GLORY LTD.
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:
Corporate Communications Department
Phone: +81-79-294-6317
Fax: +81-79-299-6292

We Secure the Future

GLORY CSR Report 2016

Case:
GLORY produced Japan's first coin counter, which was recognized as a Mechanical Engineering Heritage in 2015. For more details, see Special Report 2 on pages 9 and 10 of this report.
GLORY CSR Report 2016

Corporate name: GLORY LTD.
Founded: March 1918
Incorporated: November 1944
Capital: ¥12,892,947,600

Stock listings: Tokyo Stock Exchange (1st Section)
Number of employees: 9,093
Line of business: Development, manufacturing, sales, and maintenance of money handling machines, data processing equipment, peripheral devices, vending machines, automatic service equipment, etc.

GLORY at a Glance

Business Segments

- Financial Market
  - Financial institutions, OEM clients, and others in Japan
    - Open teller systems
    - Cash and banknote recyclers for tellers
    - Cash and banknote recycling modules for ATMs
    - Multifunctional banknote changers
    - Cash monitoring cabinets
    - Security storage systems
    - Key management systems
- Retail and Transportation Markets
  - Supermarkets, department stores, cash-in-transit companies, railroad companies, and others in Japan
    - Coin and banknote recyclers for cashers
    - Sales proceeds deposit machines
    - Multifunctional banknote changers
    - Cash-recyclers for gas stations
    - Coin-operated lockers
    - Ticket vending machines
- Amusement Market
  - Amusement halls (pachinko parlors) and others in Japan
    - Card systems for pachinko parlors
    - Banknote conveyor systems
    - Pachinko coin dispensing machines
    - Pachinko ball counters for individual pachinko machines
    - Membership management systems for pachinko parlors
    - Pachinko ball return counters
- Overseas Market
  - Financial institutions, cash-in-transit companies, retail stores, casinos, OEM clients, and others overseas
    - Banknote recyclers for tellers
    - Banknote sorters
    - Banknote and check deposit modules for ATMs
    - Banknote counters
    - Coin and banknote recycling machines
    - Sales proceeds deposit machines
    - Coin wrappers
- Others
  - Tobacco shops, tobacco companies, hospitals, local governments, general companies, and others in Japan
    - Cigarette vending machines
    - Banknote recycling modules for horse race ticket vending machines
    - Medical payment keyboards
    - RFID self-checkout systems for cafeterias
    - Ballot sorters for handwritten ballots

Financial Data (Consolidated)

- Net Sales
  - Sales by Business Segment
    - Financial Market
    - Retail and Transportation Markets
    - Amusement Market
    - Overseas
    - Others

Operating Income

Note: From the fiscal year ended March 31, 2016, GLORY has changed its method of translating the revenue and expense accounts of overseas subsidiaries into Japanese yen. The financial figures provided for the fiscal year ended March 31, 2016 are the figures after the retroactive application.

Sales by Business Segment

- Financial Market
  - Sales: 226.9 billion yen (2015: 294.5 billion yen)
- Retail and Transportation Markets
  - Sales: 21.5 billion yen (2015: 29.2 billion yen)
- Amusement Market
  - Sales: 9.8 billion yen (2015: 15.1 billion yen)
- Overseas
  - Sales: 9.5 billion yen (2015: 15.3 billion yen)
- Others
  - Sales: 9.5 billion yen (2015: 15.3 billion yen)

GLORY at a Glance

Message from the President

Corporate Philosophy and Management Creed

Editorial Policy

Table of Contents

GLORY CSR Report 2016
Message from the President

Years of Technological Prowess and the Ability to Provide Exacting Solutions Allow GLORY to Help Realize a Sustainable Society

Hirokazu Onoe
President, GLORY LTD.

Manufacturing for People and the Unifying Force of Our DNA

Founded in 1918 with just seven employees, GLORY began as a factory for repairing light-bulb manufacturing devices. As our work consisted of irregular repair and subcontracting jobs, the business was not very stable in the beginning. Nevertheless, our founders were determined to one day have the company’s name on its own products. The rest is history. Today, GLORY can look back on having overcome many development challenges over the years.

A major turning point came when the Ministry of Finance’s Mint Bureau (known today as the Japan Mint) asked us to develop a coin counter. Until that stage of the product process, including planning, development, procurement, manufacturing, sales, and maintenance.

Global Strategy, New Challenges

Looking towards our centennial in 2018, we have formulated the Long-Range Vision 2018 as a shared target for achieving the group vision of “GLORY as the world’s top brand”—that is, making ourselves the world’s leading brand in our field. The final step towards achieving this is the 2017 Medium-Term Management Plan, a three-year plan that began in April 2015. This plan’s basic policy is to realize business growth through “customer-oriented superb manufacturing” and enhance profitability to achieve the Long-Range Vision 2018. After implementing the key strategies, we saw a strong business performance in Japan and worldwide for fiscal year 2015, the first year of the plan. As we approach GLORY’s 100th anniversary, fiscal year 2016 will be crucial as the second year of the plan.

The GLORY Group does business in over 100 countries, conducting locally geared strategies based on meticulous analysis of the various needs and challenges in each country and region. We also leverage proprietary technologies and know-how built up in Japan to provide customers with high accuracy and efficiency in value-added products and solutions.

In pursuing this global strategy, GLORY is striving aggressively to create new value in fields beyond money handling machines. One focus will be the increasingly important market for security products. Here, we are applying our existing core technologies and conducting research that is advancing new technologies such as facial recognition. Facial recognition has already been successfully applied to commercially viable keyless room entry systems for hotels. This technology offers convenience and safety, and it boosts the industry’s highest level of facial recognition accuracy. We expect to see it incorporated into many more facets of people’s daily lives in the near future.

