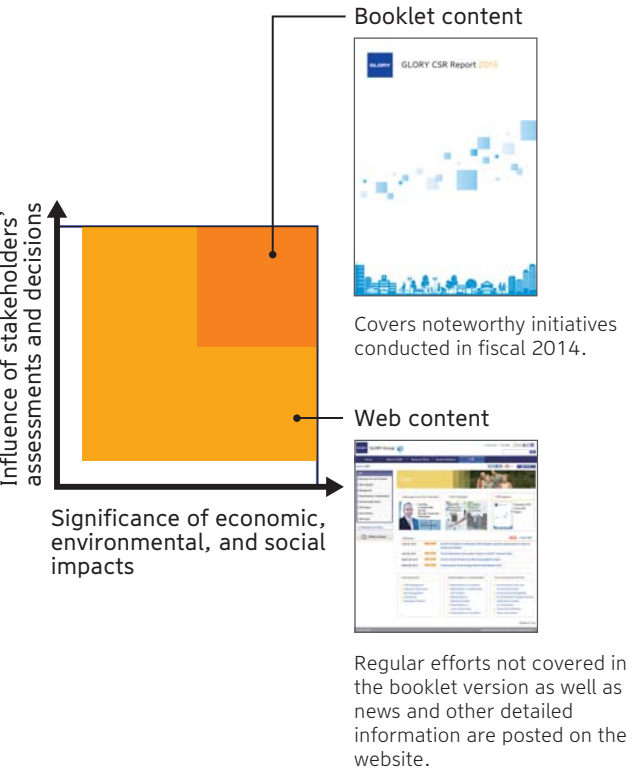


Editorial Policy

This CSR report covers the corporate social responsibility (CSR) initiatives of GLORY LTD. and certain GLORY Group companies.

As a special report in CSR Report 2015, we introduce GLORY Group solutions to issues surrounding markets related to Japanese financial institutions and global currencies. We also report on fiscal 2014 efforts of special note concerning customers, shareholders and investors, business partners, employees, local communities and the environment.

Further details 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 19–20) covers the ISO 14001–certified offices of GLORY LTD. and GLORY Group companies.
- Reporting Period**
This report covers fiscal 2014 (April 1, 2014–March 31, 2015). (In some instances reporting on items occurring in or after April 2015 is included.)
- Publication Date**
August 2015
- Reference Guideline**
Global Reporting Initiative (GRI)
Sustainability Reporting Guideline G3.1

Table of Contents

Message from the President	3
	
■ Special Report 1	5
 Meeting Financial Institution Needs for Efficiency and Accuracy	
■ Special Report 2	7
 Contributing to the Creation of Secure Societies Around the World	
■ Responsibility to Customers	9
	
■ Responsibility to Shareholders and Investors	11
	
■ Responsibility to Business Partners.....	12
	
■ Responsibility to Employees	13
	
■ Responsibility to Local Communities	15
	
■ Environmental Responsibility	19
	
Management	21
Third-Party Opinion	22

Contributing to the Creation of a Sustainable Society through Business Practices Based on Our Corporate Philosophy



Corporate Philosophy	We will contribute to the development of a more secure society through a striving spirit and co-operative efforts.
Management Creed	<ul style="list-style-type: none">•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.

We believe that all of GLORY’s efforts must lead to the creation of a better society and environment. The core of this way of thinking is the corporate philosophy we have maintained since our founding in 1918.

While the environment surrounding us is ever-changing, no matter how the times have changed GLORY’s approach to business has always meant striving to meet the needs of customers and society with an unyielding spirit and making the impossible possible. Through products and services, such as money handling machines, which are of high social importance, we are able to respond to customers’ needs for efficiency and accuracy in their business operations and thereby contribute to the development of a safe and secure society. In other words, fulfilling the mission set forth in our corporate philosophy is our CSR.

Start of the “2017 Medium-Term Management Plan”

In anticipation of our centennial in 2018, the Group in 2012 formulated the Long-Range Vision 2018 aimed at seeking sustained corporate growth together with society through CSR activities.

We completed the first step towards realizing the Long-Range Vision during the 2014 Medium-Term Management Plan with the acquisition of Talaris Topco Limited, which has significantly accelerated global development. The final step will attempt to further expand the business and strengthen our business base under

the 2017 Medium-Term Management Plan. Our employees will unite to promote CSR activities enabling each employee to contribute to social development through their individual roles and practical application of the corporate philosophy to achieve ongoing growth in global companies.



Toward the Building of a Sustainable Society

In March 2014, we signed the United Nations Global Compact and make every effort to comply with its 10 principles covering four areas: human rights, labour, the environment and anti-corruption. We believe these 10 principles share the same values as the GLORY’s Corporate Action Guidelines. Going forward, we will promote sincere initiatives aimed at resolving issues faced by the international community as a good corporate citizen.

GLORY will continue to engage in management practices grounded in our corporate philosophy and obligation to fulfill our social responsibility to contribute to creating a sustainable society as a corporate group trusted by its stakeholders.

Hirokazu Onoe
President, GLORY LTD.
August 2015

Hirokazu Onoe.