Contributing to a Sustainable and Diverse Society

In 2014, GLORY signed the United Nations Global Compact. We make every effort to comply with the 10 principles covering human rights, labor, the environment, and anti-corruption. We believe that these 10 principles are based on the same values as those underlying our Corporate Action Guidelines.

As a global company, we place the utmost importance on efforts that promote respect for and the furthering of diversity. It is our belief that in order to achieve greater growth and contribute to society on a wider scale, many individuals of differing nationalities, religions, cultures, and values must work together towards a common goal. Our Guidelines of GLORY handbook contains our corporate philosophy, Corporate Action Guidelines, and other information. Produced in eight different languages, this handbook has been distributed to all of our worldwide employees.

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

June 2016
GLORY’s CSR Committee, chaired by the President and made up of management-level employees, convenes twice a year to discuss the basic direction and plans for CSR management and establish policies for major annual CSR initiatives.

Every employee in the GLORY Group receives a copy of the Guidelines of GLORY handbook, which contains information such as the corporate philosophy, management creed, and the Corporate Action Guidelines. The handbook is available in eight different language versions to ensure that employees around the world have the shared understanding needed to realize GLORY’s corporate philosophy.

GLORY believes that corporate social responsibility (CSR) is achieved by putting its corporate philosophy into practice. This means offering money handling machines and other products and services of high social importance to respond to customers’ needs for efficiency and accuracy and thus contribute to the realization of a safe and secure society.
GLORY’s mission is to continuously develop products and solutions that satisfy its customers’ needs. The product planning division keeps its ears tuned to customer requests and strives to reflect these in future products by working with the development division—the next step in bringing products to market.

The prime objective at GLORY is to develop new products that customers can depend on. While ensuring the quality and timely release of products, GLORY strives also to develop new products with ever-greater customer usability and environmental performance.

The top priority of the procurement division is maintaining a stable supply chain. GLORY complies with all applicable laws and carries out fair and open purchasing in an effort to progress in union with business partners and ensure CSR-oriented procurement throughout the entire supply chain.

GLORY strives to deliver high-quality products in a timely manner. With the Home&Factory—the main factory—in the central role, GLORY has built an optimized manufacturing system in which each of the company’s factories in Japan and overseas contributes its own particular strengths.

GLORY places the utmost importance on communication with customers. Based on an analysis of the exact needs of each market and customer, GLORY strives to provide in a timely manner high-value-added products and services that, for example, achieve ever-greater efficiency and accuracy in the business of handling cash.

The maintenance division has a thorough support system that constantly provides prompt, exacting, and sincere service to ensure that customers can use GLORY products with peace of mind. It also constantly adds new services with the aim of raising customer satisfaction.

These are the major initiatives that the GLORY Group is carrying out for each stakeholder category in the value chain.

**GLORY CSR Report 2016**
GLORY Products Evolve with the Times

With changing times come changing needs to which GLORY has continued to respond with products offering ever-expanding possibilities.

1950s

The post-war reconstruction of Japan and its economic recovery proceeded at a pace that startled the world. By 1955, Japan’s GNP had already surpassed pre-war levels, and in 1956 a government economic white paper prophesied the end of the post-war era—euphemism that struck a chord with the Japanese people.

GLORY* developed the first coin counter made in Japan. The product has been recognized as a historically significant product, owing to its contribution to saving labor and boosting reliability in the field of cash handling.

GLORY* was subcontracted to manufacture ship parts. Japan was in the midst of a shipbuilding boom in 1949, and in 1955, Japan’s GNP had already surpassed pre-war levels, and in 1956 a government economic white paper proclaimed the end of the post-war era—a phrase that struck a chord with the Japanese people.

1960s–1970s

The period from the early 1960s to the early 1970s saw a string of major events in Japan that symbolized the country’s transition to a major economic power, including the 1964 Tokyo Olympics, the inauguration of the Tokaido Shinkansen bullet train, and Expo ’70 in Osaka.

The standard of living was rising, and Japanese people began to think of themselves as middle class. However, the oil crisis in 1973 marked the end of this phase of Japan’s unprecedented economic growth.

1980s–1990s

The mid-1980s to the early 1990s saw Japan go on a high-profile worldwide spending spree that put it in the global spotlight, for better or worse. After the collapse of Japan’s bubble economy in 1991, Japan went through a long period of economic stagnation (called “the lost decade”) or worse, “the lost 20 years.” This was also when the Cold War was coming to an end and the world was undergoing economic globalization against the background of the birth of the EU and rapid advances in transportation and IT.

2000s Onward

At the start of the 21st century, Japan entered an era of falling births and deaths and an aging population. This brought the country face to face with problems such as inequality and labor shortages caused by a decreasing work-age population. Amid the spread of the Internet, ongoing globalisation, and digitizing changes in the state of the world, it was called into question how people and organizations should make their presence felt while respecting a diversifying range of values.

New Products Drive Business Expansion

GLORY was expanding its business and building up its technologies. Starting with coin counters, the company developed numerous products in the coin and banknote handling field. In 1986, GLORY became the first in the industry to develop a teller machine, the open teller system, for sales offices in financial institutions. GLORY went on to develop other products that met the needs of financial institutions, which diversified in response to a changing society and to requests for improved efficiency in work processes and use of capital.

In 1992, GLORY targeted the distribution market with the release of the industry’s first coin and banknote recycler, which automatically gave coin change during cash transactions. This product proved to be a huge hit, thanks to its ability to dramatically improve the efficiency of cashier payment transactions.

In addition, GLORY’s recognition/identification technologies—core technologies built up through the development of money handling machines—evolved to the point where they could identify things like personal seals and handwriting. This opened up further business opportunities.

Global Business Expansion

The GLORY Group currently conducts direct sales and maintenance in more than 20 countries, and GLORY products are at work in more than 100 countries. Banknote recyclers for tellers are being marketed to financial institutions around the world. These machines deliver a range of benefits: security is enhanced by having cash stored in a safe, counterfeit detection is improved through sophisticated currency authentication, and cash management processes are optimized. Not only do banknote recyclers for tellers speed up customer transactions, they also reduce the number of intra-day vault buy and sell. Furthermore, they reduce the time taken to balance a branch’s cash holdings at the start and end of the day. All this means that banks can optimize their costs and offer their customers a better experience.

For emerging economies where large numbers of banknotes are in circulation, GLORY has developed products such as a banknote sorting machine that effectively assesses the authenticity and quality of cash and that also records serial numbers. These and other products improve the reliability of currency and make for accurate management of banknotes in circulation.

GLORY will continue to advance its core technologies in order to contribute to the security of the world’s currencies as well as to the continuing betterment of society.

The Curtain Opens on GLORY-Made Products

Japan’s First Coin Counter

Japan was in the midst of a shipbuilding boom in 1949, and GLORY® was subcontracted to manufacture ship parts. Although the company’s factory was operating at full capacity, orders ended up falling drastically. It was at that time that GLORY was approached by the Mint Bureau (known today as the Japan Mint) about making a coin counter. GLORY’s then president, Jusaku Onoe, had always believed that the company should break out of its limited role as a manufacturing subcontractor and develop its own products. He saw this as the perfect opportunity to realize this dream. After much trial and error, GLORY successfully built Japan’s first coin counter in 1950 and delivered it to the Mint Bureau.

The development of this coin counter marked the beginning of a new business path to overseas markets.

New Technologies Drive Business Expansion

Period of Growth and Development

From Single-Function Machines to Multifunction Solutions

During what was hailed as Japan’s period of rapid economic growth, GLORY was also growing. In the 1980s, the company developed products such as coin wrappers and coin sorters. It also began development of banknote handling machines, as it built on its foundation as a comprehensive manufacturer of money handling machines. The development of other products such as coin wrappers and banknote counters for export marked the beginning of a new business path to overseas markets.

In the 1990s, GLORY made the transition from single-function machines to multifunction solutions, in the process contributing to automation and labor savings for companies in the financial and distribution industries. If anticipated customer needs with a succession of products including cash deposit and withdrawal control systems and multifunctional banknote changers. These state-of-the-art developments allowed GLORY to achieve steady progress even in the midst of the post-oil-crisis.

Global Business Expansion

Japanese Technology for the World

The GLORY Group currently conducts direct sales and maintenance in more than 20 countries, and GLORY products are at work in more than 100 countries. Banknote recyclers for tellers are being marketed to financial institutions around the world. These machines deliver a range of benefits: security is enhanced by having cash stored in a safe, counterfeit detection is improved through sophisticated currency authentication, and cash management processes are optimized. Not only do banknote recyclers for tellers speed up customer transactions, they also reduce the number of intra-day vault buy and sell. Furthermore, they reduce the time taken to balance a branch’s cash holdings at the start and end of the day. All this means that banks can optimize their costs and offer their customers a better experience.

For emerging economies where large numbers of banknotes are in circulation, GLORY has developed products such as a banknote sorting machine that effectively assesses the authenticity and quality of cash and that also records serial numbers. These and other products improve the reliability of currency and make for accurate management of banknotes in circulation.

GLORY will continue to advance its core technologies in order to contribute to the security of the world’s currencies as well as to the continuing betterment of society.
Based on its corporate philosophy, GLORY is pursuing sound and efficient business management that earns the trust and support of all stakeholders.

## Corporate Governance

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

### Corporate Governance Framework

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

### Corporate Governance Framework (as of April 1, 2016)

#### GLORY’s Corporate Governance Program

- **Compliance**
  - GLORY’s corporate philosophy guides its efforts to continuously improve corporate value through sound and efficient business management, so that the company can exist in harmony with society and earn the trust and support of all stakeholders. None of this can be achieved without a firm commitment to the continuing improvement of corporate governance. GLORY will continue its efforts to strengthen the supervisory and executive functions of management, accelerate decision-making, ensure transparency and objectivity, and enhance compliance management.

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

- **Corporate Governance Guidelines**
  - GLORY formulated the Corporate Governance Guidelines in February 2016. The company is pushing forward with business management in line with these guidelines and is striving to further strengthen its governance system.

- **Risk Management**
  - GLORY has a Risk Management Committee, which is chaired by the President. This committee determines the divisions and individuals responsible for each risk item specified in the Risk Management Manual. It implements precautionary measures against risks during normal times and securely maintains a system that can respond promptly in times of crisis. Through such measures, the committee oversees risk management for the entire GLORY Group.

In fiscal year 2015, in response to recent global business expansion, GLORY focused on strengthening risk management for the entire group, including overseas subsidiaries. It focused also on implementing validations to ensure the viability of business continuity plans (BCPs). GLORY has a Risk Management Committee, which is chaired by the President and which includes two outside directors. This committee oversees risk management for the entire GLORY Group, including overseas subsidiaries. It focused also on implementing validations to ensure the viability of business continuity plans (BCPs).