2017 Medium-Term Management Plan

Basic Policy	Realize business growth through “customer-oriented superb manufacturing”and enhance profitability to achieve the Long-Range Vision 2018		
Basic Strategy	Business Strategy	Constitutional Strategy	Corporate Management Strategy
	Enhance profitability by expanding business size/area	Provide timely products and services meeting market needs	Reinforce group management infrastructure
Focus	<div>Domestic Business</div> <div>Overseas Business</div>	<div>Product Development</div> <div>Production/Procurement</div> <div>Quality Assurance</div>	<div>Group Governance</div> <div>Human Resources</div> <div>Capital/Financing</div> <div>Information System</div>

Meeting Financial Institution Needs for Efficiency and Accuracy

In November 2014, we launched sales of WAVE Pro, a new open teller system incorporating functionality previously unavailable in the industry.

This open teller system, our core product, enables bank counter and sales staff at financial institutions to complete cash deposits and withdrawals on their own rather than through tellers, significantly increasing the efficiency and accuracy management of these transactions.

At present, this product is installed in approximately 14,000 financial institutions in Japan.

Open Teller System < WAVE Pro >

The development of WAVE Pro, now in its fifth generation, is focused on the concepts of eliminating human teller operations, eradicating system downtime and improving risk management. This contributes to minimizing the time required to process cash deposits and withdrawals.

WAVE Pro



Realizing Further Efficiencies and Enhanced Risk Management

The demand at financial institutions in recent years has been that the number of clerical workers at branches shall be minimized, and the staff generated accordingly shall be transferred to sales operations, under the conditions that “increase of profitability” is becoming a more important business issue than ever before.

WAVE Pro has an optical image processing capability that creates a digital image of damaged banknotes and coins, currencies no longer in circulation and commemorative coins that up to now were managed by hand. The open teller system enables balancing management treated the same as cash. Optical character reading (OCR) technology is used to manage drafts and checks with automatic reading and sorting functions that reduce time required for confirmation, tabulation

and other processes.

In addition, WAVE Pro is equipped with a newly designed currency transport mechanism that prevents the notes from becoming tainted and realizes the industry’s first automatic verification for the balance of new clean banknotes, eliminating the need to count cash manually and reducing the workload.

These functions enable the unified management of cash, realizing a significant reduction in daily cash balancing time, as well as preventing mistakes that occur when handling cash and strengthening risk management.

GLORY contributes to the resolution of issues at financial institutions by minimizing the time required for administrative processing and nearly eliminating human teller operations altogether.



Depositing commemorative coin Optically processed image of check

Environmental Contributions
GLORY’s WAVE Pro is certified as a G-eco product, our proprietary evaluation criteria. CO2 emissions during the operation have been reduced by 30% compared to conventional models.



Voice Conducting User Tests to Make Significant Leaps Forward in Operability

It is important that our products can be used by the staff of financial institutions with ease and peace of mind. Incorporating opinions received during user tests, we changed the internal structure so that banknotes could be easily removed from the unit. Furthermore, we added animation to recovery guidance for the case when errors occur, significantly improving operability compared to conventional models.

Satoko Yamashita
Product Planning Department 3, Product Planning Division,
Domestic Business Headquarters





Contributing to the Creation of Secure Societies Around the World

The GLORY Group contributes to creating secure societies around the world through providing the best products and solutions to various currency-related issues.

Developing Sales and Service Networks in Over 100 Countries Worldwide

The GLORY Group business has expanded to more than 100 countries worldwide. Currency-related issues and functional demands vary widely by region. The GLORY Group provides products and solutions meeting local needs and supports customers with extensive maintenance services.



RBG-200 increasing teller efficiency



RBG-100 for processing by customers

Providing Highly Reliable Added-Value Products

The GLORY Group promotes regional strategies based on thorough market analysis, providing high value-added products and solutions aimed at resolving customer issues around the world.

Automated Tellers Assistance

In recent years, demand for automating cash handling operations has been increasing among financial institutions in developing countries in order to realize efficient and accuracy operations.

With the aim of further increasing customer satisfaction, a major Indonesian bank has sought to reduce persistently long customer waiting times through the use of GLORY's RBG-100 banknote recycling machine. Compact in size, the RBG-100 can count 10 banknotes per second. The introduction of this product has resulted in a 30% reduction of customer waiting time.

In addition, the USF-50 series banknote sorting machine is equipped with a function to read and record serial numbers of banknotes. The sophisticated authenticating capability of this machine, which includes the said function, makes it possible to remove a number of counterfeit banknotes, contributing to increasing the credibility of currencies circulated in developing countries.

Proposing Solutions in Line with Market Needs

In France, amid the adoption of ATMs and other self-service machines, financial institutions seek to strengthen contact with customers by reducing tellers' workload for handling cash as much as possible. Many banks have already introduced teller cash dispensers but as banknotes run out the machines need to be refilled with cash, which requires safes to be opened and closed, raising security issues. In response, GLORY created the RBG-200 banknote recycling machine, which enables the use of deposited banknotes for immediate withdrawal. In addition to eliminating the workload of tellers, this machine also offers improvements in security.

In the United States, where theft countermeasures are particularly in demand, we increased the thickness of the money handling machine cabinet and made it more robust to increase security. Furthermore, we contribute to customer convenience by providing substantial support through our expanded service network adequate for such a large country.

Voice

Listening to Customers to Provide Optimal Solutions

To provide optimal products and solutions that meet customer needs, it is important to build relationships of trust with customers on a daily basis. To this end, we make a sincere effort to listen to customers and engage in proactive communication.

In March 2014, the "Customer Briefing Centre", a new showroom in France, was opened. Many customers are invited to hear proposals focused on high-value-added products and new solutions.