### Risk Management Framework

#### Risk Management Framework

GLORY has a Risk Management Committee, which is chaired by the President. This committee determines the divisions and individuals responsible for each risk item specified in the Risk Management Manual. It implements precautionary measures against risks during normal times and securely maintains a system that can respond promptly in times of crisis. Through such measures, the committee oversees risk management for the entire GLORY Group.

In fiscal year 2015, in response to recent global business expansion, GLORY focused on strengthening risk management for the entire group, including overseas subsidiaries. It focused also on implementing validations to ensure the viability of business continuity plans (BCPs).

### Message from Outside Directors

#### Hiroki Sasaki

**Outside Director**

Appointed outside director in June 2010
Chairman, Nomination Advisory Committee
Chairman, Compensation Advisory Committee

**Message**

On hearing the phrase “corporate governance,” one would conventionally think of a defensive process such as preventing corporate scandals. Nowadays, companies need to strike a balance between defense and offense. By “offense,” I mean taking an aggressive stance toward continuously boosting corporate value and fulfilling social responsibility, in order to generate long-term value. This is key to raising corporate value on an ongoing basis.

The key to raising corporate value is an ongoing process that will enable us to continue to create value over the medium to long term. This requires continuous effort aimed at achieving the plan’s objectives, and it requires that we confirm the progress being made and implement measures as necessary. The results are to be disclosed in a transparent manner, and we must strive to gain the understanding of stakeholders. All this is to be reflected in future management plans. I want to stress that it is exactly this kind of company—one that can do all of these things in an ongoing manner—that will be able to grow sustainably and boost corporate value.

GLORY has responded to changing times and has steadily put into action governance-related improvements. We have also responded to the expectations of our stakeholders and the trust they have in us as we expand our business. Global competition is becoming ever more intense, but I consider this a golden opportunity for the GLORY Group to renew itself. I will do my best to contribute in any way.

#### Akira Niijima

**Outside Director**

Appointed outside director in June 2006
Member, Nomination Advisory Committee
Member, Compensation Advisory Committee

**Message**

“Corporate governance” may seem like a rather formal or abstract phrase, but I think it essentially boils down to “communication.” Companies in pursuit of raising corporate value must conduct business that takes into account not only their own profit, but also the relationships they have with various stakeholders. By “communication,” I mean the way that management relates to stakeholders and how this can have an effect on management. But this applies to all workplaces. When there are effective lines of communication in place, individuals can act on their own initiative, exchange their views openly, and achieve results. It is such management regularly works to foster an environment conducive to such communication. If policies can be communicated smoothly down the line, the GLORY Group has a very open corporate atmosphere.

My hope is that they further enhance this positive environment and take on the challenge of continuously bringing forth products that contribute to the betterment of society, with an unyielding spirit embedded in the company DNA.

In 2012, GLORY acquired Talaris Topco Limited, a UK company. This makes it even more imperative that we communicate with a global perspective. Once we are able to establish a network of communication around the globe and speed up our decision-making, we will be able to become a global corporation with a more powerful competitive edge. As an outside director, I would like to keep these thoughts in mind as I put my efforts into helping raise the corporate value of GLORY.
GLORY provides products and services in a timely manner to win the confidence and satisfaction of customers.

GLORY’s Standpoint on Quality
GLORY established its Quality Policy in April 1994. Based on three priority guidelines, the company strives for uniform quality across all manufacturing bases in Japan and overseas. GLORY implements thorough quality control activities in all stages of its business operations—product planning, development, procurement, manufacturing, sales, and maintenance—so that it can respond to customer needs and develop reliable products and services.

All production-related group companies and plants, including the Himeji Factory and the Saitama Factory, have obtained ISO 9001 certification. These facilities all have in place a quality assurance system in line with this international standard for quality management.

Quality Policy
We will provide products and services in a timely manner to win the confidence and satisfaction of customers.

Three Priority Guidelines
1. By sensing market needs in advance, develop products that are valuable to customers.
2. Establish the quality of products from the earliest stage possible.
3. Place importance on customers’ first impression of quality and on after-sales services.

High-Quality Overseas Manufacturing
GLORY has set up a global production system that enables the company to manufacture products at the optimal location. To do so, the company takes into account factors such as the procurement methods for parts and materials, the production methods, and the workforce in each country and region where it does business.

Counters around the world have different cultures and market environments. That is why GLORY takes different approaches at its production bases in the Philippines and China. These bases do not simply copy the production system used in Japan. Rather, they adopt a system that makes the most of local production characteristics, while striving for the same level of quality as in Japan. Overseas production bases also communicate closely with GLORY’s main factory—the Himeji Factory—to share information on quality and good practices in a timely manner. Such efforts enable GLORY to establish a system for ensuring consistent quality on a global scale.

Ensuring Quality in the Production and Inspection Processes
The optimal production location for GLORY products is determined at the product planning stage. Once an overseas base has been designated for production, all relevant divisions—including production, development, and quality assurance—work together and communicate closely with local personnel to establish a production method suited to that particular base. Once full-scale production is underway, GLORY strives to maintain consistent quality by keeping a precise count of parts, conducting inspections even more stringent than those in Japan, and other methods. The Himeji Factory’s quality assurance division visits overseas factories and regularly conducts quality audits in order to secure high quality.

Quality-Focused Human Resource Development
GLORY educates employees in Japan and overseas so that it can produce high-quality products at all of its bases. Employees of GLORY (PHILIPPINES), INC. have been receiving training at the Himeji Factory in Japan since 2000. Trainees spend a year learning about production techniques, methods to improve quality, and Japanese culture and customs. After returning to their home country, they apply what they have learned to their workplaces and act as team leaders.

In fiscal year 2015, four employees came to study in Japan. A total of 76 people so far have undergone this training.

Customer Response and Support

Call Centers in Tokyo and Osaka
GLORY upholds a policy of FAST—“fast, accurate, sincerity, and think”—for its maintenance services. The company strives to provide customers peace of mind, confidence, and satisfaction by always thinking about how to provide service that is fast, accurate, and delivered with sincerity.

All inquiries from customers in Japan related to GLORY products and systems—such as how to operate a product, troubleshooting, and requests for repairs—are handled at call centers run directly by GLORY in Tokyo and Osaka. Approximately 100 operators are on stand-by at the call centers at all times. Problems are solved quickly by utilizing a proprietary error search system and a technical staff (TS) mapping function. If a maintenance visit is necessary, the call center relays the inquiry to the maintenance backup staff, following which technical staff members are dispatched to the site. GLORY has roughly 1,000 technical staff members deployed around the country. In this way, GLORY has in place a reliable support system for addressing customer problems as quickly as possible.

Boosting Customer Response Skills
The call centers are making an effort to boost their capability to respond to customer inquiries and provide support so that GLORY can offer faster and more accurate service. Operators who first handle incoming customer calls are given customized training that matches their individual skills. This helps to ensure smooth communication with customers.

Call Center Tours
GLORY actively offers customers the opportunity to tour the call centers. An explanation of GLORY’s entire after-sales support system helps to deepen customers’ understanding of the company’s after-sales service so that they can use GLORY products with peace of mind. In fiscal year 2015, customers from 79 companies visited the call centers.

Voice

My Service Quality Group is committed to standardizing call center operations and improving service quality. Each call center holds regular training sessions to boost response skills. By sharing videos of the training, our call centers are able to provide the same high level of service.

The call centers receive inquiries from customers who are having some kind of trouble with their products. We place the utmost priority on putting ourselves in the customer’s shoes when handling inquiries. We value a sense of onemanship. This way, when we solve a customer’s problem, they can feel happy about using GLORY products.

I will do my best to keep on providing service that will boost customers’ peace of mind and satisfaction.

Ayako Yoshida
Senior Manager, Service Sales and Support
GLORY Techno Co., Ltd.
GLORY respects every employee as an individual and strives to create an enriching and pleasant work environment.

Fostering Human Resources

Fostering Globally Minded Human Resources

By acquiring UK company Talars in 2012, GLORY significantly increased both its overseas sales and its employee base. Today, overseas sales account for approximately 47% of GLORY Group consolidated net sales, and overseas employees account for approximately 39% of all Group employees. Given this new group make-up, the company is placing special emphasis on fostering human resources that can support international expansion. It is bringing this objective about through programs such as the Short-Term Overseas Study Program and the Overseas Trainees Program.

GLORY also provides as many opportunities as possible for exchanges between employees in Japan and those at overseas subsidiaries.

Overseas sales rate, number of overseas employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Overseas sales rate</th>
<th>Total Group employees</th>
<th>Overseas employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>40%</td>
<td>27,175</td>
<td>1,373</td>
</tr>
<tr>
<td>2012</td>
<td>41%</td>
<td>25,040</td>
<td>1,286</td>
</tr>
<tr>
<td>2013</td>
<td>42%</td>
<td>23,050</td>
<td>1,292</td>
</tr>
<tr>
<td>2014</td>
<td>46%</td>
<td>21,660</td>
<td>1,356</td>
</tr>
<tr>
<td>2015</td>
<td>48%</td>
<td>19,945</td>
<td>1,356</td>
</tr>
</tbody>
</table>

New Career-Building Initiatives

In fiscal year 2014, GLORY conducted an employee awareness survey to determine the level of employee motivation and the degree of permeation of the corporate philosophy. In fiscal year 2015, the results of this survey were given to employees and incorporated into human resource measures and personnel systems. The company subsequently launched new initiatives, such as career interviews and the Leadership Challenge Program.

Career Interviews

In fiscal year 2015, GLORY introduced a human resource database system to properly catalog the knowledge and skills that employees have garnered throughout their careers. This data provides the basis for career interviews between bosses and subordinates and makes it easier to chart a career path for employees. The ultimate goal of the interviews is to foster self-sufficient employees who have a clear vision of their future career and who can use their abilities to the fullest to achieve their goals.

Leadership Challenge Program

This program for upper-level full-time employees aims to identify and foster future managers and strengthen their management capabilities. The program helps participants acquire an understanding of the roles of a leader and the communication skills necessary to effectively manage people. It allows them to create blueprints for the type of leader they want to become and to modify their behavior accordingly. In fiscal year 2015, 64 employees took part in this program.

Promoting Diversity

GLORY aims to build a workplace where every employee, regardless of gender, nationality, sexual orientation, or disability, can utilize his or her talents to the fullest.

Equal Opportunities for Women

Since fiscal year 2011, GLORY has been focusing on delivering equal opportunities for female employees. Women accounted for 12.5% of all GLORY employees as of the end of fiscal year 2015. In fiscal year 2016, with the enactment of Japan’s Act on Promotion of Women’s Participation and Advancement in the Workplace, GLORY launched a company-wide action plan with two initiatives: first, to have 20% of new graduate hires in the next three years be women; and second, over the next five years, to double the number of female managers (i.e., those at the rank of section manager or higher).