Jean-Michel Dufour
Glory Global Solutions
(France) S.A.S.



Responsibility to Customers

The GLORY Group strives to develop products and solutions while enhancing its manufacturing function and quality assurance in line with the basic policy of creating new value through “superb manufacturing techniques” and pursuing dreams for the future as stated in the Long-Range Vision. We also provide products and services that contribute to the creation of a secure society, making use of our core technologies in the fields of mechatronics, recognition/identification.

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

Realizing Improved Convenience with the Application of Recognition/Identification Technologies

Since developing Japan’s first coin counter in 1950, the GLORY Group has developed our core technologies in the fields of mechatronics, recognition/identification through developing money handling machines. We will continue providing new products and services that contribute to resolving issues in diversifying market, making use of these technologies.

Ballot Sorting Machine Applications

The GTS Series of ballot sorting machines, which are used to count votes in an election, are products that make use of technologies cultivated in GLORY’s development of money handling machines.

Japanese elections use ballots on which voters hand write the name of their selected candidate. In elections of recent years, it has been mandatory to count all ballots the same day of voting to show the results of each election very rapidly. Under the circumstance, each local government is obliged to assign a number of their staff for overnight ballot counting on holidays, bringing the issue of generating substantial increase of overtime work. GLORY developed the industry’s first ballot sorting machine in 1996, which automatically read the ballots used for a national review of Supreme Court judges. Since then, GLORY has enhanced this machine’s functionality to speed up ballot counting and reduce the number of staff required. GLORY’s core recognition/identification technology enables accurate determination of handwritten characters and symbols, while its mechatronics technology facilitates rapid ballot sorting and counting.

The GTS-1000, which went on sale in 2012, is the first model in the industry equipped with a function that automatically orients ballots in the same direction (up/down, front/back), further reducing the time and labor required to count ballots. This function makes use of technologies established through the development of banknote sorting machines for overseas markets.

GTS-1000 ballot sorting machine



Realizing Faster, Less Labor-Intensive Ballot Counting

In December 2014, a Lower House general election was held. With only 23 days from dissolution to vote, this was one of the most extraordinarily quick elections in recent years. In response, GLORY quickly established a Lower House Election Campaign Task Force and introduced this product in each municipality to support ballot counting.



GTS Series in use at a ballot-counting office



GLORY employees installing GST series machine at ballot-counting office

Creating Databases for Each Electoral District

When elections are held, not only do we provide products to electoral districts, but we also create a database consisting of candidate and political party names before the election. Assuming candidate names will be written in a variety of ways on ballots, the Election Campaign Task Force creates a database containing candidate names as written on their party registration and family register. Names are also entered in patterns using hiragana, kanji and katakana syllabic writing. Deploying databases and machines in electoral districts facilitates faster and more accurate sorting of ballots by candidate name and political party.

Additionally, the GTS-1000 increases ballot counting accuracy as it is equipped with a function to sort out faulty ballots in the event of unnecessary markings on the front or back of a ballot.



Lower House Election Campaign Task Force

Supporting Smooth Operations on Ballot-Counting Day

The day of the election, December 14, 2014, a total of 714 GLORY employees were dispatched to 316 electoral districts to adjust ballot sorting machines, which had been installed beforehand, in order to assure smooth, trouble-free counting and sorting operations.

Going forward, we will contribute to ballot counting through even greater reductions in labor and more quick and accurate ballot counting.



Carefully confirming that candidate names are correct



Using ballot-sorting machine to confirm that all name patterns are sorted correctly

Voice

Improvements Ensuring Trouble-Free Operations

The decision to hold a Lower House general election was sudden, demanding an extremely rapid response. A schedule leading up to election day was created, and all of our branches and offices across Japan were provided with election support instructions to create candidate name databases and confirm operations.

Missing deadlines for finishing ballot counting or producing counting or sorting errors were unacceptable. We therefore continually made improvements, such as by creating manuals for trouble-free operations.

Masatoshi Tanaka (left) and Junya Inagaki (right)

Sales Department 3, Retail Market Sales Division, Domestic Business Headquarters



Responsibility to Shareholder and Investors

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

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

Valuing Dialogues with Shareholders and Investors

GLORY proactively creates opportunities for dialogue with all of its shareholders and investors to facilitate a deeper understanding of our entire GLORY Group.

Conducting Tours of Saitama Factory for Shareholders

In addition to efforts aimed at providing our shareholders with easy-to-understand explanations of reporting and voting matters using video and other media at our shareholder's meeting, we usually conduct showroom and factory tours at our headquarters in Himeji, Hyogo Prefecture, with the aim of deepening understanding about the GLORY



Showroom tour after shareholder's meeting



Saitama Factory tour for shareholders

Group.

In fiscal 2014, we provided shareholders with the opportunity to tour a business office other than the headquarters. The tour was conducted at the Saitama Factory with 112 shareholders in attendance. After providing overviews of the Saitama factory, the tour group observed a production line where the humanoid robot "NEXTAGE" had been introduced. Participants even had time to experience assembly work in the "practice cram school," an employee skills training area. After the tour, participants asked questions about the factory and engaged in a lively Q&A regarding GLORY Group global developments and shareholder returns. Tour participants shared their opinions and impressions, noting "I felt the power of manufacturing" and "I am now aware more than ever of the high quality of Japanese products."