GLORY Women’s College

Since fiscal year 2012, the GLORY Women’s College has aimed to help women feel more enthusiastic about their jobs and has fostered female candidates for managerial positions. The year-round classes raise awareness about career advancement for women. Each year, 10 women are selected for this course, and 40 have so far graduated from it.

Reducing Long Hours of Work

GLORY strives to modify work processes and schedules in order to reduce constant bouts of long work hours. This helps to bolster employees’ mental and physical well-being and maintain their motivation for work.

In fiscal year 2015, in an effort to impress upon employees the importance of working efficiently so as to avoid overtime, GLORY increased the number of weekly “no-overtime days” to two days: Wednesday and Friday. And to get employees home early, each GLORY division has its own rules regarding when work finishes and when to turn off the office lights each day.

Respecting Human Rights

GLORY Group has signed and participates in the United Nations Global Compact, which advocates universal principles covering the four areas of human rights, labor, the environment, and anti-corruption. The Group will continue to make respect for human rights a cornerstone of its management.

GLORY CSR Report 2016

GLORY CSR Report 2016
GLORY will harmonize and advance the interests of the company and of society. As a good corporate citizen, it will also actively participate in social action programs.

Social Initiatives

Contributing to Society

Through Business Activities

GLORY Cosponsors Expo Milano 2015 Japan Pavilion

From May to October 2015, Expo Milano 2015 was held under the theme, "Feeding the Planet, Energy for Life." On request from the Japan Pavilion, GLORY provided a smart management system for its Japanese restaurant. Thanks to GLORY’s contributions, which included the back office system and the ticket vending machines that accelerated ordering and payment for the pavilion, many visitors to the restaurant were able to operate smoothly and successfully.

GLORY CSR Report 2016

Lending Products to the Okinawa Prefectural Police Department

In order to obtain a cash counter to count money confiscated in criminal cases, the Okinawa Prefectural Police Department consulted with the Bank of the Ryukyus, which in turn contacted GLORY. The company subsequently lent the Okinawa Police two banknote counters and five coin counters. In August 2015, GLORY received a letter from the police thanking the company for promptly providing the products, creating special instruction manuals for the police, and helping with delivery.

Fostering the Next Generation

GLORY Foundation for Elementary School Students

In March 1995, GLORY established the GLORY Foundation for Elementary School Students with the goal of supporting the sound development of young people. Through the foundation, the company conducts sports, arts, and cultural activities that have included hands-on science classes, hands-on classes for parents and children, and children’s theater. A cumulative total of 92,000 people have taken part in these activities since the foundation was launched. The foundation also provides financial assistance to organizations that work towards the sound development of elementary school students through activities in sports, science, and culture.

Hands-on Science Classes

Children work together with GLORY employees and build their own science projects, experiencing firsthand the wonders of science and in the process cultivating their creativity and unique powers of imagination.

In fiscal year 2015, science classes 200 students from grades three to six tried building their own “Cam-Cam Cars” that applied the principles of the cam mechanism.

Children’s Theater

The Children’s Theater project is held with the goal of enriching the aesthetic sensibilities of youngsters and planting in them the seeds of creativity.

In fiscal year 2015, 3,000 elementary school students and their parents attended performances of the musical "The Cat Who Wanted to Be a Man," presented by the Shiki Theater Company.

Hands-on Classes for Parents and Children

This program is held every spring and autumn with the goal of strengthening the bonds between parents and children through a range of fun and exciting experiences.

In May 2015, 93 children and parents were selected by lottery to watch the Shiki Theater Company’s performance of "The Lion King" and take a backstage tour. Later that year, in November, a hot-air balloon ride was held. Three hundred children and parents learned how hot-air balloons work and took turns boarding one anchored at a local elementary school.

Making Building Blocks from Sustainable Wood

GLORY’s Saitama Factory used sustainable wood (wood from forest thinning) to make children’s building blocks.

GLORY’s Saitama Factory used sustainable wood (wood from forest thinning) to make children’s building blocks.

Supporting Education in the Philippines

In August 2015, the Technological University of the Philippines (TUP) and GLORY’s Saitama Factory donated finished building blocks to the TUP's Building Block Project to help build kindergarten classrooms.

Supporting Children of the Sahara Desert

GLORY employees collected books for donation.

Other Contributions to Society

Cosponsoring the World Heritage Himeji Castle Marathon 2016

GLORY was a cosponsor of the World Heritage Himeji Castle Marathon 2016 held in February. Fifty GLORY employees volunteered on race day to assist the approximately 4,000 participants running the full marathon.

A number of GLORY employees also took part in the race itself, making a spirited effort to reach the finish line.

Making Building Blocks from Sustainable Wood

GLORY was a cosponsor of the World Heritage Himeji Castle Marathon 2016 held in February. Fifty GLORY employees volunteered on race day to assist the approximately 4,000 participants running the full marathon.

A number of GLORY employees also took part in the race itself, making a spirited effort to reach the finish line.

Supporting Education in the Philippines

In August 2015, the Technological University of the Philippines held a career symposium at which a GLORY employee who had graduated from the university gave a career-themed talk to environmental science majors.

The aim of the symposium is to give third-year students a deeper understanding of what to expect after graduation. To this end, university alumni now working in the environmental protection field give talks on the knowledge and experience they have gained in the working world.