Proactive Disclosure to Investors

For institutional investors, we regularly hold meetings and investor conferences to explain our financial results. We also hold company information sessions and IR events for individual investors and make efforts to deepen understanding of the GLORY Group business activities through information posted on our corporate website.



Financial results briefing for institutional investors

Responsibility to Business Partners

In recent years, we have focused on the integration of CSR within the supply chain. GLORY aims to establish relationships of trust and mutual development with its business partners through its response to social trends and fair and open business transactions that comply with related laws and regulations.

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



Procuring parts through repeated meetings



Suppliers Conference

Strengthening Partnerships through Fair and Transparent Business Transactions

The GLORY Group considers its suppliers to be integral partners for ensuring stable production of high quality products and is attempting to enhance cooperative structures through dialogues and interactions with suppliers based on fair and transparent business transactions.

Development of Procurement Personnel

Each year, the GLORY Group provides lectures on the Subcontract Act to our employees concerned for them to strictly comply with the Act. In fiscal 2014, 11 employees from the Purchasing Department participated in training aimed at enhancing their basic awareness as buyers and deepening their understanding of related laws. In fiscal 2015, we will enhance efforts to ensure scrupulously fair business transactions by making this training a requirement for all employees engaged in procurement-related duties.

Confirming Status of Business Partner CSR Initiatives

In March 2014, we issued the "GLORY CSR Procurement Guidebook" of GLORY to clarify requests made of suppliers concerning our basic CSR position, human rights, labour, safety and health, and the environment. These guidelines also request cooperation on surveys related to disputed minerals. We also created a "CSR Self Check Sheets" to confirm supplier CSR activities, which was completed by all primary suppliers in fiscal 2014. In fiscal 2015, we will provide feedback on the results of the check sheet.

Going forward, the GLORY Group plans to continue integrating CSR into the supply chain.

Voice

Placing Importance on Dialogue with Business Partners

Supply chain management conditions throughout the world change on a daily basis. To respond to these changes and build partnerships based on trusting relationships with suppliers, we focus on the degree to which CSR is understood and the level of CSR engagement. Furthermore, we actively listen to proposals from our suppliers and widely publish information related to annual business and purchase planning and strategies involving our suppliers.

Hirofumi Miyamoto

General Manager, Purchasing Procurement Department,
Purchasing Division, Production Headquarters



Responsibility to Employees

The GLORY Group's 2014 Medium-Term Management Plan's personnel strategy calls for the "Implement dynamic personnel management systems" and the "Develop and utilize human resources (such as building a diverse workforce)" to ensure our diverse employees maintain healthy minds, bodies and attitudes and approach work with enthusiasm.

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

Aiming for A Meaningful Workplace Environment

GLORY strives to ensure the systematic development of management candidates through the formulation and promotion of succession plans based on the Medium-Term Management Plan's personnel strategy, as well as employee participation in adult graduate student programs and management brush-up training. We are also engaged in the development of a variety of policies aimed at promoting the active participation of a diverse range of employees and the expansion of our employment extension system.

Employee Awareness Survey

To create a workplace atmosphere employees can thrive in and to realize a more active organizational structure, we need to ascertain issues affecting the Group and visualize employee motivation and workplace conditions. Up to now, we have conducted awareness surveys related to compliance and surveys comparing each department, but we have not created a mechanism for resolving issues related to specific departments.

To address this issue, in fiscal 2014 we conducted a cross-sectional employee awareness survey targeting executive officers, employees and

senior employees to understand (1) motivation status, (2) awareness regarding compliance, including harassment conditions and (3) the understanding and penetration of CSR activities. As a result, survey averages and comparisons revealed high levels with respect to future growth potential and degree to which our products contribute to corporate stability and society; on the other hand, we also uncovered issues with respect to work mannerisms, employees' sense of responsibility and human resource development.

In light of these results, in fiscal 2015 we are considering (1) a review of work duty and human resource allocation, (2) a review of policies related to human resource development, including from a human resource system operational standpoint, (3) enhancing policies that support the active involvement of employees regardless of nationality, gender or age (4) policies aimed at inculcating management plans and our corporate philosophy through divisional management. We plan on conducting employee awareness surveys every three years and incorporating the results in the formulation of future Medium-Term Management Plans.



Product development meeting

Promoting Diversity

Creating Environments Where Senior Employees Have an Active Role

GLORY is engaged in the creation of workplace environments enabling employees to maximize their skills and careers regardless of nationality, gender or age.

In Japan, we established a system for extended employment based on the Act on Stabilization of Employment of Elderly Persons and continue to make active use of senior employees after they reach the retirement age of 60. In principle, senior employees are engaged in the same work as when they retired in an attempt to make effective use of their skills, experience and knowledge.

The number of senior employees grew from 55 in April 2013, to 83 in April 2014 and 110 in April 2015.



Coaching young staff

Life-Career Plan Training in Japan

Since fiscal 2008, GLORY has conducted life-career plan training for employees aged 50 years or older to enable employees to continue working and developing. Participants in this training reflect on their career so far and consider how they can make the most of the next 10 or so years until retirement through discussions and group work. We are working to improve the training by offering a curriculum useful to participants, including an explanation of the post-retirement employment extension system and lectures on money management.

In fiscal 2014, 65 employees participated in the training, during which they reviewed their specialties, values, experience and skills while drawing up plans for the future of their career.