Participating in the Table for Two Program

Since 2011, GLORY has had a special menu in its headquarters cafeteria in support of the Table for Two (TFT) program run by NPO Table for Two International. It is said that about one billion people worldwide suffer from hunger and malnutrition, while another billion suffer from obesity. The TFT program aims to address this imbalance by offering cafeteria patrons healthy meals that prevent lifestyle diseases, while at the same time donating part of the price of each meal to provide school meals in developing countries (Uganda, Rwanda, Malawi, and Ethiopia). This program is popular among employees, since it provides an easy way to make a difference in the world.

In fiscal year 2015, 18,570 school lunches were provided as a result of GLORY’s TFT program, bringing the total since 2011 to 57,566 school lunches.

Bone Marrow Donor Registration Days

In October 2015, donor registration days for the German Bone Marrow Donor Center (DKMS) took place at Glory Global Solutions (Germany) GmbH. In keeping with the motto, “Save a life,” over 30 employees participated in the campaign and had themselves tissue typed.

Supporting Children of the Sahara Desert

Employees of Glory Global Solutions (Spain) S.A. and other companies in the Glory Global Solutions Group in seven countries gathered items that they donated to children of nomadic tribes living in the Sahara Desert. Items included bicycles, clothing, and books in various languages.

Making Building Blocks from Sustainable Wood

GLORY CSR Report 2016

Cosponsoring the World Heritage Himeji Castle Marathon 2016

GLORY was a cosponsor of the World Heritage Himeji Castle Marathon 2016 held in February. Fifty GLORY employees volunteered on race day to assist the approximately 4,000 participants running the full marathon.

A number of GLORY employees also took part in the race itself, making a spirited effort to reach the finish line.

Making Building Blocks from Sustainable Wood

GLORY was a cosponsor of the World Heritage Himeji Castle Marathon 2016 held in February. Fifty GLORY employees volunteered on race day to assist the approximately 4,000 participants running the full marathon.

A number of GLORY employees also took part in the race itself, making a spirited effort to reach the finish line.

Supporting Education in the Philippines

In August 2015, the Technological University of the Philippines held a career symposium at which a GLORY employee who had graduated from the university gave a career-themed talk to environmental science majors.

The aim of the symposium is to give third-year students a deeper understanding of what to expect after graduation. To this end, university alumni now working in the environmental protection field give talks on the knowledge and experience they have gained in the working world.

Participating in the Table for Two Program

Since 2011, GLORY has had a special menu in its headquarters cafeteria in support of the Table for Two (TFT) program run by NPO Table for Two International. It is said that about one billion people worldwide suffer from hunger and malnutrition, while another billion suffer from obesity. The TFT program aims to address this imbalance by offering cafeteria patrons healthy meals that prevent lifestyle diseases, while at the same time donating part of the price of each meal to provide school meals in developing countries (Uganda, Rwanda, Malawi, and Ethiopia). This program is popular among employees, since it provides an easy way to make a difference in the world.

In fiscal year 2015, 18,570 school lunches were provided as a result of GLORY’s TFT program, bringing the total since 2011 to 57,566 school lunches.

Bone Marrow Donor Registration Days

In October 2015, donor registration days for the German Bone Marrow Donor Center (DKMS) took place at Glory Global Solutions (Germany) GmbH. In keeping with the motto, “Save a life,” over 30 employees participated in the campaign and had themselves tissue typed.

Supporting Children of the Sahara Desert

Employees of Glory Global Solutions (Spain) S.A. and other companies in the Glory Global Solutions Group in seven countries gathered items that they donated to children of nomadic tribes living in the Sahara Desert. Items included bicycles, clothing, and books in various languages.
Rather than using chlorofluorocarbon (CFC) alternatives, the Recycle Jet compressed air duster is filled only with CO₂, the amount that’s used for the intended purpose: removing dust and other contamination from electronics and machinery. These efforts were recognized when GLORY received an excellence award at the 18th Grand Prix Contest for Ozona Layer Preservation Global Warming Prevention, sponsored by the Nikkan Kogyo Shimbun, Ltd.

**Environmental Initiatives**

The entire GLORY Group works to protect the environment under the GLORY Environmental Vision.

To create a sustainable society, the GLORY Group has formulated an environmental vision with three areas of focus: products, business, and awareness. The vision’s top priorities are the prevention of global warming, the management and reduction of chemical substances, the effective use of resources, and the preservation of biodiversity.

Based on this vision, GLORY has formulated the 2017 Medium-Term Environmental Plan, a three-year plan starting in April 2015 as a group-wide environmental effort. The GLORY Group develops environmentally friendly products that minimize environmental impact throughout the product lifecycle. The DSS-500 coin and banknote deposit machine for supermarkets, restaurants, and specialty shops—a GLORY G-Eco product—developed in fiscal year 2015, consumes approximately 33% less electricity than its predecessor and is filled only with CO₂, the amount that’s used for the intended purpose: removing dust and other contamination from electronics and machinery. These efforts were recognized when GLORY received an excellence award at the 18th Grand Prix Contest for Ozona Layer Preservation Global Warming Prevention, sponsored by the Nikkan Kogyo Shimbun, Ltd.

**Developing Environmentally Friendly Products**

The GLORY Group develops environmentally friendly products to minimize environmental impact throughout the product lifecycle. The Recycle Jet compressed air duster is filled only with CO₂, the amount that’s used for the intended purpose: removing dust and other contamination from electronics and machinery. These efforts were recognized when GLORY received an excellence award at the 18th Grand Prix Contest for Ozona Layer Preservation Global Warming Prevention, sponsored by the Nikkan Kogyo Shimbun, Ltd.