Introducing new product at showroom

Voice

I Want to Transfer My Experience and Expertise to Younger Employees

Since joining the Company, I have mainly been involved in product trials and have experience ranging from parts procurement to production. In recent years, I have been responsible for sheet metal bending within the trial process, which I have continued to engage in since retirement.

In the trial production, products must be manufactured quickly with limits on budget and materials, thus ideas and experience become extremely important factors. I make an effort to conduct my daily work duties while sharing experience and expertise I have accumulated over the years with more junior members of staff.

Minoru Wada

Parts Production Department, Himeji Factory, Production Headquarters



Responsibility to Local Communities

The GLORY Group conducts social contribution activities in light of the needs in each area aimed at regional promotion and development as a responsible corporate citizen.

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

Global Social Contribution Activities

Cosponsorship of the World Heritage Himeji Castle Marathon 2015

The GLORY Group headquarters is located in Himeji, Hyogo Prefecture, which is also home to the Himeji castle, a UNESCO World Cultural Heritage Site. Since 2009, preservation and maintenance activities have been conducted at Himeji Castle's Daitenshu castle tower to repair its plaster walls, eaves and sunshades. Daitenshu was eventually reopened on March 27, 2015.

Prior to this, GLORY cosponsored the World Heritage Himeji Castle Marathon held in February 2015.

Despite the light rain, approximately 50 employees volunteered to support the event as track officials and staff providing water to support the nearly 6,000 runners participating in the marathon.

A number of GLORY employees also ran in the marathon with a feeling of gratitude towards local people for their support as they ran through the castle town of Himeji.



Himeji Castle, a World Cultural Heritage Site



Marathon starting line



Employee volunteers providing runners with drinks



Employees participating in the marathon as runners

Voice Interacting with Local Citizens through Volunteering

We applied for volunteers to cheer on the runners and the local community. Providing support as race officials ensuring marathon route safety for the runners, we had a valuable experience of interacting with other volunteers and the local community. Going forward, GLORY will proactively encourage volunteer activities aimed at deepening bonds with the local community.

Ayako Kanno
 Management
 Planning Department

Nao Takegawa
 Human Resources
 Department,
 General Affairs
 Headquarters



Donating to NGO Supporting Children

In fiscal 2014, Glory Global Solutions Ltd. donated to "SOS CHILDREN'S VILLAGES INTERNATIONAL", an NGO that protects children's human rights and supports children and their families across the globe. The selection of organizations as recipients of this donation involved in-house solicitation for candidates and decision-making based on rigorous due diligence.

Funds were donated to the town of Chipata, the capital of the Eastern Province of the Republic of Zambia, where they will be used to support infants, people infected with AIDS and medical care for pregnant women.



Voice Providing Safe Environment and Education to Children

As all children throughout the world deserve a safe environment and education, the activities of SOS CHILDREN'S VILLAGES have made a deep impression for quite some time. We are proud that an NGO recommended by us was selected as the recipient of the donation.

Ursula Servas
 (left)
 Glory Global Solutions
 (Germany) GmbH



Mónica Elguero
 (right)
 Glory Global Solutions
 (Spain) S.A.

Cleanup Around Workplaces

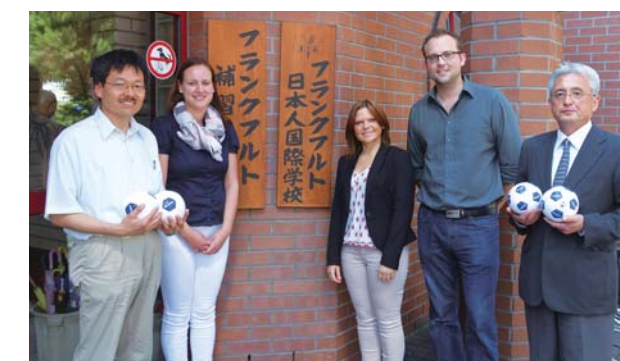
GLORY Group workplaces in Japan conduct ongoing cleanup activities, which in fiscal 2014 involved the participation of 2,696 employees. In November, GLORY headquarters, the Kinki office and the GLORY Techno 24 participated in the "Osaka Marathon Cleanup Mission," which consisted of cleanup activities around buildings in Osaka.



Employees cleaning a sidewalk near the GLORY office

Donating Mini Soccer Balls

In June 2014, Glory Global Solutions (Germany) GmbH donated 335 mini soccer balls to the Japanese International School and its Kindergarten in Germany to promote sport activities among local children and to strengthen our relationship with local schools.



Donation of Mini Soccer Balls

Voice Supporting the Healthy Growth of Children

In succession of our continuous support to the festivals and sporting events of Japanese International School in Frankfurt, we donated mini soccer balls in commemoration of the 2014 World Cup. We hope to continue supporting the healthy growth of children.

Szandra Pap
 Glory Global Solutions
 (Germany) GmbH



Supporting Those Affected in Nepal Earthquake

Glory Global Solutions Ltd. donated relief funds to Nepal after the April 2015 earthquake. These funds were donated through the Disasters Emergency Committee (U.K.) and distributed to citizens of Nepal in the form of medical supplies, food and blankets.



20th Anniversary of GLORY Foundation for Elementary School Students

The GLORY Foundation for Elementary School Students, which was founded in 1995 as part of our 50th anniversary, celebrated its 20th year of operation in 2015. The foundation have been conducting activities to meet contemporary regional needs. For the past 20 years our employee volunteers collaborating as lecturers in the Hands-on Science Classes, have been providing science education through fun activities such as hands-on classes to share the sense of wonder between parents and children. Other events, such as children's theaters, tennis, English conversation and *Kendo* (Japanese martial art) lessons, have also been provided by the foundation. A total of 89,000 people have participated in these activities over the past two decades. We have also been assisting such organizations that have been supporting the sound development of elementary students by providing activities related with sports, science and culture.

Aug. Hands-on Science Class



Making a robot with employee volunteers



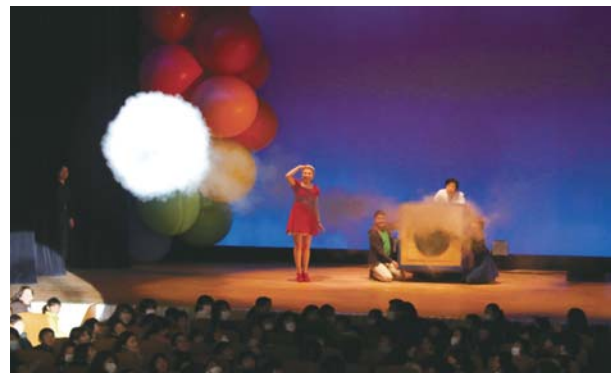
Children enjoy making robots



A "Snail Robot" created during the class

Jan. The Yonemura Denjiro Science Show

As part of the foundation's 20th anniversary events, we presented the Yonemura Denjiro Science Show inviting a total of 1,000 elementary students and their parents from our neighboring schools. The children couldn't take their eyes off the fun and fascinating science experiments Yonemura Denjiro conducted, which brought the entire room together and lifted everyone's spirits.



Air gun experiment



Balloon experiment for experiencing the weight of air

Nov. Hands-on Class for Parents and Children Program



Hot air balloon experiment in the Hands-on Class for Parents and Children Program

Contributing to the Preservation of Biodiversity through Forest Conservation Activities

Since 2011, we have engaged in forest conservation activities through GLORY Yumesaki Forest biodiversity efforts in Yumesaki-cho, located in Himeji, Hyogo Prefecture, as well as activities focused on the mountain forests of Nagano Prefecture, with the aim of preserving and maintaining biodiversity.

Apr. GLORY Yumesaki Forest conservation activities



An employee volunteer thinning cypress trees

Oct. Nature experience event for employee families



The "Creating Forest Animals" event using natural materials

May. Forest Conservation Activities in Nagano Prefecture

Workplaces in the Kanto Area have been conducting forest conservation activities since 2013 through participation in activities held in Nagano Prefecture by NPO Laboratory of Earth Conscious Life.



Planting saplings on a former ski run



Employee volunteers

Ongoing Confirmation of Activity Efficacy

We regularly conduct botanical surveys during GLORY Yumesaki Forest activities. Tree thinning enables sunlight to reach between trees, increasing the varieties of vegetation growing in the Earth's soil. Botanical varieties in broadleaf forests grew from 43 in April 2011 to 58 in July 2014, while botanical varieties in cypress forests grew from 15 to 56 during the same period of time.



Vegetation seen in Yumesaki Forests
(Right: *Rhododendron farrerae* ; Left: *Potentilla*)



Before commencing activities



Three years later

Environmental Responsibility

The GLORY Group formulated its Environmental Vision based on three concepts: products, business and awareness, to contribute to the creation of a sustainable society. Identifying the prevention of global warming, the management and reduction of chemical substances, the effective use of resources and the preservation of biodiversity as priority issues, we implement policies aimed at realizing this vision.

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



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.

To realize the Environmental Vision, GLORY formulated 2014 Medium-Term Environmental Targets and promoted policies aimed at achieving these goals. We promoted responses to matters having a significant impact on the environment with proprietary products meeting the evaluation criteria for certification as G-eco products among the development of environmentally friendly products aimed at preventing global warming, resulting in the development of 53 machines during the three year period beginning in fiscal 2012. From fiscal 2013, we began including logo marks in catalogs so that customers could easily identify environmentally friendly products.

From fiscal 2015, we will implement policies to achieve the 2017 Medium-Term Environmental Targets.