**Developing Environmentally Friendly Maintenance Products**

GLORY’s Recycle Jet compressed air duster is used to remove dust and other contamination from electronics and precision machinery in an environmentally friendly manner. Rather than using chlorofluorocarbon (CFC) alternatives, the Recycle Jet is filled with CO₂ injection gas recovered as an industrial by-product. This gives it a global warming potential just 1/1,430th of that existing products—in other words, it has a minimal global warming effect. In addition, its reusable cylinders contribute to minimizing waste materials.

**Environmental Friendly Maintenance Products**

GLORY’s Recycle Jet compressed air duster is used to remove dust and other contamination from electronics and precision machinery in an environmentally friendly manner. Rather than using chlorofluorocarbon (CFC) alternatives, the Recycle Jet is filled with CO₂ injection gas recovered as an industrial by-product. This gives it a global warming potential just 1/1,430th of that existing products—in other words, it has a minimal global warming effect. In addition, its reusable cylinders contribute to minimizing waste materials.

GLORY also has a recycling scheme that makes use of a nationwide network of more than 100 service locations. Technical staff collect used cylinders during routine maintenance work, and these cylinders are then sent to affiliated facilities to be refilled with injection gas. These efforts were recognized when GLORY received an excellence award at the 18th Grand Prix Contest for Ozona Layer Preservation Global Warming Prevention, sponsored by the Nikkan Kogyo Shimbun, Ltd.

**Environmental Initiatives**

The entire GLORY Group works to protect the environment under the GLORY Environmental Vision.

To create a sustainable society, the GLORY Group has formulated an environmental vision with three areas of focus: products, business, and awareness. The vision’s top priorities are the prevention of global warming, the management and reduction of chemical substances, the effective use of resources, and the preservation of biodiversity.

Based on this vision, GLORY has formulated the 2017 Medium-Term Environmental Plan, a three-year plan starting in April 2015 as a group-wide environmental effort. The GLORY Group develops environmentally friendly products that minimize environmental impact throughout the product lifecycle.

**Developing Environmentally Friendly Products**

The GLORY Group develops environmentally friendly products to minimize environmental impact throughout the product lifecycle. The Recycle Jet compressed air duster is filled only with CO₂, the amount that’s used for the intended purpose: removing dust and other contamination from electronics and machinery. These efforts were recognized when GLORY received an excellence award at the 18th Grand Prix Contest for Ozona Layer Preservation Global Warming Prevention, sponsored by the Nikkan Kogyo Shimbun, Ltd.

**Developing Environmentally Friendly Maintenance Products**

GLORY’s Recycle Jet compressed air duster is used to remove dust and other contamination from electronics and precision machinery in an environmentally friendly manner. Rather than using chlorofluorocarbon (CFC) alternatives, the Recycle Jet is filled with CO₂ injection gas recovered as an industrial by-product. This gives it a global warming potential just 1/1,430th of that existing products—in other words, it has a minimal global warming effect. In addition, its reusable cylinders contribute to minimizing waste materials.

GLORY also has a recycling scheme that makes use of a nationwide network of more than 100 service locations. Technical staff collect used cylinders during routine maintenance work, and these cylinders are then sent to affiliated facilities to be refilled with injection gas. These efforts were recognized when GLORY received an excellence award at the 18th Grand Prix Contest for Ozona Layer Preservation Global Warming Prevention, sponsored by the Nikkan Kogyo Shimbun, Ltd.

**Environmental Initiatives**

The entire GLORY Group works to protect the environment under the GLORY Environmental Vision.

To create a sustainable society, the GLORY Group has formulated an environmental vision with three areas of focus: products, business, and awareness. The vision’s top priorities are the prevention of global warming, the management and reduction of chemical substances, the effective use of resources, and the preservation of biodiversity.

Based on this vision, GLORY has formulated the 2017 Medium-Term Environmental Plan, a three-year plan starting in April 2015 as a group-wide environmental effort.
GLORY strives to build long-term relationships of trust with its shareholders and investors. To this end, the company engages in comprehensive dialogue to deepen their understanding of GLORY’s management policy and business activities. It also works to increase management transparency through timely, accurate, and fair information disclosure. In fiscal year 2015, GLORY hosted a showroom tour after the general meeting of shareholders. On other occasions during the year, it held financial results briefings for institutional investors and company briefings for individual investors.

The GLORY corporate website has a special section for shareholders and investors. Here, quarterly financial reports, shareholder reports, annual reports, and other materials are disclosed in a timely manner for the convenience of shareholders and investors.

Third-Party Opinion

GLORY CSR Report 2016

GLORY's Response

GLORY sincerely thanks Professor Saka for her valuable remarks regarding our CSR efforts.

For the GLORY Group, fulfilling CSR means practicing the ideals of our corporate philosophy in all places of work and, in our daily activities, putting into action our desire to be a good corporate citizen. We are most encouraged by Professor Saka’s use of words such as “integrity,” “reliability,” and “sincerity” to praise our efforts—efforts that often go unnoticed by those outside the company. Her suggestion of utilizing CSR as a soft law to help expand global business operations is something we would definitely like to incorporate into our future activities.

GLORY will keep up its efforts in integrating our core business with CSR, so that we can contribute to the development of a society with greater collective peace of mind. We will also continue in an appropriate manner to disclose to all stakeholders information on our business and CSR activities.
We Secure the Future

Cover:
GLORY produced Japan’s first coin counter, which was recognized as a Mechanical Engineering Heritage in 2015. For more details, see Special Report 2 on pages 9 and 10 of this report.