Environmental Activities Plan for Achieving the GLORY Environmental Vision

Activities Areas	Activities Themes	2014 Medium-Term Environmental Targets	FY2012	FY2013	FY2014	2017 Medium-Term Environmental Targets
Products Development of environment-friendly products	Prevention of global warming	Development of environment-friendly products (15% reduction in CO2 emissions compared with conventional models)	CO2 Emissions: Average Reduction Rates			15% or more reduction in CO2 emissions compared with conventional models (all new product average)
			34%	31%	15%	
			Number of Environmentally Friendly Products			
		17	16	20		
	Management and reduction of chemical substances	Compliance with regulation governing chemical substances content in products (revised RoHS Directive, REACH Regulation)	Revised RoHS Directives, REACH Regulations			All new products to be RoHS compliant
Compliant			Compliant	Compliant		
Effective use of resources	Conduct of a life cycle assessment(LCA)	Machines Undergoing LCA			*10% or more reduction in CO2 emissions during parts manufacturing life cycle *Develop carbon footprint	
5	16	12				
Business Reduction of environmental impact from business activities	Prevention of global warming	Sales contribution of 30% or higher from environment-friendly products	Environmentally Friendly Product Sales Ratio			Sales contribution of 55% or higher from environment-friendly products
			34%	37%	43%	
		Compliance with the Law Concerning the Rational Use of Energy	Average Annual Reduction of 1% per Unit			Energy consumed per unit Reduce 1% per year (base year: fiscal 2010)
			N/A	Achieved (3.0%)	Achieved (3.5%)	
			Statutory Filings			
	Filed	Filed	Filed			
	Management and reduction of chemical substances	Rigorous management of chemical substances used in manufacturing processes	*PRTR legal compliance *Use and control of chemical substances recommended for reduction			Strict global management of chemical substances
	Effective use of resources	100% achievement each year of targets concerning waste and recovery of used products	Rate of target achievement for each fiscal year: 100%			Volume of waste generated Reduce 1% per year (base year: fiscal 2010)
			Volume of Products Recovered through Application of Wide Area Recycling Authorization System			
			102.2 tons	64.4 tons	30.3 tons	
Year-on-Year Waste Emission Reductions						
16.0% reduced	4.6% increased	15.3% reduced				
Awareness Innovating environmental awareness	Preservation of biodiversity	Forest conservation and maintenance activities at GLORY Yumesaki Forest Annually thinning one hectare and planting 20 trees, continuing conduct of forest surveys	*Trees planted: 20 *Thinned: 1.04 ha *Botanical survey	*Trees planted: 20 *Thinned: 0.87 ha *Botanical survey	*Trees planted: 20 *Thinned: 0.87 ha *Botanical survey	*Improve contribution to preservation of biodiversity through GLORY Yumesaki Forest(ongoing botanical surveys and management item improvements) *Promote preservation of biodiversity activities through cooperation with stakeholders
	Implementation of new social contribution activities	—	Activities in Kanto Area		Develop global social contribution activities related to the environment	
			*Tree planting in Saku,Nagano Prefecture *Cleanup in Kasai Rinkai Park, Tokyo	*Tree planting in Tomi, Nagano Prefecture *Cleanup along banks of Arakawa River, Tokyo		
	Sustainment and promotion of green procurement	Concluded memorandum with suppliers	Concluded memorandum with suppliers	Concluded memorandum with suppliers	—	

Environmental Care through Products

New Product Reduces Energy Consumption by Nearly 46%

The GLORY Group promotes the development of environmentally friendly products with the aim of reducing impacts on the environment throughout a product's entire life cycle. The DS-N770 hybrid depositing machine is an example of such a product. Developed in fiscal 2014, the DS-N770 is able to deposit gift certificates used at supermarkets and department stores in addition to banknotes and coins, all in one machine. Equipped with an eco-mode that automatically switches the power off after sitting unused for a specified period of time and employing power-efficient parts, the DS-N770 consumes nearly 46% less power when used than conventional models.



DS-N770 hybrid
depositing machine



Environmental Care through Business Operation

Reusable Shipping Carton Packing Materials in China

GLORY Denshi Kogyo (Suzhou) Ltd., in cooperation with a parts manufacturer, replaced the cardboard boxes in which its parts were delivered to reusable shipping cartons. This resulted in an approximately 21-ton reduction in cardboard box waste per year.



Reusable shipping cartons

60 Eco-Cars Introduced in France

Glory Global Solutions (France) S.A.S. replaced 60 cars its company fleet with eco-cars that emit only a small amount of CO₂, resulting in a 22% reduction in CO₂ emissions from automobiles.



Eco-cars used in France

Simplifying Parts Packaging in Japan

In December 2013, the Saitama factory simplified the packaging of parts exported to a China Group company factory by switching to wooden pallets wrapped in plastic, reducing the use of wooden materials by nearly 21 tons annually.



Before improvements



After improvements

Voice Verifying Issues Ahead of Time to Simplify Parts Packaging

When switching to wooden pallets wrapped in plastic for the exporting of parts, the biggest concerns were that the load would fall apart or become damaged during transit. In addition to establishing rules for pallet loading and pallet load height limits, we conducted multiple tests before actual shipments commenced to check for any problems that might occur during shipments based on these rules. As a result, we confirmed this method to be safe and began shipments using this simplified parts packaging.

Akinori Tanaka

Purchasing Procurement Department, Purchasing Division, Production Headquarters

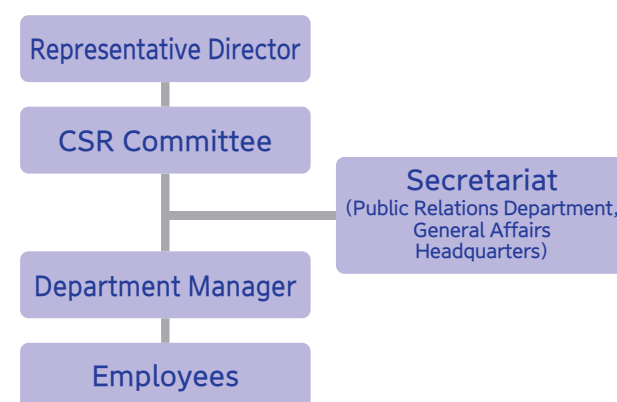


Management

CSR Promotion Framework Compliance

The CSR Committee is chaired by the president, and comprises management-level employees. This committee meets twice a year and deliberates basic directions and plans for CSR management, as well setting the course on CSR efforts to be focused on annually.

CSR Promotion Framework



The GLORY Group considers legal compliance to be a priority issue. We strive to maintain and improve our compliance structure.

To this end, we established the Compliance Committee. Chaired by the president, the committee consists of two outside experts (lawyers) and deliberates important compliance-related issues. The Board of Directors appoints one of its members to be the Chief Compliance Officer, while the Compliance Committee Office is mainly responsible for policy planning and formulation and employee training aimed at thorough compliance.

Compliance Education

We conduct legal ethics training for all levels of employee, including new hires and newly appointed managers, as well as ongoing e-learning for all GLORY and domestic Group employees. Each year, we also offer e-learning related to legal compliance for overseas Group employees and hold group training in line with annual planning.

In fiscal 2014, we conducted training at the Tokyo Office and at all branch offices for all domestic sales employees, aimed at improving the knowledge of those in sales positions representing the frontline with direct customer contact.



Legal ethics training for newly appointed managers

Enhanced Information Security

The GLORY Group handles a large amount of sensitive information related to the processing of cash and settlements, thus we are continually focused on enhancing information security. To this end, we established “GLORY-CSIRT” composed of members representing an organizational cross-section to operate under the auspices of the Compliance Committee. In May 2014, we joined the “Nippon CSIRT Association” to exchange information with other member companies, gather the latest information and promote enhanced information security.

CSR Education

In fiscal 2014, we, for the first time, attempted to promote understanding of CSR and spread awareness through CSR training in the form of an e-learning program for approximately 6,500 GLORY employees both in Japan and overseas, which we will continue for the future.

Corporate Governance

GLORY’s corporate philosophy guides our efforts to continuously improve our corporate value through sound and efficient business management, so that we can exit in harmony with society and earn the trust and support of all stakeholders. None of these goals can be achieved without a firm commitment to the continuing improvement of corporate governance. We will continue our efforts to strengthen the supervisory and executive functions of management, accelerate decision making, ensure transparency and objectivity, and enhance compliance management, thereby improving corporate value.

Third-Party Opinion

Global Management Promotion and CSR

CSR charts the direction of corporate management by ensuring company priorities are aligned with those of society. GLORY’s corporate philosophy is “contributing to the development of a secure society.” Their proprietary products, especially those utilizing cash-handling technologies, are already part of the social infrastructure, establishing GLORY’s presence as indispensable for a secure society. Consequently, GLORY is becoming increasingly socially responsible, and is also required to review various priorities, listening carefully and selflessly to the voice of the society. Additionally, the acquisition of Talaris Topco Limited has thrust the company onto the global stage, putting it in the position of having to consider social priorities from a global perspective. In other words, in terms of company management, CSR is synonymous with risk management, and increasingly viewed as a management issue.

Last year in this publication, I gave GLORY high marks for introducing a global framework into its CSR efforts, including signing on to the United Nations Global Compact and CSR procurement conforming to the Code of Conduct established in EICC. This fiscal year, GLORY is building on this groundwork by enhancing employees’ awareness and understanding of the term CSR. I highly commend the company for firmly promoting employees’ awareness of CSR through e-learning and other approaches.

At the same time, there are three issues I want to address regarding GLORY’s global management promotion.

First, I would like to see the company create a medium-term plan for CSR. In 2018, Glory will celebrate its centennial anniversary. Currently, the company is promoting the 2017 Medium-Term Management Plan. As mentioned above, CSR is synonymous with risk management, so I would like to see the company create a medium-term plan for CSR as a counterpart to the Medium-Term Management Plan and conduct progress management. CSR is also one aspect of management policy. It is vital that the PDCA cycle

is used to maintain a constant awareness of investment efficacy, with the results disclosed in a report such as this.

Second, GLORY needs to expand CSR procurement activities globally. This will further promote the overseas procurement of parts in the future. Given recent incidents and scandals involving Japanese corporations, it should be assumed that risks affect the entire organization, from the head office in Japan, to overseas group companies and suppliers. Simply observing the laws and regulations in each country is not enough. GLORY should establish standards and ensure that overseas suppliers adhere to those standards. In addition, I would like to see GLORY review its disclosure methods and consider disclosing how the results of surveys targeting suppliers are incorporated into procurement efforts and what impact this has on governance and policies.

Third, I would like to see GLORY promote the active participation of management-level employees in the CSR Committee. As I said before, the time has come for GLORY to formulate a medium-term plan for CSR and determine what kind of materiality initiatives they will engage in. In addition to management-level participation, the CSR Committee should establish a PDCA mechanism. As previously mentioned, GLORY has already made serious efforts to create a CSR foundation. Now management needs to utilize this foundation to advance globally over the next 2–3 years, which will undoubtedly prove to be extremely important for GLORY.

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” (both issued by Nikkei Publishing Inc.).



Mitsuo Ogawa

President
Craig Consulting Ltd.

Response to the Third-Party Opinion

For the second year in a row, GLORY would like to sincerely thank Mr. Ogawa for his valuable input.

For the GLORY Group, contributing to society through our business activities is of utmost importance. This is the basis of our corporate philosophy, which is shared among all Group employees.

Going forward, initiatives that consider the entire supply chain are becoming increasingly important as we continue to expand globally. Thus, we view Mr. Ogawa’s advice regarding international CSR procurement and the formulation of a medium-term plan for CSR to be extremely valuable.

The GLORY Group will promote CSR activities that enable us to contribute to the development of a more secure society as a company trusted by its stakeholders.



Motozumi Miwa

Director & Senior Managing
Executive Officer
GLORY LTD.